

This readme file describes how one can estimate the method developed in “Correcting for Endogeneity in Models with Bunching”, available [here](#).

Follow these steps, in order:

- 1- Add all files in this folder in the same path.
- 2- Open Sample.do, and change lines 5-12 accordingly.
- 3- Run Sample.do, which uses ccn_dist.ado to estimate the effects.
 - a. It reports the estimated effect of the treatment variable (along with its standard error).
 - b. If one of the correction methods are invoked, then it also reports the results regarding the effect(s) of the correction term.
 - i. If the effect of this correction term is not allowed to change with Z, then it reports the estimated effect and its standard error.
 - ii. Otherwise, it reports the F-statistic as well as the p-value of the test of whether all effects are equal to zero, for all clusters of Z.

Sample.do reads into a sample dataset, creates clusters and then estimates the effects of interest. See detailed comments on Sample.do and ccn_dist.ado if you want to make modifications. Please email us at gregorio.caetano@gmail.com if you have any questions!

Carolina Caetano
Gregorio Caetano
Eric Nielsen