Reading: Angrist & Pischke Chapter on Experiments

1. AP use a parable from a Robert frost poem to demonstrate an important point about economic research. What is that point?
2. Table 1 illustrates the problem with comparing the health of people in a survey some of which have health insurance and some of which do not. Look at the table and describe what’s going on in column (3). What’s the problem here?
3. Describe the subscripting that tells us the effect of health insurance.
4. What point is AP making comparing Khuzdar and Maria?
5. What is selection bias in the context of Khuzdar and Maria?
6. Why doesn’t taking the difference in averages fix selection bias issue? Refer to equations 1.2-1.4 for your answer.
7. Why might it not be wise to simply look people with similar characteristics that you can *observe* but some that have health insurance and some that do not?
8. How does random assignment eliminate selection bias? Use the potential outcomes framework in your answer.
9. Look at table 1.3, what is it showing? Why is this important to establish before you go looking for causal effects?
10. Look at table 1.4, what does this table tell us about generous insurance and it’s effects on health?
11. Describe the results of the Oregon health experiment.
12. What does this imply about expanding Medicaid?
13. What are some problems with Medicaid the experiment?
14. Do we have enough information to conclude expanding Medicaid does not increase health?
15. According to the experiment what is the biggest benefit of Medicaid to individuals?