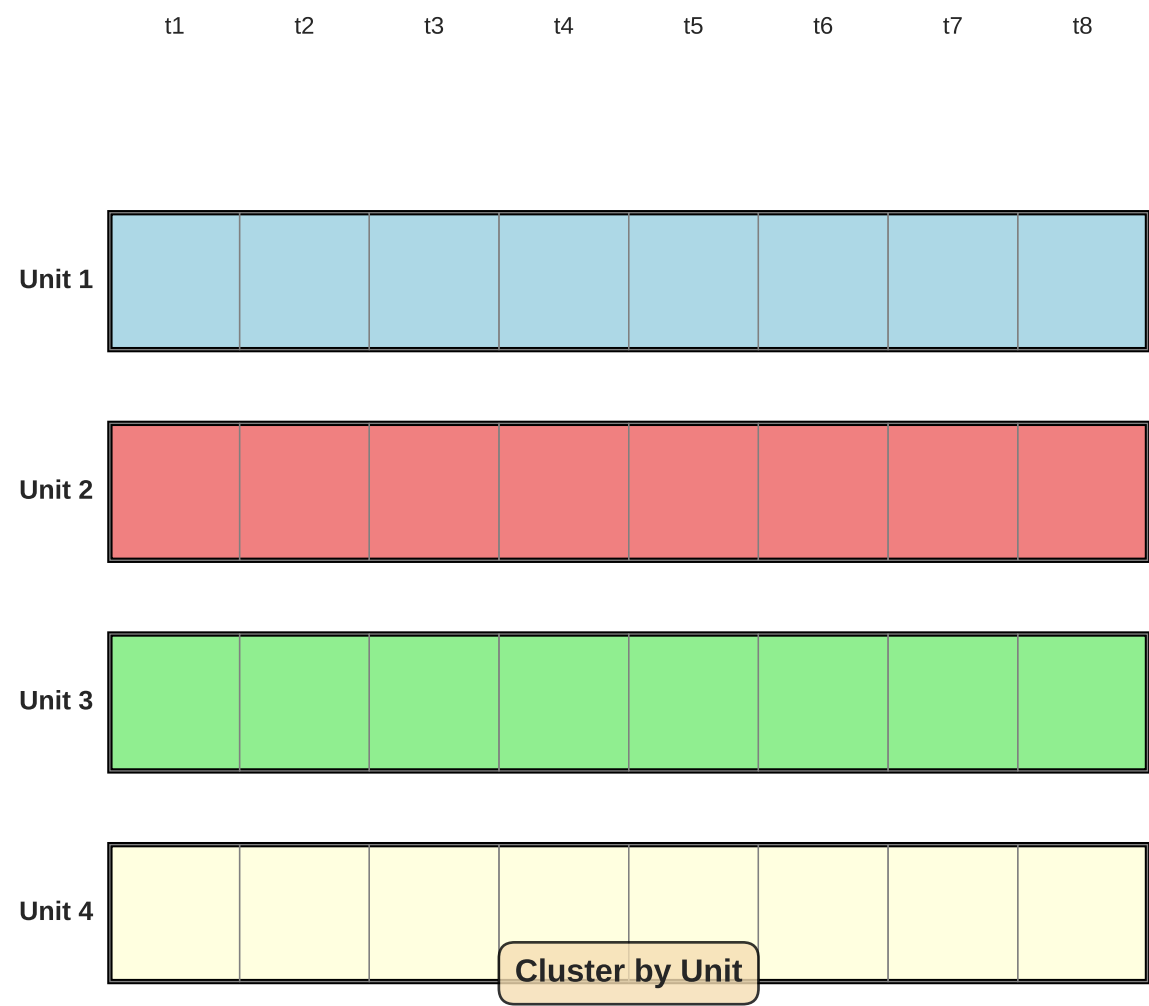
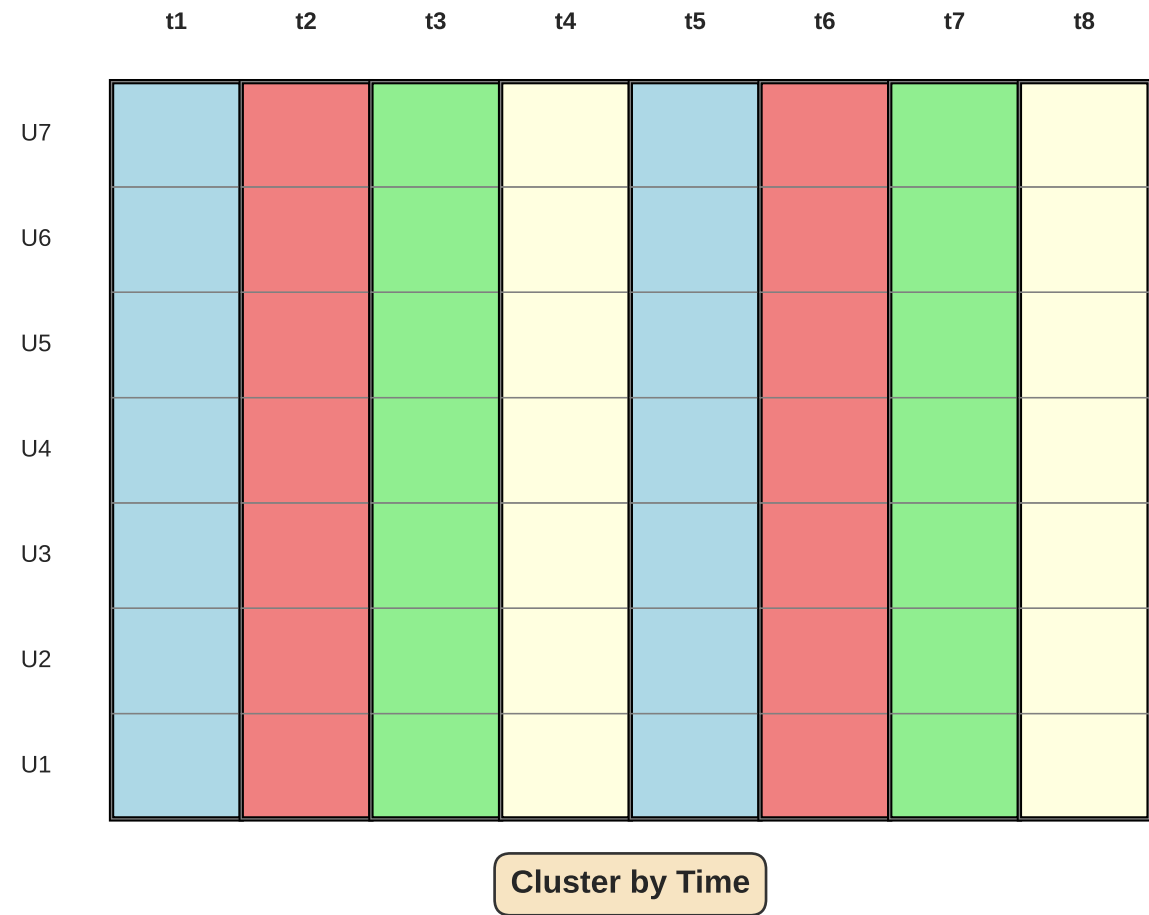


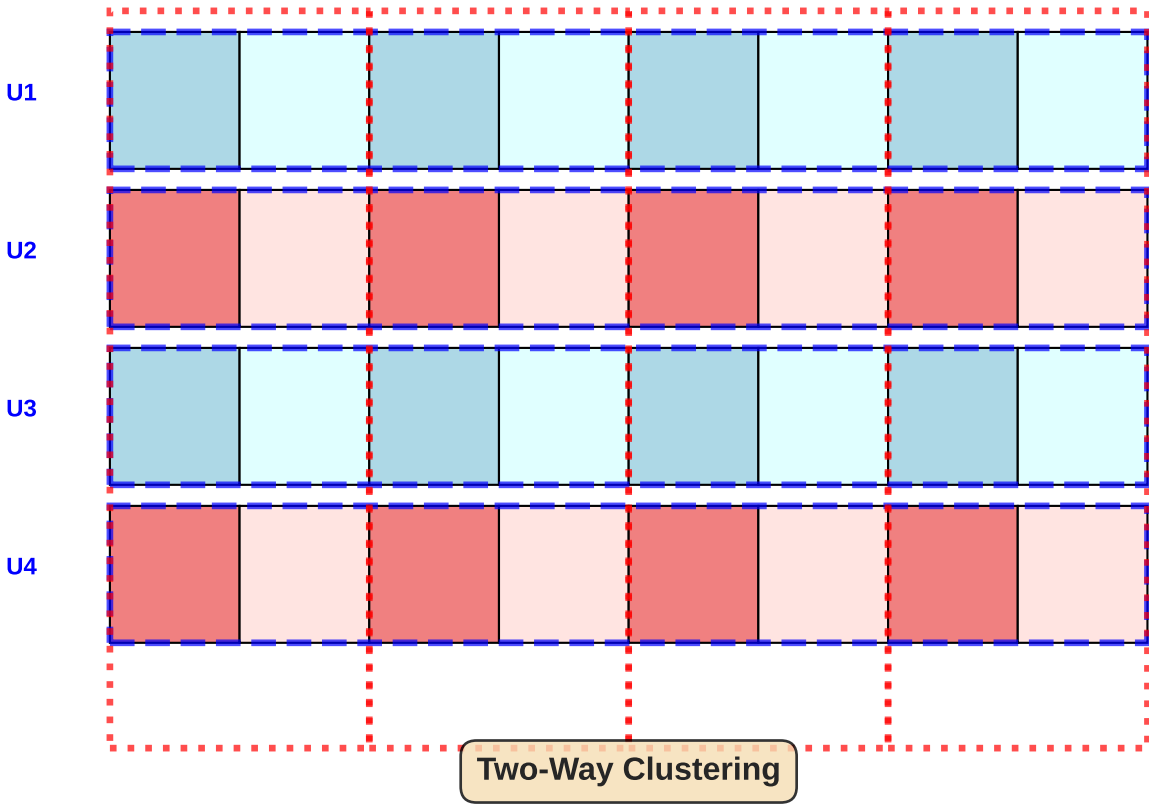
Panel A: Unit Clustering



Panel B: Time Clustering



Panel C: Two-Way Clustering



Panel D: Decision Guidance

When to Use Each:

Unit Clustering:

- Treatment varies at unit level
- Time FE absorb common shocks
- DiD, event studies (standard)

Time Clustering:

- Treatment varies over time
- Cross-sectional correlation
- Policy changes affect all units

Two-Way Clustering:

- Both unit & time shocks present
- Staggered adoption with cohorts
- Adequate G in both dimensions

❑ Small G (<30): Use wild bootstrap