

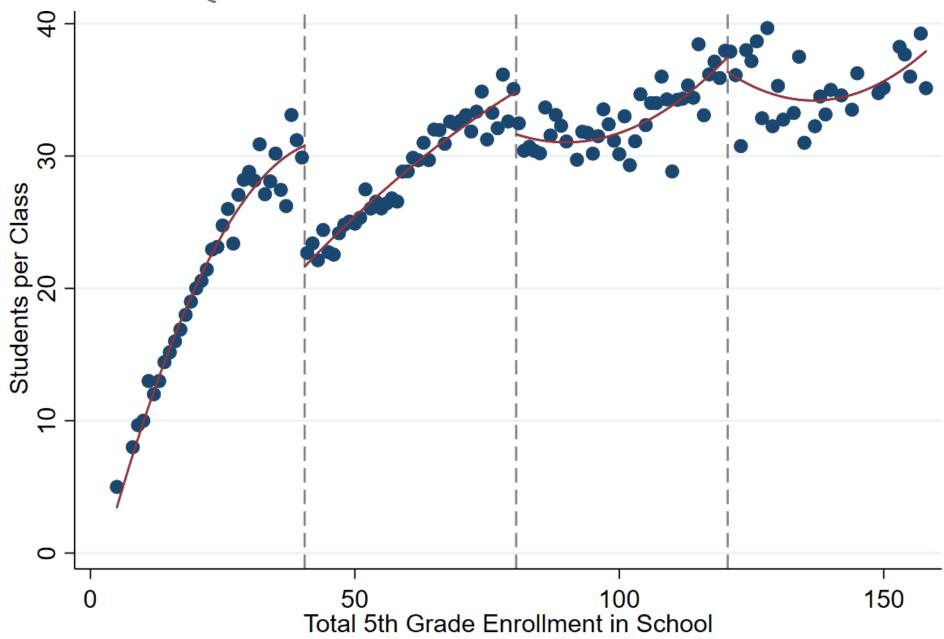
Regression Discontinuity Design Interactive Lesson

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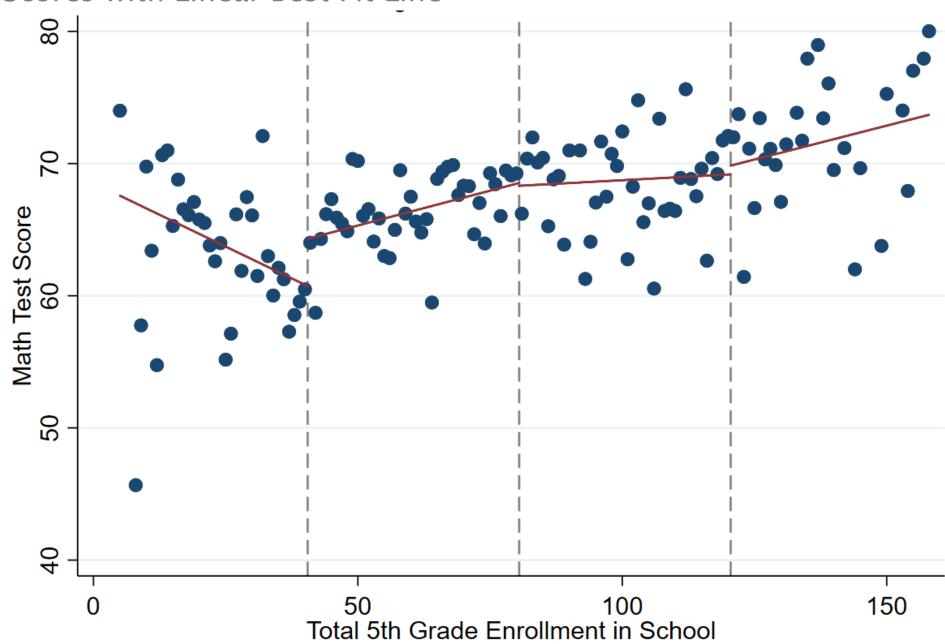




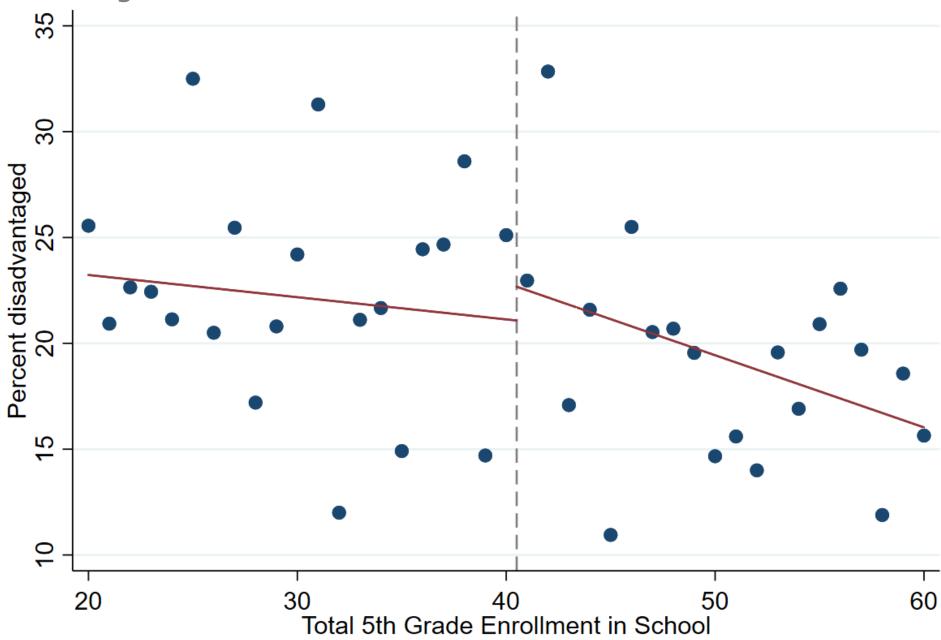
Students per Class with Quadratic Best Fit Line



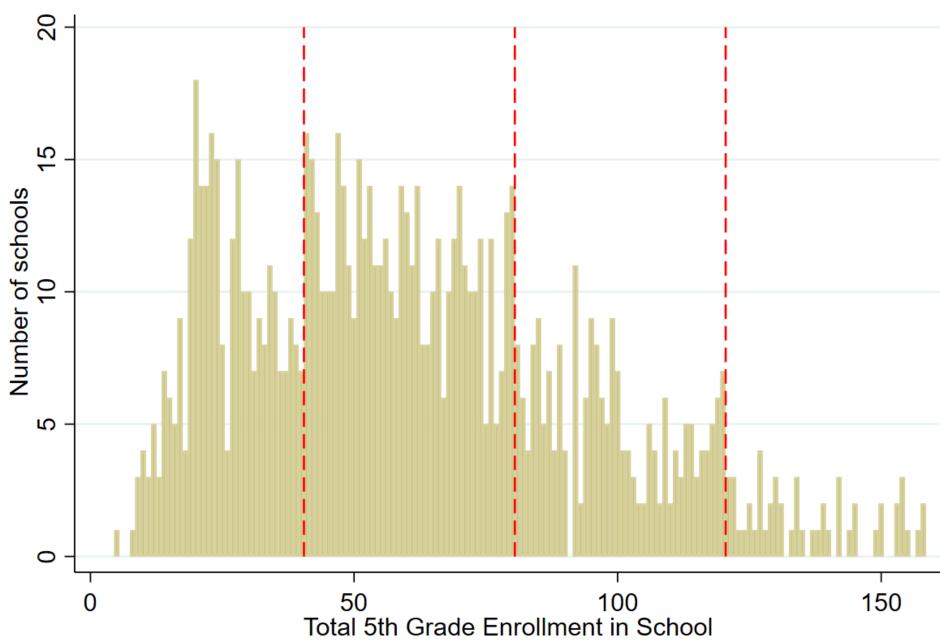
Math Test Scores with Linear Best Fit Line



Percent disadvantaged with Linear Best Fit Line



Number of Schools



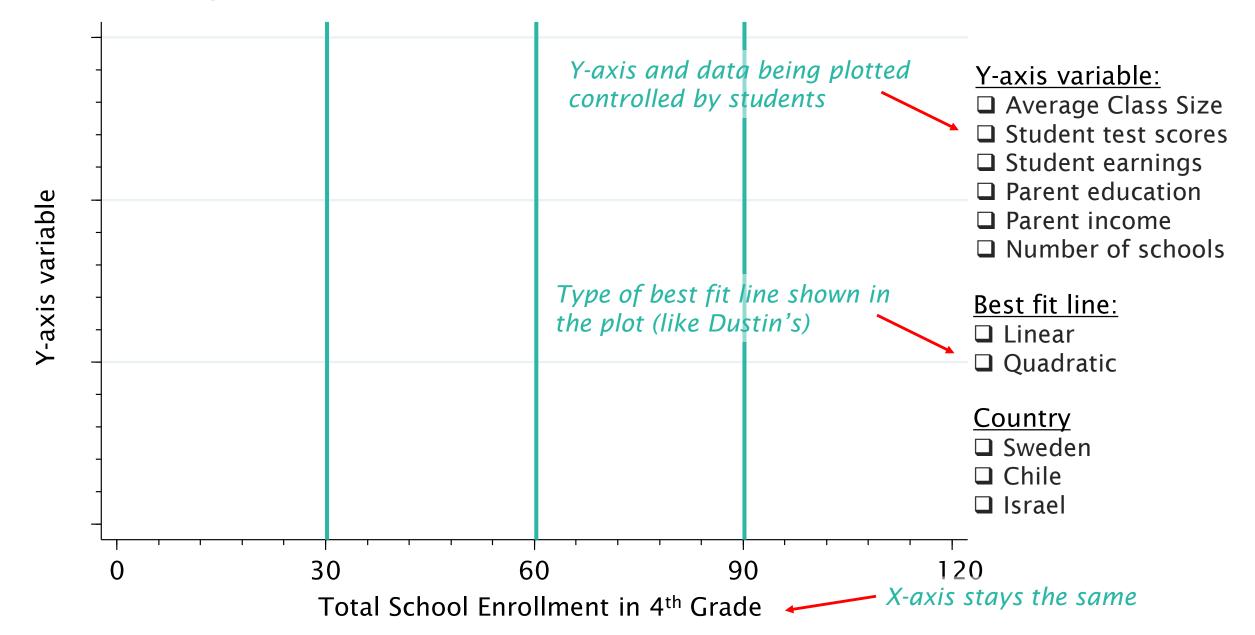
RDD Interactive Lesson: The Causal Effect of Class Size

- Inspiration comes from work with Dustin Tingley in 2019 for his EdX class, using the National Merit Scholarship RD example
- In that course, an interactive scatter plot tool was developed where students can change the best fit line from linear to quadratic to assess functional form
- Here, we build on that idea, but in the context of class size and with a different learning objective in mind
- The key learning objective for RD: students can assess via simple graphical analyses whether the identification assumption needed for regression discontinuity design is plausibly satisfied in the data
- In order for this to work, students need to be able to change what is being plotted along the y-axis

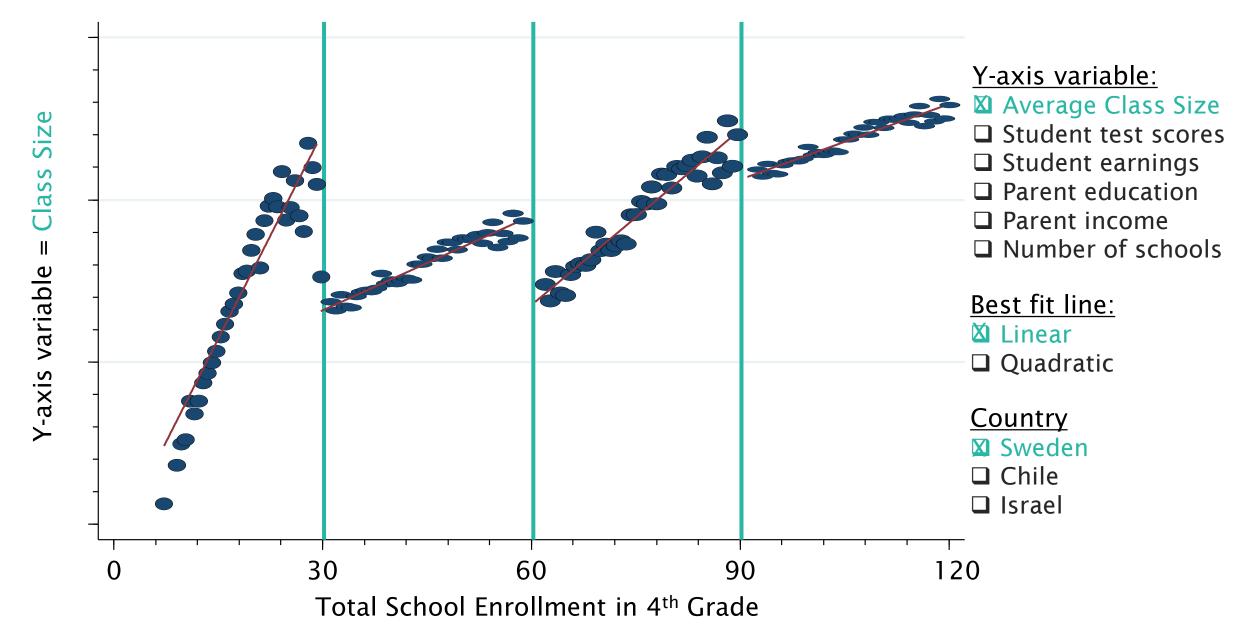
Regression Discontinuity Using Class Size Cutoffs: Sweden

- Sweden imposes a maximum class size of 30 students
 - School that has 31 students in a given grade will therefore have two classes, one with 16 and the other with 15 students
 - School that has 30 students may have one class of 30 students
- Ec 50 approach: don't theorize about RD → Instead, dig right into the data
- Explore the following in these Swedish data:
 - Actual class sizes (students per class),
 - Student outcomes (test scores, earnings),
 - Student, parent, and school characteristics, and
 - Number of schools

X-axis (running variable) stays the same across skews, Y-axis controlled interactively



Students per Class with Linear Best Fit Line



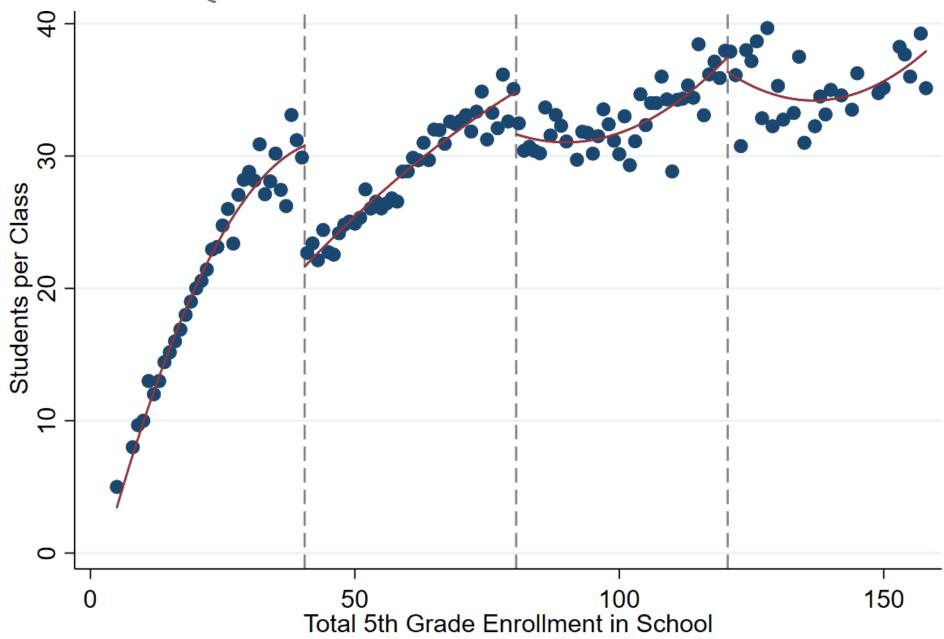
Take aways

- Every quasi-experimental approach requires an "identification assumption" to make it as good as an experiment
- For this **regression discontinuity design**, the key assumption is that no other determinants of student test scores jump discontinuously at cutoff:
 - Suppose everything else (parents, students' abilities, etc.) changes continuously (smoothly) with size of the school
 - Then only discrete change at the max size cutoff is class size
 - This makes groups just above and just below the cutoff comparable \rightarrow like an experimental comparison
- We validate this assumption graphically:
 - Counts of the number of schools vs. total school enrollment
 - RD graphs of predetermined student, parent, and school characteristics vs. total school enrollment

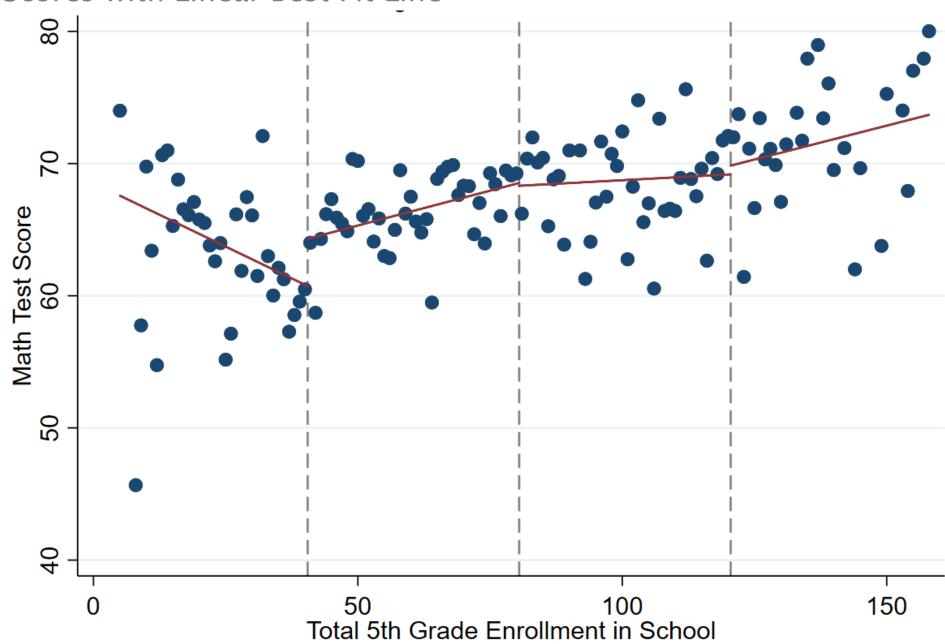
Data

- Data could be real or simulated to match real data
- The following graphs are drawn using real data from Israel, where the maximum class size is 45 students rather than 30
- In Israel, there is a spike in the number of schools with total fifth grade enrollment of 46 students, casting doubt on the identification assumption
- In contrast, in Sweden, there is no such spike so the RDD identification assumption is more plausible

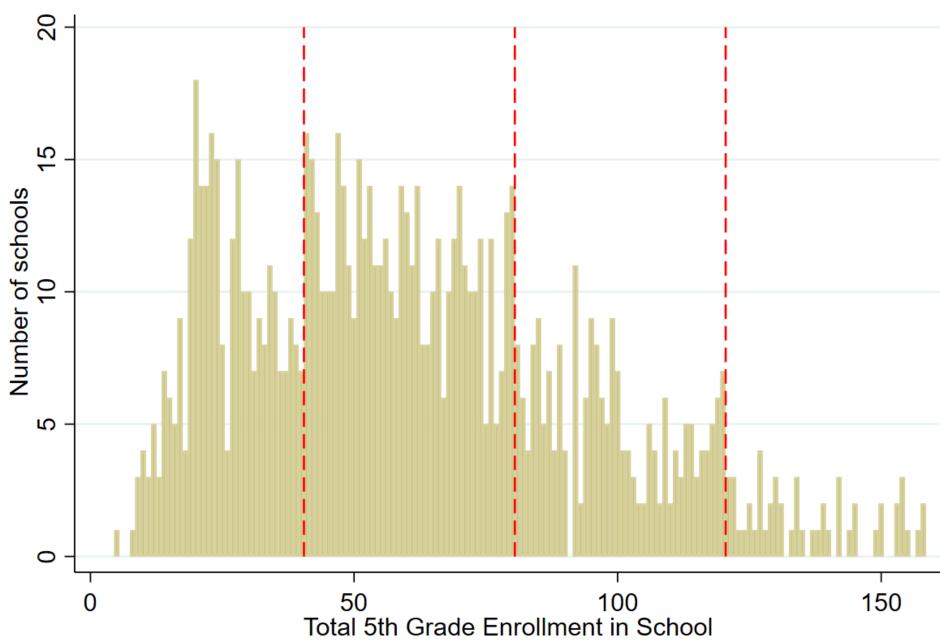
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Math Test Scores with Linear Best Fit Line



Number of Schools



Conclusion

 Conclude lesson by asking students to explain whether the RDD identification assumption is plausibly satisfied in the data

The answer will depend on what country they examine