Data Analysis for (Policy) Consulting

Responsible:
Prof. Wolfgang Dauth, Assistant Professor of Empirical Regional and International Economics

Program: Bachelor
Type: Lecture / Lab tutorial
Term: Winter
ECTS: 5 CP

Credit:
Mandatory electives (Wahlpflichtbereich): "Ausgewählte Probleme der Volkswirtschaftslehre"

Contents & Objectives:
Applied economics is a science of measurement. 'The Economy' generates a lot of data on people, jobs, firms, etc. that potentially offer answers to many important questions. For example:
- Does a mandatory health insurance make people healthier?
- Do graduates from private colleges make more money than graduates from public colleges?
- Why are women’s wages lower than men’s wages?
- Will loose monetary policy actually spark economic growth?
- Does a minimum wage destroy jobs?
- Should the police arrest suspects of domestic abuse?

It is not difficult to run a regression using statistical software. Often we see some relationship in the data and are tempted to interpret this as cause and effect. Many wrong decisions have been made because decision makers took advice from people who cannot distinguish causality from correlation.

In this course, we develop strategies to wisely analyze data in order to identify causal effects that provide answers to the questions above (and many more). We will discuss research designs on the basis of prominent studies answering real-world questions. To this end we will resort to econometric methods known from other courses. However, the focus is not on econometric theory but on the practical application of these methods.

Students who have completed this course know how to interpret empirical results without making the same mistakes we often observe in the media, by politicians, and in the corporate world. They know how to strategically analyze data in order to derive causal answers to questions they encounter in a career in the public or private sectors.

This 4 SWS course consists of three types of lessons:
- Discussion of research designs and results on the basis of prominent studies
- Discussion of the relevant technical issues
- Replication of studies using real data and the statistics package STATA

Prerequisites:
Students should have an interest and basic knowledge in microeconomics

Course Structure:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
</tr>
<tr>
<td>2</td>
<td>Randomized experiments</td>
</tr>
<tr>
<td>3</td>
<td>Regression analysis</td>
</tr>
<tr>
<td>4</td>
<td>Instrumental variables</td>
</tr>
<tr>
<td>5</td>
<td>Regression discontinuity design</td>
</tr>
<tr>
<td>6</td>
<td>Difference-in-differences</td>
</tr>
</tbody>
</table>
Literature:

Readings: Lecture Slides and References
Lecture slides will be provided through WueCampus.

A detailed list of references with further references, notably journal articles, is provided with each chapter of the lecture.

Readings: Books

Time and location:

Lecture: Wednesday, 12:15-13:45, Room SR226
Start: October 16, 2019

Lab tutorial: Thursday, 14:15-15:45, Room 409 (PC-Pool)
Start: October 17, 2019

Grading:
Written Exam (60 min.)

Contact:
Dr. Wolfgang Dauth, Professor (wolfgang.dauth@uni-wuerzburg.de)