Description of Code for constructing standard error as in Conley-Taber

In this document we briefly describe the code that we use for evaluation of hope and merit aid programs. More detail about the estimation can be found in our paper. The basic results that we produce are contained in the tables on the next two pages.

The code to produce the first table is the following:

ga_ew.do Produces the first column.This uses a two stage procedure. First we estimate state×year dummy variables. Then we regress thes dummies on the policy variable, state dummies, and time dummies.

ga_logit.do Produces the second column. This is almost identical to ga_ew.do except that the first stage is a logit rather than a linear probability model.

ga.do Produces the third column. Here we run a regression using all observations and weight by individuals.

The code to produce the second table are analogous to those for table 1. These do files are substantially more complicated and take more time to run because we simulate the distribution of the test statistic rather than construct it analytically.

merit_ew.do Produces the first column.This uses a two stage procedure. First we estimate state×year dummy variables. Then we regress thes dummies on the policy variable, state dummies, and time dummies.

merit_logit.do Produces the second column. This is almost identical to ga_ew.do except that the first stage is a logit rather than a linear probability model.

merit.do Produces the third column. Here we run a regression using all observations and weight by individuals.

We found this code to be incredibly slow. We also developed matlab code which is analogous to the stata code. (If anyone can produce faster stata code please let us know). It will not generate the exact same confidence intervals becuase the simulation takes different random draws (if you use the exact same draws you get the same results).

- aci95.m is analogous to merit.do
- aci95ew.m is analogous to merit_ew.do

We also include the two data sets that are needed reg.raw and regm.raw.

Table 1

Estimates for

Effect of Georgia HOPE Program on College Attendance

	A	B	C
	Linear Probability	Logit	Population Weighted Linear Probability
Hope Scholarship	0.078	0.359	0.072
Male	-0.076	-0.323	-0.077
Black	-0.155	-0.673	-0.155
Asian	0.172	0.726	0.173
State Dummies	yes	yes	yes
Year Dummies	yes	yes	yes
95% Confidence intervals for Hope Effect			
Standard Cluster by State×Year	(0.025,0.130)	(0.119,0.600) [0.030,0.149]	(0.025, 0.119)
Standard Cluster by State	(0.058,0.097)	(0.274,0.444) [0.068,0.111]	(0.050,0.094)
Conley-Taber	(-0.010,0.207)	(-0.039,0.909) [-0.010,0.225]	(-0.015,0.212)
Sample Size			
Number States	42	42	42
Number of Individuals	34902	34902	34902

Note: Confidence intervals for parameters are presented in parentheses. Brackets contain a confidence interval for the program impact upon a person whose college attendance probability in the absence of the program would be 45%.

Table 2

Estimates for

Merit Aid Programs on College Attendance

	A	B	C
	Linear Probability	Logit	Population Weighted Linear Probability
Merit Scholarship	0.051	0.229	0.034
Male	-0.078	-0.331	-0.079
Black	-0.150	-0.655	-0.150
Asian	0.168	0.707	0.169
State Dummies	yes	yes	yes
Year Dummies	yes	yes	yes
95% Confidence intervals for Merit Aid Program Effect			
Standard Cluster by State×Year	(0.024,0.078)	(0.111,0.346) [0.028,0.086]	(0.006,0.062)
Standard Cluster by State	(0.028,0.074)	(0.127,0.330) [0.032,0.082]	(0.008,0.059)
Conley-Taber	(0.012,0.093)	(0.056,0.407) [0.014,0.101]	(-0.003,0.093)
Sample Size			
Number States	51	51	51
Number of Individuals	42161	42161	42161

Note: Confidence intervals for parameters are presented in parentheses. Brackets contain a confidence interval for the program impact upon a person whose college attendance probability in the absence of the program would be 45%.