Replication Files

Carpena, Fenella, and Bilal Zia. "The causal mechanism of financial education: Evidence from mediation analysis." *Journal of Economic Behavior & Organization* 177 (2020): 143-184.

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When making use of these replication files, please cite the following two papers: **Carpena and Zia (2020)**, **Carpena et al. (2019).** The latter paper is the original field experiment upon which the present paper is based. The full reference is provided at the bottom of this ReadMe file.

The replication package consists of three folders.

1) code
This folder contains Stata do-files. Each do file corresponds to one or more tables in the paper, as indicated in the file name.

For the main tables, the do-files require the installation of the following user-written packages:

`esttab` by Jann (2005) to create output tables. This can be installed by typing:
`net install http://www.stata-journal.com/software/sj14-2/st0085_2`

`mediation` by Hicks and Tingley (2011) for sensitivity analysis. This can be installed by typing:
`net install http://www.stata-journal.com/software/sj12-2/st0243_1`

`moremata` by Ben Jann. This can be installed by typing: `ssc install moremata`

For the appendix tables, the do-files require the installation of the following user-written packages:

`ivreghdfe` by Sergio Correia, based on Correia (2017) and Baum et al. (2010)
This can be installed by typing: `ssc install ivreghdfe`

`psacalc` by Oster (2016)
This can be installed by typing: `ssc install psacalc`

Note: The top of each do-file uses the `cd` *command to change the working directory. Please change the path here to the relevant path on your computer.*

The `code` folder also contains the Stata ado file `medeff_FC.ado`. This ado file is obtained from the `mediation` Stata package by Hicks and Tingley (2011). However, we have revised their ado-file so that the following are stored for output: the standard deviation of the estimates (ACME, ADE, ATE); and the regression estimates of Equation (3) in the paper.

2) data
This folder contains the dataset `endline-controls.dta`

This folder should also contain the following Stata datasets: `baseline.dta`, `endline.dta`, `financial-knowledge-short-term.dta`. These datasets can be downloaded from the Supplemental Materials of Carpena et al. (2019). https://doi.org/10.1287/mnsc.2017.2819

3) output
This folder contains output tables (in CSV format) and figures (in PNG format). The output tables are created by their respective Stata do files in the `code` folder.

We note that in Tables 5 to 8, there are minor discrepancies in the third decimal place in "Panel B: Estimates of ACME, ADE, and ATE." These minor discrepancies arose because were not able to set a seed when producing the results in the published version. The do-files presented in this replication package now specify a seed.

References

Baum, C.F., Schaffer, M.E., Stillman, S. (2010). ivreg2: Stata module for extended instrumental variables/2SLS, GMM and AC/HAC, LIML and k-class regression. http://ideas.repec.org/c/boc/bocode/s425401.html

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Correia, Sergio. (2017). Linear Models with High-Dimensional Fixed Effects: An Efficient and Feasible Estimator (Working Paper) https://github.com/sergiocorreia/reghdfe/#citation

Hicks, Raymond, and Dustin Tingley. (2011). "Causal mediation analysis." *The Stata Journal* 11, no. 4: 605-619.

Jann, Ben. (2005). "Making regression tables from stored estimates." *The Stata Journal* 5(3): 288-308.

Oster, Emily (2016). "Unobservable Selection and Coefficient Stability: Theory and Validation." Journal of Business Economics and Statistics.