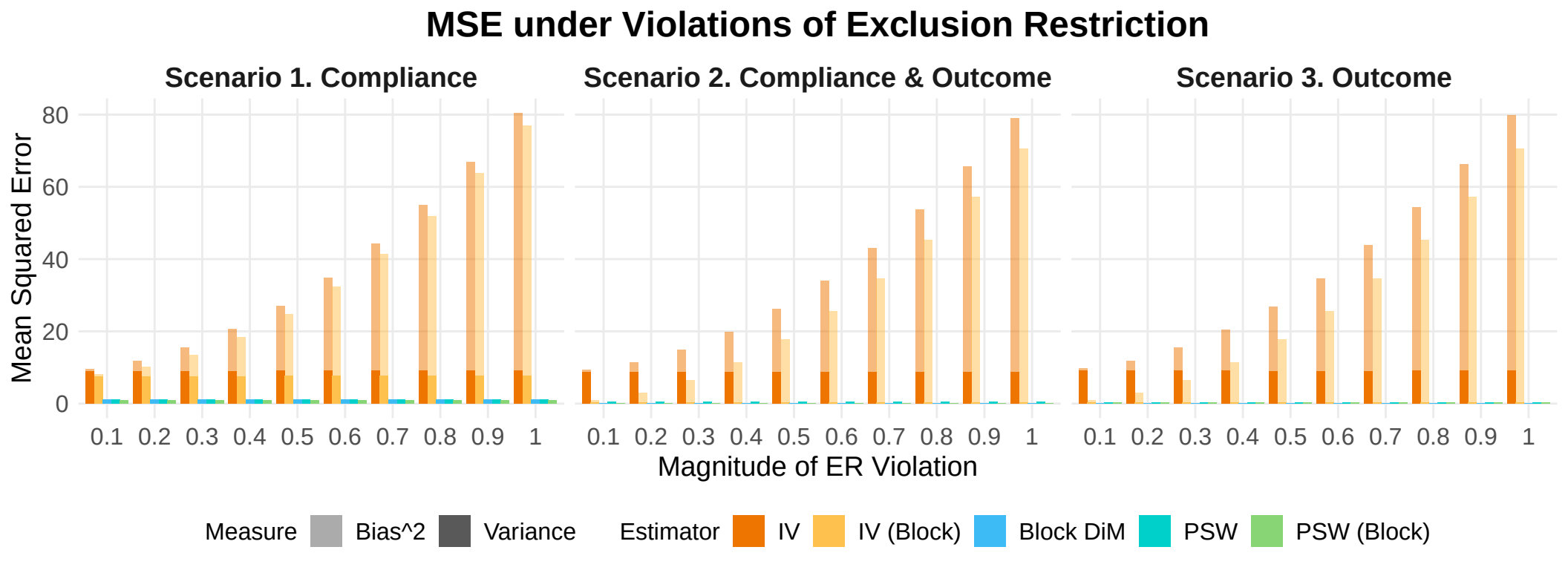
MSE under Violations of Exclusion Restriction
Scenario 1. Compliance
Scenario 2. Compliance & Outcome
Scenario 3. Outcome
Mean Squared Error
0
20
40
60
80
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
1
Magnitude of ER Violation
Measure
Bias^2
Variance
Estimator
IV
IV (Block)
Block DiM
PSW
PSW (Block)