

Seminar

"Testing for Rank Invariance or Similarity in Program Evaluation: The Effect of Training on Earnings Revisited"

(in English)

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Date: 17 September 2015 (Thursday)

Time: 2:30 pm - 4:00 pm

Venue: WYL314, Dorothy Y. L. Wong Building

Biography:

Yingying Dong is an Assistant Professor at University of California Irvine and an IZA affiliate. She graduated from Boston College in 2009. She visited MIT as a Visiting Assistant Professor. Her research focuses on identification and causal inference in program evaluation as well as various applied topics in labor, education and health economics. She has published in Review of Economics and Statistics, Journal of Econometrics, Journal of Applied Econometrics and European Economic Review etc.

Abstract:

This paper discusses testable implications of rank invariance or similarity that is popular in program evaluation and various quantile treatment effects (QTEs) models. Nonparametric tests that work for both are proposed. The tests directly explore whether the distribution of potential ranks (or features of the distribution) for observationally equivalent individuals remains the same or not across treatment states. The tests allow treatment to be endogenous. The main focus is on testing for invariance or similarity of ranks in the unconditional distribution of potential outcomes. Extension to testing for conditional rank invariance or similarity is briefly discussed. The proposed test is applied to examine whether training causes individuals to systematically change their ranks in the earnings distribution using the JTPA data.