

CRIME2

$$\text{crime}_{it} = \beta_0 + \delta_0 \text{d87}_t + \beta_1 \text{unem}_{it} + a_i + u_{it}$$

a_i : unobs. city effect e.g. geography, industrial composition

u_{it} : idiosyncratic factors as weather, protests/activism

$$\text{Pooled OLS : } \begin{aligned} \hat{\delta}_0 &= 7.94 \\ \hat{\beta}_1 &= 0.427 \end{aligned}$$

$$\Delta \text{crime}_i = \delta_0 + \beta_1 \Delta \text{unem}_i + \Delta u_i$$

$$\hat{\delta}_0 = 15.4$$

$$\hat{\beta}_1 = 2.22$$

id	educ	yr	$\Delta educ$
1	8	2005	.
1	9	2006	1
2	11	2005	.
2	12	2006	1
3	4	.	.
3	5	.	1
.		.	
.			