

$$y_{it} = \beta_1 x_{it} + u_{it}$$

↓

time - demeaned vars.

fixed effects (FEs) / within
t transform?

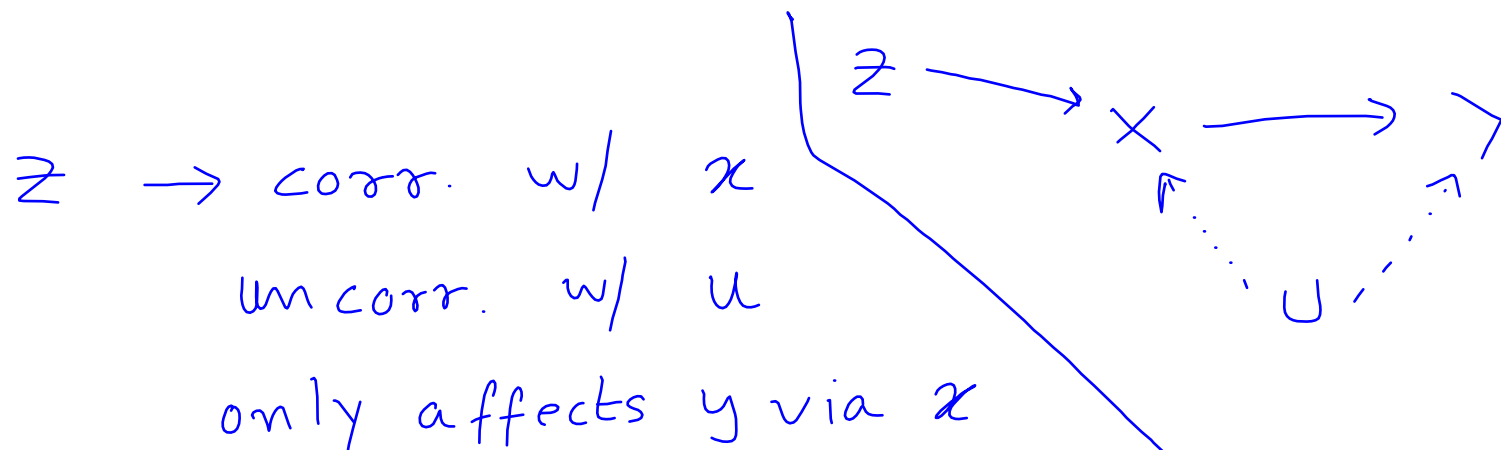
OLS on time - demeaned vars.

→ FE / within estimator

Ch. 15 : Instrumental Variables

$$y = \beta_0 + \beta_1 x + u$$

↓
endog. → OLS estimator biased



y	x	z
grade	attendance	dist. from school
grade	charter school	lottery
lab. ss	# child	BB, GG