

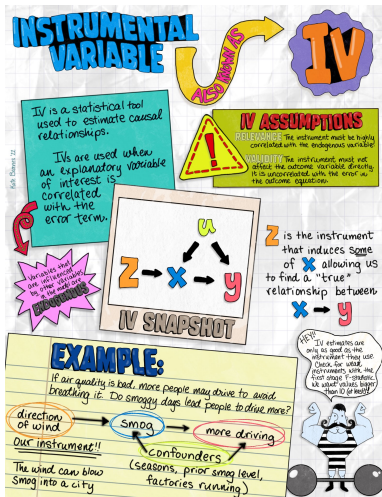
Instrumental Variables

1 IV Estimation in a Simple Regression Model

IV Estimation in a Simple Regression Model

- <https://youtu.be/eoJUPd6104Q>

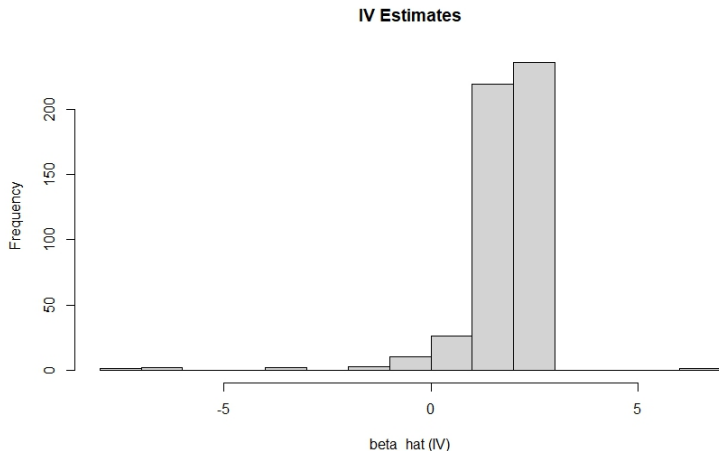
IV Estimation in a Simple Regression Model (cont.)



@Kate__Barnes

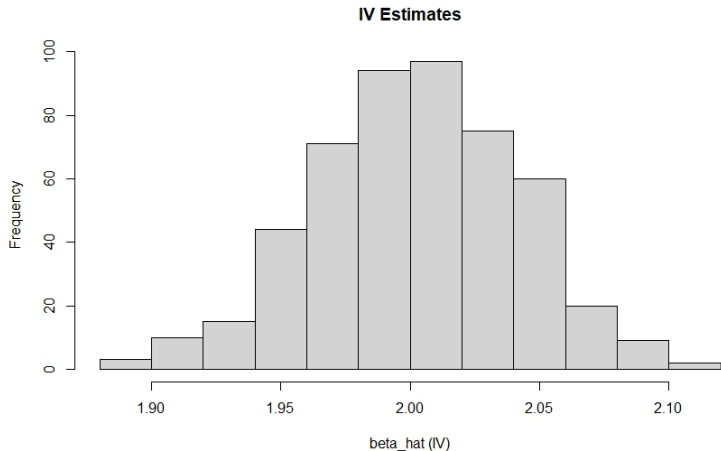
IV Estimation in a Simple Regression Model (cont.)

- $n = 10$, reps = 500, $\text{corr}(x, z) = 0.8$, $\text{corr}(x, u) = 0.5$, $\text{corr}(z, u) = 0$
- $y = 1 + 2x + u$



IV Estimation in a Simple Regression Model (cont.)

- $n = 1000$, reps = 500, $\text{corr}(x, z = 0.8)$, $\text{corr}(x, u = 0.5)$, $\text{corr}(z, u = 0)$
- $y = 1 + 2x + u$



IV Estimation in a Simple Regression Model (cont.)

- $n = 1000$, reps = 500, $\text{corr}(x, z = 0.01)$, $\text{corr}(x, u = 0.5)$, $\text{corr}(z, u = 0)$
- $y = 1 + 2x + u$

