

Econometrics and the Notion of Ceteris Paribus

- Econometrics: The Path from Cause to Effect
 - ▶ <https://www.youtube.com/watch?v=WwW8y5dZs80>
- Ceteris Paribus: Public vs. Private University
 - ▶ <https://youtu.be/iPBV3B1V7jk?si=J8Nwhbm6X1KP13jM>

Econometrics and the Notion of Ceteris Paribus (cont.)

- Zivin and Shrader (2016)

- ▶ A parent trying to decide whether to enroll child in a charter school, or a doctor deciding whether to prescribe a certain medicine, or a senator deciding whether to lower the tax rate
 - ★ Would the action actually cause an improvement in outcomes? Would a charter school help a child attend a good college? Would the medicine make the patient healthier? Would lowering taxes make the economy grow faster?
 - ★ Not enough just to know that there's an association or a correlation
- ▶ Causal analysis distinguishes whether an action is simply associated with an outcome or causes the outcome
 - ★ Hospital stays may be correlated or associated with dying instead of causing death
 - ★ Numerous techniques have been developed to distinguish causality from correlation