

# Project Proposal

## Step 2

**EC 425/525:** Econometrics

Due *before* midnight (11:59pm) on Thursday, 30 May 2019

**DUE** Your **typed** proposal is due *before* 11:59pm on Thursday, 30 May 2019 on [Canvas](#).

Your grade will depend upon your ability to clearly respond to the assignment—concepts *and* constraints.

**Assignment** Submit a project proposal that

1. Motivates and outlines your **causal question** of interest.
2. Explains **potential sources of selection** that could lead to bias.
3. Describes the **ideal experiment** which one could use to answer this question
4. Discusses a **practical research design** through which one could answer the original question—clarifying how this research design avoids selection bias.

**Note** Your question must be causal in nature. If it is not, come up with a new question.

**Sections** Your proposal requires the following sections/components. Separate them.

**Title** (1 ≤ words ≤ 15)

A title that clearly describes your question—and potentially how you would answer it.

**Abstract** (50 ≤ words ≤ 150)

A brief description of your project. Clearly describe the main question, how you will answer it, and why/for whom the results matter. Be concise and clear. You hook the reader here and elaborate later.

**Question and motivation** (100 ≤ words ≤ 300)

Explain why this area of research is interesting/important in general (not just to you). Why should your reader care/keep reading? After you **briefly** motivate the general topic, clearly describe your specific **causal question**. If necessary, motivate the specific question too.

**Selection** (100 ≤ words ≤ 300)

Why is this question challenging to answer empirically? In other words, what sources of selection bias concern you? If we simply run a regression of  $y$  on  $X$ , why might  $\hat{\beta}$  be biased?

**Ideal experiment** (100 ≤ words ≤ 300)

Describe the ideal experiment that would answer your question. This *ideal* experiment does not need to be practical—i.e., you do not need to be able to run it in real life.

**Practical research design** (100 ≤ words ≤ 400)

How might you causally answer your question in *real life*? Which data would you need? What sort of research design would you apply—selection on observables (regression with many controls, matching, propensity-score methods, etc.) or selection on observables (IV, RD, etc.)? How does this proposed research design avoid selection bias?

**Update** Now that you've worked through these components, rewrite your abstract and title.