Daily Assignment 16 Due: Nov, 19 2015

EEP 118, Fall 2015

(10 points) If a youth who is less than 18 years old commits an offense, the case is sent to the more lenient juvenile courts. However, if a youth commits an offense after his/her 18th birthday, the case is sent to the much harsher adult criminal court. You have a cross-sectional data set of youths of ages 16-20 in Florida in 2005. This data set includes the birthday, gender, family income, and whether or not the youth had been arrested for committing an offense.

a. How would you estimate the causal effect of harsher punishments on the probability of committing a crime? Be sure to write down the exact regression you would run and define each variable in your regression. State which coefficient will give you the estimated causal effect. (You can use a linear probability model here, for simplicity.)

b. What key assumption do you need to make for your regression in part a. to estimate the *causal* effect of harsher punishments on the probability of committing a crime?