

# Some Problems with Experiments

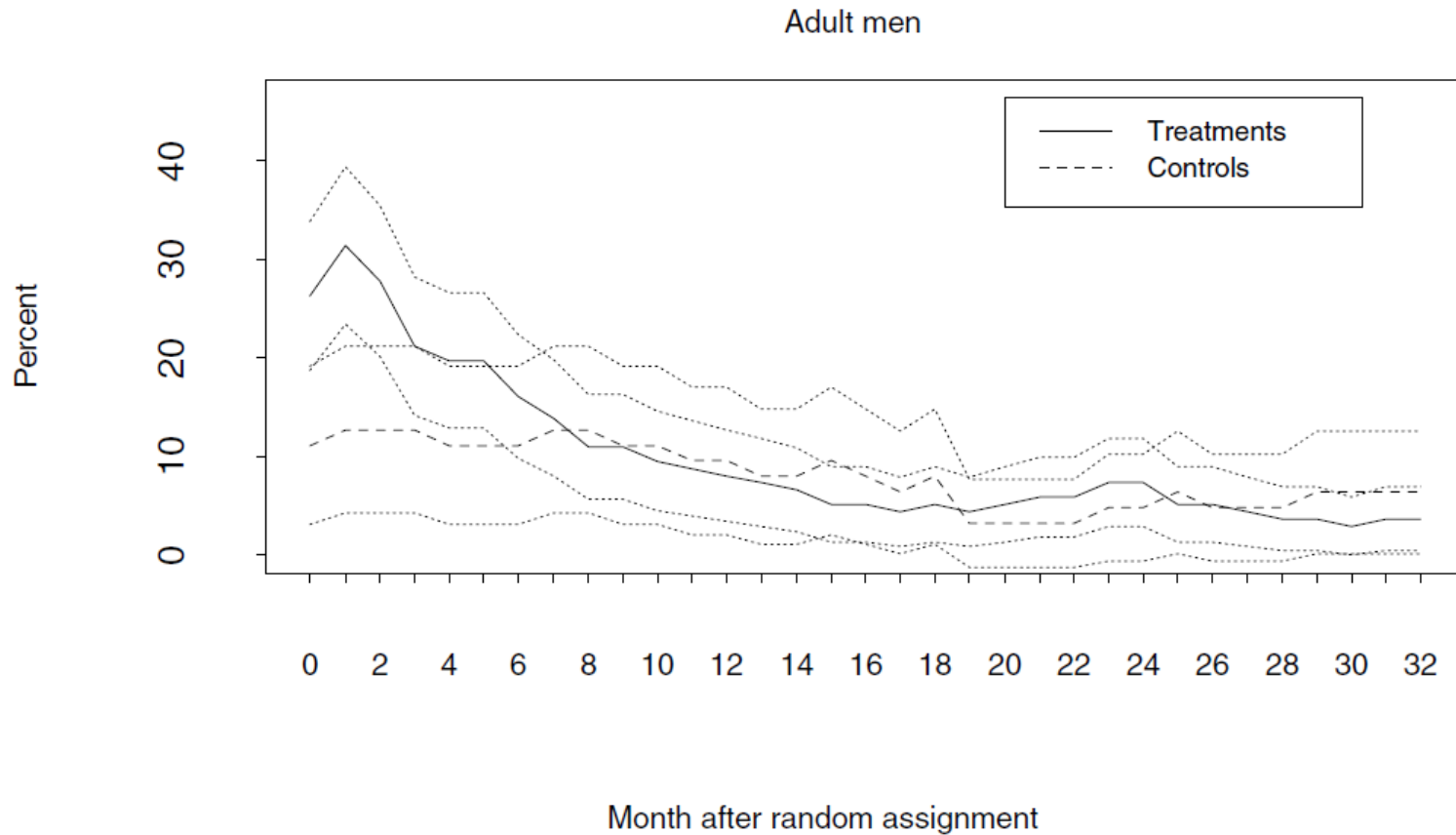
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- Disrupt Environments  
(Heckman, 1992; Hotz, 1992)  
Randomization BIAS
- Do not capture entry effects  
(Heckman 1992; Moffitt 1992)
- Substitution BIAS  
(Heckman, Hohmann and Khoo)

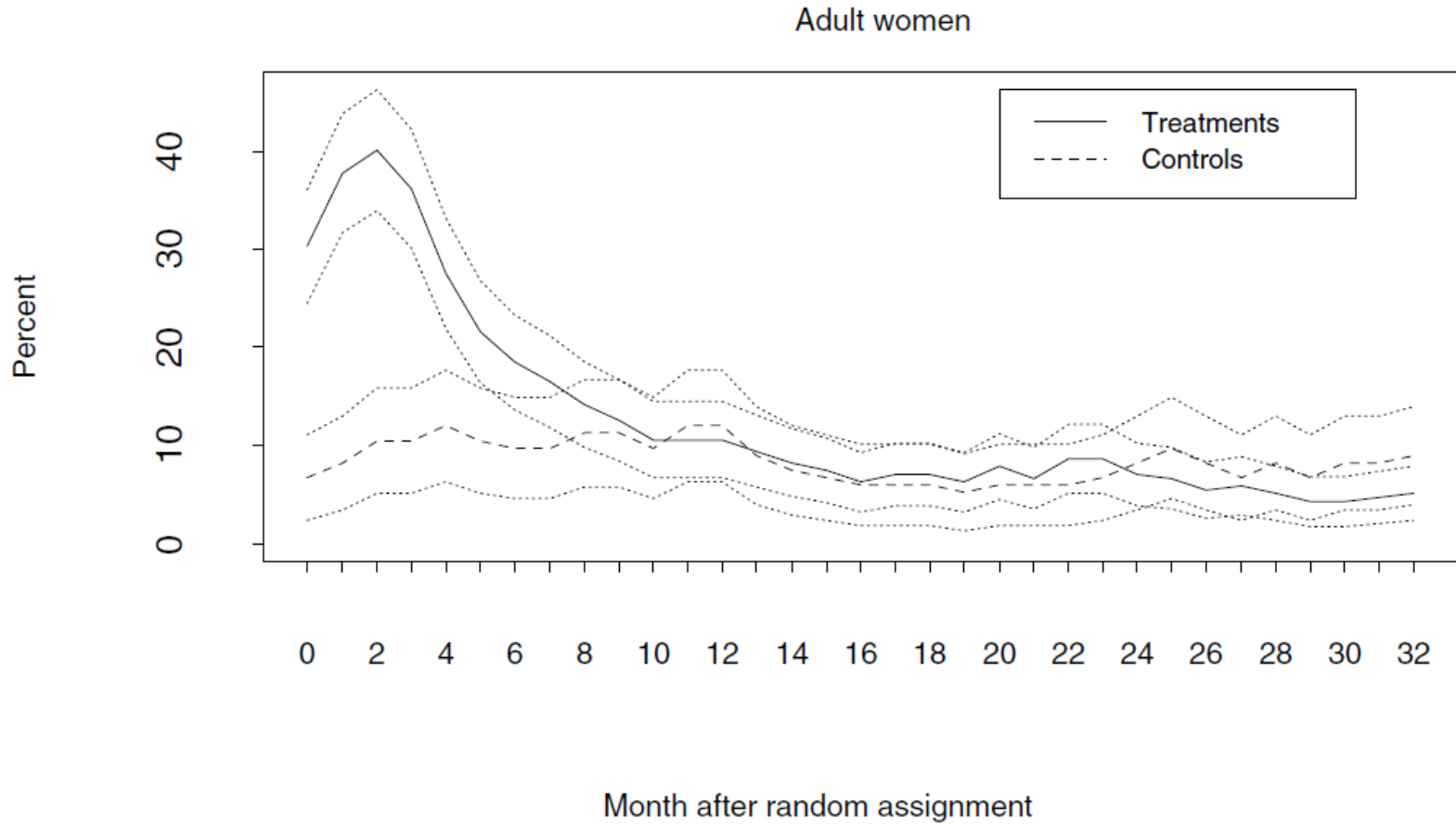
Figure 9  
Percentage Receiving Classroom Training



The percentages are the proportion of persons among the sample who report the receipt of classroom training in each month following random assignment. The sample includes only those persons who responded for the entire 32 months of the survey. Month 0 is the month of random assignment. Standard error bars indicate  $\pm 2$  standard errors about the mean.

# Figure 10

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TABLE 10  
 Treatment Group Dropout and Control Group Substitution  
 in Experimental Evaluations of Active Labor Market Policies  
 [Fraction of Experimental Treatment and Control Groups Receiving Services]

<u>Study</u>	<u>Authors/Time Period</u>	<u>Target Group(s)</u>	<u>Fraction of Treatments Receiving Services</u>	<u>Fraction of Controls Receiving Services</u>
1. NSW*	<u>Hollister, et al. (1984)</u> <u>(9 months after RA)</u>	<u>Long Term AFDC Women</u>	<u>0.95 ~</u>	<u>0.11</u>
		<u>Ex-addicts</u>	<u>NA</u>	<u>0.03</u>
		<u>17 - 20 year old H.S. dropouts</u>	<u>NA</u>	<u>0.04</u>
2. SWIM	<u>Friedlander and Hamilton (1993)</u> <u>(Time period not reported)</u>	<u>AFDC Women: Applicants and Recipients</u>		
		<u>a. Job Search Assistance</u>	<u>0.54</u>	<u>0.01</u>
		<u>b. Work Experience</u>	<u>0.21</u>	<u>0.01</u>
		<u>c. Classroom Training/OJT</u>	<u>0.39</u>	<u>0.21</u>
		<u>d. Any activity</u>	<u>0.69</u>	<u>0.30</u>
		<u>AFDC-U Unemployed Fathers</u>		
		<u>a. Job Search Assistance</u>	<u>0.60</u>	<u>0.01</u>
		<u>b. Work Experience</u>	<u>0.21</u>	<u>0.01</u>
		<u>c. Classroom Training/OJT</u>	<u>0.34</u>	<u>0.22</u>
		<u>d. Any activity</u>	<u>0.70</u>	<u>0.23</u>
3. JOBSTART	<u>Cave, et al. (1993)</u> <u>(12 months after RA)</u>	<u>Youth High School Dropouts</u>		
		<u>Classroom Training/OJT</u>	<u>0.90</u>	<u>0.26</u>
4. Project Independence	<u>Kemple, et al. (1995)</u> <u>(24 months after RA)</u>	<u>AFDC Women: Applicants and Recipients</u>		

		<u>a. Job Search Assistance</u>	<u>0.43</u>	<u>0.19</u>
		<u>b. Classroom Training/OJT</u>	<u>0.42</u>	<u>0.31</u>
		<u>c. Any activity</u>	<u>0.64</u>	<u>0.40</u>
<u>5. New Chance</u>	<u>Quint, et al. (1994)</u> <u>(18 months after RA)</u>	<u>Teenage Single Mothers</u>		
		<u>Any education services</u>	<u>0.82</u>	<u>0.48</u>
		<u>Any training services</u>	<u>0.26</u>	<u>0.15</u>
		<u>Any education or training</u>	<u>0.87</u>	<u>0.55</u>
<u>6. NJS</u>	<u>Heckman and</u> <u>Smith (1998c)</u> <u>(18 months after RA)</u>	<u>Self-reported from Survey Data</u>		
		<u>Adult Males</u>	<u>0.38</u>	<u>0.24</u>
		<u>Adult females</u>	<u>0.51</u>	<u>0.33</u>
		<u>Male youth</u>	<u>0.50</u>	<u>0.32</u>
		<u>Female youth</u>	<u>0.58</u>	<u>0.41</u>
		<u>Combined Administrative and Survey Data</u>		
		<u>Adult males</u>	<u>0.74</u>	<u>0.25</u>
		<u>Adult females</u>	<u>0.78</u>	<u>0.34</u>
		<u>Male youth</u>	<u>0.81</u>	<u>0.34</u>
		<u>Female youth</u>	<u>0.81</u>	<u>0.42</u>

Notes: RA = random assignment. H.S. = high school. Service receipt includes any employment and training services. The services received by the controls in the NSW study are CETA and WIN jobs. For the Long Term AFDC Women, this measure also includes regular public sector employment during the period.

Sources: Masters and Maynard (1981), p. 148, Table A.15; Maynard (1980), p. 169, Table A14. Friedlander and Hamilton (1993), p. 22, Table 3.1; Cave, et al. (1993), p. 95, Table 4-1; Kemple, et al. (1995), p. 58, Table 3.5; Quint, et al. (1994), p. 110, Table 4.9; Heckman and Smith (1998c) and calculations by the authors.

- Does Not Produce Distribution of Benefits
- Only Determines Marginals
- Can Bound The Joint Distribution