

Re: difference between instrumental variable and propensity score matching approach?

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Source: <http://sci.tech-archive.net/Archive/sci.econ/2008-01/msg00020.html>

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 - *Date:* Sat, 05 Jan 2008 23:27:52 GMT
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Maggie, Try asking your question at sci.econ.research or sci.stat or sci.math. You will have better luck in those groups.

Mike

Maggie wrote:

hi, i'm new to this group and generally new to econometrics. i've taken introductory econometrics and have the woodridge text which lays out the mathematical foundations quite well.

however, could anyone please recommend an easily accessible text that focuses on econometrics as tools for analysis? for example, i'm currently trying to understand what are the pros and cons and assumptions behind using the instrumental variable approach vs. the propensity score approach. is there a way to compare the results from these two types of estimation methods?

i'm comparing these two approaches to adjust for selection bias in an outcome evaluation study where the dependent variable is dichotomous—so i think it's problematic for the iv estimation, but i'm not clear why that's the case—or can iv only be used for continuous dependent variables only?

are the co-efficients from propensity score and instrumental variable approaches comparable to regular regression co-efficients? how?

also, is there any bona fide econometrician out there who uses SAS to do most of their analyses? most econometricians i went to school with tended to favor STATA or MetLab.

thanks so much and i'm looking forward to learning from this community!

maggie