Discussion of “Lifetime Outcomes”

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In the last decade we have witnessed an incredible growth of two things that will hopefully have a large impact on our capacity to reduce inequalities more effectively through policy:

1) Great increase in access to micro data

2) Economist have transformed many assignment procedures that were previously mostly randomized.

The chapters in this sessions illustrate how access to data can improve our policy evaluation and our policy design.
The chapter by Judd Kessler shows how the capacity to merge a variety of administrative records can shed some light on the impact of policy.

Other evaluations of this type of programs had concluded that those programs were not cost-effective. Stanley, Katz and Kruger (1998), Heckman, Lalonde and Smith (1999), Lalonde (2003) or more recently Card, Kluve and Weber (2010) have analyzed the impact of various interventions. Data on incarceration and IRS data allows to identify that the impact on earnings is even negative, but that the impact on incarceration and death is very significant. This is a very valuable achievement, but is this the best we can do?
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Data as a Public Policy

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• Provision of information has become a policy in itself, and its impact has been shown:


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- **School Quality:** Hastings and Weinstein (2008) or Mizala and Urquiola (2013)
- **Application and financial aid:** Hoxby and Turner (2014), Carrell and Sacerdote (2013) or Dinkelman and Martinez (2014)
- **Reassignment info to unemployed:** Belot, Kircher and Muller (2016)
Data to Personalize Public Policy

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- Data can help match individuals to their best-fitting policy!
- Could the NYC summer job program assign individuals to jobs or to tasks in a way that improves the impact of the policy?
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- We need to make use of mechanisms design and data mining to allow individuals to have a say on the policy they should be exposed to, to match policies with individual heterogeneity and to obtained improved outcomes (?!).
Measuring the unobserved for Policy

- We need to make a big effort in defining and measuring the objectives of our policies:
  - In health the relevant outcomes that they have used so far is self-reported happiness (they can easily do much better!)
  - In school choice: what is the objective function? Is it aggregate only aggregate welfare? Is it improving access to better schools? Reducing neighborhood segregation?
  - Education, adoption, social programs...: what is the relevant outcome, do we have measurement for that?

Once the objective is defined and we have measurements for them, then we know how to proceed!!

For example, in most studies there is mismatch between long run and short run results.
Test scores, IQ or degrees are not good short term observables on long run impacts. Non-cognitive skills are relevant for most everything! But we do not have good measurements for them! (self-reported, not good for policy)

Need to develop outcome variables that can capture those traits so that we can capture impact in the long run observing outcomes in the medium to short run.
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