Regression Discontinuity

Economics

Using an arbitrary threshold as a natural experiment.

When it works.

Requirements

A sharp, rule-based threshold	Units cannot precisely manipulate their score
Outcomes continuous through the cutoff otherwise	Enough observations near the threshold

Examples

Exam pass marks and later outcomes	Income thresholds for benefits
Age cutoffs for school entry	Vote share thresholds for winning office

> The estimate is local: it applies to units near the threshold, and may not generalise to those far from it.