
Additional Empirical Exercise 7.3

Use the data set **CollegeDistance** described in Empirical Exercise AEE4.3 to answer the following questions.

- a. An education advocacy group argues that, on average, a person's educational attainment would increase by approximately 0.15 year if distance to the nearest college is decreased by 20 miles. Run a regression of years of completed education (ED) on distance to the nearest college ($Dist$). Is the advocacy groups' claim consistent with the estimated regression? Explain.

- b. Other factors also affect how much college a person completes. Does controlling for these other factors change the estimated effect of distance on college years completed? To answer this question, construct a table like Table 7.1. Include a simple specification [constructed in (a)], a base specification (that includes a set of important control variables), and several modifications of the base specification. Discuss how the estimated effect of $Dist$ on ED changes across the specifications.

- c. It has been argued that, controlling for other factors, blacks and Hispanics complete more college than whites. Is this result consistent with the regressions that you constructed in part (b)?