

Tests for Prejudice Using Difference-in-Difference: Does it Work?*

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October 27, 2008

Abstract

Several recent papers have exploited data sets that differ in whether the treator can observe the race or gender of the potentially treated to test for racial or gender prejudice using Difference-in-Difference (DD) estimators. In this paper we provide a formal framework to critically examine whether such DD estimators informs us about racial or gender bias. We also provide alternative tests for prejudice that exploits whether the treator observes the race and gender information of the potentially treated.

*Preliminary and incomplete. All comments are welcome.