*Economists commonly resort to conditional analysis based on regression methods and machine learning techniques to answer policy-relevant questions. Many of these questions require doing predictions or causal inference on the most extreme observations of an economic or policy-relevant variable: do different fiscal policies entail different degrees of extreme wealth (or wealth inequality)? Does a budget cut to the fire departments reduce their ability to fight wildfires, thus increasing the chance of extreme economic losses and casualties? The information on the behavior of the most extreme observations is typically summarized by the so-called "tail index". This project aims to develop new econometric tools for prediction and causal inference on the tail index using methods from extreme value theory.*