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“Brothers in Arms: Spillover Effects from a Draft Lottery”

(joint with Paul Bingley and Stephanie Lyk-Jensen)

Abstract:

Within families, there is often a great degree of persistence in education, income, and participation in various social programs. While such persistence partly reflects the influence of shared genetics and environments, similarities in behaviors and outcomes could also reflect that family members influence each other. In this paper we evaluate the existence of sibling spillovers in a large-scale social program. In particular, we focus on military service in Denmark and exploit the Danish conscription lottery to estimate the causal effect of having an elder brother serving on the probability that the younger brother volunteers to the army. We obtain substantial and positive spillover effects from the elder to the younger brother and show that the most likely mechanism is an information channel, in which interpersonal dominance plays a role. Our results provide new and rare evidence on the importance of family networks.