

Title: On the Determinants of Young Adult Outcomes: An Examination of Random Shocks to Children in Military Families

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Abstract

We examine long-run outcomes for children of enlisted soldiers in the U.S. Army. We exploit plausibly exogenous variation in base assignments and in relocations generated by military personnel policies that assign individuals based on critical observable characteristics (job specialty, rank, and year). These features enable us to overcome traditional concerns over endogenous moving and therefore contribute to the wider study of the effects of place and relocation. The disruptive effects of moving are large and increase as a child progresses through school; moving during high school lowers college enrollment by 2.5 percentage points and earnings at age 30 by 3 percentage points. Assignments in which the whole family is sent overseas (e.g. bases in Germany, Italy, UK, and Japan) have small positive effects on college enrollment and raise wages by 4 percentage points. Ten years in a county with one standard deviation higher test scores or percent BAs raises college enrollment by 4.7 percentage points. Location effects are larger later in a student's career. We confirm Chetty and Hendren's (2015) estimates of the impact of U.S. counties on mobility; their measure accurately predicts impacts on a child's college enrollment with a coefficient that approaches 1.

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