

Title : 'Long-Run Employment Effects of Serving in the Vietnam War: Evidence from 16 Australian Conscription Lotteries'

Abstract: Between 1965 and 1972, twenty year old Australian men were required to register for one of 16 biannual ballots for National Service. I exploit this random assignment to estimate the causal effect of Army service on long-run employment outcomes. Population data from military personnel records, income tax returns, administrative pension data and the Census facilitate a rich and precise analysis, identified by over 53,000 'compliers'. We utilise major variation between these 16 cohorts in the likelihood of serving in Vietnam to identify the source of the effect. The effect is confined to men who served in Vietnam and is very large, estimated at -37 percentage points (95% CI: -32, -43) in 2006, when most were aged in their late 50s. The effect is relatively recent, emerging steadily from the early 1990s. There is a corresponding trend in veterans' Disability Pension (Special Rate) effects which also emerge from the early 1990s and are even larger than the employment effects. The trend in Disability Pension receipt for 'compliers' is similar for other Vietnam veterans. This suggests that the results have some external validity. The present value of lost earnings through employment is estimated at AU\$8 billion and this appears to be fully compensated. Possible explanations for the discrepancy between these results and related work for the US are considered.