



Figure 4.1.2: The relationship between average earnings and the probability of military service (from Angrist 1990). This is a VIV plot of average 1981-84 earnings by cohort and groups of five consecutive draft lottery numbers against conditional probabilities of veteran status in the same cells. The sample includes white men born 1950-53. Plotted points consist of average residuals (over four years of earnings) from regressions on period and cohort effects. The slope of the least-squares regression line drawn through the points is -2,384, with a standard error of 778.