

# THE ASSOCIATION BETWEEN VETERAN DISABILITY AND CHILD OUTCOMES

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ABSTRACT. This paper examines the association between parental disability and child outcomes among a sample of veterans from the American Community Survey. Using service connected disability rating (SCDR) as a measure of veteran disability, we show that a child whose parent has a high SCDR has worse outcomes. When a parent has a high SCDR, a child has a higher likelihood of not being in school, conditional on being in school is more likely to be late for grade, and is more likely to have cognitive difficulties and worse overall health. These results are *net* of the receipt of disability insurance, as veterans with higher SCDRs typically have higher levels of disability-related compensation. We find similar associations between parental disability and child outcomes among the broader non-veteran population as well. This paper highlights the need for a deeper understanding of the causal links between parental disability and child outcomes.

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## 1. INTRODUCTION

The question of how parental disability status affects child outcomes is of critical importance, as recent work has shown that the early childhood environment is crucial for determining health and labor market outcomes in the long run (Currie and Vogl (2013); Heckman (2006)). Parental disability can disrupt the home environment partly because it is strongly correlated with poverty in both developed and developing countries (Filmer (2008); Haveman and Wolfe (2000); Hoogerveen (2005); Mitra et al. (2011); Mont and Cuong (2011)). For example, in the U.S., working age adults (ages 18-64) with a disability are more than twice as likely to be in poverty (29.5% compared to 12.9%).<sup>1</sup> Hence, if parental disability places families in poverty or otherwise disrupts schooling and reduces investments in children, it could have long run consequences that may be difficult or expensive to undo.

This paper makes progress on this question by examining the association between parental disability among veterans and child outcomes at a national level using 7 years of data from the American Community Survey (ACS). Examining this relationship among veterans in and of itself is an important contribution of this paper. Veterans form a considerable proportion of the American population (around 4.6% of the adult population) and have some of the highest rates of disability: according to the 2015 American Community Survey (ACS), while around 8.7% of adults are disabled the rate is double (17.6%) among veterans. Given the high rate of disability among veterans, it is unsurprising that children of veterans are especially vulnerable to parental disability; while 9.3% of all children under the age of 18 live with at least one disabled parent in the broader population, that figure jumps to 16% when considering children of veterans.<sup>2</sup> Thus, in order to shed some light on the intergenerational consequences of disability and poverty in this population, it is vital to understand how veteran disability affects children's health and schooling outcomes.<sup>3</sup>

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<sup>1</sup>Authors' own calculations using the 2008-2015 American Community Survey (ACS). Individuals are considered disabled if they report at least one disability in the following categories: cognitive, physical, vision, hearing, self-care or independent living difficulty. Poverty status is defined as having family income below 100% of the poverty line as reported in the ACS.

<sup>2</sup>Authors' own calculations using the 2015 ACS, using the definition of disability above. When defining parental disability among the population of veteran children as having a parent with a service connected disability rating above 0, the proportion is 28.9%.

<sup>3</sup>For a broad non-economics discussion of issues faced by children in military families, see McLanahan et al. (2013).

One of the empirical difficulties of examining the impacts of parental disability on child outcomes is that parental disability might be a marker for other attributes that could also affect child outcomes. Hence it is important to find sources of disability that are plausibly unrelated to individual characteristics. While such exogenous variation in disability status is difficult to find in the general population, we can get closer to the ideal of a causal relationship by examining this relationship in veteran families. Eligible veterans are assigned a “service connected disability rating” (SCDR), which ranges from 0-100% and represents the extent of disability due to military service. Since this measure attempts to capture disability specifically due to military service (and not other sources), it is less likely to be driven by underlying unobservable factors otherwise correlated with individual attributes. However, we recognize that even such variation might not be free from selection or other forms of bias. Despite this empirical reality, we consider an in-depth examination of existing data an important exercise especially given how veteran families are affected by disability and how this might propagate a cycle of poverty among this vulnerable population. Moreover, while selection into *any* disability maybe correlated with individual observed or unobserved characteristics, the *extent* of disability (conditional on any disability), which we exploit based on the SCDR score, might be less susceptible to this self-selection bias.

Our analysis suggests a need for continued study in this area with a focus on causal links, as there appear to be severe negative externalities of parental disability on child outcomes. We find that children (aged 5-17) living with a parent who has a high SCDR are significantly more likely to have cognitive disabilities and be late for their grade in school than children of a parent with a low SCDR, or in families where neither parent is disabled. For example, a child whose parent has the highest disability rating is 60% more likely to report cognitive difficulties compared to a child whose parent does not get assigned a disability rating (and is therefore unlikely to be disabled due to military service related issues). Young adults between ages 16-17 are both less likely to work and less likely to be in school when a parent has a high SCDR. Compared to parents who are not disabled, young adults aged 16-17 whose parents have the highest disability rating are 15% more likely to be late for their grade in school. These associations point to the idea that children of more severely disabled veterans are likely to enter adulthood at a disadvantage. Moreover, the level

of benefits given to a veteran increase as the SCDR increases; since our results do not condition on the receipt of such benefits, these effects can be interpreted as the *net* effect of SCDR status. Therefore, despite the higher level of benefits that accrue to more disabled veterans, their children appear to be worse off.

In order to get a sense of these correlations in a broader context, we compute simple correlations between parental disability status and child outcomes among the general (i.e. non-veteran) population. Among this population, we do not have data on the extent of disability and are hence constrained to only examining whether or not a parent in the household is disabled. The results show similar negative correlations between parental disability and schooling outcomes, as well as negative correlations between parental disability and child disability for the general population. Hence, the disability of parents and its potential effects on children are not limited to the veteran population.

This paper adds to a rich literature in child development and economics that analyzes the role of parental death and disability on child outcomes. While we provide an extensive review of some of the relevant papers in this area in the following section, our contribution to this space primarily stems from an empirical analysis of disability among veterans, a highly vulnerable population. While we are unable to completely resolve endogeneity and self-selection issues in this paper, we believe this to be an important step in the right direction using the most recent data available to examine how the extent of disability among veterans affects children's health, as well as a child's participation in school and work. The paper proceeds as follows: in the next section, we review the literature in economics and other disciplines on parental disability and child outcomes as well as the broader literature on children in military families. In Section 3, we describe the dataset we use and discuss some basic descriptive findings. In Section 4 we outline our empirical approaches and discuss the results for both the main sample (children in veteran families) and in the broader population. We examine heterogeneity along a number of dimensions in Section 5. We conclude in Section 6.

## 2. LITERATURE REVIEW

A vast research program in the social sciences has examined the effects of military service and disability on veterans and their families. A special issue of *The Future of Children* entitled “Military Children and Families” presents and summarizes the most recent findings in the subject area. Within the issue, Lester and Flake (2013) note that military families are faced with unique challenges, many of which begin before or during a parent’s deployment. Parental deployment has been linked to poor academic performance and increased behavioral and emotional problems in children. These children are also more likely to experience maltreatment and/or neglect in the home, as parental deployment increases the probability of marital conflict and domestic violence.

For many families, these problems do not dissipate when the deployed parent comes home, particularly if he or she has been injured in the line of duty. Holmes et al. (2013) distinguish between the effects of visible injuries, such as amputation, burns, and musculoskeletal injuries, and invisible injuries, such as traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD). Visible injuries can reduce a parent’s ability to engage and connect with their children, both because of physical limitations and time away from the home due to long-term hospitalization. This can cause disruption to family life, as children and parents take on new roles in the household, and put children at an increased risk for behavioral problems and emotional stress. Invisible injuries cause similar, and sometimes more intense, difficulties. The research on TBI is limited at this point in time, but PTSD has been associated with higher levels of family violence, marital conflicts, and family distress.

Military service and disability status can also place an economic burden on families. Veterans with a high disability rating, on average, have lower annual earnings than non-disabled veterans. For most, disability benefits are able to offset this difference. However, for the sub-group of veterans that were discharged from the military because of a service-connected disability, this is not the case. These individuals, who make up less than 10% of all disabled veterans, are less likely to work than other disabled veterans and have lower earnings, particularly if they are older (see Hosek and Wadsworth (2013) for a review of this literature).

This paper also relates to the vast literature on parental disability and child outcomes more generally. Aldridge and Becker (1999) synthesize the literature from the 1980s and 1990s relating to the care and outcomes of children with disabled parents. They pay special attention to “young carers,” whom they define as children who provide care to a sick or disabled parent to the point that it has a negative effect on their own development and/or childhood experience. These children, the authors explain, often experience maladjustment and behavioral problems, and may be at risk for developing disabilities themselves. The length and extent of these problems are significantly affected by the support the child and the family receive, both from within and from outside the family. For this reason, Aldridge and Becker recommend “whole family” policies and procedures to best assist families with a disabled parent.

Examples of more recent work in this area are Hogan et al. (2007) who consider the effect of a parental disability on an adolescent’s learning environment and family dynamics; Hyatt and Allen (2005) who study the effect of parental disability on childhood immunization using data from the National Health Interview Surveys; Shandra and Hogan (2009) who attempt to determine the effect of having a disabled parent on a child’s and parent’s expectations of educational attainment and the child’s probability of completing high school using the National Longitudinal Survey of Youth; and Mont and Nguyen (2013) who analyze the effect of parental disability on child educational outcomes in Vietnam. Despite the different populations studied and the different datasets used, the broad thrust of this body of research suggests that children are negatively impacted along various dimensions when their parents are disabled.

### 3. DATA

The results we present in this paper use data from the American Community Survey (ACS) for the years 2008-2015, the years in which the question of service connected disability rating (SCDR) is asked of veterans.<sup>4</sup> Our main sample is formed of all children of the household head between the ages of 5 and 17 (inclusive) who have at least one veteran parent.<sup>5</sup> This leaves us with over 302,000 children across the 8 survey years.

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<sup>4</sup>We accessed the data through the Integrated Public Use Microdata Series (Ruggles et al. (2017)).

<sup>5</sup>The definition of parent is based on social relationships and thus includes non-biological links such stepfathers (step-mothers) and adoptive fathers (mothers).

Our main covariate of interest is parental SCDR. SCDR “connotes many factors but basically it means that the facts, shown by evidence, establish that a particular injury or disease resulting in disability was incurred coincident with service in the Armed Forces, or if preexisting such service, was aggravated therein” (38 CFR 3.303).<sup>6</sup> The SCDR is meant to represent a composite of both the severity and the connectedness of the disabilities to service. This score is typically calculated when a veteran applies for disability compensation after having undergone a medical exam at a VA hospital. The SCDR and household demographics determine the level of benefits for which a veteran is eligible; these benefits generally increase linearly with SCDR with the exception of benefits tied to SCDRs of 100%, which are much more generous (see Appendix Figure A.1).<sup>7</sup> Though the score is reported to veterans and relevant administrators in increments of 10 percentage points, in the ACS we observe the SCDR only in bins of 20 percentage points and it is top-coded at 70 percent.

We also observe some dimensions of general self-reported disability in the ACS (for all individuals, including non-veterans). These are indicators for whether an individual has any (i) cognitive difficulties – difficulty learning, remembering, concentrating, or making decisions because of a physical, mental, or emotional condition; (ii) physical difficulties – limitations on “basic” physical activities, such as walking, climbing stairs, reaching, lifting, or carrying; (iii) “long-lasting” condition of blindness, deafness, or a severe vision or hearing impairment; and (iv) self-care and independent living difficulties – inability to care for oneself (not including temporary health conditions such as broken bones or pregnancy) either within (self-care) or outside (independent living) the home. The ACS does not contain information on the severity or number of disabilities.<sup>8</sup>

In our sample, self-reported disability and SCDR are highly correlated among veteran parents. Figures 1a - 1f show how some of these disabilities vary with SCDR among the parents

<sup>6</sup>Conditions that determine eligibility typically exclude, “the result of the veteran’s own willful misconduct or, for claims filed after October 31, 1990, the result of his or her abuse of alcohol or drugs” (38 U.S.C. 105).

<sup>7</sup>Veterans with certain severe disabilities or disabilities with “special circumstances such as the need of aid and attendance by another person or by specific disability, such as loss of use of one hand or leg” may be eligible for additional special monthly compensation (SMC) “paid based on the need of aid and attendance by another person” (as reported by the VA, <http://www.benefits.va.gov/>). Additionally, surviving dependents of veterans who died due to service-related disabilities are eligible to receive Dependency and Indemnity Compensation (DIC). In this analysis we restrict our attention to children in households with living but disabled veterans, so the large majority will not be eligible for DIC.

<sup>8</sup>We do not observe the total number of disabilities in the ACS, only the number of disability categories. It is possible for a person to have multiple disabilities that fall into the same category.

in our sample. Clearly, self-reported disability across all categories is increasing in SCDR, with a discrete jump up at SCDRs of 70 percent or higher (potentially due to the top-coding of SCDRs in the ACS). The likelihood of reporting any disability and the number of reported disability categories is also increasing in SCDR (Figures 1e and 1f). On average, those with an SCDR of 70% or higher have disabilities that span more than one category. However, self-reported disability does not perfectly correspond with SCDRs. For example, about 10% of parents without any SCDR report disability (Figure 1e); this is because SCDRs apply only to disabilities sustained or worsened due to military service and thus excludes non-service related disabilities. Additionally, not all individuals with SCDRs self-report disabilities. This could be because the categories of self-reported disability in the ACS do not cover all disability types. Nonetheless, given the strong correlations between self-reported disability measures (including self-reporting disabilities in multiple categories) and SCDR presented in these figures, we believe that variation in parental SCDR captures a combination of the likelihood and severity of parental disability.

Tables 1a and 1b give some summary statistics for children of veteran and non-veteran families. We present statistics for both samples because, as discussed in Section 4, we examine correlates of parental disability for both samples of children. Column (1) shows that about 19% of children have a parent with an SCDR, conditional on living with a veteran parent.<sup>9</sup> About 8% of children live with a veteran with an SCDR of 10-20%, and 4% of children live with a parent with the highest SCDR rating (70% and above). Self-reported parental disability is 15% in the veteran family sample (column (1)), which is significantly higher than in the non-veteran sample (9%, column (2)).

Children of veterans appear to be very similar to children of non-veterans along most dimensions (e.g. in terms of sex, age, birth order, race, household size, number of siblings, and father's age), though there are a few key differences. Children of veterans have slightly older parents and are less likely to be missing information on father's education than children of non-veterans. This is because children of veterans are much more likely to be living with their fathers (95.7% versus 77.5%). Children of veterans live with fewer grandparents. They also have higher

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<sup>9</sup>In the case where we observe both parents with an SCDR, we use the higher SCDR.

household income per capita (by about \$1000) and are less likely to be in poverty (7% versus 18%).<sup>10</sup>

The main child outcomes we consider are schooling, late-for-grade, work, and physical and mental disability status. “Currently in School” is an indicator that is equal to one if a child has attended a school within the last three months. Additionally, for children who are currently attending school, we observe whether the school they attend is public or private.<sup>11</sup> As expected, most children are in school (97.6%); about 12.3% are in private school (Table 1b). We classify 3.8% of the sample as “Late for Grade”, which we define as age 8 or older for first grade, 9 or older for second grade, etc. Given that the typical school starting age is 6 or 7, we feel that this is a conservative measure to capture slower-than normal progression through school grades and possible grade retention.<sup>12</sup>

There are several labor force outcomes we consider, all of which are only reported for those aged 16 and older.<sup>13</sup> The first is an indicator for whether an individual has been employed in the previous year. Nearly a third of the sample ages 16-17 report being employed in the past week at an average of 396.9 hours per year (about 7.6 hours per week). Earnings are on average close to \$7 per hour.<sup>14</sup>

Child disability status is reported in the survey along the same dimensions as for parents. Cognitive difficulties are the most common in our sample (Table 1b), affecting 4.2% of children. Physical as well as “long-lasting” vision and hearing difficulties are much less common (0.6%-0.7% of children). About 1% of the sample suffers from self-care difficulty, while about 2.2% of the sample (aged 15 or older) suffers from independent living difficulties.

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<sup>10</sup>Household income is trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics.

<sup>11</sup>Home-schooling is included under the classification of private schooling.

<sup>12</sup>Compulsory school starting ages are state-specific and vary from age 5 to age 8 (as reported in 2008 by the U.S. Department of Education, Institute for Education Sciences, National Center for Education Statistics (<http://nces.ed.gov/>)).

<sup>13</sup>We do not study children over the age of 17, as the survey only contains information for coresident parents. Thus as age increases, the sample of individuals for which we observe parental disability is likely to become less and less representative of the population.

<sup>14</sup>Hourly earnings are calculated using reported hours worked in a “usual” week and weeks worked in the past year. However, weeks worked in the previous year are only reported in intervals so the midpoint of each interval is used as is standard (Welsh-Loveman et al. (2014)). Hourly earnings are trimmed at the bottom and top 1% within each survey year and are expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics.

Figures 2a-2d give an initial look at the relationship between parental SCDR and selected child outcomes. Children whose parents have SCDRs of 70 percent or higher are much more likely to be late for grade and children with high parental SCDRs are less likely to be enrolled in private school. The probability of having cognitive difficulties increases with parental SCDR. The raw correlation between physical difficulties and parental SCDR is also positive but not as strong as for cognitive difficulties; only the group of children with parental SCDR of 70% or higher have a statistically significantly higher likelihood of physical disability than those whose parents do not have an SCDR.

Figures 3a-3d shows how parental SCDR relates to young adult (ages 16-17) schooling and work. As in the full sample, the probability of being late for grade is higher and the probability of being in school and in private school is lower for young adults with high parental SCDR, though the pattern for intermediate values of parental SCDR (less than 70%) is actually declining for late for grade status. Young adults with high parental SCDRs are also less likely to have been employed in the past year.

#### 4. EMPIRICAL APPROACH AND RESULTS

##### 4.1. The relationship between the degree of parental disability and child outcomes in veteran families

Our baseline estimates are generated by running the following regression on the sample of children age 5-17 with at least one veteran parent<sup>15</sup>:

$$(1)Y_{iht} = \beta_1 \cdot \mathbf{1}(SCDR_{ht} = 10 \text{ or } 20 \text{ percent}) \\ + \beta_2 \cdot \mathbf{1}(SCDR_{ht} = 30 \text{ or } 40 \text{ percent}) + \beta_3 \cdot \mathbf{1}(SCDR_{ht} = 50 \text{ or } 60 \text{ percent}) \\ + \beta_4 \cdot \mathbf{1}(SCDR_{ht} = 70 \text{ percent or higher}) + \gamma X_{iht} + \delta_t + \mu_s + \varepsilon_{iht}$$

where  $Y_{iht}$  is an outcome of interest such as schooling or disability status for child  $i$  in household  $h$  in survey year  $t$ ;  $SCDR_{ht}$  is the parental veteran disability score<sup>16</sup> in increments of 20

<sup>15</sup>By restricting our sample to children in veteran families, we circumvent the issue of selection into military service as a confounder.

<sup>16</sup>As noted in Section 3, in cases where both parents report an SCDR we use the higher of the two scores.

percentage points and top-coded at 70 percent;  $X_{iht}$  are child- and household-level characteristics such as age, race, and household size (see the notes below each table for a complete list)<sup>17</sup>; and  $\delta_t$  and  $\mu_s$  represent survey year and state fixed effects that capture aggregate differences in  $Y_{iht}$  by year and across states.  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  capture the difference in  $Y_{iht}$  relative to children of veterans without an SCDR, i.e. those who are less likely to be and less severely disabled. In practice, many of the outcome variables we consider are binary, so in many cases (1) represents a linear probability model. As we sometimes observe multiple children of the same set of parents, we cluster standard errors at the family level.

It is important to recognize that the analysis in this paper is largely descriptive; we do not argue that SCDRs are randomly assigned in the veteran population. In particular, those who become severely injured in the course of military service (and thus those with higher SCDRs) may differ from those without disability or whose injuries are less severe on a number of unobservable dimensions, including ones important for child outcomes. However, we believe that the sample and type of disability under study help move us closer to causal estimates than existing work for several reasons. First, unlike other types of injuries, injuries sustained during military service captured through the SCDR are likely to be unanticipated and unrelated to most preexisting health measures (recall that the score only reflects injuries sustained during service and worsening of preexisting conditions due to service). Therefore, unlike other measures of disability, the SCDR is likely to capture more plausibly exogenous variation in parental disability.

Second, the SCDR allows us to examine the gradient of outcomes with respect to a measure of the *severity* of parental disability. Specifically, by comparing  $\hat{\beta}_2$ ,  $\hat{\beta}_3$ , and  $\hat{\beta}_4$  to  $\hat{\beta}_1$ , we can better understand how the degree of parental disability matters for child outcomes, conditional on some sort of disability. This gets around issues related to parental selection into disability and allows us to focus on the degree of parental disability (conditional on having a disabled parent).

4.1.1. *Schooling and Labor Force Involvement in Children of Veterans.* Table 2 presents the estimates obtained from equation 1 when we consider schooling outcomes for children in the 5-17 age range. Though the point estimates suggest that children of more disabled veterans (SCDR of

<sup>17</sup>Importantly,  $X_{iht}$  contains the demographic information used to determine the VA benefit eligibility.

50 percent or higher) are less likely to be in school than those with non-disabled parents, the point estimates are small and not statistically significant. Children of highly disabled veterans (SCDR  $\geq 70$  percent) are 0.5 percentage points more likely to be late for grade (about 13.2% more likely relative to children of non-disabled parents) and this difference is statistically significant at the 5% level. Conditional on being enrolled in school, children with more disabled parents are also less significantly likely to be in private school (differences relative to the baseline group are significant for all parental SCDR categories at the 5% level or lower) and these differences are large relative to the proportion of children in private school for less disabled parents (column 3). To the extent private school captures school quality, it appears that children with more disabled parents attend lower quality schools.

Next we examine the relationship between the degree of parental disability and schooling and labor outcomes for young adults (individuals aged 16-17). Columns 1-3 of Table 3 illustrate similar patterns found in the full sample of children. Young adults with parental SCDR of 70 percent or higher are significantly less likely to be in school and conditional on being in school, are more likely to be late for grade and in public schools (versus private schools). Again, the differences in late for grade status and private school attendance are large and statistically significant for all SCDR levels when considering private school attendance (column 3).

In columns 4-7 of Table 3 we focus on labor market outcomes. Young adults with highly disabled parents (parental SCDR of 50 percent or higher) are significantly less likely to have been employed in the year previous to the survey (column 4). The differences are large, representing decreases of approximately 6.9-18.2% relative to the mean for young adults with non-disabled parents. The lower employment levels of young adults with high parental SCDR appears to be driven largely by extensive margin movements. Though column 5 indicates that young adults with more disabled parents (SCDR  $\geq 50$  percent) work significantly fewer hours in the year prior to the survey, the magnitudes are relatively small (12.3-19.6 hours per year). Additionally, column 7 shows that conditional on working in the previous year, children of more disabled parents work the same number of hours than those living with less disabled parents on average. Hourly earnings also do not appear to differ across parental SCDRs.

How do we interpret these results? As discussed in the previous section, Figures 1a - 1f indicate that parental SCDR reflects at least in part the severity and incidence of parental disability. From the results presented in Tables 2 and 3 we can conclude that parental disability (related to military service) is strongly associated with poorer schooling outcomes for children, especially those living with parents with SCDRs of 70 percent or higher. This is particularly pronounced for older children (ages 16-17), who are also less likely to be employed and work fewer hours. Tables 2 and 3 also illustrate that there is a gradient in the degree of parental disability even within households with disabled parents. By comparing the relative size of the coefficients for the more disabled categories relative to the less disabled categories (i.e. to children with parental SCDRs of 10 to 20 percent), we can see that children of highly disabled parents (SCDR  $\geq$  70 percent or more) are much more disadvantaged than children with less disabled parents, even after accounting for the selection into parental disability. Taken all together, these findings are consistent with the possibility that older children spend more time caring for disabled parents and are thus unable to attend school or work at the same rates as their counterparts with non-disabled parents. This interpretation of the findings aligns with the limited evidence on the effect of parental illness on time spent in household chores and caregiving (Buck and Hohmann (1983); Hannum et al. (2009); O'Neill (1985)).<sup>18</sup>

However, there are also other plausible explanations for these findings; for example, families in which a parent has a severe disability may be less able to generate income and therefore have fewer resources to devote toward children's human capital accumulation. Unfortunately, the data in the ACS are too limited to fully investigate all of the potential explanations for this link, though in Appendix Table A.1 we provide some preliminary evidence that veteran disability could affect child outcomes at least partly through household income. Columns 1 and 2 indicate that children of more disabled parents have lower per capita income; households with a highly disabled veteran (SCDR  $\geq$  70 percent) have annual income per capita that is nearly \$800 lower than

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<sup>18</sup>For example, Hannum et al. (2009) use data from China and find a strong negative association between parental chronic health conditions and disability and child time spent in school enrollment, attendance, and performance as well as on educational spending; they find a positive (though not always statistically significant) association between maternal ill health and time spent working in the household.

non-disabled households (column 1; 4.4% relative to the mean for families with non-disabled parents). It is important to note that household income includes income from all sources, explicitly including any benefits payments that veterans claim with respect to their SCDR. This implies that the negative relationship between household income and parental veteran disability remains *even net of monetary compensation received through the VA*. Interestingly, poverty status is also lower for this group (column 2).<sup>19</sup> To the extent that schooling investments are affected by household income, one pathway through which parental disability impacts schooling outcomes in Table 2 is lower income.<sup>20</sup>

4.1.2. *Child Disability Status in Children of Veterans*. In Table 4, we examine whether children of more disabled veterans are more likely to suffer from disabilities themselves. The results in column 1 indicate that children of disabled veterans are significantly more likely to have cognitive difficulties, defined as “serious difficulty concentrating, remembering, or making decisions.” This difference grows with the severity of parental disability, as measured by parental SCDR; children of highly disabled veterans (SCDR  $\geq 70$  percent) are 2.4 percentage points more likely to have a cognitive disability than those without disabled parents, representing a 60% increase in the prevalence of cognitive difficulties among children. There is some evidence that parental disability is related to other child disabilities as well; children living with parents with the highest SCDR category are more likely to suffer from disabilities in all categories (columns 1-4). Given this, it is perhaps not surprising that children are less able to care for themselves (column 5) or live independently (column 6; only for those ages 15 and older) when their parents have SCDRs of 70 percent or more. These final two categories of child disability potentially represent the most severe forms of disability reported in the ACS, as they correspond to physical or mental health conditions lasting 6 months or longer that make it difficult for individuals to “take care of their own personal needs, such as bathing, dressing, or getting around inside the home” (Ruggles et al. (2017)). Therefore

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<sup>19</sup>Poverty status is an indicator for having household income (adjusted for the demographic structure of the household) below 100% of the poverty line (see ipums.org for more information).

<sup>20</sup>However, it is interesting to note that the results presented in Tables 2 and 3 are highly robust to including per-capita household income (results available upon request), which suggests that income is not the only way in which parental disability affects child outcomes.

along the dimension of child disability, it again appears that children of highly disabled veterans are at a disadvantage.

#### **4.2. The relationship between parental disability status and child outcomes in the wider population**

The findings in Sections 4.1.1 and 4.1.2 indicate that among children in veteran families, more severe parental disability is associated with poorer outcomes in terms of schooling, work, and the incidence of child disabilities. However, it is important to understand whether this relationship is specific to veteran families, who are observably different from the wider population (see Table 1a and 1b). While we do not observe markers for the degree of parental disability in the non-veteran sample, we do observe the existence of (self-reported) parental disability along the dimensions described in Section 3. In this section, we examine the relationship between child outcomes and parental disability status as captured by the an indicator for any parental disability (i.e. any category of disability for either parent)<sup>21</sup>, both in the sample of veteran families and the sample of non-veteran families. To assess whether the relationship between parental disability and child outcomes varies across these sub-populations, we also report the p-value for the test that this relationship is the same across the two samples.

It is important to keep in mind that when we look at the gradient of child outcomes with respect to SCDR in the sample of veteran families, we argue that the degree of parental disability in this subsample is likely to be exogenously determined and unlikely to capture other determinants of child outcomes (e.g. disadvantages that pre-date disability). In the wider sample and using the indicator for self-reported parental disability, this is less likely to hold. For example, examining the intergenerational correlation of disability could reflect pathways such as time allocation and household income (as discussed in Section 4.1.1) or pathways such as genetic transmission of disability or other background characteristics related to both child outcomes and parental disability. Thus we underscore that these estimates reflect associations rather than causal effects of parental disability. Nonetheless, as they are the first estimates of the relationship between schooling outcomes, child disability outcomes, and parental disability using a large, nationally representative

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<sup>21</sup>We consider individual categories of parental disability in Section 5.2.

dataset (that we are aware of), we still see them as an important step forward in our understanding of the intergenerational effects of parental disability.

The association between schooling outcome and parental disability in the full sample of children ages 5-17 are displayed in Table 5. On average, children who have a disabled parent are significantly less likely to be in school, more likely to be late for grade, and less likely to be in private school (conditional on being in school). The magnitudes for late for grade status and private school attendance are meaningful; for example, children of disabled parents are nearly 50% more likely to be late for grade (column 2). This holds true for both veteran and non-veteran families (the results are not statistically significantly different across the two subpopulations).

Young adults (ages 16-17) living with a disabled parent are also worse off relative to those with non-disabled parents (Table 6). They are significantly less likely to be in school (and in private school, conditional on being in school), more likely to be late for grade, and less likely to be employed and also work fewer hours. Again, the coefficients are remarkably similar across the samples of veteran and non-veteran families. The one exception is that in the non-veteran sample, children of disabled parents earn less (conditional on working) than children of non-disabled parents (column 7, Panel B; though the coefficients are not statistically different across the veteran and non-veteran sample). One possible interpretation is that among those who do work, children of disabled parents are willing to accept lower-paying jobs in order to supplement household income.

Child and adult disability are also strongly correlated in the wider sample (Table 7). Children are much more likely to have disabilities of all types when they have at least one parent with a disability. The coefficients are large and meaningful. Having a disabled parent increases the chances of a child disability by 1.1 to 3.7 times (i.e., 110% to 370% over the incidence of child disability in the population of children without disabled parents). Interestingly, the correlation is notably stronger in non-veteran families than in veteran families (differences are statistically significant across all disability types), despite the fact that rates of child disability among the sample of children with non-disabled parents are very similar across the two groups. This is suggestive evidence that parental disability in veteran parents is more plausibly exogenous and unrelated to

underlying differences between disabled and non-disabled parents and lends credibility to the estimates discussed in Sections 4.1.1 and 4.1.2.

## 5. HETEROGENEITY AND ADDITIONAL RESULTS

In this section, we review the results for various subsamples of children, including by age group (including very young children ages 0-4), race, sex, identity of disabled parent (i.e. mother versus father), and parental disability type. These results present some very suggestive evidence of the channels through which parental disability affects children.

### 5.1. Outcomes for Very Young Children

We also examine outcomes of children who are young (ages 0-4). We consider these ages separately from the main sample (ages 5-17) for two reasons. First, schooling is not compulsory for children under the age of 5 in any state and the eligibility for free public education generally begins around age 5.<sup>22</sup> Therefore, unlike for our main sample of children, attendance rates are much lower (50%) and conditional on being in school the rates of private schooling much higher (51.7%) for ages 3-4.<sup>23</sup> Second, in the ACS, children under the age of 5 are only asked about disabilities related to vision and hearing, presumably as cognitive, physical, and self-care disabilities are often difficult to diagnose or are not applicable at these early ages.

The results for this age group are in Appendix Tables A.2 and A.3. There are generally no statistically significant schooling associations, though the point estimates are negative for all parental SCDR categories, suggesting that young children of disabled parents fare worse than children of non-disabled parents (Appendix Table A.2, columns 1-2). Similarly, there are no statistically significant correlations between parental SCDR and vision and hearing disabilities; the one exception is that children of highly disabled parents (those with SCDR 70 percent or higher) are about 0.3 percentage points (75%) more likely to report a hearing disability (column 4).

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<sup>22</sup>As reported by the U.S. Department of Education, Institute for Education Sciences, National Center for Education Statistics (<http://nces.ed.gov/>). The minimum age limit to which free education must be offered is 5 or older for all but four states (Florida (4), Illinois (4), Massachusetts (3), Wisconsin (4)).

<sup>23</sup>Information on schooling is only collected for ages 3 and up.

The indicator for parental disability is a much stronger predictor of poor schooling outcomes (Appendix Table A.3, column 2) and disability (columns 3-4) in both the veteran and non-veteran family samples for this age group. Children are much less likely to be in private school and more likely to have a sensory disability if a parent self-reports a disability. These correlations are significantly stronger for the non-veteran sample, again suggesting that this measure is less likely to be exogenous in this group than the SCDR in the veteran group. Even with this caveat, taken together the results in Appendix Tables A.2 and A.3 suggest that the disadvantages of having a disabled parent may surface even at very early ages.

## 5.2. Heterogeneity by Race, Sex, and Identity of Disabled Parent among Veteran Families

We next present the main results (associations between child outcomes and parental SCDR in veteran families) using three measures of heterogeneity: race, sex, and identity of disabled parent (i.e. whether the disabled parent is the mother or father). Differences in child outcomes across race and sex are long established in the literature (though it is less clear whether these differences are more or less pronounced in the population of veteran families). The effects of parental disability could depend on the identity of the disabled parent if, for example, maternal disability primarily affects children through a mother's time allocation whereas paternal disability affects children through loss of household income.

Generally, there are few statistically significant differences in the effects by race (Appendix Tables A.4 and A.5) and sex (Appendix Tables A.6 and A.7). There is some evidence that the gradient of cognitive disabilities with respect to parental SCDR is steeper for boys than for girls (Appendix Table A.6, column 4) and that the schooling status of female adolescents is more affected by parental disability than that of boys (Appendix Table A.6, column 1) but the difference in coefficients across the samples is significant at only the 10% level.

The biggest differences arise when looking at the associations with mother's versus father's SCDR. For schooling and late for grade status, the magnitudes of the coefficients are generally larger for mother's disability, while for private school attendance, the magnitudes are much higher for father's SCDR (Appendix Table A.8, columns 1-3). This is consistent with the interpretation that father's disability affects child schooling through an income channel, which affects

the budgetary aspects of schooling decisions (e.g. private versus public education), while maternal disability affects schooling decisions through other channels.<sup>24</sup> However, these associations are not significantly different across mother's and father's SCDR. On the other hand, mother's SCDR is much more strongly correlated with child disability (cognitive and self-care) than father's SCDR; these differences are significant at the 5% level or lower (columns 4 and 5).

The patterns are less clear-cut for adolescents (Appendix Table A.9) though schooling status does seem to be more affected by mother's SCDR (column 1), as for younger ages. The estimates for hourly earnings are noisy given the small samples, but there is some evidence that children with highly disabled fathers (parental SCDR  $\geq 70$  percent) are more likely to accept jobs paying lower wages, whereas the same is not true for those with highly disabled mothers (column 6). This is again consistent with the interpretation that father's disability increases the need for household income more so than mother's disability, though generally the degree of father's disability does not lead to increased work on the extensive or intensive margin (columns 4 and 5).

### 5.3. Estimates by Type of Parental Disability

Lastly, we examine whether the type of parental disability matters for child outcomes. We only observe type of parental disability using the self-reported binary measures (i.e. not for SCDR) and so we present these results for both veteran and non-veteran families. Column 1 of Appendix Table A.10 illustrates that most of the relationship between schooling status and parental disability is being driven by physical, sensory (i.e. vision and hearing) and, to a lesser extent, mobility difficulties in parents. These results are similar across both samples. Late for grade status and private school attendance seem to be most strongly related to cognitive, physical, and sensory disabilities in parents (columns 2 and 3). All parental disability categories are strongly predictive of child disability (columns 4 and 5). It is worth noting that for these outcomes the correlations are again stronger in non-veteran families than in the veteran families (differences significant at the 1% level) and that cognitive disabilities in parents are particularly important predictors of both cognitive and self-care disabilities, in both samples.

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<sup>24</sup>For example, Hogan et al. (2007) find that maternal disability lowers parents' school involvement and is associated with a less enriching home environment.

The associations with schooling outcomes are larger in magnitude for young adults (Appendix Table A.11, columns 1-3). Cognitive, physical, and sensory disabilities in parents are all highly related to schooling, late for grade status, and private school attendance. Adolescents are also less likely to be employed when their parents suffer from cognitive and physical disabilities, but not other types of disabilities (column 4). There are no consistent patterns for hours worked or earnings (columns 5 and 6) and no differences in coefficients across the two samples.

## 6. CONCLUSION

In this paper we examined the association between veteran disability and child well-being, as captured by schooling and health outcomes. We find that children (aged 5-17) with a parent who has a high service connected disability rating (SCDR) are significantly more likely to have cognitive disabilities and be late for their grade in school than children of a parent with a low SCDR, or parents where neither is disabled. Additionally, young adults between ages 16-17 are both less likely to work and less likely to be in school when a parent has a high SCDR.

We believe this is an important step towards a deeper understanding of the relationship between parental disability and child outcomes, especially for vulnerable populations. Despite the fact that more severely disabled veterans received greater disability benefits, this paper shows that their children are still worse off, implying that disability related social safety nets are perhaps not able to fully insure children in military families. We highlight that these associations are also true in the broader population of non-veterans. Future work in this area could focus on the causal links between parental disability and child outcomes across a wide range of populations and contexts.

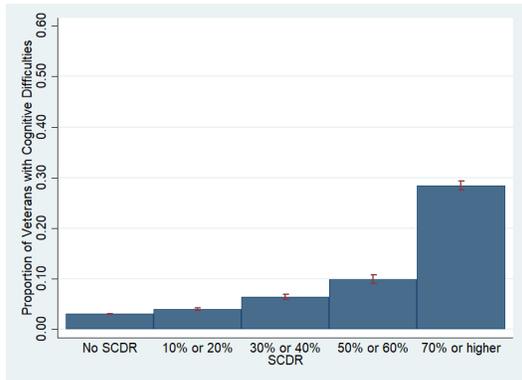
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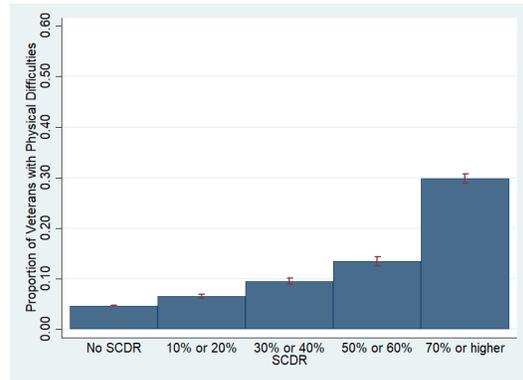
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FIGURES & TABLES

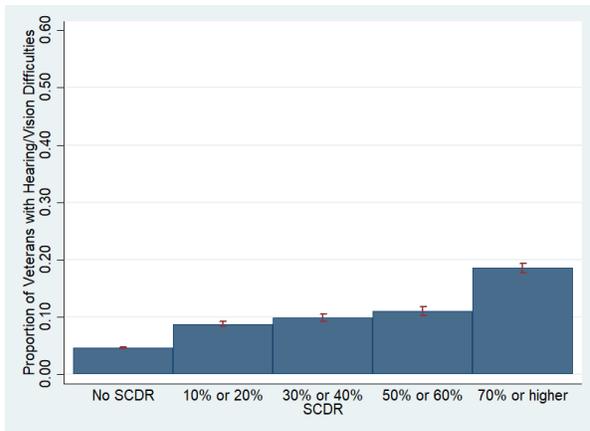
FIGURE 1. SCDR and Self-Reported Disabilities among Veterans.



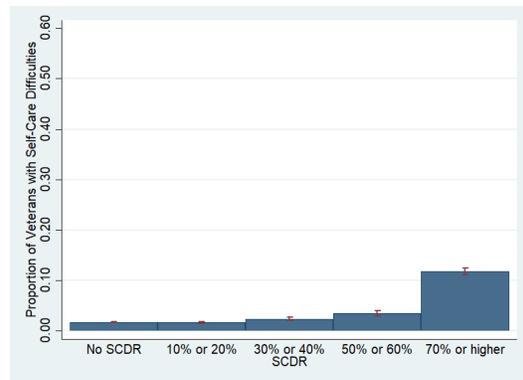
(A) Cognitive Difficulties



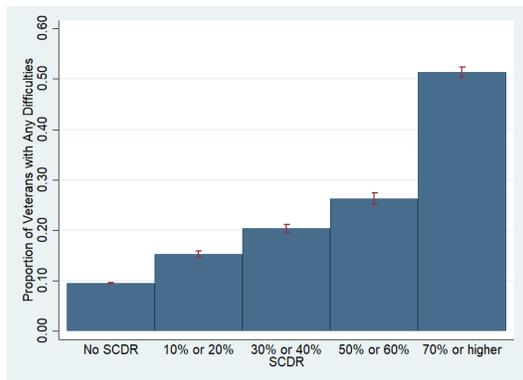
(B) Physical Difficulties



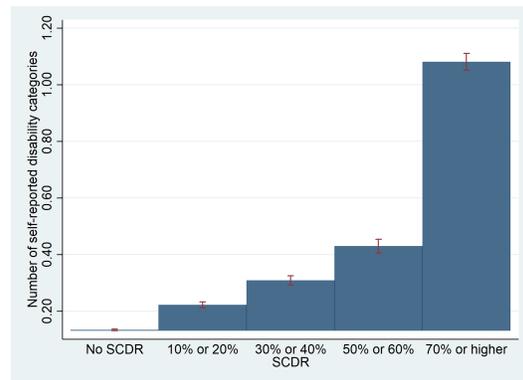
(C) Vision or Hearing Difficulties



(D) Self-Care Living Difficulties



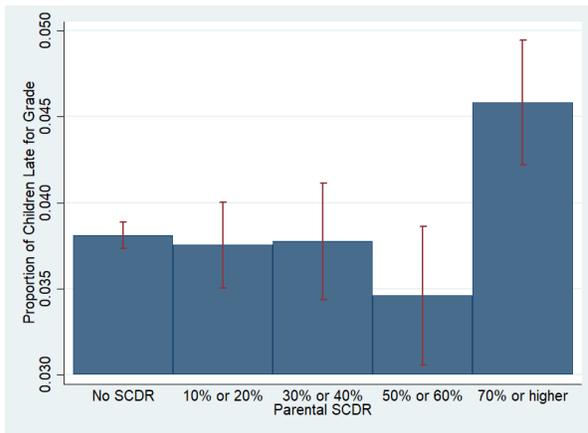
(E) Any Reported Disability



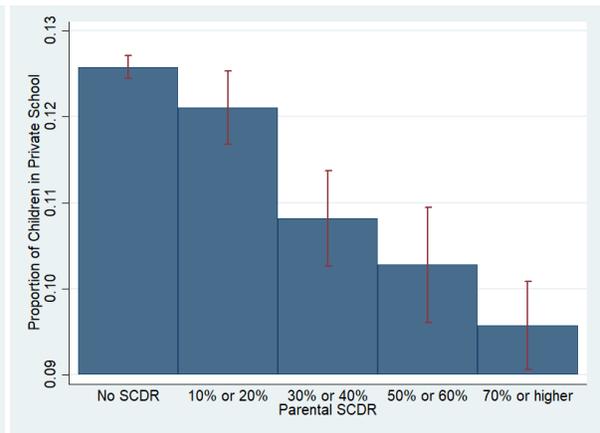
(F) Number of Reported Disability Categories

Sample for all figures: all veterans from families included in main estimation sample, i.e. containing at least one child aged 5-17. Number of disability categories in Figure 1f refers to a count of self-reported disability categories, not the total number of disabilities (which is not given in the ACS).

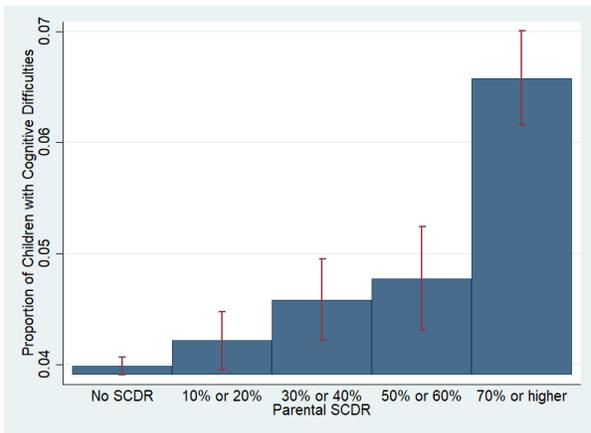
FIGURE 2. Parental SCDR and Selected Child Outcomes.



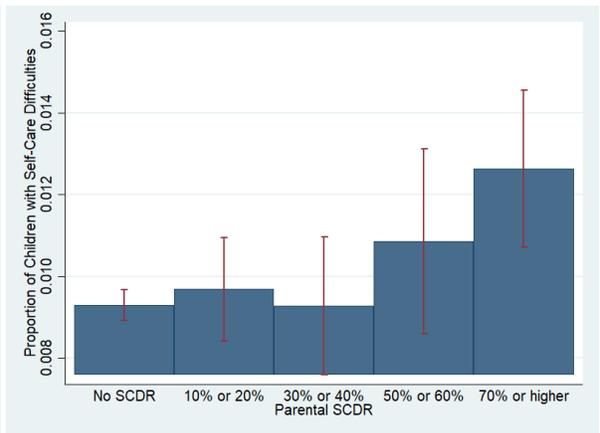
(A) Late for Grade Status



(B) Private School Attendance



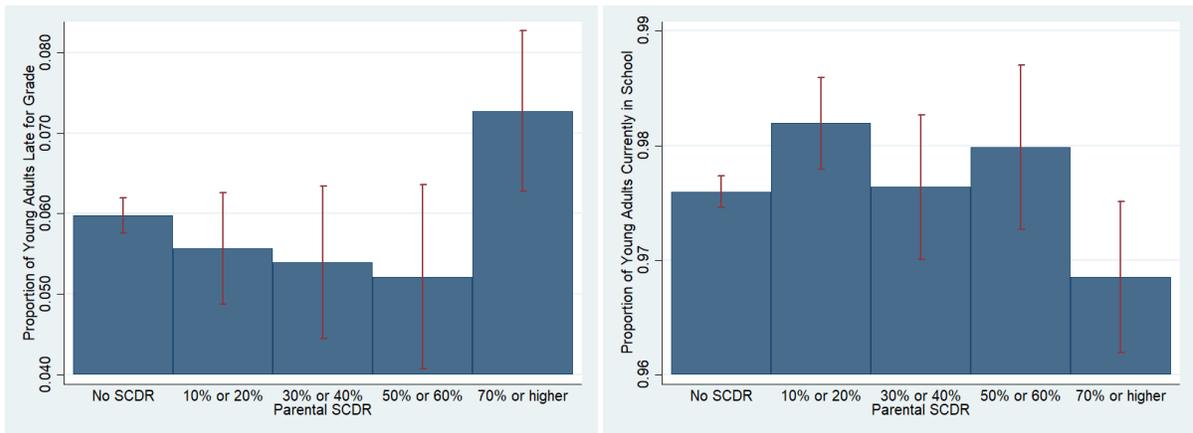
(C) Cognitive Difficulties



(D) Physical Difficulties

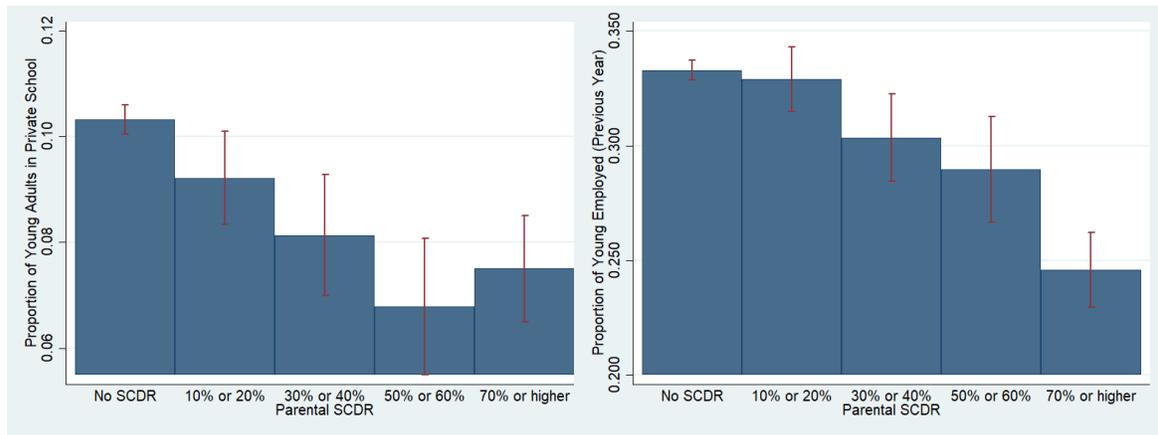
Sample for all figures: all children ages 5-17 living with at least one parent who is a veteran.

FIGURE 3. Parental SCDR and Selected Young Adult Outcomes.



(A) Late for Grade Status

(B) Enrolled in School



(C) Private School Attendance

(D) Employed (in Previous Year)

Sample for all figures: all young adults ages 16-17 living with at least one parent who is a veteran.

TABLE 1A. Descriptive Statistics for Children Ages 5-17: Household Characteristics

Variable	Children with at least one veteran parent (1)	Children with non-veteran parents (2)	p-value for $H_0 : (1) = (2)$ (3)
Household Size	4.49 [1.37]	4.51 [1.47]	0.000
Number of Siblings in HH	1.46 [1.2]	1.58 [1.24]	0.000
Number Grandparents in HH	0.26 [0.67]	0.60 [0.93]	0.000
Mother's Age	41.35 [7.19]	39.97 [7.07]	0.000
Mother's Education			
High School or Less	0.30	0.38	<i>p- value for the joint test that distribution is the same across groups</i>
1 Year of College	0.18	0.15	
2 Years of College	0.13	0.10	
4 or More Years of College	0.32	0.32	
Missing	0.07	0.06	
Father's Age	44.68 [8.58]	42.68 [7.53]	0.000
Father's Education			
High School or Less	0.35	0.33	<i>p- value for the joint test that distribution is the same across groups</i>
1 Year of College	0.21	0.10	
2 Years of College	0.11	0.06	
4 or More Years of College	0.29	0.28	
Missing	0.04	0.23	
Any Parental Disability	0.15	0.09	0.000
Parental SCDR			
No Disability Rating	0.81		
10 to 20 percent	0.08		
30 to 40 percent	0.04		
50 to 60 percent	0.03		
70 percent or more	0.04		
Household Income Per Capita	16447.54 [11154.41]	15414.44 [15561.24]	0.000
Household Poverty Status	0.07	0.18	0.000
N	302,933	3,271,312	

Data from the American Community Survey (2008-2015). Standard deviations in square brackets below means. Household income per capita trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Family income as a percentage of the poverty line is as reported in the ACS, which uses the poverty line established the Social Security Administration in 1964 and subsequently revised in 1980 (adjusted for inflation) as well as detailed income and family structure information.

TABLE 1B. Descriptive Statistics for Children Ages 5-17: Child Characteristics

Variable	Children with at least one veteran parent (1)	Children with non-veteran parents (2)	p-value for $H_0 : (1) = (2)$ (3)
Female	0.49	0.49	0.608
Age	11.56 [3.7]	11.11 [3.73]	0.000
Birth Order	1.73 [0.91]	1.75 [0.94]	0.000
White	0.83	0.81	0.000
Black	0.13	0.12	0.000
Hispanic	0.11	0.20	0.000
<i>Schooling and Labor Force Outcomes</i>			
In School (Previous 3 Months)	0.976	0.973	0.000
Attending Private School	0.123	0.124	0.045
Late for Grade	0.038	0.039	0.010
Employed (Previous Year)	0.326	0.305	0.000
Hours Worked (Previous Year)	396.9 [376.21]	336.6 [336.69]	0.000
Hourly Earnings (Previous Year)	6.94 [7.13]	6.51 [5.72]	0.000
<i>Disabilities</i>			
Cognitive Difficulties	0.042	0.037	0.000
Physical Difficulties	0.006	0.006	0.736
Vision Difficulties	0.007	0.008	0.000
Hearing Difficulties	0.006	0.006	0.325
Self-care Difficulty	0.010	0.009	0.369
Independent Living Difficulty	0.022	0.020	0.001
N	302,933	3,271,312	

Data from the American Community Survey (2008-2015). Standard deviations in square brackets below means. Employment (and thus normalized earnings) information only asked of individuals aged 16 or older. Independent living difficulty is only asked of individuals aged 15 or older. Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics.

TABLE 2. Degree of Parental Disability and Schooling Outcomes for Children of Veterans (Ages 5-17)

	In School (Previous 3 Months) (1)	Late for Grade (Conditional) (2)	In Private School (Conditional) (3)
<i>Parental SCDR</i>			
10 to 20 Percent	0.000 (0.001)	0.000 (0.001)	-0.007** (0.003)
30 to 40 Percent	0.001 (0.002)	0.002 (0.002)	-0.016*** (0.004)
50 to 60 Percent	-0.001 (0.002)	-0.002 (0.002)	-0.020*** (0.005)
70 Percent or Higher	-0.002 (0.002)	0.005** (0.002)	-0.020*** (0.004)
Mean of dependent variable among children where neither parent has a disability rating	0.976	0.038	0.126
Observations	302,933	295,517	295,517
R-squared	0.037	0.030	0.064

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for column (1): all children ages 5-17 living with a veteran parent; sample is restricted to children currently in school in columns (2)-(3). Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE 3. Degree of Parental Disability and Young Adult Outcomes for Children of Veterans (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hrs. Worked (Prev. Yr, Uncond.) (5)	Hrs. Worked (Prev. Yr, Cond) (6)	Hourly Earnings (Previous Year) (7)
<i>Parental SCDR</i>							
10 to 20 Percent	0.005** (0.002)	-0.002 (0.004)	-0.013*** (0.005)	0.001 (0.007)	-5.968 (4.029)	-21.983** (9.832)	0.374 (0.231)
30 to 40 Percent	-0.001 (0.003)	-0.003 (0.005)	-0.019*** (0.006)	-0.014 (0.010)	1.019 (5.671)	18.855 (14.291)	0.139 (0.308)
50 to 60 Percent	0.003 (0.004)	-0.006 (0.006)	-0.034*** (0.007)	-0.023* (0.012)	-12.333* (6.595)	-16.765 (17.666)	0.030 (0.327)
70 Percent or Higher	-0.007* (0.003)	0.009* (0.005)	-0.026*** (0.006)	-0.060*** (0.009)	-19.623*** (5.065)	0.759 (15.487)	-0.158 (0.270)
Mean of dep. var. among children where neither parent has an SCDR	0.976	0.060	0.103	0.333	120.300	361.323	6.914
Observations	56,773	55,420	55,420	56,773	56,773	18,520	17,385
R-squared	0.016	0.025	0.055	0.099	0.069	0.068	0.021

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE 4. Degree of Parental Disability and Disability in Children of Veterans (Ages 5-17)

	Cognitive Difficulty (1)	Physical Difficulty (2)	Vision Difficulty (3)	Hearing Difficulty (4)	Self-Care Difficulty (5)	Independent Living Difficulty (6)
<i>Parental SCDR</i>						
10 to 20 Percent	0.004** (0.001)	-0.000 (0.001)	0.001 (0.001)	0.001* (0.001)	0.001 (0.001)	0.003 (0.002)
30 to 40 Percent	0.008*** (0.002)	0.000 (0.001)	0.000 (0.001)	0.001 (0.001)	0.000 (0.001)	-0.001 (0.002)
50 to 60 Percent	0.009*** (0.003)	-0.000 (0.001)	0.002 (0.001)	0.002* (0.001)	0.002 (0.001)	0.008** (0.004)
70 Percent or Higher	0.024*** (0.002)	0.003*** (0.001)	0.004*** (0.001)	0.003*** (0.001)	0.003*** (0.001)	0.011*** (0.003)
Mean of dep. var. among children where neither parent has an SCDR	0.040	0.006	0.006	0.005	0.009	0.021
Observations	302,933	302,933	302,933	302,933	302,933	84,145
R-squared	0.015	0.003	0.003	0.002	0.003	0.010

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for column (1): all children ages 5-17 living with a veteran parent; column (6) includes only children aged 15 or older. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE 5. Parental Disability Status and Schooling Outcomes for Children (Ages 5-17)

	In School (Previous 3 Months) (1)	Late for Grade (Conditional) (2)	In Private School (Conditional) (3)
<i>PANEL A: Children with a veteran parent</i>			
Parent declares a disability	-0.004*** (0.001)	0.016*** (0.001)	-0.017*** (0.002)
Mean of dependent variable among children where neither parent declares a disability	0.976	0.035	0.127
Observations	302,933	295,517	295,517
R-squared	0.037	0.031	0.064
<i>PANEL B: Children with non-veteran parents</i>			
Parent declares a disability	-0.003*** (0.000)	0.017*** (0.001)	-0.015*** (0.001)
Mean of dependent variable among children where neither parent declares a disability	0.974	0.037	0.128
Observations	3,271,260	3,183,932	3,183,932
R-squared	0.036	0.037	0.086
p-value for $H_0$ : Panel A = Panel B	0.317	0.239	0.405

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Sample for column (1): all children ages 5-17; sample is restricted to children currently in school in columns (2)-(3). Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE 6. Parental Disability Status and Young Adult Outcomes (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hrs. Worked (Prev. Yr, Uncond.) (5)	Hrs. Worked (Prev. Yr, Cond) (6)	Hourly Earnings (Previous Year) (7)
<i>PANEL A: Children with a veteran parent</i>							
Parent declares a disability	-0.012*** (0.002)	0.027*** (0.003)	-0.013*** (0.003)	-0.026*** (0.005)	-6.051* (3.142)	12.723 (8.276)	-0.069 (0.156)
Mean of dependent variable among children where neither parent declares a disability	0.979	0.054	0.102	0.333	118.394	355.388	6.966
Observations	56,773	55,420	55,420	56,773	56,773	18,520	17,385
R-squared	0.016	0.027	0.055	0.099	0.069	0.068	0.021
<i>PANEL B: Children with non-veteran parents</i>							
Parent declares a disability	-0.012*** (0.001)	0.028*** (0.001)	-0.009*** (0.001)	-0.029*** (0.002)	-11.311*** (1.204)	1.968 (3.521)	-0.271*** (0.047)
Mean of dependent variable among children where neither parent declares a disability	0.971	0.062	0.107	0.311	107.504	346.206	6.553
Observations	519,121	502,999	502,999	519,121	519,121	158,403	155,335
R-squared	0.025	0.039	0.069	0.117	0.066	0.082	0.014
p-value for $H_0$ : Panel A = Panel B	0.791	0.697	0.297	0.616	0.229	0.229	0.241

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

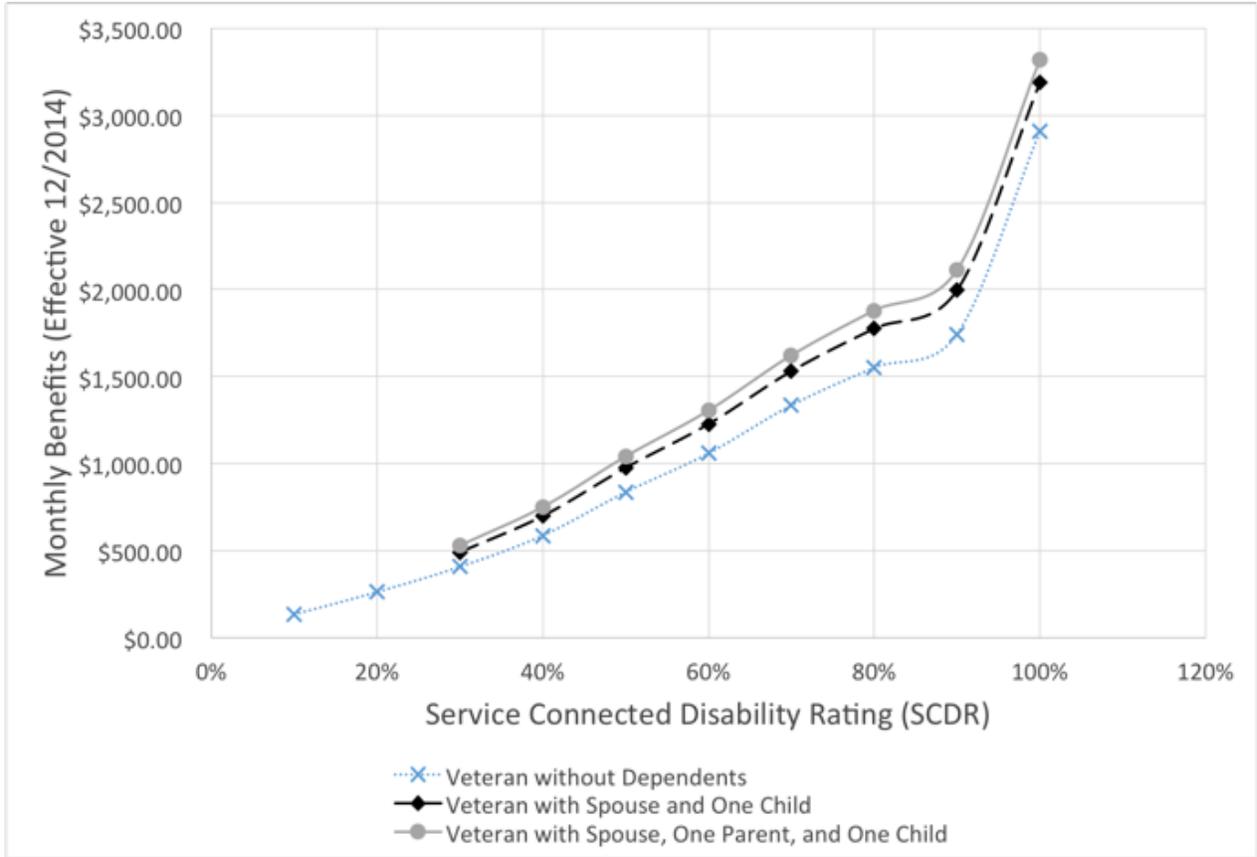
TABLE 7. Parental Disability Status and Disability in Children (Ages 5-17)

	Cognitive Difficulty (1)	Physical Difficulty (2)	Vision Difficulty (3)	Hearing Difficulty (4)	Self-Care Difficulty (5)	Independent Living Difficulty (6)
<i>PANEL A: Children with a veteran parent</i>						
Parent declares a disability	0.062*** (0.002)	0.008*** (0.001)	0.014*** (0.001)	0.008*** (0.001)	0.009*** (0.001)	0.025*** (0.002)
Mean of dependent variable among children where neither parent declares a disability	0.032	0.005	0.005	0.004	0.008	0.017
Observations	302,933	302,933	302,933	302,933	302,933	84,145
R-squared	0.025	0.004	0.006	0.003	0.004	0.014
<i>PANEL B: Children with non-veteran parents</i>						
Parent declares a disability	0.080*** (0.001)	0.010*** (0.000)	0.022*** (0.000)	0.011*** (0.000)	0.012*** (0.000)	0.033*** (0.001)
Mean of dependent variable among children where neither parent declares a disability	0.029	0.005	0.006	0.005	0.008	0.016
Observations	3,271,260	3,271,260	3,271,260	3,271,260	3,271,260	779,437
R-squared	0.030	0.003	0.008	0.003	0.003	0.010
p-value for $H_0$ : Panel A = Panel B	0.000	0.000	0.000	0.000	0.000	0.000

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Sample for column (1): all children ages 5-17; column (6) includes only children aged 15 or older. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

APPENDIX A. APPENDIX FIGURES & TABLES

FIGURE A.1. Veterans Compensation Benefits by Service Connected Disability Rate and Demographics.



As reported on <http://www.benefits.va.gov>. Effect as of 12/1/14.

TABLE A.1. Parental Disability and Household Outcomes

	Households with at least 1 veteran parent				Households with non-veteran parents	
	Household Income Per Capita (1)	Household Poverty Status (2)	Household Income Per Capita (3)	Household Poverty Status (4)	Household Income Per Capita (5)	Household Poverty Status (6)
<i>Household SCDR</i>						
10 to 20 Percent	-127.203 (94.232)	-0.007*** (0.002)				
30 to 40 Percent	-55.230 (126.019)	-0.004 (0.003)				
50 to 60 Percent	-65.317 (150.185)	-0.001 (0.004)				
70 Percent or Higher	-791.937*** (114.658)	-0.013*** (0.003)				
At least one parent declares a disability			-3,848.248*** (65.387)	0.070*** (0.002)	-3,679.367*** (22.968)	0.123*** (0.001)
Mean of dependent variable for households with neither parent declaring a disability / SCDR=0	18,048.199	0.069	18,802.637	0.055	16,791.763	0.140
Observations (Households)	182,080	183,895	182,080	183,895	2,071,919	2,114,709
R-squared	0.260	0.059	0.271	0.068	0.320	0.197

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Robust standard errors reported. Poverty status is an indicator for having household income (adjusted for the demographic structure of the household) below 100% of the poverty line (see ipums.org for more information). Omitted group for columns (1) and (2): Households where neither parent has a disability rating (SCDR=0). Sample includes all households with at least one child aged 5-17. Controls: FE for age, sex, and education of household head; dummy variables for general race categories of head (white, black, other - omitted; Hispanic - nonexclusive), household size FE, number of kids FE, FE for metro status, state FE, survey year FE.

TABLE A.2. Degree of Parental Disability and Outcomes for Very Young Children of Veterans

	Ages 3-4		Ages 0-4	
	In School (Previous 3 Months) (1)	In Private School (Conditional) (2)	Vision Difficulty (3)	Hearing Difficulty (4)
<i>Parental SCDR</i>				
10 to 20 Percent	-0.009 (0.010)	-0.007 (0.014)	-0.001 (0.001)	0.001 (0.001)
30 to 40 Percent	-0.011 (0.013)	-0.026 (0.018)	0.001 (0.001)	0.001 (0.001)
50 to 60 Percent	-0.018 (0.015)	-0.057** (0.022)	0.000 (0.001)	0.000 (0.001)
70 Percent or Higher	-0.005 (0.014)	-0.004 (0.020)	-0.000 (0.001)	0.003* (0.001)
Mean of dependent variable among children where neither parent has a disability rating	0.500	0.517	0.003	0.004
Observations	32,964	16,329	75,953	75,953
R-squared	0.129	0.163	0.004	0.004

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for column (1): all children ages 3-4 living with a veteran parent; sample is restricted to children currently in school in column (2). Sample for column (3)-(4): all children ages 0-4 living with a veteran parent. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.3. Parental Disability Status and Outcomes for Young Children (Ages 3-4)

	Ages 3-4		Ages 0-4	
	In School (Previous 3 Months) (1)	In Private School (Conditional) (2)	Vision Difficulty (3)	Hearing Difficulty (4)
<i>PANEL A: Children with a veteran parent</i>				
Parent declares a disability	-0.008 (0.009)	-0.051*** (0.013)	0.004*** (0.001)	0.006*** (0.001)
Mean of dependent Variable among children where neither parent declares a disability	0.501	0.524	0.003	0.003
Observations	32,964	16,329	85,445	85,445
R-squared	0.129	0.164	0.010	0.004
<i>PANEL B: Children with non-veteran parents</i>				
Parent declares a disability	-0.003 (0.003)	-0.050*** (0.004)	0.007*** (0.000)	0.008*** (0.000)
Mean of dependent variable among children where neither parent declares a disability	0.512	0.493	0.003	0.004
Observations	455,656	231,702	1,161,109	1,161,109
R-squared	0.152	0.240	0.002	0.002
p-value for $H_0$ : Panel A = Panel B	0.567	0.913	0.001	0.057

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Sample for column (1): all children ages 3-4; sample is restricted to children currently in school in column (2). Sample for column (3)-(4): all children ages 0-4. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.4. Degree of Parental Disability and Child Outcomes by Race (Ages 5-17)

	In School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Cognitive Difficulty (4)	Self-Care Difficulty (5)
<i>PANEL A: White Children</i>					
<i>Parental SCDR</i>					
10 to 20 Percent	0.001 (0.001)	0.000 (0.002)	-0.005 (0.003)	0.003* (0.002)	0.001 (0.001)
30 to 40 Percent	0.000 (0.002)	0.003 (0.002)	-0.015*** (0.004)	0.009*** (0.002)	-0.000 (0.001)
50 to 60 Percent	-0.000 (0.002)	-0.000 (0.003)	-0.021*** (0.005)	0.010*** (0.003)	0.002 (0.001)
70 Percent or Higher	-0.002 (0.002)	0.006** (0.002)	-0.021*** (0.004)	0.026*** (0.003)	0.004*** (0.001)
Mean of dependent variable among children where neither parent has a disability rating	0.976	0.037	0.131	0.040	0.009
Observations	251,783	245,708	245,708	251,783	251,783
R-squared	0.040	0.029	0.068	0.015	0.003
<i>PANEL B: Non-white Children</i>					
<i>Parental SCDR</i>					
10 to 20 Percent	-0.000 (0.003)	-0.001 (0.004)	-0.010* (0.006)	0.007** (0.003)	0.001 (0.002)
30 to 40 Percent	0.005 (0.003)	-0.001 (0.004)	-0.021*** (0.007)	0.005 (0.004)	0.002 (0.002)
50 to 60 Percent	-0.002 (0.004)	-0.008* (0.005)	-0.017** (0.008)	0.008 (0.005)	0.001 (0.002)
70 Percent or Higher	-0.003 (0.003)	0.001 (0.004)	-0.015** (0.006)	0.018*** (0.004)	0.002 (0.002)
Mean of dependent variable among children where neither parent has a disability rating	0.973	0.045	0.097	0.038	0.009
Observations	51,150	49,809	49,809	51,150	51,150
R-squared	0.033	0.042	0.063	0.023	0.009
p-value for $H_0$ : Panel A = Panel B	0.348	0.274	0.411	0.197	0.774

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for column (1): all children ages 5-17 living with a veteran parent; sample is restricted to children currently in school in columns (2)-(3). P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Controls: age FE, gender, dummy variables for Hispanic (nonexclusive), household size FE, FE for number of siblings, FE for birth order, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.5. Degree of Parental Disability and Young Adult Outcomes for Children of Veterans by Race (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hours Worked (Prev. Yr.) (5)	Hourly Earnings (Prev. Yr.) (6)
<i>PANEL A: White Children</i>						
<i>Parental SCDR</i>						
10 to 20 Percent	0.007*** (0.002)	0.002 (0.004)	-0.007 (0.005)	-0.002 (0.008)	-15.158 (10.703)	0.243 (0.240)
30 to 40 Percent	-0.004 (0.004)	-0.007 (0.005)	-0.017** (0.007)	-0.014 (0.011)	21.108 (15.340)	0.107 (0.340)
50 to 60 Percent	0.007* (0.004)	-0.004 (0.007)	-0.035*** (0.008)	-0.027** (0.014)	-12.202 (19.410)	-0.111 (0.371)
70 Percent or Higher	-0.007* (0.004)	0.014** (0.006)	-0.025*** (0.007)	-0.064*** (0.010)	11.267 (17.544)	-0.302 (0.276)
Mean of dep. var.	0.976	0.057	0.107	0.354	359.253	6.923
Observations	47,017	45,924	45,924	47,017	16,393	15,407
<i>PANEL B: Non-White Children</i>						
<i>Parental SCDR</i>						
10 to 20 Percent	-0.005 (0.006)	-0.019** (0.009)	-0.032*** (0.009)	0.017 (0.015)	-72.225*** (26.806)	1.003 (0.796)
30 to 40 Percent	0.008 (0.006)	0.010 (0.012)	-0.021* (0.012)	-0.013 (0.019)	17.026 (42.033)	0.164 (0.797)
50 to 60 Percent	-0.008 (0.011)	-0.007 (0.012)	-0.032** (0.013)	0.000 (0.022)	-62.687 (45.878)	0.989 (0.720)
70 Percent or Higher	-0.007 (0.007)	-0.000 (0.010)	-0.031*** (0.010)	-0.052*** (0.015)	-25.815 (35.167)	0.291 (0.811)
Mean of dep. var.	0.973	0.077	0.083	0.221	378.980	6.831
Observations	9,756	9,496	9,496	9,756	2,127	1,978
p-value for $H_0$ : Panel A = Panel B	0.046	0.012	0.192	0.265	0.289	0.533

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Mean of dependent variable is for children where neither parent has a disability rating. P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.6. Degree of Parental Disability and Child Outcomes by Child Sex (Ages 5-17)

	In School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Cognitive Difficulty (4)	Self-Care Difficulty (5)
<i>PANEL A: Boys</i>					
<i>Parental SCDR</i>					
10 to 20 Percent	0.001 (0.002)	-0.001 (0.002)	-0.008** (0.004)	0.004* (0.002)	0.001 (0.001)
30 to 40 Percent	0.003 (0.002)	0.002 (0.003)	-0.016*** (0.005)	0.010*** (0.003)	0.001 (0.001)
50 to 60 Percent	-0.001 (0.003)	-0.006** (0.003)	-0.022*** (0.006)	0.011*** (0.004)	0.003 (0.002)
70 Percent or Higher	0.002 (0.002)	0.007** (0.003)	-0.020*** (0.004)	0.030*** (0.004)	0.003* (0.001)
Mean of dependent variable among children where neither parent has a disability rating	0.975	0.046	0.124	0.053	0.011
Observations	155,283	151,391	151,391	155,283	155,283
R-squared	0.038	0.032	0.067	0.012	0.004
<i>PANEL B: Girls</i>					
<i>Parental SCDR</i>					
10 to 20 Percent	-0.000 (0.002)	0.001 (0.002)	-0.005 (0.004)	0.003** (0.002)	-0.000 (0.001)
30 to 40 Percent	-0.001 (0.002)	0.003 (0.002)	-0.016*** (0.005)	0.007*** (0.002)	-0.000 (0.001)
50 to 60 Percent	-0.000 (0.003)	0.002 (0.003)	-0.018*** (0.006)	0.007** (0.003)	0.001 (0.002)
70 Percent or Higher	-0.006*** (0.002)	0.002 (0.003)	-0.019*** (0.005)	0.018*** (0.003)	0.004*** (0.001)
Mean of dependent variable among children where neither parent has a disability rating	0.976	0.030	0.127	0.026	0.007
Observations	147,650	144,126	144,126	147,650	147,650
R-squared	0.039	0.028	0.064	0.011	0.004
p-value for $H_0$ : Panel A = Panel B	0.053	0.175	0.919	0.063	0.613

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for column (1): all children ages 5-17 living with a veteran parent; sample is restricted to children currently in school in columns (2)-(3). P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Controls: age FE, gender, dummy variables for Hispanic (nonexclusive), household size FE, FE for number of siblings, FE for birth order, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.7. Degree of Parental Disability and Young Adult Outcomes for Children of Veterans by Child Sex (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hours Worked (Prev. Yr.) (5)	Hourly Earnings (Prev. Yr.) (6)
<i>PANEL A: Boys</i>						
<i>Parental SCDR</i>						
10 to 20 Percent	0.008** (0.003)	-0.007 (0.006)	-0.014** (0.006)	-0.008 (0.010)	-19.705 (14.074)	0.376 (0.365)
30 to 40 Percent	0.003 (0.005)	-0.001 (0.008)	-0.024*** (0.008)	-0.015 (0.013)	0.036 (19.940)	0.027 (0.485)
50 to 60 Percent	0.009* (0.005)	-0.010 (0.009)	-0.038*** (0.009)	-0.033** (0.016)	-22.555 (24.790)	0.589 (0.576)
70 Percent or Higher	0.000 (0.004)	0.013* (0.008)	-0.027*** (0.007)	-0.054*** (0.012)	-7.646 (20.713)	-0.686** (0.315)
Mean of dep. var.	0.974	0.073	0.102	0.320	355.652	7.135
Observations	29,351	28,617	28,617	29,351	9,178	8,634
<i>PANEL B: Girls</i>						
<i>Parental SCDR</i>						
10 to 20 Percent	0.002 (0.003)	0.004 (0.005)	-0.011* (0.007)	0.010 (0.011)	-25.916* (13.756)	0.341 (0.292)
30 to 40 Percent	-0.006 (0.005)	-0.006 (0.006)	-0.013 (0.009)	-0.014 (0.014)	42.082** (20.766)	0.159 (0.388)
50 to 60 Percent	-0.004 (0.006)	-0.000 (0.008)	-0.028*** (0.010)	-0.010 (0.017)	-20.444 (24.294)	-0.539 (0.330)
70 Percent or Higher	-0.014** (0.005)	0.006 (0.007)	-0.026*** (0.008)	-0.068*** (0.012)	12.510 (23.394)	0.358 (0.451)
Mean of dep. var.	0.978	0.045	0.105	0.347	366.899	6.695
Observations	27,422	26,803	26,803	27,422	9,342	8,751
p-value for $H_0$ : Panel A = Panel B	0.053	0.443	0.836	0.488	0.576	0.123

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating (SCDR=0). Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Mean of dependent variable is for children where neither parent has a disability rating. P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.8. Degree of Parental Disability and Child Outcomes by Identity of Disabled Parent (Ages 5-17)

	In School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Cognitive Difficulty (4)	Self-Care Difficulty (5)
<i>Father's SCDR</i>					
10 to 20 Percent	0.000 (0.001)	-0.000 (0.001)	-0.007** (0.003)	0.003* (0.002)	0.001 (0.001)
30 to 40 Percent	-0.000 (0.002)	0.003 (0.002)	-0.017*** (0.004)	0.005** (0.002)	-0.001 (0.001)
50 to 60 Percent	0.000 (0.002)	-0.002 (0.002)	-0.021*** (0.005)	0.006** (0.003)	0.001 (0.001)
70 Percent or Higher	-0.002 (0.002)	0.004* (0.002)	-0.021*** (0.004)	0.020*** (0.003)	0.003** (0.001)
<i>Mother's SCDR</i>					
10 to 20 Percent	0.001 (0.003)	-0.001 (0.003)	0.002 (0.007)	0.007* (0.004)	-0.002 (0.002)
30 to 40 Percent	0.006** (0.003)	-0.002 (0.004)	-0.006 (0.008)	0.018*** (0.006)	0.004 (0.003)
50 to 60 Percent	-0.004 (0.005)	0.001 (0.005)	-0.006 (0.011)	0.024*** (0.007)	0.005 (0.003)
70 Percent or Higher	-0.005 (0.004)	0.007 (0.005)	-0.010 (0.009)	0.042*** (0.007)	0.006** (0.003)
Mean of dependent variable among children where neither parent has a disability rating	0.976	0.038	0.126	0.040	0.009
Observations	302,933	295,517	295,517	302,933	302,933
R-squared	0.037	0.030	0.064	0.015	0.003
p-value for $H_0$ : Father's SCDR=Mother's SCDR	0.352	0.629	0.248	0.001	0.049

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating. For children whose father (mother) is not a veteran (but whose other parent is a veteran), father's (mother's) SCDR is set to 0. 5.1% of children have two veteran parents; 9.9% have a veteran mother (only); and the remaining 85% have a veteran father (only). Sample for column (1): all children ages 5-17 living with a veteran parent; sample is restricted to children currently in school in columns (2)-(3). P-value is for the joint test that all SCDR coefficients are equivalent across mothers and fathers. Controls: age FE, gender, dummy variables for Hispanic (nonexclusive), household size FE, FE for number of siblings, FE for birth order, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.9. Degree of Parental Disability and Young Adult Outcomes for Children of Veterans by Identity of Disabled Parent (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hours Worked (Prev. Yr.) (5)	Hourly Earnings (Prev. Yr.) (6)
<i>Father's SCDR</i>						
10 to 20 Percent	0.008** (0.003)	-0.007 (0.006)	-0.014** (0.006)	-0.008 (0.010)	-19.705 (14.074)	0.376 (0.365)
30 to 40 Percent	0.003 (0.005)	-0.001 (0.008)	-0.024*** (0.008)	-0.015 (0.013)	0.036 (19.940)	0.027 (0.485)
50 to 60 Percent	0.009* (0.005)	-0.010 (0.009)	-0.038*** (0.009)	-0.033** (0.016)	-22.555 (24.790)	0.589 (0.576)
70 Percent or Higher	0.000 (0.004)	0.013* (0.008)	-0.027*** (0.007)	-0.054*** (0.012)	-7.646 (20.713)	-0.686** (0.315)
<i>Mother's SCDR</i>						
10 to 20 Percent	0.002 (0.003)	0.004 (0.005)	-0.011* (0.007)	0.010 (0.011)	-25.916* (13.756)	0.341 (0.292)
30 to 40 Percent	-0.006 (0.005)	-0.006 (0.006)	-0.013 (0.009)	-0.014 (0.014)	42.082** (20.766)	0.159 (0.388)
50 to 60 Percent	-0.004 (0.006)	-0.000 (0.008)	-0.028*** (0.010)	-0.010 (0.017)	-20.444 (24.294)	-0.539 (0.330)
70 Percent or Higher	-0.014** (0.005)	0.006 (0.007)	-0.026*** (0.008)	-0.068*** (0.012)	12.510 (23.394)	0.358 (0.451)
Mean of dep. var.	0.978	0.045	0.105	0.347	366.899	6.695
Observations	27,422	26,803	26,803	27,422	9,342	8,751
R-squared	0.021	0.027	0.062	0.105	0.087	0.036
p-value for $H_0$ : Father's SCDR=Mother's SCDR	0.040	0.717	0.705	0.581	0.451	0.065

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$  Standard errors clustered at the household level. Omitted group: Children in families where neither parent has a disability rating. For children whose father (mother) is not a veteran (but whose other parent is a veteran), father's (mother's) SCDR is set to 0. 5.1% of children have two veteran parents; 9.9% have a veteran mother (only); and the remaining 85% have a veteran father (only). Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Mean of dependent variable is for children where neither parent has a disability rating. P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.10. Type of Parental Disability and Child Outcomes (Ages 5-17)

	In School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Cognitive Difficulty (4)	Self-Care Difficulty (5)
<i>PANEL A: Children with a veteran parent</i>					
<i>Parent has a ... disability</i>					
Cognitive	-0.002 (0.002)	0.005** (0.002)	-0.009*** (0.004)	0.073*** (0.003)	0.007*** (0.001)
Physical	-0.005*** (0.002)	0.014*** (0.002)	-0.010*** (0.003)	0.034*** (0.003)	0.004*** (0.001)
Sensory	-0.003* (0.001)	0.007*** (0.002)	-0.015*** (0.003)	0.025*** (0.002)	0.006*** (0.001)
Self-care	0.001 (0.003)	-0.003 (0.004)	0.004 (0.006)	-0.005 (0.005)	0.008*** (0.002)
Mobility	-0.001 (0.002)	0.008*** (0.003)	0.003 (0.005)	0.014*** (0.004)	0.003 (0.002)
Mean of dependent variable among children where neither parent has a disability rating	0.976	0.035	0.127	0.032	0.008
Observations	302,933	295,517	295,517	302,933	302,933
R-squared	0.038	0.031	0.064	0.029	0.004
<i>PANEL B: Children with non-veteran parents</i>					
<i>Parent has a ... disability</i>					
Cognitive	-0.001 (0.001)	0.013*** (0.001)	-0.011*** (0.001)	0.114*** (0.001)	0.014*** (0.001)
Physical	-0.003*** (0.001)	0.016*** (0.001)	-0.016*** (0.001)	0.041*** (0.001)	0.004*** (0.001)
Sensory	-0.002*** (0.001)	0.007*** (0.001)	-0.009*** (0.001)	0.026*** (0.001)	0.006*** (0.000)
Self-care	-0.000 (0.001)	-0.002 (0.002)	0.009*** (0.002)	-0.015*** (0.002)	0.009*** (0.001)
Mobility	-0.002** (0.001)	0.005*** (0.001)	0.001 (0.002)	0.017*** (0.002)	0.006*** (0.001)
Mean of dependent variable among children where neither parent has a reported disability	0.974	0.037	0.128	0.029	0.008
Observations	3,271,280	3,183,950	3,183,950	3,271,280	3,271,280
R-squared	0.036	0.038	0.086	0.036	0.004
p-value for $H_0$ : Panel A = Panel B	0.840	0.026	0.146	0.000	0.000

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Sample for column (1): all children ages 5-17; sample is restricted to children currently in school in columns (2)-(3). P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Controls: age FE, gender, dummy variables for Hispanic (nonexclusive), household size FE, FE for number of siblings, FE for birth order, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.

TABLE A.11. Type of Parental Disability and Young Adult Outcomes for Children of Veterans (Ages 16-17)

	Currently in School (Prev. 3m) (1)	Late for Grade (2)	In Private School (3)	Employed (Previous Year) (4)	Hours Worked (Prev. Yr.) (5)	Hourly Earnings (Prev. Yr.) (6)
<i>PANEL A: Children with a veteran parent</i>						
<i>Parent has a ... disability</i>						
Cognitive	-0.010** (0.004)	0.014** (0.006)	0.006 (0.006)	-0.021** (0.009)	-14.167 (15.193)	-0.003 (0.287)
Physical	-0.013*** (0.004)	0.018*** (0.005)	-0.011** (0.005)	-0.045*** (0.008)	22.241 (15.064)	-0.196 (0.285)
Sensory	-0.003 (0.003)	0.012*** (0.005)	-0.017*** (0.005)	0.004 (0.007)	11.332 (11.476)	-0.068 (0.250)
Self-care	0.006 (0.006)	-0.006 (0.009)	0.018** (0.009)	0.008 (0.013)	-1.675 (23.269)	-0.288 (0.354)
Mobility	-0.004 (0.005)	0.013 (0.008)	-0.002 (0.007)	-0.002 (0.011)	9.114 (18.875)	0.054 (0.388)
Mean of dep. var.	0.979	0.054	0.102	0.333	355.388	7.069
Observations	56,773	55,420	55,420	56,773	18,520	17,348
<i>PANEL B: Children with non-veteran parents</i>						
<i>Parent has a ... disability</i>						
Cognitive	-0.006*** (0.002)	0.025*** (0.003)	-0.005** (0.002)	-0.018*** (0.003)	-6.490 (6.931)	0.127 (0.132)
Physical	-0.009*** (0.002)	0.019*** (0.002)	-0.013*** (0.002)	-0.029*** (0.003)	6.643 (6.060)	-0.393*** (0.111)
Sensory	-0.007*** (0.001)	0.012*** (0.002)	-0.006*** (0.002)	-0.002 (0.003)	14.907*** (5.430)	-0.085 (0.104)
Self-care	-0.001 (0.003)	-0.002 (0.004)	0.008** (0.004)	-0.005 (0.005)	-15.143 (10.196)	0.165 (0.205)
Mobility	-0.003 (0.002)	0.009*** (0.003)	0.008*** (0.003)	-0.022*** (0.004)	-7.694 (8.175)	-0.290* (0.153)
Mean of dep. var.	0.971	0.062	0.107	0.311	346.204	7.331
Observations	519,126	503,004	503,004	519,126	158,406	148,986
p-value for						
$H_0$ : Panel A = Panel B	0.525	0.542	0.140	0.228	0.428	0.823

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1 Standard errors clustered at the household level. Sample for columns (1), (4), and (5): all children ages 16-17; sample is restricted to children currently in school in columns (2)-(3) and those who worked positive hours in the previous year in column (6)-(7). Mean of dependent variable is for children where neither parent has a disability. P-value is for the joint test that all SCDR coefficients are equivalent across the two groups. Hourly earnings are trimmed at the bottom and top 1% within each survey year and is expressed in 1999 dollars using the CPI-U multiplier published by the Bureau of Labor Statistics. Controls: age FE, gender, dummy variables for general race categories (white, black, other - omitted; Hispanic - nonexclusive), household size FE, FE for birth order, FE for number of siblings, FE for number of grandparents in household, mother's and father's age and education FE (including indicators for missing parental information), FE for metro status, state FE, survey year FE.