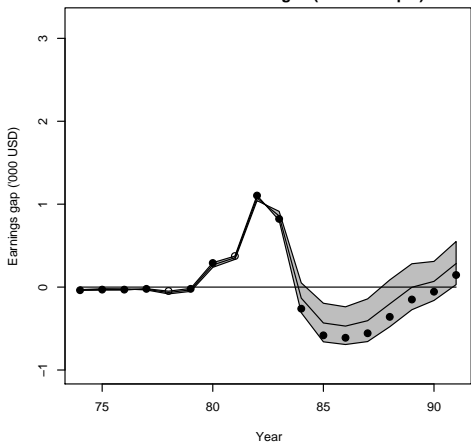
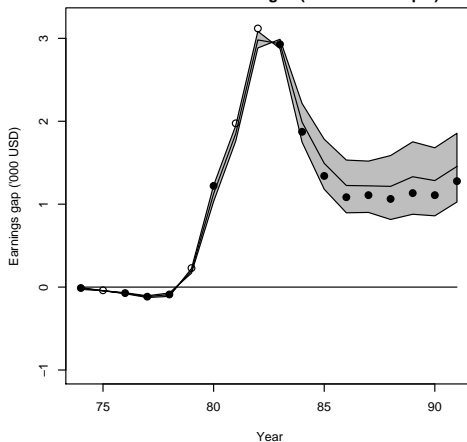


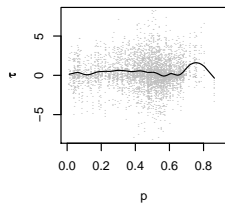
Effect of service on wages (White sample)



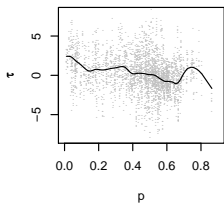
Effect of service on wages (Nonwhite sample)



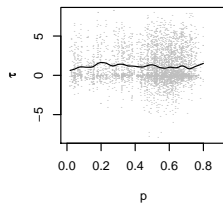
White sample, 1974-84



White sample, 1985-91



Nonwhite sample, 1974-84



Nonwhite sample, 1985-91

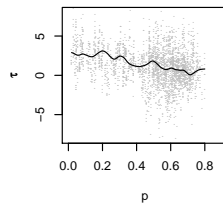


Figure 3 The top panel shows effects of participation in the military on earnings of white and nonwhite veterans for years 1974-91. The shaded band marks the region between ATT and ATC , the center line gives the ATE . The OLS estimate is marked with circles, which are filled whenever b_{OLS} lies between ATT and ATC . Bottom panels show the relation between p and τ for each group for two time periods. In early periods these relations are approximately flat and so $ATC \approx ATT$; in later periods there is a negative (near) monotonic relation and so $ATC > ATT$. In these later periods b_{OLS} always lies between ATE and ATT .