

Genetic Lotteries within Families

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Abstract

Drawing on findings from the biomedical literature, this paper introduces the idea that specific exogenously inherited differences in the genetic code between full biological siblings can be used to test within-family estimators and potentially improve our understanding of economic relationships. These points are illustrated with an application to identify the causal impact of several poor health conditions on academic outcomes. We present evidence of large impacts of poor mental health on academic achievement and demonstrate that our results are robust to reasonable violations of the exclusion restriction assumption. Further, our estimates suggest that family fixed effects estimators by themselves cannot fully account for the endogeneity of poor health.