

Appendix

A.1 Robustness Checks

We perform several robustness checks of our main results. To ensure the results are indeed driven by the match between the veteran and physician, we randomly assign cases to physicians and re-estimate our preferred specification. Table 9 presents the results of this robustness exercise. We replicate this exercise an additional 5000 times and present that first stage results (panel A) and the p-values (panel B) in Figure 4. We note that physician generosity is no longer predictive of pension receipt (with an F-stat consistently below 1), and our second stage is equally uninformative. Put another way, it is unlikely that idiosyncratic or random board assignment would explain our results.

We next focus on the two most prevalent application types, comprising over 95% of the applications in our sample, original and disability increase applications. Original applications are made by veterans who have yet to make their way on to the pension. This can happen for a number of reasons, chief among them being the good health of the veteran, or discrimination faced by the veteran which prevented him from otherwise being compensated for legitimate illness. Disability- increase applications, as the name would suggest, are made by veterans who find their disability or illness has deteriorated, or to take advantage of a change in the law. Table 10 presents first stage predictors of pension receipt by application type.

We find that black applicants who have yet to make it onto the pension by the time period of our analysis (original applications) do, indeed face overt racial discrimination by surgeon boards. Interestingly, the generosity or stringency of a board has no effect on pension amount for original applicants overall, perhaps due to the large variation in disease burden. Nevertheless, we find that board generosity does have an effect for black applicants, but this effect is dwarfed by racial bias. The gap that we observe in Figure 1 is therefore driven by lower pension amounts in the original applications of black veterans. This is consistent with work by Wilson (2010), who finds that blacks face overt discrimination to make it onto the pension rolls, but this affect disappears with time. The results also show that the first stage pattern of disability increase applications mirrors the overall results.

References

Wilson, S. E. (2010). Prejudice & policy racial discrimination in the union army disability pension system, 1865-1906. *American journal of public health* 100(S1), S56–S65.