

**Refugee-Specific Government Aid, Institutional Embeddedness and  
Child Refugees' Economic Success Later in Life:  
Evidence from Post-WWII GDR Refugees**

By

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April 2020

**Abstract:**

We exploit a unique historical setting to investigate how refugee-specific government aid affects the medium-term outcomes of refugees who migrate as children and young adults. Among German Democratic Republic (GDR) refugees who escaped to West Germany between 1946 and 1961, only the subgroup acknowledged to be “political refugees” were eligible for refugee-targeted aid, and only after 1953. We combine several approaches to address identification issues resulting from the fact that refugees eligible for aid are both self-selected and screened by local authorities. We find positive effects of aid-eligibility on educational attainment, job quality and income among male refugees who migrated as young adults (aged 15-24). We do not find similar effects of aid-eligibility for male refugees who migrated as children (aged 1-14) and for female refugees in general. The results suggest that institutional embeddedness matters. Government aid allowed male refugees migrating as young adults to complete higher education rather than starting to work immediately; but the aid was not decisive for groups more naturally linked to the host countries' institutions (children still attending school) or who had a low labor force attachment (women in the time period that we study). Finally, we show that refugees from families with relatively low SES tended to benefit more from the refugee-specific aid.

**JEL-codes:** I38, J15, J61.

**Keywords:** Refugee Integration, Government Aid, Role of Institutions, Germany

**Acknowledgments:** The data used in this paper were accessed at the GESIS institute in Mannheim, Germany, where Bernhard Schimpl-Neimanns has been supportive. Black acknowledges financial support from the Research Council of Norway through its Centres of Excellence Scheme, FAIR project No 262675. Liepmann and Spitz-Oener gratefully acknowledge financial support by the German Research Foundation (DFG) through the CRC/TRR 190. Remigereau and Spitz-Oener gratefully acknowledge financial support by the German Research Foundation (DFG) through the Priority Program 1764. The responsibility for opinions expressed in this article rests solely with its authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in it.

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## 1. Introduction

Refugees receive much attention in the current political climate, where there is vigorous debate about large refugee streams from countries such as Syria and Afghanistan. Many destination countries have programs designed to help these refugees adjust to their new environments, often providing financial support to meet basic needs and job-search assistance. By doing so, they acknowledge the challenges that refugees face. At the same time, however, there is increasing concern about the growing burden of welfare expenditures on refugees.

Refugee children are a particularly vulnerable population, as their families arrive to a foreign location, often with no resources. While there is a substantial literature documenting the long-run consequences of child poverty and the benefits of targeted public policy, there is very little research documenting the role of targeted policies for refugees on the outcomes of the refugee children, despite the importance of the topic.<sup>1</sup> In this paper, we examine the role of refugee-specific government aid on the medium-term outcomes of refugees who migrate with their family as children (aged 1-14) and young adults (aged 15-24).

A divided Germany in the post-WWII era provides a unique historical setting to examine the impact of refugee aid on refugees who arrive as children and young adults. From the end of the war in 1945 until the Berlin Wall was built in 1961, an estimated 2.6 million East Germans escaped from the communist German Democratic Republic (GDR) and migrated to the Federal Republic of Germany (FRG), or West Germany.<sup>2</sup> A large fraction of refugees arrived as children or young adults.<sup>3</sup>

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<sup>1</sup> There is surprisingly little research on how welfare affects the success of refugees. Exceptions are Andersen, Dustmann, and Landersø (2018) and LoPalo (2019), which we review in detail below. Those papers focus on refugees who migrate as adults, not their children, as we do. There is research on refugee settlement policies and the consequences of ethnic enclave formation (Edin, Fredriksson, and Åslund, 2003; Damm, 2009) as well as forced migration and educational effects (Becker et al., forthcoming). Ginn (2020) studies the effect of camps on refugee integration. However, this work does not consider the effects of welfare programs. Papers also stress the importance of distinguishing refugees, or forced migrants more generally, from voluntary migrants (Becker and Ferrara, 2019; Dustmann et al., 2017). Outside the refugee context, see Aizer et al. (2016), Chetty, Friedman, and Rockoff (2011), Dahl and Lochner (2012), Hoynes, Schanzenbach, and Almond (2016), Løken, Lommerud, and Reiso (2018), and Mayer and Lopoo (2008), among others, for research on family resources, welfare programs and children's outcomes. Hoynes and Schanzenbach (2018) provide an excellent overview of the core childhood social safety net programs in the United States, changes over time, and research in that area.

<sup>2</sup> We refer to the East German part that in 1949 became the German Democratic Republic as "GDR" throughout the manuscript for ease of exposition. Before 1949, it was the Soviet Occupation Zone. The migration estimate increases to 4.8 million when those expellees from Eastern and Central Europe are included who first moved to East and later to West Germany (see Section 2.1 for details).

<sup>3</sup> According to our data, 32 percent of refugees arrived before the age of 15, and about 41 percent were between 15 and 25 upon arrival.

A distinguishable feature of our study context is the similarity between the GDR refugees and the West German host country population. Like refugees from other countries, East Germans left behind their belongings and social ties when they escaped from the East. They thus faced the economic, social, and psychological hardship brought about by flight experiences. However, because East and West Germany were one country until 1945, GDR refugees were physically indistinguishable from the host country population and shared the same language, institutions, culture, and similar historical experiences. While this may constrain the one-to-one generalizability of our results to other groups of refugees, our specific context allows us to abstract from a range of factors that potentially impede integration. These include language and cultural assimilation, mismatch of educational and vocational degrees among parents, and legal issues related to residence or work permits. Bypassing these distortive factors, we can better pin down the impact of governmental aid on the socio-economic success of refugees migrating as children and young adults.

A second advantage of the study context is that we can directly compare a treatment group of aid eligible refugees with a control group of non-eligible refugees. To detect communist spies and gather strategic information, all GDR refugees were initially housed in camps. There, they underwent severe screening by West German, U.S., British and French authorities before they were admitted to West Germany (Kimmel, 2005; Limbach, 2011). During the screening, the refugees' escape motives were rigorously examined. All refugees from the GDR had access to West German social security and welfare benefits. However, only the subgroup with political – as opposed to economic – escape motives was eligible for additional governmental aid that addressed their specific needs as refugees. We use native West Germans as an additional comparison group to account for structural changes in the West German economy that might differently affect treatment and control group, given differences in the parental employment composition across sectors.

As a further source of variation, we exploit the fact that the refugee-specific aid program was only introduced in 1953, i.e., eight years into the refugee influx. Based on the year of arrival to the West, we show that the type of parents who fled East Germany did not change systematically in response to the introduction of the refugee aid program. We can then separately identify effects for those who became immediately eligible for aid (because they arrived in 1953 or later) and those who became eligible some years after arrival (because they arrived before 1953). We also show that the conclusions are similar whether we capture aid eligibility as a dummy variable or exploit variation in years of exposure to aid.

We distinguish the effects of refugee-specific aid for refugees who arrived as children (at ages 1 to 14) and as young adults (at ages 15 to 24). Age-at-arrival is an important determinant of integration success, typically for reasons that have to do with language proficiency (Bleakley and Chin, 2010).<sup>4</sup> In our context, given that refugees speak the same language as natives, the institutional connection to the host country is the most important reason for accounting for age-at-arrival.<sup>5</sup> Children below the age of 15 were subject to compulsory schooling, implying that they were naturally linked to the West German institutions through their integration into the educational system. In contrast, those arriving at ages 15 to 24 were less connected to the educational system, which might have made integration more difficult. The young adults were faced with the decision of pursuing higher education, doing an apprenticeship degree, or starting to work immediately. In the absence of refugee-specific aid, economic necessity may have precluded the young adults from pursuing higher education, which could impact their socio-economic integration in the host country.

We employ rich microcensus data collected in West Germany in 1971. For three reasons, these data are particularly suited for assessing the impact of refugee-specific aid. First, we observe the entire pool of GDR refugees, rather than having to rely on country of origin as an indicator of “likely refugees” as is typically done in this context (see for example Borjas, 2000; Cortes, 2004; LoPalo, 2018). Our identification strategy further exploits that, at the individual level, we observe the age and year of arrival and can identify and compare those refugees eligible for aid with their non-eligible counterparts. Second, we observe a range of socio-economic outcomes in 1971, at least 10 years after arrival in the host country. We therefore focus on the medium-term effect of the aid program. Finally, our data capture detailed information on the father’s education, the mother’s education, the father’s industry, and the father’s occupational status. We control for this information in our analysis, since these are the most important observable characteristics that determined whether a family was considered potential “class enemies” in the GDR who needed re-education and other interventions to become “good socialist citizens.” Accordingly, the parental

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<sup>4</sup> See also Chetty, Hendren, and Katz (2016) and Chetty and Hendren (2018), among others, who study the effects of neighborhood exposure as determined by the age at which children moved there.

<sup>5</sup> Differences by age-at-arrival in institutional connection to the host country are also important in the context of other refugee groups. The refugee children from Syria, for example, who arrived in Germany before the age of 16 have an immediate institutional connection to their new home country because of mandatory school requirements, whereas this is not the case for older refugees.

background characteristics also influenced whether West German and Allied authorities considered a family as being genuine political refugees, who then became eligible for refugee-specific aid.

For male refugees migrating as young adults (at ages 15 to 24), we find that immediate eligibility for government aid significantly improved the likelihood that they completed a higher level of education by 16 percentage points. In line with this large effect on human capital, these refugees also had higher-status jobs and higher net monthly incomes by 1971. The results suggest that government spending makes a decisive difference in situations where parents are highly liquidity constrained. If the children in those families are at ages in which they face trade-offs between investing in human capital and starting to work, government aid that alleviates the family's financial constraints leads those children to invest more in human capital, and, ultimately, be more successful in the labor market. We show that these effects tend to be stronger for male refugees with relatively lower socio-economic status (SES). This group drives the positive effect on the likelihood of obtaining a high-status job.

In contrast, we find little evidence of an effect of targeted aid to male refugees who arrived in West Germany as children (at ages 1 to 14). For these refugees, schooling was compulsory, and they were readily integrated in the host country's educational institutions. They thus faced no immediate trade-off between investing in human capital and starting to work right away. Presumably, the integration of the refugee children not eligible for aid was smoothed by the fact that all refugees were covered by the comprehensive West German welfare system and had access to tuition-free education.

On the whole, we find no effect of the refugee-specific aid on the outcomes of female refugees migrating as children or young adults, either. The West German society and labor market of the 1970s emphasized the male breadwinner model, with women tending to become housewives after the birth of their first child. Our results indicate that aid eligible women did not take up the education grants available to them and thus did not advance their socio-economic integration in the same way male young adults did.

We contribute to the surprisingly small literature on how welfare affects the success of refugees, much of which looks at the effects of migrating as an adult.<sup>6</sup> Andersen, Dustmann, and Landersø (2019) study a 2002 reform of social assistance in Denmark that cut refugee benefit levels up to 50

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<sup>6</sup> LoPalo (2019) analyzes the effects of cash aid paid to refugees as part of the United States' refugee resettlement program. She finds that cash aid increases wages for the employed but does not alter employment. The highly educated saw the largest wage effect.

percent and changed the modalities of how social assistance is paid. While the authors find the reform led to immediate increases in male employment that faded over time, the reform reduced female labor force participation. In additional analyses on the “unintended” effects of the reform, the authors investigate how the reform affected children who became residents at different stages of childhood. Consistent with our results, young adults (18-year-olds in their case) opt for contributing to family resources instead of investment in education when faced with the tradeoff.

We also build on scholarship that analyzes the same historical setting that we use. The GDR refugees we focus on are the foundation of the social ties between East and West Germans analyzed by Burchardi and Hassan (2013) and Dorner et al. (2016) in the context of German reunification after 1989. In addition, a rich literature focuses on expellees from territories east of the GDR. These were expelled as entire populations and arrived in West Germany between 1945 and 1950 (Bauer, Braun, and Kvasnicka, 2013; Braun and Kvasnicka, 2014; Braun and Mahmoud, 2014; Falck, Heblich, and Link, 2012; Peters, 2019; among others).<sup>7</sup>

Finally, we should stress that our estimates capture the effects on the outcomes of aid eligibility rather than aid receipt. That is, we are estimating an intention-to-treat effect. We see this as the relevant policy measure, since policymakers may decide upon the offer of aid but not take-up. Moreover, the intention-to-treat effect is not confounded by potentially endogenous take-up of aid.

The paper is structured as follows. Section 2 explains the historical background; Section 3 describes the data, samples, and main variables; Section 4 presents the empirical framework and Section 5 includes the analyses and results. We conclude in Section 6.

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<sup>7</sup> To describe these studies in more detail, Falk, Heblich, and Link (2012) find that the expellees did not improve their occupational status over time despite the availability of governmental aid. Bauer, Braun, and Kvasnicka (2013) find that expellees experienced economic penalties except for those who moved from agriculture into other sectors. Braun and Kvasnicka (2014) show that the expellee influx induced structural change away from low-productivity agricultural employment, while Braun and Mahmoud (2014) show that the influx of expellees decreased native employment in the short term. Finally, Peters (2019) exploits the expellee inflow to study the effect of population size on local economic growth. Also related is the work by Lüttinger (1986, 1989), which provides a detailed descriptive comparison of native West Germans, people expelled from Central and Eastern Europe, and GDR refugees, finding that qualification levels and occupational status were higher among GDR refugees.

## 2. Historical Background

### 2.1 General Background

After the defeat of Nazi Germany in 1945, the Potsdam Treaty divided the remaining German territory west of the Oder-Neisse line into four occupation zones under the United States, the United Kingdom, France, and the Soviet Union. In 1949, the Soviet Occupation Zone in the east of Germany became the German Democratic Republic (GDR), organized as a communist state with a planned economy. The three other zones in the west became the Federal Republic of Germany (FRG), founded as a democracy with a market economy.

Even though there was no free movement between the different occupation zones, the authorities could not prevent the mass migration from the East to the West that we focus on in this paper. Between 1944 and 1961, at least 2.6 million refugees (*Flüchtlinge* or *Zuwanderer* in German) from East Germany are estimated to have arrived in West Germany.<sup>8</sup> This stream of East Germans to West Germany is depicted in Figure 1, together with the migration between East and West Germany until 2015. At the height of the outflow in 1954, for example, around 200,000 East Germans fled to the West. The historical migration from East to West is important also compared to the migration experience after the fall of the Berlin Wall in 1989.<sup>9</sup> To get a sense of the magnitude, the West German population was 39 million in 1939 (thus, the 2.6 million GDR refugees represented 7 percent of the West German population at the time) and the East German population was 17 million in 1939 (i.e. an estimated 15 percent of the East German population fled between 1944 and 1961).<sup>10</sup>

The historical literature names three main drivers that pushed people to flee the GDR (Heidemeyer, 1994; Van Melis, 2006). One group of refugees were regime opponents who fled for directly political reasons. These included members of the Protestant church youth organization, the so-called *Junge Gemeinde* (Young Parish), which was oppressed by the communist regime. These also include people forced to work in uranium mining or for the East German police.

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<sup>8</sup> This estimate is based on the Census of 1961 and excludes all expellees from Eastern Europe who moved to West Germany via the GDR. If Eastern European expellees who left the GDR between 1945 and 1961 (and likely did so because of the communist regime) are included, the estimated number of refugees increases significantly to 4.8 million (authors' compilation is based on Heidemeyer, 1994, pp. 43ff).

<sup>9</sup> Hunt (2006), Fuchs-Schündeln and Schündeln (2009), and Prantl and Spitz-Oener (2020) focus on East-West migration after 1989.

<sup>10</sup> These population figures refer to the territories of the later FRG and GDR, respectively; see Federal Statistical Office (1952, p. 12) and Governmental Central Office for Statistics (1955, p. 8).

A second driver was the centrally planned communist system's economic oppression and downgrading. Farmers and agricultural workers, for example, fled because of the expropriation and reorganization of their farms for use as agricultural production cooperatives, corresponding to Soviet *kolkhoz*. Expropriations also affected owners of industrial firms. Shopkeepers and self-employed skilled trades workers faced discriminatory taxation and restricted access to markets for inputs. The academic elite and technical specialists left because their children were blocked from higher education and from freely choosing their occupations.

More general circumstances, including shortages of goods and limited housing opportunities, prompted the third group of refugees to leave the GDR. Reunification with family members in the West was also a reason.<sup>11</sup>

From today's perspective, persons who left the GDR and moved to West Germany can, in large part, be viewed as refugees. Had the regime been a different one, they would have stayed. They felt forced to flee the GDR, escaping secretly and illegally, while leaving behind most of their belongings, their property, and their social network. They risked monetary penalties and imprisonment, and they exposed family members left behind to punishment. In addition, upon arrival in West Germany, GDR refugees were first confined to refugee camps, from which they were then allocated to the different West German regions (Kimmel, 2005; Limbach, 2011; Van Melis, 2006). While during the years immediately following the war there were no common procedures for refugee management in the different occupation zones, over time the process became increasingly standardized across West Germany, with the Emergency Reception Procedures (*Notaufnahmegesetz*) becoming the FRG-wide legal basis from September 1950 through June 1990. Figure 2 includes a schematic overview of the screening and examination process the Emergency Reception Procedures involved.<sup>12</sup>

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<sup>11</sup> GDR refugees also included a group of spies and criminals which, despite its small size, received considerable attention in the West German debate (ibid, see also Ackermann, 1995).

<sup>12</sup> All refugees were first hosted in refugee camps, rigorously interrogated by both West German authorities and by the Allies (represented in general by members of the different countries' intelligence institutions). The whole screening process took several weeks, and all refugees had to go through it. At the end, there was a committee with three members who took all stages of the screening process into account when summarizing the escape motives and making the decision about acknowledging the refugees to West Germany. Independently from whether refugees were acknowledged to West Germany, only the subgroup of refugees with political escape motives were granted refugee-specific government aid (e.g., they were considered as GDR regime opponents such that their lives and personal freedom were endangered in the GDR). This allows us to compare two groups of people who – by fleeing the GDR – have both strongly indicated that they wanted to build a new life in West Germany permanently. That is, both groups had a strong incentive to be legally acknowledged, independently from the additional refugee-targeted aid. While the application for government aid was nominally voluntary, once refugees had gone through the screening process, it was largely a formality.



Starting in 1952, the communist regime stepped up efforts to deter migration. It established a very effective 5-kilometer-wide exclusion zone along the more than 1,000-kilometer-long border between West and East Germany, which was heavily fortified and patrolled by armed police. As a result, refugees had to cross into West Berlin via train after 1952. Before being allocated to the different West German regions (and flown there by plane), they lived in a refugee camp in West Berlin, where they were registered, examined and interrogated. In 1961, that final path to the West was ultimately blocked by the erection of the Berlin Wall (see, for example, Van Melis, 2006). Migration to West Germany was not possible again for 28 years, when the Berlin Wall fell and communism collapsed.

## **2.2 State of the West German Economy and the Welfare State**

From the end of World War II through the beginning of the 1970s, West German society was shaped by two phenomena. The first was the exceptional GDP growth in the 1950s and 1960s. Between 1950 and 1960, annual GDP increased by 127 percent; between 1960 and 1970, it grew another 53 percent (Althammer and Lampert, 2001, p. 88). West Germany was able to overcome the hardship of the immediate years after 1945 relatively fast so that increased real incomes were spread throughout the population and inflation rates were stable and moderate. By the end of the 1950s, West Germany had achieved full employment (Löffler, 2007; Schulz, 2005a). This implies that the socio-economic integration of GDR refugees in the 1950s and 1960s occurred against the backdrop of a particularly favorable economic landscape.

The second phenomenon was the key societal challenge brought by unemployment immediately after the war, housing shortages, the mass in-migration of expellees and GDR refugees, and the re-integration of war victims. The policy response in the immediate years after 1945 included food stamps, massive investments in social housing programs and, as we explain in more detail in the next sections, programs targeting expellees and GDR refugees (*ibid*).

West Germany was organized as a social market economy that combined liberal (but regulated) markets with a comprehensive welfare state supported by two pillars (Esping-Andersen, 1990): the social security system and welfare benefits. The social security system includes mandatory health, accident, pension, and unemployment insurance schemes. Social security coverage is tied to employment and co-financed by employers and employees. Contributions are determined as a function of employees' wages, and benefits depend on prior contributions (Schulz, 2005b). Welfare benefits, the second pillar, are paid to individuals or families in need who are otherwise uninsured

and do not have sufficient personal financial means. Welfare benefits are funded through taxes and include a monthly allowance that covers basic needs. Although the monthly allowance previously existed, it became an enforceable right only in 1962, the same year that welfare benefits were introduced for persons experiencing illness, depending on care, or facing other difficult circumstances (Boldorf, 2007).

At that time, the male breadwinner model was the norm in West Germany and almost all men of working age worked. Married women—especially mothers—tended to be housewives who relied on their husbands' incomes. Female employment increased only gradually. Among married women below the age of 65, only 26 percent of women worked outside the home in 1950. By 1961, that figure rose to 37 percent; in 1970, it was 41 percent (Schulz, 2005b, p. 43). With social security coverage tied to employment, West German housewives were disadvantaged.<sup>13</sup> To partially compensate for this gender inequality and to fight poverty among families with many children, child benefits were introduced in 1955.<sup>14</sup> These benefits came in tandem with income tax deductions for families (Münch, 2005 and 2007).

All refugees from the GDR had access to social security and welfare benefits, irrespective of the nature of their escape motives that determined whether they were granted additional refugee-specific aid. In 1953, they were integrated into the West German health, accident, and pension insurance schemes and, in 1956, into the unemployment insurance scheme. They were also entitled to child benefits and family tax deductions (Nahm, 1967, p. 8).

### **2.3 Criteria Determining GDR Refugees' Eligibility for Additional Benefits**

Beyond the social security and welfare benefits, large-scale redistribution schemes were implemented in West Germany to partially compensate those who incurred losses during World War II. From the early 1950s through 1966, some 63 billion Deutsche Mark were redistributed under the Equalization of Burdens Act. This remains one of the biggest economic and financial transactions in German history, with an amount roughly equal to 25 percent of the 1966 GDP

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<sup>13</sup> Women and children are, however, entitled to health insurance through their husbands' or fathers' insurance. Within the pension insurance scheme, widows receive surviving dependents' pensions.

<sup>14</sup> Child benefits were paid per child from the third child onward and, after 1961, from the second child onward. From 1955 through 1965, the child benefits were raised multiple times. In principle, the benefits were designed at a flat-rate, but they were reduced for families with incomes exceeding a certain threshold. Initially, the child benefits were financed by employers and the self-employed. In later years, they were funded through taxes (Münch, 2005 and 2007).

redistributed over about 15 years.<sup>15</sup> Funding came through designated taxes (Abelshausen, 2011, p. 335; Nahm, 1967, p. 20).

There was a broad political consensus that expellees from Eastern and Central Europe should benefit from the redistribution programs (Heidemeyer, 1994; Werber, Borde, and Ehrenforth, 1954). The question whether GDR refugees should also benefit sparked a major and controversial political debate. Influential members of the governing Christian Democratic Party opposed the inclusion of GDR refugees in the redistribution programs. Their underlying motive was to discourage further migration from East Germany, although program costs were also a consideration (Ackermann, 1995; Heidemeyer, 1994).<sup>16</sup>

In the end, only a subgroup of East German migrants was given a status that made them eligible for financial and other aid that addressed their specific needs as refugees; and that was true only from 1953 forward. The subgroup eligible for refugee-specific aid comprised individuals whose escape motives qualified them as “political GDR refugees.” The eligible subgroup was granted the so-called “C-status” that was documented in their passports, and that is the legal background of the government aid we analyze here.<sup>17</sup> C-status was decided in refugee offices at the regional level. Refugees who migrated before 1953 could apply retroactively. Children were automatically assigned the same status as their parents (Ackermann, 1995; Werber et al., 1954).

## **2.4 Benefits for Political GDR-Refugees**

As noted earlier, GDR migrants who were acknowledged as political refugees became eligible for an additional set of governmental programs (Lüder, 1957; for an overview see Appendix Table A.1), including cash benefits and access to loans. Lump-sum cash benefits were paid for the purchase of household goods and personal effects that might have been lost. A monthly cash allowance was extended to refugees and their relatives who wanted to complete a vocational qualification or university degree but lacked the financial means. Loans, meanwhile, were provided for the purchase of real estate used for private purposes and for professionals, farmers, and business owners who had lost their capital. Rent-controlled apartments were available through yet another

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<sup>15</sup> West German annual GDP in 1966 was 249 billion Deutsche Mark. The figures cited here are in 1966 prices.

<sup>16</sup> The parliamentary opposition, the Social Democrats, advocated a more liberal response to the refugee inflow but lacked the political power to put it into action.

<sup>17</sup> The specific law is the Federal Expellee Law (*Bundesvertriebenengesetz, BVFG*) of 1953.

program.<sup>18</sup> There also existed the possibility of a publicly subsidized job (Lüder, 1957; Nahm, 1967). Indeed, various measures were intended to boost the refugees' labor market integration. Among the target groups were farmers or agricultural workers (via affordable loans and cash benefits), the self-employed (via affordable loans, debt guarantees, co-partnerships, tax cuts, cash benefits, and other privileges), and employees (via privileged treatment by employment agencies, privileged re-entry into previous occupations, and privileged access to apprenticeships).

In other words, all refugees from the GDR had access to the social security and welfare system of the FRG, but only political refugees were eligible for additional programs that aimed to provide partial compensation for the losses they had incurred. Most components of the refugee-specific aid alleviated current needs and would not be characterized as direct investments in refugee children. However, student allowances are an important exception. Student allowances may enable young adults who face trade-offs between investing in human capital and starting to work to overcome the financial constraints that limit their ability to invest. Regarding the economic significance of the monthly student allowances, these allowed adolescents and young adults willing to tolerate modest living standards to be full-time university students or apprentices (Gillner, 1955).

Through the refugee-specific government aid, policymakers sought to improve the refugees' socio-economic status while moving toward equality of opportunities between refugees and West German natives (Heidemeyer, 1994; Werber et al., 1954). Accordingly, eligibility for benefits ended once the individual recipients reached a sufficient degree of social and economic integration. As explained before, East German migrants who were not acknowledged as political refugees were excluded from these comprehensive programs, although they still were eligible for the social insurance and welfare benefits available to the population broadly.

## **2.5 West German Educational System**

Primary, secondary, and tertiary education is generally free of charge in Germany, implying that there is no tuition. In the time span relevant to our study, compulsory schooling covered eight years in a system that had three school "tracks:" the lowest track that ended after eighth grade (and encompassed the majority of students), an intermediate track to which student switched after fourth grade, and the college-bound Gymnasium track. In the early years of the Federal Republic of

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<sup>18</sup> Two laws formed the basis for the benefits, the Hardship Fund of the Equalization of Burdens Act (*Lastenausgleichsgesetz, LAG*) and the Federal Expellee Law (*Bundesvertriebenengesetz, BVFG*). Until 1966, 2.5 billion Deutsche Mark were distributed under the Hardship Fund (Nahm, 1967, p. 32).

Germany, few students moved to the intermediate school track (3.3 percent in 1951) or to the highest school track, the Gymnasium (9.7 percent in 1951). The remaining 87 percent attended the lowest school track. In the years that followed, enrollment in the intermediate and Gymnasium tracks rose (Schulz, 2005a, p. 60).

As part of this general expansion in education, a national student-aid program was introduced in the winter term of 1957/58. Students with good academic records but without the financial means to attend university were paid a monthly education allowance so they could study. Half of the allowance was stipend-based, and half was financed through student loans (Anweiler, 2005). In 1971, the year when our data were sampled, 14.2 percent of West German men aged 20 to 50 had obtained a university degree, 63.7 an apprenticeship degree, and 22.0 percent had no formal qualification. The corresponding shares for women are 7.8 percent (university graduates), 43.2 percent (women with completed apprenticeship training), and 49.0 percent (no formal qualification).<sup>19</sup>

### **3. Data, Sample, and Definition of Main Variables**

#### **3.1 Data**

Our analysis is based on the Supplementary Microcensus of 1971, the so-called *Mikrozensuszusatzhebung* (MZU 1971), conducted by the German Federal Statistical Office in April 1971. It is a 1 percent representative sample of the West German native population aged 15 and older, and its aim was to elicit information on economic and social transformations in post-war Germany. Respondents were required by law to participate in the survey (for a description, see Tegtmeier, 1979; and Appendix Table A.2 for details on the variables we use).

For the purposes of our study, the MZU 1971 has three major advantages. First, these data contain information on a person's region of origin and population group, allowing us to identify the entire pool of refugees from the GDR.<sup>20</sup> We also know their age at arrival and the year of arrival in the West, and we see whether former GDR citizens were eligible for refugee-specific

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<sup>19</sup> Authors' estimates based on the data described in Section 3.

<sup>20</sup> Excluding all expellees, the total number of GDR refugees is 1.8 million according to our 1971 data. To check the validity of the 1971 data, we compared them to estimates from the 1961 census. Migration patterns are remarkably similar between the two data sources (see Appendix Figure A.1). The 1971 estimates are below the 1961 estimates, which can be rationalized by the fact that the 1971 data excludes (i) persons younger than 15 and (ii) those who died between 1961 and 1971.

government aid. A second advantage of the data is its detailed parental background characteristics for refugees at age 15. This information, collected for all persons born in 1920 or later, includes the father's detailed occupational status (13 categories), the father's industry (16 categories), the father's education level (6 categories), and the mother's education level (6 categories).<sup>21</sup> They were the most important characteristics determining whether refugees left for political reasons, and were thus used in distinguishing political refugees from economic refugees. The third advantage is that the data provide detailed information on individuals' socio-economic outcomes in 1971. These variables refer to a person's education, employment, type of employment, and income and allow us to assess the refugees' medium-term integration. Overall, the MZU 1971 is an ideal data source for studying the impact of governmental support programs on child and young adult refugees' economic success.<sup>22</sup>

### 3.2 Sample

Our analysis focuses on refugees from East Germany who migrated to West Germany before the Berlin wall was built in 1961.<sup>23</sup> We begin with individuals migrating starting in 1946; bypassing 1945, which was marked by the turmoil and chaos of the end of the war. Our goal is to examine outcomes that capture refugees' economic success in 1971. Since the male breadwinner model dominated in West Germany and women – especially mothers – dropped out of the labor force, there are clear gender differences in outcomes in 1971. Indeed, only 50 percent of East German women who migrated as young adults (at ages 15 to 24) and 55 percent of women who migrated as children (at ages 1 to 15) were employed in 1971. The corresponding employment rates for men

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<sup>21</sup> The survey also includes mothers' occupational status and industry at age 15. However, in many cases mothers dropped out of the labor force and this information is either missing or not very meaningful. Therefore, we focus on fathers' occupational status and industry. The occupational status variable is influenced by Max Weber's concept of social stratification (Lüttinger, 1989, p. 73). On the one hand, the variable divides occupational status into horizontal categories (for example, by distinguishing among the self-employed, the employed, civil servants, workers, etc.). On the other hand, the variable elicits status differences within these categories (for example, by distinguishing among low, medium, and high-level civil employees). Because this status variable is crucial for our analysis, our main sample excludes 5,545 East German refugees for which the father's occupation status was missing. We return to this restriction later when we assess the robustness of our results.

<sup>22</sup> The MZU 1971 has a clustered survey design. Throughout the analysis, we account for a potential dependence of observations within the same sampling units by clustering our standard errors accordingly. Since sampling districts were relatively small, there are several hundred clusters (for details see Schimpl-Neimanns, 2016).

<sup>23</sup> We exclude former expellees from Eastern European territories who arrived in West Germany via East Germany. These former expellees form a distinct group that was forced to migrate twice and, hence, was entitled to other governmental support programs than East German refugees who migrated only once. By only including persons living at their main residence, we also impose restrictions that make our sample representative. Furthermore, we exclude observations classified as supplemental and duplicated observations (for details see Schimpl-Neimanns, 2016).

are 98 and 84 percent (Table 1).<sup>24</sup> Because of these gender differences, we present results separately for men and women.

Since the economic success of migrants likely depends on the age at which a refugee arrives, we focus our analysis on two main samples. We call our samples the **children sample** and the **youth sample (=young adults)**. The children sample consists of refugees who arrived in West Germany at ages 1 to 14, at an age in which they were subject to compulsory school attendance.<sup>25</sup> Therefore, the children sample comprises first generation migrants who arrived in the destination country before they left high school. We exclude those who arrived below age 1 to ensure that they were born in the GDR and did in fact flee.

The youth sample, meanwhile, includes refugees who migrated between the ages 15 to 24 and, because of their age at arrival in West Germany, were not required to attend school. They had to decide whether to continue going to school, pursue an apprenticeship degree, attend university, or immediately search for a job. In this sense, their integration in the host-country was distinct from the integration of their counterparts from the children sample.

Finally, we show results for the refugees who reflect the “parent” generation, i.e. refugees who migrated at ages 25-51 (the **adult sample**). We use this to show that our main findings are unlikely to be the result of selection effects that our identification strategy is unable to capture. The three sample definitions and the historical timeline are summarized in Figure 3.

### 3.3 Outcome Variables

To capture medium-term outcomes of refugee children and young adults in 1971, we focus on a range of outcome variables. First, we examine variables capturing educational attainment. As described earlier, the education allowance was a significant component of the refugee aid program targeting refugees migrating at young ages. Specifically, we assess how refugee-specific aid impacted the likelihood of obtaining a high qualification (i.e., graduating from university), a medium qualification (i.e., completing an apprenticeship training degree), or a low qualification (i.e., not obtaining a formal qualification). Second, we also look at employment outcomes, including an indicator variable for being employed and a variable capturing job quality. The latter is an indicator variable capturing whether a person is employed as a high-level civil servant, high-

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<sup>24</sup> One consequence of the low female employment rates was that significant shares of women did not report important economic indicators like their income.

<sup>25</sup> School was mandatory through eighth grade, when students were typically 15 years old.

level employee, or elite worker (i.e., a worker with managerial responsibilities). Finally, we assess home ownership as well as individuals' total monthly net income from all income sources, which are proxy variables for socio-economic status.

In Table 1, we report summary statistics for our three samples, separately by gender. About 41 percent of our overall sample belongs to the youth sample and about 30 percent to the children sample. In both these samples, females account for close to 50 percent of the observations, whereas women account for about 60 percent in the adult sample. Among refugees arriving as young adults (children), 21 (34) percent of males were eligible for government aid compared to 18 (25) percent of females. The average age of the children sample is 26 in 1971 and 38 for the youth sample. Table 1 also displays summary statistics of the outcome variables that we analyze in the following section.

## **4. Empirical Specifications and Identification Strategy**

### **4.1 Main specification**

We are interested in the causal effect of aid-eligibility on refugee children and young adults' economic success later in life. Identification is complicated by the fact that those eligible for aid are both self-selected and screened by the local authorities. We therefore combine three strategies. To begin, we focus on the entire pool of GDR refugees, and compare the treatment group of refugees eligible for refugee-specific aid with the non-eligible control group. This comparison allows us to “difference out” the effect of fleeing the GDR, as both treatment and control groups did. In order to be legally acknowledged to West Germany, all GDR refugees were thoroughly screened, in a specific refugee screening process that involved West German authorities and those of the Allied countries. When comparing GDR refugees eligible for aid and their non-eligible applicant counterparts, we are able to control for the most important characteristics that the local authorities used to select aid-eligible persons from the pool of applicants, namely detailed parental background characteristics. This allows us to reduce the selection bias introduced by the screening process of the authorities.

We also take advantage of the fact that the refugee-targeted aid was only available after 1953. This generates an additional source of variation in exposure to aid. Indeed, those aid-eligible refugees who arrived in 1953 and later became eligible for aid immediately after their arrival in West Germany and at a younger average age. In contrast, those arriving before 1953 became aid-eligible only ex post and at an older average age, when important decisions concerning integration



had already been made. The a priori expectation is thus that any positive effects of aid eligibility are more pronounced for the group arriving in 1953 and after.

Finally, we use a second comparison group that the specific historical context provides us, namely the native West Germans. We do so employing inverse probability weighting where we assign weights to the observations in the West German sample such that West Germans and GDR refugees have the same distribution of parental background characteristics. A within-GDR refugee comparison between aid-eligible and non-eligible individuals hinges on the assumption that systematic differences between the two groups are constant over time. However, during the time-period that we study, West Germany underwent rapid economic growth and structural changes, including for example a shift in employment away from agriculture towards industry.<sup>26</sup> The sector of employment influenced the nature of escape motives and hence whether refugees were acknowledged as political refugees (see Section 2.1 above). Therefore, our treatment group of aid-eligible refugees and our control group of non-eligible refugees differ in the sectoral composition of employment, and therefore might be differentially affected by structural changes to the West German economy. Introducing native West Germans using a triple differences-in-differences allows us to remove such potentially confounding trends. Additionally, it allows us to assess how the offspring of refugees overall fared in 1971 relative to comparable native West Germans.

Our empirical specification is as follows:

$$(1) \quad Y_i = \gamma_0 + \gamma_1 GDR_i + \gamma_2 AID_i + \gamma_3 T_i + \gamma_4 AID_i * T_i + \gamma_5 X_i^{basic} + \gamma_6 X_i^{par} + \varphi_i.$$

$Y_i$  captures medium-term economic outcomes of refugees measured in 1971 such as education outcomes, employment outcomes, home ownership and income. As discussed earlier, because age-at-arrival determines the integration of young refugees into the West German education system, we separately estimate equation (1) for two different groups of GDR refugees, those arriving as children (at ages 1 to 14) and those arriving as young adults (at ages 15 to 24).

The variable  $GDR_i$  is equal to one for refugees from East Germany, and zero for native West Germans. The variable  $AID_i$  is a dummy variable indicating refugees' eligibility for government

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<sup>26</sup> Bauer et al. (2013), for example, find that the offspring of expellees who were farmers improved their socio-economic status more than the offspring of other expellee groups. For related results for Finland, see Sarvimäki, Uusitalo, and Jäntti (2019).

aid at any point after arrival,  $T_i$  is a dummy variable for having arrived in West Germany in 1953 or later, and  $AID_i * T_i$  is an interaction term indicating GDR refugees who were eligible for aid and arrived in 1953, or thereafter.

The coefficient  $\gamma_1$  represents the mean differences in  $Y_i$  between East German refugees and native West Germans.  $\gamma_1$  can thus be interpreted as an indication of the degree of the overall socio-economic integration of GDR refugees who arrived as kids or young adults vis-à-vis their West German counterparts.  $\gamma_2$  captures the mean difference in outcomes between aid-eligible refugees and non-eligible refugees,  $\gamma_3$  indicates the mean difference in outcomes for those refugees who arrived in West Germany in 1953 or thereafter and those who arrived before 1953. Finally,  $\gamma_4$  reflects the mean difference in outcomes for aid-eligible refugees who arrived after 1953 (the difference-in-difference-in-differences estimate).

Specification (1) reflects the basic institutional details of the government aid program that we analyze. The program was introduced in 1953, which rationalizes the separation of those who arrived before 1953, and those who arrived thereafter. At the same time, refugees who arrived before 1953 and who were acknowledged as political refugees were eligible for aid, that is  $AID_i$  has values of one for refugees arriving both before and after 1953. Note as well that those who arrived before 1953 went through the recognition process without knowing that the refugee-specific aid program will eventually be introduced.

Conceptually, we differentiate the effects of those who became aid eligible immediately after arrival ( $T_i = 1$ ), from those who arrived in the same “age-at-arrival” range but became eligible later (i.e. when they were older,  $T_i = 0$ ). For example, refugee children who were below 15 at arrival in West Germany and arrived before 1953 were on average 11.8 years old in 1953, when the refugee-targeted aid was introduced. The counterpart of children who were also below 15 at arrival, but arrived in 1953 or later, were 4.2 years old on average when their parents became eligible for the refugee-specific aid (note that the average age at arrival for children who arrived below the age of 15, was 7.6 for both those who arrive before 1953 and those who arrived thereafter).

Analogously, young adults who were between 15 and 24 at arrival and arrived before 1953 were on average 24.3 years old in 1953, when the refugee-targeted aid was introduced, whereas those who arrived in 1953, or later, were on average 19.9 years old when they became eligible (even though both those who arrived before 1953 and those who arrived thereafter were on average 20 years old at arrival).

In the basic specification, the inclusion of  $T_i$  captures level differences in the outcome variable between the early and late arrivals and picks up unobserved and time-invariant heterogeneity between the two groups ( $\gamma_3$ ).  $\gamma_4$  captures differences in outcomes that arise because of differences in age when refugees became eligible for aid, and differences related to whether they became eligible immediately after arrival or merely ex post. We further control for the age of individuals in 1971. Specifically,  $X_i^{basic}$  includes age in 1971 and its square.<sup>27</sup>

$X_i^{par}$  includes the refugees' parental background characteristics, the most important observable characteristics that the West German authorities used to screen the refugees. Controlling for this allow us to reduce selection bias introduced by the screening process of the authorities. As described earlier, they focused on background characteristics of the adults in a family as those were the characteristics that the GDR regime used to identify potential "class enemies". Thus, both East and West German authorities used the same "profiling" characteristics to predict likely political refugees (who became eligible for government aid) as opposed to likely economic refugee (who did not become eligible for government aid). The advantage of our data is that we observe parental background characteristics when the refugee children and young adults were 15 years old, among them the father's occupational status (13 categories), father's industry (16 categories), and father and mother's qualification levels (6 categories, respectively). In addition to influencing aid status, these characteristics are important control variables by themselves, given our outcome variables.<sup>28</sup>

In our main specification (1), we treat  $AID_i$  as a dummy variable. But the institutional set up of our experiment allows us to go one step further and use differences in treatment dose as the identifying variation. Indeed, there is large variation in the number of potential years of aid-eligibility. When constructing the treatment dose measure, we create a variable capturing potential years of exposure ( $EXP_i$ ) and estimate equation (1) above, but replace  $AID_i$  by  $EXP_i$ . Specifically,  $EXP_i$  is defined as follows:

$$(2) \quad EXP_i = \begin{cases} 0 & \text{if } AID_i = 0 \\ 1971 - year\_migr_i & \text{if } AID_i = 1 \text{ and } year\_migr_i > 1953 \\ 1971 - 1953 & \text{if } AID_i = 1 \text{ and } year\_migr_i \leq 1953 \end{cases}$$

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<sup>27</sup> Note that we also used specifications that include age-dummies. Our results are robust to this change in specification.

<sup>28</sup> By construction of the data, for the young adult sample, the information on industry and occupational status reflects what the parents were doing in the GDR, whereas for the children sample, the information refers to what parents were doing in West Germany.

That is, for those who are not eligible,  $EXP_i$  is zero. However, for those who arrived after the introduction of the refugee-targeted government aid in 1953, the potential number of years of eligibility is 1971 (the year of the survey in which we measure our outcomes) minus the year of arrival ( $year\_migr_i$ ) in West Germany. For those who arrived before 1953, aid-eligibility only started after 1953 when they had already lived in West Germany for a couple of years and were older compared to their age-at-arrival cohort that arrived in 1953, or later (see the example above when we discuss the role of  $T_i$ ). While aid-eligibility did not start for this group immediately after arrival in West Germany, it potentially lasted for 18 years, from 1953 to 1971.

Overall, we find considerable variation in treatment dose. As Table 1 shows, in the children sample, the average potential years of exposure is 5.3 (std. dev. 7.7) for males and 3.9 (std. dev. 6.9) for females; in the young adult sample, it is 3.2 (std. dev. 6.4) for males and 2.7 (std. dev. 6.0) for females. Table 2 shows further details of this variable for males, both unconditionally (A) and conditionally on aid-eligibility (B). As is clear from those statistics, those who arrived earlier had more years of potential aid-eligibility but became eligible when they were older.<sup>29</sup>

## 4.2 Balancing Tests

We next examine whether there are systematic differences between GDR refugees across age-at-arrival and year of arrival. The empirical evidence suggests that there are no systematic differences between the key observable characteristics of those who arrived before 1953 – when neither the refugees nor people involved in the screening process knew that the refugee-targeted government aid program would be introduced – and those who arrived in 1953 or later.

In terms of age-at-arrival, one concern might be that refugee families were more likely to be acknowledged as political refugees when their children were of a certain age at which refugee-specific aid was more important.<sup>30</sup> In this scenario, we should observe changes in age at arrival by refugee status and over time. This is clearly not the case. Table 3 shows mean age at arrival for both the children and youth samples. Furthermore, we distinguish between “before 1953”, the time before the refugee-specific aid was implemented and before invested parties knew about it, and 1953 onward. For male refugees of the children sample who received aid, the mean age at arrival

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<sup>29</sup> The statistics are very similar for females and are available upon request from the authors.

<sup>30</sup> For example, families with children who were about to attend university might have exaggerated their political escape motives. Note, however, that such manipulation was difficult given the rigorous screening process by the intelligence services (recall Figure 2 above).

before 1953 was 7.6 years (column 1(A)). It was virtually the same – 7.7 years – for those arriving in 1953 and later. Moreover, the age of arrival for those not receiving aid was not statistically different (columns 2, 3, and 4 (A)). The same applies to male refugees arriving as young adults. Before 1953, the mean age at arrival for those receiving aid was 19.8 (column 5(A)), while it was 19.9 from 1953 onward. Again, the mean age at arrival for those not receiving aid was not statistically different (column 6, 7, and 8 (A)). There is no evidence for strategic sorting into aid based on the age of female refugee children and young adults, either, as shown in the analogous columns for females in Panel B.

Similarly, we assess whether from 1953 onward there was strategic sorting into the program based on fathers' educational attainment. One concern might be that highly educated families were more likely to select or be screened into aid eligibility, as the children of these families planned to attend university. However, we find no such systematic differences for the group of male refugees (Table 3). Only one difference is statistically significant at the 10 percent level: Fathers of refugee children who were aid-eligible and arrived before 1953 were more likely to have no formal qualification level, suggesting that, if anything, there was negative selection into aid-eligibility based on fathers' educational attainment. Estimates for the sample of aid eligible women, however, suggest that their fathers were somewhat more likely to have a high qualification level. Yet as we see below, this was not associated with better socio-economic outcomes for their daughters.

We also provide balancing tests based on the occupational status of the father, separately for men (Table 4) and women (Table 5). The comparison yields two insights. First, in line with our expectations, there are systematic differences between aid eligible and non-eligible refugees. The fathers of aid eligible refugees are on average more likely to have worked as farmers, self-employed, and high-level civil servants. Conversely, the fathers of aid eligible refugees are underrepresented among the “worker” and “qualified worker”-categories. Second, these patterns are not necessarily constant between refugees arriving before and after 1953. Especially with regard to self-employed fathers, the differences by aid eligibility are more pronounced for the refugees arriving in later years. This is consistent with the fact that the oppression of craftsman and certain professional persons such as doctors and lawyers intensified after 1957 in the GDR, and hence reflects push factors of migration (see Van Melis, 2006). The two insights thus show the importance of controlling for fathers' detailed occupational status and industry as well as for arrival before and after 1953 as part of our triple DID strategy.

As already mentioned, we use inverse-probability weighting in our triple differences-in-differences estimations. Table 6 shows a detailed comparison of GDR refugees with native West Germans both before inverse-probability weighting and thereafter, demonstrating that the distribution of parental background characteristics is almost identical for the two groups conditional on weighting.

## 5. Results

### 5.1 Results for Men

Table 7 displays the effect of refugee-specific government aid for men. Each column refers to a different outcome variable and the effects are estimated separately for our three samples as defined by age of arrival (i.e., the youth, children, and adult samples). The table shows that refugee-specific aid had economically and statistically significant positive effects on the educational attainment and labor market integration of men who arrived as young adults. These effects are driven by aid-eligible refugees who arrived in 1953 and later, indicating that it was decisive that they received the aid immediately upon arrival in West Germany.

Aid-eligibility increased the likelihood of obtaining a high-qualification by 16.0 percentage points for male individuals belonging to the youth sample who arrived in 1953 and later (column (1) in Table 7). In line with this large effect on educational attainment, the same group was 17.1 more likely to have a high-status job in 1971 (column (5)) and their net monthly incomes were 12.8 percent higher on average (column (7)).<sup>31</sup> In contrast, there are no positive effects among male refugees who arrived as young adults before 1953 and only became eligible for aid after they had lived in West Germany for some time.

The positive effects on the educational attainment and labor market integration of men who arrived as young adults are estimated controlling for detailed parental background characteristics, exploiting variation in the exposure to aid, and relying on West German natives as an additional control group to purge the estimated coefficients of time-trends induced, for example, by structural changes in the labor market. However, one might still be concerned that the estimated effects are due to self-selection into aid eligibility that our identification strategy is not able to capture. To address this question, it is useful to look at the sample of adults (see again Table 7). These adults

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<sup>31</sup> Note that we find no effects on the probability of being employed (column (4)), which results from the fact that almost all men in the youth sample – 98 percent – were employed at the time, regardless of aid eligibility (Table 1).

arrived in West Germany at an age when their educational attainment had already been pre-determined. While they were on average more educated than the West Germans, those GDR refugee “parents” who were aid-eligible and arrived before 1953 had a higher probability of having medium education, while those arriving in 1953, or later, had the higher probability of being low educated. Therefore, the aid eligible adult migrants who arrived after 1953 were, if anything, negatively selected in terms of their qualification. In addition, for the aid eligible adults, there are no statistically significant differences with regard to the likelihood of having a high qualification, a high status job, and a higher income. This is reassuring as it suggests that the results discussed previously for the youth sample are not driven by a general tendency of refugees with more favorable characteristics to self-select into aid eligibility.

We do find statistically significant differences with regard to homeownership. GDR refugees of the “parent” generation are less likely than Native West Germans to own a home, but this is less pronounced for those who were aid-eligible and arrived before 1953. The finding indicates that aid eligible refugees arriving before 1953 benefitted from the real estate loans available to them.

We next turn to the sample of men who arrived in West Germany as children, when they were still subject to compulsory schooling. Interestingly, we find that eligibility for aid did not have any positive effects for this sample. This implies that until 1971 those not eligible for aid were able to catch up with their aid-eligible counterparts; aid-eligibility had no meaningful impact on their later integration in the labor market. The effect on homeownership is the only exception: aid eligible refugees migrating before 1953 seem to have used the real estate loans available to them, and are 7.7 percentage points more likely to be homeowners.

In Appendix Table A.3, we show the results when identification relies instead on variation in the treatment intensity, that is, the years of exposure to aid, as defined in equation (2). Reassuringly, the effects on the outcome variables are qualitatively unchanged. For the youth sample, among those who arrived after 1953 each additional year of aid-eligibility increases the probability of graduating from university by 1.1 percentage points, the probability of having a high-status job by 1.3 percentage points, and net monthly incomes by 1 percent. To put these figures into perspective, the difference between the 75<sup>th</sup> and the 25<sup>th</sup> percentile in the length of exposure distribution is 5 years for young adults who were eligible for aid and arrived after 1953. The comparison of the two percentiles translates into a 5.5 percentage point difference in university graduation because of aid eligibility ( $0.11 * 5 = 5.5$ ), a 6 percentage point difference in the probability of holding a high-status job, and a 5 percent higher net monthly income.

Table A.3 also confirms that the results remain qualitatively unchanged for the children and adult samples. The comparison to the adult sample again suggests that the results for the youth sample are not driven by a generally positive selectivity of the aid eligible refugees. In addition, results for the children sample show that aid exposure has no effect on the outcomes of this group (with the exception of homeownership).

Finally, we conduct our main analysis separately for individuals whose families' socio-economic status (SES) was above and below the median (see Appendix Tables A5 and A6).<sup>32</sup> Regardless of SES, we continue to find no effects of aid for individuals who migrated as children. However, for refugees who migrated as young adults, the effects are somewhat stronger for those with below median SES. In particular, the effect of aid eligibility after 1953 on having a high-status job is driven by individuals whose SES is ranked below the median.

## 5.2 Results for Women

Table 8 shows the same analyses for women, introducing the probability of being married and the number of children as additional outcome variables capturing family structures. The results reveal that aid-eligibility had no effect on women's outcomes. In fact, none of the coefficients discussed previously for men is statistically significant. Why is this the case? One possible explanation is that the West German labor market in 1971 was characterized by the male-breadwinner model, with women having a low attachment to the labor market. Only roughly half of the women in our three age-at-arrival samples were employed in 1971. Additionally, more than 40 percent of these women had not completed at least a vocational degree, a share that was significantly lower for their male counterparts (e.g., only 17 percent of men in our youth sample were in the same category; see Table 1). The low overall labor force attachment seems to have implied that aid eligibility made no difference for the educational attainment and labor market integration of female GDR refugees. We arrive at similar conclusions when we exploit instead years of exposure to aid (see Appendix Table A.4)<sup>33</sup>.

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<sup>32</sup> We define „occupational status by industry“ – cells and rank the cells based on their median earnings for male prime-aged workers in 1971. We then divide our samples based on whether the assigned income rank of the father was above or below the median. Note that we needed to exclude cases in which the father worked in agriculture, as for these occupations and this industry, we do not have any income data.

<sup>33</sup> For women belonging to the youth sample, there is weak evidence for a positive effect of aid eligibility on incomes (Tables 8 and A.4). We prefer not to over-interpret this finding, as the variable has a large share of missing values for women and is likely a select sample.



Again, we analyze the effects separately for women with below and above median SES (see Appendix Tables A7 and A8). Importantly, we find some evidence for positive effects of aid eligibility among women who migrated as children and belong to the group with relatively lower SES. Those who became eligible for aid after 1953 are 13.7 percentage points ( $= .214 - .077$ ) more likely to complete an apprenticeship degree; and this effect is caused by a lower likelihood of obtaining no formal qualification (see columns (2) and (3) for the children sample in Table A7). The relevant coefficients are statistically significant at the 10 percent level. They thus provide tentative evidence of positive effects of aid eligibility on women with relatively lower SES.

### **5.3 Robustness Checks**

We have conducted a number of tests to check the robustness of our conclusions. In our main samples, we dropped respondents who did not report their fathers' occupational status. To assess how this impacts our findings, we replicated our analysis and re-estimated specification (1). This time we included all individuals and captured missing occupational status of the fathers by incorporating an additional category in our regression analysis. Results displayed in Appendix Tables A9 and A10 yield the same conclusions as discussed above.

Because the share of AID-eligible refugees increased after 1957, we also test the robustness of our results to restricting the sample to the period 1946-1957, instead of 1946-1961 used in the main sample. The results are again similar to those presented earlier (see Appendix Tables A11 and A12). For male refugees who migrated as young adults, it is worth noting that the effect on obtaining a high qualification due to aid eligibility after 1953 decreases slightly (to 13.6 percentage points) whereas the effect on monthly incomes increases slightly (to 13.9 percent).

### **5.4 Interpretation**

The divergent results for the children and youth samples are noteworthy. Why do we find positive and economically significant effects for the youth sample but reach very different conclusions for the children sample? Upon arrival in West Germany, refugees and their families had few resources at hand. They were also liquidity constrained. That meant refugees arriving as young adults had to consider whether to continue in school or enter the labor force and immediately earn money. Our results indicate that refugee-specific aid made a decisive difference. It enabled male young adults to postpone their entry into the labor market and, instead, pursue higher education. In the medium-term, this higher education was associated with working in a higher-status job and having higher

monthly incomes. Importantly, male young adults who migrated in 1953 or later drive these results. This indicates that the aid was only effective for refugees who received it immediately upon their arrival.

For younger male children arriving in West Germany, the economic incentives were different. Not only were these refugees too young to start working immediately, but it appears that time spent in the destination country allowed those not eligible for aid to catch up with their aid eligible counterparts. Presumably, this catch-up process was smoothed by the general expansion of higher education and the exceptional period of economic growth that West Germany experienced. However, we do not view our results as evidence that aid for young children would be ineffective in general. In the German context that we analyze, all refugees and their children were covered by social security and had access to tuition-free education (Section 2). Yet, the results demonstrate that refugees migrating as children and young adults face different challenges which play an important role in shaping medium-term outcomes and deserve the attention of policy makers.

Finally, we do not find any significant effects for women. The West German society and labor market of the 1970s was characterized by strong gender disparities. Almost all men of working age were employed, whereas women's labor market attachment was much weaker on average and women tended to become housewives once they had their first child. Accordingly, only about half of the women in our sample worked in 1971, and they had a significantly higher likelihood than men to lack a formal qualification. Against this backdrop, our results indicate that aid eligible women did not take up the education grants and hence did not advance their socio-economic integration in the same way male young adults did.

## **6. Conclusions**

This paper examines whether refugees' economic success is linked to government aid. We investigate the impact on refugees who migrated as children (at ages 1 to 14) and on refugees who migrated as young adults (at ages 15 to 24) and assess medium-term outcomes (i.e., at least 10 years after migrations). The analysis focuses on GDR refugees who migrated to West Germany from the end of World War II until the Berlin Wall was built in 1961. We exploit the fact that West German authorities distinguished between political and economic refugees from the GDR, providing financial aid only to political refugees and only from 1953 onwards. Receipt of this refugee-specific aid, which was meant to compensate for the losses stemming from the refugee

experience, did not affect refugees' ability to also receive standard welfare and social security benefits in West Germany. The quasi-experimental nature of this historical setting allows us to combine several approaches to address identification concerns.

Refugee-specific aid engendered positive and economically meaningful effects for male refugees migrating as young adults. For refugees who migrated as children, we find no similar positive effects of the refugee-specific aid on higher education, employment outcomes, and incomes. On the whole, we do not find any effects for female refugees migrating as children or young adults, either.

We conclude that age-at-arrival and the institutional link to the host country is important. Male refugees migrating as children are able to catch up with their counterparts who were aid-eligible. This catch-up process, presumably, is related to their natural integration in the host countries education institutions through compulsory schooling laws, the general expansion of higher education and the exceptional period of economic growth that West Germany underwent during the period we study. In contrast, women had a low labor force attachment in the context that we study and did not take up the aid available to them to improve their education in the same way that men did. However, we present tentative evidence that the aid eligibility increased the likelihood for female refugees who migrated as children to obtain an apprenticeship degree, rather than having no formal qualification. Finally, male refugees migrating as young adults were vulnerable to a lack of immediate refugee-specific aid. Faced with the trade-off between entering the labor market and earning income right away or investing in education, those young adults who were not eligible for refugee-specific aid bypassed investments in higher education – not surprisingly, given their and their families' severe liquidity constraints. This suggests that policymakers need to consider the specific needs of young refugees, which can vary by age of arrival.

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# Main Tables and Figures

Table 1: SUMMARY STATISTICS FOR MAIN SAMPLES

|                            | Children sample<br>(Arrived aged 1-14) |        | Youth sample<br>(Arrived aged 15-24) |        | Adult sample<br>(Arrived aged 25-51) |        |
|----------------------------|--|--------|--------------------------------------|--------|--------------------------------------|--------|
|                            | Male                                   | Female | Male                                 | Female | Male                                 | Female |
|                            | (1)                                    | (2)    | (3)                                  | (4)    | (5)                                  | (6)    |
| AID                        | .34                                    | .25    | .21                                  | .18    | .34                                  | .28    |
| EXP                        | 5.3                                    | 3.9    | 3.2                                  | 2.7    | 5                                    | 4.1    |
| sd                         | 7.7                                    | 6.9    | 6.4                                  | 6.0    | 7.1                                  | 6.8    |
| p25                        | .00                                    | .00    | .00                                  | .00    | .00                                  | .00    |
| p75                        | 14                                     | 10     | .00                                  | .00    | 11                                   | 10     |
| p90                        | 18                                     | 18     | 17                                   | 16     | 18                                   | 18     |
| Age in 1971                | 26                                     | 26     | 38                                   | 38     | 46                                   | 46     |
| sd                         | 5.8                                    | 5.8    | 5.1                                  | 5.3    | 3.9                                  | 3.9    |
| <b>Outcomes in 1971</b>    |  |        |                                      |        |                                      |        |
| High Qualification (0/1)   | .13                                    | .12    | .21                                  | .11    | .22                                  | .10    |
| Med. Qualification (0/1)   | .53                                    | .46    | .62                                  | .46    | .63                                  | .44    |
| Low Qualification (0/1)    | .34                                    | .41    | .17                                  | .44    | .15                                  | .45    |
| Employed (0/1)             | .84                                    | .55    | .98                                  | .5     | .96                                  | .55    |
| High-status Job (0/1)      | .17                                    | .05    | .22                                  | .04    | .27                                  | .03    |
| Home ownership (0/1)       | .08                                    | .10    | .20                                  | .19    | .23                                  | .22    |
| Net Monthly Income (in DM) | 988                                    | 673    | 1,253                                | 710    | 1,387                                | 712    |
| sd                         | 465                                    | 311    | 423                                  | 270    | 466                                  | 246    |
| Observations               | 1,151                                  | 1,111  | 1,551                                | 1,538  | 905                                  | 1,343  |
| Female share               |  | 49.12% |                                      | 49.79% |                                      | 59.74% |

Notes: Summary statistics of GDR-refugees who arrived between 1946 and 1961. N = 7,599 (female share = 53%).



Table 2: SUMMARY STATISTICS FOR POTENTIAL YEARS OF EXPOSURE TO REFUGEE-SPECIFIC GOVERNMENT AID (EXP), MALES

| EXP                                       | Mean | Std. Dev. | Median | 75% Pctile | 90% Pctile | 95% Pctile | N   |
|---|------|-----------|--------|------------|------------|------------|-----|
| <b>(A) Unconditional</b>                  |      |           |        |            |            |            |     |
| <b>Children sample</b>                    |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 4.9  | 8         | 0      | 18         | 18         | 18         | 542 |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 5.7  | 7.3       | 0      | 13         | 17         | 18         | 609 |
| <b>Youth sample</b>                       |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 3.1  | 6.8       | 0      | 0          | 18         | 18         | 677 |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 3.3  | 6         | 0      | 0          | 14         | 16         | 874 |
| <b>Adult sample</b>                       |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 4.4  | 7.8       | 0      | 0          | 18         | 18         | 268 |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 5.2  | 6.9       | 0      | 11         | 16         | 18         | 637 |
| <b>(B) Conditional on Aid-Eligibility</b> |      |           |        |            |            |            |     |
| <b>Children sample</b>                    |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 18   | 0         | 18     | 18         | 18         | 18         | 148 |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 15   | 2.9       | 15     | 17         | 18         | 18         | 240 |
| <b>Youth sample</b>                       |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 18   | 0         | 18     | 18         | 18         | 18         | 117 |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 14   | 2.6       | 14     | 16         | 18         | 18         | 211 |
| <b>Adult sample</b>                       |      |           |        |            |            |            |     |
| <i>Before 1953</i>                        |      |           |        |            |            |            |     |
| EXP                                       | 18   | 0         | 18     | 18         | 18         | 18         | 66  |
| <i>1953 or later</i>                      |      |           |        |            |            |            |     |
| EXP                                       | 14   | 3         | 13     | 17         | 18         | 18         | 243 |

Table 3: BALANCING TESTS: AGE-AT-ARRIVAL AND FATHER'S EDUCATIONAL BACKGROUND

|                                 | Children sample    |                       |                              |                | Youth sample       |                       |                              |                | Adult sample       |                        |                                |                 |
|---------------------------------|--------------------|-----------------------|------------------------------|----------------|--------------------|-----------------------|------------------------------|----------------|--------------------|------------------------|--------------------------------|-----------------|
|                                 | Mean<br>AID<br>(1) | Mean<br>NO AID<br>(2) | Difference<br>(2)-(1)<br>(3) | p-value<br>(4) | Mean<br>AID<br>(5) | Mean<br>NO AID<br>(6) | Difference<br>(6)-(5)<br>(7) | p-value<br>(8) | Mean<br>AID<br>(9) | Mean<br>NO AID<br>(10) | Difference<br>(10)-(9)<br>(11) | p-value<br>(12) |
| <b>A: Male sample</b>           |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <b>Arrival before 1953</b>      |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Age at arrival                  | 7.56               | 7.68                  | .12                          | .76            | 19.77              | 20.06                 | .29                          | .29            | 26.95              | 26.92                  | -.04                           | .87             |
| <i>Father's Qualification</i>   |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| High                            | .06                | .08                   | .02                          | .48            | .02                | .04                   | .03                          | .17            | .08                | .05                    | -.02                           | .53             |
| Medium                          | .58                | .63                   | .05                          | .33            | .50                | .57                   | .07                          | .20            | .53                | .61                    | .08                            | .26             |
| Low                             | .24                | .17                   | -.07                         | .08            | .32                | .34                   | .01                          | .82            | .30                | .29                    | -.01                           | .87             |
| Missing                         | .12                | .12                   | .00                          | .93            | .15                | .05                   | -.10                         | .00            | .09                | .04                    | -.05                           | .16             |
| Observations                    | 148                | 394                   |                              |                | 117                | 560                   |                              |                | 66                 | 202                    |                                |                 |
| <b>Arrival in 1953 or later</b> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Age at arrival                  | 7.71               | 7.65                  | -.06                         | .84            | 19.85              | 19.86                 | .00                          | .99            | 31.67              | 30.23                  | -1.44                          | .00             |
| <i>Father's Qualification</i>   |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| High                            | .07                | .05                   | -.02                         | .27            | .07                | .05                   | -.02                         | .17            | .03                | .04                    | .01                            | .52             |
| Medium                          | .63                | .67                   | .04                          | .26            | .60                | .66                   | .06                          | .10            | .64                | .65                    | .01                            | .89             |
| Low                             | .17                | .20                   | .03                          | .30            | .25                | .25                   | .00                          | .91            | .30                | .27                    | -.02                           | .50             |
| Missing                         | .14                | .08                   | -.06                         | .02            | .08                | .04                   | -.04                         | .02            | .03                | .04                    | .01                            | .53             |
| Observations                    | 240                | 369                   |                              |                | 211                | 663                   |                              |                | 243                | 394                    |                                |                 |
| <b>B: Female sample</b>         |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <b>Arrival before 1953</b>      |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Age at arrival                  | 8.15               | 7.84                  | -.31                         | .48            | 20.16              | 20.49                 | .33                          | .26            | 27.42              | 27.29                  | -.13                           | .58             |
| <i>Father's Qualification</i>   |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| High                            | .09                | .06                   | -.04                         | .17            | .07                | .07                   | -.00                         | .92            | .06                | .03                    | -.02                           | .30             |
| Medium                          | .59                | .62                   | .03                          | .59            | .62                | .60                   | -.02                         | .65            | .55                | .61                    | .06                            | .29             |
| Low                             | .23                | .23                   | .00                          | .96            | .24                | .29                   | .04                          | .39            | .28                | .31                    | .03                            | .63             |
| Missing                         | .09                | .10                   | .01                          | .87            | .06                | .05                   | -.02                         | .51            | .11                | .05                    | -.07                           | .02             |
| Observations                    | 97                 | 397                   |                              |                | 98                 | 525                   |                              |                | 89                 | 338                    |                                |                 |
| <b>Arrival in 1953 or later</b> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Age at arrival                  | 8.26               | 7.75                  | -.51                         | .14            | 19.69              | 19.92                 | .23                          | .27            | 32.09              | 30.26                  | -1.84                          | .00             |
| <i>Father's Qualification</i>   |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| High                            | .08                | .04                   | -.04                         | .07            | .12                | .05                   | -.06                         | .00            | .05                | .05                    | .01                            | .73             |
| Medium                          | .56                | .66                   | .09                          | .03            | .57                | .65                   | .08                          | .06            | .62                | .60                    | -.02                           | .51             |
| Low                             | .20                | .23                   | .02                          | .53            | .22                | .27                   | .05                          | .22            | .30                | .32                    | .02                            | .54             |
| Missing                         | .15                | .07                   | -.08                         | .00            | .09                | .03                   | -.06                         | .00            | .03                | .03                    | -.00                           | .82             |
| Observations                    | 186                | 431                   |                              |                | 177                | 738                   |                              |                | 288                | 628                    |                                |                 |

Table 4: BALANCING TESTS MALE SAMPLE CONTINUED: FATHER'S OCCUPATIONAL STATUS

|                                     | Children sample    |                       |                              |                | Youth sample       |                       |                              |                | Adult sample       |                        |                                |                 |
|-------------------------------------|--------------------|-----------------------|------------------------------|----------------|--------------------|-----------------------|------------------------------|----------------|--------------------|------------------------|--------------------------------|-----------------|
|                                     | Mean<br>AID<br>(1) | Mean<br>NO AID<br>(2) | Difference<br>(2)-(1)<br>(3) | p-value<br>(4) | Mean<br>AID<br>(5) | Mean<br>NO AID<br>(6) | Difference<br>(6)-(5)<br>(7) | p-value<br>(8) | Mean<br>AID<br>(9) | Mean<br>NO AID<br>(10) | Difference<br>(10)-(9)<br>(11) | p-value<br>(12) |
| <b>Arrival before 1953</b>          |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <i>Father's occupational status</i> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Self-employed                       | .16                | .15                   | -.00                         | .99            | .15                | .13                   | -.03                         | .46            | .27                | .10                    | -.17                           | .00             |
| Higher-level civil servant          | .06                | .06                   | .00                          | .91            | .12                | .04                   | -.08                         | .00            | .06                | .06                    | .00                            | .91             |
| Mid-level civil servant             | .08                | .06                   | -.02                         | .47            | .05                | .04                   | -.02                         | .43            | .11                | .07                    | -.04                           | .34             |
| Lower-level civil servant           | .01                | .02                   | .02                          | .22            | .02                | .03                   | .01                          | .48            | .00                | .02                    | .02                            | .20             |
| Higher-level employee               | .10                | .13                   | .03                          | .37            | .07                | .05                   | -.02                         | .47            | .03                | .04                    | .01                            | .61             |
| Mid-level employee                  | .07                | .10                   | .03                          | .26            | .03                | .06                   | .04                          | .10            | .06                | .05                    | -.01                           | .85             |
| Lower-level employee                | .02                | .04                   | .02                          | .21            | .02                | .04                   | .03                          | .17            | .00                | .03                    | .03                            | .16             |
| Worker                              | .15                | .15                   | .00                          | .92            | .24                | .21                   | -.03                         | .55            | .06                | .17                    | .11                            | .02             |
| Elite worker                        | .03                | .05                   | .01                          | .47            | .02                | .04                   | .02                          | .30            | .09                | .07                    | -.02                           | .66             |
| Qualified worker                    | .22                | .19                   | -.03                         | .40            | .16                | .26                   | .09                          | .03            | .15                | .27                    | .12                            | .06             |
| Non-employed                        | .04                | .03                   | -.02                         | .35            | .03                | .05                   | .02                          | .31            | .03                | .03                    | -.00                           | .98             |
| Farmer                              | .06                | .01                   | -.05                         | .00            | .10                | .05                   | -.05                         | .02            | .14                | .07                    | -.07                           | .09             |
| Observations                        | 148                | 394                   |                              |                | 117                | 560                   |                              |                | 66                 | 202                    |                                |                 |
| <b>Arrival in 1953 or later</b>     |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <i>Father's occupational status</i> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Self-employed                       | .17                | .07                   | -.09                         | .00            | .21                | .15                   | -.06                         | .06            | .19                | .14                    | -.05                           | .12             |
| Higher-level civil servant          | .06                | .02                   | -.04                         | .02            | .04                | .02                   | -.02                         | .06            | .06                | .03                    | -.03                           | .09             |
| Mid-level civil servant             | .02                | .02                   | .01                          | .66            | .03                | .02                   | -.01                         | .39            | .06                | .04                    | -.02                           | .30             |
| Lower-level civil servant           | .01                | .01                   | -.00                         | .66            | .02                | .02                   | -.01                         | .61            | .04                | .01                    | -.03                           | .02             |
| Higher-level employee               | .13                | .11                   | -.02                         | .57            | .09                | .05                   | -.03                         | .08            | .05                | .03                    | -.02                           | .22             |
| Mid-level employee                  | .14                | .10                   | -.04                         | .10            | .09                | .08                   | -.01                         | .75            | .04                | .07                    | .03                            | .07             |
| Lower-level employee                | .03                | .05                   | .02                          | .18            | .04                | .04                   | -.00                         | .91            | .02                | .02                    | -.01                           | .39             |
| Worker                              | .16                | .23                   | .07                          | .03            | .09                | .18                   | .09                          | .00            | .12                | .20                    | .08                            | .01             |
| Elite worker                        | .05                | .05                   | -.00                         | .95            | .03                | .05                   | .02                          | .32            | .07                | .07                    | .00                            | .99             |
| Qualified worker                    | .17                | .30                   | .13                          | .00            | .16                | .28                   | .12                          | .00            | .21                | .27                    | .06                            | .10             |
| Non-employed                        | .05                | .03                   | -.01                         | .40            | .04                | .04                   | .00                          | .86            | .02                | .04                    | .01                            | .36             |
| Farmer                              | .03                | .01                   | -.02                         | .09            | .15                | .06                   | -.08                         | .00            | .12                | .08                    | -.04                           | .11             |
| Observations                        | 240                | 369                   |                              |                | 211                | 663                   |                              |                | 243                | 394                    |                                |                 |

Table 5: BALANCING TESTS FEMALE SAMPLE CONTINUED: FATHER'S OCCUPATIONAL STATUS

|                                     | Children sample    |                       |                              |                | Youth sample       |                       |                              |                | Adult sample       |                        |                                |                 |
|-------------------------------------|--------------------|-----------------------|------------------------------|----------------|--------------------|-----------------------|------------------------------|----------------|--------------------|------------------------|--------------------------------|-----------------|
|                                     | Mean<br>AID<br>(1) | Mean<br>NO AID<br>(2) | Difference<br>(2)-(1)<br>(3) | p-value<br>(4) | Mean<br>AID<br>(5) | Mean<br>NO AID<br>(6) | Difference<br>(6)-(5)<br>(7) | p-value<br>(8) | Mean<br>AID<br>(9) | Mean<br>NO AID<br>(10) | Difference<br>(10)-(9)<br>(11) | p-value<br>(12) |
| <b>Arrival before 1953</b>          |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <i>Father's occupational status</i> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Self-employed                       | .06                | .13                   | .07                          | .05            | .16                | .15                   | -.01                         | .71            | .24                | .20                    | -.04                           | .43             |
| Higher-level civil servant          | .10                | .07                   | -.04                         | .20            | .10                | .05                   | -.05                         | .04            | .10                | .07                    | -.03                           | .29             |
| Mid-level civil servant             | .07                | .06                   | -.02                         | .53            | .08                | .04                   | -.04                         | .11            | .01                | .06                    | .05                            | .06             |
| Lower-level civil servant           | .01                | .02                   | .01                          | .61            | .01                | .02                   | .01                          | .42            | .02                | .03                    | .01                            | .62             |
| Higher-level employee               | .15                | .13                   | -.03                         | .50            | .08                | .06                   | -.02                         | .54            | .03                | .03                    | -.00                           | .96             |
| Mid-level employee                  | .09                | .07                   | -.02                         | .51            | .05                | .07                   | .02                          | .44            | .06                | .06                    | .00                            | 1               |
| Lower-level employee                | .06                | .04                   | -.02                         | .36            | .01                | .04                   | .03                          | .13            | .06                | .05                    | -.01                           | .82             |
| Worker                              | .22                | .17                   | -.05                         | .27            | .13                | .16                   | .03                          | .47            | .08                | .18                    | .10                            | .02             |
| Elite worker                        | .08                | .03                   | -.05                         | .03            | .09                | .06                   | -.03                         | .22            | .04                | .05                    | .01                            | .75             |
| Qualified worker                    | .08                | .23                   | .15                          | .00            | .16                | .22                   | .05                          | .23            | .17                | .17                    | .00                            | 1               |
| Non-employed                        | .04                | .04                   | -.00                         | .87            | .02                | .05                   | .03                          | .20            | .02                | .02                    | .00                            | .95             |
| Farmer                              | .01                | .02                   | .00                          | .72            | .09                | .06                   | -.03                         | .33            | .17                | .08                    | -.09                           | .01             |
| Observations                        | 97                 | 397                   |                              |                | 98                 | 525                   |                              |                | 89                 | 338                    |                                |                 |
| <b>Arrival in 1953 or later</b>     |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| <i>Father's occupational status</i> |                    |                       |                              |                |                    |                       |                              |                |                    |                        |                                |                 |
| Self-employed                       | .14                | .05                   | -.09                         | .00            | .18                | .11                   | -.06                         | .03            | .18                | .17                    | -.01                           | .85             |
| Higher-level civil servant          | .07                | .04                   | -.03                         | .14            | .06                | .04                   | -.02                         | .27            | .05                | .03                    | -.02                           | .10             |
| Mid-level civil servant             | .04                | .03                   | -.02                         | .25            | .03                | .03                   | -.00                         | .93            | .06                | .04                    | -.02                           | .10             |
| Lower-level civil servant           | .01                | .01                   | .01                          | .36            | .03                | .01                   | -.02                         | .05            | .02                | .04                    | .02                            | .17             |
| Higher-level employee               | .12                | .09                   | -.03                         | .33            | .07                | .05                   | -.02                         | .22            | .06                | .03                    | -.03                           | .05             |
| Mid-level employee                  | .16                | .09                   | -.06                         | .02            | .09                | .07                   | -.02                         | .30            | .05                | .06                    | .01                            | .59             |
| Lower-level employee                | .04                | .03                   | -.01                         | .63            | .05                | .03                   | -.02                         | .17            | .05                | .04                    | -.02                           | .22             |
| Worker                              | .19                | .26                   | .07                          | .06            | .14                | .21                   | .07                          | .03            | .14                | .21                    | .07                            | .01             |
| Elite worker                        | .03                | .06                   | .03                          | .10            | .03                | .06                   | .03                          | .14            | .07                | .05                    | -.01                           | .48             |
| Qualified worker                    | .15                | .26                   | .12                          | .00            | .19                | .28                   | .08                          | .02            | .17                | .24                    | .07                            | .02             |
| Non-employed                        | .05                | .04                   | -.00                         | .81            | .05                | .05                   | .00                          | .90            | .03                | .04                    | .01                            | .68             |
| Farmer                              | .01                | .02                   | .01                          | .38            | .10                | .08                   | -.02                         | .45            | .13                | .06                    | -.06                           | .00             |
| Observations                        | 186                | 431                   |                              |                | 177                | 738                   |                              |                | 288                | 628                    |                                |                 |

Table 6: COMPARISON OF GDR REFUGEES WITH WEST GERMAN (WG) NATIVES, BEFORE AND AFTER INVERSE-PROBABILITY WEIGHTING, BY SAMPLE AND GENDER

|                               | Children sample<br>(Arrived aged 1-14) |              |     |               |              |     | Youth sample<br>(Arrived aged 15-24) |              |     |               |              |      | Adult sample<br>(Arrived aged 25-51) |              |      |               |              |      |
|-------------------------------|--|--------------|-----|---------------|--------------|-----|--------------------------------------|--------------|-----|---------------|--------------|------|--------------------------------------|--------------|------|---------------|--------------|------|
|                               | Males                                  |              |     | Females       |              |     | Males                                |              |     | Females       |              |      | Males                                |              |      | Females       |              |      |
|                               | GDR                                    | WG           |     | GDR           | WG           |     | GDR                                  | WG           |     | GDR           | WG           |      | GDR                                  | WG           |      | GDR           | WG           |      |
|                               | before<br>IPW                          | after<br>IPW |     | before<br>IPW | after<br>IPW |     | before<br>IPW                        | after<br>IPW |     | before<br>IPW | after<br>IPW |      | before<br>IPW                        | after<br>IPW |      | before<br>IPW | after<br>IPW |      |
|                               | (1)                                    | (2)          | (3) | (4)           | (5)          | (6) | (7)                                  | (8)          | (9) | (10)          | (11)         | (12) | (13)                                 | (14)         | (15) | (16)          | (17)         | (18) |
| <b>Father's Qualification</b> |  |              |     |               |              |     |                                      |              |     |               |              |      |                                      |              |      |               |              |      |
| Low Qualification             | .19                                    | .34          | .19 | .22           | .34          | .22 | .29                                  | .39          | .29 | .27           | .40          | .27  | .29                                  | .43          | .29  | .31           | .44          | .31  |
| High Qualification            | .06                                    | .05          | .06 | .06           | .05          | .06 | .05                                  | .04          | .05 | .07           | .04          | .07  | .05                                  | .03          | .04  | .05           | .03          | .05  |
| Medium Qualification          | .63                                    | .57          | .63 | .62           | .58          | .62 | .61                                  | .54          | .61 | .62           | .54          | .62  | .63                                  | .51          | .63  | .60           | .50          | .60  |
| <b>Mother's Qualification</b> |  |              |     |               |              |     |                                      |              |     |               |              |      |                                      |              |      |               |              |      |
| Low Qualification             | .58                                    | .75          | .58 | .62           | .75          | .62 | .76                                  | .82          | .76 | .76           | .81          | .76  | .83                                  | .86          | .83  | .79           | .86          | .79  |
| High Qualification            | .05                                    | .02          | .05 | .04           | .02          | .04 | .02                                  | .02          | .02 | .02           | .01          | .02  | .02                                  | .01          | .02  | .02           | .01          | .02  |
| Medium Qualification          | .33                                    | .21          | .33 | .32           | .21          | .32 | .18                                  | .15          | .18 | .19           | .15          | .19  | .12                                  | .11          | .12  | .16           | .11          | .16  |
| <b>Father's Occupation</b>    |  |              |     |               |              |     |                                      |              |     |               |              |      |                                      |              |      |               |              |      |
| Self-employed                 | .13                                    | .13          | .13 | .10           | .13          | .10 | .15                                  | .13          | .15 | .14           | .13          | .14  | .15                                  | .13          | .15  | .18           | .13          | .18  |
| Farmer                        | .02                                    | .11          | .02 | .02           | .11          | .02 | .07                                  | .13          | .07 | .08           | .14          | .08  | .09                                  | .15          | .09  | .09           | .16          | .09  |
| Non-employed                  | .03                                    | .04          | .03 | .04           | .04          | .04 | .04                                  | .04          | .04 | .05           | .04          | .05  | .03                                  | .04          | .03  | .03           | .04          | .03  |
| Higher-level civil servant    | .05                                    | .04          | .05 | .06           | .04          | .06 | .04                                  | .03          | .04 | .05           | .03          | .05  | .05                                  | .03          | .05  | .05           | .03          | .05  |
| Mid-level civil servant       | .04                                    | .04          | .04 | .04           | .04          | .04 | .03                                  | .04          | .03 | .04           | .04          | .04  | .06                                  | .04          | .06  | .04           | .04          | .04  |
| Lower-level civil servant     | .01                                    | .02          | .01 | .01           | .02          | .01 | .02                                  | .02          | .02 | .02           | .03          | .02  | .02                                  | .03          | .02  | .03           | .03          | .04  |
| Higher-level employee         | .12                                    | .05          | .12 | .12           | .05          | .12 | .06                                  | .04          | .06 | .06           | .04          | .06  | .04                                  | .03          | .04  | .04           | .03          | .04  |
| Mid-level employee            | .10                                    | .06          | .10 | .10           | .06          | .10 | .07                                  | .05          | .07 | .07           | .05          | .07  | .06                                  | .04          | .06  | .06           | .04          | .06  |
| Lower-level employee          | .04                                    | .03          | .04 | .04           | .04          | .04 | .04                                  | .03          | .04 | .04           | .03          | .04  | .02                                  | .03          | .02  | .04           | .03          | .04  |
| Elite worker                  | .05                                    | .05          | .05 | .05           | .05          | .05 | .04                                  | .05          | .04 | .06           | .05          | .06  | .07                                  | .05          | .07  | .06           | .05          | .06  |
| Qualified worker              | .22                                    | .22          | .22 | .22           | .22          | .22 | .25                                  | .22          | .25 | .24           | .21          | .24  | .25                                  | .22          | .25  | .20           | .20          | .20  |
| Worker                        | .18                                    | .22          | .18 | .21           | .21          | .21 | .19                                  | .22          | .19 | .18           | .21          | .18  | .16                                  | .22          | .16  | .17           | .22          | .18  |
| Observations                  | 1,151                                  | 60,172       |     | 1,111         | 58,972       |     | 1,551                                | 56,868       |     | 1,538         | 59,911       |      | 905                                  | 37,549       |      | 1,343         | 41,858       |      |

Notes: This table shows a comparison in observable characteristics of GDR refugees (Columns denoted 'GDR': 1, 4, 7, 10, 13, 16) and native West Germans (denoted 'WG'), before Inverse-Probability Weighting (Columns denoted 'before IPW': 2, 5, 8, 11, 14, 17) and thereafter (Columns denoted 'after IPW': 3, 6, 9, 12, 15, 18), separately by sample and gender. Specifically, we selected West German natives of the same age ranges as our children, youth, and adults samples and obtained the weights from logit regressions of the likelihood of being a GDR refugee on age, its square and parental background characteristics.

Table 7: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES

| VARIABLES   | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>Owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|---|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>                                     |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.014<br>(0.016)                  | -0.013<br>(0.021)                 | -0.001<br>(0.016)                | -0.003<br>(0.006)    | 0.002<br>(0.017)              | -0.184***<br>(0.020)          | -0.000<br>(0.011)                    |
| AID <sub>i</sub>  | -0.002<br>(0.041)                 | -0.042<br>(0.052)                 | 0.045<br>(0.045)                 | -0.003<br>(0.016)    | 0.028<br>(0.044)              | 0.098*<br>(0.051)             | 0.017<br>(0.027)                     |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.160***<br>(0.053)               | -0.077<br>(0.064)                 | -0.083<br>(0.053)                | 0.014<br>(0.018)     | 0.171***<br>(0.057)           | -0.094<br>(0.059)             | 0.128***<br>(0.038)                  |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.035*<br>(0.021)                | 0.032<br>(0.027)                  | 0.003<br>(0.022)                 | 0.002<br>(0.009)     | -0.046**<br>(0.022)           | 0.005<br>(0.024)              | -0.021<br>(0.015)                    |
| Observations  | 58,363                            | 58,363                            | 58,363                           | 58,419               | 58,414                        | 58,419                        | 53,226                               |
| <b>Children Sample</b>                                  |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.026<br>(0.021)                  | -0.044*<br>(0.025)                | 0.018<br>(0.020)                 | 0.010<br>(0.013)     | 0.069***<br>(0.023)           | -0.066***<br>(0.018)          | 0.036*<br>(0.020)                    |
| AID <sub>i</sub>  | -0.033<br>(0.042)                 | 0.020<br>(0.049)                  | 0.013<br>(0.041)                 | -0.027<br>(0.027)    | 0.007<br>(0.043)              | 0.077*<br>(0.041)             | 0.008<br>(0.038)                     |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | -0.025<br>(0.047)                 | 0.051<br>(0.062)                  | -0.026<br>(0.055)                | -0.009<br>(0.042)    | -0.037<br>(0.048)             | -0.068<br>(0.044)             | -0.096<br>(0.063)                    |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.021<br>(0.024)                 | -0.004<br>(0.035)                 | 0.025<br>(0.030)                 | 0.036<br>(0.023)     | -0.046*<br>(0.026)            | 0.036*<br>(0.020)             | 0.037<br>(0.033)                     |
| Observations  | 61,231                            | 61,231                            | 61,231                           | 61,323               | 61,318                        | 61,323                        | 49,232                               |
| <b>Adult Sample</b>                                     |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.065**<br>(0.028)                | -0.061*<br>(0.033)                | -0.003<br>(0.027)                | -0.015<br>(0.015)    | 0.012<br>(0.032)              | -0.278***<br>(0.031)          | 0.028<br>(0.020)                     |
| AID <sub>i</sub>  | -0.011<br>(0.056)                 | 0.128**<br>(0.062)                | -0.117***<br>(0.042)             | -0.015<br>(0.031)    | 0.029<br>(0.062)              | 0.197***<br>(0.068)           | 0.031<br>(0.035)                     |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.077<br>(0.064)                  | -0.176**<br>(0.074)               | 0.099**<br>(0.050)               | 0.020<br>(0.034)     | -0.031<br>(0.073)             | -0.127*<br>(0.077)            | 0.012<br>(0.042)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.052<br>(0.033)                 | 0.088**<br>(0.040)                | -0.036<br>(0.033)                | 0.009<br>(0.018)     | 0.045<br>(0.039)              | -0.047<br>(0.036)             | 0.007<br>(0.024)                     |
| Observations  | 38,425                            | 38,425                            | 38,425                           | 38,454               | 38,452                        | 38,454                        | 34,792                               |

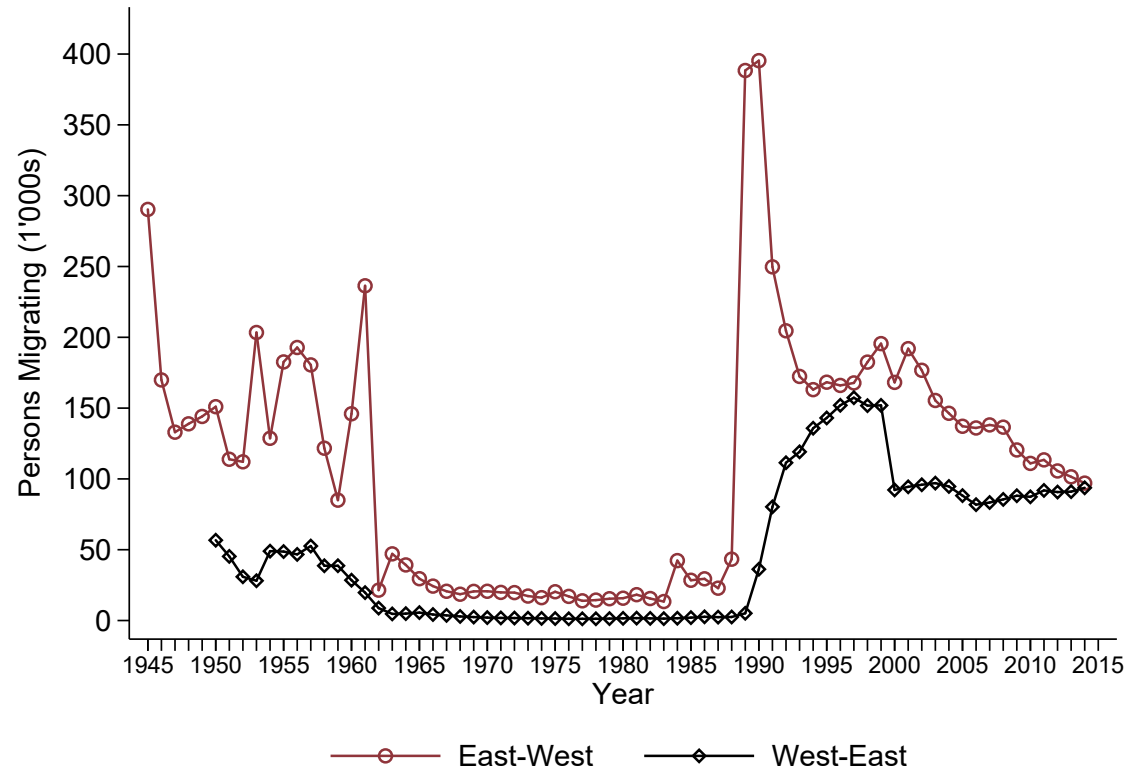
Notes: Control variables account for age and its square. Parental characteristics at age 15 are also accounted for. They capture the father's occupational status (13 categories), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively). Robust standard errors are clustered at the level of the sampling units; there are several hundred clusters. \*\*\*, \*\*, and \* denote significance at the 1 percent, 5 percent, and 10 percent level, respectively. Weights were assigned to the observations from the control group (West German natives) according to Inverse Probability Weighting.

Table 8: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES

| VARIABLES   | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|---|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>                                     |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | -0.002<br>(0.012)                 | -0.013<br>(0.022)                 | 0.016<br>(0.022)                 | 0.055**<br>(0.024)   | -0.214***<br>(0.021)          | -0.008<br>(0.017)   | 0.012<br>(0.075)                | 0.005<br>(0.017)                     |
| AID <sub>i</sub>  | 0.010<br>(0.032)                  | -0.039<br>(0.050)                 | 0.029<br>(0.051)                 | -0.026<br>(0.057)    | 0.081<br>(0.054)              | -0.008<br>(0.041)   | 0.187<br>(0.195)                | -0.050<br>(0.052)                    |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.073<br>(0.045)                  | -0.051<br>(0.065)                 | -0.022<br>(0.063)                | -0.005<br>(0.071)    | -0.060<br>(0.063)             | 0.002<br>(0.050)    | -0.131<br>(0.217)               | 0.166**<br>(0.067)                   |
| Year of Arrival <sub>i</sub> ≥ 1953                     | 0.009<br>(0.016)                  | 0.100***<br>(0.028)               | -0.109***<br>(0.028)             | -0.001<br>(0.031)    | 0.012<br>(0.024)              | 0.004<br>(0.022)    | -0.137<br>(0.088)               | 0.021<br>(0.022)                     |
| Observations  | 61,376                            | 61,376                            | 61,376                           | 61,449               | 61,449                        | 61,449              | 61,449                          | 23,190                               |
| <b>Children Sample</b>                                  |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | 0.036**<br>(0.018)                | 0.005<br>(0.026)                  | -0.041*<br>(0.024)               | 0.016<br>(0.027)     | -0.065***<br>(0.019)          | 0.002<br>(0.019)    | 0.046<br>(0.059)                | 0.040<br>(0.027)                     |
| AID <sub>i</sub>  | 0.018<br>(0.042)                  | -0.053<br>(0.057)                 | 0.035<br>(0.055)                 | 0.067<br>(0.059)     | -0.003<br>(0.045)             | -0.015<br>(0.046)   | -0.098<br>(0.130)               | -0.003<br>(0.058)                    |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | -0.032<br>(0.049)                 | 0.061<br>(0.072)                  | -0.029<br>(0.069)                | -0.078<br>(0.074)    | 0.007<br>(0.049)              | -0.072<br>(0.057)   | 0.021<br>(0.147)                | 0.021<br>(0.079)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.024<br>(0.022)                 | -0.027<br>(0.035)                 | 0.051<br>(0.033)                 | 0.001<br>(0.036)     | 0.019<br>(0.022)              | -0.013<br>(0.026)   | -0.059<br>(0.067)               | -0.043<br>(0.038)                    |
| Observations  | 60,001                            | 60,001                            | 60,001                           | 60,083               | 60,083                        | 60,083              | 60,083                          | 27,530                               |
| <b>Adult Sample</b>                                     |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | 0.026<br>(0.017)                  | 0.029<br>(0.027)                  | -0.055**<br>(0.027)              | 0.043<br>(0.030)     | -0.231***<br>(0.025)          | -0.002<br>(0.023)   | -0.167**<br>(0.083)             | 0.050**<br>(0.023)                   |
| AID <sub>i</sub>  | -0.002<br>(0.042)                 | -0.007<br>(0.057)                 | 0.010<br>(0.061)                 | -0.048<br>(0.064)    | 0.077<br>(0.061)              | 0.018<br>(0.050)    | -0.093<br>(0.143)               | 0.036<br>(0.057)                     |
| AID <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.026<br>(0.047)                  | -0.046<br>(0.067)                 | 0.020<br>(0.070)                 | 0.040<br>(0.073)     | -0.035<br>(0.068)             | 0.091*<br>(0.055)   | 0.286<br>(0.178)                | 0.025<br>(0.063)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.026<br>(0.020)                 | 0.085***<br>(0.032)               | -0.058*<br>(0.032)               | 0.068*<br>(0.036)    | -0.051*<br>(0.029)            | -0.065**<br>(0.028) | 0.023<br>(0.109)                | -0.031<br>(0.027)                    |
| Observations  | 43,150                            | 43,150                            | 43,150                           | 43,201               | 43,201                        | 43,201              | 43,201                          | 16,221                               |

Notes: Control variables account for age and its square. Parental characteristics at age 15 are also accounted for. They capture the father's occupational status (13 categories), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively). Robust standard errors are clustered at the level of the sampling units; there are several hundred clusters. \*\*\*, \*\*, and \* denote significance at the 1 percent, 5 percent, and 10 percent level, respectively. Weights were assigned to the observations from the control group (West German natives) according to Inverse Probability Weighting.

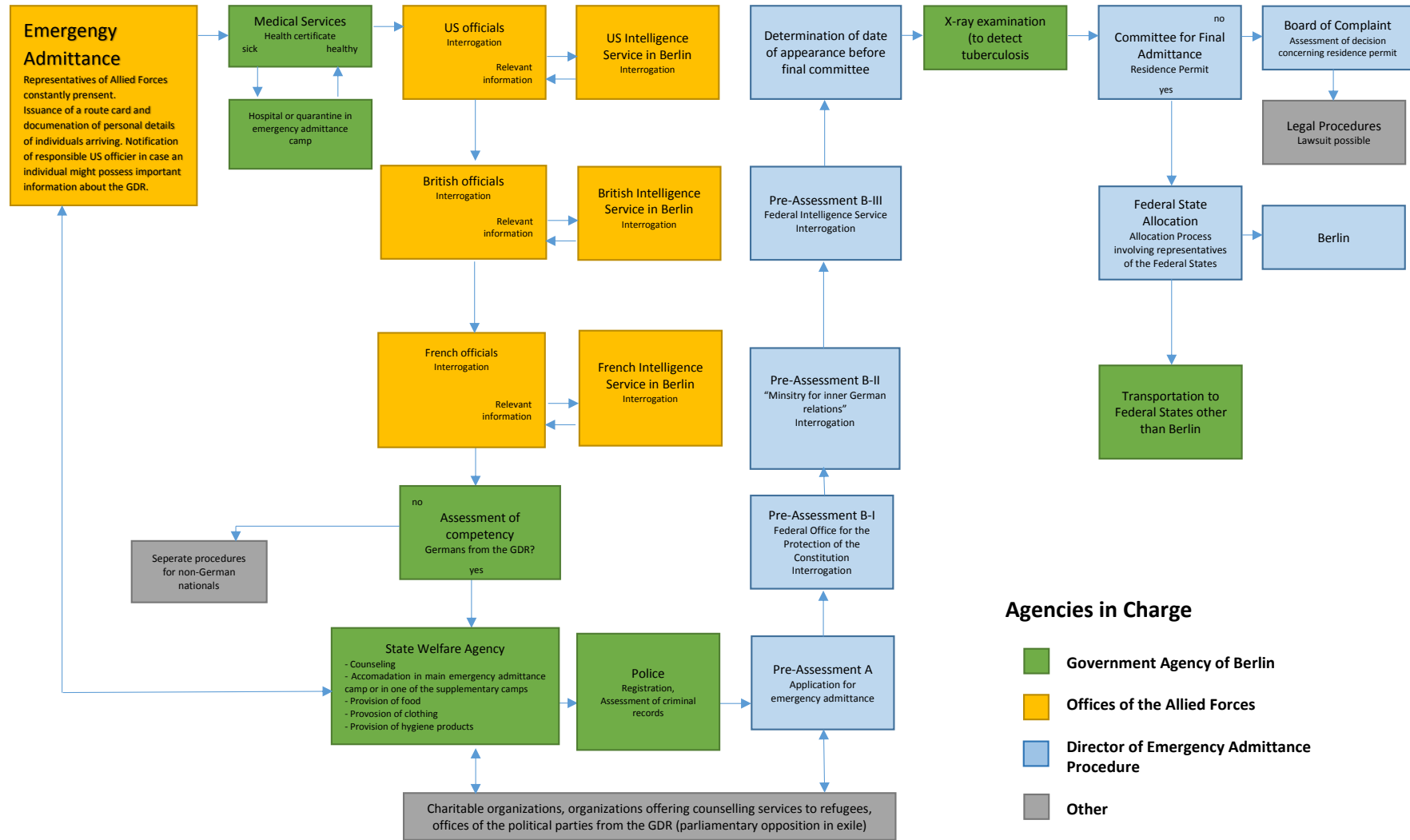
Figure 1: Migration between East and West Germany, 1945-2014



Sources: East to West, 1946-1960: Based on retrospective information from the Census of 1961, excluding Eastern European expellees who arrived in West Germany via the Soviet Occupation Zone, and taken from Heidemeyer (1994, p. 44). "1945" combines figures for both 1944 and 1945. West to East, 1950-1960: Mobility statistics provided by the Federal Statistical Office, obtained from Heidemeyer (1994, p. 45). 1961-2015, both directions: Mobility statistics provided by the Federal Statistical Office upon request. The mobility statistics stem from registration offices.

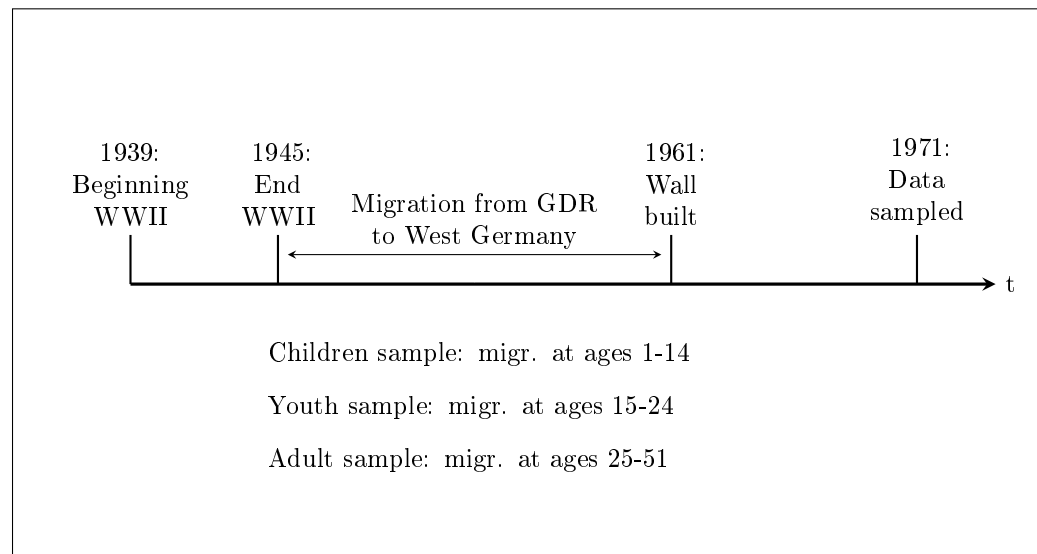


Figure 2: Emergence Reception Procedure in Marienfelde around 1960



Source: Replication and translation from Kimmel (2005, p.121).

Figure 3: Definition of Samples and Historical Time Line



## Additional Tables and Figures (Intended for Online Publication)

Table A1: DESCRIPTION OF GOVERNMENTAL AID PROGRAMS COVERED BY C-STATUS

| Category of Specific Program        | Specific Rights and Entitlements   | Legal Basis    |
|-------------------------------------|--|----------------|
| Employment                          | Privileged access to occupations and industry branches with barriers to entry  | §§ 69-71 BVFG  |
| Employment                          | Acknowledgement of certified qualifications obtained before May 1945   | § 92 BVFG      |
| Employment                          | Simplified procedure for replacing lost certificates   | § 93 BVFG      |
| Employment                          | Possibility to be assigned a job subsidized by the government  | LAG            |
| Employment, Apprenticeship training | Support of employees through privileged treatment by employment agencies, privileged re-entry into previous occupations, privileged access to apprenticeships and to public funds supporting apprenticeship training programs, provision of cheap loans and debt guarantees used for the creation of permanent jobs for refugees | §§ 77-79 BVFG  |
| Family reunion                      | Granted right to reunite with family members   | § 94 BVFG      |
| Financial Assets                    | Exchange of financial assets in former German currency   | Other          |
| General support                     | Counseling by organizations for expellees and refugees, free of charge   | § 95 BVFG      |
| Geographic location                 | Participation in geographical reallocation process   | §§ 26-34 BVFG  |
| Housing                             | Privileged access to rent-controlled flats built as part of public social housing programs and to flats subsidized via tax cuts, cheap loans and cash benefits   | § 80 BVFG      |
| Housing                             | Access to real estate loans, in case previous real estate was lost   | § 301 LAG      |
| Housing                             | Possibility to be assigned a flat that has been sponsored through a governmental program ( <i>Wohnraumhilfe</i> )  | LAG            |
| Reparations                         | Reparations paid to victims of the Nazi regime   | BEG and others |
| Self-employment                     | Cheap loans and cash benefits for tenants or buyers of agricultural businesses / farms. (West German sellers and landlords of farms and agricultural land received tax cuts if they sold/rented to individuals with C-status).   | §§ 35-68 BVFG  |
| Self-employment                     | Support for self-employed persons (outside agriculture) through access to loans, low interest rates, debt guarantees, co-partnerships, tax cuts and cash benefits, privileged access to public contracts, privileged access to public real estate and other property   | §§ 72-76 BVFG  |
| Self-employment                     | Access to loans for persons who lost their economic capital; this concerns professional persons, farmers, business owners  | § 301 LAG      |
| Self-employment                     | Privileges for self-employed persons through access to loans with small interest rates; other measures   | AVAVG          |

Description of Governmental Aid Programs Covered by C-Status, Continued

| Category of Specific Program                  | Specific Rights and Entitlements  | Legal Basis                           |
|---|---|---------------------------------------|
| Social Security                               | Same rights concerning social security and unemployment insurance as native West Germans  | § 90 BVFG                             |
| Social Security                               | Cash benefits/alimony payments for persons who lost their economic capital and are older than 65 (women: 60) or unable to work  | § 301 LAG                             |
| Social Security                               | Cash benefits to purchase household and personal effects, in case these have been lost  | § 301 LAG                             |
| Social Security                               | Tax cuts as part of the equalization of burdens program ( <i>Lastenausgleichsabgaben</i> )  | LAG                                   |
| Social Security                               | Upgrading of old life insurance schemes   | Regulations, life + pension insurance |
| Social Security                               | Years 1945 and 1946 and episode of escape from GDR count as contributory periods toward pension entitlements  | BGB1 I, p. 45 & p. 88                 |
| Social Security                               | Compensations covered by pension insurance scheme in case escape resulted in death or inability to work   | BGB1 I, p. 45 & p. 88                 |
| Social Security                               | Possibility for former self-employed persons to continue contributions to pension insurance in West Germany; formerly self-employed persons are granted additional pension entitlements for episodes after age 50 | BGB1 I, p. 45 & p. 88                 |
| Social Security                               | Entitlement to unemployment insurance after two years of residence in West Germany without employment   | AVAVG § 145 Abs. 1                    |
| Tax privilege                                 | Three years of privileged tax exemption limits; purchase of household and personal effects after escape from GDR lead to tax deductions   | § 33 EStG                             |
| Tax privilege                                 | Eligibility for certain tax cuts for self-employed persons and farmers  | §§ 7a, 7e, 10a, 13 Abs. 4 EStG        |
| Vocational training and university attendance | Education/training allowance to obtain a vocational qualification or university degree ( <i>abgeschlossene Berufsausbildung</i> ); in case the recipient and relatives lack the required financial means          | LAG                                   |

**Notes:** Notes: Authors' compilation and summary based on Lueder (1957). Abbreviations can be translated as follows: BVFG - Federal Expellee Law, LAG - Equalization of Burdens Law, BEG - Federal Reparation Law, AVAVG - Law for Employment Service and Unemployment Insurance, BGB - German Civil Code, EStG - Income Tax Law. C-status was a necessary condition for eligibility; East German migrants lacking C-status were excluded from the described programs. For more details on the BVFG and the LAG see Werber et al. (1954) and Nahm (1967), respectively.

Table A2: ADDITIONAL INFORMATION ON SELECTED VARIABLE DEFINITIONS AND UNDERLYING CONCEPTS

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**Refugees:**

Persons who migrated from East Germany to West Germany between 1946 and 1961, excluding expellees from Eastern European territories.

**Qualification Variables:**

Low: no formal vocational qualification; medium: completed apprenticeship training; high: graduates from universities or institutions of applied sciences, as well as engineers and technicians

**Individuals' total monthly net income 1971:**

"Income" in the Microcensus is defined as an individual person's net monthly total income from all income sources. This income definition provides a suitable variable for our purposes, as it captures a person's socio-economic status; but should not be confused with (labor market) wages which are not elicited in the Microcensus. The income variable is measured in seven income brackets, which reach from [1, 150 German Marks) to [1800, + infinity). We performed interval regression analysis with logged income values referring to the interval endpoints and a missing value at the censored upper end (based on men observed in West Germany; i.e., not only the GDR refugees). The dependent variables were age and its square, qualification (6 categories), economic status (13 categories; which distinguish between different categories among the self-employed, civil servants, employees, workers, and non-employed workers), and region (35 categories referring to administrative regions called *Regierungsbezirke*). Based on this approach, we predicted log income values. (We adjusted the transformation to levels such that the information is meaningful also in the top-income bracket, see Cameron and Trivedi, 2010, p. 108). Note that the income variable excludes farmers and agricultural workers.

**High employment status:**

Dummy variable equal to 1 whenever a person is employed as a high-level civil servants or employee or belongs to the worker elite.

**Father's occupational status, list of categories included in analysis:**

Self-employed outside of agriculture; high-level civil servants; medium-level civil servants; low-level civil servants; high-level employees; medium-level employees; low-level employee; worker elite; qualified workers; workers with on the job and no training; farmers and helping family members; in training or school/university; non-employed

**Father's industry, list of categories included in analysis:**

Agriculture; energy and mining; manufacturing; construction; retail; transport and information transmission; finance and insurance; hotels and restaurants; low-skilled services; science, education, art; health; qualified services; churches and other organizations; private households; public administration; missing industry.

**Father's and mother's qualification, list of categories included in analysis:**

No vocational qualification and at most a basic school education; no vocational qualification and an intermediate or higher school education; vocational qualification and at most a basic school education; vocational qualification and an intermediate or higher school education; technician, graduate from professional school (*Fachschule*); engineer, graduate from university; missing information

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Table A3: EFFECTS OF EXPOSURE TO GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES

| VARIABLES   | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>Owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|---|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>                                     |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.014<br>(0.016)                  | -0.013<br>(0.021)                 | -0.001<br>(0.016)                | -0.003<br>(0.006)    | 0.002<br>(0.017)              | -0.184***<br>(0.020)          | -0.000<br>(0.011)                    |
| EXP <sub>i</sub>  | -0.000<br>(0.002)                 | -0.002<br>(0.003)                 | 0.002<br>(0.003)                 | -0.000<br>(0.001)    | 0.002<br>(0.002)              | 0.005*<br>(0.003)             | 0.001<br>(0.002)                     |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.011***<br>(0.003)               | -0.006<br>(0.004)                 | -0.005*<br>(0.003)               | 0.001<br>(0.001)     | 0.013***<br>(0.004)           | -0.006<br>(0.004)             | 0.010***<br>(0.002)                  |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.034<br>(0.021)                 | 0.030<br>(0.027)                  | 0.004<br>(0.022)                 | 0.002<br>(0.009)     | -0.047**<br>(0.022)           | 0.007<br>(0.024)              | -0.021<br>(0.015)                    |
| Observations  | 58,363                            | 58,363                            | 58,363                           | 58,419               | 58,414                        | 58,419                        | 53,226                               |
| <b>Children Sample</b>                                  |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.026<br>(0.021)                  | -0.044*<br>(0.025)                | 0.018<br>(0.020)                 | 0.010<br>(0.013)     | 0.069***<br>(0.023)           | -0.066***<br>(0.018)          | 0.036*<br>(0.020)                    |
| EXP <sub>i</sub>  | -0.002<br>(0.002)                 | 0.001<br>(0.003)                  | 0.001<br>(0.002)                 | -0.001<br>(0.001)    | 0.000<br>(0.002)              | 0.004*<br>(0.002)             | 0.000<br>(0.002)                     |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | -0.002<br>(0.003)                 | 0.004<br>(0.004)                  | -0.002<br>(0.003)                | 0.000<br>(0.003)     | -0.002<br>(0.003)             | -0.004<br>(0.003)             | -0.005<br>(0.004)                    |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.020<br>(0.024)                 | -0.007<br>(0.035)                 | 0.027<br>(0.030)                 | 0.030<br>(0.023)     | -0.046*<br>(0.026)            | 0.037*<br>(0.020)             | 0.031<br>(0.033)                     |
| Observations  | 61,231                            | 61,231                            | 61,231                           | 61,323               | 61,318                        | 61,323                        | 49,232                               |
| <b>Adult Sample</b>                                     |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany                               | 0.065**<br>(0.028)                | -0.061*<br>(0.033)                | -0.003<br>(0.027)                | -0.015<br>(0.015)    | 0.012<br>(0.032)              | -0.278***<br>(0.031)          | 0.028<br>(0.020)                     |
| EXP <sub>i</sub>  | -0.001<br>(0.003)                 | 0.007**<br>(0.003)                | -0.007***<br>(0.002)             | -0.001<br>(0.002)    | 0.002<br>(0.003)              | 0.011***<br>(0.004)           | 0.002<br>(0.002)                     |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.003<br>(0.004)                  | -0.009*<br>(0.004)                | 0.005*<br>(0.003)                | 0.001<br>(0.002)     | -0.003<br>(0.004)             | -0.006<br>(0.005)             | 0.000<br>(0.003)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.040<br>(0.034)                 | 0.077*<br>(0.040)                 | -0.037<br>(0.032)                | 0.009<br>(0.018)     | 0.053<br>(0.039)              | -0.046<br>(0.036)             | 0.012<br>(0.024)                     |
| Observations  | 38,425                            | 38,425                            | 38,425                           | 38,454               | 38,452                        | 38,454                        | 34,792                               |

Notes: Control variables account for age and its square. Parental characteristics at age 15 are also accounted for. They capture the father's occupational status (13 categories), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively). Robust standard errors are clustered at the level of the sampling units; there are several hundred clusters. \*\*\*, \*\*, and \* denote significance at the 1 percent, 5 percent, and 10 percent level, respectively. Weights were assigned to the observations from the control group (West German natives) according to Inverse Probability Weighting. Compared to the main specification (1), as shown in Table 7, we now measure aid eligibility in terms of years of exposure (see eq. (2)).

Table A4: EFFECTS OF EXPOSURE TO GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES

| VARIABLES   | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|---|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>                                     |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | -0.002<br>(0.012)                 | -0.013<br>(0.022)                 | 0.016<br>(0.022)                 | 0.055**<br>(0.024)   | -0.214***<br>(0.021)          | -0.008<br>(0.017)   | 0.012<br>(0.075)                | 0.005<br>(0.017)                     |
| EXP <sub>i</sub>  | 0.001<br>(0.002)                  | -0.002<br>(0.003)                 | 0.002<br>(0.003)                 | -0.001<br>(0.003)    | 0.005<br>(0.003)              | -0.000<br>(0.002)   | 0.010<br>(0.011)                | -0.003<br>(0.003)                    |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.004<br>(0.003)                  | -0.003<br>(0.004)                 | -0.000<br>(0.004)                | -0.001<br>(0.004)    | -0.005<br>(0.004)             | -0.000<br>(0.003)   | -0.006<br>(0.013)               | 0.010**<br>(0.004)                   |
| Year of Arrival <sub>i</sub> ≥ 1953                     | 0.013<br>(0.016)                  | 0.097***<br>(0.028)               | -0.111***<br>(0.028)             | 0.000<br>(0.031)     | 0.017<br>(0.024)              | 0.005<br>(0.022)    | -0.138<br>(0.088)               | 0.026<br>(0.022)                     |
| Observations  | 61,376                            | 61,376                            | 61,376                           | 61,449               | 61,449                        | 61,449              | 61,449                          | 23,190                               |
| <b>Children Sample</b>                                  |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | 0.036**<br>(0.018)                | 0.005<br>(0.026)                  | -0.041*<br>(0.024)               | 0.016<br>(0.027)     | -0.065***<br>(0.019)          | 0.002<br>(0.019)    | 0.046<br>(0.059)                | 0.040<br>(0.027)                     |
| EXP <sub>i</sub>  | 0.001<br>(0.002)                  | -0.003<br>(0.003)                 | 0.002<br>(0.003)                 | 0.004<br>(0.003)     | -0.000<br>(0.003)             | -0.001<br>(0.003)   | -0.005<br>(0.007)               | -0.000<br>(0.003)                    |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | -0.001<br>(0.003)                 | 0.004<br>(0.004)                  | -0.003<br>(0.004)                | -0.004<br>(0.005)    | 0.000<br>(0.003)              | -0.006<br>(0.003)   | -0.001<br>(0.009)               | 0.004<br>(0.005)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.029<br>(0.022)                 | -0.028<br>(0.035)                 | 0.056*<br>(0.033)                | -0.002<br>(0.036)    | 0.019<br>(0.021)              | -0.012<br>(0.026)   | -0.054<br>(0.067)               | -0.053<br>(0.038)                    |
| Observations  | 60,001                            | 60,001                            | 60,001                           | 60,083               | 60,083                        | 60,083              | 60,083                          | 27,530                               |
| <b>Adult Sample</b>                                     |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany                               | 0.026<br>(0.017)                  | 0.029<br>(0.027)                  | -0.055**<br>(0.027)              | 0.043<br>(0.030)     | -0.231***<br>(0.025)          | -0.002<br>(0.023)   | -0.167**<br>(0.083)             | 0.050**<br>(0.023)                   |
| EXP <sub>i</sub>  | -0.000<br>(0.002)                 | -0.000<br>(0.003)                 | 0.001<br>(0.003)                 | -0.003<br>(0.004)    | 0.004<br>(0.003)              | 0.001<br>(0.003)    | -0.005<br>(0.008)               | 0.002<br>(0.003)                     |
| EXP <sub>i</sub> *(Year of Arrival <sub>i</sub> ≥ 1953) | 0.001<br>(0.003)                  | -0.004<br>(0.004)                 | 0.002<br>(0.004)                 | 0.001<br>(0.004)     | -0.001<br>(0.004)             | 0.006*<br>(0.003)   | 0.020*<br>(0.011)               | 0.002<br>(0.004)                     |
| Year of Arrival <sub>i</sub> ≥ 1953                     | -0.024<br>(0.020)                 | 0.085***<br>(0.032)               | -0.062*<br>(0.032)               | 0.073**<br>(0.036)   | -0.050*<br>(0.029)            | -0.060**<br>(0.028) | 0.019<br>(0.108)                | -0.028<br>(0.027)                    |
| Observations  | 43,150                            | 43,150                            | 43,150                           | 43,201               | 43,201                        | 43,201              | 43,201                          | 16,221                               |

Notes: Control variables account for age and its square. Parental characteristics at age 15 are also accounted for. They capture the father's occupational status (13 categories), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively). Robust standard errors are clustered at the level of the sampling units; there are several hundred clusters. \*\*\*, \*\*, and \* denote significance at the 1 percent, 5 percent, and 10 percent level, respectively. Weights were assigned to the observations from the control group (West German natives) according to Inverse Probability Weighting. Compared to the main specification (1), as shown in Table 8, we now measure aid eligibility in terms of years of exposure (see eq. (2))



Table A5: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES WHOSE FATHER'S INCOME WAS BELOW THE MEDIAN

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.004<br>(0.019)                  | -0.013<br>(0.029)                 | 0.009<br>(0.025)                 | -0.011<br>(0.011)    | -0.006<br>(0.021)             | -0.204***<br>(0.028)          | -0.004<br>(0.015)                    |
| AID                               | -0.073**<br>(0.029)               | -0.120<br>(0.080)                 | 0.193**<br>(0.078)               | 0.008<br>(0.025)     | -0.067<br>(0.044)             | 0.125*<br>(0.074)             | -0.023<br>(0.030)                    |
| AID*(Year of Arrival $\geq$ 1953) | 0.263***<br>(0.067)               | -0.051<br>(0.105)                 | -0.212**<br>(0.093)              | -0.014<br>(0.030)    | 0.283***<br>(0.077)           | -0.065<br>(0.089)             | 0.171***<br>(0.055)                  |
| Year of Arrival $\geq$ 1953       | -0.022<br>(0.025)                 | 0.021<br>(0.039)                  | 0.001<br>(0.034)                 | 0.013<br>(0.013)     | -0.042<br>(0.026)             | 0.013<br>(0.032)              | 0.002<br>(0.019)                     |
| Observations                      | 26,391                            | 26,391                            | 26,391                           | 26,416               | 26,414                        | 26,416                        | 25,608                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.056*<br>(0.030)                 | -0.097**<br>(0.040)               | 0.041<br>(0.034)                 | 0.019**<br>(0.009)   | 0.047<br>(0.030)              | -0.055**<br>(0.027)           | 0.047*<br>(0.026)                    |
| AID                               | -0.029<br>(0.064)                 | 0.031<br>(0.085)                  | -0.003<br>(0.068)                | -0.046<br>(0.033)    | -0.029<br>(0.056)             | 0.108<br>(0.073)              | -0.019<br>(0.056)                    |
| AID*(Year of Arrival $\geq$ 1953) | 0.033<br>(0.067)                  | 0.078<br>(0.099)                  | -0.110<br>(0.083)                | 0.045<br>(0.052)     | 0.027<br>(0.064)              | -0.086<br>(0.077)             | 0.041<br>(0.082)                     |
| Year of Arrival $\geq$ 1953       | -0.065**<br>(0.031)               | 0.022<br>(0.052)                  | 0.044<br>(0.047)                 | 0.019<br>(0.023)     | -0.026<br>(0.033)             | 0.008<br>(0.028)              | 0.004<br>(0.041)                     |
| Observations                      | 28,200                            | 28,200                            | 28,200                           | 28,240               | 28,237                        | 28,240                        | 24,680                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.062<br>(0.038)                  | -0.048<br>(0.050)                 | -0.014<br>(0.041)                | -0.004<br>(0.022)    | 0.004<br>(0.037)              | -0.250***<br>(0.045)          | 0.020<br>(0.026)                     |
| AID                               | 0.065<br>(0.108)                  | 0.055<br>(0.128)                  | -0.119*<br>(0.069)               | -0.034<br>(0.079)    | -0.016<br>(0.098)             | -0.140<br>(0.092)             | 0.103<br>(0.076)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.036<br>(0.115)                 | -0.074<br>(0.140)                 | 0.110<br>(0.082)                 | 0.021<br>(0.083)     | 0.021<br>(0.110)              | 0.243**<br>(0.104)            | -0.047<br>(0.083)                    |
| Year of Arrival $\geq$ 1953       | -0.081*<br>(0.043)                | 0.109*<br>(0.060)                 | -0.028<br>(0.050)                | 0.004<br>(0.025)     | 0.009<br>(0.046)              | -0.087*<br>(0.050)            | -0.006<br>(0.031)                    |
| Observations                      | 17,388                            | 17,388                            | 17,388                           | 17,399               | 17,399                        | 17,399                        | 16,855                               |

Notes: Same specification as in Table 7. We obtained an income ranking for "industry by occupational status"-cells, computing the 1971 median earnings for each cell, and then dividing our sample based on whether the father's income rank was above or below the median. In this table, we focus on the latter. Note that we excluded cases where the father was employed in agriculture; for these no income ranking was possible due to missing income data.

Table A6: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES WHOSE FATHER'S INCOME WAS ABOVE THE MEDIAN

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.045<br>(0.030)                  | -0.025<br>(0.032)                 | -0.019<br>(0.018)                | 0.015***<br>(0.002)  | 0.018<br>(0.031)              | -0.147***<br>(0.032)          | 0.008<br>(0.019)                     |
| AID                               | 0.005<br>(0.079)                  | -0.062<br>(0.076)                 | 0.057<br>(0.056)                 | -0.015<br>(0.019)    | 0.095<br>(0.080)              | 0.091<br>(0.079)              | 0.004<br>(0.045)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.195**<br>(0.095)                | -0.125<br>(0.092)                 | -0.070<br>(0.063)                | 0.038<br>(0.025)     | 0.155<br>(0.098)              | -0.100<br>(0.089)             | 0.179***<br>(0.060)                  |
| Year of Arrival $\geq$ 1953       | -0.072*<br>(0.038)                | 0.054<br>(0.041)                  | 0.018<br>(0.025)                 | -0.021*<br>(0.012)   | -0.077*<br>(0.041)            | 0.011<br>(0.040)              | -0.057**<br>(0.025)                  |
| Observations                      | 21,778                            | 21,778                            | 21,778                           | 21,790               | 21,787                        | 21,790                        | 20,493                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.002<br>(0.029)                  | -0.018<br>(0.032)                 | 0.016<br>(0.024)                 | -0.004<br>(0.021)    | 0.064*<br>(0.033)             | -0.077***<br>(0.023)          | 0.018<br>(0.030)                     |
| AID                               | -0.036<br>(0.057)                 | 0.068<br>(0.061)                  | -0.032<br>(0.051)                | 0.011<br>(0.045)     | 0.047<br>(0.067)              | 0.055<br>(0.049)              | 0.048<br>(0.056)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.029<br>(0.065)                 | -0.055<br>(0.081)                 | 0.084<br>(0.071)                 | -0.029<br>(0.069)    | -0.060<br>(0.074)             | -0.069<br>(0.055)             | -0.179*<br>(0.103)                   |
| Year of Arrival $\geq$ 1953       | 0.004<br>(0.038)                  | 0.010<br>(0.047)                  | -0.014<br>(0.038)                | 0.034<br>(0.040)     | -0.058<br>(0.040)             | 0.070**<br>(0.029)            | 0.037<br>(0.061)                     |
| Observations                      | 24,108                            | 24,108                            | 24,108                           | 24,139               | 24,137                        | 24,139                        | 18,446                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.099*<br>(0.051)                 | -0.112**<br>(0.054)               | 0.014<br>(0.040)                 | 0.002<br>(0.018)     | -0.011<br>(0.059)             | -0.211***<br>(0.053)          | 0.019<br>(0.034)                     |
| AID                               | -0.069<br>(0.083)                 | 0.188**<br>(0.088)                | -0.119**<br>(0.049)              | -0.001<br>(0.018)    | 0.039<br>(0.091)              | 0.279***<br>(0.091)           | 0.023<br>(0.049)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.168*<br>(0.100)                 | -0.292***<br>(0.106)              | 0.124**<br>(0.059)               | 0.005<br>(0.022)     | -0.049<br>(0.114)             | -0.220**<br>(0.108)           | 0.002<br>(0.064)                     |
| Year of Arrival $\geq$ 1953       | -0.045<br>(0.063)                 | 0.086<br>(0.066)                  | -0.040<br>(0.046)                | 0.007<br>(0.020)     | 0.123*<br>(0.071)             | -0.071<br>(0.062)             | 0.045<br>(0.042)                     |
| Observations                      | 13,455                            | 13,455                            | 13,455                           | 13,461               | 13,459                        | 13,461                        | 12,841                               |

Notes: Same specification as in Table 7. We obtained an income ranking for "industry by occupational status"-cells, computing the 1971 median earnings for each cell, and then dividing our sample based on whether the father's income rank was above or below the median. In this table, we focus on the former. Note that we excluded cases where the father was employed in agriculture; for these no income ranking was possible due to missing income data.

Table A7: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES WHOSE FATHER'S INCOME WAS BELOW THE MEDIAN

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.007<br>(0.014)                  | -0.050<br>(0.033)                 | 0.043<br>(0.034)                 | 0.081**<br>(0.037)   | -0.236***<br>(0.028)          | 0.004<br>(0.026)    | 0.219*<br>(0.130)               | 0.006<br>(0.024)                     |
| AID                               | -0.034**<br>(0.015)               | -0.006<br>(0.092)                 | 0.040<br>(0.092)                 | -0.029<br>(0.108)    | 0.051<br>(0.084)              | 0.044<br>(0.058)    | -0.012<br>(0.291)               | -0.139**<br>(0.062)                  |
| AID*(Year of Arrival $\geq$ 1953) | 0.060<br>(0.037)                  | -0.078<br>(0.116)                 | 0.017<br>(0.115)                 | 0.007<br>(0.128)     | -0.015<br>(0.102)             | -0.017<br>(0.070)   | -0.079<br>(0.320)               | 0.176**<br>(0.080)                   |
| Year of Arrival $\geq$ 1953       | 0.002<br>(0.018)                  | 0.158***<br>(0.042)               | -0.160***<br>(0.042)             | -0.007<br>(0.046)    | 0.046<br>(0.033)              | -0.021<br>(0.031)   | -0.291**<br>(0.146)             | 0.034<br>(0.031)                     |
| Observations                      | 27,246                            | 27,246                            | 27,246                           | 27,281               | 27,281                        | 27,281              | 27,281                          | 10,808                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.013<br>(0.018)                  | 0.020<br>(0.039)                  | -0.033<br>(0.039)                | 0.026<br>(0.041)     | -0.069**<br>(0.030)           | -0.004<br>(0.025)   | 0.107<br>(0.102)                | 0.011<br>(0.031)                     |
| AID                               | 0.034<br>(0.050)                  | -0.077<br>(0.097)                 | 0.042<br>(0.095)                 | 0.039<br>(0.100)     | -0.084<br>(0.057)             | -0.126<br>(0.082)   | -0.407**<br>(0.189)             | 0.037<br>(0.087)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.023<br>(0.062)                 | 0.214*<br>(0.119)                 | -0.191*<br>(0.115)               | -0.019<br>(0.122)    | 0.077<br>(0.064)              | 0.026<br>(0.096)    | 0.245<br>(0.224)                | 0.093<br>(0.108)                     |
| Year of Arrival $\geq$ 1953       | 0.004<br>(0.024)                  | -0.059<br>(0.050)                 | 0.056<br>(0.049)                 | -0.024<br>(0.051)    | 0.024<br>(0.033)              | -0.009<br>(0.035)   | -0.076<br>(0.111)               | 0.021<br>(0.045)                     |
| Observations                      | 27,459                            | 27,459                            | 27,459                           | 27,503               | 27,503                        | 27,503              | 27,503                          | 13,466                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.010<br>(0.018)                  | -0.012<br>(0.046)                 | 0.002<br>(0.047)                 | 0.063<br>(0.049)     | -0.221***<br>(0.038)          | -0.003<br>(0.038)   | -0.132<br>(0.152)               | 0.090**<br>(0.036)                   |
| AID                               | -0.006<br>(0.039)                 | -0.018<br>(0.099)                 | 0.023<br>(0.098)                 | 0.055<br>(0.106)     | 0.086<br>(0.099)              | 0.097<br>(0.070)    | 0.095<br>(0.269)                | -0.017<br>(0.064)                    |
| AID*(Year of Arrival $\geq$ 1953) | -0.024<br>(0.042)                 | 0.026<br>(0.114)                  | -0.002<br>(0.113)                | -0.019<br>(0.122)    | -0.127<br>(0.105)             | -0.013<br>(0.084)   | 0.123<br>(0.323)                | 0.033<br>(0.072)                     |
| Year of Arrival $\geq$ 1953       | -0.003<br>(0.021)                 | 0.085<br>(0.053)                  | -0.082<br>(0.054)                | 0.070<br>(0.056)     | -0.065<br>(0.042)             | -0.105**<br>(0.046) | -0.038<br>(0.184)               | -0.040<br>(0.041)                    |
| Observations                      | 19,056                            | 19,056                            | 19,056                           | 19,077               | 19,077                        | 19,077              | 19,077                          | 7,778                                |

Notes: Same specification as in Table 8. We obtained an income ranking for "industry by occupational status"-cells, computing the 1971 median earnings for each cell, and then dividing our sample based on whether the father's income rank was above or below the median. In this table, we focus on the latter. Note that we excluded cases where the father was employed in agriculture; for these no income ranking was possible due to missing income data.

Table A8: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES WHOSE FATHER'S INCOME WAS ABOVE THE MEDIAN

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | -0.013<br>(0.022)                 | 0.005<br>(0.032)                  | 0.008<br>(0.032)                 | 0.084**<br>(0.034)   | -0.157***<br>(0.032)          | -0.036<br>(0.028)   | -0.077<br>(0.107)               | -0.006<br>(0.026)                    |
| AID                               | 0.062<br>(0.058)                  | -0.029<br>(0.075)                 | -0.033<br>(0.076)                | -0.025<br>(0.078)    | 0.112<br>(0.075)              | -0.026<br>(0.064)   | 0.249<br>(0.233)                | 0.016<br>(0.077)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.070<br>(0.081)                  | -0.083<br>(0.098)                 | 0.013<br>(0.092)                 | -0.004<br>(0.100)    | -0.119<br>(0.089)             | 0.016<br>(0.082)    | -0.075<br>(0.272)               | 0.209**<br>(0.100)                   |
| Year of Arrival $\geq$ 1953       | 0.025<br>(0.034)                  | 0.067<br>(0.044)                  | -0.092**<br>(0.042)              | -0.012<br>(0.046)    | 0.019<br>(0.040)              | 0.038<br>(0.037)    | -0.055<br>(0.130)               | -0.010<br>(0.035)                    |
| Observations                      | 23,092                            | 23,092                            | 23,092                           | 23,108               | 23,108                        | 23,108              | 23,108                          | 9,646                                |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.049<br>(0.031)                  | -0.007<br>(0.037)                 | -0.043<br>(0.032)                | 0.015<br>(0.038)     | -0.051**<br>(0.026)           | 0.005<br>(0.029)    | 0.036<br>(0.071)                | 0.061<br>(0.040)                     |
| AID                               | -0.007<br>(0.065)                 | -0.029<br>(0.080)                 | 0.036<br>(0.070)                 | 0.061<br>(0.077)     | 0.047<br>(0.065)              | 0.052<br>(0.055)    | 0.152<br>(0.183)                | -0.067<br>(0.073)                    |
| AID*(Year of Arrival $\geq$ 1953) | -0.008<br>(0.076)                 | -0.040<br>(0.099)                 | 0.048<br>(0.090)                 | -0.101<br>(0.100)    | -0.037<br>(0.070)             | -0.157**<br>(0.074) | -0.165<br>(0.198)               | 0.042<br>(0.111)                     |
| Year of Arrival $\geq$ 1953       | -0.044<br>(0.039)                 | 0.008<br>(0.051)                  | 0.036<br>(0.046)                 | 0.029<br>(0.055)     | 0.011<br>(0.031)              | -0.018<br>(0.042)   | -0.104<br>(0.084)               | -0.097<br>(0.061)                    |
| Observations                      | 23,873                            | 23,873                            | 23,873                           | 23,894               | 23,894                        | 23,894              | 23,894                          | 11,189                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.023<br>(0.028)                  | 0.060<br>(0.039)                  | -0.083**<br>(0.038)              | 0.062<br>(0.041)     | -0.201***<br>(0.036)          | -0.015<br>(0.034)   | -0.047<br>(0.112)               | 0.008<br>(0.031)                     |
| AID                               | -0.030<br>(0.080)                 | -0.058<br>(0.085)                 | 0.089<br>(0.093)                 | -0.138<br>(0.092)    | 0.029<br>(0.090)              | 0.028<br>(0.083)    | -0.112<br>(0.211)               | -0.007<br>(0.115)                    |
| AID*(Year of Arrival $\geq$ 1953) | 0.107<br>(0.088)                  | -0.077<br>(0.099)                 | -0.030<br>(0.105)                | 0.105<br>(0.106)     | 0.069<br>(0.102)              | 0.080<br>(0.092)    | 0.355<br>(0.255)                | 0.158<br>(0.125)                     |
| Year of Arrival $\geq$ 1953       | -0.042<br>(0.034)                 | 0.118**<br>(0.049)                | -0.077*<br>(0.046)               | 0.069<br>(0.051)     | -0.057<br>(0.046)             | -0.014<br>(0.043)   | -0.065<br>(0.146)               | -0.052<br>(0.039)                    |
| Observations                      | 15,262                            | 15,262                            | 15,262                           | 15,273               | 15,273                        | 15,273              | 15,273                          | 6,185                                |

Notes: Same specification as in Table 8. We obtained an income ranking for "industry by occupational status"-cells, computing the 1971 median earnings for each cell, and then dividing our sample based on whether the father's income rank was above or below the median. In this table, we focus on the former. Note that we excluded cases where the father was employed in agriculture; for these no income ranking was possible due to missing income data.

Table A9: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES, INCLUDING INDIVIDUALS WITH MISSING OCCUPATIONAL STATUS OF THE FATHER

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>Owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.011<br>(0.013)                  | -0.010<br>(0.018)                 | -0.001<br>(0.015)                | 0.003<br>(0.005)     | -0.001<br>(0.015)             | -0.180***<br>(0.017)          | 0.002<br>(0.010)                     |
| AID                               | 0.027<br>(0.036)                  | -0.056<br>(0.045)                 | 0.029<br>(0.039)                 | -0.001<br>(0.012)    | 0.024<br>(0.038)              | 0.089**<br>(0.043)            | 0.032<br>(0.025)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.113**<br>(0.046)                | -0.065<br>(0.055)                 | -0.048<br>(0.046)                | -0.003<br>(0.016)    | 0.143***<br>(0.049)           | -0.080<br>(0.050)             | 0.089***<br>(0.034)                  |
| Year of Arrival $\geq$ 1953       | -0.034*<br>(0.018)                | 0.046*<br>(0.024)                 | -0.012<br>(0.019)                | 0.002<br>(0.007)     | -0.032*<br>(0.019)            | 0.012<br>(0.020)              | -0.014<br>(0.013)                    |
| Observations                      | 71,977                            | 71,977                            | 71,977                           | 73,130               | 72,798                        | 73,130                        | 66,960                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.032*<br>(0.018)                 | -0.048**<br>(0.022)               | 0.016<br>(0.018)                 | -0.004<br>(0.012)    | 0.063***<br>(0.019)           | -0.065***<br>(0.015)          | 0.031*<br>(0.018)                    |
| AID                               | -0.015<br>(0.039)                 | 0.016<br>(0.044)                  | -0.001<br>(0.037)                | -0.020<br>(0.025)    | 0.029<br>(0.038)              | 0.069*<br>(0.036)             | 0.013<br>(0.037)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.022<br>(0.043)                 | 0.028<br>(0.056)                  | -0.006<br>(0.050)                | 0.002<br>(0.038)     | -0.057<br>(0.042)             | -0.045<br>(0.039)             | -0.088<br>(0.059)                    |
| Year of Arrival $\geq$ 1953       | -0.037*<br>(0.021)                | 0.002<br>(0.030)                  | 0.035<br>(0.027)                 | 0.024<br>(0.021)     | -0.049**<br>(0.022)           | 0.029*<br>(0.017)             | 0.008<br>(0.030)                     |
| Observations                      | 74,574                            | 74,574                            | 74,574                           | 75,793               | 75,531                        | 75,793                        | 61,418                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.053**<br>(0.026)                | -0.034<br>(0.031)                 | -0.019<br>(0.026)                | -0.006<br>(0.013)    | 0.007<br>(0.029)              | -0.257***<br>(0.029)          | 0.039**<br>(0.019)                   |
| AID                               | -0.004<br>(0.049)                 | 0.058<br>(0.063)                  | -0.054<br>(0.054)                | -0.017<br>(0.027)    | 0.020<br>(0.054)              | 0.160***<br>(0.060)           | 0.001<br>(0.037)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.081<br>(0.056)                  | -0.102<br>(0.073)                 | 0.021<br>(0.060)                 | 0.014<br>(0.030)     | 0.021<br>(0.063)              | -0.100<br>(0.068)             | 0.063<br>(0.042)                     |
| Year of Arrival $\geq$ 1953       | -0.044<br>(0.031)                 | 0.055<br>(0.038)                  | -0.011<br>(0.030)                | 0.003<br>(0.015)     | 0.027<br>(0.035)              | -0.047<br>(0.034)             | -0.016<br>(0.022)                    |
| Observations                      | 46,228                            | 46,228                            | 46,228                           | 46,903               | 46,711                        | 46,903                        | 42,646                               |

Notes: Same specification as in Table 7. Parental characteristics now capture the father's occupational status (13 categories plus an additional category capturing missing values), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively).

Table A10: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES, INCLUDING INDIVIDUALS WITH MISSING OCCUPATIONAL STATUS OF THE FATHER

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.000<br>(0.010)                  | -0.009<br>(0.019)                 | 0.009<br>(0.019)                 | 0.045**<br>(0.021)   | -0.193***<br>(0.018)          | 0.002<br>(0.015)    | 0.052<br>(0.071)                | 0.012<br>(0.016)                     |
| AID                               | 0.037<br>(0.031)                  | -0.032<br>(0.045)                 | -0.005<br>(0.047)                | 0.031<br>(0.052)     | 0.071<br>(0.048)              | -0.038<br>(0.037)   | 0.034<br>(0.162)                | 0.002<br>(0.046)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.043<br>(0.041)                  | -0.056<br>(0.057)                 | 0.013<br>(0.057)                 | -0.029<br>(0.062)    | -0.046<br>(0.054)             | 0.018<br>(0.045)    | -0.097<br>(0.184)               | 0.121**<br>(0.057)                   |
| Year of Arrival $\geq$ 1953       | 0.013<br>(0.014)                  | 0.086***<br>(0.024)               | -0.099***<br>(0.024)             | 0.008<br>(0.026)     | 0.015<br>(0.021)              | -0.010<br>(0.018)   | -0.105<br>(0.081)               | 0.012<br>(0.020)                     |
| Observations                      | 75,268                            | 75,268                            | 75,268                           | 76,500               | 76,500                        | 76,500              | 76,500                          | 29,689                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.029*<br>(0.015)                 | 0.010<br>(0.023)                  | -0.039*<br>(0.022)               | 0.016<br>(0.023)     | -0.063***<br>(0.017)          | 0.008<br>(0.017)    | 0.036<br>(0.050)                | 0.025<br>(0.022)                     |
| AID                               | 0.021<br>(0.037)                  | -0.067<br>(0.052)                 | 0.046<br>(0.050)                 | 0.039<br>(0.051)     | -0.013<br>(0.037)             | -0.056<br>(0.041)   | -0.217*<br>(0.117)              | 0.042<br>(0.055)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.040<br>(0.044)                 | 0.071<br>(0.065)                  | -0.030<br>(0.064)                | -0.076<br>(0.064)    | 0.023<br>(0.041)              | -0.035<br>(0.051)   | 0.144<br>(0.134)                | -0.032<br>(0.072)                    |
| Year of Arrival $\geq$ 1953       | -0.015<br>(0.019)                 | -0.036<br>(0.032)                 | 0.051*<br>(0.029)                | 0.011<br>(0.032)     | 0.010<br>(0.019)              | -0.015<br>(0.024)   | -0.045<br>(0.060)               | -0.029<br>(0.033)                    |
| Observations                      | 72,777                            | 72,777                            | 72,777                           | 73,988               | 73,988                        | 73,988              | 73,988                          | 34,116                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.020<br>(0.015)                  | 0.023<br>(0.025)                  | -0.043*<br>(0.025)               | 0.040<br>(0.027)     | -0.230***<br>(0.023)          | -0.007<br>(0.022)   | -0.159**<br>(0.078)             | 0.059***<br>(0.021)                  |
| AID                               | 0.010<br>(0.037)                  | 0.025<br>(0.053)                  | -0.035<br>(0.056)                | -0.065<br>(0.058)    | 0.087<br>(0.054)              | 0.029<br>(0.047)    | -0.067<br>(0.136)               | 0.017<br>(0.053)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.027<br>(0.042)                  | -0.063<br>(0.062)                 | 0.036<br>(0.064)                 | 0.069<br>(0.066)     | -0.037<br>(0.061)             | 0.069<br>(0.052)    | 0.294*<br>(0.166)               | 0.049<br>(0.060)                     |
| Year of Arrival $\geq$ 1953       | -0.012<br>(0.017)                 | 0.069**<br>(0.030)                | -0.056*<br>(0.030)               | 0.060*<br>(0.033)    | -0.050**<br>(0.026)           | -0.064**<br>(0.026) | -0.008<br>(0.100)               | -0.035<br>(0.025)                    |
| Observations                      | 51,700                            | 51,700                            | 51,700                           | 52,500               | 52,500                        | 52,500              | 52,500                          | 20,169                               |

Notes: Same specification as in Table 8. Parental background characteristics now capture the father's occupational status (13 categories plus an additional category capturing missing values), the father's industry (16 categories) the father's and the mother's qualification level (6 categories, respectively).

Table A11: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, MALES, MIGRATION BETWEEN 1946 AND 1957 ONLY

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>High-<br>status<br>Job | (6)<br>Home<br>Owner-<br>ship | (7)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|-------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.015<br>(0.016)                  | -0.014<br>(0.021)                 | -0.001<br>(0.016)                | -0.002<br>(0.006)    | 0.001<br>(0.017)              | -0.184***<br>(0.020)          | 0.001<br>(0.011)                     |
| AID                               | -0.003<br>(0.042)                 | -0.043<br>(0.052)                 | 0.046<br>(0.045)                 | -0.005<br>(0.016)    | 0.030<br>(0.044)              | 0.094*<br>(0.051)             | 0.017<br>(0.027)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.136**<br>(0.061)                | -0.060<br>(0.075)                 | -0.077<br>(0.059)                | 0.015<br>(0.017)     | 0.171***<br>(0.066)           | -0.111*<br>(0.068)            | 0.139***<br>(0.041)                  |
| Year of Arrival $\geq$ 1953       | -0.034<br>(0.022)                 | 0.039<br>(0.029)                  | -0.005<br>(0.023)                | 0.004<br>(0.008)     | -0.043*<br>(0.023)            | 0.006<br>(0.026)              | -0.021<br>(0.016)                    |
| Observations                      | 58,057                            | 58,057                            | 58,057                           | 58,112               | 58,107                        | 58,112                        | 52,935                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.022<br>(0.021)                  | -0.038<br>(0.024)                 | 0.016<br>(0.020)                 | 0.011<br>(0.013)     | 0.065***<br>(0.023)           | -0.066***<br>(0.018)          | 0.037*<br>(0.020)                    |
| AID                               | -0.032<br>(0.042)                 | 0.023<br>(0.049)                  | 0.009<br>(0.041)                 | -0.024<br>(0.027)    | 0.008<br>(0.043)              | 0.075*<br>(0.041)             | 0.011<br>(0.037)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.019<br>(0.050)                 | 0.080<br>(0.070)                  | -0.061<br>(0.063)                | 0.040<br>(0.046)     | -0.026<br>(0.051)             | -0.069<br>(0.046)             | -0.025<br>(0.067)                    |
| Year of Arrival $\geq$ 1953       | -0.025<br>(0.026)                 | -0.018<br>(0.038)                 | 0.043<br>(0.034)                 | 0.039<br>(0.026)     | -0.041<br>(0.028)             | 0.031<br>(0.021)              | -0.008<br>(0.037)                    |
| Observations                      | 60,959                            | 60,959                            | 60,959                           | 61,050               | 61,045                        | 61,050                        | 49,056                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                               |                                      |
| Refugee from East Germany         | 0.065**<br>(0.028)                | -0.062*<br>(0.033)                | -0.004<br>(0.027)                | -0.015<br>(0.015)    | 0.013<br>(0.032)              | -0.278***<br>(0.031)          | 0.028<br>(0.020)                     |
| AID                               | -0.011<br>(0.056)                 | 0.129**<br>(0.062)                | -0.118***<br>(0.042)             | -0.016<br>(0.031)    | 0.027<br>(0.062)              | 0.197***<br>(0.068)           | 0.031<br>(0.035)                     |
| AID*(Year of Arrival $\geq$ 1953) | 0.003<br>(0.069)                  | -0.124<br>(0.081)                 | 0.121**<br>(0.058)               | 0.008<br>(0.035)     | -0.086<br>(0.077)             | -0.156*<br>(0.084)            | -0.017<br>(0.045)                    |
| Year of Arrival $\geq$ 1953       | -0.056<br>(0.035)                 | 0.107**<br>(0.042)                | -0.051<br>(0.033)                | 0.024<br>(0.017)     | 0.049<br>(0.041)              | -0.027<br>(0.039)             | 0.008<br>(0.025)                     |
| Observations                      | 38,183                            | 38,183                            | 38,183                           | 38,212               | 38,210                        | 38,212                        | 34,553                               |

Notes: Same specification as in Table 7. We limit the sample to those who migrated between 1946 and 1957 (excluding those who migrated between 1958 and 1961).

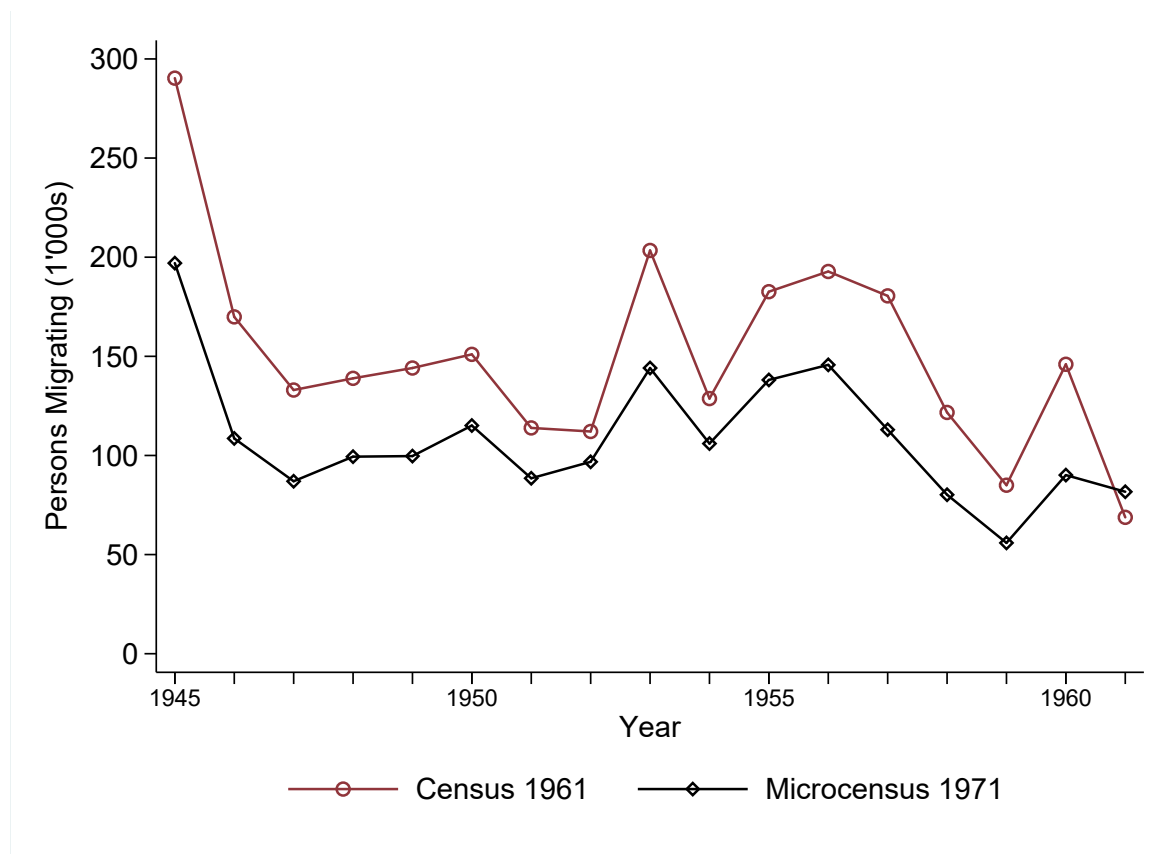
Table A12: EFFECTS OF REFUGEE-SPECIFIC GOVERNMENT AID BY AGE-AT-ARRIVAL SAMPLE, FEMALES, MIGRATION BETWEEN 1946 AND 1957 ONLY

| VARIABLES                         | (1)<br>High<br>Qualifi-<br>cation | (2)<br>Med.<br>Qualifi-<br>cation | (3)<br>Low<br>Qualifi-<br>cation | (4)<br>Em-<br>ployed | (5)<br>Home<br>owner-<br>ship | (6)<br>Married      | (7)<br>Number<br>of<br>children | (8)<br>Log. Net<br>Monthly<br>Income |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------------------|
| <b>Youth Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | -0.002<br>(0.012)                 | -0.013<br>(0.022)                 | 0.015<br>(0.022)                 | 0.054**<br>(0.024)   | -0.215***<br>(0.021)          | -0.007<br>(0.017)   | 0.016<br>(0.075)                | 0.005<br>(0.017)                     |
| AID                               | 0.011<br>(0.032)                  | -0.040<br>(0.050)                 | 0.029<br>(0.051)                 | -0.025<br>(0.057)    | 0.080<br>(0.054)              | -0.008<br>(0.041)   | 0.186<br>(0.195)                | -0.048<br>(0.052)                    |
| AID*(Year of Arrival $\geq$ 1953) | 0.023<br>(0.048)                  | -0.048<br>(0.075)                 | 0.025<br>(0.075)                 | -0.017<br>(0.080)    | -0.098<br>(0.072)             | -0.039<br>(0.059)   | -0.113<br>(0.236)               | 0.082<br>(0.079)                     |
| Year of Arrival $\geq$ 1953       | -0.007<br>(0.017)                 | 0.110***<br>(0.031)               | -0.103***<br>(0.030)             | -0.020<br>(0.033)    | 0.008<br>(0.026)              | 0.018<br>(0.022)    | -0.117<br>(0.095)               | 0.022<br>(0.024)                     |
| Observations                      | 61,067                            | 61,067                            | 61,067                           | 61,139               | 61,139                        | 61,139              | 61,139                          | 23,024                               |
| <b>Children Sample</b>            |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.036**<br>(0.018)                | 0.009<br>(0.026)                  | -0.045*<br>(0.024)               | 0.021<br>(0.026)     | -0.066***<br>(0.019)          | 0.001<br>(0.019)    | 0.040<br>(0.059)                | 0.044*<br>(0.027)                    |
| AID                               | 0.016<br>(0.041)                  | -0.057<br>(0.057)                 | 0.040<br>(0.055)                 | 0.060<br>(0.059)     | -0.002<br>(0.045)             | -0.014<br>(0.046)   | -0.092<br>(0.130)               | -0.007<br>(0.057)                    |
| AID*(Year of Arrival $\geq$ 1953) | 0.002<br>(0.055)                  | 0.089<br>(0.079)                  | -0.091<br>(0.078)                | -0.018<br>(0.084)    | 0.015<br>(0.055)              | -0.126**<br>(0.064) | -0.072<br>(0.168)               | 0.119<br>(0.086)                     |
| Year of Arrival $\geq$ 1953       | -0.017<br>(0.025)                 | -0.046<br>(0.037)                 | 0.063*<br>(0.035)                | -0.015<br>(0.039)    | 0.014<br>(0.023)              | -0.015<br>(0.028)   | -0.029<br>(0.071)               | -0.055<br>(0.043)                    |
| Observations                      | 59,809                            | 59,809                            | 59,809                           | 59,889               | 59,889                        | 59,889              | 59,889                          | 27,412                               |
| <b>Adult Sample</b>               |                                   |                                   |                                  |                      |                               |                     |                                 |                                      |
| Refugee from East Germany         | 0.026<br>(0.017)                  | 0.028<br>(0.027)                  | -0.054**<br>(0.027)              | 0.043<br>(0.030)     | -0.231***<br>(0.026)          | -0.002<br>(0.023)   | -0.166**<br>(0.082)             | 0.050**<br>(0.023)                   |
| AID                               | -0.003<br>(0.042)                 | -0.006<br>(0.057)                 | 0.008<br>(0.061)                 | -0.049<br>(0.064)    | 0.075<br>(0.061)              | 0.018<br>(0.050)    | -0.097<br>(0.144)               | 0.037<br>(0.057)                     |
| AID*(Year of Arrival $\geq$ 1953) | -0.011<br>(0.048)                 | -0.040<br>(0.074)                 | 0.051<br>(0.077)                 | 0.008<br>(0.081)     | -0.059<br>(0.074)             | 0.056<br>(0.061)    | 0.464**<br>(0.207)              | 0.000<br>(0.070)                     |
| Year of Arrival $\geq$ 1953       | -0.029<br>(0.020)                 | 0.072**<br>(0.035)                | -0.043<br>(0.034)                | 0.055<br>(0.039)     | -0.046<br>(0.031)             | -0.057*<br>(0.031)  | -0.030<br>(0.118)               | -0.027<br>(0.028)                    |
| Observations                      | 42,807                            | 42,807                            | 42,807                           | 42,858               | 42,858                        | 42,858              | 42,858                          | 16,010                               |

Notes: Same specification as in Table 8. We limit the sample to those who migrated between 1946 and 1957 (excluding those who migrated between 1958 and 1961)



Figure A1: Migration from East to West Germany, 1945-1961, by Data Source



Notes: “Census 1961” refers to census data obtained from Heidemeyer (p. 43 ff.), whereas “Microcensus 1971” are the authors’ estimates based on the data used in the analysis. While the migration patterns are remarkably similar, differences in levels may be explained by (i) the fact that the microcensus of 1971 excludes persons younger than 15, whereas the census of 1961 includes them, and (ii) people dying between 1961 and 1971.