

Early Cannabis Use and the School to Work Transition of Young Men

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Abstract:

This paper investigates the effect of early cannabis use on young men's school to work transition. The two dimensions of this transition that we focus on are the time taken to start employment and the wage rate at which this occurs. We account for school leavers option of returning to school rather than starting work using a competing risk framework. Our empirical approach accounts for common unobserved confounders that jointly affect selection into cannabis use and the transition from school to work. After accounting for endogenous selection, we find that individuals who use cannabis while enrolled in school are less likely to return to school, more likely to accept a job offer and to do so at a lower wage rate. These effects are driven by longer term cannabis users who have used for at least three years before leaving school. We find no effect of cannabis use on the school to work transition of those who use cannabis for one or two years before leaving school.