Abstract
Smoking is the leading preventable cause of death in every developed economy. In the U.S.
smoking is estimated to be a significant cause of more than 400,000 premature deaths annually.
Recent policy debates in most countries have tended to focus on how to prevent youth from
starting to smoke. Embedded in these debates is a stylized fact that has yet to be established in a
systematic way - whether smoking by parents and/or older siblings causes youth to be more
likely to take up smoking. Many policy experts assume the answer to this question is obvious. In
this paper we use multiple waves and retrospective smoking data from the German Socio-
Economic Panel to estimate whether parental smoking and smoking by older siblings causes
children to be more likely to take up smoking later in life. We estimate models with rich controls
for family smoking behavior. We combine advantage of life-course histories we construct using
retrospective smoking questions with a long time-series of tobacco related policies to estimate
IV models that control for the choice of mothers, fathers, and older siblings to smoke. The
results suggest that failing to control for the endogenous choice of parents to smoke leads to
incorrect inferences.