

Statement of
Philip L. Rones
Deputy Commissioner
Bureau of Labor Statistics
on the Status of Veterans' Employment
before the
Subcommittee on Economic Opportunity
of the House Committee on Veterans' Affairs
Thursday, April 15, 2010

Madam Chair and Members of the Subcommittee:

Thank you for this opportunity to discuss the state of veterans' employment. In general, the employment situation among veterans overall does not differ much from that of nonveterans with similar demographic characteristics. However, age and other differences affect labor force status. It is important to consider these factors when comparing the employment situation of veterans to those of nonveterans, or when comparing different groups of veterans, because these groups differ in their demographic compositions. For example, recent veterans tend to be under the age of 35, and younger workers—whether veterans or nonveterans—are more likely to be unemployed than older workers.

Information on the employment and unemployment status of veterans is obtained from the Current Population Survey (CPS), a monthly sample survey of about 60,000 households that is the source of the national unemployment rate. Basic labor market data about veterans are collected each month. Additional data on service-connected disability, Reserve or National Guard status, and service in a combat or war zone are now collected once a year. I would like to

mention that a table showing veterans' and nonveterans' labor force status was recently added to the monthly Employment Situation news release.

In the CPS, veterans are defined as men and women who have previously served on active duty in the U.S. Armed Forces and who were civilians at the time they were surveyed. Veterans are grouped according to the era during which they served. Veterans who served in more than one wartime period are classified in the most recent one. Those who served during a wartime period and another period are classified in the wartime period.

In 2009, there were about 22 million veterans among the civilian noninstitutional population ages 18 and over. About half (51 percent) of them last served during World War II, the Korean War, and the Vietnam era. Virtually all of those veterans are age 55 and older, and only 3 percent are women.

Almost 2 million veterans served during Gulf War era II (September 2001 forward), accounting for nearly 1 in 10 of all veterans. These veterans are young—nearly two-thirds are under the age of 35. Also far more are women—18 percent—than were veterans of earlier eras. These younger veterans also have much different levels of education than do nonveterans of the same age. For example, among 25 to 34 year olds, veterans are far less likely to be high school dropouts (2 percent compared to 12 percent for nonveterans in 2008), but they are also less likely to have received a bachelor's degree (19 percent versus 33 percent). That college graduation gap nearly disappears among veterans in the 35 to 44 age group.

For most age and sex groups, employment status did not vary much based on veteran status. However, male veterans age 18 to 24 were somewhat more likely to be employed than

were their nonveteran counterparts. Veterans of Gulf War era II were more likely to be employed than were veterans from World War II, the Korean War, and the Vietnam era, but that simply reflects the fact that so many veterans from these eras have reached retirement ages.

Veterans of Gulf War era II who served in combat or war zones had employment rates that were similar to those of veterans of the era who did not serve in combat or war zones, according to August 2009 data from the CPS veterans supplement survey. Noncombat veterans of World War II, the Korean War, and the Vietnam era had a somewhat higher share of their population in employment than did those who had served in a combat or war zone, but that is likely the result of the combat veterans being somewhat older.

The Committee also asked about unemployment rates for female versus male veterans. In 2009, there was no statistically significant difference between the unemployment rates for female and male veterans, as the rates were 8.0 and 8.1 percent, respectively. The jobless rates for female and male veterans of Gulf War era II were not statistically different either, 11.5 percent versus 9.9 percent. (The standard error for the unemployment rate of female Gulf War-era II veterans is large because of the relatively small size of this group.)

Recent press reports have noted the high unemployment rate for 18 to 24 year old male Gulf War era II veterans, 21.6 percent in 2009. This is slightly higher than the rate for male nonveterans of that age. The jobless rates for both groups have about doubled since 2007, reflecting the impact of the recession. A sharp rise also occurred in the unemployment rates for older male Gulf War era II veterans, although their rates are lower than those of their young counterparts.

In August 2009, about 2.8 million veterans, or 13 percent of the total, reported having a service-connected disability. Veterans with a service-connected disability are assigned a disability rating by the U.S. Department of Veterans Affairs. Ratings range from 0 to 100 percent, in increments of 10 percentage points, depending on the severity of the condition. According to the CPS, about 4 in 10 disabled veterans reported a disability rating of less than 30 percent, while about 1 in 4 had a rating of 60 percent or higher.

Among veterans who served during Gulf War eras I and II (anytime since August 1990), about 20 percent reported having a service-connected disability in August 2009. The unemployment rate of disabled veterans from the Gulf War eras was 10.4 percent, not statistically different from the rate for nondisabled veterans (9.7 percent). But the effect of their disability tends to reveal itself in *employment* measures, more so than *unemployment*. Of the disabled Gulf War era veterans, 71 percent were employed, compared with 82 percent of nondisabled veterans from this period. (This discussion of service-connected disability looks at Gulf War eras I and II combined in order to increase the statistical reliability of the estimates.)

Veterans are more likely to work for the federal government than are nonveterans. In August 2009, almost 20 percent of employed veterans with a service-connected disability worked for the federal government, as did about 8 percent of veterans without a service-connected disability. By comparison, only 2 percent of nonveterans worked for the federal government. Younger male Gulf War II era veterans (those 25 to 34) are more likely than their nonveteran counterparts to work in service occupations and in construction, maintenance, and production jobs, and less likely to work in professional jobs and in sales and office occupations.

Veterans in the 35-to-44 age group are more likely to be professionals and managers than their younger counterparts.

Finally, I would like to note that Gulf War-era II veterans who were current or past members of the Reserve or National Guard had an unemployment rate of 10.6 percent in August 2009, compared with a rate of 13.8 percent for those who had not been members. That difference is largely related to the older age profile of the Reserve and Guard veterans.

My colleagues and I now would be glad to answer your questions.

Slides, including charts, submitted with this Statement are available online at

<http://www.bls.gov/cps/demographics.htm#vets>.