



Veterans' Employment

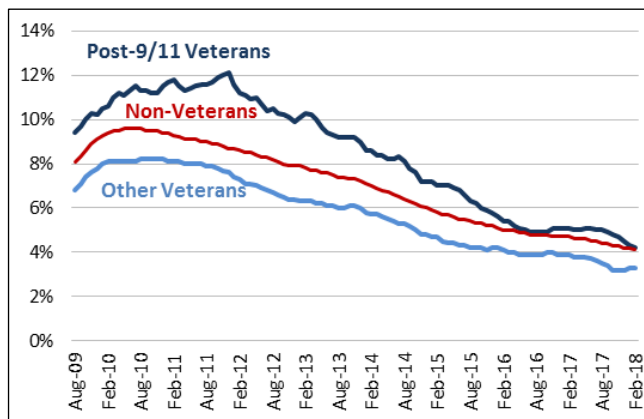
Veterans' employment outcomes are a topic of ongoing congressional interest. This In Focus provides a summary of the recent performance of former members of the Armed Forces in the civilian labor market and brief descriptions of major federal programs and policies that support veterans' employment.

Performance of Veterans in the Labor Market

Veterans account for about 6% of the civilian labor force. Approximately one-third of veterans in the labor force served after September 2001 ("Post-9/11 veterans") and the remaining two-thirds served in prior periods.

Figure 1 shows trends in the unemployment rate for Post-9/11 veterans, veterans from prior service periods, and nonveterans since 2009. During this period, Post-9/11 veterans typically reported a higher unemployment rate than non-veterans and veterans from other service periods. In recent years, the unemployment rates of non-veterans and Post-9/11 veterans have begun to converge. The similar trends of the three populations in **Figure 1** illustrate the relationship between veterans' employment outcomes and the broader labor market.

Figure 1. Unemployment Rates for Post-9/11 Veterans, Other Veterans, and Non-veterans



Source: Bureau of Labor Statistics, Current Population Survey, data through March 2018.

Notes: Data reflect moving average for 12-month period ending the month on the horizontal axis. Some of the dynamism of the rate of Post-9/11 veterans may be due to small sample sizes and sampling error.

The reduction in the unemployment rate of Post-9/11 veterans may be due to a number of issues. It may reflect veterans benefitting from an improved labor market or the success of programs described in this report. The decline of the unemployment rate for Post-9/11 veterans may also be attributable to changes in the makeup of the Post-9/11 veteran population. Over the course of the period presented

in **Figure 1**, veterans who were discharged shortly after September 2001 became more experienced workers, and more experienced workers tend to have lower unemployment rates. Similarly, newly discharged veterans increased the size of the Post-9/11 veteran population each month, but the recently discharged portion of the population (which typically has higher unemployment rates) became a smaller portion of the overall Post-9/11 veteran population.

Overview of Veteran Employment Programs

The remainder of this report describes major federal programs that support veterans in the civilian labor market. Federal programs that target smaller subsets of veterans, such as the Homeless Veterans Reintegration Program, are not included. In addition to federal efforts, there are substantial state, local, and private initiatives that support veterans' employment outcomes but are beyond the scope of this report.

The programs described in this report require veteran status as a condition of eligibility, though specific eligibility criteria vary. Some programs may only be available to veterans who served for a minimum duration, served during a specific period, or meet other criteria.

In many cases, veterans who qualify for programs described in this report may also be eligible for benefits that are available to the general public on the basis of income or other characteristics. For example, low-income veterans who pursue higher education with GI Bill benefits may be eligible for Pell Grants in addition to any veteran-specific education benefits.

From a budgetary perspective, the largest investments that support veterans' entry into the civilian labor market are education benefits. In FY2017, the GI Bills provided more than \$12 billion in payments to or on behalf of veterans. The largest portion of this funding was for the Post-9/11 GI Bill, though veterans also received education benefits under other programs.

Due to the integration of some veterans' employment programs with other government functions, it is difficult to estimate the total costs of non-education interventions. By most estimates, however, federal funding for veteran education benefits is substantially greater than aggregate funding for non-education employment interventions.

Transition Assistance Program for Exiting Members of the Armed Forces

Servicemembers who are separating or retiring from the Armed Forces are required to participate in the Transition Assistance Program (TAP). TAP includes five days of classroom-based instruction, including an employment

workshop facilitated by the Department of Labor. Depending on the veterans' post-separation plans, TAP has separate tracks for higher education, career technical training, and entrepreneurship. For more information, see CRS In Focus IF10347, *Military Transition Assistance Program (TAP): An Overview*, by Kristy N. Kamarck.

Resources for Veterans Seeking Immediate Employment

Several programs and policies provide assistance to veterans who are seeking employment without obtaining additional education or training.

Individualized career services. Veterans can receive job search assistance and other career-related services through local American Job Centers (AJCs, also known as the One-Stop Career Centers). AJCs are a network of state and locally run facilities that administer and coordinate federally funded employment and training programs. The specific services provided by each AJC are tailored to the needs of local labor markets. There are approximately 2,500 AJC locations nationwide.

Many AJCs have specialized veteran-serving personnel funded through the federal Jobs for Veterans State Grant program. These specialized personnel can provide veterans with individualized career services as well as referral to other federal, state, and private resources. Veterans receive priority of service at all AJCs, providing streamlined access to services. For more information on the AJC network, see CRS Report R43301, *Programs Available to Unemployed Workers Through the American Job Center Network*, by Benjamin Collins, David H. Bradley, and Katelin P. Isaacs.

Translation of military experience and training. The federal government sponsors several skills translators and occupational crosswalks to assist former members of the Armed Forces in identifying civilian occupations and credentials related to their military service. (For example, see <https://www.mynextmove.org/vets/>.) Occupational licensure tends to be a state and local issue and the aforementioned AJC staff can advise veterans on the local transferability of military experience and training.

Federal employment. Veterans who are seeking employment with the federal government may be eligible for preference in the hiring process. In some cases, qualified veterans may be eligible for direct appointment to certain positions without going through the competitive hiring process. There are several forms of preference, depending on the timing and nature of a veteran's service. Veterans with service-connected disabilities generally receive the strongest preference. For more information, see CRS Report R44652, *Federal Government Employment: Veterans' Preference in Competitive Examination*, by Benjamin Collins.

Tax credits for employers. The Work Opportunity Tax Credit (WOTC) is available to employers that hire veterans

with certain characteristics (such as a qualified period of unemployment or receipt of disability compensation). The WOTC is calculated as a percentage of the qualified veterans' earnings, up to a maximum. For more information, see CRS Report R43729, *The Work Opportunity Tax Credit*, by Benjamin Collins and Sarah A. Donovan.

Resources for Veterans Seeking Education and Training

Veterans may pursue higher education or occupational training to assist them in the labor market. Several educational assistance programs (GI Bills) are available to veterans to assist with education-related expenses.

Post-9/11 GI Bill. The most commonly used program for recent veterans is the Post-9/11 GI Bill. For qualified veterans, the Post-9/11 GI Bill provides up to 36 months of full-time tuition assistance and housing allowances. The Post-9/11 GI Bill is most frequently used to support postsecondary education, but it can also support apprenticeship, vocational courses, or other training programs. For more information, see CRS Report R42755, *The Post-9/11 Veterans' Educational Assistance Act of 2008 (Post-9/11 GI Bill): A Primer*, by Cassandra Dortch.

Other education benefits. Former reservists and other veterans who do not qualify for the Post-9/11 GI Bill may qualify for education benefits under other GI Bill programs. For more information, see CRS Report R42785, *GI Bills Enacted Prior to 2008 and Related Veterans' Educational Assistance Programs: A Primer*, by Cassandra Dortch.

Vocational Rehabilitation and Employment Program for Veterans with Service-Connected Disabilities

The Vocational Rehabilitation and Employment (VR&E) program is a somewhat versatile program for veterans with a service-connected disability and qualified employment handicap. Depending on a veteran's needs and employment goals, the VR&E program can provide services that focus on immediate employment or benefits to support longer-term education and training. For more information, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Benjamin Collins.

Resources for Veterans Starting a Business

The Small Business Administration (SBA) has a variety of programs to assist veterans with developing and managing a small business, financing a small business, and acquiring federal contracts. For more information, see CRS Report R42695, *SBA Veterans Assistance Programs: An Analysis of Contemporary Issues*, by Robert Jay Dilger and Sean Lowry.

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