

## Veterans' Employment

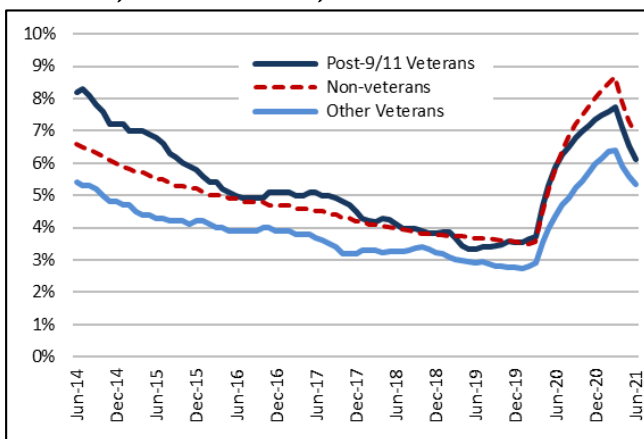
Veterans' employment outcomes are a topic of ongoing congressional interest. This In Focus provides a summary of the recent performance of former members of the Armed Forces in the civilian labor market and brief descriptions of major federal programs and policies that support veterans' employment.

### Performance of Veterans in the Labor Market

Veterans account for about 6% of the civilian labor force. Approximately 40% of veterans in the labor force served after September 2001 (*Post-9/11 veterans*) and the remainder served in prior periods.

**Figure 1** depicts the 12-month moving average unemployment rate for Post-9/11 veterans, veterans from prior service periods (shown as "other veterans"), and non-veterans for the seven-year period ending in June 2021. The similar trends of the three populations illustrate the relationship between veterans' employment outcomes and the broader labor market. All three populations experienced a decline in their unemployment rates during the initial period depicted in the figure. Similarly, all three groups experienced a sharp increase in unemployment at the beginning of the COVID-19 pandemic, followed by a decline.

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



**Source:** Bureau of Labor Statistics, Current Population Survey, data through June 2021.

**Notes:** Data reflect moving average for 12-month period ending the month on the horizontal axis.

Early in the period depicted in **Figure 1**, Post-9/11 veterans had a higher unemployment rate than non-veterans. More recently, the unemployment rate of Post-9/11 veterans has converged with and, in some instances, fallen below that of non-veterans. Veterans from prior periods consistently had an unemployment rate below both Post-

9/11 veterans and non-veterans during the period depicted in the figure.

### 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 (these initiatives are beyond the scope of this report).

The programs described target veterans, 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 FY2020, the veterans' education programs provided more than \$11 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) under 10 U.S.C. Sections 1142 and 1144. TAP includes a combination of pre-separation counseling and five days of classroom-based instruction, including an employment workshop facilitated by the Department of Labor (DOL). Depending on the veteran's post-separation plans, TAP offers additional workshops in preparation for higher education, vocational training, and/or entrepreneurship.

## 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 careers 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 2,400 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 qualified 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. DOL has also commissioned several studies and administered grants to facilitate states' recognition of military skills and experience in facilitating occupational licensing processes.

**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. The maximum credit is determined by the veterans' specific characteristics and employment history. 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 educational assistance program for veterans is the Post-9/11 GI Bill (servicemembers are the primary recipients, though dependents are also eligible). 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 GI Bill: A Primer*, by Cassandra Dortch.

**Other education benefits.** Veterans may also be eligible for other GI Bills and programs designed to support short training programs linked to employer needs. For more information, see CRS Report R42785, *Veterans' Educational Assistance Programs and Benefits: A Primer*, by Cassandra Dortch.

## Veteran Readiness and Employment Program for Veterans with Service-Connected Disabilities

The Veteran Readiness 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. Veterans who participate in long-term training can receive a subsistence allowance while in training. For more information, see CRS Report RL34627, *Veterans' Benefits: The Veteran Readiness 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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**Benjamin Collins**, Analyst in Labor Policy

**IF 10490**

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