



**Office of the Assistant Secretary for Policy (OASP)
Policy Research Paper**

**Young Veteran Unemployment
A Comparison of Veterans and Nonveterans and Review of Possible Causes of High
Unemployment among Young Veterans**

**U.S. Department of Labor
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Introduction

The unemployment rate among young Gulf War II veterans (those serving from September 2001 to the present) ages 18-24 has consistently been higher than their nonveteran counterparts over the last decade. One rational explanation for this disparity is that compared to nonveterans who had time to enroll in or complete college during the 18 to 24 years, young veterans delay or cut short their post-secondary education by enlisting in the military during these years. This paper examines the range of possible explanations for the relatively high unemployment rates among young veterans, including educational attainment and other factors.

Although many data sources use the 18-24 year-old range, it is assumed that a veteran would in most cases have served at least two years in the military (to be considered a veteran, an individual has to serve continually for 180 days, or six months, on active duty) and that the sample size for 18 and 19 year olds is too small to achieve statistical significance. Since the enlistment age for all services is generally 18, with the exception being 17 with parental consent, we assume the minimum age for most veterans is 20. Therefore, this paper presents data for 20-24 year-old veterans and nonveterans unless only 18-24 year-old data are available.

The two major conclusions of the research, as presented in this paper are: (1) while young veterans have higher unemployment rates than nonveterans upon immediate separation from the armed services, their unemployment rates decline to the point of being lower than their nonveteran counterparts within six months to one year of separation time from the armed services; and (2) reliable data are not available to provide a direct comparison of education attainment level between young veterans and nonveterans, although recent studies suggest that young veterans have similar educational attainment levels than their civilian counterparts.

Labor Force Analysis of Young Veterans

Information on the employment and unemployment status of veterans and nonveterans is obtained from the Current Population Survey (CPS), a monthly sample survey of about 60,000 households that provides data on employment and unemployment in the United States. Other Census Bureau datasets on veteran employment include the American Community Survey (ACS) and the Survey of Income and Program Participation (SIPP). However, these datasets either do not provide a breakdown for young veterans or do not provide the desired age breakdown for young veterans. In addition, the ACS does not permit an analysis of the transitions of veterans into employment, or the reasons for those transitions. CPS data on unemployment rates for all 20-24 year-old veterans and nonveterans from 1990-2012 is displayed in Table 1 below.

Historically, young veterans tend to have a slightly higher unemployment rate than young nonveterans, which is partly explained by the fact that young veterans are more likely to be in the workforce than nonveterans: young veterans have higher rates of labor force participation and employment-to-population ratios compared to young nonveterans. But as Table 1 also shows, there are two recent periods, 1991-1993 and 2004-2012, that reflect an even larger disparity between young veteran and young nonveteran unemployment.

Table 1

Labor force characteristics of veterans and nonveterans ages 20 to 24 years by sex, annual averages 1990-2012

Total, both sexes (Percent)

Year	Labor force participation rate		Employment-population ratio*		Unemployment rate	
	Veterans	Nonveterans	Veterans	Nonveterans	Veterans	Nonveterans
1990	85.3	77.6	77.0	70.8	9.7	8.8
1991	87.1	76.6	74.8	68.4	14.2	10.7
1992	87.1	76.9	74.3	68.3	15.0	11.2
1993	88.1	76.8	75.6	68.9	14.1	10.4
1994	87.7	76.6	77.6	69.3	11.1	9.5
1995	86.1	76.5	77.5	69.6	10.6	9.1
1996	85.8	76.8	76.8	69.7	9.8	9.3
1997	85.2	77.5	77.0	70.9	9.6	8.5
1998	85.2	77.4	77.3	71.3	9.5	7.9
1999	86.0	77.4	77.2	71.7	10.2	7.4
2000	87.3	77.7	80.1	72.1	8.0	7.2
2001	84.2	77.0	75.8	70.6	9.6	8.3
2002	84.8	76.3	75.3	68.9	11.2	9.6
2003	84.5	75.3	75.1	67.7	11.0	10.0
2004	81.5	74.9	70.4	67.9	13.6	9.4
2005	77.1	74.6	65.1	68.1	15.6	8.7
2006	80.9	74.5	72.5	68.4	10.4	8.1
2007	81.4	74.3	72.1	68.3	11.3	8.1
2008	81.2	74.2	70.2	66.7	13.5	10.1
2009	78.3	72.9	61.7	62.2	21.2	14.6
2010	74.5	71.4	59.2	60.4	20.6	15.4
2011	71.8	71.3	50.3	61.0	29.9	14.4
2012	75.3	70.9	59.8	61.5	20.6	13.2

* Employment-population ratio calculated from rounded employment and population levels for 1990-2005 data.

NOTE: Veterans are men and women who served on active duty in the U.S. Armed Forces and were not on active duty at the time of the survey. Nonveterans never served on active duty in the U.S. Armed Forces.

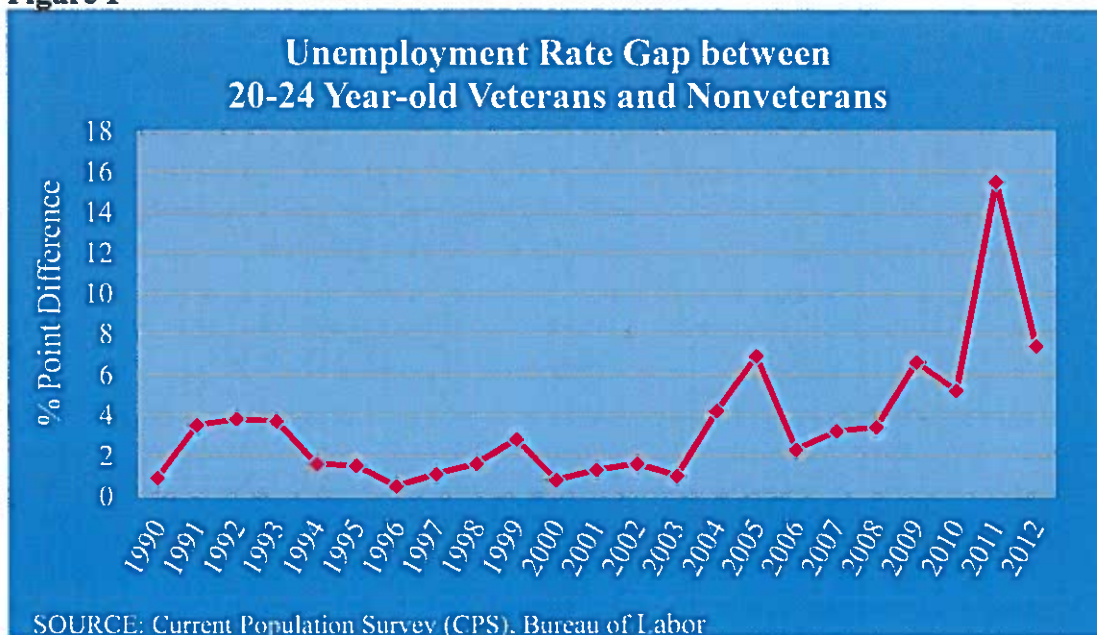
SOURCE: Current Population Survey (CPS), Bureau of Labor Statistics

The unemployment rates for veterans compared to nonveterans were on average 3.6 percentage points higher for the 1991-1993 time period. During this time, the country was coming out of a recession (July 1990-March 1991) and engaged in the first Iraqi conflict, Operation Desert Shield/Desert Storm. Although the military call-up of Reservists and National guardsmen in August and November 1990 was only for 90 days and 180 days respectively, the January 1991 call-up of up to 1 million Reservists and Guardsmen extended the commitments to up to two years. Even though the conflict lasted a very short time, post-conflict activities continued for several years during which time Reservists, Guardsmen and regular active duty personnel, cycled through and exited the military. This is perhaps one explanation for the higher veteran unemployment rates during this 1991-1993 time period.

A similar pattern emerged during the post 9/11 time period also shows high unemployment rates for 20-24 year-old veterans, as compared to their nonveteran counterparts. From 2001 to 2004 there was a significant increase in active duty forces sent to Iraq and Afghanistan and call-up of Reservists and National guardsmen. We see the effects of this build-up in the comparable unemployment rates for veterans and nonveterans during this period, and then a substantial increase in the veteran unemployment rates from 2004-2012, (with perhaps the exception of 2006), when increasing numbers of personnel exited the military. As Table 1 shows, the rates during this time period ranged from a low of 10.4 percent in 2006 to as high as 29.9 percent in 2011, which were much higher than the corresponding rates for nonveterans in the same age group.

Figure 1 shows the percentage point gap in unemployment from 1990-2012 between veterans and nonveterans.

Figure 1



As Figure 1 indicates, the gap in the 2004-2012 time period averaged 6.1 percentage points with a high of 15.5 percentage points in 2011 and a low of 2.3 percentage points in 2006. Similar to the 1991-1993 period, the pre-2004 period would have been seen as the build-up in military personnel for both the Afghanistan and Iraqi conflicts. The periods after 2004 would then have seen the beginning of the military personnel separations from these conflicts.

In addition to the wars, the nation also experienced a long and severe recession from December 2007-June 2009. This would help explain the increase in unemployment during this time period for both young veterans and young nonveterans. Two years into the recession the unemployment rate for young veterans nearly doubled and by 2011 it had nearly tripled. Over the same period young nonveterans also experienced substantial increases in rates of unemployment.

While there are disparities in unemployment rates between young veterans and nonveterans, it is worth noting there are fewer disparities in labor force participation rate and employment to population ratio. Young veterans generally have a higher labor force participation rate than their non-veteran counterparts. From 2004 to 2008, labor force participation rates for young veterans averaged 80.4 percent per year. From 2009 to 2012 the annual average dropped to 75 percent, while unemployment rates climbed or held steady. Those dropping out of the labor force are likely taking advantage of education benefits, as discussed in more detail below, while others may be dropping out due to disabilities or have given up looking for work.

While young veterans clearly have higher unemployment rates than their nonveteran counterparts, the data look very different when considering length of time since separation from the military. As Table 2 shows, unemployment rates decline for young veterans as they move further away from the time of discharge. These data from the National Longitudinal Survey of Youth 1997, show a steady decline in the percent of 18-24 year-old veterans who are unemployed. Based on these two patterns, with each additional month of separation, a higher percentage of young veterans are finding jobs. At six months from separation, the percent of young veterans who are unemployed is reduced by almost half, while the percent no longer in the labor force is reduced by two-thirds. At 12 months and 24 months since separation, the percent of veterans unemployed and the percent not in the labor force both continue to decline, reaching lows of 5.6 percent unemployed and 10.4 percent no longer in the labor force for veterans with 24 months since separation.

This view of the data indicates that the higher unemployment rates among veterans compared to nonveterans is not persistent over time, but rather a short term trend upon initial separation from the military. There is not a comparison similar to “months since separation” for nonveterans (although, as discussed below, a study from 2008 attempted to build a comparison group of nonveterans in transition between jobs). However, according to the CPS, the lowest unemployment rate for young nonveterans over the last 20 years was 7.2 percent (in 2000), which is more than 1.5 percentage points greater than the unemployment rate for young veterans two years after separation from the Armed Services.

Table 2

Labor Market Activity of Young Veterans			
Percent of veterans ages 18 to 24 in 1998-2008			
Number of months since separation from the Armed Forces	Employed	Unemployed	Not in the labor force
1	42.2	23.8	34.0
2	51.0	21.6	27.4
3	58.4	18.6	23.0
4	60.5	15.9	23.6
5	65.4	14.9	19.7
6	65.1	12.5	22.3
7	69.9	11.2	18.9
8	68.6	11.3	20.1
9	69.5	11.9	18.6
10	71.7	11.2	17.1
11	74.8	10.0	15.2
12	78.6	8.7	12.7
13	79.4	7.5	13.0
14	78.4	7.5	14.1
15	75.8	7.2	17.0
16	78.3	7.6	14.1
17	75.5	8.1	16.3
18	79.0	6.0	15.0
19	76.6	9.9	13.5
20	80.9	6.4	12.8
21	82.0	7.1	10.9
22	80.8	7.0	12.2
23	82.5	4.9	12.5
24	84.0	5.6	10.4

Source: National Longitudinal Survey of Youth 1997

Educational Attainment Analysis of Young Veterans

Educational attainment is a possible explanation for the higher unemployment rate for 20-24 year-old veterans compared to 20-24 year-old nonveterans. The explanation is based on an assumption that due to their enlistment in the Armed Services, young veterans delay enrollment in college, and as a result, nonveterans have higher post-secondary educational attainment levels than veterans in the 20-24 age group. However, reliable data do not exist to support this assumption.

Education requirements for enlistment in any branch of the military are broken into three categories:

Tier I: Applicants have a high school diploma, or at least 15 college credits. This means a high school diploma, not a GED.

Tier II: Applicants have a GED, home study, Certificate of Attendance, Alternative/Continuation high school, Correspondence School Diplomas, and Occupational Program Certificate (Vo/Tech). The Services limit the number of recruits they will accept from Tier II. Rather, a Tier II candidate is encouraged to obtain 15 college credits to be qualified as a Tier I candidate.

Tier III: Applicants who are not attending high school and are neither high school graduates nor alternative credential holders. The Services almost never accept recruits from Tier III.¹

Over the last several years, each of the services has enlisted their highest-quality recruits since the 1970s when the draft was discontinued.² It is important to note that this military is a volunteer military, and yet 90-99 percent of all recruits now have a high school diploma.³ Applicants with GEDs are now often not accepted and instead, encouraged to obtain college credits.

This higher educational attainment appears to be supported by 2009 CPS data. Table 3 compares the educational attainment of Gulf War II veterans with nonveterans. While this dataset offers useful educational attainment comparisons, it has serious limitations. Specifically, the data are for all veterans since 2001, not just 20-24 year-olds. CPS data on educational attainment for just the 20-24 year-old veteran population is unpublished and not reliable, as the sample size is too small. Therefore, when reviewing these data, it is important to keep in mind that Gulf War II

¹ Rod Powers, "US Military Enlistment Standards," About.com US Military, <http://usmilitary.about.com/od/joiningthemilitary/a/eneducation.htm> (accessed 21 June 2013).

² Annalyn Kurtz, "Getting into the military is getting tougher." CNNMoney, <http://money.cnn.com/2013/05/15/news/economy/military-recruiting/index.html> (accessed 5 June 2013)

³ Ibid.

veterans would tend to be younger than nonveterans and similarly more educated, as younger generations in general have higher educational attainment levels than older generations.

Table 3

Educational Attainment by Veteran Status				
Percent distribution				
Veteran status	Less than a high school diploma	High school graduate, no college	Some college or associate degree	College graduate
Nonveterans	14.3	30.8	27.6	27.2
Gulf War II Veterans	1.5	29.2	45.9	23.4
Source: Current Population Survey, annual averages 2009				

Those veterans versus nonveterans with less than a high school diploma, 1.5 percent and 14.3 percent respectively, would seem to refute the contention that military veterans are less educated than nonveterans as an explanation for the higher unemployment rates among veterans. As Table 3 also shows, the biggest gap in educational attainment between Gulf War II veterans and nonveterans (45.9 percent and 27.6 percent respectively) was among those with some college or associate's degree. However, these data cannot be used to draw definitive conclusions about the educational attainment of veterans compared to nonveterans since, as stated above these data cannot be compared by like age groups.

BLS has unpublished data from the CPS that compares educational attainment level of veterans and nonveterans by age. BLS does not publish these data because the sample size by age group is very small and thus has very large standard errors. With that said, according to the unpublished BLS data for the 20 to 24 year old age group, the annual monthly average in 2012 of nonveterans with college degrees was 16.3 percent, compared to veterans with college degrees at just 4.2 percent. While these data would indicate that young nonveterans have higher educational attainment levels than young veterans, there is a significant caveat in that the total sample size for nonveterans in this age group was 15,247, while the sample size for veterans was only 215, indicating the need for using severe caution when comparing these figures.

Using the National Longitudinal Survey of Youth 1997, Table 4 addresses the college enrollment of 18-24 year-old veterans from 1998-2008 by month of separation.

Table 4

College Enrollment of Young Veterans	
Percent of veterans ages 18 to 24 in 1998-2008	
Month Since Separation	Enrolled in college
1	15.0
2	16.6
3	19.0
4	21.3
5	22.3
6	20.6
7	18.4
8	17.3
9	18.4
10	17.5
11	17.8
12	20.2
13	20.9
14	21.2
15	21.7
16	23.8
17	24.4
18	22.8
19	22.1
20	23.4
21	23.1
22	24.1
23	23.5
24	24.9

Source: [National Longitudinal Survey of Youth 1997](#)

During the first month of separation from the military, the college enrollment of 18-24 year-old veterans was 15 percent; at 12 months 20.2 percent; and at 24 months, 24.9 percent. The availability of the Post 9/11 GI Bill has likely had a positive impact on the college enrollment of veterans. Veterans who have served at least 90 aggregate days on active duty after September 11, 2001, or were honorably discharged from active duty with a service-connected disability after

servicing 30 continuous days following September 10, 2001, may be eligible for tuition and fees to a school, a monthly housing allowance, as well as a books and supplies stipend of up to \$1,000 per year.⁴ So, just as rates of employment and labor force participation among young veterans increase with successive months since separation from the Armed Services, as discussed in Table 2, college enrollment rates also increase.

Potential Factors for Veteran Unemployment Other Than Educational Attainment

Since reliable data comparing the educational attainment of 20-24 year-old veterans and nonveterans is not available, a definitive conclusion about whether or not educational attainment is a leading factor affecting the disparity among veteran and nonveteran unemployment rates among this cohort is not possible. However, certain facts regarding the educational attainment of 20-24 year-old veterans and nonveterans are known.

Today's era of military recruits have high school diplomas as well as in many cases, some college. In addition, veteran enrollment in college increases with time since separation, most likely due to the availability of the GI Bill. Therefore, in trying to understand the higher unemployment rates among 20-24 years-old veterans compared to their civilian counterparts, a look beyond education and into the options available to veterans after separation, is warranted.

One important factor to consider is financial flexibility. Unlike civilians who find themselves unemployed and perhaps urgently seeking employment in order to make ends meet, many veterans may not share the same urgency. In fact, young veterans who have been deployed several times in their rather short careers may have the desire and means to take time off before going to work or to school. Young veterans may have more of a financial cushion than their nonveteran counterparts, in the forms of paid leave and unemployment insurance. Veterans who served extended periods of time in the military are likely to accrue paid leave time that they did not have a chance to fully use while in the military and that can be applied upon their separation from service. Such paid leave gives veterans an initial source of income upon their military discharge.⁵

The ability to collect unemployment insurance, known as Unemployment Compensation for Ex-servicemembers, or UCX, can also play a role in veterans' initial employment status after separation. Veterans collecting unemployment insurance can continue doing so while they decide whether or not to go to school, while they research schools, decide what to study, apply to schools and wait for classes to start, a process that can take several months.

Taking this time before seeking employment or enrolling in school, while not officially dropping out of the labor force, also tends to inflate the young veteran unemployment rates. Table 5 displays the unemployment benefits exhaustion rates for veterans and nonveterans of all ages and

⁴ Department of Veterans Affairs, "Post 9/11 GI BILL It's Your Future", Veterans Benefits Association, May 2012.

⁵ "The Real Story behind Veteran Unemployment Rates: Perception vs. Reality", G.I. Jobs, <http://www.gijobs.com/the-real-story-behind-veteran-unemployment-rates.aspx> (accessed 8 July 2013).

shows a significant increase in the veteran exhaustion rates from 2008 to the present, indicating that veterans of all ages, including young veterans, are remaining unemployed for longer periods of time.

Table 5

Unemployment Exhaustion Rates for Veterans and Nonveterans						
		Exhaustion Rate	Exhaustion Rate	Annual Exhaustees		
		Regular UI	UCX	Regular UI	UCX	
2002	Q4	42.6	43.8	4,421,750	17,963	
2003	Q4	43.4	47.2	4,416,574	22,734	
2004	Q4	39.0	46.8	3,531,535	31,055	
2005	Q4	35.9	45.9	2,855,810	33,783	
2006	Q4	35.3	43.3	2,676,729	31,176	
2007	Q4	35.6	43.3	2,670,579	27,306	
2008	Q4	41.5	47.4	3,425,068	26,712	
2009	Q4	55.3	60.2	7,530,212	38,514	
2010	Q4	53.4	65.0	6,365,048	55,224	
2011	Q4	48.8	63.7	4,837,275	57,288	
2012	Q4	47.2	64.8	4,227,891	59,334	

Source: Bureau of Labor Statistics, provided by Office of Management and Budget

Some young veterans upon separation have not decided what they wish to do next. This may be because they have been too busy to focus on their next career move. For some, separation occurs within 60 days or so of return from deployment with no transition planning. This can be especially challenging for young veterans whose first true work experience was the military and upon separation are faced with their first real job search with little to no practice conducting job searches, writing and submitting résumés, and going on interviews.⁶

Compounding the fact that the younger demographic typically has more trouble finding employment is that this is perhaps one of the first generations of business leaders that largely did not serve in the military. In 1980, 59% of CEOs of large publicly held corporations had served in

⁶ "The Real Story behind Veteran Unemployment Rates: Perception vs. Reality", G.I. Jobs, <http://www.gijobs.com/the-real-story-behind-veteran-unemployment-rates.aspx> (accessed 8 July 2013).

the military. In 2012, only 8% of CEOs of these firms had a military background.⁷ This could pose cultural barriers to understanding how military skills and experience could translate to increasing the profitability of the businesses. In addition, many young veterans return home ready to continue the jobs they had in the military only to find that they need additional training in the job they have been doing in the military to meet the requirements for a civilian license or certificate.⁸

Many of the options open to veterans upon separation are now recognized and in fact many are being addressed in the newly redesigned, mandatory Transition Assistance Program (TAP). Attendance at TAP is now required for all separating military personnel. The goal of the new TAP is to ensure that all separating service members are career ready. TAP is focused around a Goals, Plans, and Success or GPS Transition. The GPS Transition provides three areas of counseling (pre-separation, career and education, VA benefits), information, skills building and assistance.

Each separating service member develops an Individual Transition Plan (ITP) documenting their personal goals as well as their employment, entrepreneurial, education or technical training goals with accompanying actions and milestones. The separating service member also develops a financial plan. A Military Occupational Code (MOC) crosswalk between military skills and experience converted to civilian knowledge skills and abilities is now part of the TAP curriculum. This crosswalk is critical and enables separating service members to document the requirements necessary for civilian certification, licensure and/or apprenticeship, taking the surprise or uncertainty out of what is required to continue their military specialties in the civilian labor market.

This, coupled with the new education, technical training and entrepreneurship tracks of TAP, allow separating service members to investigate and select the path they wish to pursue upon separation. As a final component of the separating service members' TAP experience, a Capstone event occurs no later than 90 days prior to separation to verify that the Service member has met his/her individual career readiness standards through the ITP.

The full implementation of the new TAP GPS and its mandatory requirement for all separating Service members is intended to assist in reducing young veteran unemployment rates, especially during the first six months upon discharge. Young veterans who successfully complete TAP should find themselves in a much stronger position than their civilian counterparts after such intensive employment workshops and the MOC to civilian crosswalk. Knowledge of the military to civilian requirements is designed to inform the veteran of what is required so certification/licenses may be pursued immediately, thereby possibly shortening the length of unemployment.

⁷ Efraim Benmelech and Carola Frydman, "Military CEOs", Harvard University, April 2012.

⁸ Tom Tarantino, "The Ground Truth on Veterans' Unemployment," Time.com, <http://nation.time.com/2013/03/22/the-ground-truth-about-veterans-unemployment> (accessed 5 June 2013).

University of Chicago Study on Labor Market Outcomes for Young Veterans

The most recent comprehensive study comparing young veterans and nonveterans is a 2008 National Opinion Research Center (NORC) University of Chicago report, *The Labor Market Outcomes of Veterans*. This study was commissioned by the Department of Labor's Veterans' Employment and Training Service (VETS).

The study examined the labor market outcomes, such as employment, labor market participation, unemployment, and earnings of veterans 20-24 years old, compared to similar civilians. In order to determine whether the experiences of discharged veterans were similar to civilians, the study created three comparison groups, the first two of which included civilians going through a transition period, similar to discharged service members.

- Comparison group 1 consisted of civilians who had completed their longest period of continuous employment (at least 13 weeks) and were **unemployed at the time** of the study.
- Comparison group 2 consisted of civilians who had completed their longest period of employment with any employer and who **left a job they had held for a substantial period** of time, making them not necessarily unemployed at any point since they could have chosen to drop out of the labor force or gone immediately to a different job.
- Comparison group 3 consisted of a **random sample** of civilians at a particular date, making them most like a Current Population Survey sample.

The results of the study compare labor market outcomes for only Comparison groups 1 and 2 over time. This provides a look at how different veterans' labor market experiences are relative to their civilian counterparts. Comparison group 3 showed almost no significant differences in any of the outcomes when veterans were compared with group 3 civilians. The following describes the study findings by Comparison group:

Comparison Group 1: Discharged veterans are much more likely to be employed, and much less likely to be out of the labor market than their civilian counterparts (those that had been employed at least 13 weeks and were unemployed). Discharged veterans are much more likely to qualify for unemployment insurance (UI) than civilians separating from their employers. Veterans may qualify for Unemployment Compensation for Ex-servicemembers (UCX), which provides them with some financial protection as they seek employment. Civilians on the other hand, who have had sufficient previous employment, only qualify for UI if they lose their jobs through no fault of their own, they cannot have quit or been fired. The use of unemployment insurance is much higher for discharged veterans in the months immediately subsequent to their discharge. However, the use of UI is no different for veterans than their civilian counterparts one year out. Young veterans were more likely to attend two-year colleges than civilians but have about the same propensity to attend four-year colleges. This results in veterans having an overall higher

likelihood of attending any college. (At the time of the NORC study, veterans were often entitled to the Montgomery GI Bill, a significant factor in the affordability of college.)

Comparison Group 2: Veterans were initially less likely to be employed than their civilian counterparts. After one year, veterans were about 10 percent more likely to be employed than their civilian counterparts. In addition, the veterans' propensity to be unemployed dropped sharply by month six, as did the propensity to be out of the labor force. Veterans were initially much more likely to receive unemployment insurance than their civilian counterparts, but the likelihood dropped dramatically to be indistinguishable from the civilians after 6 months. Veterans were only slightly more likely to attend a two-year college than their civilian counterparts, and unlike Group 1, veterans were much less likely to be enrolled in four-year colleges.

Comparison Group 3: There were no strongly significant differences in any outcomes when young veterans were compared to their civilian counterparts in this group.

Overall Findings: When 20-24 year-old veterans are compared to 20-24 year-old nonveterans who have similarly had a significant labor market transition:

- Discharged veterans are more likely to be employed, less likely to be out of the labor force than their civilian counterparts.
- Veterans are initially more likely to receive unemployment insurance benefits, but this difference does not persist six months after discharge.
- Veterans are more likely to be enrolled in two-year colleges, across both Comparison groups 1 and 2. Veterans are more likely to be enrolled in four-year colleges than Comparison group 1, but less likely than Comparison group 2.
- Veterans are more likely to be enrolled in government training programs.
- The earnings differential for veterans is significant and large when compared to Comparison group 2, but not significant when compared to Comparison group 1.
- Veterans are more likely to be employed by large firms and more likely to work in jobs that offer benefits, such as retirement and health insurance, than their civilian counterparts in any Comparison group.
- Veterans are more likely to be employed in public administration, professional services, construction and retail trade, and less likely to be employed in education and health services and the entertainment and accommodation industries than any of their civilian counterparts in any Comparison group.

Recommendations for Further Research

The “Labor Market Outcomes of Young Veterans” study, completed in September 2008 by the National Opinion Research Center (NORC) of the University of Chicago at the direction of the Veterans’ Employment and Training Service (VETS), appears to be the most thorough analysis of young veteran unemployment compared to the unemployment of their civilian counterparts. This study addressed many of the issues related to veterans and their ability to secure employment, including educational attainment and unemployment insurance.

A major finding of this study was that veterans are initially more likely to receive unemployment insurance benefits than their civilian counterparts, but this difference does not persist six months after discharge. Further, NLSY data show that six months after separation, the unemployment rate for 18-24 year-old veterans is nearly cut in half. But even with these indicators, young veteran unemployment, on the whole, continues to be greater than young civilian unemployment. Therefore, an update to the NORC study may be informative and beneficial towards developing successful mitigation strategies. However, the NLSY group used by NORC is no longer 18-24 years old, and there has been no new cohort studied, so a simple update would not be possible unless a new cohort is established.

In support of the research for this paper, VETS has been in conversations with NORC regarding possible future research. NORC has proposed two additional areas for consideration:

- National Longitudinal Survey of Youth (NLSY) Project - The 2008 study would be updated to include an additional module focused on veterans’ satisfaction with the Transition Assistance Program and any contact they have with state workforce or employment specialists since leaving the military, would be examined.
- American Community Survey/Longitudinal Employer and Households Data (ACS/LEHD) Project - Matching the large sample ACS and LEHD to administrative data would allow for the linkage of employer characteristics to the data. In addition, linkage to administrative data obtained from DOD to the LEHD records is possible. The use of administrative data from DOD would afford huge samples for analysis.

VETS is working in coordination with the Chief Evaluation Office (CEO) to determine if these or other options relating to the NORC study are worth pursuing.

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