

Easing the Squeeze on Veterans and Their Families

Democrats inherited one of the worst economic crises in our nation's history, a crisis that is putting extraordinary stress on millions of American families struggling to pay the bills and invest in their children's futures. The road to recovery will be long, but Congress has worked quickly with the Obama Administration to ease the pressure on working families by advancing an economic policy agenda aimed at restoring broad-based growth, reducing the high costs of health care, improving retirement security, and increasing prosperity for all Americans.

The Bush Legacy: The Squeeze on Veterans and Their Families

Falling Incomes, Rising Expenses

- Median annual income for veterans was just \$36,838 in 2007, the most recent year of available data.
- The average cost of college tuition at a four-year public university increased by 47 percent between 2000 and 2007.
- The average cost of full-time child care for one child in 2008 was \$6,094.

Disappearing Jobs

- 100,000 more veterans were unemployed in 2008 than in 2007, and this situation is likely to have worsened as the recession's impacts on the labor markets intensified through the first half of 2009.
- 573,000 veterans were unemployed in 2008, an increase of 21 percent since 2007. Unemployment amongst veterans of the post-9/11 military conflicts grew by nearly 34 percent between 2007 and 2008.
- The unemployment rate amongst young veterans of the post-9/11 conflicts is particularly high, at 14.1 percent in 2008.

Too Many Veterans Lived in Poverty in 2007

- Nationwide, nearly 23 million veterans (5.9 percent of the veteran population) lived below the poverty line in 2007.

Housing Crisis for Veterans

- In early 2008, foreclosure rates in military towns were increasing at four times the national average, because military families were prime targets for some predatory lenders. Nationwide, about 1 in 10 homes were under foreclosure in 2008, and the Joint Economic Committee estimates there will be 830,000 sub-prime foreclosures in 2009.
- Today, about 8 percent of veterans who have served since 9/11 are paying more than half of their income for housing, placing them at serious risk of homelessness. 56 percent of low-income veterans who rent their homes had housing affordability problems in 2005, the most recent year of available data.
- In 2007, almost 154,000 veterans were homeless on a given night, and about 300,000 veterans experience homelessness at some point over the course of a year. Veterans are over-represented in the homeless population; while veterans represent just one-tenth of the adult population, they comprise about one-third of the adult homeless population. While homeless vets are more likely than non-vets to be employed and highly-educated, they are twice as likely to be chronically homeless. In 2005, between 44,000 and 64,000 vets suffered from long-term or repeated homelessness.

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While the problems are enormous, the 111th Congress and the Obama Administration have worked swiftly to chart a course toward a stronger economic future. The American Recovery and Reinvestment Act is designed to turn our economy around, and it includes many provisions that will put money in veterans' pockets today and help them invest in their futures. It provides incentives for businesses to hire recently discharged unemployed veterans, and expands housing assistance for disabled veterans. In addition, the GI Bill for the 21st Century will ensure that the economic recovery includes our men and women in uniform. Democrats' FY2010 budget provides a blueprint for a policy agenda that invests in the economic well-being of Veterans and their families.

Putting money in the pockets of those who need it most.

The Making Work Pay Tax Credit, an extended Child Tax Credit and an expanded Earned Income Tax Credit are already putting money in the wallets of veterans and their families. A refundable Child Tax Credit and expanded saver's credit will provide a boost to millions saving for their families' futures.

Investing in our veterans and their families through job training and education.

Democrats restored the promise of a full, four-year college education for Iraq and Afghanistan veterans, making them part of the economic recovery. Congress authorized tuition assistance and training opportunities for military spouses seeking careers that can be maintained as they move from station to station, and made unused educational benefits transferable to spouses and children.

Expanding relief and homeownership opportunities for returning veterans.

Stabilizing the housing market is central to restoring the American economy, and Democrats have worked quickly to put in place policies that will help veterans hurt by the mortgage crisis, including prohibiting home foreclosures for nine months after military service; providing a much-needed increase to the VA home loan limit; enabling more veterans to refinance their existing high-risk loans through VA home loans; and making thousands of veterans eligible for low-interest loans. Together with the newly-passed Helping Families Save Their Homes Act of 2009, these critical actions will halt the steep decline in home prices and keep the dream of homeownership alive for America's military families.

Providing veterans with affordable quality health care.

Democrats moved quickly to increase veterans' health care funding, establish a series of preventive health care projects, waive co-payments for preventive services for all TRICARE beneficiaries, and protect military families from increases in TRICARE co-pays and deductibles. The Democratic Congress has restored over \$1 billion in military health care funding to continue to provide medical services to military families and their service members.

Sources: U.S. Census Bureau; Kaiser Family Foundation; National Association of Child Care Resource & Referral Agencies; College Board, Bureau of Labor Statistics; Iraq and Afghanistan Veterans of America; Government Accountability Office; JEC calculations from the Survey of Consumer Finances, the Mortgage Bankers Association's National Delinquency Survey, the Bureau of Labor Statistics, and Global Insight.