

MAY 24, 2012

Memorial Day 2012: Combatting High Unemployment Among Young Veterans

As Americans pause this weekend to remember those who died defending our country and honor those who serve in the Armed Forces, past and present, this report examines the employment experience of the nation's youngest veterans. The unemployment rate for Post-9/11 veterans, men and women who have served since the attacks of September 11, 2001, remains unacceptably high. The jobless rate is especially high for the youngest of these veterans, those between the ages of 18 and 24, with nearly one-third out of work. The Great Recession took a tremendous toll on the labor market, and the weak job market may have made the steady job and pay check that come with a military career more enticing to young Americans graduating from high school and college in recent years. Since 2008, each military service, including nearly all of their reserve components, has either met or exceeded its annual recruitment goal.¹ However, the withdrawal of troops from Iraq and Afghanistan and the associated troop reductions in each branch of service will make it increasingly difficult for young veterans to reenlist, forcing many into the still-recovering civilian labor market. Although the economy continues to improve, many young veterans will face an uphill battle to find a civilian job.

REPORT BY
THE U.S. CONGRESS JOINT ECONOMIC COMMITTEE CHAIRMAN'S STAFF
Senator Bob Casey, Chairman

Unemployment for Recent Veterans Remains High

Men and women who have served in the Armed Forces since September 2001 continue to experience unemployment at an unacceptably high rate. While the unemployment rate among individuals who are not veterans is 8.7 percent, the unemployment rate for Post-9/11 veterans is 12.1 percent.² (See **Figure 1**.) Moreover, the unemployment rate for these veterans increased more than 0.5 percentage point between 2010 and 2011, while the unemployment rate for non-veterans decreased 0.7 percentage point over the same period.³

Among the youngest veterans, those age 18 to 24, who comprise 12.5 percent of the Post-9/11 veteran population, the unemployment situation is even more dire—nearly one-third of these men and women are unemployed.⁴ In general, younger workers are experiencing higher rates

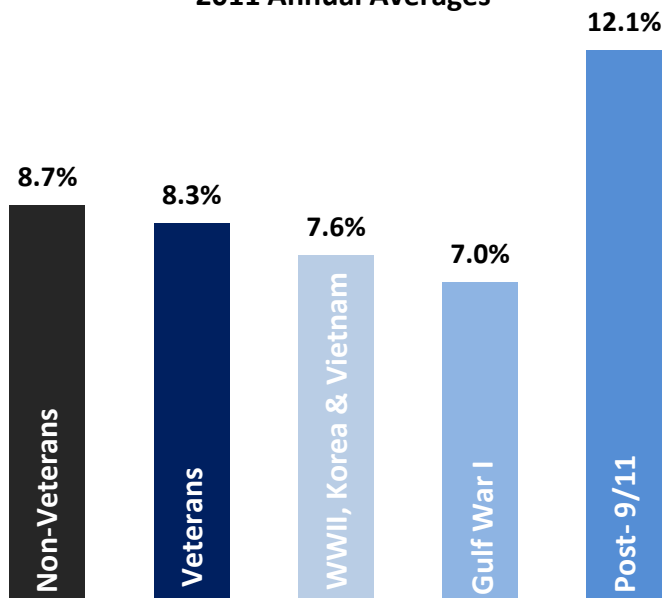
of unemployment than older workers, but at 30.2 percent the unemployment rate among young veterans is nearly double the unemployment rate for non-veterans the same age. (See **Figure 2**.) Unemployment is particularly high among young female veterans. Their unemployment rate, 36.1 percent, is almost two-and-a-half times the rate of women the same age who are not veterans (14.5 percent).

Just as the overall unemployment rate varies across states, so too does the unemployment rate of Post-9/11 veterans.⁵ (See **Table**.) The unemployment rate is highest for those veterans living in Oregon, where nearly one-quarter of Post-9/11 veterans (24.1 percent) is unemployed, and in California, where the jobless rate is 20.0 percent. Veterans in North Dakota, Alaska, Arkansas, Delaware, and Wyoming have the lowest rates of unemployment.

Challenges Faced By Young Veterans

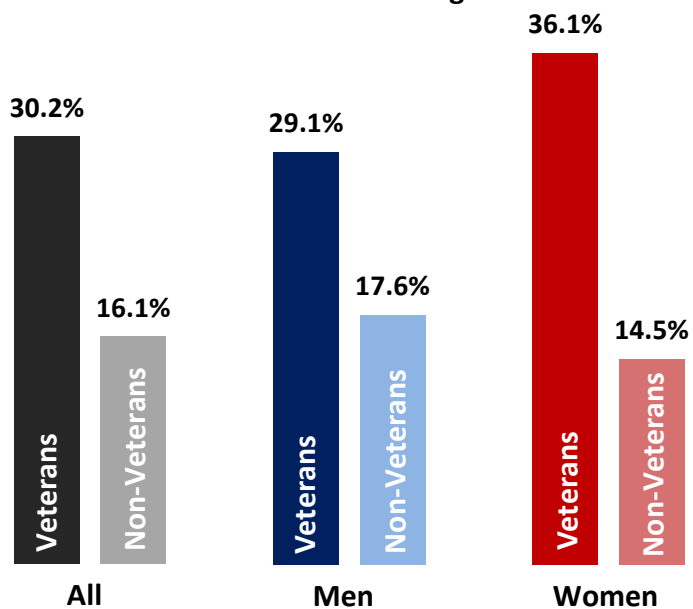
Historically, younger veterans have had difficulty finding employment in the civilian labor market following a short military career. Young veterans likely joined the military right out of high school, without going to college. The weak job market following the Great Recession has meant that employers are hiring workers with more education, including associate and bachelor's degrees, to work in jobs traditionally filled by individuals with only a high school diploma. In addition, many young servicemembers joined the military without substantial civilian work experience, so they lack practice in conducting a job search, submitting resumes, or going on interviews. For all veterans, there is the additional challenge of translating their military training and experience into relevant civilian work experience.

Figure 1. Unemployment Rates for Non-Veterans and Veterans by Period of Service
2011 Annual Averages



Source: Chairman's Staff of the Joint Economic Committee based on data from the Bureau of Labor Statistics.

**Figure 2. Unemployment Rates for Veterans and Non-Veterans Ages 18 to 24
2011 Annual Averages**



Source: Chairman's Staff of the Joint Economic Committee based on data from the Bureau of Labor Statistics.

For veterans who served in the National Guard or Reserves, deployment overseas may have derailed promotion opportunities in their civilian professions. Over the past decade, the deployment rate for Guard members or Reservists has increased.⁶ Moreover, prospective employers may be reluctant to hire members of the National Guard or Reserve because those workers may be called up with little notice.

What Can Be Done?

The inability of young veterans to find employment will negatively impact their future earnings potential, creating a growing gap between their earnings and the earnings of workers who did not serve in the military. Education can help bridge that gap. Young veterans without a college degree have greater access to job training and education through benefits provided in the new G.I. Bill.⁷ Veterans

can also receive job search skills through provisions contained in the VOW to Hire Heroes Act of 2011.⁸ This law requires that the Departments of Labor and Veteran Affairs provide services such as resume building and help in translating military skills into civilian work experience. Additionally, recently introduced legislation, The Servicemembers' Access to Justice Act (S. 3233), would ensure that employers promptly reinstate members of the National Guard and Reserves when they return home.⁹

Veterans' hiring preferences have also helped veterans procure civilian jobs. The government (federal, state and local) is the largest employer of veterans. However, as the public sector continues to shrink, there are fewer jobs available for younger, less-experienced veterans.¹⁰ The Departments of Defense and Labor should explore ways of tailoring existing transition programs to meet the unique challenges facing these young veterans.

Sources:

¹ See Department of Defense press releases announcing recruitment and retention numbers for FY08 through FY12-to-date from October 10, 2008, October 13, 2009, October 12, 2010, October 20, 2011, and April 23, 2012.

² Bureau of Labor Statistics, Current Population Survey (CPS), 2011 Annual Averages.

³ The overall unemployment rate for Post-9/11 veterans was 11.5 percent in 2010, compared to 9.4 percent for non-veterans.

⁴ CPS, 2011 Annual Averages.

⁵ CPS, 2011 Annual Averages.

⁶ Defense Science Board Task Force. "Deployment of Members of the National Guard and Reserve in the Global War on Terrorism." September 2007. See p. 6-8. www.acq.osd.mil/dsb/reports/ADA478163.pdf; and Lieutenant General William Ingram, Jr. "Statement By Lieutenant General William Ingram, Jr. Director of the Army National Guard Before the House Appropriations Committee Subcommittee on Defense." March 28, 2012.

⁷ The Post-9/11 Veterans Educational Assistance Act of 2008, P.L. 110-252, Title V.

⁸ P.L. 112-56, the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, was enacted on November 21, 2011.

⁹ S. 3233, the Servicemembers' Access to Justice Act, was introduced on May 23, 2012.

¹⁰ In 2010, 21.1 percent of male veterans and 29.6 percent of female veterans worked in local, state or federal government jobs. U.S. Department of Labor. "The Veteran Labor Force in the Recovery." November 3, 2011, p.7.

Post-9/11 and Total Veterans' Unemployment Rates by State

2011 Annual Averages

	Number of Veterans in the Labor Force	Overall Veterans' Unemployment Rate	Number of Post-9/11 Veterans in the Labor Force	Number of Unemployed Post-9/11 Veterans	Post-9/11 Veterans' Unemployment Rate
United States	11,320,000	8.3%	1,937,000	234,000	12.1%
Alabama	180,000	6.0%	35,000	4,000	11.0%
Alaska	50,000	6.1%	14,000	-	2.9%
Arizona	280,000	7.5%	61,000	5,000	7.6%
Arkansas	99,000	8.5%	25,000	1,000	4.3%
California	980,000	11.0%	160,000	32,000	20.0%
Colorado	226,000	9.5%	39,000	4,000	10.2%
Connecticut	111,000	9.4%	14,000	1,000	8.7%
Delaware	38,000	7.6%	6,000	-	4.3%
District of Columbia	14,000	10.1%	3,000	-	12.4%
Florida	741,000	9.3%	164,000	21,000	12.5%
Georgia	439,000	9.0%	80,000	11,000	14.2%
Hawaii	54,000	8.3%	12,000	1,000	8.5%
Idaho	59,000	7.9%	8,000	1,000	6.4%
Illinois	410,000	8.1%	64,000	6,000	9.5%
Indiana	272,000	7.6%	39,000	6,000	15.7%
Iowa	127,000	6.4%	19,000	2,000	11.8%
Kansas	134,000	6.1%	29,000	3,000	11.5%
Kentucky	160,000	9.5%	25,000	2,000	7.6%
Louisiana	145,000	4.2%	33,000	3,000	10.3%
Maine	68,000	7.5%	9,000	1,000	8.7%
Maryland	238,000	5.9%	48,000	4,000	8.9%
Massachusetts	193,000	9.5%	22,000	2,000	7.0%
Michigan	271,000	11.3%	40,000	6,000	14.4%
Minnesota	199,000	5.9%	25,000	3,000	11.7%
Mississippi	95,000	9.7%	18,000	2,000	10.5%
Missouri	258,000	7.2%	34,000	3,000	9.2%
Montana	48,000	7.8%	6,000	1,000	17.5%
Nebraska	81,000	3.9%	14,000	2,000	11.0%
Nevada	109,000	13.2%	17,000	3,000	18.9%
New Hampshire	66,000	4.3%	7,000	1,000	8.9%
New Jersey	209,000	10.7%	26,000	2,000	7.2%
New Mexico	87,000	8.0%	18,000	2,000	8.9%
New York	479,000	7.7%	66,000	11,000	16.7%
North Carolina	433,000	7.1%	95,000	8,000	8.9%
North Dakota	32,000	2.0%	6,000	-	2.7%
Ohio	438,000	10.7%	50,000	10,000	19.4%
Oklahoma	168,000	5.3%	35,000	3,000	8.9%
Oregon	158,000	11.5%	13,000	3,000	24.1%
Pennsylvania	487,000	7.3%	54,000	5,000	9.0%
Rhode Island	35,000	14.6%	6,000	1,000	16.8%
South Carolina	185,000	7.3%	24,000	3,000	13.2%
South Dakota	45,000	4.1%	7,000	-	6.6%
Tennessee	283,000	10.9%	47,000	8,000	17.9%
Texas	922,000	7.2%	166,000	22,000	13.5%
Utah	83,000	8.1%	16,000	2,000	12.6%
Vermont	27,000	4.7%	3,000	-	8.3%
Virginia	430,000	5.4%	117,000	7,000	6.2%
Washington	339,000	10.0%	69,000	10,000	13.9%
West Virginia	76,000	7.7%	16,000	1,000	8.9%
Wisconsin	223,000	8.9%	27,000	3,000	9.7%
Wyoming	35,000	4.6%	7,000	-	4.3%

"-" indicates number rounds to 0.

Note: These estimates are reported without margins of error, which may be large due to the small veterans' population in many states and make it difficult to compare unemployment rates across states and over time.