



The Economic State of the Veterans Community

As Veterans Day approaches, we take this time to reflect on the service and sacrifice of our fellow citizens who have performed vital national security roles both at home and abroad.

This dedication to our society and their communities often continues when the uniform is hung up. In fact, many of our service members, once they leave the service, come back to their communities and start businesses, civic organizations, go to work on farms, in factories and in federate, state, and local government, putting the talents and skills they used protecting our nation to work serving their communities in a new profession.

The Typical Veteran:

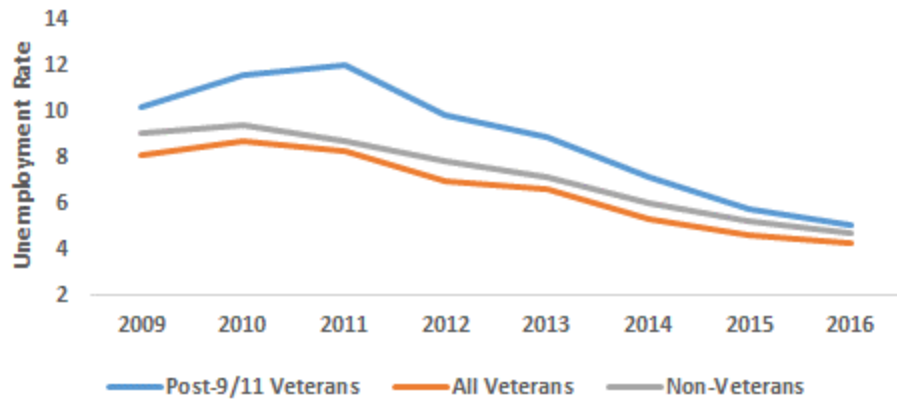
- Faces low unemployment.
- Likely earns more than non-veteran peer.
- Works in government or manufacturing.

While the transition back into civilian life can be difficult for some, the economic state of the veteran community is on an upward trend. Overall, the nation's 20.5 million veterans earn more, experience lower unemployment, are more likely to have health insurance, and less likely to live in poverty than their non-veteran peers.¹ In this fact sheet we will dive a little deeper into the current economic state of our veterans community.

Unemployment Rate for Recent Veterans Declines

The unemployment rate for both veterans and non-veterans has declined steadily throughout the recovery. Throughout the recession and during the recovery veterans, on average, experienced a lower unemployment rate than non-veterans. However, this has not been the case with our nation's newest veterans, those who have served since September 11, 2001. Since tracking began in September 2008, these veterans typically have faced an unemployment rate slightly higher than that for all veterans and non-veterans. The annual unemployment rate for these recent veterans has fallen steadily to 5.1 percent in 2016, just above the 4.7 percent annual rate for non-veterans.² During 2017, the unemployment rate for recent veterans has continued to fall: in each of the past three months, the post-9/11 veteran unemployment rate has been below the rate for non-veterans.³

Post-9/11 Veterans Face Higher Unemployment Rate than other Veterans and Non-Veterans



Source: BLS, not seasonally adjusted.

Where Veterans Work

When veterans return home to join the civilian workforce, they can be found across all industries. Many continue to serve their country within the federal, state, and local governments. More than 28 percent of post-9/11 veterans work in the public sector; 15.7 percent are employed by the federal government, compared to 2.0 percent of non-veterans. This is partly due to the transferability of employment from one government entity into another and recent laws providing preference for veterans in the government hiring process. Almost one-third of federal executive branch employees hired in fiscal year 2016 were veterans, and more than half of these were veterans with disabilities.⁴

Many veterans also put their skills to work in the private sector in manufacturing, transportation and utilities, or professional and business services, all at higher rates than the national average. Veterans are also more likely to be self-employed than non-veterans.⁵

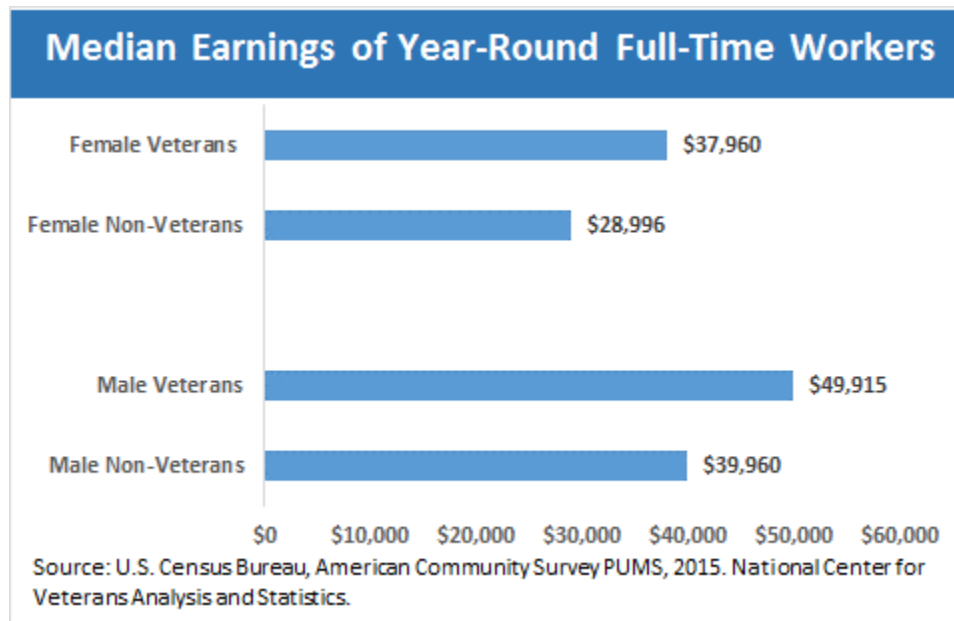
Top Industries Employing Veterans	All Veterans	Post-9/11 Veterans	Non-Veterans
Government	21.8	28.2	13.3
Federal	10.0	15.7	2.0
State	4.9	5.3	4.7
Local	7.0	7.3	6.6
Manufacturing	12.7	10.7	9.8
Professional and business services	10.8	11.8	10.5
Education and health services	8.2	8.3	15.5
Retail trade	8.2	8.7	10.4
Transportation and utilities	7.4	6.5	4.0
Self-employed workers, unincorporated	6.3	3.2	5.8

Source: Bureau of Labor Statistics, Employment Situation of Veterans 2016

Veterans Out Earn Non-Veteran Peers

Many policies enacted by Congress, such as the VOW to Hire Heroes Act and the Post-9/11 GI Bill, and initiatives taken by the private sector have increased career prospects and training for the roughly 200,000 servicemen and women who separate from active duty each year.⁶ Today, there are over 10 million veterans in the civilian labor force earning, on average, higher wages than their non-veteran counterparts.⁷

Male and female veterans who worked year-round and full time had higher median earnings than non-veterans in 2015. Female veterans out earn their non-veterans peers by 31 percent and male veterans' earnings are 25 percent higher than their non-veteran counterparts.⁸ Post-9/11 veterans also earn more than their non-veteran peers. In 2013, the median earnings of post-9/11 veterans were about 11 percent higher than the median earnings of their non-veteran peers with similar demographic characteristics.⁹



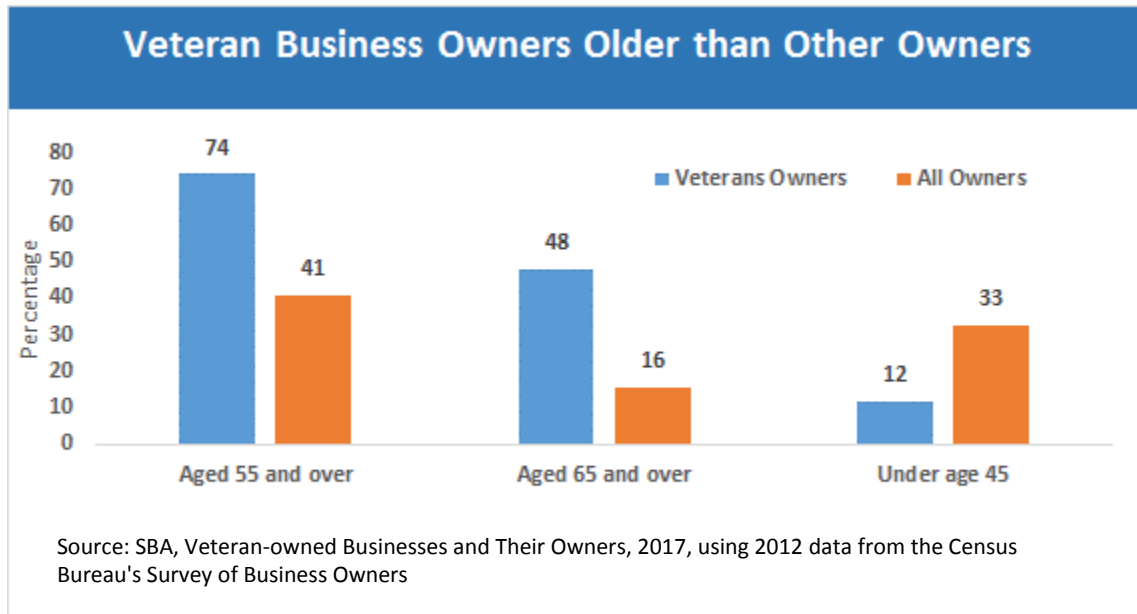
Veterans Own Nearly One-in-Ten U.S. Businesses

Veterans are majority owners of 2.5 million businesses. These businesses generate sales exceeding \$1.1 trillion and employ more than 5 million people.¹⁰ Overall, 9.1 percent of U.S. businesses are veteran-owned.

Veteran-owned businesses are an important source of employment for fellow veterans, as these owners understand the skills former service members offer as well as some of the challenges associated with transitioning to civilian life.

Veterans on average tend to be older than non-veterans and this trend is apparent when we look at the demographics of business owners.¹¹ Just 11.7 percent of veteran business owners were under age 45 in 2012, compared to 32.5 percent of all business owners.¹² As veterans' share of the working age population declines, as it has over the years, so does the share of new veteran

entrepreneurs. In 1996, veterans started 12 percent of all new businesses. By 2016, that share had fallen to 4 percent.¹³



Women Veterans Creating More Businesses

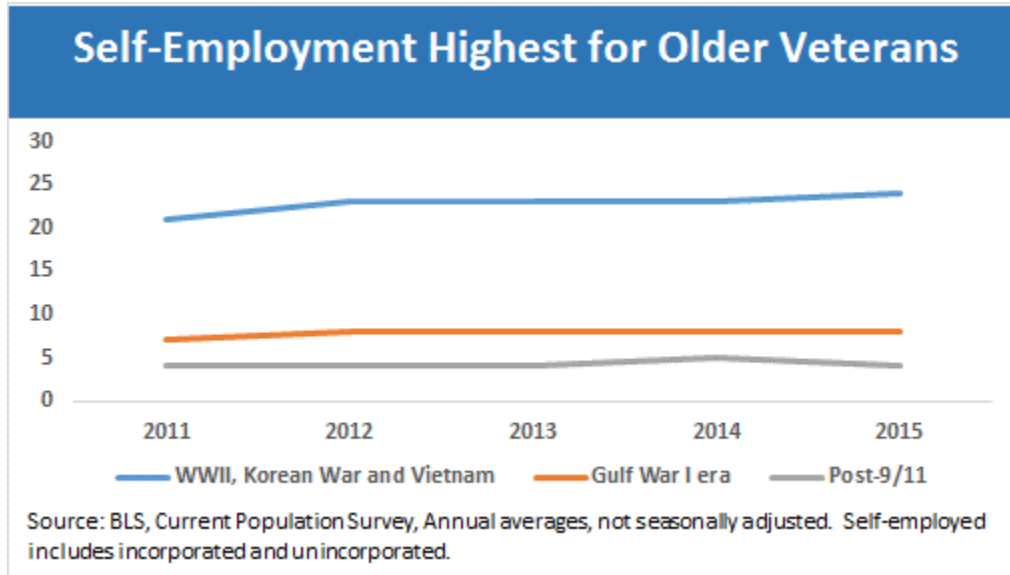
Women-owned businesses are an important source of new veteran-owned businesses. Women veterans account for an increasing share of the veteran population, comprising 18 percent of post-9/11 veterans, and women veterans' role as entrepreneurs is also on the rise.¹⁴

Veteran women-owned businesses increased 300 percent from 2007 to 2012, totaling more than 383,000 businesses in 2012, generating almost \$18 billion in sales.¹⁵ Rates of women-owned veteran businesses vary from state to state. Georgia has the highest percentage of women veteran-owned businesses—almost 22 percent in 2012.¹⁶

Veterans Have High Rates of Self-Employment

Veterans are more likely than non-veterans to be self-employed.¹⁷ Self-employment includes those individuals who have incorporated a business and often employ others as well as those who have not incorporated and typically work by themselves.¹⁸ Combining incorporated and unincorporated self-employment, veterans have rates of self-employment that are consistently at least 20 percent higher than those for non-veterans.¹⁹

The oldest veterans, those who served in World War II, Korea and Vietnam, have the highest rates of self-employment. Twenty-four percent of these veterans are self-employed compared to 4.5 percent of the veterans who have served since September 11, 2001.²⁰



Veterans' Unemployment Rates by State
2016 Annual Averages

State	All Veterans			Post-9/11 Veterans		
	Number in Labor Force	Number Unemployed	Unemployment Rate	Number in Labor Force	Number Unemployed	Unemployment Rate
United States	10,581,000	453,000	4.3%	3,174,000	161,000	5.1%
Alabama	207,000	10,000	4.9%	87,000	3,000	3.9%
Alaska	44,000	1,000	2.7%	18,000	0	2.6%
Arizona	232,000	9,000	3.9%	72,000	4,000	5.2%
Arkansas	106,000	3,000	3.1%	35,000	1,000	3.6%
California	935,000	50,000	5.4%	302,000	19,000	6.1%
Colorado	196,000	8,000	3.9%	66,000	2,000	3.1%
Connecticut	104,000	5,000	4.4%	26,000	1,000	2.8%
Delaware	35,000	1,000	4.1%	9,000	0	2.9%
District Of Columbia	18,000	1,000	7.6%	7,000	1,000	8.2%
Florida	792,000	33,000	4.2%	242,000	13,000	5.5%
Georgia	396,000	14,000	3.5%	118,000	5,000	4.4%
Hawaii	57,000	1,000	2.2%	23,000	1,000	3.6%
Idaho	58,000	2,000	3.6%	14,000	0	3.0%
Illinois	332,000	22,000	6.7%	77,000	5,000	6.0%
Indiana	251,000	5,000	1.8%	84,000	2,000	2.3%
Iowa	119,000	5,000	4.2%	32,000	1,000	2.5%
Kansas	87,000	5,000	5.2%	25,000	1,000	3.8%
Kentucky	125,000	5,000	3.9%	33,000	1,000	2.3%
Louisiana	162,000	8,000	5.0%	46,000	1,000	2.8%
Maine	65,000	2,000	3.1%	14,000	1,000	4.2%
Maryland	280,000	11,000	3.8%	92,000	5,000	5.2%
Massachusetts	166,000	8,000	4.6%	31,000	3,000	8.6%
Michigan	244,000	8,000	3.2%	56,000	3,000	5.6%
Minnesota	166,000	10,000	5.8%	36,000	3,000	7.8%
Mississippi	99,000	5,000	4.6%	28,000	1,000	4.9%
Missouri	235,000	7,000	3.2%	66,000	2,000	2.4%
Montana	52,000	2,000	4.4%	17,000	1,000	3.1%
Nebraska	66,000	3,000	4.1%	23,000	1,000	5.3%
Nevada	130,000	5,000	4.0%	37,000	2,000	4.5%
New Hampshire	63,000	1,000	2.1%	15,000	n.a.	n.a.
New Jersey	166,000	8,000	4.9%	38,000	2,000	6.3%
New Mexico	84,000	3,000	3.6%	29,000	1,000	5.0%
New York	355,000	20,000	5.6%	92,000	9,000	9.8%
North Carolina	397,000	18,000	4.5%	108,000	11,000	9.7%
North Dakota	30,000	1,000	3.9%	11,000	1,000	5.2%
Ohio	404,000	17,000	4.2%	106,000	5,000	4.4%
Oklahoma	164,000	7,000	4.5%	66,000	4,000	5.4%
Oregon	151,000	9,000	6.3%	42,000	3,000	6.4%
Pennsylvania	421,000	22,000	5.2%	97,000	10,000	10.0%
Rhode Island	28,000	1,000	3.7%	7,000	0	6.9%
South Carolina	201,000	10,000	5.0%	59,000	3,000	5.3%
South Dakota	45,000	1,000	2.6%	12,000	0	2.1%
Tennessee	246,000	9,000	3.6%	80,000	3,000	4.2%
Texas	964,000	35,000	3.6%	321,000	14,000	4.5%
Utah	89,000	2,000	2.3%	36,000	1,000	2.3%
Vermont	23,000	1,000	2.2%	5,000	0	3.2%
Virginia	476,000	16,000	3.4%	206,000	5,000	2.6%
Washington	232,000	9,000	3.8%	64,000	2,000	3.5%
West Virginia	65,000	3,000	4.8%	14,000	1,000	7.3%
Wisconsin	191,000	10,000	5.0%	44,000	4,000	8.0%
Wyoming	28,000	1,000	5.1%	9,000	0	5.2%

Source: Data from the Bureau of Labor Statistics (BLS).

Note: State-by-state data for post-9/11 veterans are based on unpublished data from the Current Population Survey. Due to the small population of these veterans in many states, caution should be used in comparing post-9/11 veterans' unemployment rates across states. Estimates of post-9/11 number of unemployed veterans that are 0 indicate that the estimate is below 500, and thus rounds to 0. Unemployment rates are calculated using unrounded estimates, so in some cases there will be zero unemployed veterans with a non-zero unemployment rate. N.a. indicates that BLS did not survey any unemployed veterans in a given state.

-
- ¹ https://www.va.gov/vetdata/docs/SpecialReports/Profile_of_Veterans_2015.pdf and <https://www.bls.gov/news.release/pdf/empsit.pdf>
- ² <https://www.bls.gov/news.release/pdf/vet.pdf>
- ³ Bureau of Labor Statistics, Monthly Employment.
- ⁴ <https://www.fedshirevets.gov/hire/hrp/reports/EmploymentOfVets-FY16.pdf>
- ⁵ <https://www.bls.gov/news.release/pdf/vet.pdf>
- ⁶ <https://www.usda.gov/media/blog/2016/03/30/usda-helps-military-veterans-answer-question-whats-next>
- ⁷ <https://www.bls.gov/news.release/pdf/vet.pdf> and U.S. Census Bureau, American Community Survey PUMS, 2015. National Center for Veterans Analysis and Statistics.
- ⁸ https://www.va.gov/vetdata/docs/SpecialReports/Profile_of_Veterans_2015.pdf
- ⁹ <https://www.benefits.va.gov/benefits/docs/VeteranEconomicOpportunityReport2015.PDF>
- ¹⁰ <https://www.sba.gov/sites/default/files/advocacy/435-veteran-owned-businesses-report.pdf> and <https://www.sba.gov/offices/headquarters/ovbd/spotlight>
- ¹¹ https://www.va.gov/vetdata/docs/SpecialReports/Profile_of_Veterans_2015.pdf page 3
- ¹² <https://www.sba.gov/sites/default/files/advocacy/435-veteran-owned-businesses-report.pdf>
- ¹³ <http://www.kauffman.org/kauffman-index/reporting/startup-activity>
- ¹⁴ <https://www.bls.gov/news.release/vet.nr0.htm>
- ¹⁵ <https://www.nwbc.gov/sites/default/files/Veteran%20Women%20Entrepreneurs.pdf>
- ¹⁶ <https://www.nwbc.gov/sites/default/files/Veteran%20Women%20Entrepreneurs.pdf>
- ¹⁷ <https://www.bls.gov/news.release/pdf/vet.pdf>
- ¹⁸ <https://www.bls.gov/careeroutlook/2014/article/self-employment-what-to-know-to-be-your-own-boss.htm>
- ¹⁹ https://www.sba.gov/sites/default/files/b2b_vet_entrepreneurship_assessment.pdf Figure 4.
- ²⁰ <https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/pdf/self-employment-in-the-united-states.pdf>