

Employment and earnings of recent veterans: data from the CPS

Recent male veterans and male nonveterans ages 18 to 54 years had similar unemployment rates in 2009, and earnings of full-time male veterans and nonveterans were likewise similar; by contrast, the unemployment rate of recent female veterans was higher than that of female nonveterans

James A. Walker

Since the September 2001 terrorist attacks in the United States, about 1.9 million men and women have returned to civilian life after having served on active duty in the U.S. Armed Forces. These recent veterans, also known as Gulf War-era II veterans, currently are experiencing labor market conditions at home that include high unemployment rates and competition for jobs.¹ This article examines the demographic characteristics, labor force activity, and earnings of recent veterans and nonveterans.

The data presented are from the Current Population Survey (CPS), a monthly sample survey of 60,000 households that provides official statistics about civilian employment and unemployment in the United States. The CPS is conducted monthly for the Bureau of Labor Statistics (BLS, the Bureau) by the U.S. Census Bureau.² Data about veteran status (that is, whether a person is or is not a veteran) and period of service are collected each month in the CPS, and annual averages are published each year in the news release "Employment Situation of Veterans."³ The 2009 annual averages, selected 2007 and 2008 annual averages, and data from the August 2009 CPS supplement on veterans are discussed in what follows.

In the CPS, veterans are defined as men

and women who previously served on active duty in the U.S. Armed Forces and were civilians at the time of the survey.⁴ Members of the Reserve and National Guard are counted as veterans if, when they were surveyed, they were civilians and they responded that they had been called to active duty sometime in the past. Nonveterans are men and women who have never served on active duty in the U.S. Armed Forces.⁵

Demographic characteristics

The underlying demographic characteristics of Gulf War-era II veterans and nonveterans are different in many ways, including sex, age, race and ethnicity, and educational attainment. (See table 1.) These differences complicate making comparisons between the two groups.

Most Gulf War-era II veterans are men. In 2009, 1.6 million men (82 percent of all Gulf War-era II veterans) had served in the Armed Forces sometime since September 2001 and had returned to civilian life. A much smaller number were women: about 300,000, or 18 percent of all Gulf War-era II veterans. In contrast, the nonveteran population had a greater percentage of women (56 percent) than men (44 percent) in 2009.

James A. Walker is an economist in the Division of Labor Force Statistics, Office of Employment and Unemployment Statistics, Bureau of Labor Statistics. Email: walker.james@bls.gov

Table 1. Demographic profile of Gulf War-era II veterans and nonveterans ages 18 years and older, 2009 annual averages

[Percent of the population]

Characteristic	Gulf War-era II Veterans	Nonveterans
Total.....	100	100
Age		
18 to 54 years	95	71
18 to 24 years	16	14
25 to 34 years	49	19
35 to 44 years	16	19
45 to 54 years	14	20
55 years and older	5	29
Sex		
Men	82	44
Women	18	56
Race		
White.....	79	81
Black or African American...	15	12
Asian.....	2	5
Hispanic or Latino ethnicity		
Hispanic or Latino.....	10	15
Non-Hispanic, non-Latino...	90	85
Educational attainment		
Less than a high school diploma	2	14
High school graduate, no college	29	31
Some college or associate's degree.....	46	28
Some college, no degree..	33	19
Associate's degree	13	9
College graduate	23	27

NOTE: Data for the race groups shown do not sum to 100 percent because not all races are presented. Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

Gulf War-era II veterans were relatively young: in 2009, 18- to 54-year-olds accounted for 95 percent of all Gulf War-era II veterans, whereas that same age group made up about 7 in 10 nonveterans. Among recent veterans, 63 percent of men and 72 percent of women were under the age of 35, compared with 37 percent of nonveteran men and 29 percent of nonveteran women.

Gulf war-era II veterans were more likely to be White (79 percent) than Black (15 percent) or Asian (2 percent). Ten percent of these veterans were of His-

panic ethnicity. In contrast, the nonveteran population contained a smaller proportion of Blacks and a larger proportion of Hispanics: 12 percent and 15 percent, respectively.

There were noteworthy differences in educational attainment between Gulf War-era II veterans and nonveterans in 2009. Gulf War-era II veterans were more likely to have some college but no degree (33 percent) than were nonveterans (19 percent). Also, veterans from Gulf War era II were much less likely to be high school dropouts (2 percent) than were nonveterans (14 percent). About one-fourth of recent veterans had a college degree, as did a similar fraction of nonveterans.

The educational attainment of recent veterans rose significantly with age. Older Gulf War-era II veterans had more education than younger veterans in 2009. Few Gulf War-era II veterans 18 to 24 years had a college degree, because they were on active duty during some of these early years of their adult lives. In 2009, 31 percent of young veterans 18 to 24 years were enrolled in school. Older Gulf War-era II veterans may have earned their college degrees before joining the military or may have finished their degrees while in the military or following discharge. A look at the percentages reveals that about 19 percent of 25- to 34-year-olds had a college degree, compared with 35 percent of 35- to 44-year-olds and 38 percent of 45- to 54-year-olds.

Labor force

Almost 84 percent of Gulf War-era II veterans 18 years and older participated in the labor force sometime in 2009, compared with 68.3 percent of nonveterans.⁶ Much of this difference has to do with the fact that Gulf War-era II veterans tend to be younger than nonveterans. People 18 to 54 years typically have higher labor force participation rates than those 55 years and older. In 2009, Gulf War-era II veterans 18 to 54 years had a labor force participation rate of 84.1 percent, while those 55 years and older had a participation rate of 72.0 percent. Since almost all Gulf War-era II veterans in the labor force (96 percent) were 18 to 54 years, the discussion that follows will focus on this group of veterans and their nonveteran counterparts, except where otherwise noted.

The employed

In 2009, 1.4 million recent veterans (1.2 million men and more than 200,000 women) 18 to 54 years were employed. Men were nearly 85 percent of employed veterans and about half of nonveterans. The following tabulation of the employment-population ratio (the employed as a percent of the population) of those 18 to 54 years shows that a greater

percentage of recent veterans (75.4 percent) than nonveterans (71.7 percent) were employed:

<i>Veteran status and sex</i>				<i>Percentage-point change, 2007-09</i>
	<i>2007</i>	<i>2008</i>	<i>2009</i>	
Gulf War-era II veterans:				
Total	82.1	79.2	75.4	-6.7
Men.....	85.1	82.2	77.5	-7.6
Women.....	67.2	66.0	66.4	-8
Nonveterans:				
Total	76.3	75.3	71.7	-4.6
Men.....	83.0	81.4	76.4	-6.6
Women.....	70.2	69.8	67.4	-2.8

The greater employment of veterans reflects, in part, the larger proportion of men in the veteran population, given that men tend to be employed at greater rates than women.

Since the start of the recession in 2007 and through 2009, the employment-population ratio declined for both Gulf War-era II veterans and nonveterans. However, the decline was greatest among veterans, especially male veterans.

The following tabulation of the occupational distribution (occupation as a percent of total employed) of employed persons 18 to 54 years, by veteran status, occupation, and sex in 2009, shows that there was little difference in occupational distribution between veterans and nonveterans of the same sex:

<i>Occupation</i>	<i>Gulf War-era II veterans</i>				<i>Nonveterans</i>				<i>Percentage-point change, 2007-09</i>	
	<i>Men</i>		<i>Women</i>		<i>Men</i>		<i>Women</i>			
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2007</i>	<i>2008</i>		<i>2009</i>
Gulf War-era II veterans:										
Total.....	6.1	7.5	10.3	4.2						
Men.....	5.6	7.2	10.1	4.5						
Women.....	9.3	9.1	11.3	2.0						
Nonveterans:										
Total	4.7	5.9	9.6	4.9						
Men.....	4.8	6.4	10.9	6.1						
Women	4.5	5.5	8.3	3.8						

Another major difference was that Gulf War-era II veterans were almost twice as likely to be government workers as were nonveterans of comparable ages (18 to 54 years). Among employed veterans in this group, 26 percent worked in the government at the Federal, State, or local level in 2009, compared with 14 percent of nonveterans. About one-third of female veterans worked in government in 2009, as did 25 percent of male veterans. For nonveterans, the proportions were 18 percent and 11 percent, respectively. Three percent of Gulf War-era II veterans were self-employed, compared with 6 percent of nonveterans.⁸

Unemployment rate

One measure of how a population is faring in the labor market is the unemployment rate, which is the proportion of the labor force that is currently not working but is actively seeking a job and is available to take one. In 2009, the unemployment rate for Gulf War-era II veterans between the ages of 18 and 54 years was 10.3 percent, only slightly different from the rate for nonveterans in the same age group (9.6 percent).

As the following tabulation of the unemployed as a percent of the labor force shows, unemployment rates of both Gulf War-era II veterans and nonveterans have risen since the start of the recession in 2007, reflecting the deteriorating economic conditions:

<i>Veteran status and sex</i>				<i>Percentage-point change, 2007-09</i>
	<i>2007</i>	<i>2008</i>	<i>2009</i>	
Gulf War-era II veterans:				
Total.....	6.1	7.5	10.3	4.2
Men.....	5.6	7.2	10.1	4.5
Women.....	9.3	9.1	11.3	2.0
Nonveterans:				
Total	4.7	5.9	9.6	4.9
Men.....	4.8	6.4	10.9	6.1
Women	4.5	5.5	8.3	3.8

From 2007 to 2009, unemployment rates for men rose more than for women, regardless of veteran status.

As with other measures, the slight difference in total unemployment rates of Gulf War-era II veterans and nonveterans can be partially explained by the different demographic compositions of the two groups. Men were a large majority (82 percent) of all Gulf War-era II veterans ages 18 to 54 years, but made up about half (48 percent) of all nonveterans. In 2009, the unemployment rate of all men ages 18 to 54 years (10.9 percent) was higher than that of all women in the same age group (8.3

One major exception was in service occupations: male veterans (10 percent) were more than 3 times as likely to be employed in protective service occupations than were male nonveterans (3 percent).⁷

percent; the rates were the same as those for nonveteran men and women, respectively). The higher proportion of men among the veteran population partially explains the overall higher unemployment rate for veterans compared with nonveterans. Furthermore, Gulf War-era II veterans were younger than nonveterans, on average, and many Gulf War-era II veterans were in younger age ranges (see table 1) with higher unemployment rates.⁹

Earnings

Earnings are another measure of success in the labor market.¹⁰ As with the analysis of labor force activity, the earnings data presented are for individuals 18 to 54 years. However, the analysis is limited to men, because there were not enough female Gulf War-era II veterans in 2009 to analyze the earnings data for that group.

Among full-time workers, there was little difference between the median weekly earnings of male Gulf War-era II veterans and nonveterans in 2009. Recent veterans earned \$796 per week, compared with \$786 for nonveterans.¹¹

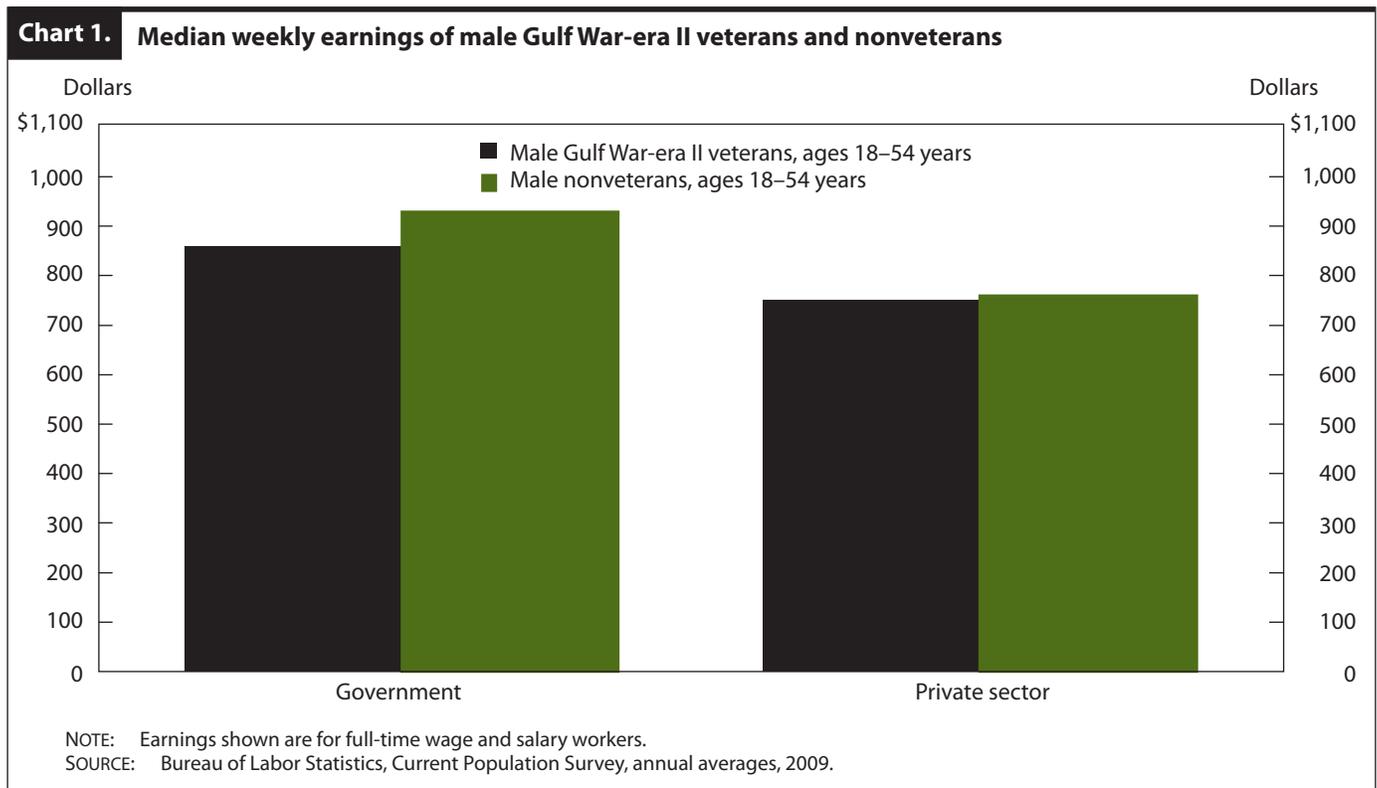
In 2009, men working full time in government jobs earned more than their counterparts in the private sector, regardless of veteran status. (See chart 1.) Male Gulf War-

era II veterans employed in government earned \$866 per week, while those employed in the private sector earned \$760. Among nonveteran men, those working in government earned \$927 per week, compared with \$765 per week for those employed in the private sector. It is important to note that individuals' earnings are influenced by a variety of factors, such as educational attainment, age, occupation, industry, firm size, geographic location, and job tenure.

Special categories of veterans

Additional information about veterans is available from the CPS through a supplemental survey that is cosponsored by the U.S. Department of Veterans Affairs and the U.S. Department of Labor's Veterans' Employment and Training Service. This survey has been conducted every other year since 1985, and the most recent data are from August 2009.¹² The supplement contains questions about service-connected disabilities and Reserve or National Guard status.

Data from the CPS veterans supplement show that, in August 2009, 71.0 percent of disabled veterans ages 18 years and older who served in Gulf War era II were employed, compared with 76.1 percent of veterans from that



era who did not have any disability.¹³ About 3 of 10 veterans ages 18 years and older held a job with Federal, State, or local government, regardless of their disability status.¹⁴

The August 2009 supplement also collected information about Gulf War-era II veterans' membership in the Reserve or National Guard. About 34 percent of these veterans ages 18 years and older indicated that they were current or past members. This group had an unemployment rate of 10.6 percent. The 46 percent of Gulf War-era II veterans ages 18 years and older who never participated in the Reserve or National Guard had an unemployment rate of 13.8 percent. (About 20 percent of recent veterans did not report their Reserve or National Guard status.) The lower unemployment rate for recent veterans who are current or past members of the Reserve or National Guard may be influenced by the fact that some returned to the same job they held before going on active duty.¹⁵

THERE IS CONSIDERABLE INTEREST in demographic and employment characteristics of recent veterans and in how veterans are faring in the current labor market. Demographic and labor market data from the CPS provide useful information about this group. In using these data, it is best to compare veterans and nonveterans of the same age and sex groups, because of differences in demographic

characteristics of the Gulf War-era II veteran and nonveteran populations.

Gulf War-era II veterans are more likely than nonveterans to be men and to be between the ages of 18 and 54 years. The 2009 CPS data show that the unemployment rates of recent male veterans and male nonveterans ages 18 to 54 years were about the same. However, the unemployment rate of recent female veterans was higher than that of female nonveterans in 2009. Male veterans and nonveterans were equally likely to be employed, as were female veterans and nonveterans.

There was little difference in the earnings of male Gulf War-era II veterans and nonveterans in 2009. Among wage and salary workers, men had higher earnings if they worked in the public sector than in the private sector, regardless of their veteran status. However, male veterans working in government had somewhat lower earnings than did male nonveterans in 2009.

As of August 2009, 71.0 percent of Gulf War-era II veterans with a service-connected disability held a job; about 3 of 10 of these disabled veterans worked for the government. Current or past members of the Reserve or National Guard who served on active duty sometime since September 2001 had an unemployment rate of 10.6 percent, compared with 13.8 percent for those veterans who never participated in the Reserve or National Guard. □

Notes

¹ Gulf War era II began in September 2001 and continues through the present. The designation "Gulf War era II" was developed in consultation with the Department of Veterans Affairs and the Department of Labor's Veterans' Employment and Training Service.

² More information about the CPS is available on the BLS Web site at www.bls.gov/cps (visited July 20, 2010).

³ The 2009 news release is available on the Internet at www.bls.gov/schedule/archives/all_nr.htm#VET (visited July 20, 2010).

⁴ For more information about how veteran status is determined, see the section entitled "CPS questions that determine veteran status" in the appendix.

⁵ All references to the U.S. population in this article are to the civilian noninstitutional population. Therefore, active-duty members of the military, as well as individuals residing in places such as prisons, hospitals, and mental institutions, are excluded.

⁶ The labor force participation rate measures the proportion of the civilian noninstitutional population that is either employed or unemployed.

⁷ Protective service, a subset of service occupations, includes, among others, police and sheriffs' patrol officers; security guards and gaming surveillance officers; and bailiffs, correctional officers, and jailers.

⁸ In this article, the term "self-employed" refers to the unincorporated

self-employed. Incorporated self-employed veterans are considered wage and salary workers.

⁹ In 2009, 161,000 recent veterans ages 18 to 54 years were unemployed, of whom 31 percent were ages 18 to 24 years and more than 50 percent were ages 25 to 34 years. The unemployment rate for those ages 18 to 24 years was 21.1 percent, while the rate for those ages 25 to 34 years was 10.6 percent. Among unemployed nonveterans ages 18 to 54 years, 25 percent were ages 18 to 24 years and 28 percent were ages 25 to 34 years. The unemployment rates for these nonveteran groups were 16.6 percent and 9.8 percent, respectively.

¹⁰ Earnings data from the CPS are collected from one-quarter of the CPS monthly sample. In other words, each month, individuals living in households that have been in the survey for either 4 or 8 months are asked about earnings on their primary job. These month-in-sample groups are sometimes referred to as *outgoing rotation groups*, and earnings are tabulated for wage and salary workers only. Thus, earnings data exclude both the incorporated and unincorporated self-employed, as well as unpaid family workers. The earnings data presented here are for workers on their full-time jobs (at least 35 hours per week).

¹¹ The difference in their earnings is not statistically significant.

¹² Supplemental questions about veterans were again asked together with the CPS in July 2010. The data from these questions will be published in early 2011 in the "Employment Situation of Veter-

ans" news release, on the Internet at www.bls.gov/schedule/archives/all_nr.htm#VET (visited July 20, 2010).

¹³ See "Employment Situation of Veterans—2009," table 5, "Employment status of veterans 18 years and over by presence of service-connected disability, reported disability rating, period of service, and sex, August 2009, not seasonally adjusted," on the Internet at www.bls.gov/news.release/archives/vet_03122010.pdf (visited July 20, 2010).

¹⁴ "Employment Situation of Veterans—2009," table 6, "Employed persons 18 years and over by veteran status, presence of service-connected disability, period of service, and class of worker, August 2009,

not seasonally adjusted."

¹⁵ The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 requires employers to reemploy returning reservists or Guard members who were called to active duty. (For more information about the Act, see "Job Rights for Veterans and Reserve Component Members: The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA 38 U.S.C. 4301–4335)" in *Program Highlights: Veterans' Employment and Training Service* (Department of Labor, no date), on the Internet at www.dol.gov/vets/programs/userra/userra_fs.htm (visited July 20, 2010).

APPENDIX: Technical information about CPS data on veterans

The CPS was designed to produce timely monthly estimates of employment and unemployment at the national level. The survey was established in 1940, just before the United States entered World War II. After the war ended, the CPS provided data on the postservice adjustment of male veterans into the civilian labor force in the 1940s and 1950s.¹ Similarly, during the Vietnam era, the Bureau of Labor Statistics published quarterly CPS data about male veterans of that era, beginning with data from the first quarter of 1969.² Later, the Bureau published these Vietnam-era data monthly. CPS data about female veterans were first collected and became available as of January 1986, reflecting the growing number of women who had served in the military.³ Following renewed military action in the Persian Gulf area and troop deployment in Afghanistan and Iraq, in 2006 the Bureau began publishing labor force statistics for veterans of the Gulf War era, which includes Gulf War era I (August 1990 through August 2001) and Gulf War era II (September 2001 to the present).⁴

CPS questions identifying veteran status

In the CPS, veteran status is obtained from responses to two questions. The first is "Did you ever serve on active duty in the U.S. Armed Forces?" If the response is "yes," the person is asked, "Are you still in the Armed Forces?" Answers of "yes" to the first question and "no" to the second question identify the individual as a veteran. Veterans are not on active duty at the time of the survey.

In the CPS, the following individuals are considered as having served on active duty:

- Members of the U.S. Air Force, Army, Coast Guard, Marine Corps, or Navy.
- Members of the Reserve or National Guard whose unit was called to active duty *by Presidential order*.
- U.S. officers commissioned by the Public Health Service and assigned to any branch of the Armed Services.
- Cadets in a U.S. military academy (Air Force Academy, Coast Guard Academy, Naval Academy, or West Point).

These individuals do not qualify as having served on active duty:

- Members of the National Guard or Reserve serving only for training.
- Members of the National Guard or Reserve called into action *without a Presidential order* for help in a local disaster such as a flood, tornado, or riot.
- Civilian employees of the Department of Defense, Merchant Marine, or Maritime Commission.

CPS question identifying period of service

The question "When did you serve on active duty in the U.S. Armed Forces?" asked only of veterans, is used to identify the following periods of service:

<i>Period</i>	<i>Timeframe</i>
Gulf War era II	September 2001–present
Gulf War era I	August 1990–August 2001
Vietnam era	August 1964–April 1975
Korean War	July 1950–January 1955
World War II	December 1941–December 1946
Other	All other periods

Period-of-service definitions are modified occasionally to reflect changes in laws, regulations, and program needs of the survey sponsors.

In data tabulated by the Bureau, veterans who served during one of the selected wartime periods and during another period are classified into the wartime period. For instance, a veteran who served on active duty from 1968 through 1988 would be considered a Vietnam-era veteran. However, in the microdata, both periods of service would be identified (Vietnam era and other periods of service).⁵

A veteran who served in more than one wartime period is classified into the most recent one. For example, a veteran who served on active duty from 2000 through 2005 would be considered a Gulf War-era II veteran, and in the microdata both periods of service would be identified (Gulf War era I and Gulf War era II).

Tabulated annual average and monthly data

Since April 2008, the Bureau has published annual average labor force statistics on veterans and nonveterans in a news release entitled “Employment Situation of Veterans.”⁶ Previously, these annual averages appeared only in unpublished tables available to the public upon request. Monthly data by veteran status were added to the “Employment Situation,” the monthly BLS news release about employment and unemployment, on February 5, 2010.⁷

Limitations of the CPS data

The sample size of the CPS limits the precision of detailed data pertaining to relatively small groups. For instance, during any month in 2009, approximately 11,000 veterans were members of a household participating in the CPS. Of those 11,000, about 700 had served during Gulf War era II. Further dividing the data by sex and age results in weighted estimates that are based on very few interviews. As a result, the standard errors for some weighted estimates are large.

Weighting procedures for data on veterans

The publication entitled *Design and Methodology: Current Population Survey*, also known as Technical Paper 66, describes weighting procedures for calculating various kinds of data on veterans.⁸

Frequency of the CPS veterans supplement

Periodically, a set of questions about a particular subject—

also known as a CPS supplement—is added to the end of the basic CPS interview. The CPS first added a supplement about veterans, including questions asking them about whether they had a service-connected disability, in April 1985. This supplement has continued to be part of the CPS during one month every other year from 1985 through 2009. Beginning in 2009, the supplement will be conducted annually. In 2010, the supplement will be asked in July. Beginning in August 2011, the supplemental questions will be asked in August of each year.

“Employment Situation of Veterans”

The results of the CPS veterans supplement are published in the news release “Employment Situation of Veterans,” usually in March or April in the year following the survey. A small change to this practice occurred on April 10, 2008, when the Bureau published supplement data collected in August 2007 along with 2007 annual average data from the CPS. This was the first news release to include annual average data by veteran status. The next year, on March 20, 2009, the Bureau published only 2008 annual average data by veteran status, because supplemental questions about veterans were not asked in 2008; at that point, the supplement was biennial. On March 12, 2010, the Bureau published August 2009 supplemental data and 2009 annual averages. In early 2011, BLS will release July 2010 supplement data and 2010 annual averages. Beginning in August 2011, the supplemental questions will be asked in August of each year and the supplement data will be published the year after their collection, along with annual average data.

Notes to the appendix

¹ See *Labor Force and Employment in 1959*, Special Labor Force Report No. 4 (Bureau of Labor Statistics, 1960), p. A-11.

² See Elizabeth Waldman, *Employment and Earnings* (Bureau of Labor Statistics, May 1971), pp. 5–10.

³ See Maria L. Roca, “Women veterans total 1 million in the first half of 1986,” *Monthly Labor Review*, December 1986, pp. 30–31, on the Internet at www.bls.gov/opub/mlr/1986/12/rpt1full.pdf (visited July 20, 2010).

⁴ See “Employment Situation of Veterans: 2005” (Bureau of Labor Statistics, May 26, 2006), on the Internet at www.bls.gov/news.release/archives/vet_05262006.pdf (visited July 20, 2010).

⁵ For CPS microdata and documentation, see “Current Population

Survey (CPS): A joint effort between the Bureau of Labor Statistics and the Census Bureau,” on the Internet at www.census.gov/cps (visited July 20, 2010).

⁶ These news releases are available on the Internet at www.bls.gov/schedule/archives/all_nr.htm#VET (visited July 20, 2010).

⁷ See “The Employment Situation—June 2010,” table A-5, on the Internet at www.bls.gov/news.release/pdf/empsit.pdf (visited July 20, 2010). Call the Bureau of Labor Statistics at (202) 691-6378, or send an e-mail to cpsinfo@bls.gov, for quarterly data about veterans and nonveterans.

⁸ See chapter 10, page 14; the document can be found on the Internet at www.census.gov/prod/2006pubs/tp-66.pdf (visited July 20, 2010).