



MICHIGAN VETERANS: A WORKFORCE STUDY

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State of Michigan

Department of Technology, Management & Budget

Bureau of Labor Market Information and Strategic Initiatives

BY:

Jason S. Palmer
Director of Research
(517) 335-5267
Palmerj2@michigan.gov

Jacob Bisel
Senior Economic Analyst

Abbey Babb
Research Assistant

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Most importantly, we would like to thank our veterans. In preparing this report we continuously thought of their service. We truly hope this report somehow helps our veterans, especially those who are jobless, out of the labor market, or struggling to transition from military to civilian employment.

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EXECUTIVE SUMMARY

- The veteran population in Michigan is large with 634,000 veterans, representing 8.8 percent of the state’s total adult population. While large in size, the state’s share of veterans is relatively small, partly due to ongoing recessionary conditions and few and small military installations.
- Veterans are a relatively old population. In Michigan, 45 percent of veterans are age 65 or older, compared to 17 percent for nonveterans. The veteran population is also well-educated. The share of veterans with some college or an Associate’s degree is larger than the nonveteran share, due to education benefits available to veterans.
- Labor force participation rates for veterans measure just 44.3 percent. After controlling for age, participation rates for veterans and nonveterans are similar, around 80 percent.
- The drawdown of U.S. troops in Iraq and Afghanistan is responsible for two trends: an uptick in the number of veterans in the labor market and an increase in the number of Veterans Affairs (VA) education beneficiaries.
- The unemployment rate for Michigan veterans measured 7.9 percent in 2012, improved from 11.2 percent in 2011. Veteran and nonveteran joblessness is higher in Michigan than nationally.
- Veterans and nonveterans see similar instances of labor market discouragement, but may be discouraged for different reasons. Some veteran joblessness and discouragement can be alleviated by educating employers about the value of military experience, and veterans about how their experiences transfer into civilian occupations.
- Two problematic trends have impacted both veterans and nonveterans in the state’s labor market: increased long-term unemployment and record youth unemployment.
- With a few key exceptions, veterans and nonveterans report similar occupational and industrial employment. Veterans are over represented in *Manufacturing, Construction,* and *Public administration* and underrepresented in *Leisure and hospitality* and *Education and health services*.

SUMMARY STATISTICS – MICHIGAN		
Adult (20+) Population (2012)		
Veteran:	634,000	↓
Nonveterans:	6,549,000	↓
Veteran Share:	8.8 percent	→
Labor Force Participation Rate (2012)		
Veteran:	44.3 percent	↑
Nonveteran:	63.4 percent	↓
“Working Age” (25-55) Participation (2012)		
Veteran:	82.0 percent	→
Nonveteran:	80.0 percent	↑
*Youth (18-24) Participation (2012)		
Veteran:	74.7 percent	→
Nonveteran:	64.4 percent	→
Discouraged Workers / Not in Labor Force (2012)		
Veterans:	1.1 percent	→
Nonveterans:	1.2 percent	→
Unemployment Rates (2012)		
Veteran:	7.9 percent	↓
Nonveteran:	8.5 percent	↓
*Youth (18 to 24) Unemployment (2012)		
Veteran:	20.4 percent	→
Nonveteran:	15.4 percent	→
VA Education Beneficiaries (2011)		
Total:	14,468	↑
Post-9/11 GI Bill:	8,896	↑
MGIB-AD/SR	3,597	↓
DEA:	1,696	↓
REAP:	275	↓
VEAP:	4	↓
*Troop Levels (Iraq and Afghanistan)		
Total:	67,500	↓
Iraq:	4,100	↓
Afghanistan:	63,500	→

↓ / ↑ Change (Over the Year)
*Estimate for United States

INTRODUCTION

Overview

- This report is intended to provide workforce developers, educators, policy makers, employers, and others interested in workforce issues some general information about veterans in the state's labor market. Veterans have been a popular topic in the context of the workforce, and for good reason. Veterans are nearly 9 percent of our population and play an important role in our labor market and our economy.
- While most veterans report a relatively strong labor market experience, there are many veterans who are struggling in the labor market. With veteran unemployment at 7.9 percent, many veterans remain out of work. Especially problematic are veterans who are among the long-term, structurally unemployed and veterans who are struggling to transition from military to civilian occupations. Additionally, many veterans are outside the labor market altogether. In some cases, these veterans are discouraged with the labor market or unable to participate due to a disability. Some working veterans may even be facing difficulty, as 1 in 4 veterans working part-time would like to be working full-time.
- This report is organized in four sections: (1) Population and Demographics; (2) Labor Force and Labor Force Participation Rates; (3) Unemployment; and (4) Employment. Throughout this study, veterans and nonveterans are compared, highlighting for both groups points of success as well as areas for action.

Data and Methodology

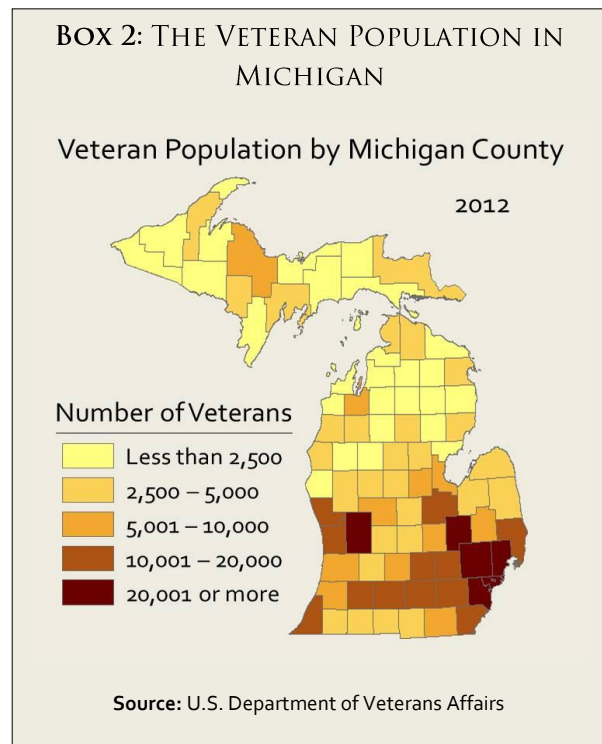
- Most of the information in this report comes from the Current Population Survey (CPS), a monthly sample survey of about 60,000 households in the United States (about 2,000 in Michigan). Beyond being the source of the national unemployment rate, the CPS collects detailed information on the labor force, employment, and unemployment status of participants.
- In the CPS, veterans are defined as men and women who have previously served on active duty in the U.S. Armed Forces and who were civilians at the time they were surveyed. (This definition was formulated by the U.S. Census Bureau and may not be consistent with all other definitions for veterans.) Basic labor market data about veterans is collected monthly with additional information collected annually.
- Only select statistics on veteran labor force, employment, and unemployment are published at the state level. Accordingly, much of the information in this report uses unpublished CPS microdata. Due to small sample size, microdata were aggregated at various levels to ensure reliability. In most cases, a twelve month moving average is used, complete with constructed confidence intervals. In some instances, a three or five year sample is used. In limited cases, data for the United States is used.
- Because CPS microdata were used to produce this report, the information herein may not be directly comparable to other sources of information, even published CPS tables. Importantly, distinctions are made between veteran and nonveteran samples and readers should not consider the nonveteran sample to represent the total population.

POPULATION & DEMOGRAPHICS

In addition to providing a general overview of the veteran population in Michigan, this section highlights some demographic characteristics of Michigan veterans. Included are insights into veteran gender, age, disability status, and educational attainment. This demographic information lays the foundation for the more detailed workforce analysis that follows in the rest of this study.

The Veteran Population

- In 2012, there were about 635,000 veterans in Michigan, representing 8.8 percent of the state’s total 20 and over population. With a sizable veteran population, Michigan ranks 11 out of the 50 states in terms of its overall veteran population. **(Box 1)** However, this is primarily a function of Michigan’s large total population, which also ranks 11 out of the 50 states. When considering the veteran share of the state’s total population, Michigan actually ranks in the bottom quartile (43rd) of all states.
- Several explanations offer insights into Michigan’s low share of veterans. One explanation is the impact of the Great Recession. In response to high unemployment and discouragement, some returning veterans have settled in other states. Another explanation is the relatively small number and size of Michigan’s active military installations. With less than 3,000 active military personnel, Michigan ranks 41 out of the 50 states in personnel associated with its military installations.
- While states like California, Florida, and Texas boast a large veteran population, states like North Carolina, Virginia, and West Virginia report an impressive size and share. Compared to Michigan, these states saw fewer job losses during the Great Recession and have more, larger military installations.



Gender

- In Michigan, more than 93 percent of veterans are men. However, a growing number of women are entering the military and the female veteran population is on the rise. According to the Department of Veterans Affairs, “In 2009, women comprised 8 percent of the total veteran population in the United States. By 2035, they are projected to make up 15 percent of all living veterans.”

Age

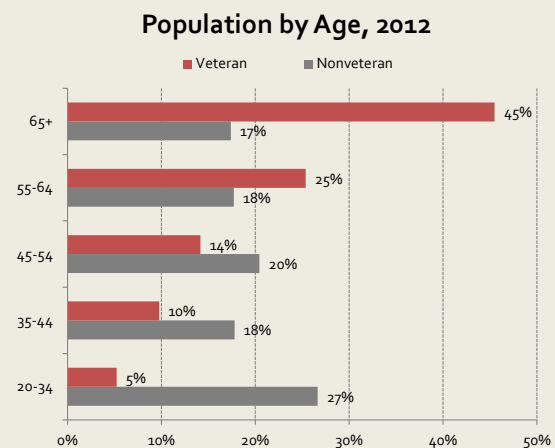
- The veteran population is a relatively older population. Nationally, 43 percent of veterans are 65 or older. Slightly older still, 45 percent of Michigan veterans are 65 or older, well above the state’s nonveteran population in which just 17 percent are 65 and older.
- Conversely, the share of veterans age 20 to 34 (5 percent) is remarkably lower than the share of nonveterans in the same age group (27 percent). One factor contributing to the lower veteran presence in this cohort is the large active military population in this age group. Nevertheless, the small share of veterans in younger cohorts and the higher share in older groups have workforce implications. **(Box 3)**

Disability Status

- Nationally, an estimated 2.9 million or 1 in 8 veterans indicate that they have a service-connected disability, as determined by the Veteran Administration or Department of Defense.
- In Michigan, an estimated 1 in 5 veterans self-report one or more disabilities, compared to 14 percent for nonveterans.

BOX 3: THE WORKFORCE IMPLICATIONS OF AN AGING VETERAN POPULATION

WITH 70 percent of Michigan veterans 55 or older, most veterans are either retired or nearing retirement. At the same time, just 15 percent of veterans are in the combined 20-34 and 35-44 cohorts. In both cases, the veteran population is dramatically different than the nonveteran population: much larger in the older cohorts and much smaller in the younger cohorts.



Source: Current Population Survey (Unpublished Data)

Note: Estimates for Michigan, 2012

This is cause for concern for the entire workforce development community. As more and more veterans retire, they will leave in their absence some skills shortages. According to Jeff Barnes, Director of the Michigan Veterans’ Affairs Agency, “Veterans bring with them job-ready skills, proven leadership, a strong work ethic and a fierce sense of loyalty. Unafraid of new challenges, these men and women have demonstrated that they can work in diverse and unpredictable environments, cooperate as team players and shift gears at a moment’s notice. These skills and traits are exactly what Michigan needs to succeed in tomorrow’s economy.” (Opinion, The Flint Journal, July 28, 2013)

Recognizing this threat, Barnes and other leaders throughout the state have been working hard to make Michigan a more attractive place to live, study, and work for veterans. For more information on current initiatives, please contact the Michigan Veterans’ Affairs Agency at (517) 284-5298.

Educational Attainment

- Michigan veterans and nonveterans report similar educational attainment levels, with a few interesting exceptions. About 1 in 4 veterans have a Bachelor's degree or higher, on par with 26 percent for nonveterans. However, veterans are more likely than nonveterans to be in the "some college" category or to have earned an Associate's degree. This is partially explained by the many veterans who pursue employment in *Construction* and *Production* occupations, which often require a post-secondary or vocational certificate or an Associate's degree. Another explanation for higher concentrations of veterans in these categories is the educational benefits available to veterans through the GI Bill and related programs. (Box 4)
- Veterans are also more likely than nonveterans to have finished high school. Just 7.1 percent of veterans have less than a high school diploma compared to 11.5 percent for nonveterans. Today, a high school diploma is required for military service. As such, many veterans in the "less than high school" category are older veterans, likely to be retired or nearing retirement. In the future, the number of veterans with less than a high school diploma or equivalent should continue to drop.

BOX 4: THE GI BILL – A MOTIVATING FACTOR IN VETERAN EDUCATIONAL ATTAINMENT

ORIGINALLY titled "The Servicemen's Readjustment Act of 1944", the first version of the GI Bill was created to improve the lives of World War II veterans by way of providing Veterans' Administration (VA) home loan benefits, educational assistance, and unemployment pay after they returned home from war. Educational assistance for veterans, although controversial at the time, ultimately protected the labor market from an overflow of new labor force participants when many chose to enter the educational arena rather than search for employment. The GI Bill benefits allowed veterans to pursue a college education, an opportunity many would not have had otherwise. And a record number of veterans responded. By the time the original GI Bill ended in 1956, 7.8 million of 16 million World War II veterans had used education assistance.

Twenty-eight years after the end of the original GI Bill, a new version was introduced, which is still referred to today as the "Montgomery GI Bill". Benefits are similar to those of the first GI Bill, including VA home loan guaranty and education benefits. This program carried on the intent of the original bill by providing a smooth means of transition for veterans.

Today, veterans who have served after September 11, 2001 can be eligible to receive up to 100 percent tuition assistance toward any approved college, university, trade school, apprenticeship, flight school, or on the job training through the Post-9/11 GI Bill. This revamped version of the prior GI Bills includes a more expansive set of benefits that, unlike older versions, does not require service members to pay an enrollment fee. Service members can receive these benefits for a total of 36 months, and have up to 15 years after their service ends to activate their GI Bill. A minimum of 90 days of service is required to receive partial benefits, and those who serve at least 36 months are eligible for 100 percent tuition assistance. The Post-9/11 GI Bill also provides additional benefits such as a housing allowance and books stipend while the service member attends college or training.

By 2011, nearly 1 million people in the United States took advantage of their Post-9/11 GI Bill benefits since its enactment in 2009. In Michigan in 2011, Post-9/11 GI Bill benefits made up 61% of all used veteran education benefits. From 2010 to 2011, Post-9/11 GI Bill participation in Michigan rose from 6,634 to 8,896, a number that is expected to continue rising.

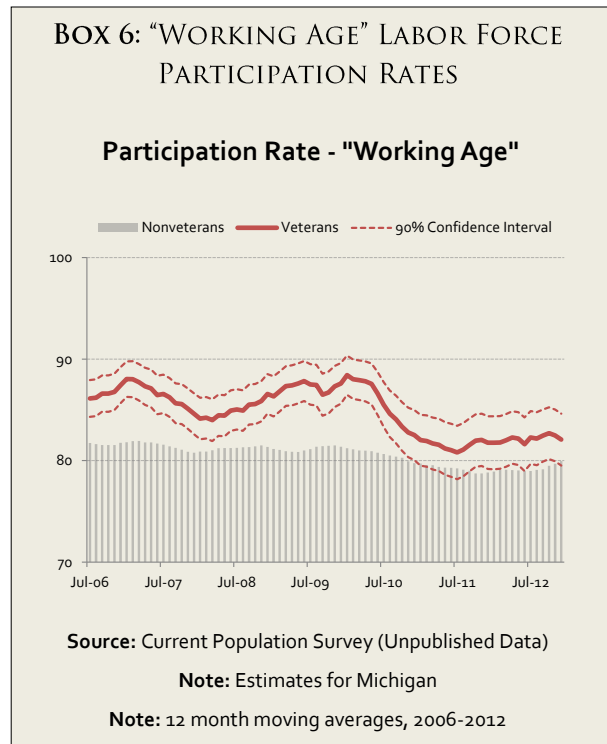
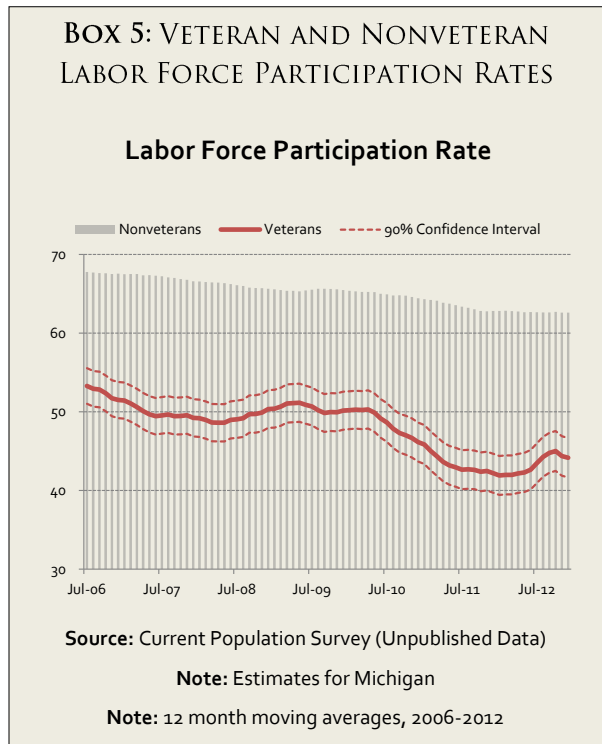
Source: U.S. Department of Veterans Affairs

LABOR FORCE & LABOR FORCE PARTICIPATION RATES

The labor force participation rate is an important economic and workforce indicator. The labor force participation rate is the proportion of the 16 and over population that is participating in the labor market, either working (employed) or looking for work (unemployed). High participation rates can signal productive employment as well as optimism on the part of those looking for work. Low participation rates are explained by one of several potential reasons. This section explores participation rates for veterans and nonveterans.

Labor Force Participation Rate

- With a labor force participation rate of 44.3 percent, Michigan veterans appear to have an alarmingly low participation rate compared to their nonveteran counterparts, whose labor force participation rate measure 63.4 percent. (Box 5) However, one of the leading reasons for lower participation among veterans is their relative age.
- Indeed, veterans are an older population than nonveterans, suggesting that larger shares of veterans are likely to be enjoying retirement. In fact, when controlling for age, veterans and nonveterans may actually post similar labor force participation rates. (Box 6) The participation rate for “working age” veterans is about 82 percent, within the margin of error from the 80 percent rate recorded for “working age” nonveterans. (In this study, “working age” is defined as the population “25 to 55.”)
- Besides retirement, there are several reasons why individuals, veterans and nonveterans, may not be participating in the labor market. Nonparticipants may be: pursuing education or training, taking care of family responsibilities, have a disability, or even be discouraged with the labor market.



Education or Training

- Overall, Michigan veterans report solid educational attainment levels. These numbers, however, capture those who have already completed their education. Other veterans, namely younger veterans and those returning to civilian life are increasingly likely to be presently pursuing a college or university degree or vocational training. These veterans, should they not be looking for work, would be outside the labor market.
- There are several programs for veterans who are interested in pursuing education or training. And, many veterans are taking advantage of these programs. (Box 7)

Disability

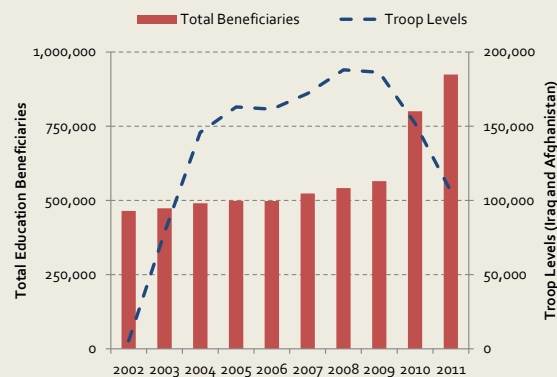
- Nationally, 1 in 5 veterans with a service-connected disability say that their disability has, at one time or another prevented them from getting or holding a job. Today, more than 700,000 veterans suggest that their service-related disability is currently keeping them from getting or holding a job.
- Michigan veterans are significantly more likely than nonveterans to be outside the labor market because of a disability. An estimated 11 percent of all veterans were on the sidelines due to a disability, compared to just 3 percent for nonveterans.
- Most veterans with a service-connected disability are receiving compensation for their disability from the Department of Veterans Affairs or a branch of the military service. Only 15 percent of veterans who self-report a disability are not receiving compensation.

BOX 7: VETERAN PARTICIPATION IN EDUCATION BENEFIT PROGRAMS

FOR veterans returning to school, a few different options for educational assistance programs are available. These programs have served hundreds of thousands of veterans over a number of years, and participation is on the rise today.

The Montgomery GI Bill, for many years the most popular program, allows eligible veterans monthly education benefits. Today, The Post-9/11 GI Bill is the most widely used program, offering eligible veterans full tuition assistance. Other programs include the Reserve Educational Assistance Program (REAP), the Post-Vietnam Era Veteran’s Assistance Program (VEAP), the Survivors’ and Dependents’ Educational Assistance (DEA), and the Vocational Rehabilitation and Employment Program (VR&E).

Total Education Beneficiaries and Troop Levels



Source: U.S. Department of Veterans Affairs

Note: Estimates for United States

Two major factors have contributed to the significant increase in Veterans’ Affairs Education Beneficiaries in recent years. First, enrollment trends, generally, are on the rise. Second, as troop levels in Iraq and Afghanistan are reduced, more and more returning veterans are claiming their Post-9/11 GI Bill and other benefits.

In Michigan, Total Education Beneficiaries measure 14,468, up 5 percent from 2010. Programs with the most participation in Michigan include the Montgomery GI Bill, the Post-9/11 GI Bill, and the Dependents’ Educational Assistance.

Discouraged Workers

- Discouraged workers are another group who are not participating in the labor market. According to the Bureau of Labor Statistics, discouraged workers are “not currently looking for work specifically because they believe no jobs are available for them or there are none for which they would qualify.” Importantly, discouraged workers do not count as unemployed because they are not actively seeking employment. Instead, they are considered not in the labor force. Veterans and nonveterans see similar instances of discouragement. Among all veterans who are not in the labor market, about 1.1 percent are discouraged workers, not statistically different from the 1.2 percent for nonveterans.
- In recent years, the number of discouraged workers in Michigan’s labor market has been on the rise as people stopped looking for work leading up to, during, and even after the Great Recession. Today, there remain discouraged workers sitting on the sidelines of the labor market. Yet, there is some evidence that while veterans and nonveterans report a similar share of discouraged workers, they may be discouraged for different reasons. **(Box 8)**

BOX 8: EQUALLY DISCOURAGED, BUT FOR DIFFERENT REASONS?

THE Current Population Survey (CPS) is a monthly survey of nearly 60,000 households in the United States, about 2,000 of them in Michigan. Based on participant responses, each working-age member of the household is classified as employed, unemployed, or not in the labor force. One group counted as not in the labor force are “discouraged workers.” Defined broadly, discouraged workers are those who are not currently looking for work specifically because they believe no jobs are available. Once a respondent indicates that they did not look for work, surveyors ask additional questions to understand the specific reasons. By definition, discouraged workers did not look for work for one of the following reasons:

1. Because they believe no work is available in their line of work or area; or
2. Because they believe they couldn’t find any work; or
3. Because they believe they lack the necessary schooling or training.

While veterans and nonveterans have similar levels of labor market discouragement, there is some evidence that they may be discouraged for different reasons. For example, of all veterans classified as discouraged workers, 60 percent indicate they are not looking for work because they “believe no work is available in their line of work or area.” On the other hand, just 1 percent of discouraged veterans did not look because they believe they “lack the necessary schooling or training.” This suggests that veterans themselves may believe that they have important education and experiences, but that they are having a difficult time identifying how their military experience or occupation translates back to the civilian economy. Moreover, these veterans may be having a difficult time talking about their military experience in a way that tells prospective employers about the value of their skills.

What about nonveterans? Nearly 2 in 3 nonveterans classified as discouraged report that they didn’t look for work because they believed they “couldn’t find any work.” The remaining third of discouraged nonveterans said they did not look for work either because they “lack the necessary schooling or training” or because they believe there was “no work available in their line of work or area.” Compared to discouraged veterans, discouraged nonveterans place more emphasis on overall economic conditions and on their own skills and less emphasis on their experiences being transferable.

According to Christine Quinn, Director of Michigan’s Workforce Development Agency (WDA), “The WDA and the talent system are working to educate our employers and our veterans. We need to ensure our employers understand the value of military experience and education and we need to assist our veterans by taking their military experiences and cross walking them into opportunities that fit the demand from employers.”

Source: Current Population Survey (Unpublished Data)

Family Responsibilities

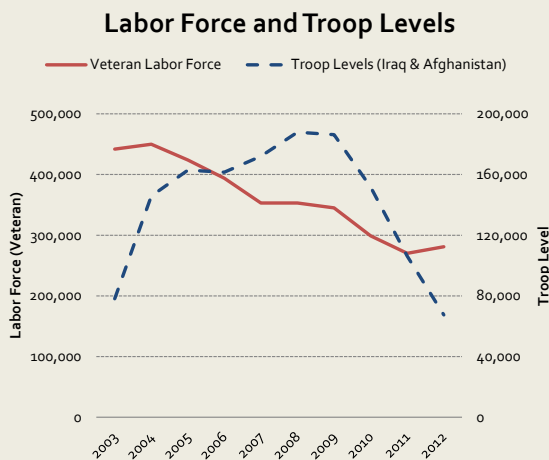
- A leading reason for labor market inactivity is taking care of household or family responsibilities. A similar share of Michigan veterans (41 percent) and nonveterans (47 percent) who are out of the labor market fall in this category. Because this group includes child care and caring for a sick parent or child, the underrepresentation of women in the veteran population is a potential explanation of the estimated difference between the groups.

Participation Trends

- Since growing to over 5.1 million participants in 2000, Michigan’s labor force has steadily declined. Between 2001 and 2012, the labor force receded by 487,000 or 9.5 percent.
- A major reason for the drop in the labor force was the fallout from the 2001 and 2007 recessions, which caused wide-spread job losses and subsequent labor force withdrawal and discouragement.
- Additionally, in response to the economic downturn, more and more Michiganders left the labor market and returned to school. In extreme cases, some residents even left Michigan, looking for work elsewhere. By 2012, even amid a tempered economic recovery, the state’s labor force had yet to post any significant gains. (Michigan’s labor force has posted some gains so far in 2013.)
- Despite a stagnant labor force in Michigan, the state has seen an uptick in the size of its veteran labor force. And, this trend should continue with improved economic conditions and the drawdown of troops in Afghanistan. (Box 9)

BOX 9: U.S. TROOP LEVELS AND THE MICHIGAN LABOR FORCE

As Michigan’s labor force levels were slipping lower, U.S. troop levels in Iraq and Afghanistan were growing rapidly. These two trends continued throughout most of the decade. Then, troop levels flattened out in 2008 and 2009, and began to decline, reflecting the drawdown of troops in Iraq and Afghanistan. Two years later, between 2011 and 2012, after several years of sizable labor force declines, Michigan’s labor force levels stabilized somewhat, inching lower by less than 1 percent. But, over that same period, the veteran labor force actually inched higher, growing by 4 percent.



Source: Current Population Survey (Unpublished Data) / Congressional Research Service

As veterans return home to Michigan, and elsewhere, veteran labor force levels should continue to rise, albeit incrementally, reflecting the returning participants. Of course, not all veterans will immediately become active in the labor market; some will pursue education or training, some will care for family or personal obligations, and some will have a disability. Nevertheless, in coming years, the labor market should see an infusion of veterans reentering the labor market.

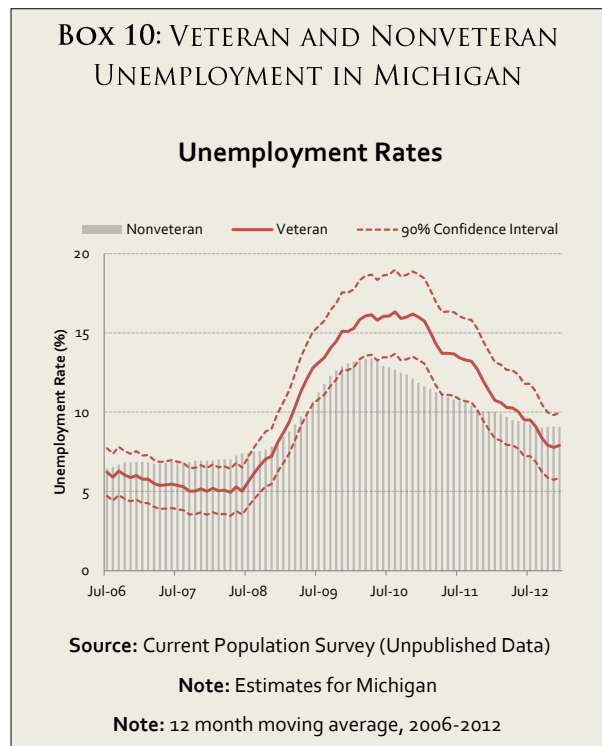
These new participants can mean opportunity for Michigan employers, especially those struggling to fill vacancies. Interested employers should work with Michigan Works! to participate in job fairs or other activities intended to connect employers with well-qualified veterans. For more information, please visit: <http://www.mitalent.org/veteran/>.

UNEMPLOYMENT

The unemployment rate is a key macroeconomic variable and among the most important indicators of overall labor market health. Accordingly, veteran and nonveteran unemployment rates are commonly cited statistics. This section provides an overview of veteran and nonveteran unemployment, including leading reasons for joblessness. Also discussed are the important topics of long-term and youth unemployment.

Veteran and Nonveteran Unemployment

- In 2012, the unemployment rate for veterans in Michigan measured 7.9 percent, down significantly from its peak of 15.9 at the height of the economic downturn in 2010. While the unemployment rate for veterans appears lower than the rate for nonveterans (8.5 percent), this difference is not statistically significant. (Box 10)
- Veteran unemployment, like nonveteran unemployment, is higher in Michigan than nationally (7.0 percent). Among the reasons for higher joblessness in Michigan are the lingering effects of nearly a decade of widespread job losses that impacted the state during the 2001 and 2007 recessions. But, Michigan has made some headway in recent years. In 2012, Michigan ranked 38th out of the 50 states for veteran unemployment, substantially improved from last place in 2009 and 2010. (Box 11)
- Veteran jobless rates were lowest in North Dakota, Nebraska, and Idaho, each recording rates about half that of Michigan. The highest veteran unemployment was seen in New Jersey and Massachusetts, with rates near 10 percent. With only a few exceptions, veteran unemployment in states correlates with the overall rate of joblessness. That is, states with lower jobless rates report lower veteran unemployment.



Reasons for Joblessness

- The unemployed are separated into four categories: job losers, job leavers, reentrants, and new entrants. Roughly half of nonveterans and nearly 60 percent of veterans are in the job loser category. Job losers include those who involuntarily lost their job or who completed a temporary job. The slightly higher share of veterans in this category may be explained by their overrepresentation in industries and occupations that were most affected by the Great Recession.
- Veterans and nonveterans see similar shares of unemployed reentrants (25 percent) and unemployed job leavers (5 percent). Because most veterans have previous work experience, they are much less likely than nonveterans to be unemployed new entrants (2 percent compared to 12 percent).

Duration of Unemployment

- Since 2001, one troubling trend has been record long-term unemployment. In 2000, just 1 percent of unemployed Michiganders had been out of work for a year or more compared to an estimated 34 percent in 2012. In 2012, the average spell of unemployment measured 42 weeks, statistically similar for veterans and nonveterans. **(Box 12)**
- With a higher incidence of long-term unemployment, more attention has been devoted to potential “skills mismatches” in the labor market. For veterans, potential skills mismatched may be avoided by understanding how military skills and experiences can transfer to civilian occupations. **(Box 17)**

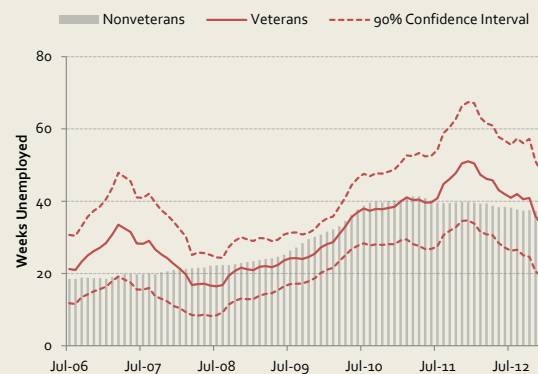
BOX 12: LONG-TERM UNEMPLOYMENT AND TRANSFERABLE SKILLS

THERE is a definite relationship between long-term unemployment and transferable skills. During economic downturns, especially like those seen in Michigan in 2001 and 2007, deep job losses ripple through the economy affecting workers in virtually all industries and occupations. As the economy recovers, many rejoin the ranks of the employed, finding the same, similar, or related work.

But for some, there is no “same, similar, or related” work, resulting in so-called structural unemployment. For an example of structural unemployment, one needs to look no further than Michigan. As a result of two economic downturns, thousands of workers were laid-off from *Production* occupations in the state’s *Manufacturing* industries. These workers face a significant challenge finding employment that calls for their education, experience, and skills, leading many to chronic long-term unemployment.

Many veterans face a similar dilemma. Like some unemployed autoworkers, some veterans face a labor market that does not demand all the skills they accumulated during their military service. In many cases, veterans can be aided by learning how their skills transfer to civilian careers, or by learning how to talk about their military experience. But, in some cases, veterans may also need to consider additional education or training, allowing them to learn new, in demand skills.

Unemployment Duration

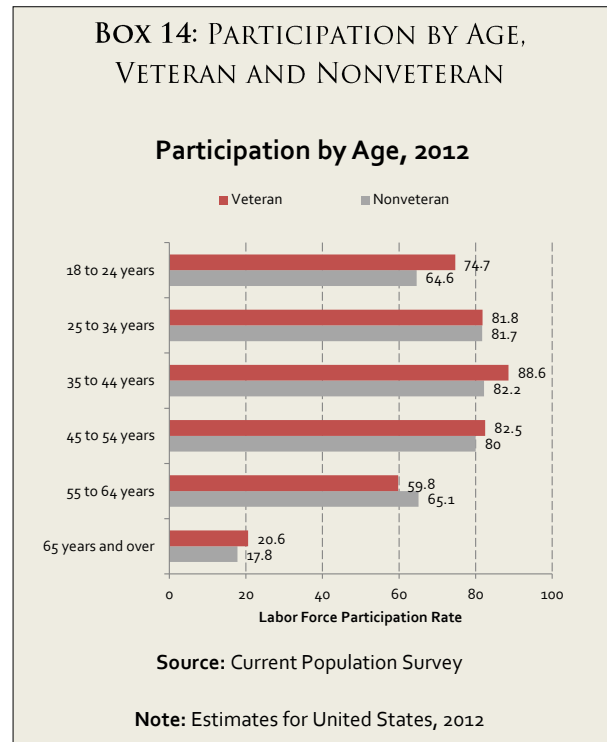
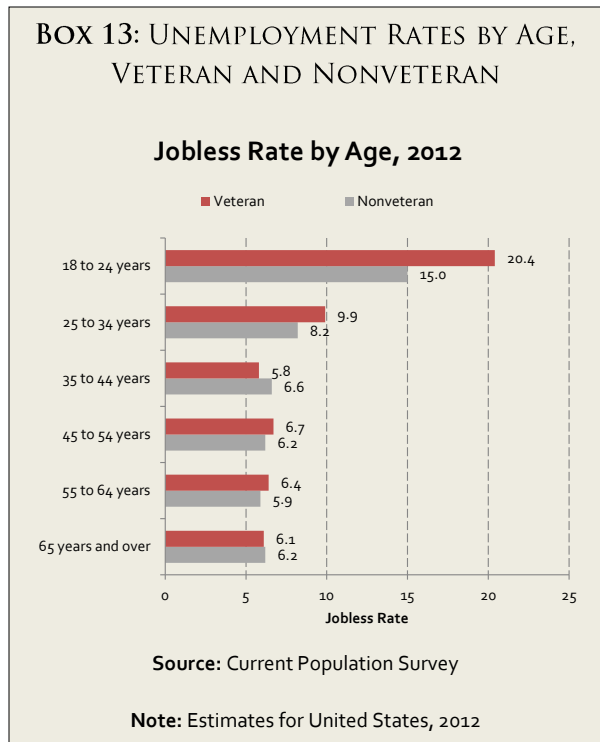


Source: Current Population Survey (Unpublished Data)

Note: Estimates for Michigan

Youth Unemployment (and Participation)

- In recent years, youth unemployment was at record highs at a time when labor force participation for youth has steadily declined. These trends have been seen in Michigan, the United States, and across the world. In fact, youth unemployment is so problematic in some countries that the International Labour Organization has said it could “scar” an entire generation.
- Since the Great Recession, youth unemployment in Michigan has risen rapidly, peaking at 20 percent in 2009, before inching lower each year to its current level of 16.9 percent.
- Importantly, there is evidence that veterans 18 to 24 report higher joblessness than their nonveteran counterparts. Nationally, the unemployment rate for veterans in this age cohort is over 20 percent, a full 5 percentage points high than the rate for nonveterans in the same age group. **(Box 13)**
- Labor force participation is no better for youth. In 2000, nearly 3 in 4 youth were in the labor market, working or actively looking for work. In fact, in 2000 youth were participating at a rate higher than average. Since the 2001 recession, participation has trended downward, not only for youth, but especially for youth. Today, youth participation has dropped below overall participation.
- Labor force participation rates are slightly better for veterans than for nonveterans in the 18 to 24 cohort. Participation for veterans 18 to 24 reached about 75 percent in 2012, 10 percentage points higher than for nonveterans. One key explanation for the difference in participation is the larger share of the nonveteran population out of the labor force pursuing education or training.

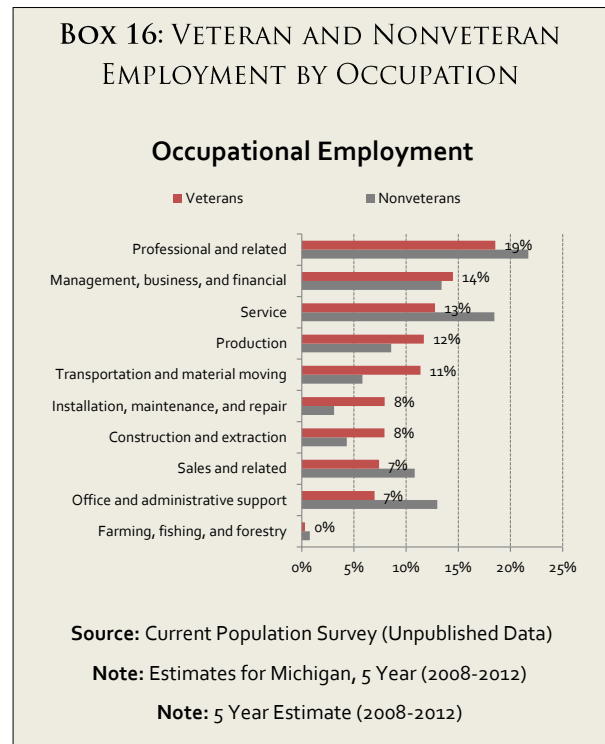
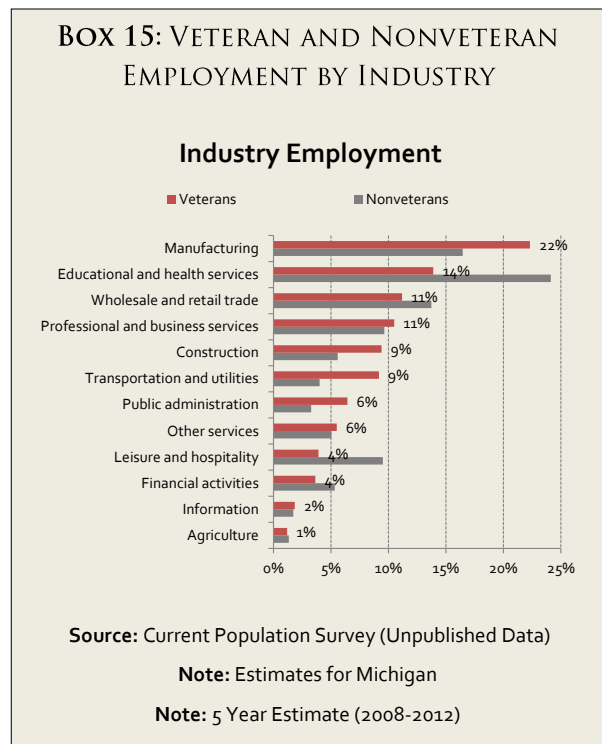


EMPLOYMENT

Most working-age veterans are active in the labor market. This section provides an overview of the employment situation for working veterans. Included are discussions of employment by industry and occupation and full-time and part-time work. The important topic of transitioning from military occupations to civilian occupations is also discussed, as well as some insight in to the demand for civilian occupations most closely associated with some more common military occupations.

Industry Employment

- Veterans and nonveterans work in similar industries, with a few notable exceptions. (Box 15) First, veterans see a higher share of employment in *Manufacturing* compared to nonveterans. Similarly, veterans are overrepresented in *Transportation and utilities* and *Construction*. However, the sector with the most overrepresentation of veterans is *Public administration*, where the veteran share of employment is two times that of the nonveteran share.
- Compared to nonveterans, veterans have significantly lower shares of jobs in *Leisure and hospitality* and *Educational and health services*. While veterans are underrepresented in these industries, they nevertheless provide attractive employment opportunities for veterans. First, *Leisure and hospitality*, like other service providing industries, offers excellent opportunities for returning veterans or for those working part-time while pursuing education or training. *Education services* may provide employment prospects for veterans with education, training, or leadership experience, while *Health services* should be an attractive option for veterans with health-related experience or those interested in health careers.



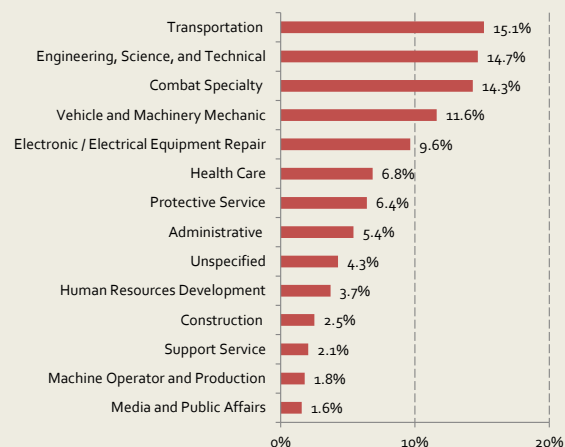
Occupational Employment

- Notwithstanding a handful of important exceptions, occupational employment for veterans and nonveterans follow a similar distribution. For both groups, half of all employment is concentrated in *Professional; Service; and Management, business, and financial* occupations. (Box 16)
- Compared to nonveterans, veterans are underrepresented in *Service* occupations; *Sales and related* occupations; and *Office and administrative support* occupations. In contrast, veterans are overrepresented in *Production; Transportation and material moving; Installation, maintenance, and repair, and Construction and extraction* occupations. Generally, job requirements in these careers share more attributes with common military occupations. Employers who are having difficulty filling vacancies in these occupations should consider reaching-out to veterans who may have related education, training, or skills. (Box 17)
- Overall, impressive shares of veterans find employment opportunities in higher skill, higher paying occupations. First, many occupations in the categories with an overrepresentation of veterans are objectively good jobs: for example, Skilled Trades occupations in the *Construction* and *Production* categories. Second, a significant number and share of veterans work in *Management, business, and financial* occupations as well as in *Professional and related* occupations, the largest occupational category for veteran employment.

BOX 17: EMPLOYMENT IN MILITARY OCCUPATIONS

NEARLY 3 in 4 active military personnel are employed in the following six military occupational categories: Transportation; Engineering, Science, and Technical; Combat Specialty; Vehicle and Machinery Mechanic; Electronic and Electrical Equipment and Repair; and Health Care. While there are some distinctions across the five military branches, these occupational categories are more or less dominant in each.

Active Military Employment



Source: Bureau of Labor Statistics

While virtually all military experiences are valuable, some military job titles are easier to relate to civilian occupations than others. For instance, most occupations in the Health Care category have direct analogues in the civilian economy. In contrast, many occupations in the Combat Specialty category may be difficult – but not impossible – to relate to civilian job titles. By working with career advisors, like those with the Workforce Development Agency’s Veterans’ Services Division, or by using tools like O*Net or Hero 2 Hired, veterans can explore careers that are related to their military occupation and experiences.

These and other resources can be found at:

- Veterans’ Service Division: <http://www.mitalent.org/veteran/>
- Michigan Veterans’ Affairs Agency: <http://www.michigan.gov/veterans>
- O*Net OnLine: <http://www.onetonline.org/>
- Hero 2 Hired: <https://hzh.jobs/>

Part-Time Work

- Approximately 1.2 million Michiganders work part-time. Of those choosing to work part-time, some leading reasons for doing so include attending school or training, taking care of family or personal obligations, and keeping busy in retirement. But, about 25 percent of all part-time workers are working part-time for economic reasons, meaning they could only find part time work or because of slack work or business conditions. The instance of working part-time for economic reasons is not statistically different for veterans and nonveterans.
- Veterans are less likely than nonveterans to be working part-time, overall. About 15 percent of veterans are working part-time, compared to 1 in 5 nonveterans. (Box 18) Because women comprise 65 percent of those who usually work part-time, much of the difference in part-time work between veterans and nonveteran can be explained by the underrepresentation of women in the veteran population and workforce.
- Half of all veterans working part-time are employed in one of three broad occupational categories: *Service; Sales and related; and Transportation*. Nonveterans working part-time see similar occupational employment. Generally, employment in these occupational categories is more flexible, allowing workers to work part-time, nights, or weekends. For veterans and nonveterans, less part-time work is seen in *Farming, Production, Construction, and Installation and maintenance* occupations.

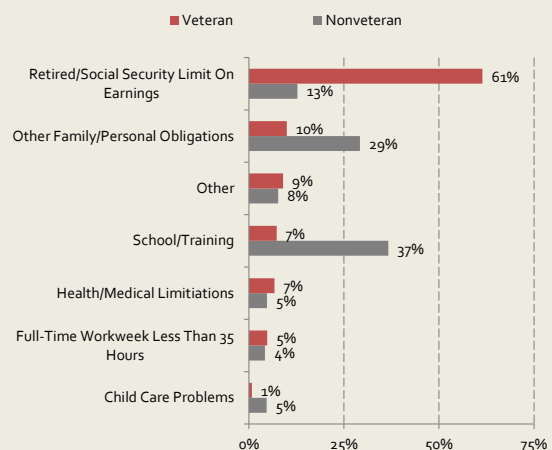
BOX 18: VETERANS AND NONVETERANS CHOOSING TO WORK PART-TIME

VETERANS work part-time for many different reasons. Like nonveterans, about 3 in 4 veterans working part-time are choosing the schedule for a variety of reasons like attending school or training or caring for family or personal obligations.

There are some notable differences in the reasons veterans and nonveterans choose to work part-time. First, in keeping with the veteran population being relatively old, most veterans choosing to work part time are doing so because they are retired or because of Social Security limits on earnings. The difference between veterans and nonveterans in this category is striking, with 61 percent of part-time veterans and just 13 percent of part-time nonveterans.

Veterans are much less likely to be working part-time to attend school or training. This generally reflects veterans being an older, already educated population. Additionally, veterans who are currently in school or training are likely to be using their VA Education Benefits, which may lessen the need to work part-time while in school allowing the veteran to focus on their education. Veterans are also less likely than nonveterans to be working part-time to care for family or personal obligations.

Choosing to Work Part-Time



Source: Current Population Survey (Unpublished Data)

Note: Estimates for United States

Note: 5 Year Estimate (2008-2012)

CONCLUSION

With the highest concentration of veterans retired or approaching retirement and a growing number of newly separated service members returning to civilian life, the veteran workforce is in transition. The loss of valuable skills from an older generation of veterans will need to be replaced, and many of those returning from military service should be prime candidates. But some veterans continue to struggle with the transition back to the civilian economy. This struggle is evidenced by the 7.9 percent of veterans who are out of work and the many others who have given-up looking for work altogether. Because a critical component of a successful transition back to the civilian economy depends on the ability of veterans to apply their military education, experience, and skills to in-demand positions in the economy, policy makers, workforce developers, and educators have zeroed-in on these and related issues. And, there are some signs that these efforts are starting to pay off.

But there is still work to be done.

- While veteran unemployment has shown some recent improvement, Michigan veterans continue to report higher joblessness than veterans nationally. As the state's economy continues to recover from nearly a decade of high unemployment and job losses, veterans and nonveterans should see improved labor market conditions. It is critical that veterans play a part in our continued recovery by transitioning into in-demand occupations in growing industries.
- Veterans should be prime candidates for many difficult to fill vacancies. Because veterans are overrepresented in industries like *Manufacturing* and *Construction* and in occupations like *Production* and *Maintenance*, some veterans may find a fairly easy transition into skilled trades or other in-demand occupations. Similarly, veterans with military experience in *Health care*, *Professional*, or *Scientific and technical* occupations should be competitive candidates for some of the state's most difficult to fill positions in its most high-tech industries. In all cases, however, veterans should be confident talking about their military experience and skills in a way that shows employers the value they can bring to the workplace.
- Among the veterans having the most difficult time in the labor market are those who have become discouraged and given-up looking for work and those who are underemployed, either working part-time for economic reasons or in lower skilled, lower paying occupations. These veterans may benefit from tools like O*NET or Hero to Hired or from more intensive services from the Veterans' Services Division that are designed to help veterans learn how their military skills and experience may transfer to in-demand occupations in the economy.
- Not all veterans are participating in the workforce. One explanation for this is the substantial increase in the number of veterans claiming educational benefits in the years since the enactment of the GI Bill, a number that continues to increase with the drawdown of troops in Iraq and Afghanistan. Continued support for these veterans is critical to ensure they gain the skills necessary to be competitive for higher skill, higher paying jobs in the economy. At the same time, these veterans need to know what occupations and skills are in-demand in the economy today and expected to be tomorrow.

APPENDIX: MILITARY AND CIVILIAN OCCUPATIONS

Nearly 75 percent of military employment is concentrated in six military occupational categories: *Transportation; Engineering, Science, and Technical; Combat Specialty; Vehicle and Machinery Mechanic; Electronic and Electrical Equipment and Repair; and Health Care*. This appendix is intended to provide some example crosswalks between these common military occupational categories and select, related civilian occupations. The selection of civilian occupations in this appendix was aided by the O*Net’s Military Crosswalk (<http://www.onetonline.org/crosswalk/MOC/>). The corresponding labor market information comes from the Bureau of Labor Market Information and Strategic Initiatives and The Conference Board’s Help Wanted Online Database.

Transportation

(Vehicle Drivers, Cargo Specialists, Aircrew Members)

Transportation Supervisors	Cargo and Freight Agents	Truck Drivers	Aircraft Mech. and Service Tech.
<i>Current Vacancies:</i> 525	<i>Current Vacancies:</i> 40	<i>Current Vacancies:</i> 4,000	<i>Current Vacancies:</i> 30
<i>Growth 2010-2020:</i> 10.6%	<i>Growth 2010-2020:</i> 24.8%	<i>Growth 2010-2020:</i> 11.2%	<i>Growth 2010-2020:</i> 5.5%
<i>Annual Openings:</i> 262	<i>Annual Openings:</i> 58	<i>Annual Openings:</i> 1,513	<i>Annual Openings:</i> 59
<i>Wage Range:</i> \$14 - \$37	<i>Wage Range:</i> \$12 - \$24	<i>Wage Range:</i> \$12 - \$26	<i>Wage Range:</i> \$13 - \$35
<i>Required Education:</i> High School Diploma	<i>Required Education:</i> High School Diploma	<i>Required Education:</i> High School Diploma	<i>Required Education:</i> Postsecondary Award

Engineering, Science, and Technical

(IT Specialist, Intelligence Analyst, Health and Safety Specialist)

Comp. and Info. Sys. Managers	Management Analyst	Intelligence Analyst	Computer Programmers
<i>Current Vacancies:</i> 650	<i>Current Vacancies:</i> 900	<i>Current Vacancies:</i> 15	<i>Current Vacancies:</i> 825
<i>Growth 2010-2020:</i> 13.1%	<i>Growth 2010-2020:</i> 17.0%	<i>Growth 2010-2020:</i> 5.0%	<i>Growth 2010-2020:</i> 7.9%
<i>Annual Openings:</i> 199	<i>Annual Openings:</i> 355	<i>Annual Openings:</i> 50	<i>Annual Openings:</i> 329
<i>Wage Range:</i> \$32 - \$73	<i>Wage Range:</i> \$19 - \$59	<i>Wage Range:</i> \$26 - \$61	<i>Wage Range:</i> \$19 - \$47
<i>Required Education:</i> Bachelor's	<i>Required Education:</i> Bachelor's	<i>Required Education:</i> Bachelor's	<i>Required Education:</i> Bachelor's

Combat Specialty
(Infantry, Artillery, Special Forces)

Police Patrol Officers	Operating Engineers	Construction Laborers	Security Guards
<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>
30	50	506	580
<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>
6.7%	11.8%	10.6%	16.5%
<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>
597	257	379	716
<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>
\$17 - \$34	\$15 - \$23	\$10 - \$26	\$8 - \$19
<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>
High School Diploma	High School Diploma	High School Diploma	High School Diploma

Vehicle and Machinery Mechanic
(Avionic Mechanic, Artillery Mechanic, Heating and Cooling Mechanics)

Automotive Mechanics	Machinists	Industrial Machinery Mechanics	HVAC Installers and Repairers
<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>
95	650	260	275
<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>
5.8%	6.0%	17.8%	18.7%
<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>
646	539	400	226
<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>
\$10 - \$30	\$11 - \$31	\$15 - \$33	\$14 - \$33
<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>
High School Diploma	High School Diploma	High School Diploma	Postsecondary Award

Electronic and Electrical Equipment Repair

(Computer Systems Repairer, Radio and Communication Security, Signal Systems Support Tech)

Security and Fire Alarm Installers	Net. & Comp. Systems Admin.	Electricians	Electrical Engineers
<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>
50	1,350	400	1,100
<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>
30.3%	22.3%	6.0%	6.2%
<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>
34	315	547	137
<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>
\$11 - \$29	\$21 - \$50	\$15 - \$36	\$25 - \$55
<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>
High School Diploma	Bachelor's Degree	High School Diploma	Bachelor's Degree

Health Care

(Health Care Specialist, Nurse, Dental Specialist)

Dental Hygienists	Registered Nurses	Med. and Health Service Managers	EMT and Paramedics
<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>	<i>Current Vacancies:</i>
78	5,321	1,465	90
<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>	<i>Growth 2010-2020:</i>
20.8%	19.3%	13.8%	23.0%
<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>	<i>Annual Openings:</i>
353	3,260	388	318
<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>	<i>Wage Range:</i>
\$21 - \$36	\$23 - \$40	\$25 - \$71	\$9 - \$21
<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>	<i>Required Education:</i>
Associate's	Associate's	Bachelor's	Postsecondary Award