

# California's Veteran Population in the Labor Market

June 2011

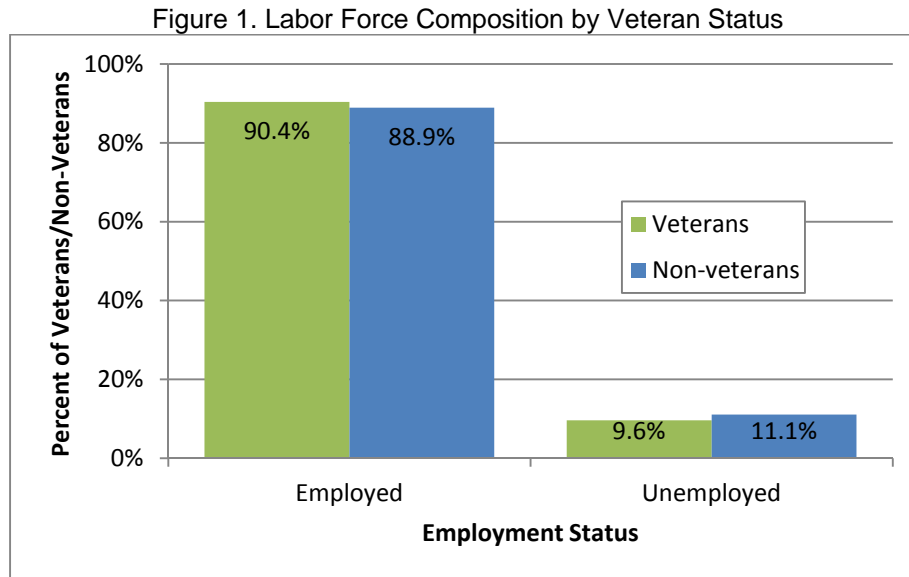
A report of the American Community Survey compiled by the  
California Employment Development Department

## Highlights

- The unemployment rate for veterans in 2009 was 9.6 percent, lower than the non-veteran population of 11.1 percent.
- Veterans reported having a disability at twice the rate of the non-veteran population.
- Veterans were overwhelmingly found in older age groups in comparison to non-veterans.
- On average, veterans had higher incomes than non-veterans in 2009.

## Veterans' Participation in California's Labor Market

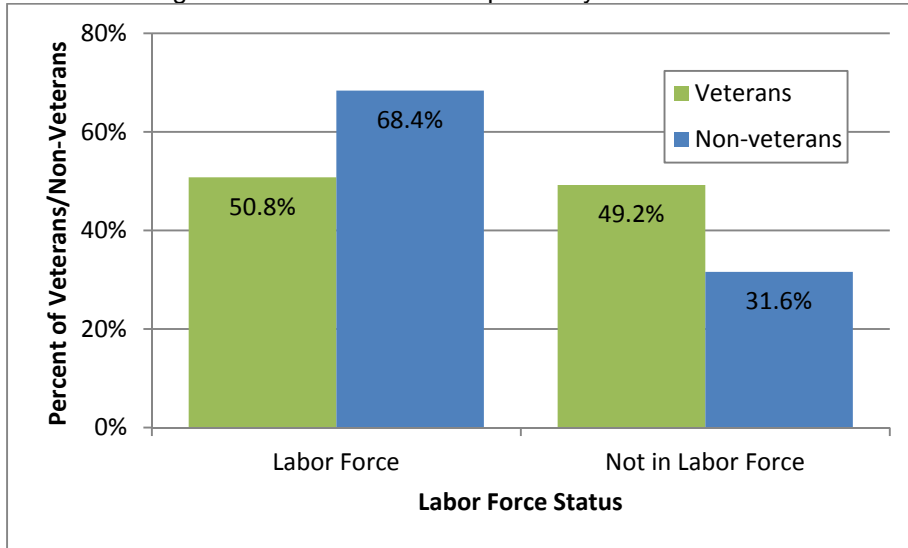
- In 2009, the unemployment rate for veterans was 9.6 percent. This rate was lower than their non-veteran counterparts' rate of 11.1 percent. Figure 1 compares the rates of employment and unemployment of veterans to non-veterans.



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 2 compares labor force participation rates of veterans to non-veterans. The lower unemployment rate among veterans was closely linked to their participation rate in California's labor market where the participation rate was only 50.8 percent for veterans. The remaining 49.2 percent of veterans did not actively participate in the labor force. In contrast, the labor force participation rate of non-veterans was 68.4 percent, leaving only 31.6 percent of non-veterans not in the labor force.

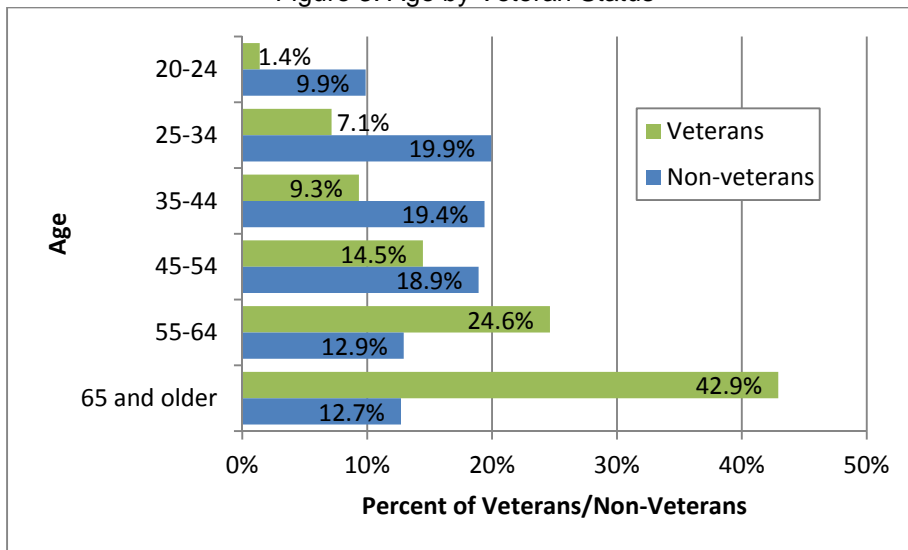
Figure 2. Labor Force Participation by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 3<sup>1</sup> shows the share of age groups of veterans and non-veterans. The large difference in labor force participation and unemployment rates can be largely attributed to the age composition of veterans. Approximately two-thirds of all veterans were age 55 or older, an indicator that many veterans were nearing retirement or had already reached retirement age.

Figure 3. Age by Veteran Status

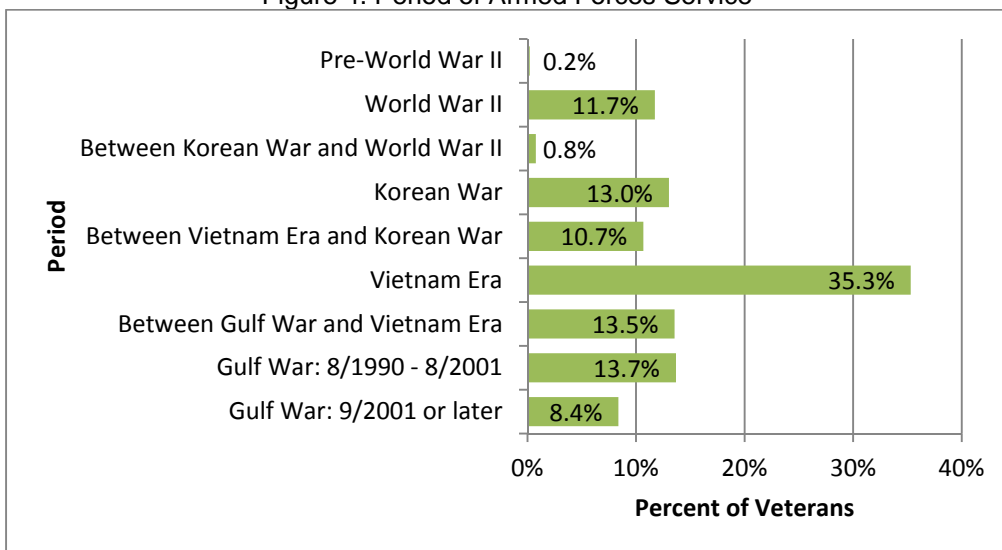


Source: U.S. Census Bureau, American Community Survey, 2009

- The period of armed forces service is shown in Figure 4. The single largest period of service for veterans is during the Vietnam War, a primary reason why the veteran population is so heavily represented in the older age groups.

<sup>1</sup> Totals in Figures 3, 5, and 6 do not add to 100 percent as the younger age group of 16-19 is excluded due to the small sample size and unreliability of the estimates of the veteran population aged less than 20 years.

Figure 4. Period of Armed Forces Service<sup>2</sup>

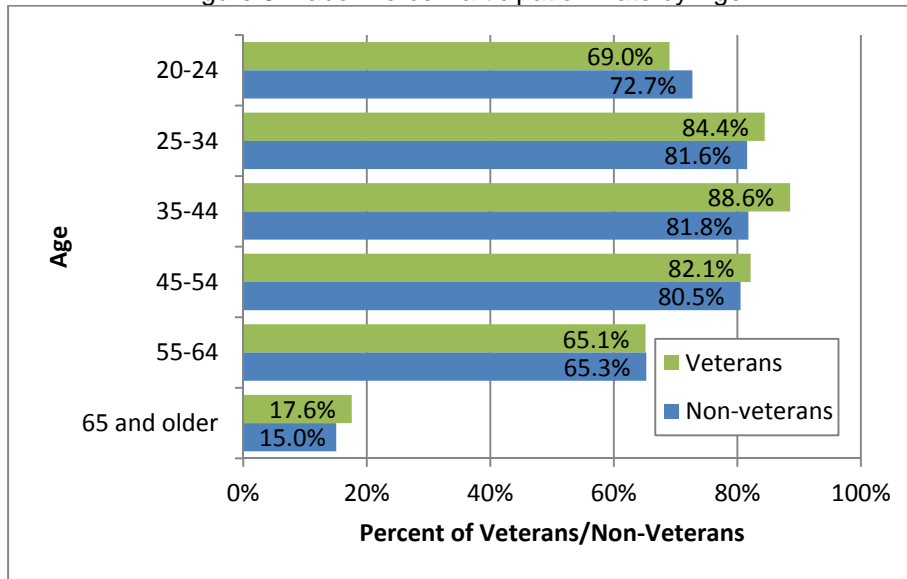


Source: U.S. Census Bureau, American Community Survey, 2009

- The majority of veterans served during time periods that occurred more than 20 years ago leaving only about one-fifth of the veteran population in the early stages of their career in California.
- Figure 5 shows labor force participation rates by age group for veterans and non-veterans. Labor force participation rates drop within the 55-64 age group for both veterans and non-veterans with an even steeper decline within the 65 and older age group. This decline coupled with the older age profile of veterans helps to explain a low participation rate among veterans overall.
- Despite a low overall participation rate, veterans participated more than non-veterans in the labor force in nearly all age groups. The two exceptions were the 20-24 and 55-64 age groups.

<sup>2</sup> The percentages in this table add up to more than 100% due to some veterans having served in more than one period.

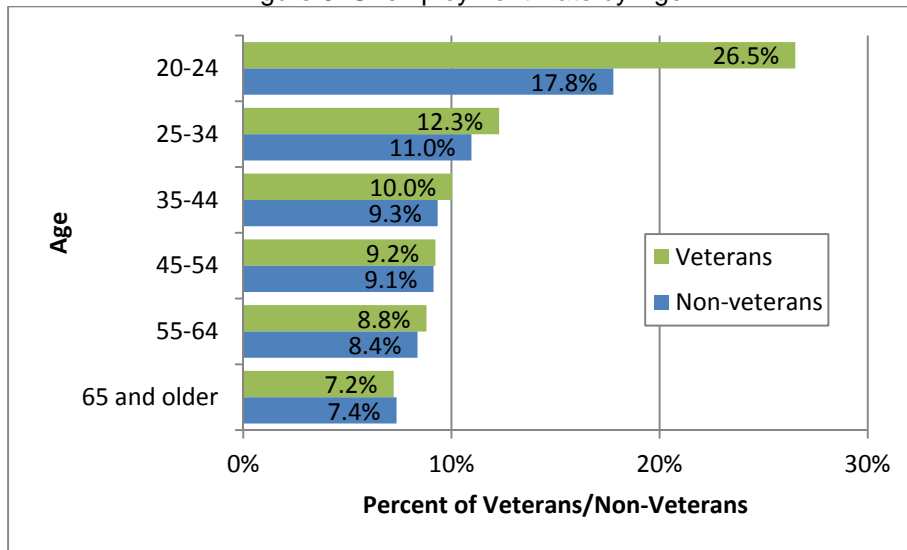
Figure 5. Labor Force Participation Rate by Age<sup>3</sup>



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 6 shows the unemployment rate by age for veterans and non-veterans. Age and unemployment rates commonly exhibit an inverse relationship with respect to each other among both veterans and non-veterans. Due to the older age profile of veterans compared to non-veterans, it is best to compare unemployment rates between veterans and non-veterans by age groups.

Figure 6. Unemployment Rate by Age<sup>4</sup>



Source: U.S. Census Bureau, American Community Survey, 2009

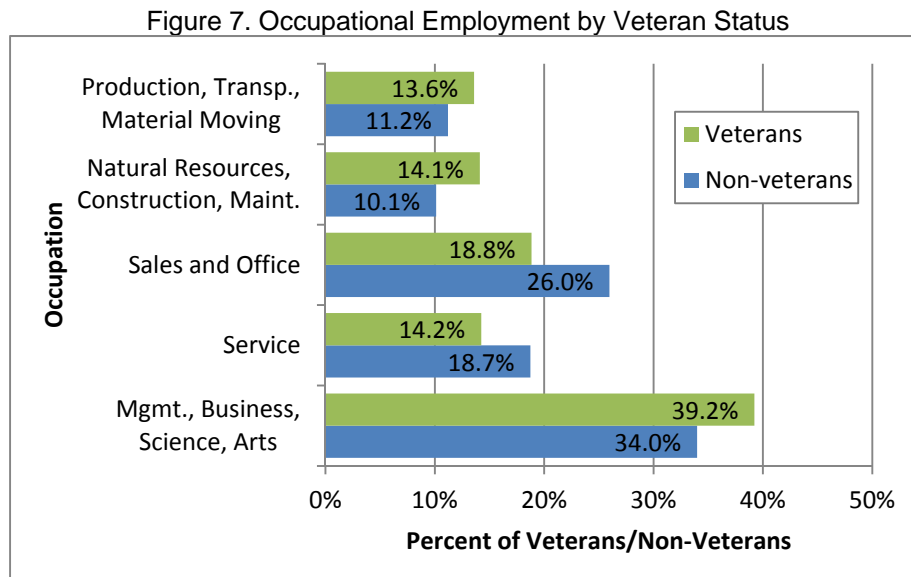
<sup>3</sup> The difference in veterans and non-veterans labor force participation rates for the 55-64 age group was not statistically significant when using a 90 percent confidence interval.

<sup>4</sup> Although this chart shows that veterans consistently had a higher unemployment rate than non-veterans for most age groups (except for the 65 and older age group), only the 20-24 age group had a statistically significant difference in unemployment rates when using 90 percent confidence intervals.

- With the exception of the 65 and older age group, veterans faced a higher rate of unemployment within each age grouping compared to non-veterans. These differences are most pronounced in younger age groups.

### Characteristics of Veterans in the Labor Force

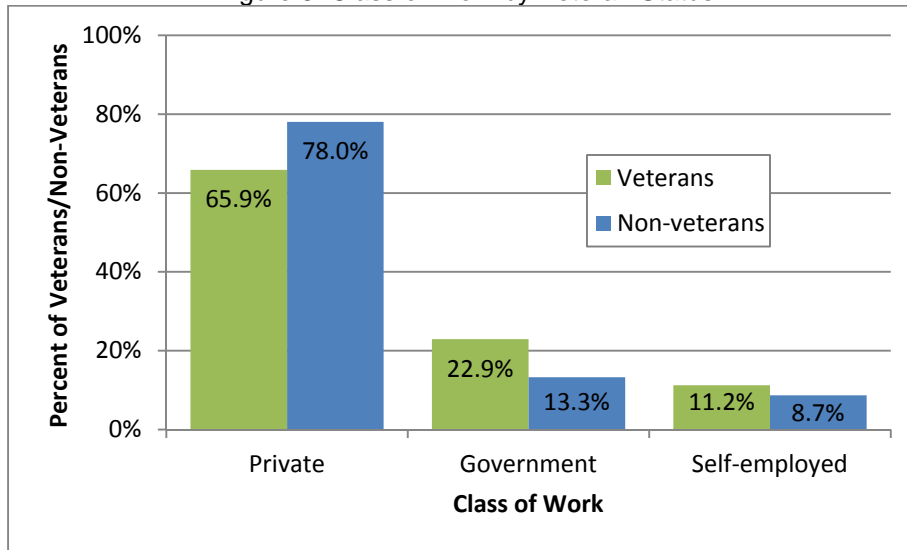
- Figure 7 shows the share of occupations among veterans and non-veterans. Veterans were less likely than non-veterans to be employed in sales, office, or service occupations.
- A disproportionately large share of veterans compared to non-veterans worked in production, transportation, and material moving; natural resources, construction, and maintenance; and management, business, science, and arts occupational groupings.



Source: U.S. Census Bureau, American Community Survey, 2009

- A comparison of class of worker for veterans and non-veterans is shown in Figure 8. More than one in five (22.9 percent) employed veterans in California were employed in government jobs. This was nearly double the rate (13.3 percent) of non-veterans within government jobs. Veterans also had higher rates of self-employment (11.2 percent) than non-veterans (8.7 percent).

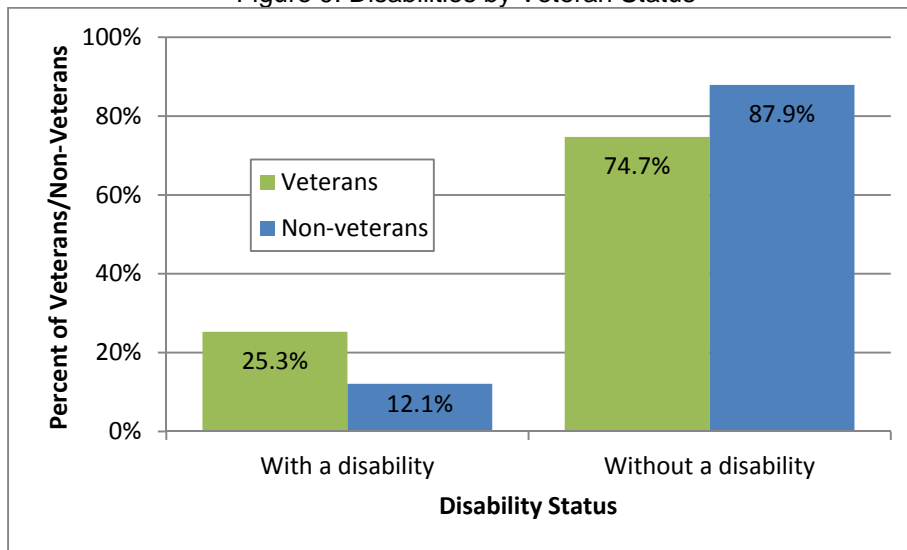
Figure 8. Class of Work by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

- Veterans were less likely than non-veterans to work in private industries. Whereas 78.0 percent of non-veterans worked in the private sector, just 65.9 percent of veterans did.
- The disability status of veterans and non-veterans is shown in Figure 9. Veterans identified themselves as having a disability (25.3 percent) at more than twice the rate of non-veterans (12.1 percent) in California. Higher rates of disability likely had an adverse impact on employment situations for veterans.

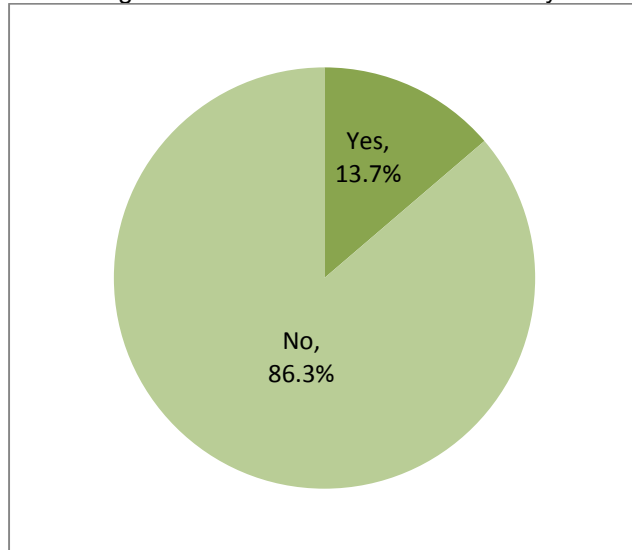
Figure 9. Disabilities by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

- The share of veterans reporting a service-connected disability is presented in Figure 10. One of the reasons for higher rates of disability among veterans was the high rate of service-connected disabilities. In 2009, 13.7 percent of veterans reported a disability related to military service.

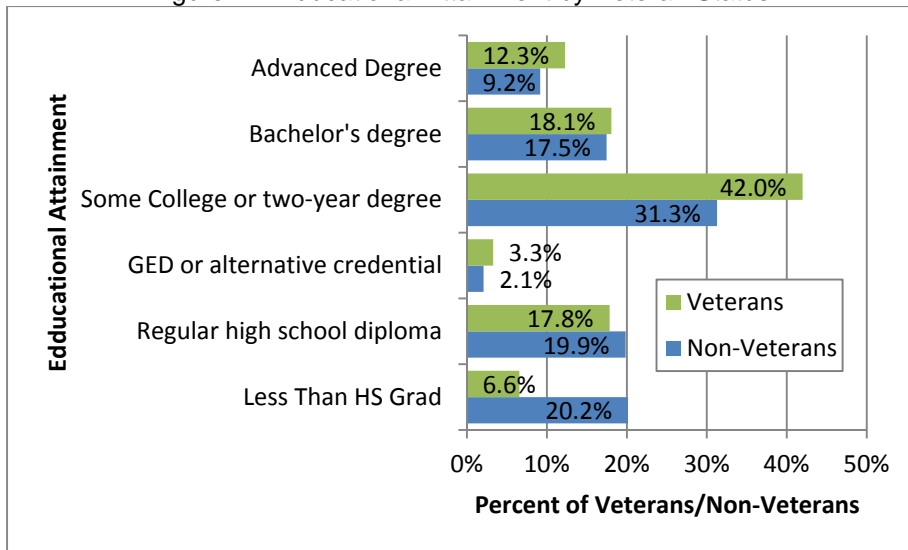
Figure 10. Service-connected Disability



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 11 shows the educational attainment of veterans and non-veterans. Veterans were more likely than non-veterans to attain post-secondary education.

Figure 11. Educational Attainment by Veteran Status<sup>5</sup>



Source: U.S. Census Bureau, American Community Survey, 2009

- Veterans (12.3 percent) were more likely than non-veterans (9.2 percent) to have earned an advanced degree. Veterans (42.0 percent) attained some college or a two-year degree at much higher rates than did non-veterans (31.3 percent).

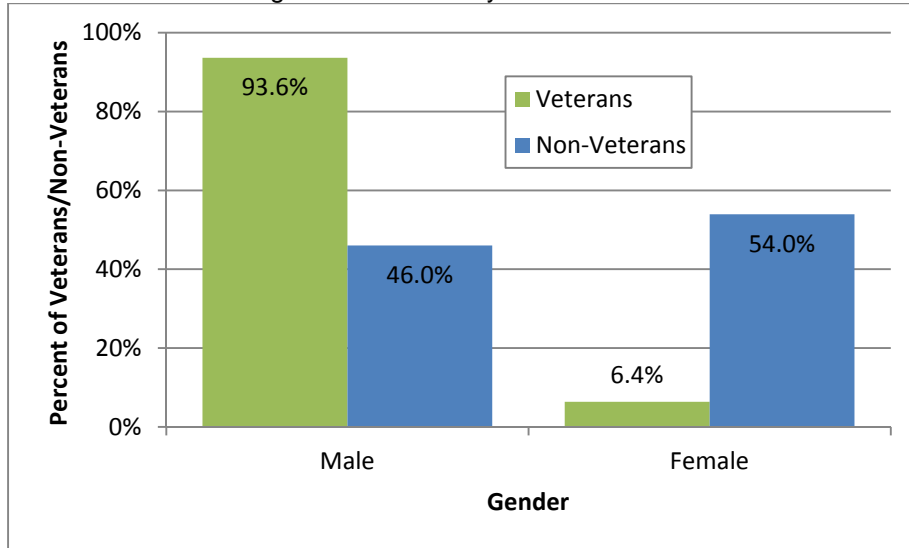
### Demographics

- California veterans were overwhelmingly male (93.6 percent) compared to non-veterans (46.0 percent) and conversely, the share of females among veterans (6.4 percent) was

<sup>5</sup> The difference of attainment of bachelor's degree between veterans and non-veterans was not statistically significant when using a 90 percent confidence interval.

much smaller than non-veterans (54.0 percent). Figure 12 compares the shares of each gender for veterans and non-veterans.

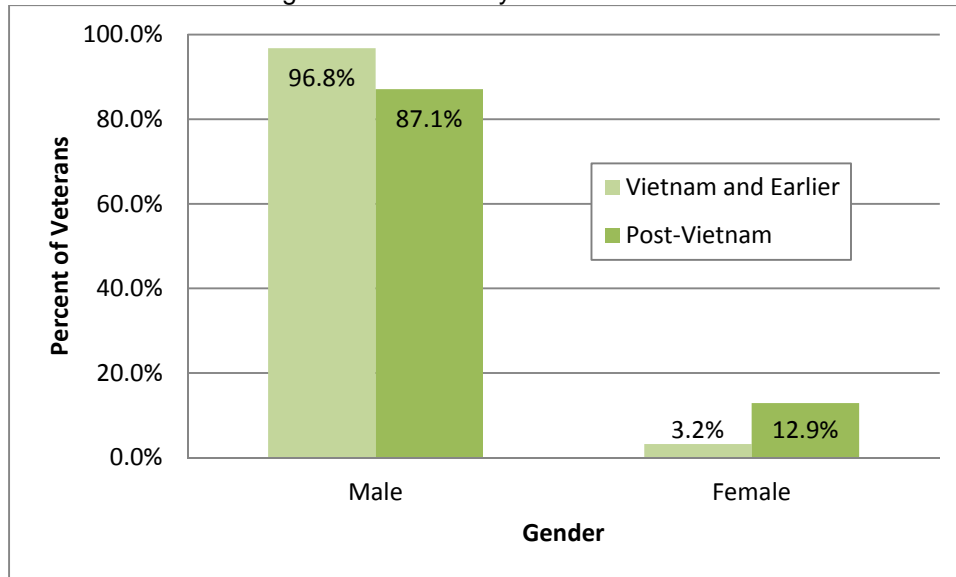
Figure 12. Gender by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 13 compares the male and female shares of veterans for two time periods, post-Vietnam and Vietnam and earlier. Females composed a much larger share of veterans in recent periods of service than ever before, a signal of shifting roles in military service in the post-Vietnam period.

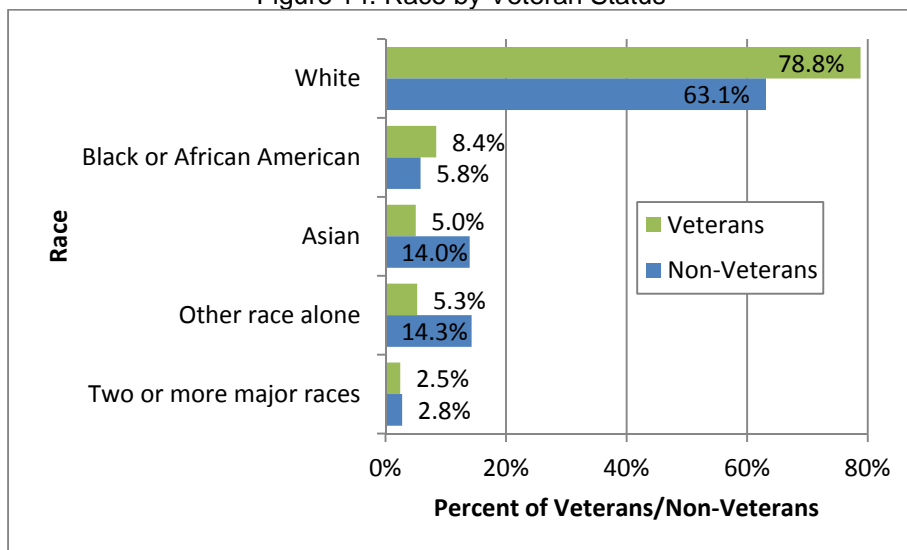
Figure 13. Gender by Period of Service



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 14 compares the veteran status of racial groupings. By race, disproportionately large shares of veterans were white and black or African American compared to non-veterans while Asian and other races were underrepresented among veterans compared to non-veterans.

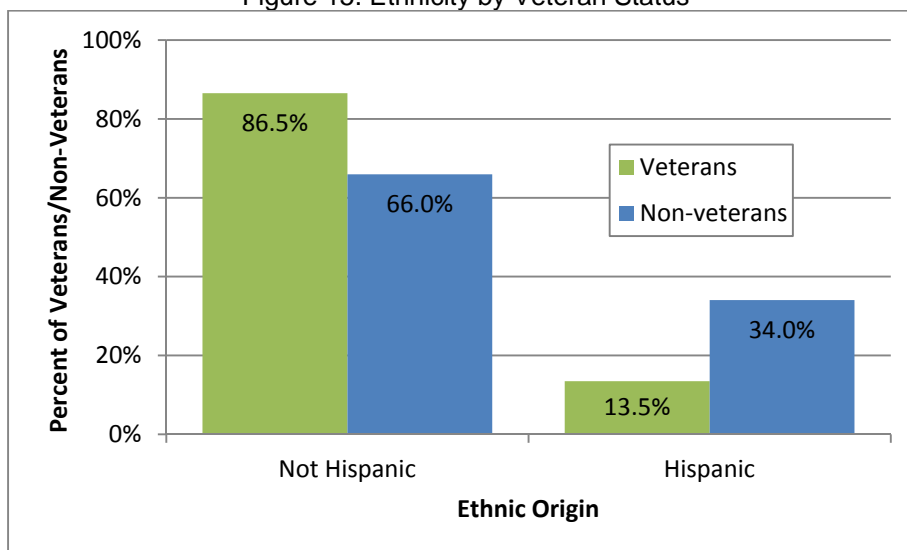
Figure 14. Race by Veteran Status<sup>6</sup>



Source: U.S. Census Bureau, American Community Survey, 2009

- Figure 15 compares the ethnicity of veterans to non-veterans. By origin, 13.5 percent of veterans were Hispanic while non-veterans were much higher at 34.0 percent. The race and ethnicity data show that the veteran population was not representative of the overall population.

Figure 15. Ethnicity by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

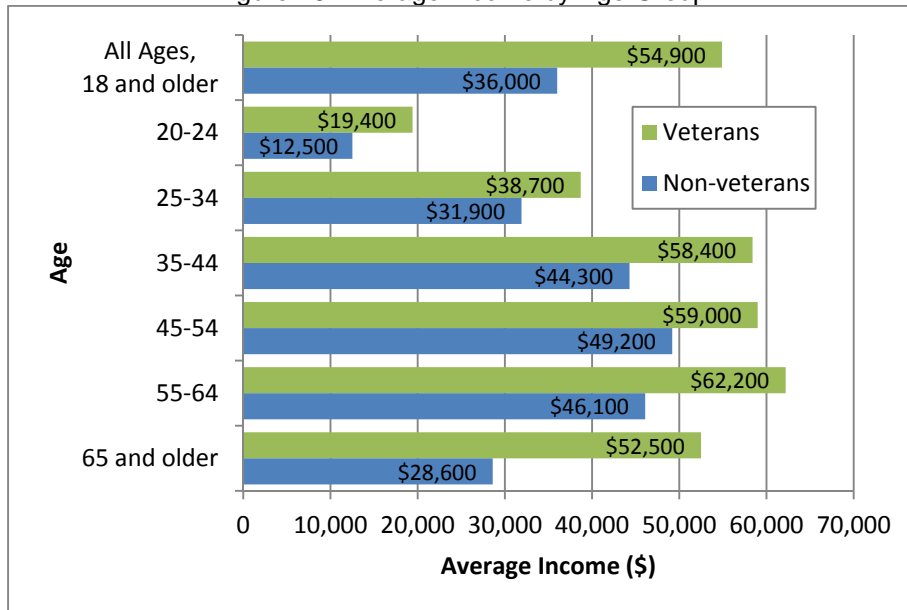
## Earnings

- Within each age group, veterans earned a higher average income than did their non-veteran counterparts, as illustrated in Figure 16.

<sup>6</sup> The difference in veterans and non-veterans for the category “two or more major races” was not statistically significant when using a 90 percent confidence interval.

- On average, across all ages, veterans earned nearly \$20,000 more per year than non-veterans.

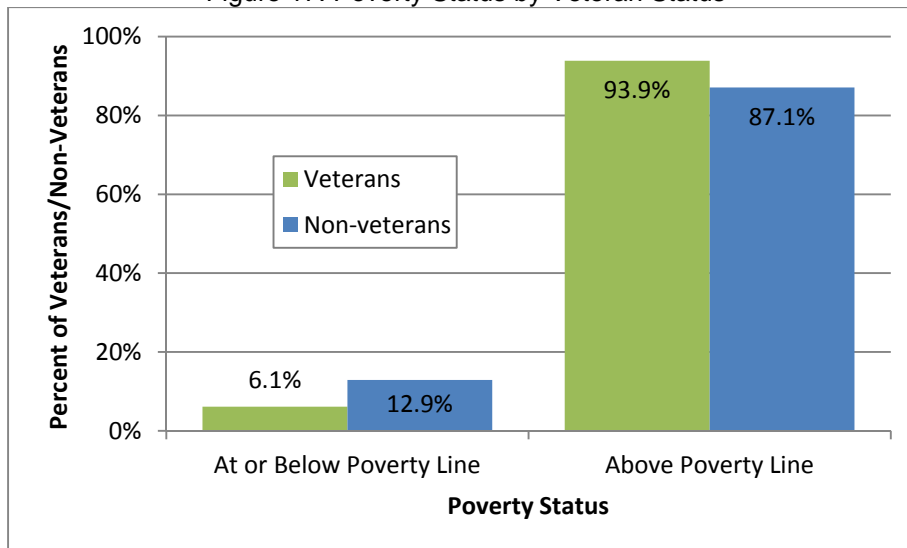
Figure 16. Average Income by Age Group<sup>7</sup>



Source: U.S. Census Bureau, American Community Survey, 2009

- In the 65 and older age group, veterans income was nearly double that of non-veterans, a possible reflection of differences in retirement benefits.
- A comparison of poverty status for veterans and non-veterans is shown in Figure 17. Veterans (6.1 percent) were less likely to report that they were at or below the poverty line than non-veterans (12.9 percent).

Figure 17. Poverty Status by Veteran Status



Source: U.S. Census Bureau, American Community Survey, 2009

<sup>7</sup> For income, the PINCP variable from the American Community Survey was used. This variable includes all income from wages and earnings for a single person and also allows for observations of negative income.

Table 1. Summary Statistics (Number)

	Veterans		Non-veterans	
	Persons or Income	Std. Error	Persons or Income	Std. Error
<b>Gender</b>				
Male	1,840,000	21,100	11,700,300	45,000
Female	125,600	5,600	13,710,800	46,800
<b>Age</b>				
20-24	27,300	2,000	2,561,500	18,400
25-34	140,500	4,500	5,172,800	25,200
35-44	183,600	5,100	5,034,000	24,900
45-54	284,300	6,300	4,911,200	24,600
55-64	484,400	8,300	3,352,900	20,800
65 and older	843,700	10,800	3,298,000	20,700
<b>Race</b>				
White	1,549,200	14,500	16,041,100	36,000
Black or African American	165,800	4,900	1,482,500	14,200
Asian	99,000	3,800	3,551,100	21,400
Other race alone	103,400	3,800	3,634,300	21,100
Two or more major races	48,200	2,600	702,200	9,900
<b>Origin</b>				
Not Hispanic	1,700,700	15,200	16,760,700	36,100
Hispanic	264,900	6,100	8,650,500	30,700
<b>Occupation</b>				
Management, Business, Science and Arts	487,900	11,000	6,658,900	37,200
Service	177,300	6,700	3,672,200	29,000
Sales and Office	234,400	7,700	5,087,800	33,300
Natural Resources, Construction and Maintenance	175,600	6,700	1,982,900	21,800
Production, Transportation, and Material Moving	169,100	6,500	2,194,500	22,900
<b>Class of Worker</b>				
Private	823,700	14,300	15,256,900	47,700
Government	286,600	8,500	2,597,700	24,700
Self-employed	140,400	6,000	1,695,500	20,200
<b>Educational Attainment</b>				
Less than HS graduate	128,900	5,300	5,121,300	31,300
Regular high school diploma	350,700	8,800	5,045,000	31,200
GED or alternative credential	64,600	3,800	529,100	10,800
Some college or two-year degree	825,200	13,400	7,946,000	37,300
Bachelor's degree	355,100	8,900	4,441,200	29,500
Advanced degree	241,100	7,300	2,328,500	22,000
<b>Disability Status</b>				
With a disability	496,800	9,100	3,074,100	21,700
Without a disability	1,468,800	15,400	22,337,100	38,500
<b>Service-connected Disability</b>				
Yes	269,900	6,700		
No	1,695,700	16,500		

Table 1. Summary Statistics (Number) Continued

	Veterans		Non-veterans	
	Persons or Income	Std. Error	Persons or Income	Std. Error
<b>Period of Service</b>				
Gulf War: 9/2001 or later	164,800	4,800		
Gulf War: 8/1990 - 8/2001	268,900	6,200		
Between Gulf War and Vietnam Era	266,300	6,100		
Vietnam Era	693,900	9,900		
Between Vietnam War and Korean War	209,700	5,500		
Korean War	256,100	6,000		
Between Korean War and World War II	15,100	1,500		
World War II	230,700	5,700		
Pre-World War II	4,100	800		
<b>Average Income by Age</b>				
All Ages 18 and older	\$54,900	\$600	\$36,000	\$100
20-24	\$19,400	\$2,300	\$12,500	\$200
25-34	\$38,700	\$1,700	\$31,900	\$300
35-44	\$58,400	\$2,300	\$44,300	\$400
45-54	\$59,000	\$1,700	\$49,200	\$400
55-64	\$62,200	\$1,400	\$46,100	\$500
65 and older	\$52,500	\$900	\$28,600	\$300
<b>Poverty Status</b>				
At or Below Poverty Line	118,500	6,800	3,212,800	34,100
Above Poverty Line	1,812,000	26,100	21,670,100	59,600
<b>Employment</b>				
Labor Force	998,100	11,800	17,377,500	36,200
Employed	902,000	11,200	15,450,600	35,800
Unemployed	96,100	3,700	1,926,900	16,100
Unemployment Rate	-	-	-	-
Not in Labor Force	967,500	11,600	8,029,100	29,900
Labor Force Participation Rate	-	-	-	-

Table 2. Summary Statistics (Rate)

	Veterans		Non-Veterans	
	Persons	Std. Error	Persons	Std. Error
<b>Gender</b>				
Male	93.6%	0.3%	46.0%	0.2%
Female	6.4%	0.3%	54.0%	0.2%
<b>Age</b>				
20-24	1.4%	0.1%	9.9%	0.1%
25-34	7.1%	0.2%	19.9%	0.1%
35-44	9.3%	0.2%	19.4%	0.1%
45-54	14.5%	0.3%	18.9%	0.1%
55-64	24.6%	0.4%	12.9%	0.1%
65 and older	42.9%	0.4%	12.7%	0.1%
<b>Race</b>				
White	78.8%	0.3%	63.1%	0.1%
Black or African American	8.4%	0.2%	5.8%	0.1%
Asian	5.0%	0.2%	14.0%	0.1%
Some other race alone	5.3%	0.2%	14.3%	0.1%
Two or more major race groups <sup>#</sup>	2.5%	0.1%	2.8%	0.0%
<b>Origin</b>				
Not Hispanic	86.5%	0.3%	66.0%	0.1%
Hispanic	13.5%	0.3%	34.0%	0.1%
<b>Occupation</b>				
Management, Business, Science and Arts	39.2%	0.6%	34.0%	0.1%
Service	14.2%	0.4%	18.7%	0.1%
Sales and Office	18.8%	0.4%	26.0%	0.1%
Natural Resources, Construction and Maintenance	14.1%	0.4%	10.1%	0.1%
Production, Transportation, and Material Moving	13.6%	0.4%	11.2%	0.1%
<b>Class of Worker</b>				
Private	65.9%	0.5%	78.0%	0.1%
Government	22.9%	0.5%	13.3%	0.1%
Self-employed	11.2%	0.4%	8.7%	0.1%
<b>Educational Attainment</b>				
Less than HS graduate	6.6%	0.3%	20.2%	0.1%
Regular high school diploma	17.8%	0.4%	19.9%	0.1%
GED or alternative credential	3.3%	0.2%	2.1%	0.0%
Some college or two-year degree	42.0%	0.5%	31.3%	0.1%
Bachelor's degree <sup>#</sup>	18.1%	0.4%	17.5%	0.1%
Advanced degree	12.3%	0.3%	9.2%	0.1%
<b>Disability Status</b>				
With a disability	25.3%	0.4%	12.1%	0.1%
Without a disability	74.7%	0.4%	87.9%	0.1%
<b>Service-connected Disability</b>				
Yes	13.7%	0.3%		
No	86.3%	0.3%		

<sup>#</sup> Estimated rates are not statistically different between veteran and non-veteran populations when using a 90 percent confidence interval.

Table 2. Summary Statistics (Rate) Continued

	Veterans		Non-Veterans	
	Persons	Std. Error	Persons	Std. Error
<b>Period of Service</b>				
Gulf War: 9/2001 or later	8.4%	0.2%		
Gulf War: 8/1990 - 8/2001	13.7%	0.3%		
Between Gulf War and Vietnam Era	13.5%	0.3%		
Vietnam Era	35.3%	0.4%		
Between Vietnam War and Korean War	10.7%	0.3%		
Korean War	13.0%	0.3%		
Between Korean War and World War II	0.8%	0.1%		
World War II	11.7%	0.3%		
Pre-World War II	0.2%	0.0%		
<b>Poverty Status</b>				
At or Below Poverty Line	6.1%	0.3%	12.9%	0.1%
Above Poverty Line	93.9%	0.3%	87.1%	0.1%

Table 3. Summary of Labor Force Participation and Unemployment Rate by Age

	Veterans		Non-Veterans	
	Persons	Std. Error	Persons	Std. Error
<b>Labor Force Participation Rate by Age</b>				
All Ages, 18 and older	50.8%	0.4%	68.4%	0.1%
20-24	69.0%	0.4%	72.7%	0.1%
25-34	84.4%	0.3%	81.6%	0.1%
35-44	88.6%	0.3%	81.8%	0.1%
45-54	82.1%	0.3%	80.5%	0.1%
55-64 <sup>#</sup>	65.1%	0.4%	65.3%	0.1%
65 and older	17.6%	0.3%	15.0%	0.1%
<b>Unemployment Rate by Age</b>				
All Ages, 18 and older	9.6%	0.3%	11.1%	0.1%
20-24	26.5%	3.2%	17.8%	0.3%
25-34 <sup>#</sup>	12.3%	1.0%	11.0%	0.2%
35-44 <sup>#</sup>	10.0%	0.8%	9.3%	0.2%
45-54 <sup>#</sup>	9.2%	0.6%	9.1%	0.2%
55-64 <sup>#</sup>	8.8%	0.5%	8.4%	0.2%
65 and older <sup>#</sup>	7.2%	0.3%	7.4%	0.2%

<sup>#</sup> Estimated rates are not statistically different between veteran and non-veteran populations when using a 90 percent confidence interval.

Table 4. Gender by Period of Service Summary (Number)<sup>8</sup>

	Male		Female	
	Persons	Std. Error	Persons	Std. Error
All Veterans	1,840,000	16,300	125,600	4,200
Vietnam and Earlier	1,302,000	13,600	43,400	2,500
Post-Vietnam	559,200	9,500	82,900	3,400

Table 5. Gender by Period of Service Summary (Percent)

	Male		Female	
	Percent	Std. Error	Percent	Std. Error
All Veterans	93.6%	0.2%	6.4%	0.8%
Vietnam and Earlier	96.8%	0.2%	3.2%	0.0%
Post-Vietnam	87.1%	0.3%	12.9%	0.1%

## Definitions

The following terms are defined by the United States Census Bureau:

### Veterans

Veterans are men and women who have served (even for a short time), but are not currently serving, on active duty in the U.S. Army, Navy, Air Force, Marine Corps, or the Coast Guard, or who served in the U.S. Merchant Marine during World War II. People who served in the National Guard or Reserves are classified as veterans only if they were ever called or ordered to active duty, not counting the 4-6 months for initial training or yearly summer camps.

While it is possible for 17-year olds to be veterans of the Armed Forces, American Community Survey data products are restricted to the population 18 years and older.

### Active duty

Active duty military service includes service in the regular U.S. Army, U.S. Navy, U.S. Air Force, U.S. Marine Corps, U.S. Coast Guard, and active duty status in the Reserves and the National Guard (other than for training).

### Periods of military service

People who indicate that they had ever served on active duty in the past or were currently on active duty are asked to indicate the period or periods in which they served. Currently, there are 11 periods of service on the American Community Survey questionnaire. Respondents are instructed to mark a box for each period in which they served, even if just for part of the period. The periods were determined by the Department of Veterans Affairs and generally alternate between peacetime and wartime, with a few exceptions.

## Data notes

This report is based upon special tabulations of the 2009 American Community Survey, single year estimates produced by the United States Census Bureau. Except where noted, the tabulations restrict observations only to persons age 18 or older and not currently on active military duty.

The tabulations used in this report are measurements of individuals, not of households, an important distinction when discussing poverty status and income.

To determine if the estimates or rates are statistically different from each other between veteran and non-veteran populations, the standard error can be multiplied by 1.645 to obtain a margin of error. Adding and

<sup>8</sup> The two time periods in this table sum up to more than the total number of veterans due to a small number of veterans who served in both periods.

subtracting the margin of error from the estimate will provide a 90 percent confidence interval. A confidence interval of 90 percent means that if the survey were conducted 10 times, one of those times the true value would not be captured within the confidence interval. More precise comparisons can be made by using 1.96 for 95 percent confidence intervals or 2.58 for 99 percent confidence intervals when calculating the margin of error.

The standard errors presented in the summary tables at the end of this report and used in calculating statistical significance of rates throughout this report are estimates of the actual standard errors. These standard error estimates are calculated using formulas and design factors provided by the United States Census Bureau. Detailed information on the calculation of standard errors from this survey can be found in the “Accuracy of the Data” supplement published by the Census Bureau along with the summary files.<sup>9</sup>

Questions regarding the content of this report should be directed to Jacob Boyce (jacob.boyce@edd.ca.gov), Research Analyst for the Labor Market Information Division of the California State Employment Development Department.

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<sup>9</sup> Documentation regarding the American Community Survey may be found at the Census Bureau website: <http://www.census.gov/acs/www/>.