

California's Veterans Workforce 2016

June 2017

Executive Summary

In 1926, the United State Congress passed a resolution for the annual observance of the end of World War I (Armistice Day). This observance became a federal holiday in 1938 and is now known as Veterans Day. Veterans Day differs from Memorial Day (the fourth Monday in May) as Memorial Day honors American service members who died in service to their country or as a result of injuries incurred during battle, while Veterans Day pays tribute to all American veterans, living or deceased, who served their country honorable during times of war and peace.

Veterans Day is an opportunity for all Americans, nationwide and abroad, to pay tribute to the sacrifices of our brave men and women that proudly served in the U.S. military. Across this nation, more than 21 million veterans from all branches of U.S. armed forces call this nation home. Nearly nine percent of the nation's veterans resided in the Golden State in 2016.

Key Findings

- **Share of Population:** California ranked number one in the nation in 2016, for having the largest number of veterans from the nation's armed forces. One out of every four of the nation's veterans reside in either California, Texas, or Florida.
- **Veterans in the Workforce:** Due to the statewide economic expansion, more than 60,000 veterans found jobs and the number of unemployed veterans declined by more than 16,400 persons over the past two years.
- **Racial and Ethnic Makeup of Veterans:** Nearly one-fifth of the state's veterans' population was made up of Black, Asian, Native American, or Pacific-Islander Americans.
- **Jobs Held by Veterans:** More than 30 percent of California's veterans were employed in either a management, office and administrative support, or sales occupation in 2016.
- **Unemployment Compensation Trends:** Over the past four years, the number of initial claims for veterans requesting unemployment compensation have dropped by more than half.

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1.1 Summary of Veterans

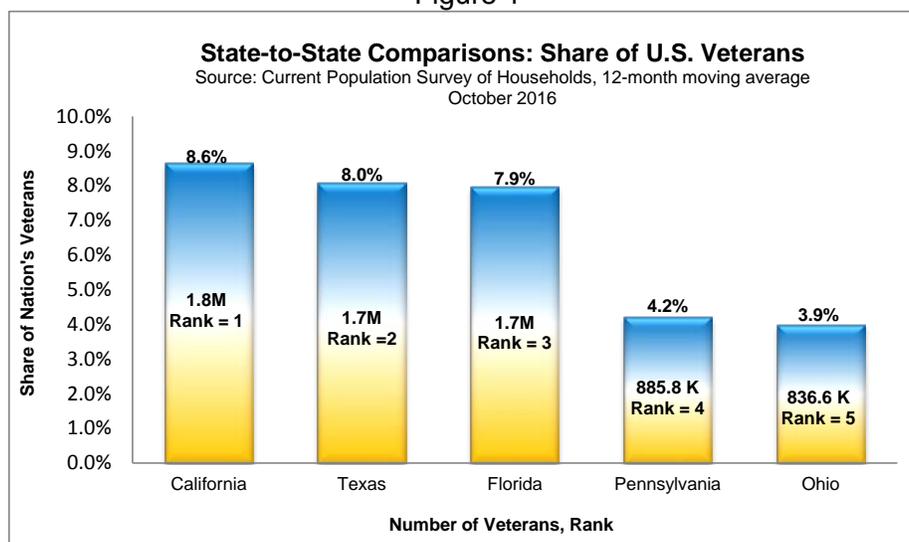
1.1.1 State-to-State Comparison and Time Period of Service

Our nation's veterans served in one or more of the following branches of the United States military: Air Force, Army, Coast Guard, Navy, or Marines. The U.S. Census Bureau estimates that nearly half (47.8 percent) of the nation's veterans last tours of duty were in the nation's largest branch of the armed forces, the Army.¹ Roughly one out of every five veterans last served in the Navy whose mission is to maintain, train, and equip combat-ready naval forces capable of winning wars, deterring aggression, and maintaining freedom of the seas. Nearly 20 percent (18.0 percent) returned to civilian life from the Air Force whose purpose is to fly, fight, and win in air, space, and cyberspace. Collectively, the Coast Guard and Marines make up the remaining 11 percent of our nation's armed forces.

There were over 21 million veterans in the United States in October 2016. In other words, eight percent of nation's population that are 16 years and older (317.8 million), served in the armed forces. One out of every four veterans in the U.S. resides in either California, Texas, or Florida. The reasoning for the concentration of veterans in California and other populous states is based upon their access to resources. In general, when veterans return to civilian life they tend to reside near military installations for various reasons that range from job opportunities to healthcare access. There are over 20 military installations located within the Golden State.

According to the U.S. Census Bureau, one out of every four veterans (27.3 percent) in California last served during the Vietnam Era. Over 300,000 of the state's veterans served in one of the following time periods: Vietnam Era (494,400), May 1975 to July 1990 (354,100), and September 2001 or later (323,000).

Figure 1



¹ U.S. Census Bureau, Veterans Supplement, 2015.

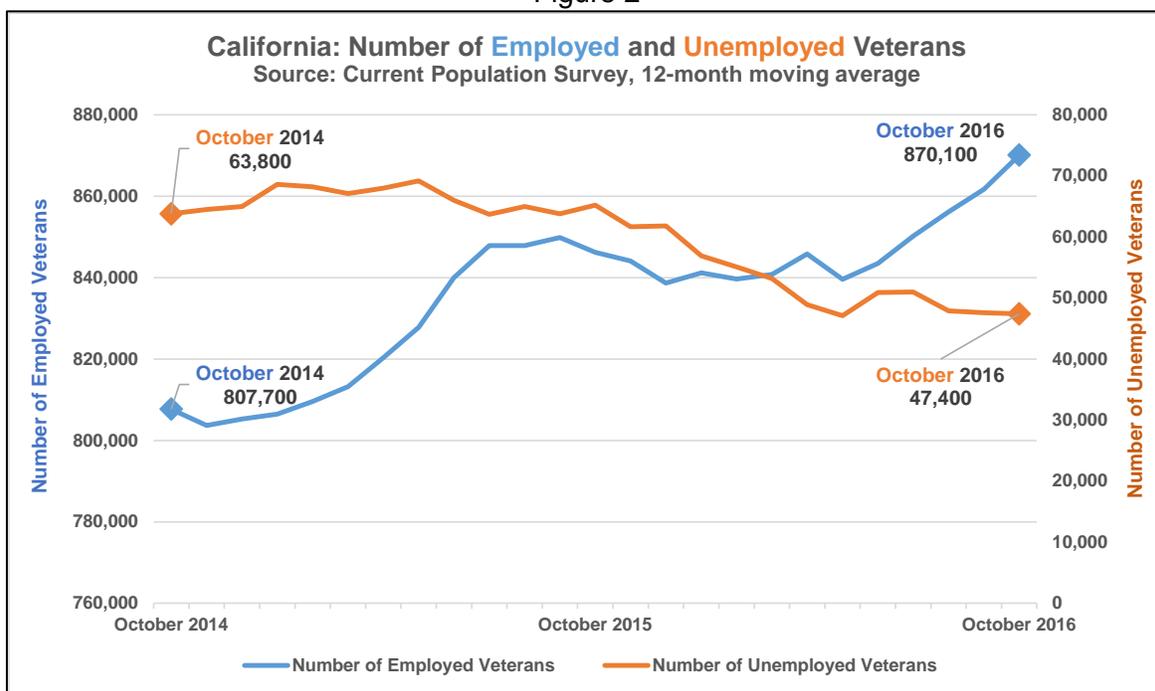
1.1.2 Workforce Analysis

Since the end of the Great Recession period, California has been in a period of economic expansion and has recovered the 1.3 million nonfarm payroll jobs it lost and these gains have translated into new employment opportunities for our state's veterans. When veterans return to civilian life it is often filled with challenges that include: reconnecting with loved ones, recreating structure in their lives, and easing back into the workforce. California's economic expansion has aided their reentry into the labor force as the number of employed veterans has *increased* and the number of unemployed veterans has *decreased* over the past two years.

In October 2016, there were just over 917,000 veterans in our state's civilian labor force. The largest component of the labor force was the number of employed veterans that topped 870,000 in October 2016 and over 62,400 more vets have gained employment over the past two years. Employed veterans were heavily concentrated in the Golden State's professional and business services (132,000 employed), educational and health services (108,000), and public administration (106,000) industry sectors. In addition, more than 75,000 veterans were employed in the wholesale and retail trade (99,600), transportation and utilities (84,700), and manufacturing (78,400).

Declines for veterans were seen in the other component of the civilian labor force, the number of unemployed. The unemployed being those who are actively seeking employment and are willing to work. Since October 2014, the number of unemployed veterans declined by 26 percent or 16,400 people. The number of unemployed veterans dipped below 60,000 people and the last time the unemployed population hovered at these levels was in January 2009.

Figure 2



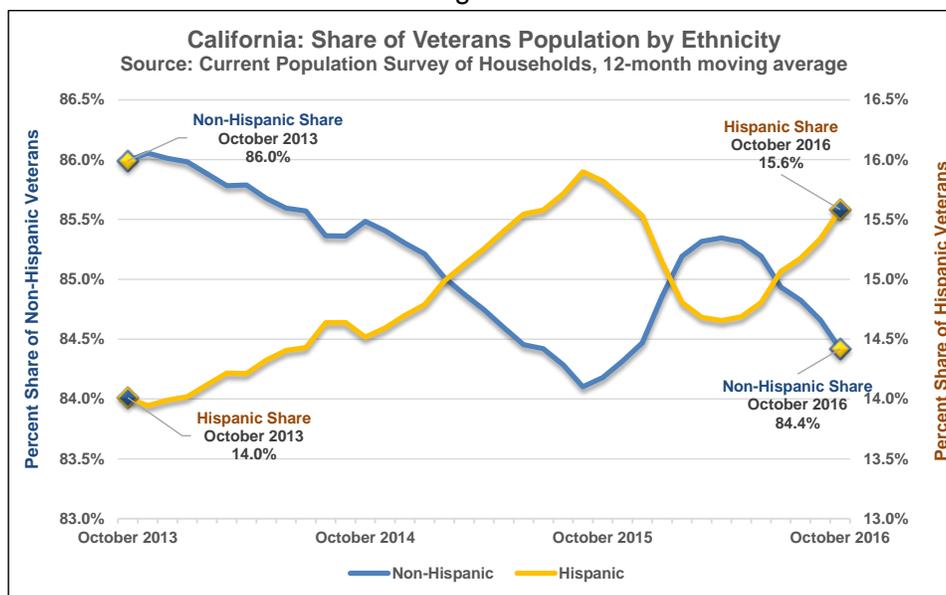
1.1.3 Racial and Ethnic Characteristics of Veterans

Our nation’s armed forces have been inclusive of different races and ethnicities since the earliest days of the American Revolution which found Whites, Blacks², and Native Americans³ serving as minutemen for General Washington’s army. In addition, Asian-American and Pacific Islanders earliest records of service were during the American Civil War in which they served in a number of areas including sailors and cavalymen.⁴ Hispanic-Americans also served in the Civil War and were integrated into both the regular army and volunteer units.⁵

In 2016, eight-two percent of the state’s 1.8 million veterans were White. This percent share has been over 80 percent since 1994.⁶ Among this population of white veterans, nine out of every ten of them were men. On the whole, racial minorities made up nearly one-fifth (18.0 percent) of the California’s veterans population in 2016. Collectively, over 280,000 of the state’s veterans were either Black (162,400) or Asian (119,800). Over 10,000 veterans across the state were either Native American (24,600) or Pacific Islander (11,200).

In terms of ethnicity, 15.6 percent of veterans statewide were Hispanic in October 2016 and this share has increased steadily over the past three years. Research from the U.S. National Defense Research Institute suggests that the steady rise of Hispanic recruitments into the armed forces has been primarily to the military compensation and educational benefits tied to enlisting.⁷

Figure 3



² United States Army. [African Americans in the U.S. Army](#)

³ United States Department of the Interior. [American Indians and the American Revolution](#)

⁴ United States Army. [Asian-Americans and Pacific Islanders in the U.S. Army](#)

⁵ United States Army. [Hispanics in the U.S. Army](#)

⁶ Estimate based upon the earliest time period of analysis available from the Current Population Survey, 1994.

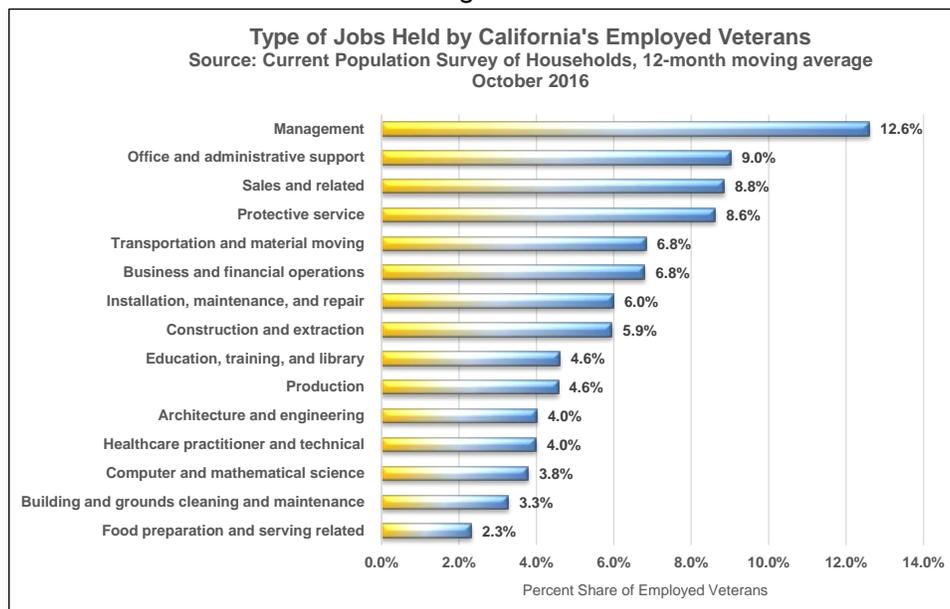
⁷ National Defense Research Institute. [Recruiting Minorities: What Explains Recent Trends in the Army and Navy?](#), 2009.

1.1.4 Occupations Held By Veterans

According to the American Council on Education, roughly 1.5 million service members nationwide will transition out of the military over the next five years.⁸ Public and private organizations alike have been proactive in addressing workforce trends such as these and have provided avenues for acquiring the skills necessary for today's jobs. Private sector companies have supported this effort in a variety of ways that include: providing fast-track certifications for in-demand skills, access to formal information technology (IT) training, and monetary provisions for the development of career pathways.⁹ Public sector organizations such as the EDD have a long history of providing support to veterans and more specifically, assisting with the reskilling and upskilling of the skills they acquired over their enlistment period to get the jobs they desire.

Military personnel are often required to be self-directed, work under high pressure conditions inside and outside of combat zones, work within a team environment, and develop strategic plans to complete their assigned tasks and missions. All of the aforementioned traits are skills employers covet and veterans leverage to acquire jobs during their civilian lives. According to the U.S. Census Bureau's Current Population Survey of Households, just over 30 percent of California's veterans are employed in management, office and administrative support, or sales occupations across the state. These types of jobs can range from first-line supervisors to sales agents. In California, just over eight percent of employed veterans had a protective services job. These types of jobs include, but are not limited to, the following types of work: fire-fighting, law enforcement, or Transportation Security Administration (TSA)-related work.

Figure 4



⁸ American Council on Education, [ACE Summit Examines Promising Practices for Advising Service Members and Student Veterans](#), June 2014.

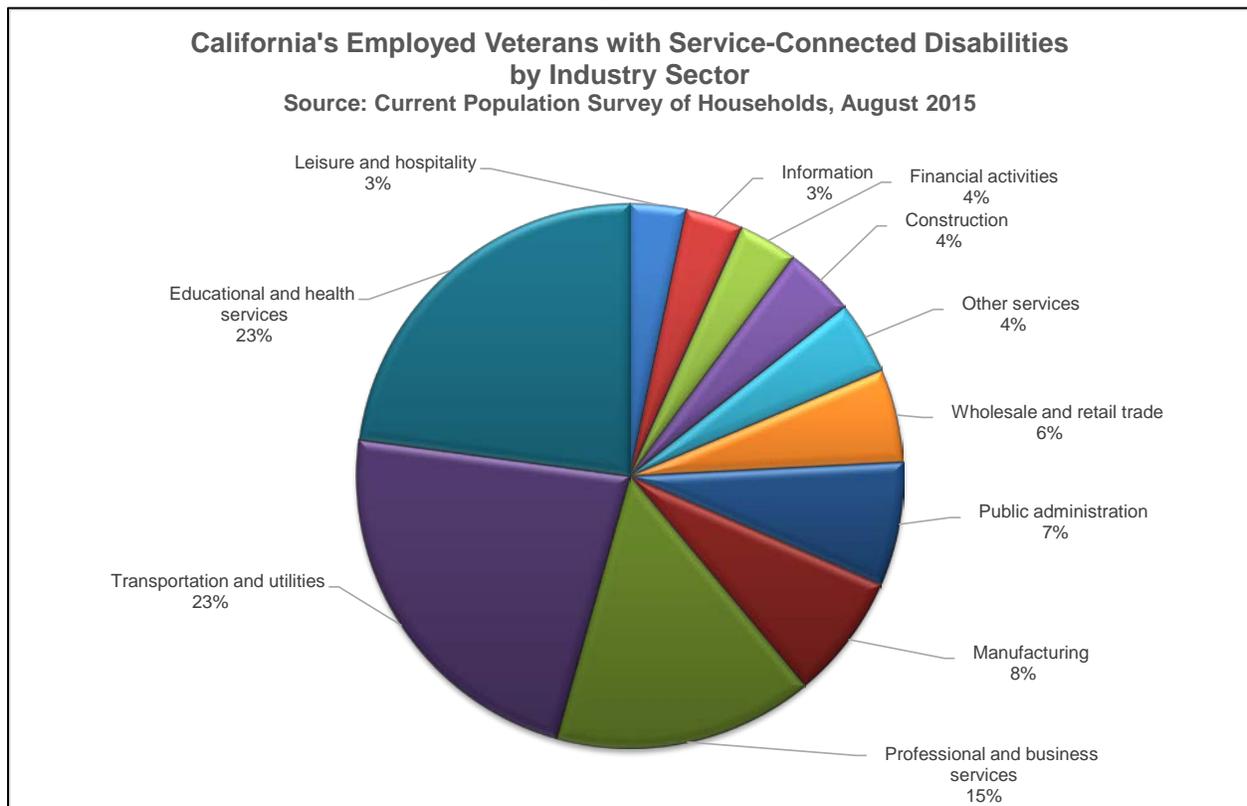
⁹ Industry Week, [Why 2016 Is the Year for Veterans in the Workplace](#), February 2016.

1.1.5 Veterans with Service-Connected Disabilities

The U.S. Census Bureau Supplement Survey data for 2015 suggests that 15 percent or 270,000 members of the Golden State’s veterans population had a disability (e.g., disease or injury) caused or aggravated by their military service in 2015. Examples of service-connected disabilities include: loss of appendages, vision and/or hearing impairment, effects of Agent Orange, Gulf War Syndrome, and post-traumatic stress disorder. Disability assistance is made available through the U.S. Department of Veterans Affairs (VA) to compensate veterans for their average loss of earning potential.¹⁰ Veterans rated higher in the VA’s disability ratings system had more severe disabilities than veterans with lower ratings scores.

According to the U.S. Census Bureau, between August 2013 and August 2015, an additional 35,000 veterans with service-connected disabilities found jobs within California’s economy. In 2015, just over 130,000 veterans with service-connected disabilities were employed in a variety of industries that ranged from financial activities to professional and businesses services. Nearly half (46 percent) of this veterans population was employed in either the educational and health services, or transportation and utilities industry sectors. Within these two sectors jobs, veterans held jobs that command high wages within the healthcare support, postsecondary teaching, and logistics fields.

Figure 5



¹⁰ Department of Veterans Affairs, C & P Clinicians Guide, 2002.

1.2 Unemployment Compensation for Ex-Servicemembers

1.2.1 California: UCX Benefits Analysis

The Unemployment Compensation for Ex-Servicemembers (UCX) program is available to eligible members of our nation's armed forces upon discharge. Eligible veterans served in active duty within a branch of the armed forces and separated from the military under honorable conditions. UCX benefits are based upon the veterans work and earnings for domestic and overseas military service; and pay grades established by the Department of Labor's Federal Military Schedule of Remuneration. The following analyses are based upon the claims and activities data for UCX recipients included within the DOL-Employment and Training Administration (ETA) report, ETA 5159.

Between October 2012 and October 2016, the initial claims, first payments, exhaustions, and the exhaustion rate for California's veterans that receive UCX benefits have declined. In addition, the average weekly benefit amount has increased by nine dollars per week over that period. The decrease in the exhaustion rate between October 2012 and October 2016 suggests that fewer shares of UCX beneficiaries are exhausting all of the benefits they are entitled to and found a job.

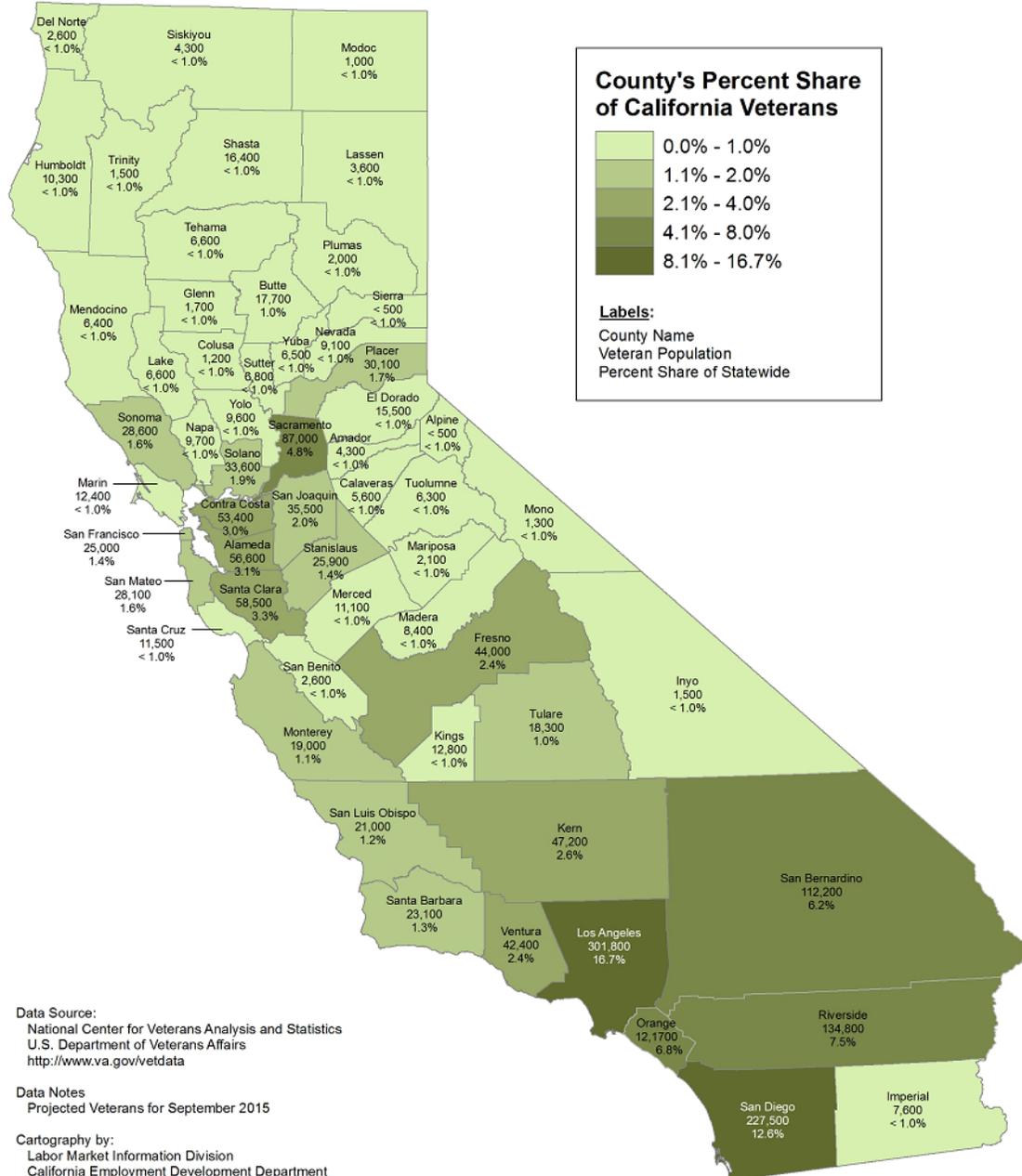
Initial claims are a leading economic indicator that economists follow to provide insight into the expansion or contraction of a state and/or national economy. Over the past four years, the number of initial claims have dropped by more than half and are at level lower than the figure seen at the start of the Great Recession (December 2007, 889 initial claims). This trend is indicative of an expanding state economy that is providing increased opportunities for veterans actively participating in the civilian labor force.

Table 1

California UCX Analysis			
	October 2008	October 2012	October 2016
Initial Claims	858	1,665	768
First Payments	675	1,093	526
Average Weekly Benefit Amount	\$385	\$407	\$416
Exhaustions	336	839	392
Exhaustion Rate	51.5%	75.3%	67.3%
Average Benefit Duration	19 weeks	23 weeks	22 weeks
Initial Claim: Any notice of unemployment filed to request a determination of entitlement to and eligibility for compensation or to begin a second or subsequent period of eligibility within a benefit year or period of eligibility.			
First Payment: The first payment in a benefit year for a week of unemployment claimed under a specific program.			
Average Weekly Benefit Amount: Benefits paid for total unemployment divided by weeks compensated for total unemployment.			
Exhaustions: Number of claimants drawing the final payment of their original entitlement for a given program.			
Exhaustion Rate: A rate computed by dividing the average monthly exhaustions by the average monthly first payments.			
Average Benefit Duration: The number of weeks compensated for the year divided by the number of first payments.			
Source: U.S. Department of Labor-Employment and Training Administration, ETA 5159 Report, 12-month moving average.			

Appendix A

California Veterans Population by County



Data Source:
National Center for Veterans Analysis and Statistics
U.S. Department of Veterans Affairs
<http://www.va.gov/vetdata>

Data Notes
Projected Veterans for September 2015

Cartography by:
Labor Market Information Division
California Employment Development Department
<http://www.labormarketinfo.edd.ca.gov>
August 2016

Appendix B

California Veterans Labor Force Participation Rate by County

