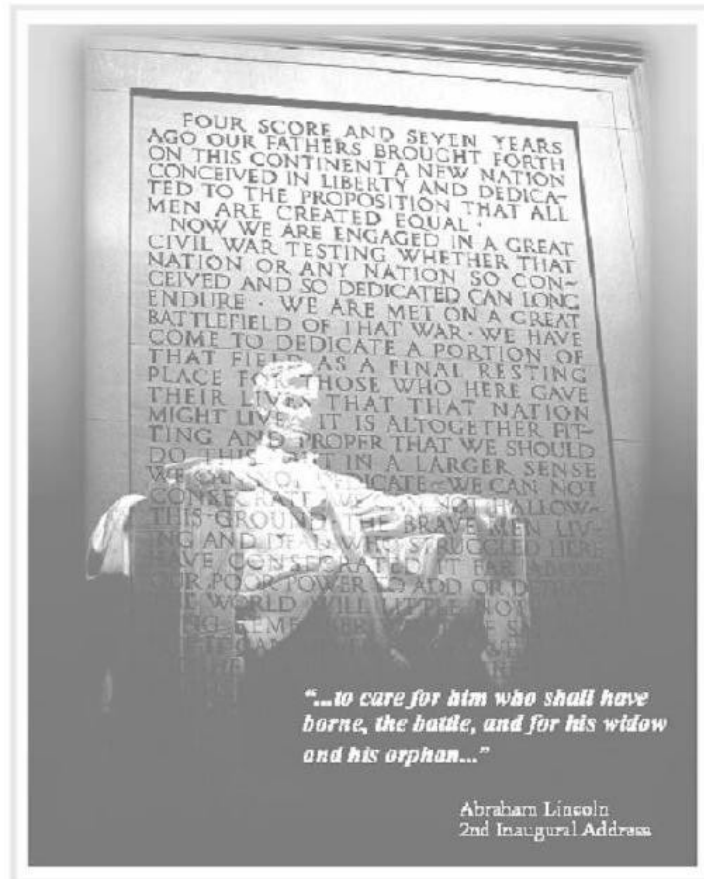


Veterans Benefits Administration
Annual Benefits Report
Fiscal Year 2001

May 2002



Department of
Veterans Affairs



*"...to care for him who shall have
borne, the battle, and for his widow
and his orphan..."*

Abraham Lincoln
2nd Inaugural Address

Veterans Benefits Administration
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Fiscal Year 2001

May 2002

THE UNDER SECRETARY OF VETERANS AFFAIRS FOR BENEFITS

WASHINGTON, D.C. 20420

Dear Reader:

We are pleased to present the *Veterans Benefits Administration Annual Benefits Report for Fiscal Year 2001*. This report transforms the essential data of VBA's core activities into the information that is important to fully comprehend the efforts of our dedicated employees as well as our mission of serving the Nation's veterans.

This is the fourth publication of the *Annual Benefits Report* and reinforces VBA's continued commitment to our stakeholders and business partners to provide comprehensive data that describes the activities of our five benefit programs. In this report, we summarize information concerning veterans and dependents who first began receiving benefits during FY 2001 and veterans and dependents whose benefits terminated last year. In the last chapter, we provide projections of compensation program usage and the associated financial obligations to veterans and their dependents through FY 2071.

In this year's publication, we also introduce a discussion for the expanded use of analysis, interpretation of reported data, and a comparison of those data against established performance measures and objectives.

In the future, we anticipate the *Annual Benefits Report* will provide essential information to become a dynamic management tool for those in the business of serving America's veterans. We plan to resume earlier publication and to enhance the content of the report with more descriptive tables and graphs. We encourage meaningful and positive recommendations to assist us in this improvement process.

Mindful of VA's commitment to President Lincoln's call to care for our Nation's veterans and their dependents, this edition of the *Annual Benefits Report* displays on its cover our sixteenth president as he is enshrined at the Memorial in Washington, DC.

/s/

Daniel L. Cooper

TABLE OF CONTENTS

CHAPTER 1

INTRODUCTION TO THE VETERANS BENEFITS ADMINISTRATION AND ITS BENEFITS PROGRAMS

Veterans Benefit Administration – Mission, Vision And Core Values	Page 1
Purpose Of VBA’s Annual Benefits Report.....	3
VBA’s Benefits Programs -- Overview	7

CHAPTER 2

BUSINESS DURING FISCAL YEAR 2001

Beneficiaries Entering The Programs -- New Business	
Summary Of All Programs	Page 14
Compensation – Disability	16
Compensation – Death	37
Pension – Disability	40
Pension – Death	41
Education	42
Life Insurance	43
Home Loan Guaranty	46
Vocational Rehabilitation And Employment	50
Beneficiaries Leaving The Programs – Transitions	
Summary Of All Programs	65
Compensation – Disability	66
Compensation – Death	67
Pension – Disability	68
Pension – Death	69
Education	70
Life Insurance	70
Home Loan Guaranty	73
Vocational Rehabilitation And Employment	73

CHAPTER 3

BUSINESS BEGINNING FISCAL YEAR 2002

Summary Of All Programs	Page 79
Compensation – Disability	81
Compensation – Death.....	101
Pension – Disability.....	105
Pension – Death.....	107
Education	109
Life Insurance.....	111
Home Loan Guaranty	117
Vocational Rehabilitation And Employment	121

CHAPTER 4

THE FUTURE – FORECASTING PROGRAM LIABILITIES

Forecasting Of Program Liabilities	Page 127
Table 1 – Estimate of Compensation Liability.....	128
Table 2 – Estimated Future Compensation Benefits	130
Table 3 – Discounted Estimated Future Compensation Payments.....	132
Table 4 – Veterans Receiving Compensation.....	133
Table 5 – Death Rates.....	135
Table 6A – Projected Newly Adjudicated Compensation Cases.....	137
Table 6B – Rates of Newly Adjudicated Compensation Cases	138

APPENDICES

Appendix A – Geographic Distribution Benefit Maps	Page 139
Appendix B -- VBA Regional Office Addresses	186
Appendix C – Contacting VA By Telephone 1.....	190
Appendix D -- Web Sites	191

INDEX

Index	Page 192
Index To Tables	199
Index To Maps/Tables	205
Glossary	206

CHAPTER 1

INTRODUCTION TO THE VETERANS BENEFITS ADMINISTRATION AND ITS BENEFITS PROGRAMS

VETERANS BENEFITS ADMINISTRATION--ITS MISSION

VBA's Mission Statement

The mission of the Veterans Benefits Administration (VBA), in partnership with the Veterans Health Administration and the National Cemetery Administration, is to provide benefits and services to veterans and their families in a responsive, timely and compassionate manner in recognition of their service to the Nation.

VETERANS BENEFITS ADMINISTRATION--ITS VISION

VBA's Vision Statement

Our vision is that the veterans whom we serve will feel that our nation has kept its commitment to them; employees will feel that they are both recognized for their contribution and are part of something larger than themselves; and taxpayers will feel that we've met the responsibilities they've entrusted to us. Courage, honesty, trust, respect, open communication, and accountability will be reflected in our day to day behavior.

VETERANS BENEFITS ADMINISTRATION – ITS CORE VALUES

VBA's CORE VALUES

Veterans have earned our respect and are our reason for being, our common purpose. All our efforts are directed toward meeting their needs.

We are committed to communicating to our veterans and employees in a timely, thorough, accurate, understandable and respectful manner.

We listen to the concerns and views of veterans and our employees to bring about improvement in benefits and services, and the climate in which they are provided.

We value understandable business processes that consistently produce positive results.

We foster an environment that promotes personal and corporate initiative risk-taking and teamwork.

We are open to change and flexible in our attitudes.

Respect, integrity, trust and fairness are hallmarks of all our interactions.

We value a culture where everyone is involved, accountable, respected and appreciated.

We will perform at the highest level of competence, always, and take pride in accomplishment. We are a “can do” organization.

PURPOSE OF VBA'S ANNUAL BENEFITS REPORT

For the past three years, the purpose of *Veterans Benefits Administration Annual Benefits Report* has been to identify the current level of program participation by eligible persons and to profile the veteran/beneficiary consumers of these program services. As we originally intended, the *Annual Benefits Report* (ABR) has become a meaningful tool for VA, VBA and a variety of interested program stakeholders.

Similar to the first three years of publication, this edition of the ABR does not attempt to analyze work processes associated with the day-to-day administration of these benefit programs. However, one of our goals is to broaden the analysis and use of the data contained in the ABR. Towards that objective, we are exploring the feasibility of including in future editions information about our performance against established measures. The intent is to display and discuss these three critical means of performance measurement:

1. Production,
2. Quality, and
3. Productivity.

With increasing emphasis being placed on the Department's accountability and program activity disclosure, we are also considering the development of data analytical methods and the inclusion of data to complement information published in the *Annual Report of the Secretary of Veterans Affairs*.

Our goal in expanding the focus of the ABR is to establish consistent and understandable information about VBA's continued progress towards effectively and efficiently serving the needs of our Nation's veterans and their dependents.

PERFORMANCE MEASUREMENT DISCUSSION

Developing the ABR into an improved management tool will require VBA to establish a plan and to implement those changes over a reasonable period of time. This edition will serve as a starting point for the path VBA intends to travel. Performance measurements have long been in place within the VBA operating environment. This measurement process can be enhanced by utilizing data in the ABR. The critical component of performance measurement is ensuring that the standard being utilized is one capable of providing insight towards improving established success factors.

By way of example consider these three essential success factors:

1. Production (e.g., how many decisions were rendered?);
2. Quality (e.g., what was the accuracy of decisions rendered?); and
3. Productivity (e.g., how many decisions were rendered relative to the number of decisions which could be rendered over a defined time period?).

The ABR currently provides data that can be utilized regularly to assess all three factors.

In future editions, VBA will consider performance measures established within the benefit programs — derived from data sources other than those currently in the ABR and allow the reader to assess these benchmarks of performance and to provide recommendations on enhancing service to the veterans through these measures.

DATA ANALYTICAL DISCUSSION

Through the assembly, assessment and interpretation of historical participation and performance data, VBA can reasonably construct decision-making models that utilize knowledge gained from the past. Improved analysis and evaluation of the information presented in the ABR are the tools that will assist VBA in the decision process. For that purpose, we are formulating strategy to include discussion concerning our analysis and evaluation activities as part of future editions of the ABR.

Many data analytical methodologies may be of value to both VBA and its stakeholders. We intend to explore them all, [e.g., trending and “drilling down”], and incorporate those that provide measurable value. As part of the process, we will continue to evolve our data management capabilities to improve the development and identification of historical trends and enhance forecasting capabilities.

VBA recognizes that the interpretation of data is more an art than a science. Accordingly, we understand that much of the data and information we provide may be interpreted differently by the stakeholders and readership of the ABR. To improve the understanding of presented information, VBA will attempt to share with its readers both the methodology and interpretation of selected data in future ABR editions.

FUTURE ABR CONSIDERATIONS

Providing meaningful information regarding the activity of VBA benefit programs is important. The data contained herein must be capable of providing the reader with the ability to draw conclusions about program activity and expectations. VBA will continue to enhance the methods of data validation and ensure consistency in all publications released by VA through comparative review of similar data shared in these documents.

The phrase “the data are what the data are” best describes compiled data without analysis. Through data analysis, data modeling and other methods of critical evaluation, VBA will ascertain the most meaningful data to present in the ABR. We will expand data and information about those areas and elements of program activity where it is important for the reader to understand meaning beyond a single line item. Conversely, we will seek to reduce the volume of data presented by those elements that provide minimal value for the reader. Lastly, we will continue to expand the presentation of data to include trending analysis and descriptive information regarding the trends that become apparent.

VBA is committed to its mission of serving the needs of our Nations’ veterans and their dependents. With a focus on continuous improvement, we will continue to ensure that the present and future ABR assists VBA in meeting this commitment.



VBA's BENEFITS PROGRAMS -- OVERVIEW

Veterans' benefits represent an integral part of American history. Knowledge of benefits history is important for all those who are interested in a comprehensive understanding of what VBA does and why. VA Pamphlet 80-97-2, *VA History in Brief*, September, 1997, provides such a history. This pamphlet is available on the VA Home Page:

<http://www.va.gov/pubaff/histbrf.pdf>.

In September 2001, the estimated veteran population was 25 million.¹ Of this number nearly three of every four veterans' served during a war or an official period of hostility. About a quarter of the nation's population, approximately 70 million people, are potentially eligible for VA benefits and services because they are veterans, family members or survivors of veterans.²

COMPENSATION -- BASED UPON SERVICE-CONNECTED DISABILITY OR DEATH

Disability compensation is a monetary benefit paid to veterans with service-connected disabilities. "Service-connected" means that the disability was a result of a disease or injury incurred or aggravated during active military service. To be eligible for disability compensation, the veteran must:

- have been discharged under conditions other than dishonorable
- disability must not have resulted from the veteran's willful misconduct.

Disability compensation is graduated according to the degree of the veteran's disability on a scale from 0 percent disabling to 100 percent disabling, in increments of 10 percent. Benefits in addition to the 100 percent disability rate are payable to veterans with extremely severe disabilities such as the anatomical loss or loss of use of a hand or foot, blindness, or deafness. The most seriously disabled veterans receive the highest benefit amounts, and less severely disabled veterans receive lower benefits.

Dependency and Indemnity Compensation (DIC) benefits are generally payable to the survivors of service members who died while on active duty or veterans who died from their service-connected disabilities. However, VA may pay DIC benefits to survivors of veterans whose deaths were not service-connected if the veterans were continuously rated totally disabled due to service-connected disabilities for:

- Ten or more years immediately preceding the veteran's death
- Five years from the date of veteran's discharge.³

¹ Veteran Population Projections through September 30, 2001, VA Office of Policy and Planning

² Office of Public Affairs VA Fact Sheet, May 2001

³ 38 U.S.C. 1318

DIC benefits may also be paid to the survivors of former Prisoners of War (POW) who died after September 30, 1999, and who were continuously rated totally disabled due to a service-connected disability for a period of not less than one year preceding death.⁴

Surviving spouses who are not remarried⁵ and dependent children are potentially eligible for DIC benefits. An additional amount is payable if the veteran was rated totally disabled for a period of at least eight years prior to death. For deaths prior to January 1, 1993, benefit rates are based on the veteran's military pay grade or the current monthly rate established by law, whichever is the greater benefit.

Parents of veterans or service members who die as the result of a service-connected disease or injury are also potentially eligible for DIC benefits. Parents' DIC is a needs-based program for financially dependent parents.

PENSION -- BASED UPON NONSERVICE DISABILITY OR DEATH AND FINANCIAL NEED

VA pension programs are designed to provide income support to veterans (with wartime service) and their families for a nonservice-connected disability or death. These programs, which serve veterans and survivors who are experiencing financial hardship, are means tested. In other words, it is the total family income from sources other than VA that determines the amount of the benefit. Laws establish income limits and regulate the rates of payments.

Wartime veterans who are determined permanently and totally disabled as the result of a nonservice-connected disability may be eligible for a disability pension. Entitlement to this disability pension is subject to income limitations. Additional amounts may be paid to a veteran who has dependents; is so disabled as to require the aid and attendance of another person; or is housebound. Benefits are also paid under two protected, or "grandfathered", prior pension programs. These rates and limits are fixed at the amounts in effect when the programs were superseded.

Surviving spouses and dependent children of wartime veterans' are potentially eligible for death pension benefits, subject to income limitations. As with disability pension, death pension is paid under the current pension program as well as under the two "grandfathered" prior programs.

⁴ Section 501 of Pub. L. 106-117 was enacted on November 30, 1999

⁵ Public Law 105-178, amended 38 U.S.C. 1311, effective October 1, 1998, to reinstate eligibility to a surviving spouse of a veteran whose remarriage after the veteran's death is terminated by death, divorce, or annulment and to a surviving spouse of a veteran who ceases living with another person and holding himself or herself out openly to the public as that person's spouse.

EDUCATION

VBA education programs provide veterans, reservists, and certain Veterans dependents with educational resources to supplement opportunities missed because of military service. These programs are also meant to help the armed forces and reserves to both recruit and retain members. For members of the armed forces, VA educational benefits assist in the adjustment to civilian life. On a broader scale, educational benefits are meant to enhance the Nation's competitiveness through the development of a more highly educated and productive workforce.

There are four active education programs:

1. Post-Vietnam Era Veterans Educational Assistance Program (VEAP)

VEAP was the first GI Bill program that required a contribution by the service member. Requirements and features of VEAP are as follows:

- First entered on active duty after December 31, 1976, and before July 1, 1985;
- Contributed to VEAP while on active duty and before April 1, 1987;
- Maximum contribution of \$2700 by the service member;
- Government matches contribution \$2 for \$1;
- Maximum entitlement is 36 months;
- Benefit must be used within 10 years of discharge from the service;
- Unused contributions may be refund
- Additional "kickers"⁶ or contributions from the Department of Defense (DoD) under certain circumstances; and
- Current full-time VEAP rate is \$300 per month plus any DoD "kicker" adjustment.

2. Montgomery GI Bill - Active Duty (MGIB)

MGIB is a contributory program. The service member's pay is automatically reduced by \$100 per month for 12 months unless the service member declines to participate at the time of enlistment. Requirements and features of MGIB are as follows:

- Served on active duty after June 30, 1985;
- Must fulfill one's basic service obligation;
- Must have completed the requirements of a secondary school diploma, or its equivalent, before applying for benefits;
- Must receive an honorable discharge;
- Maximum entitlement is 36 months;
- Additional "kicker" may be available, as determined by Department of Defense (DoD); and
- Generally, must use benefits within 10 years following discharge.

⁶ A "kicker" is an additional monetary contribution paid by the military under certain circumstances.

3. Montgomery GI Bill - Selected Reserve (MGIB-SR)

MGIB-SR is the first GI Bill to provide educational assistance to members of the Selected Reserve (including National Guard members). DoD funds this program and is responsible for determining eligibility to MGIB-SR. VBA administers the program. Requirements and features of MGIB-SR are as follows:

- Must agree to a six-year Selected Reserve obligation after July 1, 1985;
- Must have completed the requirements of a secondary school diploma, or its equivalent, before applying for benefits;
- Remain a member in good standing of the Selected Reserve;
- Maximum entitlement is 36 months; and
- Generally, must use benefits within 10 years of date eligibility began.

4. Dependents Educational Assistance Program (DEA)

DEA is the only VA educational assistance program designed for students who have never served in the Armed Forces. Features and requirements of DEA are as follows:

- Eligibility is based on the veteran's service-connected death, total service-connected disability, or MIA/POW/hostage status
- Maximum entitlement is 45 months;
- Children generally have eight years in which to use benefits;
- With some exceptions, children must be between ages 18 and 26;
- Spouses have 10 years in which to use benefits; and
- A spouse's remarriage bars further benefits⁷ while a child's marriage does not.

LIFE INSURANCE

Government life insurance programs were created to provide life insurance at a “standard” premium rate to members of the armed forces who are exposed to the extra hazards of military service, including deadly hazards of war. Few commercial insurance companies offer insurance that includes coverage against death while in the armed forces. Those that do, charge a high premium rate because of the additional risk. Members leaving the armed forces are eligible to maintain their VA insurance following discharge.

In general, a new life insurance program was created for each wartime period after World War I. The following government life insurance programs are closed to the issuance of new coverage but continue to have active policies. The “Years” column of the table indicates the time period when VBA was authorized to issue coverage under the program.

⁷ Public Law 106-117, signed on November 30, 1999, restores entitlement if a surviving spouse's remarriage has been terminated by death or divorce.

Insurance Programs That No Longer Issue Coverage

Program	Years	Maximum Coverage
United States Government Life Insurance (USGLI)	1919-1940	\$10,000
National Service Life Insurance (NSLI)	1940-1951	\$10,000 ¹
Veterans Special Life Insurance (VSLI)	1951-1956	\$10,000 ¹
Veterans Reopened Insurance (VRI)	1965-1966	\$10,000 ¹

Table 1

¹ Since 1972, dividends can be used to increase coverage by purchasing paid-up additions to the basic insurance.

The following government life insurance programs continue to issue coverage. The “Year” column indicates the date policies were first issued under each program.

Insurance Programs That Issue Coverage

Program	Year	Maximum Coverage
Service-Disabled Veterans Insurance (SDVI)	1951	\$10,000 ¹
Service members' Group Life Insurance (SGLI)	1965	\$250,000
Veterans Mortgage Life Insurance (VMLI)	1971	\$90,000
Veterans Group Life Insurance (VGLI)	1974	\$250,000

Table. 2

¹ An additional \$20,000 of supplemental coverage is available to totally disabled veterans.

HOME LOAN GUARANTY

The Loan Guaranty Program provides housing credit assistance to veterans and service persons with the objective of enabling entry into the home-buying market. Assistance is provided through the Government's partial guaranty of loans made by private lenders in lieu of the substantial down payment and other investment safeguards required in conventional mortgage transactions.

Veterans' loans may be used:

- To purchase a home;
- To purchase a residential unit in certain condominium projects;
- To build a home;
- To refinance an existing home loan; or
- To improve a home by installing solar heating or other energy conservation measures.

There is no maximum loan amount for a VA loan. Lenders set maximums based on rules of the secondary market to which they sell their loans. The maximum VA guaranty is currently \$50,750 and lenders are usually willing to make a “no down-payment” loan of up to 4 times the guaranty, or \$203,000. Veterans pay a funding fee ranging from 1.25 percent to 3 percent of the loan amount (0.5 percent for interest rate reduction loans). The funding fee can be included in the loan. Veterans receiving VA compensation are exempt from paying the fee. Since the program began in 1944, VA has guaranteed more than 16.6 million loans totaling over \$708 billion.

Severely disabled veterans, mostly those who are wheelchair bound, may obtain grants under the specially adapted housing program. This program helps eligible veterans by using these grants to buy, build or modify homes specifically adaptable for their use. These distinctive housing needs may include:

- Wide doorways to accommodate wheelchairs,
- Ramps instead of steps, and
- Oversized specially equipped bathrooms

Additionally, specially adapted housing grants are available for disabled veterans who are either totally blind or have anatomical loss or loss of use of both hands.

VBA Loan Guaranty is also in the process of implementing the Native American Veteran Direct VA Loan Program. This program will help our Native American Veterans in an effort to develop positive working relationships with Native American groups and tribes, and relevant government entities in fiscal year 2001. Loan Guaranty provides program information and materials to all interested parties and to VA personnel. VA entered into a Memorandum of Understanding (MOU) with 60 participating Native American tribes. During fiscal year 2001, VA field offices closed 20 loans under this program. To date, VA has made 253 loans to Native American veterans under this pilot program.

The table below shows a summary of eligibility criteria. In addition to these criteria, a veteran must have been discharged or released from active duty under other than dishonorable conditions. If the veteran served less than the minimum required period (See Table 3), he or she could be eligible if discharged because of a service-connected disability.

Summary of Home Loan Guaranty Entitlements

Period of Service or Entitlement	Service Dates	Length of Service or Other Criteria
World War II	9/16/40 - 7/25/47	90 days
Post-World War II	7/26/47 - 6/26/50	181 continuous days
Korean War	6/27/50 - 1/31/55	90 days
Post-Korean War	2/1/55 - 8/4/64	181 continuous days
Vietnam Era	8/5/64 - 5/7/75	90 days
Post-Vietnam Era	5/8/75 - 9/7/80	181 continuous days
Enlisted	9/8/80 - 8/1/90	2 years
Officers	10/17/81 - 8/1/90	2 years
Gulf War Era	8/2/90 -	2 years; or period called to active duty, (not less than 90 days)
Restored Entitlement		Possible under certain situations
Service Personnel		On active duty, after having served continuously for at least 181 days (90 days for Gulf War Era duty) unless discharged or separated from a previous qualifying period of active duty service
Reservists ¹		6 years
Un-Remarried Survivor		Of an eligible veteran who died as a result of service or service-connected conditions
Spouse of POW/MIA		Active duty member who is missing in action (MIA) or who is a prisoner of war (POW)

Table 3

¹ Entitlement expires on 9/30/03.

VOCATIONAL REHABILITATION AND EMPLOYMENT

The Vocational Rehabilitation and Employment (VR&E) Program helps veterans with service-connected disabilities become employable in order to obtain and maintain suitable employment. When the severity of disability prohibits suitable employment, VR&E assists those veterans achieve independence in daily living. Additionally, the VR&E program provides educational and vocational counseling for eligible service members, veterans, and dependents. The outcome of this counseling is to select an educational and vocational goal and/or select an institution(s) of learning and training where the goal is pursued.

VR&E PROGRAM	STATUTORY AUTHORITY
Vocational rehabilitation for service-connected disabled veterans	38 U.S.C. Chapter 31
Vocational training and rehabilitation for Vietnam Veterans children with spina bifida	38 U.S.C. Chapter 18
Vocational and educational counseling services are provided under the following six authorities	38 U.S.C. Chapters 30, 32, 35, and 36; 10 U.S.C. Chapters 1606 and 107

Table 4

CHAPTER 2

BUSINESS DURING FISCAL YEAR 2001

Summary Of Beneficiaries Entering All Benefits Program Rolls During Fiscal Year 2001

The following tables summarize information about the number of people who began receiving a benefit during fiscal year 2001 and the monetary value of the benefits. Total annual amount and average annual amounts reflected in the tables refer to fiscal year 2001 only.

Table 1 summarizes the benefits that pay a recurring monthly monetary amount.

Summary of Beneficiaries Who Began Receiving Benefits for Programs That Pay Recurring Monthly Benefits During Fiscal Year 2001

Benefit Programs	Number of People	Percent of Total	Total Annual Amounts Paid in FY 2001	Average Annual Amounts Paid in FY 2001
Compensation - Disability	81,426	51.9%	\$484,049,996	\$5,945
Compensation - Death ¹	16,193	10.3%	\$176,413,293	\$10,894
Pension – Disability	39,477	25.2%	\$271,290,596	\$6,872
Pension – Death ²	19,773	12.6%	\$71,377,743	\$3,610
Total of All Programs	156,869	100.0%	\$1,003,131,627	\$6,395

Table 1

¹ This category represents the Dependency and Indemnity Compensation Program.

² Only includes Surviving Spouses.

Table 2 (found on the next page) summarizes the benefits that are paid on a monthly basis, but only during a period of training attended by the person. The number of people receiving Education benefits is the number of people who used their Education benefit for the first time during fiscal year 2001. The number of people receiving the VR&E subsistence allowance benefit (Chapter 31 benefit) is the number who were in an approved program of training during fiscal year 2001 - **not the number who used the benefit for the first time during fiscal year 2001**. The annual amounts of money paid are **not** available at this time for Education or VR&E.

Summary of Beneficiaries Who Began Receiving Benefits for Programs That Pay Monthly Benefits During Training During Fiscal Year 2001

Benefit Programs	Number of People	Percent of Total
Education	96,679	65%
Vocational Rehabilitation	52,402	35%
Total	149,081	100.0%

Table 2

Table 3 summarizes the benefits that provide for a payment if certain events occur, for example, the death of the insured or default on a mortgage. For the Life Insurance program, the coverage amount is the face value of the policies issued during fiscal year 2001. For Home Loan Guaranty, the coverage amount is the guaranty obligations (not the value of the underlying mortgages) established during fiscal year 2001. For the Life Insurance and Home Loan Guaranty programs, the "Total Coverage Amounts" do *not* represent benefits actually paid during the year.

**Summary of Beneficiaries Who Obtained Coverage During Fiscal Year 2001
Benefit Programs that Constitute Potential Liabilities**

Benefit Programs	Number of People	Percent of Total	Total Coverage Amounts	Average Coverage Amounts
Life Insurance	394,572	61.2%	\$91,604,081,998	\$232,161
Home Loan Guaranty	250,009	38.8%	\$9,153,835,567	\$36,614
Total	644,581	100.0%	\$100,757,917,565	\$268,775

Table 3

Individual Data For Each Benefit Program

The following sections give specific information about each benefit program. The sections describe the veterans, dependents, and survivors who began receiving benefits during fiscal year 2001. This would include beneficiaries whose awards were stopped prior to the current year but who reestablished eligibility during the year.

1. *COMPENSATION -- BASED UPON SERVICE-CONNECTED DISABILITY*

As in prior editions of this report, certain data relating to the rating of compensation claims in this section have been generated from the Rating Board Automation (RBA) Database. This database allows VBA to collect and provide essential information about the disposition and demographics of veterans and their claims for compensation. In previous years, the RBA data used to populate a number of the compensation tables in this section were based on a 60 and 70 percent sample of all ratings completed at the regional offices during the respective years. For FY 2001, however, the sample is approximately 38 percent of the sample from the prior years because of VBA's conversion to the new RBA 2000 application. Linkage to the data input by the field using RBA 2000 has not yet been perfected to the degree that will allow them to replace the data previously collected through RBA.

Recognizing the value of this compensation information to report readers, VBA's Compensation and Pension Service and Data Management Office reviewed the data derived from the smaller sample size to determine their adequacy for this year's edition. These two offices conducted a thorough analysis of the resulting data for FY 2001, which included a comparison of these numbers with the prior three fiscal years. With a high level of programmatic confidence, they determined the resulting data to be consistent, relevant and informative. As such, the data from the RBA Database are included in nine of the tables in this section, and are footnoted accordingly.

Disability compensation is payment for disabilities that the VA determines to have occurred during or aggravated by a veteran's military service (except when the disability resulted from willful misconduct of the veteran). Only veterans (not dependents, survivors, or others) are eligible to receive VA disability compensation. Disabilities are evaluated according to the VA Schedule for Rating Disabilities in Title 38, Code of Federal Regulations, Part 4. The extent of disability is expressed as a percentage from zero percent (for conditions that exist but are not disabling to a compensable degree) to 100 percent, in increments of 10 percent.

The Rating Schedule is based on a "whole person" concept. This means that each disability is evaluated for its disabling effect on the whole person. The range of disabling effects of a specific disability on a person rarely includes every 10 percent increment from zero percent to 100 percent. For example, the Rating Schedule provides four possible evaluations for the disabling effect of a disfiguring scar of the head, face, or neck: 0, 10, 30, or 50 percent, according to the extent of the disfigurement. Active pulmonary tuberculosis, on the other hand, is always rated 100 percent disabling.

a. Total Number of Veterans Who Began Receiving Disability Compensation During Fiscal Year 2001

The following table shows data on veterans who began receiving disability compensation during fiscal year 2001, total annual expenditures for those veterans, and the average annual amount paid to these veterans.

Total Number of Veterans Who Began Receiving Compensation During Fiscal Year 2001

	Number	Total Annual Amounts	Average Annual Amounts
TOTAL	81,426	\$484,049,996	\$5,945

Table 4

Source: Benefits Delivery Network - COIN CP-127

b. Conditions Claimed and Disabilities Compensated Being Paid

This section shows information about:

- individual disabilities determined to be service-connected; and
- the combined degree of disability for veterans who began receiving compensation payments during fiscal year 2001.

Number of Disabilities Per Claim

Any single application, original or subsequent, may include multiple disabilities to be evaluated for service-connection. An “original” claim is the first application submitted by a veteran. All claims submitted after resolution of the original application, whether they involve re-evaluation of disabilities previously claimed or evaluation of new disabilities, will be identified as “subsequent reopened claims” in this report. This table on the next page shows the distributions (by percent) of the number of disabilities claimed in original and subsequent reopened benefits applications. For example, 12.0 percent of original applications rated during fiscal year 2001 claimed service connection for three individual disabilities. The average, range, and median number of disabilities claimed are shown at the bottom of the table.

**Applications for Service-Connected Disability Compensation
by Number Of Disabilities Claimed for Fiscal Year 2001**

Number of Disabilities	Percent of Original Claim Applications	Percent of Subsequent Reopened Claim Applications
1	21.1%	41.6%
2	16.5%	24.9%
3	12.0%	13.5%
4	9.4%	7.7%
5	7.9%	4.2%
6	6.2%	2.7%
7	4.5%	1.6%
8	5.1%	1.1%
9	3.8%	0.8%
10	3.0%	0.6%
11 thru 15	7.1%	0.9%
16 thru 20	2.2%	0.2%
21 thru 25	0.6%	0.0%
Over 25	0.4%	0.0%
Total	100.0%	100.0%
Average Number of	5.0	2.5
Range of Disabilities	1 to 62	1 to 37
Median Number of Disabilities	4	2

Table 5

Source: RBA Database – Data Warehouse

Total Number of Service-Connected Individual Disabilities

Service-connected disabilities sorted by the percentage evaluation assigned to each disability are provided on the next page. Data include veterans initially granted compensation (based on either original or subsequent claims) and the average number of service-connected disabilities per veteran for fiscal year 2001.

Note: “Zero percent” means that the disability exists and is related to the veteran’s service but is not disabling to a degree that allows compensation.⁸ The number of zero percent disabilities shown in this table accounts only for those veterans who have individual disabilities rated zero percent but who **also** receive compensation. This would occur when the veteran’s combined⁹ disability evaluation is 10 percent or greater, or when the veteran is entitled to payment under one of the statutory provisions for specific disabilities; e.g. tuberculosis. Veterans who do **not** receive compensation but have disabilities rated zero percent are **not** represented in the Tables 6 and 7.

⁸ Service connection at zero percent entitles the veteran to medical treatment for the condition through the Veterans Health Administration.

⁹ Combined disability evaluation is explained in the “note” on the next page.

**Total Individual Service-Connected Disabilities by Percent for
Veterans Who Began Receiving Compensation During Fiscal Year
2001**

	Number of Disabilities	Percent of All Disabilities
0%	96,823	36.6
10%	115,262	43.5%
20%	19,158	7.2%
30%	14,702	5.6%
40%	3,705	1.4%
50%	5,209	2.0%
60%	2,092	0.8%
70%	2,617	1.0%
80%	133	0.1%
90%	52	0.0%
100%	5,138	1.9%
Total	264,891	100.0%
	Total Veterans	81,426
Average number of disabilities per veteran		3.3
Number of Disabilities 0% thru 30%:		245,945
Percent of all Disabilities:		92.8%

Table 6

Source: Benefits Delivery Network - COIN CP-145 and COIN CP-127

**Service-Connected Disabilities, by Combined Degree of Disability for Veterans
Who Began Receiving Compensation during Fiscal Year 2001**

Combined degree of disability is expressed as a percentage and represents the overall disabling effect on a veteran of all his or her service-connected disabilities. The combined degree of disability determines the compensation payments. The following table shows information about veterans who began receiving compensation during fiscal year 2001 by the combined percentage of disability. The table also shows the total annual amount and average annual amount of compensation paid to these veterans.

Note: "Percent of combined disability" is not calculated by summing all the individual degrees of disability. Instead, a rating formula is applied to calculate the overall disabling effect of the veteran's service-connected disabilities. Under certain circumstances, a veteran with two or more disabilities individually evaluated zero percent can still have 10 percent combined disability and entitle the veteran to receive disability compensation (38 CFR 3.324). These will be called "compensable zeros" and are shown in the 0% row of the next page.

Service-Connected Disabilities by Combined Percent for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Combined Degree	Number	Percent of Total	Total Annual Amounts ¹	Average Annual Amounts
0%	327	0.4%	\$275,151	\$841
10%	25,161	30.9%	\$30,640,059	\$1,218
20%	15,972	19.6%	\$37,295,898	\$2,335
30%	12,785	15.7%	\$50,981,466	\$3,988
40%	8,294	10.2%	\$47,578,365	\$5,736
50%	5,976	7.3%	\$48,275,801	\$8,078
60%	4,159	5.1%	\$57,374,736	\$13,795
70%	3,230	4.0%	\$62,333,832	\$19,298
80%	1,303	1.6%	\$28,436,724	\$21,824
90%	529	0.6%	\$12,650,485	\$23,914
100%	3,690	4.5%	\$108,207,479	\$29,325
TOTAL	81,426	100.0%	\$484,049,996	\$5,945
Number of Disabilities with Combined Percent 0% thru 30%:			54,245	
Percent of All:			66.6%	

Table 7

Source: Benefits Delivery Network - COIN CP-127

¹ The total annual amounts of service-connected compensation for each combined degree is calculated by multiplying the Average Benefit amount (derived from COIN CP-127) by 12 months, times the number of veterans who began receiving compensation during fiscal year 2001.

c. Individual Service-Connected Disabilities by Body System

The following table shows all individual service-connected disabilities qualified by body system for veterans compensated during fiscal year 2001. The table includes zero percent disabilities only for those veterans who are in receipt of compensation benefits. The body systems are shown in descending order of the number of disabilities found service-connected within each system.

Ranking of Individual Service-Connected Disabilities by Body System for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Body System	Total Number	Percent of Total	Body System	Total Number	Percent of Total
Musculoskeletal System	110,520	41.7%	Genitourinary System	6,270	2.4%
Impairment of Auditory Acuity	31,995	12.1%	Endocrine System	5,918	2.2%
Skin	28,047	10.6%	Eye	2,998	1.1%
Mental Disorders	16,065	6.1%	Gynecological Conditions	2,285	0.9%
Digestive System	15,109	5.7%	Infectious Diseases, Immune Disorders, Nutritional Disorder	2,081	0.8%
Cardiovascular System	14,253	5.4%	Dental and Oral Conditions	1,310	0.5%
Respiratory System	14,190	5.4%	Hemic and Lymphatic Systems	923	0.3%
Neurological Conditions	12,927	4.9%	Grand Total - All Conditions	264,891	100.0%

Table 8

Source: Benefits Delivery Network - COIN CP-145

d. Individual Service-Connected Disabilities by Diagnostic Code

During fiscal year 2001, 748 separate diagnostic codes were used in rating the 264,891 individual disabilities determined to be service-connected. Body system groupings are displayed in VBA diagnostic code order. VA uses four-digit diagnostic code numbers that signify specific medical conditions. These numeric diagnostic codes are in Title 38, Code of Federal Regulations, Part 4. The following four-page table identifies the total number of individual service-connected disabilities, grouped by body systems and percent of disability assigned.

Total Individual Service-Connected Disabilities by Percent and Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Body System	0%		10%		20%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	32,485	29.4%	61,840	56.0%	11,201	10.1%
Eye (Codes 6000-6099)	1,499	50.0%	833	27.8%	154	5.1%
Impairment of Auditory Acuity (Codes 6100-6299)	12,001	37.5%	17,588	55.0%	764	2.4%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	1,743	83.8%	163	7.8%	26	1.2%
Respiratory System (Codes 6501-6899)	7,104	50.1%	3,802	26.8%	24	0.2%
Cardiovascular System (Codes 7000-7199)	2,918	20.5%	7,470	52.4%	1,294	9.1%
Digestive System (Codes 7200-7399)	9,447	62.5%	4,237	28.0%	324	2.1%
Genitourinary System (Codes 7500-7599)	3,203	51.1%	840	13.4%	509	8.1%
Gynecological Conditions (Codes 7610-7699)	871	38.1%	326	14.3%	7	0.3%
Hemic and Lymphatic Systems (Codes 7700-7799)	347	37.6%	90	9.8%	120	13.0%
Skin (Codes 7800-7899)	20,443	72.9%	7,026	25.1%	73	0.3%
Endocrine System (Codes 7900-7999)	299	5.1%	1,533	25.9%	3,459	58.4%
Neurological Conditions (Codes 8000-8999)	2,947	22.8%	6,313	48.8%	1,094	8.5%
Mental Disorders (Codes 9000-9599)	814	5.1%	2,743	17.1%	14	0.1%
Dental and Oral Conditions (Codes 9900-9999)	702	53.6%	458	35.0%	95	7.3%
Grand Total - All Conditions (Codes 5000-9999)	96,823	36.6%	115,262	43.5%	19,158	7.2%

Table 9

Source: Benefits Delivery Network - COIN CP-145

Total Individual Service-Connected Disabilities by Percent and Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Body System	30%		40%		50%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	1,722	1.6%	1,962	1.8%	146	0.1%
Eye (Codes 6000-6099)	356	11.9%	49	1.6%	27	0.9%
Impairment of Auditory Acuity (Codes 6100-6299)	571	1.8%	397	1.2%	250	0.8%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	42	2.0%	22	1.1%	2	0.1%
Respiratory System (Codes 6501-6899)	1,689	11.9%	4	0.0%	585	4.1%
Cardiovascular System (Codes 7000-7199)	1,595	11.2%	201	1.4%	7	0.0%
Digestive System (Codes 7200-7399)	688	4.6%	56	0.4%	13	0.1%
Genitourinary System (Codes 7500-7599)	341	5.4%	228	3.6%	0	0.0%
Gynecological Conditions (Codes 7610-7699)	609	26.7%	24	1.1%	417	18.2%
Hemic and Lymphatic Systems (Codes 7700-7799)	39	4.2%	9	1.0%	1	0.1%
Skin (Codes 7800-7899)	424	1.5%	16	0.1%	56	0.2%
Endocrine System (Codes 7900-7999)	48	0.8%	394	6.7%	3	0.1%
Neurological Conditions (Codes 8000-8999)	1,569	12.1%	333	2.6%	264	2.0%
Mental Disorders (Codes 9000-9599)	4,963	30.9%	6	0.0%	3,437	21.4%
Dental and Oral Conditions (Codes 9900-9999)	46	3.5%	4	0.3%	1	0.1%
Grand Total - All Conditions (Codes 5000-9999)	14,702	5.6%	3,705	1.4%	5,209	2.0%

Table 9

Source: Benefits Delivery Network - COIN CP-145

Total Individual Service-Connected Disabilities by Percent and Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Body System	60%		70%		80%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	657	0.6%	37	0.0%	6	0.0%
Eye (Codes 6000-6099)	9	0.3%	24	0.8%	4	0.1%
Impairment of Auditory Acuity (Codes 6100-6299)	98	0.3%	80	0.3%	59	0.2%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	49	2.4%	0	0.0%	0	0.0%
Respiratory System (Codes 6501-6899)	299	2.1%	0	0.0%	0	0.0%
Cardiovascular System (Codes 7000-7199)	498	3.5%	0	0.0%	2	0.0%
Digestive System (Codes 7200-7399)	109	0.7%	6	0.0%	6	0.0%
Genitourinary System (Codes 7500-7599)	148	2.4%	0	0.0%	21	0.3%
Gynecological Conditions (Codes 7610-7699)	4	0.2%	0	0.0%	0	0.0%
Hemic and Lymphatic Systems (Codes 7700-7799)	6	0.7%	7	0.8%	0	0.0%
Skin (Codes 7800-7899)	0	0.0%	2	0.0%	1	0.0%
Endocrine System (Codes 7900-7999)	97	1.6%	1	0.0%	1	0.0%
Neurological Conditions (Codes 8000-8999)	112	0.9%	27	0.2%	33	0.3%
Mental Disorders (Codes 9000-9599)	5	0.0%	2,433	15.1%	0	0.0%
Dental and Oral Conditions (Codes 9900-9999)	1	0.1%	0	0.0%	0	0.0%
Grand Total - All Conditions (Codes 5000-9999)	2,092	0.8%	2,617	1.0%	133	0.1%

Table 9

Source: Benefits Delivery Network - COIN CP-145

Total Individual Service-Connected Disabilities by Percent and Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Body System	90%		100%		Total	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	8	0.0%	456	0.4%	110,520	100.0%
Eye (Codes 6000-6099)	8	0.3%	35	1.2%	2,998	100.0%
Impairment of Auditory Acuity (Codes 6100-6299)	32	0.1%	155	0.5%	31,995	100.0%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	0	0.0%	34	1.6%	2,081	100.0%
Respiratory System (Codes 6501-6899)	0	0.0%	683	4.8%	14,190	100.0%
Cardiovascular System (Codes 7000-7199)	0	0.0%	268	1.9%	14,253	100.0%
Digestive System (Codes 7200-7399)	0	0.0%	223	1.5%	15,109	100.0%
Genitourinary System (Codes 7500-7599)	0	0.0%	980	15.6%	6,270	100.0%
Gynecological Conditions (Codes 7610-7699)	0	0.0%	27	1.2%	2,285	100.0%
Hemic and Lymphatic Systems (Codes 7700-7799)	0	0.0%	304	32.9%	923	100.0%
Skin (Codes 7800-7899)	0	0.0%	6	0.0%	28,047	100.0%
Endocrine System (Codes 7900-7999)	0	0.0%	83	1.4%	5,918	100.0%
Neurological Conditions (Codes 8000-8999)	4	0.0%	231	1.8%	12,927	100.0%
Mental Disorders (Codes 9000-9599)	0	0.0%	1,650	10.3%	16,065	100.0%
Dental and Oral Conditions (Codes 9900-9999)	0	0.0%	3	0.2%	1,310	100.0%
Grand Total - All Conditions (Codes 5000-9999)	52	0.0%	5,138	1.9%	264,891	100.0%

Table 9

Source: Benefits Delivery Network - COIN CP-145

e. Most Prevalent Service-Connected Disabilities

This section provides data about the most common disabilities found to be service-connected during fiscal year 2001.

By Body Systems

The next three pages show tables for the five disabilities most often found in proportion to the total number of service-connected disabilities recorded within that body system. The “Percent of Grand Total” is the frequency connected, by diagnostic code, within each body system, during fiscal year 2001. The body systems are shown in descending order by number of disabilities.

Note: The “Percent of System Total” is the frequency of service connection under each diagnostic code as a of service connection under each diagnostic code as a proportion of the total number of disabilities recorded under all body systems.

Most Common Service-Connected Disabilities within Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Musculoskeletal System		110,520	100.0%	41.7%
5299	Skeletal conditions	12,715	11.5%	4.8%
5010	Arthritis, due to trauma	12,047	10.9%	4.5%
5295	Lumbosacral strain	8,393	7.6%	3.2%
5293	Intervertebral disc syndrome	7,276	6.6%	2.7%
5257	Knee, other impairment of	5,859	5.3%	2.2%
Impairment of Auditory Acuity		31,995	100.0%	12.1%
6260	Tinnitus	15,740	49.2%	5.9%
6100	Auditory, acuity impairment, 0%	14,100	44.1%	5.3%
6200	Otitis media, suppurative, chronic	548	1.7%	0.2%
6211	Tympanic membrane, perforation of	488	1.5%	0.2%
6210	Auditory canal, disease of	211	0.7%	0.1%
Skin		28,047	100.0%	10.6%
7805	Scars, other ¹	9,787	34.9%	3.7%
7804	Scar, superficial, tender and painful on objective demonstration	3,554	12.7%	1.3%
7806	Eczema	3,415	12.2%	1.3%
7899	Skin condition	3,092	11.0%	1.2%
7800	Scars, disfiguring, head, face, neck	2,665	9.5%	1.0%
Mental Disorders		16,065	100.0%	6.1%
9411	Post-traumatic stress disorder	10,060	62.6%	3.8%
9434	Major depressive disorder	1,771	11.0%	0.7%
9400	Generalized anxiety disorder	795	4.9%	0.3%
9432	Bipolar disorder	450	2.8%	0.2%
9433	Dysthymic disorder	403	2.5%	0.2%
Digestive System		15,109	100.0%	5.7%
7336	Hemorrhoids, external or internal	4,147	27.4%	1.6%
7346	Hernia, hiatal	2,656	17.6%	1.0%
7338	Hernia, inguinal	1,796	11.9%	0.7%
7399	Digestive system, disease of	1,477	9.8%	0.6%
7319	Irritable colon syndrome	808	5.3%	0.3%

Table 10

Source: Benefits Delivery Network - COIN CP-145

¹38 CFR, Part 4, provides several diagnostic codes used in the evaluation of disabilities associated with scars. These include the following: **7800** - Disfiguring scars to the head, face, or neck; **7801** - Scars from 3rd degree burns; **7802** - Scars from 2nd degree burns; **7803** - Superficial scars which are poorly nourished with repeated ulceration; **7804** - Superficial scars which are tender and painful on objective demonstration. Other scars not covered under the above criteria are evaluated under diagnostic code **7805**.

Most Common Service-Connected Disabilities within Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Cardiovascular System		14,253	100.0%	5.4%
7101	Hypertensive vascular disease	6,502	45.6%	2.5%
7122	Cold injury residuals	3,135	22.0%	1.2%
7120	Varicose veins	1,319	9.3%	0.5%
7005	Arteriosclerotic heart disease	1,047	7.3%	0.4%
7000	Valvular heart disease	256	1.8%	0.1%
Respiratory System		14,190	100.0%	5.4%
6522	Allergic or vasomotor rhinitis	2,665	18.8%	1.0%
6602	Asthma, bronchial	2,420	17.1%	0.9%
6513	Sinusitis maxillary, chronic	1,889	13.3%	0.7%
6502	Septum, nasal, deviation of	1,018	7.2%	0.4%
6847	Sleep apnea syndromes	983	6.9%	0.4%
Neurological Conditions and Convulsive Disorders		12,927	100.0%	4.9%
8100	Migraine	3,548	27.4%	1.3%
8515	Median nerve, paralysis of	1,803	13.9%	0.7%
8599	Peripheral nerve condition	832	6.4%	0.3%
8520	Paralysis of sciatic nerve	626	4.8%	0.2%
8045	Brain disease due to trauma	589	4.6%	0.2%
Genitourinary System		6,270	100.0%	2.4%
7528	Malignant neoplasm	1,498	23.9%	0.6%
7599	Genitourinary system condition	1,028	16.4%	0.4%
7527	Prostate gland injuries, infections, postoperative	963	15.4%	0.4%
7508	Nephrolithiasis	538	8.6%	0.2%
7522	Penis, deformity, with loss of erectile power	344	5.5%	0.1%
Endocrine System		5,918	100.0%	2.2%
7913	Diabetes mellitus	4,741	80.1%	1.8%
7903	Hypothyroidism	707	11.9%	0.3%
7900	Hyperthyroidism	191	3.2%	0.1%
7999	Endocrine system condition	88	1.5%	0.0%
7915	Neoplasm, benign	55	0.9%	0.0%

Table 10

Source: Benefits Delivery Network - COIN CP-145

Most Common Service-Connected Disabilities within Body Systems for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Eye		2,998	100.0%	1.1%
6099	Eye Condition	431	14.4%	0.2%
6034	Eye, pterygium	278	9.3%	0.1%
6009	Eye, injury of, unhealed	242	8.1%	0.1%
6018	Eye, Conjunctivitis other, chronic	211	7.0%	0.1%
6013	Eye, Glaucoma, simple, primary, noncongestive	184	6.1%	0.1%
Gynecological Conditions		2,285	100.0%	0.9%
7618	Uterus, removal of, including corpus	488	21.4%	0.2%
7617	Uterus and ovaries, removal of, complete	379	16.6%	0.1%
7628	Benign neoplasms, gynecological or breast	219	9.6%	0.1%
7629	Endometriosis	189	8.3%	0.1%
7699	Gynecological condition or disorder of the breast	184	8.1%	0.1%
Infectious Diseases, Immune Disorders, and Nutritional Deficiencies		2,081	100.0%	0.8%
6304	Malaria	1,543	74.1%	0.6%
6351	HIV-Related illness	107	5.1%	0.0%
6399	Infectious disease, immune disorder, nutritional deficiency	106	5.1%	0.0%
6350	Lupus erythematosus, systemic	78	3.7%	0.0%
6354	Chronic fatigue syndrome	76	3.7%	0.0%
Dental and Oral Conditions		1,310	100.0%	0.5%
9905	Temporomandibular articulation, limited motion	734	56.0%	0.3%
9999	Dental and oral conditions	252	19.2%	0.1%
9904	Mandible, malunion of	182	13.9%	0.1%
9913	Teeth, loss of, due to loss of body of maxilla or mandible	63	4.8%	0.0%
9916	Maxilla, malunion or nonunion	33	2.5%	0.0%
Hemic and Lymphatic Systems		923	100.0%	0.3%
7715	Non-Hodgkin's lymphoma	280	30.3%	0.1%
7700	Anemia, hypochromic-microcytic and megaloblastic	200	21.7%	0.1%
7706	Splenectomy	109	11.8%	0.0%
7709	Lymphogranulomatosis (Hodgkin's disease)	102	11.1%	0.0%
7799	Hemic and lymphatic system condition	97	10.5%	0.0%
Grand Total - All Body Systems		264,891	100.0%	100.0%

Table 10

Source: Benefits Delivery Network - COIN CP-145

By Disabilities Most Frequently Service-Connected

The next table shows the 20 disabilities most frequently found service-connected (by diagnostic code) during fiscal year 2001.

Note: The “Percent Within System” column represents the frequency of service connection under each diagnostic code as a proportion of all service-connected disabilities within the body system. The “Percent of Total” column shows the frequency of service connection under each diagnostic code as a proportion of all 264,891 disabilities found service-connected. The “Cumulative Percent” column sums the percentages from the “Percent of Total” Column to include the diagnostic code in that row and all preceding diagnostic codes. For example, the 20 most frequently service-connected disabilities (by diagnostic code) account for 54 percent of all service-connected disabilities established in fiscal year 2001.

Disabilities Most Frequently Service-Connected for Veterans Who Began Receiving Compensation During Fiscal Year 2001

Diagnostic Code	Disability	Total	Percent Within System FY 2001	Percent of Total FY 2001	Cumulative Percent FY 2001
6260	Tinnitus	15,740	49.2%	5.9%	5.9%
6100	Auditory, acuity impairment, 0%	14,100	44.1%	5.3%	11.3%
5299	Skeletal conditions	12,715	11.5%	4.8%	16.1%
5010	Arthritis, due to trauma	12,047	10.9%	4.5%	20.6%
9411	Post-traumatic stress disorder	10,060	62.6%	3.8%	24.4%
7805	Scars, other ¹	9,787	34.9%	3.7%	28.1%
5295	Lumbosacral strain	8,393	7.6%	3.2%	31.3%
5293	Intervertebral disc syndrome	7,276	6.6%	2.7%	34.0%
7101	Hypertensive vascular disease	6,502	45.6%	2.5%	36.5%
5257	Knee, other impairment of	5,859	5.3%	2.2%	38.7%
5271	Ankle, limited motion of	5,149	4.7%	1.9%	40.6%
5003	Arthritis, degenerative	5,121	4.6%	1.9%	42.6%
7913	Diabetes mellitus	4,741	80.1%	1.8%	44.4%
5024	Tenosynovitis	4,521	4.1%	1.7%	46.1%
7336	Hemorrhoids, external or internal	4,147	27.4%	1.6%	47.6%
7804	Scars, superficial, tender, painful	3,554	12.7%	1.3%	49.0%
8100	Migraine	3,548	27.4%	1.3%	50.3%
7806	Eczema	3,415	12.2%	1.3%	51.6%
5260	Limited flexion of knee	3,235	2.9%	1.2%	52.8%
7122	Cold injury residuals	3,135	22.0%	1.2%	54.0%
Total Number of Disabilities In FY 2001		264,891			

Table 11

Source: Benefits Delivery Network - COIN CP-145

¹ See footnote for Table 10 of this chapter.

f. Demographic Characteristics of Veterans with Service-Connected Disabilities

The tables in this section present information about veterans with disabilities found service-connected on original and in some cases subsequent reopened claims during fiscal year 2001 in the following categories:

- Age
- Gender
- Race
- Period of Service
- Length of Service.

Most of the information in this segment is collected from the RBA Database, in conjunction with data provided by the Defense Manpower Data Center (DMDC) on service members recently discharged.

Note: As available from DMDC, the following table includes comparable demographic information about military separations during fiscal year 2000. Not all original claims rated during the fiscal year were filed by veterans who were discharged during the same period. However, the information forms a basis for comparison.

By Age

The distribution by age among veterans who began receiving compensation during FY 2001 is shown below. Also shown is the age distribution of service members discharged from active duty (i.e., new veterans) during FY 2000.

Service-connected Compensation by Age for Veterans Who Began Receiving Compensation During FY 2001

Age	Number of Veterans	Percent of All Ages	Number of Discharges in FY 2000 ¹	Percent of Discharges in FY 2000	Annual Payments ²
Under 25	5,872	7.2%	95,681	50.5%	\$34,907,052
25 - 35	16,857	20.7%	61,932	32.7%	\$100,209,157
36 - 45	20,716	25.4%	25,772	13.6%	\$123,149,605
46 - 55	18,735	23.0%	5,543	2.9%	\$111,373,231
56 - 65	8,138	10.0%	257	0.1%	\$48,377,654
66 - 75	5,520	6.8%	196	0.1%	\$32,814,531
Over 75	5,588	6.9%	0	0.0%	\$33,218,768
All Ages	81,426	100.0%	189,381	100.0%	\$484,049,996

Table 12

Source: Benefits Delivery Network - COIN CP-127

Source: Defense Manpower Data Center Activity Duty Loss Profile

¹ Discharge data for FY 2001 is not yet available from DMDC

² The total annual amounts of service-connected compensation for each age group is calculated by multiplying the percentage of veterans for each age group by the total annual amounts, which have been calculated using average benefit indicated on COIN CP-127.

By Gender

The distributions by gender of veterans granted service connection (whether compensable or not) during fiscal year 2001 based upon original and subsequent reopened claims follow. Also shown is the gender distribution of service members discharged from active duty during fiscal year 2000.

**Service-Connected Disability
Original and Subsequent Reopened Claims Granted by Gender
During Fiscal Year 2001**

	Female	Male	Total
Percent of Original Claims Granted ¹	15.8%	84.2%	100.0%
Percent of Subsequent Reopened Claims Granted ¹	6.9%	93.1%	100.0%
Percent of Service Members Discharged in FY 2000 ²	16.6%	83.4%	100.0%

Table 13

¹Source: RBA Database - Data Warehouse

²Source: Defense Manpower Data Center "Officer and Enlisted Losses by Type" Report
Discharge data for FY 2001 is not yet available from DMDC

By Race

The distributions by race (*where known*) of veterans granted service connection (whether compensable or not) during fiscal year 2001 based upon original and subsequent reopened claims are shown in the following table. Also shown is the race distribution among service members discharged from active duty during fiscal year 2000.

**Service-Connected Disability Original and Subsequent
Reopened Claims Granted by Race
During Fiscal Year 2001**

Race	Percent of Original Claims Granted ¹	Percent of Subsequent Reopened Claims Granted ¹	Percent of Service Members Discharged in Fiscal Year 2000 ²
White	67.2%	63.1%	68.0%
Black	21.3%	29.1%	18.2%
Hispanic	6.1%	3.0%	8.0%
Asian/Pacific Islander	2.1%	2.2%	3.0%
American Indian/Alaskan	0.7%	0.8%	1.2%
Other	2.7%	1.8%	1.6%
Total	100.0%	100.0%	100.0%

Table 14

¹Source: RBA Database - Data Warehouse

²Source: Defense Manpower Data Center "Active Duty Loss Profile"
Discharge data for FY 2001 is not yet available from DMDC

By Period of Service

The next table shows the distributions by period of service of veterans granted service connection (whether compensable or not) during fiscal year 2001 based upon original and subsequent reopened claims. When the data were collected for this table this year, the peacetime category was better defined than in prior years.

Service-Connected Disability Original and Subsequent Reopened Claims Granted by Period of Service During Fiscal Year 2001

Period of Service	Percent of Original Claims	Percent of Subsequent Reopened Claims
World War I	0.0%	0.0%
World War II	2.2%	12.6%
Korean War	1.2%	4.2%
Vietnam Era	7.2%	25.3%
Gulf War Era	67.2%	21.3%
Peacetime	22.2%	36.5%
All Periods	100.0%	100.0%

Table 15

Source: RBA Database – Data Warehouse

By Length of Service

The next table shows the distributions by length of service of veterans granted service connection (whether compensable or not) during fiscal year 2001 based upon original and subsequent reopened claims.

Service-Connected Disability Claims Granted by Length of Service During Fiscal Year 2001

Years of Service	Percent of Original Claims Granted	Percent of Subsequent Reopened Claims Granted
Less than 1	3.3%	3.9%
1 – 3	27.1%	50.6%
4 – 9	18.3%	18.2%
10 – 14	8.7%	6.6%
15 – 19	4.8%	4.1%
20 – 24	21.5%	11.7%
25 – 29	3.7%	2.5%
30 – 34	1.8%	1.0%
35 – 39	0.5%	0.1%
40 and over	10.4%	1.2%
Total	100.0%	100.0%

Table 16

Source: RBA Database – Data Warehouse

g. Original and Subsequent Claims

Claims Received and Completed

The following table shows the number of original and subsequent reopened claims received and completed during fiscal year 2001.

For administrative purposes, original claims are assigned to one of two categories according to the number of disabilities presented for evaluation of service connection: (1) one to seven disabilities; or (2) eight or more disabilities.

Original and Subsequent Disability Compensation Claims During Fiscal Year 2001

Type of Claim	Number Received	Percent of Grand Total Received	Number Completed	Percent of Grand Total Completed
Original Compensation – 1 to 7 Issues	115,223	21.7%	67,677	19.4%
Original Compensation – 8 or More Issues	22,776	4.3%	18,872	5.4%
TOTAL	137,999	26.0%	86,549	24.9%
Subsequent Reopened Compensation	392,869	74.0%	261,583	75.1%
GRAND TOTAL	530,868	100.0%	348,132	100.0%

Table 17

Source: Benefits Delivery Network – COIN DOOR 1001

Subsequent Reopened Compensation Claims By Age of the Veteran

The next table shows the age distribution of subsequent reopened compensation claims for which rating decisions were completed during fiscal year 2001.

Subsequent Reopened Compensation Claims Decided by Rating During FY 2001 by Age of the Veteran¹

Age	Percent of Claims
Less than 20	0.0%
20-24	0.9%
25-29	3.3%
30-34	4.9%
35-39	5.1%
40-44	8.9%
45-49	10.5%
50-54	16.1%
55-59	12.5%
60-69	12.7%
70-79	15.9%
80+	9.2%
Total	100.0%

Table 18

Source: RBA Database – Data Warehouse

¹Data only represents those cases where the age of the veteran is shown in the RBA Database

h. Grants and Denials for Service-Connected Disability Claims

By Individual Disabilities Claimed

The following table shows the percentages of grants and denials of service connection for individual disabilities for original claims. In a single claim for compensation, a veteran may request service-connection for multiple disabilities and these become the multiple issues in that original claim. Table 5 of this chapter shows a range of disabilities claimed (issues raised) from one to 62, with an average of five. Table 22 that follows provides a different perspective of the disposition of original claims by grouping the multiple disabilities (or issues) with the discrete veterans filing the claims.

**Service-Connected Disability Original Claims
Grants and Denials by Individual Disabilities Claimed During
Fiscal Year 2001**

	Percent
Grants	56.0%
Denials	44.0%
Total	100.0%

Table 19

Source: RBA Database – Data Warehouse

Service-Connected Disability Compensation by Disability Percentage

The next table provides the distribution of percentages assigned among all disabilities determined to be service-connected. Depicted are all zero percent service-connected evaluations, whether compensable or not.

**Service-Connected Disability
Original Claims Grants by Individual Disability
During Fiscal Year 2001**

Disability Percent	Percent Granted
0%	48.3%
10%	40.1%
20%	5.1%
30%	3.3%
40%	0.9%
50%	0.9%
60%	0.4%
70%	0.2%
80%	0.0%
90%	0.0%
100%	0.8%
Total	100.0%

Table 20

Source: RBA Database – Data Warehouse

By Claim

The percentages of grants and denials of original claims for service-connection follow.

As previously noted in the report, veterans may claim more than one disability in an application for compensation. Information in the table below reflects three categories of claims outcomes for original claims – all claimed disabilities were found service-connected (granted); all claimed disabilities were found not service-connected (denied); or some combination of granted and denied. This perspective of the disposition of claims contrasts with that provided in Tables 5 and 19 of this chapter, which displays the disposition of the individual disabilities, claimed (issues raised).

Service-Connected Disability Original Claims Granted or Denied During Fiscal Year 2001

	Percent
Veterans Who Had All Issues Claimed Granted	20.5%
Veterans Who Had All Issues Claimed Denied	22.7%
Veterans Who Had A Combination of Issues Granted and Denied	56.8%
Total	100.0%

Table 21

Source: RBA Database

2. COMPENSATION – BASED UPON SERVICE-CONNECTED DEATH

Dependency and Indemnity Compensation (DIC) is a monetary death benefit for survivors of certain deceased veterans or service members. DIC is payable to surviving spouses, children, and/or dependent parents of the following:

- Service members who die during military service of causes that are not due to the person's willful misconduct;
- Veterans who die of a service-connected disease or injury
- Veterans who die from a non service-connected disability but who were continuously rated 100 percent disabled for service-connected disabilities for at least 10 years immediately preceding death (or at least five years from the date of discharge to the date of death)¹⁰
- Veterans who are former POWs who die after September 30, 1999, and were continuously rated 100 percent for service-connected disabilities for a period of not less than one year immediately preceding death.¹¹

Congress changed the law for payments to DIC surviving spouses for deaths occurring on or after January 1, 1993. "Protected DIC" refers to payments made for deaths that occurred prior to January 1, 1993. Payments under Protected DIC were based on the deceased veteran's pay grade. "Reformed DIC" refers to payments made for deaths occurring on or after January 1, 1993. Reformed DIC pays a standard fixed rate. An additional amount is added if the veteran was rated totally disabled for eight years immediately preceding death. Surviving spouses entitled to DIC under the protected program will be paid the reformed DIC fixed rate (including the additional amount, if applicable) if it is a greater benefit.

a. Beneficiaries Who Began Receiving DIC during Fiscal Year 2001

The next table shows the number of surviving spouses, children (those not included as dependents in a surviving spouse's award), and dependent parents initially receiving DIC benefits during fiscal year 2001. The table also identifies the total annual amount and the average annual amount of DIC benefits paid to these survivors.

Total Beneficiaries Who Began Receiving Dependency and Indemnity Compensation (DIC) During fiscal Year 2001

Type of Benefit	Number	Percent of Total	Total Annual Amounts	Average Annual Amounts
Surviving Spouses	14,289	88.2%	\$169,398,154	\$11,855
Surviving Children	1,737	10.7%	\$6,634,069	\$3,819
Surviving Parents	167	1.0%	\$381,069	\$2,282
TOTAL	16,193	100.0%	\$176,413,292	\$10,894

Table 22

Source: Benefits Delivery Network - COIN CP-127

¹⁰ 38 U.S.C. 1318

¹¹ Section 501 of P. L. 106-117 enacted on November 30, 1999

b. Demographic Characteristics of Beneficiaries Who Began Receiving DIC during Fiscal Year 2001

The following tables present information in the following categories about beneficiaries who began receiving DIC benefits during fiscal year 2001:

- Age of surviving spouses
- Status categories of children
- Marital status of surviving parents.

By Age of Surviving Spouses

The next table shows the age distribution among surviving spouse DIC beneficiaries.

Surviving Spouses Who Began Receiving DIC by Age During Fiscal Year 2001

Age	Number	Percent of All Ages	Annual Payments
Under Age 25	72	0.5%	\$827,527
25 – 35	263	1.8%	\$3,023,352
36 – 45	686	4.8%	\$7,978,883
46 – 55	1,938	13.6%	\$22,763,067
56 – 65	2,478	17.3%	\$29,410,875
66 – 75	3,685	25.8%	\$44,188,999
Over 75	5,167	36.2%	\$61,205,452
All Ages	14,289	100.0%	\$169,398,154

Table 23

Source: Benefits Delivery Network – COIN CP 127

By Age of Children

The following table shows the distribution of DIC children who are not in the custody of a surviving spouse in two age categories: those over age 18 and those under age 18. Children over age 18 are shown according to their beneficiary status: Those eligible to receive DIC because of school attendance and those eligible because they are helpless.

**Children Who Began Receiving DIC by Age
During Fiscal Year 2001**

	Under Age 18 ¹	Age 18 and Over in School	Age 18 and Over and Helpless	Total All Categories
Number	479	1086	172	1,737
Percent	27.6%	62.5%	9.9%	100.0%
Annual Payments	\$2,436,793	\$3,175,638	\$1,021,639	\$6,634,069

Table 24

Source: Benefits Delivery Network – COIN CP-127

¹ Includes 248 consolidated awards that account for more than one child.

By Marital Status of Surviving Parents

The marital status of a surviving parent determines how he or she is paid DIC. Marital status categories and their definitions follow:

- No Spouse – one parent is alive and has no spouse;
- Spouse – both parents are alive and married to other persons;
- Apart – both parents are alive and are not living together;
- Together – both parents are alive and living together; or
- Remarried – one parent is alive and has remarried.

The distribution of marital status among surviving dependent parents is shown in the next table.

**Surviving Parents Who Began Receiving DIC by Marital Status
During Fiscal Year 2001**

	No Spouse	Spouse	Apart	Together	Remarried	Total
Number	117	4	17	26	3	167
Percent	70.1%	2.4%	10.2%	15.6%	1.8%	100.0%
Annual Payments	\$309,708	\$7,185	\$32,401	\$27,927	\$3,847	\$381,069

Table 25

Source: Benefits Delivery Network - COIN CP-127

3. PENSION -- BASED UPON NONSERVICE-CONNECTED DISABILITY

a. Veterans Who Began Receiving Disability Pension During Fiscal Year 2001

The number of veterans added to the disability pension rolls during fiscal year 2001 is shown in the next table. The table also shows the total annual amount and the average annual amount of disability pension payments.

Note: The table groups the two older pension programs into one category called "Other Pensions." No original claims can be granted under the two protected, or "grandfathered," pension programs. However, former beneficiaries under these programs can have their benefits restored if they meet certain income and eligibility criteria.

Veterans Who Began Receiving Disability Pension by Program During Fiscal Year 2001

Type of Pension	Number of Veterans	Percent of Total	Total Annual Amounts	Average Annual Amounts
PL 95-588 - New Law Pension	39,429	99.9%	\$271,222,628	\$6,879
Other Pension Programs	48	0.1%	\$67,968	\$1,416
TOTAL	39,477	100.0%	\$271,290,596	\$6,872

Table 26
Source: Benefits Delivery Network - COIN CP-103

b. Demographic Characteristics of Veterans Who Began Receiving Disability Pension During Fiscal Year 2001

By Age

The age distribution among veterans who began receiving disability pension in fiscal year 2001 in the table below. The total annual amount of disability pension payments for each age group is shown in the last column of the table.

Veterans Who Began Receiving Disability Pension by Age During Fiscal Year 2001

Age	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Ages	Number	Percent of All Ages	Total For Age Group	Percent of All Ages	
Under Age 25	0	0.0%	23	0.1%	23	0.1%	\$158,211
25 - 35	0	0.0%	281	0.7%	281	0.7%	\$1,932,932
36 - 45	0	0.0%	956	2.4%	956	2.4%	\$6,576,095
46 - 55	1	2.1%	12,627	32.0%	12,628	32.0%	\$86,859,519
56 - 65	3	6.3%	5,158	13.1%	5,161	13.1%	\$35,484,892
66 - 75	17	35.4%	8,163	20.7%	8,180	20.7%	\$56,175,390
Over 75	27	56.3%	12,221	31.0%	12,248	31.0%	\$84,103,558
All Ages	48	100.0%	39,429	100.0%	39,477	100.0%	\$271,290,596

Table 27
Source: Benefits Delivery Network - COIN CP-103
¹ The "Other Pension" category groups the two older pension programs (Protected Pension and Section 306 Pension) into one category

4. PENSION -- BASED UPON NONSERVICE-CONNECTED DEATH

a. Beneficiaries Who Began Receiving Death Pension During Fiscal Year 2001

The number of surviving spouses added to the death pension rolls during fiscal year 2001 is shown in the next table (found on the next page) The table also shows the total annual amount and the average annual amount of death pension payments.

Note: The table groups the two older pension programs into one category called "Other Pensions." Original claims can no longer be granted under the two older pension programs. However, survivors whose awards were previously stopped can be reinstated if they meet certain income and entitlement criteria.

Surviving Spouses Who Began Receiving Death Pension by Program During Fiscal Year 2001

Type of Pension	Number of Surviving Spouses	Percent of Total	Total Annual Amounts	Average Annual Amounts
PL 95-588 - New Law Pension	19,739	99.8%	\$71,344,642	\$3,614
Other Pension Programs	34	0.2%	\$33,101	\$974
TOTAL	19,773	100.0%	\$71,377,743	\$3,610

Table 28

Source: Benefits Delivery Network - COIN CP-103

b. Age Distribution of Surviving Spouses Who Began Receiving Death Pension During Fiscal Year 2001

The next table shows the distribution among surviving spouses who began receiving death pension in fiscal year 2001 by age groups.

Surviving Spouses Who Began Receiving Death Pension by Age During Fiscal Year 2001

Age	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Ages	Number	Percent of All Ages	Total For Age Group	Percent of All Ages	
Under Age 25	0	0.0%	52	0.3%	52	0.3%	\$187,949
25 - 35	0	0.0%	66	0.3%	66	0.3%	\$238,550
36 - 45	0	0.0%	573	2.9%	573	2.9%	\$2,071,051
46 - 55	2	5.9%	2,234	11.3%	2,236	11.3%	\$8,076,517
56 - 65	3	8.8%	2,830	14.3%	2,833	14.3%	\$10,231,673
66 - 75	6	17.6%	4,490	22.7%	4,496	22.7%	\$16,234,497
Over 75	23	67.6%	9,494	48.1%	9,517	48.1%	\$34,337,505
All Ages	34	100.0%	19,739	100.0%	19,773	100.0%	\$71,377,743

Table 29

Source: Benefits Delivery Network - COIN CP-103

¹ The "Other Pension" category groups the two older pension programs (Protected Pension and Section 306 Pension) into one category.

5. EDUCATION

a. Beneficiaries Who Began Receiving Education Benefits During Fiscal Year 2001

The number of veterans, dependents, service members and reservists that began receiving education benefits for the first time during fiscal year 2001 is shown in the following table.

Beneficiaries Who Began Receiving Education Benefits During Fiscal Year 2001

Program	Number of Beneficiaries	Percent of Total
Dependents Education	6,328	6.5%
Montgomery GI Bill - Active Duty ¹	67,621	69.9%
Montgomery GI Bill – Reserves ²	22,469	23.2%
Post-Vietnam Veterans Education	261	0.3%
Total	96,679	100.0%

Table 30

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

b. Characteristics of the Training Being Pursued By Beneficiaries

By Type of Training

The distribution, by program, of the types of training of beneficiaries who began using their education benefit, for the first time, during fiscal year 2001 follows.

Beneficiaries Who Began Receiving Education Benefits by Type of Training and Program During Fiscal Year 2001

Education Program	College Non-Degree	Graduate	Under-Graduate	Vocational/ Technical	Program Totals	Percent of All Programs
Dependents Education	200	155	5,370	603	6,328	6.5%
Montgomery GI Bill - Active Duty ¹	2,607	2,900	56,066	6,048	67,621	69.9%
Montgomery GI Bill – Reserves ²	395	669	20,758	647	22,469	23.2%
Post-Vietnam Veterans Education	10	37	189	25	261	0.3%
Type Training Total	3,212	3,761	82,383	7,323	96,679	100.0%
Percent of Program Total	3.3%	3.9%	85.2%	7.6%		

Table 31

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

By Training Time

The following chart shows the distribution, by program, of the training times of the beneficiaries who began using their education benefit for the first time during fiscal year 2001.

Beneficiaries Who Began Receiving Education Benefits by Training Time and Program During Fiscal Year 2001

Education Program	Less Than One-Half Time	Half Time	Three Quarter Time	Full Time	Program Totals	Percent of All Programs
Dependents Education	291	668	655	4,714	6,328	6.5%
Montgomery GI Bill - Active Duty ¹	4,528	10,880	8,243	43,970	67,621	69.9%
Montgomery GI Bill – Reserves ²	974	2,392	2,343	16,760	22,469	23.2%
Post-Vietnam Veterans Education	46	61	25	129	261	0.3%
Training Time Total	5,839	14,001	11,266	65,573	96,679	100%
Percent of Program Total	6.0%	14.5%	11.7%	67.8%		

Table 32

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

6. LIFE INSURANCE

a. Coverage Established During Fiscal Year 2001

There are four government life insurance programs in which new coverage is issued.

Note: Throughout the Insurance program sections of this report, the term “face value” means the amount of money that would be paid upon the death of the veteran. For some policies, the face value can exceed the basic amount of the policy (which is usually \$10,000) because of the option of using

They are:

- Veterans Mortgage Life Insurance (VMLI)
- Service-Disabled Veterans Insurance (SDVI)
- Veterans Group Life Insurance (VGLI)
- Service members’ Group Life Insurance (SGLI).

The table that follows identifies the number of new policies issued during fiscal year 2001, the total face value of the policies, and the average face value of the policies. In the case of SGLI, the military services maintain the records on insured service members. The actual number of service members who enrolled in SGLI in fiscal year 2001 is not known. The information shown in this table is estimated based upon current enrollment rates and the number of people who entered active military service during fiscal year 2001.

New Insurance Coverage Issued During Fiscal Year 2001

Insurance	Number of People Insured	Total Coverage Amount	Average Face Value	Maximum Face Value
VMLI ¹	158	\$13,164,322	\$83,318	\$90,000
SDVI ²	4,731	\$53,571,753	\$11,324	\$10,000 ³
VGLI ⁴	41,128	\$6,097,710,000	\$148,262	\$250,000 ⁶
SGLI ⁵	348,555	\$85,439,635,923	\$245,125	\$250,000 ⁶
TOTAL	394,572	\$91,604,081,998	\$232,160	

Table 33

¹ Source: VMLI Quarterly Report

² Source: Insurance Master Record Database - 510 Monthly Report

³ Additional coverage, up to \$20,000, is available for totally disabled policyholders. 992 new Supplemental SDVI policies were issued.

⁴ Source: Veterans And Reservists Group Insurance System - OSGLI Monthly Report. VGLI data is for the policy year ending June 30, 2001.

⁵ Estimates based upon accessions to Active Duty and Reserve forces in FY01. Data on accessions from Defense Manpower Data Center.

⁶ Effective April 1, 2001, the maximum coverage for VGLI and SGLI increased to \$250,000.

The table that follows also displays information about new insurance coverage but provides the data for the prior three years as well for purposes of comparison.

New Insurance Coverage Issued Comparative Information for Four Fiscal Years

	FY 2001	FY 2000	FY 1999	FY 1998
Number of People Insured	394,572	285,765	268,353	331,312
Total Coverage Amounts	\$91,604,081,998	\$50,426,291,177	\$47,155,855,903	\$59,531,024,898
Average Face Values	\$232,160	\$176,461	\$175,723	\$179,683

Table 33A

b. Insurance Payments Made During Fiscal Year 2001

Dividends, loans and disability payments are made on some government life insurance policies. These are payments made from active policies to the veteran policyholder. The following table shows data concerning the payments made during fiscal year 2001.

Note: Payments of death claims, cash surrenders and matured endowments end the policy. See Table 67 of this chapter concerning “Benefits That Ended During Fiscal Year 2001” for data in these categories of payments.

Insurance Payments Made During Fiscal Year 2001

Dividends	Number¹	Amount²	Average Payment
USGLI	16,280	\$3,266,385	\$201
NSLI	1,715,536	\$551,054,524	\$321
VSLI	242,608	\$93,471,753	\$385
VRI	77,638	\$20,164,873	\$260
TOTAL	2,052,062	\$667,957,535	\$326
Loans	Number^{3,4}	Amount⁵	Average Payment
USGLI	60	\$128,361	\$2,139
NSLI	13,872	\$59,559,875	\$4,294
VSLI	3,798	\$11,299,845	\$2,975
VRI	1,059	\$3,059,274	\$2,889
SDVI	9,674	\$8,044,091	\$832
TOTAL	28,463	\$82,091,446	\$2,884
Disability	Number⁶	Amount⁷	Average Payment
USGLI	85	\$49,027	\$577
NSLI	18,101	\$20,022,533	\$1,106
VSLI	3,170	\$4,404,796	\$1,390
VRI	910	\$645,463	\$709
TOTAL	22,266	\$25,121,819	\$1,128
GRAND TOTAL	2,102,791	\$775,170,800	\$369

Table 34

¹ Source: Insurance Master Record Database - Insurance Statistical Report-700

² Source: Insurance General Ledger Accounting System - FY01 Statement of Cash Flows

³ Source: Program numbers from an estimate based on a sample of loans from SQC in FY01 and a percent of the total.

⁴ Source: Program totals from Insurance Master Record Database - COIN 84 and Philadelphia MTC Records Report-155

⁵ Source: Insurance General Ledger Accounting System - Statement of Financial Condition Report

⁶ Source: Insurance Master Record Database - 510 Monthly Report

⁷ Source: Insurance General Ledger Accounting System - CFO FY01 Life Insurance Statements (Incurred Basis)

The table that follows also displays information about dividend payments made but provides the data for the prior three years as well for purposes of comparison.

Insurance Dividends Payments Comparative Information for Four Fiscal Years

	FY 2001	FY 2000	FY 1999	FY 1998
Number	2,052,062	2,136,512	2,254,469	2,372,303
Total Amounts	\$667,957,535	\$717,236,383	\$761,006,313	\$825,364,169
Average Payments	\$326	\$336	\$338	\$348

Table 34A

7. HOME LOAN GUARANTY

a. Total Loans Guaranteed

The following table shows the number of home loans guaranteed during fiscal year 2001, the total loan value, and the average value of a loan involved in the guaranty program.

Loans Guaranteed During Fiscal Year 2001

	Number of Loans	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
TOTAL	250,009	\$31,254,954,728	\$125,015	\$9,153,835,567	\$36,614

Table 35
Source: LGY SAS File

Note: The guaranteed amount is less than the entire loan amount. Therefore, the table also shows the total value of the guaranties involved and the average value of a guaranty.

b. Types of Loans Guaranteed during Fiscal Year 2001

**Loans Guaranteed During Fiscal Year 2001
Based on Purchase Loan Versus Refinance Loans**

Type of Loan	Number of Loans	Percent of Total	Total Loan Amount	Avg. Loan Amount	Total Guaranty Amount	Avg. Guaranty Amount	Avg. Interest
Purchase Loans	177,158	70.9%	\$22,051,891,703	\$124,476	\$6,490,422,813	\$36,636	7.58%
Refinance – Interest Rate Reduction	67,696	27.1%	\$8,623,962,326	\$127,392	\$2,492,605,852	\$36,821	6.98%
Refinance - Other Reasons	5,155	2.1%	\$579,100,699	\$112,338	\$170,806,902	\$33,134	7.42%
TOTAL	250,009	100.0%	\$31,254,954,72	\$125,015	\$9,153,835,56	\$36,614	7.41%

Table 36
Source: LGY SAS File

Note: The three types of loans shown are defined by the purpose of the loan. A “Purchase Loan” is a loan obtained for the purchase of a home. The other two types of loans are obtained to refinance an existing mortgage. Refinancing to reduce the interest rate is shown as a separate item because it is the most common reason for refinancing a loan.

c. Specially Adapted Housing Grants and Direct Loans to Native American Veterans

The following table shows information concerning programs designed to provide housing assistance grants to seriously disabled veterans and direct loans to Native American veterans.

**Specially Adapted Housing Grants And Direct Loans
During Fiscal Year 2001**

Programs	Number of Grants/Loans	Amount of Grants/Loans	Average Grant/Loan Amount
Specially Adapted Housing Grants	456	\$19,600,000	\$42,982
Special Housing Adaptation Grants	49	\$509,700	\$10,402
TOTAL	505	\$20,109,700	\$39,821
Direct Loans to Native Americans ¹	20	\$1,544,363.61	\$77,218
GRAND TOTAL	525	\$21,654,064	\$41,246

Table 37

Source: FY 2001 Budget, Construction Valuation

¹ Includes disbursements on loans not yet closed.

d. Characteristics of Home Loan Guaranties

By Down-payment Option

The following table shows the distribution of new home loan guaranties if a down payment was involved in the loan.

Note: The objective of the VA loan guaranty program is to enable veterans (and other eligible people¹²) to enter the home-buying market. The “no down-payment” feature is intended to help a veteran purchase a home. As indicated below, this option was used in over 90 percent of the loans guaranteed.

Purchase Loans Guaranteed During Fiscal Year 2001 by Downpayment Status

Status	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
No Down-payment	160,002	90.3%	\$19,600,478,720	\$122,501	\$5,815,055,536	\$36,344
Down-payment	17,156	9.7%	\$2,451,412,983	\$142,890	\$675,367,277	\$39,366
TOTAL	177,158	100.0%	\$22,051,891,703	\$124,476	\$6,490,422,813	\$36,636

Table 38

Source: LGY SAS File

¹² Service members, reservists, surviving spouses, and spouses of POW/MIA service members are also eligible under certain circumstances.

By Buyer Status

The distribution of new loan guaranties by buyer status is shown in the next table. "First time homeowner" refers to those eligible persons who used their entitlement to purchase their first home.

**Purchase Loans Guaranteed During Fiscal Year 2001
Based on Buyer Status**

Buyer Status	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
First Time Homeowner	96,266	54.3%	\$11,480,245,984	\$119,255	\$3,467,702,903	\$36,022
Previous Homeowner	80,892	45.7%	\$10,571,645,719	\$130,688	\$3,022,719,910	\$37,367
TOTAL	177,158	100.0%	\$22,051,891,703	\$124,476	\$6,490,422,813	\$36,636

Table 39

Source: LGY SAS File

e. Demographic Characteristics of People Who Obtained Home Loan Guaranties

By Periods of Service and Other Entitlement Criteria

Data regarding loans guaranteed during fiscal year 2001 by veteran's period of service and by other entitlement criteria follow. Brief definitions of the entitlement criteria can be found in Chapter 1 on page 13. The following table is subdivided into two parts: entitlements for veterans and other entitlement categories.

Loans Guaranteed During Fiscal Year 2001 by Period of Service (or Entitlement)

Entitlement	Number of Loans	Percent of Grand Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
World War II	923	0.4%	\$87,988,696	\$95,329	\$29,175,400	\$31,609
Post-World War II	107	0.0%	\$11,589,010	\$108,309	\$3,538,491	\$33,070
Korean War	1,222	0.5%	\$119,565,967	\$97,844	\$39,372,764	\$32,220
Post-Korean War	2,732	1.1%	\$285,286,967	\$104,424	\$90,784,175	\$33,230
Vietnam Era	20,553	8.2%	\$2,306,217,067	\$112,208	\$708,601,835	\$34,477
Post-Vietnam Era	34,293	13.7%	\$4,110,177,731	\$119,855	\$1,230,791,604	\$35,890
Gulf War Era	66,478	26.6%	\$8,185,336,352	\$123,128	\$2,427,729,316	\$36,519
Restored Entitlement	74,998	30.0%	\$10,053,709,121	\$134,053	\$2,830,334,576	\$37,739
TOTAL	201,306	80.5%	\$25,159,870,911	\$124,983	\$7,360,328,161	\$36,563
Service Personnel ¹	40,069	16.0%	\$5,040,100,821	\$125,786	\$1,480,396,100	\$36,591
Reservists	8,051	3.2%	\$994,519,537	\$123,527	\$293,771,673	\$36,591
Un-Remarried Survivor	578	0.2%	\$59,916,731	\$103,662	\$19,176,810	\$33,178
Spouse of POW	5	0.0%	\$546,728	\$109,346	\$162,850	\$32,570
TOTAL	48,703	20.0%	\$6,095,083,817	\$125,148	\$1,793,507,433	\$36,825
GRAND TOTAL	250,009	100.0%	\$31,254,954,728	\$125,015	\$9,153,835,594	\$36,614

Table 40

Source: LGY SAS File

¹ Based on when the loan was made

By Income

The next table shows the distribution of purchase loans guaranteed during fiscal year 2001 by the annual income of the eligible borrower.

Purchase Loans Guaranteed During Fiscal Year 2001 Based on Annual Income

Income	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount	Median Assets
Less than \$25,000	7,194	4.1%	\$535,298,576	\$74,409	\$203,351,774	\$28,267	\$2,351
\$25,000 to \$34,999	23,512	13.3%	\$2,107,876,693	\$89,651	\$751,487,826	\$31,962	\$2,957
\$35,000 to \$44,999	35,782	20.2%	\$3,834,631,936	\$107,167	\$1,236,538,407	\$34,558	\$3,908
\$45,000 to \$54,999	34,638	19.6%	\$4,277,241,708	\$123,484	\$1,264,233,957	\$36,498	\$4,689
\$55,000 to \$64,999	28,318	16.0%	\$3,869,167,508	\$136,633	\$1,080,921,841	\$38,171	\$5,500
\$65,000 to \$74,999	20,118	11.4%	\$2,968,746,018	\$147,567	\$797,366,433	\$39,634	\$6,528
\$75,000 and over	27,596	15.6%	\$4,458,929,264	\$161,579	\$1,156,522,575	\$41,909	\$8,717
TOTAL	177,158	100.0%	\$22,051,891,703	\$124,476	\$6,490,422,813	\$36,636	\$4,921
Average Income: \$54,895							
Median Income: \$51,276							
Median Loan: \$122,298							

Table 41

Source: LGY SAS File

By Age

The distribution of new loan guaranties by age of the borrower is shown in the next table.

Home Loans Guaranteed During Fiscal Year 2001 Based on Age

Age	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
18 - 25	10,511	4.2%	\$1,092,069,495	\$103,898	\$355,855,775	\$33,856
26 - 35	93,771	37.5%	\$11,774,132,240	\$125,563	\$3,455,967,379	\$36,855
36 - 45	77,386	31.0%	\$10,153,833,726	\$131,210	\$2,903,346,649	\$37,518
46 - 55	44,683	17.9%	\$5,549,165,403	\$124,190	\$1,621,306,335	\$36,285
56 - 65	16,098	6.4%	\$1,902,870,183	\$118,205	\$567,805,650	\$35,272
Over 65	7,560	3.0%	\$782,883,681	\$103,556	\$249,553,916	\$33,010
TOTAL	250,009	100.0%	\$31,254,954,728	\$125,015	\$9,153,835,594	\$36,614
Average overall age: 40						

Table 42

Source: LGY SAS File

By Race

Providing race information on the application for a loan is voluntary. About 80 percent of borrowers provided race information during fiscal year 2001. The race demographics presented in the following table show the distribution among the 80 percent who provided that information.

Home Loans Guaranteed During Fiscal Year 2001 Based on Known Race

Race	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
White	156,241	77.7%	\$19,343,358,533	\$123,805	\$5,695,426,629	\$36,453
Black	28,462	14.1%	\$3,545,337,670	\$124,564	\$1,039,835,589	\$36,534
Hispanic	12,526	6.2%	\$1,523,099,860	\$121,595	\$453,360,699	\$36,194
Native American	1,266	0.6%	\$158,419,788	\$125,134	\$46,175,250	\$36,473
Asian	2,714	1.3%	\$387,174,471	\$142,658	\$106,038,154	\$39,071
TOTAL	201,209	100.0%	\$24,957,390,322	\$124,037	\$7,340,836,321	\$36,484

Table 43

Source: LGY SAS File

8. VOCATIONAL REHABILITATION AND EMPLOYMENT (VR&E)

a. VR&E Veterans and Eligible Dependents Served during Fiscal Year 2001

The numbers in this table represent the number of services provided to the 60,588 veterans who were served by Vocational Rehabilitation and Employment Services during FY 2001. These services include Evaluation and Planning Services, Employment Services, and Rehabilitation Services. Note: A veteran may receive more than one rendering of a service in a given year and, hence, will appear more than once in a total count of services.

Services by the Vocational Rehabilitation Programs During Fiscal Year 2001

Program	Number	Percent
Service-Connected Veterans (Chapter 31)	236,079	99.98%
Pension Recipients (Chapter 15)	0	0.00%
Vietnam Veterans Children With Spina Bifida (Chapter 18)	49	0.02%
Total	236,128	100%

Table 44

Sources: VR&E Program Management Reports (FY 2001) and Regional Office Reports

The mission of the Vocational Rehabilitation and Employment (VR&E) Program is to provide comprehensive services and assistance necessary to enable veterans with service-connected disabilities and employment handicaps to become employable, then obtain and maintain stable suitable employment. When the severity of disability prohibits suitable employment, VR&E assists those veterans to achieve maximum independence in daily living activities.

Veterans may progress through a series of steps, or case statuses, that describe the part of the program they are currently in, and what services may be provided. These steps are described below:

- Step 1. Application for the benefit;
- Step 2. Evaluation to assess needs and determine services to which a veteran may be entitled and conduct rehabilitation planning;
- Step 3. Provide rehabilitation services for employment (services and assistance that lead to the veteran to become job-ready or able to live more independently in the community);
- Step 4. Service in “job-ready” status assist the veteran in obtaining and maintaining suitable employment; and
- Step 5. Rehabilitation - includes veterans who obtain and maintain suitable employment or achieved maximum independence in daily living.

The following subsections provide information about veterans who participated in each of the steps during fiscal year 2001. A veteran proceeds through the rehabilitation process step by step. While a veteran may be counted in more than one step as a result of completing a step and moving on, no veteran participates in more than one step at a time. Basic data concerning the number of veterans involved in each step is provided first, followed by demographic information.

b. Step 1: Applicants for a Program of Rehabilitation and Employment Services

A total of 58,594 veterans applied for rehabilitation and employment services during fiscal year 2001. The following three tables show demographic characteristics of the veterans who applied.

This first step (where the veteran enters *Applicant Status*) begins when the veteran’s application is received by VA and the veteran is found to have basic eligibility. Basic eligibility is determined when:

- the veteran has a discharge under *other than dishonorable* conditions, and
- the veteran has a compensable disability (i.e., the disability is evaluated as 10% or more).

During Applicant Status, the veteran is scheduled for an individual appointment to determine his/her entitlement to a program of services. At this time, he/she may be provided with information on the nature and process of the program through either individual communications or through a group briefing. Follow-up activities are conducted to assure that the veteran meets the scheduled appointment or reschedules the appointment date and time.

**Applicants for Vocational Rehabilitation by Combined
Degree of Disability
During Fiscal Year 2001**

Disability Evaluation	Number	Percent
0%	64	0.1%
10%	6,210	11.9%
20%	9,427	18.1%
30%	9,304	17.8%
40%	6,649	12.7%
50%	4,127	7.9%
60%	3,245	6.2%
70%	2,222	4.3%
80%	1,110	2.1%
90%	455	0.9%
100%	2,929	5.6%
Other ¹	6,462	12.4%
Total	52,204²	100%

Table 45

VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse and Disability
Compensation Data

¹Contains cases not rated and memo ratings.

²This number is a subset of the 58,594 shown above.

Note: The "Other" category includes applicants with non-compensable service-connected disabilities; i.e.:

- disabilities were not found to be service-connected, or
- disabilities were service-connected but not so disabling as to allow payment of compensation, or
- no application for service connection was made (In this instance, a memorandum rating is required to determine entitlement to vocational rehabilitation on the basis of service-connected disability level.)

By Gender

Applicants for Vocational Rehabilitation by Gender During Fiscal Year 2001

	Female	Male	Total
Number	7,994	44,210	52,204
Percent	15.3%	84.7%	100%

Table 46

Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

By Age

Applicants for Vocational Rehabilitation by Age During Fiscal Year 2001

	Age 17 - 21	Age 22 - 29	Age 30 - 39	Age 40 - 49	Age 50 - 59	Age >60	Total All Ages
Number	1,027	8,726	13,074	16,584	10,433	2,360	52,204
Percent	2.0%	16.7%	25.0%	31.8%	20.0%	4.5%	100%

Table 47

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

c. Step 2: Evaluation and Planning or Extended Evaluation

Veterans are provided a comprehensive evaluation to assess needs and determine their entitlement to a program of rehabilitation and employment services and conduct rehabilitation planning. Each veteran goes through the Evaluation and Planning status, and *may also* go through the Extended Evaluation status if it is needed in the individual case. If entitlement *is* found, VR&E gathers information to develop an individualized plan of services to help the veteran achieve either a specific occupational goal or independence in daily living. If entitlement is not found, VR&E assists veterans with developing their options before they exit the process.

In fiscal year 2001, 56,406 veterans participated in evaluation and planning and extended evaluation processes. Demographic data for veterans found to be entitled (for rehabilitation and employment services) during fiscal year 2001 are reflected in the following tables.

Below is a brief description of the Evaluation and Planning status and the Extended Evaluation status:

- **Evaluation and Planning:** A veteran who reports for his/her initial evaluation appointment is placed in the Evaluation and Planning status. In this status, a comprehensive evaluation of the veteran's abilities, interests, and aptitudes is accomplished by evaluating medical information, educational and work histories, and other information specific to the circumstance of the veteran. The Vocational Rehabilitation Counselor (VRC) or Counseling Psychologist (CP) uses this information to determine if the veteran is entitled to a program of services and, if found to be entitled, works with the veteran to develop a specific plan of services to achieve the agreed upon goal.
- **Extended Evaluation:** During the Evaluation and Planning Status, the VRC may determine that, due to the extent of the veteran's disabilities, there is insufficient information to determine if a veteran can benefit from a rehabilitation and employment program. The VRC is also unable to determine in these cases if the veteran will eventually achieve the goal of suitable employment or maximization of independent living skills. In order to further assess the veteran's potential, he/she is placed in the Extended Evaluation status.
- A specialized rehabilitation service provides the VRC CP with a more detailed assessment of the veteran's potential to achieve a rehabilitation goal. This assessment aids the VRC or CP in developing the veteran's plan for services.

Note: Of the 56,406 veterans who were provided evaluation services in FY 2001, 31,533 were found to be entitled to programs of rehabilitation services. The remainder was not found entitled or dropped out of the evaluation process prior to this determination.

By Combined Degree of Service-connected Disability

Veterans Entitled to Vocational Rehabilitation by Combined Degree of Disability During Fiscal Year 2001

Disability Evaluation	Number	Percent
0%	6	0.0%
10%	1,355	4.3%
20%	6,037	19.1%
30%	6,091	19.3%
40%	5,049	16.0%
50%	3,227	10.2%
60%	2,912	9.2%
70%	2,091	6.6%
80%	1,168	3.7%
90%	502	1.6%
100%	2,301	7.3%
Other ¹	794	2.5%
Total	31,533	100%

Table 48

Source: VR&E Program Management Reports (FY 2001)--Benefits Delivery Network

Data Warehouse and Disability Compensation Data

¹Contains cases not rated and memo ratings

Note: The "Other" category includes applicants with non-compensable (0%) evaluations for service-connected disabilities or nonservice-connected disabilities.

By Gender

Veterans Entitled to Vocational Rehabilitation by Gender During Fiscal Year 2001

	Female	Male	Total
Number	5,486	26,047	31,533
Percent	17.4%	82.6%	100%

Table 49

Source: VR&E Program Management Reports (FY 2001)

Benefits Delivery Network - Data Warehouse

By Age

Veterans Entitled to Vocational Rehabilitation by Age During Fiscal Year 2001

	Age 17 - 21	Age 22 - 29	Age 30 - 39	Age 40 - 49	Age 50 - 59	Age >60	Total For All Ages ¹
Number	313	5,303	8,604	10,196	5,909	1,208	31,533
Percent	1.0%	16.8%	27.3%	32.3%	18.7%	3.8%	100%

Table 50

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Period of Service

Veterans Entitled to Vocational Rehabilitation by Period of Service During Fiscal Year 2001

	World War II	Post World War II ¹	Korean War	Post Korean War ¹	Vietnam Era	Post Vietnam Era ¹	Gulf War Era	Total All Service Periods
Number	147	24	138	329	4,076	6,388	20,431	31,533
Percent	0.5%	0.1%	0.4%	1.0%	12.9%	20.3%	64.8%	100%

Table 51

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

¹ These three periods are generally combined into "Peacetime" service in other sections of this report.

By Serious Employment Handicap

Veterans Entitled to Vocational Rehabilitation with a Serious Employment Handicap During Fiscal Year 2001

	Number	Percent
Total Veterans	31,533	
Total With SEH	14,492	46%

Table 52

Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

Note: A serious employment handicap is a significant impairment, caused in part by a service-connected disability, in the veteran's ability to prepare for, obtain, or retain employment consistent with his/her abilities, aptitudes, and interests.

By Veterans Who Completed Evaluation and Developed Rehabilitation Plans

Veterans Participating in a Vocational Rehabilitation Program and the Number of New Rehabilitation Plans Developed During Fiscal Year 2001

Total Participants ¹	52,402
Training Plans Developed ²	21,974
Percent of Training Plans	42%

Table 53

¹Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

²Source: COIN TAR 6001

Step 3: Participation in a Program of Rehabilitation Services

Upon the completion of the individualized rehabilitation plan, the veteran enters a rehabilitation program to become:

- job-ready in the selected vocational choice,
- achieve the maximum ability to live independently in the community.

The majority of veterans participating in a plan of services follow the employment track and may receive services that include:

- employment planning
- training or education
- medical or dental care
- other supportive services.

The length of time a veteran remains in a rehabilitation program varies according to the individual circumstances of each veteran; however, the average time spent in the program is approximately two and one-half years.

A total of 65,708 veterans actively participated in programs during fiscal year 2001. Many of these veterans received subsistence allowance payments if their programs included training or the veteran was eligible for this allowance through other program provisions. Data shown in the tables below reflect only that part of this group that received a subsistence allowance.

By Occupational Goal

Veterans Participating in a Vocational Training Program by Occupational Goal During Fiscal Year 2001

	Total Number	Percent of Total	Number of Male	Percent of Total	Number of Female	Percent of Total
Agricultural, Fishery and Forestry	126	0.2%	96	0.2%	30	0.3%
Benchwork	291	0.6%	275	0.7%	16	0.1%
Clerical	2,130	4.1%	1,429	3.5%	701	6.1%
Independent Living	606	1.2%	527	1.3%	79	0.7%
Machine Trades	934	1.8%	914	2.2%	20	0.2%
Miscellaneous	1,669	3.2%	1,396	3.4%	273	2.4%
Processing(Butcher, Meat Processor, etc.)	43	0.1%	34	0.1%	9	0.1%
Professional, Technical, and Managerial	43,644	83.3%	33,627	82.2%	10,017	87.1%
Sales	324	0.6%	277	0.7%	47	0.4%
Service	1,049	2.0%	850	2.1%	199	1.7%
Structural (Building Trades)	1,204	2.3%	1,162	2.8%	42	0.4%
Unknown/Other	382	0.7%	318	0.8%	64	0.6%
Total	52,402	100%	40,905	100%	11,497	100%

Table 54

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Type of Training Activity

Veterans Participating in a Vocational Training Program by Type of Training and Gender During Fiscal Year 2001

Type of Training	Total Number	Percent of Total	Number of Male	Percent of Total	Number of Female	Percent of Total
Undergraduate	43,373	82.8%	33,198	81.2%	10,175	88.5%
Vocational/Technical	4,733	9.0%	4,184	10.2%	549	4.8%
Graduate	1,750	3.3%	1,261	3.1%	489	4.3%
College, Non-Degree	1,161	2.2%	1,020	2.5%	141	1.2%
Extended Evaluation	895	1.7%	798	2.0%	97	0.8%
On the Job	229	0.4%	211	0.5%	18	0.2%
Eval/Imp Rehab Potential	62	0.1%	56	0.1%	6	0.1%
High School	45	0.1%	38	0.1%	7	0.1%
Non/Nominal Pay in Gov.	70	0.1%	60	0.1%	10	0.1%
Gov't Work Experience	0	0.0%	0	0.0%	0	0.0%
Apprenticeship	75	0.1%	70	0.2%	5	0.0%
Farm Co-op	9	0.0%	9	0.0%	0	0.0%
Total	52,402	100%	40,905	100%	11,497	100%

Table 55
Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Serious Employment Handicap

Veterans Participating in a Vocational Training Program with a Serious Employment Handicap During Fiscal Year 2001

Total Participants	52,402
Number with Serious Employment Handicap	20,165
Percent with Serious Employment Handicap	38%

Table 56
Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

By Gender

Veterans Participating in a Vocational Training Program By Gender During Fiscal Year 2001

	Female	Male	Total
Number	11,497	40,905	52,402
Percent	21.9%	78.1%	100%

Table 57
Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

By Age

Veterans Participating in a Vocational Training Program by Age During Fiscal Year 2001

	Age 17-21	Age 22-29	Age 30-39	Age 40-49	Age 50-59	Age >60	Total for All Ages
Number	149	8,729	17,440	18,218	7,088	778	52,402
Percent	0.3%	16.7%	33.3%	34.8%	13.5%	1.5%	100%
Average Age for Veterans in Training Status: 39							

Table 58

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Period of Service

Veterans Participating in a Vocational Training Program by Period of Service During Fiscal Year 2001

	World War II	Post World War II ¹	Korean War	Post Korean War ¹	Vietnam Era	Post Vietnam Era ¹	Gulf War Era	Total All Service Periods
Number	34	6	50	198	3,396	8,827	39,891	52,402
Percent	0.1%	0.0%	0.1%	0.4%	6.5%	16.8%	76.1%	100%

Table 59

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

¹ These three periods are generally combined into "Peacetime" service in other sections of this report.

By Branch of Service

Veterans Participating in a Vocational Training Program by Branch of Service During Fiscal Year 2001

	Army ¹	Navy	Air Force	Marine Corps	Coast Guard	Other ²	Total
Number	24,583	11,594	9,091	5,580	699	855	52,402
Percent	46.9%	22.1%	17.3%	10.6%	1.3%	1.6%	100%

Table 60

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

¹ Army includes 3 from Women's Army Corps

² Other includes 1 from Special Philippine Scouts, 3 from Public Health Service and 851 records with no branch of service data.

By Length of Service

Veterans Participating in a Vocational Training Program by Length of Service During Fiscal Year 2001

	Number	Percent
3 Months or Less	297	0.6%
3-6 Months	685	1.3%
6 Months to 2 Year	5,453	10.4%
2-4 Years	12,781	24.4%
4-10 Years	14,883	28.4%
10-15 Years	5,608	10.7%
15-20 Years	3,904	7.5%
20-30 Years	8,633	16.5%
Over 30 Years	158	0.3%
Total	52,402	100%

Table 61

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Dependency Status: Dependency status identifies known dependents for both single and married veteran participants.

Veterans Participating in a Vocational Training Program by Dependency Status During Fiscal Year 2001

	Single	Single With Children	Married	Married With Children	Dependent Parent(s)	Total ¹
Number	12,493	6,649	8,961	24,096	102	52,301
Percent	23.9%	12.7%	17.1%	46.1%	0.2%	100%

Table 62

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

¹Does not include 101 veterans whose dependency status is unknown

By Prior Education Level: Distribution by level of education attained prior to the veteran's enrollment in a training program.

Veterans Participating in a Vocational Training Program by Prior Education Level During Fiscal Year 2001

	Less Than High School	High School	Post High School	Four Year College Degree	Graduate Training	Total
Number	396	28,944	18,591	2,677	1,794	52,402
Percent	0.8%	55.2%	35.5%	5.1%	3.4%	100%

Table 63

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Prior Use of VA Educational Benefits: VR&E program participants who previously used VA education benefits during fiscal year 2001.

Veterans Participating in a Vocational Training Program by Prior Use of VA Benefits During Fiscal Year 2001

	Prior Use	No Prior Use	Total
Number	17,463	34,939	52,402
Percent	33.3%	66.7%	100%

Table 64

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

e. Step 4: Job Ready - Preparing for and Searching for a Suitable Job

A veteran, while in the Evaluation and Planning Status, may be found:

- to need additional rehabilitation services before he/she is job-ready
- to have transferable skills developed through prior education or experience that would allow him/her to successfully compete in the job market without additional training

Whether the veteran becomes job-ready after participating through rehabilitation to the point of *Employability Status* or is determined to be *job-ready* in the evaluation process, he/she is placed in the Employment Services Status. Here, the employment assistance needs of each veteran is assessed and a plan of services is developed that will lead to moving into suitable employment. Services may include:

- job market exploration
- job seeking skills
- resume preparation
- interview skills
- other assistance.

Each veteran is provided a case manager who follows the veteran's progress through the program and assures that the prescribed services are delivered.

The following table shows those veterans who progressed from participating in a program of rehabilitation services to employment services. In fiscal year 2001, a total of 13,886 veterans received services in the Employment Services status. This includes 1,025 veterans who were found (in the Evaluation and Planning Status) to possess marketable skills without additional education or training, but needed specific employment services to obtain and maintain suitable employment. Therefore, rather than participate in a program of rehabilitation services that may have included training or education, these veterans were able to move directly to the Employment Services Status. The remaining 12,861 veterans received services in the Rehabilitation to the Point of Employability Status.

Veterans in this status may be provided assistance in:

- resume preparation
- interview techniques
- job hunting strategies
- other direct employment services.

**Veterans Participating in a Vocational Training Program by Veterans
Who Entered Employment Services During Fiscal Year 2001**

Total Participants ¹	52,402
Employment Plans Developed ²	13,886
Percent in Employment Plans	26%

Table 65

¹Source: VR&E Program Management Reports (FY 2001)

²COIN TAR 6005

Note: Participants are all veterans who received subsistence allowance while in a training program during FY 2001.

Veterans Served by the Programs by Race or Ethnic Background, Sorted by Case Status

Veterans in Active Case Statuses During FY 2001 by Race¹

	Applicant Status
American Indian/Alaskan	341
Asian/Pacific Island	819
Black	13,419
White	26,103
Hispanic	614
Other	1,637
Unknown	3,823
Unidentified	11,833
Total	58,589
	Evaluation and Planning Status
American Indian/Alaskan	308
Asian/Pacific Island	834
Black	12,351
White	23,863
Hispanic	487
Other	1,463
Unknown	3,692
Unidentified	10,444
Total	53,442
	Extended Evaluation Status
American Indian/Alaskan	11
Asian/Pacific Island	25
Black	592
White	932
Hispanic	12
Other	47
Unknown	303
Unidentified	1,034
Total	2,956
	Independent Living Status
American Indian/Alaskan	10
Asian/Pacific Island	52
Black	224
White	747
Hispanic	6
Other	47
Unknown	838
Unidentified	2,324
Total	4,248

**Veterans in Active Case Statuses During FY 2001
by Race¹**

	Rehabilitation to Employment Status
American Indian/Alaskan	372
Asian/Pacific Island	912
Black	14,784
White	32,409
Hispanic	441
Other	1,464
Unknown	3,429
Unidentified	7,645
Total	61,456
	Employment Status
American Indian/Alaskan	80
Asian/Pacific Island	267
Black	2,702
White	7,744
Hispanic	56
Other	264
Unknown	897
Unidentified	1,875
Total	13,885
Grand Total FY 2001	194,576

Table 66.

¹This table represents veterans served by the program by their declared race(s).

- f. **Step 5: Rehabilitated:** Rehabilitated Status represents the achievement of the veteran's goal to be suitably employed or obtain independence in daily living and is the positive outcome measure of the program. This step is presented in further detail starting with Table 77 of this chapter.

Summary of Beneficiaries Leaving The Rolls For All Benefits Programs During Fiscal Year 2001

The Compensation and Pension, Education, Life Insurance, Loan Guaranty and Vocational Rehabilitation and Employment Services programs serve diverse purposes, therefore, the reasons benefits terminate vary from program to program.

For Compensation and Pension, benefits generally stop when entitlement ceases to exist, such as with the improvement of a service-connected disability to a non-compensable level or with the exceeding of the statutory income limit for a pension recipient. For Education, benefits end when training ceases, when entitlement is exhausted or a delimiting date is reached. For Insurance policyholders, termination means either lapse of policy coverage or payment of the policy. For Home Loan Guaranty, termination means either the payment of the guaranty amount to the lender or full payment of the mortgage by the veteran. For Vocational Rehabilitation, termination means stopping of training, either by completing or withdrawing from the program.

Summary of All Active Benefits That Ended During Fiscal Year 2001

Benefits Programs	Number of People	Percent of Total
Compensation – Disability	71,009	10.0%
Compensation – Death ¹	17,947	2.5%
Pension – Disability	56,038	7.9%
Pension – Death	39,424	5.6%
Education ²	21,146	3.0%
Life Insurance	137,886	19.4%
Home Loan Guaranty	350,548	49.4%
Vocational Rehabilitation ³	15,471	2.2%
Total	709,469	100%

Table 67

¹ This category consists of the Death Compensation and DIC Programs.

² 17,041 claimants exhausted their entitlement; 4,105 claimants reached their delimiting date.

³ 10,116 veterans completed training; 5,335 veterans discontinued training.

Individual Data for Each Benefit Program

The following sections provide additional information about benefits that ended for veterans, dependents, and survivors under each program during fiscal year 2001.

1. COMPENSATION -- BASED UPON SERVICE-CONNECTED DISABILITY

The following table shows the most common reasons for ending disability compensation payments during fiscal year 2001.

Note: Reasons for ending benefit payments are depicted in the boxes above the “Number Removed” and “Percent of Period Removed” columns. “Percent of Period Removed” means the proportion of the total number of veterans from that period of service whose benefits were ended.

Service-Connected Disability Compensation Reasons for Ending Payments During Fiscal Year 2001

Periods Of Service	Death Of Veteran		Veterans Whereabouts Or Address Unknown		Reasons Not Specifically Stated	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed
World War I	13	100.0%	0	0.0%	0	0.0%
World War II	40,027	99.1%	115	0.3%	38	0.1%
Korean War	7,273	98.6%	31	0.4%	17	0.2%
Vietnam Era	12,054	95.2%	157	1.2%	200	1.6%
Gulf War Era	843	36.8%	278	12.2%	387	16.9%
Peacetime Periods	7,576	91.6%	241	2.9%	141	1.7%
Total	67,786		822		783	
Percent Of Grand Total	95.5%		1.2%		1.1%	
Periods Of Service	Veteran On Active Duty Or In Receipt Of Retirement Pay		All Others ¹		Grand Totals By Periods Of Service	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Grand Total
World War I	0	0.0%	0	0.0%	13	0.0%
World War II	14	0.0%	211	0.5%	40,405	56.9%
Korean War	11	0.1%	44	0.6%	7,376	10.4%
Vietnam Era	84	0.7%	162	1.3%	12,657	17.8%
Gulf War Era	452	19.8%	328	14.3%	2,288	3.2%
Peacetime Periods	157	1.9%	155	1.9%	8,270	11.6%
Total	718		900		71,009	100.0%
Percent Of Grand Total	1.0%		1.3%		100%	

Table 68

Source: Benefits Delivery Network - RCS 20-0243

¹This category combines some 10 other reasons for ending benefits.

2. COMPENSATION -- BASED UPON A SERVICE-CONNECTED DEATH

The following table shows the most common reasons for ending DIC and Death Compensation¹³ payments during fiscal year 2001.

Service-Connected Death Benefits - Reasons for Ending Payments During Fiscal Year 2001

Periods Of Service	Death Of Payee		Child Over 18 Terminates School Or Reaches Age 23		Child Reaches 18	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed
World War I and Earlier	492	97.4%	0	0.0%	3	0.6%
World War II	7,033	94.8%	53	0.7%	16	0.2%
Korean War	1,760	91.8%	29	5.7%	11	0.6%
Vietnam Era	2,633	54.8%	887	18.5%	355	7.4%
Gulf War Era	19	3.0%	264	42.1%	106	16.9%
Peacetime Periods	1,447	54.0%	482	18.0%	362	13.5%
Total	13,384		1,715		853	
Percent Of Grand Total	74.6%		9.6%		4.8%	
Periods Of Service	Marital Status Change – Person Entitled Or Dependent		All Others ¹		Grand Totals By Periods Of Service	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Grand Total
World War I and Earlier	1	0.2%	9	1.8%	505	2.8%
World War II	99	1.3%	215	2.9%	7,416	41.3%
Korean War	55	2.9%	63	3.3%	1,918	10.7%
Vietnam Era	333	6.9%	595	12.4%	4,803	26.8%
Gulf War Era	105	16.7%	133	21.2%	627	3.5%
Peacetime Periods	130	4.9%	257	9.6%	2,678	14.9%
Total	723		1,272		17,947	100.0%
Percent Of Grand Total	4.0%		7.1%		100%	

Table 69

Source: Benefits Delivery Network - RCS 20-0243

¹This category combines some 13 other reasons for ending benefits

¹³ The Death Compensation program preceded the DIC program. Basic entitlement generally exists for a surviving spouse, child/children, and/or parents if the veteran died before January 1, 1957, of a service related death.

3. PENSION -- BASED UPON NONSERVICE-CONNECTED DISABILITY

The following table shows the most common reasons for ending disability pension payments during fiscal year 2001.

**Nonservice-Connected Disability Pension
Reasons for Ending Payments During Fiscal Year 2001**

Periods Of Service	Death Of Veteran		Income Provisions		Other Reasons Not Specifically Stated	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed
World War I	98	97.0%	1	1.0%	0	0.0%
World War II	27,378	84.4%	2,832	8.7%	812	2.5%
Korean War	7,567	66.6%	2,593	22.8%	630	5.5%
Vietnam Era	5,066	42.5%	5,116	42.9%	899	7.5%
Gulf War Era	44	22.7%	109	56.2%	16	8.2%
Peacetime Periods	N/A		N/A		N/A	
Total	40,153		10,651		2,357	
Percent Of Grand Total	71.7%		19.0%		4.2%	
Periods Of Service	Failed To File Eligibility Verification Report		All Others ¹		Grand Totals By Periods Of Service	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Grand Total
World War I	0	0.0%	2	2.0%	101	0.2%
World War II	783	2.4%	643	2.0%	32,448	57.9%
Korean War	303	2.7%	269	2.4%	11,362	20.3%
Vietnam Era	314	2.6%	538	4.5%	11,933	21.3%
Gulf War Era	11	5.7%	14	7.2%	194	0.3%
Peacetime Periods	N/A		N/A		N/A	
Total	1,411		1,466		56,038	100.0%
Percent Of Grand Total	2.5%		2.6%		100.0%	

Table 70

Source: Benefits Delivery Network – RCS 20-0243

¹This category combines some 15 other reasons for ending benefits.

4. PENSION -- BASED UPON NONSERVICE-CONNECTED DEATH

The following table shows the most common reasons for ending death pension payments to survivors of wartime veterans during fiscal year 2001.

Nonservice-Connected Death Pension Reasons for Ending Payments During Fiscal Year 2001

Periods Of Service	Death Of Payee		Income Provisions		Other Reasons Not Specifically Stated	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed
World War I and Earlier	5,999	94.8%	110	1.7%	33	0.5%
World War II	15,843	61.9%	7,364	28.8%	890	3.5%
Korean War	1,000	20.0%	3,220	64.6%	255	5.1%
Vietnam Era	288	11.6%	1,467	59.2%	136	5.5%
Gulf War Era	1	2.6%	26	68.4%	1	2.6%
Peacetime Periods	N/A		N/A		N/A	
Total	23,131		12,187		1,315	
Percent Of Grand Total	58.7%		30.9%		3.3%	
Periods Of Service	Failure To File Eligibility Verification Report (EVR)		All Others ¹		Grand Totals By .1.1 Periods Of Service	
	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Period Removed	Number Removed	Percent Of Grand Total
World War I and Earlier	79	1.2%	109	1.7%	6,330	16.1%
World War II	749	2.9%	742	2.9%	25,588	64.9%
Korean War	188	3.8%	325	6.5%	4,988	12.7%
Vietnam Era	169	6.8%	420	16.9%	2,480	6.3%
Gulf War Era	3	7.9%	7	18.4%	38	0.1%
Peacetime Periods	N/A		N/A		N/A	
Total	1,188		1,603		39,424	100.0%
Percent Of Grand Total	3.0%		4.1%		100%	

Table 71

Source: Benefits Delivery Network - RCS 20-0243

¹This category combines some 16 other reasons for ending benefits.

5. EDUCATION

Educational assistance ends for one of two reasons: entitlement is exhausted, or the delimiting date (i.e., the deadline for using the benefit) is reached.

Entitlement Exhausted: Veterans, service members, and reservists are generally entitled to 36 months of educational assistance (entitlement). Dependents are entitled to 45 months of educational assistance. Once 36 or 45 months of educational assistance is used, payment of the benefit ends.

Delimiting Date: Dependents have a defined amount of time to use their educational assistance. Veterans and service members, generally, have 10 years from the date of their last discharge from active military service. Reservists have either 10 years from the date their eligibility began or until the day following separation from the Selected Reserve, whichever is the earlier. In the Dependents Educational Assistance program, children usually have until age 26; and spouses, or surviving spouses, generally, have 10 years from their date of eligibility.

Beneficiaries Whose Benefits Terminated During Fiscal Year 2001

Program	Entitlement Exhausted	Delimiting Date	Total Terminations	Percent of Total Terminations
Dependents Education	304	121	425	2.0%
Montgomery GI Bill - Active Duty ¹	13,696	3,250	16,946	80.1%
Montgomery GI Bill – Reserves ²	2,835	605	3,440	16.3%
Post-Vietnam Veterans Education	206	129	335	1.6%
Total	17,041	4,105	21,146	100%
Percent of Total Terminations	80.6%	19.4%	100%	

Table 72

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

6. LIFE INSURANCE

Life insurance policies end for two reasons - either they are “paid off” or they lapse. The following two tables provide data concerning the policies that ended during fiscal year 2001.

Policies That Were “Paid Off”

Policies may be “paid off” in different ways. Death claims are paid to a veteran’s designated beneficiary upon the death of the veteran. Cash surrenders and matured endowments are paid to the veteran. The following table provides a distribution of payments by insurance program.

Insurance Payments During Fiscal Year 2001

Death Claims	Number¹	Amount²	Average Payment
USGLI	1,423	\$5,093,810	\$3,580
NSLI	91,497	\$867,309,922	\$9,479
VSLI	4,947	\$55,650,783	\$11,249
VRI	4,554	\$36,130,742	\$7,934
SDVI	4,318	\$42,080,860	\$9,745
VMLI	136	\$8,767,212	\$64,465
SGLI ³	1,749	\$334,095,536	\$191,021
VGLI ³	1,243	\$114,059,507	\$91,761
TOTAL	109,867	\$1,463,188,372	\$13,318
Matured Endowment	Number¹	Amount²	Average Payment
USGLI	16	\$114,851	\$7,178
NSLI	547	\$5,468,946	\$9,998
VSLI	311	\$3,750,173	\$12,058
VRI	5	\$41,906	\$8,381
SDVI	291	\$2,117,201	\$7,276
TOTAL	1,170	\$11,493,077	\$9,823
Cash Surrender	Number¹	Amount²	Average Payment
USGLI	161	\$396,439	\$2,462
NSLI	9,120	\$47,091,721	\$5,164
VSLI	1,135	\$6,440,332	\$5,674
VRI	459	\$2,163,244	\$4,713
SDVI	948	\$6,220,088	\$6,561
TOTAL	11,823	\$62,311,824	\$5,270
GRAND TOTAL	122,860	\$1,536,993,273	\$12,510

Table 73

¹ Sources: Insurance Master Record Database - 510 Monthly Report

VMLI Database - VMLI Quarterly Report

Veterans And Reservists Group Insurance System - OSGLI Monthly Report

² Source: Insurance General Ledger Accounting System - CFO FY01 Life Insurance Statements (Incurred Basis))

³ Source: SGLI and VGLI data are for the policy year ending June 30, 2001

The table that follows also displays information about death claims paid provides the data for the prior three years as well for purposes of comparison.

**Number of Death Claims Paid
Comparative Information for Four Fiscal Years**

	FY 2001	FY 2000	FY 1999	FY 1998
Number of Claims Paid	109,867	109,003	108,138	108,613
Total Amounts Paid	\$1,463,188,372	\$1,398,174,179	\$1,358,061,052	\$1,371,171,825
Average Amounts Paid	\$13,318	\$12,827	\$12,559	\$12,624

Table 73A

Policies That Lapsed

Policies lapse mainly because the policyholder didn't pay the premiums. The following table provides data about policies that lapsed during FY 2001.

**Policy Lapses
During Fiscal Year 2001**

Policy Lapses	Number ¹	Face Value ¹	Average Face Value
NSLI	12,379	\$89,685,190	\$7,245
VSLI	723	\$5,810,000	\$8,036
VRI	270	\$1,373,750	\$5,088
SDVI	1,654	\$16,102,500	\$9,735
Total	15,026	\$112,971,440	\$7,518

Table 74

¹ Sources: Insurance Master Record Database - 510 Monthly Report
VMLI Database - VMLI Quarterly Report
Veterans And Reservists Group Insurance System - OSGLI Monthly Report

7. HOME LOAN GUARANTY

A home loan guaranty is terminated in one of two ways. "Paid in Full" means that the loan was paid in full, by the borrower, to the lending institution. Therefore, the guaranty is no longer applicable and no payment was made based on the guaranty. "Loan Defaulted - Guaranty Payment Made" means that the loan was defaulted by the borrower and the loan guaranty claim was paid. The following table shows the disposition of loan guaranties terminated during fiscal year 2001. Also shown is the amount of money paid to lending institutions under the guaranty provisions during fiscal year 2001.

**Disposition of Home Loans
During Fiscal Year 2001**

Disposition	Number of Loans	Percent of Total	Amount of Payment	Average Payment
Paid in Full by Borrower	327,683	93.5%	---	---
Loan Defaults - Guaranty Payment Made	22,865	6.5%	\$471,027,000	\$20,600
TOTAL	350,548	100%		

Table 75

Source: COIN GIL 01-01, 02-01 and 50-01; DOOR Report 6005

8. VOCATIONAL REHABILITATION AND EMPLOYMENT

The vocational rehabilitation program participants end their association with the program in one of three ways:

- by completing the program and finding employment;
- by completing the program and achieving greater independence in living; or
- by discontinuing pursuit of the rehabilitation objectives.

Veterans Ending Their Participation in a Training Program

This table shows the veterans whose participation ended during fiscal year 2001, sorted by termination reason.

**Veterans Who Ended a Training Program
During Fiscal Year 2001**

Reason For Ending Program	Number	Percent
Employment	8,559	55.3%
Independent Living	1,557	10.1%
Discontinue ¹	5,355	34.6%
TOTAL	15,471	100%

Table 76

Source: VR&E Program Management Reports (FY 2001)

¹Individual who had developed plans of services and discontinued

Step 5: Rehabilitated:

Rehabilitated Status represents the achievement of the veteran's goal to be suitably employed or obtain independence in daily living and is the positive outcome measure of the program. Each veteran is provided follow-up assistance to assure that his/her status can be maintained.

a. Participants with Serious Employment Handicaps Who Completed Their Program

Participants who had a serious employment handicap and completed a program of vocational rehabilitation during fiscal year 2001.

Veterans with a Serious Employment Handicap Who Completed Training During FY 2001

	Number	Percent
Total Veterans	10,116	
Total With Serious Employment Handicap	4,280	42%

Table 77

Source: VR&E Program Management Reports (FY 2001)

a. Pre- and Post-Training Annual Earnings

By Gender

Annual earnings of veterans, by gender, who completed their rehabilitation program and gained employment.

Veterans Who Successfully Achieved Rehabilitation Pre- and Post-Annual Earnings by Gender During Fiscal Year 2001

	Number Rehabilitated	Average Annual Earnings Prior To Training	Total Annual Earnings Prior To Training	Average Annual Earnings At Rehabilitation	Total Annual Earnings At Rehabilitation
Male	8,314	\$5,190	\$43,149,660	\$29,092	\$241,870,888
Female	1,802	\$3,907	\$7,040,414	\$26,110	\$47,050,220
Total	10,116 ¹		\$50,190,074		\$288,921,108

Table 78

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

¹This total includes 1,557 persons who entered into independent living and do not have earnings.

Note: The table compares annual earnings before entering the program and after completing it and finding employment. Both total annual earnings and average annual earnings for these veterans are provided.

By Occupation Type

**Veterans Who Successfully Achieved Rehabilitation
Pre- and Post-Annual Earnings by Occupational Category
During Fiscal Year 2001**

	Number Rehabilitated	Average Annual Earnings Prior to Training	Total Annual Earnings Prior to Training	Average Annual Earnings at Rehab	Total Annual Earnings at Rehab	Percent of Increases in Earnings
Professional, Technical and Managerial	6,241	\$5,804	\$36,222,764	\$31,111	194,163,751.00	436%
Clerical	654	\$4,825	\$3,155,550	\$23,246	15,202,884.00	382%
Sales	177	\$5,566	\$985,182	\$26,648	4,716,696.00	379%
Services	422	\$4,837	\$2,041,214	\$23,406	9,877,332.00	384%
Agricultural, Fishery, and Forestry	37	\$4,162	\$153,994	\$21,443	793,391.00	415%
Processing (Butcher, Meat Processor)	25	\$6,635	\$165,875	\$24,946	623,650.00	276%
Machine Trades	303	\$6,882	\$2,085,246	\$27,150	8,226,450.00	295%
Bench Work	102	\$4,283	\$436,866	\$24,138	2,462,076.00	464%
Structural (Building Trades)	300	\$4,855	\$1,456,500	\$28,178	8,453,400.00	480%
Miscellaneous	298	\$3,591	\$1,070,118	\$22,936	6,834,928.00	539%
Total	8,559¹	\$4,961	\$47,773,309	\$28,517	251,354,558.00	426%

Table 79

Source: VR&E Program Management Reports (FY 2001)

¹Does not include 1557 persons who went to independent living and do not have earnings.

The following table shows the distribution of average annual earnings before entering the program and following rehabilitation, by occupational categories.

b. Demographic Characteristics of Participants Who Successfully Completed Training

By Gender

**Veterans Who Successfully Achieved Rehabilitation
by Gender During Fiscal Year 2001**

	Female	Male	Total
Number	1,802	8,314	10,116
Percent	17.8%	82.2%	100.0%

Table 80

Source: VR&E Program Management Reports (FY 2001)
Benefits Delivery Network - Data Warehouse

Note: The distribution of participants by gender is shown for each type of training. A subsistence allowance is paid to participants for some or all of the time they are in the training program.

By Age

Veterans Who Successfully Achieved Rehabilitation by Age During Fiscal Year 2001

	Age 17 – 21	Age 22 – 29	Age 30 – 39	Age 40 - 49	Age 50 – 59	Age >60	Total for All Ages
Number	8	1,007	3,079	3,324	2,231	467	10,116
Percent	0.1%	10.0%	30.4%	32.9%	22.1%	4.6%	100.0%

Table 81

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Prior Education Level

Veterans Who Successfully Achieved Rehabilitation by Prior Education Level During Fiscal Year 2001

	Less Than High School	High School	Post High School	Four Year College Degree	Graduate Training	Total
Number	116	5,350	3,443	854	353	10,116
Percent	1.1%	52.9%	34.0%	8.4%	3.5%	100%

Table 82

Source: VR&E Program Management Reports (FY 2001) - Benefits Delivery Network - Data Warehouse

By Dependency Status

Veterans Who Successfully Achieved Rehabilitation by Dependency Status During Fiscal Year 2001

	Single	Single With Children	Married	Married With Children	Dependent Parent(s)	Total ¹
Number	1,868	894	1,749	4,001	18	8,530
Percent	21.9%	10.5%	20.5%	46.9%	0.2%	100.0%

Table 83

VR&E Program Management Reports (FY 2001) – Benefits Delivery Network – Data Warehouse

¹ Does not include 1586 veterans whose dependency status is unknown.

By Branch of Service

Branch-of-service distribution among those who completed rehabilitation programs.

Note: Consistent with requirements established in Title 38 of the United States Code Section 101, service in the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service qualify persons for vocational rehabilitation programs.

Veterans Who Successfully Achieved Rehabilitation by Branch Of Service During Fiscal Year 2001

	Army	Navy	Air Force	Marine Corps	Coast Guard	Other ¹	Total
Number	4,524	2,232	1,878	1,177	158	147	10,116
Percent	44.7%	22.1%	18.6%	11.6%	1.6%	1.5%	100.0%

Table 84

Source: VR&E Program Management Reports (FY 2001)-Benefits Delivery Network – Data Warehouse

¹Other includes 2 from National Oceanic and Atmospheric Administration

By Length of Service

Length of time in service among veterans who completed rehabilitation programs

Veterans Participating in a Vocational Training Program by Length of Service Beginning Fiscal Year 2001

	Number	Percent
3 Months or Less	37	0.4%
3-6 Months	105	1.0%
6 Months-2 Years	1,114	11.1%
2-4 Years	2,453	24.3%
4-10 Years	2,730	27.1%
10-15 Years	1,014	10.1%
15-20 Years	876	8.7%
20-30 Years	1,692	16.2%
Over 30 Years	56	0.6%
Total	10,077	100%

Table 85

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network Data Warehouse

By Period of Service

Veterans service periods among those who completed rehabilitation programs

Veteran Who Successfully Achieved Rehabilitation by Period of Service During Fiscal Year 2001

	World War II	Post World War II ¹	Korean War	Post Korean War ¹	Vietnam Era	Post Vietnam Era ¹	Gulf War Era	Total All Service Periods
Number	57	14	55	93	1,240	1,996	6,661	10,116
Percent	0.6%	0.1%	0.5%	0.9%	12.3%	19.7%	65.8%	100%

Table 86

Source : VR&E Program Management Reports (FY2001) – Benefits Delivery Network – Data Warehouse

¹These three periods are generally combined in "Peacetime" service in other sections of this report.

Interrupted:

While not a step toward the goal of rehabilitation, another status, Interrupted, exists for those veterans who must temporarily suspend active participation in their programs. A veteran who is actively participating in a program of rehabilitation services may find that it is necessary to temporarily suspend his/her rehabilitation program in order to resolve a pressing need, most frequently related to his/her disabling condition. The case manager continues to provide counseling and other assistance to the veteran and his/her family with the intent of resolving the need and allowing the veteran to return to active participation in the program.

CHAPTER 3

BUSINESS BEGINNING FISCAL YEAR 2002

Summary of Active Accounts for All Benefits Programs at the Beginning of Fiscal Year 2002

The following three tables summarize the number of active beneficiaries in VA benefits programs at the beginning of fiscal year 2002 and the monetary value of their benefits.

Table 1 pertains to programs that pay monthly benefits. It shows the total number of people who were receiving the benefit at the beginning of fiscal year 2002.

Summary of Beneficiaries Receiving Benefits for Programs That Pay Ongoing Benefits at the Beginning of Fiscal Year 2002

Benefit Programs	Number of People	Percent of Total	Total Annual Amounts	Average Annual Amounts
Compensation - Disability	2,321,103	72.0%	\$15,806,234,628	\$6,810
Compensation - Death ¹	313,540	9.7%	\$3,559,505,520	\$11,353
Pension - Disability	348,052	10.8%	\$2,173,288,320	\$6,244
Pension - Death	241,467	7.5%	\$647,578,584	\$2,682
Total	3,224,162	100.0%	\$22,186,607,052	\$6,881

Table 1

¹ Includes the DIC and Death Compensation programs

Table 2 pertains to programs that pay monthly benefits to trainees only during a period of training. The "Number of People" refers to those receiving benefits at the beginning of fiscal year 2002.

Summary of Beneficiaries Receiving Benefits for Programs That Pay Benefits During Training at the Beginning of Fiscal Year 2002

Benefit Programs	Number of People	Percent of Total
Education	230,551	88.2%
Vocational Rehabilitation	30,833	11.8%
Total	261,384	100%

Table 2

Table 3 pertains to programs that pay benefits when certain events occur, such as death of the insured veteran or default on a mortgage. For Life Insurance, the monetary amount represents the face value of policies in effect at the beginning of fiscal year 2002. For Home Loan Guaranty, the monetary amount represents the guaranty obligations (not the value of the underlying mortgages) of all guaranties in effect at the beginning of fiscal year 2002. For the Life Insurance and Home Loan Guaranty programs, the “Total Coverage Amounts” do *not* represent benefits actually paid out during the year. Instead, they represent potential liabilities that could be paid at some time in the future.

Summary of All Benefits That Constitute Potential Liabilities at the Beginning of Fiscal Year 2002

Benefit Programs	Number of Participants	Percent of Total	Total Coverage Amounts	Average Coverage Amounts
Life Insurance	4,867,612	61.4%	\$641,068,691,952	\$131,701
Home Loan Guaranty ¹	3,055,903	38.6%	\$84,905,523,208	\$27,784
Total	7,923,515	100%	\$725,974,215,160	\$159,485

Table 3

¹ Includes direct loans sold and later guaranteed

Individual Data for Each Benefit Program

The following sections of this chapter are organized by benefit program. Each section provides information about people receiving benefits at the beginning of fiscal year 2002. Many of the tables below correspond with tables in Chapter 2 that provide similar information. The distinction is that the following tables describe the *entire population* of program beneficiaries at the beginning of fiscal year 2002. Tables in Chapter 2 describe only those program beneficiaries who *began receiving* benefits during fiscal year 2002.

1. COMPENSATION -- BASED UPON SERVICE-CONNECTED DISABILITY

a. Total Veterans Receiving Service-Connected Disability Compensation

This table shows the total number of veterans, by period of service, receiving disability compensation at the beginning of fiscal year 2002. Also shown are projected total annual and average annual payments to these veterans if all continue on the benefit rolls, receiving the same compensation throughout the fiscal year.

Total Veterans Receiving Service-Connected Disability Benefits Beginning of Fiscal Year 2002

Period of Service	Number of Veterans	Percent of Total	Total Annual Amounts	Average Annual Amounts
Mexican Border	5	0.0%	\$54,336	\$10,867
World War I	26	0.0%	\$212,028	\$8,155
World War II	470,186	20.3%	\$2,956,889,496	\$6,289
Korean War	166,362	7.2%	\$1,228,628,004	\$7,385
Vietnam Era	749,554	32.3%	\$6,504,538,848	\$8,678
Gulf War Era	365,780	15.8%	\$1,761,775,788	\$4,816
Peacetime Periods	569,190	24.5%	\$3,354,136,128	\$5,893
TOTAL	2,321,103	100.0%	\$15,806,234,628	\$6,810

Table 4

Source: Benefits Delivery Network - RCS 20-0221

b. Total Number of Veterans Receiving Disability Compensation Shown by Combined Degree of Disability

The combined degree of disability is expressed as a percentage (from zero to 100 in increments of 10) and represents the overall disabling effect on a veteran of all his or her service-connected disabilities. Disability compensation monetary amounts are set by Congress and correspond to the combined degree of disability. The table (on the next page) shows the number of veterans receiving compensation, sorted by combined percentage of disability. It also shows the projected total annual and average annual payments to these veterans for fiscal year 2002.

Note: "Percent of combined disability" is *not* calculated by summing all the individual degrees of disability. Instead, a rating formula is applied to calculate the overall disabling effect of the veteran's service-connected conditions. Under certain circumstances, a number of disabilities individually evaluated zero percent produce 10 percent combined disability (as directed in 38 Code of Federal Regulation 3.324) and entitle the veteran to receive disability compensation. These will be called "compensable zeros" and are shown in the 0% column of this table.

**Total Service-Connected Benefits by Combined Percent of Disability
Beginning of Fiscal Year 2002**

Combined Degree	Number	Percent of Total	Total Annual Amounts	Average Annual Amounts
0%	16,906	0.7%	\$14,227,032	\$842
10%	822,788	35.4%	\$1,002,003,060	\$1,218
20%	372,113	16.0%	\$868,942,068	\$2,335
30%	308,156	13.3%	\$1,228,811,904	\$3,988
40%	200,954	8.7%	\$1,152,790,848	\$5,737
50%	121,316	5.2%	\$980,027,436	\$8,078
60%	126,788	5.5%	\$1,749,085,776	\$13,795
70%	93,913	4.0%	\$1,812,372,216	\$19,298
80%	56,945	2.5%	\$1,242,776,412	\$21,824
90%	26,908	1.2%	\$643,477,836	\$23,914
100%	174,316	7.5%	\$5,111,720,040	\$29,324
TOTAL	2,321,103	100.0%	\$15,806,234,628	\$6,810
Number of beneficiaries by combined percentage of disability 0% thru 30% - 1,519,963 This group as a percentage of the whole - 65.5%				

Table 5

Source: Benefits Delivery Network - RCS 20-0223

c. Total Number of Individual Service-Connected Disabilities

As noted above, a veteran may have more than one disability. In such cases, each disability is evaluated according to its disabling effect, without regard to other disabling conditions present. A rating formula is then applied to assess the overall disabling effect (combined degree) of all the veteran's service-connected conditions. In contrast to the previous table, which organized information according to the *number* of service-connected veterans and their *combined* evaluations, the following table organizes information according to the number of service-connected disabilities and their separate evaluations. The table includes the total number of veterans receiving compensation and the average number of service-connected disabilities per veteran. A "zero percent" service-connected disability rating means that a disability exists and is related to the veteran's service but is not so disabling that it entitles the veteran to compensation payments.

Data for the following tables are taken from compensation payment records. Consequently, the disabilities of service-connected veterans who don't receive compensation (because their combined disability ratings are zero percent) are *not* represented in the table. Zero percent disabilities shown in the table are veterans who receive compensation.

Total Individual Service-Connected Disabilities by Percent Veterans Receiving Compensation Beginning of Fiscal Year 2002

Number of Disabilities		Percent of All Disabilities
0%	2,087,669	35.0%
10%	2,262,854	37.9%
20%	530,818	8.9%
30%	469,345	7.9%
40%	158,554	2.7%
50%	114,140	1.9%
60%	106,754	1.8%
70%	54,290	0.9%
80%	8,315	0.1%
90%	2,689	0.0%
100%	172,254	2.9%
Total	5,967,682	100.0%
Total Veterans		2,321,103
Average number of disabilities per veteran		2.57
Number of Disabilities 0% thru 30%:		5,350,686
Percent of all Disabilities:		89.7%

Table 6

Source: Benefits Delivery Network - RCS 20-0227 and COIN CP-127

d. Individual Service-Connected Disabilities by Body Systems

The following table shows all service-connected disabilities for veterans receiving compensation at the beginning of fiscal year 2002, sorted by body system and listed in descending order of frequency.

Ranking of Individual Service-Connected Disabilities by Body System Veterans Receiving Compensation Beginning of Fiscal Year 2002

Body System	Total Number	Percent of Total	Body System	Total Number	Percent of Total
Musculoskeletal System	2,412,412	40.4%	Genitourinary System	145,938	2.4%
Skin	731,378	12.3%	Eye	104,472	1.8%
Impairment of Auditory Acuity	530,931	8.9%	Endocrine System	68,040	1.1%
Digestive System	434,606	7.3%	Infectious Diseases, Immune Disorders, Nutritional Disorder	46,714	0.8%
Mental Disorders	414,679	6.9%	Gynecological Conditions	36,667	0.6%
Cardiovascular System	357,259	6.0%	Dental and Oral Conditions	27,572	0.5%
Neurological Conditions	331,653	5.6%	Hemic and Lymphatic Systems	21,471	0.4%
Respiratory System	303,890	5.1%	Grand Total - All Conditions	5,967,682	100.0%

Table 7

Source: Benefits Delivery Network - RCS 20-0227

Individual Service-Connected Disabilities by Body System and Degree of Disability

VBA assigned 946 diagnostic codes to describe the 5,967,682 separate service-connected disabilities for veterans receiving disability compensation at the beginning of fiscal year 2002. Diagnostic codes are four to eight-digit numbers that specify medical conditions. These numeric diagnostic codes are in Title 38, Code of Federal Regulations, Part 4.

The following four-page table identifies the total number of individual service-connected disabilities, grouped by body systems and percent of disability assigned. Body system groupings are shown in the numeric order of the diagnostic codes associated with the body system. The body systems and their numeric codes are summarized here:

Musculoskeletal System	(Codes 5000-5399)
Eye	(Codes 6000-6099)
Impairment of Auditory Acuity	(Codes 6100-6299)
Infectious Diseases, Immune Disorders, Nutritional Disorder	(Codes 6300-6399)
Respiratory System	(Codes 6501-6899)
Cardiovascular System	(Codes 7000-7199)
Digestive System	(Codes 7200-7399)
Genitourinary System	(Codes 7500-7599)
Gynecological Conditions	(Codes 7610-7699)
Hemic and Lymphatic Systems	(Codes 7700-7799)
Skin	(Codes 7800-7899)
Endocrine System	(Codes 7900-7999)
Neurological Conditions	(Codes 8000-8999)
Mental Disorders	(Codes 9000-9599)
Dental and Oral Conditions	(Codes 9900-9999)

**Total Individual Service-Connected Disabilities by Percent and Body System
for Veterans Receiving Compensation Beginning of Fiscal Year 2002**

Body System	0%		10%		20%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	628,351	26.0%	1,115,944	46.3%	354,902	14.7%
Eye (Codes 6000-6099)	32,220	30.8%	29,157	27.9%	5,370	5.1%
Impairment of Auditory Acuity (Codes 6100-6299)	275,212	51.8%	209,943	39.5%	16,517	3.1%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	37,830	81.0%	3,329	7.1%	626	1.3%
Respiratory System (Codes 6501-6899)	142,499	46.9%	93,898	30.9%	8,816	2.9%
Cardiovascular System (Codes 7000-7199)	56,294	15.8%	173,740	48.6%	29,490	8.3%
Digestive System (Codes 7200-7399)	250,530	57.6%	114,427	26.3%	29,962	6.9%
Genitourinary System (Codes 7500-7599)	73,088	50.1%	31,548	21.6%	11,100	7.6%
Gynecological Conditions (Codes 7610-7699)	13,238	36.1%	5,974	16.3%	121	0.3%
Hemic and Lymphatic Systems (Codes 7700-7799)	5,880	27.4%	1,519	7.1%	1,019	4.7%
Skin (Codes 7800-7899)	480,836	65.7%	216,016	29.5%	4,602	0.6%
Endocrine System (Codes 7900-7999)	5,714	8.4%	24,661	36.2%	23,241	34.2%
Neurological Conditions (Codes 8000-8999)	51,498	15.5%	133,645	40.3%	43,012	13.0%
Mental Disorders (Codes 9000-9599)	17,984	4.3%	101,373	24.4%	274	0.1%
Dental and Oral Conditions (Codes 9900-9999)	16,495	59.8%	7,680	27.9%	1,766	6.4%
Grand Total - All Conditions (Codes 5000-9999)	2,087,669	35.0%	2,262,854	37.9%	530,818	8.9%

Table 8

Source: Benefits Delivery Network - RCS 20-0227

**Total Individual Service-Connected Disabilities by Percent and Body System
for Veterans Receiving Compensation Beginning of Fiscal Year 2002**

Body System	30%		40%		50%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	136,635	5.7%	90,887	3.8%	19,093	0.8%
Eye (Codes 6000-6099)	23,016	22.0%	7,298	7.0%	1,370	1.3%
Impairment of Auditory Acuity (Codes 6100-6299)	8,900	1.7%	8,471	1.6%	2,736	0.5%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	1,861	4.0%	257	0.6%	66	0.1%
Respiratory System (Codes 6501-6899)	35,255	11.6%	2,183	0.7%	3,821	1.3%
Cardiovascular System (Codes 7000-7199)	55,919	15.7%	5,884	1.6%	2,400	0.7%
Digestive System (Codes 7200-7399)	17,886	4.1%	8,536	2.0%	834	0.2%
Genitourinary System (Codes 7500-7599)	11,792	8.1%	3,662	2.5%	36	0.0%
Gynecological Conditions (Codes 7610-7699)	8,685	23.7%	337	0.9%	8,091	22.1%
Hemic and Lymphatic Systems (Codes 7700-7799)	10,041	46.8%	170	0.8%	24	0.1%
Skin (Codes 7800-7899)	23,154	3.2%	2,074	0.3%	4,117	0.6%
Endocrine System (Codes 7900-7999)	1,594	2.3%	7,329	10.8%	57	0.1%
Neurological Conditions (Codes 8000-8999)	42,597	12.8%	21,019	6.3%	10,288	3.1%
Mental Disorders (Codes 9000-9599)	90,900	21.9%	153	0.0%	61,038	14.7%
Dental and Oral Conditions (Codes 9900-9999)	1,110	4.0%	294	1.1%	169	0.6%
Grand Total - All Conditions (Codes 5000-9999)	469,345	7.9%	158,554	2.7%	114,140	1.9%

Table 8

Source: Benefits Delivery Network - RCS 20-0227

**Total Individual Service-Connected Disabilities by Percent and Body System
for Veterans Receiving Compensation Beginning of Fiscal Year 2002**

Body System	60%		70%		80%	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	43,578	1.8%	4,472	0.2%	2,027	0.1%
Eye (Codes 6000-6099)	916	0.9%	1,063	1.0%	129	0.1%
Impairment of Auditory Acuity (Codes 6100-6299)	2,805	0.5%	1,046	0.2%	1,586	0.3%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	1,548	3.3%	17	0.0%	81	0.2%
Respiratory System (Codes 6501-6899)	9,754	3.2%	247	0.1%	404	0.1%
Cardiovascular System (Codes 7000-7199)	21,378	6.0%	364	0.1%	121	0.0%
Digestive System (Codes 7200-7399)	5,290	1.2%	109	0.0%	98	0.0%
Genitourinary System (Codes 7500-7599)	7,207	4.9%	9	0.0%	350	0.2%
Gynecological Conditions (Codes 7610-7699)	79	0.2%	3	0.0%	19	0.1%
Hemic and Lymphatic Systems (Codes 7700-7799)	532	2.5%	134	0.6%	6	0.0%
Skin (Codes 7800-7899)	84	0.0%	38	0.0%	304	0.0%
Endocrine System (Codes 7900-7999)	3,660	5.4%	20	0.0%	10	0.0%
Neurological Conditions (Codes 8000-8999)	9,774	2.9%	3,243	1.0%	3,124	0.9%
Mental Disorders (Codes 9000-9599)	139	0.0%	43,522	10.5%	55	0.0%
Dental and Oral Conditions (Codes 9900-9999)	10	0.0%	3	0.0%	1	0.0%
Grand Total - All Conditions (Codes 5000-9999)	106,754	1.8%	54,290	0.9%	8,315	0.1%

Table 8

Source: Benefits Delivery Network - RCS 20-0227

**Total Individual Service-Connected Disabilities by Percent and Body System
for Veterans Receiving Compensation Beginning of Fiscal Year 2002**

Body System	90%		100%		Total	
	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System	Number of Disabilities	Percent of System
Musculoskeletal System (Codes 5000-5399)	1,138	0.0%	15,385	0.6%	2,412,412	100.0%
Eye (Codes 6000-6099)	445	0.4%	3,488	3.3%	104,472	100.0%
Impairment of Auditory Acuity (Codes 6100-6299)	471	0.1%	3,244	0.6%	530,931	100.0%
Infectious Diseases, Immune Disorders, Nutritional Disorder (Codes 6300-6399)	2	0.0%	1,097	2.3%	46,714	100.0%
Respiratory System (Codes 6501-6899)	4	0.0%	7,009	2.3%	303,890	100.0%
Cardiovascular System (Codes 7000-7199)	14	0.0%	11,655	3.3%	357,259	100.0%
Digestive System (Codes 7200-7399)	0	0.0%	6,934	1.6%	434,606	100.0%
Genitourinary System (Codes 7500-7599)	0	0.0%	7,146	4.9%	145,938	100.0%
Gynecological Conditions (Codes 7610-7699)	0	0.0%	120	0.3%	36,667	100.0%
Hemic and Lymphatic Systems (Codes 7700-7799)	0	0.0%	2,146	10.0%	21,471	100.0%
Skin (Codes 7800-7899)	6	0.0%	147	0.0%	731,378	100.0%
Endocrine System (Codes 7900-7999)	10	0.0%	1,744	2.6%	68,040	100.0%
Neurological Conditions (Codes 8000-8999)	596	0.2%	12,857	3.9%	331,653	100.0%
Mental Disorders (Codes 9000-9599)	3	0.0%	99,238	23.9%	414,679	100.0%
Dental and Oral Conditions (Codes 9900-9999)	0	0.0%	44	0.2%	27,572	100.0%
Grand Total - All Conditions (Codes 5000-9999)	2,689	0.0%	172,254	2.9%	5,967,682	100.0%

Table 8

Source: Benefits Delivery Network - RCS 20-0227

e. Most Prevalent Service-Connected Disabilities

This section presents data identifying the most common service-connected disabilities at the beginning of the fiscal year.

By Body Systems

The three-page table identifies the five most prevalent individual disabilities (by diagnostic code) for each of the body systems, in descending order of frequency.

Note: The “Percent of System Total” column indicates the proportion of service-connected disabilities *within* each body system that have been assigned the diagnostic code shown at the left of each row. The “Percent of Grand Total” column indicates the proportion of service-connected disabilities in *all* body systems that have been assigned the diagnostic code at the left of each row.

Most Prevalent Service-Connected Disabilities within Body Systems for Veterans Receiving Compensation Beginning of Fiscal Year 2002

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Musculoskeletal System		2,412,412	100.0%	40.4%
5299	Skeletal conditions	251,032	10.4%	4.2%
5257	Knee, other impairment of	227,434	9.4%	3.8%
5010	Arthritis, due to trauma	198,323	8.2%	3.3%
5295	Lumbosacral strain	174,447	7.2%	2.9%
5293	Intervertebral disc syndrome	139,997	5.8%	2.3%
Skin		731,378	100.0%	12.3%
7805	Scars, other ¹	284,537	38.9%	4.8%
7800	Scars, disfiguring, head, face, neck	93,687	12.8%	1.6%
7899	Skin condition	84,379	11.5%	1.4%
7804	Scars, superficial, tender and painful on objective	76,276	10.4%	1.3%
7806	Eczema	58,266	8.0%	1.0%
Impairment of Auditory Acuity		530,931	100.0%	8.9%
6260	Tinnitus	162,409	30.6%	2.7%
6100	Auditory, acuity impairment, 0%	158,097	29.8%	2.6%
6297	Hearing Loss	69,813	13.1%	1.2%
6200	Otitis media, suppurative, chronic	23,057	4.3%	0.4%
6101	Auditory, acuity impairment, 10%	12,982	2.4%	0.2%
Digestive System		434,606	100.0%	7.3%
7336	Hemorrhoids, external or internal	123,359	28.4%	2.1%
7305	Ulcer, duodenal	60,526	13.9%	1.0%
7338	Hernia, inguinal	49,216	11.3%	0.8%
7346	Hernia, hiatal	38,893	8.9%	0.7%
7399	Digestive system, disease of	30,663	7.1%	0.5%
Mental Disorders		414,679	100.0%	6.9%
9411	Post-traumatic stress disorder	144,958	35.0%	2.4%
9400	Generalized anxiety disorder	81,532	19.7%	1.4%
9203	Schizophrenic reaction, paranoid type	34,965	8.4%	0.6%
9204	Schizophrenic reaction, chronic undifferentiated type	23,067	5.6%	0.4%
9405	Depressive reaction	18,337	4.4%	0.3%

Table 9

Source: Benefits Delivery Network - RCS 20-0227

¹ See Footnote for Table 10, Chapter 2

Most Prevalent Service-Connected Disabilities within Body Systems for Veterans Receiving Compensation Beginning of Fiscal Year 2002

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Cardiovascular System		357,259	100.0%	6.0%
7101	Hypertensive vascular disease	146,729	41.1%	2.5%
7122	Cold injury residuals	47,680	13.3%	0.8%
7120	Varicose veins	41,558	11.6%	0.7%
7005	Arteriosclerotic heart disease	35,929	10.1%	0.6%
7000	Valvular heart disease	13,081	3.7%	0.2%
Neurological Conditions and Convulsive Disorders		331,653	100.0%	5.6%
8100	Migraine	47,357	14.3%	0.8%
8515	Median nerve, paralysis of	26,098	7.9%	0.4%
8045	Brain disease due to trauma	23,650	7.1%	0.4%
8516	Ulnar nerve, paralysis of	20,042	6.0%	0.3%
8520	Sciatic nerve, paralysis of	19,519	5.9%	0.3%
Respiratory System		303,890	100.0%	5.1%
6602	Asthma, bronchial	45,550	15.0%	0.8%
6513	Sinusitis maxillary, chronic	32,581	10.7%	0.5%
6599	Nose and throat, disease of	24,938	8.2%	0.4%
6502	Septum, nasal, deviation of	24,457	8.0%	0.4%
6510	Sinusitis, pansinusitis, chronic	16,410	5.4%	0.3%
Genitourinary System		145,938	100.0%	2.4%
7599	Genitourinary system condition	28,760	19.7%	0.5%
7527	Prostate gland injuries, infections, postoperative	25,363	17.4%	0.4%
7528	Malignant neoplasm	14,311	9.8%	0.2%
7508	Nephrolithiasis	13,785	9.4%	0.2%
7512	Cystitis, chronic	8,373	5.7%	0.1%
Eye		104,472	100.0%	1.8%
6099	Eye condition	11,936	11.4%	0.2%
6018	Eye, Conjunctivitis other, chronic	8,843	8.5%	0.1%
6070	Blindness, light perception only one eye, other normal	7,374	7.1%	0.1%
6009	Eye, injury of, unhealed	6,752	6.5%	0.1%
6066	Blindness, anatomical loss one eye, other normal	6,301	6.0%	0.1%

Table 9

Source: Benefits Delivery Network - RCS 20-0227

Most Prevalent Service-Connected Disabilities within Body Systems for Veterans Receiving Compensation Beginning of Fiscal Year 2002

Code	Body System and Disability	Total Number	Percent of System Total	Percent of Grand Total
Endocrine System		68,040	100.0%	1.1%
7913	Diabetes mellitus	46,395	68.2%	0.8%
7903	Hypothyroidism	9,721	14.3%	0.2%
7900	Hyperthyroidism	4,545	6.7%	0.1%
7999	Endocrine system condition	2,290	3.4%	0.0%
7914	Neoplasm, malignant, endocrine system	1,227	1.8%	0.0%
Infectious Diseases, Immune Disorders, Nutritional Deficiencies		46,714	100.0%	0.8%
6304	Malaria	33,198	71.1%	0.6%
6399	Infectious disease, immune disorder, nutritional deficiency	3,251	7.0%	0.1%
6351	HIV-Related illness	2,557	5.5%	0.0%
6350	Lupus erythematosus, systemic	1,728	3.7%	0.0%
6313	Avitaminosis	1,157	2.5%	0.0%
Gynecological Conditions		36,667	100.0%	0.6%
7617	Uterus and ovaries, removal of, complete	7,293	19.9%	0.1%
7618	Uterus, removal of, including corpus	7,125	19.4%	0.1%
7699	Gynecological condition or disorder of the breast	6,046	16.5%	0.1%
7628	Benign neoplasms, gynecological or breast	2,996	8.2%	0.1%
7619	Ovary, removal of	2,861	7.8%	0.0%
Dental and Oral Conditions		27,572	100.0%	0.5%
9905	Temporomandibular articulation, limited motion	8,256	29.9%	0.1%
9999	Dental and oral conditions	8,000	29.0%	0.1%
9904	Mandible, malunion of	6,635	24.1%	0.1%
9913	Teeth, loss of, due to loss of body of maxilla or mandible	1,458	5.3%	0.0%
9910	Maxilla, loss of whole or part, nonunion of or malunion of	935	3.4%	0.0%
Hemic and Lymphatic Systems		21,471	100.0%	0.4%
7706	Splenectomy	7,309	34.0%	0.1%
7799	Hemic and lymphatic system condition	3,983	18.6%	0.1%
7709	Lymphogranulomatosis (Hodgkin's disease)	2,638	12.3%	0.0%
7715	Non-Hodgkin's lymphoma	2,520	11.7%	0.0%
7700	Anemia, hypochromic-microcytic and megaloblastic	1,603	7.5%	0.0%
Grand Total - All Body Systems		5,967,682	100.0%	100.0%

Table 9

Source: Benefits Delivery Network - RCS 20-0227

By the 20 Most Prevalent Disabilities

The next table identifies the 20 most prevalent service-connected disabilities (by diagnostic code) for veterans receiving compensation at the beginning of fiscal year 2002.

Note: The “Percent Within System” column indicates the *proportion* of service-connected disabilities within each body system that have been assigned the diagnostic code shown at the left of each row. The “Percent of Total” column shows the *proportion* of all 5,967,682 service-connected disabilities that have been assigned the diagnostic code shown at the left of each row. The “Cumulative Percent” column shows the *sum* of the “Percent of Total” box in each row for the associated diagnostic code and all preceding diagnostic codes. For example, 31.6 percent of all disabilities rated service-connected are accounted for by the 10 most prevalent service-connected diagnostic codes.

Most Prevalent Disabilities for Veterans Receiving Compensation Beginning of Fiscal Year 2002

Diagnostic Code	Disability	Total	Percent Within System FY 2001	Percent of Total FY 2001	Cumulative Percent FY 2001
7805	Scars, other ¹⁴	284,537	38.9%	4.8%	4.8%
5299	Skeletal conditions	251,032	10.4%	4.2%	9.0%
5257	Knee, other impairment of	227,434	9.4%	3.8%	12.8%
5010	Arthritis, due to trauma	198,323	8.2%	3.3%	16.1%
5295	Lumbosacral strain	174,447	7.2%	2.9%	19.0%
6260	Tinnitus	162,409	30.6%	2.7%	21.8%
6100	Auditory, acuity impairment, 0%	158,097	29.8%	2.6%	24.4%
7101	Hypertensive vascular disease	146,729	41.1%	2.5%	26.9%
9411	Post-traumatic stress disorder	144,958	35.0%	2.4%	29.3%
5293	Intervertebral disc syndrome	139,997	5.8%	2.3%	31.6%
7336	Hemorrhoids, external or internal	123,359	28.4%	2.1%	33.7%
7800	Scars, disfiguring, head, face, neck	93,687	12.8%	1.6%	35.3%
5003	Arthritis, degenerative	91,626	3.8%	1.5%	36.8%
7899	Skin Condition	84,379	11.5%	1.4%	38.2%
9400	Generalized anxiety disorder	81,532	19.7%	1.4%	39.6%
7804	Scars, superficial, tender, painful	76,276	10.4%	1.3%	40.9%
5271	Ankle, limited motion of	75,180	3.1%	1.3%	42.1%
6297	Hearing Loss	69,813	13.1%	1.2%	43.3%
5284	Foot injuries, other	64,625	2.7%	1.1%	44.4%
7305	Ulcer, duodenal	60,526	13.9%	1.0%	45.4%
TOTAL NUMBER OF DISABILITIES IN FY 2001		5,967,682		100.0%	

Table 10

Source: Benefits Delivery Network - RCS 20-0227

¹⁴ See footnote for Table 10, Chapter 2.

By Period of Service

The next five tables in this section show the 10 service-connected disabilities most prevalent (by diagnostic code) for veterans of World War II, the Korean War, the Vietnam Era, the Gulf War Era, and the various Peacetime periods. Data for WWI veterans and other periods with very few beneficiaries are not included.

Most Prevalent World War II Disabilities Beginning of Fiscal Year 2002

Diagnostic Code	Disability	Number of Disabilities	Percent of Total
9400	Generalized anxiety disorder	48,979	5.7%
7805	Scars, other ¹⁵	41,080	4.7%
7122	Cold injury residuals	29,783	3.4%
5010	Arthritis, due to trauma	28,781	3.3%
5276	Flatfoot, acquired	21,703	2.5%
7804	Scars, superficial, tender, painful	18,828	2.2%
9411	Post-traumatic stress disorder	18,096	2.1%
7800	Scars, disfiguring, head, face, neck	15,625	1.8%
5314	Muscle injuries, thigh	14,231	1.6%
5311	Muscle injuries, foot and leg	14,206	1.6%
Total Number of Disabilities¹		865,430	
Average Number of Disabilities Per Veteran		1.84	
Total Number of Disability Codes		876	
Total World War II Veterans With Compensation²		470,186	
Percent of All Veterans With Compensation		20.3%	
Total World War II Veteran Population³		4,503,677	
Percent of Total Veteran Population³		18.0%	

Table 11

¹ Source: Benefits Delivery Network - RCS 20-0227

² Source: Benefits Delivery Network - RCS 20-0221

³ Source: VA Office of Policy and Planning – Veteran Population as of September 30, 2001

¹⁵ See footnote for Table 10, Chapter 2.

**Most Prevalent Korean War Disabilities
Beginning of Fiscal Year 2002**

Diagnostic Code	Disability	Number of Disabilities	Percent of Total
7805	Scars, other ¹⁶	17,703	5.2%
7122	Cold injury residuals	10,792	3.2%
5010	Arthritis, due to trauma	9,230	2.7%
7305	Ulcer, duodenal	8,323	2.4%
6260	Tinnitus	7,354	2.2%
7804	Scars, superficial, tender, painful	6,875	2.0%
9400	Generalized anxiety disorder	6,822	2.0%
9411	Post-traumatic stress disorder	6,524	1.9%
5299	Condition of skeletal conditions	6,452	1.9%
5257	Knee, other impairment of	6,411	1.9%
	Total Number of Disabilities¹	339,855	
	Average Number of Disabilities Per Veteran	2.04	
	Total Number of Disability Codes	844	
	Total Korean War Veterans With Compensation²	166,362	
	Percent of All Veterans With Compensation	7.2%	
	Total Korean War Veteran Population³	3,347,310	
	Percent of Total Veteran Population³	13.4%	

Table 12¹ Source: Benefits Delivery Network - RCS 20-0227² Source: Benefits Delivery Network - RCS 20-0221³ Source: VA Office of Policy and Planning – Veteran Population as of September 30, 2001¹⁶ See footnote for Table 10, Chapter 2.

**Most Prevalent Vietnam Era Disabilities
Beginning of Fiscal Year 2002**

Diagnostic Code	Disability	Number of Disabilities	Percent of Total
7805	Scars, other ¹⁷	125,939	6.1%
9411	Post-traumatic stress disorder	106,809	5.1%
5299	Skeletal conditions	80,586	3.9%
5257	Knee, other impairment of	66,335	3.2%
6100	Auditory, acuity impairment, 0%	60,753	2.9%
6260	Tinnitus	57,981	2.8%
7101	Hypertensive vascular disease	55,545	2.7%
5010	Arthritis, due to trauma	53,332	2.6%
5295	Lumbosacral strain	52,840	2.5%
7336	Hemorrhoids, external or internal	50,066	2.4%
Total Number of Disabilities¹		2,077,453	
Average Number of Disabilities Per Veteran		2.77	
Total Number of Disability Codes		879	
Total Vietnam Era Veterans With Compensation²		749,554	
Percent of All Veterans With Compensation		32.3%	
Total Vietnam Era Veteran Population³		7,916,774	
Percent of Total Veteran Population³		31.6%	

Table 13¹ Source: Benefits Delivery Network - RCS 20-0227² Source: Benefits Delivery Network - RCS 20-0221³ Source: VA Office of Policy and Planning – Veteran Population as of September 30, 2001¹⁷ See footnote for Table 10, Chapter 2.

**Most Prevalent Gulf War Era Disabilities
Beginning of Fiscal Year 2002**

Diagnostic Code	Disability	Number of Disabilities	Percent of Total
5299	Skeletal conditions	77,849	6.4%
5257	Knee, other impairment of	63,966	5.3%
5295	Lumbosacral strain	54,091	4.5%
5010	Arthritis, due to trauma	52,826	4.3%
6260	Tinnitus	45,521	3.7%
7805	Scars, other ¹⁸	42,523	3.5%
5293	Intervertebral disc syndrome	38,108	3.1%
7101	Hypertensive vascular disease	37,260	3.1%
6100	Auditory, acuity impairment, 0%	36,399	3.0%
5271	Ankle, limited motion of	26,966	2.2%
Total Number of Disabilities¹		1,214,913	
Average Number of Disabilities Per Veteran		3.32	
Total Number of Disability Codes		844	
Total Gulf War Era Veterans With Compensation²		365,780	
Percent of All Veterans With Compensation		15.8%	
Total Gulf War Era Veteran Population³		3,095,952	
Percent of Total Veteran Population³		12.4%	

Table 14¹ Source: Benefits Delivery Network - RCS 20-0227² Source: Benefits Delivery Network - RCS 20-0221³ Source: VA Office of Policy and Planning – Veteran Population as of September 30, 2001¹⁸ See footnote for Table 10, Chapter 2.

**Most Prevalent Peacetime Period Disabilities
Beginning of Fiscal Year 2002**

Diagnostic Code	Disability	Number of Disabilities	Percent of Total
5257	Knee, other impairment of	80,468	5.5%
5299	Skeletal conditions	77,075	5.3%
7805	Scars, other ¹⁹	56,889	3.9%
5010	Arthritis, due to trauma	54,001	3.7%
5295	Lumbosacral strain	53,966	3.7%
7101	Hypertensive vascular disease	49,558	3.4%
6100	Auditory, acuity impairment, 0%	43,758	3.0%
5293	Intervertebral disc syndrome	42,205	2.9%
6260	Tinnitus	37,965	2.6%
7336	Hemorrhoids, external or internal	36,026	2.5%
Total Number of Disabilities¹		1,459,447	
Average Number of Disabilities Per Veteran		2.56	
Total Number of Disability Codes		888	
Total Peacetime Veterans With Compensation²		569,190	
Percent of All Veterans With Compensation		24.5%	
Total Peacetime Veteran Population³		6,172,533	
Percent of Total Veteran Population³		24.7%	

Table 15¹ Source: Benefits Delivery Network - RCS 20-0227² Source: Benefits Delivery Network - RCS 20-0221³ Source: VA Office of Policy and Planning – Veteran Population as of September 30, 2001¹⁹ See footnote for Table 10, Chapter 2.

g. Demographic Characteristics of Veterans Receiving Compensation

This section presents age and period of service information for all veterans with service-connected disabilities and in receipt of compensation at the beginning of fiscal year 2002.

By Age

The first table in this section shows the distribution, by age, of all veterans receiving compensation.

**Service-Connected Disability Compensation by Age
Beginning of Fiscal Year 2002**

Age	Total Veterans	Percent of All Ages	Annual Payments
Under 20	124	0.0%	\$382,764
20-29	74,004	3.2%	\$277,218,348
30-39	221,036	9.5%	\$1,092,039,252
40-49	388,489	16.7%	\$2,415,161,448
50-59	635,832	27.4%	\$5,210,200,788
60-69	305,329	13.2%	\$2,164,175,868
70-79	438,124	18.9%	\$2,991,171,588
80-89	246,544	10.6%	\$1,589,923,692
90 and Over	11,612	0.5%	\$65,925,276
Ages Unknown	9	0.0%	\$35,604
ALL AGES	2,321,103	100.0%	\$15,806,234,628
Average Age of Veterans:		58	

Table 16

Source: Benefits Delivery Network - RCS 20-0236

By Period of Service

The distribution of all veterans receiving compensation by period of service and by combined degree of disability is shown in the next table.

Service-Connected Disability Compensation By Period of Service and Combined Percent of Disability Beginning of Fiscal Year 2002

Combined Percent	World War I ¹	World War II	Korean War	Vietnam War	Gulf War Era	Peacetime Periods	Total For All Periods
0%	0	7,009	4,906	1,749	573	2,669	16,906
Percent of All Periods	0.0%	41.5%	29.0%	10.3%	3.4%	15.8%	100.0%
10%	6	175,330	54,626	223,107	133,037	236,682	822,788
Percent of All Periods	0.0%	21.3%	6.6%	27.1%	16.2%	28.8%	100.0%
20%	3	63,761	23,062	103,031	75,052	107,204	372,113
Percent of All Periods	0.0%	17.1%	6.2%	27.7%	20.2%	28.8%	100.0%
30%	5	67,303	22,628	99,779	54,061	64,380	308,156
Percent of All Periods	0.0%	21.8%	7.3%	32.4%	17.5%	20.9%	100.0%
40%	5	38,454	14,004	66,572	39,294	42,625	200,954
Percent of All Periods	0.0%	19.1%	7.0%	33.1%	19.6%	21.2%	100.0%
50%	4	26,191	8,559	44,371	19,375	22,816	121,316
Percent of All Periods	0.0%	21.6%	7.1%	36.6%	16.0%	18.8%	100.0%
60%	2	28,920	11,026	43,307	17,084	26,449	126,788
Percent of All Periods	0.0%	22.8%	8.7%	34.2%	13.5%	20.9%	100.0%
70%	0	18,402	6,920	42,646	9,977	15,968	93,913
Percent of All Periods	0.0%	19.6%	7.4%	45.4%	10.6%	17.0%	100.0%
80%	1	12,612	4,644	23,670	6,206	9,812	56,945
Percent of All Periods	0.0%	22.1%	8.2%	41.6%	10.9%	17.2%	100.0%
90%	0	6,169	2,322	11,215	2,659	4,543	26,908
Percent of All Periods	0.0%	22.9%	8.6%	41.7%	9.9%	16.9%	100.0%
100%	5	26,035	13,665	90,107	8,462	36,042	174,316
Percent of All Periods	0.0%	14.9%	7.8%	51.7%	4.9%	20.7%	100.0%
Total Receiving Comp.	31	470,186	166,362	749,554	365,780	569,190	2,321,103
Percent of All Periods	0.0%	20.3%	7.2%	32.3%	15.8%	24.5%	100.0%
Total Veterans²	2,212	4,503,677	3,347,310	7,916,774	3,095,952	6,172,533	25,038,459 ³
Percent of All Veterans	0.0%	18.0%	13.4%	31.6%	12.4%	24.7%	100.0%

Table 17

Source: Benefits Delivery Network - RCS 20-0223

¹ Includes 5 veterans with Mexican Border service

² Source: VA Office of Policy and Planning – Veteran Population Estimates as of September 30, 2001

³ Veterans who served in more than one war period are counted in the latest period.

2. COMPENSATION -- BASED UPON SERVICE-CONNECTED DEATH

a. Total Number Of Beneficiaries Receiving DIC/Death Compensation Benefits at the Beginning Of Fiscal Year 2002

This table shows the number of beneficiaries receiving DIC or Death Compensation benefits, the total projected annual payment to beneficiaries, and the projected average annual payment to each beneficiary.

Total Beneficiaries Receiving Service-Connected Death Benefits Beginning of Fiscal Year 2002

Type of Benefit	Number	Percent of Total	Total Annual Amounts	Average Annual Amounts
DIC - Surviving Spouses	290,100	92.5%	\$3,468,231,210	\$11,955
DIC - Surviving Children	12,516	4.0%	\$67,716,052	\$5,410
DIC - Surviving Parents	9,384	3.0%	\$22,076,330	\$2,353
SUBTOTAL	312,000	99.5%	\$3,558,023,592	\$11,404
Death Compensation	1,540	0.5%	\$1,481,928	\$962
GRAND TOTAL	313,540	100.0%	\$3,559,505,520	\$11,353

Table 18

Source: Benefits Delivery Network - COIN CP-127 and RCS 20-0221

b. Demographic Characteristics of All DIC and Death Compensation Beneficiaries

This section provides demographic characteristics of beneficiaries receiving DIC or Death Compensation benefits at the beginning of fiscal year 2002.

By The Veteran's Period of Service

Table 19, found on the next page, shows total beneficiaries receiving DIC or Death Compensation sorted by the veteran's period of service. Also shown are projected total annual payments and average annual payments, by period of service and program.

Total Beneficiaries Receiving Service-Connected Death Benefits by Period of Service Beginning of Fiscal Year 2002

Period of Service	Number of Beneficiaries ¹	Percent of Beneficiaries	Total Annual Amounts ²	Average Annual Amounts
Civil War	1	0.0%	\$11,404	\$11,404
Death Compensation	0	0.0%	\$0	\$0
DIC	1	0.0%	\$11,404	\$11,404
Spanish American War	12	0.0%	\$136,847	\$11,404
Death Compensation	0	0.0%	\$0	\$0
DIC	12	0.0%	\$136,847	\$11,404
Mexican Border Period	2	0.0%	\$22,808	\$11,404
Death Compensation	0	0.0%	\$0	\$0
DIC	2	0.0%	\$22,808	\$11,404
World War I	2,385	0.8%	\$27,187,912	\$11,400
Death Compensation	1	0.1%	\$962	\$962
DIC	2,384	0.8%	\$27,186,949	\$11,404
World War II	116,467	37.1%	\$1,321,372,613	\$11,345
Death Compensation	652	42.3%	\$627,414	\$962
DIC	115,815	37.1%	\$1,320,745,200	\$11,404
Korean Conflict	37,458	11.9%	\$419,034,071	\$11,187
Death Compensation	779	50.6%	\$749,625	\$962
DIC	36,679	11.8%	\$418,284,447	\$11,404
Vietnam Era	109,153	34.8%	\$1,244,751,390	\$11,404
Death Compensation	2	0.1%	\$1,925	\$962
DIC	109,151	35.0%	\$1,244,749,465	\$11,404
Gulf War Era	8,230	2.6%	\$93,854,276	\$11,404
Death Compensation	0	0.0%	\$0	\$0
DIC	8,230	2.6%	\$93,854,276	\$11,404
Peacetime	39,832	12.7%	\$453,134,199	\$11,376
Death Compensation	106	6.9%	\$102,003	\$962
DIC	39,726	12.7%	\$453,032,196	\$11,404
All Periods	313,540	100.0%	\$3,559,505,520	\$11,353
 Death Compensation	1,540	100.0%	\$1,481,928	\$962
 DIC	312,000	100.0%	\$3,558,023,592	\$11,404

Table 19

Source: Benefits Delivery Network - RCS 20-0221 and COIN CP-127

¹ The number of DIC beneficiaries for each period of service is calculated by multiplying the total number of beneficiaries from the COIN CP-127 by the percentage of DIC cases for each period of service (derived from RCS 20-0221).

² The total annual amounts of DIC for each period of service are calculated by multiplying the percentage of beneficiaries for each period of service (derived from RCS 20-0221) by the total annual amounts from COIN CP-127.

By Relationship to the Veteran

This table shows the distribution of DIC beneficiaries based upon relationship to the veteran - surviving spouse, child, or dependent parent.

**Total Beneficiaries Receiving DIC by Relationship
Beginning of Fiscal Year 2002**

	Surviving Spouse	Children	Parent	Total Beneficiaries
Number	290,100	12,516	9,384	312,000
Percent	93.0%	4.0%	3.0%	100.0%

Table 20

Source: Benefits Delivery Network - COIN CP 127

By Age of Surviving Spouses

The age distribution of surviving spouses in receipt of DIC and the projected total annual payments, by age group, is presented in the following table.

**Surviving Spouses Receiving DIC by Age
Beginning of Fiscal Year 2002**

Age	Number	Percent of All Ages	Annual Payments
Under Age 25	212	0.1%	\$2,459,371
25 - 35	2,501	0.9%	\$28,416,921
36 - 45	8,895	3.1%	\$101,533,119
46 - 55	27,248	9.4%	\$316,408,728
56 - 65	42,591	14.7%	\$506,475,714
66 - 75	75,544	26.0%	\$911,393,633
Over 75	133,109	45.9%	\$1,601,543,723
All Ages	290,100	100.0%	\$3,468,231,210

Table 21

Source: Benefits Delivery Network - COIN CP 127

By Dependency Status of Surviving Spouses

Surviving spouses with dependents are entitled to higher DIC payments than those with no dependents. The following table provides a distribution of surviving spouses, sorted by dependency status.

Dependency and Indemnity Compensation (DIC) by Surviving Spouse and Dependents Beginning of Fiscal Year 2002

	Surviving Spouses Without Dependents	Surviving Spouses with Dependents	Total Surviving Spouses
Number	279,849	10,251	290,100
Percent	96.5%	3.5%	100.0%

Table 22

Source: Benefits Delivery Network - COIN CP-127

By Age of Children

The following table shows the distribution of DIC children in two age categories: under age 18 and over age 18. Children over age 18 are shown according to their eligibility status:

- Those who are eligible because of school attendance
- Those who are eligible because of incapacity for self support prior to age 18.

Children Receiving DIC by Age Beginning of Fiscal Year 2002

	Under Age 18 ¹	Age 18 and Over in School	Age 18 and Over and Helpless	Total All Categories
Number	4,517	971	7,028	12,516
Percent	36.1%	7.8%	56.2%	100.0%
Annual Payments	\$23,132,059	\$2,839,359	\$41,744,633	\$67,716,052

Table 23

Source: Benefits Delivery Network – COIN CP-127

¹ Includes 2,595 consolidated awards that account for more than one child.

By Marital Status of Surviving Parents

DIC benefit payment amounts are calculated according to the marital status of a surviving parent. Marital status categories and their definitions follow:

- No Spouse - one parent is alive and is not married
- Spouse - both parents are alive and one or both married other persons;
- Apart - both parents are alive but do not live together;
- Together - both parents are alive and live together; or
- Remarried - one parent is alive and has remarried.

The following table shows the distribution of dependent parents, by marital status.

Surviving Parents Receiving DIC by Marital Status Beginning of 2002

	No Spouse	Spouse	Apart	Together	Remarried	Total
Number	6,822	114	1,402	962	84	9,384
Percent	72.7%	1.2%	14.9%	10.3%	0.9%	100.0%
Annual Payments	\$18,058,380	\$204,776	\$2,672,156	\$1,033,303	\$107,715	\$22,076,330

Table 24

Source: Benefits Delivery Network - COIN CP-127

3. PENSION - BASED UPON NONSERVICE-CONNECTED DISABILITY

a. Total Number of Veterans Receiving Disability Pension

The number of veterans receiving disability pension at the beginning of fiscal year 2002 is shown in the following table. Also shown are projected total annual amounts and average annual amounts of disability pension payments for the three disability pension programs.

**Total Veterans Receiving Disability Pension by Program
Beginning Fiscal Year 2002**

Type of Pension	Number of Veterans	Percent of Total	Total Annual Amounts	Average Annual Amounts
Protected Pension	260	0.1%	\$271,032	\$1,042
Section 306 Pension	19,925	5.7%	\$32,755,272	\$1,644
PL 95-588 - New Law Pension	327,867	94.2%	\$2,140,262,016	\$6,528
Total	348,052	100.0%	\$2,173,288,320	\$6,244

Table 25

Source: Benefits Delivery Network - RCS 20-0221

b. Demographic Characteristics of Veterans Receiving Disability Pension at the Beginning of Fiscal Year 2002

By Age

The number and projected total annual amount of disability pension payments for each age group is shown in the next table.

Total Veterans Receiving Disability Pension by Age Beginning Fiscal Year 2002

Age	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Ages	Number	Percent of All Ages	Total for Age Group	Percent of All Ages	
Under Age 20	0	0.0%	0	0.0%	0	0.0%	\$0
20-29	0	0.0%	185	0.1%	185	0.1%	\$1,621,956
30-39	0	0.0%	1,190	0.4%	1,190	0.3%	\$9,762,144
40-49	103	0.5%	25,047	7.6%	25,150	7.2%	\$214,798,896
50-59	835	4.1%	78,546	24.0%	79,381	22.8%	\$674,527,836
60-69	1,957	9.7%	44,755	13.7%	46,712	13.4%	\$277,463,160
70-79	8,861	43.9%	113,097	34.5%	121,958	35.0%	\$606,950,328
80-89	6,970	34.5%	59,862	18.3%	66,832	19.2%	\$352,840,320
90 and Over	1,459	7.2%	5,173	1.6%	6,632	1.9%	\$35,265,252
Age Unknown	0	0.0%	12	0.0%	12	0.0%	\$58,428
All Ages	20,185	100.0%	327,867	100.0%	348,052	100.0%	\$2,173,288,320
Average Age of Veterans: 68							

Table 26

Source: Benefits Delivery Network - RCS 20-0236

¹ The "Other Pension" category groups the two older pension programs (Protected Pension and Section 306 Pension) into one category.

By Period of Service

The next table provides a distribution by period of service for those veterans receiving disability pension at the beginning of fiscal year 2002. The total projected annual amount of disability pension payments for each period of service is shown in the last column of the table.

**Disability Pension by Period of Service
Beginning Fiscal Year 2002**

Period of Service	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Periods	Number	Percent of All Periods	Total for Period	Percent of All Periods	
Mexican Border	0	0.0%	1	0.0%	1	0.0%	\$2,808
World War I	14	0.1%	66	0.0%	80	0.0%	\$607,404
World War II	14,834	73.5%	138,767	42.3%	153,601	44.1%	\$783,806,688
Korean War	4,279	21.2%	75,373	23.0%	79,652	22.9%	\$418,109,184
Vietnam War	1,058	5.2%	111,855	34.1%	112,913	32.4%	\$955,671,708
Gulf War Era	0	0.0%	1,805	0.6%	1,805	0.5%	\$15,090,528
All Periods	20,185	100.0%	327,867	100.0%	348,052	100.0%	\$2,173,288,320

Table 27

Source: Benefits Delivery Network - RCS 20-0221

¹ The "Other Pension" category groups the two older pension programs (Protected Pension and Section 306 Pension) into one category.

4. PENSION -- BASED UPON NONSERVICE-CONNECTED DEATH

a. Total Number of Beneficiaries Receiving Death Pension at the Beginning of Fiscal Year 2002

The number of beneficiaries receiving death pension at the beginning of fiscal year 2002, as well as projected total annual amounts and average annual amounts of payment for all three VA death pension programs is provided in the following table. Beneficiaries include surviving spouses, children and parents.

**Total Beneficiaries Receiving Death Pension by Program
Beginning Fiscal Year 2002**

Type of Pension	Number of Beneficiaries	Percent of Total	Total Annual Amounts	Average Annual Amounts
Protected Pension	1,081	0.4%	\$762,180	\$705
Section 306 Pension	68,003	28.2%	\$71,846,076	\$1,057
PL 95-588 (New Law Pension)	172,383	71.4%	\$574,970,328	\$3,335
Total	241,467	100.0%	\$647,578,584	\$2,682

Table 28

Source: Benefits Delivery Network - RCS 20-0221

b. Demographic Characteristics of Beneficiaries Receiving Death Pension at the Beginning of Fiscal Year 2002

By Age for Surviving Spouses

The following table shows the distribution by age among surviving spouses. The projected total annual amount of death pension payments for each age group is also shown in the last column of the table.

**Total Surviving Spouses Receiving Death Pension
by Age Beginning of Fiscal Year 2002**

Age	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Ages	Number	Percent of All Ages	Total For Age Group	Percent of All Ages	
Under Age 25	0	0.0%	206	0.1%	206	0.1%	\$699,428
25 - 35	0	0.0%	355	0.2%	355	0.2%	\$1,205,324
36 - 45	39	0.1%	3,108	1.9%	3,147	1.4%	\$10,595,894
46 - 55	460	0.8%	15,457	9.3%	15,917	7.1%	\$52,995,788
56 - 65	1,453	2.5%	27,300	16.3%	28,753	12.8%	\$94,322,883
66 - 75	8,205	14.3%	41,957	25.1%	50,162	22.4%	\$151,664,586
Over 75	47,015	82.2%	78,625	47.1%	125,640	56.0%	\$319,404,192
Age Unknown	15	0.0%	0	0.0%	15	0.0%	\$16,404
All Ages	57,187	100.0%	167,008	100.0%	224,195	100.0%	\$630,904,499

Table 29

Source: Benefits Delivery Network - COIN CP-103

¹ The "Other Pension" category groups the two older pension programs (Protected Pension and Section 306 Pension) into one category.

By Period of Service for All Beneficiaries

The number of surviving spouses, children and dependent parents receiving death pensions, sorted by the veteran's period of service, is shown in the table below. The table also includes projected annual payments.

**Nonservice-Connected Death Pension by Period of Service
Beginning of Fiscal Year 2002**

Period of Service	Other Pension ¹		New Law Pension		All Pension Programs		Annual Payments
	Number	Percent of All Periods	Number	Percent of All Periods	Totals for Period	Percent of All Periods	
Wars of the 1800s ²	423	0.6%	316	0.2%	739	0.3%	\$1,748,544
World War I	12,638	18.3%	13,099	7.6%	25,737	10.7%	\$55,014,456
World War II	51,434	74.5%	116,247	67.4%	167,681	69.4%	\$392,004,912
Korean War	3,924	5.7%	25,956	15.1%	29,880	12.4%	\$105,685,200
Vietnam Era	665	1.0%	16,609	9.6%	17,274	7.2%	\$92,235,360
Gulf War Era	0	0.0%	156	0.1%	156	0.1%	\$890,112
All Periods	69,084	100%	172,383	100.0%	241,467	100.0%	\$647,578,584

Table 30

Source: Benefits Delivery Network - RCS 20-0221

¹ The "Other Pension" category groups the 2 older pension programs (Protected Pension and Section 306 Pension) into one category.

² "Wars of the 1800s" include the Civil War, Indian Wars, Mexican Border Era and Spanish-American War.

5. EDUCATION

a. Beneficiaries Receiving Education Benefits at the Beginning of Fiscal Year 2002

Number of veterans, dependents, service members and reservists receiving education benefits at the beginning of fiscal year 2002 in each education benefit program is shown in the following table.

**Beneficiaries Receiving Education Benefits
Beginning of Fiscal Year 2002**

Program	Number of Beneficiaries	Percent of Total
Dependents Education	18,357	8.0%
Montgomery GI Bill - Active Duty ¹	162,744	70.6%
Montgomery GI Bill – Reserves ²	48,762	21.2%
Post-Vietnam Veterans Education	688	0.3%
Total	230,551	100%

Table 31

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

b. Characteristics of the Training Pursued by Beneficiaries

By Type of Training

The table below shows the distribution, by program, of the types of training in which the beneficiaries were using their education benefit at the beginning of fiscal year 2002.

**Beneficiaries Receiving Education Benefits by Type of Training and Program
Beginning of Fiscal Year 2002**

Education Program	College, Non-Degree	Graduate	Under-Graduate	Vocational/Technical	Program Totals	Percent of All Programs
Dependents Education	144	597	17,230	386	18,357	8.0%
Montgomery GI Bill - Active Duty ¹	3,640	11,130	141,079	6,895	162,744	70.6%
Montgomery GI Bill – Reserves ²	437	2,103	45,498	724	48,762	21.2%
Post-Vietnam Veterans Education	12	170	483	23	688	0.3%
Type Training Totals	4,233	14,000	204,290	8,028	230,551	100%
Percent of Program Totals	1.8%	6.1%	88.6%	3.5%		

Table 32

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

By Training Time

The distribution, by program, of the training times of the beneficiaries using their education benefit at the beginning of fiscal year 2002 is presented in the next table.

Beneficiaries Receiving Education Benefits by Training Time and Program Beginning of Fiscal Year 2002

Education Program	Less Than One-Half Time	Half Time	Three Quarter Time	Full Time	Program Totals	Percent of All Programs
Dependents Education	1,024	1,800	2,751	12,782	18,357	8.0%
Montgomery GI Bill - Active Duty ¹	10,758	27,637	21,225	103,124	162,744	70.6%
Montgomery GI Bill – Reserves ²	1,971	4,664	4,552	37,575	48,762	21.2%
Post-Vietnam Veterans Education	100	165	101	322	688	0.3%
Training Time Totals	13,853	34,266	28,629	153,803	230,551	100%
Percent of Program Totals	6.0%	14.9%	12.4%	66.7%		

Table 33

Source: Education Service SAS Reports

¹ Based on Active Duty service

² Based on service in the Selected Reserve

6. LIFE INSURANCE

a. Total Number of Policyholders and the Value of Their Coverage

The table below shows the total number of veterans insured under each program, the total face value of their policies, and the average face value of a policy in each program.

Note: The face value of the policies includes “paid up additions” for those programs that offer that feature (USGLI, NSLI, VSLI, VRI). The face value is the amount that would be paid upon the death of the veteran.

Total Insurance Policies In-Force Beginning of Fiscal Year 2002

Insurance	Number of Policies	Total Face Value	Average Face Value	Maximum Face Value
USGLI ¹	14,683	\$47,618,700	\$3,243	\$10,000
NSLI ¹	1,606,590	\$16,288,346,548	\$10,138	\$10,000
VSLI ¹	233,335	\$2,634,881,762	\$11,292	\$10,000
VRI ¹	72,581	\$618,015,537	\$8,515	\$10,000
SDVI ¹	148,674	\$1,400,839,682	\$9,422	\$10,000 ²
VMLI ³	3,300	\$192,859,723	\$58,442	\$90,000
SGLI ^{4,5}	2,399,500 ⁵	\$582,741,000,000	\$242,859	\$250,000
VGLI ⁴	388,949	\$37,145,130,000	\$95,501	\$250,000
TOTAL	4,867,612	\$641,068,691,952	\$131,701	

Table 34

¹ Source: Insurance Master Record Database - Insurance Statistical Report 700

² Additional \$20,000 available for totally disabled policyholders

³ Source: VMLI Database - VMLI Quarterly Report

⁴ Source: Veterans And Reservists Group Insurance System - OSGLI Monthly Report

⁵ Includes Separation and Part-Timers as of September 30, 2001.

The table that follows also displays information about policies in-force but provides the data for the prior three years as well for purposes of comparison.

Insurance Policies In-Force Comparative Information for Four Fiscal Years

	FY 2002	FY 2001	FY 2000	FY 1999
Number of Policies	4,867,612	4,926,919	4,986,600	5,182,589
Total Face Values	\$641,068,691,952	\$486,581,986,561	\$484,616,832,433	\$504,098,312,858
Average Face Values	\$131,701	\$98,760	\$97,184	\$97,268

Table 34A

b. Insurance Payments Made on a Monthly Basis

Although people usually choose to receive payment in a single “lump sum,” a monthly payment option is available to beneficiaries for death claims, and to veterans for cash surrenders and matured endowments. In the two disability benefit provisions of policies - Total and Permanent Disability Provision and Total Disability Income Provision - no lump sum option exists. Payments must be made monthly. The following table provides data on monthly payments to either veterans or their beneficiaries.

Insurance Monthly Award Payments Beginning of Fiscal Year 2002

Payment Type	Number of Awards	Annual Payments	Average Payment
Death Awards			
USGLI	3,103	\$927,324	\$299
NSLI	50,151	\$31,202,364	\$622
VSLI	790	\$616,320	\$780
VRI	306	\$183,636	\$600
SDVI	316	\$137,700	\$436
TOTAL	54,666	\$33,067,344	\$605
Total Disability Income Provision			
USGLI	74	\$45,792	\$619
NSLI	16,711	\$19,454,820	\$1,164
VSLI	3,093	\$4,318,560	\$1,396
VRI	853	\$648,264	\$760
TOTAL	20,731	\$24,467,436	\$1,180
Matured Endowments			
USGLI	0	\$0	\$0
NSLI	1,124	\$1,296,156	\$1,153
VSLI	781	\$1,204,452	\$1,542
VRI	65	\$68,280	\$1,050
SDVI	10	\$5,280	\$528
TOTAL	1,980	\$2,574,168	\$1,300
Cash Surrenders			
USGLI	1	\$120	\$120
NSLI	64	\$52,584	\$822
VSLI	2	\$9,636	\$4,818
VRI	3	\$1,488	\$496
SDVI	0	\$0	\$0
TOTAL	70	\$63,828	\$912
Total and Permanent Disability			
USGLI	109	\$28,548	\$262
TOTAL	109	\$28,548	\$262
GRAND TOTAL	77,556	\$60,201,324	\$776

Table 35

Source: Insurance Master Record Database - AVS 2012

c. Ranking Among Commercial Life Insurance Companies

The following table compares VA life insurance programs with commercial life insurance companies. The comparison is based on the total face value of active life insurance in effect. Rankings based upon 2000 data are shown below.

2000 Rankings by Total Life Insurance In-Force

Rank	Company	Total Insurance
1	Metropolitan Life	\$1,733,576,000,000
2	Prudential of America	\$1,173,545,000,000
3	Transamerica Occidental Life	\$648,627,000,000
	VA	\$643,824,000,000
4	Northwestern Mutual Life	\$633,956,000,000
5	Lincoln National Life	\$613,548,000,000
6	Life Reassurance Corp.	\$605,217,000,000
7	RGA Reinsurance	\$552,742,000,000
8	Connecticut General Life	\$482,158,000,000
9	State Farm Life	\$417,369,000,000

Table 36

Source: *Best's Review*, August 2001. Compilation of 2000 data.

d. Demographic Characteristics of Policyholders

By Age

The next table shows the age distribution of policyholders in VA insurance programs and the percent of total each age group represents for that insurance plan.

Note: Because certain programs were active only during past wartime periods, their age distributions parallel the aging of all other veterans of those periods. The programs in which policies can still be obtained (SDVI, VMLI, SGLI, VGLI) have policyholders across a wide distribution of ages.

**Age Distribution for Insurance Programs
% of Total by Policy Type**

	USGLI ¹ % of Total	NSLI ¹ % of Total	VSLI ¹ % of Total	VRI ¹ % of Total	SDVI ¹ % of Total	VMLI ² % of Total	SGLI ⁴ % of Total	VGLI ³ % of Total	Totals % by Age Group
<19	0%	0%	0%	0%	2 <1%	0%	200,590 9%	2,017 1%	202,609 4%
20-29	0%	0%	0%	0%	893 1%	26 1%	1,017,268 46%	70,064 18%	1,088,251 23%
30-39	0%	0%	0%	0%	5,975 4%	323 10%	678,748 30%	127,008 32%	812,054 17%
40-49	0%	0%	0%	0%	23,898 16%	702 21%	266,908 12%	91,977 23%	383,485 8%
50-59	0%	0%	0%	0%	62,808 42%	1,581 48%	66,050 3%	81,743 21%	212,182 5%
60-69	0%	54,379 3%	117,934 51%	3,278 5%	35,596 24%	668 20%	936 0%	18,627 5%	231,418 5%
70-79	794 5%	986,379 61%	113,379 49%	41,336 57%	17,172 12%	0%	0%	828 0%	1,159,888 25%
80-89	13,186 90%	540,010 34%	1,937 1%	27,325 38%	2,273 2%	0%	0%	11 0%	584,742 12%
90>	703 5%	25,822 2%	85 0%	642 1%	57 <1%	0%	0%	1 <1%	27,310 1%
Total	14,683 100%	1,606,590 100%	233,335 100%	72,581 100%	148,674 100%	3,300 100%	2,230,500 ⁵ 100%	392,276 100%	4,701,939 100%
Avg. Age	84.3	77.1	69.6	77.8	56.0	51.0	30.3	40.5	

Table 37

All data as of September 30, 2001 with the exception of SGLI which is as of December 31, 2000, and VGLI which is as of June 30, 2001.

¹ Source: Insurance Master Record Database - AVS 2010

² Source: VMLI Database

³ Source: Veterans and Reservists Group Insurance System

⁴ Includes both Active Duty and Ready Reservists

⁵ Does not include 117,636 policies for veterans separating from service with the 120-day transition period coverage.

By Component and Branch of Service for SGLI Coverage

SGLI policyholders, by component and branch of service, are shown in the following table.

Note: The top of the following table shows the active duty components for the branches. The bottom of the table shows the reserve components for the branches. For the branches that have a National Guard, the Guard members are included in the reserve component.

SGLI Coverage by Branch and Component of Service

Branch	Total Number	Number With SGLI	Percent With SGLI	Percent of Total With SGLI
Army Active	481,155	475,524	98.8%	20.8%
Navy Active	395,366	389,496	98.5%	17.1%
Air Force Active	354,509	347,529	98.0%	15.2%
Marine Corps Active	180,840	180,553	99.8%	7.9%
Coast Guard Active	36,191	35,470	98.0%	1.6%
NOAA	230	214	93.0%	0.0%
Public Health Service	5,756	5,643	98.0%	0.2%
TOTAL	1,454,047	1,434,429	98.7%	62.9%
Army Reserve/Guard	573,344	553,125	96.5%	24.2%
Navy Reserve	76,398	73,744	96.5%	3.2%
Air Force Reserve/Guard	187,693	181,594	96.8%	8.0%
Marine Corps Reserve	32,691	31,596	96.7%	1.4%
Coast Guard Reserve	8,247	7,376	89.4%	0.3%
TOTAL	878,373	847,435	96.5%	37.1%
GRAND TOTAL	2,332,420	2,281,864¹	97.8%	100%

Table 38

Source: Payroll databases of each branch of service – September 30, 2001, SGLI Monthly Premium Payment Reports

¹Does not include 117,636 policies for veterans separating from service with the 120-day transition period coverage.

By Amount of SGLI Coverage

Note: SGLI coverage of up to \$250,000 is available in increments of \$10,000. Minimum allowable coverage is \$10,000. This table shows the number of SGLI members covered at each \$10,000 increment. The total percentage by coverage level for both categories of duty status is shown.

SGLI Coverage by Coverage Level Active Duty and Reserve Duty

ACTIVE DUTY	Coverage Level						
	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
Number with Coverage	3,815	1,289	492	323	3,180	257	260
Percent with Coverage	0.27%	0.09%	0.03%	0.02%	0.22%	0.02%	0.02%
	\$80,000	\$90,000	\$100,000	\$110,000	\$120,000	\$130,000	\$140,000
Number with Coverage	266	79	11,848	131	487	250	56
Percent with Coverage	0.02%	0.01%	0.83%	0.01%	0.03%	0.02%	0.00%
	\$150,000	\$160,000	\$170,000	\$180,000	\$190,000	\$200,000	\$210,000
Number with Coverage	2,384	110	91	110	76	22,537	102
Percent with Coverage	0.17%	0.01%	0.01%	0.01%	0.01%	1.57%	0.01%
	\$220,000	\$230,000	\$240,000	\$250,000			TOTAL
Number with Coverage	29	26	51	1,386,180			1,434,429
Percent with Coverage	0.00%	0.00%	0.00%	96.64%			100%
RESERVE DUTY	Coverage Level						
	\$10,000	\$20,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
Number with Coverage	6,886	2,012	682	415	6,690	279	251
Percent with Coverage	0.81%	0.24%	0.08%	0.05%	0.79%	0.03%	0.03%
	\$80,000	\$90,000	\$100,000	\$110,000	\$120,000	\$130,000	\$140,000
Number with Coverage	264	353	18,431	128	411	170	100
Percent with Coverage	0.03%	0.04%	2.17%	0.02%	0.05%	0.02%	0.01%
	\$150,000	\$160,000	\$170,000	\$180,000	\$190,000	\$200,000	\$210,000
Number with Coverage	2,051	66	78	73	1,081	17,403	82
Percent with Coverage	0.24%	0.01%	0.01%	0.01%	0.13%	2.05%	0.01%
	\$220,000	\$230,000	\$240,000	\$250,000			TOTAL
Number with Coverage	12	10	36	789,471			847,435
Percent with Coverage	0.00%	0.00%	0.00%	93.16%			100%

Table 39

Source: Payroll databases of each branch of service – September 30, 2001, SGLI Monthly Premium Payment Reports

7. HOME LOAN GUARANTY

a. Total Active Guaranteed Loans

This table shows the total number of active home loan guaranties at the beginning of fiscal year 2002. The table also includes the total value and average value of the loans, as well as the total value and average value of the VA guaranties on those loans.

**Active Loans Based on Purchase Loan Versus Refinance Loans
Beginning of Fiscal Year 2002**

Type of Loan	Number of Loans	Percent of Total	Total Loan Amount	Avg. Loan Amount	Total Guaranty Amount	Avg. Guaranty Amount	Avg. Interest
Purchase Loans	2,211,525	72.4%	\$171,611,537,458	\$77,599	\$59,087,283,587	\$26,718	8.17%
Refinance – Interest Rate	737,759	24.2%	\$72,158,286,566	\$97,807	\$23,029,234,411	\$31,215	7.34%
Refinance - Other Reasons	104,670	3.4%	\$8,207,564,961	\$78,414	\$2,764,349,056	\$26,410	8.36%
TOTAL	3,053,954	100.0%	\$251,977,388,985	\$82,509	\$84,880,867,054	\$27,794	7.98%

Table 40

Source: LGY SAS file

¹Differs slightly from total of 3,055,903 in Table 3 of this chapter because of the time the data was compiled.

b. Characteristics of Home Loan Guaranties

By Down-payment Option

The objective of the VA home loan guaranty program is to enable veterans (and other eligible people) to enter the home-buying market. The “no down-payment” feature is intended to help veterans afford to buy suitable homes. The following table shows the distribution of active loan guaranties, sorted by whether or not the borrower made a down payment.

**Active Purchase Loans By Downpayment Status
Beginning of Fiscal Year 2002¹**

Status	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
No Down-payment	1,403,894	85.4%	\$131,875,396,089	\$93,935	\$44,017,094,689	\$31,354
Down-payment	239,540	14.6%	\$22,563,813,244	\$94,196	\$7,167,163,027	\$29,921
TOTAL	1,643,434	100.0%	\$154,439,209,333	\$93,973	\$51,184,257,716	\$31,145

Table 41

Source: LGY SAS file

¹ For loans made FY 1979 or later purchase price used to determine downpayment.

By Buyer Status

Distribution of active loan guaranties by “first time buyers.” A first time buyer is an eligible person who used the loan guaranty to enter the home-buying market and purchase a home for the first time.

Active Purchase Loans Based on Buyer Status Beginning of Fiscal Year 2002¹

Buyer Status	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
First Time Homeowner	632,312	54.2%	\$64,592,243,226	\$102,152	\$21,116,182,518	\$33,395
Previous Homeowner	534,100	45.8%	\$60,253,136,685	\$112,812	\$18,388,455,647	\$34,429
TOTAL	1,166,412	100.0%	\$124,845,379,911	\$107,034	\$39,504,638,165	\$33,869

Table 42

Source: LGY SAS file

¹ First time buyer information not available prior to FY 1993.

c. Demographic Characteristics of All People with Active Guaranteed Loans

By Period of Service and Other Entitlement Criteria

The next table shows the distribution of active home loan guaranties at the beginning of fiscal year 2002, sorted by the veteran’s period of service and other entitlement criteria.

Note: Brief definitions of the entitlement criteria may be found in Chapter 1. The following table is divided into two parts:

- Veteran entitlement, and
- Other entitlement categories.

**Active Home Loans By Period of Service (or Entitlement)
Beginning of Fiscal Year 2002**

Entitlement	Number of Loans	Percent of Grand Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
World War II	83,925	2.7%	\$3,783,549,315	\$45,083	\$1,536,159,394	\$18,304
Post-World War II	3,052	0.1%	\$220,283,082	\$72,177	\$79,563,391	\$26,069
Korean War	63,924	2.1%	\$3,404,700,524	\$53,262	\$1,297,160,387	\$20,292
Post-Korean War	209,880	6.9%	\$10,600,038,308	\$50,505	\$4,077,244,269	\$19,427
Vietnam Era	868,634	28.4%	\$53,254,633,013	\$61,308	\$19,811,902,496	\$22,808
Post-Vietnam Era	521,680	17.1%	\$49,776,538,688	\$95,416	\$16,488,933,994	\$31,607
Gulf War Era	265,434	8.7%	\$28,349,467,699	\$106,804	\$9,025,962,923	\$34,005
Restored Entitlement	529,276	17.3%	\$57,240,014,391	\$108,148	\$17,411,401,744	\$32,897
TOTAL	2,545,805	83.4%	\$206,629,225,020	\$81,165	\$69,728,328,598	\$27,390
Service Personnel ¹	451,647	14.8%	\$39,498,555,827	\$87,454	\$13,274,623,456	\$29,392
Reservists	48,369	1.6%	\$5,276,848,281	\$109,096	\$1,663,176,497	\$34,385
Unremarried Survivor	7,887	0.3%	\$566,462,096	\$71,822	\$208,169,526	\$26,394
Spouse of POW	147	0.0%	\$11,472,111	\$78,042	\$3,864,352	\$26,288
TOTAL	508,050	16.6%	\$45,353,338,315	\$89,269	\$15,149,833,831	\$29,820
GRAND TOTAL	3,053,855²	100.0%	\$251,982,563,335	\$82,513	\$84,878,162,429	\$27,794

Table 43

Source: LGY SAS file

¹ Based on when the loan was made.² Differs slightly from total of 3,055,903 in Table 3 of this chapter because of the time the data was compiled.

By Age

The distribution of all active loan guaranties by age of the eligible person is shown in the following table. The age is recorded at the time the loan is guaranteed.

Active Home Loans Based on Age Beginning of Fiscal Year 2002

Age	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
18 - 25	18,592	0.6%	\$1,744,215,071	\$93,815	\$596,426,836	\$32,080
26 - 35	405,631	13.3%	\$42,768,824,952	\$105,438	\$13,706,127,286	\$33,790
36 - 45	743,873	24.3%	\$76,338,312,719	\$102,623	\$24,477,533,786	\$32,906
46 - 55	972,168	31.8%	\$75,396,282,577	\$77,555	\$25,931,122,217	\$26,673
56 - 65	552,212	18.1%	\$35,867,710,758	\$64,953	\$12,692,021,230	\$22,984
Over 65	363,427	11.9%	\$19,916,114,405	\$54,801	\$7,502,291,853	\$20,643
TOTAL	3,055,903¹	100.0%	\$252,031,460,482	\$82,474	\$84,905,523,208	\$27,784
Average overall age: 50						

Table 44

Source: LGY SAS file

¹ Includes direct loans sold and later guaranteed.

By Race

The next table provides the distribution of active loan guaranties by race. Providing race information on the application is voluntary. Not all borrowers choose to report their race. Consequently, the table is based on available information, which describes about 83 percent of the total number of records that have valid racial information.

Active Loans Based on Known Racial Codes Beginning of Fiscal Year 2002

Race	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
White	2,015,932	79.2%	\$163,436,542,329	\$81,072	\$55,513,358,367	\$27,537
Black	349,033	13.7%	\$28,031,114,024	\$80,311	\$9,624,040,669	\$27,573
Hispanic	134,841	5.3%	\$10,969,693,225	\$81,353	\$3,732,373,808	\$27,680
Native American	14,447	0.6%	\$1,301,997,096	\$90,122	\$428,990,936	\$29,694
Asian	31,610	1.2%	\$3,491,653,895	\$110,460	\$1,037,730,843	\$32,829
TOTAL	2,545,863	100.0%	\$207,231,000,569	\$81,399	\$70,336,494,623	\$27,628

Table 45

Source: LGY SAS file

By Gender

Active Loans Based on Gender Beginning of Fiscal Year 2002

Gender	Number of Loans	Percent of Total	Total Loan Amount	Average Loan Amount	Total Guaranty Amount	Average Guaranty Amount
Male	2,920,527	95.9%	\$238,912,450,702	\$81,805	\$80,631,138,981	\$27,608
Female	125,968	4.1%	\$12,585,425,619	\$99,910	\$4,074,512,054	\$32,346
TOTAL	3,046,495¹	100.0%	\$251,497,876,321	\$82,553	\$84,705,651,035	\$27,804

Table 46

Source: LGY SAS File

¹ Excludes 9,408 loans that did not contain gender information in the record.

8. VOCATIONAL REHABILITATION AND EMPLOYMENT

a. VR&E Program Participants at the Beginning of Fiscal Year 2002

The following table shows the total number of eligible persons who are participants of the Vocational Rehabilitation program at the beginning of fiscal year 2002.

**Veterans Participating in a Vocational Rehabilitation Programs
Beginning Fiscal Year 2002**

Program	Number	Percent
Service-connected Veterans (Chapter 31)	55,081	99.91%
Pension Recipients (Chapter 15)	0	0.00%
Vietnam Veterans Children with Spina Bifida (Chapter 18)	49	0.09%
Total	55,130	100%

Table 47

Sources: VR&E Program Management Reports (FY 2001) and Regional Office Reports

The data shown in this section is a snapshot of the program activity as of the first day of fiscal year 2002. Please refer to Chapter 2 for a description of each step, or case status. The following shows the number of veterans who were in each status as of 10/01/2001:

Step 1: At the beginning of FY 2002, 7,544 veterans received services in the Applicant Status.

Step 2: At the beginning of FY 2002, 11,881 veterans received services in the Extended Evaluation and Planning Status.

Step 2a: At the beginning of FY 2002, 931 veterans received services in the Extended Evaluation Status.

Step 3: At the beginning of FY 2002, 2,589 veterans received services in Independent Living Status.

Step 3a: At the beginning of FY 2002, 16,652 veterans received services in Rehabilitation to the Point of Employability Status.

Step 4: At the beginning of FY 2002, 3,668 veterans received services in Employment Status.

Step 5: At the beginning of FY 2002, 0 veterans received services in Rehabilitation Status. As mentioned previously, Interrupted Status is not a formal step however, at the beginning of FY 2002, 11,816 veterans received services in Interrupted Status.

b. Type of Occupational Goals and Training Activities of Veterans Who Participated in a Training Program

The following tables provide information concerning the occupational goals and training activities of veterans participating in vocational training at the beginning of fiscal year 2002.

By Occupational Goals

The table below shows occupational goals of veterans who participated in a training program, sorted by vocation.

Veterans Participating in a Vocational Training Program by Occupational Goal Beginning Fiscal Year 2002

	Total Number	Percent of Total	Number of Male	Percent of Total	Number of Female	Percent of Total
Agricultural, Fishery and Forestry	60	0.2%	41	0.2%	19	0.3%
Benchwork	149	0.5%	137	0.6%	12	0.2%
Clerical	1,089	3.5%	708	3.0%	381	5.3%
Independent Living	302	1.0%	259	1.1%	43	0.6%
Machine Trades	481	1.6%	468	2.0%	13	0.2%
Miscellaneous	906	2.9%	725	3.1%	181	2.5%
Processing (Butcher, Meat Processor, etc)	30	0.1%	23	0.1%	7	0.1%
Professional, Technical, and Managerial	26,330	85.4%	20,023	84.6%	6,307	88.1%
Sales	168	0.5%	143	0.6%	25	0.3%
Service	532	1.7%	422	1.8%	110	1.5%
Structural (Building Trades)	571	1.9%	548	2.3%	23	0.3%
Unknown/Other	215	0.7%	181	0.8%	34	0.5%
Total	30,833	100%	23,678	100%	7,155	100%

Table 48

Source: VR&E Program Management Reports - Benefits Delivery Network - Data Warehouse

By Type of Training Activity:

The table on the following page reflects the various types of training activities among veterans who participated in a training program.

Veterans Participating in a Vocational Training Program by Type of Training and Gender Beginning Fiscal Year 2002

Type of Training	Total Number	Percent of Total	Number of Male	Percent of Total	Number of Female	Percent of Total
Undergraduate	26,887	87.2%	20,372	86.0%	6,515	91.1%
Vocational/Technical	1,845	6.0%	1,622	6.9%	223	3.1%
Graduate	985	3.2%	697	2.9%	288	4.0%
College, Non-Degree	546	1.8%	469	2.0%	77	1.1%
Ext. Eval/ Individual Living	368	1.2%	335	1.4%	33	0.5%
On the Job	100	0.3%	89	0.4%	11	0.2%
Evaluation/Imp. Rehab Pot.	26	0.1%	23	0.1%	3	0.0%
High School	13	0.0%	12	0.1%	1	0.0%
Non/Nom Pay in Gov.	32	0.1%	30	0.1%	2	0.0%
Gov't Work Experience	0	0.0%	0	0.0%	0	0.0%
Apprenticeship	27	0.1%	25	0.1%	2	0.0%
Farm Co-op	4	0.0%	4	0.0%	0	0.0%
Total	30,833	100.0%	23,678	100.0%	7,155	100.0%

Table 49

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

c. Demographic Characteristics of Veterans Participating in a Training Program

The following table contains demographic information about veterans participating in a vocational rehabilitation program at the beginning of fiscal year 2002.

By Combined Degree of Service-connected Disability

Veterans Participating in a Vocational Training Program by Combined Degree of Disability Beginning Fiscal Year 2002

	Number	Percent
0%	17	0.1%
10%	1,175	3.8%
20%	6,788	22.0%
30%	6,639	21.5%
40%	5,672	18.4%
50%	3,246	10.5%
60%	3,029	9.8%
70%	1,608	5.2%
80%	888	2.9%
90%	327	1.1%
100%	1,103	3.6%
Other	341	1.1%
Total	30,833	100%

Table 50

Source: VR&E Program Management Reports (2001)
Benefits Delivery Network – Data Warehouse

By Serious Employment Handicap

A serious employment handicap is a significant impairment caused in part by a service-connected disability. This handicap affects the veteran’s ability to prepare for, obtain or retain employment consistent with his/her abilities, aptitudes and interests.

Veterans Participating in a Vocational Training Program with a Serious Employment Handicap Beginning Fiscal Year 2002

Total Participants	30,833
Number with Serious Employment Handicap	11,502
Percent with Serious Employment Handicap	37%

Table 51

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

By Gender

Veterans Participating in a Vocational Training Program by Gender Beginning Fiscal Year 2002

	Female	Male	Total
Number	7,155	23,678	30,833
Percent	23.2%	76.8%	100%

Table 52

Source: VR&E Program Management Reports (2001)
Benefits Delivery Network – Data Warehouse

By Age

Veterans Participating in a Vocational Training Program by Age Beginning Fiscal Year 2002

	Age 17-21	Age 22-29	Age 30-39	Age 40-49	Age 50-59	Age >60	Total for All Ages
Number	129	5,990	10,486	10,359	3,520	349	30,833
Percent	0.4%	19.4%	34.0%	33.6%	11.4%	1.1%	100%

Average Age for Veterans in Training Status: 43

Table 53

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

By Period of Service

Veterans Participating in a Vocational Training Program by Period of Service Beginning Fiscal Year 2002

	World War II	Post World War II ¹	Korean War	Post Korean War ¹	Vietnam Era	Post Vietnam Era ¹	Gulf War	Total All Service Periods
Number	15	2	20	100	1,659	4,707	24,330	30,833
Percent	0.0%	0.0%	0.1%	0.3%	5.4%	15.3%	78.9%	100%

Table 54

Source: VR&E Program Management Reports (2001) – Benefits delivery Network – Data Warehouse

¹These three periods are generally combined into “Peacetime” service in other sections of this report.

By Branch of Service

Veterans Participating in a Vocational Training Program by Branch of Service Beginning Fiscal Year 2002

	Army ¹	Navy	Air Force	Marine Corps	Coast Guard	Other ²	Total
Number	14,430	6,785	5,394	3,364	394	466	30,833
Percent	46.8%	22.0%	17.5%	10.9%	1.3%	1.5%	100%

Table 55

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

¹Army includes 1 from Women’s Army Corps

²Other includes 1 from Special Philippines Scout, 1 from Public Health Service and 464 records with no branch of service data.

By Length of Service

Veterans Participating in a Vocational Training Program by Length of Service Beginning Fiscal Year 2002

	Number	Percent
3 Months or Less	195	0.6%
3-6 Months	435	1.4%
6 Months-2 Years	3,102	10.1%
2-4 Years	7,550	24.5%
4-10 Years	8,920	28.9%
10-15 Years	3,285	10.7%
15-20 Years	2,139	6.9%
20-30 Years	5,123	16.6%
Over 30 Years	84	0.3%
Total	30,833	100%

Table 56

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network Data Warehouse

By Dependency Status

This table identifies dependency status for dependents of both single and married veteran participants.

Veterans Participating in a Vocational Training Program by Dependency Status Beginning Fiscal Year 2002

	Single	Single with Children	Married	Married with Children	Dependent Parent(s)	Total ¹
Number	7,279	3,914	5,126	14,405	57	30,781
Percent	23.6%	12.7%	16.7%	46.8%	0.2%	100%

Table 57

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

¹Does not include 52 veterans whose dependency status is unknown.

By Prior Education Level

This table reflects the distribution of veterans by level of education attained prior to enrollment in a vocational training program.

Veterans Participating in a Vocational Training Program by Prior Education Level Beginning Fiscal Year 2002

	Less Than High School	High School	Post High School	Four Year College Degree	Graduate Training	Total
Number	234	16,949	11,103	1,430	1,117	30,833
Percent	0.8%	55.0%	36.0%	4.6%	3.6%	100%

Table 58

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network – Data Warehouse

By Prior Use of VA Educational Benefits

This table reflects all program participants at the beginning of fiscal year 2002 who previously used VA education benefits.

Veterans Participating in a Vocational Training Program by Prior Use of VA Benefits Beginning Fiscal Year 2002

	Prior Use	No Prior Use	Total
Number	9,804	21,029	30,833
Percent	31.8%	68.2%	100%

Table 59

Source: VR&E Program Management Reports (2001) – Benefits Delivery Network Data Warehouse

CHAPTER 4

THE FUTURE – FORECASTING PROGRAM LIABILITIES

Forecasting Program Liabilities

This chapter projects program usage and associated financial obligations of the government to veterans and survivors, well beyond the current fiscal year. In conjunction with the preparation of its financial statements for fiscal year 2001, VA estimates the liability for the future benefit payments of the compensation program. This estimate is required in order to comply with *Statement of Federal Financial Accounting Standards Number 5: Accounting for Liabilities of the Federal Government* adopted by the Federal Accounting Standards Advisory Board (FASAB).

Historically, each year the VA is dependent upon appropriations to fund their compensation programs. This is unlike the Social Security program, for which the government maintains a trust fund against “future liabilities.” In a broad sense, future liabilities are payments that the government (or any entity) is obligated to deliver in future years. This is much like the obligation of a life insurance company to pay the face amount of a standard policy to beneficiaries at the time of the insured person’s death. The present value of these obligations constitutes the company’s future liability.

Future liabilities are carefully constructed forecasts and, as applied in this report, are conservatively drawn estimates. These estimates for long-term usage and costs provide a baseline for VBA’s unfunded future liabilities. This “rational link” to the future of VBA programs brings important factual information to long-term policy and management decision making in both the Executive and Legislative branches of government.

The data presented in this chapter are drawn from a 2001 study¹. The study estimates the VA’s liability as of the end of fiscal year 2001. While calculated information from the study is presented in the Secretary’s report, this chapter details descriptions of the study’s assumptions, parameters, and methods. It also gives projected compensation payments to veterans and survivors for years 2002 through 2071. This period corresponds closely with that used by the Office of the Chief Actuary of the Social Security Administration (which uses 75 years). The report addresses some of the estimated future liabilities (noted in last year’s Annual Benefits Report) for the compensation programs only. Our attention to the compensation programs in this report is based on the availability of adequate data and the special significance of the disability and death benefit programs to veterans and the Nation.

¹ **Compensation and Pension Programs** *Liability for Future Benefits as of September 30, 2001*. Study dated September 28, 2001, and as revised per memorandums of January 15, 2002, by Sam Gutterman, FSA, FCAS, MAAA, Hon FIA, for PricewaterhouseCoopers LLP.

Liability for Future Compensation Benefits

The liability projections for the compensation program as of September 30, 2001, are shown below. The total estimated future benefit payments of \$2,616.1 billion (\$2.6161 trillion) represents the sum of the cash flows needed from FY 2002 to FY 2071 to pay benefits, including retroactive payments. The total program liability estimate of \$689.1 billion represents the present value of these expected future benefit payments of the program. The present value is calculated from the projected cash flows and represents an estimate of the amount, which, if invested now, would assure that the government could cover projected future compensation payments.

Estimate of Compensation Program Liability as of September 30, 2001

	Estimated Future Benefits Payments	Compensation Program Liability
Benefits to Veterans	\$2,101.8	\$574.0
Benefits to Survivors	514.3	115.1
Total	\$2,616.1	\$689.1

Table 1

The estimated liability for the compensation program is based on the present value of expected future compensation benefit payments for:

- All veterans currently receiving benefits under these programs;
- All survivors currently receiving benefits under these programs;
- All future survivors of those veterans currently receiving benefit payments;
- All existing veterans not currently receiving benefit payments but who are expected to in the future;
- All future survivors of existing veterans not currently receiving benefit payments but who are expected to in the future; and
- A provision for those currently in active military service who will become veterans in the future (and their survivors).

These estimates of the compensation liability reflect only current benefits and types of disability. They do not include additional compensation that may arise in the future as a result of new regulatory or statutory disabilities.

Key financial and actuarial elements associated with the development of this liability estimate are provided in Tables 2 through 6 of this chapter.

Estimated Future Benefit Payments

Table 2, on the next page, shows the expected total annual benefit payments for veterans and survivors through fiscal year 2071 (70 years). Some noteworthy points from this table include:

- The 70-year projection period is comparable to the period used by the Office of the Chief Actuary of the Social Security Administration (75 years);
- The source of cash flows necessary to pay these benefits is annual U.S. government appropriations for the program;
- The highest annual compensation outlay for payments to service-connected disabled veterans is \$42.9 billion and is expected to occur in 2032 and is highlighted;
- The highest annual compensation outlay for payments to survivors of veterans whose deaths are related to service is \$9.0 billion and is expected to occur in 2050 and is highlighted; and
- The highest annual compensation outlay for combined payments is \$50.4 billion and is expected to occur in 2035 and is highlighted.

The model used to project the future benefit payments is based on estimates of:

- The number of beneficiaries expected to receive compensation during a fiscal year;
- Whether these beneficiaries will receive payments for a full fiscal year or part of a fiscal year;
- The amount of benefits they will receive, including retroactive payments;
- The number of awards stopped during a fiscal year; and
- Cost of living adjustments that will apply to future benefit payments.

Estimated Future Benefit Payments (Total Benefits/Obligations)

Fiscal Year	Compensation Veterans	Compensation Survivors	Compensation Veterans and Survivors
2002	\$17,871,649,474	\$3,995,265,331	\$21,866,914,805
2003	\$19,299,414,001	\$4,144,507,404	\$23,443,921,405
2004	\$20,581,902,125	\$4,303,169,733	\$24,885,071,858
2005	\$21,759,263,790	\$4,446,598,879	\$26,205,862,669
2006	\$22,859,450,580	\$4,591,369,739	\$27,450,820,319
2007	\$23,922,017,131	\$4,735,582,353	\$28,657,599,484
2008	\$24,947,733,666	\$4,878,104,057	\$29,825,837,723
2009	\$25,928,369,463	\$5,017,892,596	\$30,946,262,059
2010	\$26,912,814,621	\$5,154,533,060	\$32,067,347,681
****	****		
2015	\$31,768,724,915	\$5,782,738,575	\$37,551,463,490
****	****		
2020	\$36,333,660,235	\$6,330,307,233	\$42,663,967,468
****	****		
2025	\$40,247,065,601	\$6,835,103,264	\$47,082,168,865
****	****		
2030	\$42,607,351,431	\$7,353,317,837	\$49,960,669,268
****	****		
2032	\$42,910,434,099	\$7,563,509,446	\$50,473,943,545
****	****		
2035	\$42,602,433,613	\$7,873,326,177	\$50,475,759,790
****	****		
2040	\$40,330,200,815	\$8,361,796,336	\$48,691,997,151
****	****		
2045	\$36,566,073,407	\$8,789,565,184	\$45,355,638,591
****	****		
2049	\$32,614,183,230	\$9,039,082,930	\$41,653,266,160
****	****		
2050	\$31,514,551,381	\$9,043,237,700	\$40,557,789,081
****	****		
2055	\$25,686,836,006	\$8,961,548,998	\$34,648,385,004
****	****		
2060	\$19,617,240,391	\$8,702,117,763	\$28,319,358,154
****	****		
2065	\$13,798,867,855	\$8,272,278,180	\$22,071,146,035
****	****		
2070	\$8,905,596,862	\$7,684,610,845	\$16,590,207,707
****	****		
2071	\$8,088,997,791	\$7,550,773,589	\$15,639,771,380
Total	\$2,101,832,520,496	\$514,259,104,885	\$2,616,091,625,381

Table 2

Source: **Compensation and Pension Programs**
 Liability for Future Benefits as of September 30, 2001
 - PricewaterhouseCoopers LLP, Table 2

Estimated Future Compensation Payments - Discounted

Table 3, on the next page, shows the expected future compensation payments from Table 1 discounted at current U.S. Treasury interest rates. The present value of the total projected future liability for compensation is \$689.1 billion. This figure is calculated by totaling the discounted values of projected future cash flows. It represents the estimated amount, which, if invested now, would assure that the government could cover the projected future compensation payments shown in Table 2 (\$2.6 trillion). Factors to consider when viewing Table 3 include:

- This method of selecting discount rates was used because VA does *not* hold specific assets (which might carry a different rate of return) to support future obligations;
- Under current law, the benefit payments will be made from future general revenues of the U.S. government each year;
- As a result of using current interest rates (which are likely to vary from year to year), the liability estimates may vary considerably from year to year; and
- As these rates fluctuate in the future, the value of the liability will fluctuate accordingly (the higher the interest rates, the smaller the present value of the liability).

Table 3 includes estimates of expected compensation payments after the 70-year period (i.e., 2072 and later), as well as estimates of retroactive benefits. Retroactive benefits are paid when:

- A veteran is entitled to compensation for any month(s) earlier than the month in which VA starts his/her award, and
- A veteran already receiving compensation is found entitled to increased benefits for past months

Estimated Future Benefit Payments - Discounted

Fiscal Year	Compensation Veterans	Compensation Survivors	Compensation Veterans and Survivors
2002	\$16,432,023,031	\$3,673,432,161	\$20,105,455,192
2003	\$17,255,938,765	\$3,705,675,518	\$20,961,614,283
2004	\$17,764,885,772	\$3,714,200,869	\$21,479,086,641
2005	\$18,007,382,887	\$3,679,885,925	\$21,687,268,812
2006	\$18,016,223,380	\$3,618,597,155	\$21,634,820,535
2007	\$17,897,296,930	\$3,542,933,819	\$21,440,230,749
2008	\$17,695,280,483	\$3,460,010,463	\$21,155,290,946
2009	\$17,452,314,007	\$3,377,529,673	\$20,829,843,680
2010	\$17,242,177,266	\$3,302,344,032	\$20,544,521,298
2011	\$16,988,719,124	\$3,219,585,952	\$20,208,305,076
****	****	****	
2015	\$15,497,511,192	\$2,820,952,242	\$18,318,463,434
****	****	****	
2020	\$12,949,686,078	\$2,256,185,887	\$15,205,871,965
****	****	****	
2025	\$10,783,191,524	\$1,831,294,443	\$12,614,485,967
****	****	****	
2030	\$8,795,122,656	\$1,517,891,400	\$10,313,014,056
****	****	****	
2035	\$6,762,465,246	\$1,249,766,507	\$8,012,231,753
****	****	****	
2040	\$4,916,838,719	\$1,019,424,728	\$5,936,263,447
****	****	****	
2045	\$3,423,882,449	\$823,015,303	\$4,246,897,752
****	****	****	
2050	\$2,266,400,142	\$650,353,386	\$2,916,753,528
****	****	****	
2055	\$1,418,799,456	\$494,986,648	\$1,913,786,104
****	****	****	
2060	\$832,210,622	\$369,164,811	\$1,201,375,433
****	****	****	
2065	\$449,597,344	\$269,528,945	\$719,126,289
****	****	****	
2070	\$222,585,013	\$192,303,461	\$414,888,474
2071	\$192,015,783	\$179,239,473	\$371,255,256
2072 and later	798,800,276	\$1,305,366,632	2,104,166,908
Total Regular	\$533,909,365,019	\$107,106,847,092	\$641,016,212,111
Retroactive	\$40,043,202,376	\$8,033,013,532	\$48,076,215,908
Total	\$573,952,567,396	\$115,139,860,623	\$689,092,428,019

Table 3

Source: *Compensation and Pension Programs Liability for Future Benefits as of September 30, 2001* – PricewaterhouseCoopers LLP, Table 1

Veterans Receiving Compensation

Table 4 shows the total number of veterans receiving compensation payments and their average monthly benefits, sorted by age and gender, at the end of fiscal year 2001. The total, 2,316,688, is an estimate based on the actual numbers as of June 30, 2001.

Number of Veterans			Average Monthly Benefit			Number of Veterans			Average Monthly Benefit		
Age	Males	Females	Males	Females		Age	Males	Females	Males	Females	
17	1	-	\$275	\$250		60	31,652	529	\$609	\$804	
18	8	3	\$275	\$250		61	28,641	482	\$600	\$762	
19	80	50	\$275	\$250		62	26,855	398	\$579	\$766	
20	200	80	\$275	\$250		63	27,135	370	\$576	\$768	
21	534	194	\$275	\$250		64	27,560	318	\$582	\$714	
22	1,603	396	\$341	\$250		65	28,427	351	\$573	\$671	
23	3,058	1,261	\$299	\$250		66	28,845	307	\$581	\$754	
24	4,750	1,467	\$297	\$306		67	29,917	319	\$577	\$734	
25	5,962	1,855	\$293	\$329		68	32,876	326	\$588	\$679	
26	7,415	2,254	\$289	\$343		69	38,763	334	\$604	\$696	
27	9,438	2,607	\$300	\$327		70	39,010	330	\$600	\$678	
28	11,515	2,847	\$309	\$362		71	39,397	306	\$600	\$712	
29	14,017	3,155	\$315	\$357		72	35,165	282	\$596	\$690	
30	16,638	3,708	\$324	\$361		73	31,498	254	\$581	\$610	
31	18,479	3,632	\$340	\$362		74	27,936	226	\$566	\$665	
32	18,431	3,549	\$350	\$395		75	37,189	224	\$528	\$699	
33	17,985	3,428	\$374	\$413		76	55,261	280	\$547	\$511	
34	17,950	3,415	\$388	\$430		77	58,370	618	\$558	\$622	
35	17,889	3,210	\$405	\$482		78	54,131	764	\$555	\$501	
36	18,587	3,550	\$428	\$499		79	53,216	803	\$557	\$510	
37	19,559	3,557	\$438	\$515		80	50,767	720	\$551	\$475	
38	19,694	3,756	\$461	\$522		81	43,093	632	\$555	\$474	
39	21,761	3,864	\$483	\$563		82	37,945	454	\$547	\$492	
40	24,637	4,307	\$482	\$579		83	32,078	381	\$536	\$582	
41	27,268	4,420	\$493	\$572		84	23,434	327	\$517	\$505	
42	30,444	4,637	\$496	\$589		85	17,823	264	\$518	\$512	
43	32,227	4,608	\$493	\$602		86	13,441	231	\$503	\$503	
44	34,615	4,604	\$496	\$618		87	10,095	182	\$506	\$546	
45	36,172	4,888	\$495	\$609		88	7,138	167	\$481	\$530	
46	37,655	4,996	\$503	\$643		89	5,151	124	\$476	\$524	
47	38,838	4,690	\$509	\$683		90	3,634	90	\$458	\$456	
48	39,728	4,242	\$524	\$677		91	2,599	78	\$480	\$488	
49	43,093	3,802	\$541	\$694		92	1,741	62	\$460	\$490	
50	47,170	3,235	\$606	\$683		93	1,220	41	\$481	\$524	
51	60,011	2,881	\$685	\$706		94	862	29	\$455	\$440	
52	78,822	2,389	\$716	\$730		95	497	23	\$462	\$745	
53	90,412	2,003	\$722	\$738		96	278	13	\$556	\$412	
54	93,002	1,770	\$713	\$742		97	104	18	\$452	\$529	
55	73,593	1,370	\$684	\$786		98	58	5	\$684	\$681	
56	50,997	982	\$678	\$771		99	44	8	\$396	\$519	
57	44,004	806	\$648	\$793		100	30	4	\$646	\$335	
58	41,387	765	\$632	\$827		101 +	139	5	\$711	\$394	
59	37,454	643	\$611	\$763		Unknown	35	-	\$760	\$395	
Total/Average							2,191,133	125,555	\$567	\$487	

Table 4

Source: **Compensation and Pension Programs Liability for Future Benefits** as of September 30, 2001
PricewaterhouseCoopers LLP Table 9

Death Rates

On the next page, Table 5 presents a comparison between death rates in the general U.S. population (as reported in the 1989-91 U.S. Life Tables) and those in veterans receiving compensation. The death rates shown are for ages 40 to 80. The majority of veterans receiving compensation are in this age group.

The death rates are shown as percentages by age. For example, the age 40 male death rate of 0.31% means that this percentage of males in the general population is likely to die during this one-year period. Death rate factors and forecasting future liability are used as follows:

- Death rates were developed based on compensation program experience for fiscal years 1995 through 2001. In earlier years, death rates for the Service-Disabled Veterans Life (SDVI) insurance program were used. The SDVI death rates were significantly higher than those based on actual compensation program experience.
- Death rates for the male compensation group slightly exceed those in the general male population for the ages under 69, but are actually lower at the oldest ages.
- Death rates for the female compensation group exceed those of the general population at all ages. However, significantly less experience is available for calculating death rates among female veterans.
- Projected mortality in veterans receiving compensation reflects an assumed annual rate of improvement (decline in the mortality rate) of one percent (e.g., a one percent improvement in the .32% rate would improve to 99 percent of .32%, or .31%).
- The greater the mortality improvement, the larger the liability for the compensation program, because more beneficiaries will live to collect benefits for a longer period.

Death Rates

Age	1989-1991 U.S. Life Tables (All Races)		Veterans Compensation FY 1995-01 Experience	
	Males	Females	Males	Females
40	0.31%	0.14%	0.42%	0.25%
41	0.32%	0.15%	0.44%	0.27%
42	0.34%	0.16%	0.46%	0.29%
43	0.36%	0.18%	0.49%	0.30%
44	0.39%	0.20%	0.52%	0.31%
45	0.42%	0.22%	0.56%	0.31%
46	0.46%	0.24%	0.60%	0.32%
47	0.50%	0.27%	0.64%	0.33%
48	0.53%	0.29%	0.68%	0.36%
49	0.57%	0.32%	0.73%	0.40%
50	0.61%	0.35%	0.78%	0.43%
51	0.66%	0.38%	0.83%	0.48%
52	0.72%	0.42%	0.88%	0.52%
53	0.79%	0.46%	0.95%	0.57%
54	0.88%	0.51%	1.02%	0.63%
55	0.97%	0.56%	1.10%	0.69%
56	1.07%	0.62%	1.19%	0.76%
57	1.18%	0.68%	1.28%	0.84%
58	1.29%	0.74%	1.38%	0.93%
59	1.42%	0.81%	1.49%	1.03%
60	1.55%	0.88%	1.61%	1.14%
61	1.69%	0.96%	1.74%	1.26%
62	1.85%	1.05%	1.88%	1.39%
63	2.01%	1.14%	2.03%	1.46%
64	2.18%	1.23%	2.20%	1.54%
65	2.36%	1.33%	2.39%	1.62%
66	2.56%	1.45%	2.59%	1.71%
67	2.77%	1.57%	2.81%	1.80%
68	3.01%	1.71%	3.02%	1.97%
69	3.27%	1.86%	3.25%	2.15%
70	3.54%	2.03%	3.50%	2.35%
71	3.84%	2.21%	3.77%	2.57%
72	4.16%	2.41%	4.05%	2.82%
73	4.50%	2.62%	4.37%	3.08%
74	4.88%	2.86%	4.71%	3.37%
75	5.28%	3.11%	5.08%	3.68%
76	5.72%	3.40%	5.48%	4.03%
77	6.21%	3.72%	5.91%	4.40%
78	6.74%	4.08%	6.44%	4.77%
79	7.33%	4.48%	7.01%	5.16%
80	7.99%	4.94%	7.64%	5.59%

Table 5
 Source: **Compensation and Pension Programs**
 Liability for Future Benefits as of September 30, 2001 -
 PricewaterhouseCoopers LLP, Table 11

Rates of Newly Adjudicated Compensation Cases

The following two tables provide information about newly adjudicated disability compensation awards to veterans. In this table, the term “newly adjudicated” cases includes both initial first-time awards and subsequent award actions.

Table 6A shows the projected number of newly adjudicated compensation awards, (based upon 2001 data) in total and sorted by age and gender, for fiscal year 2002. These projections come directly from the model used to estimate future liability. The projected total of 141,172 newly adjudicated awards corresponds with the fiscal year 2002 estimate of new compensation cases shown in Table 3 of the PricewaterhouseCoopers LLP study. Approximately 1.2 million new awards are projected over the entire 70-year period through fiscal year 2071 (also shown in Table 3).

Table 6B presents the rates of disability compensation awards as percentages. The percentages are then used to project number of newly adjudicated awards. For example, the age 25 male disability rate of 1.46% is the percentage of male veterans who are likely to receive a new compensation award during a one-year period.

The following factors regarding rates and data should be considered:

- Rates of newly adjudicated awards were developed based on compensation program experience for fiscal years 1995 through 2001;
- Data were not explicitly available by individual age and gender, and the values were derived indirectly from the in-force and termination data that were available;
- Rates of new awards were then developed by dividing the number of new entrants by the number of living veterans not currently receiving compensation; and
- These rates were then applied to the veteran population to arrive at estimates of new compensation awards for fiscal year 2002 and for future years.

Projected FY 2002 Newly Adjudicated Compensation Cases for Veterans

Age	Males	Females	Combined	Age	Males	Females	Combined
17	0	0	0	57	5,596	114	5,709
18	1	0	1	58	4,980	95	5,076
19	5	2	7	59	4,321	77	4,397
20	24	8	32	60	3,449	63	3,512
21	155	55	210	61	2,741	50	2,791
22	547	215	763	62	2,192	41	2,233
23	798	332	1,129	63	1,628	29	1,658
24	966	373	1,339	64	1,365	24	1,389
25	1,075	416	1,491	65	1,246	21	1,268
26	1,091	414	1,504	66	1,162	18	1,181
27	1,181	423	1,605	67	1,102	16	1,117
28	1,193	390	1,584	68	1,057	14	1,071
29	1,123	342	1,465	69	1,047	12	1,060
30	1,093	307	1,399	70	1,030	12	1,042
31	1,113	299	1,412	71	1,016	11	1,027
32	1,116	304	1,420	72	952	10	961
33	1,103	276	1,380	73	874	8	882
34	1,085	259	1,345	74	825	8	833
35	1,069	246	1,314	75	853	7	860
36	1,061	241	1,302	76	859	7	866
37	1,071	229	1,300	77	842	7	849
38	1,276	264	1,539	78	757	7	764
39	1,509	307	1,816	79	670	7	678
40	1,773	369	2,142	80	606	8	614
41	2,050	427	2,477	81	540	7	548
42	2,299	452	2,751	82	463	6	469
43	2,097	415	2,512	83	313	4	318
44	2,073	379	2,452	84	197	4	200
45	2,392	401	2,793	85	115	2	117
46	2,695	420	3,115	86	55	2	57
47	2,805	418	3,222	87	35	1	37
48	2,965	357	3,321	88	23	1	24
49	3,420	297	3,718	89	15	1	16
50	4,267	273	4,540	90	10	1	11
51	4,256	233	4,490	91	7	0	7
52	5,305	207	5,512	92	4	-	4
53	6,491	196	6,687	93	2	-	2
54	7,563	182	7,745	94	2	-	2
55	7,821	169	7,990	95	0	-	0
56	6,561	137	6,697	96	0	-	0
				Total	129,442	11,730	141,172

Table 6A

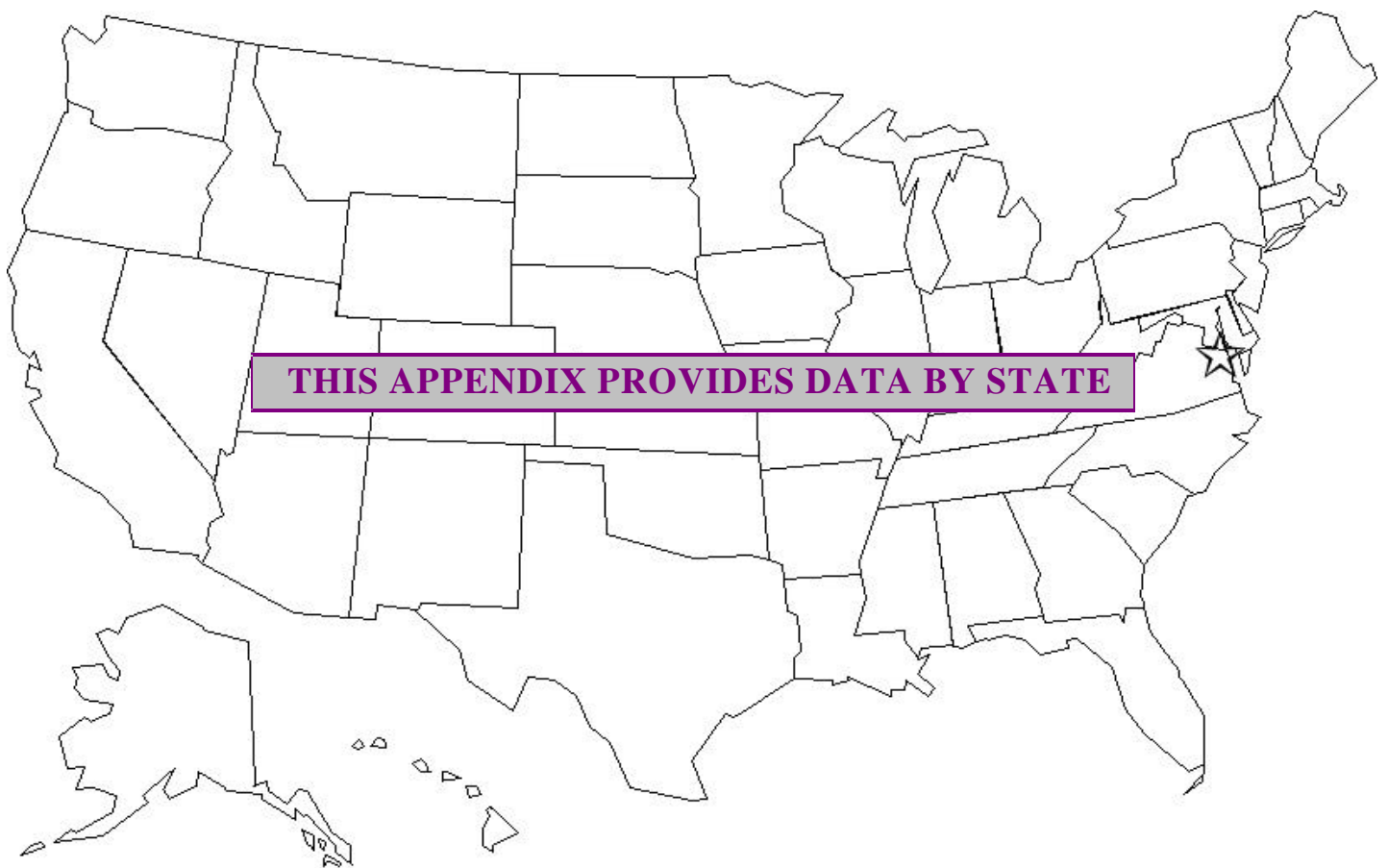
Source: *Compensation and Pension Programs Liability for Future Benefits as of September 30, 2001* - PricewaterhouseCoopers LLP. Note: Estimates include new awards arising from diabetes.

Rates of Newly Adjudicated Compensation Cases for Veterans

Age	Males	Females	Age	Males	Females
17	0.27%	0.40%	57	0.19%	0.23%
18	0.27%	0.69%	58	0.18%	0.19%
19	0.45%	1.19%	59	0.17%	0.16%
20	0.74%	2.05%	60	0.15%	0.14%
21	1.22%	3.54%	61	0.14%	0.11%
22	2.01%	3.26%	62	0.13%	0.10%
23	1.80%	3.00%	63	0.13%	0.08%
24	1.62%	2.76%	64	0.13%	0.07%
25	1.46%	2.53%	65	0.13%	0.07%
26	1.32%	2.33%	66	0.13%	0.06%
27	1.18%	2.00%	67	0.13%	0.05%
28	1.04%	1.72%	68	0.12%	0.04%
29	0.91%	1.48%	69	0.12%	0.03%
30	0.79%	1.27%	70	0.11%	0.03%
31	0.69%	1.10%	71	0.11%	0.02%
32	0.61%	1.02%	72	0.11%	0.02%
33	0.58%	0.94%	73	0.11%	0.01%
34	0.55%	0.87%	74	0.12%	0.01%
35	0.52%	0.81%	75	0.13%	0.01%
36	0.50%	0.75%	76	0.14%	0.01%
37	0.47%	0.81%	77	0.15%	0.01%
38	0.53%	0.88%	78	0.15%	0.01%
39	0.58%	0.96%	79	0.15%	0.01%
40	0.65%	1.04%	80	0.14%	0.01%
41	0.72%	1.12%	81	0.14%	0.01%
42	0.80%	1.10%	82	0.13%	0.01%
43	0.71%	1.08%	83	0.11%	0.01%
44	0.63%	1.05%	84	0.08%	0.01%
45	0.56%	1.03%	85	0.05%	0.00%
46	0.50%	1.01%	86	0.03%	0.00%
47	0.44%	0.89%	87	0.02%	0.00%
48	0.43%	0.79%	88	0.02%	0.00%
49	0.41%	0.69%	89	0.02%	0.00%
50	0.40%	0.61%	90	0.02%	0.00%
51	0.39%	0.54%	91	0.01%	0.00%
52	0.38%	0.45%	92	0.01%	0.00%
53	0.33%	0.38%	93	0.01%	0.00%
54	0.29%	0.32%	94	0.01%	0.00%
55	0.25%	0.32%	95	0.00%	0.00%
56	0.22%	0.27%	96	0.00%	0.00%

Table 6B

GEOGRAPHIC DISTRIBUTION OF BENEFITS

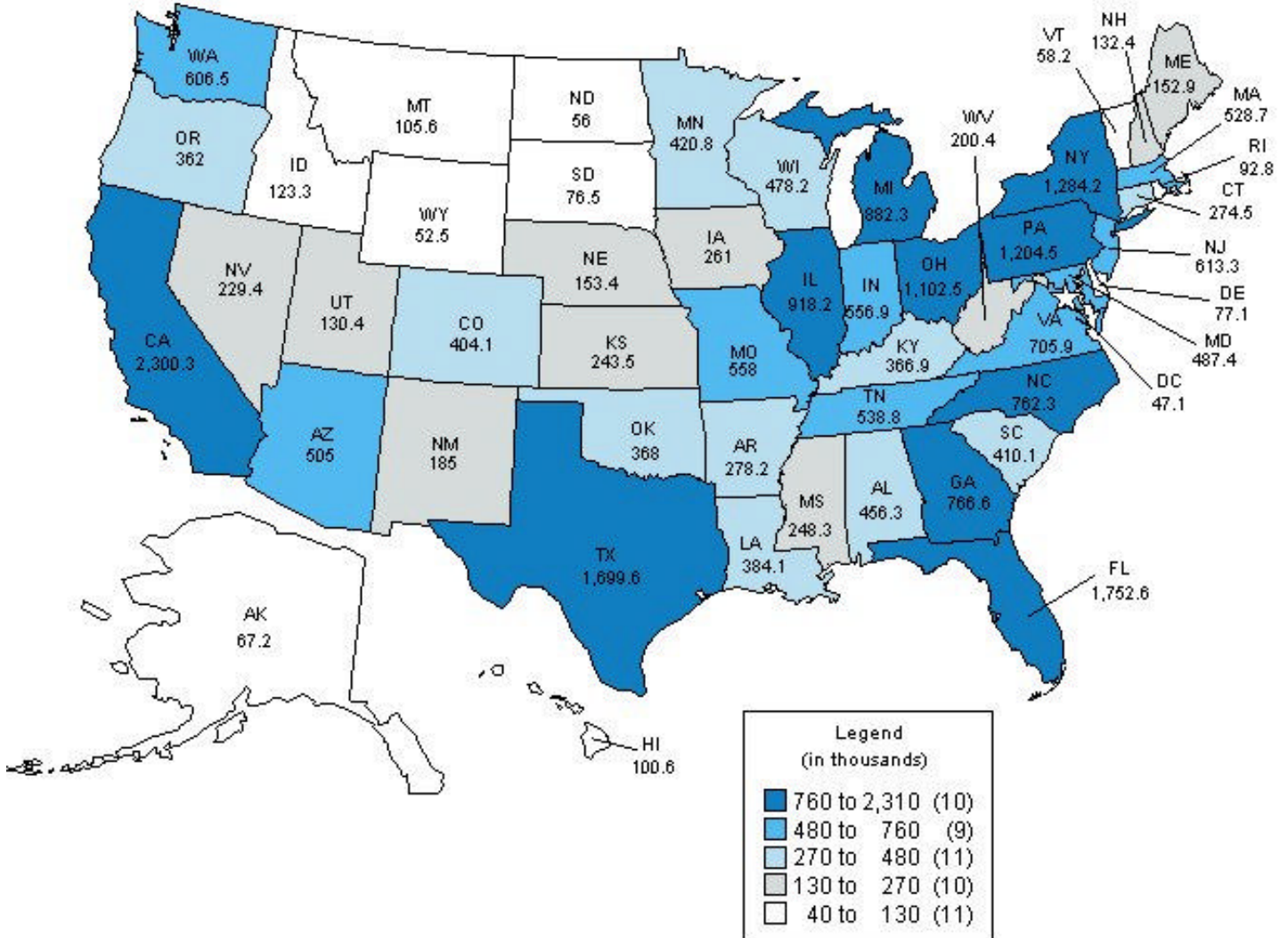


Estimated Veteran Population by Residence at the Beginning of FY 2002 (In Ascending Order for US)	
District of Columbia	47,066
Wyoming	52,502
North Dakota	55,957
Vermont	58,169
Alaska	67,185
South Dakota	76,475
Delaware	77,127
Rhode Island	92,824
Hawaii	100,505
Montana	105,645
Idaho	123,255
Utah	130,436
New Hampshire	132,433
Maine	152,891
Nebraska	153,439
New Mexico	184,963
West Virginia	200,406
Nevada	229,401
Kansas	243,536
Mississippi	248,251
Iowa	261,009
Connecticut	274,489
Arkansas	278,182
Oregon	362,007
Kentucky	366,861
Oklahoma	368,038
Louisiana	384,064
Colorado	404,100
South Carolina	410,055
Minnesota	420,791
Alabama	456,306
Wisconsin	478,247
Maryland	487,408
Arizona	505,015
Massachusetts	528,657
Tennessee	538,778
Indiana	556,922
Missouri	557,968
New Jersey	606,474
Washington	613,322
Virginia	705,855
North Carolina	762,332
Georgia	766,603
Michigan	882,306
Illinois	918,169
Ohio	1,102,532
Pennsylvania	1,204,487
New York	1,284,218
Texas	1,699,611
Florida	1,752,633
California	2,300,298
United States Total	24,770,200
Puerto Rico	141,025
Overseas/Territories	127,234
All Veterans	25,038,459

Source: Veteran Population Projections through September 30, 2001, VA Office of Policy and Planning.

Estimated Veteran Population

At the beginning of FY 2002
(Total – 24,770,200)



**Disability Compensation Recipients by Residence
At the Beginning of FY Year 2002
(In Ascending Order for US)**

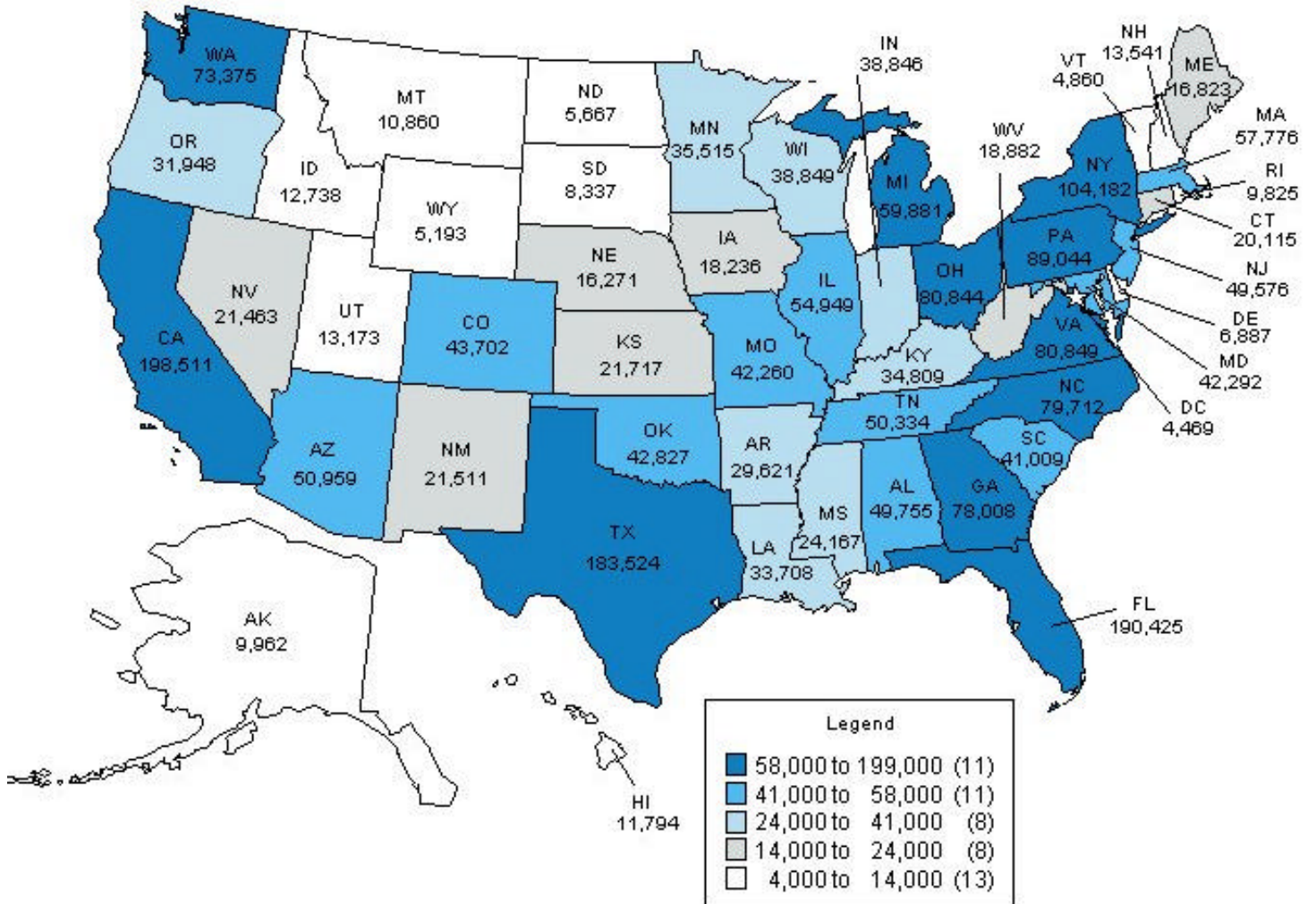
District of Columbia	4,469
Vermont	4,860
Wyoming	5,193
North Dakota	5,667
Delaware	6,887
South Dakota	8,337
Rhode Island ¹	9,825
Alaska	9,962
Montana	10,860
Hawaii	11,794
Idaho	12,738
Utah	13,173
New Hampshire	13,541
Nebraska	16,271
Maine	16,823
Iowa	18,236
West Virginia	18,882
Connecticut	20,115
Nevada	21,463
New Mexico	21,511
Kansas	21,717
Mississippi	24,167
Arkansas	29,621
Oregon	31,948
Louisiana	33,708
Kentucky	34,809
Minnesota	35,515
Indiana	38,846
Wisconsin	38,849
South Carolina	41,009
Missouri	42,260
Maryland	42,292
Oklahoma	42,827
Colorado	43,702
New Jersey	49,576
Alabama	49,755
Tennessee	50,334
Arizona	50,959
Illinois	54,949
Massachusetts	57,776
Michigan	59,881
Washington	73,375
Georgia	78,008
North Carolina	79,712
Ohio	80,844
Virginia	80,849
Pennsylvania	89,044
New York	104,182
Texas	183,524
Florida	190,425
California	198,511
United States Total	2,283,581
Philippines	5,610
Puerto Rico	18,387
Territories & Foreign Countries	13,525
Total Compensation Recipients	2,321,103

Source: Benefits Delivery Network – RCS 20-0237

¹ Rhode Island and Alaska are reversed in the RCS 20-0237.

Disability Compensation Recipients

At the Beginning of FY 2002
(Total – 2,283,581)



**Projected Disability Compensation Cost by Residence Based on Monthly Value at the Beginning FY 2002 and Projected through the Fiscal Year
(In Ascending Order for US)**

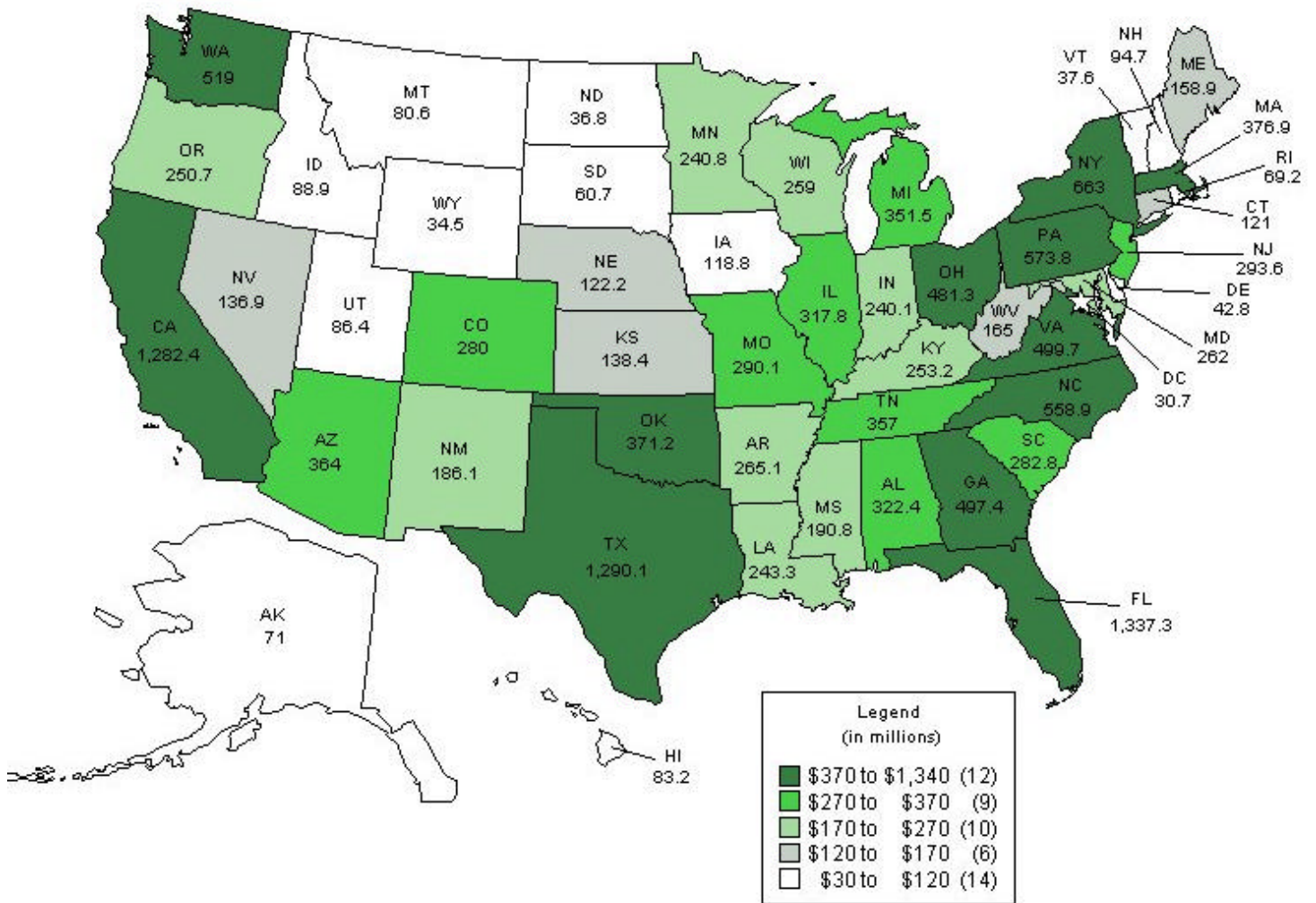
Residence	Monthly Value Beginning FY 2002	Projected Annual Value FY 2002
District of Columbia	\$2,554,782	\$30,657,384
Wyoming	\$2,878,712	\$34,544,544
North Dakota	\$3,064,809	\$36,777,708
Vermont	\$3,136,885	\$37,642,620
Delaware	\$3,565,785	\$42,789,420
South Dakota	\$5,054,668	\$60,656,016
Rhode Island	\$5,765,992	\$69,191,904
Alaska	\$5,916,347	\$70,996,164
Montana	\$6,716,623	\$80,599,476
Hawaii	\$6,933,071	\$83,196,852
Utah	\$7,204,104	\$86,449,248
Idaho	\$7,408,286	\$88,899,432
New Hampshire	\$7,894,762	\$94,737,144
Iowa	\$9,899,057	\$118,788,684
Connecticut	\$10,084,531	\$121,014,372
Nebraska	\$10,184,069	\$122,208,828
Nevada	\$11,408,240	\$136,898,880
Kansas	\$11,532,186	\$138,386,232
Maine	\$13,239,929	\$158,879,148
West Virginia	\$13,749,704	\$164,996,448
New Mexico	\$15,508,198	\$186,098,376
Mississippi	\$15,900,807	\$190,809,684
Indiana	\$20,004,749	\$240,056,988
Minnesota	\$20,070,042	\$240,840,504
Louisiana	\$20,276,445	\$243,317,340
Oregon	\$20,893,064	\$250,716,768
Kentucky	\$21,101,670	\$253,220,040
Wisconsin	\$21,587,088	\$259,045,056
Maryland	\$21,829,761	\$261,957,132
Arkansas	\$22,093,401	\$265,120,812
Colorado	\$23,337,246	\$280,046,952
South Carolina	\$23,564,753	\$282,777,036
Missouri	\$24,173,456	\$290,081,472
New Jersey	\$24,462,718	\$293,552,616
Illinois	\$26,481,860	\$317,782,320
Alabama	\$26,870,429	\$322,445,148
Michigan	\$29,289,961	\$351,479,532
Tennessee	\$29,749,603	\$356,995,236
Arizona	\$30,331,499	\$363,977,988
Oklahoma	\$30,935,666	\$371,227,992
Massachusetts	\$31,410,615	\$376,927,380
Ohio	\$40,110,878	\$481,330,536
Georgia	\$41,452,702	\$497,432,424
Virginia	\$41,640,869	\$499,690,428
Washington	\$43,252,762	\$519,033,144
North Carolina	\$46,573,805	\$558,885,660
Pennsylvania	\$47,820,046	\$573,840,552
New York	\$55,249,550	\$662,994,600
California	\$106,871,385	\$1,282,456,620
Texas	\$107,510,846	\$1,290,130,152
Florida	\$111,443,787	\$1,337,325,444
United States Total	\$1,289,992,203	\$15,479,906,436
Philippines	\$3,612,999	\$43,355,988
Puerto Rico	\$16,595,267	\$199,143,204
Territories & Foreign Countries	\$6,985,750	\$83,829,000
Total Compensation	\$1,317,186,219	\$15,806,234,628

Source: Benefits Delivery Network - RCS 20-0237

Projected Disability Compensation Cost¹

Based on Monthly Value at the Beginning of FY 2002
And Projected through the Fiscal Year.

(Total - \$15,479.9)

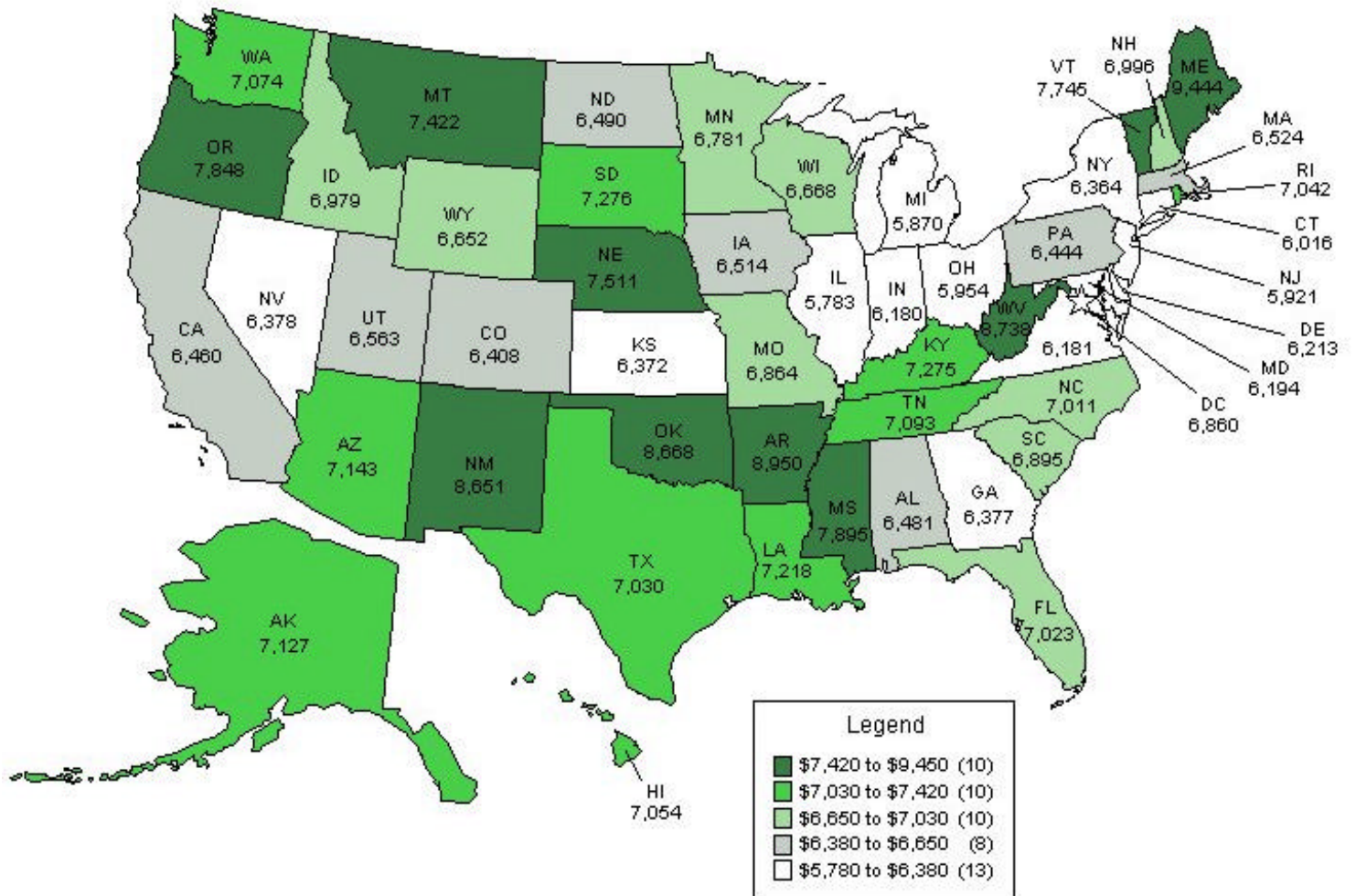


¹ This cost is reflective for veterans only.

**Projected Average Disability Compensation Benefit
Per Veteran Beneficiary by Residence for FY 2002
(In Ascending Order for US)**

Residence	Average Annual Amount Per Veteran
Illinois	\$5,783
Michigan	\$5,870
New Jersey	\$5,921
Ohio	\$5,954
Connecticut	\$6,016
Indiana	\$6,180
Virginia	\$6,181
Maryland	\$6,194
Delaware	\$6,213
New York	\$6,364
Kansas	\$6,372
Georgia	\$6,377
Nevada	\$6,378
Colorado	\$6,408
Pennsylvania	\$6,444
California	\$6,460
Alabama	\$6,481
North Dakota	\$6,490
Iowa	\$6,514
Massachusetts	\$6,524
Utah	\$6,563
Wyoming	\$6,652
Wisconsin	\$6,668
Minnesota	\$6,781
District of Columbia	\$6,860
Missouri	\$6,864
South Carolina	\$6,895
Idaho	\$6,979
New Hampshire	\$6,996
North Carolina	\$7,011
Florida	\$7,023
Texas	\$7,030
Rhode Island	\$7,042
Hawaii	\$7,054
Washington	\$7,074
Tennessee	\$7,093
Alaska	\$7,127
Arizona	\$7,143
Louisiana	\$7,218
Kentucky	\$7,275
South Dakota	\$7,276
Montana	\$7,422
Nebraska	\$7,511
Vermont	\$7,745
Oregon	\$7,848
Mississippi	\$7,895
New Mexico	\$8,651
Oklahoma	\$8,668
West Virginia	\$8,738
Arkansas	\$8,950
Maine	\$9,444
United States Average	\$6,779
Philippines	\$7,728
Puerto Rico	\$10,831
Territories & Foreign Countries	\$6,198
Average of All	\$6,810
Source: Benefits Delivery Network - RCS 20-0237	

Projected Average Disability Compensation Benefit Per Veteran Beneficiary For FY 2002



**Disability Compensation Recipients by Residence
Based on Combined Degree of Disability
At the Beginning of FY 2002
(In Alphabetical Order for US)**

Residence	0%	10%	20%	30%	40%	50%
Alabama	280	17,345	8,494	6,871	4,665	2,666
Alaska	49	2,605	1,567	1,315	1,129	813
Arizona	358	17,728	8,245	6,724	4,405	2,555
Arkansas	159	8,141	4,367	3,828	2,749	1,756
California	2,092	74,017	32,290	26,465	16,594	9,649
Colorado	268	15,369	7,490	5,933	4,049	2,272
Connecticut	198	8,219	3,156	2,468	1,489	946
Delaware	51	2,528	1,188	940	596	353
District of Columbia	56	1,559	667	596	356	233
Florida	1,116	69,454	30,128	24,251	15,751	9,484
Georgia	405	27,543	13,886	10,759	7,168	3,871
Hawaii	189	3,997	1,868	1,557	1,058	607
Idaho	72	4,258	2,196	1,682	1,121	715
Illinois	560	22,004	8,998	7,282	4,365	2,703
Indiana	314	14,224	6,608	5,140	3,389	1,995
Iowa	132	6,574	2,949	2,448	1,573	951
Kansas	147	8,208	3,652	2,851	1,815	939
Kentucky	255	11,141	5,657	4,781	3,254	1,981
Louisiana	192	11,440	5,273	4,493	2,888	1,945
Maine	82	4,843	2,314	2,012	1,401	928
Maryland	343	15,169	7,110	5,857	3,883	2,141
Massachusetts	371	22,685	8,004	7,944	4,221	3,016
Michigan	598	23,438	9,697	8,362	4,749	2,995
Minnesota	270	13,483	5,339	4,374	2,771	1,830
Mississippi	152	7,498	3,834	3,293	2,107	1,253
Missouri	325	14,996	6,619	5,747	3,748	2,180
Montana	58	3,568	1,729	1,446	999	629
Nebraska	71	5,349	2,403	2,184	1,565	931
Nevada	134	8,022	3,606	2,795	1,808	985
New Hampshire	66	4,676	2,153	1,746	1,219	786
New Jersey	405	20,398	7,448	6,291	3,768	2,571
New Mexico	139	6,674	3,143	2,593	1,857	1,090
New York	998	42,874	14,549	13,063	7,245	5,462
North Carolina	438	25,595	13,751	11,220	7,759	4,309
North Dakota	28	2,023	980	775	481	309
Ohio	651	31,088	13,588	10,891	6,837	4,054
Oklahoma	219	11,725	6,701	5,606	4,013	2,599
Oregon	248	9,831	4,744	4,041	2,950	1,914
Pennsylvania	738	33,617	13,699	11,911	7,173	4,689
Rhode Island	50	3,714	1,456	1,223	734	494
South Carolina	191	14,097	6,899	5,503	3,688	2,077
South Dakota	47	2,784	1,402	1,094	716	433
Tennessee	395	16,788	8,456	6,789	4,317	2,626
Texas	1,134	61,383	30,245	24,348	17,122	9,745
Utah	74	4,522	2,245	1,703	1,230	782
Vermont	42	1,527	714	658	421	289
Virginia	443	27,407	14,270	11,883	8,219	4,277
Washington	445	24,706	11,695	9,714	6,842	3,895
West Virginia	131	5,533	2,535	2,425	1,661	1,222
Wisconsin	297	14,556	5,973	4,858	3,201	2,019
Wyoming	22	1,744	905	697	503	278
United States Total	16,498	812,667	366,885	303,430	197,622	119,242
Philippines	99	1,055	604	663	524	285
Puerto Rico	204	4,675	2,283	2,119	1,358	986
Territories & Foreign Countries	105	4,391	2,341	1,944	1,450	803

Total Recipients	16,906	822,788	372,113	308,156	200,954	121,316
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**Disability Compensation Recipients by Residence
Based on Combined Degree of Disability
at the Beginning of FY 2002
(In Alphabetical Order for US)**

Residence	60%	70%	80%	90%	100%	Total
Alabama	2,565	1,865	1,136	525	3,343	49,755
Alaska	868	533	385	186	512	9,962
Arizona	2,932	2,094	1,358	715	3,845	50,959
Arkansas	2,185	1,599	1,113	546	3,178	29,621
California	9,370	7,807	4,450	2,141	13,636	198,511
Colorado	2,255	1,537	926	480	3,123	43,702
Connecticut	862	706	390	161	1,520	20,115
Delaware	329	195	102	54	551	6,887
District of Columbia	239	182	90	43	448	4,469
Florida	10,893	7,754	4,964	2,185	14,445	190,425
Georgia	4,003	2,656	1,619	660	5,438	78,008
Hawaii	610	485	269	128	1,026	11,794
Idaho	730	573	345	172	874	12,738
Illinois	2,345	1,757	986	491	3,458	54,949
Indiana	2,119	1,340	818	445	2,454	38,846
Iowa	973	707	438	217	1,274	18,236
Kansas	1,017	718	426	228	1,716	21,717
Kentucky	2,027	1,355	904	437	3,017	34,809
Louisiana	1,976	1,524	856	393	2,728	33,708
Maine	1,035	1,319	754	336	1,799	16,823
Maryland	2,121	1,329	721	424	3,194	42,292
Massachusetts	2,982	2,499	1,190	481	4,383	57,776
Michigan	2,823	1,843	1,037	526	3,813	59,881
Minnesota	1,823	1,499	953	457	2,716	35,515
Mississippi	1,531	975	712	344	2,468	24,167
Missouri	2,329	1,655	1,083	467	3,111	42,260
Montana	623	481	285	155	887	10,860
Nebraska	1,038	696	534	280	1,220	16,271
Nevada	1,188	792	463	261	1,409	21,463
New Hampshire	784	579	388	178	966	13,541
New Jersey	2,220	1,552	1,074	567	3,282	49,576
New Mexico	1,376	1,520	863	357	1,899	21,511
New York	4,809	4,029	2,151	967	8,035	104,182
North Carolina	4,727	3,254	2,002	907	5,750	79,712
North Dakota	315	169	132	73	382	5,667
Ohio	3,841	2,455	1,547	755	5,137	80,844
Oklahoma	3,104	2,541	1,444	648	4,227	42,827
Oregon	1,994	1,591	1,020	535	3,080	31,948
Pennsylvania	4,574	3,498	2,000	882	6,263	89,044
Rhode Island	539	441	261	104	809	9,825
South Carolina	2,165	1,684	1,069	493	3,143	41,009
South Dakota	444	305	207	134	771	8,337
Tennessee	2,861	1,897	1,244	604	4,357	50,334
Texas	11,369	8,147	5,165	2,279	12,587	183,524
Utah	719	514	302	174	908	13,173
Vermont	347	261	146	59	396	4,860
Virginia	4,402	2,762	1,706	786	4,694	80,849
Washington	3,964	3,759	2,054	1,075	5,226	73,375
West Virginia	1,192	1,165	760	345	1,913	18,882
Wisconsin	2,091	1,413	929	522	2,990	38,849
Wyoming	292	179	126	65	382	5,193
United States Total	123,920	92,190	55,897	26,447	168,783	2,283,581
Philippines	883	364	272	91	770	5,610
Puerto Rico	1,179	856	501	239	3,987	18,387
Territories & Foreign Countries	806	503	275	131	776	13,525
Total Recipients	126,788	93,913	56,945	26,908	174,316	2,321,103

Source: Benefits Delivery Network – RCS 20-0238

**Disability Compensation Recipients by Residence Based on Age
at the Beginning of FY 2002
(In Alphabetical Order for US)**

	Under 20	20-29	30-39	40-49	50-59	60-69	70-79	80-84	85+	Total
Alabama	3	1,334	4,392	9,585	14,645	7,437	8,227	3,154	978	49,755
Alaska	0	349	1,314	2,875	3,444	1,064	682	189	45	9,962
Arizona	3	1,695	4,676	8,334	13,144	7,679	9,904	4,166	1,358	50,959
Arkansas	5	896	2,904	4,882	8,177	4,330	5,249	2,408	770	29,621
California	12	7,359	17,931	31,508	54,118	26,886	37,743	16,746	6,208	198,511
Colorado	2	1,648	5,090	8,763	12,516	6,049	6,217	2,526	891	43,702
Connecticut	1	516	1,493	2,336	5,042	2,175	4,911	2,635	1,006	20,115
Delaware	1	196	610	1,367	1,948	905	1,244	468	148	6,887
District of Columbia	0	90	385	788	1,245	567	833	350	211	4,469
Florida	8	4,942	14,693	31,332	45,710	28,102	40,497	18,319	6,822	190,425
Georgia	2	2,743	9,630	18,585	22,045	10,293	9,756	3,800	1,154	78,008
Hawaii	0	284	1,007	2,154	3,459	1,688	2,151	807	244	11,794
Idaho	3	497	1,425	2,054	3,533	1,794	2,181	941	310	12,738
Illinois	7	2,443	5,950	8,043	14,666	5,409	11,273	5,272	1,886	54,949
Indiana	3	1,296	4,498	6,515	10,843	4,092	7,472	3,193	934	38,846
Iowa	1	546	1,918	2,592	5,006	1,793	3,748	1,931	701	18,236
Kansas	2	616	2,106	3,999	6,090	2,698	3,886	1,705	615	21,717
Kentucky	3	1,236	3,663	5,895	9,350	4,421	6,633	2,761	847	34,809
Louisiana	4	1,408	3,752	5,075	9,123	4,807	6,260	2,519	760	33,708
Maine	1	572	1,629	2,873	5,074	2,257	2,857	1,188	372	16,823
Maryland	3	1,343	4,823	8,397	11,666	5,416	6,795	2,827	1,022	42,292
Massachusetts	1	1,057	3,176	5,756	13,265	7,739	16,150	7,542	3,090	57,776
Michigan	4	1,755	5,855	7,950	17,248	6,210	13,169	5,917	1,773	59,881
Minnesota	2	1,072	3,652	4,892	9,603	3,723	7,346	3,779	1,446	35,515
Mississippi	1	624	2,122	4,020	6,383	3,750	4,771	1,901	595	24,167
Missouri	2	1,208	4,040	7,113	11,968	5,135	8,124	3,459	1,211	42,260
Montana	0	441	1,138	1,895	3,256	1,438	1,682	757	253	10,860
Nebraska	0	686	1,774	2,912	4,219	2,080	2,904	1,238	458	16,271
Nevada	0	676	1,978	3,790	6,033	3,380	3,854	1,340	412	21,463
New Hampshire	0	388	1,207	2,159	3,896	2,065	2,559	924	343	13,541
New Jersey	2	858	2,882	5,278	12,622	5,893	13,129	6,533	2,379	49,576
New Mexico	2	555	1,585	3,567	6,487	3,308	3,818	1,618	571	21,511
New York	1	2,478	6,934	11,809	28,436	11,370	25,441	12,357	5,356	104,182
North Carolina	1	3,030	9,608	17,161	21,630	10,986	11,831	4,215	1,250	79,712
North Dakota	0	182	605	973	1,629	617	903	556	202	5,667
Ohio	10	2,481	8,321	12,222	21,762	8,545	17,275	7,702	2,526	80,844
Oklahoma	4	1,286	3,808	7,146	12,967	6,407	7,370	2,963	876	42,827
Oregon	0	1,332	3,564	5,093	9,613	3,766	5,331	2,442	807	31,948
Pennsylvania	2	2,082	6,437	10,768	22,983	10,150	22,559	10,571	3,492	89,044
Rhode Island	0	220	651	1,148	2,540	1,131	2,403	1,238	494	9,825
South Carolina	2	1,461	4,315	8,454	11,550	6,239	6,208	2,137	643	41,009
South Dakota	1	287	900	1,512	2,526	1,053	1,285	566	207	8,337
Tennessee	2	1,802	5,933	9,603	14,007	6,651	8,195	3,152	989	50,334
Texas	19	7,133	18,635	33,211	50,934	27,553	29,765	12,175	4,099	183,524
Utah	1	481	1,199	2,267	3,605	1,654	2,550	1,084	332	13,173
Vermont	0	110	400	762	1,485	616	964	388	135	4,860
Virginia	0	2,408	7,952	17,364	24,085	11,948	11,509	4,226	1,357	80,849
Washington	4	2,823	8,654	15,227	21,933	9,605	9,827	3,982	1,320	73,375
West Virginia	1	617	1,802	2,346	5,807	2,636	3,819	1,404	450	18,882
Wisconsin	1	1,546	4,439	5,930	10,833	4,292	7,443	3,311	1,054	38,849
Wyoming	0	184	522	962	1,670	636	824	293	102	5,193
US Total	127	73,272	217,977	381,242	625,819	300,438	431,527	187,675	65,504	2,283,581
Philippines	2	7	49	255	513	316	1,390	2,305	773	5,610
Puerto Rico	0	308	1,258	3,466	5,535	2,735	3,805	982	298	18,387
All Other	0	417	1,752	3,526	3,965	1,840	1,402	431	192	13,525
Total Recipients	129	74,004	221,036	388,489	635,832	305,329	438,124	191,393	66,767	2,321,103

Source: Benefits Delivery Network – RCS 20-0238



**Compensation Recipients with Power of Attorney
by Residence¹
(In Alphabetical Order)**

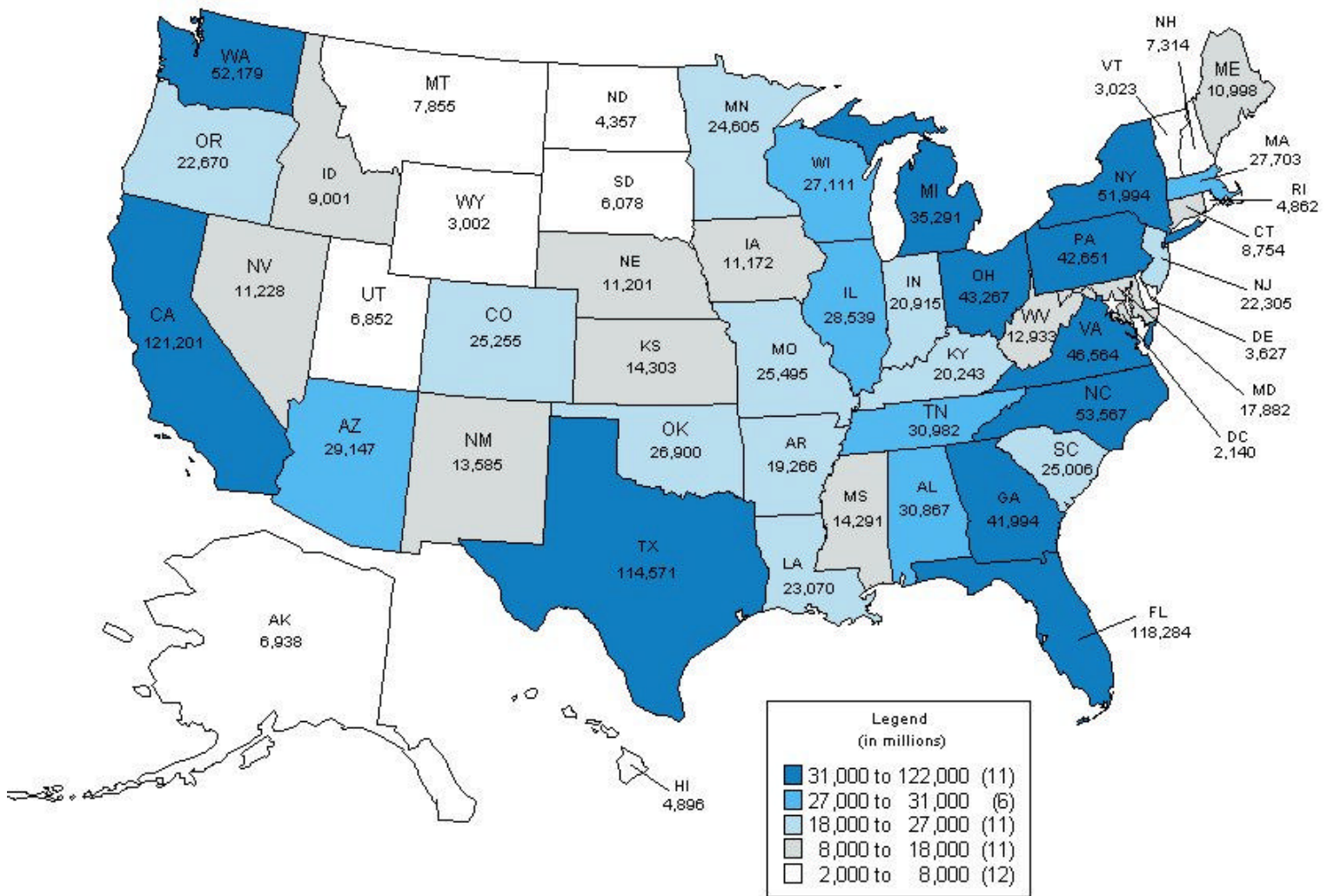
Alabama	30,867
Alaska	6,938
Arizona	29,147
Arkansas	19,266
California	121,201
Colorado	25,255
Connecticut	8,754
Delaware	3,627
District of Columbia	2,140
Florida	118,284
Georgia	41,994
Hawaii	4,896
Idaho	9,001
Illinois	28,539
Indiana	20,915
Iowa	11,172
Kansas	14,303
Kentucky	20,243
Louisiana	23,070
Maine	10,998
Maryland	17,882
Massachusetts	27,703
Michigan	35,291
Minnesota	24,605
Mississippi	14,291
Missouri	25,495
Montana	7,855
Nebraska	11,201
Nevada	11,228
New Hampshire	7,314
New Jersey	22,305
New Mexico	13,585
New York	51,994
North Carolina	53,567
North Dakota	4,357
Ohio	43,267
Oklahoma	26,900
Oregon	22,670
Pennsylvania	42,651
Rhode Island	4,862
South Carolina	25,006
South Dakota	6,078
Tennessee	30,982
Texas	114,571
Utah	6,852
Vermont	3,023
Virginia	46,564
Washington	52,179
West Virginia	12,933
Wisconsin	27,111
Wyoming	3,002
United States Total	1,347,934

¹Information as of EOM December, 2001.

Source: Compensation & Pension Master Record

Veteran Compensation Recipients with Power of Attorney

As of End of Month December 2001
(Total – 1,347,934)



**Compensation Recipients
without Power of Attorney
By Residence¹
(In Alphabetical Order)**

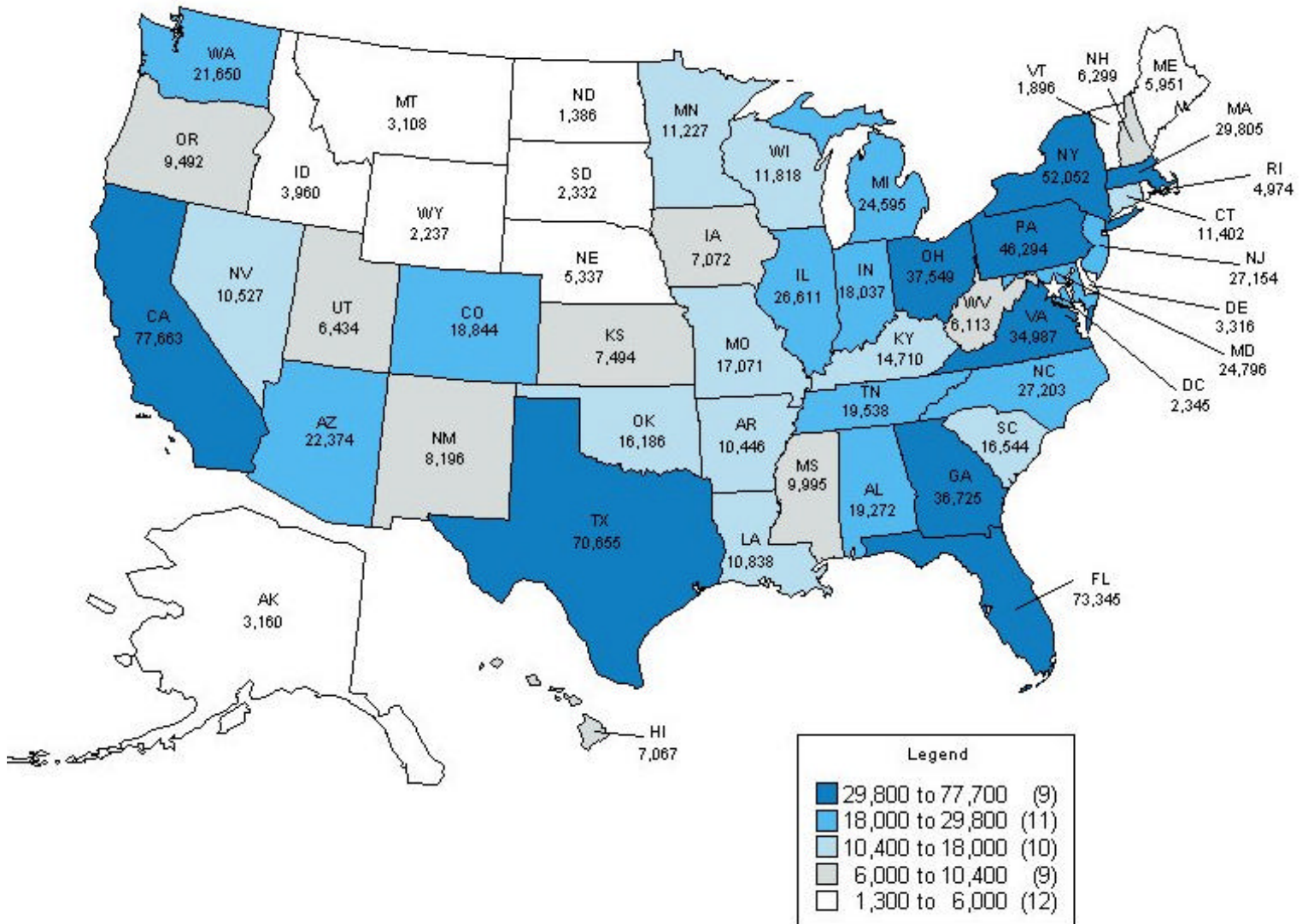
Alabama	19,272
Alaska	3,160
Arizona	22,374
Arkansas	10,446
California	77,663
Colorado	18,844
Connecticut	11,402
Delaware	3,316
District of Columbia	2,345
Florida	73,345
Georgia	36,725
Hawaii	7,067
Idaho	3,960
Illinois	26,611
Indiana	18,037
Iowa	7,072
Kansas	7,494
Kentucky	14,710
Louisiana	10,838
Maine	5,951
Maryland	24,796
Massachusetts	29,805
Michigan	24,595
Minnesota	11,227
Mississippi	9,995
Missouri	17,071
Montana	3,108
Nebraska	5,337
Nevada	10,527
New Hampshire	6,299
New Jersey	27,154
New Mexico	8,196
New York	52,052
North Carolina	27,203
North Dakota	1,386
Ohio	37,549
Oklahoma	16,186
Oregon	9,492
Pennsylvania	46,294
Rhode Island	4,974
South Carolina	16,544
South Dakota	2,332
Tennessee	19,538
Texas	70,655
Utah	6,434
Vermont	1,896
Virginia	34,987
Washington	21,650
West Virginia	6,113
Wisconsin	11,818
Wyoming	2,237
United States Total	948,082

¹Information as of EOM December, 2001.

Source: Compensation & Pension Master Record

Veteran Compensation Recipients without Power of Attorney

As of End of Month December 2001
(Total – 948,082)



**Disability Pension Recipients by Residence
at the Beginning of FY 2002
(In Ascending Order for US)**

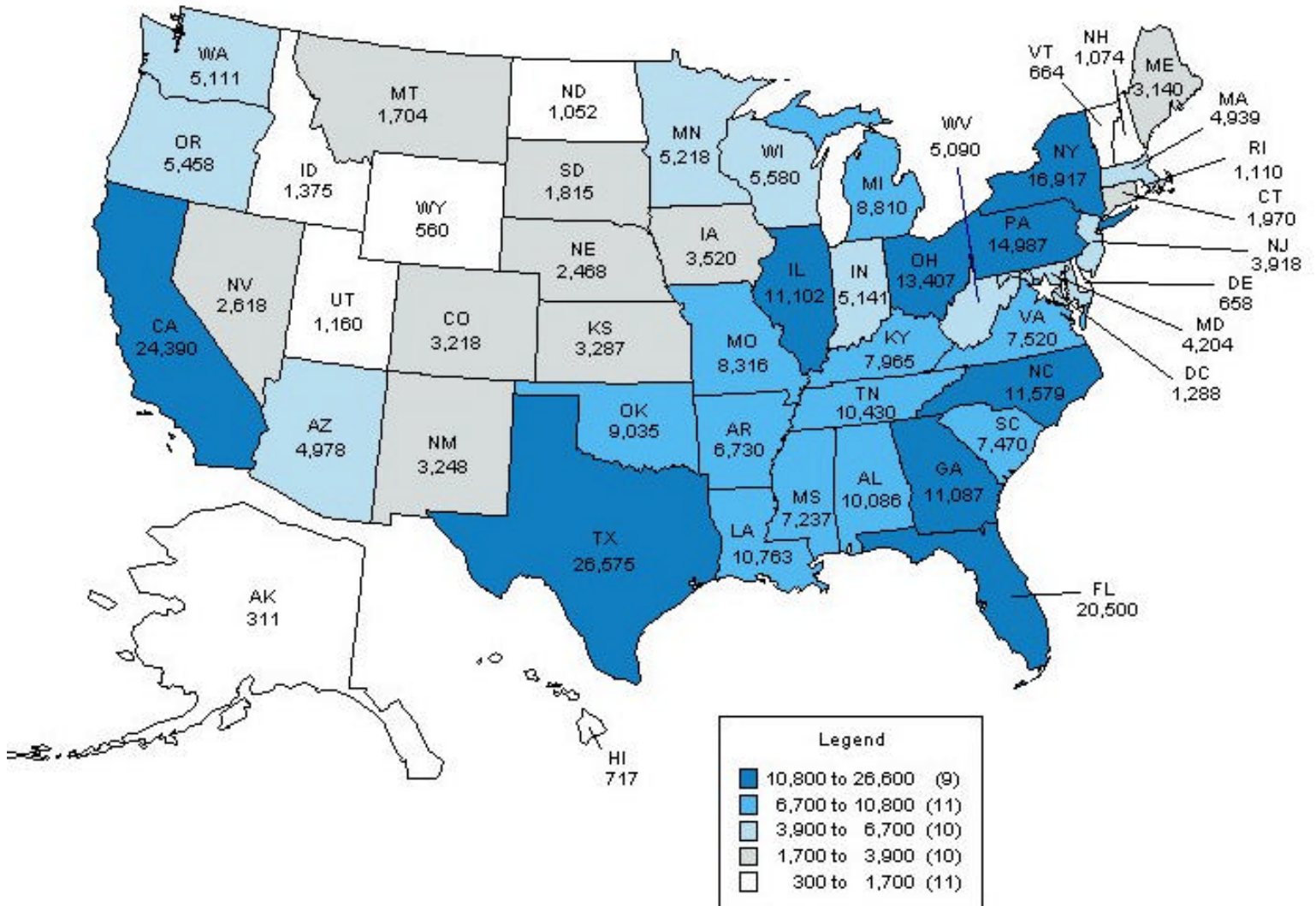
Alaska	311
Wyoming	560
Delaware	658
Vermont	664
Hawaii	717
North Dakota	1,052
New Hampshire	1,074
Rhode Island	1,110
Utah	1,160
District of Columbia	1,288
Idaho	1,375
Montana	1,704
South Dakota	1,815
Connecticut	1,970
Nebraska	2,468
Nevada	2,618
Maine	3,140
Colorado	3,218
New Mexico	3,248
Kansas	3,287
Iowa	3,520
New Jersey	3,918
Maryland	4,204
Massachusetts	4,939
Arizona	4,978
West Virginia	5,090
Washington	5,111
Indiana	5,141
Minnesota	5,218
Oregon	5,458
Wisconsin	5,580
Arkansas	6,730
Mississippi	7,237
South Carolina	7,470
Virginia	7,520
Kentucky	7,965
Missouri	8,316
Michigan	8,810
Oklahoma	9,035
Alabama	10,086
Tennessee	10,430
Louisiana	10,763
Georgia	11,087
Illinois	11,102
North Carolina	11,579
Ohio	13,407
Pennsylvania	14,987
New York	16,917
Florida	20,500
California	24,390
Texas	26,575
United States Total	331,500
Philippines	1,035
Puerto Rico	14,561
Territories & Foreign Countries	956
Total Recipients	348,052

Source: Benefits Delivery Network – RCS 20-0238

Disability Pension Recipients

At the Beginning of FY 2002

(Total – 331,500)



**Projected Disability Pension Cost¹ by Residence Based on Monthly Value at the
Beginning FY 2002 and Projected through the Fiscal Year
(In Ascending Order for US)**

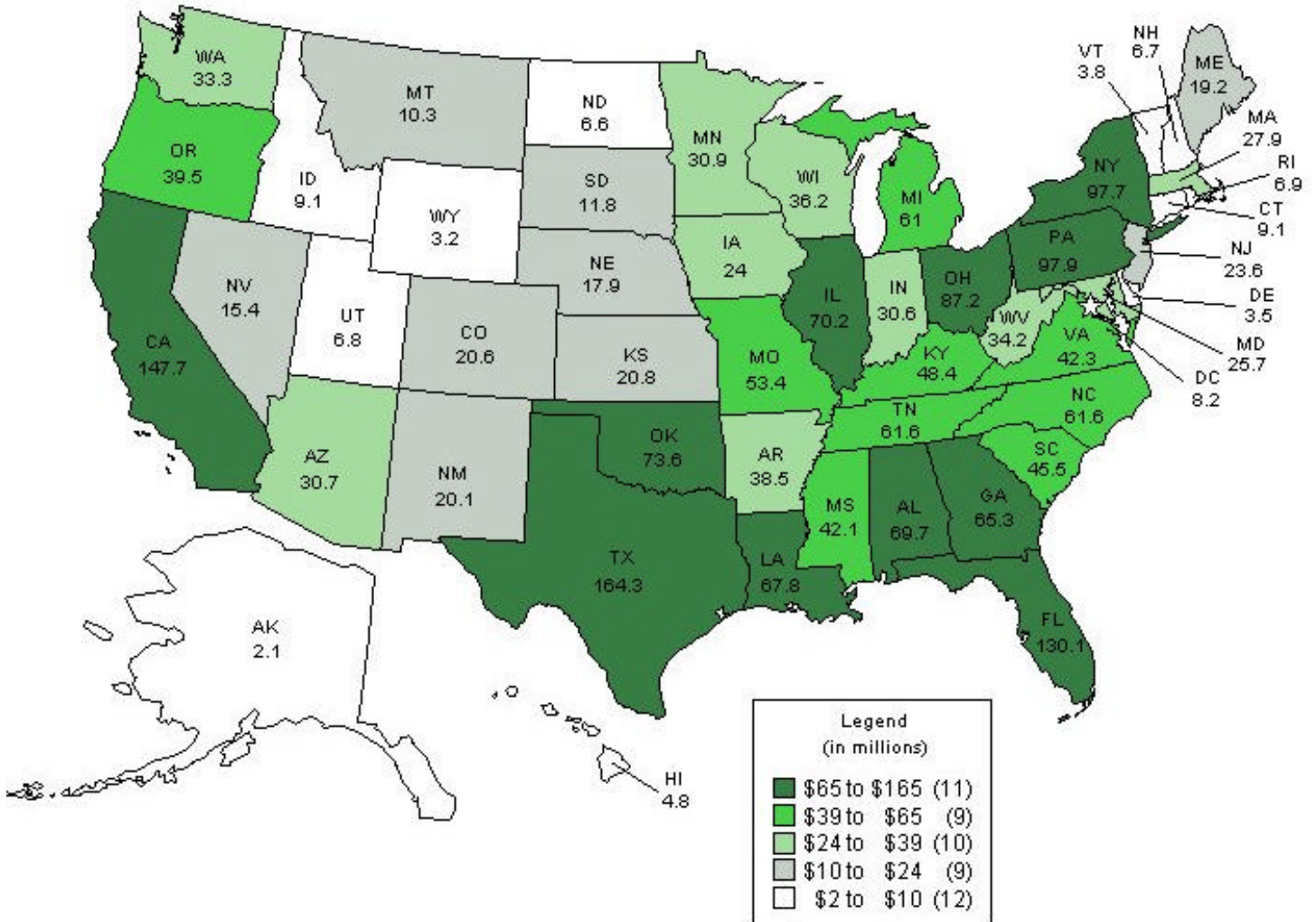
Residence	Monthly Value Beginning FY 2001	Projected Annual Value FY 2001
Alaska	\$177,276	\$2,127,312
Wyoming	\$262,937	\$3,155,244
Delaware	\$291,912	\$3,502,944
Vermont	\$316,474	\$3,797,688
Hawaii	\$399,390	\$4,792,680
North Dakota	\$546,840	\$6,562,080
New Hampshire	\$561,081	\$6,732,972
Utah	\$565,756	\$6,789,072
Rhode Island	\$575,539	\$6,906,468
District of Columbia	\$682,109	\$8,185,308
Idaho	\$755,411	\$9,064,932
Connecticut	\$760,417	\$9,125,004
Montana	\$862,273	\$10,347,276
South Dakota	\$980,778	\$11,769,336
Nevada	\$1,283,033	\$15,396,396
Nebraska	\$1,491,718	\$17,900,616
Maine	\$1,600,421	\$19,205,052
New Mexico	\$1,675,959	\$20,111,508
Colorado	\$1,718,932	\$20,627,184
Kansas	\$1,737,330	\$20,847,960
New Jersey	\$1,963,507	\$23,562,084
Iowa	\$1,998,129	\$23,977,548
Maryland	\$2,145,446	\$25,745,352
Massachusetts	\$2,323,760	\$27,885,120
Indiana	\$2,548,505	\$30,582,060
Arizona	\$2,556,117	\$30,673,404
Minnesota	\$2,576,394	\$30,916,728
Washington	\$2,778,657	\$33,343,884
West Virginia	\$2,848,134	\$34,177,608
Wisconsin	\$3,014,511	\$36,174,132
Arkansas	\$3,207,472	\$38,489,664
Oregon	\$3,291,454	\$39,497,448
Mississippi	\$3,511,913	\$42,142,956
Virginia	\$3,527,119	\$42,325,428
South Carolina	\$3,787,738	\$45,452,856
Kentucky	\$4,033,561	\$48,402,732
Missouri	\$4,448,601	\$53,383,212
Michigan	\$5,083,526	\$61,002,312
North Carolina	\$5,132,093	\$61,585,116
Tennessee	\$5,137,038	\$61,644,456
Georgia	\$5,444,375	\$65,332,500
Louisiana	\$5,649,498	\$67,793,976
Alabama	\$5,807,022	\$69,684,264
Illinois	\$5,847,444	\$70,169,328
Oklahoma	\$6,132,820	\$73,593,840
Ohio	\$7,266,946	\$87,203,352
New York	\$8,144,071	\$97,728,852
Pennsylvania	\$8,155,552	\$97,866,624
Florida	\$10,844,937	\$130,139,244
California	\$12,304,270	\$147,651,240
Texas	\$13,694,720	\$164,336,640
United States Total	\$172,450,916	\$2,069,410,992
Philippines	\$1,029,831	\$12,357,972
Puerto Rico	\$7,041,552	\$84,498,624
Territories & Foreign	\$585,061	\$7,020,732
Total Pension	\$181,107,360	\$2,173,288,320

Source: Benefits Delivery Network - RCS 20-0237

¹ This cost is reflective for veterans only.

Projected Disability Pension Cost¹

Based on Monthly Value at the Beginning of FY 2002
and Projected through the Fiscal Year
(Total - \$2,069.4)



¹ This cost is reflective for veterans only.

**Pension Recipients by Residence Based on Age
at the Beginning of FY 2002
(In Alphabetical Order for US)**

	Under 20	20-29	30-39	40-49	50-59	60-69	70-79	80-84	85+	Total
Alabama	0	5	34	538	1,440	1,181	4,025	2,006	857	10,086
Alaska	0	0	1	50	162	43	46	8	1	311
Arizona	0	1	18	466	1,341	758	1,593	541	260	4,978
Arkansas	1	5	27	462	1,406	789	2,259	1,189	592	6,730
California	0	20	83	2,167	6,503	3,386	7,651	2,987	1,593	24,390
Colorado	0	0	13	304	812	423	988	449	229	3,218
Connecticut	0	0	3	126	438	238	655	319	191	1,970
Delaware	0	0	2	58	162	80	235	85	36	658
District of Columbia	0	1	4	118	319	197	463	140	46	1,288
Florida	0	16	68	1,589	5,199	2,976	6,769	2,649	1,234	20,500
Georgia	1	2	49	710	2,344	1,506	3,981	1,799	695	11,087
Hawaii	0	0	3	75	256	99	182	64	38	717
Idaho	1	0	2	86	287	192	476	229	102	1,375
Illinois	0	6	41	847	2,907	1,553	3,831	1,315	602	11,102
Indiana	1	2	14	409	1,262	772	1,795	621	265	5,141
Iowa	0	2	10	237	705	437	1,283	540	306	3,520
Kansas	0	2	12	277	792	408	1,101	473	222	3,287
Kentucky	0	3	15	425	1,544	1,082	3,151	1,207	538	7,965
Louisiana	0	8	64	775	2,272	1,218	3,913	1,764	749	10,763
Maine	0	5	10	304	862	430	977	393	159	3,140
Maryland	0	1	20	358	1,040	586	1,507	478	214	4,204
Massachusetts	0	2	25	396	1,183	716	1,720	563	334	4,939
Michigan	0	0	45	783	2,701	1,198	2,706	950	427	8,810
Minnesota	0	3	10	295	952	572	1,821	970	595	5,218
Mississippi	0	3	22	337	1,026	680	2,959	1,562	648	7,237
Missouri	0	2	15	631	1,897	1,063	2,895	1,222	591	8,316
Montana	0	0	6	133	438	228	555	219	125	1,704
Nebraska	0	4	8	168	518	308	889	378	195	2,468
Nevada	0	1	10	234	685	418	876	262	132	2,618
New Hampshire	1	0	0	73	259	146	353	154	88	1,074
New Jersey	0	3	12	267	799	557	1,467	555	258	3,918
New Mexico	0	0	12	267	832	395	1,066	469	207	3,248
New York	1	8	64	1,364	4,021	2,361	5,886	2,054	1,158	16,917
North Carolina	0	7	35	709	1,978	1,292	4,437	2,306	815	11,579
North Dakota	0	0	1	49	212	96	432	161	101	1,052
Ohio	0	7	57	1,319	4,118	1,945	4,109	1,324	528	13,407
Oklahoma	0	5	30	632	2,321	1,305	2,956	1,222	564	9,035
Oregon	0	8	24	522	1,537	737	1,637	656	337	5,458
Pennsylvania	0	3	63	1,080	3,808	2,070	5,128	1,885	950	14,987
Rhode Island	0	0	2	80	304	152	367	134	71	1,110
South Carolina	1	1	21	422	1,500	970	2,818	1,271	466	7,470
South Dakota	0	1	5	97	364	260	684	262	142	1,815
Tennessee	0	4	23	616	2,049	1,386	3,829	1,746	777	10,430
Texas	0	22	93	1,931	6,321	3,319	9,131	3,828	1,930	26,575
Utah	0	1	5	105	268	154	395	158	74	1,160
Vermont	0	1	0	44	155	89	253	73	49	664
Virginia	0	2	27	524	1,497	955	2,872	1,185	458	7,520
Washington	0	2	26	519	1,393	726	1,520	599	326	5,111
West Virginia	0	5	25	376	1,391	739	1,708	555	291	5,090
Wisconsin	0	5	20	453	1,286	706	1,829	805	476	5,580
Wyoming	0	0	3	48	133	104	180	67	25	560
US Total	7	179	1,182	24,855	77,999	44,001	114,359	46,851	22,067	331,500
Philippines	1	0	1	11	118	119	178	387	220	1,035
Puerto Rico	1	2	5	257	1,133	2,484	7,027	2,679	973	14,561
All Others	0	0	2	27	131	108	394	185	109	956
Total Recipients	9	181	1,190	25,150	79,381	46,712	121,9588	50,102	23,369	348,052

Source: Benefits Delivery Network – RCS 20-0238

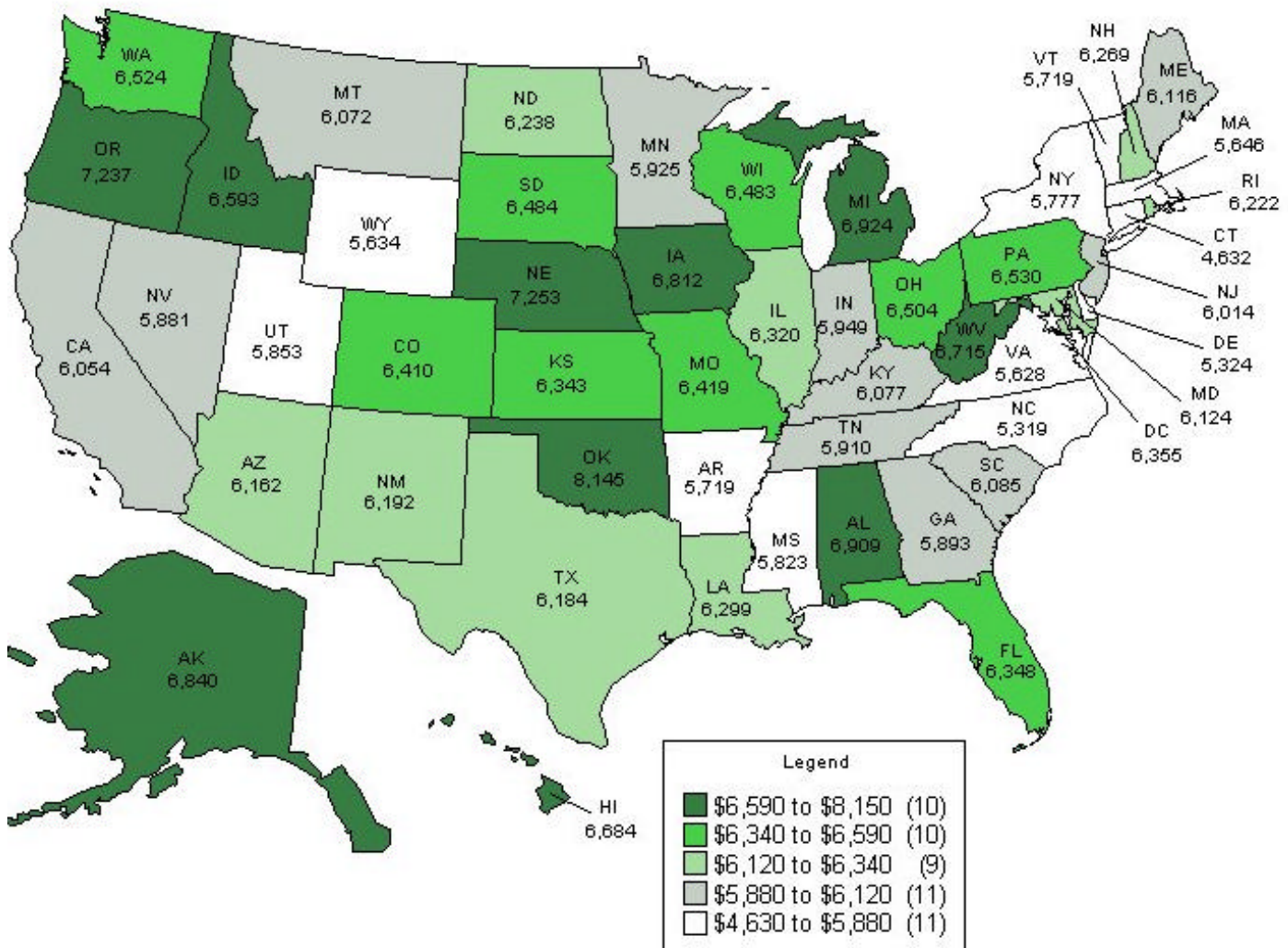


**Projected Average Disability Pension Benefit Per
Veteran Beneficiary by Residence for FY 2002
(In Ascending Order for US)**

Residence	Average Annual Amount Per Veteran
Connecticut	\$4,632
North Carolina	\$5,319
Delaware	\$5,324
Virginia	\$5,628
Wyoming	\$5,634
Massachusetts	\$5,646
Arkansas	\$5,719
Vermont	\$5,719
New York	\$5,777
Mississippi	\$5,823
Utah	\$5,853
Nevada	\$5,881
Georgia	\$5,893
Tennessee	\$5,910
Minnesota	\$5,925
Indiana	\$5,949
New Jersey	\$6,014
California	\$6,054
Montana	\$6,072
Kentucky	\$6,077
South Carolina	\$6,085
Maine	\$6,116
Maryland	\$6,124
Arizona	\$6,162
Texas	\$6,184
New Mexico	\$6,192
Rhode Island	\$6,222
North Dakota	\$6,238
New Hampshire	\$6,269
Louisiana	\$6,299
Illinois	\$6,320
Kansas	\$6,343
Florida	\$6,348
District of Columbia	\$6,355
Colorado	\$6,410
Missouri	\$6,419
Wisconsin	\$6,483
South Dakota	\$6,484
Ohio	\$6,504
Washington	\$6,524
Pennsylvania	\$6,530
Idaho	\$6,593
Hawaii	\$6,684
West Virginia	\$6,715
Iowa	\$6,812
Alaska	\$6,840
Alabama	\$6,909
Michigan	\$6,924
Oregon	\$7,237
Nebraska	\$7,253
Oklahoma	\$8,145
United States Average	\$6,243
Philippines	\$11,940
Puerto Rico	\$5,803
Territories & Foreign Countries	\$7,344
Average of All	\$6,244

Source: Benefits Delivery Network – RCS 20-0238

Projected Average Disability Pension Benefit Per Veteran Beneficiary For FY 2002



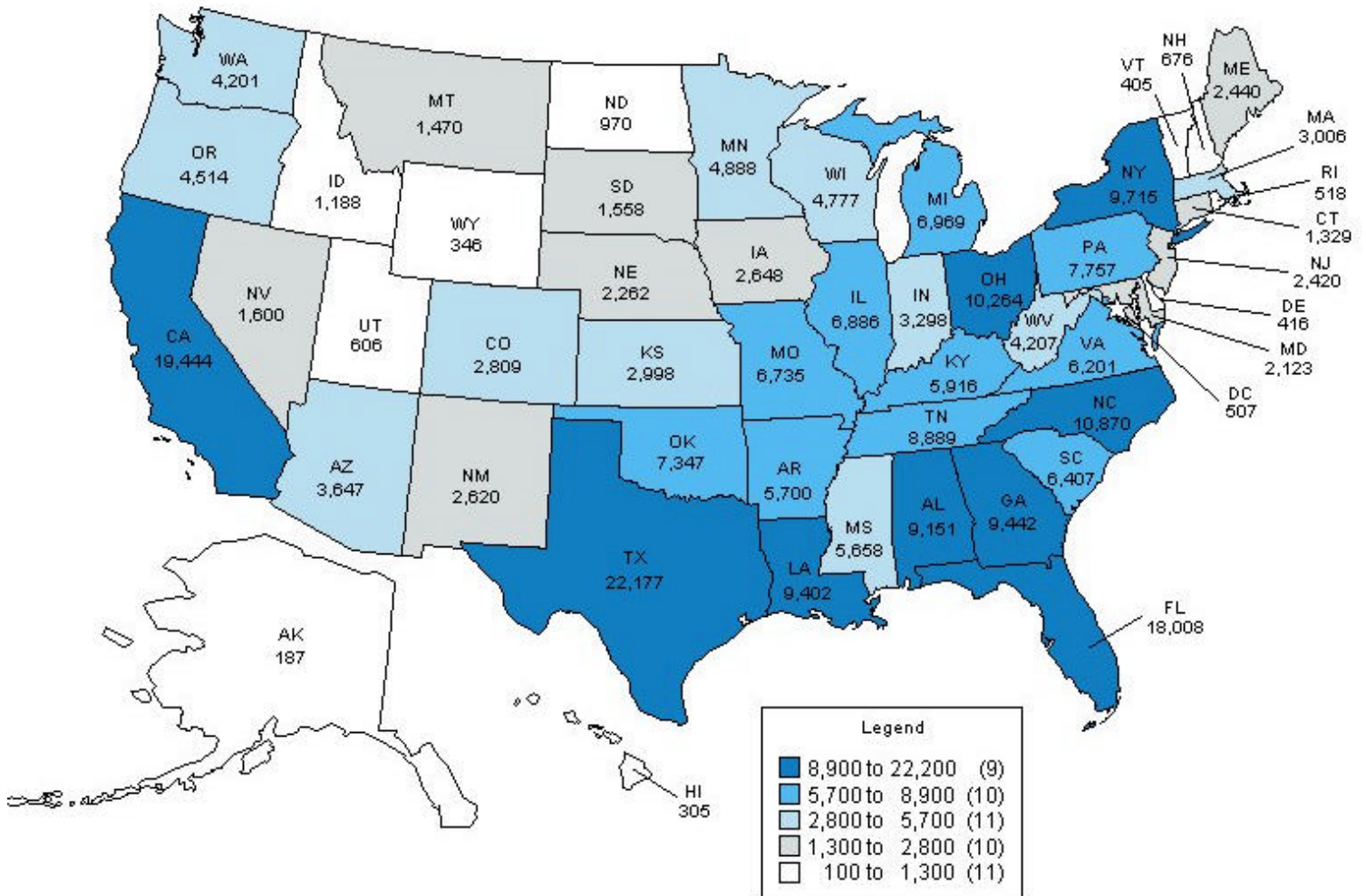
**Pension Recipients with Power of Attorney
by Residence¹
(In Alphabetical Order)**

Alabama	9,151
Alaska	187
Arizona	3,647
Arkansas	5,700
California	19,444
Colorado	2,809
Connecticut	1,329
Delaware	416
District of Columbia	507
Florida	18,008
Georgia	9,442
Hawaii	305
Idaho	1,188
Illinois	6,886
Indiana	3,298
Iowa	2,648
Kansas	2,998
Kentucky	5,916
Louisiana	9,402
Maine	2,440
Maryland	2,123
Massachusetts	3,006
Michigan	6,969
Minnesota	4,888
Mississippi	5,658
Missouri	6,735
Montana	1,470
Nebraska	2,262
Nevada	1,600
New Hampshire	676
New Jersey	2,420
New Mexico	2,620
New York	9,715
North Carolina	10,870
North Dakota	970
Ohio	10,264
Oklahoma	7,347
Oregon	4,514
Pennsylvania	7,757
Rhode Island	518
South Carolina	6,407
South Dakota	1,558
Tennessee	8,889
Texas	22,177
Utah	606
Vermont	405
Virginia	6,201
Washington	4,201
West Virginia	4,207
Wisconsin	4,777
Wyoming	346
United States Total	257,877

¹Information as of EOM December, 2001
Source: Compensation & Pension Master Record

Veteran Pension Recipients with Power of Attorney

As of End of Month December 2001
(Total – 257,877)



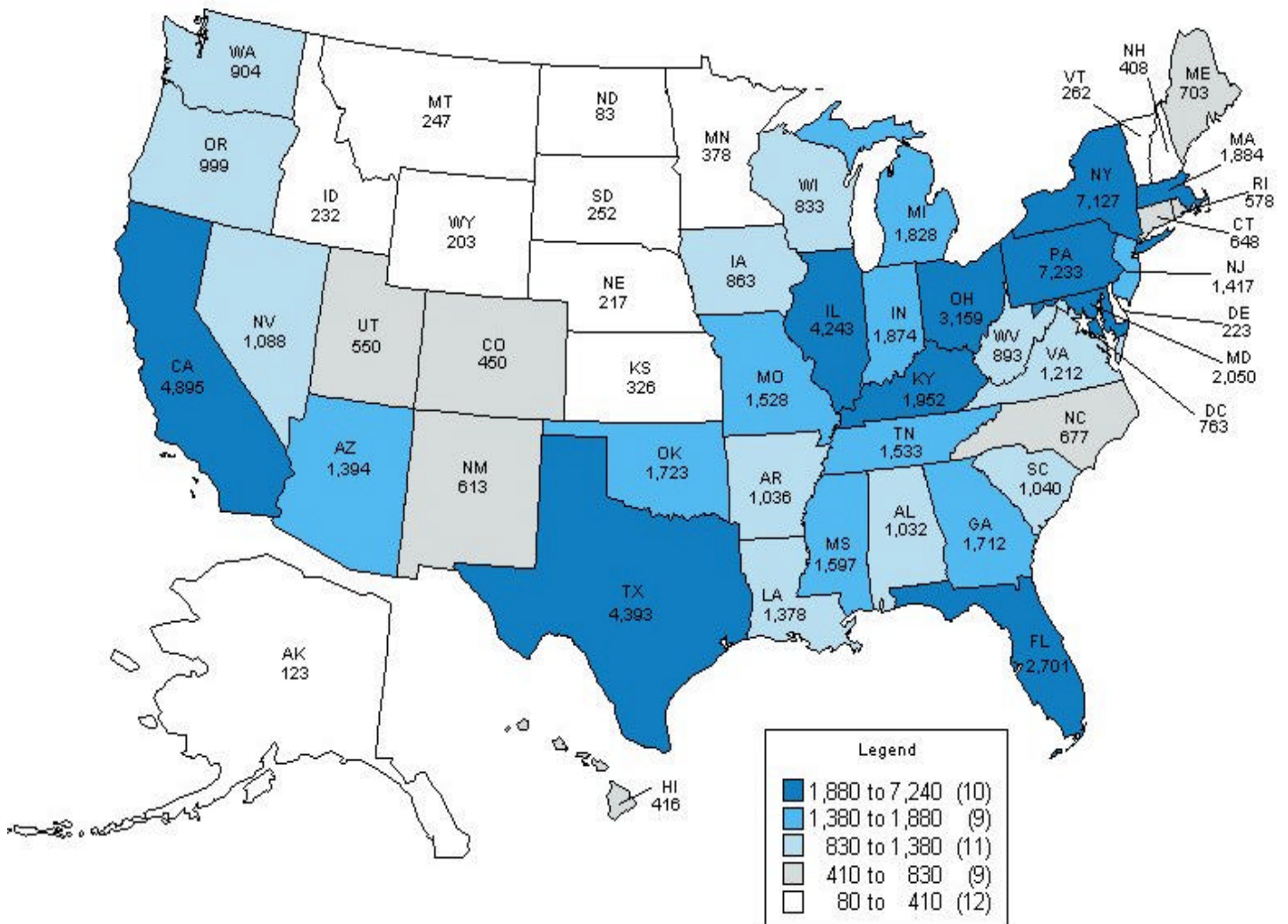
**Pension Recipients without Power of Attorney
by Residence¹
(In Alphabetical Order)**

Alabama	1,032
Alaska	123
Arizona	1,394
Arkansas	1,036
California	4,895
Colorado	450
Connecticut	648
Delaware	223
District of Columbia	763
Florida	2,701
Georgia	1,712
Hawaii	416
Idaho	232
Illinois	4,243
Indiana	1,874
Iowa	863
Kansas	326
Kentucky	1,952
Louisiana	1,378
Maine	703
Maryland	2,050
Massachusetts	1,884
Michigan	1,828
Minnesota	378
Mississippi	1,597
Missouri	1,528
Montana	247
Nebraska	217
Nevada	1,088
New Hampshire	408
New Jersey	1,417
New Mexico	613
New York	7,127
North Carolina	677
North Dakota	83
Ohio	3,159
Oklahoma	1,723
Oregon	999
Pennsylvania	7,233
Rhode Island	578
South Carolina	1,040
South Dakota	252
Tennessee	1,533
Texas	4,393
Utah	550
Vermont	262
Virginia	1,212
Washington	904
West Virginia	893
Wisconsin	833
Wyoming	203
United States Total	73,873

¹Information as of EOM December, 2001
Source: Compensation & Pension Master Record

Veteran Pension Recipients without Power of Attorney

As of End of Month December 2001
(Total – 73,873)



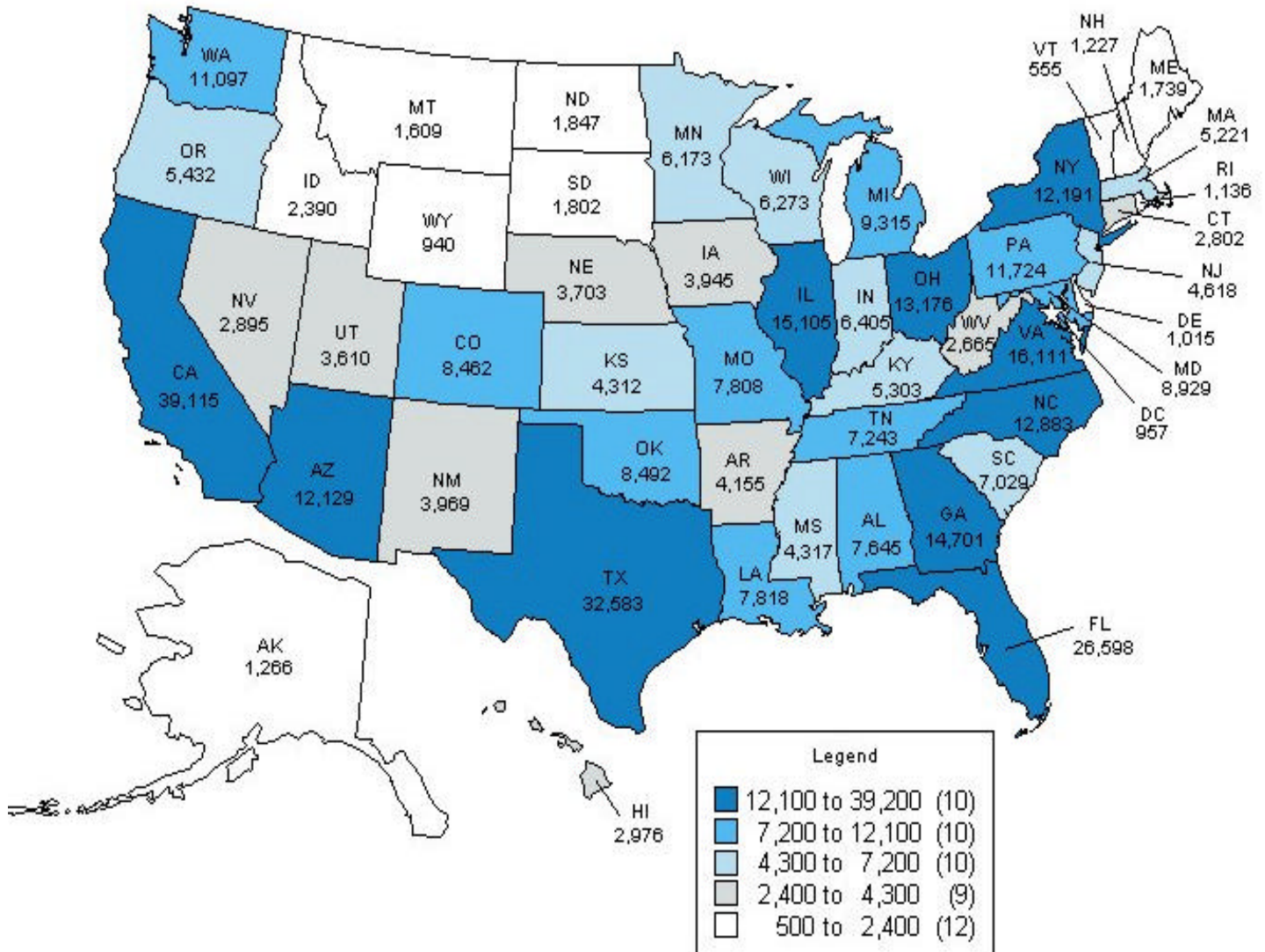
**Education Beneficiaries Trained by Residence During FY 2001
(In Alphabetical Order for US)**

Alabama	7,645
Alaska	1,266
Arizona	12,129
Arkansas	4,155
California	39,115
Colorado	8,462
Connecticut	2,802
Delaware	1,015
District of Columbia	957
Florida	26,598
Georgia	14,701
Hawaii	2,976
Idaho	2,390
Illinois	15,105
Indiana	6,405
Iowa	3,945
Kansas	4,312
Kentucky	5,303
Louisiana	7,818
Maine	1,739
Maryland	8,929
Massachusetts	5,221
Michigan	9,315
Minnesota	6,173
Mississippi	4,317
Missouri	7,808
Montana	1,609
Nebraska	3,703
Nevada	2,895
New Hampshire	1,227
New Jersey	4,618
New Mexico	3,969
New York	12,191
North Carolina	12,883
North Dakota	1,847
Ohio	13,176
Oklahoma	8,492
Oregon	5,432
Pennsylvania	11,724
Rhode Island	1,136
South Carolina	7,029
South Dakota	1,802
Tennessee	7,243
Texas	32,583
Utah	3,610
Vermont	555
Virginia	16,111
Washington	11,097
West Virginia	2,665
Wisconsin	6,273
Wyoming	940
United States Total	385,411
Puerto Rico	4,051
Territories & Foreign Countries	31,588
Total Beneficiaries	421,050

Source: Benefits Delivery Network – RCS 20-0238

Education Beneficiaries Trained

(Total – 385,411)

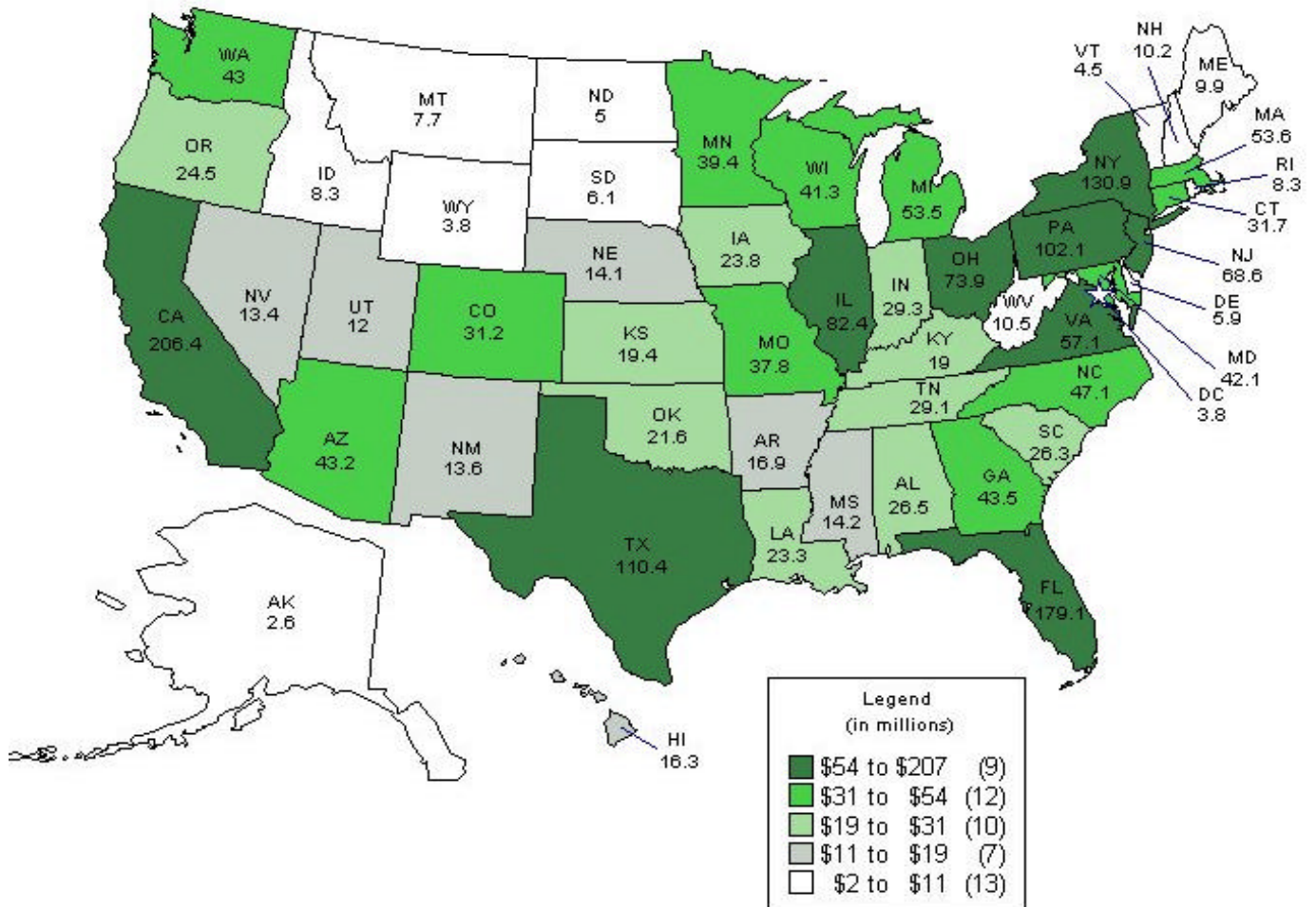


**Life Insurance Payments by Residence During FY
2001
(In Ascending Order for US)**

Alaska	\$2,604,297
District of Columbia	\$3,761,147
Wyoming	\$3,764,334
Vermont	\$4,473,806
North Dakota	\$5,003,714
Delaware	\$5,935,702
South Dakota	\$6,110,612
Montana	\$7,739,566
Rhode Island	\$8,268,882
Idaho	\$8,271,774
Maine	\$9,942,799
New Hampshire	\$10,154,594
West Virginia	\$10,529,324
Utah	\$12,018,389
Nevada	\$13,390,169
New Mexico	\$13,636,478
Nebraska	\$14,128,626
Mississippi	\$14,207,862
Hawaii	\$16,291,156
Arkansas	\$16,852,529
Kentucky	\$18,999,326
Kansas	\$19,406,248
Oklahoma	\$21,561,279
Louisiana	\$23,268,707
Iowa	\$23,836,431
Oregon	\$24,523,494
South Carolina	\$26,281,781
Alabama	\$26,528,645
Tennessee	\$29,106,111
Indiana	\$29,322,096
Colorado	\$31,224,104
Connecticut	\$31,671,576
Missouri	\$37,742,469
Minnesota	\$39,423,944
Wisconsin	\$41,322,916
Maryland	\$42,122,364
Washington	\$43,019,579
Arizona	\$43,233,898
Georgia	\$43,469,275
North Carolina	\$47,091,176
Michigan	\$53,545,602
Massachusetts	\$53,605,904
Virginia	\$57,083,366
New Jersey	\$68,553,787
Ohio	\$73,896,211
Illinois	\$82,411,791
Pennsylvania	\$102,139,293
Texas	\$110,363,952
New York	\$130,863,140
Florida	\$179,130,669
California	\$206,386,070
United States Total	\$1,948,220,964
Puerto Rico	\$4,256,581
Virgin Islands	\$399,808
Canada	\$1,301,812
Philippines	\$425,342
Other Territories & Foreign Countries	\$3,792,347
Total Payments¹	\$1,958,396,854
Source: Insurance General Ledger Accounting System - FY01 Statement of Cash Flows and is different in part from source for the tables in Chapter 2.	
¹ Excludes VGLI & SGLI	

Life Insurance Payments

During FY 2001
(Total - \$1,948.2)



**Face Value of Life Insurance by Residence at the Beginning
of FY 2002
(In Ascending Order for US)**

Alaska	\$28,168,801
District of Columbia	\$40,681,609
Wyoming	\$40,716,080
Vermont	\$48,389,922
North Dakota	\$54,121,550
Delaware	\$64,202,192
South Dakota	\$66,094,064
Montana	\$83,713,289
Rhode Island	\$89,438,519
Idaho	\$89,469,800
Maine	\$107,544,066
New Hampshire	\$109,834,897
West Virginia	\$113,888,078
Utah	\$129,994,224
Nevada	\$144,831,772
New Mexico	\$147,495,913
Nebraska	\$152,819,121
Mississippi	\$153,676,160
Hawaii	\$176,209,648
Arkansas	\$182,281,609
Kentucky	\$205,501,968
Kansas	\$209,903,345
Oklahoma	\$233,212,759
Louisiana	\$251,680,769
Iowa	\$257,821,432
Oregon	\$265,252,894
South Carolina	\$284,271,008
Alabama	\$286,941,165
Tennessee	\$314,819,743
Indiana	\$317,155,895
Colorado	\$337,728,545
Connecticut	\$342,568,529
Missouri	\$408,232,985
Minnesota	\$426,420,276
Wisconsin	\$446,960,089
Maryland	\$455,607,136
Washington	\$465,311,659
Arizona	\$467,629,797
Georgia	\$470,175,695
North Carolina	\$509,351,179
Michigan	\$579,164,036
Massachusetts	\$579,816,287
Virginia	\$617,429,472
New Jersey	\$741,496,721
Ohio	\$799,281,853
Illinois	\$891,388,720
Pennsylvania	\$1,104,766,842
Texas	\$1,193,727,020
New York	\$1,415,451,910
Florida	\$1,937,526,852
California	\$2,232,328,824
United States Total	\$21,072,496,719
Philippines	\$4,600,612
Puerto Rico	\$46,040,357
Virgin Islands	\$4,324,431
Canada	\$14,080,763
Other Territories & Foreign Countries	\$41,019,070
Total Face Value¹	\$21,182,561,952

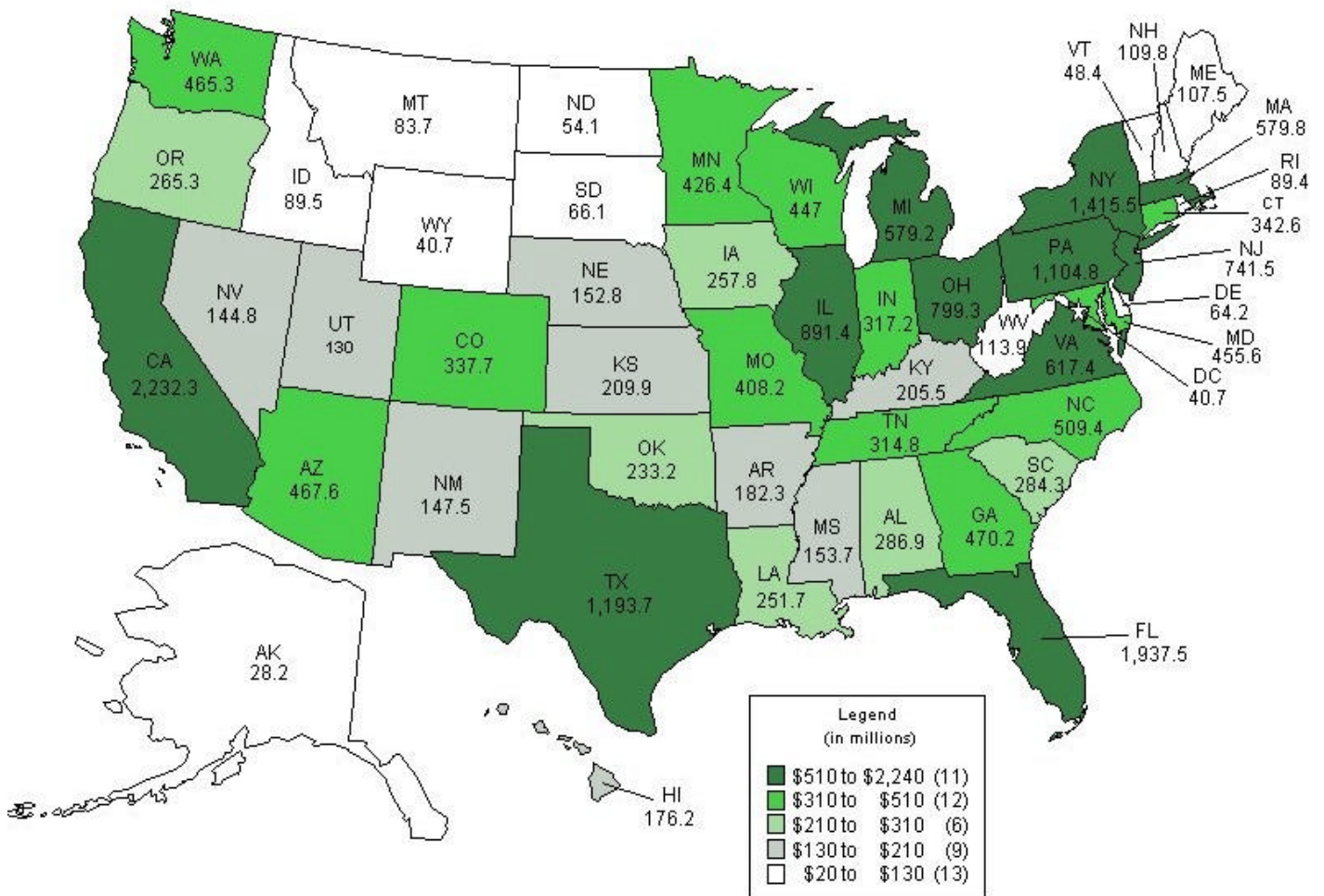
Source: Insurance Master Record Database - Insurance Actuarial Subsystem
Report-AVS 2007

¹ Excludes VGLI & SGLI

Face Value of Life Insurance

at the Beginning of FY 2002

(Total - \$21,072.5)



**Life Insurance Policies by Residence at the
Beginning of FY 2002
(In Ascending Order for US)**

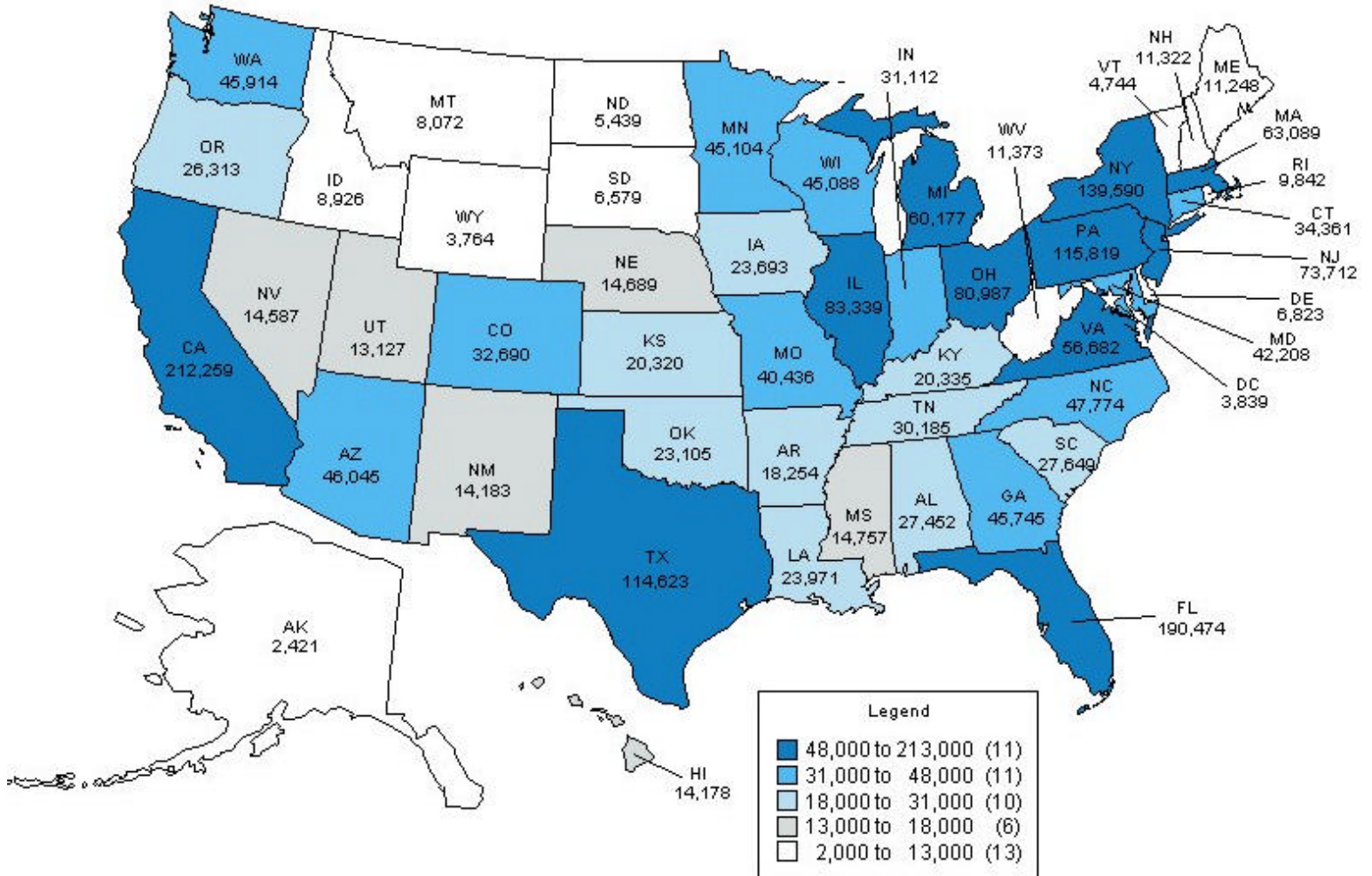
Alaska	2,421
Wyoming	3,764
District of Columbia	3,839
Vermont	4,744
North Dakota	5,439
South Dakota	6,579
Delaware	6,823
Montana	8,072
Idaho	8,926
Rhode Island	9,842
Maine	11,248
New Hampshire	11,322
West Virginia	11,373
Utah	13,127
Hawaii	14,178
New Mexico	14,183
Nevada	14,587
Nebraska	14,689
Mississippi	14,757
Arkansas	18,254
Kansas	20,320
Kentucky	20,335
Oklahoma	23,105
Iowa	23,693
Louisiana	23,971
Oregon	26,313
Alabama	27,452
South Carolina	27,649
Tennessee	30,185
Indiana	31,112
Colorado	32,690
Connecticut	34,361
Missouri	40,436
Maryland	42,208
Wisconsin	45,088
Minnesota	45,104
Georgia	45,745
Washington	45,914
Arizona	46,045
North Carolina	47,774
Virginia	56,682
Michigan	60,177
Massachusetts	63,089
New Jersey	73,712
Ohio	80,987
Illinois	83,339
Texas	114,623
Pennsylvania	115,819
New York	139,590
Florida	190,474
California	212,259
United States Total	2,068,418
Philippines	520
Puerto Rico	5,108
Virgin Islands	415
Canada	1,243
Other Territories & Foreign Countries	3,459
Total Policies¹	2,079,163

Source: Insurance Master Record Database - Insurance Actuarial Subsystem
Report-AVS 2007
¹ Excludes VGLI & SGLI

Life Insurance Policies

at the Beginning of FY 2002

(Total – 2,068,418)

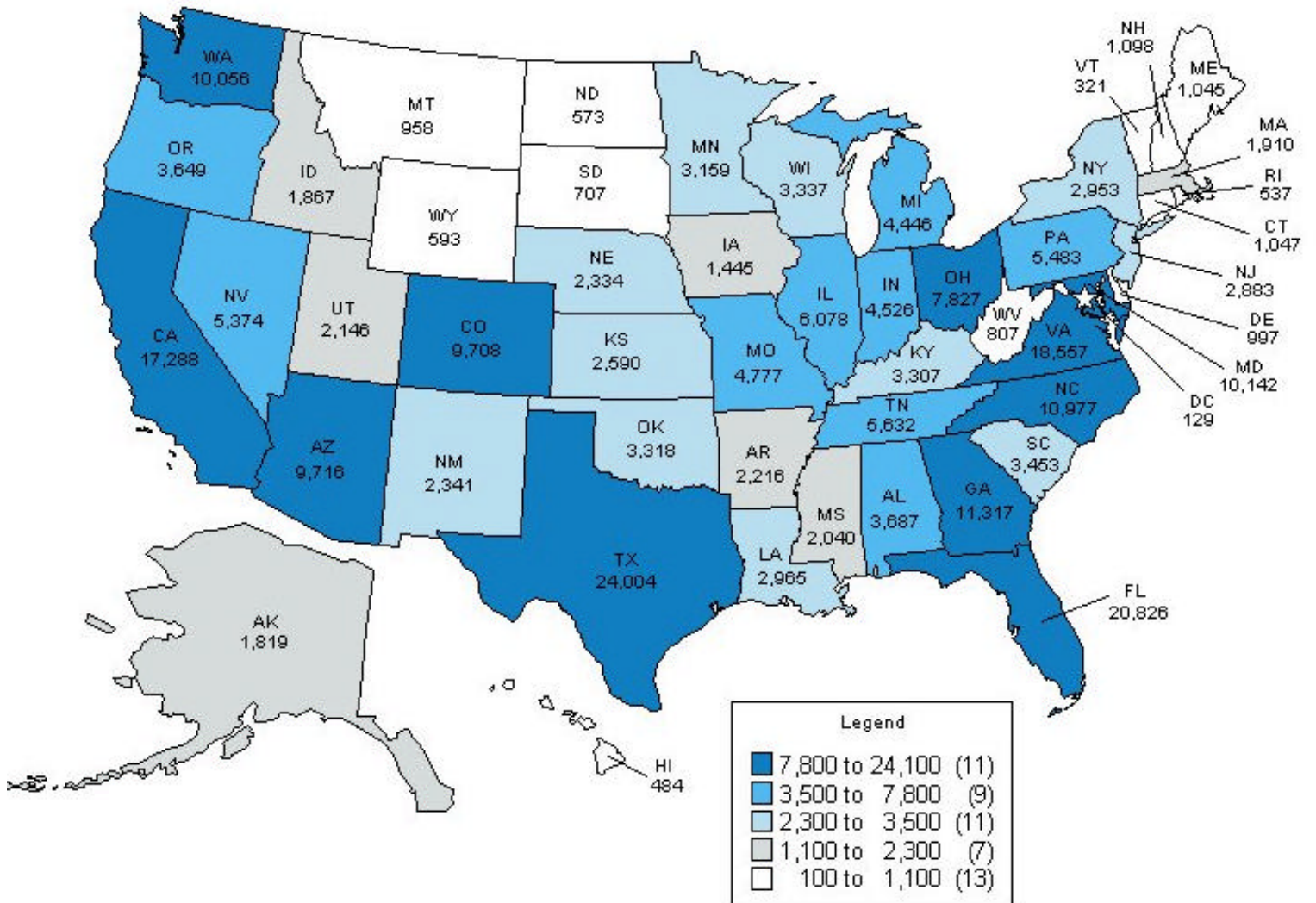


**Home Loans Guaranteed by Residence
During FY 2001
(In Ascending Order for US)**

District of Columbia	129
Vermont	321
Hawaii	484
Rhode Island	537
North Dakota	573
Wyoming	593
South Dakota	707
West Virginia	807
Montana	958
Delaware	997
Maine	1,045
Connecticut	1,047
New Hampshire	1,098
Iowa	1,445
Alaska	1,819
Idaho	1,867
Massachusetts	1,910
Mississippi	2,040
Utah	2,146
Arkansas	2,216
Nebraska	2,334
New Mexico	2,341
Kansas	2,590
New Jersey	2,883
New York	2,953
Louisiana	2,965
Minnesota	3,159
Kentucky	3,307
Oklahoma	3,318
Wisconsin	3,337
South Carolina	3,453
Oregon	3,649
Alabama	3,687
Michigan	4,446
Indiana	4,526
Missouri	4,777
Nevada	5,374
Pennsylvania	5,483
Tennessee	5,632
Illinois	6,078
Ohio	7,827
Colorado	9,708
Arizona	9,716
Washington	10,056
Maryland	10,142
North Carolina	10,977
Georgia	11,317
California	17,288
Virginia	18,557
Florida	20,826
Texas	24,004
United States Total	249,449
Puerto Rico	520
Territories	40
Total	250,009
Source: LGY SAS Program	

Home Loans Guaranteed

During FY 2001
(Total – 249,449)



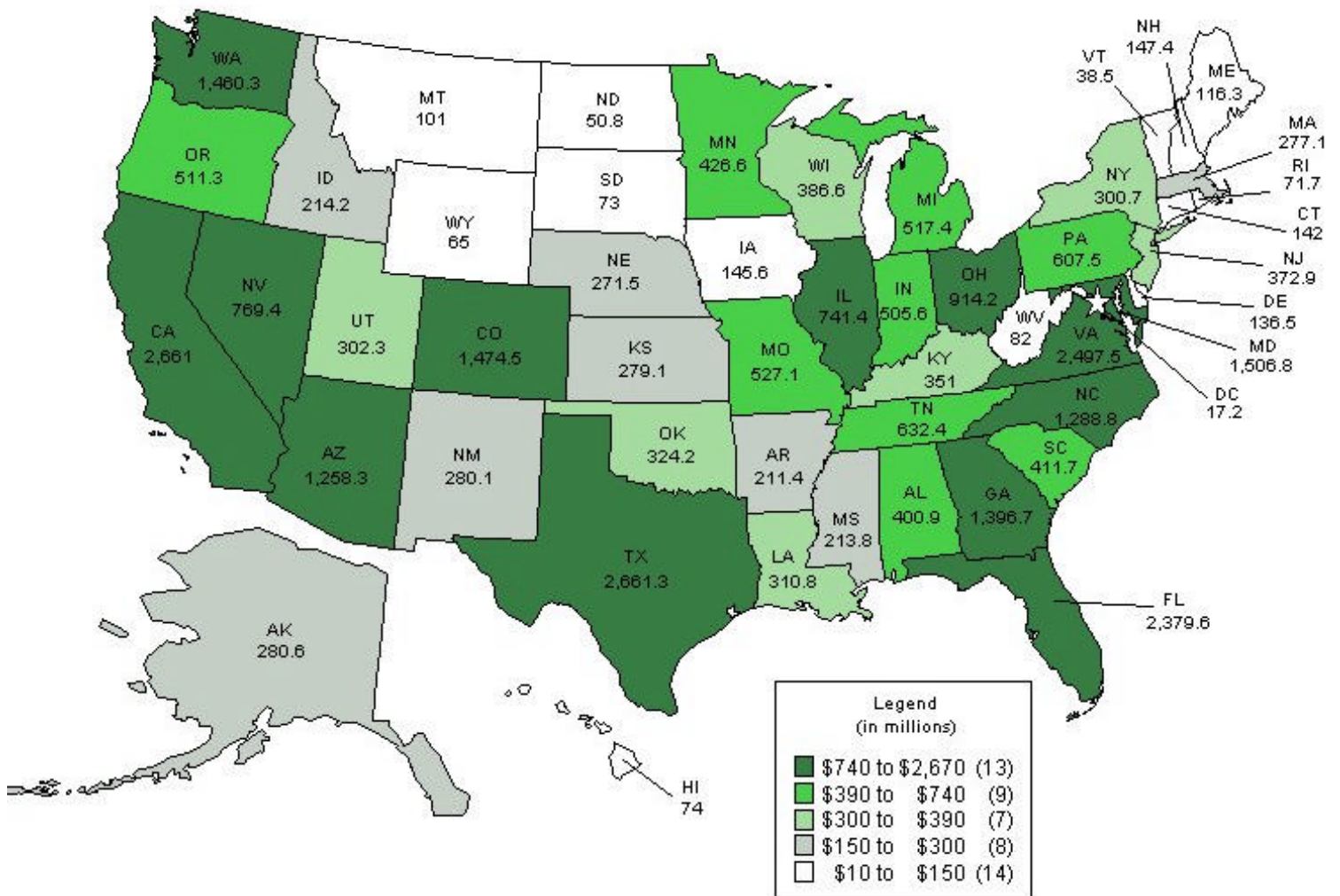
**Loan Amounts Guaranteed by Residence
During FY 2001
(In Ascending Order for US)**

District of Columbia	\$17,224,915
Vermont	\$38,466,561
North Dakota	\$50,807,438
Wyoming	\$64,976,648
Rhode Island	\$71,712,261
South Dakota	\$72,953,368
Hawaii	\$74,012,297
West Virginia	\$82,009,283
Montana	\$101,022,682
Maine	\$116,251,281
Delaware	\$136,476,229
Connecticut	\$142,044,143
Iowa	\$145,614,854
New Hampshire	\$147,355,050
Arkansas	\$211,350,951
Mississippi	\$213,775,963
Idaho	\$214,208,723
Nebraska	\$271,508,519
Massachusetts	\$277,141,894
Kansas	\$279,102,006
New Mexico	\$280,083,527
Alaska	\$280,586,152
New York	\$300,736,561
Utah	\$302,314,666
Louisiana	\$310,823,207
Oklahoma	\$324,161,814
Kentucky	\$351,002,465
New Jersey	\$372,860,082
Wisconsin	\$386,564,113
Alabama	\$400,880,988
South Carolina	\$411,674,423
Minnesota	\$426,590,019
Indiana	\$505,622,873
Oregon	\$511,344,580
Michigan	\$517,368,002
Missouri	\$527,136,273
Pennsylvania	\$607,511,463
Tennessee	\$632,356,998
Illinois	\$741,400,882
Nevada	\$769,354,536
Ohio	\$914,232,282
Arizona	\$1,258,277,802
North Carolina	\$1,288,799,647
Georgia	\$1,396,655,206
Washington	\$1,460,255,337
Colorado	\$1,474,514,840
Maryland	\$1,506,778,480
Florida	\$2,379,554,536
Virginia	\$2,497,454,637
California	\$2,660,937,473
Texas	\$2,661,312,489
United States Total	\$31,187,161,420
Puerto Rico	\$61,801,411
Territories	\$5,991,898
Total	\$31,254,954,728

Source: LGY SAS Program

Loan Amounts Guaranteed

During FY 2001
(Total - \$31,187.2)

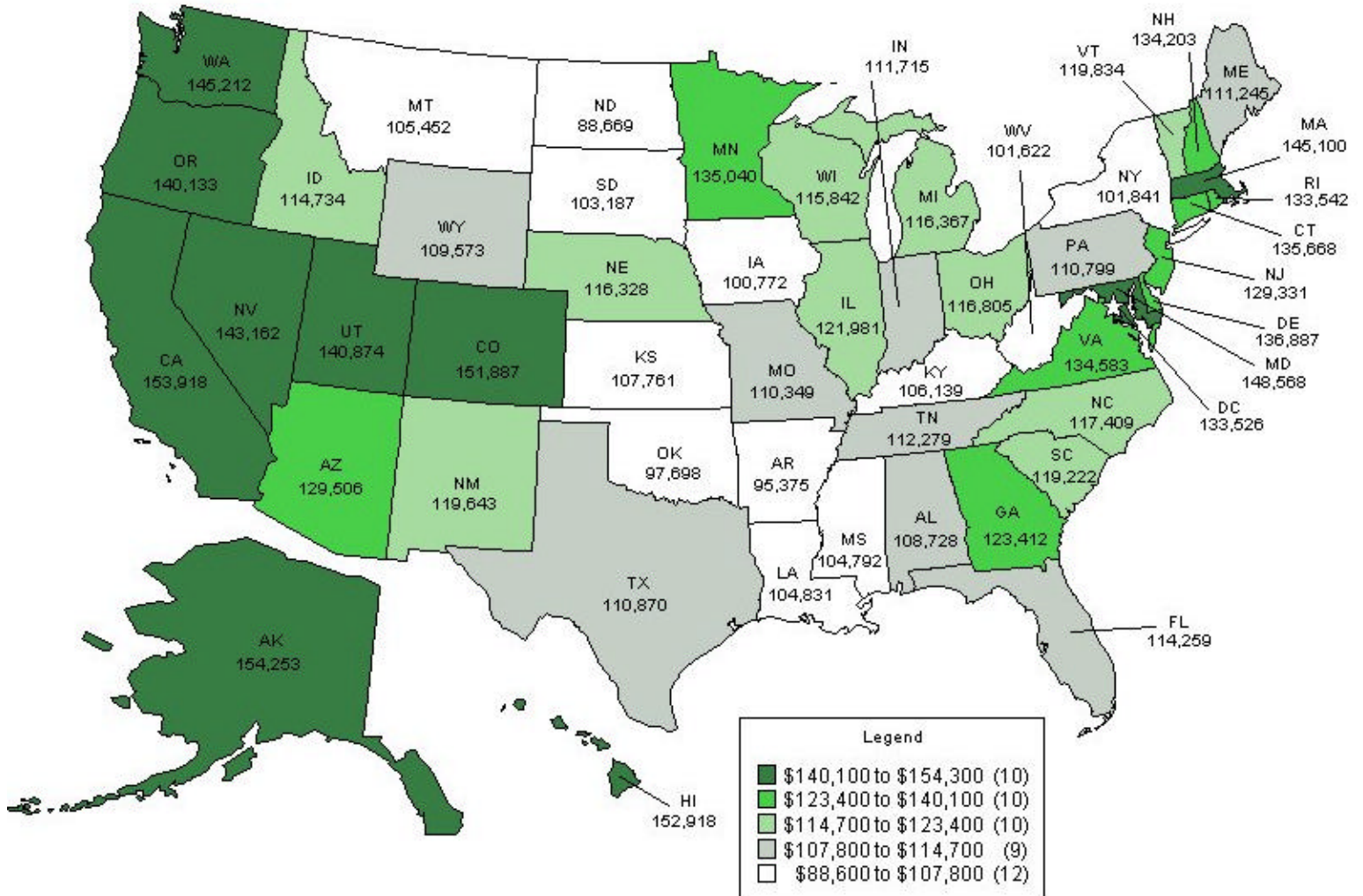


**Average Home Loan Amounts by Residence
for Loans Guaranteed During FY 2001
(In Ascending Order for US)**

North Dakota	\$88,669
Arkansas	\$95,375
Oklahoma	\$97,698
Iowa	\$100,772
West Virginia	\$101,622
New York	\$101,841
South Dakota	\$103,187
Mississippi	\$104,792
Louisiana	\$104,831
Montana	\$105,452
Kentucky	\$106,139
Kansas	\$107,761
Alabama	\$108,728
Wyoming	\$109,573
Missouri	\$110,349
Pennsylvania	\$110,799
Texas	\$110,870
Maine	\$111,245
Indiana	\$111,715
Tennessee	\$112,279
Florida	\$114,259
Idaho	\$114,734
Wisconsin	\$115,842
Nebraska	\$116,328
Michigan	\$116,367
Ohio	\$116,805
North Carolina	\$117,409
South Carolina	\$119,222
New Mexico	\$119,643
Vermont	\$119,834
Illinois	\$121,981
Georgia	\$123,412
New Jersey	\$129,331
Arizona	\$129,506
District of Columbia	\$133,526
Rhode Island	\$133,542
New Hampshire	\$134,203
Virginia	\$134,583
Minnesota	\$135,040
Connecticut	\$135,668
Delaware	\$136,887
Oregon	\$140,133
Utah	\$140,874
Nevada	\$143,162
Massachusetts	\$145,100
Washington	\$145,212
Maryland	\$148,568
Colorado	\$151,887
Hawaii	\$152,918
California	\$153,918
Alaska	\$154,253
United States Average	\$125,024
Puerto Rico	\$118,849
Territories	\$298,927
Average for All	\$125,015

Source: LGY SAS Program

Average Home Loan Amounts for Loans Guaranteed During FY 2001



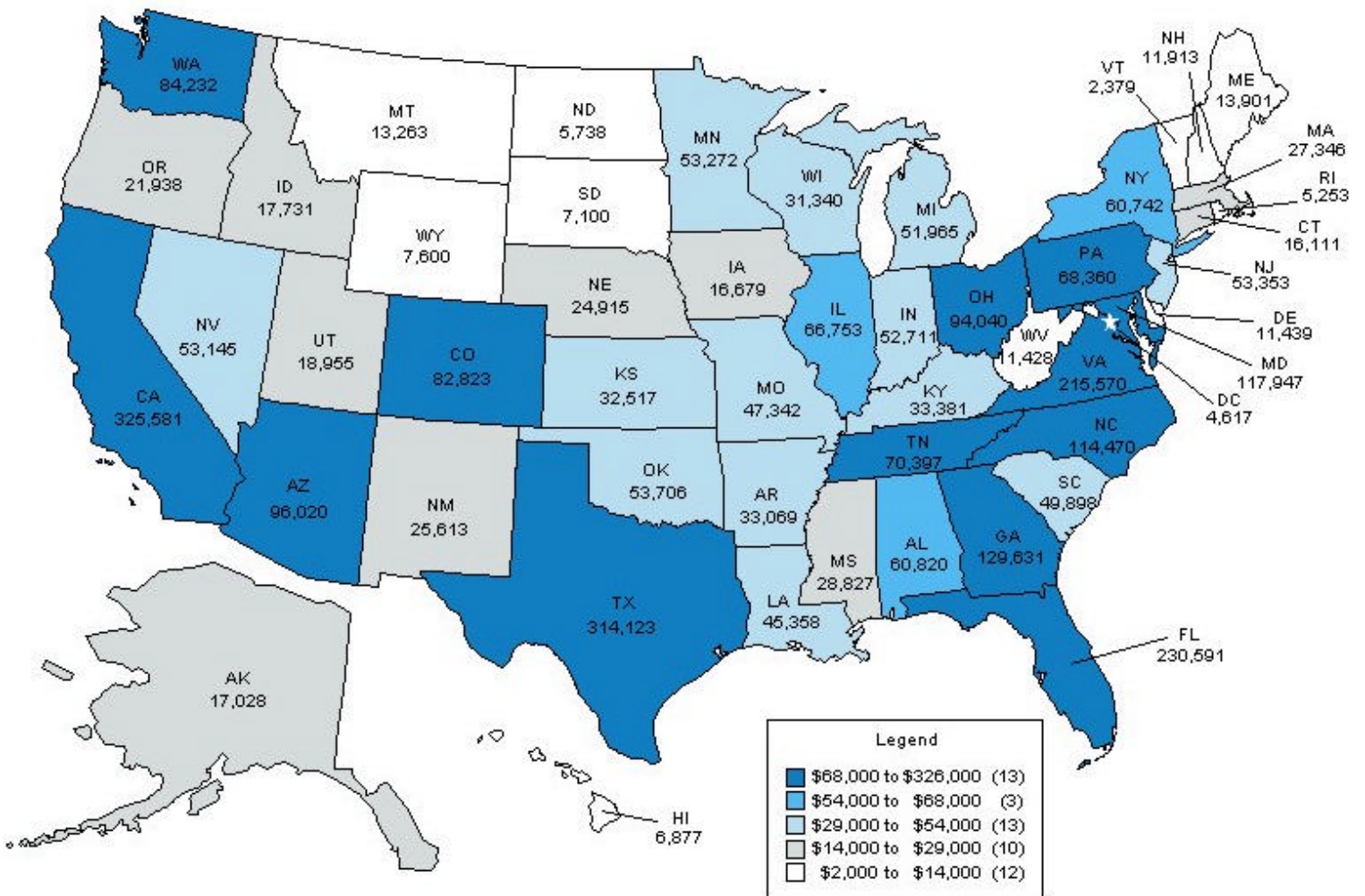
**Active Home Loans by Residence
at the Beginning of FY 2002
(In Ascending Order for US)**

Vermont	2,379
District of Columbia	4,617
Rhode Island	5,253
North Dakota	5,738
Hawaii	6,877
South Dakota	7,100
Wyoming	7,600
West Virginia	11,428
Delaware	11,439
New Hampshire	11,913
Montana	13,263
Maine	13,901
Connecticut	16,111
Iowa	16,679
Alaska	17,028
Idaho	17,731
Utah	18,955
Oregon	21,938
Nebraska	24,915
New Mexico	25,613
Massachusetts	27,346
Mississippi	28,827
Wisconsin	31,340
Kansas	32,517
Arkansas	33,069
Kentucky	33,381
Louisiana	45,358
Missouri	47,342
South Carolina	49,898
Michigan	51,965
Indiana	52,711
Nevada	53,145
Oklahoma	53,706
New Jersey	53,353
Minnesota	53,272
New York	60,742
Alabama	60,820
Illinois	66,753
Pennsylvania	68,360
Tennessee	70,397
Colorado	82,823
Washington	84,232
Ohio	94,040
Arizona	96,020
North Carolina	114,470
Maryland	117,947
Georgia	129,631
Virginia	215,570
Florida	230,591
Texas	314,123
California	325,581
United States Total	3,039,808¹
Puerto Rico	15,508
Territories	703
Total	3,056,019

Source: LGY SAS Program

¹ Differs slightly from the numbers in chapter 3 because of the time this was compiled.

Active Home Loans at the Beginning of FY 2002 (Total – 3,039,808)



**Active Home Loan Amounts by Residence
at the Beginning of FY 2002
(In Ascending Order for US)**

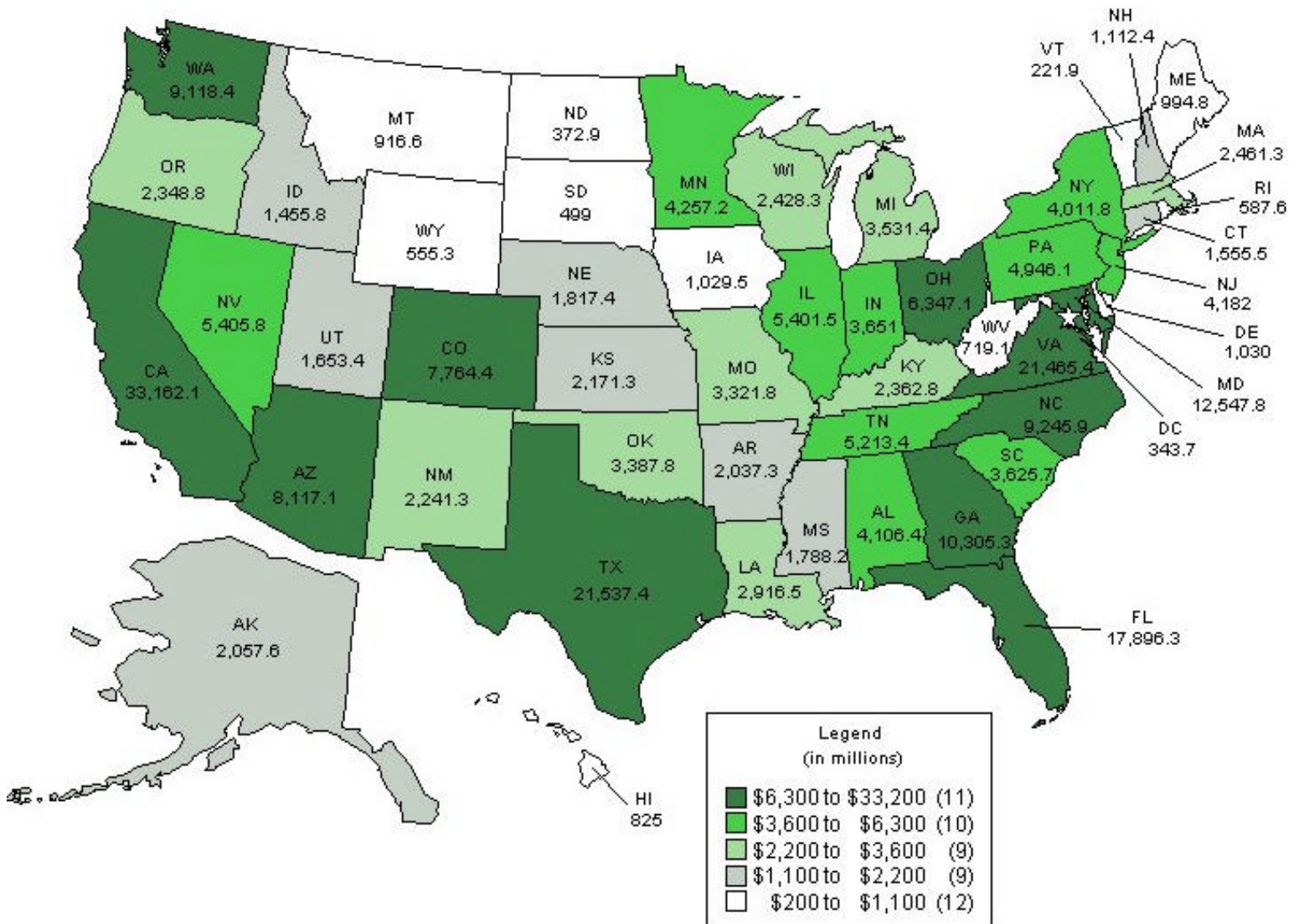
Vermont	\$221,887,270
District of Columbia	\$343,671,664
North Dakota	\$372,933,777
South Dakota	\$498,970,607
Wyoming	\$555,290,205
Rhode Island	\$587,615,688
West Virginia	\$719,141,386
Hawaii	\$824,952,258
Montana	\$916,614,211
Maine	\$994,786,807
Iowa	\$1,029,522,211
Delaware	\$1,029,956,885
New Hampshire	\$1,112,429,263
Idaho	\$1,455,843,032
Connecticut	\$1,555,538,654
Utah	\$1,653,384,097
Mississippi	\$1,788,225,675
Nebraska	\$1,817,392,241
Arkansas	\$2,037,337,443
Alaska	\$2,057,570,479
Kansas	\$2,171,275,488
New Mexico	\$2,241,331,364
Oregon	\$2,348,815,092
Kentucky	\$2,362,757,615
Wisconsin	\$2,428,274,219
Massachusetts	\$2,461,336,092
Louisiana	\$2,916,501,497
Missouri	\$3,321,765,457
Oklahoma	\$3,387,758,014
Michigan	\$3,531,424,559
South Carolina	\$3,625,732,559
Indiana	\$3,651,029,092
New York	\$4,011,819,771
Alabama	\$4,106,400,324
New Jersey	\$4,182,003,177
Minnesota	\$4,257,156,239
Pennsylvania	\$4,946,092,964
Tennessee	\$5,213,354,325
Illinois	\$5,401,487,681
Nevada	\$5,405,797,102
Ohio	\$6,347,084,864
Colorado	\$7,764,366,078
Arizona	\$8,117,093,994
Washington	\$9,118,364,688
North Carolina	\$9,245,862,794
Georgia	\$10,305,331,066
Maryland	\$12,547,779,675
Florida	\$17,896,344,664
Virginia	\$21,465,356,115
Texas	\$21,537,444,579
California	\$33,162,113,683
United States Total	\$251,052,318,684
Puerto Rico	\$918,695,013
Territories	\$69,094,797
Total	\$252,040,108,494

Source: LGY SAS Program

Active Home Loan Amounts

at the Beginning of FY 2002

(Total - \$251,052.3)



VBA REGIONAL OFFICE MAILING ADDRESSES**ALABAMA**

VA Regional Office
345 Perry Hill Road
Montgomery, AL 36109-3798

ARIZONA

VA Regional Office
3225 North Central Avenue
Phoenix, AZ 85012-2405

CALIFORNIA

VA Regional Office
Federal Building
11000 Wilshire Blvd.
Los Angeles, CA 90024-3602

CALIFORNIA

VA Regional Office
8810 Rio San Diego Drive
San Diego, CA 92108-1508

CONNECTICUT

VA Regional Office
450 Main Street
Hartford, CT 06103-3077

DISTRICT OF COLUMBIA

VA Regional Office
1120 Vermont Avenue, NW
Washington, DC 20421-1111

GEORGIA

VA Regional Office
1700 Clairmont Rd.
Decatur, GA 30333-4032

IDAHO

VA Regional Office
805 W. Franklin Street
Boise, ID 83702-5560

ALASKA

VA Outpatient Clinic and Regional Office
2925 Debarr Road
Anchorage, AK 99508-2989

ARKANSAS

VA Regional Office
P.O. Box 1280
North Little Rock, AR 72115-1280

CALIFORNIA

VA Regional Office
Oakland Federal Building
1301 Clay Street - Suite 1300N
Oakland, CA 94612-5209

COLORADO

VA Regional Office
P.O. Box 25126
Denver, CO 80225-0126

DELAWARE

VA Medical and Regional Office Center
1601 Kirkwood Highway
Wilmington, DE 19805-4988

FLORIDA

VA Regional Office
P.O. 1437
St. Petersburg, FL 33708

HAWAII

VA Medical and Regional Office Center
300 Ala Moana Blvd.
Honolulu, HI 96813

ILLINOIS

VA Regional Office
536 S. Clark Street
Chicago, IL 60605-1523

INDIANA

VA Regional Office
575 North Pennsylvania Street
Indianapolis, IN 46204-1526

KANSAS

VA Medical and Regional Office Center
5500 E. Kellogg
Wichita, KS 67218-1698

LOUISIANA

VA Regional Office
701 Loyola Avenue - Room 4210
New Orleans, LA 70113-1912

MARYLAND

VA Regional Office
Federal Building
31 Hopkins Plaza - Room 233
Baltimore, MD 21201-0001

MICHIGAN

VA Regional Office
Patrick V. McNamara Federal Bldg.
477 Michigan Avenue - Room 1400
Detroit, MI 48226-2591

MISSISSIPPI

VA Regional Office
1600 East Woodrow Wilson Avenue
Jackson, MS 39216-5102

MONTANA

VA Medical and Regional Office Center
Williams Street
Fort Harrison, MT 59636-9999

NEVADA

VA Regional Office
1201 Terminal Way
Reno, NV 89520-0118

IOWA

VA Regional Office
210 Walnut Street - Room 1063
Des Moines, IA 50309-9825

KENTUCKY

VA Regional Office
545 S. 3rd Street
Louisville, KY 40202-3835

MAINE

VA Medical and Regional Office Center
1 VA Center
Bldg. 248, Room 103
Togus, ME 04330-6795

MASSACHUSETTS

VA Regional Office
John F. Kennedy Building
Government Center - Room 1265
Boston, MA 02203-0393

MINNESOTA

VA Regional Office
One Federal Drive
St. Paul, MN 55111-4050

MISSOURI

VA Regional Office
400 South 18th Street
St. Louis, MO 63103-2676

NEBRASKA

VA Regional Office
5631 S. 48th Street
Lincoln, NE 68516-4198

NEW HAMPSHIRE

VA Regional Office
Norris Cotton Federal Bldg.
275 Chestnut Street
Manchester, NH 03101-2489

NEW JERSEY

VA Regional Office
20 Washington Place
Newark, NJ 07102-3174

NEW YORK

VA Regional Office Federal Building
111 West Huron Street
Buffalo, NY 14202-2368

NORTH CAROLINA

VA Regional Office Federal Building
251 North Main Street
Winston-Salem, NC 27155-1000

OHIO

VA Regional Office
Anthony J. Celebreeze Federal Building
1240 East Ninth Street
Cleveland, OH 44199-2001

OREGON

VA Regional Office
Federal Building
1220 Southwest 3rd Avenue Room 1217
Portland, OR 97204-2825

PENNSYLVANIA

VA Regional Office
1000 Liberty Avenue
Pittsburgh, PA 15222-4004

PUERTO RICO

VA Regional Office
P.O. Box 364867
San Juan, PR 00936-4867

SOUTH CAROLINA

VA Regional Office
1801 Assembly Street
Columbia, SC 29201-2495

NEW MEXICO

VA Regional Office
Dennis Chavez Federal Bldg.
500 Gold Avenue, SW
Albuquerque, NM 87102-3118

NEW YORK

VA Regional Office
245 W. Houston Street
New York, NY 10014-4805

NORTH DAKOTA

VA Medical and Regional Office Center
2101 Elm Street
Fargo, ND 58102-2417

OKLAHOMA

VA Regional Office Federal Building
125 South Main Street
Muskogee, OK 74401-7025

PENNSYLVANIA

VA Regional Office and Insurance Center
P.O. Box 8079
Philadelphia, PA 19101-8079

PHILIPPINES

U.S. Department of Veterans Affairs
FPO AP 96515-1110
Manila, PI 1000

RHODE ISLAND

VA Regional Office
380 Westminster Mall
Providence, RI 02903-3246

SOUTH DAKOTA

VA Medical and Regional Office Center
P.O. Box 504
Sioux Falls, SD 57117-5046

TENNESSEE

VA Regional Office
110 Ninth Avenue, South
Nashville, TN 37203-3817

TEXAS

VA Regional Office
One Veterans Plaza
701 Clay Avenue
Waco, TX 76799-0001

VERMONT

VA Medical and Regional Office Center
215 N. Main Street
White River Junction, VT 05009-0001

WASHINGTON

VA Regional Office
Federal Building
915 Second Avenue
Seattle, WA 98174-1060

WISCONSIN

VA Regional Office
5000 W. National Avenue - Bldg. 6
Milwaukee, WI 53295-0006

TEXAS

VA Regional Office
6900 Almeda Road
Houston, TX 77030-4200

UTAH

VA Regional Office
Federal Bldg.
125 South State St.
Salt Lake City, UT 84147-0500

VIRGINIA

VA Regional Office
210 Franklin Road, SW
Roanoke, VA 24011-2204

WEST VIRGINIA

VA Regional Office
640 4th Avenue
Huntington, WV 25701-1340

WYOMING²⁰

2360 E. Pershing Blvd.
Cheyenne, WY 82001

²⁰ The Denver Regional Office serves the state of Wyoming. The local address provided is for the Benefits Office.

Contacting VA by Telephone

General Benefits

Disability Compensation, Pension, Vocational Rehabilitation, and Home Loans	1-800-827-1000 *
Education and Training	1-888-GI BILL 1 * (1-888-442-4551)
Burial, Headstones, and Markers	1-800-697-6947 *
VA Life Insurance	1-800-669-8477 *

Healthcare Benefits

Veterans Healthcare	1-800-827-1000 *
Veterans Healthcare in Canada	1-613-943-0824
Veterans Healthcare in Philippines	1-632-833-4566
Veterans Healthcare in all Other Countries	1-303-331-7590
National Mammography Helpline	1-888-492-7844 *
CHAMPVA	1-800-733-8387 *

Miscellaneous

Telecommunication Device for the Deaf (TDD)	1-800-829-4833 *
Gulf War Hotline	1-800-PGW-VETS*

* Indicates toll-free numbers

WEB SITES

Web sites where additional information may be obtained about VA.

VA WEB SITES

VA Home Page – Department of Veterans Affairs	http://www.va.gov
Board of Veterans Appeals	http://www.va.gov/vbs/bva/index.htm
Health Benefits and Services	http://www.va.gov/vbs/health/index.htm
Homeless Program Web Page	http://www.va.gov/health/homeless
VA Hot Topics	http://www.va.gov/hottopic/index.htm
National Cemetery Administration Home Page	http://www.cem.va.gov
Public Affairs and Special Events	http://www.va.gov/opa/index.htm
VA's Office of Congressional Affairs Home Page	http://www.va.gov/oca/index.htm
VA What's New	http://www.va.gov/whatsnew/index.htm
Center for Minority Veterans	http://www.va.gov/minority/index.htm
Center for Women Veterans	http://www.va.gov/womenvet/

VETERANS BENEFITS ADMINISTRATION WEB SITE

Veterans Benefits Administration	http://www.vba.va.gov
VBA Forms Page	http://www.vba.va.gov/pubs/forms1.htm
Compensation and Pension Benefits Home Page	http://www.vba.va.gov/bln/21/index.htm
Education Benefits Home Page	http://www.gibill.va.gov
Home Loan Guaranty Service Home Page	http://www.homeloans.va.gov
Vocational Rehabilitation and Employment Services	http://www.vba.va.gov/bln/vre/index.htm
Life Insurance Program Home Page	http://www.insurance.va.gov

WHITE HOUSE WEB SITE

White House	http://www.whitehouse.gov
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CONGRESSIONAL WEB SITES

Senate	http://www.senate.gov
Senate Committee on Veterans Affairs	http://www.senate.gov/~veterans
House of Representatives	http://www.house.gov
House Committee on Veterans Affairs	http://veterans.house.gov

INDEX

A	Page
Addresses - VBA Regional Offices	186
Appendix A - Geographic Distribution of Data	139
Appendix C - Contacting VA by Telephone	190
Appendix D - Web Sites: VA, VBA, and others	191
B	
Beneficiaries Entering All Benefits Program Rolls During FY 2001, Summary	14
Beneficiaries Leaving the Rolls for All Benefits Programs, FY 2001	65
Benefits Programs, Summary of All, Beginning FY 2002	79
Business During FY 2001	14
C	
Compensation Based Upon Service-Connected Disability or Death	7
Compensation Claims, Original and Subsequent, Received and Completed FY 2001	34
Compensation Claims, Service-Connected Disability, Disability by Claim, FY 2001	36
Compensation Claims, Service-Connected Disability, Disability Percentages, FY 2001	35
Compensation Claims, Service-Connected Disability, Grants and Denials, FY 2001	35
Compensation Claims, Subsequent Reopened, Veteran, by Age, FY 2001	34
Compensation, Service-Connected Deaths, Payments Ended, FY 2001	67
Compensation, Service-Connected Disability, Payments Ended, FY 2001	66
Compensation, 20 Most Prevalent Service-Connected Disabilities, Beginning FY 2002	93
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Age of Children, Beginning FY 2002	104
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Age of Surviving Spouses, Beginning FY 2002	103
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Dependency Status of Serving Spouses, Beginning FY 2002	103
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Marital Status of Serving Parents, Beginning FY 2002	104
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Period of Service, Beginning FY 2002	101
Compensation, based on Service-Connected Death, All Beneficiaries, DIC/Death Compensation, Demographics, by Relationship to Veteran, Beginning FY 2002	103
Compensation, based on Service-Connected Death, Beneficiaries Receiving DIC/Death Compensation Benefits, Beginning FY 2002	101
Compensation, based on Service-Connected Death, FY 2001	37

Compensation, Based Upon Service-Connected Disability, FY 2001	16
Compensation, Conditions Claimed and Disabilities Being Paid, FY 2001	17
Compensation, Dependency and Indemnity Compensation (DIC) Initial Benefits, Demographics, by Age - Children, FY 2001	39
Compensation, Dependency and Indemnity Compensation (DIC) Initial Benefits, Demographics, by Age - Parents, FY 2001	39
Compensation, Dependency and Indemnity Compensation (DIC) Initial Benefits, Demographics, by Age - Spouse, FY 2001	38
Compensation, Dependency and Indemnity Compensation (DIC) Initial Benefits, FY 2001	37
Compensation, Disabilities per Claim, Number, FY 2001	18
Compensation, Estimated Future Benefit Payments	128
Compensation, Estimated Future Benefit Payments - Discounted	132
Compensation, Estimated Future Benefit Payments, Veterans Receiving	133
Compensation, Estimated Future Benefit Payments, Death Rates	135
Compensation, Estimated Future Benefit Payments, Rates of Newly Adjudicated Cases	137
Compensation, Most Prevalent Service-Connected Disabilities by Body System - Began Receiving FY 2001	26
Compensation, Most Prevalent Service-Connected Disabilities by Body System, Beginning FY 2002	89
Compensation, Most Prevalent Service-Connected Disabilities by Period of Service, Beginning FY 2002	94
Compensation, Service-Connected Disabilities - Body Systems, Most Prevalent, FY 2001	26
Compensation, Service-Connected Disabilities by Body System FY 2001	20
Compensation, Service-connected Disabilities by Combined Percent - Began Receiving During FY 2001	19
Compensation, Service-connected Disabilities by Combined Percent - Beginning FY 2002	81
Compensation, Service-Connected Disabilities by Diagnostic Code FY 2001	21
Compensation, Service-Connected Disabilities, Veteran Demographics, by Gender, FY 2001	32
Compensation, Service-Connected Disabilities, Veteran Demographics, by Length of Service, FY 2001	33
Compensation, Service-Connected Disabilities, Veteran Demographics, by Period of Service, FY 2001	33
Compensation, Service-Connected Disabilities, Veteran Demographics, by Race FY 3002	32
Compensation, Service-Connected Disabilities, Veteran, Demographics, by Age Beginning FY 2002	99
Compensation, Service-Connected Disabilities, Veteran, Demographics, by Age FY 2001	31
Compensation, Service-Connected Disabilities, Veteran, Demographics, by Period of Service, Beginning FY 2002	100
Compensation, Service-Connected Disabilities, Body System Beginning FY 2002	84
Compensation, Service-Connected Disabilities, Degree of Disability Beginning FY 2002	84
Compensation, Service-Connected Disabilities, Degree of Disability Paid, FY 2001	19
Compensation, Service-Connected Disabilities, Demographics, FY 2001	31
Compensation, Service-Connected Disabilities, Individual, Beginning FY 2002	82

Compensation, Service-Connected Disabilities, Individual, FY 2001	18
Compensation, Service-Connected Disabilities by Body System-Beginning FY 2002	83
Compensation, Service-Connected Disabilities-by Percent and Body System-Began Receiving FY 2001	22
Compensation, Service-Connected Disability, Most Frequent, FY 2001	30
Compensation, Veterans Receiving Disability Beginning FY 2001, Total	17
Compensation, Veterans Receiving, Service-Connected Disability Beginning FY 2002	81
Compensation, Veterans with Service-Connected Disabilities, Demographic Characteristics of, FY 2001	31
Core Value	2
D	
Data Analytical Discussion	4
Dependents Educational Assistance Program (DEA)	10
E	
Education	9
Education, Beneficiaries, Benefits Began FY 2001	42
Education, Beneficiaries, Training Pursued, by Time, FY 2001	43
Education, Beneficiaries, Training Pursued, by Type, FY 2001	42
Education, Benefits Beginning FY 2002	109
Education, Benefits Terminated, FY 2001	70
Education, Benefits, Characteristics of Training, by Training Time, Beginning FY 2002	110
Education, Benefits, Characteristics of Training, by Type of Training, Beginning FY 2002	109
F	
Forecasting Future Program Liabilities	127
Future ABR Considerations	5
G	
Geographic Distribution of Benefits	139
Glossary	206
H	
Home Loan Guaranty	11
Home Loan Guaranty, Active Guaranteed Loans, Beginning FY 2002	117
Home Loan Guaranty, Disposition of Home Loans, FY 2001	73
Home Loan Guaranty, Loans Guaranteed, by Type, FY 2001	48
Home Loan Guaranty, Loans Guaranteed, Characteristics, by Buyer Status, FY 2001	48
Home Loan Guaranty, Loans Guaranteed, Characteristics, by Buyer Status, Beginning FY 2002	118

Home Loan Guaranty, Loans Guaranteed, Characteristics, by Down-Payment Option, Beginning FY 2002	117
Home Loan Guaranty, Loans Guaranteed, Characteristics, by Down-Payment Option, FY 2001	47
Home Loan Guaranty, Loans Guaranteed, Demographics, by Age, Beginning FY 2002	119
Home Loan Guaranty, Loans Guaranteed, Demographics, by Age, FY 2001	49
Home Loan Guaranty, Loans Guaranteed, Demographics, by Gender, Beginning FY 2002	120
Home Loan Guaranty, Loans Guaranteed, Demographics, by Income, FY 2001	49
Home Loan Guaranty, Loans Guaranteed, Demographics, by Period of Service and Other Criteria, Beginning FY 2002	118
Home Loan Guaranty, Loans Guaranteed, Demographics, by Period of Service and Other Criteria, FY 2001	48
Home Loan Guaranty, Loans Guaranteed, Demographics, by Race, Beginning FY 2002	120
Home Loan Guaranty, Loans Guaranteed, Demographics, by Race, FY 2001	50
Home Loan Guaranty, Loans Guaranteed, Direct Loans, Native American Veterans, FY 2001	47
Home Loan Guaranty, Loans Guaranteed, Specially Adaptive Housing Veterans, FY 2001	47
Home Loan Guaranty, Loans Guaranteed, Total, FY 2001	46
I	
Introduction to VBA and Its Benefits Programs	1
Index to Tables	199
Index to Maps/Tables in Appendix A	205
L	
Liability for Future Compensation Benefits	128
Life Insurance	10
Life Insurance, Coverage Established, FY 2001	43
Life Insurance, Death Claims Paid, FY 2001	72
Life Insurance, Payments Made FY 2001	44
Life Insurance, Payments Made on Monthly Basis Beginning FY 2002	112
Life Insurance, Policies "Paid Off"	71
Life Insurance, Policy Lapses, FY 2001	72
Life Insurance, Policyholders and Value of Coverage, Beginning FY 2002	111
Life Insurance, Policyholders, Demographics, by Age, Beginning FY 2002	114
Life Insurance, Policyholders, Demographics, by Amount of SGLI Coverage, Beginning FY 2002	116
Life Insurance, Policyholders, Demographics, by Component of Service for SGLI Coverage, Beginning FY 2002	115
Life Insurance, Ranking Among Commercial Life Insurance Companies Beginning FY 2002	113

M	
Mission Statement	1
Montgomery GI Bill - Active Duty (MGIB)	9
Montgomery GI Bill - Selected Reserve (MGIB-SR)	10
O	
Overview VBA Benefits Programs	7
P	
Pension Based Upon Nonservice Disability or Death and Financial Need	8
Pension based Upon Nonservice-Connected Death, Beginning FY 2002	107
Pension based Upon Nonservice-Connected Death, Demographics, by Age for Surviving Spouses, Beginning FY 2002	108
Pension based Upon Nonservice-Connected Death, Demographics, by Period of Service, Beginning FY 2002	108
Pension based Upon Nonservice-Connected Disability, Beginning FY 2002	105
Pension based Upon Nonservice-Connected Disability, Demographics, by Age, Beginning FY 2002	106
Pension based Upon Nonservice-Connected Disability, Demographics, by Period of Service, Beginning FY 2002	107
Pension based Upon Nonservice-Connected Disability, FY 2001	41
Pension, Death Pension, Beneficiaries, FY 2001	41
Pension, Service-Connected Disability, FY 2001	40
Pension, Veterans Receiving Disability Beginning FY 2001, Total	40
Pension, Veterans with Death Pension, Demographic Characteristics of, by Age, FY 2001	41
Pension, Veterans with Disability, Demographic Characteristics of, by Age, FY 2001	40
Pensions, Nonservice-Connected Deaths, Payments Ended, FY 2001	69
Performance Measurement Discussion	3
Post-Vietnam Era Veterans Educational Assistance Program (VEAP)	9
Purpose of VBA's Annual Benefits Report	3
T	
Telephone Numbers - General Benefits, Healthcare, Miscellaneous	190
V	
Vision Statement	1
Vocational Rehabilitation and Employment	13
Vocational Rehabilitation and Employment (VR&E), Beginning FY 2002	121
Vocational Rehabilitation and Employment (VR&E), FY 2001	50
VR&E Veterans and Eligible Dependents Served, FY 2001	50
VR&E Veterans, By Occupational Goals, Beginning FY 2002	122

VR&E, Veterans, By Type of Training Activity, Beginning FY 2002	122
VR&E, Evaluation and Planning, Step 2, by Age, FY 2001	55
VR&E, Evaluation and Planning, Step 2, by Completed Rehabilitation Plans, FY 2001	56
VR&E, Evaluation and Planning, Step 2, by Gender, FY 2001	55
VR&E, Evaluation and Planning, Step 2, by Period of Service, FY 2001	56
VR&E, Evaluation and Planning, Step 2, by Serious Employment Handicap, FY 2001	56
VR&E, Evaluation and Planning, Step 2, FY 2001	53
VR&E, Interrupted, FY 2001	78
VR&E, Participation in Rehabilitation Services, Step 3, by Age, FY 2001	59
VR&E, Participation in Rehabilitation Services, Step 3, by Branch of Service, FY 2001	59
VR&E, Participation in Rehabilitation Services, Step 3, by Dependency Status, FY 2001	60
VR&E, Participation in Rehabilitation Services, Step 3, by Gender, FY 2001	58
VR&E, Participation in Rehabilitation Services, Step 3, by Length of Service, FY 2001	60
VR&E, Participation in Rehabilitation Services, Step 3, by Occupational Goal, FY 2001	57
VR&E, Participation in Rehabilitation Services, Step 3, by Period of Service, FY 2001	59
VR&E, Participation in Rehabilitation Services, Step 3, by Prior Education Level	60
VR&E, Participation in Rehabilitation Services, Step 3, by Prior Use of Education Benefits, FY 2001	61
VR&E, Participation in Rehabilitation Services, Step 3, by Serious Employment Handicap FY 2001	58
VR&E, Participation in Rehabilitation Services, Step 3, by Type of Training Activity, FY 2001	58
VR&E, Preparing an Search for Suitable Job, Step 4, FY 2001	61
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Age, FY 2001	76
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Branch of Service	77
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Dependency Status, FY 2001	76
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Gender	75
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Length of Service, FY 2001	77
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Period of Service, FY 2001	78
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Demographics, by Prior Education Level, FY 2001	76
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, FY 2001	74
VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Pre- and Post Earnings, by Gender, FY 2001	74

VR&E, Rehabilitated, Participants with Serious Handicap Completed Program, Pre- and Post Earnings, by Occupational Type, FY 2001	75
VR&E, Rehabilitation and Employment Services, Step 1, by Age, FY 2001	53
VR&E, Rehabilitation and Employment Services, Step 1, by Gender, FY 2001	53
VR&E, Rehabilitation and Employment Services, Step 1, FY 2001	51
VR&E, Veterans Ending Training Program, FY 2001	73
VR&E, Veterans in Active Cases Statuses	63
VR&E, Veterans Participating in Training, Demographics, by Age, Beginning FY 2002	124
VR&E, Veterans Participating in Training, Demographics, by Branch of Service, Beginning FY 2002	125
VR&E, Veterans Participating in Training, Demographics, by Degree of Service-Connected Disability, Beginning FY 2002	123
VR&E, Veterans Participating in Training, Demographics, by Dependency Status, Beginning FY 2002	126
VR&E, Veterans Participating in Training, Demographics, by Gender, Beginning FY 2002	124
VR&E, Veterans Participating in Training, Demographics, by Period of Service, Beginning FY 2002	125
VR&E, Veterans Participating in Training, Demographics, by Prior Education Level, Beginning FY 2002	126
VR&E, Veterans Participating in Training, Demographics, by Prior Use of VA Education Benefits, Beginning FY 2002	126
VR&E, Veterans Participating in Training, Demographics, by Serious Employment Handicap, Beginning FY 2002	124
W	
Web Sites	191

INDEX TO TABLES

Chapter 1 INTRODUCTION TO VBA AND ITS BENEFITS PROGRAMS		
Table Number	Table Title	Page
Table 1	Insurance Programs that No Longer Issue Coverage	11
Table 2	Insurance Programs that Issue Coverage	11
Table 3	Summary of Home Loan Guaranty Entitlements	13
Table 4	VR&E Program and Statutory Authority	13
Chapter 2 BUSINESS DURING FY 2001		
Table Number	Table Title	Page
Table 1	Summary of Beneficiaries Who Began Receiving Benefits for Programs that Pay Recurring Monthly Benefits During FY 2001	14
Table 2	Summary of Beneficiaries Who Began Receiving Benefits for Programs that Pay Monthly Benefits During Training During FY 2001	15
Table 3	Summary of Beneficiaries Who Obtained Coverage During FY 2001 Benefit Programs that Constitute Potential Liabilities	15
Table 4	Total Number of Veterans Who Began Receiving Compensation During FY 2001	17
Table 5	Applications for Service-Connected Disability Compensation by Number Of Disabilities Claimed for FY 2001	18
Table 6	Total Individual Service-Connected Disabilities - by Percent for Veterans Who Began Receiving Compensation During FY 2001	19
Table 7	Service-Connected Disabilities - by Combined Percent for Veterans Who Began Receiving Compensation During FY 2001	20
Table 8	Ranking of Individual Service-Connected Disabilities by Body System for Veterans Who Began Receiving Compensation During FY 2001	20
Table 9	Total Individual Service-Connected Disabilities by Percent and Body Systems For Veterans Who Began Receiving Compensation During FY 2001	22
Table 10	Most Common Service-Connected Disabilities within Body Systems for Veterans Who Began Receiving Compensation During FY 2001	27
Table 11	Disabilities Most Frequently Service-Connected for Veterans Who Began Receiving Compensation During FY 2001	30
Table 12	Service-connected Compensation by Age for Veterans Who Began Receiving Compensation During FY 2001	31
Table 13	Service-Connected Disability Original and Subsequent Reopened Claims Granted - By Gender During FY 2001	32
Table 14	Service-Connected Disability Original and Subsequent Reopened Claims Granted - By Race During FY 2001	32
Table 15	Service-Connected Disability Original and Subsequent Reopened Claims Granted - By Period Of Service During FY 2001	33
Table 16	Service-Connected Disability Claims Granted by Length of Service During FY 2001	33
Table 17	Original and Subsequent Disability Compensation Claims During FY 2001	34

Table 18	Subsequent Reopened Compensation Claims Decided by Rating During FY 2001 By Age of the Veteran	34
Table 19	Service-Connected Disability Original Claim Grants and Denials by Individual Disabilities Claimed During FY 2001	35
Table 20	Service-Connected Disability Original Claim Grants Grants by Individual Disability During FY 2001	35
Table 21	Service-Connected Disability Original Claims Granted or Denied During FY 2001	36
Table 22	Total Beneficiaries Who Began Receiving Dependency and Indemnity Compensation (DIC) During FY 2001	37
Table 23	Surviving Spouses Who Began Receiving DIC by Age During FY 2001	38
Table 24	Children Who Began Receiving DIC by Age During FY 2001	39
Table 25	Surviving Parents Who Began Receiving DIC by Marital Status During FY 2001	39
Table 26	Veterans Who Began Receiving Disability Pension by Program During FY 2001	40
Table 27	Veterans Who Began Receiving Disability Pension by Age During FY 2001	40
Table 28	Surviving Spouses Who Began Receiving Death Pension by Program During FY 2001	41
Table 29	Surviving Spouses Who Began Receiving Death Pension By Age During FY 2001	41
Table 30	Beneficiaries Who Began Receiving Education Benefits During FY 2001	42
Table 31	Beneficiaries Who Began Receiving Education Benefits by Type of Training and Program During FY 2001	42
Table 32	Beneficiaries Who Began Receiving Education Benefits by Training Time and Program During FY 2001	43
Table 33	New Insurance Coverage Issued During FY 2001	44
Table 33A	New Insurance Coverage--FY 1998 to FY 2001	44
Table 34	Insurance Payments Made During FY 2001	45
Table 34A	Insurance Dividends Payments Made--FY 1998 to FY 2001	45
Table 35	Loans Guaranteed During FY 2001	46
Table 36	Loans Guaranteed During FY 2001 Based on Purchase Loan Versus Refinance Loans	46
Table 37	Specially Adapted Housing Grants and Direct Loans During FY 2001	47
Table 38	Purchase Loans Guaranteed During FY 2001 by Downpayment Status	47
Table 39	Purchase Loans Guaranteed During FY 2001 Based on Buyer Status	48
Table 40	Loans Guaranteed During FY 2001 By Period of Service (or Entitlement)	48
Table 41	Purchase Loans Guaranteed During FY 2001 Based on Annual Income	49
Table 42	Home Loans Guaranteed During FY 2001 Based on Age	49
Table 43	Home Loans Guaranteed During FY 2001 Based on Known Race	50
Table 44	Services By The Vocational Rehabilitation Programs During FY 2001	50
Table 45	Applicants For Vocational Rehabilitation By Combined Degree Of Disability During FY 2001	52
Table 46	Applicants For Vocational Rehabilitation By Gender During FY 2001	53
Table 47	Applicants For Vocational Rehabilitation By Age During FY 2001	53
Table 48	Veterans Entitled to Vocational Rehabilitation By Combined Degree Of Disability During FY 2001	55
Table 49	Veterans Entitled to Vocational Rehabilitation By Gender During FY 2001	55

Table 50	Veterans Entitled to Vocational Rehabilitation By Age During FY 2001	55
Table 51	Veterans Entitled to Vocational Rehabilitation By Period Of Service During FY 2001	56
Table 52	Veterans Entitled to Vocational Rehabilitation With A Serious Employment Handicap During FY 2001	56
Table 53	Veterans Participating In A Vocational Rehabilitation Program and the Number Of New Rehabilitation Plans Developed During FY 2001	56
Table 54	Veterans Participating In A Vocational Training Program By Occupational Goal During FY 2001	57
Table 55	Veterans Participating In A Vocational Training Program By Type Of Training And Gender During FY 2001	58
Table 56	Veterans Participating In A Vocational Training Program With Serious Employment Handicap During FY 2001	58
Table 57	Veterans Participating In A Vocational Training Program By Gender During FY 2001	58
Table 58	Veterans Participating In A Vocational Training Program By Age During FY 2001	59
Table 59	Veterans Participating In A Vocational Training Program By Period Of Service During FY 2001	59
Table 60	Veterans Participating In A Vocational Training Program By Branch Of Service During FY 2001	59
Table 61	Veterans Participating In A Vocational Training Program By Length Of Service During FY 2001	60
Table 62	Veterans Participating In A Vocational Training Program By Dependency Status During FY 2001	60
Table 63	Veterans Participating In A Vocational Training Program By Prior Education Level During FY 2001	60
Table 64	Veterans Participating In A Vocational Training Program By Prior Use Of VA Education Benefits During FY 2001	61
Table 65	Veterans Participating In A Vocational Training Program Veterans Who Entered Employment Services During FY 2001	62
Table 66	Veterans In Active Case Statuses During FY2001 By Race	63
Table 67	Summary of All Active Benefits That Ended During FY 2001	65
Table 68	Service-Connected Disability Compensation – Reasons for Ending Payments During FY 2001	66
Table 69	Service-Connected Death Benefits – Reasons for Ending Payments During FY 2001	67
Table 70	Nonservice-Connected Disability Pension – Reasons for Ending Payments During FY 2001	68
Table 71	Nonservice-Connected Death Pension – Reasons for Ending Payments During FY 2001	69
Table 72	Beneficiaries Whose Benefits Terminated During FY 2001	70
Table 73	Insurance Payments During FY 2001	71
Table 73A	Death Claims Paid--FY 1998 to FY 2001	72
Table 74	Policy Lapses During FY 2001	72
Table 75	Disposition of Home Loans During FY 2001	73
Table 76	Veterans Who Ended a Training Program During FY 2001	73
Table 77	Veterans with a Serious Employment Handicap Who Completed Training During FY 2001	74
Table 78	Veterans Who Successfully Achieved Rehabilitation Pre And Post Annual Earnings – By Gender During FY 2001	74
Table 79	Veterans Who Successfully Achieved Rehabilitation Pre and Post Annual Earnings by Occupational Category During FY 2001	75

Table 80	Veterans Who Successfully Achieved Rehabilitation by Gender During FY 2001	75
Table 81	Veterans Who Successfully Achieved Rehabilitation by Age During FY 2001	76
Table 82	Veterans Who Successfully Achieved Rehabilitation by Prior Education Level During FY 2001	76
Table 83	Veterans Who Successfully Achieved Rehabilitation by Dependency Status During FY 2001	76
Table 84	Veterans Who Successfully Achieved Rehabilitation by Branch of Service During FY 2001	77
Table 85	Veterans Participating in a Vocational Training Program by Length of Service During FY 2001	77
Table 86	Veterans Who Successfully Achieved Rehabilitation by Period of Service During FY 2001	78

Chapter 3		BUSINESS BEGINNING FISCAL FY 2001	
Table Number	Table Title		Page
Table 1	Summary of Beneficiaries Receiving Benefits for Programs that Pay Ongoing Benefits at the Beginning of FY 2002		79
Table 2	Summary of Beneficiaries Receiving Benefits for Programs that Pay Benefits During Training at the Beginning of FY 2002		79
Table 3	Summary of All Benefits that Constitute Potential Liabilities at the Beginning of FY 2002		80
Table 4	Total Veterans Receiving Service-Connected Disability Benefits Beginning of FY 2002		81
Table 5	Total Service-Connected Benefits by Combined Percent of Disability Beginning of FY 2002		81
Table 6	Total Individual Service-Connected Disabilities by Percent Veterans Receiving Compensation Beginning of FY 2002		83
Table 7	Ranking of Individual Service-Connected Disabilities by Body System Veterans Receiving Compensation Beginning of FY 2002		83
Table 8	Total Individual Service-Connected Disabilities by Percent and Body System for Veterans Receiving Compensation Beginning of FY 2002		85
Table 9	Most Prevalent Service-Connected Disabilities within Body Systems for Veterans Receiving Compensation Beginning of FY 2002		90
Table 10	Most Prevalent Disabilities for Veterans Receiving Compensation Beginning of FY 2002		93
Table 11	Most Prevalent World War II Disabilities Beginning of FY 2002		94
Table 12	Most Prevalent Korean War Disabilities Beginning of FY 2002		95
Table 13	Most Prevalent Vietnam Era Disabilities Beginning of FY 2002		96
Table 14	Most Prevalent Gulf War Era Disabilities Beginning of FY 2002		97
Table 15	Most Prevalent Peacetime Period Disabilities Beginning of FY 2002		98
Table 16	Service-Connected Disability Compensation by Age Beginning of FY 2002		99
Table 17	Service-Connected Disability Compensation by Period of Service and Combined Percent of Disability Beginning of FY 2002		100
Table 18	Total Beneficiaries Receiving Service-Connected Death Benefits Beginning of FY 2002		101
Table 19	Total Beneficiaries Receiving Service-Connected Death Benefits by Period of Service Beginning of FY 2002		102
Table 20	Total Beneficiaries Receiving DIC by Relationship Beginning of FY 2002		103
Table 21	Surviving Spouses Receiving DIC by Age Beginning of FY 2002		103

Chapter 3		
BUSINESS BEGINNING FISCAL FY 2001		
Table Number	Table Title	Page
Table 22	Dependency and Indemnity Compensation (DIC) by Surviving Spouse and Dependents Beginning of FY 2002	103
Table 23	Children Receiving DIC by Age Beginning of FY 2002	104
Table 24	Surviving Parents Receiving DIC by Marital Status Beginning of FY 2002	104
Table 25	Total Veterans Receiving Disability Pension by Program Beginning of FY 2002	105
Table 26	Total Veterans Receiving Disability Pension by Age Beginning of FY 2002	106
Table 27	Disability Pension by Period of Service Beginning of FY 2002	107
Table 28	Total Beneficiaries Receiving Death Pension by Program Beginning of FY 2002	107
Table 29	Total Surviving Spouses Receiving Death Pension by Age Beginning of FY 2002	108
Table 30	Nonservice-Connected Death Pension by Period of Service Beginning of FY 2002	108
Table 31	Beneficiaries Receiving Education Benefits Beginning of FY 2002	109
Table 32	Beneficiaries Receiving Education Benefits by Type of Training and Program Beginning of FY 2002	109
Table 33	Beneficiaries Receiving Education Benefits by Training Time and Program Beginning of FY 2002	110
Table 34	Total Insurance Policies In-Force Beginning of FY 2002	111
Table 34A	Insurance Policies In-Force--FY 1999 to FY 2002	111
Table 35	Insurance Monthly Award Payments Beginning of FY 2002	112
Table 36	2000 Rankings by Total Life Insurance in-Force	113
Table 37	Age Distribution for Insurance Programs	114
Table 38	SGLI Coverage by Branch and Component of Service	115
Table 39	SGLI Coverage by Coverage Level Active Duty And Reserve Duty	116
Table 40	Active Loans Based on Purchase Loan Versus Refinance Loans Beginning of FY 2002	117
Table 41	Active Purchase Loans by Downpayment Status Beginning of FY 2002	117
Table 42	Active Purchase Loans Based on Buyer Status Beginning of FY 2002	118
Table 43	Active Home Loans by Period of Service (or Entitlement) Beginning of FY 2002	119
Table 44	Active Home Loans Based on Age Beginning of FY 2002	119
Table 45	Active Purchase Loans Based on Known Racial Codes Beginning of FY 2002	120
Table 46	Active Home Loans Based on Gender Beginning of FY 2002	120
Table 47	Veterans Participating in the Vocational Rehabilitation Programs Beginning of FY 2002	121
Table 48	Veterans Participating in a Vocational Training Program by Occupational Goal Beginning FY 2002	122
Table 49	Veterans Participating in a Vocational Training Program by Type of Training and Gender Beginning of FY 2002	123
Table 50	Veterans Participating in a Vocational Training Program by Combined Degree of Disability Beginning of FY 2002	123
Table 51	Veterans Participating in a Vocational Training Program with a Serious Employment Handicap Beginning of FY 2002	124
Table 52	Veterans Participating in a Vocational Training Program by Gender Beginning of FY 2002	124

Chapter 3		BUSINESS BEGINNING FISCAL FY 2001	
Table Number	Table Title		Page
Table 53	Veterans Participating in a Vocational Training Program by Age Beginning of FY 2002		124
Table 54	Veterans Participating in a Vocational Training Program by Period of Service Beginning of FY 2002		125
Table 55	Veterans Participating in a Vocational Training Program by Branch of Service Beginning of FY 2002		125
Table 56	Veterans Participating in a Vocational Training Program by Length of Service Beginning of FY 2002		125
Table 57	Veterans Participating in a Vocational Training Program by Dependency Status Beginning of FY 2002		126
Table 58	Veterans Participating in a Vocational Training Program by Prior Education Level Beginning of FY 2002		126
Table 59	Veterans Participating in a Vocational Training Program by Prior Use of VA Benefits Beginning of FY 2002		126

Chapter 4		THE FUTURE – FORECASTING PROGRAM LIABILITIES	
Table Number	Table Title		Page
Table 1	Estimate of Compensation Program Liability as of September 30, 2001		128
Table 2	Estimated Future Benefit Payments (Total Benefits/Obligations)		130
Table 3	Discounted Estimated Future Benefit Payments		132
Table 4	Veterans Receiving Compensation as of September 30, 2001		133
Table 5	Death Rates		135
Table 6A	Projected FY 2002 Newly Adjudicated Compensation Cases for Veterans		137
Table 6B	Rates of Newly Adjudicated Compensation Cases for Veterans		138

INDEX TO MAPS / TABLES In Appendix A

Map / Table Title	Page
Estimated Veteran Population by Residence Beginning FY 2002	140-141
Disability Compensation Recipients by Residence Beginning FY 2002	142-143
Projected Disability Compensation Cost by Residence for FY 2002	144-145
Projected Average Disability Compensation Benefit Per Veteran by Residence for FY 2002	146-147
Disability Compensation Recipients by Residence Based on Combined Degree of Disability Beginning FY 2002	148-149
Disability Compensation Recipients by Residence Based on Age Beginning FY 2002	150
Veteran Compensation Recipients with Power of Attorney (POA) by Residence in FY 2002	152-153
Veteran Compensation Recipients without POA by Residence in FY 2002	154-155
Disability Pension Recipients by Residence Beginning FY 2002	156-157
Projected Disability Pension Cost Residence Based on Monthly Value at the Beginning of FY 2002	158-159
Pension Recipients by Residence Based on Age at the Beginning FY 2002	160
Projected Average Disability Pension Benefit Per Veteran by Residence for FY 2002	162-163
Veteran Pension Recipients with POA by Residence in FY 2002	164-165
Veteran Pension Recipients without POA by Residence in FY 2002	166-167
Education Beneficiaries Trained by Residence During FY 2001	168-169
Life Insurance Payments by Residence During FY 2001	170-171
Face Value Life Insurance by Residence Beginning FY 2002	172-173
Life Insurance Policies by Residence Beginning FY 2002	174-175
Home Loans Guaranteed by Residence During FY 2001	176-177
Home Loan Amounts Guaranteed by Residence During FY 2001	178-179
Average Home Loan Amounts by Residence During FY2001	180-181
Active Home Loans by Residence Beginning FY 2002	182-183
Active Home Loan Amounts by Residence Beginning FY 2002	184-185

GLOSSARY¹

Adjudicated – The disposition of a claim – either granting or denying of benefits. A deferral for reasons of development often will be a preliminary step in the adjudication of a claim.

Aid and Attendance – An additional monetary allowance payable to those individuals who are found to be:

- In a nursing home or
- In need of daily care to help with feeding, dressing, or keeping clean.

Benefits Delivery Network – One of the current VBA computer systems used to collect and store statistical data on veterans and their families.

Body Systems – Title 38, Code of Federal Regulations, Part 4, classifies the various areas of the body into fifteen (15) different systems. They are as follows:

Musculoskeletal (muscles and bones)	Eye
Ear	Infectious diseases
Respiratory	Cardiovascular
Digestive	Genitourinary
Gynecological	Skin
Hemic and lymphatic (blood and lymph systems)	Neurological
Endocrine	Dental
Mental	

Buyer Status – A “first-time homeowner” or “previous homeowner”.

Cash Surrenders – A policyholder receives the cash value that has accrued in his/her policy, and in return surrenders all right, title, and interest to his/her basic and/or paid-up additional insurance coverage amounts.

Chapter 31 Benefits – VR&E Program to provide benefits and services to veterans whose service-connected disabilities prohibit them from obtaining and/or maintaining employment.

Compensable Zeros – A number of disabilities that although independently evaluated zero percent produce an employment handicap to warrant a 10 percent combined disability evaluation. This evaluation entitles the veteran to receive disability compensation payments.

¹ Definitions were compiled through the joint efforts of the business lines: Compensation and Pension, Education, Vocational Rehabilitation and Employment, Insurance and Loan Guaranty .

Computer Systems – VBA derives statistical data about veterans from multiple sources and from various computer systems: e.g. the Data Management Office's Data Warehouse, Operational Data Store and Veterans Information System; VBA'S Benefits Delivery Network and Beneficiary Identification and Records Locator System (BIRLS); and the Board of Veterans' Appeals Control Locator System (VACOLS).

Dependents Educational Assistance (DEA) – Refers to Dependents' Educational Assistance Program (Chapter 35 of the Title 38, U.S. Code). See Survivors' and Dependents Educational Assistance.

Dependency Indemnity Compensation (DIC) – Benefits generally payable to surviving spouses, parents or children of veterans who die as a result of service-connected disabilities or die while on active duty.

Dependents – Qualifying dependents for VA benefit purposes are a veteran's spouse and child (natural child, adopted child, or stepchild). A veteran's mother or father may also be considered a dependent generally if there is financial need and he or she is otherwise entitled.

Diagnostic Codes – VBA uses four to eight digit numbers as diagnostic code to signify specific medical conditions. These numeric diagnostic codes are in Title 38, Code of Federal Regulations, Part 4.

Direct Loan - A loan made by the Department of Veterans Affairs directly to veterans. This is distinct from loans, which are made by private lenders and guaranteed by VA.

Direct Loans to Native American Veterans – Guaranteed loans to Native Americans.

Disability Compensation – A monetary benefit paid to veterans for service-connected disability.

Disability Pension – A monetary benefit paid to veterans who are permanently and totally disabled by reason of disabilities not related to military service and whose annual income does not exceed the limit set by statute.

Discounted Estimated Future Compensation Payments – The estimated amount which, if invested now, would provide for the future compensation payments.

DMDC – The Defense Manpower Data Center maintains the largest archive of personnel, manpower, training and financial data in the Department of Defense (DoD).

Down-payment Option – The VA home loan guaranty program allows the veteran to enter the home-buying market with the option of providing no down-payment. This option is intended to help the veteran afford the purchase of a suitable home.

Educational Assistance - The monetary benefits received by a veteran or eligible person. This term is generally used interchangeably with the term “education benefits”, however, under the Montgomery GI Bill Active Duty, this term refers to basic educational assistance, supplemental educational assistance, and all additional amounts payable, commonly called “kickers”.

Eligibility - Most VA benefits require that the veteran be discharged from active military service under any condition other than dishonorable. In addition to this general requirement, there are specific statutory and regulator requirements for each of the five benefits programs; some of these requirements are described in the sections of this report dealing with the respective benefit programs.

Entitlement (EDU) – The number of months the student is eligible for VA education benefits. This is usually expressed in the number of months and days the student will be eligible for full-time benefits, or the equivalent in part-time training, but also may be expressed in a dollar amount. Entitlement may vary depending on the education program the individual qualifies under. In no event will entitlement exceed 48 months under any combination of laws.

Entitlement (C&P) – Once eligibility requirements have been met, decisions on entitlement for the respective C&P benefits are based on statutory and regulatory requirements and the evidence of record that documents the meeting of these requirements. Evidence consists of documents, records, testimonials and information provided by, or obtained for, a claimant.

Estimate of Compensation Program Liability – The estimated liability for the compensation program is based on the present value of expected future compensation benefit payments for:

- a. all veterans receiving benefits under current programs;
- b. all survivors currently receiving benefits under these programs;
- c. all future survivors of veterans currently receiving benefits;
- d. all existing veterans not receiving benefit payment, but who are expected to in the future;
- e. all future survivors of existing veterans not currently receiving benefits payments but who are expected to in the future; and
- f. veterans currently in active military service who will become veterans in the future, and their survivors.

Evaluation for Entitlement for a Program of Rehabilitation Services – To determine whether the veteran’s disabilities cause an employment handicap; and/or if such a handicap exists, the course of rehabilitation and feasibility in obtaining the vocational goals.

Face Value – The amount of insurance coverage in force and payable at death.

First Time Homeowner – A veteran using his home loan entitlement for the first time.

Fiscal Year – A period for settling accounts; a 12 month period at the end of which all accounts are completed in order to furnish a statement of financial condition. A fiscal year does not necessarily correspond to a calendar year.

Fiscal Year 2001 – Began October 1, 2000 and ended September 30, 2001. The Department of Veterans Affairs operates under this budgetary schedule.

Forecasting of Program Liabilities (Future Liabilities) – Future liabilities are payments that the government is obligated to deliver in future years. This is much like the obligation of a life insurance company to pay the face amount of a standard policy to beneficiaries at the time of the insured person's death.

Funding Fee – A fee, required by law, charged to veterans who obtain a VA guaranteed home loan.

Guaranteed Loan – Federally backed by the VA home loan provision.

Housebound – An additional monetary allowance payable to those individuals who are confined to their home as a result of a permanent disability.

Loan Defaulted-Guaranty Claim Paid – A term used by loan guaranty where the borrower defaults on the loan and the VA pays the loan guaranty claim.

Loan Guaranty Program – The benefit program whereby VA guarantees a portion of a loan to lenders to facilitate veterans obtaining a home.

Matured Endowment - The face amount of insurance less any indebtedness that is paid to the insured based on the plan of insurance. The proceeds may be paid as a lump sum or the insured may request installment payments.

MGIB – Montgomery GI Bill, Educational Benefits – Refers to the Montgomery GI Bill-Active Duty Educational Assistance Program (Chapter 30 of Title 38, U.S. Code). Provides educational assistance to persons who served on active duty in the Armed Forces.

MGIB-SR – Montgomery GI Bill- Selective Reserve – Refers to the Montgomery GI Bill-Selected Reserve Educational Assistance Program (Chapter 1606 of Title 10, U.S. Code). Provides educational assistance to members of the Selected Reserve of the Ready Reserve of any of the reserve components of the Armed Forces.

NSLI - National Service Life Insurance was established in 1940 to meet the insurance needs of World War II veterans. The program closed in 1951.

Original Disability Claim (C&P) – A veteran’s first claim for disability benefits, either compensation or pension or both. Any subsequent claim is categorized as a reopened or supplemental claim.

Paid up Additions – Established in 1972 for policyholders with participating policies to use their annual dividends to purchase paid-up additional insurance (PUA). PUA is the only way most policyholders may increase their insurance coverage amount.

Peacetime Veterans – Those veterans who served during a period of time not statutorily defined as a period of war. By example, the Gulf War period began on August 2, 1990, and continues through a date to be set by law or presidential proclamation.

Prisoner of War (POW) – Those veterans who were forcibly detained (confined) by an enemy, foreign government or hostile force while serving in the active military, naval or air service.

Previous Homeowner – A person who has had a previous ownership interest in a home.

Protected DIC – This rate of DIC refers to payments made to surviving spouses for the service-connected deaths of veterans that occurred prior to January 1, 1993. Payments under Protected DIC are based on the deceased veteran’s pay grade.

Protected Pension – The pension program, both disability and death, replaced by Section 306 Pension, which in turn was replaced by the current pension program under the provisions of PL 95-588. Veterans and survivors receiving either Protected Pension or Section 306 Pension may continue to receive the benefits as long as they continue to meet the basic entitlement requirements of the respective programs.

Purchase Loan – A loan made solely for the purpose for purchasing a home.

Range of Disabilities – A disability is evaluated according to the VA Schedule for Rating Disabilities in Title 38, Code of Federal Regulations, Part 4. Extent of disability is expressed as a percentage from zero percent (for conditions that exist but are not disabling to a compensable degree) to 100 percent, in increments of 10 percent. Most disabilities, however, do not have every 10 percent increment from zero to 100.

Rating Board Automation Database (RBA) - This database contains information for veterans based on the input of disability ratings by CandP field personnel using the RBA application. The Data Management Office maintains the database in VBA’s Data Warehouse.

Reformed DIC – This rate DIC refers to payments made to surviving spouses for the service-connected deaths of veterans that occurred on or after January 1, 1993. Reformed DIC pays a standard fixed rate, plus a possible additional amount if the veteran was rated totally disabled for eight years immediately preceding death.

Reservist (EDU)– A member of the Selected Reserve who is eligible for educational assistance under Title 10 of the United States Code, Chapter 1606, and who is also a member of a military reserve component.

Reservist (C&P) – A member of a reserve component of one of the armed forces and who has potentially entitlement to certain VA benefits by reason of his or her reserve status.

Restored Entitlement (LGY) – Previously used entitlement may be restored when a property secured by a VA loan is sold and the loan is paid in full or when an eligible veteran transferee agrees to assume the outstanding balance on a VA loan and substitute his/her entitlement for the same amount originally used on the loan.

SDVI – Service-Disabled Veterans Insurance was established in 1951 to meet the insurance needs of veterans with service-connected disabilities. SDVI is open to veterans separated from the service on or after April 25, 1951, who receive a service-connected disability rating of 0 percent or greater.

Secondary Market – The market where mortgages are bought and sold. This generates more money for the mortgage originators.

Service-Connected – A disease or injury determined to have occurred in or aggravated during military service.

Serious Employment Handicap – A "serious employment handicap" is a significant impairment, caused in part by a service-connected disability, in the veteran's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests.

Service member – An individual who is currently serving on active duty. This term is also referred to as "service person".

SGLI – Service Members Group Life Insurance was established in 1965 to meet the insurance needs of service-members.

Special Adaptive Housing Grants – A one-time grant to a seriously disabled veteran to assist in adapting his or her home to accommodate the residence to the limitations caused by the disability.

Subsistence Allowance – A monthly living allowance paid to a qualified veteran in a program of vocational rehabilitation. The allowance is generally paid to those veterans who are enrolled in education or training programs. The amount is based on training time and number of dependents.

Survivors' and Dependents Educational Assistance – This term refers to Chapter 35 of Title 38, U.S. Code, a monetary educational benefit payable to eligible dependents and survivors of veterans. It is often abbreviated simply as DEA (Dependent Educational Assistance).

Title 38 United States Code – Code of Federal Regulations that pertain to Veterans Benefits.

Total and Permanent Disability Provision – A special rating status with a requirement that a veteran, regardless of age, has a single disability rated 60 percent or a combined evaluation of 70 percent, with one disability ratable at 40 percent or higher.

Total Disability Income Provision – Income limits set by Congress.

USGLI – United States Government Life Insurance was established in 1919 to meet the insurance needs of World War I veterans. This program closed in 1940.

VEAP – Refers to the Veterans Educational Assistance Program (Chapter 32 of Title 38, U.S. Code), and is a contributory educational assistance program for Post-Vietnam Era veterans.

Veteran - The term veteran means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

VGLI – Veterans Group Life Insurance was established in 1974 to meet the insurance needs of veterans after separation from service.

VMLI – Veterans Mortgage Life Insurance was established in 1971 to provide mortgage protection life insurance to severely disabled veterans who have received grants for the purchase of specially adapted housing.

VR&E – The Vocational Rehabilitation and Employment (VR&E), programs available to help service disabled veterans to become employable while achieving their independence.

VRI – Veterans Reopened Insurance was established in 1965 to provide insurance protection for certain classes of disabled veterans from World War II and the Korean Conflict. This program closed in 1966.

VSLI – Veterans Special Life Insurance was established in 1951 to meet the insurance needs of veterans who served during the Korean Conflict and post-Korean era. The program closed in 1956.

Zero (0) Percent Disability – A zero percent disability rating means that a disability exists and is related to the veteran’s service but is not so disabling that it entitles the veteran to compensation payments. Also called a non-compensable disability.

U.S. DEPARTMENT OF VETERANS AFFAIRS

Veterans Benefits Administration

**810 Vermont Avenue, NW
Washington, DC 20420**

Internet Homepage: <http://www.vba.va.gov>

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