



The Transition of Illinois Veterans from Military Discharge to Stable Civilian Employment



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The Transition of Illinois Veterans from Military Discharge to Stable Civilian Employment

Prepared by:

Illinois Department of Employment Security
Economic Information & Analysis Division

Principal Researcher:

Dave Bieneman, Ph. D.

This research project was completed with the cooperation of the following organizations:

Illinois Workforce Investment Board (IWIB) Veterans' Taskforce
Illinois Department of Veterans' Affairs (IDVA)
Illinois Department of Employment Security (IDES)
Illinois Department of Commerce and Economic Opportunity (DCEO)
Illinois Community College Board (ICCB)
Illinois Student Assistance Commission (ISAC)
Illinois Department of Human Services (DHS)
Illinois Shared Enrollment & Graduation (ISEG) consortium
Northern Illinois University (NIU) Center for Governmental Studies (CGS)
Federal Employment Data Exchange System (FEDES)
National Student Clearinghouse (NSC)
U.S. Department of Defense (DOD)

Primary funding for project supplied by the Department of Commerce and Economic Opportunity through the Workforce Investment Act program.

The Transition of Illinois Veterans from Military Discharge to Stable Civilian Employment:

Executive Summary

Issue

The main objective of this research is to study the transition of recently discharged Illinois veterans from military discharge to stable civilian employment. A better understanding of this transition would allow a more efficient utilization of available resources to better serve the veteran population.

Data

This study is based on data obtained from the Illinois Department of Veterans' Affairs (IDVA) on Illinois veterans discharged from 2001-2010. The IDVA receives a copy of the paperwork (DD 214) at the discharge's direction any time an individual completes active duty of at least 90 days in the military. Veterans can also bring their DD 214 to the IDVA to register for benefits at a later date.

Key characteristics of the discharges from the IDVA data include: date of discharge, rank category (officer (OFF) or any of three pay grade levels of enlisted: E1E3, E4E6 (a.k.a. Non-Commissioned Officers or NCOs), and E7E9 (a.k.a. Senior NCOs)), type of military service (reserve/guard (R/G) or regular services (REG)), and age at discharge. This information has been merged with other data sources

including: unemployment claims, wage records for covered Illinois employment and federal government employment, education/training records, and military occupational code files. Most of the analysis in the study focuses on this data, which covers Gulf War Era II veterans.

Additional analysis was completed using national data for the populations of all veterans and nonveterans. This allows for a thorough comparison of the two groups in regard to their

unemployment rates, labor force participation rates, and employment by industry and occupation.

Key Findings

- **The discharges in 2007-2009 are concentrated in the E4E6 (42.1% for R/G and 54.0% for REG) and E1E3 (36.7% for R/G and 31.4% for REG) rank categories. The average age upon discharge is higher for those rank categories**



Discharges for the four rank categories did very well when completing training in the technical fields of communications technologies, computer and information sciences, engineering, and engineering technologies.

that vary in composition. This is likely due to the skill sets of the different rank categories being distinct and making better matches with particular jobs in specific industries. Average wages in industries that are common among the four groups show that the occupations they are employed in appear to be at different skill levels. **Manufacturing is fifth on the OFF list and in the top four of all three of the enlisted groups. This may be the most common industry but the average quarterly wages for OFF discharges are \$24,281 and decline rapidly through the enlisted ranks: E7E9 (\$15,050), E4E6 (\$9,555), E1E3 (\$6,522) indicating that the occupations held within this industry by the typical discharge of the four rank categories would be different.** The trends for employment matching for rank categories and industries appear to be consistent over time.

with a higher responsibility level. The highest proportion of discharges under the age of 25 are in E1E3 (85.5% for R/G and 82.2% for REG) and E4E6 (35.9% for R/G and 45.2% for REG). The average number of months served in the last tour of duty is much lower for R/G relative to REG for every rank category.

E7E9, E4E6, and E1E3. This is the same order as their military responsibility level (characterized by the skills, knowledge, and experience of the discharges) so these characteristics must translate back to the civilian employment sector.

- The E4E6 and E1E3 discharges have significantly larger proportions of their discharges that receive unemployment benefit payments compared to the OFF and E7E9 rank categories. The discharges are concentrated among the E4E6 and E1E3 groups and the E4E6 and E1E3 are by far the two youngest rank categories. It appears that many of the problems for the transition from military discharge to stable civilian employment are found in the E4E6 and E1E3 rank categories.
- Wages for covered Illinois employment show that veterans in the OFF rank category are paid the most in the civilian employment sector, followed by

- The E1E3 rank category has the highest proportion of employment using only covered Illinois employment and wage data. Once federal government employment data is included in a similar chart, the rank category with highest proportion of employment is E7E9, about 8%-10% more than the other three rank categories. No information is currently available for wages earned in other states in the private sector, and state and local government.
- Tables showing the largest industries of employment (using covered Illinois employment data) show that recent discharges in each of the four rank categories tend to find employment in industry sets

- The highest proportions of educational enrollment among 2003-2005 discharges are: 1) E1E3 R/G (87.1%); 2) E4E6 REG (73.8%); and 3) E1E3 REG (65.0%). The highest proportion that completed degrees/certificates are: 1) E4E6 REG (24.9%); 2) E7E9 REG (17.7%); and 3) E1E3 R/G (16.1%). Within the type of service (R/G and REG), the proportions are higher (for both remedial math and remedial language) as the level of responsibility declines (Highest % - E1E3 > E4E6 > E7E9 > OFF – Lowest %).
- Wage data combined with education data for completion of degrees and certificates can be used to compare the education/

training completers against those that did not finish additional education. **Discharges for the four rank categories did very well when completing training in the technical fields of communications technologies, computer and information sciences, engineering, and engineering technologies. Additional training also yields short-term dividends in security and protective services.** This particular analysis should continue to be monitored as more discharges complete education/training and more wage data becomes available past the degree/certificate completion date. The recent state of the national economy has clearly impacted the last couple of years of wage and employment data.

- Access to out-of-state wage data may help to explain the unaccounted discharges and support the assumption that many of the discharges have taken up residence in a state other than Illinois. **This gap means that the number of veterans filing unemployment claims (as they could be filing in another state) and the utilization of other government services could be undercounted. It appears that the OFF and E7E9 rank categories (for both types of service) are the most likely to not be accounted for in the Illinois data and this could mean that they are the least likely to return to Illinois.**
- Some correlation exists between the Illinois discharges and the regions of the state. **The region that includes the Chicago metropolitan area contributes a less than proportional share (based on population of the region) of individuals to the**

military. The more rural areas of the state contribute more than their expected share of individuals to the military. The most likely discharges to return to the rural areas are the lower ranking enlisted. A number of higher ranking discharges are located around Scott Air Force Base in the Illinois section of the St. Louis Metropolitan Area. Military discharges that have spent a number of years in the service tend to locate around military bases and near defense contractors. The number of available economic opportunities in the St. Louis metropolitan area is also a factor.

- National data shows that 13.7% of the Gulf War Era II veteran population is in the 18-24 age group and 51.6% are in the 25-34 age group. Nonveterans have a similar proportion (13.9%) in the 18-24 group, but a much smaller proportion (19.0%) in the 25-34 group. The relationship of the proportions is similar for the two youngest age groups in the labor force. **Two-thirds of the Gulf War Era II veterans in the population and labor force are under 35 compared to one-third of nonveterans.**
- **A higher percentage of veterans, than nonveterans, work for the government.** Part of this could be due to a high number of R/G discharges that are employed by the government prior to deployment. Veterans' preferences in public sector hiring practices are another factor. The biggest differences are in federal government employment relative to state and local government.
- Although the rates of self-employed workers are significantly

higher for nonveterans when compared to Gulf War Era I and Era II veterans, over time the group of all veterans has more than double the rate of self-employment of nonveterans. It would seem that being self-employed is more likely to happen for people who are both older and have developed a specialized skill set. The veterans who have been out of the military longer could be more likely to be self-employed. **Recent research shows that military service is highly correlated with the probability of self-employment. The veterans that are most likely to be self-employed are those who leave the military after one enlistment and those who served 20 or more years in the military. The research found that officers are more likely than the enlisted to be self-employed.**

- **National data shows that veterans have higher proportions of employment than nonveterans in the industries of mining; construction; manufacturing; transportation and utilities; information; and professional and business services. Veterans also have higher proportions of employment than nonveterans in the construction and extraction; installation, maintenance and repair; production; and transportation and material moving occupational categories.** It is likely that some correlation exists between these types of jobs and the aptitudes of people who serve in the military or the skills that they learn in the military. **It is interesting that the list of industries and occupations in which the veterans have fared well include a high number of "green" jobs.**

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a higher rate than have the older age groups. Moreover, the reserve/guard discharges in the youngest age groups enrolled at a higher rate than did the regular service discharges in that same age group. The older age groups in the regular service discharges have a higher rate of enrollment than the reserve/guard discharges.

The main objective of the current research project is to study the transition of recently discharged Illinois veterans from military discharge to stable civilian employment in more depth. This study is primarily based on data obtained from the Illinois Department of Veterans' Affairs (IDVA) on recently discharged Illinois veterans. Any time military personnel is on active duty for 90 days or more and then leaves active duty, they are issued a "Certificate of Release or Discharge from Active Duty" (a.k.a. DD 214). A copy of the DD 214 can be sent to the IDVA by the military upon the direction of the discharge or a veteran can bring their DD 214 to the IDVA to register for benefits at a later date.

Individuals who join the reserve/guard follow a slightly different procedure. They must first report for Initial Active Duty Training (IADT). Upon completion of the training the individual will be issued a DD 214 and then later assigned to a reserve/guard unit. This could be counted as a regular services discharge assuming that the individual directed that a copy be sent to the

Introduction

This study is a major expansion of a research project¹ completed in 2006 in response to inquiries about the high rate of unemployment among veterans in the 20-24 age group. At that time, this was the only age group to show a significantly higher unemployment rate among veterans relative to non-veterans.

Key findings from the original report include:

1. The probability of unemployment for a veteran is at its highest immediately after discharge (separation from the employer) and then declines as the time since discharge increases.
2. Veterans under the age of 25 have a much higher concentration of individuals who have a higher probability of unemployment than older veterans.
3. A review of employment levels by NAICS industry sector show significant differences across the groups. Each particular group tends to find employment in a certain composition of industries, and the employment levels within those industries tend to follow the same paths over time.
4. Discharges in the youngest age groups have enrolled in education at

IDVA. Thus it should be recognized that some quirks in the data exist, but it is still the best data available for a study on recent discharges.

Key characteristics such as: date of birth (used to calculate age at discharge); gender; branch of military service (including reserve/guard or regular services); military rank (enlisted or officer); military entrance and exit dates (used to calculate months of military service); and city and state of last known address (serves as proxy for discharge address and has been converted into county and then Illinois Economic Development Region (EDR)) are included in the IDVA data.

It should be noted that the last known address is most likely to be from the same region of the state as where the discharge entered the military for those in the reserve/guard and younger (lower rank) members of the regular services. It is reasonable that older, more experienced members of the regular services are more likely to live and work in other locations (different from where they entered the military) as they transition to the civilian sector. Many of these veterans choose to reside in areas around military bases or in areas where many defense corporations are located (such as the Beltway area around Washington DC).

Identifier information for recent discharges was used to obtain additional information on the veterans. Unemployment claims, quarterly wage, and employment service data records were utilized from the Illinois Department of Employment Security (IDES). Education data for state institutions was obtained through the Illinois Shared Enrollment and Graduation (ISEG) consortium and national education data from the National Student Clearinghouse (NSC). Federal government wage data was

obtained from the Federal Employment Data Exchange System (FEDES) and military occupational codes (and some other characteristic data) at the time of discharge from the U.S. Department of Defense (DOD). Additional state government agency data was obtained from the Department of Commerce and Economic Opportunity (DCEO) and the Illinois Student Assistance Commission (ISAC).

Outcome measures are based on available data in order to track the path that is followed to stable civilian employment, such as the number of weeks receiving unemployment benefits, education enrollments and degrees/certificates earned, as well as civilian employment earnings including the industry of employment. The data is analyzed relative to the key characteristics of the individual veterans based on the IDVA data.

Methodology

The IDVA supplied a list of approximately 109,000 total discharges for this research project. The list

includes discharges from the military between 2001 and early-August of 2010 who chose to have a copy of their DD 214 sent to the IDVA or brought the paperwork in to register with the agency. About 89,000 names on the list are unique individuals, and the rest are those who have served more than one tour during this time period.

Veterans have been separated into four categories of rank: Officers [OFF], and three levels of enlisted, based on pay grades E1 - E3 [E1E3], E4 - E6 [E4E6] (a.k.a. Non-Commissioned Officers, or NCOs), and E7 - E9 [E7E9] (a.k.a. Senior NCOs); two types of service: Reserve/Guard [R/G] and Regular Services [REG]; and eight age groups (based on age at time of discharge) [18-19, 20-24, 25-29, 30-34, 35-44, 45-54, 55-64, 65 and over] that correspond to the age categories used by the Bureau of Labor Statistics (BLS) in their annual Employment Situation of Veterans news release. Much of the data analysis in this report reflects these groupings.

Although the list of veterans discharged covers almost ten years, the data was used in assorted ways on a case-



by-case basis throughout the study. Ideally the focus would be on the most recent discharges to determine what is happening under the current economic circumstances. This was not possible due to the desire to monitor the transition to stable civilian employment. The previous research showed that it could take several quarters after discharge for the veterans to become employed so some time lag after discharge would be necessary.

Using that reasoning, discharges in the period of 2005 Q1 through 2007 Q2 were chosen for the employment and wages analysis since at least 12 possible quarters of wages were available for all of the discharges in that range. Analysis of the education data required an even longer time lag. Discharges in the time period of 2003-2005 were investigated so that the veterans had some time post-discharge to complete degrees/certificates and to find work so that their wages could be measured.

It should also be noted that in most cases discharges are included in the analysis only the first time (or only time) they were discharged in the range of the analysis. Using unemployment claims as one example, the objective was to determine the number of weeks of benefits received by an individual after their first discharge. One exception is the profile generated in the next section, which counts all discharges (individuals could be discharged multiple times, especially in the reserve/guard) over a three-year period.

Profile

A profile of the last three full years of discharges (2007-2009) provides a general description of recently discharged Illinois veterans. In the three-year period spanning 2007-2009, 34,349 total discharges (including any

multiple tours of deployment) occurred, with 50.8% of these discharges as R/G and 49.2% as REG. In 2007-2009, 26.7% of the total discharges completed at least their second tour of duty in the 2001-2009 time span. Among the repeat discharges, 92.0% were R/G.

The discharges are concentrated in the E4E6 (42.1% for R/G and 54.0% for REG) and E1E3 (36.7% for R/G and 31.4% for REG) rank categories, slightly more for the REG than the R/G. The average age upon discharge is higher for those rank categories with a higher responsibility level. The highest proportion of discharges under the age of 25 are in E1E3 (85.5% for R/G and 82.2% for REG) (lowest

responsibility level) and E4E6 (35.9% for R/G and 45.2% for REG) (second lowest responsibility level). The average number of months served in the last tour of duty is much lower for R/G relative to REG for every rank category. Females account for 14.6% of the R/G discharges, which is about the same proportion (14.3%) as the REG discharges. Upon discharge, 65.1% of the R/G discharges and 76.4% of the REG discharges are 29 or under.

Additional data was obtained from the U.S. Department of Defense (DOD) to augment the information available on veterans' characteristics. Almost all of the REG discharges matched with the DOD database, whereas less than half

Exhibit 1. Characteristics of Illinois Discharges (2007 – 2009), by Rank Category and Type of Service

R/G Discharges

| Rank Category | % of R/G Discharges | % of Discharges Under Age 25 | Average Age of Discharges | Average Months Served in Last Tour |
|---------------|---------------------|------------------------------|---------------------------|------------------------------------|
| OFF | 12.5% | 5.4% | 38.6 | 16.6 |
| E7E9 | 8.7% | 0.1% | 43.3 | 31.6 |
| E4E6 | 42.1% | 35.9% | 29.2 | 13.4 |
| E1E3 | 36.7% | 85.5% | 21.8 | 6.0 |

% of R/G Discharges (2007 - 2009) by age group (age at time of discharge): 18-19 (16.1%), 20-24 (31.1%), 25-29 (17.9%), 30-34 (9.4%), 35-44 (17.1%), 45-54 (7.2%), 55-64 (1.3%), 65 and over (0.0%)

REG Discharges

| Rank Category | % of REG Discharges | % of Discharges Under Age 25 | Average Age of Discharges | Average Months Served in Last Tour |
|---------------|---------------------|------------------------------|---------------------------|------------------------------------|
| OFF | 7.4% | 1.1% | 37.1 | 130.1 |
| E7E9 | 7.1% | 0.2% | 42.6 | 252.2 |
| E4E6 | 54.0% | 45.2% | 27.0 | 71.0 |
| E1E3 | 31.4% | 82.2% | 22.6 | 22.4 |

% of REG Discharges (2007 - 2009) by age group (age at time of discharge): 18-19 (7.2%), 20-24 (43.2%), 25-29 (26.0%), 30-34 (8.0%), 35-44 (11.2%), 45-54 (4.1%), 55-64 (0.3%), 65 and over (0.0%)

Source: Illinois Department of Veterans' Affairs (IDVA)

Note: Profile group for 2007 - 2009 includes multiple discharges

of the R/G discharges had matches (a little more than ¾ of the veterans on the complete IDVA list matched). Using the available data, the racial breakout of Illinois discharges in 2007-2009 was 68.5% White, 15.2% African-American, 2.2% Asian, and 14.1% Other Race.

Hispanics accounted for 7.9% of the discharges. Married veterans accounted for 40.9% and 4.6% were divorced.

Military occupational code data was obtained from the DOD but since much of the data for R/G discharges

was missing, Exhibit 2 shows only the breakout of occupational groups for the REG discharges. This table provides general information on the type of skills and experience the discharges would have upon exit of the military by rank category.

Exhibit 2. Military Occupational Group Codes for REG Discharges (2007 – 2009), by Rank Category

| Rank Category | DOD Occupational Group | % of Discharges |
|---------------|---|-----------------|
| OFF | Tactical Operations Officers | 34.2% |
| OFF | Engineering and Maintenance Officers | 16.8% |
| OFF | Health Care Officers | 15.9% |
| OFF | Supply, Procurement and Allied Officers | 10.1% |
| OFF | Administrators | 6.4% |
| OFF | Intelligence Officers | 5.0% |
| OFF | Scientists and Professionals | 4.1% |
| E7E9 | Functional Support and Administration | 32.4% |
| E7E9 | Electrical/Mechanical Equipment Repairers | 14.7% |
| E7E9 | Infantry, Gun Crews, and Seamanship Specialists | 10.3% |
| E7E9 | Health Care Specialists | 8.2% |
| E7E9 | Electronic Equipment Repairers | 6.0% |
| E7E9 | Communications and Intelligence Specialists | 5.5% |
| E7E9 | Service and Supply Handlers | 5.1% |
| E7E9 | Craftworkers | 4.6% |
| E4E6 | Infantry, Gun Crews, and Seamanship Specialists | 21.4% |
| E4E6 | Electrical/Mechanical Equipment Repairers | 18.1% |
| E4E6 | Functional Support and Administration | 12.0% |
| E4E6 | Service and Supply Handlers | 11.7% |
| E4E6 | Communications and Intelligence Specialists | 9.0% |
| E4E6 | Electronic Equipment Repairers | 7.0% |
| E4E6 | Health Care Specialists | 6.3% |
| E4E6 | Craftworkers | 4.3% |
| E1E3 | Personnel in Training Status (Non-Occupational) | 23.8% |
| E1E3 | Infantry, Gun Crews, and Seamanship Specialists | 21.2% |
| E1E3 | Electrical/Mechanical Equipment Repairers | 13.8% |
| E1E3 | Service and Supply Handlers | 10.8% |
| E1E3 | Functional Support and Administration | 7.7% |
| E1E3 | Communications and Intelligence Specialists | 4.8% |
| E1E3 | Health Care Specialists | 3.7% |
| E1E3 | Electronic Equipment Repairers | 3.4% |
| E1E3 | Craftworkers | 3.2% |

Source: Illinois Department of Veterans' Affairs (IDVA) and U.S. Department of Defense (DOD)

Note: Only occupational groups with more than 3.0% coded are included

The composition of occupational groups reveals distinct differences between the rank categories. The OFF group appears to be comprised of professionals, and experienced management and administrative types. Tactical operations officers account for 34.2% of the occupations, while engineering and maintenance officers have a 16.8% share, and health care officers have a 15.9% share.

The proportion of discharges coded functional support and administration grows throughout the three levels of enlisted, peaking in the E7E9 rank category at 32.4%. Meanwhile 21.4% of the discharges were coded infantry, gun crews, and seamanship specialists in the E1E3 and E4E6 rank categories, but only 10.3% of the E7E9 discharges had that code. Some groups peaked in proportional share in the E7E9 rank category, such as health care specialists, and craft workers, while others peaked in share at the E4E6 rank category, including electrical/mechanical equipment repairers, service and supply handlers, communications and intelligence specialists, and electronic equipment repairers.

Nearly 24 percent of the E1E3 rank category had military occupations coded as Personnel in Training Status (Non-Occupational). These individuals would be representative of the group that just completed their initial training and have yet to be assigned to a reserve/guard unit.

Information on the last known addresses of the veterans supplied by the IDVA

Exhibit 3. Illinois Discharges (2007 - 2009) by Economic Development Region (EDR), Rank Category and Type of Service

| EDR # | EDR Name | R/G Discharges | | | | EDR Pop/ State Pop | Ratio of Discharges to Pop OFF | Ratio of Discharges to Pop E7E9 | Ratio of Discharges to Pop E4E6 | Ratio of Discharges to Pop E1E3 |
|-------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | # EDR/ # State OFF | # EDR/ # State E7E9 | # EDR/ # State E4E6 | # EDR/ # State E1E3 | | | | | |
| 1 | Central | 0.11 | 0.13 | 0.09 | 0.09 | 0.04 | 2.60 | 2.90 | 2.20 | 2.10 |
| 2 | East Central | 0.04 | 0.04 | 0.04 | 0.04 | 0.03 | 1.34 | 1.48 | 1.54 | 1.46 |
| 3 | North Central | 0.08 | 0.12 | 0.10 | 0.09 | 0.05 | 1.53 | 2.31 | 1.89 | 1.74 |
| 4 | Northeast | 0.50 | 0.39 | 0.41 | 0.43 | 0.69 | 0.72 | 0.57 | 0.60 | 0.62 |
| 5 | Northern Stateline | 0.03 | 0.03 | 0.04 | 0.04 | 0.03 | 0.77 | 0.78 | 1.02 | 1.21 |
| 6 | Northwest | 0.04 | 0.05 | 0.06 | 0.07 | 0.03 | 1.42 | 1.77 | 2.06 | 2.32 |
| 7 | Southeastern | 0.02 | 0.03 | 0.05 | 0.05 | 0.02 | 0.99 | 1.33 | 2.18 | 2.33 |
| 8 | Southern | 0.04 | 0.05 | 0.06 | 0.05 | 0.03 | 1.22 | 1.70 | 1.87 | 1.57 |
| 9 | Southwestern | 0.13 | 0.13 | 0.11 | 0.09 | 0.05 | 2.40 | 2.47 | 2.15 | 1.62 |
| 10 | West Central | 0.02 | 0.03 | 0.04 | 0.05 | 0.02 | 0.97 | 1.59 | 1.98 | 2.78 |

| EDR # | EDR Name | REG Discharges | | | | EDR Pop/ State Pop | Ratio of Discharges to Pop OFF | Ratio of Discharges to Pop E7E9 | Ratio of Discharges to Pop E4E6 | Ratio of Discharges to Pop E1E3 |
|-------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | # EDR/ # State OFF | # EDR/ # State E7E9 | # EDR/ # State E4E6 | # EDR/ # State E1E3 | | | | | |
| 1 | Central | 0.02 | 0.03 | 0.06 | 0.05 | 0.04 | 0.48 | 0.58 | 1.49 | 1.23 |
| 2 | East Central | 0.02 | 0.01 | 0.04 | 0.03 | 0.03 | 0.67 | 0.49 | 1.52 | 1.02 |
| 3 | North Central | 0.02 | 0.02 | 0.08 | 0.05 | 0.05 | 0.41 | 0.44 | 1.49 | 1.01 |
| 4 | Northeast | 0.23 | 0.21 | 0.62 | 0.45 | 0.69 | 0.33 | 0.30 | 0.90 | 0.66 |
| 5 | Northern Stateline | 0.01 | 0.01 | 0.05 | 0.03 | 0.03 | 0.19 | 0.34 | 1.52 | 0.85 |
| 6 | Northwest | 0.02 | 0.03 | 0.06 | 0.04 | 0.03 | 0.74 | 0.93 | 2.10 | 1.44 |
| 7 | Southeastern | 0.00 | 0.02 | 0.04 | 0.03 | 0.02 | 0.19 | 0.76 | 1.62 | 1.13 |
| 8 | Southern | 0.02 | 0.02 | 0.05 | 0.04 | 0.03 | 0.52 | 0.77 | 1.62 | 1.31 |
| 9 | Southwestern | 0.18 | 0.35 | 0.15 | 0.07 | 0.05 | 3.40 | 6.66 | 2.76 | 1.24 |
| 10 | West Central | 0.01 | 0.02 | 0.03 | 0.02 | 0.02 | 0.62 | 0.99 | 1.81 | 1.10 |

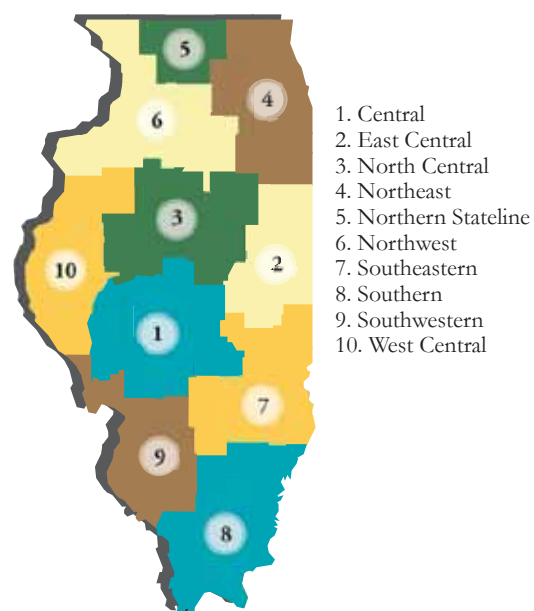
Population #s from DCEO, Population projections (2000-2030) for 2010
Last known addresses for discharges from Illinois Department of Veterans' Affairs (IDVA)

has been used to approximate the regional breakout of the original source of the veterans in the state as shown in Exhibit 3.

The top table is the breakout for R/G discharges by the four rank categories and the bottom table captures similar information for REG discharges. The third through sixth columns (# EDR/# State) represent the quotient of discharges (by rank category) in 2007-2009 for each Economic Development Region (EDR) relative to the state. The seventh column (EDR Pop/ State Pop) represents the quotient of each EDR's population relative to the state's population. The last 4 columns are

ratios of the discharge quotient to the population quotient for each EDR. A ratio of 1.00 would mean that the quotient of discharges (for the EDR relative to the state) is equal to the quotient of the population (for the EDR relative to the state).

As mentioned earlier, issues with the last known address data exist. It is believed that the E4E6 discharges within the REG services are the most representative of the region of origin (prior to military service). The E4E6 are in many cases discharges that have successfully completed their first service commitment and are more likely to be returning home to



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their place of origin than E7E9 and OFF discharges. The E1E3 group of REG discharges could include those who have made a commitment to the reserve/guard but just completed their Initial Active Duty Training (IADT) and have not yet been assigned to a reserve/guard unit.

The older, more experienced members of the regular services (OFF and E7E9) are much more likely to live and work in other locations (different from where they entered the military) upon discharge as they transition to the civilian sector. Many of these veterans choose to reside in areas around military bases where they may already be established or in areas where defense corporations are located.

An important observation to make is that the Northeast EDR (includes Chicago metropolitan area) has a

significantly larger proportion of the state's population than it does the state's recent military discharges. The quotient of the Northeast EDR's population, relative to the state is 0.69. The smaller quotients of veterans for this region impact the ratios for the other regions in the table, where a ratio greater than 1.00 is associated with a higher proportion of veterans than the proportion of population per EDR and less than 1.00 being a lower proportion.

A second observation is that Scott Air Force Base (Southwestern EDR) also has a significant impact. Scott is the largest military base in the state and a quick investigation of the county-level data shows that an extremely high number of discharges had St. Clair County (where Scott is located) as their last known address. These numbers have the biggest impact on the REG results in the OFF, E7E9, and E4E6 rank categories. It is believed that the number of available economic opportunities in the St. Louis metropolitan area allow a large concentration of discharges to stay in the area of the military base after discharge.

It appears that a strong relationship with the R/G exists between the Central

One of the findings of this report is that a relatively high proportion of veterans work in the public sector.

EDR (includes Springfield, the state capital) and the Northwest EDR (Rock Island Arsenal). One of the findings of this report is that a relatively high proportion of veterans work in the public sector. [This is especially true for active R/G]. Government generally provides veterans' preference opportunities in hiring which may make it easier to initiate a career path in the public sector than it is for nonveterans. Some occupations in the military also provide a natural transition into government employment.

Some of the more rural EDRs are among the highest ratios of discharges to population in the E1E3 and E4E6 rank categories. This is likely influenced due to a lack of economic opportunities available to young people upon completion of high school in these areas. The low ratios among the OFF and E7E9 in the REG services seems to imply that higher ranking discharges are less likely to return to these areas probably due to a small number of economic opportunities.

Comparison of Veterans to Nonveterans

It is important to understand similarities and differences with nonveterans in order to analyze the position of veterans in the population and workforce. National data on veterans and nonveterans has been published each of the last few years via



Exhibit 4. Age Distributions of Civilian Noninstitutional Population and Labor Force (Ages 18 and over – 2010 U.S. Annual Averages)

| Age Group | Population | | | Nonveterans |
|---------------------------------|---------------|----------------------------|-----------------|---------------|
| | All | Veterans Gulf War Era I | Gulf War Era II | |
| Total, 18 years and over | 100.0% | 100.0% | 100.0% | 100.0% |
| 18 to 24 | 1.4% | 0.0% | 13.7% | 13.9% |
| 25 to 34 | 7.4% | 17.2% | 51.6% | 19.0% |
| 35 to 44 | 11.1% | 49.4% | 16.1% | 18.2% |
| 45 to 54 | 16.7% | 21.4% | 14.4% | 19.6% |
| 55 to 64 | 24.1% | 9.5% | 3.9% | 14.8% |
| 65 and over | 39.4% | 2.5% | 0.3% | 14.5% |

| Age Group | Labor Force | | | Nonveterans |
|---------------------------------|---------------|----------------------------|-----------------|---------------|
| | All | Veterans Gulf War Era I | Gulf War Era II | |
| Total, 18 years and over | 100.0% | 100.0% | 100.0% | 100.0% |
| 18 to 24 | 1.9% | 0.0% | 12.3% | 13.4% |
| 25 to 34 | 11.5% | 16.9% | 51.9% | 23.0% |
| 35 to 44 | 18.6% | 52.3% | 17.0% | 22.3% |
| 45 to 54 | 26.2% | 21.6% | 15.4% | 23.5% |
| 55 to 64 | 27.8% | 8.3% | 3.3% | 14.3% |
| 65 and over | 14.0% | 0.9% | 0.1% | 3.6% |

Source: Current Population Survey (CPS) as published in the Employment Situation of Veterans - 2010, Bureau of Labor Statistics (BLS) News Release, March 2011

the Bureau of Labor Statistics (BLS) News Release, Employment Situation of Veterans². Information on the age distribution, unemployment and labor force participation rates, proportional shares of industry employment and proportional shares of occupational employment are available and allow for a comparison between the two groups.

Exhibit 4 shows the age distribution of the population and labor force for all veterans, Gulf War Era I (served in the military at any time between August 1990 and August 2001), Gulf War Era II veterans (served since September 2001), and nonveterans using 2010 annual average data from the Current Population Survey (CPS).

The age distribution (18 years old and older) for all veterans is skewed toward older age groups than the distribution (18 years old and older) for nonveterans.

In fact veterans from World War II, the Korean War, and the Vietnam era account for almost exactly half of all living veterans. Slightly more than a quarter of the remaining veterans would be from the post-Vietnam era through July 1990. Slightly less than a quarter of all veterans are accounted for in the Gulf War Era I and Gulf War Era II generations combined. About 80 percent of all veterans in the population and 68 percent of all veterans in the labor force are at least 45 years old.

The Gulf War Era I veterans have about half (49.4%) of their population in the

35-44 age group and a little more than half (52.3%) of their labor force in that age group. Gulf War Era II veterans have a little more than half of their population in the 25-34 age group and a similar proportion of their labor force in that same age group. The population of nonveterans is spread throughout the six age groups fairly uniformly and the labor force is spread fairly evenly through the first five age groups with a sharp decline in the oldest age group.

The overwhelming majority of the veterans on the list that IDVA supplied for this study would be classified as Gulf War Era II veterans, with perhaps a small number in the group of Gulf War Era I veterans. Therefore a comparison of the younger age groups of the Gulf War Era II veterans and nonveterans would be optimal.

Gulf War Era II veteran population in the 18-24 age group account for 13.7% of the total while 51.6% are in the 25-34 age group. Nonveterans have a similar proportion (13.9%) in the 18-24 group, but a much smaller proportion (19.0%) in the 25-34 group. The relationship of the proportions is similar for the two youngest age groups in the labor force:



Exhibit 5. Unemployment Rates and Labor Force Participation Rates for Veterans and Nonveterans (Ages 18 and over)

| Unemployment Rate | 2007 | 2008 | 2009 | 2010 |
|--|-------------|-------------|-------------|-------------|
| Unemployment Rate, All Veterans 18 and over | 3.8% | 4.6% | 8.1% | 8.7% |
| Unemployment Rate, Veterans Gulf War Era I | 3.5% | 4.0% | 7.6% | 7.7% |
| Unemployment Rate, Veterans Gulf War Era II | 6.1% | 7.3% | 10.2% | 11.5% |
| Unemployment Rate, Nonveterans | 4.4% | 5.6% | 9.1% | 9.4% |
| Unemployment Rate, Veterans 18-24 | 11.7% | 14.1% | 21.1% | 20.9% |
| Unemployment Rate, Nonveterans 18-24 | 9.5% | 11.6% | 16.6% | 17.3% |
| Unemployment Rate, Veterans 25-34 | 5.3% | 6.1% | 11.1% | 12.6% |
| Unemployment Rate, Nonveterans 25-34 | 4.6% | 5.8% | 9.8% | 10.0% |
| Unemployment Rate, Veterans 35-44 | 3.4% | 4.3% | 7.3% | 7.3% |
| Unemployment Rate, Nonveterans 35-44 | 3.5% | 4.6% | 8.0% | 8.2% |
| Unemployment Rate, Veterans with service-connected disability | 3.4% | N/A | 8.2% | 9.1% |
| Unemployment Rate, Veterans Gulf War Era II w/ serv.-conn. disability | 0.8% | N/A | 11.8% | 11.2% |
| Labor Force Participation (LFP) Rate | 2007 | 2008 | 2009 | 2010 |
| LFP Rate, All Veterans 18 and over | 55.2% | 55.1% | 54.6% | 53.4% |
| LFP Rate, Veterans Gulf War Era I | 89.0% | 87.9% | 87.7% | 86.5% |
| LFP Rate, Veterans Gulf War Era II | 86.5% | 85.0% | 83.5% | 82.2% |
| LFP Rate, Nonveterans | 68.9% | 68.9% | 68.3% | 67.7% |
| LFP Rate, Veterans 18-24 | 80.3% | 80.6% | 77.0% | 73.5% |
| LFP Rate, Nonveterans 18-24 | 68.9% | 68.6% | 66.7% | 65.2% |
| LFP Rate, Veterans 25-34 | 89.9% | 87.1% | 85.7% | 83.3% |
| LFP Rate, Nonveterans 25-34 | 83.1% | 83.2% | 82.5% | 82.1% |
| LFP Rate, Veterans 35-44 | 90.9% | 93.0% | 90.3% | 89.7% |
| LFP Rate, Nonveterans 35-44 | 83.3% | 83.6% | 83.2% | 82.8% |
| LFP Rate, Veterans with service-connected disability | 48.2% | N/A | 49.5% | 51.0% |
| LFP Rate, Veterans Gulf War Era II w/ serv.-conn. disability | 87.8% | N/A | 80.5% | 81.0% |

Source: Current Population Survey (CPS) as published in the Employment Situation of Veterans - 2007-2010, Bureau of Labor Statistics (BLS) News Release

N/A - Not Available

Gulf War Era II has 12.3% in the 18-24 group and 51.9% in the 25-34 group while nonveterans have 13.4% in the 18-24 group and 23.0% in the 25-34 group. In short, two-thirds of the Gulf War Era II veterans in the population and labor force are under 35 compared to one-third of nonveterans.

Exhibit 5 shows unemployment and labor force participation rates, at the national level, for various groups of veterans and nonveterans.

A comparison of the unemployment rates for the 18-24 age group shows

that the rates for veterans are higher than for nonveterans from 2007 through 2010. A comparison of the rates for the 25-34 age groups shows that the rates for veterans are slightly higher in 2007 and 2008 and a larger gap exists for 2009 and 2010. The rates for the 35-44 age group show that the veterans' rate is below the nonveterans' rate for the entire four-year period. However the veterans in this age group are less likely to have participated in Gulf War Era II.

This would support the theory that the probability of unemployment

for veterans is at its highest immediately after discharge and decreases asymptotically as the time since discharge increases. The unemployment rate for Gulf War Era II veterans is also higher than Era I veterans for all four years, which also supports the idea that unemployment rates drop for veterans as the time since discharge increases.

Labor force participation rates are significantly higher for veterans than nonveterans in the age groups 18-24, 25-34, and 35-44 as well as 18 and over. This would imply that veterans

Exhibit 6. Employment by Industry for Veterans and Nonveterans (2010 U.S. Annual Averages)

| Industry | Gulf War Era I | | Gulf War Era II | | Non-veterans |
|---|----------------|--------------|-----------------|--------------|--------------|
| | Veterans | Veterans | Veterans | Veterans | |
| Agriculture and related industries | 1.9% | 0.6% | 0.4% | 1.5% | |
| Wage and salary workers | 0.7% | 0.4% | 0.2% | 1.0% | |
| Self-employed workers | 1.1% | 0.2% | 0.2% | 0.5% | |
| Nonagricultural industries | 98.1% | 99.4% | 99.6% | 98.5% | |
| Wage and salary workers | 91.0% | 95.6% | 97.5% | 92.1% | |
| Private industries | 69.1% | 70.5% | 67.2% | 77.3% | |
| Mining, quarrying, and oil and gas extraction | 0.7% | 0.9% | 1.2% | 0.5% | |
| Construction | 5.5% | 5.5% | 5.2% | 5.0% | |
| Manufacturing | 12.9% | 13.1% | 10.5% | 9.0% | |
| Wholesale Trade | 3.0% | 2.6% | 1.4% | 2.6% | |
| Retail Trade | 8.0% | 6.7% | 6.8% | 10.9% | |
| Transportation and utilities | 7.3% | 7.1% | 6.6% | 3.6% | |
| Information | 2.2% | 3.3% | 2.1% | 2.0% | |
| Financial Activities | 4.4% | 4.1% | 4.3% | 6.3% | |
| Professional and business services | 10.0% | 11.7% | 12.9% | 9.2% | |
| Education and health services | 8.3% | 9.7% | 7.9% | 15.2% | |
| Leisure and hospitality | 3.6% | 3.1% | 5.5% | 8.2% | |
| Other services | 3.3% | 2.7% | 2.7% | 4.2% | |
| Government | 21.9% | 25.1% | 30.4% | 14.8% | |
| Federal | 8.7% | 10.5% | 16.3% | 2.2% | |
| State | 4.9% | 5.6% | 5.3% | 4.6% | |
| Local | 8.2% | 8.9% | 8.7% | 8.0% | |
| Self-employed workers | 7.1% | 3.8% | 2.1% | 6.3% | |
| Unpaid family workers | 0.0% | 0.1% | 0.0% | 0.1% | |

Source: Current Population Survey (CPS) as published in the Employment Situation of Veterans - 2010, Bureau of Labor Statistics (BLS) News Release, March 2011

are more available for work than nonveterans, in general, and perhaps the characteristics needed to succeed in the military make them less likely to leave the labor force.

The unemployment rate for veterans of Gulf War Era II that have a service-connected disability has been similar over the last couple of years to all veterans of Gulf War Era II. The labor force participation of the two groups has also been similar over the last four years.

Exhibit 6 shows the proportional share of employment by industry sector for veterans and nonveterans.

A much higher percentage of veterans (relative to nonveterans) work for the government. This difference is even greater for Gulf War Era II (and

Gulf War Era I) veterans relative to nonveterans. This fact may be in part due to the higher proportion of R/G discharged in recent years that could be employed by the government prior to deployment. Veterans' preferences in public sector hiring practices are another factor. A closer look at the industry data table shows that the biggest differences are in federal government employment with differences in state and local government being much smaller.

Although the group of all veterans is most likely to be self-employed, the rates of self-employed workers are significantly higher for nonveterans when compared to Gulf War Era I and Era II veterans. It would seem that being self-employed is more likely to happen for people who are both older and have developed a specialized skill

set. The veterans who have been out of the military longer could be more likely to be self-employed. The ability to retire from the military at an early age may also make it more likely for this group to choose self-employment.

A recent study³ found that military service is highly correlated with the probability of self-employment. The veterans that are most likely to be self-employed are those who leave the military after one enlistment and those who served 20 or more years in the military. The researchers found that officers are more likely than the enlisted to be self-employed.

The groups of all, Gulf War Era I, and Gulf War Era II veterans have higher proportions of employment than nonveterans in mining; construction; manufacturing; transportation and

Exhibit 7. Employment by Occupational Category for Veterans and Nonveterans (2010 U.S. Annual Averages)

| Occupation | Gulf War Era I | | Gulf War Era II | | Non-veterans |
|---|----------------|--------------|-----------------|--------------|--------------|
| | Veterans | Veterans | Veterans | Veterans | |
| Management, professional and related | 37.3% | 38.6% | 35.0% | 37.5% | |
| Management, business, and financial operations | 17.8% | 17.4% | 14.0% | 15.0% | |
| Professional and related | 19.5% | 21.3% | 21.0% | 22.6% | |
| Service | 13.8% | 13.4% | 19.7% | 17.7% | |
| Sales and office | 17.5% | 17.7% | 16.8% | 24.5% | |
| Sales and related | 8.7% | 7.3% | 5.7% | 11.1% | |
| Office and administrative support | 8.8% | 10.4% | 11.1% | 13.4% | |
| Natural resources, construction, and maintenance | 14.4% | 14.0% | 14.8% | 9.0% | |
| Farming, fishing, and forestry | 0.4% | 0.2% | 0.1% | 0.7% | |
| Construction and extraction | 6.5% | 6.1% | 6.1% | 5.1% | |
| Installation, maintenance and repair | 7.5% | 7.7% | 8.6% | 3.2% | |
| Production, transportation, and material moving | 17.0% | 16.2% | 13.7% | 11.2% | |
| Production | 7.1% | 7.8% | 6.6% | 5.7% | |
| Transportation and material moving | 9.9% | 8.4% | 7.1% | 5.5% | |

Source: Current Population Survey (CPS) as published in the Employment Situation of Veterans - 2010, Bureau of Labor Statistics (BLS) News Release, March 2011

utilities; information; and professional and business services. It is likely that some correlation exists between these industries and the types of people who serve in the military or the skills they learn in the military.

Nonveterans have a higher proportion of employment than the three veterans' groups in retail trade; financial activities; education and health services; leisure and hospitality; and other services. In the case of financial activities and education and health services, a significant investment of time in education may hold veterans back from reaching higher employment levels in these industries.

Wholesale trade is similar to self-employed workers in the respect that Gulf War Era II veterans have a smaller proportion of employment than nonveterans, but Gulf War Era I veterans have the same proportion as nonveterans while all veterans has a greater

proportion than nonveterans. This would imply that the industry takes awhile to move into but that veterans likely have the skills to fit into the industry.

Exhibit 7 shows the proportional share of employment by occupational category.

The groups of all, Gulf War Era I, and Gulf War Era II veterans all have higher proportions of employment than nonveterans in the construction and extraction; installation, maintenance and repair; production; and transportation and material moving occupational categories. It is likely that some correlation exists between these occupational categories and the types of people who serve in the military or the skills that they learn in the military.

Nonveterans have a higher proportion of employment than the three veterans' groups in the professional and related; sales and related; office and

administrative support; and farming, fishing, and forestry occupational categories.

Nonveterans have a higher proportion of employment than Gulf War Era II veterans in management, business, and financial operations yet a lower proportion than for all veterans and Gulf War Era I veterans. It is likely that many of these occupations have a tendency to require a college degree and it will take a few years for the Gulf War Era II veterans to complete their education and increase their proportional share of these jobs.

Gulf War Era II veterans have the highest share (19.7%) of employment in service occupations with nonveterans slightly less (17.7%) and all veterans (13.8%) and Gulf War Era I veterans (13.4%) significantly less. Recent discharges are more likely to find employment in jobs such as this that tend to be more labor intensive along

Exhibit 8. Unemployment Claims for Illinois Discharges (2005 – 2009), by Rank Category, Type of Service and Age Category

| | | R/G Discharges | | | | | | | | | | | | | | |
|-------------|---------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|
| | | 2005 | | | 2006 | | | 2007 | | | 2008 | | | 2009 | | |
| | | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits |
| OFF | 18-34 | 40.8% | 16.3% | 16.7 | 43.8% | 20.2% | 23.2 | 38.3% | 16.0% | 20.6 | 28.2% | 11.3% | 16.9 | 30.6% | 11.8% | 19.6 |
| OFF | >35 | 59.2% | 8.8% | 21.0 | 56.2% | 10.9% | 31.0 | 61.7% | 11.9% | 24.5 | 71.8% | 9.6% | 14.2 | 69.4% | 2.8% | 21.3 |
| E7E9 | 18-34 | 11.6% | 7.5% | 15.2 | 10.7% | 11.9% | 14.7 | 8.0% | 9.1% | 73.5 | 11.2% | 15.6% | 46.2 | 9.7% | 8.7% | 45.0 |
| E7E9 | >35 | 88.4% | 14.9% | 27.0 | 89.3% | 17.6% | 24.3 | 92.0% | 17.5% | 24.4 | 88.8% | 13.0% | 27.8 | 90.3% | 9.4% | 22.5 |
| E4E6 | 18-24 | 40.4% | 41.8% | 26.8 | 37.5% | 41.5% | 24.6 | 26.9% | 39.9% | 29.1 | 23.0% | 23.1% | 34.2 | 22.8% | 33.6% | 28.1 |
| E4E6 | 25-34 | 37.9% | 34.8% | 27.9 | 39.7% | 36.8% | 27.7 | 44.0% | 36.3% | 30.6 | 48.0% | 26.9% | 30.2 | 47.0% | 36.9% | 30.3 |
| E4E6 | >35 | 21.7% | 30.6% | 32.6 | 22.9% | 28.3% | 28.2 | 29.1% | 29.4% | 43.0 | 29.0% | 27.2% | 37.8 | 30.2% | 30.5% | 30.9 |
| E1E3 | 18-24 | 88.3% | 33.0% | 31.3 | 85.6% | 30.6% | 32.1 | 86.5% | 29.6% | 28.2 | 85.6% | 22.8% | 28.2 | 84.7% | 12.2% | 23.4 |
| E1E3 | 25-34 | 10.1% | 44.0% | 36.7 | 11.8% | 40.7% | 32.4 | 11.1% | 43.5% | 34.2 | 11.8% | 41.8% | 34.8 | 12.6% | 28.8% | 29.1 |
| E1E3 | >35 | 1.5% | 48.0% | 43.6 | 2.6% | 39.1% | 26.3 | 2.5% | 21.6% | 43.9 | 2.6% | 30.2% | 53.4 | 2.7% | 44.2% | 24.4 |

| | | REG Discharges | | | | | | | | | | | | | | |
|-------------|---------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------|--------------------------|
| | | 2005 | | | 2006 | | | 2007 | | | 2008 | | | 2009 | | |
| | | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits | % of Disch. In Age Category | % of Disch. Receiving Benefits | Avg. # Weeks of Benefits |
| OFF | 18-34 | 35.5% | 11.3% | 22.2 | 38.1% | 7.1% | 22.4 | 53.1% | 13.1% | 19.4 | 48.6% | 19.7% | 23.3 | 49.7% | 12.5% | 24.3 |
| OFF | >35 | 64.5% | 5.8% | 17.1 | 61.9% | 6.4% | 24.4 | 46.9% | 4.8% | 26.4 | 51.4% | 3.4% | 26.3 | 50.3% | 3.7% | 21.5 |
| E7E9 | 18-34 | 3.9% | 14.3% | 22.3 | 4.3% | 20.0% | 33.3 | 2.9% | 7.1% | 50.0 | 5.5% | 14.3% | 48.7 | 5.7% | 5.3% | 21.0 |
| E7E9 | >35 | 96.1% | 5.8% | 22.7 | 95.7% | 6.6% | 27.9 | 97.1% | 10.4% | 26.7 | 94.5% | 5.9% | 11.7 | 94.3% | 4.5% | 18.6 |
| E4E6 | 18-24 | 50.1% | 46.6% | 27.0 | 48.3% | 47.7% | 26.6 | 46.7% | 45.5% | 28.1 | 45.3% | 41.2% | 37.9 | 44.1% | 49.2% | 31.5 |
| E4E6 | 25-34 | 39.7% | 41.3% | 25.7 | 41.9% | 46.3% | 25.9 | 44.4% | 42.1% | 30.5 | 46.8% | 38.3% | 38.1 | 47.0% | 44.5% | 35.6 |
| E4E6 | >35 | 10.2% | 24.7% | 26.2 | 9.8% | 26.5% | 31.9 | 9.0% | 30.4% | 35.2 | 7.8% | 24.3% | 34.0 | 8.9% | 27.9% | 30.2 |
| E1E3 | 18-24 | 82.8% | 38.2% | 31.4 | 82.3% | 37.5% | 30.7 | 82.2% | 31.2% | 31.0 | 82.1% | 26.8% | 34.8 | 82.3% | 26.6% | 30.9 |
| E1E3 | 25-34 | 15.9% | 41.4% | 33.0 | 16.6% | 42.3% | 38.4 | 16.3% | 36.8% | 32.4 | 16.4% | 34.9% | 44.7 | 16.4% | 40.7% | 31.0 |
| E1E3 | >35 | 1.3% | 34.6% | 30.9 | 1.1% | 52.6% | 36.0 | 1.4% | 34.6% | 43.8 | 1.5% | 19.2% | 21.2 | 1.3% | 42.9% | 44.1 |

Source: Illinois Department of Veterans' Affairs (IDVA) and Illinois Department of Employment Security (IDES)

with being less likely to provide benefits, characteristic of many service occupations.

Analysis of Individual Data for Recent Illinois Discharges

Unemployment Claims

Unemployment Claims are used as a tool to identify unemployment issues among the recent military discharges. However, this data cannot be used to replicate the estimation of the unemployment rate of veterans in Illinois. One issue that has been acknowledged is that some veterans who are eligible for unemployment benefits do not file unemployment

claims. This could happen because of a lack of patience to utilize the system, a matter of principle, or the discharge not knowing that they are eligible for benefits. Other veterans on the IDVA list may not return to Illinois and could file an unemployment claim in another state. Similarly veterans not on the IDVA list could file claims in Illinois. It should also be noted that discharges that are enrolled full-time in educational programs are not eligible for unemployment benefits.

Exhibit 8 shows the utilization of the Illinois unemployment benefits system by veterans discharged in the years 2005 through 2009 only.

Discharges for 2010 on the IDVA list are excluded because benefits data are only available through August of 2010 so any calculations for this group are much more likely to be incomplete and misleading.

The veterans are separated by discharge year, type of service, rank category, and an age category. Age categories were compiled from available age groups to create 18-24, 25-34, and over 35 rows for E1E3 and E4E6. Since very few discharges are under 25 for OFF and E7E9, the age categories used are 18-34 and over 35. For each rank category and type of service combination, the table shows the proportion of discharges in

the age category, by rank category and type of service; the proportion of the discharges in a particular age category that received at least one benefit payment; and the average weeks of benefit payments received by those that received at least one payment.

It is understood that individual veterans may have filed multiple claims in this five-year period and with the probability increasing with the presence of extended benefits. The objective is to determine if a veteran utilized the Illinois unemployment benefits system and if so, to count how many weeks of benefits they were paid. Possible benefit weeks would run from the time of first discharge of the individual in the period through the end of the available claims data (August 2010).

The profile section showed that the officers (OFF) and top-level enlisted (E7E9) have significantly smaller shares of discharges than both E4E6 and E1E3 in both types of service (R/G and REG). The OFF and E7E9 also both have significantly smaller proportions of their discharges that receive benefit payments than E4E6 and E1E3 as well. So the discharges are concentrated among the E4E6 and E1E3 groups and the unemployment benefits are accessed at a higher rate among the discharges for these same two groups.

Among the R/G veterans, the E1E3 discharges are primarily concentrated in the 18-24 age category with a much smaller share in the 25-34 age category. The proportion of discharges that receive benefit payments is higher among 25-34 than for 18-24. These proportions could be influenced by education enrollments (could be ineligible for benefits).

The REG E1E3 discharges also have a high concentration in the 18-24

age group, but it is a slightly smaller gap. The proportion of REG E1E3 discharges that received benefit payments is slightly higher among the 25-34 category with the difference being smaller between the age groups than it was for the R/G E1E3s. The most plausible explanation is that E1E3 REG discharges in the youngest age category are not as likely to be enrolled in education. Some of the E1E3 discharges that have just finished initial training and are waiting assignment to a reserve/guard unit and that are coded REG. The 25-34 age group receives benefits on average for a longer period than do the 18-24 group among the E1E3 veterans in both the R/G and REG.

The two biggest proportions of the E4E6 R/G group were split almost equally between the 18-24 and 25-34 groups in 2005 and 2006 but the 25-34 group has about twice the amount of discharges in 2007 through 2009. Some of the decrease in discharges for the 18-24 group could be because they were already counted as discharged previously in the five-year period (included in calculations for first discharge only). The 18-24 group has a slightly larger proportion of discharges that received benefit payments in the first three years and slightly smaller in the last two years. This could be impacted by enrollment in education.

The 18-24 group of the REG discharges had a slightly larger proportion of the E4E6 group than the 25-34 age category in 2005 and 2006 but the two

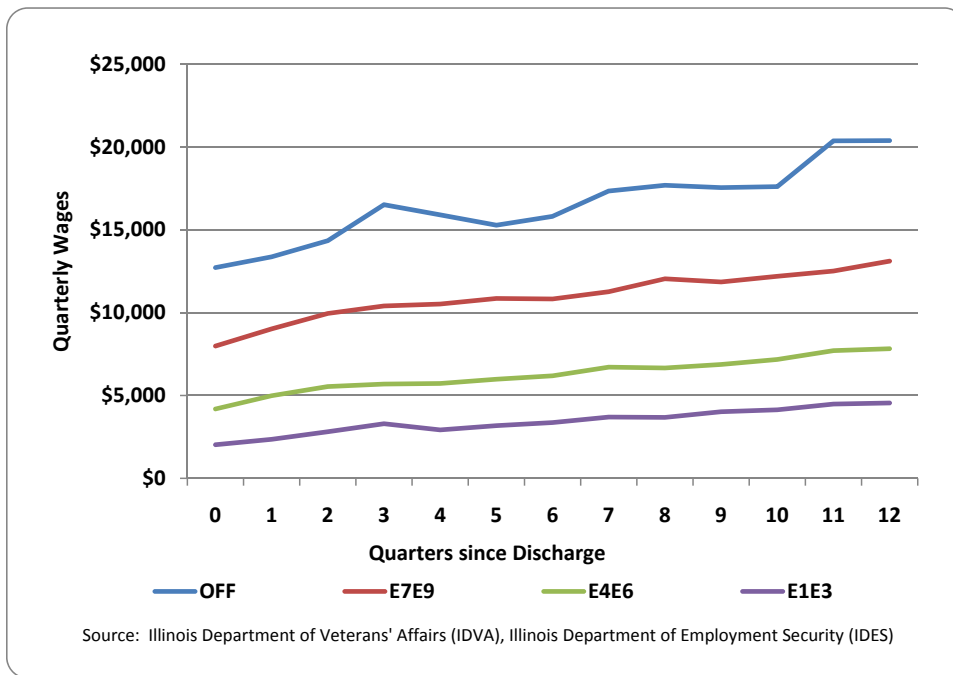
age categories have had about equal proportions for the last three years. The 18-24 group has a slightly larger proportion of discharges that received benefit payments. This younger group may have more issues finding civilian employment or maybe education enrollment is a factor here as well.

Quarterly Wages for Illinois covered employment

Discharges for 2005 Q1 through 2007 Q2 were matched with individual quarterly wage records (IDES) for covered Illinois employment (includes state and local government and private sector) and the Quarterly Census of Employment and Wages (QCEW) program (IDES) to produce the tables and charts used in this section. The 10-quarter time period was chosen as the range of analysis since 12 quarters



Exhibit 9. Average Quarterly Wages for Illinois Discharges (2005 Q1 – 2007 Q2), by Rank Category



a veteran that was discharged in 2005 Q1. 2007 Q1 would be Quarter 8 for that same individual. Average quarterly wages by rank category are plotted against the Quarters since Discharge series in Exhibit 9.

The chart shows that distinct differences exist in the wages paid to discharges of the four rank categories across all 12 quarters past discharge. The veterans in the OFF group are paid the most, followed by E7E9, E4E6, and E1E3. This is the same order as the military responsibility level (characterized by the skills, knowledge, and experience of the discharges) so it seems clear that these characteristics translate back to the civilian employment sector.

Exhibit 10. Proportion Employed for Illinois Discharges (2005 Q1 – 2007 Q2), by Rank Category

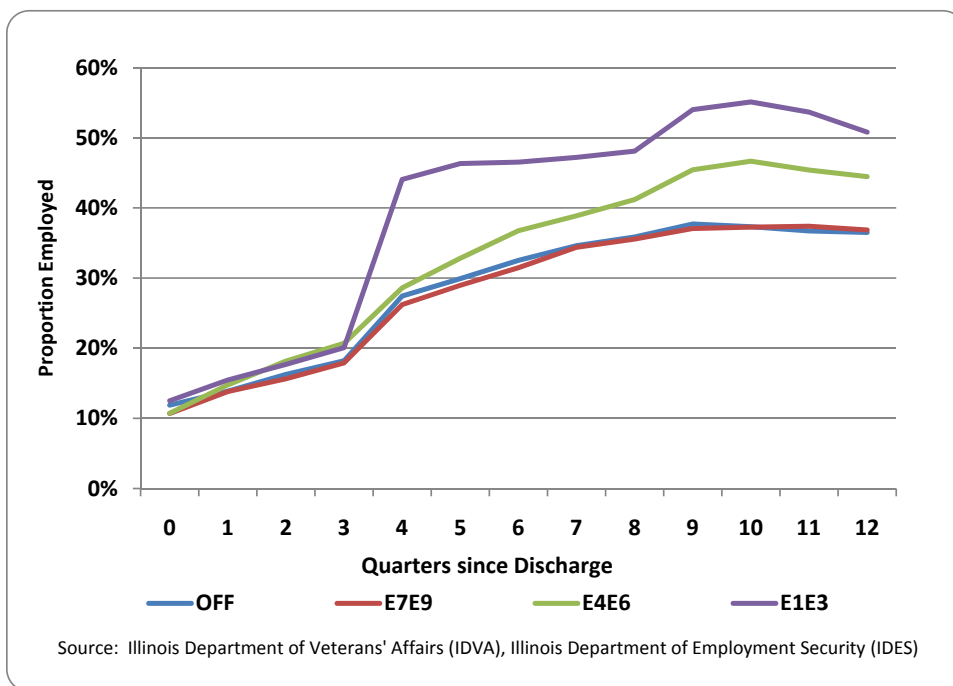


Exhibit 10 shows the proportion of employed by rank category over the 12 quarters. It should be noted once again that employment in this chart includes only covered Illinois employment (state and local government and private sector).

This chart shows that the E1E3 group has the highest proportion of employment (in Illinois) after four quarters past discharge using the wage and employment data that is currently available. Some possible explanations for the low proportional shares include the fact that federal government employment is not included in the data for the chart and that a certain number of each rank category may not return to Illinois. Additional data will be utilized later in this report to better understand the significance of these factors.

of wage data are available past 2007 Q2 (the last quarter of available quarterly wage data is 2010 Quarter 2). This will provide more knowledge about what happens as the discharges establish stable civilian employment.

The Quarters since Discharge data

series was created to redefine the time dimension and allow more data to be viewed on a single chart. Quarter 0 is defined as the quarter when the veteran was discharged (could be 1st, 2nd, or 3rd month of the quarter) and so it is possible that the veteran earned wages in Quarter 0. 2005 Q1 is Quarter 0 for

Exhibit 11, on the previous page, is a table of data that provides the proportion of employment and the average quarterly wage for discharges 1, 4, 8, and 12 quarters after discharge by rank category, and by industry sector. Only industries with at least 2.0% of the

Exhibit 11. Industry Employment and Wages for Illinois Discharges (2005 Q1 – 2007 Q2), by Rank Category

| OFF | | Quarters since Discharge | | | | | | | |
|------|---|--------------------------|----------|-------|----------|-------|----------|-------|----------|
| | | 1 | | 4 | | 8 | | 12 | |
| Rank | Industry | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage |
| 1 | Professional, Scientific & Technical Services | 1.6% | \$13,535 | 4.1% | \$16,860 | 5.4% | \$18,821 | 6.2% | \$21,946 |
| 2 | Public Administration | 3.0% | \$9,935 | 4.5% | \$10,702 | 5.8% | \$13,591 | 5.5% | \$15,308 |
| 3 | Health Care & Social Assistance | 1.8% | \$28,357 | 3.7% | \$27,546 | 4.7% | \$26,228 | 5.3% | \$27,441 |
| 4 | Educational Services | 0.9% | \$13,218 | 2.7% | \$12,095 | 3.4% | \$12,644 | 3.4% | \$12,399 |
| 5 | Manufacturing | 1.4% | \$12,890 | 2.7% | \$17,448 | 3.6% | \$21,209 | 3.2% | \$24,281 |
| 6 | Transportation & Warehousing | 0.9% | \$13,148 | 1.8% | \$16,255 | 2.2% | \$18,163 | 2.3% | \$21,261 |
| 7 | Finance & Insurance | 0.8% | \$11,178 | 1.7% | \$15,593 | 2.3% | \$18,210 | 2.0% | \$27,055 |

| E7E9 | | Quarters since Discharge | | | | | | | |
|------|---|--------------------------|----------|-------|----------|-------|----------|-------|----------|
| | | 1 | | 4 | | 8 | | 12 | |
| Rank | Industry | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage |
| 1 | Public Administration | 4.3% | \$10,149 | 6.6% | \$11,526 | 7.9% | \$14,321 | 8.4% | \$15,254 |
| 2 | Professional, Scientific & Technical Services | 1.7% | \$10,316 | 3.9% | \$13,383 | 5.9% | \$13,445 | 6.2% | \$15,512 |
| 3 | Manufacturing | 1.3% | \$12,119 | 2.9% | \$11,850 | 3.4% | \$15,297 | 3.4% | \$15,050 |
| 4 | Educational Services | 0.9% | \$6,719 | 1.8% | \$8,027 | 2.6% | \$8,667 | 3.1% | \$9,590 |
| 5 | Retail Trade | 0.9% | \$6,247 | 2.0% | \$5,886 | 2.7% | \$7,092 | 2.8% | \$7,983 |
| 6 | Administrative & Support & Waste Management | 0.9% | \$7,714 | 1.8% | \$7,584 | 2.5% | \$10,651 | 2.3% | \$11,355 |
| 7 | Wholesale Trade | 0.6% | \$9,897 | 1.2% | \$11,916 | 1.8% | \$11,378 | 2.1% | \$13,224 |

| E4E6 | | Quarters since Discharge | | | | | | | |
|------|---|--------------------------|---------|-------|---------|-------|----------|-------|----------|
| | | 1 | | 4 | | 8 | | 12 | |
| Rank | Industry | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage |
| 1 | Public Administration | 2.1% | \$8,081 | 3.5% | \$8,748 | 4.9% | \$10,681 | 6.2% | \$11,343 |
| 2 | Retail Trade | 2.6% | \$3,221 | 4.5% | \$3,300 | 6.4% | \$3,896 | 6.1% | \$4,668 |
| 3 | Manufacturing | 1.6% | \$5,731 | 3.5% | \$6,874 | 5.0% | \$8,172 | 5.5% | \$9,555 |
| 4 | Administrative & Support & Waste Management | 1.5% | \$3,445 | 3.1% | \$4,383 | 4.7% | \$5,063 | 4.5% | \$6,289 |
| 5 | Construction | 1.0% | \$5,342 | 1.7% | \$6,252 | 2.7% | \$6,782 | 2.9% | \$8,178 |
| 6 | Accommodation & Food Services | 1.2% | \$2,273 | 2.1% | \$2,347 | 2.5% | \$2,874 | 2.6% | \$3,110 |
| 7 | Health Care & Social Assistance | 0.8% | \$4,206 | 1.4% | \$5,482 | 2.2% | \$6,061 | 2.6% | \$6,479 |
| 8 | Transportation & Warehousing | 0.7% | \$5,433 | 1.5% | \$5,766 | 2.3% | \$6,793 | 2.5% | \$7,408 |
| 9 | Wholesale Trade | 0.6% | \$5,249 | 1.5% | \$6,559 | 2.3% | \$7,738 | 2.4% | \$8,887 |
| 10 | Professional, Scientific & Technical Services | 0.5% | \$7,123 | 1.2% | \$8,577 | 1.9% | \$8,958 | 2.0% | \$10,828 |

| E1E3 | | Quarters since Discharge | | | | | | | |
|------|---|--------------------------|---------|-------|---------|-------|---------|-------|---------|
| | | 1 | | 4 | | 8 | | 12 | |
| Rank | Industry | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage | Emp % | Q Wage |
| 1 | Retail Trade | 3.8% | \$2,033 | 11.4% | \$2,286 | 11.5% | \$2,785 | 11.1% | \$3,282 |
| 2 | Administrative & Support & Waste Management | 2.0% | \$2,198 | 5.7% | \$2,651 | 7.7% | \$3,232 | 7.2% | \$3,964 |
| 3 | Accommodation & Food Services | 2.8% | \$1,469 | 8.1% | \$1,756 | 6.1% | \$2,107 | 5.9% | \$2,577 |
| 4 | Manufacturing | 1.4% | \$3,656 | 4.4% | \$4,828 | 5.3% | \$5,313 | 5.7% | \$6,522 |
| 5 | Construction | 0.7% | \$3,554 | 1.8% | \$4,209 | 2.5% | \$4,775 | 2.9% | \$6,262 |
| 6 | Health Care & Social Assistance | 0.8% | \$2,204 | 1.9% | \$3,582 | 2.4% | \$3,797 | 2.8% | \$4,509 |
| 7 | Transportation & Warehousing | 0.7% | \$2,921 | 1.8% | \$3,504 | 2.2% | \$4,011 | 2.6% | \$4,939 |
| 8 | Wholesale Trade | 0.6% | \$3,088 | 1.9% | \$3,825 | 2.0% | \$4,511 | 2.5% | \$5,386 |
| 9 | Public Administration | 0.5% | \$3,687 | 0.9% | \$5,875 | 1.4% | \$7,512 | 2.1% | \$8,490 |

* Industries ranked all have 2.0% (or greater) employment of total discharges for 2005 Q1 - 2007 Q2 in 12th quarter
 Industries ordered by Proportion of Industry Employment in 12th Quarter after Discharge
 Data sources: Illinois Department of Employment Security (IDES) and Illinois Department of Veterans' Affairs (IDVA)

proportion employed in the 12th quarter are included in the tables. The industries are ordered, within rank category, by proportion of employment share in the 12th quarter. The quarterly wage data includes identifying information of the employer, which was matched with the QCEW data for each quarter to determine the industry of employment of the veterans.

The tables show that each of the four rank categories tend to find employment in industry sets that vary in composition. This is likely due to the skill sets of the different rank categories making better matches with particular jobs in various industries. Average wages in industries that are common among the four groups show that the occupations they are employed in appear to be at different skill levels (entry level for lowest enlisted level in Health Care vs. perhaps physician for the officers as one example).

The top four employing industries for OFF are: 1) professional, scientific and technical services; 2) public administration; 3) health care and social assistance; and 4) educational services. The top four industries employing E7E9 discharges are: 1) public administration; 2) professional, scientific and technical services; 3) manufacturing; and 4) educational services. Three of the four industries in OFF and E7E9 are the same although the order is slightly different. Health care and social assistance is not on the E7E9 list at all.

The top four employing industries for E4E6 are: 1) public administration; 2) retail trade; 3) manufacturing; and 4) administrative and support and waste management. The leading four industries for employment of E1E3 are: 1) retail trade; 2) administrative and support and waste management; 3) accommodation and food services; and 4) manufacturing. Three of the four industries in E4E6 and

E1E3 are the same as well. Once again the order is slightly different.

Manufacturing is fifth on the OFF list and in the top four of all three of the enlisted groups. This may be the most common industry but the average quarterly wages for OFF discharges are \$24,281 and decline rapidly through the enlisted ranks: E7E9 (\$15,050), E4E6 (\$9,555), E1E3 (\$6,522). It would seem that the occupations held within this industry by the typical discharge of the four rank categories would be distinctly different.

This analysis was also done breaking out type of service within rank category. It was found that the industries for the various rank categories were similar (using the 2.0% threshold) for the two types of service. However, the proportional shares of employment did show significant differences (but both usually over 2.0%) for the two services within the same industry in some cases.

An analysis done for veterans discharged in 2008 Q1-Q4 showed that the industry composition for employment in this time period is very similar to the composition from 2005 Q1-2007 Q2. The trends for employment matching for rank categories and industries appear to be consistent over time.

Wages for federal government employment

Wage data for recently discharged Illinois veterans who were employed by the federal government in the 2008

Exhibit 12. Federal Government Employment and Wages of 2001 – 2010 Illinois Discharges, by Rank Category and Type of Service (2010 Q2)

| Rank Category | Type of Service | % of Discharges | Average Wages |
|---------------|-----------------|-----------------|---------------|
| OFF | R/G | 16.0% | \$21,964 |
| E7E9 | R/G | 21.0% | \$15,920 |
| E4E6 | R/G | 11.1% | \$13,755 |
| E1E3 | R/G | 3.4% | \$11,494 |
| OFF | REG | 20.4% | \$23,130 |
| E7E9 | REG | 26.6% | \$16,446 |
| E4E6 | REG | 7.1% | \$13,180 |
| E1E3 | REG | 1.5% | \$11,098 |

Data sources: Federal Employment Data Exchange System (FEDES), Illinois Department of Veterans' Affairs (IDVA)

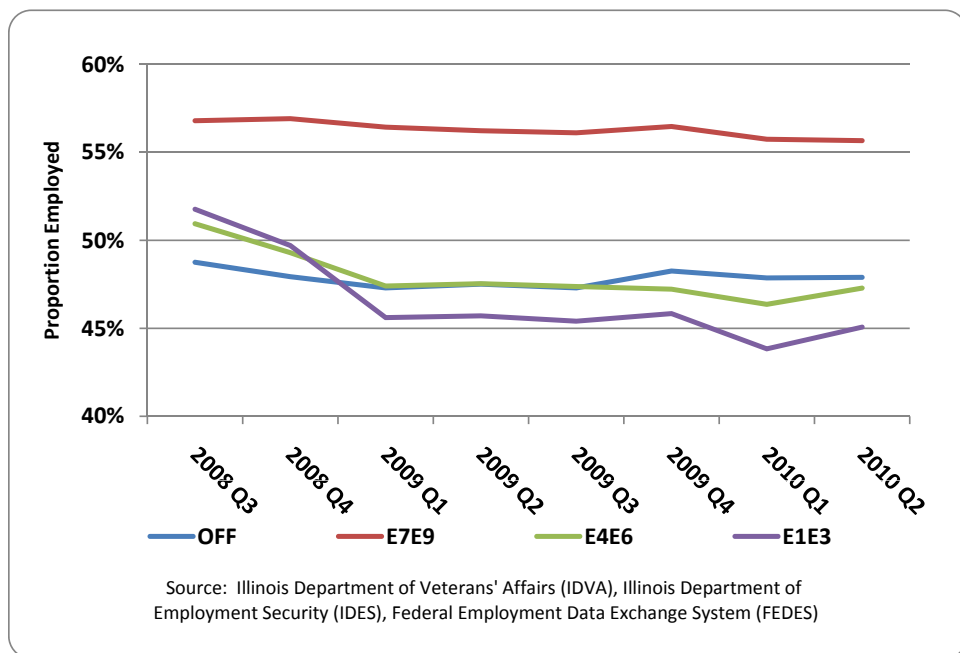
Note: FEDES program data available for 2008 Q3 - 2010 Q2

Q3 – 2010 Q2 period (only most recent 8 quarters available) was obtained through the Federal Employment Data Exchange System (FEDES) program. Exhibit 12 shows the proportion employed and average wages paid in 2010 Q2 by rank category and type of service.

The FEDES data includes data records for approximately 7,800 (slightly less than 9.0%) of the veterans from the original IDVA list. This particular data file does not include information on the location of the employment so it is not known if the individual works in Illinois. As with the covered Illinois employment data, the federal employment wages are ordered highest to lowest by the level of responsibility of the rank category: OFF, E7E9, E4E6, and then E1E3.

The rank categories with the highest proportions of employment are: 1) E7E9; 2) OFF; 3) E4E6; and 4) E1E3 for both types of service. E7E9 and OFF are much higher proportions than E4E6, which is much higher than

Exhibit 13. Proportion Employed in 2008 Q3 – 2010 Q2 (for Illinois Discharges in 2005 Q1 – 2007 Q2), by Rank Category (includes Federal Government Employment)



2010 Q2. Among discharges who served multiple tours, 11.4% were employed by the federal government in 2010 Q2.

By including the discharges that were employed by the federal government in the range that overlaps the time period used for Exhibit 10, a similar chart can be created. The Quarters since Discharge series has been replaced on the horizontal axis by the eight quarter period where both federal government employment data and covered Illinois employment data exist.

Exhibit 13 includes 2005 Q1 – 2007 Q2 discharges only and counts those discharges that were found in both federal government employment and covered Illinois employment in the same quarter only once.

E1E3. It should be noted that since most discharges are in the E4E6 and E1E3 rank categories the number of discharges working for the federal government in 2010 Q2 is actually slightly higher for E4E6 than E7E9 and OFF combined.

The highest proportions of federal government employment in 2010 Q2, by age group were: 1) 30-34 (10.7%); 2) 35-44 (18.9%); 3) 45-54 (23.3%); and 4) 55-64 (13.1%). Among discharges who served a single tour, 7.1% were employed by the federal government in

The chart shows that E7E9 discharges now have the highest proportion of employment over the entire eight-quarter period. The other three rank categories are at similar proportions but about 8%-10% below the E7E9 rank category. E1E3 now has the lowest proportion of employment

Further investigation of the FEDES data using military branch data show that discharges for the Air Force (16.8%), the Air National Guard (20.5%), and the Air Force Reserve (16.4%) were the only service branches with over 10.0% of its discharges that were employed by the federal government in 2010 Q2. This is likely due in part to the correlation of occupations in those services with occupations in the government. It is also possible that those branches of the service are more likely to require top secret security clearances and that may have an impact on their hiring by the federal government. The Army (5.9%), Marine Corps (3.8%), Marine Corps Reserves (3.0%), and the Navy (5.7%) all had much smaller employment levels.



when including the federal government employment data. The data still does not include employment outside of Illinois in the private sector, state and local government.

Education data – NSC and ISEG

Two sources of education data were used to track the discharged Illinois veterans. Data from the Illinois Shared Enrollment and Graduation (ISEG) consortium provides information on those individuals who are enrolled and earn degrees or certificates from Illinois institutions. The National Student Clearinghouse (NSC) covers institutions outside of Illinois and maintains enrollment records as well as detailed records on completed degrees and certificates. Neither data source has complete coverage of the educational institutions within the geographic borders from which it obtains its data. The two sources do include some data

Exhibit 14. Education Enrollment and Completion for Illinois Veterans Discharged 2003 – 2005, by Rank Category and Type of Service

| Rank Category | Type of Service | % of Discharges Enrolled | Avg. # of Terms Discharge was Enrolled | % of Discharges with Degrees/Certificates |
|---------------|-----------------|--------------------------|--|---|
| OFF | R/G | 31.6% | 5.5 | 12.1% |
| E7E9 | R/G | 30.7% | 4.9 | 7.5% |
| E4E6 | R/G | 43.2% | 6.3 | 14.5% |
| E1E3 | R/G | 87.1% | 6.4 | 16.1% |
| OFF | REG | 31.4% | 5.5 | 12.1% |
| E7E9 | REG | 38.4% | 6.4 | 17.7% |
| E4E6 | REG | 73.8% | 8.1 | 24.9% |
| E1E3 | REG | 65.0% | 6.1 | 9.5% |

Data sources: National Student Clearinghouse (NSC), Illinois Department of Veterans' Affairs (IDVA)

Note: NSC data for those veterans discharged for 2003-2005
Includes degrees/certificates received and enrollments after first, or only, discharge in 2003-2005
NSC data available through 2010

elements that do not overlap so that both can be used for analysis.

education institutions after their first, or only, discharge in the three-year period, the average number of terms the discharge was enrolled, and the proportion of discharges that completed degrees or certificates. The NSC data that was obtained runs through the end of 2010 so the veterans would have approximately five to seven years to complete the degree or certificate to show up in the file.

After a careful review of the data, it became apparent that the information available for those that had completed degrees and certificates added much more value to the analysis than did the enrollment records. It was also clear that in most cases it would take a few years after veterans were discharged from the military before they could complete a degree. Since the NSC data was obtained for veterans starting with discharges in the fall of 2002, the time frame chosen for analysis of education was those veterans discharged from 2003 through 2005.

The data in the table show that the highest proportions of enrollment are (in order): 1) E1E3 R/G (87.1%); 2) E4E6 REG (73.8%); and 3) E1E3 REG (65.0%). Although the average number of terms that a discharge was enrolled (among enrollees only) was similar across groups, the highest average for terms of enrollment was in the E4E6 REG group with 8.1. The highest proportion of discharges that completed degrees/certificates are: 1) E4E6 REG (24.9%); 2) E7E9 REG (17.7%); and 3) E1E3 R/G (16.1%).

Exhibit 14 provides information on the proportion of discharges (2003-2005) that had enrolled in national

The profile revealed that E4E6 and E7E9 discharges in REG would



Exhibit 15. Remedial Education Enrollment for Illinois Veterans Discharged 2003 -2005, by Rank Category and Type of Service

| Rank Category | Type of Service | % Enrolled In Remedial Math | % Enrolled In Remedial Language |
|---------------|-----------------|-----------------------------|---------------------------------|
| OFF | R/G | 3.4% | 1.7% |
| E7E9 | R/G | 14.3% | 2.6% |
| E4E6 | R/G | 18.5% | 5.1% |
| E1E3 | R/G | 31.1% | 12.8% |
| OFF | REG | 5.3% | 1.8% |
| E7E9 | REG | 15.0% | 2.4% |
| E4E6 | REG | 34.6% | 9.3% |
| E1E3 | REG | 38.2% | 14.9% |

Data sources: Illinois Shared Enrollment & Graduation (ISEG) Consortium, Illinois Department of Veterans' Affairs (IDVA)

Note: ISEG data for those veterans discharged for 2003-2005 includes enrollments after first, or only, discharge in 2003-2005 Illinois educational institutions only

Notes: ISEG Enrollment file covers Fall 2005 through Spring 2009

have completed several years of military service prior to discharge, on average. The majority would have already demonstrated many of the characteristics required to successfully complete an education degree or certificate. They also would likely have built up a large store of education benefits to pay for any schooling. The E1E3 R/G group has the highest proportion of discharges under the age of 25 and many of them probably joined the military to earn education benefits. Some of the discharges listed as E1E3 REG could actually be the group that was waiting assignment to the R/G.

Exhibit 15 uses the ISEG data to show the proportions of the discharges that have enrolled in either remedial math or remedial language courses.

The proportion of discharges that are enrolled in remedial math is higher than the proportion enrolled in remedial language for all rank categories in both types of service. Within the type

of service (R/G and REG), the proportions are higher (for both remedial math and remedial language) as the level of responsibility declines (Highest % - E1E3 > E4E6 > E7E9 > OFF – Lowest %). The importance of these numbers is that the veteran may use up some of their education benefits on remedial classes that do not count toward a degree.

Exhibit 16, on the following page, uses major field data from the NSC on the veterans discharged in 2003-2005 along with wage data (IDES and

FEDES) for the 4-quarter period of 2009 Q3 – 2010 Q2 to see how those who completed a degree or certificate compared (earned annual wages) relative to those who did not complete a degree or certificate. The cells in the table are labeled with a M if the annual wages earned by veterans with a degree or certificate in the particular major field (based on Classification of Instructional Programs (CIP) codes) are higher than the wages earned by veterans (in the same rank category and type of service) without a degree or certificate. The cells contain a L if the wages earned are less for the veterans with a degree/certificate than the wages earned by those without a degree or certificate.

Exhibit 16, on the following page, provides a plethora of information. In some sense it is a measurement of the value of early returns to education versus not taking advantage of education benefits and working. The 38 major fields of study used cover a broad

spectrum of interests. Since not much time could elapse between completion of the education and training and the range when the wages were earned this should not be considered a final analysis of the value of education to a veteran. However the data does supply an opportunity to see how veterans fare early on in their civilian working careers.

One issue that should be noted is the types of major fields chosen by the different rank category / service groups. Obviously the OFF and E7E9 groups have fewer discharges and is a main reason why they cover fewer major fields of study. What is interesting is the commonality of the major fields not chosen by both OFF and E7E9 in many cases. It would seem logical that this self-selection has something to do with the correlation of skills and interests of these two rank categories and the aptitude required for the major field.

Although discharges in the E4E6 and E1E3 rank categories cover most of the major field choices, there still seems to be a lot of correlation regarding whether average wages are more (M) or less (L) than the wages earned by discharges who did not complete a degree or certificate. It should be noted that anyone who did earn a four-year degree is likely to be early in their working career and given the economy of the last few years may not be even working in the field for which they trained.

A review of the data shows that the discharges of the four rank categories did very well when completing training in the technical fields of communications technologies, computer and information sciences, engineering, and engineering technologies. In most cases the discharges who completed education in these fields earned more than the discharges who did not complete additional education. Recent

Exhibit 16. Comparison of Annual Wages Earned by Illinois Discharges (2003 – 2005) that Earned a Degree/Certificate with those that Have Not Completed Additional Education, by Rank Category and Type of Service

| | | Major Field of Study | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------|---------|----------------------|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|---|---|---|---|---|---|---|---|---|---|---|
| Rank | Service | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | | | | | | | | | | | |
| OFF | R/G | M | | | | M | M | L | | L | L | M | M | L | M | L | M | L | L | L | L | L | L | L | L | M | | L | L | L | L | L | L | L | L | L | L | L | M | L | M | | | | | | | | | |
| E7E9 | R/G | | | | M | L | L | M | M | M | M | M | M | M | M | M | M | M | M | M | M | M | M | M | M | L | | | | | | | | | | | | | | | M | M | M | L | | | | | | |
| E4E6 | R/G | L | L | L | L | M | M | L | M | M | L | M | M | L | M | L | L | M | L | M | L | M | L | M | L | M | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | M | L | M | | | | | | |
| E1E3 | R/G | L | L | L | L | M | M | M | M | M | L | L | M | M | L | L | M | M | M | L | L | M | L | M | M | M | L | M | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | | | | | |
| OFF | REG | | | | | L | | | M | M | M | M | | | | | | | L | L | L | L | | | | | | | | | | | | | | | | | | | | L | L | M | M | | | | | |
| E7E9 | REG | | | | | | M | M | M | M | L | L | M | M | M | M | L | M | L | | | M | M | L | | | | | | | | | | | | | | | | | | | L | M | L | M | M | | | |
| E4E6 | REG | L | L | L | L | L | L | M | M | L | M | M | M | L | L | L | L | L | L | L | M | M | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | L | | | | |
| E1E3 | REG | L | M | L | L | L | L | L | M | M | L | M | M | M | M | M | M | M | M | M | M | M | M | M | L | | | | | | | | | | | | | | | | | | | | | | | L | M | M |

M - Wages Earned by Veteran with Degree/Cert in this Major Field are More than Wages Earned by Veterans with No Additional Education
L - Wages Earned by Veteran with Degree/Cert in this Major Field are Less than Wages Earned by Veterans with No Additional Education

Codes for Major Field:

- | | |
|---|---|
| 1 - Agriculture and Related Sciences | 20 - Liberal Arts and Sciences, General Studies, and Humanities |
| 2 - Architecture and Planning | 21 - Library Science |
| 3 - Area, Ethnic, Cultural, and Gender Studies | 22 - Math and Statistics |
| 4 - Arts, Visual and Performing | 23 - Mechanic and Repair Technologies |
| 5 - Biological and Biomedical Sciences | 24 - Military |
| 6 - Business | 25 - Multi/Interdisciplinary Studies |
| 7 - Communications and Journalism | 26 - Natural Resources and Conservation |
| 8 - Communications Technologies | 27 - Parks, Recreation, and Fitness |
| 9 - Computer and Information Sciences | 28 - Personal and Culinary Services |
| 10 - Construction Trades | 29 - Philosophy and Religion |
| 11 - Education | 30 - Physical Sciences |
| 12 - Engineering | 31 - Precision Production Trades |
| 13 - Engineering Technologies | 32 - Psychology |
| 14 - English Language and Literature | 33 - Public Administration and Social Services |
| 15 - Family and Consumer Sciences | 34 - Science Technologies |
| 16 - Health Professions and Related Clinical Sciences | 35 - Security and Protective Services |
| 17 - History | 36 - Social Sciences |
| 18 - Languages, Literatures, and Linguistics | 37 - Theological Studies and Religious Vocations |
| 19 - Law and Legal Studies | 38 - Transportation and Materials Moving |

Data Source: National Student Clearinghouse, Illinois Department of Veterans' Affairs, Illinois Department of Employment Security, FEDES
Note: For total wages earned from 2009 Q3 through 2010 Q2 (includes covered Illinois employment and federal government employment)

Exhibit 17. Proportion of 2005 – 2009 Discharges Not In Illinois Data

| Rank Category | Type of Service | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------|-----------------|-------|-------|-------|-------|-------|
| OFF | R/G | 18.3% | 19.5% | 19.1% | 28.2% | 24.7% |
| E7E9 | R/G | 15.5% | 15.5% | 15.3% | 31.8% | 24.2% |
| E4E6 | R/G | 8.6% | 10.7% | 13.5% | 23.8% | 18.9% |
| E1E3 | R/G | 3.4% | 4.9% | 4.1% | 8.1% | 15.9% |
| OFF | REG | 20.7% | 20.5% | 22.1% | 21.7% | 30.1% |
| E7E9 | REG | 18.3% | 23.2% | 21.0% | 19.5% | 29.5% |
| E4E6 | REG | 8.8% | 9.7% | 10.9% | 13.7% | 17.8% |
| E1E3 | REG | 5.8% | 7.4% | 8.5% | 13.0% | 20.6% |

Data Source: National Student Clearinghouse, Illinois Department of Veterans' Affairs, Illinois Department of Employment Security, FEDES

research⁴ has shown that the choice of majors for those completing a degree in recent years is extremely important. Not only have median starting salaries decreased in 2009 and 2010, but many college graduates have been unable to find employment in the field of their major.

Discharges that completed education/training in other fields show some interesting patterns. Three of the R/G groups with a major in the field of biological and biomedical sciences earn more than those that did not complete education. The E4E6 and E1E3 groups of REG in the same field both earned less than those that completed no additional education. Similarly all four R/G groups that were educated in health professions and related clinical sciences earned more, but three of the four groups in REG earned less. This could be because many of the health professionals in the REG portion of the military have already completed the education they need to succeed in the civilian employment sector. Another interesting observation is that seven of the eight groups earn more for training in security and protective services.

Some discharges that completed training in major fields received less earnings than those earned by discharges that did not complete additional education.

This could be because the field does not have a fast return on the investment of education, it could be that some of the discharges completing education have not had time to find employment in the field, or it could be that the discharges who do not seek out additional education are better suited for jobs that do not require it. The recent state of the national economy likely had an impact on this analysis.

Discharges not accounted for in Illinois data records
Exhibit 17 shows the proportion of

discharges, by rank category and type of service, that are not accounted for in the unemployment claims records, covered Illinois employment and wage records, federal government employment and wage records, or the NSC education data for Illinois.

The data in this table is important because it implies that not all of the veterans on the IDVA list are returning to Illinois. This means that the number of veterans filing unemployment claims (as they could be filing in another state) and the utilization of other government services could be undercounted. It appears that the OFF and E7E9 rank categories (for both types of service) are the most likely to not be accounted for in the Illinois data and probably means that they are the least likely to return to Illinois.



The REG in particular could become comfortable in other parts of the country if stationed there and may not return to Illinois if they have established a network in that location. The reason that fewer R/G seem to be returning to Illinois is more of a mystery since the unit they are most likely still part of would be located in the state. Some of this could be explained by R/G members volunteering for additional deployment after returning with their Illinois unit.

The E4E6 and E1E3 rank categories both had much lower percentages of unaccounted for than the higher ranks in the first couple of years of data, but the percentages seem to be rising. Some of the increase could be that some discharges do not return for a couple of years and the proportions will end up looking like the earlier years of the table. It could also be that economic opportunities may be better elsewhere and fewer discharges are returning to Illinois than before. This is something that should continue to be monitored. Access to out-of-state wage data would also improve this analysis.

Utilization of state government services (ISAC and IDES)

Additional state government agency data was gathered so that information on the utilization of government services could be provided. Exhibit 18 contains data from the Illinois Student Assistance Commission (ISAC) regarding educational assistance for the veterans that were discharged over the past decade in Illinois.

The ISAC data covers three programs: 1) Illinois Veterans Grant (IVG); 2) Monetary Award Program (MAP); and 3) Illinois National Guard (ING) grant. A significant number of discharges have utilized these programs to help finance their continued education. The education data showed that enrollment

was highest among the E4E6 and E1E3 categories and that correlates with the discharges that are receiving financial assistance from ISAC. Although a small proportion of REG discharges are receiving assistance through the ING grant, it should be noted that the data was matched against a list that includes the first discharge only and these same discharges could become R/G discharges later in the 10-year period.

Exhibit 19 shows the utilization of Illinois Department of Employment Security (IDES) employment services by veterans discharged to Illinois.

The employment services were used the most by the rank category with the least responsibility level within the military and the usage declined as the responsibility level of the rank category increased (Highest - E1E3 > E4E6 > E7E9 > OFF - Lowest) for both types of service. The average number of services received by a discharge is similar across both rank categories and types of service.

Exhibit 18. Proportion of 2001 – 2010 Discharges Utilizing ISAC Programs, by Rank Category and Type of Service

| Rank Category | Type of Service | % IVG | % MAP | % ING |
|---------------|-----------------|-------|-------|-------|
| OFF | R/G | 8.9% | 2.7% | 1.4% |
| E7E9 | R/G | 10.3% | 1.8% | 3.3% |
| E4E6 | R/G | 19.9% | 12.0% | 6.0% |
| E1E3 | R/G | 8.3% | 19.0% | 16.3% |
| OFF | REG | 6.6% | 1.8% | 0.2% |
| E7E9 | REG | 8.4% | 0.9% | 0.1% |
| E4E6 | REG | 36.7% | 8.8% | 0.5% |
| E1E3 | REG | 11.6% | 15.2% | 1.0% |

Data sources: Illinois Student Assistance Commission (ISAC), Illinois Department of Veterans' Affairs (IDVA)

Illinois Veterans Grant (IVG)
Monetary Award Program (MAP)
Illinois National Guard (ING) grant

Exhibit 19. Proportion of 2001 – 2010 Discharges Utilizing IDES Employment Services, by Rank Category and Type of Service

| Rank Category | Type of Service | % Discharges Served | Avg. Services Received |
|---------------|-----------------|---------------------|------------------------|
| OFF | R/G | 4.2% | 5.7 |
| E7E9 | R/G | 9.2% | 6.6 |
| E4E6 | R/G | 12.3% | 6.7 |
| E1E3 | R/G | 13.1% | 5.0 |
| OFF | REG | 3.6% | 5.2 |
| E7E9 | REG | 8.4% | 6.5 |
| E4E6 | REG | 14.5% | 5.7 |
| E1E3 | REG | 16.6% | 6.2 |

Data sources: Illinois Department of Employment Security (IDES), and Illinois Department of Veterans' Affairs (IDVA)

Note: Includes employment services received after first, or only, discharge

Future research

This research could be improved with additional resources. The ideal situation would be to account for 100% of the veterans on the IDVA list for each discharge year. The best

way to do that would be through the acquisition of wage data for out-of-state employment. Summary data may be available for some of the discharges through the Wage Record Interchange System (WRIS). An effort to contact a small number of states where veterans are most likely to live and request quarterly wage data from the state agencies that administer the state's Unemployment Insurance (UI) Act may also be worthwhile. The four states that may be the best candidates for contact would be California, North Carolina, Texas, and Virginia because of their high concentration of veterans in the population. A check of the out-of-state education data may also reduce the number of unaccounted.

It would also help the analysis of education data to obtain data for more discharges that have had time to complete their education. As the years pass, the current list of discharges would not only be more likely to have completed degrees and certificates, but they also would have had more time to work in the civilian sector after completing this additional training. This would also improve the chances of producing something worthwhile when analyzing the education and wage data in concert with the military occupational code data. No significant results have been found for this analysis at this time due to the large number of education field and military code options.

The availability of accurate disability data would also benefit this research. Unfortunately the IDVA and the DOD do not maintain complete records of military disabilities for the discharges. The disability information is apparently not included on the DD 214 and so the IDVA and DOD only acquire the information if the individual veteran communicates with

them specifically about their disability so it can be added to their record. Analysis of the data associated with disabled veterans in Illinois would improve the knowledge of that population. At this point it is not anticipated that disability information will become available that allows for an accurate depiction of this group.

Summary

The E4E6 and E1E3 rank categories account for approximately 80%-85% of the discharges. These two groups have average ages of discharge of late 20s (E4E6) and early 20s (E1E3), which is at least 10 years younger than discharges in the OFF and E7E9 groups. The proportion of discharges that receive unemployment benefits is much higher among the E4E6 and E1E3. The wages earned in civilian employment are much less for the same two rank categories and they enter the civilian employment sector at a lower level.

The E4E6 and E1E3 have high rates of enrollment in education. The completion rates for degrees and certificates could be higher, but it does seem that the effort is present. One issue that may be holding them back is the high rates of enrollment in remedial math and language courses. This could present a barrier to successful completion of the education



and training needed to advance to the desired economic opportunities.

Difficulties with the transition from military discharge to stable civilian employment clearly exist within all four rank categories. However, it seems that the discharges in the E4E6 and E1E3 rank categories face a different level of problems than do the OFF and E7E9 discharges. Policy makers should recognize these differences and perhaps address the problems the groups face with more than one approach. It would appear that one treatment plan will not fit the entire group of recently discharged veterans.

End Notes

¹ Dave Bieneman, “An Examination of the High Unemployment Rate for Young Veterans,” Illinois Department of Employment Security, October 2006, http://lmi.ides.state.il.us/download/Veterans_rpt.pdf .

² Bureau of Labor Statistics, “Employment Situation of Veterans,” News Release, 2007-2010, <http://stats.bls.gov/cps/demographics.htm#vets>

³ John B. Hope, Brian Oh, and Patrick C. Mackin, “Factors Affecting Entrepreneurship among Veterans,” Small Business Research Summary, March 2011, www.sba.gov/advocacy .

⁴ Catherine Rampell, “Many with New College Degree Find the Job Market Humbling,” New York Times, May 18, 2011.

