

APPENDIX I

MEMORANDUM

TO: Pam Bucy, Commissioner, MT Dept. of Labor and Industry
Pat Murdo, Legislative Services Division

FROM: Barbara Wagner, Chief Economist, MT Dept. of Labor and Industry
Amy Hasenoehrl, Economist, MT Dept. of Labor and Industry

DATE: March 24, 2014

SUBJECT: 2013 data on veterans' unemployment and labor force status

The Bureau of Labor Statistics has released the 2013 veterans' unemployment rates for the U.S. and states. The press release is available at www.bls.gov/news.release/archives/vet_03202014.pdf (page 19 has state rates), and tables are provided at the end of this memo. The unemployment rate for Montana veterans in 2013 was 6.4% compared to 6.6% for veterans in the nation as a whole.

Because veterans make up a small portion of the total population, the error ranges for the veterans' unemployment rates are fairly large, making it difficult to make statistically valid comparisons to the unemployment rate of the state as a whole. In detail, Montana veteran's unemployment rate is 6.4%, while the unemployment rate for the state as a whole is 5.6%. The error range for the state unemployment rate is plus or minus one percentage point, so the unemployment rate could be somewhere between 4.6% and 6.6%. The error range for the veterans' estimate is plus or minus 2.2 percentage points, meaning the veterans' unemployment rate is somewhere between 4.2% and 8.6%. These error ranges overlap, which indicates that these two estimates are not statistically different. We can't say with certainty that the unemployment rate for veterans is higher than that of the full population. Remember that Montana's veterans' unemployment rate was lower than the full population last year, but again within the margin of error.

Talking Points:

- The 2013 unemployment rate for Montana veterans is 6.4%, compared to 5.2% for nonveterans and 5.6% for the state as a whole. However, these figures are not statistically different from each other. In other words, we cannot say with any confidence that the unemployment rate for veterans is different than the Montana population as a whole.
- The veteran unemployment rate for the country as a whole is about 6.6%. Montana is roughly in the middle of all states for ranking. Veterans' labor force status by selected states is shown in Table A1 below.
- The labor force participation rate of veterans is 50.1%, very similar to the labor force participation rate of veterans throughout the U.S. In comparison, Montana's labor force participation for the whole population is 63.9% and 67.6% for nonveterans. These figures are significantly different, allowing us to say that veterans have lower labor force participation than the rest of the population.

- There is no information provided about why veterans are not in the labor force, but it is reasonable to expect that some veterans are unable to participate in the labor force due to disabilities.
- According to the Bureau of Labor Statistics, there are 104,000 veterans in Montana. According to the American Community Survey 5-year estimates (2008-2012), there are just under 98,000 veterans in Montana, or about 12.8% of the population. The differences between the two surveys are due to different years of data being included in the estimate and different survey methodology. Data on the demographics of Montana veterans are provided in table A3.
- Unemployment rates for Gulf War II veterans are higher than the unemployment rates for veterans of earlier wars. Some of this difference is likely due to age, as younger workers have higher unemployment rates than older workers. However, other factors also influence unemployment rates for Gulf War II veterans.
- Veterans tend to have higher income levels than nonveterans and the population as a whole. Of persons earning an income, the annual median income of veterans was about \$9,100 higher than nonveterans and \$7,800 higher than all Montanans. Table A3 provides additional information.

A1. 2013 Employment Status of Veterans 18 years and older in Selected States (Numbers in Thousands)						
	Civilian Noninstitutional Population	Labor Force	Percent in Labor Force	Employed	Unemployed	Unemployment Rate
Total All States	21,397	10,975	51.3%	10,253	722	6.6%
Alaska	77	47	61.0%	45	2	4.3%
Arkansas	219	83	37.9%	79	4	4.8%
California	1,788	870	48.7%	801	69	7.9%
Colorado	401	225	56.1%	209	16	7.1%
Delaware	78	38	48.7%	37	1	2.6%
Hawaii	103	51	49.5%	49	2	3.9%
Idaho	126	62	49.2%	57	4	6.5%
Iowa	228	126	55.3%	122	4	3.2%
Kansas	220	117	53.2%	111	6	5.1%
Minnesota	368	193	52.4%	184	10	5.2%
Mississippi	193	90	46.6%	82	8	8.9%
Missouri	472	233	49.4%	219	14	6.0%
Montana	104	52	50.0%	49	3	5.8%
Nevada	233	120	51.5%	110	10	8.3%
New Jersey	395	174	44.1%	156	19	10.9%
New York	922	403	43.7%	370	33	8.2%
North Dakota	53	32	60.4%	31	1	3.1%
Oregon	344	159	46.2%	149	9	5.7%
South Dakota	73	41	56.2%	39	2	4.9%
Texas	1,640	946	57.7%	897	49	5.2%
Utah	144	73	50.7%	69	3	4.1%
Washington	662	355	53.6%	329	26	7.3%
Wyoming	56	32	57.1%	30	2	6.3%

Source: Bureau of Labor Statistics, U.S. Department of Labor.

A2: U.S. Employment Status of People 18 years and Older by Veteran Status, Period of Service, and Demographic Data (Numbers in Thousands)

	Civilian Non- institutional Population	In Labor Force	Percent in Labor Force	Employed	Unemployed	Unemployment Rate
Total (Vets and Nonveterans)	236,737	153,366	64.8%	142,442	10,924	7.1%
Veterans	21,397	10,975	51.3%	10,253	722	6.6%
Gulf War I Vets	3,233	2,698	83.5%	2,546	152	5.6%
Gulf War II Vets	2,837	2,286	80.6%	2,081	205	9.0%
WWII, Korean, and Vietnam	9,828	2,943	29.9%	2,752	191	6.5%

Male Veterans	19,173	9,565	49.9%	8,940	625	6.5%
Female Veterans	2,225	1,410	63.4%	1,313	97	6.9%
Nonveterans	215,339	142,391	66.1%	132,189	10,202	7.2%

Source: Bureau of Labor Statistics, Current Population Survey. Data compiled by the Montana Dept. of Labor and Industry. Full data available at www.bls.gov/news.release/archives/vet_03202014.pdf.

A3: Demographics of Montana Veterans and Nonveterans, 2008-2012			
	Total	Veterans	Nonveterans
Civilian population 18 years and over	764,182	97,991	666,191
Gulf War (9/2001 or later) veterans		10.1%	
Gulf War (8/1990 to 8/2001) veterans		15.8%	
Vietnam era veterans		37.2%	
Korean War veterans		11.4%	
World War II veterans		8.0%	
Male	49.7%	93.0%	43.3%
Female	50.3%	7.0%	56.7%
18 to 34 years	28.2%	7.9%	31.1%
35 to 54 years	34.2%	24.2%	35.7%
55 to 64 years	18.3%	25.9%	17.2%
65 to 74 years	10.7%	21.5%	9.1%
75 years and over	8.7%	20.5%	7.0%
White	91.4%	94.0%	91.1%
American Indian and Alaska Native	5.4%	3.5%	5.6%
Two or more races	1.6%	1.5%	1.7%
Educational Attainment of People 25 and Older			
Less than high school graduate	8.2%	7.2%	8.3%
High school graduate (includes equivalency)	30.3%	32.3%	30.0%
Some college or associate's degree	33.0%	35.7%	32.6%
Bachelor's degree or higher	28.5%	24.9%	29.1%
Median Income in Past 12 Months (Including only those with Income)			
	24,626	32,445	23,320
Source: American Community Survey 5-Year Estimates, 2008-2012, U.S. Census Bureau.			