

NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

TOPIC 1: ECONOMY

Low unemployment, interest rates give an economy strong foundation

As long as Americans keep spending, the economy is all but certain to sidestep a recession in 2020 for a record 11th straight year. The crucial question is, can they? And the answer seems to be, quite clearly, yes.

What's put a sturdy foundation under the economy is the best labor market in decades. The U.S. added 145,000 new jobs in December to cap off the ninth straight year in which the economy created more than 2 million new jobs.

All the new hiring over the last decade has pushed the unemployment rate down to a 50-year low of 3.5%. If it goes any lower, the jobless rate would hit a bottom last reached during the Eisenhower presidency in the early 1950s.



The pace of household spending in 2020, however, could take a step back if the recent deterioration in wage growth persists. The increase in hourly pay over the past 12 months fell below 3% in December for the first time in a year and a half, reflecting a shift in hiring toward lower-paying jobs. Yearly wage growth peaked at 3.4% last spring and has been drifting lower ever since.

The surprising slowdown in the growth of worker wages will “make it harder for consumers to keep spending at their 2019 pace in 2020,” said Scott Anderson, chief economist at Bank of the West. But spend they will. Secure in their jobs, Americans are still quite confident in the economy, surveys show. They appeared to have boosted spending during the holiday season at a decent clip, unlike a year ago when the government was partially shut down and the stock market briefly tumbled on fears of a recession.

Economists polled by MarketWatch predict retail sales in December likely rose around 0.4%. The government's retail postmortem, the capstone in a big week of economic reports, is published next Thursday. If that's not enough, the Federal Reserve cut the cost of borrowing in the second half of last year. Stocks keep hitting fresh record highs. And the Trump administration struck a deal with China that reduces to a simmer a trade dispute between the world's two largest economies that nearly boiled over last summer.

“The economy looks to head into the new decade with a little more zip than we thought,” said senior economist Sal Guatieri of BMO Capital Markets. “While this may not foreshadow another decade of uninterrupted growth, it should keep recession fears at bay.”

The Fed is widely expected to keep U.S. interest rates low for quite some time, perhaps another year or even longer. The erosion in wage growth is just the latest sign showing that inflation poses little or no threat to the economy despite the tightest labor market in half a century. A trio of readings this week on the consumer, wholesale and import prices are all expected to reinforce the idea that inflation remains low — too low for many senior Fed officials. They'd like to see inflation creep above their 2% target and stay there for a while. For now, it doesn't appear to be in the cards.

The state of heavy industry is also likely to disappoint in a handful of surveys of manufacturers. They have borne the brunt of the trade war with China. Many firms scaled back production, investment, and hiring in 2019 to cope with lower exports or higher costs of raw materials. Even the partial U.S. trade agreement with China probably won't give them much of a lift in light of the wide rift between the two economic superpowers.

In short, 2020 is shaping up to be much like 2019: Consumers once again hold the key to how well the economy performs.

HOUSEHOLD

DATA

Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted

[Numbers in thousands]

Employment status, veteran status, and period of service	Total		Men		Women	
	DEC 2018	DEC 2019	DEC 2018	DEC 2019	DEC 2018	DEC 2019
Unemployed	124	108	110	91	15	14
Unemployment rate	3.4	3.1	3.7	3.0	3.0	3.1

The national unemployment rate is 3.5 percent (December 2019). Gulf War II veterans' unemployment rate is 3.1 percent.ⁱ Currently, the unemployment rate for Gulf War II women veterans is 3.1 percent (down from 8.0 percent in November).

TOPIC 2: MEETINGS

On Tuesday, January 21st, 2020, the National Veterans Employment & Education Division continued to work with Senator Tillis's office to discuss his support of Borrower Defense CRA. Continued correspondence with VA Central Office on setting up a meeting with senior leadership to discuss new oversight program and model for schools approved for the GI Bill.

On Tuesday, January 21st, 2020, the National Veterans Employment & Education Division attended a VET-Force Veterans Small Business Forum; attendees included AbilityOne, Cordatis Law Firm, SBIR Resource Center (SDVOB) and SBA. The objective of the meeting was to oversee implementation of legislation, programs and regulations to increase contracting opportunities for Veterans Business Owners.

On Tuesday, January 21st, 2020, the National Veterans Employment & Education Division spoke with Kathryn Poynton, Event Director, Hiring Our Heroes. We discussed the upcoming career fair during The American Legion's 60th Washington Conference.

On Wednesday, January 22nd, 2020, the National Veterans Employment & Education Division spoke with Lori Adams, Program Manager, National Association State Workforce Agencies (NASWA). We discussed opportunities for collaboration with The American Legion's Innovation Employment Taskforce. The addition of NASWA will bring a deeper insight into veterans' unemployment, to include underemployment in rural areas.

On Wednesday, January 22nd, 2020, the National Veterans Employment & Education Division continued conversations with Senate Staffers on HR 4625 as to ways to improve the bill and a path forward on the introduction. Also continued to work on the Risk-Based Advisory Committee to prepare for the first meeting next month, the objective is to introduce a new model to provide meaningful oversight of institutions approved for the GI Bill and Director Joe Sharpe is representing the American Legion on the committee.

On Thursday, January 23rd, 2020, the National Veterans Employment & Education Division spoke with Linda Rixs-Brooks, CEO AVUE Technologies. We discussed potential opportunities for collaboration with private sector employers to pilot a new program that will assist veterans in obtaining meaningful employment in rural and depressed areas.

On Thursday, January 23rd, 2020, the National Veterans Employment & Education Division had conversations with Jon Clarke, HVAC and Kelsey Baron, SVAC staff, to coordinate new legislative initiatives on school quality and oversight.

On Thursday, January 23rd, 2020, the National Veterans Employment & Education Division met with SVAC staff to discuss potential bills that would increase oversight and punitive measures on fraudulent small businesses operating within VA's procurement supply chain. However, the legislation must not go too far as to punish our SDVOSB resellers and distributors who fulfill a necessary role, but who have been in the VA's crosshairs for some time. The American Legion will prevent legislation from surfacing that will be deleterious to veteran businesses and undermine the veterans' first supremacy within VA procurement.

TOPIC 3: EMPLOYMENT

How veterans and non-veterans fare in the U.S. job market

The American Legion believes that more can and should be done to ensure that America's heroes



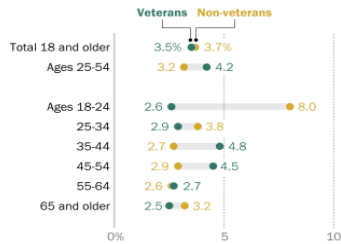
are adequately prepared for life after service. Most U.S. veterans who served in the post-9/11 era say their military service was useful in giving them skills and training needed for jobs outside the military, a new Pew Research Center report finds. And in fact, veterans of prime working-age generally fare at least as well in the U.S. job market as non-veterans, though there are some differences in the work they do and in which industries.

Overall, the seasonally adjusted unemployment rate for veterans ages 18 and older have been below that of non-veterans nearly every month since January 2003, which is as far back as data from the federal Bureau of Labor Statistics goes. In August 2019, the jobless rate for veterans stood at 3.4%, versus 3.6% for non-veterans.

For both veterans and non-veterans, unemployment rates had been falling from a high of more than 9% in 2010. Veterans' unemployment bottomed out at a seasonally adjusted 2.4% this past April, while the lowest rate among non-veterans was 3.5% in June.

Unemployment rates for U.S. veterans, non-veterans vary by age group

Unemployment rates, August 2019
(not seasonally adjusted)



Source: Pew Research Center analysis of Bureau of Labor Statistics data.

PEW RESEARCH CENTER

The overall unemployment figures, though, considerable obscure variation among veterans and non-veterans in different age groups. That's important because the nation's 18.8 million veterans skew considerably older than the much larger non-veteran population: Roughly half (46.9%) of veterans are ages 65 and older, according to BLS data, compared with 19.1% of non-veterans.

Older people generally are less likely to work, or seek work, than younger people – a statistic called the labor force participation rate. While more non-veterans 65 and older are working or seeking work than in previous years (20.5% as of August), the share of 65-and-older veterans participating in the labor force has been trending lower since 2016, reaching 18.5% in August.

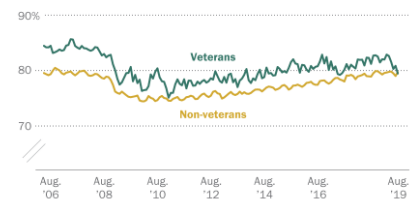
For the youngest group of veterans, those ages 18 to 24, the unemployment rate was just 2.6% in August, versus 8% for non-veterans in that same age group. But among veterans ages 35 to 44, the situation was reversed: Their unemployment rate was 4.8% in August, compared with 2.7% for comparable non-veterans. (The age group data is only available on a non-seasonally adjusted basis.)

Because the age distributions of veterans and non-veterans differ so much, there's a significant difference in the two groups' employment-to-population ratios – the share of the total civilian non-institutional population that reports had a job.

For the 18-and-older population, the employment-to-population ratio is consistently higher for non-veterans than for veterans: In August, for instance, 63.3% of non-veterans 18 and over were employed, compared with only 47.3% of veterans. But the veteran figures are pulled down by the large share of those 65 and older, relatively few of whom are in the labor force at all.

U.S. veterans in their prime working years generally more likely than non-veterans to be employed

Employment-to-population ratio, veterans ages 25-54
(not seasonally adjusted)



Source: Pew Research Center analysis of Bureau of Labor Statistics data.

PEW RESEARCH CENTER

If you compare veterans and non-veterans in the prime working years of 25 to 54, the pattern flips: Since May 2006, when the data series began, working-age veterans almost always have had a higher employment ratio. (Last month, the ratios for the two groups were nearly identical: 79.5% of veterans ages 25 to 54 and 79.7% of non-veterans in that same age bracket were employed.)

TOPIC 4: CAREER FAIRS

This week, work continued on The American Legion's upcoming hiring events to be staged in

- **Lexington Park, MD**
January 28, 2020, 3pm - 7pm

Patuxent River MD Bay District Vol Fire Dept Social Hall
46900 S. Shangri-La Drive
Lexington Park, MD 20653

PATUXENT RIVER JOB FAIR

3-7 p.m. | Job fair

Presented by JobZone

- **Joint Base Andrews, MD**

January 30, 2020, 10am - 2pm

The Club at Andrews
1889 Arnold Avenue
Joint Base Andrews, MD 20762

JOINT BASE ANDREWS CHIEFS GROUP JOB FAIR

10 a.m.-2 p.m. | Job fair
Presented by JobZone

- **St. Paul, MN**

February 11, 2020, 9:30am - 2pm

Xcel Energy Center
199 W. Kellogg Blvd.
St. Paul, MN 55102

MINNEAPOLIS-ST. PAUL HIRING EXPO WITH THE MINNESOTA WILD

9:30-11 a.m. | Personal branding workshop
11 a.m.-2 p.m. | Hiring fair
All registered veteran and military spouse job seekers who attend the hiring expo are eligible to receive up to two free tickets to attend the evening's game between the Minnesota Wild and the Las Vegas Golden Knights.
Presented by Hiring Our Heroes

- **Fayetteville, NC**

February 25, 2020, 10am - 3pm

Fayetteville State University
1200 Murchison Road
Fayetteville, NC 28301

FAYETTEVILLE GROW MILITARY SPOUSE HIRING EVENT

10-10:15 a.m. | Event kickoff and opening remarks
10:15-11 a.m. | MSEEZ employer panel
11-11:45 a.m. | Real Spouse, Real Stories panel
11:45 a.m.-1 p.m. | Lunch and networking
1-3 p.m. | Hiring event
Presented by Hiring Our Heroes

- **King George, VA**

February 27, 2020, 3pm - 7pm

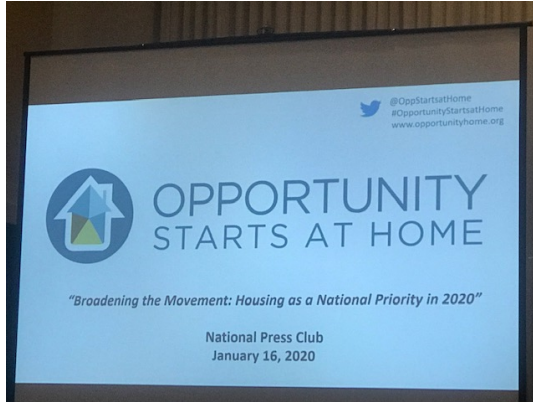
University of Mary Washington-Dahlgren Campus
4224 University Drive, University Hall/Room 110
King George, VA 22485

DAHLGREN JOB FAIR

3-7 p.m. | Job fair
Presented by JobZone

The mission of The American Legion's National Veterans Employment & Education Commission is to take actions that affect the economic wellbeing of veterans, including issues relating to veterans' education, employment, home loans, vocational rehabilitation, homelessness, and small business.

TOPIC 5: VETERAN HOUSING AND HOMELESSNESS



On 17 January 2020, The American Legion attended the *Opportunity Starts at Home* campaign panel discussion at the National Press Club with senior leaders from the National League of Cities, Catholic Charities USA, Children's HealthWatch, National Women's Law Center, and National Low Income Housing Coalition to discuss the prioritization of housing affordability in the national agenda. The event, entitled "*Broadening the Movement: Housing as a National Priority in 2020*," showcased powerful new constituencies that are mobilizing around the movement for affordable homes. These

organizations and many others have joined forces through the campaign, which is bringing together leaders from different sectors to advocate for more robust and equitable federal housing policies.

The speakers included:

- Diane Yentel, President and CEO, National Low Income Housing Coalition
- Irma Esparza Diggs, Senior Executive and Director of Federal Advocacy, National League of Cities
- Fatima Goss Graves, President, and CEO, National Women's Law Center
- Sister Donna Markham, President, and CEO, Catholic Charities USA
- Dr. Megan Sandel, MD MPH, Principal Investigator with Children's HealthWatch and Co-Director of the Grow Clinic at Boston Medical Center
- Mike Koprowski, National Director, Opportunity Starts at Home Campaign

The critical importance of safe, decent, affordable housing has fallen behind as a top national priority. Skyrocketing rents are crushing households in urban, suburban, and rural areas across the country. Research consistently shows that a lack of stable, affordable housing causes and exacerbates negative outcomes in health, education, economic growth, and upward mobility, civil rights, food security, criminal justice, homelessness prevention, environment, and more.

"*Opportunity Starts at Home* is a multi-sector campaign with leaders from many fields working toward increased investments to house the lowest income people," said **Ms. Yentel**. "We're here because 2020 is such a consequential year for our work."

“Mayors and city councilmembers are on the front-line every day dealing with the housing issue,” said **Ms. Diggs**. “They feel it is their responsibility to address the housing crisis, and their residents are looking to them to address it.”



“When you think about the work of the *Opportunity Starts at Home* campaign, it is deeply connected to all of the other work that the National Women’s Law Center does,” said **Ms. Goss Graves**. “We are thrilled to be a part of this campaign. Housing is so central to women’s lives.”



“As a faith-based organization, assisting vulnerable people claim a life of dignity is not just another part of our work – it is a moral imperative,” said **Sister Donna Markham**. “Our long-standing Catholic social teaching says that we are obligated to make a preferential option for those who are poor and vulnerable. And we’ve got a [housing] crisis on our hands.”

“The United States will spend \$111 billion over the next ten years in avoidable healthcare costs because of housing instability,” said **Dr. Sandel**. “When people say we don’t have the money to tackle the housing crisis, I say that we’re spending it now and getting bad outcomes. Why don’t we spend it better and get better outcomes?”

“Housing isn’t a blue state issue or a red state issue – it’s a purple issue,” said **Mr. Koprowski**. “There is a growing recognition that housing is inextricably linked to nearly every measure of having a quality life.”

TOPIC 6: SMALL BUSINESS

The U.S. Small Business Administration is seeking comments on a proposed rule that would allow veteran-owned small businesses access to the property no longer needed by the federal government. The American Legion Department of Illinois was pivotal in working with Senator Duckworth and Senator Durbin to get this legislation passed in 2019. Public commenting is the last step in the federal rulemaking process before an agency writes the federal regulations and implements the new program.

The Federal Surplus Personal Property Donation Program, managed by the U.S. General Services Administration, enables nonfederal organizations to obtain an excess property the government no longer uses. The surplus property would include computers, office equipment, tools, vehicles, heavy construction equipment, and any property except land or other real property.



U.S. General Services Administration

Federal Acquisition Service

The Federal Surplus Personal Property Donation Program

The SBA, in coordination with the GSA, is proposing certain procedures for determining which firms may participate in the GSA surplus personal property program, and under what conditions.

The proposed rule is per the Recovery Improvements for Small Entities After Disaster Act of 2015 (RISE Act, Section 2105), the Veterans Small Business

Enhancement Act of 2018, and the John S. McCain National Defense Authorization Act for Fiscal Year 2019.

The American Legion urges all veterans to take part in the public commenting process and take an active role in shaping this new program. Comments must be submitted on or before March 23, 2020, to www.regulations.gov, identified by Regulation Identifier Number RIN 3245-AH18. You may also mail comments to Brenda Fernandez, Office of Policy, Planning, and Liaison, 409 Third Street, SW, 8th Floor, Washington, D.C. 20416.

The SBA will post all comments on www.regulations.gov. If you wish to submit confidential business information, mail it to Brenda Fernandez at the above address or send an email to brenda.fernandez@sba.gov.

TOPIC 7: EDUCATION

Community colleges are playing a major role in helping military members transition to private-sector careers, but more is needed to align better the skills people learn in the military with employers' requirements.

That's the conclusion of experts who spoke Wednesday at the opening session of the American Association of Community Colleges' Workforce Development Institute.

Ensuring that military training counts toward a higher education credential are critical if Lumina Foundation will be able to meet its goal of having 60 percent of Americans attain a high-quality postsecondary credential by 2025, said Lauren Runco, Lumina's strategy officer for military-based learning.

That means moving away from the type of institution-focused learning of yesterday in which postsecondary learning can only happen at traditional higher education institutions, Runco said. Instead, today's learning must be "learner-centered," she said. "We have to move from a system of exclusion to one of inclusion," and that calls for evaluating and rewarding what someone knows and can do, regardless of where they were trained. That's the basis of Lumina's All Learning Counts initiative.

If people can't transfer what they learned in the military to postsecondary education, "we're leaving them behind," Runco said. "Lumina is prioritizing servicemembers and veterans," she said, as that group is vital to meeting the 2025 goal.

"The onus is on us to marry what they're doing in the military with what they're doing in the community," she said.



The Department of Defense and service branches are starting to recognize what servicemembers know and can do and award them a credential before they leave the service, but that's not the norm, Runco said. Too often, "veterans are forced to retrain, requalify, or start over."

Prior learning assessments are one way for higher education institutions to evaluate someone's knowledge and skills not previously validated, Runco said. But that calls for the applicant to take a test or put together a portfolio. Sometimes a person is awarded credit for prior learning, but it's usually not applied to a degree program.

"Validated learning" is better, she said. In this system, prior learning is recognized and valued without the need for a reassessment. It's even more effective if people can get that certification before leaving the military.

The American Legion, in collaboration with the Lumina Foundation, hosted a Military Credentialing Advisory roundtable this week. Public-Private Models, to enhance military individuals into civilian employment; Accrediting Entities worthy investigating related to Military Transition into civilian employment; Guidelines and Translation Tools Warranting investigation and National Scaling; and Needed Legislations were just a few areas of discussion.



Additionally, a recent report powered by LinkedIn data and insights explores the current state of veterans' employment and how challenging it can be for veterans to face the realities of not doing work that makes full use of their skills and abilities.

Finally, hiring veterans remains a challenge due to misconceptions. That's why diversity and inclusion in the workforce are so vital.



Lumina is conducting a Military Credentialing Advancement study that supports pilot projects to build pathways from the military to higher education and careers and replicate them at scale.

Training in the military has a different focus, so community colleges need to fill the gaps, Kamin noted. For example, food service training in the military doesn't cover customer service, and military cooks are taught to make everything bland.

It's important that community colleges take a lead role in reaching out to veterans, Kamin said. Otherwise, veterans will turn to for-profit colleges. That has led to disastrous results, as many of those institutions have shut down, leaving veterans with no credits and lots of debt.

While people are still in the military, their training should be done to transition to an industry career without the need for starting over, Gifford said.

The restaurant industry has begun working with the military to see how training in the service can match the competencies and standards the industry wants in a restaurant manager.

The National Restaurant Association has embraced apprenticeships for veterans and is working with the Department of Defense's Skillbridge program, which allows people to work with a mentor in the private sector during their last six weeks in the military.

Employers also need to be educated about the skills people get in the military and the transition experience, Gifford said.

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Week Ending: 1/24/20
