



IRAQ *and* AFGHANISTAN VETERANS *of* AMERICA

**U.S. HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
SUBCOMMITTEE ON THE FEDERAL WORKFORCE, POSTAL SERVICE, AND THE DISTRICT OF COLUMBIA
“TRANSFORMING FEDERAL HIRING”**

MAY 19, 2010

**TESTIMONY OF TIM EMBREE
IAVA LEGISLATIVE ASSOCIATE**

Mr. Chairman, Ranking Member, and members of the committee, on behalf of Iraq and Afghanistan Veterans of America’s one hundred and eighty thousand members and supporters, thank you for inviting IAVA to testify today. My name is Tim Embree. I am from St. Louis, MO and I served two tours in Iraq with the United States Marine Corps Reserves.

Iraq and Afghanistan-era veterans are facing staggering unemployment rates. Many veterans want to remain in public service, but are faced with a federal government that shockingly does not understand the value and skills veterans bring to the work force. “Transforming the Federal Hiring” process is crucial to encourage the hiring of more veterans throughout the federal government—and to demonstrating to a new generation of veterans that America has their backs. IAVA welcomes the opportunity to discuss this issue at length with you.

Executive Summary

America’s newest veterans face serious employment challenges. The difficult process of returning to civilian life is further complicated by the most severe economic recession in decades. Compounding the difficulty, Iraq and Afghanistan veterans leaving the active-duty military often find civilian employers who do not understand the value of their skills and military experience. Civilian employers have a lot to learn, and IAVA is leading the fight by working with the Department of Labor and different private organizations to promote our country’s veterans. Veterans coming home from war should be able to expect strong hiring support from the federal government. The federal government hires nearly 3 times as many veterans as the civilian business community but this comparison is disingenuous: being 3 times better than poor is nothing to brag about. The federal government claims that veterans make up nearly 25% of their workforce. However, when we remove the Departments of Defense, Veteran Affairs and Homeland Security from the total, the number of veterans employed by the federal government plummets to an average of less than 10% per department. The experiences of previous generations of veterans suggest that today’s veterans may struggle to find jobs within our government for years to come. Unless congress acts now by now improving the federal hiring process many qualified veterans will continue to be left out of public service.

IAVA recommends the following to employ more veterans in the federal government:

- Provide congressional oversight and collaborate with the executive branch to successfully implement the new Veterans Employment Initiative for the federal government.



- Notify the VSO community one week prior to each meeting of the Interagency Council on Veteran Employment and allow formal recommendations to be submitted to the council by the VSO community.
- The US Office of Personnel Management must work closely with the business and VSO community to create the anti-stigma campaign described in the Government-wide Veterans' Recruitment and Employment Strategic Plan to properly define the skills that veterans bring to the workforce.
- Fully restore funding to the ESGR, which provides critical USERRA protections for deploying Guard and Reservists. ESGR is slated to be cut 17% in FY 2011.
- Hold the federal government to the same standards of USERRA compliance as private sector employers.
- Reinstate Department of Labor VETS budget by \$7.3 million for FY 2011 to improve job placement programs.
- Mandate public reporting of all VETS-100 forms, which report the number of veterans hired by Federal contractors.
- Call for an investigation into programs such as Direct Hire Authority, Federal Career Intern Program (FCIP), Student Career Experience (SCEP), Presidential Management Fellows, and Outstanding Scholar Programs to determine whether these programs are being used to avoid the hiring of veterans in the federal government.

Current Status of Veterans Employment

*"I have had to move my family 2-3 times in search for employment...
I have had LOTS of difficulty finding employment" – IAVA Vet*

In the April 2010, the unemployment rate of Iraq and Afghanistan-era veterans was 13.1%. Unemployment rates among new veterans have risen significantly in the last 2 years. According to the Bureau of Labor Statistics, in 2009 the average unemployment rate for Iraq and Afghanistan-era veterans was 10.2 percent. Unemployment rates from 2007 and 2008 were 6.1 percent and 7.3 percent respectively. The unemployment rates of Reserve and National Guardsmen, who often leave behind civilian jobs when they deploy, have **more than quadrupled** since 2007. They now rival that of veterans recently discharged from the military – 10.6 percent vs. 13.8 percent.

Disturbingly, the situation appears to be deteriorating rapidly. According to the Bureau of Labor Statistics, in March 2010 the unemployment rate of Iraq and Afghanistan-era veterans was *14.7 percent*.ⁱ



Unemployment Rates of Iraq and Afghanistan-Era Veterans

“All the jobs I found that would hire vets were security jobs that pay \$8 bucks an hour” –IAVA Vet

Finding a job for a returning veteran is hard, but finding quality employment is even harder. Sixty-one percent of employers do not believe they have “a complete understanding of the qualifications ex-service members offer”ⁱⁱ and recently separated servicemembers with college degrees earn on average almost \$10,000 less per year than their nonveteran counterparts.ⁱⁱⁱ This wage gap could continue for decades; Vietnam veterans earned significantly less than their civilian peers till they were in their fifties.

IAVA is also concerned about the duration of new veterans’ unemployment. In 2009, 75,000 Iraq and Afghanistan-era veterans suffered from long-term unemployment—15 weeks or more. This represents more than 45 percent of all unemployed new veterans in 2009.

*“First interview question was ‘Are you going to be hired and then have to leave again?’”
– IAVA vet*

Employers are growing increasingly wary of hiring or reemploying National Guardsmen and Reservists because of their unprecedented mobilization rates. Tens of thousands of reservists returning from combat are not being promptly reemployed, or when they are reemployed, they are not receiving the pay, pensions, health care coverage, and other benefits they are entitled to. More than 40 percent of Guardsmen and Reservists lose income when they are mobilized.^{iv} Self-employed reservists are suffering 55 percent earnings losses when they are activated.

Federal Hiring: Veterans Preference

“I searched usajobs.gov, submitted applications but never heard from them. I guess there is a magic way to write your job description.” –IAVA Vet

The Federal Government hires three times as many veterans as the private sector^v and has the unique opportunity in combating veterans’ unemployment. Last November, President Obama issued an executive order outlining the Veterans Employment Initiative.^{vi} This order required enhanced recruitment and promotion of employment opportunities for veterans within the federal government and established a Council on Veterans Employment. The federal government has also stood up a website, www.fedshirevets.gov, and released a strategic plan to implement this goal of increasing the number of veterans working in the Federal government.

IAVA is encouraged to see the speed and thoroughness of this Council in addressing these employment issues. We believe that their website is well-organized and helpful to job seeking veterans. However, it still lacks a clear explanation of what the 5 or 10 point veteran preference actually means in terms of the federal hiring process. The job bank is also lacking—it’s just a link to usajobs.gov.



Disturbing, however, are the programs that have been created over the years which, in practice, assist hiring managers in avoiding hiring our nations veterans. Programs such as Direct Hire Authority, Federal Career Intern Program (FCIP), Student Career Experience (SCEP), Presidential Management Fellows, and Outstanding Scholar Programs facilitate the federal hiring process, but inadvertently allow federal agencies to dodge employing veterans.

IAVA applauds the initial steps being taken by the Office of Personnel Management and the Department of Labor. Their Government-wide Veterans' Recruitment and Employment Strategic Plan lays out an ambitious set of goals. But the federal government cannot do it alone. The business and VSO community must also be involved to create the anti-stigma campaign described in their strategic plan. All employers must learn that veterans offer more than punctuality, a positive attitude and a professional appearance. Many veterans possess highly desired management skills such as personnel management and budgeting. They may not be up on the newest management buzzwords, but their skills have been tested under the most challenging of circumstances. The federal government invests over \$6 billion dollars a year in military training, yet they don't take advantage of their own investment. No reasonable CEO would ever cede that investment without a fight, but the federal government does this everyday.

Federal Contracting

"I ended up getting a job with a company that is contracted out by the government and is unionized." – IAVA Vet

The federal government is the world's largest buyer of goods and services, with purchases totaling over \$425 billion each year.^{vii} The federal government can leverage this purchasing power to require potential contractors to increase veterans hiring, significantly increasing overall employment of veterans. Current federal law mandates federal contracts over \$100,000 "take affirmative action to employ" veterans.^{viii} These contractors are required to publish job openings with the state job banks and to report annually the number of veterans they have retained by submitting a VETS-100 form to the Department of Labor. These contractors are also prohibited from discriminating against veterans.

Unfortunately, the data collected from VETS-100 forms is aggregated and only partially published in the DOL VETS annual report. IAVA believes that these forms should be publically reported, allowing interested parties to review whether contractors are actually following these contracting requirements. Public disclosure of these forms will create healthy competition between contractors over which contractor hired more veterans—and the American taxpayer deserves transparency. Imagine Boeing and Lockheed Martin including these statistics in their bids for the next big defense contract.

Failure to comply with established contracting requirements can lead to the suspension or disbarment of that contractor from receiving future contracts. IAVA believes violations of USERRA protections should also be included as grounds for suspension or disbarment.

Finally, IAVA was troubled to learn the Troubled Asset Relief Program (TARP), authorizing up to \$770 billion to bailout banks, exempted banks receiving federal bailouts from veterans hiring requirements. Protections were included for minorities, women and disabled individuals—but not for veterans. IAVA believes that TARP and all future stimulus programs must include veterans hiring preferences.



USERRA

Although National Guardsmen and Reservists are legally protected under the Uniformed Services Employment and Reemployment Rights Act (USERRA), many troops still experience employment discrimination because of their military service.

This is a major problem in the private sector. Even worse however, there are federal and state employees who violate USERRA. Astonishingly, National Guardsmen and Reservists, serving in domestic disaster response situations, are not eligible for USERRA protections *at all*. IAVA recommends holding federal and state governments to the same standards of USERRA compliance as private-sector employers; extending USERRA protections to National Guardsmen, Reservists, and to servicemembers working in domestic response operations such as the current oil spill clean-up, hurricane or wildfire missions.

The Employer Support of the Guard and Reserve (ESGR) is bright spot worth noting. It is a great resource for educating employers and veterans on USERRA rights and for resolving USERRA issues quickly and informally. ESGR should be included in the Government-wide Veteran's Recruitment and Employment Strategic Plan for FY2010-FY2012. It's also at risk of being weakened significantly. Currently, the President's budget request for FY 2011 plans to slash the ESGR budget by nearly 17%, effectively crippling this great asset. These cuts could not have come at a worse time. The number of USERRA violations are rising and of the tens of thousands of the reserve component troops, who have suffered discrimination, approximately three-quarters of them do not seek assistance.³²

A common reason veterans do not seek help with USERRA is the lack of familiarity with USERRA protections and obligations. Twenty-eight percent of reservists report not receiving information on USERRA and reemployment rights during activation or deactivation.³³ We must prioritize outreach to Guardsmen and Reservists, teaching them their USERRA rights.

There is much to be done to increase federal hiring of veterans and IAVA looks forward to working with this committee and the interagency Council on Veterans Employment to positively transform the federal hiring process to encourage veterans employment. Hiring veterans is a good thing for the 2.1 million men and women returning from Iraq and Afghanistan. But hiring veterans is also good for the government, good for the economy, and good for America. We led on the battlefields, and we are ready to lead again, if you give us the chance.

Thank you.

ⁱ Bureau of Labor Statistics, "Employment Situation Summary: March 2010," April 2, 2010, Table A-5: <http://www.bls.gov/news.release/empsit.nr0.htm>.

ⁱⁱ Military.com, "Military.com Study Reveals Profound Disconnect between Employers and Transitioning Military Personnel," November 5, 2007: <http://www.military.com/aboutus/twocolumn/0,15929,PRarticle110507,00.html>.

ⁱⁱⁱ Abt. Associates, Inc. "Employment Histories Report, Final Compilation Report," March 24, 2008: http://www1.va.gov/vetdata/docs/Employment_History_080324.pdf.



^{iv} “41 percent of drilling unit members reported income loss [when mobilized for a contingency operation].” GAO-03-573T, “Military Personnel: Preliminary Observations Related to Income, Benefits, and Employer Support for Reservists During Mobilization.” March 19, 2003: <http://www.gao.gov/new.items/d03549t.pdf>.

^v Office of Personal Management, “The Governmentwide Veterans’ Recruitment and Employment Strategic Plan for FY 2010-FY2012,” page 2, http://www.fedshirevets.gov/pdf/Vets_Initiative_Strategic_Plan.pdf

^{vi} Executive Order, President Obama, November 9th, 2009, <http://www.whitehouse.gov/the-press-office/executive-order-veterans-employment-initiative>

^{vii} <http://www.sba.gov/contractingopportunities/index.html>

^{viii} 38 U.S.C. 4212