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SUBMITTED FOR THE RECORD TO THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

FULL COMMITTEE OVERSIGHT HEARING  
*Strengthening the Transition Assistance Program:  
Exploring Outcomes to Improve the Transition of Civilian Life*

**June 24, 2025**

**Introduction**

In the initial years following the September 11, 2001, attacks, many of the men and women who answered the call to serve returned home to uncertain futures. Unemployment for this group soared to nearly 12 percent, far exceeding that of nonveterans.

Over the past two decades, however, employment outcomes for veterans have improved significantly. A key reason is because the private and philanthropic sectors have played an outsized role in supporting the transition to civilian employment. Among the critical contributions of philanthropy has been to help spur the growth of innovative veteran-service organizations, which pioneered new skill-conversion and job-placement programs that have been instrumental in pushing the unemployment rate for veterans below the overall national average. Corporate hiring also has helped to create a post-9/11 society where returning veterans were greeted with gratitude and respect, not stigma.

The Schultz Family Foundation, founded by Sheri and Howard Schultz, has been at the forefront of this philanthropic movement, investing \$64 million since 2014 to support our nation's veterans, with a specific focus on junior enlisted service members who are transitioning into civilian life.

## **The role of philanthropy**

The Center for a New American Security, in a 2015 paper, described the support for veterans from corporate and philanthropic donors as a “sea of goodwill.” As a result of this support, “Nonprofit service organizations and grantmaking entities alike grew up around the country, particularly as the unique needs of and issues facing post-9/11 service members and their families emerged.”<sup>1</sup>

Over the last decade, the Schultz Family Foundation has flowed substantial resources into this sea, investing in more than 50 veteran service organizations, including those that encourage veterans to reconnect and serve in their community, those who support families and spouses of those who served, and those who enable veteran entrepreneurship. Our core focus has been connecting veterans to employment. We believe that when veterans have good jobs, they are more likely to have structure, purpose, and financial stability—all keys to a successful transition after military service. We also recognize that veterans bring a set of skills, experience, and perspective that our public and private sector institutions can benefit from, including leadership, discipline, problem solving, and teamwork.

Our largest investment, at nearly \$24 million, has been to support the launch of *the Onward to Opportunity* (O2O) initiative, launched through partnership with Syracuse University’s Institute for Veterans and Military Families (IVMF) and JP Morgan Chase. O2O is now active at 15 military and regional locations and is available virtually to transitioning servicemembers globally. It offers free, industry-backed career-training and certification programs in high-demand fields such as information technology, cybersecurity, business, and customer service and reaches about 22,000—more than 10 percent of all—transitioning service members a year.

In 2023, IVMF commissioned an impact evaluation study from the Clearinghouse for Military Family Readiness at The Pennsylvania State University. Using The Veterans Metrics Initiative, a longitudinal study, the evaluations found that participation in O2O led to a higher salary, an increased likelihood to leave a job for better opportunity, and a strong benefit for the junior enlisted population. O2O is now the only veteran career-training program, including those sponsored by the Department of Labor through the SkillBridge program, that can demonstrate third-party validated efficacy for program participation.

In total, the Foundation’s support has helped:

- 71,000 veterans secure employment
- 73,000 veterans receive additional skills or credentials
- 25,000 veterans connect to a mentor
- 17,000 veterans engage in community service post-transition

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<sup>1</sup> files.cnas.org/hero/documents/VeteransPhilanthropy\_151207\_rev.pdf

The foundation also has supported the USO's development of a master data management system (MDM) that enables a "warm handoff" of young veterans from the time of separation to a veterans service organization best situated to meet their employment needs. In its first year of operation, the USO Pathfinder program, which generates service member data to populate the MDM, more than tripled engagement with junior enlisted clients—jumping from 3,000 a year to more than 10,500 a year. We expect this system to not only expand the number of junior enlisted being served and improve the experience and outcomes for young veterans, but also to deliver data to all stakeholders that offers a holistic view of the broader transition ecosystem.

### **A shrinking sea**

As the wars in Iraq and Afghanistan fade further into our national rear-view mirror, other priorities are capturing the attention of philanthropies and corporations. From our perspective as a funder that interacts with other funders, we clearly see the level of support for veterans' employment transitions—and all veterans-related initiatives—heading for a significant reduction. Several leading veterans organizations already have reported a significant diminution in grants and other commitments from philanthropic and corporate funders.

This should be unsurprising. Philanthropy and the business community stepped up when we were a nation at war and facing a short-term challenge in successfully transitioning legions of troops who served overseas. But private funders should not be expected to sustain their war footing at a time of peace.

Our military and its interagency partners, including the Department of Labor and the Department of Veterans Affairs, should bear principal responsibility for supporting service members in transitioning successfully and achieving gainful employment. Given the role successful transitions play in sustaining the all-volunteer force, as Brent Orrell and Matthew Amidon have written in the American Enterprise Institute paper "Sustaining a National Treasure: Veteran Transitions and the Life Cycle of the All-Volunteer Force,"<sup>2</sup> greater engagement from the Department of Defense is essential. We do not leave the feeding of active-duty troops to the goodwill of citizens living next to military installations. The responsibility for employment transition should not depend so significantly on the goodwill of philanthropists and businesses.

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<sup>2</sup> <https://www.aei.org/research-products/report/sustaining-a-national-treasure-veteran-transitions-and-the-life-cycle-of-the-all-volunteer-force/>

## **A new model**

This is not a call for new funding. The good news is that the best nonprofit programs incubated with philanthropic funds have pioneered new models of helping veterans. Although government job-navigation programs have improved in recent years, they remain costly and relatively ineffective compared to what nonprofit veterans organizations offer. Far more veterans have been aided in employment transitions over the past several years by nongovernmental organizations than efforts run by government agencies and their direct contractors.

We believe a greater share of federal funds devoted to veterans employment transitions should be directed toward the most effective nonprofit and private initiatives. Doing so would provide greater benefit to our transitioning service members with no additional cost to taxpayers.

To be sure, many of those leaving the military today did not serve in Iraq or Afghanistan—they are products of a peacetime armed forces. But to simply let veterans organizations and their programs atrophy would be more than a disservice to those who have worn the cloth of the nation. These organizations are critical for three reasons:

- Facilitating successful employment transitions among service members is critical to the health of our all-volunteer force, which is 52 years old this year. If we wish to recruit the best and brightest into our military, we need to show that those who serve go on to successful post-military careers.
- The full employment of our veterans helps our overall economy. Unemployment payments to veterans who are jobless in their first year out of the military are borne by the Pentagon, sapping money that would otherwise be used for operations and readiness. In addition, veterans bring valuable leadership, problem-solving, and teamwork to the American workplace, benefitting everyone.
- Should our nation be at war again, we will need the services of our best-performing, most-impactful veterans organizations. Too many veterans fell through the cracks in the years before this infrastructure developed.

Thank you for the opportunity to contribute to this important discussion. The Schultz Family Foundation looks forward to working with the subcommittee and the executive branch to improve services and outcomes for all who have served our country.