

**House Veterans Affairs Committee
Subcommittee on Disability Assistance and Memorial Affairs**

Hearing on the Total Disability based on Individual Unemployability (TDIU) Program

Better Information on Veteran Success in the Labor Market

**Written Testimony of
James Vollman
Former Associate Assistant Secretary of Labor**

Abstract

Research on veteran employment and earnings outcomes can inform legislative efforts to make adjustments to the TDIU program. Program specific research can also allow policy makers to understand who is served in terms of military MOS and other factors.

The databases and analysis needed to do TDIU specific research can also answer broader outcomes questions for veterans served by a number of programs within the Veterans Benefits Administration.

Problem Statement

Generally, VA tends not to track veterans for outcomes outside of the medical side (and on the medical side it just follows normal medical practice). VA knows little about the employment outcomes of most veterans other than the relatively small group that uses Vocational Rehabilitation services and even then it is only the immediate outcome. VA does not know why certain veterans succeed and others do not. VA could know much more about each veteran they touch.

Research Framework for Understanding Veteran Success in the Labor Market

The proposed research would utilize administrative data that VA already collects supplemented, if necessary, by additional data maintained by the Department of Defense on each individual service member. That data would be matched with the employment and earnings data maintained by the Census Bureau through their Longitudinal Employer-Household Dynamics (LEHD) program. (That program gathers earning data from state unemployment insurance wage records, Office of Personnel Management data on federal employees and IRS data on self-employment, as well as age data from Social Security.) The LEHD data is indexed by Social Security Number allowing the integration of multiple data sets. Information derived from research using the LEHD data can only be released in statistical form following the disclosure rules that meet the standards of US Code Title 13.

What Could or Should Be Included in the VA Data Set to Be Matched with LEHD

In doing the studies, VA would need to mine its own administrative data for information on each veteran's use of VA benefits services (GI Bill including the number of semesters completed, the program of study and whether a degree or certificate was earned). Also VA would need to include the veteran's disability ratings and whether if they achieved a 100% rating through the schedule or TDIU. VA would need to gather as much information as possible about the characteristics of the men and women as they exited the military from their own records or Department of Defense sources— their ranks, MOSs, length of service, tours of duty in war zones, branch of service, education level at exit, and their scores on the Armed Services Vocational Aptitude Battery (ASVAB). That final data point may prove critical for success analysis because all military personnel are subjected to substantial pre-service testing and the results of those tests often guide their military careers.

Organizing the Research Cohorts

Because LEHD contains earnings data back into the 1990's, it would be useful for VA to organize the data in will utilize for the research into four cohorts based on the year the service member exited the military. The cohorts would include those who exited 5 years ago, 10 years, 15 years ago, and 20 years ago. Data would then be delivered to one of the Census Research Center for matching to the LEHD data set.

Research Output

The output would include two large buckets: one grouping related to the veterans disability ratings and their qualification for compensation either through the schedule or through TDIU, the second grouping looking at general outcomes unrelated to disability ratings based on their exit characteristics when leaving the military and their utilization of VA services.

Disability and TDIU Related Output

- MOS characteristics of those qualifying for TDIU.
- Earnings and employment outcomes of those with combat MOSs without direct civilian analogs, in general and by disability ratings and TDIU participation
- Earnings and employment outcomes for those receiving 100% disability compensation via the schedule or through TDIU.
- Earnings and employment outcomes for veterans broken out by level of disability ratings (10%, 20%, etc.)
- Earnings and employment outcomes for each category of disability rating, in general and then by severity of the disability.
- Earnings and employment outcomes by level and disability rating and utilization of VA education and employment services

General Veteran Success Output for Use in Targeting VA Services and Allowing Veterans to Make Informed Choices

- Earnings and employment outcomes base on various entry characteristics of the veterans
- Earnings and employment outcomes for those utilizing VA education and employment services versus those who do not, cross tabbed using their service exit characteristics.
- Earnings and employment outcomes for those using the GI Bill based on program of study and number of semesters completed.
- Earnings and employment outcomes based on ASVAB scores.
- Earnings and employment outcomes for those using educational services where the ASVAB score would predict likely success in the program of study and those where it does not.
- Earnings and employment outcomes based on industries where the veteran is employed.
- Earnings and employment outcomes based on the locality of the veterans.

Potential Use of the Outputs

For Legislation or Policy Changes

Congress may wish to make adjustments to programs based on the data outputs. Specifically, understanding the impact of combat MOSs on employment outcomes and TDIU utilization may allow for program refinements.

Likewise, understanding the earnings outcomes of those with 100% ratings by schedule and those by TDIU might suggest compensation adjustments for TDIU based on earnings loss compared to other veterans.

VA could use the data to adjust the ratings schedule where certain types of disabilities are found to have an outsized impact on earnings and employment outcomes.

For VA Program Design

Understanding which groups of veterans is more likely to fall through the cracks (in terms of lower than average earnings and employment outcomes) might suggest program changes to target those veterans for additional services perhaps as early their pre-separation Transition Assistance Program.

Understanding which programs of study generally and when in there are in line with the veteran's ASVAB scores generate the best earnings and employment outcomes might allow VA to counsel veterans using the GI Bill or VR&E programs to more effectively utilize the benefits.

Understanding the mix of VA services that generates the best earnings and employment outcomes for each type of veteran might allow VA to customize their program offerings to optimize veteran success.

For Veterans

Some of the same information that could be used by VA to make program adjustments would also be useful to the veterans themselves to allow them to make more informed choices in selecting programs of study in education programs and knowing which industries and localities generate better earning and employment outcomes for veterans like themselves.

Testimony submitted by

James Vollman
Former Associate Assistant Secretary of Labor
President of Advanced Workforce Systems