

Increase Employment Prospects for Veterans with Disabilities

THE ISSUE

The workforce participation rate of people with significant disabilities is well below that of those without disabilities. Although the most recent Bureau of Labor Statistics data indicated that the labor force participation rate for veterans with any service-connected disability was not statistically different from the rate for veterans with no disability, that is not the case for veterans with significant disabilities. Only 66 percent of veterans with a Department of Veterans Affairs (VA) disability rating of 70 percent or higher are employed, compared to 82 percent for veterans without disabilities or with lower service-connected ratings. For veterans with non-service-connected disabilities, only 41 percent are employed.¹

Many disabled veterans rely on employment programs and systems outside of VA that assist the broader disability community. These include Social Security’s Ticket to Work program, state vocational rehabilitation agencies, and Workforce Innovation and Opportunity Act (WIOA) programs, like Title I Adult and Dislocated Worker programs, and employment services under Wagner-Peyser. Jobs for Veterans State Grants programs also serve veterans under WIOA. However, year-to-year Department of Labor (DOL) program data reveals troubling inattention by many state workforce agencies to serve veterans and other people with disabilities. In 2002, the Jobs for Veterans Act (JVA) required priority of service be given to targeted veterans in workforce programs funded by DOL. Twenty years after its passage, JVA must be better integrated into the broader WIOA state systems, and performance reporting and accountability measures must be strengthened to address deficiencies in serving veterans with significant disabilities. In addition, the workforce system should help veterans understand the relationship between employment and access to VA benefits and health care.

Jobs for Veterans State Grant Program	Program Year 2019	Program Year 2020
Disabled Veterans Registered with Disabled Veterans Outreach Program Specialist*	25,730	16,907
Disabled Veterans Received Training	459	313
# States with Disabled Veterans Exiting w/ Training	38	37
# States with <25 Disabled Veterans Exiting w/ Training	34	36

Employment Service (Wagner-Peyser)	Program Year 2019	Program Year 2020
Disabled Veterans – Staff Assisted*	54,245	36,809
Disabled Veterans Received Training	1,101	825

Other improvements are also needed to help increase the participation of disabled veterans in the workforce. Tax incentives for employers to hire veterans and other people with disabilities must be enhanced. Work disincentives in Social Security disability programs, such as the “cash cliff” in Social Security Disability Insurance (SSDI) and overpayment penalties related to participation in the Ticket to Work program, must also be addressed.

*Does not include veterans who only sought self-service or information-only services from the program.

Table Source: Wagner-Peyser and Jobs for Veterans State Grants quarterly reports, Participant Individual Record Layout (PIRL). Quarters ending June 30, 2020, and June 30, 2021. The program year is from July 1-June 30.

Veterans with service-connected disabilities may also be eligible to receive employment training and education through VA's Veteran Readiness and Employment (VR&E) program. In FY 2022, approximately 125,000 veterans received services through VR&E. This employment program provides critical support for disabled veterans. Congress and VA must commit to effective oversight and guarantee VR&E the necessary resources to accomplish its mission while maintaining an educated counselor population. Veterans with catastrophic disabilities are still too often told they are unemployable due to their disability. As a result, some catastrophically disabled veterans are unjustly denied access to this program.



PVA POSITION

- ★ Congress must pass legislation that would enhance the current Work Opportunity Tax Credit available to employers that hire targeted populations with barriers to employment. In addition to applying the credit to SSDI beneficiaries, we support doubling the maximum credit and allowing use of the credit for the second year of employment. We also support doubling the Disabled Access Credit for small businesses and the Architectural and Transportation Barrier Removal tax deduction.
- ★ Congress must modernize SSDI work incentives, such as replacing the SSDI “cash cliff” with a gradual reduction in benefits as earned income rises, and improvements to the Ticket to Work Program that facilitate beneficiaries’ participation in that program.
- ★ Any reauthorization of WIOA must ensure that veterans and other people with disabilities are served effectively under WIOA workforce programs. Veterans' priority of service under DOL-funded workforce programs must be better measured and enforced.
- ★ Congress must exercise additional oversight of the VA's VR&E program. VA must ensure consistent program delivery while ensuring veterans with spinal cord injuries and disorders do not encounter barriers to access when seeking employment and advancement opportunities that promote independent living.

¹ University of New Hampshire, Institute on Disability, Annual Disability Statistics Compendium, 2022, <https://disabilitycompendium.org/>.