

## Examination of Veterans Affairs Disability Compensation as a Disincentive for Employment in a Population-Based Sample of Veterans Under Age 65

### PUBLICATION

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### ABSTRACT

“Purpose: Concerns that disability benefits may create disincentives for employment may be especially relevant for young American military veterans, particularly veterans of the recent wars in Iraq and Afghanistan who are facing a current economic recession and turning in large numbers to the Department of Veterans Affairs (VA) for disability compensation. This study describes the rate of employment and VA disability compensation among a nationally representative sample of veterans under the age of 65 and examines the association between levels of VA disability compensation and employment, adjusting for socio-demographics and health status. Methods: Data on a total of 4,787 veterans from the 2010 National Survey of Veterans were analyzed using multinomial logistic regressions to compare employed veterans with two groups that were not employed. Results: Two-thirds of veterans under the age of 65 were employed, although only 36% of veterans with a VA service-connected disability rating of 50% or higher were employed. Veterans who received no VA disability compensation or who were service-connected 50% or more were more likely to be unemployed and not looking for employment than veterans who were not service-connected or were service-connected less than 50%, suggesting high but not all levels of VA disability compensation create disincentives for employment. Results were similar when analyses were limited to veterans who served in Iraq and Afghanistan. Conclusions: Education and vocational rehabilitation interventions, as well as economic

work incentives, may be needed to maximize employment among veterans with disabilities.”

### RESEARCH HIGHLIGHTS

- Mental and/or physical disabilities are not uncommon for returning service members, and can sometimes inhibit veterans from pursuing employment. However, since the passage of the Americans with Disabilities Act, it has become easier for people with disabilities to gain employment. This study hypothesizes that VA service-connected disability payments provide a disincentive for employment among disabled veterans.
- A majority of veterans with a disability rating of 50 percent or greater and who received VA disability compensation were unemployed and/or not seeking employment. Though these findings suggest that high levels of disability compensation create disincentives for employment, not all levels of VA disability compensation create disincentives for employment.
- More efforts are needed to clear the misconception that being employed will automatically jeopardize receipt of benefits. Additionally, more research and programming is needed to maximize employment opportunities for veterans with a disability rating of 50 percent or greater.



## IMPLICATIONS

### FOR PRACTICE

It might be beneficial for disabled veterans to learn more about accommodations guaranteed to them through the Americans with Disabilities Act. Given that educational and vocational programs often provide veterans with tools to help improve their overall well-being, veterans with a service-connected disability should consider participating in such programs. Counselors and clinicians who work with veterans with a disability status of 50 percent or greater should emphasize the benefits associated with employment, including financial stability and overall well-being. To reduce the misinformation on being gainfully employed and receiving service-connected disability benefits, career counselors should inform veterans at the initial application that they are able to work while seeking benefits and once receiving VA disability benefits. Career counselors should encourage veterans to attend job fairs and career trainings. Family members, friends, and community advocates for disabled veterans should encourage disabled veterans to seek employment and learn more about disability accommodations in the workplace. Given the association between receipt of disability benefits and volunteering, counselors should encourage disabled veterans to volunteer in their local community.

### FOR POLICY

In addition to offering more rehabilitation services, the VA might continue using supported employment models. The VA might continue tailoring their rehabilitation and employment programs that aid veterans gain employment. To aid disabled veterans gain employment, the VA might increase vocational rehabilitation and counseling services offered to disabled veterans. Given that only 36 percent of disabled veterans with a service-connected disability rating of 50 percent or higher surveyed were employed, policymakers might increase the number of rehabilitation services available to veterans with physical or psychiatric needs. Additional rehabilitation services might encourage entry or re-entry into the workforce following a service-connected disability. Policymakers might consider introducing policies that assist veterans with a service-connected disability find employment. Such policies might address the negative effects the recent economic recession has had on Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) veterans.

### FOR FUTURE RESEARCH

This study was completed using a cross-sectional design of veterans. Therefore, directionality and causation of the associations found in the study could not be established. To better understand the relationship between VA disability compensation and employment, future researchers should assess veteran employment across levels of employment, including full-time, part-time, and seasonal employment. A limitation of this study is that the relationship between employment status and disability status was only measured for veterans with certain types of disabilities or impairments. Forthcoming research should expand the types of disabilities and impairments to include specific physical disabilities, medical conditions, psychiatric disorders and severity of the impairments. Due to the sensitive nature that may surround receipt of VA disability benefits, some veterans might have misreported their employment status. Future researchers should gather veterans' employment status through more reputable means. To reduce the effect of standard employment age on the findings, the sample was limited to veterans under the age of 65. Future researchers should examine the relationship between employment and disability compensation for veterans 65 and older.

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