27 February

Good afternoon! My name is Amanda Fredrickson, and today I’ll discuss my preliminary analysis on veteran disability

Discuss the motivation (2 mins)

* Context: FY22 $125B was spent on disability payments to 5.3 million veterans, which is about a third of all living veterans (average about $20k per person… insane tails there).
  + \*\*Less than that amount is spent on health care for that whole veteran population
* This is money spent by the Veterans Administration which is supposed to correspond to the severity of veterans’ service-connected conditions and the average earnings they would be expected to lose as a result of those conditions
  + Can range from anything from 10% for hearing loss to 100% for loss of limb, lack of ability to work. Some caveats, but the vast majority of these have no income restrictions
  + I am personally interested in this because oftentimes the conversation when servicemembers exit the military is how to maximize your benefits, and there’s very much a culture of trying to maximize that monthly payment, and that is something for life that is not massively means-tested
  + There are some obviously serious conditions that people deserve compensation for, but the more recent attitude of “The Army owes me for this” bothers me
* Attitude was evident when CBO in Dec 2022 had a throwaway paragraph in a overall report about reducing the deficit (released annually); proposed household threshold for losing disability benefits was $170,000
* Response was vitriolic. A contentious topic
* But when you look at who has actually been hurt in combat in 20 years of actions in Iraq and Afghanistan, that’s 60,000 people, to put it in perspective. Many more suffer from PTSD, but that is an interesting discussion as well.
* So excluding those, most other payments are for lifestyle or aging concerns that just happened while people were in the military
* Congressional Budget Office found in December 2023 that veterans with a rating of 10 percent or 20 percent earned about the same as similar veterans with no rating; veterans with a rating of 30 percent to 60 percent earned slightly less; and veterans with a rating of 70 percent or more earned much less
* Annual earnings were substantially lower for veterans with a high disability rating, a finding driven in part by lower labor force participation among veterans with a high rating. For veterans who were not in the labor force, it is unclear whether poor health meant that they could not work, whether the extra income from VA allowed them to exit the labor force, or whether they left the work force for other reasons. This is an interesting question to me

Discuss the research question (1 min)

* I was interested in exploring the effects of receiving disability payments on income and labor force participation compared to non-veteran population at a simple level, but adding in some analysis of where those veterans receiving payments are located, as that may affect the labor force participation in a state; especially when some parts of the U.S. contribute disproportionately more servicemembers than other (think Texas and the South; less so urban areas)
* Caveat that this is often associated with a “cut federal spending” line of thought but I would like to share that I approach this from the mindset of “right-sizing” budgets overall – are we spending taxpayer dollars on the right things (this is not from the defense budget, rather the VA)
* Put slide about maximizing veteran benefit snips (and Reddit posts) messaging people are receiving

Explain what methods used and data (1 mins) TOTAL: 3 MINS

* Downloaded two sets of data
* IPUMS
  + xyz
* IPUMS CPS for more precise ratings (0-100%)
  + Veterans Supplement started in
* Cleaned, and analyzed
* Web scraped for states with the most veteran population and most

Discuss each static figure and regression model (2 mins) TOTAL: 4 MINS

* Plot 1 slide and description
  + Blah ear
* Plot 2 slide and description
  + Used IPUM CPS data, so less comprehensive, but still shows a trend of more income in certain states for veterans – further analysis would tease out how much of that is disability compensation versus veteran-friendly state politices like no state income tax
* Regression model quickly
  + Blah

Demo at least one of the Shiny apps (1 mins) TOTAL: 6 MINS

* Demonstrating a by state comparative analysis of veteran outcomes
  + Earnings and LFP
* Alaska, veterans have higher earnings but lower LFP
* New York, nonveterans have higher earnings and higher LFP, see same trend in NJ
* Other app looked at instead of by state, by age group and incorporated disability levels

Conclude with a summary of the current findings (1 mins) TOTAL: 7 MINS

* I found x about
* My hypothesis is generally that lower disability ratings translate to comparable earnings and LFP to nondisabled counterparts in similar areas, if not greater; while high disability ratings would then affect ability to work and earn all else being equal, so earnings may be comparable but LFP will be much lower.
* Regionally, I hypothesize there will be significant differences in earnings and LFP in the American South, and will be interested to see other differences
* State/regional differences

Potential directions for future work and conclusion (2 mins) TOTAL: 8 MINS

* I am not saying veterans don’t deserve payments for injuries sustained during service, for example, my dad served and has a rating, but he also did not seek to max out a rating, and still has a job and he’s pushing 65; compare that to my friend who just graduated Harvard Law and is working a corporate role, but he is getting an amount of money every month for his bad knees from Ranger school (who doesn’t have bad knees at 30 if you’ve been playing sports your whole life!)
* I have two friends who lost limbs in combat, medical retired (100% disability) BUT, both are still working (one is a Paralympian!)
* But means-testing should not be out of the question, worth exploring
* Massive backlash when means-testing was one throwaway line in a CBO report
* Fine line between a culture of sickness and reliance versus independence especially when you’ve been in a profession that fundamentally has a lot of “meaning” in service
* Put pictures of: Wounding Warriors, articles about means testing backlash, Dan Gade NYT article

10 mins total