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

Discuss the motivation

* 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…).
  + \*\*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 benefits 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” as in my service - close to stolen valor
* 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

\*slide

* For example, the FAA found there were airline pilots who were receiving veterans disability payments for conditions that should have disqualified them from flying – evaluated that and removed payments

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Research Question

* 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 from combat, 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
* Wanted to expand and compare to non-veterans and by state

Discuss the research question

* 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) definitely some fraud at some level
* People are proud of what they get away with

Explain what methods used and data

* Downloaded two sets of data
* IPUMS ACS was actually plenty of information, included service ratings
  + 2011 and 2016
* IPUMS CPS for more precise ratings, but turns out really just identified veterans of what wars/conflicts
  + Veterans Supplement started in 2021, later than I thought
* Cleaned, and analyzed
* Top ten Google searches after “CBO means test veteran disability” to evaluated the most popular sentiment around this topic

Discuss each static figure and regression model

* Plot 1 slide and description
  + Looking at age group, and within that, LFP within disability ratings
  + Clear pattern emerges, not reported is even still interesting because they belong to a bucket here
  + Would probably fix these categories a bit to be more representative of 10/20, 30-60, and more to match typical evaluations
* 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 policies like no state income tax
* Regression model quickly
  + With IPUSM CPS data, wanted to evaluate recent (2021 and 2022) effect of being a veteran on household income, being a veteran versus and non-veteran results is aprox. 6k less in household income – will break this out by state to see

Demo at least one of the Shiny apps

* Demonstrating a by state comparative analysis of veteran outcomes
  + Earnings and LFP
  + Veterans make up 6% of overall population, so which states in attempting to be veteran-friendly or cater to their veteran population; might actually see less LFP or more support on other local social services
* 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

Potential directions for future work and conclusion

* 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
* Would break out more discretely into veteran versus non-veteran outcomes, and veteran disability versus veteran non-disability
* Then further by states to see if there are trends (potentially as a proxy for attitudes about what the service “owes” someone)
* Continue the conversation!
* Important to discuss these topics instead of just letting the status quo remain
* But means-testing should not be out of the question, worth exploring
* Veterans are not untouchable
* 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
* Thank you!

10 mins total