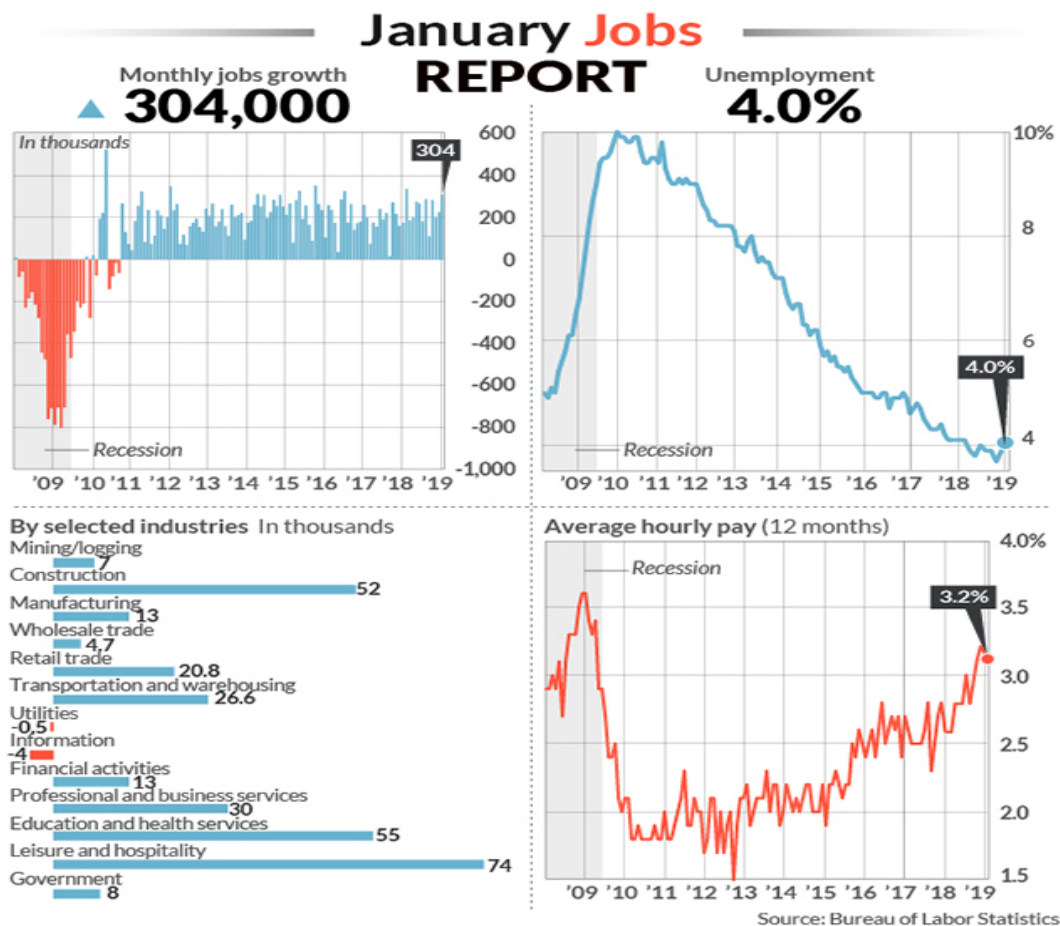


NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION WEEKLY REPORT

TOPIC 1: ECONOMY



The stock market's recent sell-off has stirred fears of a recession next year. However, a post-Christmas rally that has lifted stocks this week is likely rooted in this reality: Some key engines, such as a healthy labor market, will continue to drive the economy forward in 2019. While growth is expected to ease from a projected 3 percent or so in 2018 -- which would be a 13 year high -- to about 2.5 percent in 2019, that would still be a solid performance and top the 2.2 percent average during the nine-year-old economic expansion. Here's a rundown of the economy's strengths heading into 2019:

Jobs

Average monthly job growth is forecast to slow from well over 200,000 this year to about 160,000 in 2019, says economist Michael Feroli of JPMorgan Chase. However, that's still more than enough to keep pushing down the unemployment rate. Moreover, payroll gains won't be slowing because employers don't need as many workers but rather the opposite: The 3.7 percent unemployment rate, a near-50-year low, will make it increasingly challenging to find them. Job openings hovered near a record 7.1 million in October.

That means there were 1 million more openings than unemployed people, giving workers increasing leverage over employers. Until now, the improving labor market has drawn in lots of prime-age workers on the sidelines, keeping unemployment from falling even more rapidly. However, Feroli says that surplus labor supply is running thin. By the end of 2019, he expects the jobless rate to tumble to 3.3 percent, which would be the lowest since 1953.

That would further stoke wage growth that has picked up in recent months to a nine-year high of 3.1 percent annually as. Economist Paul Ashworth of Capital Economics looks for 3.5 percent average pay increases next year while Feroli forecasts upwards of 4 percent. Consumer spending Americans' purchases make up nearly 70 percent of economic activity, and that engine is expected to continue to underpin growth in 2019. Workers' fatter paychecks should partly offset reduced income gains economy-wide as a result of the slower pace of job growth. Meanwhile, the lift to spending from the federal tax cuts that Congress passed late last year has largely played out, Feroli says. Much of that void can be filled with cheap oil and gasoline. The average household should save \$224 to \$480 on gas next year, depending on how low pump prices go and whether they stay there, according to Moody's Analytics.

All told, consumer spending should grow 2.7 percent next year, in line with 2018's increase, according to the Wolters Kluwer survey. Feroli predicts just a 2.4 percent rise, adding that higher interest rates and tighter bank lending standards will crimp outlays. "We still expect consumers to spend relatively freely, but they're going to be a little more cautious," says economist Gregory Daco of Oxford Economics.

Low inflation

Despite faster pay increases, most economists expect inflation to remain tempered next year. The Federal Reserve predicts its preferred measure of overall annual inflation will rise from November's 1.8 percent to 1.9 percent by the end of 2019. It expects a core measure that excludes volatile food and energy items to tick up from 1.9 percent to 2 percent -- which is right at the Fed's target. That's unusual because companies typically offset their higher labor costs by passing them along to consumers through higher prices.

The may not be able to do as easily nowadays because of broad trends, such as the spread of discounted online shopping and the more global economy. Another reason inflation will remain modest is that oil and gasoline prices have fallen amid rising supplies and cooling global demand. That's all good news for Americans: It means their bigger paychecks shouldn't be eaten up by higher retail prices. Moreover, it gives the Fed more leeway to increase interest rates gradually.

HOUSEHOLD DATA						
Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted						
[Numbers in thousands]						
Employment status, veteran status, and period of service	Total		Men		Women	
	Jan 2018	Jan 2019	Jan 2018	Jan 2019	Jan 2018	Jan 2019
Gulf War-era II veterans						
Unemployed	134	147	122	141	11	6
Unemployment rate	4.1	4.2	4.3	4.7	2.6	1.2

National unemployment rate is 4.0 percent (January 2019). Gulf War II veterans unemployment rate is 3.6 percent.¹ Currently, the unemployment rate for Gulf War II women veterans is 2.7 percent (down from 3.0 percent in January).

TOPIC 2: MEETINGS

On Tuesday, January 29, the National Veterans Employment & Education Division participated in a teleconference call with the U.S. Chamber of Commerce Foundation, Hiring Our Heroes. We discussed The American Legion's participation during their upcoming Chicago Career Fair.

On Tuesday, January 29, the Veterans Employment & Education spoke with Raji Ramanan, Assistant Dean of Career Management Executive Degree Programs at Georgetown University. We discussed their upcoming Recruitment Roundtable event that brings Executive search Firms, Recruiters, Hiring Managers across industry segments to meet their cohort members and alumni population.

On Wednesday, January 30, the National Veterans Employment & Education Division participated in a teleconference call with the U.S. Chamber of Commerce Foundation, Hiring Our Heroes. We discussed the upcoming career fair during The American Legion's Washington Conference. Currently, the Chamber has 42 employers and 41 preregistered job seekers.

On Thursday, January 31, the National Veterans Employment & Education Division attended the Alexandria Veterans Curation Program ceremony which provided vocational rehabilitation and innovative training to seventeen recently-separated veterans using archaeological collections administered by the U.S. Army Corps of Engineers.

On Thursday, January 31, the National Veterans Employment & Education Division participated in the Veterans Leadership Council at McChrystal Group for a professional networking event for transitioning service members, veterans, spouses, and non-veteran supporters.

On Thursday, January 31, the National Veterans Employment & Education Division attended a Veterans Roundtable hosted by the DC Mayor's Office. The open forum roundtable is open to the District of Columbia veteran community and serves as an opportunity for DC MOVA to connect local veterans with information, resources, and organizations that may be beneficial to a successful military transition.

On Friday, February 1, the Veterans Employment & Education Division met with the House Small Business Committee's majority staff regarding upcoming testimony and to discuss The American Legion's priorities regarding veteran small business and VA contracting oversight.

TOPIC 3: EMPLOYMENT



With an average of 200,000 servicemembers leaving the military annually, The American Legion strongly feels that transitioning servicemembers should be provided with all tools necessary for a seamless transition. When you arrive at a new duty station in the military, you know where to go for information on housing, health care, and your child’s new school. Often, those resources are all under one roof, said Beth Kubala, a senior director at the Institute for Veterans and Military Families at Syracuse University. “It’s very different when you transition and you relocate to Hometown USA,” she said. That’s just one of an example of how military and civilian life are as different as apples and oranges. Here are six other things you’ll need to know about navigating life outside of the military, courtesy of Kubala and other experts.

1. Housing and health care will cost money.

That nice – or depending on your installation, the crappy – little three-bedroom house you have on base? That will go away once you get out of the military. So will Tricare, unless you’re a retiree. You already know this, of course. However, knowing it and living it are two different things. “Being more mindful of financial management” and planning one to five years out is a massive piece of the transition, said Lt. Col. Rynelle Mardis, southeast region director for the Army’s Soldier for Life program. You’ll need to consider not only the cost of where you plan to live but also the location, which affects where your child will go to school and your health and wellness, he said. Tax deductions and benefits available to veterans are other things to consider, especially for prospective homeowners, and they can vary by state.

“If a family is accustomed to living on post, the process of procuring a loan, securing a house, going through a home inspection — all that can be daunting, especially if it’s happening later in life where many people have experienced that earlier,” said Kubala, a retired Army lieutenant colonel. Housing is one of the top three areas of need among veterans who utilize IVMF’s AmericaServes program, a network of community-based organizations that Kubala helps oversee. Often, the requests are for help finding affordable housing options, which can be a challenge even for veterans receiving the Post-9/11 GI Bill’s housing stipend. Start by understanding which benefits, if any, will carry over after you leave the military and how they may look different if you are retiring or joining the reserves, for example, she said. When you’re considering job options, you’ll need to factor in the value and cost of benefits, such as health care, into what your overall compensation package would be.

2. You won't be part of a unit anymore.

For better or worse, your life will no longer revolve around your unit. However, that doesn't mean you can't find a similar type of camaraderie outside the military. "For a new veteran joining a workplace, whether it's a really small organization or a large one, I think step one should be identifying other veterans within the company," said Colleen Deere, executive director of American Corporate Partners, a nonprofit that provides career counseling, one-on-one mentoring and networking opportunities for transitioning service members and veterans. Many companies also have veteran affinity groups or employee resource groups for former service members, which can increase job satisfaction among veterans, according to a recent Wounded Warrior Project study.

If you're not getting that type of camaraderie in your 9-to-5 job, Kubala suggested joining a local chapter of a veteran service organization or volunteering at a nonprofit that serves other veterans in your community.

3. People talk differently.

If you're used to barking orders in uniform, you'll need to tone that down at your new office. "In the military, the communication there is exact — and it has to be when you're talking about people's lives are at stake," Deere said. "I think civilian communication tends to be a lot more subtle and nuanced." Another thing you'll need to know about the civilian work culture is that it's OK to talk about yourself. "I do think that it's extremely difficult for vets to talk about [themselves] and what they, personally, accomplished as part of the mission," Deere said. "It can be tough to look at it in that way."

Typically, service members are used to focusing on what their team did as a whole. In a job interview or performance evaluation, however, you need to know how to sell your own accomplishments and make clear why your skills are an asset. Deere said one of the advantages of going through the American Corporate Partners program is that veterans are paired with a mentor who has already transitioned into the civilian job market and can offer help with networking, interviewing and other aspects of the job search. So far, about 14,000 people have gone through the program in the last decade.



4. You're allowed to question authority.

“In the civilian workplace, I think it’s expected that an employee is going — from time to time — that they’re going to disagree with their boss,” said Deere. Those who don’t could potentially be perceived as not being thoughtful or engaged. However, former service members may not feel comfortable pushing back, or they may not even realize that they can (politely, of course). “To some extent, that disagreement and conflict are more welcomed in the corporate workplace than perhaps in the military, top-down decision-making hierarchy. Moreover, the stakes are not as high,” she said. In general, your opinion is more valued in the civilian sector. While your lieutenant may have made decisions without consulting you as a member of the platoon, your boss in the civilian workforce will likely ask for your input. So be ready to pipe up in meetings. In most cases, it’s not disrespectful; it’s encouraged.

5. You already have skills that will transfer over, but you may need more.

Kubala, a member of the Judge Advocate General’s Corps while on active duty, is now doing something completely different than what she was trained for in the military. However, she has no doubt her military training helps her be effective in her current role. Similarly, your military skills, such as leadership and service, can also come in handy when you’re looking for a new job. However, you need to understand what you want to do and then identify if there are any other skills you’ll need to pick up first. “You need to know what you’re looking for personally, but then you also need to learn about organizations, government entities, and private firms.

You need to be very well educated about the types of opportunities you’re looking for,” Kubala said. If it’s an extra certification, you’ll need, consider doing that while you’re still in the military, Mardis said, pointing out that this can also make you more marketable while you’re still serving. “We find that the military education assists with moving into a lot of the employment that a service member may want to attain, but it doesn’t always transfer completely,” he said.

6. You can — and should — start preparing early.

Preparing for life after the military is a process, and it can be a long one. So you’ll save yourself a headache by preparing over time, rather than cramming at the last minute. This could be as simple as reaching out to your old military buddies and asking for their advice on transition and what did and didn’t work for them, Kubala said. Ask about their own job satisfaction and any tips they might have. “We’ve seen that being better prepared absolutely leads to higher job retention and earnings,” she said.

At an even more basic level, she said it’s important to identify what’s driving your transition. Is it geography — wanting to move closer to home, for example — or the desire to start working in a different field? Knowing that can help you narrow down your job search. If you’re going to need two incomes when you get out, preparing early means your spouse will have enough time to find a job, too.

Moreover, if he or she can start before you take off the uniform, so you’re not both starting new jobs at the same time, even better, Kubala said. She said some job training programs, such as IVMF’s Onward to Opportunity, are open to military spouses as well, so whether you plan to transition out of the military in the immediate future or not, let your spouse know about the opportunities available.

Another way to prepare is to learn from transitions within the military, including moves between duty stations and promotions, Mardis said. That's one of the big things he stresses at Soldier for Life. "Learn and understand how to transition from point to point now," he said. "What are those key benchmarks? What are those key milestones that you need to have at each transition in the military?" Asking those questions can help when you get out, so it "doesn't come as such a shock to you that you have certain milestones or certain benchmarks that need to be achieved," he said.

TOPIC 4: VETERAN HOMELESSNESS



Geronimo Lerma was one of several people who hit the streets around 5:30 a.m. Wednesday in search of people without warm clothes and places to stay. "That 15-minute walk in this, you'll lose a finger, a toe, whatever," said Lerma, 43, who runs a charity called Footprints of Michigan that aims to connect people in need with those who can offer quality footwear and other clothing items. "And you won't know until it's too late." The weather is expected to stay extremely dangerous through this morning. The forecast calls for wind chill temperatures to reach as low as 45 degrees below zero.

And that extreme cold this week has posed several challenges for shelters, warming centers and volunteers eager to help the homeless. Lerma got help Wednesday from Cindy Erickson, 66. She's a triathlon coach for a team sponsored by Playmakers, the Okemos sporting goods store. They passed out gas cards to people they met in Lansing and also pairs of boots in children's sizes. "I'm just passing along the goodwill from one of our teams," Erickson said. "Any time we're able to give (Lerma) a hand, I'm happy to do it." This time, we're not sure if what we have is great enough."

The Greater Lansing Homeless Resolution Network found that 5,087 people experienced homelessness in Ingham County in 2017. Lerma said he found at least five people Wednesday morning who refused to stay in a shelter or warming center and took one man to a nearby hospital because he slipped and fell on the ice. "Some of them don't really have the concept of the cold and how cold it really is," Lerma said. By Tuesday night, several local shelters had found themselves at or near capacity and with a need for food, clothing and volunteers. "We're not at an emergency management point yet, but we could get there," said Sharon Dade, Holy Cross Services' director.

Holly Cross Services has a day shelter at 430 N. Larch St. that's open from 6 a.m. to 6 p.m. Monday through Friday. It also has an emergency overnight shelter for men, women and children open from 6 p.m. to 7 a.m., as well as a program that places people at area hotels. Dade also spent mornings this week looking for people who don't have warm places to go. Dade estimated Tuesday night that the overnight shelter had served about 100 people over the previous two days. The Larch Street

facility served more than 100 lunches each of those days, she said. Kassie Kretzschmar, a Holly Cross spokeswoman, said early Wednesday evening the shelters have been "non-stop busy," but officials weren't finding them too difficult to manage.

The shelters have received steady streams of donations including socks, hand warmers and blankets, she said. Lansing's Human Relations and Community Services Director Joan Jackson Johnson said Tuesday night that several shelters in the city had gone into a "legal overflow mode." That means shelters have received permission from city officials to accommodate more people and aren't violating fire codes. Several shelters, Johnson said, can use volunteers who have experience handling people with addiction problems or mental illness. "Anyone with thick skin, we certainly could use," she said.

TOPIC 5: CAREER FAIRS & YELLOW RIBBON EVENTS

This week, work continued on The American Legion's upcoming hiring events to be staged in Carlisle (PA), Fredericksburg (VA), Herndon (VA), Joint Base Anacostia-Bolling (DC), Joint Base Andrews (MD), Lexington Park (MD), Oklahoma City (OK), and The American Legion, Austin (TX).

The mission of The American Legion's National Veterans Employment & Education Commission is to take actions that affect the economic wellbeing of veterans, including issues relating to veterans' education, employment, home loans, vocational rehabilitation, homelessness, and small business.

TOPIC 6: SMALL BUSINESS



Now wrapping up the first month of his second term in Congress, U.S. Rep. Al Lawson, D-Fla., has brought back a bill to help veterans start up small businesses.

Earlier this month, Lawson reintroduced the "Veterans Jobs Opportunity Act" which, his office insists, will "give a boost to veterans who invest in their communities through entrepreneurship." In his bill, Lawson, who serves on the U.S. House Small Business Committee and is a member of the Military-Veterans Caucus, is calling for giving businesses in underserved communities launched by veterans a small business start-up tax credit.

"Creating opportunity for returning veterans is a top priority for me," Lawson said on Tuesday. "These men and women bring back real-world leadership and technical skills that will strengthen our economy. The Veterans Jobs Opportunity Act will help eligible veterans, their spouses, Army Reserve and National Guard members invest and revitalize their communities through entrepreneurship, all while boosting our local economies."

Lawson's legislation has the support of a number of veterans groups including The American Legion.

Veteran-owned small businesses create jobs and stimulate the economy. According to the Census Bureau, veterans own 2.5 million businesses, representing about 9.1 percent of all U.S. businesses in the United States, with more than \$1 trillion in revenue and 5 million employees. Lawson has reeled in almost 30 cosponsors including Florida Democrat U.S. Reps. Kathy Castor, Alcee Hastings, Darren Soto, Debbie Wasserman Schultz and Frederica Wilson. The bill was sent to the House Ways and Means Committee earlier this month.

Lawson first brought out the bill in 2017 but the legislation did not gain much traction and did not clear the Ways and Means Committee though things could be different this time out with Democrats in charge of the House. So far, there is no companion bill over in the Senate.

TOPIC 7: EDUCATION

Millions of dollars have gone toward educating student veterans at ineligible, delinquent schools, due to inadequate oversight by state-based agencies in charge of approving school programs for GI Bill funds, a recent audit by the Department of Veterans Affairs Office of Inspector General found. Because of a lack of "effective controls to ensure the proper review, approval, and monitoring of programs" at these agencies and the VA, investigators write that the VA "could not provide reasonable assurance" that students using the Post-9/11 GI Bill to pay for school received a quality education. Infractions by schools listed in the report include misleading claims about accreditation status or student outcomes that violated Federal Trade Commission advertising guidelines.



Auditors estimate more than 11,000 students using the GI Bill to pay for school were enrolled in these and other wayward programs during the inspector general's year-long investigation, costing the VA about \$585 million in improper payments. If these problems persist, auditors estimate those numbers could climb to 17,000 students and \$2.3 billion over the next five years. Tanya Ang, vice president of the nonprofit Veterans Education Success, said oversight from both states approving agencies and the VA is critical to ensure schools are not deceiving military students. "It is imperative that military-connected students can pursue post-secondary education with the utmost confidence that their program will indeed help them accomplish their academic and career goals and that they will be equipped to be strong contributors to the American workforce," she said in an email. "VA's approval of a program to accept education benefits communicates to potential students that the school is deemed a quality school." The VA Veterans Benefits Administration, tasked with overseeing state approving agencies, or SAAs, technically complied with the law, the report states. However, it "generally took a hands-off approach" in this role and did not ensure SAAs were meeting legal requirements and preventing schools' possible abuse of education benefits.

Thus, the VA "did not ensure the adequate protection of students and taxpayers," according to the report. In its recorded response to the findings, the VA objected to the inspector general's characterization that it had taken a "hands-off" approach and requested that this is stricken from the report — an objection the Office of Inspector General said had no merit. The VA also said that while it acknowledged several areas for improvement, the report "demonstrates a lack of understanding or appreciation of the complexities of the VA and SAA relationship." VA

spokesman Curt Cashour said in an email that federal law dictates SAAs have “almost exclusive authority to approve, suspend, withdraw and monitor most programs approved for GI Bill students.” The VA as a federal agency is generally prohibited “from exercising supervision or control over SAAs.” When asked how the VA ensures the quality of programs educating student veterans, Cashour said the department would not contract with poor-performing SAAs, and the VA also has the authority to suspend payments to schools approved by SAAs without sufficient legal basis.

What state approving agencies do

Joe Wescott, national legislative director for the National Association of State Approving Agencies, describes the role of SAAs as “gatekeepers of quality.” SAAs have contracts with the VA to assess and approve school programs seeking to enroll students using the GI Bill. To be considered, Wescott said, programs must have a brick-and-mortar presence in the state, be financially stable and either be accredited or have a proven record of successfully teaching that program in the state. Other parts of the evaluation cover a program’s curriculum, tuition costs, and advertising practices. SAA representatives also visit campuses to observe classes and interview administrators and instructors.

Also, SAAs are now responsible for compliance surveys, which are federal financial audits unrelated to the approval process. This responsibility formerly fell under the VA but is now split between staff at VA regional offices and SAAs. However, while the list of SAA responsibilities has grown in recent years, the funding remained stagnant for more than a decade, until a slight increase in fiscal 2018. Another recent report focused on SAAs — this one from the Government Accountability Office — found that limited funding had impacted their ability to provide appropriate training to staff, travel to geographically dispersed schools, and provide technical assistance and training to schools. Funding for SAA contracts, now at \$21 million, is approved by Congress and allocated through the VA.

The New Mexico and Alaska state approving agencies pulled out of their contracts with the VA all together, leaving VA to do the groundwork for approvals in those states. SAA officials in California, the state with the most significant number of student veterans, almost did not renew, citing lack of funds. Though the Alaska SAA started its contract with VA again in 2017, its director said the addition of compliance surveys was the main reason the agency pulled out for five and a half years. It lacked sufficient funding to conduct them. “I know that we are the gatekeepers of quality. However, our attention has been diverted from the gate too much in the past several years,” Wescott said. “When we go out to schools, we shouldn’t be looking for the missing \$50 from a payment. I’m not making light of that; we want veterans to be paid correctly, and we want them to be paid in approved programs. However, we should be looking to see what programs are properly licensed and are properly accredited.”

Problematic practices

In their investigation, auditors drilled down on 175 programs at 70 schools approved by SAAs in California, Mississippi, Nebraska, New Jersey, New Mexico, New York, and Oregon in 2015 and early 2016. Of these, 35 programs, approved by six of the seven SAAs, had unsupported or improper approvals, unreported or delayed reports of changes to programs, or potentially erroneous, deceptive or misleading advertisements.

For example, one school in New Jersey claimed in its catalog that its placement services division helps find jobs for more than 90 percent of students within one month of graduation, yet the school was unable to provide data to support this. Another school in Mississippi used the VA’s official seal on its website, potentially making it appear as though the school was part of the federal agency.

The large majority of schools with infractions, 83 percent, were for-profit institutions, though the VA and Wescott noted that these types of institutions were disproportionately represented in the sample size. (Investigators explain in the report that they weighted the sample to ensure any differences in the proportions did not bias the results.) Wescott also took issue with the way investigators drew broad conclusions about SAAs from their study of only seven. They also did not take into account the financial constraints these agencies have experienced in recent years, he said. Part of the challenge listed in the report is a lack of “effective, sufficient controls, to continually review and evaluate programs after they have been approved.”

Wescott said that ideally, SAAs would be able to rely on schools, or even accreditors, to alert the agencies whenever changes are made to an approved program. “We just don’t have the resources and staffing to go out there every quarter and say, ‘OK, what’d you guys change this quarter?’” He said. However, he said, SAAs can still learn from the findings and take this opportunity to reevaluate the role of these agencies across the nation. “I think the major takeaway is that SAAs need to give more attention to their original mission, which is their most important mission, and that is the approval and oversight of quality programs for our veterans,” he said. “Can we do a better job in the approval area? Yes. Given the time to devote to it, yes we can.”

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Week Ending: 2/1/19

ⁱ <https://www.bls.gov/news.release/empsit.t05.htm>