

## NATIONAL VETERANS EMPLOYMENT & EDUCATION COMMISSION

### TOPIC 1: ECONOMY

US consumer spending plunged by a record-shattering 13.6% in April as the viral pandemic shuttered businesses, forced millions of layoffs, and sent the economy into a deep recession.

Last month's spending decline was far worse than the revised 6.9% drop in March, which itself had set a record

for the steepest one-month fall in records dating to 1959. Friday's Commerce Department figures reinforced evidence that the economy is gripped by the worst downturn in decades, with consumers unable or too anxious to spend much.



Even with employers cutting millions of jobs during the month, personal incomes soared 10.5% in April, reflecting billions of dollars in support through government payments in the form of unemployment benefits and stimulus checks.

The depth of the spending drop is particularly damaging because consumer spending is the primary driver of the economy, accounting for about 70% of economic activity. Last month's figure signaled that the April-June quarter would be especially grim, with the economy thought to be shrinking at an annual rate near 40%. That would be, by far, the worst quarterly contraction on record. Friday's report showed sharp declines in consumer spending across the board — from durable goods like cars to non-durable items such as clothing and services ranging from doctor visits to haircuts.

In April, the nation's jobless rate was 14.7%, the highest since the Great Depression, and many economists think it will top 20% for May. States are gradually restarting their economies by letting some businesses reopen with certain restrictions, and some laid-off employees are being recalled working. Still, the job market remains severely depressed, and the outlook for the rest of the year is still bleak.

Some financial support for the tens of millions of consumers who have been laid off over the past two months is coming from weekly unemployment benefits. Besides whatever unemployment aid states are providing to laid-off workers, the federal government is providing \$600 a week in additional benefits.

A debate in Congress over whether to extend the \$600 a week in federal unemployment aid looks sure to intensify, with the number of people receiving that aid now topping 30 million — one in five workers. The money is set to expire on July 31. Yet with the unemployment rate widely expected to still be in the mid-teens by then, lawmakers will face pressure to compromise on some form of renewed benefits.

The Trump administration asserts that the economy will begin to regain its health in the second half of the year, with businesses increasingly reopening and restoring jobs and consumers increasing spending. Most economists say, though, that the lingering effects of the job losses and likely business bankruptcies will take longer to overcome, especially if a second wave of the coronavirus erupts. Analysts generally believe the economy will not manage to sustain a substantial recovery until a vaccine is widely available.

And until Americans resume spending at something close to their previous levels, jobs will not likely return in a significant way. Data from Chase Bank credit and debit cards shows that consumers have slowly increased their spending since the government distributed \$1,200 stimulus checks in mid-April.

But most of that increase has occurred in online shopping. Spending in regular brick and mortar stores, which makes up most of the consumer spending, is still down 35% from a year ago, according to Chase, after having plummeted 50% at its lowest point.

Central bankers have already taken a range of extraordinary actions to support the economy in addition to slashing interest rates, including purchasing an unlimited amount of Treasury's (a practice known as quantitative easing) and launching crisis-era lending facilities to ensure that credit flows to households and businesses. It has also said it will buy corporate bonds and lend to states and cities.

In the past two months, the Fed has pumped about \$2.9 trillion into the economy, an unprecedented amount, and its balance sheet has swelled to \$7 trillion.

<b>HOUSEHOLD</b>		<b>DATA</b>				
<b>Table A-5. Employment status of the civilian population 18 years and over by veteran status, period of service, and sex, not seasonally adjusted</b>						
[Numbers in thousands]						
Employment status, veteran status, and period of service	Total		Men		Women	
	APR 2019	APR 2020	APR 2019	APR 2020	APR 2019	APR 2020
Unemployed	59	453	33	347	26	106
<b>Unemployment rate</b>	<b>1.7</b>	<b>13.0</b>	<b>1.1</b>	<b>11.8</b>	<b>5.4</b>	<b>20.0</b>

*The national unemployment rate is 14.7 percent (May 2020). Gulf War II veterans' unemployment rate is 11.8 percent.<sup>i</sup> Currently, the unemployment rate for Gulf War II women veterans is 20.0 percent (up from 6 percent in April).*

## TOPIC 2: CONFERENCE CALLS

***On Tuesday, May 26th,*** the National Veterans Employment & Education Division spoke with Premier Virtual, a veteran-owned business. We discussed the feasibility of utilizing their platform to conduct unlimited numbers of Career Fairs, Education Fairs, and Benefits Fairs.

***On Tuesday, May 26th,*** the National Veterans Employment & Education Division conferred with small business stakeholders, manufacturers, and industry groups, the lessons learned from the industry response to COVID19. It is now a National Security imperative that supply chains remain intact and free from foreign reliance. The staff is working with the National Security Division to prepared a whitepaper that outlines key supply chain breakdowns during the COVID 19 pandemic and proposes solutions that will keep the manufacturing and distribution of personal protection equipment, sanitation chemicals, and other emergent supplies within the US.

***On Tuesday, May 26th,*** the National Veterans Employment & Education Division held its weekly teleconference with HVAC SVAC 4 corners. Announcement of July 1 hearing or round table on employment and training. Witnesses and topics to be ironed out this week. Still working on the final COVID GI Bill package and seeing input to it. J. Clark states minority still working on training bill with Dem support. Senate minority is considering employment package, but the main focus is on supply and budget hearing on the horizon.

***On Tuesday, May 26th,*** the National Veterans Employment & Education Division held discussions with the HVAC majority on pending legislation. Still concerns with VET TECH money gone. CA SAA my come back online (VA give authority back to the State this summer)? Discussions with Senate Minority staff on educational oversight and problems school in Montana.

***On Wednesday, May 27th,*** the National Veterans Employment & Education Division had conversations with Hill Staff and VSO's on issues with state residency for students forced to leave campus due to COVID 19.

***On Wednesday, May 27th,*** the National Veterans Employment & Education Division discussions with large national vendors of medical supplies and equipment to the federal government how the national strategic reserve operates—discovering how the government warehouses the strategic reserve and also the private sector's role in warehousing and maintaining the reserve for the government. Understanding the administration of the strategic reserve is a part of our research into where the supply chain broke down during the COVI-19 pandemic.

***On Wednesday, May 27<sup>th</sup>,*** the National Veterans Employment & Education Division had conversations with VES staff and other VSOs on borrower defense and actions to support the President's signature of the same. Continued conversations with HVAC minority lead staff on the bill being developed to retrain veterans who lost their jobs due to the pandemic. We hope to introduce next week before the job numbers are published.

***On Wednesday, May 27<sup>th</sup>,*** the National Veterans Employment & Education Division attended North Carolina Town Hall with Sec Wilkie and USB Lawrence. Mostly health-related questions but the Sec did share that VA approval numbers were highest in their history, and VA continues to be aggressive and agile in its response to the pandemic. NASAA legislative committee call to set next year's agenda. Will focus on oversight mission change, increased outreach, and more robust approval criteria.

***On Thursday, May 28<sup>th</sup>,*** the National Veterans Employment & Education Division Discussions with SVAC Majority Staff and HVAC Majority staff on oversight issues (compliance surveys being outsourced and new RBS model).

***On Thursday, May 28<sup>th</sup>***, the National Veterans Employment & Education Division met with the SBA and Foresight CFO to discuss an upcoming small business resources webinar. As veteran small businesses find ways to stay afloat in the times of large-scale social distancing and shutdowns, The American Legion brings together resource partners that will help small businesses navigate through these times. Representatives from the US Small Business Administration will discuss the programs and services available to small businesses during these times and their progress on moving more services to an online environment. Professional CFO consultants will discuss navigating loan programs and maximizing cashflow in the economic downturn.

***On Thursday, May 28<sup>th</sup>***, the National Veterans Employment & Education Division conducted our second virtual event on “Financial Literacy,” Judy Viccellio, CEO of V-Star Strategies, was the presenter. We had 97 registered for the event.

***On Thursday, May 28<sup>th</sup>***, the National Veterans Employment & Education Division had conversations with J. Clark on the new training bill and state residency issues. Weekly meeting with RBS Project manager on project timelines and challenges. Significant conversation on accreditation and how to share information so that RBSs can be scheduled when adverse action by accreditor occurs. Further Discussions with HVAC on the same topic.

***On Friday, May 29<sup>th</sup>***, the National Veterans Employment & Education Division conference call with The American Legion’s IT Division. We are now ready to launch our second “Virtual Workshop” on Financial Literacy scheduled for May 28.

***On Friday, May 29<sup>th</sup>***, the National Veterans Employment & Education Division weekly Meeting with EdCounsel/Lumina Risk-Based Survey Executive Team to discuss the Risk-Based Survey project. Weekly Teams are meeting with AL. Discussions this week on the new flow chart to determine institutions at risk and the metrics to be used in the model. Completed review on VES package on state advocacy and provide feedback. Also, accreditation research and report to Hill as part of continual research on quality in higher education.

***On Friday, May 29<sup>th</sup>***, the National Veterans Employment & Education Division spoke with Patrick McDonough, Legislative Associate for The American Legion. We discussed bill HR 1196 that would increase the work opportunity tax credit for employers who hire veterans with the intent of reducing the veteran’s unemployment rate, which is currently at 11.7%.

### **TOPIC 3: TRACKING LEGISLATION**

**HR 6800, the Heroes Act:** Allows VA to provide transport and purchase food, shelter, phones, clothing, blankets and toiletry items for homeless veterans; Authorizes VA to set up temporary encampments on the grounds of VA Medical Centers to allow homeless veterans to shelter on VA parking lots temporarily; Allows VA to provide reimbursements to social service providers receiving grants for the costs of services for minor children.

[Resolution No. 324: Support Funding for Homeless Veterans](#)

**HR 2224:** To direct the Secretary of Labor to prioritize the provision of services to homeless veterans with dependent children in carrying out homeless veteran’s reintegration programs and for other purposes.

[Resolution No. 326: Support Funding for Additional Housing for Homeless Veterans with Families](#)

**S. 2594:** To amend title 5, United States Code, to modify specific requirements concerning service and retirement for veterans' preference for federal hiring.

[Resolution No. 317: Enforcing Veterans' Preference Hiring Practices in Federal Civil Service](#)

**HR 1196, Jobs for Veterans Act of 2019:** This bill allows an increased work opportunity tax credit for employers who hire veterans who have been certified as discharged or released from active duty in the Armed Forces after September 11, 2001, and who begin working for the employer after December 31, 2019, and before January 1, 2024. This increased credit is in addition to any work opportunity tax credit allowed to a veteran with a service-connected disability.

[Resolution No. 354; Work Opportunity Tax Credit Program](#)

**HR 7010, Paycheck Protection Program Flexibility Act of 2020:** This bill significantly changes the terms of the PPP loans to be more advantageous to small businesses. Including more flexibility in applying the loan to other expenses besides payroll and benefits and also extending the time frame for expending the loan.

**H.R.6957:** To direct the Secretaries of Defense and Veterans Affairs to treat a period of full-time National Guard duty, performed in response to the national emergency declared on March 13, 2020, by the President concerning COVID-19, as not shorter than 90 days.

[Currently Studying for appropriate Resolution](#)

**Veterans Economic Recovery Act of 2020:** Require the Secretary of VA to carry out a rapid retraining program that provides eligible veterans up to 12 months of retraining assistance for in-demand occupations. These 12 months of benefits would be equivalent to payments made to students and schools through the Post 9/11 GI Bill.

[Resolution No. 316: Support Employment of Veterans in the Public and Private Workforce](#)

#### TOPIC 4: EMPLOYMENT



March, the veteran unemployment rate was 3.5 percent.

On Thursday, the federal government announced 39 million people applied for unemployment benefits in the nine weeks since the virus first took hold in the U.S. More than one million veterans applied for jobless benefits in April alone, according to the Bureau of Labor Statistics.

In North Carolina, after hearing complaints of long wait times, lawmakers are pressing for workers from the state Department of Military and Veterans Affairs to be temporarily reassigned to the state Commerce Department to process unemployment claims for those who served in the military.

As states continue to ease coronavirus-related restrictions and reopen their economies slowly, millions continue to be impacted by job losses, particularly veterans, who face a dire economic landscape.

In April, the veteran unemployment rate jumped to 11.7 percent amid an uptick in the nation's jobless rate, which rose to its highest levels since the Great Depression. In

"It is unacceptable that men and women who served our country cannot even get a response back from their government during their time of need," read a May 20 letter to Democratic Gov. Roy Cooper from several state senators.

US Rep. Mark Takano, D-Calif., the chairman of the House Committee of Veterans' Affairs, on Friday urged the passage of the Work for Warriors Act, a proposed job placement bill for veterans and their spouses modeled after California's program of the same name.

The bill would create a pilot program within the Department of Defense that places unemployed reservists, members of the National Guard, and spouses into local jobs.

"Veteran unemployment has skyrocketed," he tweeted. "This pandemic has exacerbated the need for a permanent employment placement program — the Work for Warriors Act can help us achieve that."

Veterans tend to gravitate toward specific industries more than others — manufacturing, professional and business services, retail, trade, education, and health — said Rosalinda Maury, director of applied research at the Institute for Veterans and Military Families at Syracuse University.

While many sectors have been negatively impacted, those that primarily attract military veterans have not been the one is hardest hit but have still shed millions of workers amid business closures and statewide stay-at-home orders, she said.

"The industries that have been impacted the hardest are leisure and hospitality, which the majority of veterans are not in that industry," Maury told Fox News, adding that proportionately, hospitality services have recorded the biggest downward turn.

There are 1.2 million veterans' workers in the five industries most impacted by the pandemic, which includes travel, mining and oil and gas exploration, transportation, and warehousing, according to findings published by the Bob Woodruff Foundation.

In the veteran community, unemployment data suggests women were more negatively impacted. About 14 percent of women filed unemployment claims last month, compared to 11.4 percent for men.

Fears over uncertain job prospects and the economic downturn have deterred some military service members from transitioning into civilian life. Across the military, many are opting to reenlist or postpone leaving.

In addition to dwindling job prospects, the toll of the virus on veterans' health has been jarring. The median age for veterans is 64, and more than 1,100 have lost their lives to the contagion, according to the Department of Veterans Affairs.

The figures do not include the hundreds of residents who have died in government-run veterans' homes.

## TOPIC 5: VETERAN HOUSING AND HOMELESSNESS

Congressman Frank Pallone, Jr. (NJ-06) and Congressman Max Rose (NY-11) today introduced the Homeless Veterans Credit Repair, Enhancement, and Debt Improvement for Tomorrow (CREDIT) Act to help end veteran homelessness and housing instability. Credit and financial counseling services remain a top ten unmet need for our nation's homeless veterans.



The bill directs the Secretary of the Department of Veterans Affairs (VA) to conduct a study of the effectiveness of credit and financial counseling services offered to homeless and housing unstable veterans. The study will explore these services and the barriers to them, including the COVID-19 pandemic and other health challenges. The study would provide recommendations for improvements to credit counseling services. The bill will also require the Secretary of Veterans Affairs to provide an interim and final report to Congress on the findings of the study.

"During this time of economic uncertainty, it is important that we look out for our most vulnerable communities, including homeless and housing unstable veterans. We have a responsibility to help those who served in uniform and stood ready to make the ultimate sacrifice for our country. This bill will help address veteran homelessness by improving credit and financial counseling services offered to veterans," Congressman Pallone said. "Our bill also directs the study to investigate the effects of the COVID-19 pandemic on homeless veterans, so we have a better understanding of how to improve the services offered to our nation's heroes. I thank Congressman Max Rose for his service and steadfast support of our veterans."

"Veteran homelessness was already a crisis long before COVID-19 hit, and know that this virus has ravaged our economy, it's only amplifying the need for credit and financial counseling to help veterans get back on their feet," said Congressman Rose. He is a member of the House Committee on Veterans' Affairs. "This bill will help put us on a sustainable path towards keeping veterans out of debt and in their homes."

The bill has been endorsed by the Department of New Jersey Veterans of Foreign Wars (VFW), the Syracuse University Institute of Veterans and Military Families (IVMF), and the Wounded Warrior Project.

"On behalf of New Jersey military veterans, I thank Congressman Pallone for caring enough to produce legislation for some of our most vulnerable members in the Veteran Community. The Congressman has been a friend to New Jersey veterans for many years, and we truly appreciate his efforts in this latest piece of legislation," said Barbara Kim Hagemann, State Commander of New Jersey Veterans of Foreign Wars (VFW).

"To address housing needs in isolation is insufficient. To fully appreciate how to address such needs, a research-based approach to understand how financial and credit support can play a critical role in holistically supporting veterans experiencing homelessness is required. The Homeless Veterans CREDIT Act takes this approach," said Nicholas J. Armstrong, Senior Director of Research and Analytics at the Syracuse University Institute for Veterans and Military Families.

## TOPIC 6: CAREER FAIRS

ALL CAREER FAIRS SCHEDULED THROUGH JULY HAVE BEEN CANCELLED, SUSPENDED, OR POSTPONED.

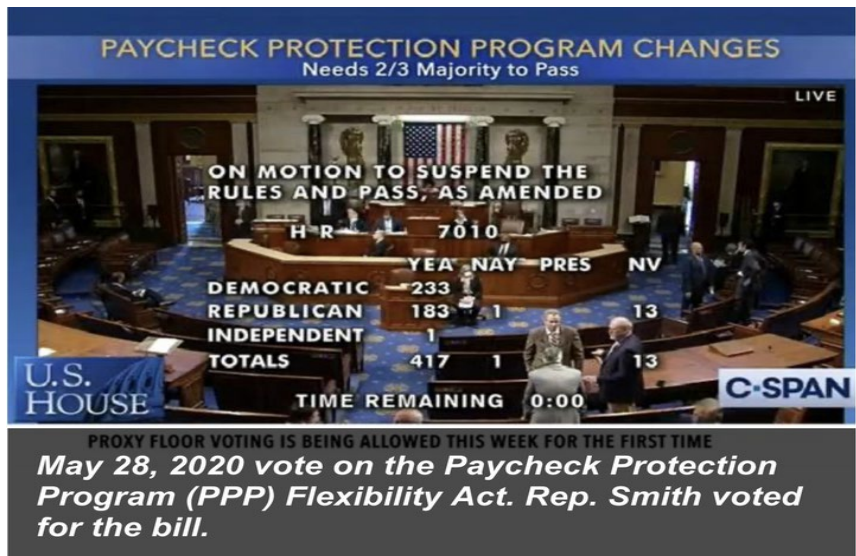
**The American Legion is working on future virtual workshops and career fairs.**

**THE NEXT VIRTUAL EVENT (VETERAN BUSINESS FINANCIAL STRATEGIES) WILL BE JUNE 2, FROM 11:00 AM – 12:30 PM EST**

*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 7: SMALL BUSINESS

On May 28, 2020, the US House of Representatives passed the Paycheck Protection Program Flexibility Act of 2020 (the Act), new legislation meant to provide additional assistance to small businesses and loosen regulations related to the Paycheck Protection Program (PPP). *Should this bill become law, it would make significant adjustments to the PPP.*



The Act makes a few notable changes to PPP's current loan forgiveness guidelines by:

- Extending the period for which a PPP Loan may be obtained to December 31, 2020.
- Increasing the length of time that small businesses can use PPP funds while still qualifying for loan forgiveness from eight weeks to either 24 weeks or December 31, 2020, whichever occurs first.



- They are lowering the loan amounts, which must be spent on payroll expenses, to qualify for loan forgiveness from 75% to 60%.
- Allowing small businesses that receive PPP loan forgiveness to defer their payroll taxes; and
- They were allowing full loan forgiveness for small businesses without regard to their ability to rehire all full-time employees lost due to the COVID-19 pandemic. So long as the small business can demonstrate an inability for their business to operate at the same capacity, it did before February 15, 2020.

Besides providing some tax benefits to businesses, the Act is primarily aimed at providing more latitude for employers to decide how they wish to use their PPP funds and to maximize loan forgiveness to stimulate the economy. The bill’s sponsors, Congressmen Chip Roy and Dean Phillips believe that doing so will enable companies to better prepare for the future while continuing to provide for their employees during this difficult time.

## TOPIC 8: EDUCATION

President Donald Trump, on May 28, announced he would extend the Title 32 orders of National Guard personnel activated to respond to the COVID-19 pandemic through the middle of August, ensuring thousands of Guardsmen will get access to certain federal benefits.

As of the morning of May 28, more than 40,400 Air and Army National Guard members were battling the new coronavirus outbreak in a Title 32 capacity, the National Guard Bureau said.



The Department of Defense previously planned to put a “hard stop” on Title 32 activations on June 24, which would have capped

many of the activations at 89 days—one day short of the 90 days required to qualify for early-retirement and post-9/11 GI. Bill benefits.

“The National Guard remains committed to its service in support of the fight against COVID-19 and will remain in that fight as long as we are needed,” NGB spokesperson Army Master Sgt. W. Michael Houk said. “Our nation is looking to the National Guard to help, and we will not let them down.”

During an Atlantic Council event held the same day, National Guard Bureau Chief Air Force Gen. Joseph Lengyel said he “was very happy to see” the news.

“I have obviously advocated that look, you know, it’s just bad optics in business to cut people off at the 89th day,” he said. “What we put people on duty for is requirements, and these requirements, this situation, still exists. They’re on duty because this is a national issue. They are exposed to a hazardous environment. There’s widespread recognition that the requirement to keep National Guard members on duty to fight this virus exists, well beyond the 24th of June.”

Lengyel also said he believes the extension will have positive implications for Guard retention, which he noted “is a bit higher than normal” amid the pandemic.

“Where other people had made the decision it was time to go to the civilian world, some of them are rethinking that or putting that off for a year or two to see how this plays out,” he said.

He added that, while recruiting in the age of COVID-19 hasn’t been without its challenges, the Guard is “gonna be very close” to its recruiting goals.

The American Legion joined military service organizations—including AFA, the National Guard Association of the United States, and the Association of the United States Army—as well as members of Congress to urge the President to make these service members’ orders long enough to entitle them to the benefits.

Also, on May 28, Chairman of the Joint Chief of Staff Army Gen. Mark Milley said the Defense Department is exploring the possibility of giving hazard pay to US troops involved in the pandemic response, including Guardsmen.

There is a legislative push to ensure National Guard personnel activated under Title 32 orders, and their families will get access to TRICARE.

## TOPIC 9: TOWN HALL PARTICIPATION

As states reopen for business, it’s time for them to consider a reopening plan. VE&E has identified strategies that businesses may consider taking to protect staff and customers. Beyond safety, however, reopening will require excellent communication, creativity, and lots of patience on everyone’s part. Here are a few ideas on how to prepare their business for reopening after the COVID-19 lockdowns.

1. **Cut costs wisely:** While businesses in a cash crunch often start making cuts to reduce costs, doing so can be detrimental in the long term. Before cuts are made, run that through your financial projections. You need to think about growing your way out of this crisis. Every cut that you make is going to cut your ability to generate revenue or keep your business going.
2. **Open workplace gradually:** Allow re-entry slowly, with waves of employees allowed to come back at a time.
3. **Staggered work shifts:** Make social distancing easier to create staggered shifts, so fewer people are working or socializing in tandem.
4. **Tell customers what to expect:** Safety and cleanliness are critical when trying to put shoppers’ minds at ease. Proactively communicate before you open what you are doing to make sure customers who visit will be kept safe. Ensure your staff and customers understand their role in mitigating COVID-related risks.

5. **Reward loyal customers first:** Your reopening can also be a marketing opportunity. For those businesses with a backlog of demand, prioritize customers before opening the doors. If you don't have a loyalty program set up, consider starting a waitlist for specific products or services.
6. **Re-visit your business model.** You may need to update your products and services. Small businesses are reopening to a new reality, and need to adjust their offering accordingly. Prioritize the products and services that are the safest to offer and have the highest margins. Simplify your inventory or service list until it becomes clear what customers are buying.
7. **Use your space creatively:** Social distancing restrictions may make it difficult, if not impossible, to open your space as usual. Get creative with where you can expand your floor plan. Look for a similar business in your neighborhood where you may be able to cross-sell or share space safely.
8. **Prepare your workplace for the transition:** Social distancing guidelines set forth by the Centers for Disease Control and Prevention (CDC) require at least six feet of space between individuals whenever possible. This may mean installing physical barriers in your store or office, changing your layout to create more space between workstations, closing communal spaces, and significant shifts and breaks to minimize any unnecessary interactions.
9. **Put your digital tools to use:** Try to maintain a portion of your sales process online. Use your social media to encourage repeat visits.
10. **Create an employee wellness plan to monitor health:** Public health organizations have recommended businesses that can operate remotely (fully or partially) continue to do so to mitigate the spread of the virus. However, if your employees will soon be reconvening in the workplace, it is advised to include the following items in your wellness plan:
  - Provide personal protective equipment (PPE) or face coverings for employees.
  - Consider temperature checks to enter the workplace.
  - Daily wellness checks. Require self-reported "symptom surveys" that are to be completed by employees before entering the workplace.
  - Provide COVID-19 testing to employees
11. **Implement safety measures for handling physical items:**
  - Limit payment options to cashless methods.
  - Set up a 'pickup rack' at the store entrance.
  - Place safety seals on bags.
12. **Engage your suppliers:** Businesses that depend on suppliers should give them a call. Are they geared up to provide what the company will need? Will suppliers run into shortages that the company will need to work around? You may need to consider new vendors.



THE AMERICAN LEGION

# Veteran Business Financial Strategies Webinar

Tuesday, June 2, 2020 ★ 11:00am-12:30pm (Eastern Time)



As veteran small businesses find ways to stay afloat in the times of large scale social distancing and shutdowns, The American Legion brings together resource partners that will help you navigate through these times.

Co-Sponsored by:



**Joseph C. Sharpe, Jr., Director**  
**Veterans Employment & Education Division**  
**202.861.2700 ext. 2989**  
**Week Ending: 5/29/20**

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