The Business Case for Hiring Veterans

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Veterans are a great source of talent for civilian employers. They bring distinctive capabilities and valuable skills developed through real-world, high pressure experience.

*The Business Case for Hiring Veterans* outlines the rationale for hiring veterans into the civilian workforce and is intended to help employers develop and communicate the business case to their organizations.

After identifying the increasing numbers of veterans transitioning into the civilian workforce, the document highlights four major reasons why hiring veteran talent is a win/win for business:

- Veterans have **distinct capabilities** that support organizational teamwork, entrepreneurial spirit, and focus on success
- Veterans **bring critical technical skills** to the workplace, positively impacting the time and cost for a veteran employee to be productive on the job
- Employers can take advantage of **federal funding** supporting veterans initiatives
- Employers who hire veterans build **goodwill with their critical stakeholders** – customers, employees, and community
Role of the 100,000 Jobs Mission

*The Business Case for Hiring Veterans* is a leading practice that builds on what has been learned from the 100,000 Jobs Mission member companies about how veteran employees contribute to the competitiveness of businesses. The business case also draws on academic research conducted by the Institute for Veterans and Military Families, utilizing over 40 years of academic research focused on the all-volunteer armed forces.

100,000 Jobs Mission Leading Practices promote the use of business case research in recruitment, hiring, retention, and advancement of veterans in business and industry to enable the creation of veteran employment initiatives.
Returning Veterans are an Underleveraged Resource

There are currently 671,000 unemployed veterans nationwide

18 to 24-year old veterans are over twice as likely as their civilian counterparts to be unemployed but often times have far more real world experience

Veterans cite “finding a job” as the greatest challenge to transitioning back to the civilian world (over 69% of veterans cited this concern)

Veterans are looking for work that is meaningful (80% of veterans)

Many veterans are pursuing education to build more skills (44% of veterans) to increase career opportunities

Veteran employment is addressed locally and regionally. In the next five years, 9,000 post-9/11 veterans will return to New York City alone, of whom 2,000 are likely to be unemployed.

Source: Institute for Veterans and Military Families, Iraq and Afghanistan Veterans of America
http://www.bls.gov/news.release/empsit.t05.htm
Veteran Talent Available for the Civilian Job Market

There is a large untapped pool of skilled military talent in the foreseeable future

- **Scaling down of foreign wars** – 2.9 million troops have returned from service post-9/11; another 1 million will transition over the next 5 years

- **Decreased defense budget** – $429 million cuts in defense spending will reduce the size of armed forces

- **Veterans are not returning to locations close to employment opportunities** – however, 71% of transitioning service personnel are willing to relocate for career opportunities

- **Veterans have skills and capabilities** – but may need support to transition into the civilian workforce and recognize opportunities

Veteran Talent Available for the Civilian Job Market

- Responsible for the supervision, training, welfare and mission performance of 10 to 20 unit members at relatively young ages, early career
- Deployed overseas multiple times, sometimes with families remaining at home and being self-sufficient
- Engaged in many mission types (e.g., humanitarian, security, diplomatic and governance, combat, project management, etc.)
- Worked across culture and language barriers with multinational and local forces
- Managed inventory of high value military supplies, resources, and equipment
- Learned to operate and maintain numerous kinds of high-tech, high value equipment
- Learned and employed life-saving medical skills
- Honorably upheld the US military’s Code of Ethics under the most difficult of circumstances
- Put country and fellow service members before self, demonstrating a service ethos
Employers Can Capitalize on Veteran Opportunity

**Challenge**

- **Take time to understand military experience and its value**
  Translating military skills and experiences to civilian roles is a challenge during the hiring process

- **Leverage the best resources available**
  There are many resources for employers, how to determine best

- **Help veterans promote themselves during application process**
  Veterans are trained to emphasize their teams and not take credit, not accustomed to language of the business world

- **Be open-minded about effects of military experience**
  Nearly 55% of employers cited concerns about PTSD\(^1\), however, only ~20% of 9/11 veterans have PTSD\(^2\), most without significant issues

**Employer Opportunity**

- **Determine how skills and experiences of veterans support business roles and goals; develop business case**

- **Participate in collaborations such as 100,000 Jobs Mission to find and implement best practices for hiring veterans**

- **Provide assistance to veterans transitioning to the civilian workforce**

- **Educate everyone in organization about the veteran community; address stereotypes and misperceptions head on**

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1 Post-traumatic stress disorder: severe anxiety disorder developed after a highly stressful event resulting in psychological trauma

2 About 11-20% of Veterans of the Iraq and Afghanistan wars may have symptoms that qualify for a diagnosis of PTSD, compared to about 7% of the general population. [http://www.ptsd.va.gov/public/pages/how-common-is-ptsd.asp](http://www.ptsd.va.gov/public/pages/how-common-is-ptsd.asp)

Source: Center for a New American Security: "Employing America’s Veterans: Perspectives from Business" (Survey), NIH PTSD statistics
What is the Business Case for Hiring Veterans?

Employers in many industries find there is a compelling business case to hire veterans

1. Distinctive Capabilities
   - Veterans are performance-oriented, have a strong work ethic, and thrive under pressure
   - Teamwork, leadership and problem solving skills learned in the military are suitable for many civilian roles

2. Valuable Skills
   - Veterans receive advanced training in a variety of technical skills
   - Military spend in these skills make veterans cost-effective employees

3. Federal and State Funding
   - Employers can take advantage of federal tax credits of up to $9,600 per veteran
   - GI Bill/Vocational Rehabilitation benefits

4. Build Goodwill, Honor Service
   - Recruiting veterans reflects the social responsibility of an employer and builds goodwill with customers, employees, and the community
   - Hiring veterans, who have sacrificed for their communities and the nation is the right thing to do
**Teamwork & Leadership**

**Accountability**: superior personal and team accountability. Veterans understand how policies and procedures help an organization function

**Adaptability**: experience operating in ambiguous situations, exhibiting flexibility in fluid environments

**Team players**: ability to understand the capabilities and motivations of each individual, regardless of background, to maximize team effectiveness

**Experienced leadership**: battle-tested leadership, from the front and by example. Ability to inspire devoted followership and lead groups to accomplish unusually high aspirations

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**Discipline**

**Self-reliance**: demonstrated initiative, ownership, and personal responsibility while leveraging all available assets and team members to ensure success

**Perseverance**: proven resilience getting things done despite difficult conditions, tight deadlines, and limited resources

**Strong work ethic**: belief in the value of hard work and taking initiative

**Values-driven**: proven experience dedicating themselves to a cause. Veterans take pride in the mission, values and success of the organization

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**Solving problems**

**Objective-focused**: ability to organize and structure resources to accomplish the mission, regardless of roadblocks

**Quick learners**: proven ability to learn new skills quickly and efficiently

**High impact decision-makers**: strong situational awareness, ability to understand complex interdependencies and make decisions using practical judgment and creativity

**Diverse perspectives**: experience having impact and influencing people across the boundaries of culture, language, ethnicity and personal motivation
Business Case: Veterans’ Distinctive Capabilities

THE BUSINESS CASE FOR HIRING A VETERAN BEYOND THE CLICHÉS

March 5, 2012

Starbucks CEO Howard Schultz said that "hiring people is an art, not a science, and resumes can’t tell you whether someone will fit into a company’s culture." Schultz’s suggestion that hiring is mostly "art," and that resumes don’t adequately reflect the potential contribution of prospective employees represents one of the most significant impediments to addressing the unemployment situation of veterans in this country. This is because the business case for hiring a veteran has been largely informed in the public domain by non-specific clichés about leadership and mission focus.

To be clear, leadership ability and the strong sense of mission that comes from military service are characteristics that are highly valued in a competitive business environment. However, by themselves these generalizations are not enough to empower U.S. employers to move beyond "art" to science, and in doing so, fully benefit from the knowledge, training, and experience represented by those who have served in the military.

Importantly, the business case validating the organizational value of a veteran is supported by academic research in a way that is both more robust and more complex than leadership and mission focus alone.

Specifically, academic research from the fields of business, psychology, sociology, and decision making strongly suggests characteristics that are generally representative of military veterans in enhanced performance and organizational advantage in the context of a competitive and dynamic business environment. In other words, the academic research supports a robust, specific, and compelling business case for hiring individuals with military background and experience.

In what follows, we present the results of a comprehensive review of the academic literature positioned to illustrate the foundational elements around which employers can formulate a research-informed logic for recruiting and developing military veterans in the civilian workforce. The propositions below were developed based on a comprehensive analysis of: 1) academic research contrasting service members with non-veterans in the context of vocational tasks, skills, and experience; and/or 2) a review of research focused on specific abilities, attributes, and characteristics required for success in a given work role, as compared to research focused on the abilities, attributes, and characteristics descriptive (generally) of military veterans.

Importantly, the scope of this review of the academic research is limited to the abilities, attributes, and characteristics conferred to the individual veteran as a consequence of military service, as those attributes complement performance in a competitive business environment. This research does not include elements of the business case for hiring veterans that are externally market driven, such as enhanced reputational value to the firm, consumeristalcoholist legitimacy, and other similar motivations.

What employers are already saying about their veteran employees...

"Veterans who contributed to disciplined, motivated and successful teams in the military fit right in and feel at home at AT&T.”
– Chairman & CEO of AT&T

"At GE, we are always looking for dedicated people of character to lead our teams. Veterans have these qualities, which is why they are a fit.”
– Chairman & CEO of General Electric

"Veterans know how to lead effective teams in an industry that is built on attention to detail, safety, and putting the needs of the customer first”
– President & CEO of CSX
Business Case: Veterans’ Valuable Skills

Logistics & Project Management
- Experience coordinating complex systems of inventories, equipment, supplies, and personnel with precision
- Other skills include driving and shipping

Information Technology
- Advanced training in analytics, information management, computing architecture, connectivity, and control systems
- Particular emphasis on cyber security skills

Medical Care
- Up-to-date medical knowledge with extensive clinical experience
- Experience conducting technical procedures in high pressure environments

Security
- High level of physical fitness, personal health, and combat skills
- Mission-honed focus, discipline, and attention to detail
- Technical expertise for complex security procedures, equipment

Engineering & Manufacturing
- Education and training in mechanical, electrical, and civil engineering
- Distinctive project experience augmented by theory learned in schools/academies

Languages & Culture
- Communication and foreign language capabilities developed through military education courses and deployment
- Special knowledge of world cultures across geographies
Business Case: Veterans’ Valuable Skills

- **Expertise for specific roles and technical know-how** honed in high pressure real-world experience
- **Reduced time and cost to employ**
  - Fewer technical training needs
  - Expedited licensing and certification timelines (where applicable and allowed)
- **Demonstrated ability to learn and apply skills** in a variety of contexts
- **Demonstrated ability to train** and manage others
  - Leverage veterans’ skills for the benefit of other team members
  - Ability to provide on-the-job training in a timely manner
  - Reduced training costs
Business Case: Federal and State Funding

Federal and State-Specific Tax Credits

Employers can get more than $9,600 in federal and state tax credits for hiring qualified veterans

How large are the tax credits per veteran? ★ Federal: $2,400 up to $9,600 for first year of employment ★ State-level: e.g., NY – for veterans with and without disabilities – up to 15% of wages or $15,000 or 10% of wages or $5,000 respectively

What does the size of the credit depend on? ★ Wages; number of hours employed during first year ★ Disability status (particularly service-connected disabilities) ★ Unemployment status ★ Receipt of vocational rehabilitation services from a state certified agency or the U.S. Department of Veterans Affairs (VA)

How can your organization take advantage of these tax credits? ★ Visit www.labor.ny.gov for the appropriate forms under Work Opportunity Tax Credit (federal), Workers with Disabilities Tax Credit (NY state), Veterans Tax Credit (NY state) programs ★ Employers must submit IRS Form 8850 and 9061 within 28 days of hiring date ★ Tax credits should then be claimed on income tax returns

1 Stated tax credits are subject to legislative renewal
Source: U.S. Department of Labor Employment and Training Administration
VA can provide vocational and educational counseling services for transitioning servicemembers and individuals eligible for GI Bill benefits (Montgomery, VR&E, Post-9/11, etc.)

Counseling can take place at a Veterans Benefits Administration Regional Office or out-based location, training facility, or military installation. After receipt of an application, a counseling appointment will be set for eligible servicemembers and veterans. Counseling services may include the following:

- Interest and aptitude testing
- Occupational exploration
- Assistance with setting occupational goals
- Assistance with locating an appropriate academic or training program
- Academic or adjustment counseling during training to help overcome problems or barriers during school
- Services to help prepare for a new career

VA can guide veterans towards employment goals. Service connected disability is not a requirement in order to be eligible for free counseling services.

To apply for counseling benefits, transitioning servicemembers or veterans should fill out VA Form 28-8832, Application for Vocational Educational Counseling, or download the application here.

Counseling services are provided by the VA’s Vocational Rehabilitation and Employment (VR&E) program’s staff or by contract counselors. For more information visit the Department of Veterans Affairs website, Educational and Vocational Counseling Services page.

Business Case: Build Goodwill, Honor Service

**Community**

“We understand the national security imperative to keep our Guard and Reserve employed”
– Employer, CNAS Report

**Customers**

“When I see the flag at my branch, I know they are doing a service to our community by hiring vets”
– Customer, retail bank

**Employees**

“I think hiring more veterans is a real morale builder to the company”
– Employer, CNAS Report

“It is the right thing to do, and we like to encourage other employers to do the same”
– Employer, CNAS Report

“It matters to our customers that we hire veterans, so we better be hiring veterans!”
– Executive, large retailer

“To know that GE has hired and supported so many veterans – it’s very fulfilling to me”
– Manager, General Electric

Source: “The impact of Social Responsibility on productivity and efficiency of US listed companies” (Becchetti, et al)
Many organizations have invested significant resources to address veterans employment. *The Business Case for Hiring Veterans* leading practice draws heavily from several sources.

- G.I. Jobs
- Center for New American Security
- U.S. Department of Labor
- Robin Hood (through support of IVMF and introduction of McKinsey & Company to IVMF veteran employment initiatives)
- White House Business Council
- 100,000 Jobs Mission, including materials from member companies
- JPMorgan Chase & Co., including from the 100,000 Jobs Mission, and from their Military and Veterans Affairs initiatives
- General Electric, including from the collaborative GE/IVMF Veteran Employment Leading Practices: Tools for Engaging Talent website
- AT&T, as a member of the 100,000 Jobs Mission and in their veteran hiring initiative
About the 100,000 Jobs Mission

Launched in 2011, the 100,000 Jobs Mission is a coalition of companies committed to hiring at least 100,000 U.S. military veterans by 2020. For more information about the 100,000 Jobs Mission, visit j obsmission.com.

100,000 Jobs Mission Leading Practices promote the use of business case research in recruitment, hiring, retention and advancement of veterans in business and industry to enable the creation of veteran employment initiatives.

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