



U.S. ARMY

ARMY STRONG.™

Office of Economic & Manpower Analysis

Department of Social Sciences, United States Military Academy



UCX Applicants in the Army*

Susan Carter & Brian Miller

25 June 2015



*The views expressed in this paper are those of the author and do not reflect the official policy or position of the Department of the Army, DOD, or the U.S. Government.

Overview

1. DoD spent \$829 million (\$463 million for Army soldiers) on unemployment benefits for ex-servicemembers (UCX benefits) in 2013.
2. 59% of eligible, non-retiring soldiers (based on character of service and duration) applied between 2001 and 2013
3. In 3 State Sample 80-90% of applicants used some amount of UCX
4. Significant Variation in Application Rates by Demographics, MOS, and Last Duty Location
 - a. Lower educated and lower AFQT individuals are more likely to apply.
 - b. Veterans with disability ratings are applying at higher rates.
 - c. Minorities are applying at higher rates.
 - d. Women are more likely to apply
 - e. Individuals in MOS's which appear to have the most transferable skills to the civilian job market are more likely to apply
 - f. Last duty locations have varying application rates, possibly suggesting soldiers are getting different emphasis in applying for UCX benefits across various bases

UCX Eligibility and Structure

Under current federal law, the following service members are eligible for UCX benefits:

- Those that complete their initial service obligation under honorable conditions
- Those separated for medical conditions, family needs, pregnancy, or the convenience of the military under honorable conditions, regardless of whether they completed their contract.
- Those separated for personality disorder or inaptitude with continuous service of at least one year under honorable conditions.

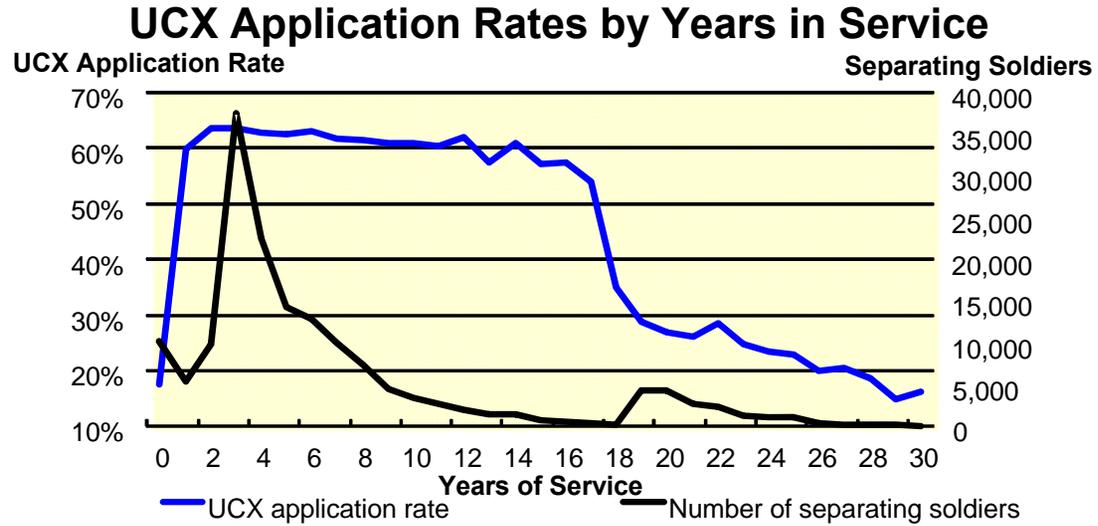
State law determines:

- Duration of benefits allowable
- Total weekly benefit amount
- Work search and availability requirements to continue receiving benefits (Note: this includes eligibility of students while enrolled in college or trade school)

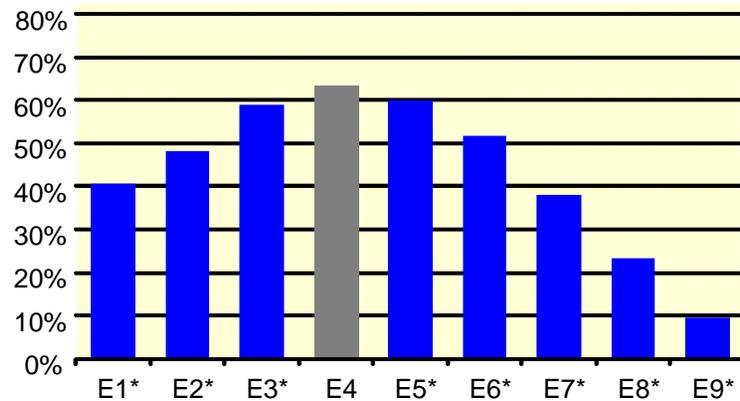
Transition Assistance Program (TAP)

- Separating soldiers complete 3+ days of counseling, employment assistance, information sessions.
- During TAP programs, soldiers often receive the paperwork for UCX, although they are not eligible to apply until they have left the Army.

UCX Application Rates



UCX application rates by pay grade



* Statistically different ($p < 0.05$) than comparison population.

Regression

Average UCX
Application Rate:
59%

$$\text{Model: UCX} = \beta_0 + \beta_1(\text{demographics}_i) + \gamma_{\text{HOR}} + \delta_{\text{Duty}} + \theta_{\text{Yr}} + u_i$$

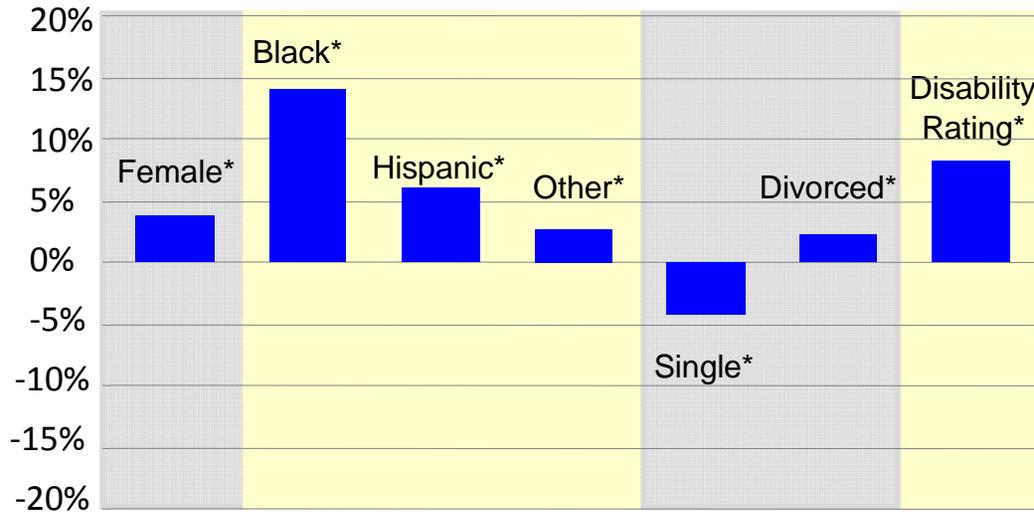
Outcome:
Applied=1
Did not = 0

Demographics:
e.g., Gender, Race, Marital status,
AFQT Cat, YOS, Branch

Fixed Effects:
Home of record state, Last duty
state, Year

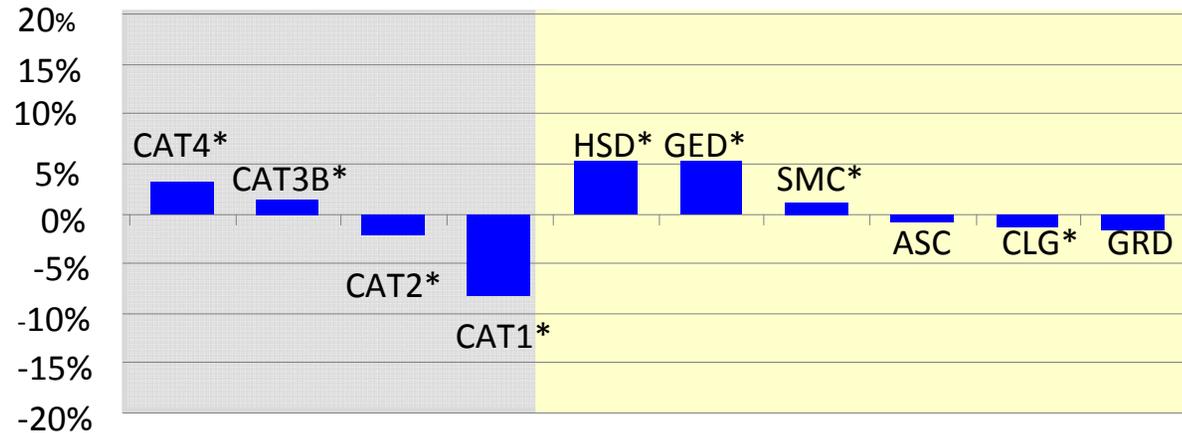
UCX Application Rates by Demographics

UCX application differences by gender, race, marital status & disability rating



Average UCX Application Rate: 59%

UCX application differences by AFQT category & education

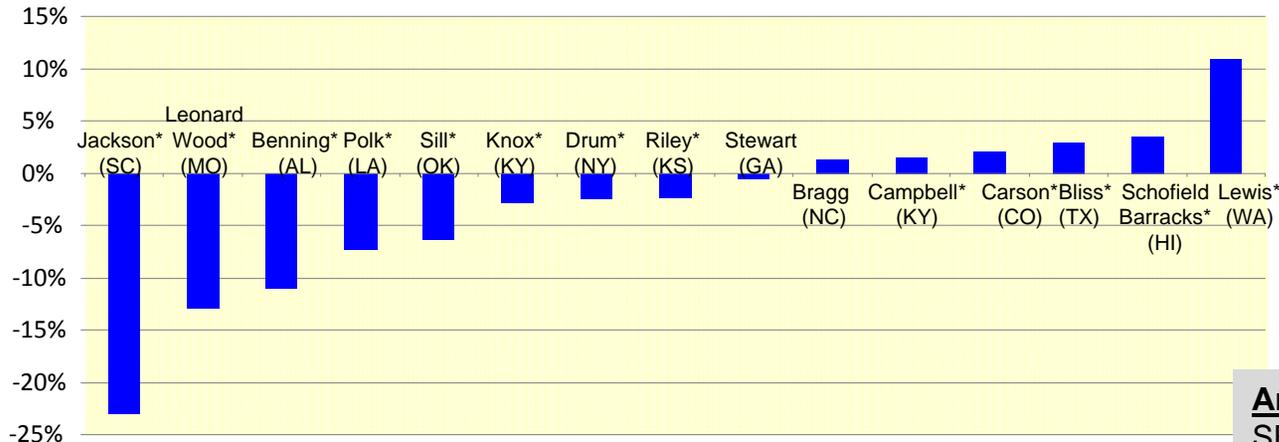


* Statistically different ($p < 0.05$) than comparison population.

Regression controls for: gender, race, disability rating, AFQT, education, marital status, location, occupation, and reason for leaving Army.

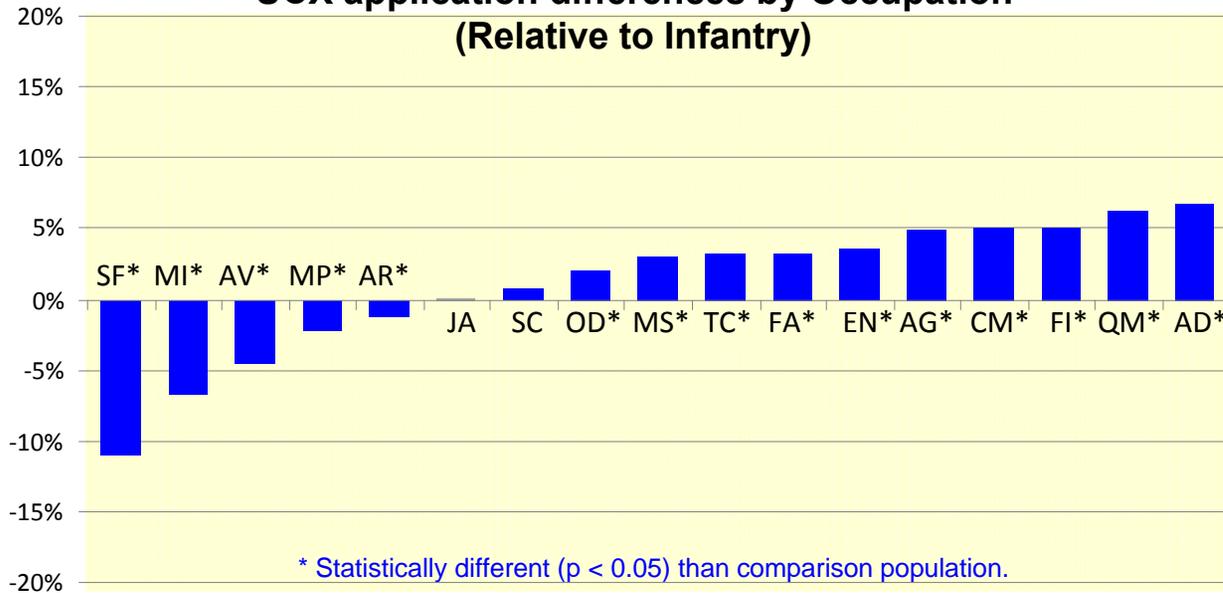
Soldiers in service/support MOSs and at specific locations apply at higher rates

**UCX application differences by Last Army Location
(Compared to Fort Hood, TX)**



Average UCX Application Rate: 59%

**UCX application differences by Occupation
(Relative to Infantry)**



- Army Occupations**
- SF: Special Forces
 - MI: Military Intelligence
 - AV: Aviation
 - MP: Military Police
 - AR: Armor
 - JA: Staff Judge Advocate
 - SC: Signal Corps
 - OD: Ordinance
 - MS: Medical Service
 - TC: Transportation Corps
 - FA: Field Artillery
 - EN: Engineers
 - AG: Adjutants General
 - CM: Chemical
 - FI: Finance
 - QM: Quartermaster
 - AD: Air Defense

* Statistically different ($p < 0.05$) than comparison population.

Regression controls for: gender, race, disability rating, AFQT, education, marital status, location, occupation, and reason for leaving Army.

Policy Recommendations

Improve data collection:

- Unemployment insurance usage and duration
- Final relocation destination
- Employment and earnings information from DOL
- Post 9/11 GI Bill benefits from VA

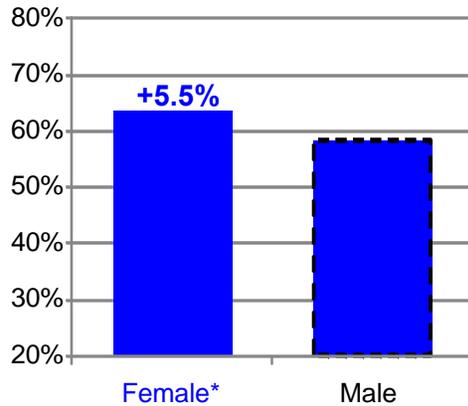
Program Analysis

- Tailor transition programs to unemployment risk
- Randomized control trials to test effectiveness of transition programs programs

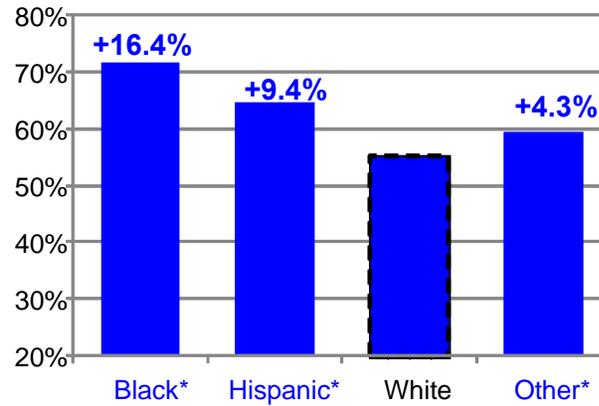
Backup Slides

UCX Application Rates

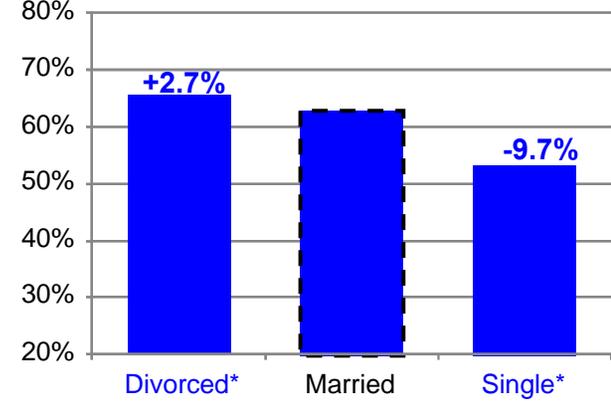
Gender



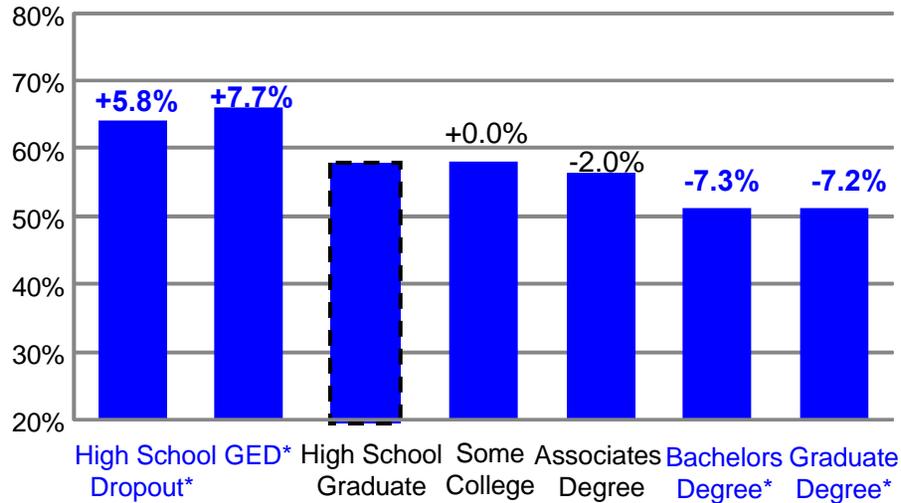
Race



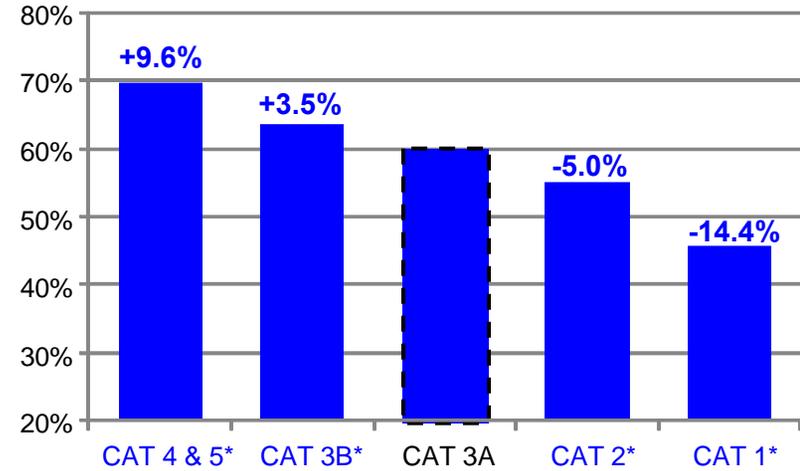
Marital Status



Highest Educational Achievement



AFQT category

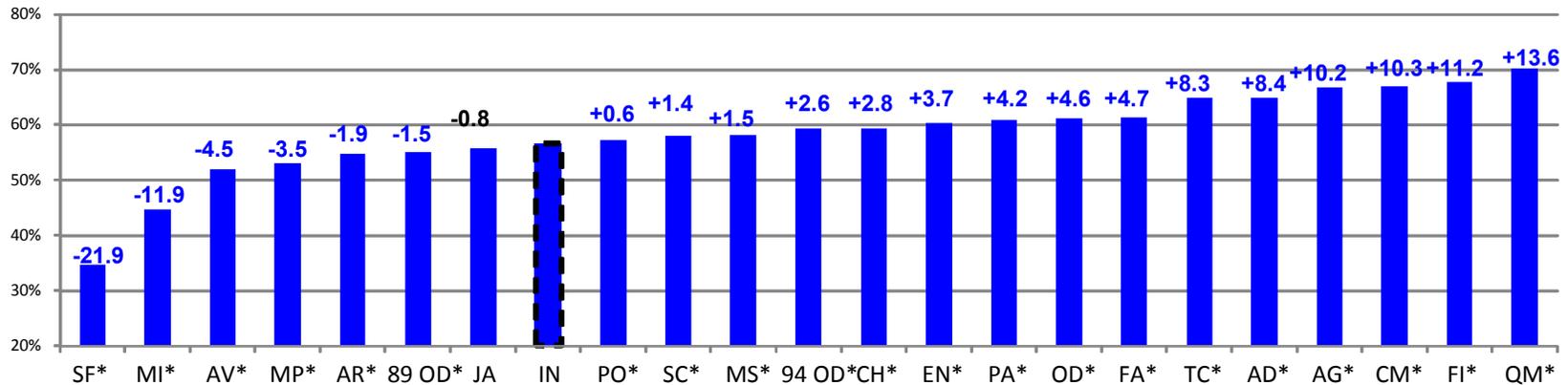


* Statistically different ($p < 0.05$) than comparison population (bar with dashed line), univariate comparisons.

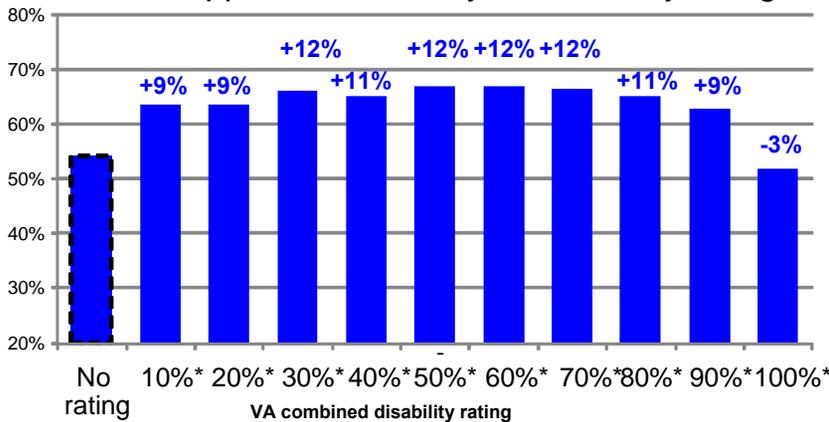
Baseline group for comparison to all other categories within the same chart

UCX Application Rates by Demographics

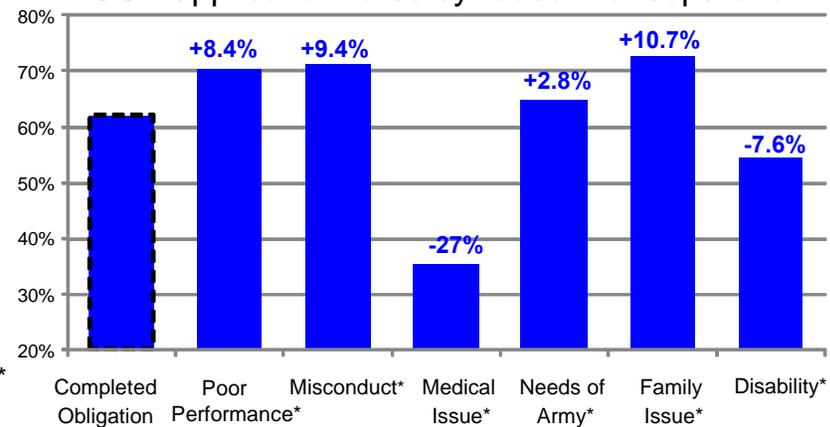
UCX application rates by Military Occupation Specialty (MOS)



UCX application rates by VA disability rating

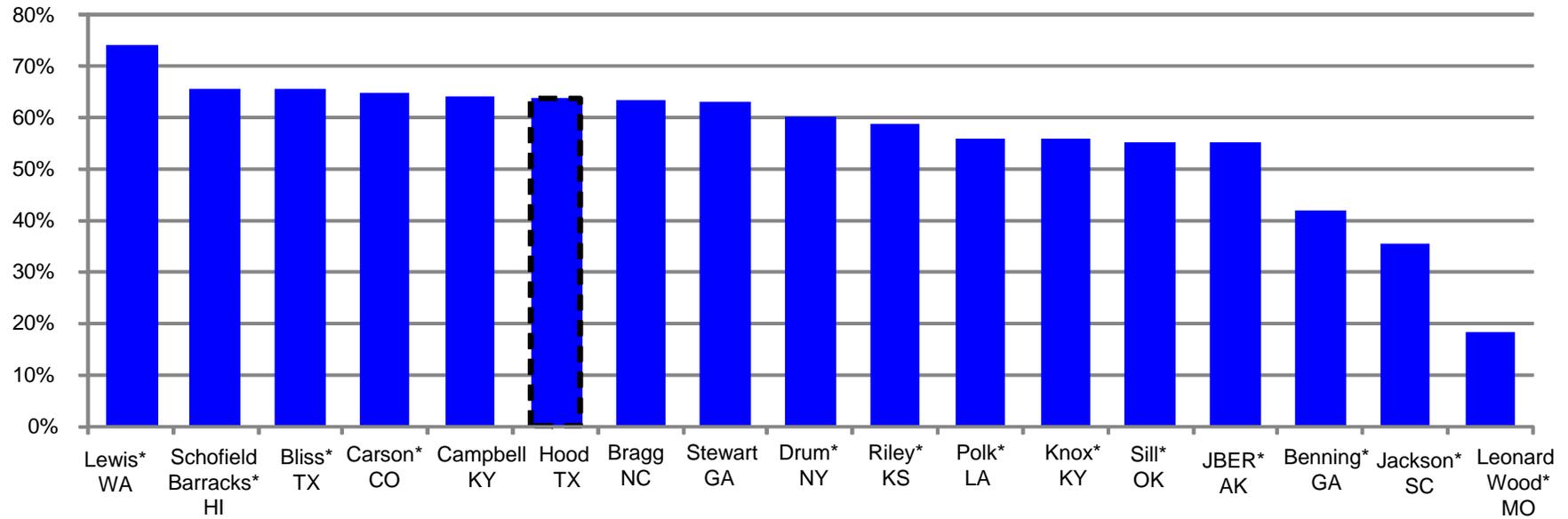


UCX application rates by reason for separation



* Statistically different (p < 0.05) than comparison population.

UCX application by last location



* Statistically different ($p < 0.05$) than comparison population.

Application and Usage Rates for Illinois, Texas, and North Carolina

<i>State</i>	Applied (n)	Used (n)	Usage Rate
Illinois	732	600	82.0%
North Carolina	1,969	1,806	91.7%
Texas	2,820	2,313	82.0%

	UCX Eligible Separating Soldiers (n)	Application Rate (Army-Wide)	Usage Rate (IL, TX, and NC)
<i>Pay Grade</i>			
E1	8,689	40.6%	84.0%
E2	7,504	48.1%	79.6%
E3	14,892	59.1%	86.3%
E4	75,420	63.6%	86.4%
E5	31,740	59.9%	85.8%
E6	8,597	51.7%	83.0%
E7	1,752	37.9%	67.2%
E8	262	23.3%	42.9%
E9	53	9.4%	100.0%
<i>Gender</i>			
Male	124,940	58.3%	84.2%
Female	23,969	63.7%	90.0%
<i>Race</i>			
Black	22,913	71.7%	90.0%
Hispanic	16,835	64.8%	85.5%
White	101,254	55.3%	83.3%
Other	7,907	59.6%	82.6%
<i>Marital Status</i>			
Divorced	8,928	65.6%	85.6%
Married	78,624	62.9%	84.8%
Single	60,833	53.3%	85.5%
<i>Children</i>			
No Children	50,791	46.8%	85.4%
Children	59,177	61.1%	86.4%
<i>Education</i>			
High School Dropout	1,063	64.3%	95.0%
GED	20,360	66.1%	88.3%
High School Graduate	106,284	58.5%	84.6%
Some College	10,674	57.9%	87.1%
Associates Degree	3,771	56.3%	85.7%
Bachelors Degree	5,208	51.2%	87.8%
Graduate Degree	556	51.3%	90.9%
<i>AFQT Category</i>			
CAT 4 & 5	4,077	69.7%	85.5%
CAT 3B	50,331	63.6%	85.5%
CAT 3A	38,153	60.1%	85.5%
CAT 2	47,799	55.1%	85.3%
CAT 1	7,389	45.6%	85.4%

	UCX Eligible Separating Soldiers (n)	Application Rate (Army-Wide)	Usage Rate (IL, TX, and NC)
<i>Branch of Service in the Army</i>			
11 IN (Infantry)	25736	56.6%	83.0%
12 EN (Engineers)	8211	60.2%	86.5%
13 FA (Field Artillery)	8924	61.3%	81.7%
14 AD (Air Defense)	2451	65.0%	90.7%
15 AV (Aviation)	6012	52.0%	80.1%
18 SF (Special Forces)	638	34.6%	85.0%
19 AR (Armor)	7332	54.7%	86.2%
25 SC (Signal Corps)	10381	58.0%	86.7%
27 JA (Staff Judge Advocate)	508	55.7%	89.7%
31 MP (Military Police)	7210	53.1%	83.0%
35 MI (Military Intelligence)	7298	44.7%	85.5%
36 FI (Finance)	550	67.8%	94.4%
42 AG (Adjutants General)	3617	66.7%	87.1%
68 MS (Medical Service)	10660	58.1%	88.5%
74 CM (Chemical Corps)	2301	66.9%	81.5%
88 TC (Transportation)	8824	64.9%	85.9%
91 OD (Ordinance)	14185	61.2%	83.7%
92 QM (Quartermaster)	18,458	70.2%	87.6%
<i>Separation Reasons</i>			
Completed Service	72,569	62.0%	87.5%
Family Issues	7,358	72.8%	90.7%
Misconduct	10,365	71.4%	90.8%
Poor Performance	8,263	70.4%	84.3%
Needs of Army	2,636	64.8%	86.5%
Disability	21,460	54.5%	78.1%
Medical Issues	14,617	35.2%	83.9%

Variable	All Eligible Non-Retirees	Junior Soldiers	NCO's	Retirees	
	Mean	0.59	0.60	0.57	0.25
<i>Gender (female and male is omitted category)</i>					
Female	0.037*** (0.004)	0.039*** (0.004)	0.034*** (0.008)	0.018 (0.013)	
<i>Race (white is omitted category)</i>					
Black	0.14*** (0.004)	0.14*** (0.004)	0.14*** (0.007)	0.12*** (0.010)	
Hispanic	0.061*** (0.004)	0.051*** (0.005)	0.089*** (0.008)	0.044*** (0.016)	
Other Race	0.027*** (0.006)	0.018*** (0.007)	0.041*** (0.011)	0.058*** (0.015)	
<i>Dependents (having dependents is omitted category)</i>					
No Child Dependents	-0.0062** (0.003)	-0.0060* (0.003)	-0.012** (0.005)	-0.018** (0.009)	
<i>Marital Status (married is omitted category)</i>					
Single	-0.043*** (0.003)	-0.048*** (0.003)	-0.025*** (0.006)	-0.013 (0.019)	
Divorced	0.022*** (0.005)	0.0077 (0.007)	0.042*** (0.008)	0.0061 (0.011)	
<i>Disability (no disability compensation is omitted category)</i>					
Disability Compensation (Indicator)	0.082*** (0.003)	0.079*** (0.003)	0.082*** (0.005)	0.080*** (0.012)	
<i>AFQT (Category 3A is omitted category, Category 1 is the highest)</i>					
Cat 1	-0.082*** (0.006)	-0.082*** (0.008)	-0.078*** (0.011)	-0.033 (0.021)	
Cat 2	-0.022*** (0.003)	-0.024*** (0.004)	-0.019*** (0.006)	-0.018* (0.010)	
Cat 3B	0.015*** (0.003)	0.014*** (0.004)	0.019*** (0.007)	0.0035 (0.010)	
Cat 4	0.032*** (0.008)	0.035*** (0.009)	0.015 (0.016)	0.043** (0.019)	
Cat 5	-0.10 (0.123)	-0.12 (0.134)	0.15 (0.150)	-0.33*** (0.051)	
<i>Education (High School Graduate is omitted category)</i>					
HS Dropout	0.053*** (0.014)	0.070*** (0.017)	0.013 (0.026)	0.12 (0.182)	
GED	0.051*** (0.004)	0.048*** (0.004)	0.046*** (0.008)	-0.050 (0.043)	
Some College	0.011** (0.005)	0.019*** (0.006)	-0.00050 (0.008)	-0.014 (0.010)	
Associates Degree	-0.0086 (0.008)	0.0068 (0.011)	-0.027** (0.012)	-0.021* (0.012)	
Bachelors Degree	-0.015** (0.007)	0.015 (0.010)	-0.039*** (0.010)	0.0041 (0.012)	
Graduate Degree	-0.017 (0.020)	0.0051 (0.028)	-0.035 (0.030)	-0.042** (0.019)	
Year, Rank, Years of Service, Branch, Separation Reason Indicators, Last Duty Location Indicators, and Home of Record State Indicators Included	X	X	X	X	
N	147719	105773	41946	13521	
R-Squared	0.13	0.14	0.11	0.12	