

# MILITARY VETERANS AND SOCIAL SECURITY: 2010 UPDATE

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*More than 1 out of 5 adult Social Security beneficiaries has served in the military, and veterans and their families comprise 35 percent of the beneficiary population. Policymakers are particularly concerned with the economic well-being of veterans and their family members, who may receive benefits through several government programs. Using data from the March 2010 Current Population Survey (CPS), this article presents the sociodemographic characteristics of the veteran beneficiary and the total veteran populations. Relative to all Social Security beneficiaries, veteran beneficiaries are older; greater proportions are men, are married, and have higher educational attainment; and fewer are poor or near poor. Veteran beneficiary demographic trends are examined by drawing comparisons with findings from the March 2000 CPS and the March 2004 CPS. Using data from the Department of Veterans Affairs VetPop2007 projection model, this article also describes the growing proportions of women and minorities in the veteran population.*

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## **Introduction**

Although the number of United States military veterans has decreased slightly over the last several years, the number of veterans receiving Social Security benefits still approaches 9.3 million, according to the March 2010 Current Population Survey (CPS). Of almost 44 million adults receiving Social Security benefits, more than 1 out of 5 has served in the military. Family members of veterans also receive benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program (Social Security). Veterans and their families together make up 35 percent of the adult Social Security beneficiary population. Policymakers are particularly concerned with the economic well-being of veterans and their family members, who may receive benefits through several government programs including special wage credits through Social Security, education assistance through the GI Bill, and compensation and pension payments through the Department of Veterans Affairs (VA).

This article updates two previous studies: Gesumaria and Weaver (2001), which used data from the March 2000 CPS; and Olsen (2005/2006), which used data from the March 2004 CPS. Findings from

these earlier studies are cited throughout this article. For the sake of simplicity, we omit individual source citations. Readers are alerted that all findings herein based on the March 2000 CPS are from Gesumaria and Weaver (2001), and all findings based on the March 2004 CPS are from Olsen (2005/2006).

The CPS is a large, nationally representative monthly survey of US households conducted by the Census Bureau, primarily to collect employment data on the noninstitutionalized population.<sup>1</sup> This article uses weighted March 2010 CPS data to report the sociodemographic characteristics of all veterans and of veteran Social Security beneficiaries, including their 2009 income and benefit amounts. It also uses data from VetPop2007, the most recent version of the VA's model for projecting the veteran population. The model provides official estimates and projections of

### **Selected Abbreviations**

CPS	Current Population Survey
SSA	Social Security Administration
VA	Department of Veterans Affairs

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the veteran population from April 2000 to September 2036 by age, sex, period of service, race/ethnicity, rank, and service branch.<sup>2</sup>

The article also examines the characteristics of veterans who may be eligible to receive disability benefits if they meet the Social Security definition of disabled. This group receives special consideration when applying for disability benefits through the Social Security Administration's (SSA's) Wounded Warriors program.

Lastly, the article examines trends in the military veteran population, including the growing number of women and minorities serving in the armed forces. Although the number of veterans is projected to decrease over time, VetPop2007 projects that women and minorities will comprise growing proportions of the veteran population in the future. Understanding the veteran population is important to ensure that programs meet veterans' needs and adapt to the changing demographics of military personnel.

### ***Characteristics of the Veteran and Social Security Beneficiary Populations***

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About 9.3 million military veterans receive old-age, disability, or survivor benefits from Social Security, accounting for just over one-fifth of the adult Social Security beneficiary population in the March 2010 CPS (Table 1).<sup>3</sup> Compared with all beneficiaries, veteran beneficiaries are older; greater proportions are men, are married, and have higher educational attainment; and fewer are poor or near poor. Compared with veteran beneficiaries, veterans overall are younger and more diverse.

According to the March 2010 CPS, 93.0 percent of veteran beneficiaries were aged 62 or older (individuals can first apply for reduced retirement benefits at age 62). Veteran beneficiaries are slightly older than all adult beneficiaries: 46.0 percent of veteran beneficiaries are aged 75 or older, compared with 36.5 percent in the overall beneficiary population.<sup>4</sup> Veteran beneficiaries largely served during the Vietnam War and from February 1955 to July 1964 (the period between the Korean War and the Vietnam War).<sup>5</sup> Veterans who served in the Korean War and earlier account for over 39 percent of veteran beneficiaries, and they are among the oldest-old Social Security beneficiaries.

Most veteran beneficiaries (96.4 percent) are men, compared with all adult beneficiaries, of whom 43.7 percent are men. These percentages are consistent

with those from the March 2004 CPS. A notable difference is the increase in the share of all veterans who are women, from 5.5 percent in the March 2004 CPS to 7.2 percent in the March 2010 CPS. As the percentage of all veterans who are women increases over time, the percentage of female veteran beneficiaries will also increase (the growing proportion of female veterans is further discussed in the trends section). In addition, 70.8 percent of veteran beneficiaries are married, compared with 53.6 percent of all adult beneficiaries.<sup>6</sup>

Veteran beneficiaries have higher educational attainment than the overall beneficiary population: 88.3 percent of veteran beneficiaries have received a high school diploma and 27.6 percent have at least a bachelor's degree. By contrast, 79.2 percent of all adult beneficiaries have a high school diploma and 20.0 percent have at least a bachelor's degree. The difference in high school completion rates may be because most branches of the military require a high school diploma (or equivalent) to enlist,<sup>7</sup> and the difference in bachelor's degree receipt may be due in part to veterans' education benefits. The original GI bill was signed into law on June 22, 1944, providing veterans with access to education benefits through the VA. These benefits were for a minimum of 1 year and up to 4 years, depending on age and length of service (Bound and Turner 2002). By the time the original GI Bill expired on July 25, 1956, 7.8 million of the 16 million World War II veterans had participated in an education or training program. In 1984, the GI Bill was revamped to provide up to 36 months of education assistance, which is generally payable for 10 years following release from active duty. This updated "Montgomery" GI Bill is available to individuals who, in general, entered active duty or served in 1985 or later.<sup>8</sup> The GI Bill was last updated in 2008 for veterans with active-duty service on or after September 11, 2001. It provides enhanced educational benefits for veterans and their families, including tuition and fees, a monthly housing allowance, and an annual stipend for books and supplies (VA 2009).<sup>9</sup>

According to the March 2010 CPS, 7.2 percent of veteran beneficiaries are black and 3.4 percent are Hispanic. Table 1 shows there is greater diversity among the overall beneficiary population (10.5 percent black and 7.1 percent Hispanic) and among all veterans (10.5 percent black and 5.4 percent Hispanic). The increasing diversity of the veteran population is discussed in the trends section.

**Table 1.**  
**Characteristics of military veterans and Social Security beneficiaries, 2010**

Characteristic	All veterans		Veterans who are Social Security beneficiaries		All adult Social Security beneficiaries	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Total	20,634	100.0	9,263	100.0	43,624	100.0
Military service <sup>a</sup>						
November 1941 or earlier	21	0.1	21	0.2	21	0.0
World War II	1,702	8.2	1,599	17.3	1,599	3.7
January 1947–June 1950	333	1.6	297	3.2	297	0.7
Korean War	1,854	9.0	1,718	18.5	1,718	3.9
February 1955–July 1964	2,652	12.9	2,387	25.8	2,387	5.5
Vietnam War	6,048	29.3	2,500	27.0	2,500	5.7
May 1975–July 1990	3,844	18.6	553	6.0	553	1.3
August 1990–August 2001	2,485	12.0	154	1.7	154	0.4
September 2001 or later	1,696	8.2	34	0.4	34	0.1
Age						
49 or younger	5,062	24.5	148	1.6	3,609	8.3
50–61	4,853	23.5	501	5.4	3,552	8.1
62–74	6,121	29.7	4,351	47.0	20,541	47.1
75 or older	4,599	22.3	4,264	46.0	15,922	36.5
Sex						
Male	19,141	92.8	8,928	96.4	19,076	43.7
Female	1,493	7.2	336	3.6	24,548	56.3
Married	14,048	68.1	6,559	70.8	23,374	53.6
Education						
At least a high school diploma	19,135	92.7	8,176	88.3	34,540	79.2
At least a bachelor's degree	5,613	27.2	2,552	27.6	8,722	20.0
Race and ethnicity						
Black <sup>b</sup>	2,172	10.5	666	7.2	4,570	10.5
Hispanic	1,107	5.4	313	3.4	3,106	7.1
Receives disability benefits <sup>c</sup>	771	3.7	771	8.3	6,171	14.1
No Medicare	11,469	55.6	815	8.8	5,617	12.9
Income below—						
Poverty threshold	1,330	6.4	348	3.8	4,086	9.4
150% of poverty threshold	2,707	13.1	1,132	12.2	9,646	22.1

SOURCE: March 2010 CPS.

NOTE: Weighted estimates are based on the public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

- a. Defined as the last period in which the veteran served.
- b. More than one race can be reported in the CPS. Data include people who identify themselves as black alone or in combination with one or more races.
- c. An individual is classified as receiving disability benefits if he or she is younger than age 66 and reports receiving Social Security because of a disability.

As noted earlier, veteran beneficiaries tend to be older than all adult beneficiaries, which may account for the higher rate of Medicare receipt among them.<sup>10</sup> Only 8.8 percent of veteran beneficiaries do not receive Medicare, compared with 12.9 percent of all adult beneficiaries.<sup>11</sup>

By contrast, the total veteran population tends to be younger than veteran beneficiaries, with almost one-half aged 61 or younger. Among all veterans, 55.6 percent do not receive Medicare and 55.1 percent do not receive Social Security benefits, mostly because they are still too young to qualify for either program. Fifty-seven percent of all veterans in the March 2010 CPS are younger than age 65, but as these individuals age, more will be eligible for both programs. These numbers indicate that the all-veteran population is slightly older than in previous years. In the March 2004 CPS, 61 percent of all veterans were younger than age 65 and over 59 percent did not receive Medicare.

Only 3.8 percent of veteran beneficiaries have incomes below the poverty threshold, while 9.4 percent of all adult beneficiaries have incomes below the poverty threshold. In addition, 12.2 percent of veteran beneficiaries have incomes below 150 percent of the poverty threshold, while 22.1 percent of all beneficiaries have incomes below this level.<sup>12</sup> Poverty is measured by comparing cash income from all sources (such as wages and salary, income from self-employment, unemployment compensation, Social Security, public assistance, interest, dividends, and veterans' benefits) with official poverty thresholds.<sup>13</sup>

## Economic Status

The economic status of veterans is of particular importance to policymakers, who are responsible for changes to federal programs that serve these populations. In addition to Social Security retirement, survivors', spousal, children's, and disability benefits, veterans and their families can receive compensation and pensions, home loan guarantees, education and training, and other benefits from the VA.<sup>14</sup> The income and benefits that veteran beneficiaries receive may explain their relatively higher economic status compared with nonveterans. Because veterans are overwhelmingly male, we compare their characteristics with those of male nonveteran beneficiaries.<sup>15</sup>

Veteran beneficiaries tend to have lower poverty rates than male nonveteran beneficiaries, especially at older ages. For example, only 3.4 percent of veteran beneficiaries aged 75 or older were in poverty, while 7.6 percent of male nonveteran beneficiaries were in poverty (Table 2). At younger ages, veteran beneficiaries also have lower poverty rates than their nonveteran counterparts. Although 36.2 percent of male nonveteran beneficiaries aged 61 or younger had incomes below 150 percent of the poverty threshold, 26.5 percent of veteran beneficiaries in this age range had incomes below 150 percent of the poverty level.

Compared with previous years, veteran beneficiaries are slightly better off. For example, in the March 2004 CPS, 25.6 percent of veteran beneficiaries aged 61 or younger had incomes below 125 percent of poverty level, but only 18.3 percent had incomes

**Table 2.**  
**Economic status of veteran and male nonveteran Social Security beneficiaries, by age in 2010**

Beneficiary and age	Below poverty threshold		Below 125 percent of poverty threshold		Below 150 percent of poverty threshold	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
<b>Veteran beneficiaries</b>						
61 or younger	77	11.9	119	18.3	172	26.5
62–74	127	2.9	266	6.1	432	9.9
75 or older	143	3.4	292	6.8	528	12.4
<b>Male nonveteran beneficiaries</b>						
61 or younger	493	17.8	761	27.5	1,003	36.2
62–74	351	6.8	557	10.8	843	16.4
75 or older	170	7.6	307	13.8	463	20.8

SOURCE: March 2010 CPS.

NOTE: Weighted estimates are based on the public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

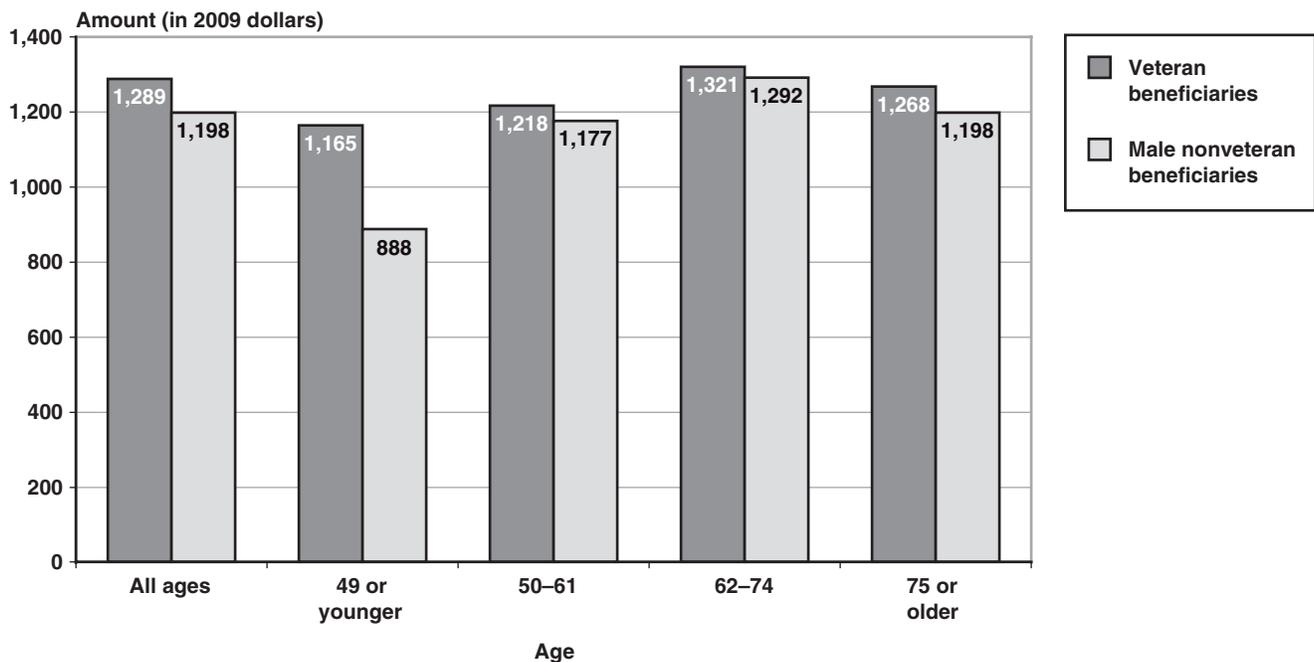
below this level in the March 2010 CPS. These results also hold for the oldest age group. Just over 8 percent of veteran beneficiaries aged 75 or older had incomes below 125 percent of the poverty threshold in the March 2004 CPS, compared with 6.8 percent in the March 2010 CPS. In addition, although in the March 2004 CPS almost 15 percent of those aged 75 or older had income below 150 percent of poverty level, only 12.4 percent did so in the March 2010 CPS. These results are also consistent for male nonveteran beneficiaries. For example, in the March 2004 CPS, 13.5 percent of male nonveteran beneficiaries aged 62 to 74 had incomes below 125 percent of the poverty threshold, yet only 10.8 percent in this age group had incomes below this level in the March 2010 CPS.

The economic status of those receiving Social Security benefits is determined in large part by their monthly Social Security benefit payment. According to SSA's *Income of the Aged Chartbook, 2008*, Social Security provided at least one-half of total income for

51.6 percent of beneficiary couples and for 72.6 percent of nonmarried beneficiaries aged 65 or older. In addition, Social Security accounted for 90 percent or more of income for 21.3 percent of beneficiary couples and for 43.4 percent of nonmarried beneficiaries aged 65 or older (SSA 2010).

Chart 1 shows average monthly Social Security benefit amounts for veteran beneficiaries compared with male nonveteran beneficiaries. Overall, veteran beneficiaries receive slightly larger Social Security benefits than male nonveteran beneficiaries, and they have higher benefits at each age range.<sup>16</sup> The differences are largest at the younger ages, with veteran beneficiaries aged 49 or younger reporting average monthly benefits equal to \$1,165, compared with \$888 for male nonveteran beneficiaries. The differences are much smaller at the oldest ages, with veteran beneficiaries aged 75 or older receiving an average of \$1,268 a month, compared with \$1,198 for male nonveteran beneficiaries. The benefit amounts in Chart 1 do not

**Chart 1.**  
**Average monthly Social Security benefit amounts,<sup>a</sup> by age in 2010**



SOURCE: March 2010 CPS.

NOTE: Weighted estimates are based on public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

a. Monthly benefits were computed by dividing the annual Social Security amounts by 12 (part-year beneficiaries may slightly lower the annual average). Benefit amounts do not include compensation or pension payments from the VA, but veterans' benefits may be higher because of special military wage credits.

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Individuals with active-duty military service or active-duty training have been covered under the Social Security program since January 1, 1957.<sup>17</sup> Those who served between 1957 and 2001 receive special credits that augment the earnings used in computing their Social Security benefits. Veterans who served between 1957 and 1977 are credited with \$300 in additional earnings for each calendar quarter in which they received active-duty basic pay. Those who served from 1978 to 2001 are credited with an additional \$100 in earnings for every \$300 in active-duty basic pay, up to a maximum of \$1,200 a year. Though they were not covered under Social Security and did not pay Social Security taxes, veterans who served between September 16, 1940 and December 31, 1956, may also be credited with \$160 a month in earnings.<sup>18</sup> These credits, which were funded by the Department of Defense, were originally enacted because some military compensation, such as the value of food, shelter, and medical care, was not used in determining average earnings for computing Social Security benefits.

However, the Department of Defense Appropriations Act of 2002 eliminated military wage credits for those who served in 2002 and later. Congress believed that eliminating these credits would allow funds to be reapplied to other essential military pay and retirement initiatives with minimal impact on future Social Security benefit amounts for veterans.<sup>19</sup> Although the military wage credits supplemented earnings in active-duty pay years, they would only increase Social Security benefits if those active-duty years were among the highest 35 years of wage-indexed earnings—those used to calculate benefit amounts. Therefore, military wage credits applied in active-duty pay years may not necessarily improve a veteran's, or his or her spouse's and dependents', Social Security benefits.<sup>20</sup>

### ***Disabled Veterans***

According to the March 2010 CPS, there were 771,000 disabled veterans receiving Social Security benefits (Table 3). We classify an individual as receiving disability benefits if he or she is younger than age 66 and reports receiving Social Security because of a disability.<sup>21</sup> Of the disabled veteran Social Security beneficiaries, 2.9 percent are younger than age 40 and 15.4 percent are younger than age 50. Almost

61 percent of disabled veterans younger than age 66 served during the Vietnam War, and another 27.7 percent served during the period of May 1975 through July 1990 (Chart 2). Disabled veterans who served in September 2001 or later only account for 3.0 percent of the Social Security disabled veteran population.

To receive benefits through the Social Security Disability Insurance (DI) program, individuals must be unable to work because they have a medical condition that is expected to last at least a year or result in death.<sup>22</sup> To qualify for these benefits, individuals younger than age 24 would need to earn 6 quarters of covered work during the 3-year period ending with the calendar quarter their disability began.<sup>23</sup> Individuals between ages 24 and 31 need to earn credits equaling at least half the number of quarters elapsed after reaching age 21 and until disability onset. Individuals aged 31 and older need to have worked during 5 of the 10 years ending with the calendar quarter their disability began.<sup>24</sup>

In the aftermath of the terrorist attacks of September 11, 2001, SSA created a program called Disability Benefits for Wounded Warriors. This initiative provides military servicemembers with expedited processing of Social Security disability claims if they become disabled while in active military service on or after October 1, 2001, regardless of where the disability occurs. If the initial claim is denied, wounded warriors will also receive expedited service if they appeal their denied claim.<sup>25</sup> For this group, expedited service may be especially beneficial. As Table 3 shows, 11.5 percent of disabled veterans receiving Social Security have income below the poverty threshold and 26.1 percent have income below 150 percent of the threshold. In addition, 30.8 percent of disabled veterans are not receiving Medicare. To qualify for Medicare, an individual must be aged 65 or older, as noted previously, or have received Social Security disability benefits for 24 months.<sup>26</sup>

### ***Trends in the Growth of the Veteran and Social Security Beneficiary Populations***

The total veteran population has been decreasing over the last several years, to 20.6 million in 2010 (Table 1). The VA expects the decline to continue.<sup>27, 28</sup> Despite the recent decline in the total veteran population, the number of veteran Social Security beneficiaries has increased substantially over the last several decades. Between 1968 and 2010, the number of veteran

**Table 3.**  
**Characteristics of veterans under age 66 who report receiving Social Security disability benefits, 2010<sup>a</sup>**

Characteristic	Veterans under age 66 who report receiving Social Security disability benefits	
	Number (thousands)	Percent
Total	771	100
Age		
39 or younger	22	2.9
40–49	96	12.5
50–59	262	34.0
60–66	390	50.6
Sex		
Male	707	91.6
Female	65	8.4
Married	437	56.7
Education		
At least a high school diploma	707	91.7
At least a bachelor's degree	109	14.1
Race and ethnicity		
Black <sup>b</sup>	133	17.3
Hispanic	37	4.8
No Medicare	238	30.8
Income below—		
Poverty threshold	88	11.5
150% of poverty threshold	201	26.1

SOURCE: March 2010 CPS.

NOTE: Weighted estimates are based on the public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

- a. Social Security disability benefits are converted to retirement benefits when the beneficiary reaches full retirement age.
- b. More than one race can be reported in the CPS. Data include people who identify themselves as black alone or in combination with one or more races.

beneficiaries more than quadrupled, from 2.1 million to 9.3 million (Chart 3). In recent years, however, that upward trend has fluctuated. In 2005, an estimated 9.6 million veterans received Social Security benefits. Historically, this is the largest number of veterans to receive Social Security benefits in a single year. Following this peak, the number of veteran beneficiaries decreased to 9.1 million by 2008. In 2010, the number increased somewhat to 9.3 million, with veteran beneficiaries comprising approximately 45 percent of the total veteran population, a 7 percentage point increase from 2000.

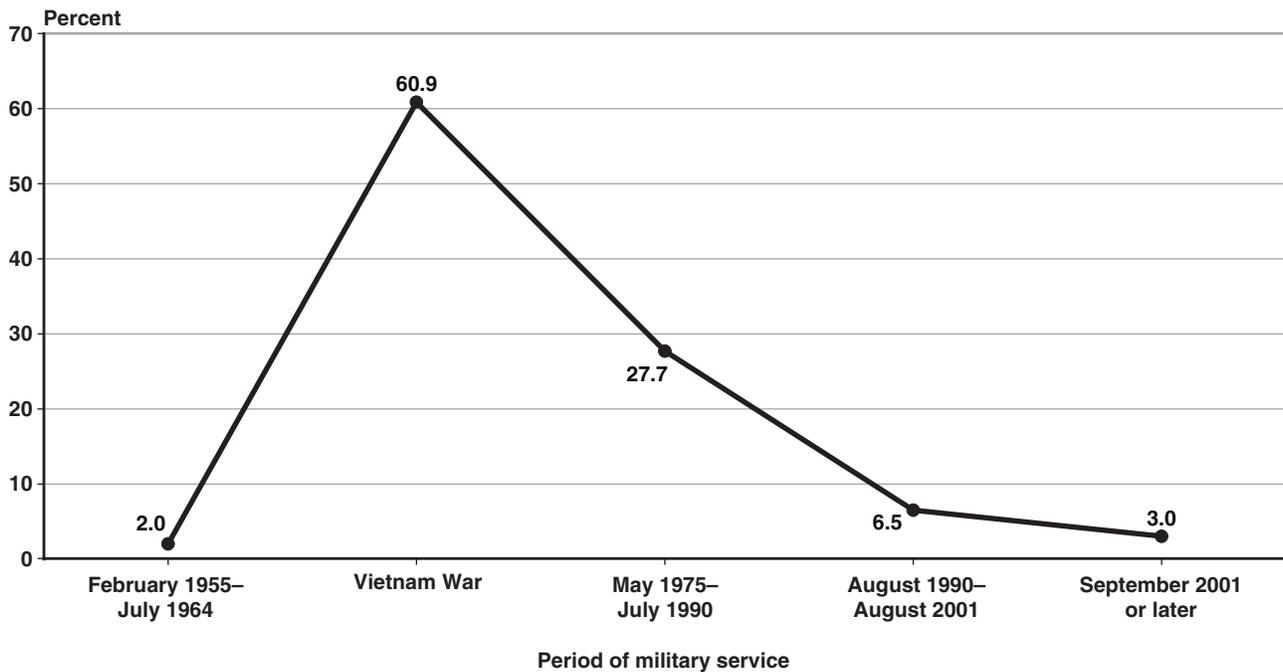
The proportion of veterans among the overall adult Social Security beneficiary population has also decreased slightly over the past decade, after increasing substantially from 1968 through the mid-1990s.

The highest all-time percentage of Social Security beneficiaries who were veterans was 25 percent in 1996 (Chart 4). This percentage has been declining since the March 2000 CPS, and in the March 2010 CPS, it is 21.2 percent.

These overall trends are partially due to the decline in the number of veterans who served in earlier wars. In the March 2000 CPS, World War II and Korean War veterans respectively accounted for 12.5 percent and 7.7 percent of the adult beneficiary population, but in the March 2010 CPS they respectively represented 3.7 percent and 3.9 percent of adult beneficiaries (Table 1). By contrast, Vietnam War veterans more than tripled as a percentage of the overall beneficiary population, from 1.6 percent in the March 2000 CPS to 5.7 percent in the March 2010

**Chart 2.**

**Veterans younger than age 66 who report receiving Social Security disability benefits in 2010, by period of military service**



SOURCE: March 2010 CPS.

NOTES: Period of military service is defined as the last period in which the veteran served.

Distribution does not add to 100.0 because of rounding.

CPS. Overall, those who served more recently account for a larger portion of the total veteran population in the March 2010 CPS than those who served in earlier periods. Veterans who served from May 1975 onward comprise 38.8 percent of all veterans. Veterans who served in September 2001 or later account for 8.2 percent of the total veteran population, up from 5.5 percent in 2007, which was the first year the CPS included a more specific breakdown of military service period.

Despite the decline in the total number of veterans, certain subsets of the veteran population have grown. The percentages of female and minority veterans have been steadily increasing. The VA projects that in the future, women and minorities will constitute larger proportions of the total veteran population. The changing demographics of the veteran population may affect the composition of future veteran beneficiary populations. As discussed earlier, veteran beneficiaries are mostly white men. Because of demographic differences in earning patterns and mortality rates, white male Social Security beneficiaries tend to have higher benefits, and correspondingly higher economic

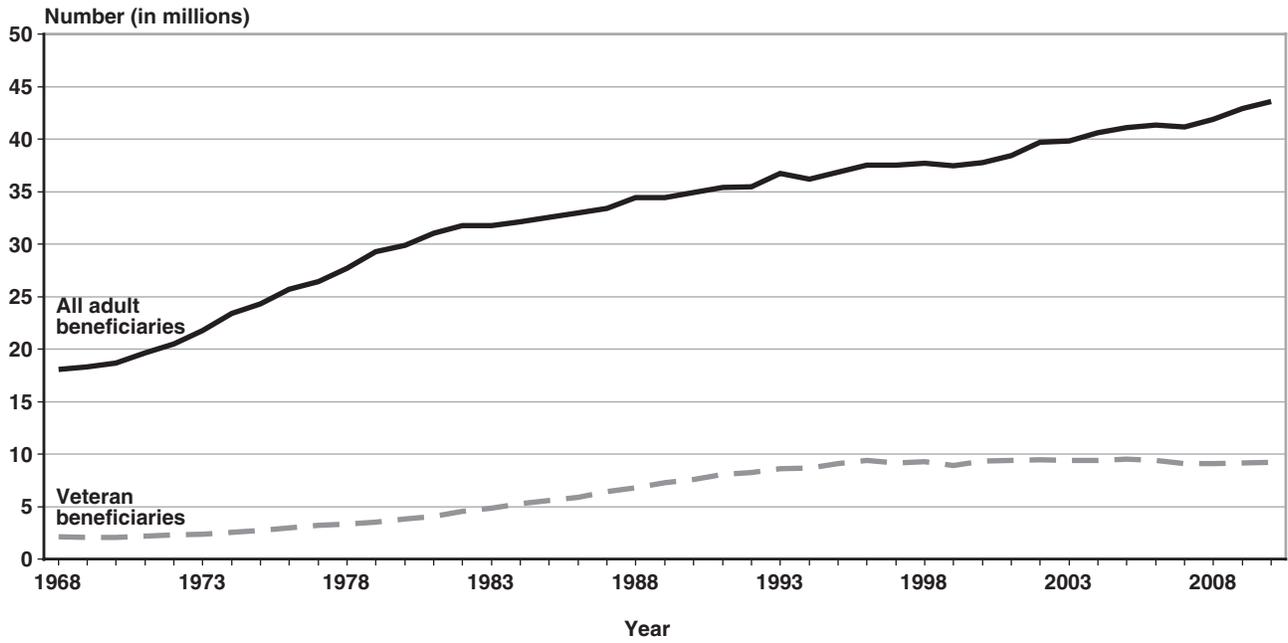
status, than both women and minority beneficiaries (Favreault 2005; Hendley and Bilimoria 1999). As the veteran population continues to include more women and becomes more racially and ethnically diverse, the current higher economic status of veteran beneficiaries compared with male nonveteran beneficiaries may not necessarily hold into the future.

### **Female Veterans**

According to VetPop2007, women comprised only 6.1 percent of all veterans in 2000 and 6.8 percent in 2004, but their share has grown to 8.1 percent in 2010 (Chart 5). The VA projects that the proportion of female veterans will more than double between 2000 and 2036, from 6.1 percent to 15.1 percent. The increase in women serving in the military may be attributable to recruitment efforts targeted specifically toward women and to laws that have increased the number of opportunities available to them.

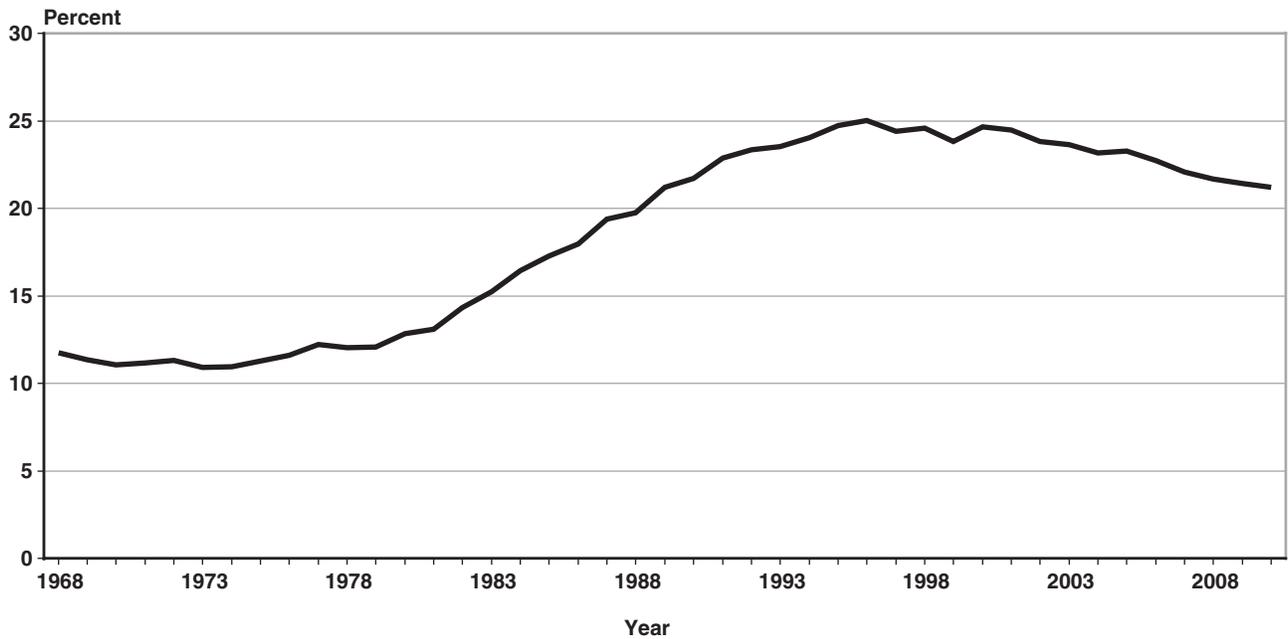
Beginning with the Women's Armed Services Integration Act of 1948, the military, particularly the army, began to expand the opportunities for women beyond clerical and nursing positions. Efforts to

**Chart 3.**  
**Number of veterans and of all adults who are Social Security beneficiaries, 1968–2010**



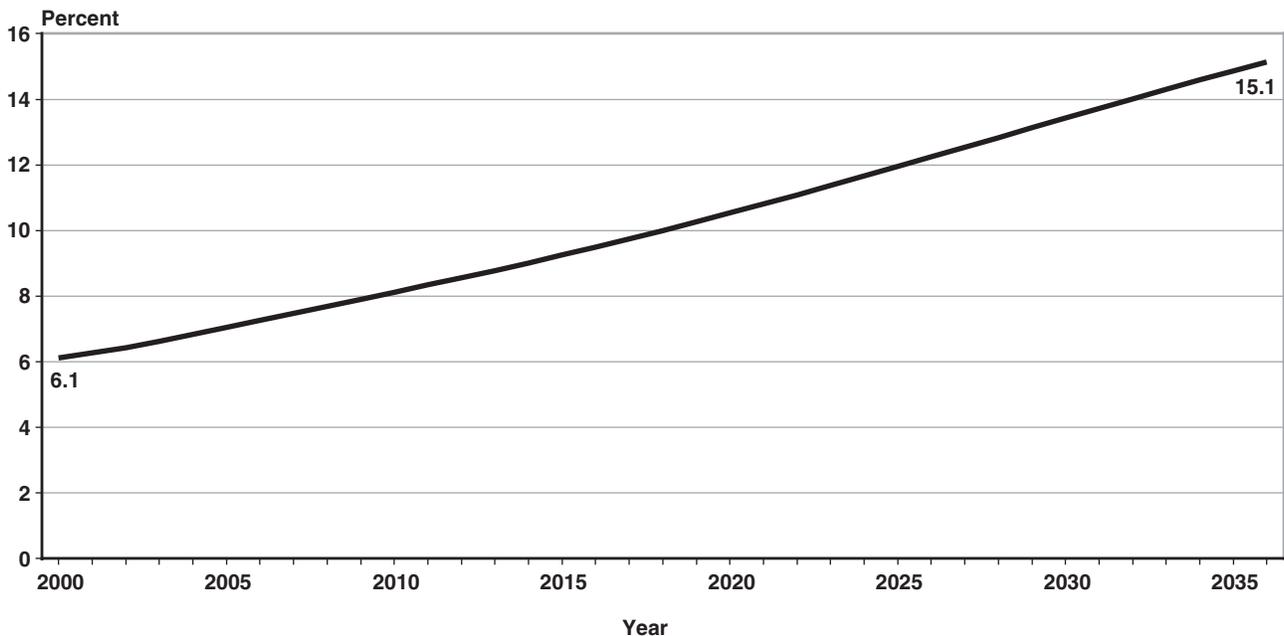
SOURCE: March CPS, 1968–2010.

**Chart 4.**  
**Percentage of Social Security beneficiaries who are veterans, 1968–2010**



SOURCE: March CPS, 1968–2010.

**Chart 5.**  
**Percentage of veterans who are women, 2000–2036**



SOURCE: VetPop2007.

recruit women into the service have also increased. Over time, advertisements for the various military branches began to depict female soldiers receiving the same skills training and educational benefits as male soldiers. These recruitment efforts intensified after the expiration of the Selective Service Act in 1973, when the military began adding more female recruits to supplement ranks thinned by the end of the draft (Brown 2006).

In 1988, the Department of Defense established the “Risk Rule,” which revised the criteria that barred women from certain posts, opening up an additional 30,000 positions for women in the armed services (WREI 2007). Recruitment campaigns in various media outlets began to depict female soldiers in roles that reflected these new opportunities in all of the military branches, and the army in particular, to attract women to the armed services (Brown 2006). These developments underlie the VA’s expectation that the percentage of veterans who are women will continue to trend upward, which in turn will increase the number of female veteran Social Security beneficiaries.

### **Minority Veterans**

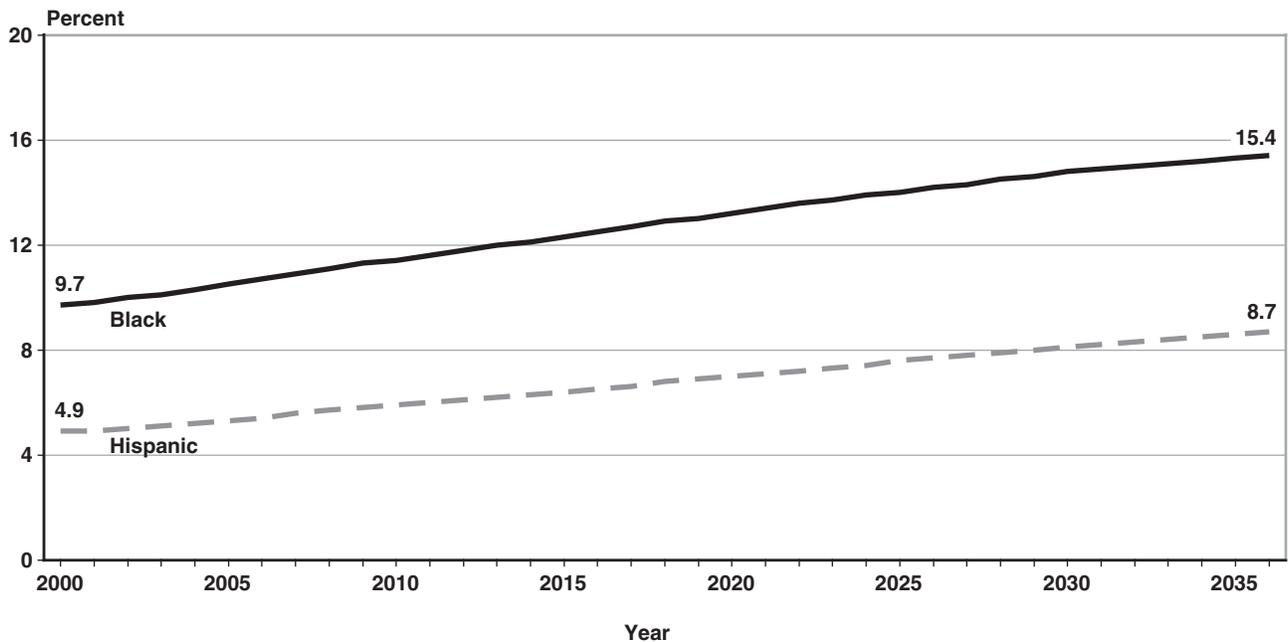
The percentage of the veteran population that identifies itself as a minority has also grown steadily.

However, over the last decade, growth rates have differed across racial and ethnic lines. From 2000 to 2010, the percentage of all veterans who identify themselves as black has grown faster than the percentage who identify as Hispanic. Between 2011 and 2036, the Hispanic veteran population will begin to grow at a faster rate than the black veteran population. However, the black veteran population will remain the larger of the two.<sup>29</sup>

According to the March 2000 CPS, 10.3 percent of all veterans were black and 3.6 percent were Hispanic. In the March 2010 CPS, 10.5 percent of all veterans identified as black, a 0.2 percentage point increase from the March 2000 CPS. The proportion of Hispanic veterans has grown to 5.4 percent in the March 2010 CPS (Table 1), an increase of 1.8 percentage points since the March 2000 CPS. These percentages represent an increase from the March 2004 CPS as well. Blacks accounted for 9.7 percent and Hispanics accounted for 4.3 percent of the overall veteran population in the March 2004 CPS.

The percentages of black and Hispanic veterans in VetPop2007 are projected to increase, but the percentage of black veterans is projected to grow at a slower rate than that of Hispanic veterans (Chart 6). VetPop2007 projects that by 2036, blacks will comprise

**Chart 6.**  
**Percentages of veterans who are black or Hispanic, 2000–2036**



SOURCE: VetPop2007.

15.4 percent of the overall veteran population; compared with 2000, this represents an increase of over 59 percent in the proportion of veterans who are black. In 2036, VetPop2007 estimates that Hispanics will account for 8.7 percent of the overall veteran population, an increase of almost 80 percent over the proportion in 2000. Despite the anticipated growth in the percentages of both black and Hispanic veterans, the difference between the two groups is expected to grow as well. In 2000, there was a 4.8 percentage point difference between the proportions of the black and Hispanic veteran populations. By 2036, VetPop2007 estimates that the difference will grow to 6.7 percentage points.

Although the percentage of veterans who are black has increased, the number of black veterans has decreased from 2.5 million in the March 2000 CPS to less than 2.2 million in the March 2010 CPS (Table 1). The VA projects that although the number will continue to decline, it will not drop as rapidly as the overall veteran population, resulting in the increasing proportion of black veterans in the future. The VA expects the number of black veterans to decline from 2.6 million in 2010 to 2.2 million in 2036, according to VetPop2007. By contrast, the Hispanic veteran population has grown by over 230,000 since 2000,

according to the CPS. Although VetPop2007 projects that the number of Hispanic veterans will decline from 1.3 million in 2010 to 1.2 million in 2036, they also are expected to represent a continually larger percentage of the total veteran population.

The percentage of minority veteran Social Security beneficiaries has grown in a similar pattern to that of the total minority veteran population. The percentage of black veteran beneficiaries increased from 6.5 percent in the March 2000 CPS to 7.2 percent in the March 2010 CPS (Table 1). The percentage of Hispanic veteran beneficiaries increased from 2.3 percent to 3.4 percent during the same decade. As the total veteran population becomes more racially and ethnically diverse, so will the Social Security veteran beneficiary population.

### **Conclusion**

Although the number of veterans has decreased over the last decade, veterans and their families still account for 35 percent of the Social Security beneficiary population. The majority of veteran beneficiaries served from February 1955 to the end of the Vietnam War. Veteran beneficiaries tend to be older, are more likely to be married, and are more likely to have finished high school and attained a bachelor's degree

than the overall Social Security beneficiary population. They also tend to receive higher Social Security benefits than male nonveteran beneficiaries and have lower poverty rates than the overall beneficiary population.

The general veteran population is younger and more diverse than the veteran population that receives Social Security benefits. Nearly half of all veterans are younger than age 62, and as the number of veterans who served in older conflicts decreases, veterans of more recent conflicts will replace them. The proportions of female and minority veterans have increased over the last several decades and these groups are projected to represent larger portions of the general veteran population in the future. The changing face of the military veteran population will be reflected in the Social Security veteran population in the future. As the composition of the veteran beneficiary population changes, it will be important for policymakers to note how the needs of the population changes.

### **Appendix: Social Security Widow Beneficiaries**

The CPS does not specifically measure the economic status of widows who were married to veterans, but it does contain information on the status of widows in general. Because the vast majority of veterans are male and over two-thirds are married, widowed beneficiaries are an important group to consider in the context of veteran beneficiaries. A large number of women will become widows of veterans in the coming decade: Among all beneficiaries in the March 2010 CPS, 2.9 million married veterans are aged 75 or older.

A large percentage of widow beneficiaries have incomes below or near poverty level. For example, 35.1 percent of widow beneficiaries aged 61 or younger have incomes below 125 percent of the poverty line in the March 2010 CPS (Table A1). Older widows tend to be slightly better off: 20.5 percent of those aged 62 to 74 and 21.3 percent of those aged 75 or older have incomes below 125 percent of the poverty threshold. Widows in these older age groups are also faring better than they were in the March 2004 CPS. For example, over 24 percent of widows aged 62 to 74 in 2004 had incomes below 125 percent of the poverty level, compared with 20.5 percent in 2010. However, the youngest widows are faring worse in 2010. In the March 2004 CPS, 40.3 percent of widows aged 61 or younger had incomes below 150 percent of the poverty threshold; this number has increased to 46.2 percent in the March 2010 CPS.

For ages 50 or older, widows have lower average Social Security monthly benefit amounts than both veterans and male nonveterans. For example, among beneficiaries aged 62 to 74, average monthly benefits for widows are more than \$100 lower than those for veterans and male nonveterans (Chart 1 and Chart A1). However, Social Security is especially important for widows, accounting for 90 percent or more of total income for 28.9 percent of women aged 65 or older (SSA 2010). Although the benefit amounts for widows in Chart A1 may not seem significantly lower than those of veterans and male nonveterans, the higher poverty rates for widows shown in Table A1 indicate that these benefits are particularly important for this group.

**Table A1.**  
**Economic status of widow Social Security beneficiaries, by age in 2010**

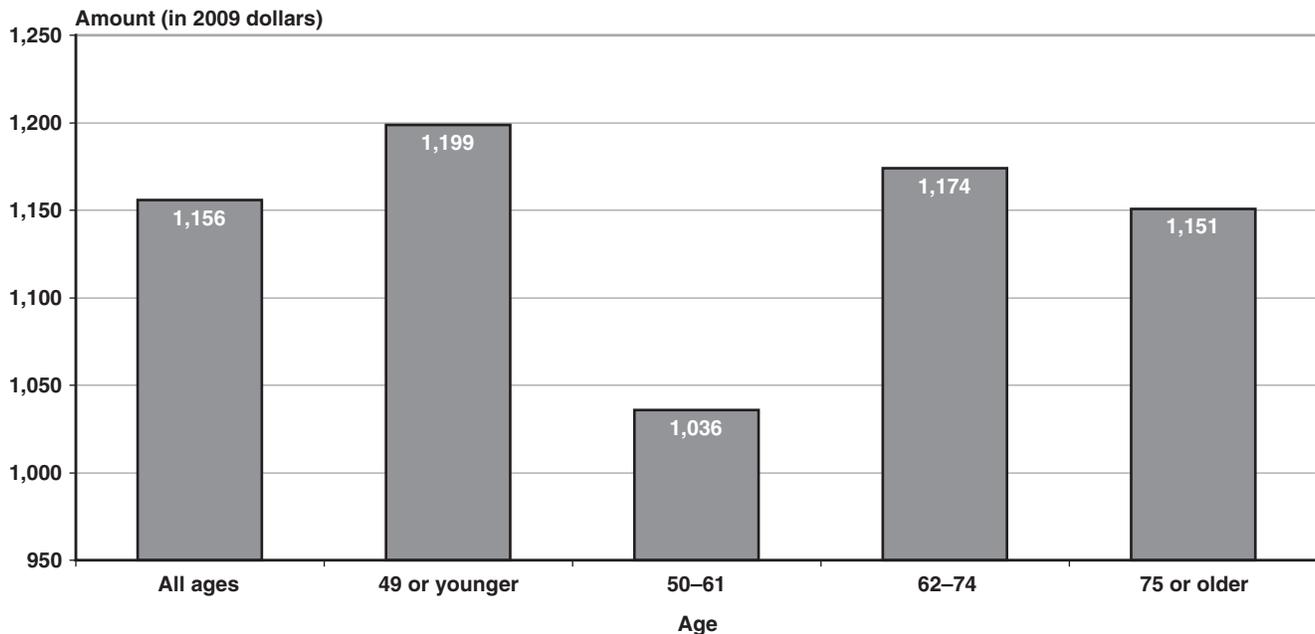
Age group	Below poverty threshold		Below 125 percent of poverty threshold		Below 150 percent of poverty threshold	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
61 or younger	121	24.1	176	35.1	232	46.2
62–74	297	11.2	543	20.5	748	28.3
75 or older	618	11.2	1,178	21.3	1,781	32.2

SOURCE: March 2010 CPS.

NOTE: Weighted estimates are based on the public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

**Chart A1.**

**Average monthly Social Security benefit amounts<sup>a</sup> for widows, by age in 2010**



SOURCE: March 2010 CPS.

NOTES: Weighted estimates are based on the public-use March 2010 CPS (income year 2009), and are subject to nonsampling error (such as respondent error in reporting characteristics and amount and type of income).

a. Monthly benefits were computed by dividing annual Social Security benefits amounts by 12 (part-year beneficiaries may slightly lower the annual average).

**Notes**

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<sup>1</sup> For more information on the CPS, see <http://www.census.gov/cps/>.

<sup>2</sup> For more information on VetPop2007, see VA (2008).

<sup>3</sup> CPS respondents may indicate up to two reasons for receiving Social Security benefits, so some beneficiaries may be dually entitled. For example, individuals could be receiving disability benefits on their own earnings record and receiving spousal retirement benefits from their spouse's earnings record; or, individuals could be receiving retirement benefits on their own record and survivor benefits from their spouse's record. For more information on Social Security benefits, see <http://www.socialsecurity.gov/pubs/10024.pdf>.

<sup>4</sup> CPS data are subject to age perturbation, or the adjustment of ages for selected household members depending on the demographic characteristics of all members of the household, to increase confidentiality protection. Therefore, we do not separate individuals aged 75 or older into smaller subgroups as was done in Gesumaria and Weaver

(2001) and Olsen (2005/2006). For more information on age perturbation and its effect on the CPS data, see [http://www.census.gov/cps/user\\_note\\_age\\_estimates.html](http://www.census.gov/cps/user_note_age_estimates.html) and Fisher (2010).

<sup>5</sup> The CPS allows veteran respondents to indicate up to four periods in which they served; however, for the purpose of this article, military service period is defined as the most recent date of service.

<sup>6</sup> This discrepancy may relate to the fact that the majority of veteran beneficiaries are men, while the majority of all adult beneficiaries are women. Women tend to outlive men and are thus more likely to be unmarried at older ages (CDC 2010, Table A).

<sup>7</sup> For more information on military enlistment requirements, see <http://www.bls.gov/oco/ocos249.htm>.

<sup>8</sup> For more information on the Montgomery GI Bill, see <http://www.gibill.va.gov/post-911/montgomery-gi-bill/active-duty.html>.

<sup>9</sup> For more information on the Post-9/11 GI Bill, see <http://www.gibill.va.gov/post-911/post-911-gi-bill-summary/>.

<sup>10</sup> Veterans must enroll in Medicare Part B (Supplementary Medical Insurance) to remain eligible for TRI-CARE, the Department of Defense's health care plan for

active-duty and retired uniformed servicemembers and their families. For more information on the interaction between Medicare and TRICARE, see <http://www.socialsecurity.gov/pubs/10020.html>.

<sup>11</sup> Medicare is the federal health insurance program for individuals aged 65 or older, certain disabled persons younger than age 65, and those who have permanent kidney failure or Lou Gehrig's disease. For more information on Medicare, see <http://www.socialsecurity.gov/pubs/10043.html>.

<sup>12</sup> Although Supplemental Security Income (SSI) receipt was included in both Gesumaria and Weaver (2001) and Olsen (2005/2006), it is not included in this article because of underreporting issues (see Koenig 2003 for more information). Instead, we use poverty rate to measure economic status.

<sup>13</sup> For more information on how poverty is measured, see <http://www.census.gov/hhes/www/poverty/about/overview/measure.html>.

<sup>14</sup> SSA offers a Benefit Eligibility Screening Tool (BEST) to help individuals determine if they are eligible for Social Security benefits. BEST is available at <http://www.benefits.gov/ssa>. For a full list of VA benefits available to veterans and their family members, see [http://www1.va.gov/opa/publications/benefits\\_book.asp](http://www1.va.gov/opa/publications/benefits_book.asp).

<sup>15</sup> Both Gesumaria and Weaver (2001) and Olsen (2005/2006) include information on widows. However, because CPS data on widows are not specifically for widows of veterans, we discuss this information separately in the appendix.

<sup>16</sup> Because Social Security benefits are based on earnings, the differences in benefit amounts between veterans and male nonveterans may be attributable to higher earnings among veterans (Holder 2007). The higher earnings of veterans may in turn be related to education and other benefits veterans receive (Angrist 1990; Little and Fredland 1979).

<sup>17</sup> Social Security has covered inactive-duty service in the armed forces reserves (such as weekend drills) since 1988.

<sup>18</sup> This credit applies if the veteran was honorably discharged after 90 or more days of service, was released because of a disability or injury received in the line of duty, or is still on active duty. If a veteran died while on active duty, the credit also applies for computing survivors benefits. For more information on military wage credits, see <http://www.socialsecurity.gov/pubs/10017.pdf>.

<sup>19</sup> The maximum annual wage credit of \$1,200 had not changed since it was established in 1978 (it was not indexed to wages or prices), while military wages increased significantly to reflect, in part, increases in the national average wage. Therefore, the wage credit as a percentage of actual wages was declining and by 2002, no longer had

any relationship to the original intent of representing the case value of in-kind military pay such as food, shelter, and medical care. For congressional intent with regard to eliminating the credits, see House Ways and Means Committee (2000) and House Appropriations Committee (2002).

<sup>20</sup> For more information on how benefits are calculated, see <http://www.socialsecurity.gov/OACT/COLA/Benefits.html>.

<sup>21</sup> Social Security disability benefits are converted to retired-worker benefits when the beneficiary reaches full retirement age (<http://www.socialsecurity.gov/pubs/retirechart.htm>).

<sup>22</sup> It is important to note that Social Security disability requirements differ from those of the VA. For information on the VA benefits for service-connected disabilities, see [http://www1.va.gov/opa/publications/benefits\\_book/benefits\\_chap02.asp](http://www1.va.gov/opa/publications/benefits_book/benefits_chap02.asp).

<sup>23</sup> A quarter of coverage (QC) is credited for a given dollar amount of earnings, rather than for a number of months worked. When a worker reaches the earnings threshold, the credited QC is considered equivalent to a calendar quarter worked. Accordingly, no more than four QCs can be credited in any year. For more information, see <http://www.socialsecurity.gov/oact/cola/QC.html>.

<sup>24</sup> For more information on eligibility for Social Security disability benefits, see [http://ssa-custhelp.ssa.gov/app/answers/detail/a\\_id/379](http://ssa-custhelp.ssa.gov/app/answers/detail/a_id/379).

<sup>25</sup> For more information on the Wounded Warriors program, see <http://www.socialsecurity.gov/woundedwarriors/>.

<sup>26</sup> For more information on Medicare eligibility, see <http://www.socialsecurity.gov/pubs/10043.html#part3>.

<sup>27</sup> Because the CPS and VetPop2007 collect information for different purposes using different sources and methodologies, their estimates of the veteran population are not identical; however, the estimates reflect similar trends.

<sup>28</sup> VetPop2007 projects a veteran population of 14.1 million in 2036 (VA 2010).

<sup>29</sup> The CPS includes one question regarding race and a separate question addressing whether the individual is Hispanic. Therefore, there is possible overlap between the black and Hispanic groups.

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