

Veterans Benefit Administration Veteran Readiness and Employment (VR&E) Longitudinal Study

VR&E Annual Report 2024
for Fiscal Year 2023

July 2024



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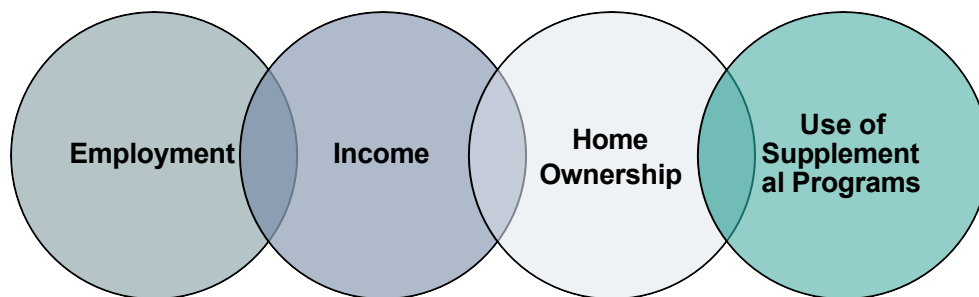
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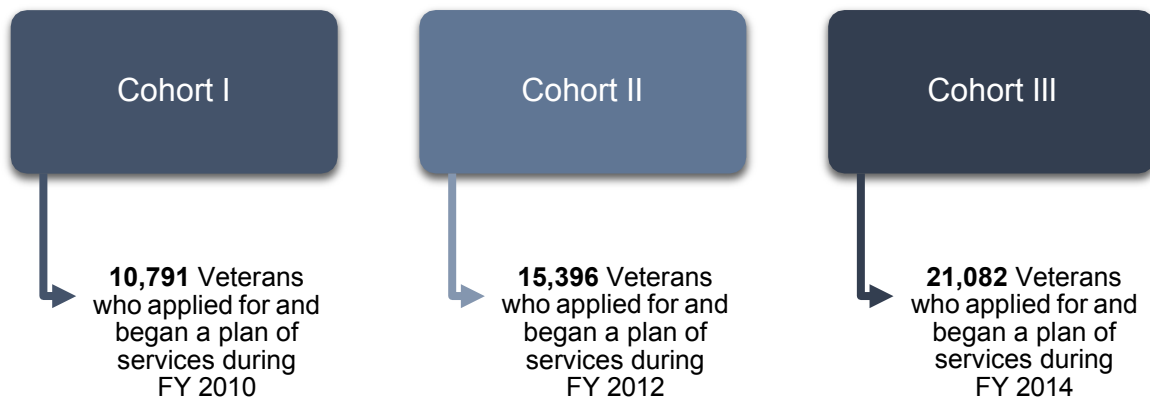
Executive Summary

The Veteran Readiness and Employment (VR&E) program assists Veterans and Service members who have service-connected disabilities and employment barriers to prepare for, obtain, and maintain suitable employment. The comprehensive services and assistance provided by VR&E include vocational assessment, rehabilitation planning, employment assistance, and other services necessary to support the employment and daily living goals of Veterans.

Congress passed the Veterans' Benefits Improvement Act in 2008, which improved and enhanced benefits for Veterans. A section of this legislation required the Department of Veterans Affairs (VA) to conduct a 20-year longitudinal study of Veterans who applied for and entered a plan of services in the VR&E program in fiscal year 2010 (FY 2010) (Cohort I), FY 2012 (Cohort II), and FY 2014 (Cohort III). Each cohort is followed annually for 20 years. The primary goal of the longitudinal study of the VR&E program is to determine the long-term post-program outcomes in four major areas:



The VR&E Longitudinal Study analyzes data from two sources: (1) administrative data and (2) self-reported survey data collected annually from a representative sample of cohort members. The results of the VR&E Longitudinal Study will be used to enhance the services VR&E provides Veterans. The study assesses the long-term outcomes of three cohorts of Veterans:



As of the end of FY 2023, members of Cohort I have been participating in the VR&E Longitudinal Study for 14 years and Cohort II members have been in the study for 12 years. Cohort III participants have the shortest study tenure as of the end of FY 2023 with a study participation period of 10 years.

Characteristics of Cohort Members

VR&E Longitudinal Study cohort members represent a cross-section of Veterans who enrolled in the VR&E program. Key characteristics of cohort members are highlighted in the following table.

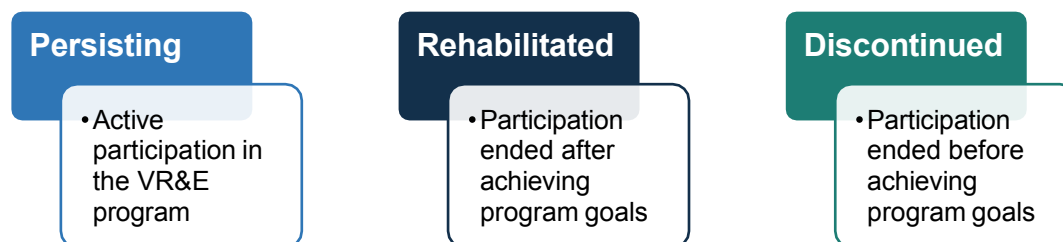
Characteristics of VR&E Participants as of FY 2023.

Participant Characteristic	%
Gender	
Male	81%
Female	19%
Age at Program Entry	
Less than 30	17%
30–44	45%
45–54	24%
55 and above	14%
Length of Military Service	
2 years or less	23%
> 2 years–10 years	58%
> 10 years–30 years	19%
> 30 years	0.1%
Educational Pursuits	
Enrolled in institution of higher learning	12%
Obtained degree within past 12 months	3%
Obtained certificate within past 12 months	9%
Has Serious Employment Handicap	
Yes	72%
No	28%
Combined Disability Rating	
60% or higher	81%

Source: VR&E Longitudinal Survey Data and VBA Administrative Data, FY 2023.

Participation Status of Cohort Members

Program participation is divided into three categories:



As of the end of FY 2023, 59% of cohort members are discontinued, 36% of cohort members are rehabilitated, and 5% of cohort members are persisting.

The focus of the VR&E Longitudinal Study is on long-term outcomes experienced by VR&E participants after exiting the program. The report findings emphasize the outcomes experienced thus far by cohort members who have achieved rehabilitation or discontinued from services.

Employment and Standard of Living Outcomes

Throughout the study, rehabilitated participants have had consistently better financial outcomes compared to persisting or discontinued participants.

★ Veterans who have achieved rehabilitation have substantially better employment and standard of living outcomes than those who discontinued services.

- The rate of employment for rehabilitated Veterans is 73%, which is higher than Veterans who discontinued services (43%) and higher than the general U.S. population (60%). (See <https://www.bls.gov/news.release/pdf/empsit.pdf>.)
- Employed and rehabilitated Veterans are much more likely than employed and discontinued Veterans to work in a job that aligns with the training they received during the VR&E program, with a rate of 78% compared to 48%, respectively.
- Rehabilitated Veterans who reported current or recent employment earned an average of \$23,000 more than discontinued Veterans who also reported current or recent employment (\$82,000 versus \$59,000).
- Annual individual income for Veterans who achieved rehabilitation is \$80,700, which is higher than Veterans who discontinued services (\$50,000).
- Annual household income for Veterans who achieved rehabilitation is \$100,000, which is higher than Veterans who discontinued services (\$60,000).
- The rate of homeownership for rehabilitated Veterans for all cohorts is 77%, which is higher than Veterans who discontinued services (62%) and higher than

the general U.S. population (66%). Based on 2020 U.S. Census data, https://www.census.gov/housing/hvs/files/annual22/ann22t_14.xlsx.

★ **Veterans who successfully complete the VR&E program are more likely to have served as an officer, served during the Gulf War, served longer in the military, entered the program with a higher salary, have completed some college by the time they entered the program, and have a Serious Employment Handicap (SEH).**

- Factors negatively associated with achieving rehabilitation include participating in an employment track (versus independent living), having a higher disability rating, and having a primary mental health diagnosis.
- Factors associated with a shorter time to achieving rehabilitation include older age, being male, entering the program having completed some college coursework, longer military service, serving as an officer, and serving during Gulf War I.

Employment and Standard of Living Trends over Time

★ **Veterans who successfully achieved rehabilitation have consistently better employment and standard of living outcomes than those who discontinued services.**

Exploring participant outcomes across an 11-year period highlights the sustainability of positive outcomes for Veterans who achieved rehabilitation.

- The employment rate of rehabilitated Veterans increased from 45% in FY 2012 to 73% in FY 2023, while the rate for discontinued Veterans remained relatively stable at a lower rate (29% to 43%) over the same period.
- From FY 2012 to FY 2023, rehabilitated Veterans consistently earned more from employment each year compared to discontinued Veterans.
- Rehabilitated Veterans saw an average increase of \$56,784 and \$64,000 in individual and household income, respectively, over 11 years. Discontinued Veterans, however, experienced a smaller average increase of \$33,364 and \$36,000 in individual and household income, respectively, during the same period.

Program Satisfaction

★ **Program satisfaction is higher among Veterans who achieve rehabilitation than those who are persisting in their plans or have discontinued services.**

About 96% of rehabilitated Veterans have moderate to high levels of satisfaction with the program, compared to 83% of discontinued Veterans. At least 89% of all participants rate their overall satisfaction as moderate to high. Satisfaction levels with the program have remained consistent throughout the last several years of the study.

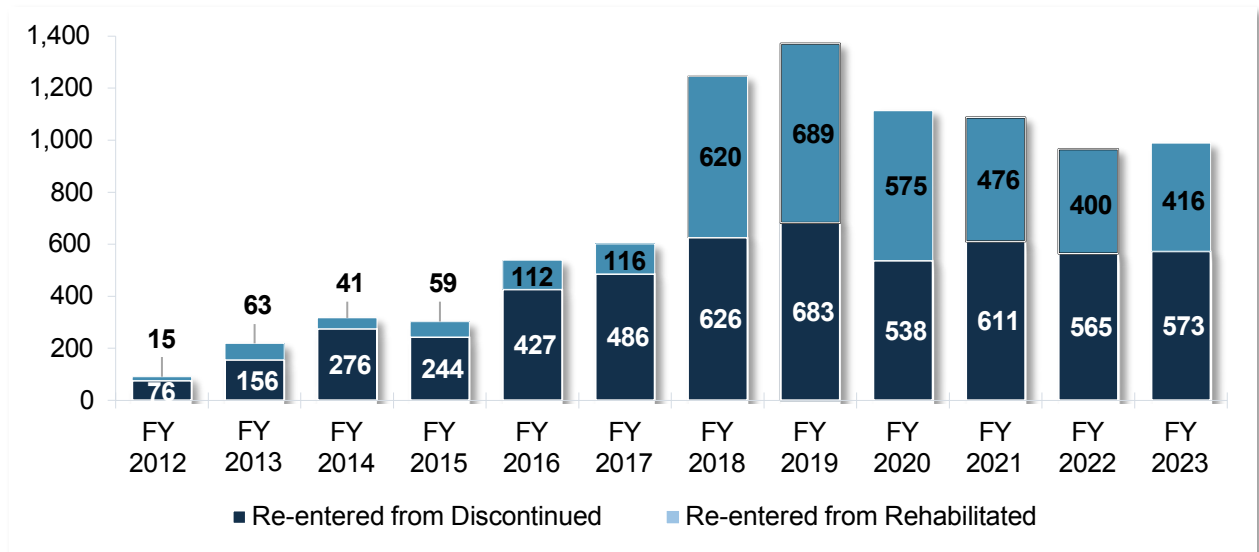
Program Re-Entries

The VR&E program allows Veterans who have had changes in their disability status or life circumstances to re-apply to the program. More Veterans are re-entering the program following a discontinuation of services (58%) than those who re-enter after achieving rehabilitation (42%).

★ **Of those who discontinue and then re-enter the VR&E program, the majority eventually discontinue again.**

A relatively small proportion of Veterans from each cohort successfully rehabilitated after previously discontinuing from the program. It is more likely for Veterans who have previously discontinued to re-enter the program and discontinue for a second time (47%) as opposed to successfully rehabilitating (11%).

The number of re-entries has increased each year (apart from FY 2015) up to FY 2019 (as shown in the following figure) when the largest proportion of re-entries occurred (17% of all re-entries). Since FY 2019, the total number of Veteran re-entries has decreased each year, except for FY 2023. In FY 2023, 416 Veterans re-entered the program after rehabilitating (an increase from FY 2022) and 573 Veterans re-entered following a discontinuation (an increase from FY 2022).



Source: VBA Administrative Data, FY 2023.

★ **Veterans in the longitudinal study who re-enter the VR&E program following rehabilitation or discontinuation differ demographically from the overall cohort population.**

When compared to those who never re-entered the program, Veterans who re-enter the program:

- Are more likely to have a higher average combined disability rating (84%) when compared to Veterans who never re-entered the program (77%) suggesting that disability conditions have worsened over time, thus impacting their ability to remain employed.
- Are more likely to have a primary diagnosis of posttraumatic stress disorder (PTSD) (38%) when compared to Veterans who never re-entered the program (31%).

Summary of FY 2023 Findings

This report presents findings for the VR&E Longitudinal Study as of FY 2023, the 14th year of the 20-year study period. At this point in the study, many cohort members have exited the program (95%) either through achieving rehabilitation or discontinuing from services. Conclusions drawn at this point can provide insight into the long-term outcomes expected from Veterans who participated in the VR&E program. Emerging trends for those cohort members who have exited the VR&E program thus far, especially for those who successfully completed their rehabilitation plans, appear to be consistent over time and across cohorts.

Key findings for the study, as of the end of FY 2023 are summarized in the following table. The most substantive finding of the study to date is that regardless of the length of time since they exited their VR&E program of services, Veterans who have achieved rehabilitation have substantially better employment and standard of living outcomes than those who discontinued services. Rehabilitation remains one of the most dominant variables driving positive financial outcomes (current employment rate, annual earnings, and annual individual and household income) compared to those Veterans who were discontinued.

Summary of Outcomes for VR&E Participants as of FY 2023 by Participation Status.

Current Observation	Persisting	Rehabilitated	Discontinued
Percentage of Veterans in each participation status	5%	36%	59%
Percentage of Veterans who were currently employed	39%	73%	43%
Percentage of Veterans who were employed within the past 12 months	55%	77%	50%

Current Observation	Persisting	Rehabilitated	Discontinued
Median annual earnings*	\$38K	\$82K	\$59K
Median annual individual income	\$45K	\$81K	\$50K
Median annual household income	\$50K	\$100K	\$60K
Percentage of Veterans with moderate or high program satisfaction	82%	96%	83%
*Average earnings reported in the table are based on conditional median earnings, which excludes those with zero earnings. Hence, the conditional median provides an estimate of the average amount of annual earnings among Veterans who reported working.			

Source: VR&E Longitudinal Survey Data and VBA Administrative Data, FY 2023.

Chapter 1 Introduction

Chapter 1 Highlights:

- ★ The purpose of the Veteran Readiness and Employment (VR&E) Longitudinal Study is to determine the long-term employment, income, standard of living, and homeownership outcomes of Veterans who enrolled in the VR&E program.
- ★ The VR&E study uses two sources of data: (1) self-reported survey data collected from a representative sample of study participants and (2) administrative data.
- ★ The VR&E study will follow three cohorts of participants for 20 years.

The U.S. Government has been providing rehabilitation services to war-injured Veterans since the World War I era. Over the years, these services have taken different forms, but the objective has remained the same: to provide rehabilitation and vocational training to Veterans with service-connected disabilities. Today, the VR&E program provides a broad range of rehabilitation services to over 131,000 Veterans each year.

As with many long-running programs with large constituencies, continued funding has been tied to regular evaluation of activities and outcomes, which ensures equitable and effective use of funds. In 2008, Congress passed legislation requiring a 20-year longitudinal study of Veterans who applied for VR&E services and began rehabilitation plans in fiscal year (FY) 2010, FY 2012, and FY 2014. This annual report describes participant data and assesses outcome measures from the first 14 years of the study.

1.1. Overview of the VR&E Program

VR&E provides comprehensive services to Veterans with a service-connected disability (SCD) that includes vocational assessment, rehabilitation planning, and employment services. For Veterans with SCDs so severe that they cannot immediately consider work, the VR&E program offers services to improve their ability to live independently within their families and communities.

Program participants receive services through one of the five Tracks to Employment, which include:

- Track 1: Re-Employment
- Track 2: Rapid Access to Employment
- Track 3: Self-Employment
- Track 4: Employment through Long-Term Services
- Track 5: Independent Living Services

See Figure 1.1. for a detailed description of each program track.



Source: Adapted from <https://www.va.gov/careers-employment/vocational-rehabilitation/programs/>.

Figure 1.1. Services available through the VR&E program.

Veterans with an SCD or memorandum rating, and a discharge other than dishonorable, are **eligible** for the VR&E program. To be **entitled** to VR&E services, a Veteran must have an employment handicap.

The VR&E Application Process

The VR&E process begins when a claimant completes an application for VR&E benefits. Once VA receives the application and basic eligibility is verified, a Vocational Rehabilitation Counselor (VRC) meets with a claimant to complete a comprehensive vocational evaluation to determine entitlement to VR&E benefits. A comprehensive evaluation includes reviewing medical information, academic history, work history information, and any additional information needed to determine entitlement. The claimant also completes aptitude, ability, and interest

testing during the initial evaluation phase. Additional assessments may be required, including psychological testing and functional capacity evaluations (physical and psychological) depending on the needs and disabilities of the Veteran. Figure 1.2. shows the general application process.



Figure 1.2. VR&E application process.

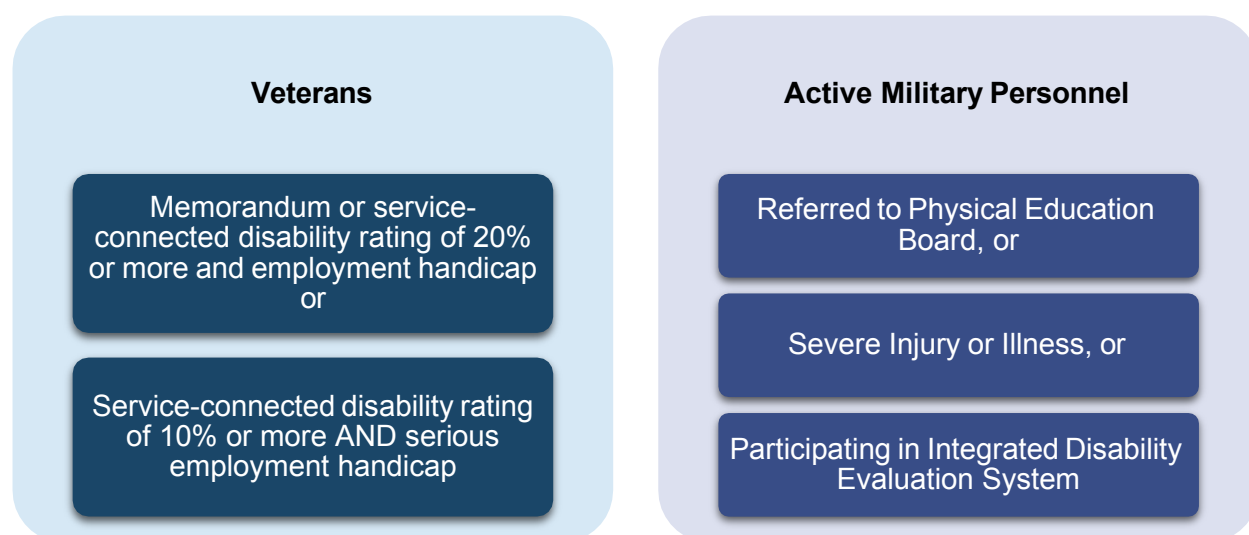
After entitlement to VR&E benefits has been determined and the feasibility of a vocational goal has been established, the VRC and the Veteran will review labor market information to identify jobs that match the Veteran's aptitude, interests, and abilities, but will not aggravate the Veteran's SCD. In cases where the comprehensive evaluation shows the Veteran is not entitled to VR&E benefits, the VRC will help with the necessary referrals for other services, such as state vocational rehabilitation programs, local employment agencies, or other relevant local or state training programs.

Basic Entitlement Criteria

To be eligible for the VR&E program, a Veteran must have an SCD and received or will receive an honorable or other than dishonorable discharge. To be entitled to a VR&E program of services, a Veteran must be determined by the VRC or counseling psychologist to have an employment handicap (EH) in substantial part due to their SCD.

An EH is an impairment associated with the Veteran's ability to prepare for, obtain, or retain suitable employment consistent with his or her abilities, aptitudes, and interests. Service members and Veterans are entitled to the program if they have either a memorandum rating or an SCD rating of 20% or more and an EH has been established.

Veterans also may be entitled to VR&E benefits if they have an SCD rating of 10% and the VRC determines that they have a serious employment handicap (SEH). SEH is defined as a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with his or her abilities, aptitudes, and interests. In addition, active-duty military personnel with a severe injury or illness are automatically entitled to benefits following submission of an application and meeting with a VRC. See Figure 1.3. for description of entitlement criteria.



Source: Adapted from

https://www.va.gov/opa/publications/benefits_book/2023_Federal_Benefits_for_Veterans_Dependents_and_Survivors.pdf

Figure 1.3. Entitlement criteria for the VR&E program.

The VR&E program has a 12-year basic period of eligibility in which services may be used. Veterans whose period of eligibility has expired may still be entitled to VR&E benefits if their counselor determines that they have an SEH. As of January 2021, the 12-year eligibility period no longer applies to claimants discharged or released from active military service on or after January 1, 2013.

Track Identification and Writing a Rehabilitation Plan

When an appropriate vocational goal is identified, the VRC and the Veteran review the five VR&E Tracks of Service to identify which track is most appropriate. The VRC and the Veteran then develop a rehabilitation plan to train the Veteran to the level generally recognized as necessary for entry into employment in a suitable occupational objective. Training services may include tuition, fees, books, supplies, and subsistence allowance. Veterans may also receive tutoring; adaptive equipment; referrals to Veterans Health Administration (VHA) for medical, dental, or mental health services; and other services as needed.

The individualized rehabilitation plan:

- Lists the **vocational goal and services** to be provided.
- Identifies the Veteran's **objectives**.
- Identifies **milestones** and timeframes for completion.

As the needs or circumstances of a Veteran change, rehabilitation plans for all tracks may be revisited and redeveloped. VRCs and Veterans are in regular contact while a Veteran participates in VR&E services. Contact may include face-to-face meetings, tele-counseling, phone calls, and email communications.

Job Ready Services

As a Veteran nears the completion of the objectives of his or her rehabilitation plan, the VRC must determine if the Veteran is ready to seek employment. This process includes documenting the completion of training, verifying that the Veteran has overcome barriers to the greatest extent possible, and the demonstration of responsible and appropriate interaction and behavior.

When the VRC determines that the Veteran is job ready, then an employment assistance plan is written, and the Veteran is placed in Job Ready Service status. Veterans then receive an employment assistance plan outlining the help they will receive to obtain a suitable job. Services may include intensive interview preparation, job development, job placement, job accommodation assistance, job coaching, or any other necessary services.

Once a Veteran secures suitable employment, follow-up services are provided for at least 60 days before the case is closed and rehabilitation is achieved. The law allows for a maximum of 18 months of employment services to be provided to a Veteran to help the Veteran obtain and maintain suitable employment, although a Veteran may not need to exhaust the full 18 months to secure employment.

Extended Evaluation Plans and Independent Living Services

Some Veterans have disabilities so severe that the achievement of a vocational goal is

If it is determined that a vocational goal is **not currently feasible**, a Veteran may participate in an **independent living** plan. If feasibility of a vocational goal **cannot be determined**, a Veteran may participate in an **extended evaluation**.

not reasonably feasible, or the feasibility of a goal cannot be determined without further evaluation. If the feasibility of the achievement of a vocational goal cannot be determined, then the Veteran may enter an extended evaluation plan to participate in additional assessments.

A Veteran may undergo an initial 12-month extended evaluation, which can be extended for two 6-month periods if there

is reasonable certainty that feasibility can be determined. Upon completion of an extended evaluation, a Veteran may either continue with services to pursue a vocational goal or be assessed for independent living (IL) services if pursuing employment is not currently feasible.

If IL needs are identified, then a plan for services may be written. If the VRC determines that a vocational goal is not feasible and no IL needs are identified, then the Veteran will exit the program. As circumstances change, a Veteran may re-apply for VR&E benefits.

1.2. Overview of the VR&E Longitudinal Study

Results of the VR&E longitudinal study are intended to **improve the quality of services that the VR&E Program provides** to Veterans.

Part of the Veterans' Benefits Improvement Act of 2008¹ amended the VR&E program by introducing a mandatory 20-year longitudinal study of three cohorts of Veterans who entered the VR&E program. The VR&E Longitudinal Study determines the long-term post-program outcomes of Veterans who establish a plan of services. Those outcomes can be broadly categorized as employment, income, homeownership, and use of supplemental public programs.

This report provides a comprehensive summary of annual study findings and following are several key components:

- **Descriptive Statistics:** A description of the demographic and program characteristics is provided for the entire study sample and by program participation status (persisting, rehabilitated, and discontinued).
- **Outcomes:** Assessment of outcomes-to-date as of FY 2022 including employment, earnings, education, and participation outcomes. Trends in outcomes over time are also discussed.
- **Factors That Influence Outcomes:** Regression modeling was used to identify the individual and program features associated with outcomes such as program satisfaction and exiting the program. This modeling technique estimates the effect of a given feature on the outcome while holding all other features constant, enabling identification of the independent effects of key features on desired outcomes.

The results of this study are intended to improve the quality of services that the VR&E program provides to Veterans. Section 334 of Public Law 110-389 requires VA to report to Congress annually on 16 specific data elements.² The 16 data elements include specific outcome measures to be assessed and 9 specific measures to be considered as possible covariates to be included in the analyses to explain employment outcomes.

¹ P.L. 110-389.

² See Appendix J for a full list of the 16 required data elements required under Section 334 of Public Law 110-389, as well as where to find each element in this report.

Chapter 1.3 herein lists these outcomes and background characteristics along with the data sources that are used to capture each measure.

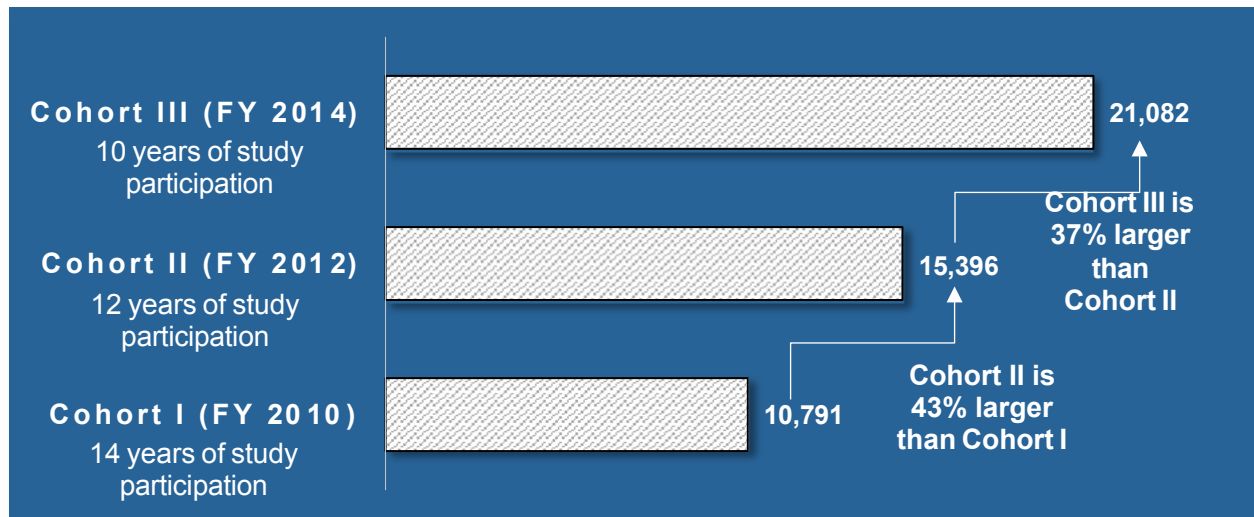
VR&E Longitudinal Study Background

Study Cohorts

The VR&E Longitudinal Study assesses the long-term outcomes of three cohorts of Veterans:

- Cohort 1: 10,791 Veterans who applied for and began a plan of services during FY 2010.
- Cohort II: 15,396 Veterans who applied for and began a plan of services during FY 2012.
- Cohort III: 21,082 Veterans who applied for and began a plan of services during FY 2014.

As of the end of FY 2023, members of Cohort I have been participating in the VR&E Longitudinal Study for 14 years, and Cohort II members have been in the study for 12 years. Cohort III participants have the shortest study tenure as of the end of FY 2023, with a study participation period of up to 10 years (see Figure 1.4).



Source: VBA Administrative Data, FY 2023.

Figure 1.4. VR&E participants in each cohort of the longitudinal study.

Stages of Rehabilitation

For each cohort, a proportion of members have completed their plans (that is, successfully achieved rehabilitation or achieved their positive outcomes), while other cohort members have discontinued their rehabilitation plans. The remaining cohort

members are still pursuing the objectives of their rehabilitation plans. We expect that cohort members who have successfully completed the program will achieve better post-program outcomes than cohort members persisting in their plans or who have requested to discontinue their plans. See Figure 1.5 for a description of each stage.

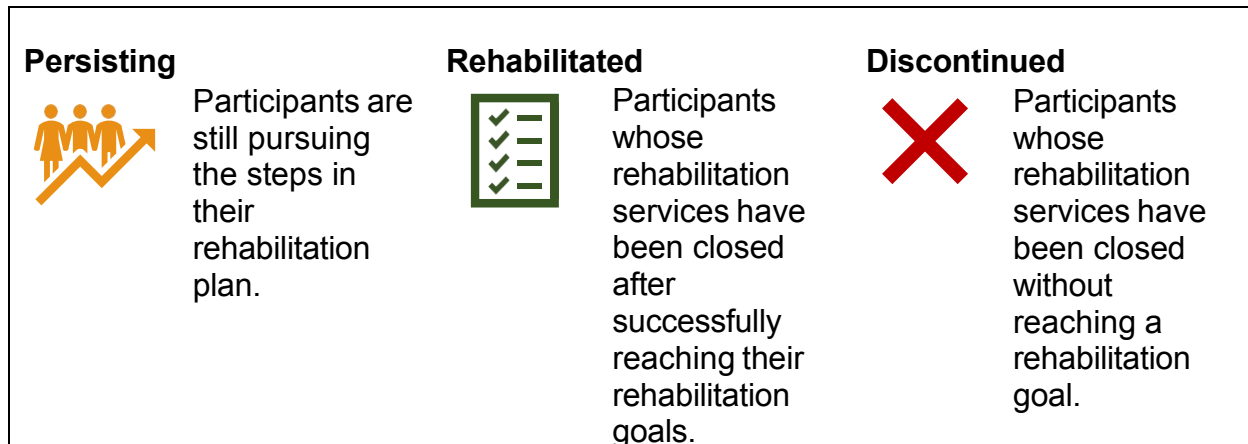


Figure 1.5. Stages of rehabilitation.

When the VR&E study began, the vast majority of participants in each cohort were still in the persisting category. Over time, more participants progressed through or discontinued their programs. As of FY 2023, there is only a small fraction of persisting participants remaining. As the study has progressed, we are able to better understand the long-term post-program outcomes associated with program participation. Later sections provide a full analysis of characteristics and outcomes by participation status.

Re-entry into the VR&E Program

Chapter 4 of this report provides a preliminary analysis of program participants who re-enter the program after achieving rehabilitation or being discontinued. While re-entries into the program remain infrequent (15% of cohort members have re-entered at least once), it is important to understand how entering the program more than once may influence outcomes. Future reports will be used to develop more accurate estimates on the factors that influence program re-entry.

1.3. VR&E Longitudinal Study Methodology

Data Sources Used for the VR&E Longitudinal Study

The VR&E Longitudinal Study uses two distinct data sources for analysis: (1) administrative data and (2) self-reported survey data collected from a sample of cohort members. Additional details about the survey and data collection methodology are included in Appendix B.

Administrative Data

Administrative data focuses on information about the participants while they are in the program and their immediate post-program circumstances. After participants end their programs, administrative data is more limited (changes in disability status, use of health care assistance, death status, and re-entry into the VR&E program). Appendix D includes the list of relevant administrative variables used for analysis.

Findings reported in the first 2 years of the VR&E Longitudinal Study (2010 and 2011) were based solely on administrative data from the Veterans Benefits Administration (VBA). See Table 1.1 for a full list of all available administrative data.

Table 1.1. VR&E Longitudinal Study Data Sources for the 16 Elements Mandated by Section 334 of Public Law 110-389.

16 Mandated Elements	Administrative Data	Survey Data
Background Characteristics		
1. Participation rate for vocational rehabilitation programs	●	
2. Enrollment in institution of higher learning		●
3. Academic credit hours, degrees, and certificates		●
4. Months served on active duty	●	
5. Use of VA and non-VA medical facilities		●
6. Combined disability rating	●	
7. Receipt of other benefits	●	
8. Number of dependents		●
Employment		
9. Starting salary at the beginning of survey year	●	●
10. Salary at the end of survey year	●	●
11. Months employed within past year		●
Income		
12. Individual annual income		●
13. Household annual income		●
Homeownership		
14. Number of Veterans who own their home		●
Use of Other Public Benefits		
15. Receipt of unemployment benefits		●
16. Type of Social Security Administration benefits received		●

Source: Table adapted from Section 334 of Public Law 110-389. A copy of Section 334 of Public Law 110-389 is included in Appendix A.

Survey Data

Information about employment and standard of living outcomes, such as changes in employment status, annual wages from employment, income, and homeownership

come from survey data. The initial survey for the study was administered to Cohort I and Cohort II in the Fall of 2012, and annual follow-up surveys were fielded every subsequent year.³ The initial survey for Cohort III was administered in 2015 with annual follow-up surveys every subsequent year. For this current report, data collection began in December 2023, which was the 11th annual follow-up survey for Cohorts I and II, and the 9th annual follow-up for Cohort III.

FY 2023 was the **11th** annual survey follow-up for Cohort I and Cohort II, and the **9th** annual follow-up for Cohort III.

At the end of the full 20-year study period, each cohort must have a survey sample size that will provide enough statistical power to detect significant changes over time and detect statistically significant differences between specific subpopulations of interest. A final survey sample of 1,190 Veterans still participating in each cohort at the end of the 20 years will ensure sufficient statistical power to conduct meaningful analyses. To ensure a statistically valid sample at the end of the 20-year period, we designed the survey

sampling plan to yield 3,500 completed surveys from each cohort during the initial year of survey administration. This outcome was achieved with 3,710 Cohort I members, 3,636 Cohort II members, and 4,102 Cohort III members responding to the initial survey. The respondents who completed the initial survey were the starting sample for the 20-year longitudinal follow-up and comprised the starting sample for the FY 2023 survey administration.

VR&E Analysis Methods

Descriptive Statistics

The first step of data analysis includes a descriptive examination of the frequency distributions of various demographic and program characteristics of the entire cohort by participation status (persisting, rehabilitated, and discontinued). The descriptive statistics provide insight into who is using the program, what they are using the program for, how long they use the program, and whether these characteristics are changing over time.

Outcome Analysis

Descriptive analysis and regression modeling were used to identify the factors associated with long-term post-program outcomes. Exploration of cumulative rates for key outcomes, including employment, income, homeownership, and receipt of other

³ During the first year of survey data collection in 2012, a \$20 incentive was offered to Veterans who completed the initial survey. The incentive was not offered for the first annual follow-up administered in 2013; however, a \$20 incentive was reinstituted for the 2014 survey. For the 2015 survey year, a \$10 incentive was provided to survey respondents. The incentive was not offered for the 2016, 2017, 2018, 2019, 2020, 2021, 2022, or this year's survey.

program benefits, provides insights into program trends. In determining the factors associated with program participation, strong emphasis is placed on comparing persisting, rehabilitated, and discontinued cohort members on key outcomes.

VR&E Longitudinal Study Participant Sample and Response Rates

Survey response rates average approximately 20% of sampled cohort members for FY 2023. Response rates have decreased over the years with few exceptions since the first annual survey administration fielded in 2012. Over time, nearly 5% of Veterans across all cohorts have asked to be removed from the survey.

In response to these opt-outs, additional Veterans were sampled for the annual survey beginning in FY 2020 to ensure statistically valid results for the remaining years of the study. For the initial survey administration, a stratified random sample was used to invite Veterans to complete the survey, while subsequent administrations only re-surveyed those who responded to the initial survey. This approach resulted in a subset of Veterans who were sampled in the first year but were not included in subsequent administrations.

To ensure that the additional Veterans included in the study were representative and like the original sample, the refreshed sample for FY 2020 (and again used in FY 2022) included all Cohort I and II Veterans who did not explicitly refuse to participate, effectively censusing these cohorts. In addition, a sample of Cohort III members consisting of those who were invited to participate in the initial survey, as well as a subsample of those who were not invited to participate in the initial survey,⁴ were included. The refreshed sampling methodology ensures the additional Veterans are like the original sample in terms of the initial stratification criteria and time since entering the VR&E program, thus reducing the impact of biases that may arise due to changes in the study sample.

Appendix B includes additional information regarding the survey methodology. Table 1.2 provides a summary of available sample and survey completions by cohort.

⁴ Cohort III is substantially larger than Cohort I and Cohort II; therefore, a refresh of the Cohort III sample does not need to include the entire cohort to achieve the desired target for statistical power.

Table 1.2. VR&E Longitudinal Survey Completions During FY 2023 Administration.

Respondent Type	Eleventh Annual Follow-up Survey		Ninth Annual Follow-up Survey
	Cohort I (FY 2010)	Cohort II (FY 2012)	Cohort III (FY 2014)
Cohort population*	10,791	15,396	21,082
Total initial survey respondents	3,710	3,636	4,102
Eligible potential respondents for FY 2023 survey [†]	8,952	13,518	10,178
Final refusals from FY 2023 survey [‡]	14	15	9
FY 2023 survey non-respondents	7,144	10,853	8,060
FY 2023 survey respondents (completed surveys)	1,808	2,665	2,118
Web survey	648	986	878
Mail survey	403	527	348
Telephone survey	757	1,152	892
Response rate	20.2%	19.7%	20.8%
<p>* Eligible potential respondents include cohort members who completed the initial survey and were still alive at the start of the field period for the ninth annual follow-up. In addition, 17,846 Veterans were added to the survey sample for Cohorts I and II in FY 2020.</p> <p>[†] Eligible potential respondents include cohort members who were not deceased and cohort members who did not refuse to be contacted for follow-up surveys. In addition, 7,082 Veterans were added to the survey sample for Cohort III in FY 2020.</p> <p>[‡] Final refusals include those respondents who indicate that they do not want to participate and want no further contact about the study in future years.</p>			

Source: VR&E Longitudinal Survey Data, FY 2023.

Chapter 2 Findings Related to Participant Characteristics

Chapter 2 Highlights:

- ★ The majority of cohort members (88%) enrolled in the employment through long-term services track.
- ★ Only 5% of cohort members are still persisting in the program. Of those who exited the program, 36% achieved rehabilitation and 59% discontinued.
- ★ 81% of cohort members have a combined disability rating of 60% or higher, and, among those Veterans, 36% have a combined disability rating of 100%.

This section presents the findings related to select characteristics of cohort members, including demographic, military-service, health, and program-related factors. This information provides a comprehensive profile of the VR&E study participants and lays the foundation for further exploration of the relationship between these characteristics and post-program long-term outcomes. Table 2.1. describes the select characteristics explored in this section.

Table 2.1. Description of Select Characteristics of VR&E Participants.

Characteristic	Description
Program Participation	
Participation status	Current program status of persisting, rehabilitated, or discontinued
Program track selection	Type of rehabilitation plan the participant enrolled in
Demographics	
Age at program entry	Age of participant when they entered the program
Education at program entry	Level of education of participant when they entered the program
Gender	Gender of Veteran
Number of dependents	Number of dependents (for example, spouse, children)
Receipt of education or training	Educational achievements or engagement during the past 12 months
Military Service	
Era of service	Era of military service
Length of service	Length of military service

Characteristic	Description
Branch of service	Branch of military service
Receipt of other VA benefits	Use of other VA benefits (for example, life insurance, disability benefits)
Health Status	
Serious employment handicap	A significant impairment of ability to prepare for, obtain, or retain employment consistent with abilities
Primary diagnosis	Primary mental or physical health diagnosis
Combined disability rating	Rating of disability severity and level of compensation
Visits to a VA medical facility	Visits to a VA medical facility during the past 12 months
Visits to a non-VA medical facility	Visits to a non-VA medical facility during the past 12 months

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

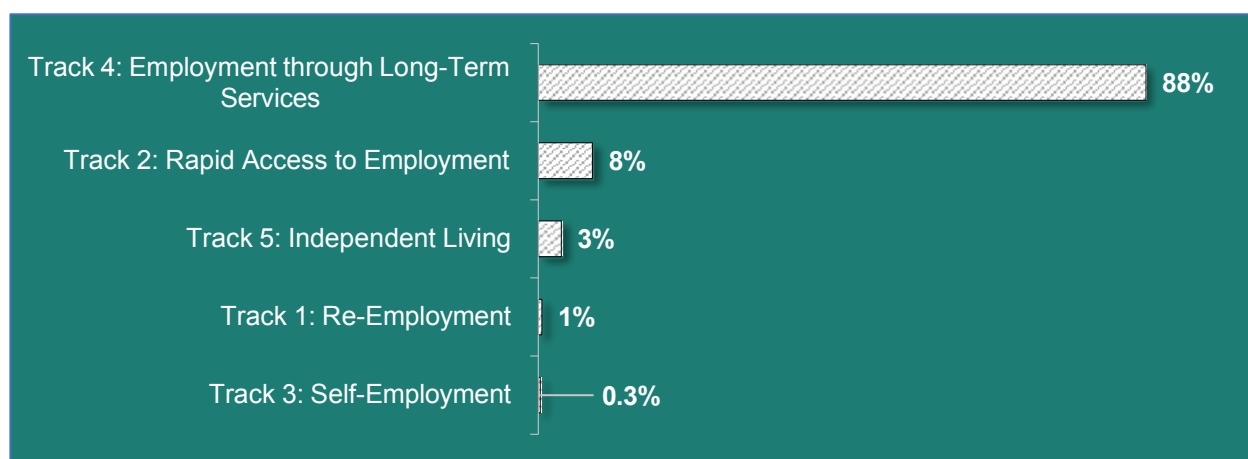
2.1. Program Participation Characteristics

This section explores the characteristics of cohort members related to their participation in the VR&E program, including track selection, participation status, and use of training and education services.

Program Track Selection

Program track selection determines the rehabilitation goals of VR&E program participants. While participants are expected to meet the criteria for a specific program at program entry, program track selection is one of the few characteristics that can change throughout the duration of program participation. As a result, a small proportion of cohort members have changed tracks since entering the program. The number of cohort members enrolled in each program track is presented in Figure 2.1 and reveals that a significant majority of cohort members are in the employment through long-term services track (88%).

The majority of Veterans in the VR&E program require significant re-training and support to obtain suitable employment; therefore, it is unsurprising that the most widely used employment track is employment through long-term services. The employment through long-term services track offers a comprehensive range of services, including career counseling, case management, employment planning, vocational training, education, VHA-sponsored medical care, and other supportive services.



Source: VBA Administrative Data, FY 2023.

Figure 2.1. Program track selection of VR&E participants as of FY 2023.

The second most popular track is rapid access to employment (8%). In this track, Veterans with competitive job skills get assistance finding immediate employment. This outcome also is to be expected, as many Veterans seeking VR&E services require additional training and education. This track offers additional entitlement criteria that caters to Veterans with previous vocational rehabilitation experience and contributes to the popularity of this track.

Veterans who previously participated in the VR&E program, or a similar vocational rehabilitation program, with a combined disability rating of at least 10% and are determined to be employable in a job that aligns with their interests and abilities, can access employment assistance through this track regardless of their current entitlement to a VR&E plan of services. It is expected that the majority of those who pursue this track will achieve rehabilitation much earlier than those in the employment through long-term services track.

Only 3% of cohort members are in the IL track. The goal of Veterans in the IL track is to achieve maximum independence in daily living and, whenever possible, to return to employment. An even smaller proportion of cohort members pursue the re-employment track (1%), which limits eligibility to Veterans looking to return to their previous job after active duty. The self-employment track has the lowest cohort enrollment (0.3%) and enrolls Veterans seeking assistance in starting their own business.

Program Participation Status

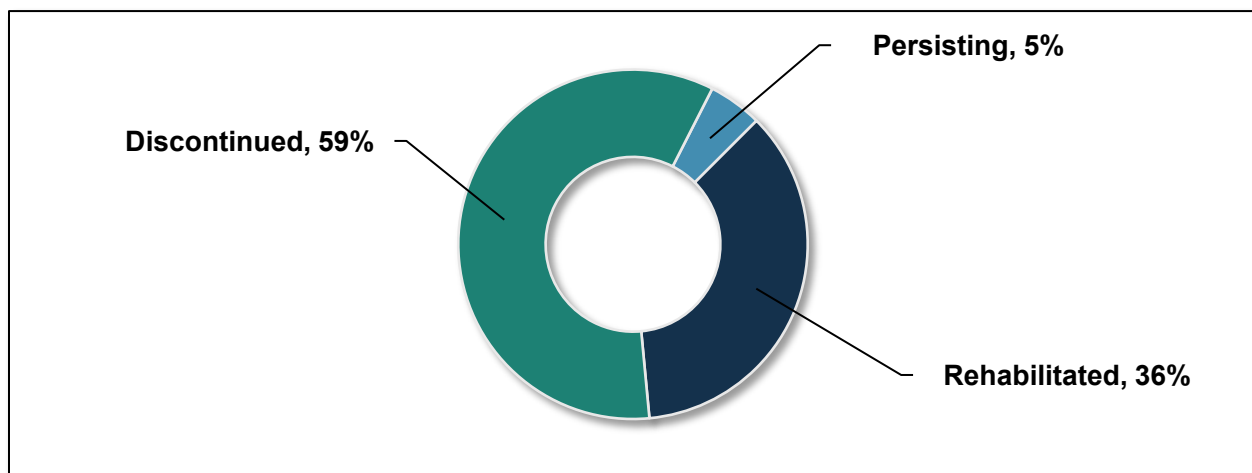
Participation status is based on the cohort members' current level of involvement in the VR&E program. Throughout the remainder of the report, participation status is frequently used to determine if differences in participation are associated with different outcomes. The three levels of participation include:

- Veterans who have completed their plans and successfully achieved rehabilitation.
- Veterans who have discontinued their rehabilitation plans and exited the program.
- Veterans who are still actively pursuing the objectives of their rehabilitation plans.

It is expected that cohort members who have successfully completed the program will achieve better post-program outcomes than cohort members who are persisting in their plans or who have discontinued their plans before completion. Therefore, participation status is an important factor to consider when exploring the program trends and outcomes.

The following section provides a descriptive examination of the frequency distributions of various demographic and background characteristics of cohort members, including exploration of select characteristics by participation status. Later sections describe differences among outcomes between participation groups.

Figure 2.2 presents the proportion of cohort members who have rehabilitated, discontinued or are persisting in the VR&E program as of FY 2023. Many cohort members have exited the program by either rehabilitating (36%) or discontinuing (59%). Only 5% of cohort members are persisting in the program.



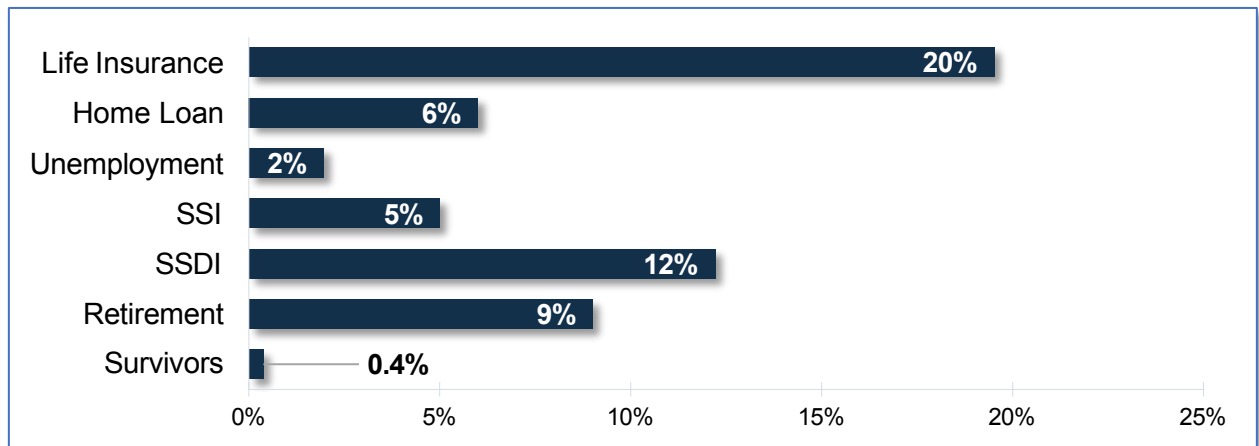
Source: VBA Administrative Data, FY 2023.

Figure 2.2. Participation status of VR&E participants percentage of VR&E participants who are persisting, rehabilitated, or discontinued in FY 2023.

Receipt of Other Benefits

In addition to VR&E program benefits, many participants are eligible for a range of other public programs and benefits. Veteran use of other benefits sheds light on the long-term support needs of program participants. Analysis of participant usage (Figure 2.3) shows:

- 20% of cohort members have a VA life insurance policy.
- 6% of cohort members have a VA-insured mortgage loans, which is lower than the percentage of Veterans overall (19%).⁵
- 5% of cohort members received Supplemental Security Income (SSI) and 12% received Social Security Disability Insurance (SSDI).
- 2% of cohort members received unemployment benefits during the past 12 months.

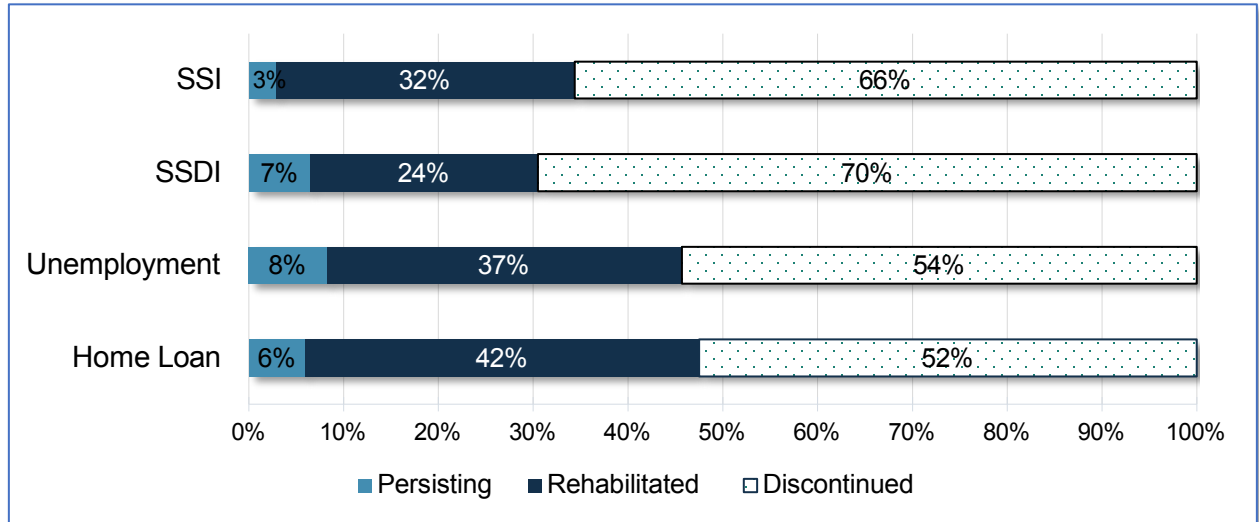


Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Figure 2.3. Receipt of other benefits as of FY 2023.

Figure 2.4 presents the percentage of persisting, rehabilitated, and persisting cohort members who used a subset of benefits associated with employment and financial stability. Most cohort members who receive SSI (66%) or SSDI (70%) are discontinued from the program. Of the cohort members who received unemployment benefits within the past 12 months, 54% were discontinued. Figure 2.4 also reveals that a slightly higher proportion of cohort members who have mortgage loans insured by the VA have discontinued (52%) compared to those who have rehabilitated (42%).

⁵ https://www.va.gov/vetdata/docs/Quickfacts/Homepage_slideshow_3_31_22.pdf.



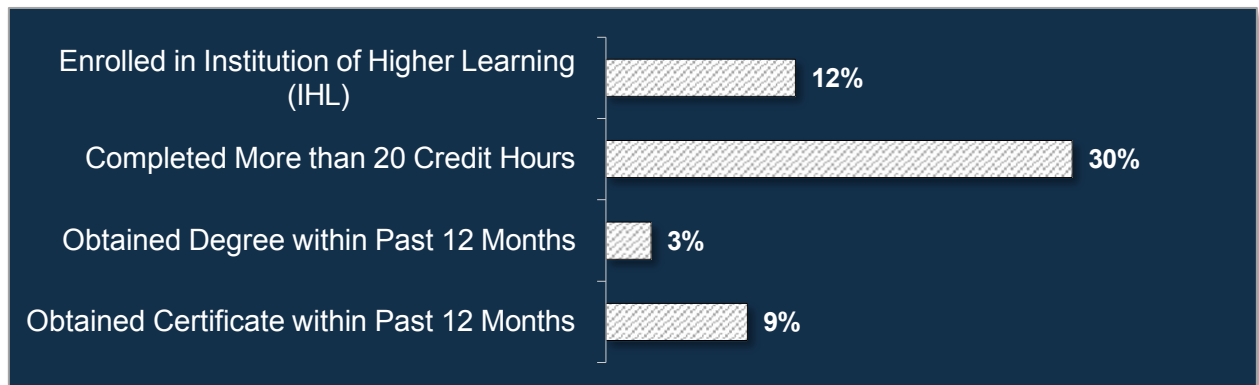
Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Figure 2.4. Receipt of other benefits by participation status as of FY 2023.

Education and Training

Exploration of the educational pursuits and achievements of cohort members provides greater understanding of their training and education needs, as well as their progress in pursuing higher education during or after program participation. Detailed findings related to education and training are presented in Figure 2.5 and show:

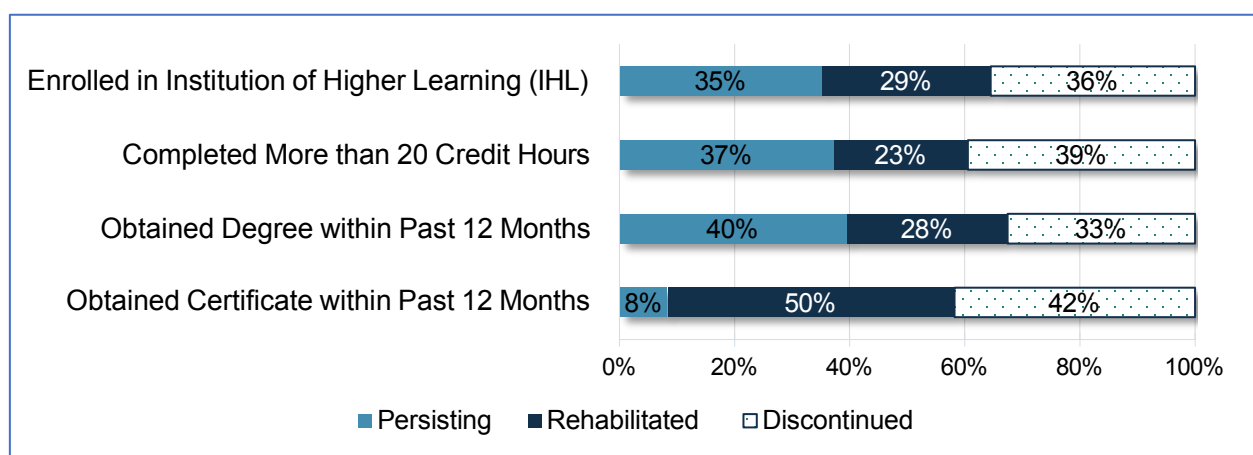
- 12% of cohort members enrolled in an institution of higher learning (IHL) at some point in the past year.
- Of the cohort members who were enrolled in an IHL, almost one-third (30%) completed more than 20 academic credit hours, which likely indicates cohort members were attending school on a full-time basis.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 2.5. Education or training characteristics of VR&E participants as of FY 2023.

Figure 2.6 shows the education and training data by program status. About one-third of cohort members enrolled in an IHL are persisting in the program (35%), while 29% of those enrolled in IHL have successfully rehabilitated, and 36% have discontinued participation. The percentage of persisting cohort members who obtained a degree within the past 12 months (40%) is higher than cohort members who rehabilitated (28%) or discontinued (33%) from the program. These findings are unsurprising, given the majority of persisting cohort members are in the employment through long-term services track and receive a monthly subsistence allowance to pursue training or an education program. Among cohort members who obtained a professional certificate within the past 12 months, 50% had successfully rehabilitated as of FY 2023 compared to 42% who were discontinued from the program.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 2.6. Education or training characteristics of VR&E participants by participation status as of FY 2023.

2.2. Demographic Characteristics

The demographic characteristics of participants in the VR&E program offer valuable insights into the populations they represent. Most characteristics described in this section are drawn from administrative data, while select characteristics (for example, the number of dependents) are collected through the annual survey. This section also presents specific demographic characteristics at program entry and as of FY 2023. Table 2.1 describes the demographic profile of cohort members as of FY 2023, including information about age range and education of Veterans at program entry.

Female Veterans account for 19% of cohort members, which is greater than the percentage of female Veterans overall (10%).⁶ However, the percentage of female

⁶ <https://www.dol.gov/agencies/vets/womenveterans>.

cohort members is consistent with the rate of female Veteran participation in recent years. As of 2022, females represent about 18% of Gulf War Era II Veterans.⁷

The majority (62%) of cohort members were less than 45 years old when they enrolled in the VR&E program, with only 14% entering over the age of 55. At program entry, 43% of cohort members had completed at least some college coursework, while 20% had earned a college degree or higher.

According to the FY 2023 administrative data, 72% of cohort members have an SEH, which is consistent with the proportion in the overall VR&E population (70%).⁸ A determination of SEH suggests a Veteran has significant difficulty in their ability to prepare for, obtain or maintain employment consistent with their abilities, aptitudes and interests. Appendix G provides a cohort-specific description of demographic characteristics.

Table 2.2. Demographic Characteristics of VR&E Participants as of FY 2023.

Demographic Characteristic	N	%
Age at Program Entry		
Less than 30	8,149	17%
30–44	21,074	45%
45–54	11,522	24%
55 and above	6,525	14%
Gender		
Male	38,290	81%
Female	8,976	19%
Education Level at Program Entry		
Below high school	595	1%
High school	16,372	35%
Some college	20,447	43%
Four year degree	6,761	14%
Graduate training	2,934	6%
Serious Employment Handicap		
Yes	34,225	72%
No	13,041	28%

Source: VBA Administrative Data, FY 2023.

⁷ Based on 2022 Bureau of Labor Statistics data available at <http://www.bls.gov/news.release/pdf/vet.pdf>.

⁸ <https://www.benefits.va.gov/REPORTS/abr/docs/2022-abr.pdf>.

The VR&E survey asks cohort members to report the type and number of dependents they currently have. As of FY 2023, 31% of cohort members reported no dependents (which typically includes a spouse or children), 29% reported at least one dependent, and 40% having two or more dependents. On average, Veterans reported having 1.5 dependents.

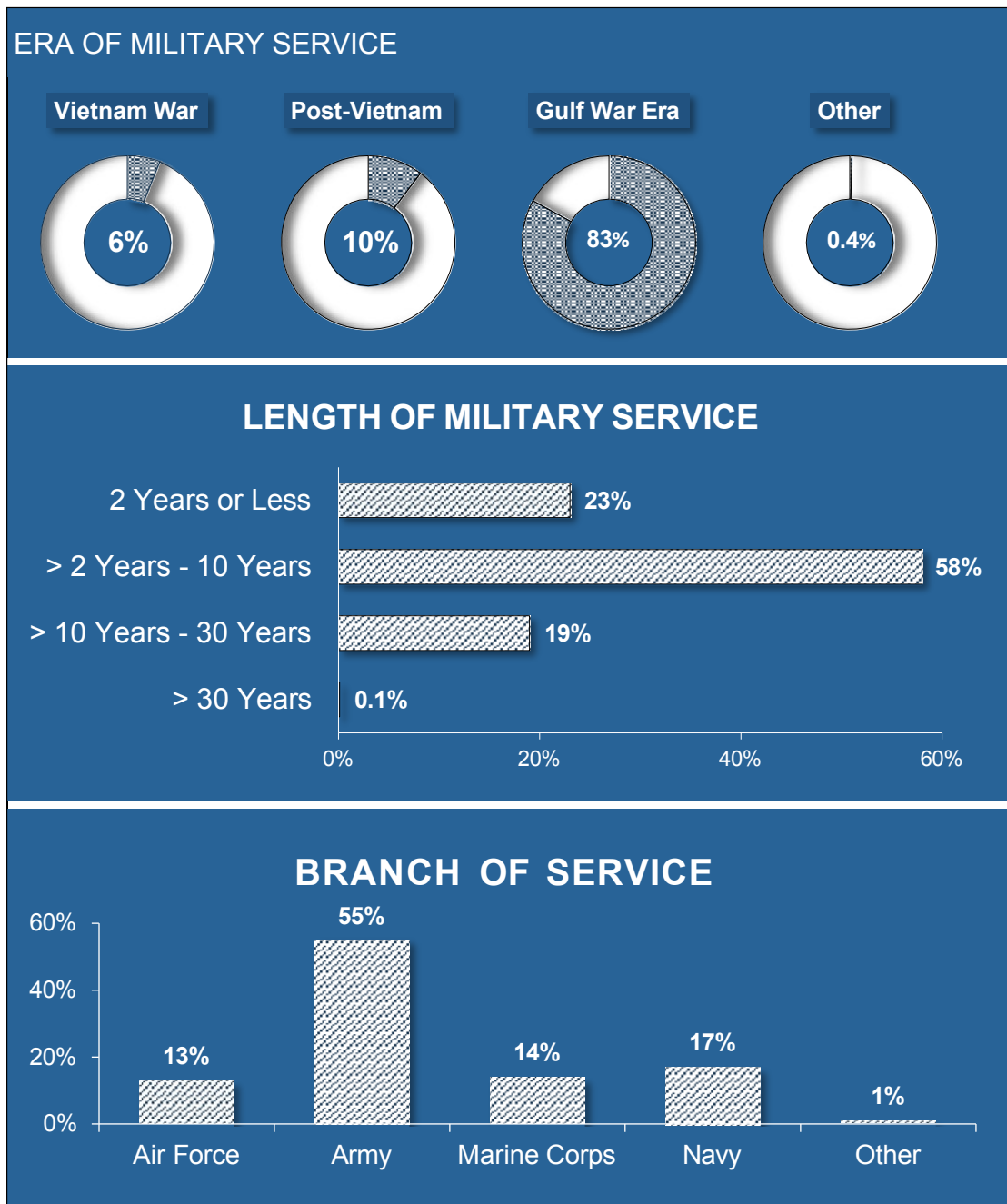
2.3. Military Service Characteristics

Gaining insight into the military career and service characteristics of cohort members provides an important understanding of their background and professional experiences. All military characteristics are drawn from the administrative data and represent the entire cohort population.

Figure 2.7 describes the military characteristics of cohort members and shows:

- 83% of cohort members served during the Gulf War Era. More specifically, 62% (not shown) of cohort members served during the Gulf War Era II.⁹
- 58% of cohort members served between 2 and 10 years in the military, and 23% served 2 years or less. About one-fifth (19%) served between 10 and 30 years. Less than 1% of cohort members had military careers spanning over 30 years.
- The majority (55%) of cohort members served in the Army, followed by the Navy (17%).

⁹ Gulf War Era II Veterans services anytime from September 11, 2001–present.



Source: VBA Administrative Data, FY 2023.

Figure 2.7. Military service-related characteristics of VR&E participants as of FY 2023.

2.4. Health-Related Characteristics

The VR&E program is specifically designed for Veterans with mental or physical service-connected disabilities; therefore, it is crucial to understand the health profile of the cohort members participating in the study. This section describes the health status of cohort members, including disability rating, primary diagnosis, and engagement with the health care system.

Primary Diagnosis

The primary diagnosis of cohort members is presented in Table 2.3. PTSD is the most prevalent primary diagnosis among cohort members (32%) followed by a musculoskeletal disease diagnosis (23%). Overall, primary diagnoses are evenly divided between physical health and mental health conditions.

Table 2.3. Primary Diagnosis of VR&E Participants as of FY 2023.

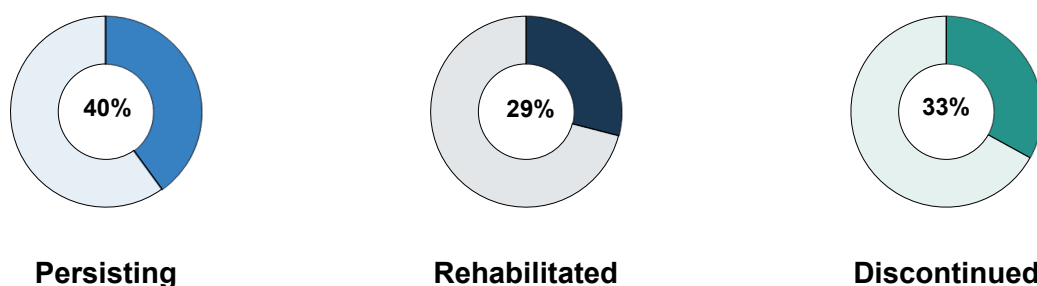
Primary Diagnosis	N	%
Dental and oral conditions	30	0.1%
Eye, ear, or other sensory organ disease	1,137	2%
Major depression	3,920	8%
Musculoskeletal system disease	10,692	23%
Neurological conditions and convulsive disorders	2,888	6%
PTSD	15,133	32%
Other mental health conditions	4,957	10%
Other physical health conditions or diseases	8,506	18%

Source: VBA Administrative Data, FY 2023.

PTSD is significant to Veteran populations as the prevalence of PTSD is slightly higher among Veterans than civilians.¹⁰ One-third of cohort members have a primary diagnosis of PTSD, which is greater than the proportion for overall Gulf War Era I (21%) and Gulf War Era II (29%) Veterans.¹¹ Figure 2.8 presents the percentage of each participation group with a primary PTSD diagnosis. Notably, 40% of persisting cohort members have a primary PTSD diagnosis compared to 33% of discontinued cohort members, and 29% of those who rehabilitated from the program. Among all cohort members with a primary diagnosis of PTSD, 61% have discontinued from the program.

¹⁰ https://www.ptsd.va.gov/understand/common/common_veterans.asp.

¹¹ https://www.ptsd.va.gov/understand/common/common_veterans.asp.



Source: VBA Administrative Data, FY 2023.

Figure 2.8. Percentage of persisting, rehabilitated, or discontinued VR&E participants with a primary diagnosis of PTSD as of FY 2023.

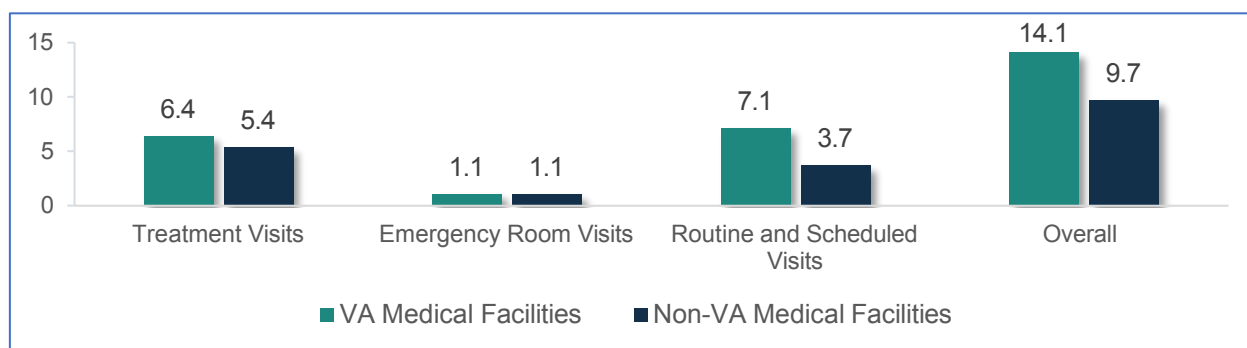
Medical Visits

Many Veterans use the health care benefits offered by the VHA, which manages the largest health care system in the country. A provision of the VR&E program ensures all program participants are eligible to receive VHA health care, services, and treatment as necessary to complete their rehabilitation plans. The annual VR&E survey asks cohort members to report the number of visits they made to VA and non-VA medical facilities within the past 12 months.

Figure 2.9 presents the average number of medical visits cohort members made to VA and non-VA medical facilities. On average, cohort members visited a VA medical facility (14 visits) more often than non-VA facilities (10 visits) during the past 12 months. With an average of 14 visits per year, cohort members use VA-provided health care services more frequently than the overall Veteran population (11 visits per year),¹² which could be attributed to cohort members having a SCD.

As shown in Figure 2.9 cohort members visited VA medical facilities more frequently than non-VA medical facilities regardless of the purpose of their visit, except for emergency room visits, which were visited with equal frequency. Notably, Veterans visited VA medical facilities almost twice as much as non-VA facilities for routine and scheduled visits in the past year.

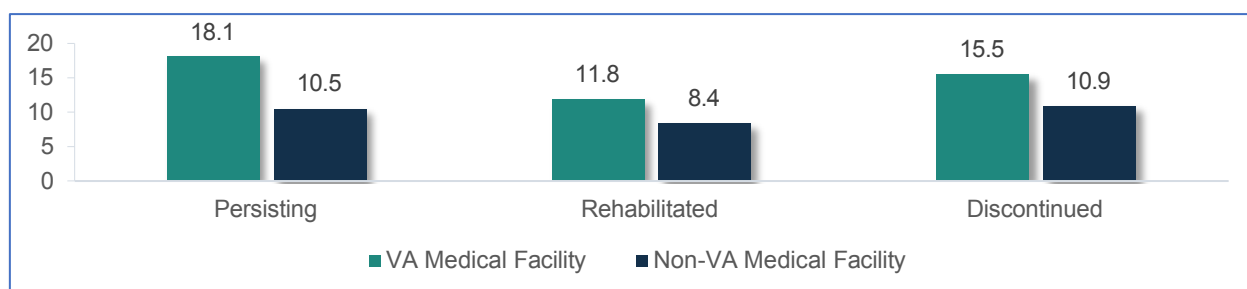
¹² Based on data prepared by the National Center for Veterans Analysis and Statistics available at http://www.va.gov/vetdata/docs/Utilization/VHASTats_2015.xlsx.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 2.9. Average number of visits to medical facilities in the past 12 months.

Figure 2.10 compares average visits to VA and non-VA medical facilities by participation status. Rehabilitated, discontinued, and persisting cohort members all visited VA medical facilities more frequently than non-VA medical facilities during the past 12 months. On average, rehabilitated cohort members had the fewest visits to either VA or non-VA medical facilities when compared to discontinued and persisting Veterans.



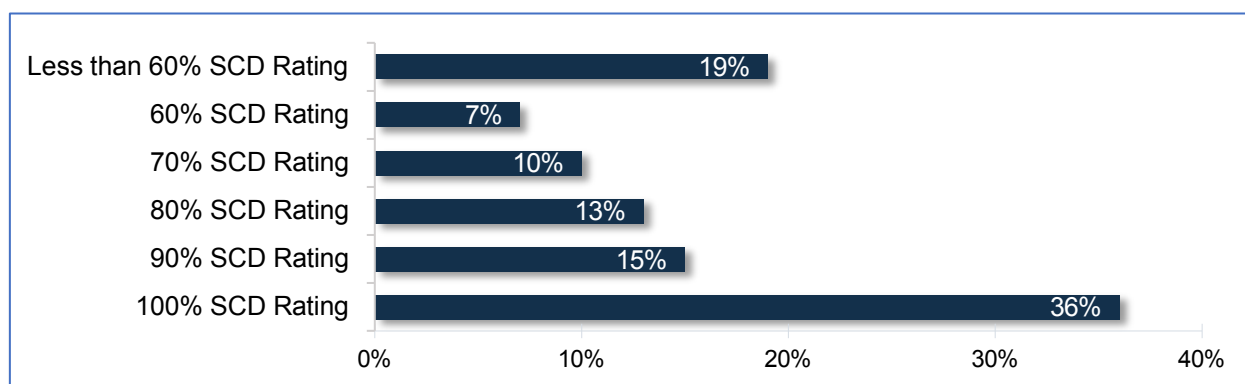
Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 2.10. Average number of visits to medical facilities in the past 12 months by participation status.

Combined Disability Rating

The VA disability rating system uses a specific process to combine multiple SCD ratings into a single combined rating called the combined disability rating. The combined disability rating is used to determine the amount of disability compensation and other benefits a Veteran is entitled to receive from VA. A higher combined disability rating suggests a higher level of overall disability and may result in higher disability compensation and benefits from VA.

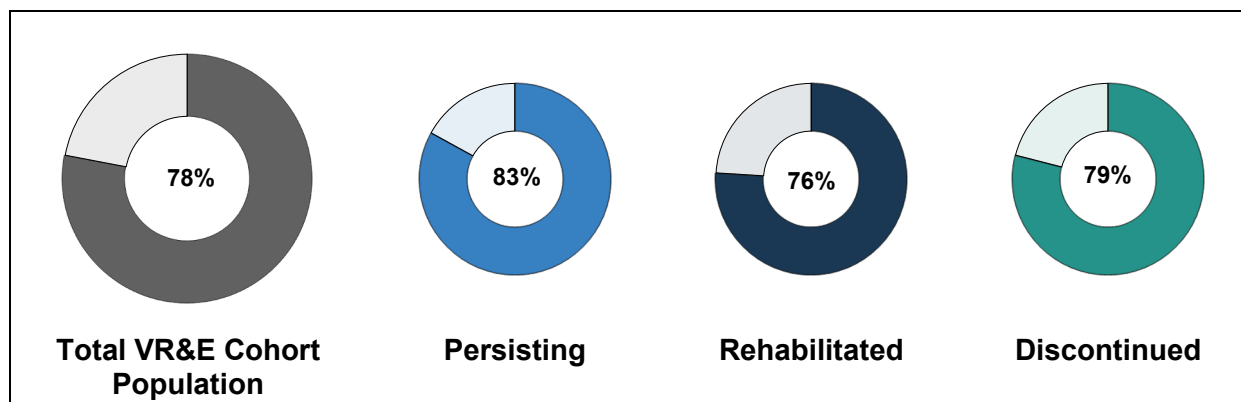
Figure 2.11 shows that 81% of cohort members have a combined disability rating of 60% or greater. One-third of cohort members have the maximum rating of 100%, which is the highest disability rating assigned by VA and indicates the most severe level of disability a Veteran can have. VR&E participants have a higher prevalence of combined disability ratings of 60% or higher when compared to the total Veteran population. Among overall Veterans with an SCD, 56% reported a combined disability rating of 60% or higher in the August 2023 Current Population Survey.¹³



Source: VBA Administrative Data, FY 2023.

Figure 2.11. Combined disability rating of VR&E participants as of FY 2023.

As shown in Figure 2.12 the average combined disability rating across all cohort members is 78%. On average, persisting (83%) and discontinued (79%) cohort members have a higher combined disability rating than those who achieved rehabilitation (76%).



Source: VBA Administrative Data, FY 2023.

Figure 2.12. Average combined disability rating of VR&E participants by participation status as of FY 2023.

¹³ <https://www.bls.gov/news.release/pdf/vet.pdf>.

Chapter 3 Findings Related to Program Outcomes

Chapter 3 Highlights:

- ★ Veterans who achieve rehabilitation have substantially better employment and standard of living outcomes than Veterans who discontinue.
- ★ As of FY 2023, rehabilitated Veterans have a higher homeownership rate (77%) compared to discontinued Veterans (62%) and the general U.S. population (66%).
- ★ Currently or recently employed rehabilitated Veterans earn an average of \$23,000 more than discontinued Veterans who are also currently or recently employed.

Each VR&E program track is designed to assist Veterans in their employment or independent living goals through consistent engagement with employment, education, and health services. Therefore, cohort members who successfully complete their rehabilitation plans can experience vastly different long-term post-program outcomes compared to those who choose not to complete the full extent of the program. This section summarizes the variation in outcomes based on participation status and describes trends in key outcomes over time.

3.1. Program Outcomes (Rehabilitated and Discontinued)

This section details the participation status of cohort members as of FY 2023, including participation status trends over time. This section also describes the main factors that contribute to successful completion (rehabilitation) or discontinuation from the program.

The term “discontinuation” is defined as the termination of all VR&E services and benefits. In accordance with 38 C.F.R. 21.198,¹⁴ the purpose of discontinued (DIS) status is to identify situations in which termination of all VR&E services and benefits is necessary. Per M28C.V.A.6, a Veteran’s claim may enter a discontinued status for any of the following reasons:

- The claimant reaches the basic 12-year eligibility termination date and there is no basis for extension of entitlement.
- The achievement of a vocational goal is found to be not feasible, and there are no Independent Living needs.
- The Veteran is unable to participate in a rehabilitation program because of a serious physical or emotional problem for an extended period, and VA medical

¹⁴ <https://www.govinfo.gov/content/pkg/CFR-2011-title38-vol2/pdf/CFR-2011-title38-vol2-sec21-198.pdf>.

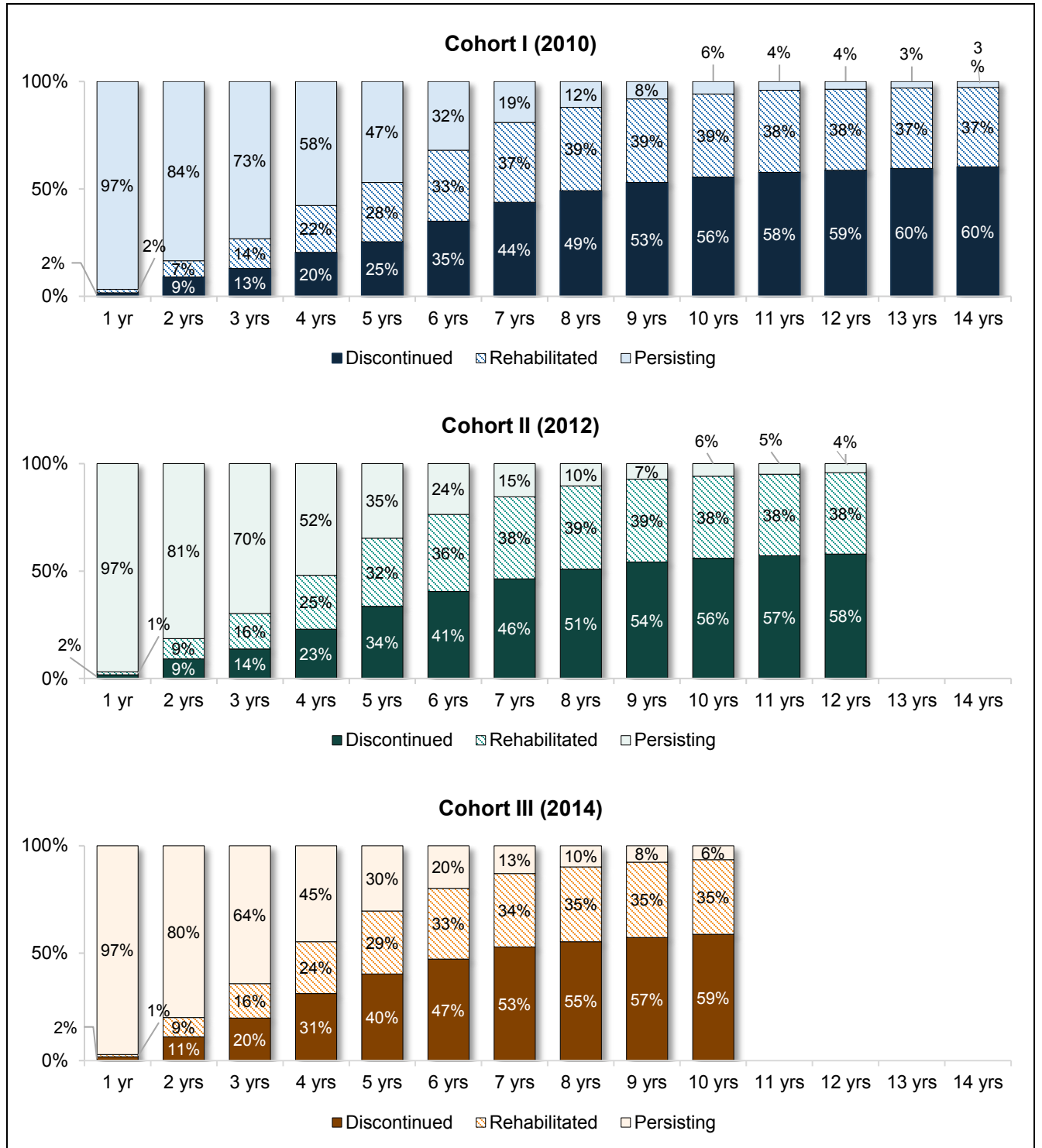
staff is unable to estimate an approximate date by which the claimant will be able to begin or return to the program.

- The Veteran chooses to obtain and/or maintain unsuitable employment and does not wish to pursue further services that will lead to suitable employment.
- The Veteran declines to initiate services following the application for VR&E services or exhibits unsatisfactory conduct or cooperation as outlined in 38 C.F.R. 21.364.
- The Veteran fails to progress in their plan of service.
- The Veteran requests all action on his or her claim to be stopped.
- The Veteran elects to pursue further education and is not employable.
- The Veteran reports financial or family issues that cannot be resolved with the assistance of VR&E services.
- The Veteran is recalled to active-duty status.
- The Veteran dies and the case manager verify the date of death.
- The Veteran reaches a maximum rehabilitation gain (MRG) despite being unable or unwilling to complete his or her planned services.

Despite classification as a discontinuance, an MRG is considered a positive outcome. Defined as a comprehensive representation of the positive impact of the rehabilitation process, Veterans who meet the criteria of an MRG can acquire suitable employment as a result of their VR&E services or are currently employed in a position that was not related to their rehabilitation plan. It is important to note the inclusion of MRGs when reviewing the discontinuance rate throughout this report.

Descriptive Trends

As expected, the proportion of cohort members who have exited the program has significantly increased over time since many members of the study have completed their goals or discontinued the program by choice or because they exhausted their eligibility. Figure 3.1 illustrates the overall changes in the proportion of cohort members who are persisting, rehabilitated, or discontinued since entering the program. Since cohort members can re-apply for VR&E services after exiting, the annual percentages displayed in the figure were calculated using the participation status as of the end of each fiscal year.



Source: VBA Administrative Data.

Figure 3.1. Cumulative percentage of VR&E participants rehabilitated, discontinued, or still persisting by cohort as of each study year.

Despite differences in the length of participation among each cohort, Figure 3.1 presents comparable trends in program participation over time. Cohort I Veterans achieved rehabilitation at a rate of 37% over the past 14 years, compared to 2% in year 1. Similarly, the percentage of rehabilitated Veterans in Cohort II increased from 1% in year 1 to 38% by the end of year 12. In the 10 years that Cohort III has been in the study, Veterans who achieved rehabilitation increased from 1% to 35%.

After 10 years in the study, 94% of each cohort had exited the program through achieving rehabilitation or discontinuing from services.

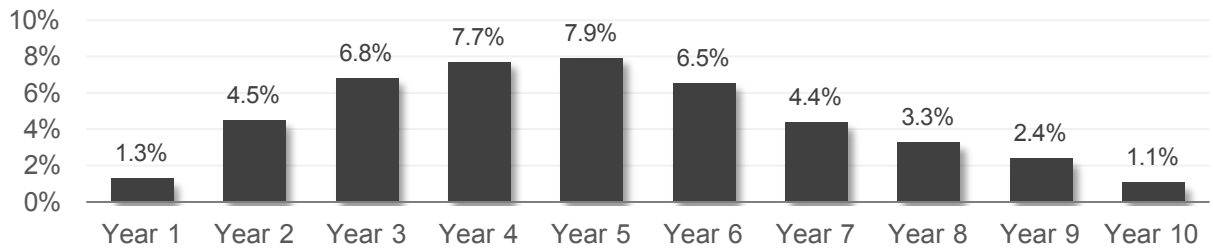
When comparing all cohorts at the 10-year mark (an equitable comparison period for each cohort), there was a significant decrease in the percentage of cohort members pursuing the objectives of their rehabilitation plans. The proportion of persisting Veterans decreased from 97% in year 1 to 6% by year 10, indicating a significant decrease in the number of Veterans actively participating in the study

within each cohort. All cohorts have similar rates of change regarding the number of Veterans who exit the program over time. By the end of year 10, the percentage of rehabilitated Veterans within each cohort ranged from 35% to 39% and the percentage of discontinued Veterans ranged from 56% to 59%.

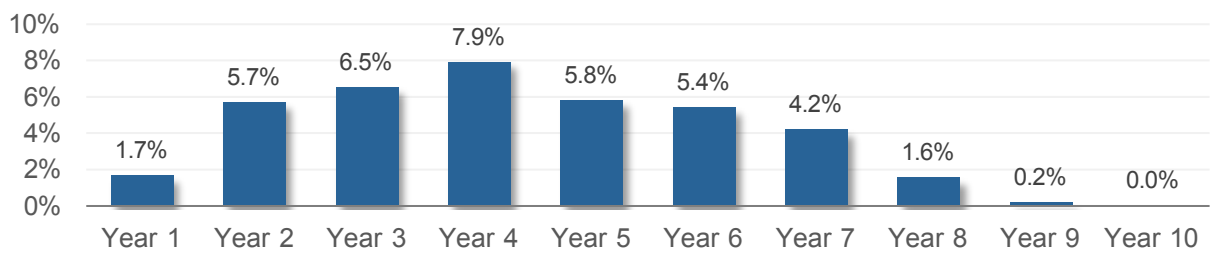
As seen in Figure 3.1, the experience of each cohort indicates that it takes between 4 and 5 years for at least 50% of the cohort to exit the VR&E program. A study of the VR&E program conducted by the U.S. Government Accountability Office (GAO) in 2014 revealed that Veterans who began an employment plan in 2003 took on average 55 months to successfully rehabilitate.¹⁵ The GAO study further reported that while almost one-half of those who successfully achieved rehabilitation did so within 3 to 5 years of applying for services, 37% of those who achieved rehabilitation took 6 to 10 years. As shown in Figure 3.2, current findings from the three cohorts closely parallel the GAO findings.

¹⁵ <http://www.gao.gov/assets/670/660160.pdf>.

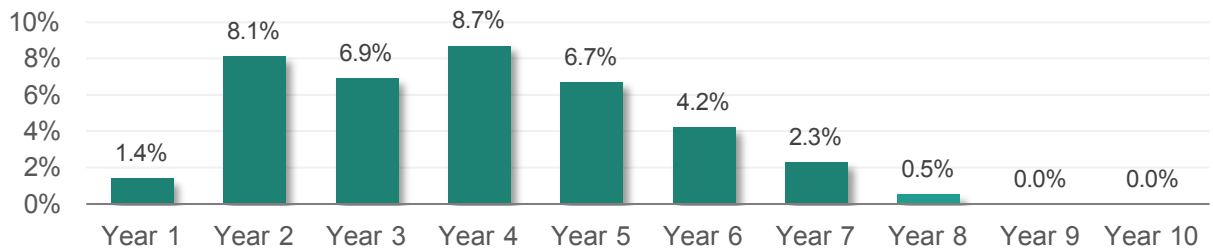
GAO Report 14-61 FY 2003 Cohort



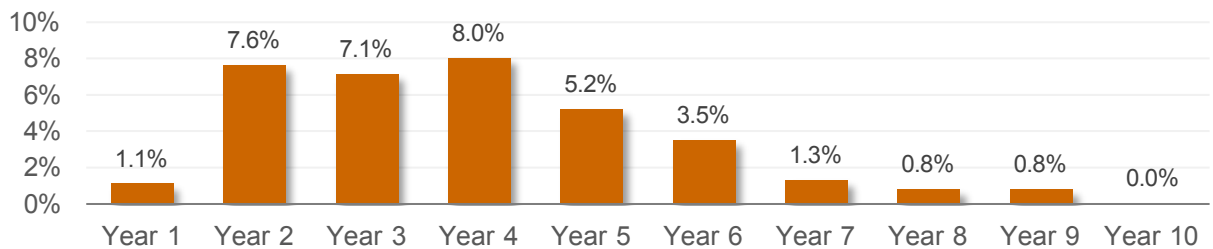
VR&E Longitudinal Study Cohort I (FY 2010)



VR&E Longitudinal Study Cohort II (FY 2012)



VR&E Longitudinal Study Cohort III (FY 2014)



Source: VBA Administrative Data, FY 2023, and <http://www.gao.gov/assets/670/660160.pdf>

Figure 3.2. Annual percentage of VR&E Longitudinal Study participants and GAO 14-61 study participants who achieved rehabilitation after 10 years of participation.

Factors that Contribute to Rehabilitation

The experiences of Veterans within the VR&E program differ depending on their unique characteristics and the program of services they choose. Considering all cohort members do not exit the program having achieved rehabilitation, there is likely a complex relationship between Veteran characteristics and program outcomes. The

detailed results of the regression analyses are presented in Appendix I.

Some college education at program entry, having served as an officer, length of service, age, being male, and serving in the Gulf War II era are associated with a **shorter time to achieve rehabilitation**.

To better identify the factors that influence participation in the VR&E program, multivariate regression analyses was used to examine the relationship between program and participant characteristics and outcomes of interest. By identifying the factors that influence program participation, we can better understand the experiences of Veterans within the program.

The following are significant factors that contribute to achieving rehabilitation or that determine the length of time it takes to achieve rehabilitation:

- **Education and career advancement.** Veterans who successfully complete the VR&E program were more likely to have entered the program with a higher pre-enrollment salary and at least some college education than Veterans who entered the program with a relatively lower salary and no college education. Those who completed the program also were more likely to have served longer in the military, served as an officer, and served during one of the Gulf War periods than Veterans who entered the program without those characteristics.
- **Program track.** Veterans in the employment through long-term services or other employment tracks are less likely to achieve rehabilitation and take longer to achieve rehabilitation relative to Veterans in the IL track.
- **Disability and mental health.** Veterans with a higher disability rating or a mental health issue as a primary diagnosis were less likely to achieve rehabilitation as compared to Veterans with lower disability ratings and no mental health issues. Having an SEH and having a higher disability rating also are associated with a longer rehabilitation period.
- **Age.** Older Veterans were less likely to achieve rehabilitation but took less time to achieve rehabilitation than younger Veterans.
- **Cohort.** Findings show that as of FY 2023, members of Cohort III were less likely to have achieved rehabilitation relative to Cohort II. This outcome is expected given Cohort III members have spent less time in the program relative to Cohort II members.

A list of all factors and their impact on achieving rehabilitation and time to rehabilitation are shown in Table 3.1.

Table 3.1. Factors That Contribute to Achieving Rehabilitation and Time to Rehabilitation as of the End of FY 2023.

Explanatory Variable	Achieving Rehabilitation ^{*,†}	Time to Rehabilitation ^{‡, §}
Employment through long-term services track (compared to independent living)	-	+
Other employment tracks (compared to independent living)	-	+
Age	-	-
Male	N.S.	-
Some college or higher (at program entry)	+	-
Pre-rehabilitation salary	+	N.S.
Length of military service	+	-
Officer status	+	-
Served in Gulf War I period	+	N.S.
Service in Gulf War II period	+	-
Disability rating	-	+
Serious employment handicap	+	+
Primary mental health diagnosis	-	N.S.
2010 Cohort (compared to 2012 Cohort)	N.S.	
2014 Cohort (compared to 2012 Cohort)	-	
N.S. = not significant		
<p>* The effects are based on a logistic regression estimation where the dependent variable is a dichotomous variable in which one indicates rehabilitation and zero indicates persisting program participation or discontinuation.</p> <p>† Achieving Rehabilitation: a negative symbol (-) indicates the Veteran is less likely to successfully complete the program, while a positive symbol (+) indicates the Veteran is more likely to successfully complete the program.</p> <p>‡ The effects are based on a survival regression estimation where the dependent variable is the number of days between the date of cohort entry and the date of rehabilitation (cohort members are removed from the risk set once they discontinue). Because Cohort is a measure of time spent in the program, it was not included as an explanatory variable in the survival analysis.</p> <p>§ Time to Rehabilitation: a positive symbol (+) indicates a Veteran may take longer to achieve rehabilitation, whereas a negative symbol (-) indicates a Veteran make take less time to achieve rehabilitation.</p>		

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Factors that Contribute to Discontinuation

Following are the significant factors that contribute to discontinuation from the VR&E program as of FY 2023:

- **Program track.** Veterans in the employment through long-term services track or one of the three other employment tracks (re-employment, rapid access to employment and self-employment tracks) are much more likely to discontinue their plans than those in the IL track.

- **Disability and mental health.** Veterans who discontinued from the program were more likely to have a higher disability rating and a mental health condition as a primary diagnosis as compared to Veterans with lower disability ratings and no mental health conditions. Veterans with an SEH were significantly less likely to have discontinued than their counterparts, perhaps indicating a greater perceived need for VR&E services.
- **Age and gender.** Older and male Veterans were more likely to discontinue relative to younger and female Veterans.
- **Cohort.** Veterans in Cohort III are more likely to have discontinued by FY 2023 relative to their counterparts in Cohort II.
- **Education and career advancement.** Some college education at program entry, a higher pre-enrollment salary, served as an officer, served longer on active duty, served during one of the Gulf War periods, and having an SEH are negatively associated with program discontinuance.

A list of all factors that contribute to discontinuation are shown in Table 3.2.

Table 3.2. Factors That Contribute to Discontinuation as of FY 2023.

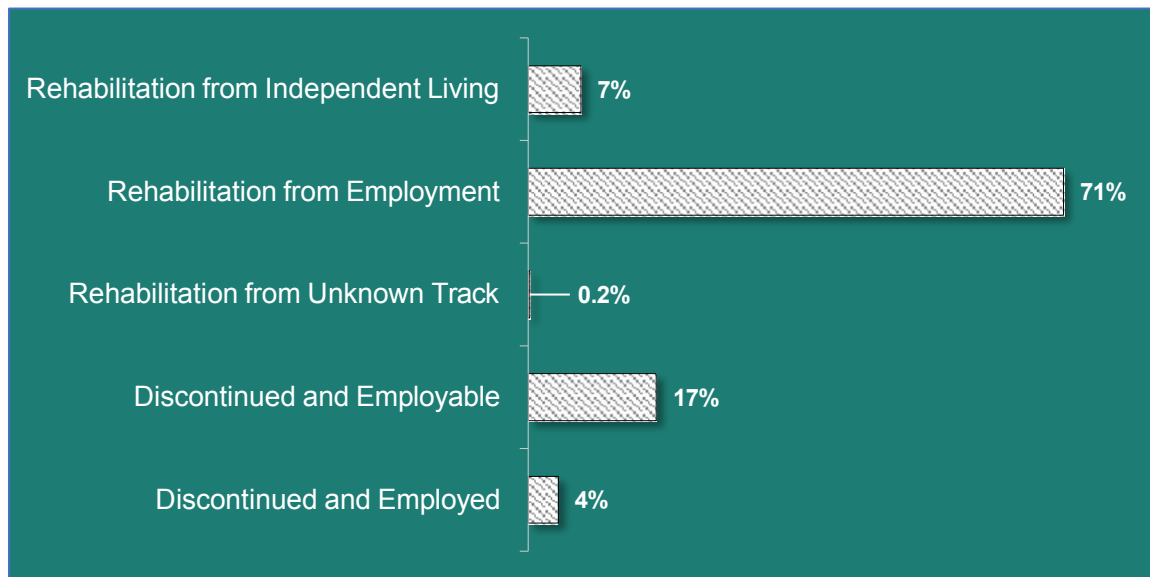
Explanatory Variable	Likelihood of Discontinuation*, †
Employment through long-term services track (compared to independent living)	+
Other employment tracks (compared to independent living)	+
Age	+
Male	+
Some college or higher (at program entry)	-
Pre-rehabilitation salary	-
Length of military service	-
Officer status	-
Served in Gulf War I period	-
Service in Gulf War II period	-
Disability rating	+
Serious employment handicap	-
Primary mental health diagnosis	+
2010 Cohort (compared to 2012 Cohort)	N.S.
2014 Cohort (compared to 2012 Cohort)	+
N.S. = not significant	
* The effects are based on a logistic regression estimation where the dependent variable is a dichotomous variable, where one indicates discontinuation and zero indicates persisting program participation.	
†Positive factors (+) indicate a higher likelihood of the Veteran discontinuing from the program, while negative (-) factors are those that lead to a lower likelihood of discontinuation.	

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Positive Outcomes

The main objective of the VR&E program is to assist Veterans with SCDs in obtaining suitable employment or improving their ability to live independently. While successful rehabilitation from the program is the primary goal of each program track, alternative outcomes are still considered positive if rehabilitation is not achieved. Positive outcomes for program participants include successful rehabilitation from any program track and discontinuation from the program with a maximum rehabilitation gain (either employable or employed). In the case of discontinued cohort members, a positive outcome is considered if they are employable and have received vocational services or significantly improved their circumstances, or if they are employed due to the contributions of the VR&E program but do not meet the criteria for closure as rehabilitated.

Figure 3.3 shows the number of cohort members who achieved positive outcomes as of FY 2023. Rehabilitation from employment was the most prevalent (71%) positive outcome identified in the cohort population. Being employable was the most common (17%) positive outcome among discontinued cohort members.



Source: VBA Administrative Data, FY 2023.

Figure 3.3. Positive outcomes of VR&E participants as of FY 2023.

3.2. Employment and Standard of Living Outcomes

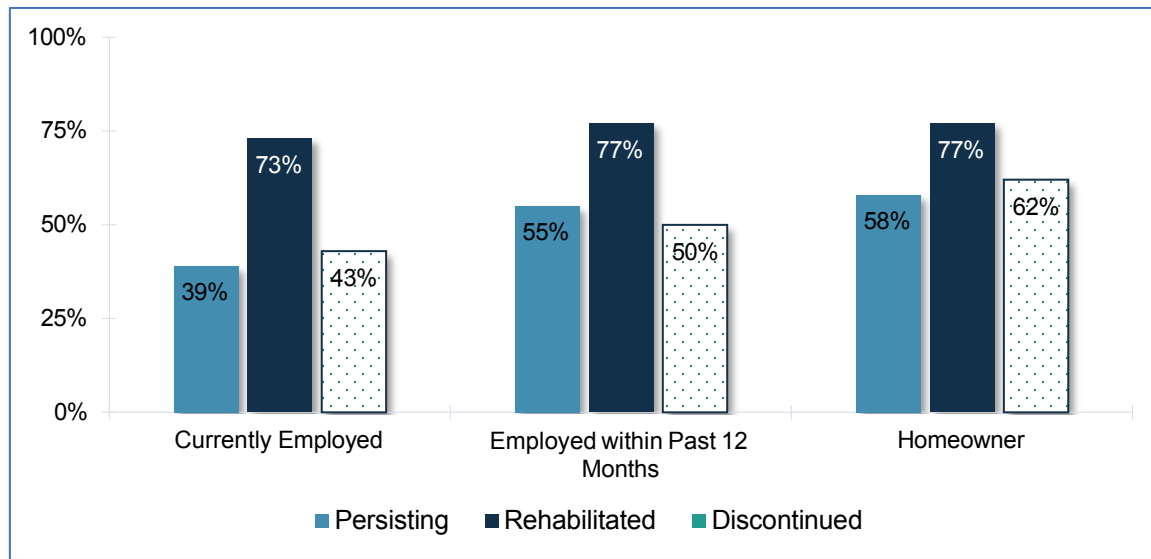
The longitudinal study of the VR&E program aims to determine the long-term post-program outcomes of Veterans who establish a plan of services. This section presents descriptive information about employment and standard of living outcomes with a focus on the experiences of cohort members who achieved rehabilitation and those who

discontinued from the program. The main source of data used to measure post-program outcomes is the annual survey.

Employment and Standard of Living Outcomes

One of the most significant and consistent findings presented in this report is that Veterans who rehabilitated from the VR&E program have significantly better employment and standard of living outcomes than Veterans who discontinued from the study or those who are persisting in their plans. As shown in Figure 3.4:

- Rehabilitated Veterans have significantly higher rates of current (73%) and past year (77%) employment compared to discontinued and persisting cohort members.
- A larger percentage of Veterans who successfully completed the program reported higher rates of homeownership (77%) relative to those who did not complete the program. Notably, the rate of homeownership among rehabilitated Veterans is higher than the rate across the United States population (66%).¹⁶



Source: VR&E Longitudinal Survey Data, FY 2023.

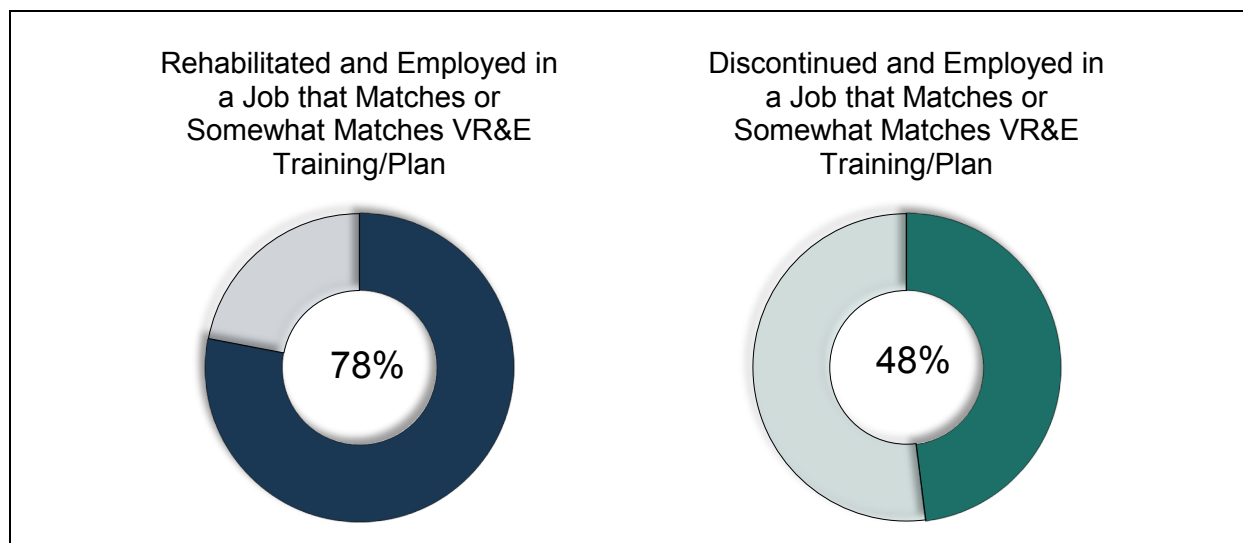
Figure 3.4. Employment and standard of living outcomes as of FY 2023.

Veterans across each participation group have similar rates of unemployment benefit usage as of FY 2023 (not shown). Persisting Veterans have the highest rate of unemployment (2.9%), which is unsurprising as they are still working towards the objectives in their plan of services. Rehabilitated Veterans have a slightly lower unemployment benefit rate (2.1%) when compared to discontinued Veterans (2.7%), although the usage rate of both groups is relatively low overall, especially among

¹⁶ Based on 2020 U.S. Census data, https://www.census.gov/housing/hvs/files/annual22/ann22t_14.xlsx.

discontinued Veterans who have a current and past year employment rates of at most 50%.

Among the Veterans who reported being currently employed, 78% of those who achieved rehabilitation indicated they were employed in a job that matches or somewhat matches their training/plan provided by VR&E compared to 48% of those who are employed and discontinued from the program (see Figure 3.5).

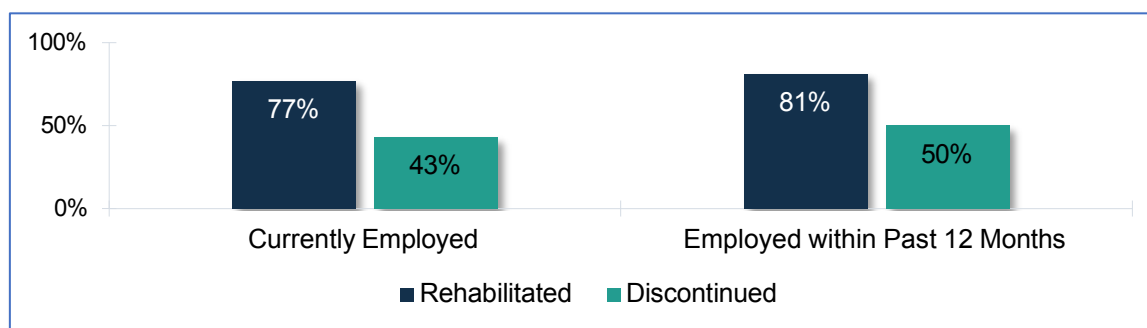


Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.5. Percentage of VR&E participants who achieved rehabilitation or discontinued and are employed in a job that matches or somewhat matches VR&E training/plan as of FY 2023.

It is expected that not all rehabilitated participants will report being employed, as the rehabilitated category includes Veterans who have achieved rehabilitation from the IL track. The goal of the IL track is for Veterans to live independently within their homes and communities and not to necessarily obtain employment. In addition, not all participants who achieve rehabilitation from an employment plan will report being employed given that some employable Veterans elect to pursue further education after successfully completing their rehabilitation plans instead of immediate employment.

Of the Veterans who rehabilitated from an employment plan, 77% were currently employed and 81% reported having been employed at some point in the past 12 months (Figure 3.6). These rates are significantly higher than Veterans who discontinued from an employment plan.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.6. Employment rates for VR&E participants who achieved rehabilitation or discontinued from an employment plan as of FY 2023.

Employment Earnings and Income Outcomes

This section describes the earning and income outcomes across participation status (rehabilitated, discontinued and persisting). Median annual earnings are only reported for Veterans in an employment plan, which is defined as the amount earned before taxes and other deductions in the past 12 months from all jobs or businesses.¹⁷ Annual income is defined as income received from all sources, including earnings from a job, benefits from government programs and any retirement, pension, investing, or savings income from which regular payments are received before taxes in the past 12 months.

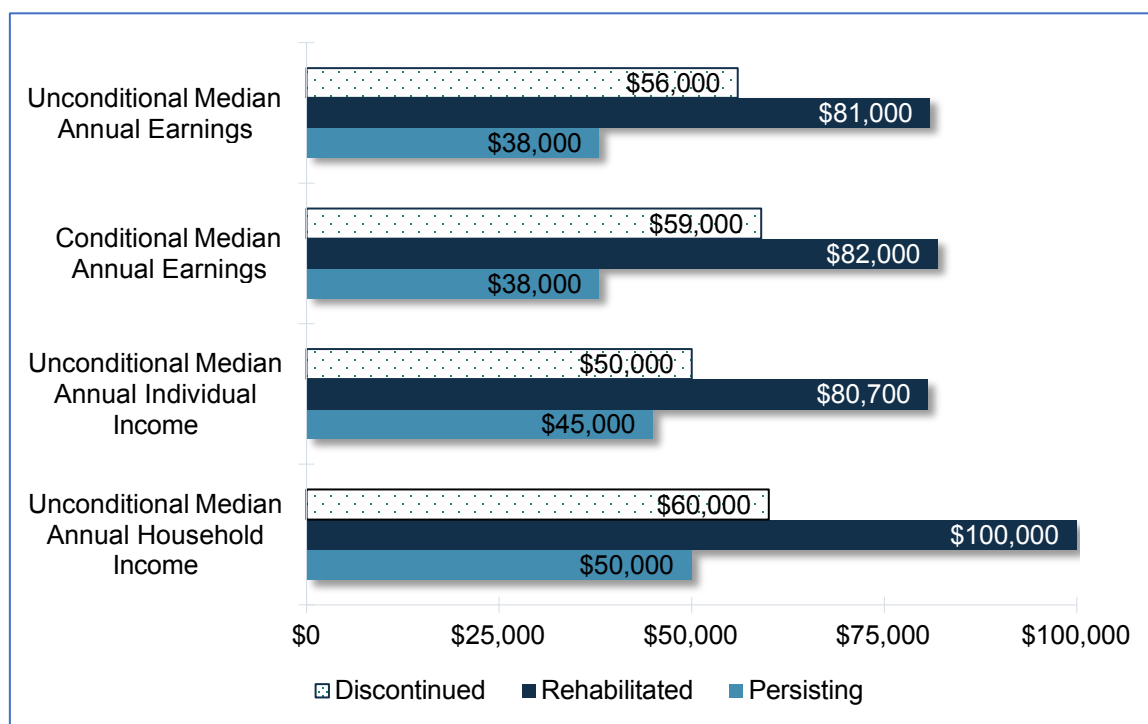
Figures in this section report the unconditional (includes zero values in analyses) median or the conditional (excludes zero values in analyses) median. As shown in Figure 3.7, the key findings related to earnings and income reveal:

- Rehabilitated Veterans who reported current or past year employment earned an average of \$23,000 (\$82,000 versus \$59,000) more than discontinued Veterans who also reported current or past year employment.
- Median individual income for rehabilitated Veterans is \$30,700 higher than that of discontinued Veterans.
- Median household income for rehabilitated Veterans is \$40,000 higher than that of discontinued Veterans.
- The median annual earnings of rehabilitated Veterans are at least \$25,000 higher on average than those of Veterans overall¹⁸ and the average American,¹⁹ which highlights the long-term financial well-being of Veterans who successfully complete the VR&E program.

¹⁷ Veterans in an independent living or extended evaluation plan are excluded from average earnings calculations given employment is not a goal of those programs.

¹⁸ <https://lehd.ces.census.gov/applications/veo/occupation/state>.

¹⁹ <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-273.pdf>.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.7. Earnings and income outcomes as of FY 2023.

Factors that Contribute to Employment and Earnings

To better understand the factors that influence employment and earnings, we use multivariate regression analyses of key outcomes for those who exited the program (rehabilitated or discontinued). Only Veterans who exited from an employment plan are included in the regression analyses for employment outcomes, including current employment and annual earnings. Following are the factors significantly associated with employment as of FY 2023:

- **Rehabilitation status.** Veterans who successfully rehabilitated from an employment plan are more likely to be employed than those who discontinued from their plan of services.
- **Military service.** The longer Veterans have served in the military, the more likely they are to be employed. Veterans are also more likely to be employed if they served during the Gulf War period.
- **Age.** Older Veterans and those who participated in VR&E for longer periods of time are less likely to be employed.
- **Education and income.** Veterans who have some college education at program entry are more likely to be employed than Veterans who entered without college. Veterans who entered the program with a higher salary are also more likely to be employed.

- **Disability and mental health.** Veterans with an SEH, a higher disability rating, and a primary mental health diagnosis had a lower likelihood of being employed.
- **Family structure.** Veterans with more dependents are more likely to be employed.
- **Cohort.** Veterans in Cohort III are more likely to be employed relative to their counterparts in Cohort II.

Table 3.3 lists all analyzed factors that contribute to current employment status.

Table 3.3. Factors That Contribute to Current Employment Status as of FY 2023.

Explanatory Variable	Currently Employed*. †
Rehabilitated status (compared to discontinued)	+
Other employment tracks (compared to employment through long-term services)	N.S.
Age	-
Male	N.S.
Some college or higher (at program entry)	+
Pre-rehabilitation salary	+
Length of military service	+
Officer status	N.S.
Served in Gulf War I period	+
Service in Gulf War II period	+
Disability rating	-
Serious employment handicap	-
Primary mental health diagnosis	-
Number of dependents	+
Earned degree	N.S.
Weeks from program start to exit	-
2010 Cohort (compared to 2012 Cohort)	N.S.
2014 Cohort (compared to 2012 Cohort)	+
Note: Models include only Veterans who exited the program from an employment track. Veterans excluded who exited from the IL track or from an extended evaluation plan because few were employed. N.S. = not significant	
* The effects are based on a logistic regression estimation where the dependent variable is a dichotomous variable, where one indicates current employment and zero indicates not currently employed.	
† Positive factors (+) indicate a higher likelihood of the Veteran currently being employed, while negative (-) factors are those that lead to a lower likelihood of current employment.	

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Table 3.4 presents the significant factors that contribute to annual earnings among those Veterans who exited the program from an employment plan. Factors significantly associated with higher earnings as of FY 2023 are:

- **Program participation.** Veterans who successfully rehabilitated from an employment plan earned much more over the past 12 months relative to those who discontinued their employment plans.
- **Military service.** Longer military service and officer status were both associated with higher annual earnings.
- **Gender and age.** Veterans are more likely to report higher earnings if they are male. Older Veterans are less likely to report higher earnings than younger Veterans.
- **Family structure.** Veterans with more dependents are more likely to report higher earnings.
- **Education and Income.** Veterans who have some college education at program entry are more likely to report higher earnings. Unsurprisingly, those with a higher pre-rehabilitation salary are more likely to report higher earnings.
- **Disability and mental health.** Veterans with a primary mental health diagnosis, an SEH, and a higher disability rating are less likely to report higher earnings.
- **Cohort.** Veterans in Cohort III are more likely to report higher earnings relative to their counterparts in Cohort II.

Table 3.4. Factors that Contribute to Annual Earnings as of FY 2023.

Explanatory Variable	Annual Earnings*, †
Rehabilitated status (compared to discontinued)	+
Other employment tracks (compared to employment through long-term services)	N.S.
Age	-
Male	+
Some college or higher (at program entry)	+
Pre-rehabilitation salary	+
Length of military service	+
Officer status	+
Served in Gulf War I period	N.S.
Service in Gulf War II period	N.S.
Disability rating	-
Serious employment handicap	-
Primary mental health diagnosis	-
Number of dependents	+
Earned degree	N.S.
Weeks from program start to exit	N.S.
2010 Cohort (compared to 2012 Cohort)	N.S.
2014 Cohort (compared to 2012 Cohort)	+
Note: Models include only Veterans who exited the program from an employment track. Veterans who exited from the IL track or from an extended evaluation plan were excluded because few were employed. N.S. = not significant	
* The effects are based on a linear regression estimation where the dependent variable is a continuous variable.	
† Positive factors (+) indicate a positive correlation between the independent variable and annual earnings, while negative (-) factors indicate a negative correlation between the independent and annual earnings.	

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

Factors that Contribute to All-Source Income

Multivariate regression also was used to explore the factors that influence the individual income²⁰ and household income²¹ of cohort members who exited the program. As income includes funds from all sources, not just earnings from a job, most Veterans exiting the program are expected to report positive income regardless of employment status. For this reason, all Veterans exiting the VR&E program were included in the

²⁰ Individual income was defined as the gross income from all sources before taxes, such as earnings from a job, benefits from government programs, and retirement, pension, investment, or savings income.

²¹ Household income was defined as the combined before-tax income of people who share their income and live in the same home (for example, you and your spouse).

income regression analyses. As noted in Table 3.5, significant factors associated with annual individual and household income from all sources include:

- **Rehabilitation status.** Veterans who achieved rehabilitation status are more likely to report higher annual individual incomes compared to those who discontinued. Veterans who are in the long-term services track are more likely to report higher household income than those in the IL Track.
- **Military service.** Former officers are more likely to report higher individual and household incomes over the past 12 months compared to Veterans who served the enlisted ranks. Those with longer military service are more likely to report higher individual and household incomes than those with shorter service periods. Note that Veterans who serve longer are more likely to be eligible for military retirement pay.
- **Gender and age.** Veterans who are male are more likely to report higher individual income. Those who were older were less likely to report higher individual and household income.
- **Education and income.** Veterans who have at least some college experience are more likely to report higher individual and household income. Veterans who have a higher pre-rehabilitation salary are more likely to report higher individual and household income.
- **Disability and mental health.** Veterans with a higher disability rating are more likely to report higher individual income. Veterans with a mental health condition and an I are less likely to report higher individual and household income.
- **Family structure.** Veterans with more dependents are more likely to report higher individual and household income.

Table 3.5. Factors That Contribute to Individual and Household Income as of FY 2023.

Explanatory Variable	Individual Income ^{*,†}	Household Income
Rehabilitated status (compared to discontinued)	+	+
Employment through long-term services track (compared to independent living)	+	+
Other employment tracks (compared to independent living)	+	+
Age	-	-
Male	+	N.S.
Some college or higher (at program entry)	+	+
Pre-rehabilitation salary	+	+
Length of military service	+	+
Officer status	+	+
Served in Gulf War I period	N.S.	N.S.
Service in Gulf War II period	N.S.	N.S.
Disability rating	+	N.S.
Serious employment handicap	-	-
Primary mental health diagnosis	-	-
Number of dependents	+	+
Earned degree	N.S.	N.S.
Weeks from program start to exit	N.S.	N.S.
2010 Cohort (compared to 2012 Cohort)	N.S.	N.S.
2014 Cohort (compared to 2012 Cohort)	N.S.	N.S.
Note: Models include only Veterans who exited the program. N.S. = not significant		
* The effects are based on a linear regression estimation where the dependent variable is a continuous variable. † Positive factors (+) indicate a positive correlation between the independent variable and income, while negative (-) factors indicate a negative correlation between the independent variable and income.		

Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023.

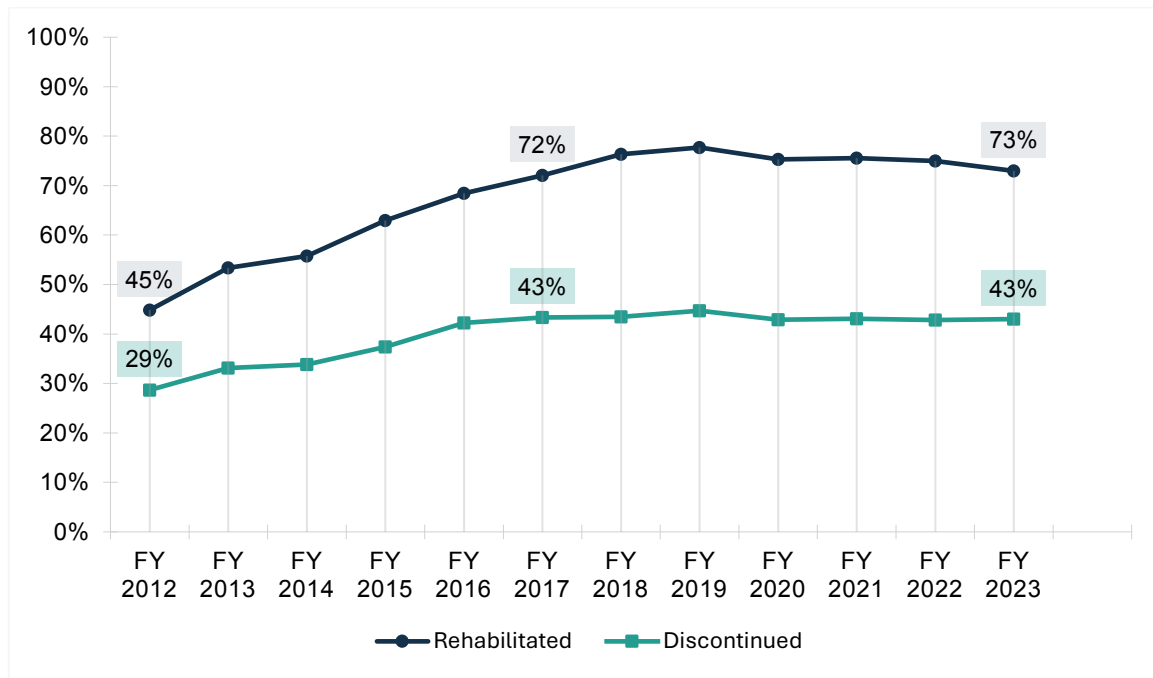
Employment and Standard of Living Trends

The VR&E Longitudinal Study has monitored key outcomes for over a decade. As of FY 2023, each cohort has been followed consecutively for at least 10 years. This section highlights the trends of key outcomes over time from 2012 (when Cohort I and II completed the first survey) through the current year focusing on the employment, income and standard of living outcomes experienced by cohort members who have achieved rehabilitation and those who have discontinued. By identifying changes in these outcomes over time, we can better understand the long-term experiences and achievements of VR&E participants after exiting the program.

Employment and Education

Figure 3.8 illustrates the rate of current employment (reported at the time of data collection) for rehabilitated and discontinued cohort members since the VR&E Longitudinal Survey was first fielded in 2012. The employment rate of rehabilitated Veterans has remained consistently higher than discontinued Veterans throughout the entire follow-up period. The employment rate for rehabilitated Veterans steadily increased from 45% in FY 2012 (the first year of survey data collection) to 72% at 5 years later in FY 2017, to 73% as of FY 2023.

In contrast, the employment rate of discontinued Veterans remained at least 15 percentage points lower than rehabilitated Veterans across each year of data collection. Employment of discontinued Veterans remained relatively stable over the years, ranging from 29% in FY 2012 to 43% in FY 2017, after which the employment rate remained steady between 43% and 45% through FY 2023. These trends suggest Veterans who completed the VR&E program have sustainable and consistently much higher rates of employment over time when compared to Veterans who discontinued from the VR&E program.

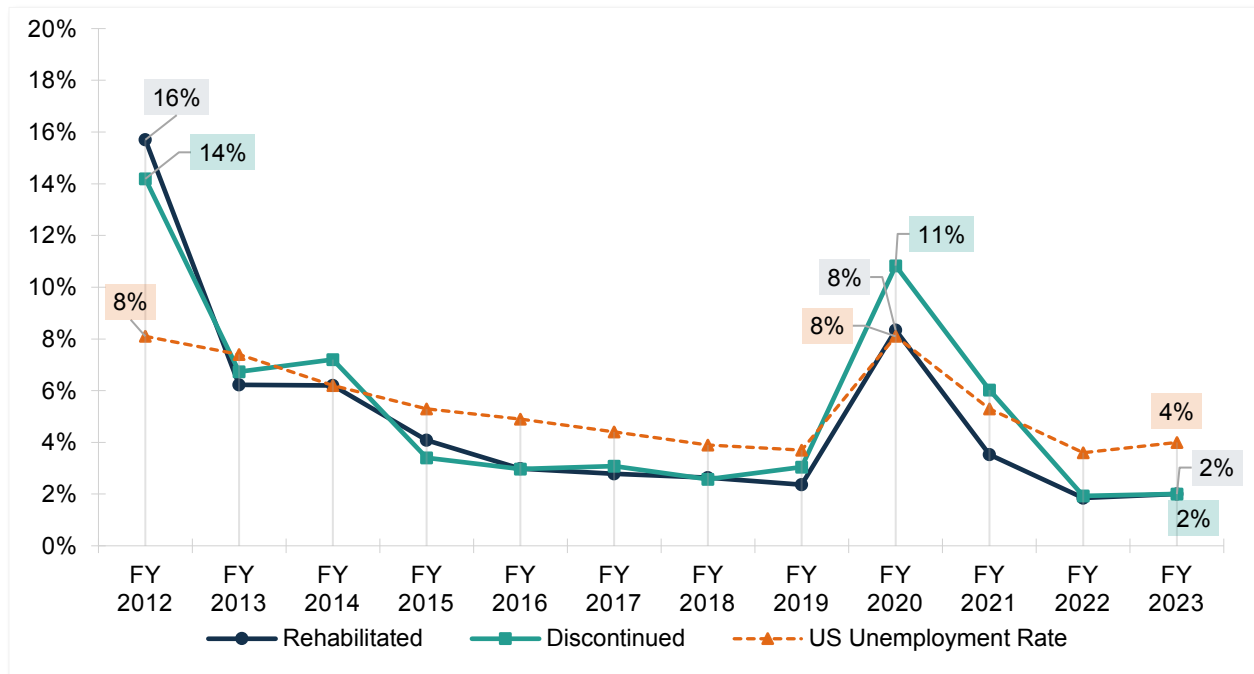


Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.8. Employment rate by participation status, FY 2012–FY 2023.

Figure 3.9 presents the usage rate of unemployment benefits among discontinued and rehabilitated Veterans over time, as well as the overall U.S. unemployment rate from FY 2012 to FY 2023. The usage of unemployment benefits has remained relatively similar between rehabilitated and discontinued Veterans over time. Rehabilitated Veterans' unemployment benefit usage decreased from 16% in FY 2012 to 2% in FY 2023. Discontinued Veterans' unemployment benefit usage decreased from 14% in FY 2012 to 2% in FY 2023.

The impact of the COVID-19 pandemic in FY 2020 likely contributed to the sharp increase in the rate of unemployment benefit usage by rehabilitated and discontinued Veterans, which mirrors a similar spike in the overall U.S. unemployment rate during the same period. Since FY 2021, the usage rate decreased for both groups, with rehabilitated Veterans reaching a rate lower than discontinued Veterans.



Source: VR&E Longitudinal Survey Data, FY 2023.

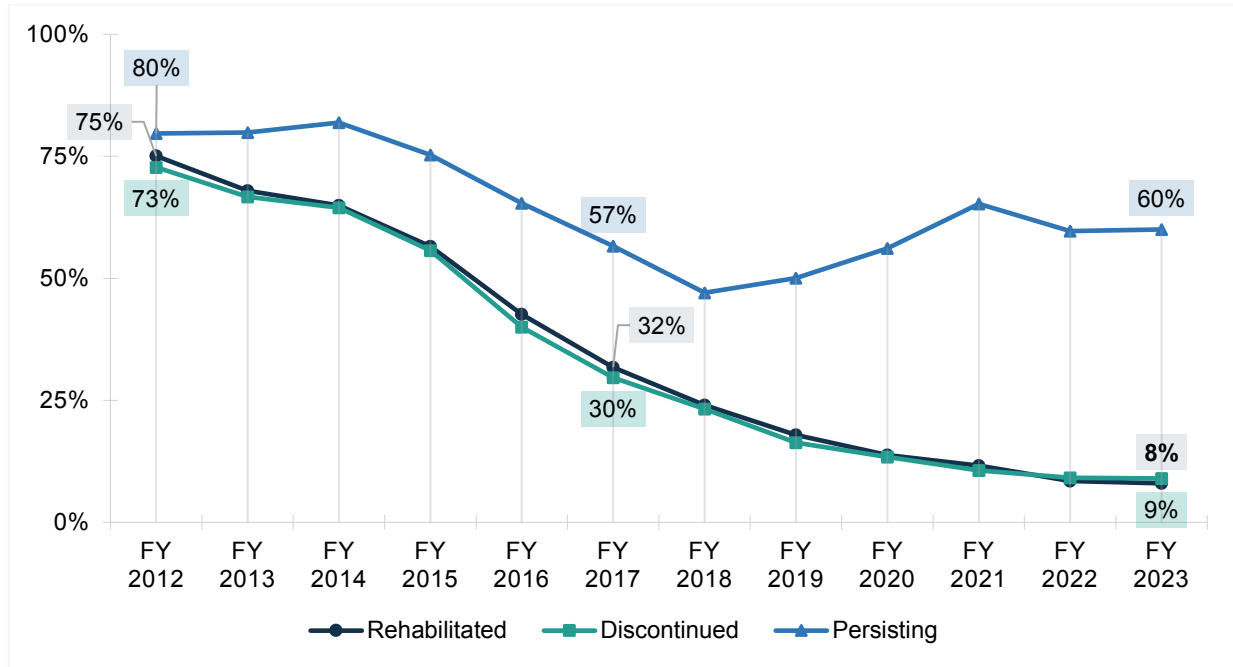
Figure 3.9. Receipt of unemployment benefits by participation status, FY 2012–FY 2023.

Figure 3.10 presents the IHL enrollment trends of rehabilitated and discontinued Veterans over time as well as the rate for Veterans still persisting in the program. As expected, the rate of enrollment amongst persisting Veterans is significantly higher than the rate of both groups of Veterans who exited the study.

Enrollment of rehabilitated Veterans decreased from 75% in FY 2012 to 8% in FY 2023, and a similar trend can be seen in discontinued Veterans who saw a steady decrease of enrollment from 73% in FY 2012 to 9% in FY 2023. In comparison, persisting Veterans saw just a moderate decrease in enrollment over the same period from 80% in FY 2012

to 60% in FY 2023, which is unsurprising considering most cohort members participating in a plan of services are in the employment through long-term services track and receive subsistence allowance for additional education and training. It also is expected that the enrollment rate of persisting Veterans slowly decreases over time as Veterans progress through their educational objectives.

Despite the decrease across all groups, the largest gap in enrollment rate between persisting and exited Veterans is seen from FY 2021 through FY 2023, where persisting Veterans have an enrollment rate over 50 percentage points higher than rehabilitated and discontinued Veterans.

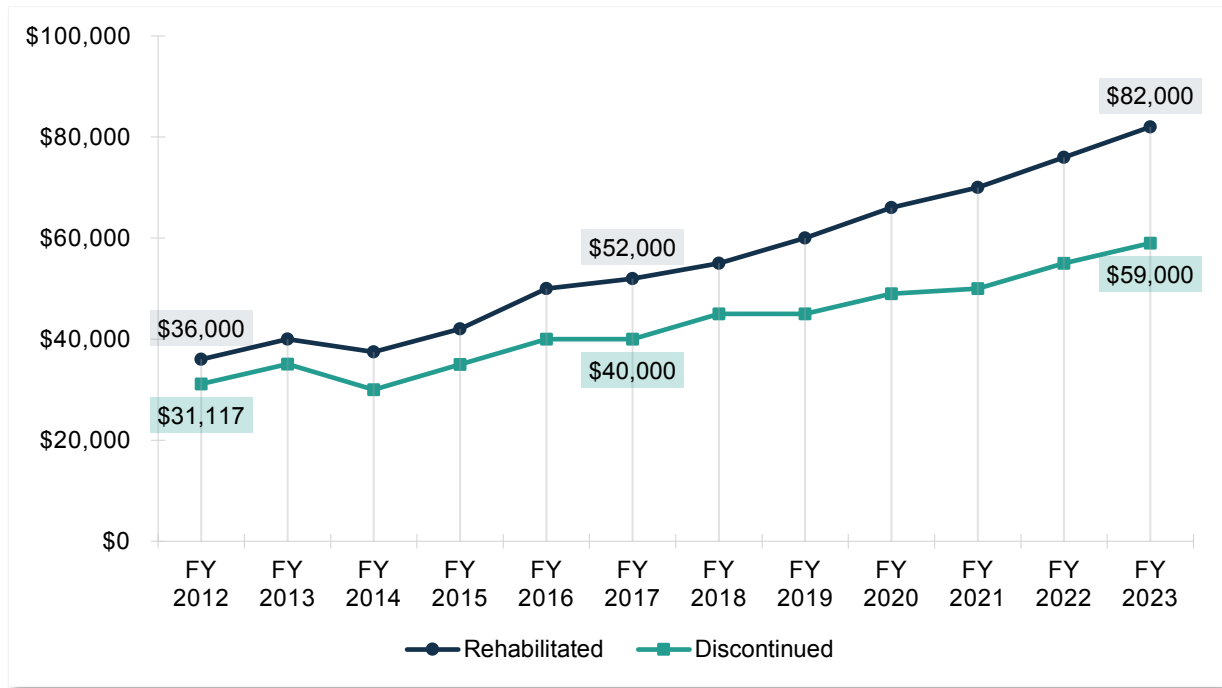


Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.10. IHL enrollment rate by participation status, FY 2012–FY 2023.

Earnings and Income

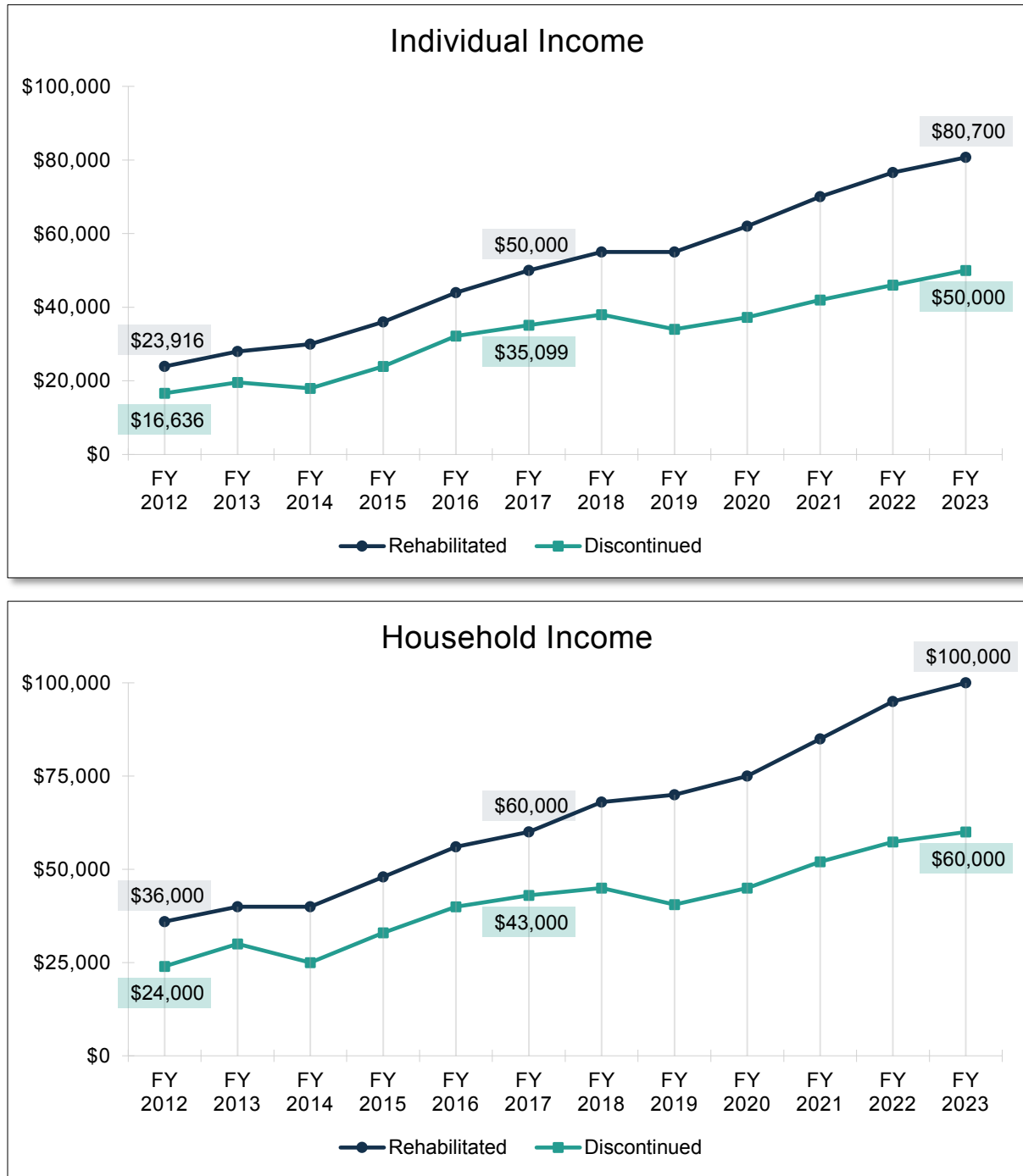
When comparing conditional median annual earnings by rehabilitation status as shown in Figure 3.11, the earnings of those who achieved rehabilitation are consistently higher than those who discontinued. Earnings have increased steadily over time for both groups; however, despite increases in the earnings of discontinued Veterans, rehabilitated Veterans are consistently earning more each fiscal year. After 11 years, the earnings of employed and rehabilitated Veterans are on average, \$23,000 higher than employed and discontinued Veterans.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.11. Conditional median earnings by participation status, FY 2012–FY 2023.

The median annual individual and household income reported by rehabilitated and discontinued Veterans over 11 years is presented in Figure 3.12. As expected, Veterans who achieved rehabilitation report annual individual and household income amounts consistently higher than that of discontinued Veterans. Given that Veterans who achieved rehabilitation report higher annual earnings from employment, it is unsurprising that reported income amounts (which include earnings from employment) are also higher across each year.



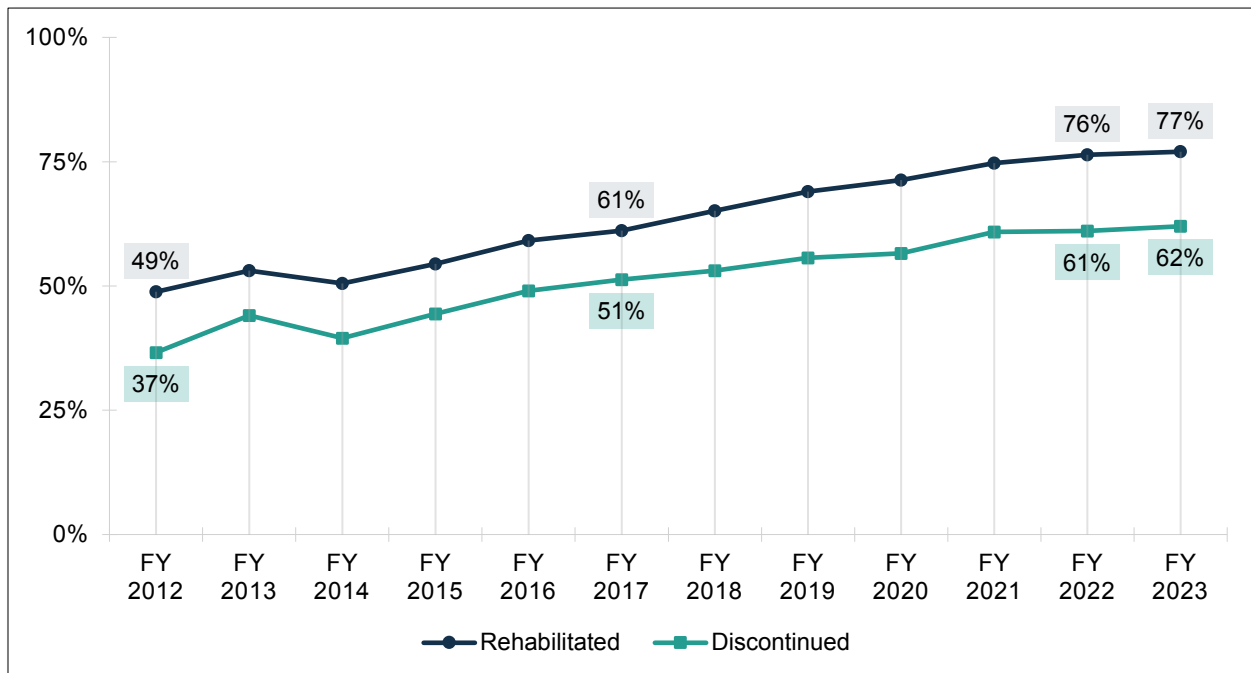
Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.12. Unconditional median individual and household income by participation status, FY 2012–FY 2023.

Rehabilitated and discontinued Veterans saw steady increases in individual and household income over time. On average, rehabilitated Veterans saw larger increases in income than discontinued Veterans from FY 2012 to FY 2023. Rehabilitated Veterans experienced an average increase of \$57,000 in individual income and \$64,000 in household income over 11 years. Discontinued Veterans experienced an average increase of nearly \$33,000 in individual income and over \$36,000 in household income over the same period. While changes in earnings and income outcomes may be influenced by trends in the overall U.S. economy, the identified differences outpace the inflation rate between 2012 and 2023.

Homeownership

The rate of homeownership across 11 years is presented in Figure 3.13. At the start of the study period, 49% of rehabilitated Veterans owned their homes compared to 37% of discontinued Veterans. The rate of homeownership has steadily increased for each group over time but at different rates. Between FY 2012 and FY 2023, the rate of homeownership in rehabilitated Veterans increased to 77%, while homeownership for discontinued Veterans increased to 62%. Over the 11-year period, the rate of homeownership for rehabilitated Veterans has remained consistently higher than those who discontinued. In addition, the gap in homeownership rate between the two groups has widened slightly over time with the largest gap seen between FY 2019 and FY 2023, with 69% to 77% of rehabilitated Veterans owning their homes compared to 56% to 61% of discontinued Veterans.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 3.13. Homeownership rate by participation status, FY 2012–FY 2023.

The findings presented in this section provide the most substantive findings of the VR&E Longitudinal Study to date. Veterans who achieve rehabilitation have substantially better employment and standard of living outcomes than Veterans who discontinue services and have consistently better outcomes over time. Successful rehabilitation remains one of the most dominant factors associated with positive financial outcomes (employment rate, annual earnings, and annual individual and household income) compared to those Veterans who discontinued from the program.

Chapter 4 Findings Related to Participant Experiences

Chapter 4 Highlights:

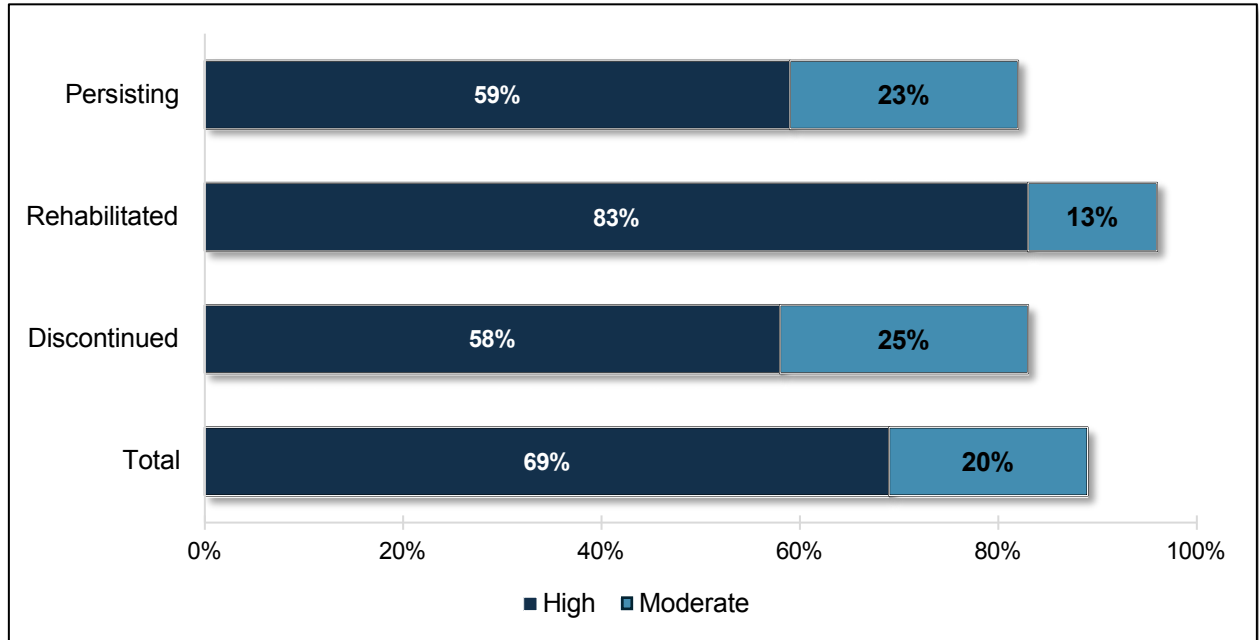
- ★ 89% of Veterans report moderate or high VR&E program satisfaction.
- ★ More discontinued Veterans re-enter the VR&E program than previously rehabilitated Veterans.
- ★ Veterans who re-enter have a higher average combined disability rating (36%) compared to those who never re-entered the program.

This section focuses on common experiences of participants while engaged in the VR&E program. This experience includes their assessment of the program (satisfaction) and movement between program tracks (re-entries). Tables and figures in this section are based on administrative and self-report survey data.

4.1. Veteran Satisfaction

The annual VR&E survey asks cohort members to rate their overall experience with the VR&E program, using a 1 to 9 scale, with 1 as unacceptable, 5 as average, and 9 as outstanding. Scale scores between 1 and 3 indicate low satisfaction while scale scores between 7 and 9 indicate high satisfaction. Scale scores near the midpoint of the scale (4 to 6) indicate moderate satisfaction.

Across all cohorts, 89% of Veterans report moderate to high satisfaction with the VR&E program (see Figure 4.1). Rehabilitated Veterans report higher program satisfaction compared to those who are discontinued and those persisting in their services plans.



Source: VBA Administrative Data, FY 2023.

Figure 4.1. Rate of moderate or high program satisfaction by participation status.

Factors that Contribute to Overall Program Satisfaction

Multivariate regression was used to identify the factors that affect how satisfied Veterans are with the VR&E program. Table 4.1 lists factors that contribute to program satisfaction. Notable factors associated with Veteran satisfaction with the VR&E program are:

- **Rehabilitation status and service track.** Successful rehabilitation is associated with higher satisfaction compared to discontinuance. Those who are in an employment track tend to have higher satisfaction ratings relative to their counterparts in the IL track.
- **Income.** A higher salary prior to rehabilitation is associated with higher program satisfaction.
- **Military service.** Longer time in the military is associated with higher program satisfaction.
- **Disability and mental health.** Having a mental health condition as a primary diagnosis and a higher disability rating is associated with lower program satisfaction. Having an SEH is associated with higher program satisfaction.

Table 4.1. Factors that Contribute to Moderate or High Program Satisfaction, FY 2023.

Explanatory Variable	Program Satisfaction
Rehabilitated status (compared to persisting)	+
Discontinued status (compared to persisting)	N.S.
Employment through long-term services track (compared to independent living)	+
Other employment tracks (compared to independent living)	+
Age	N.S.
Male	N.S.
Some college or higher (at program entry)	N.S.
Pre-rehabilitation salary	+
Length of military service	+
Officer status	N.S.
Served in Gulf War I period	N.S.
Service in Gulf War II period	N.S.
Disability rating	-
Serious employment handicap	+
Primary mental health diagnosis	-
Number of dependents	N.S.
Earned degree	N.S.
2010 Cohort (compared to 2012 Cohort)	N.S.
2014 Cohort (compared to 2012 Cohort)	N.S.
Note: The effects are based on a linear regression estimation where the dependent variable is a continuous variable based on a 9-point scale where 1 is unacceptable, 5 is average, and 9 is outstanding. N.S. = not significant	

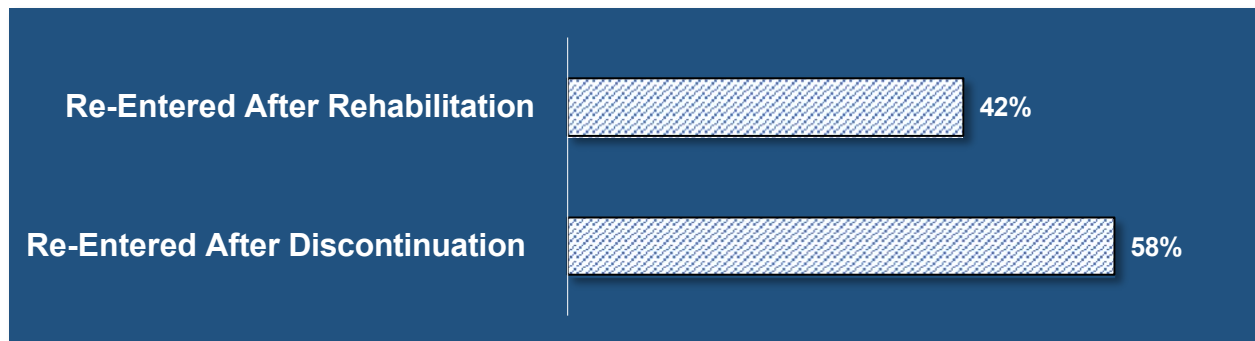
Source: VBA Administrative Data and VR&E Longitudinal Survey Data, FY 2023

4.2. Participant Re-Entries

This section presents the findings for a subset of participants who exited and re-entered the VR&E program. Veterans may re-enter the VR&E program because of changes in their circumstances or employment needs. The VR&E program allows Veterans to reapply for VR&E and complete a new evaluation, which determines if the Veteran is entitled to re-enter the VR&E program and develop a plan of services designed to meet their new circumstances.

VR&E Participants who Re-entered the Program

A proportion of VR&E participants have re-entered the program after a previous discontinuation or rehabilitation. Figure 4.2 summarizes the percentage of Veterans who have re-entered by their prior participation status. As expected, a greater percentage of Veterans re-enter the program following a previous discontinuation compared to those who re-enter after having been previously rehabilitated. Since discontinued Veterans did not complete their initial plan of services, it is unsurprising that this subgroup more frequently returns to the VR&E program to engage in new or additional services.

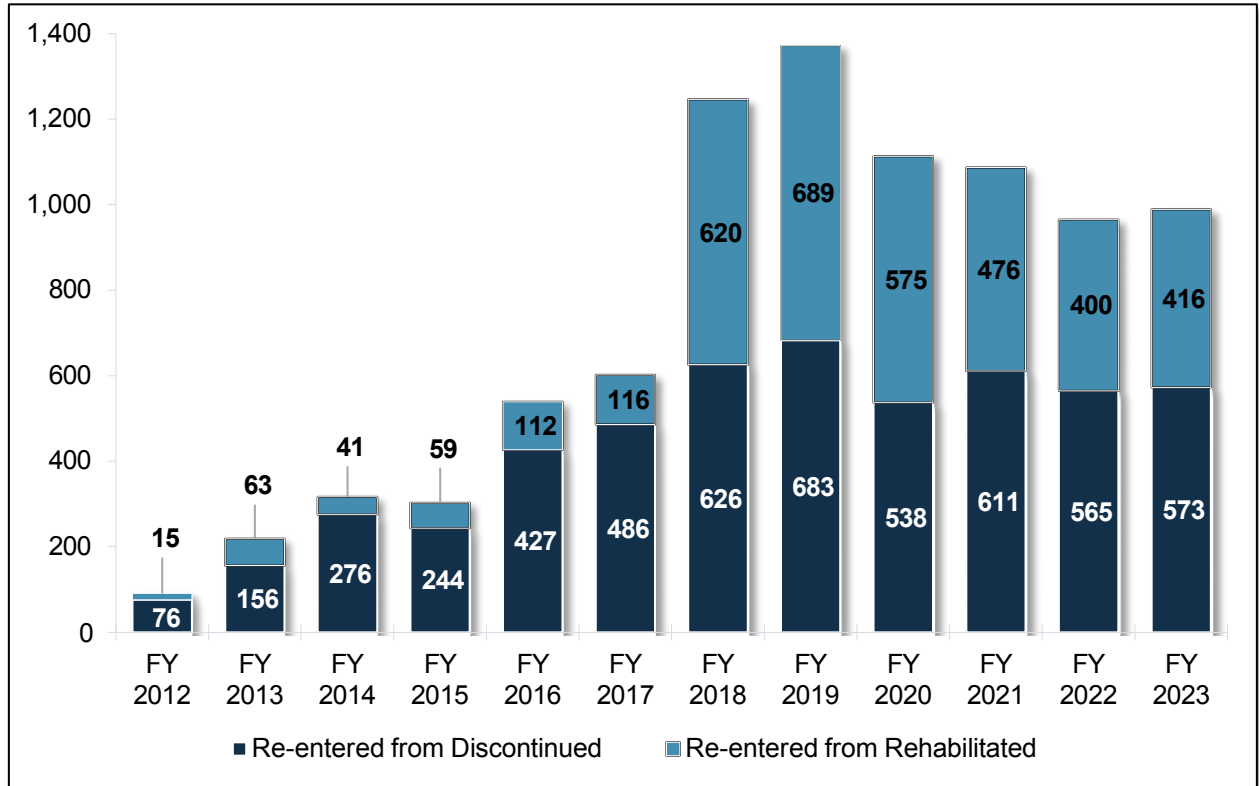


Source: VBA Administrative Data, FY 2023.

Figure 4.2. VR&E participants who re-entered the program.

Figure 4.3 displays the annual number of re-entries over time. Since FY 2012, Veterans have re-entered the program after discontinuation or rehabilitation a total of 8,843 times. The largest number of re-entries into the VR&E program occurred in FY 2019.

The number of re-entries has increased each year (with the exception of FY 2015) up to FY 2019, when the largest proportion of re-entries occurred (16%). However, from FY 2020 through FY 2022, the total number of Veteran re-entries decreased each year. In FY 2023, 416 Veterans re-entered the program after rehabilitating (an increase from FY 2022), and 573 Veterans re-entered following a discontinuation (an increase from FY 2022).

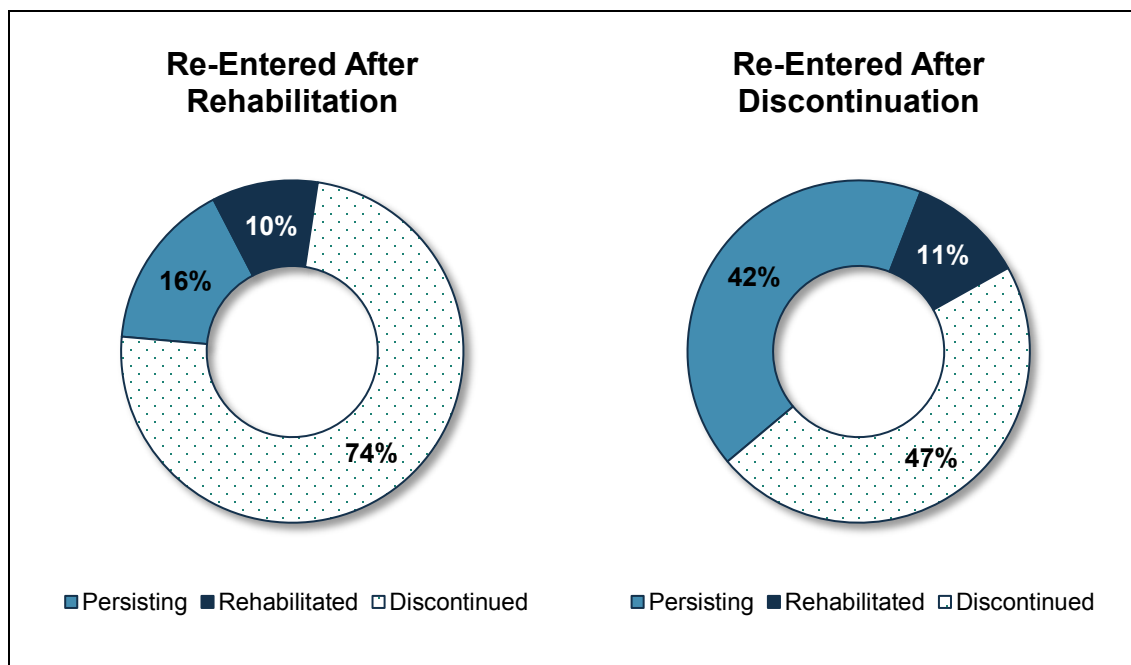


Source: VBA Administrative Data

Figure 4.3. Number of VR&E participants who re-entered the program from a discontinued or rehabilitated status.

Program Trajectory of VR&E Participants who Re-entered the Program

Figure 4.4 suggests Veterans who re-enter the VR&E program after achieving rehabilitation in their initial plan of services are more likely to discontinue from their new plan of services as opposed to successfully rehabilitating for a second time. Of the Veterans who re-entered the program following rehabilitation, only 16% were still pursuing their new plan of services and even less (10%) had achieved rehabilitation as of FY 2023. Veterans who have previously discontinued are more likely to re-enter the program and discontinue again (47%), as opposed to successfully rehabilitating (11%).



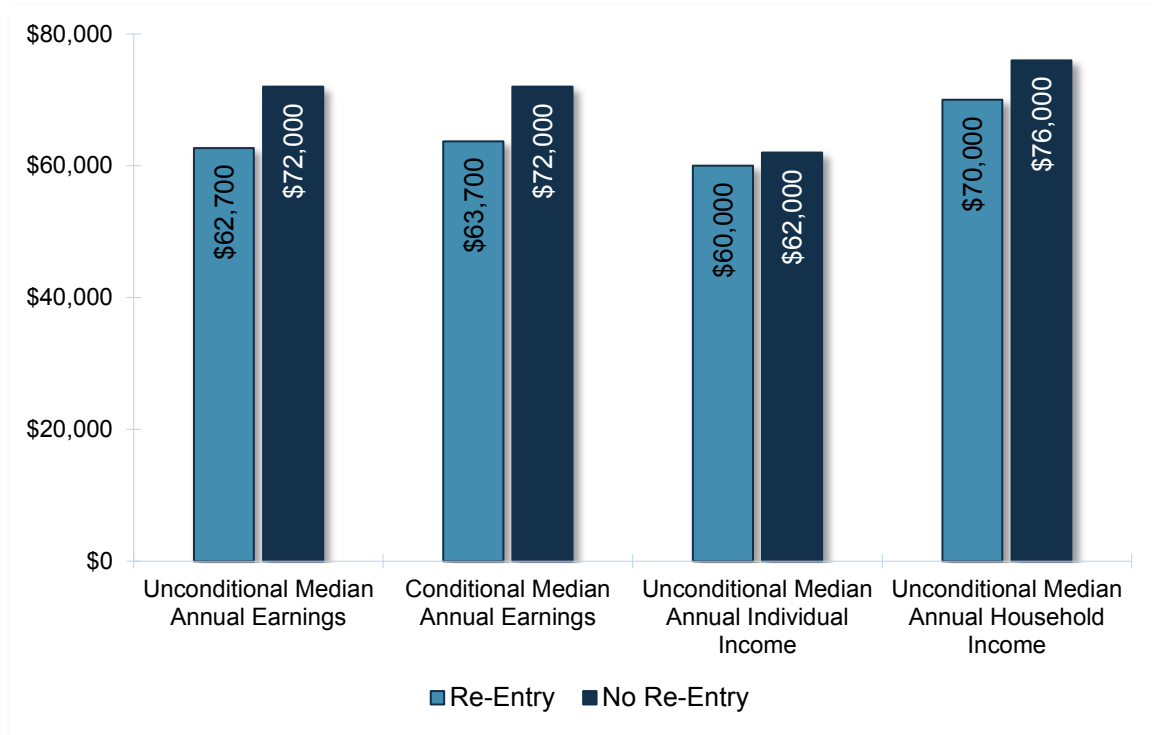
Source: VBA Administrative Data, FY 2023.

Figure 4.4. FY 2023 participation status of Veterans who re-entered the VR&E program after rehabilitation or discontinuation.

Characteristics of Veterans who Re-enter the VR&E Program

Veterans who re-enter the VR&E program differ demographically from the overall cohort population. Compared to those who have never re-entered the program, Veterans who re-enter are more likely to have a higher combined disability rating (84% versus 77%), suggesting that disability conditions may have worsened over time and potentially affected their ability to remain employed. In addition, a higher proportion of Veterans who re-enter the program have the primary diagnosis of PTSD compared to those who have not yet re-entered the program (38% versus 31%).

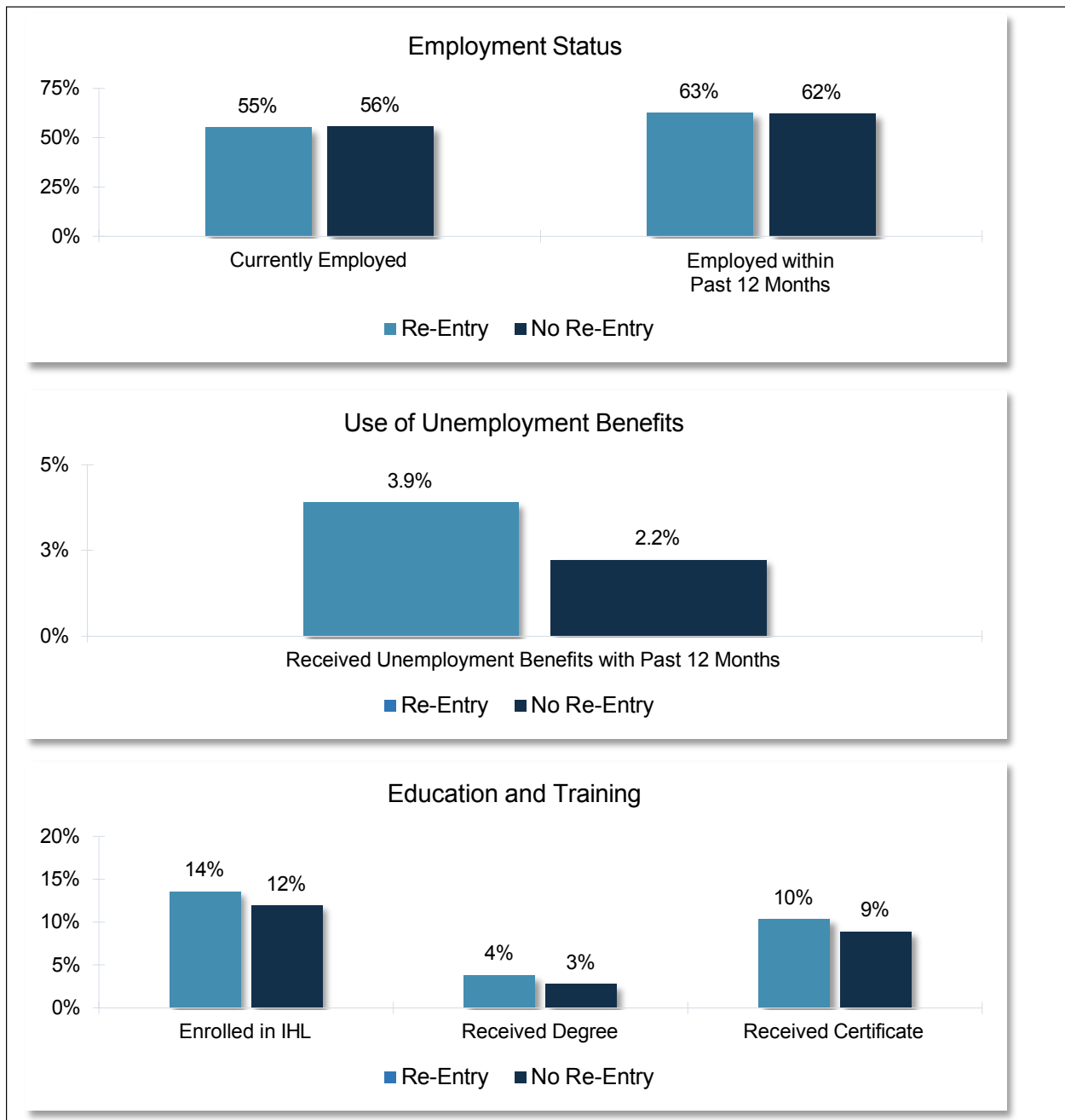
Figure 4.5 presents the variation in earnings and income between those who do and do not re-enter the program. Veterans who have never re-entered the program report higher earnings, individual income, and household income compared to Veterans who have re-entered the program at least once.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 4.5. Comparison of Earnings and Income of VR&E participants by re-entry status.

As seen in Figure 4.6, those who re-entered the program at least once reported similar employment and education outcomes (that is, currently employed, employed in past 12 months, enrolled in IHL in past 12 months, obtained degree in past 12 months, obtained certificate in past 12 months) relative to Veterans who never re-entered the program. A large proportion of returning Veterans are persisting in the program, which may account for the higher rate of education and training engagement.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 4.6. Comparison of select outcomes of VR&E participants by re-entry status.

Chapter 5 Conclusion

Findings from this year's report parallel the most salient trends found in the past several years. Most notably, Veterans who achieve rehabilitation have substantially better employment and standard of living outcomes than those who discontinued from the study prior to reaching their rehabilitation goals. Previous reports emphasized the variation of key findings across each cohort to account for the differing lengths of cohort

89% of all cohort members reported **moderate or high** program satisfaction.

participation on study findings (Cohort I in the study for 13 years, Cohort II for 11 years, and Cohort III for 9 years). However, consistent similarities in outcomes between cohorts indicate the primary driver of long-term outcomes is not program tenure but rather successful completion of the program.

As we move beyond the midpoint of the study, more than 90% of each cohort has either rehabilitated or discontinued from services. Since the composition of each cohort has remained similar over the past few

years, it is crucial to shift the focus from exploring outcomes based on active program engagement to understanding the long-term post-program outcomes of Veterans who left the program several years ago. The current report focuses on identifying trends and capturing outcomes based on data from the entire cohort population by pooling data from all three cohorts.

Comparison of Participant Outcomes (Rehabilitated and Discontinued)

Previous findings regarding cohort trends remain prominent when analyzing the entire cohort population, which reinforces the finding that program completion is a dominant factor in driving long-term positive outcomes. Since the primary focus of the study is on long-term outcomes experienced by VR&E participants after exiting the program, comparison of outcomes is focused on cohort members who achieved rehabilitation or were discontinued from services. Table 5.1 summarizes the long-term post-program outcomes as of FY 2023 and reveals:

- The rate of employment for rehabilitated Veterans is 73%, which is higher than Veterans who discontinued services (43%).
- Rehabilitated Veterans who reported current or recent employment earned an average of \$23,000 more than discontinued Veterans who also reported current or recent employment (\$82,000 versus \$59,000).
- Annual individual income for Veterans who achieved rehabilitation is \$80,700, which is higher than Veterans who discontinued services (\$50,000).
- Annual household income for Veterans who achieved rehabilitation is \$100,000, which is higher than Veterans who discontinued services (\$60,000).

- The rate of homeownership for rehabilitated Veterans is 77%, which is higher than Veterans who discontinued services (62%) and higher than the general U.S. population (66%).²²

Table 5.1. Summary of Outcomes for Rehabilitated and Discontinued Veterans.

Current Observation	Rehabilitated	Discontinued
Percentage of Veterans in each participation status	36%	59%
Percentage of Veterans who were currently employed	73%	43%
Percentage of Veterans who were employed within the past 12 months	77%	50%
Median annual earnings	\$82K	\$59K
Median annual individual income	\$81K	\$50K
Median annual household income	\$100K	\$60K
Percentage of Veterans who own their primary residence	77%	62%
Percentage of Veterans with moderate or high program satisfaction	96%	83%

Source: VR&E Longitudinal Survey Data, FY 2023.

The FY 2023 findings reveal that Veterans who achieved rehabilitation have substantially better employment and standard of living circumstances than those who discontinued. Participants who achieved rehabilitation experience higher rates of current and recent (within the past year) employment, higher earnings from employment, higher individual and household income, and a higher homeownership rate, when compared to discontinued Veterans.

Trends in Participant Outcomes Over Time (Rehabilitated and Discontinued)

This year's report examined the long-term consistency and sustainability of key employment and standard of living outcomes among rehabilitated and discontinued Veterans over an 11-year period. Key findings related to employment and standard of living trends reveal:

- The employment rate of rehabilitated Veterans increased from 45% in FY 2012 to 73% in FY 2023, while the rate for discontinued Veterans remained relatively stable at a lower rate (29% to 43%) over the same period.

²² Based on 2020 U.S. Census data, https://www.census.gov/housing/hvs/files/annual22/ann22t_14.xlsx.

- From FY 2012 to FY 2023, rehabilitated Veterans consistently earned more from employment each year compared to discontinued Veterans.
- Rehabilitated Veterans saw an average increase of \$57,000 and \$64,000 in individual and household income, respectively, over 11 years, while discontinued Veterans experienced a smaller average increase of \$33,000 and \$36,000 in individual and household income, respectively, during the same period.
- Over the 11-year period, the rate of homeownership for rehabilitated Veterans has remained consistently higher than those who discontinued.

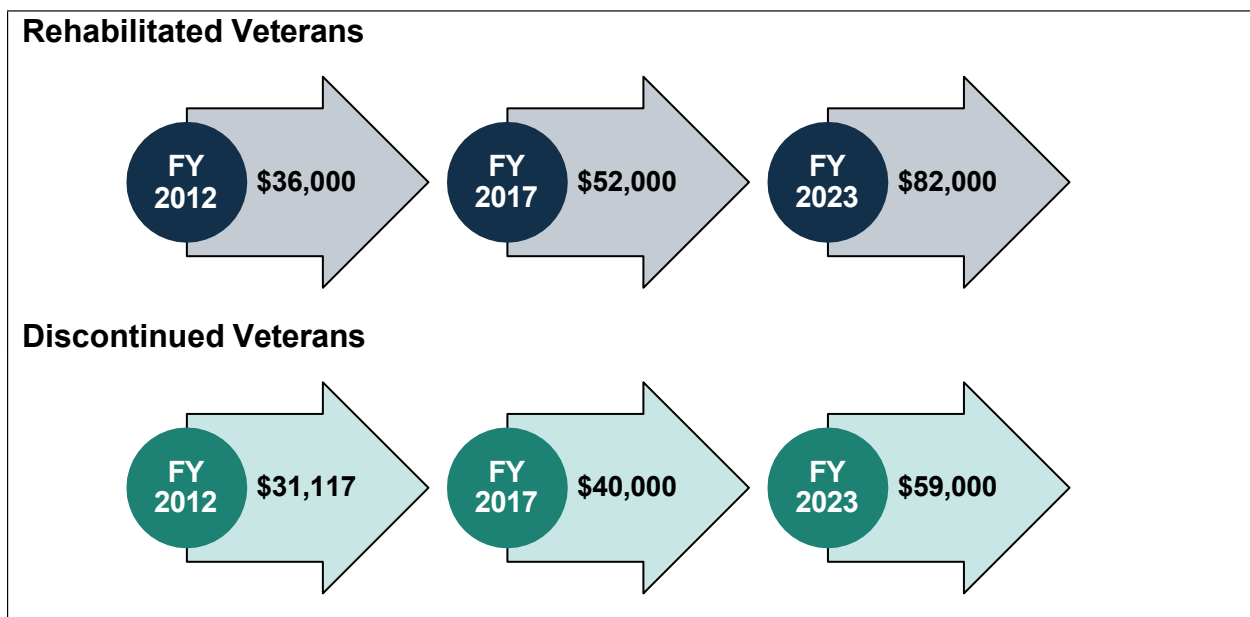
77% of Veterans who achieved rehabilitation have been employed within the last year, compared to 50% of discontinued Veterans.

Examining trends over time provides insight into the stability of employment and standard of living circumstances between rehabilitated and discontinued Veterans. When exploring trends over time, specifically employment and income outcomes, it is important to consider the potential influence of external factors on findings, such as fluctuations in the U.S. unemployment rate and economy over the past decade. In addition, national events, like the COVID-19 pandemic, may have impacted the employment and standard of living circumstances of cohort members, as well as the

majority of the Nation's population. In Chapter 3, we presented evidence that employment and standard of living outcomes for VR&E cohort members fluctuated over time but remained largely resilient to external factors, particularly among Veterans who achieved rehabilitation.

By the fifth year of the study (FY 2014 for Cohort I, FY 2016 for Cohort II, and FY 2018 for Cohort III), at least 50% of each cohort had completed the program, indicating that the majority of information collected from rehabilitated and discontinued Veterans was based on their experiences having left the program several years prior. Tracking changes in these outcomes over time provides evidence of the stability of outcomes after participants have stopped engaging in program services and offers insight into the future potential of Veterans following program participation.

Rehabilitated Veterans who completed the program have consistently earned significantly more than those who discontinued, and this earning gap has remained stable years after program completion, as shown in Figure 5.1.



Source: VR&E Longitudinal Survey Data, FY 2023.

Figure 5.1. Changes in conditional median annual earnings for rehabilitated and discontinued Veterans, FY 2012–FY 2023.

These findings suggest stability and better outcomes for rehabilitated Veterans compared to discontinued Veterans, as well as steady improvement of post-program outcomes over time. Between FY 2012 and FY 2023, the employment rate for rehabilitated Veterans increased at an average rate of 6% per year, while the employment rate of discontinued Veterans increased at an average of 5% per year. Although both groups experienced an increase in employment rate over time, the rate of increase for rehabilitated Veterans was consistently higher than that of discontinued Veterans, possibly indicating that the employment rate for discontinued Veterans tends to stabilize over time.

Much is understood about the outcomes of rehabilitated Veterans, and it can be assumed that completing the VR&E program leads to more favorable outcomes than not participating. However, it is important to consider the factors that could be driving the outcomes for discontinued Veterans since they make up the largest proportion (58%) of the cohort population.

The median annual individual income of VR&E participants who achieved rehabilitation is **61% higher** than that of discontinued participants.

While discontinued Veterans did not complete the objectives of their rehabilitation plan to the extent necessary to achieve rehabilitation, they still sought VR&E services and were evaluated to develop a plan of services. Despite their outcomes being less favorable compared to those who completed the program,

discontinued Veterans showed some improvements and relative stability over time. Importantly, the trend in earnings, income and employment never returned to the pre-program enrollment values. As mentioned in Chapter 3, 21% of discontinued Veterans exit the program with a positive outcome. For discontinued Veterans, a positive outcome is considered if they are employable and have received vocational services or significantly improved their circumstances, or if they are employed due to the contributions of the VR&E program but do not meet the criteria for closure as rehabilitated. This result suggests that some discontinued Veterans left the program prepared for employment or were already employed.

The median annual household income of VR&E participants who achieved rehabilitation is **66% higher** than that of discontinued participants.

It is reasonable to assume that most Veterans who discontinue are satisfied with the VR&E program, as evidenced by 84% of discontinued Veterans reporting moderate or high program satisfaction. Furthermore, previously discontinued Veterans make up 58% of those who later re-enter the VR&E program. Regression analyses found that Veterans are more likely to discontinue from the study if they pursue an employment track (relative to IL), are older, male, have a mental health issue as a primary diagnosis, and have a higher combined disability rating.

This information provides important context into the demographic, health, career, and education characteristics associated with not completing the VR&E program but gives little insight into the reasons Veterans discontinue from the program. As we continue to see significant variations in the outcomes between discontinued and rehabilitated Veterans, future exploration into the reasons for discontinuation may provide meaningful insight into the circumstances that stop a Veteran from completing the program and the factors that may influence the trajectory of their long-term outcomes.

Veterans Still Persisting in the VR&E Program

While long-term post-program outcomes are the predominant focus of the study and the analyses, findings related to persisting participants provide insight into the current state of the VR&E program. As of FY 2023, 5% of cohort members are persisting in the program.

Among the persisting Veterans, 37% of the cohort members enrolled in an IHL were persisting, and of the cohort members who completed more than 20 credit hours in the past year (indicating full-time enrollment), 47% were Veterans persisting in the program. Over the past 12 months, persisting Veterans have visited VA and non-VA medical facilities more frequently and have a higher average combined disability rating than rehabilitated and discontinued Veterans.

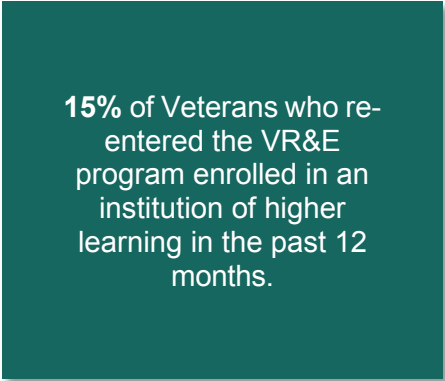
Persisting Veterans have lower rates of employment relative to discontinued Veterans (39% for persisting Veterans compared to 43% for discontinued Veterans) and, expectedly, persisting Veterans have considerably lower median earnings from

employment (\$38,000 for both unconditional and conditional) compared to discontinued Veterans (\$56,000 unconditional and \$59,000 conditional). Notably, 42% of Veterans who re-entered the program following a discontinuation were reported to be persisting in their new plan of services as of the current year.

Many persisting Veterans report moderate to high program satisfaction (82%), which implies they are satisfied with the program and services that they are actively using, compared to rehabilitated and discontinued Veterans who report program satisfaction retroactively.

Future Considerations

As we continue to examine the long-term outcomes of program participants in the VR&E program, it may be beneficial to consider the experiences of Veterans who have returned to the program based on exposure to the program and rehabilitation services.



15% of Veterans who re-entered the VR&E program enrolled in an institution of higher learning in the past 12 months.

Veterans who choose to re-enter the program are required to complete a new evaluation and may re-enter the VR&E program and develop a new plan of services to meet their current circumstances. There is no limit to how many times Veterans can exit and re-enter the program, and as a result, no limit to the level of engagement and access to program services. Notably, Veterans who re-enter the VR&E program after previously rehabilitating or discontinuing, are more likely to discontinue (47%) from their new plan of services, than to rehabilitate (11%).

In this year's report, we further examined the characteristics and outcomes of Veterans who re-entered the program and found that they differ demographically from those who never re-entered the program for some characteristics but are similar for others. Specifically, re-entering Veterans have a higher average combined disability rating (84% compared to 77% for those who never re-entered the program), were more likely to have a primary diagnosis of PTSD (38% compared to 31%), and reported lower annual earnings from employment (\$62,700 unconditional median and \$63,700 conditional median) compared to Veterans who never re-entered the program (\$72,000 unconditional and conditional median). However, those who re-entered the program at least once reported similar employment and education outcomes relative to Veterans who never re-entered the program.

Future reports will continue analyzing the outcomes of Veterans who return to the program to assess how entering the program more than once may influence long-term outcomes. These findings may help inform the lesser-known barriers to employment following an exit from the program.

As the percentage of persisting cohort members continues to reduce throughout the remainder of the study period, it becomes important to place added emphasis on data collection regarding Veteran experiences since leaving the program. As cohort members are followed over the remainder of the study, more data is becoming available on the trends in long-term post-program outcomes over time and the key characteristics influencing these outcomes.

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