Armed forces veterans in the UK labour market

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Introduction

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- The *Armed Forces Covenant* of 2011 commits the public sector to ensuring that current and former members of the armed forces and their families, are treated fairly, while the *Concordat To Support Veterans into Civilian Employment in Scotland* (2018) aims to "ensure that our Service leavers and veterans in Scotland have access to good quality, fulfilling careers".

- However, there is very little data which can be used to monitor whether these aims are being achieved. The Career Transition Partnership (CTP) collects data on the movement of veterans into the civilian labour force and economic activity after 6 months, but does not monitor their subsequent experience. CTP data reports high economic activity (90%) and employment (84%) rates for 2019-20 leavers 6 months later.

- The Annual Population Survey is the only major UK social survey which contains questions on veterans (only between 2014 and 2019) and is therefore the most recent source of data on this section of the population.

- This paper uses APS data to explore the labour market experience of veterans of working age, comparing them with non-veterans.

- The paper will contrast labour market participation rates by type of veteran and period of leaving the forces, and their occupational and industrial employment patterns. The influence of demographic characteristics (including age and gender) and other factors upon the probability of being in high-quality employment or self-employment is considered.

- The paper will review the deficiencies of labour market data for veterans and the potential for these being addressed by Census data.

Monitoring veteran employment sources from existing data sources

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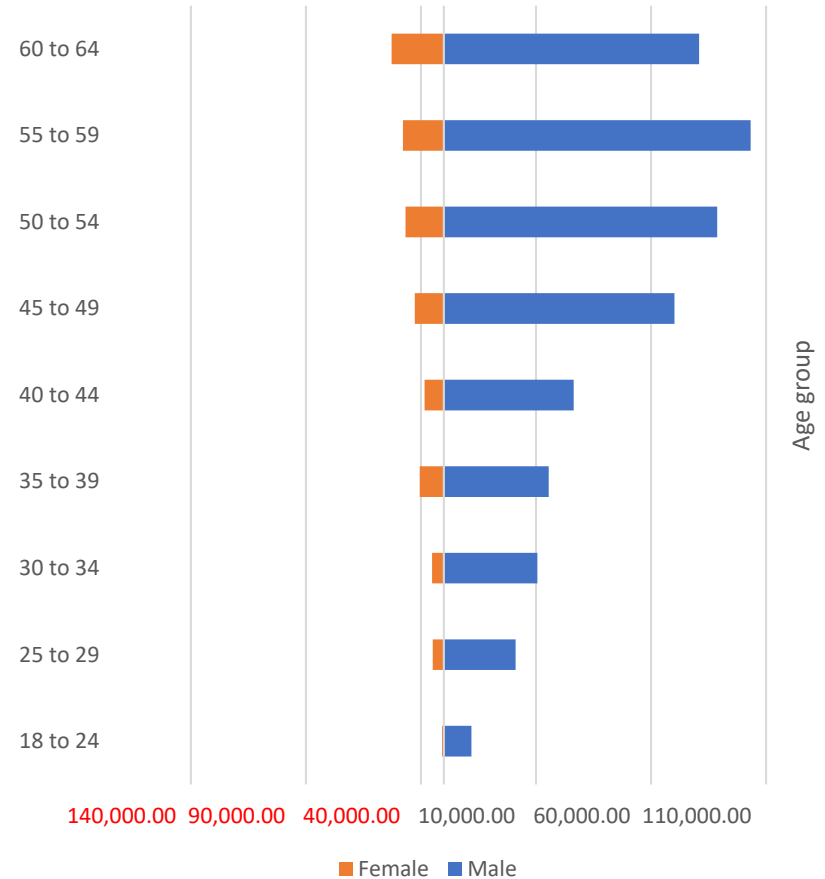INSTITUTE FOR
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- The regular sources of employment data in the UK and GB are the Business Register and Employment Survey (BRES), the UK Business Counts and the Annual Survey of Hours and Earnings. None of these record veteran status.

- Most regular UK/GB data on labour market participation is derived from the Labour Force Survey and Annual Population Survey. The published and End User Licence versions of the LFS and APS do not include the veteran questions.

- Understanding Society is the main source of longitudinal data. It does not include questions on veteran status.

- Veterans *could potentially* be identified in the Secure versions of the LFS/APS and US using the most detailed versions of previous industry and occupation, but sample sizes will be small. Exclusion of communal establishments will mean only veterans not previously living in armed forces accommodation will be captured.

- The Census of Population from 1971 to 2011 collected information on the armed forces. This can be used to used to identify veterans in the Census Longitudinal Studies.

- The Service Leavers Database contains data on all personnel that have left the UK Armed Forces (c. 2.1 million) and is updated monthly, but has no labour market information.

The APS Veteran questions

- Veteran status was only included in the Secure and Government versions of the APS because the Ministry of Defence funded a series of questions between 2014 and 2018. It is thus the only source which can yield detailed information on the labour market characteristics of veterans.

- VETSERV - "Have you ever served in the UK Regular Armed Forces or in the UK Reserve Armed Forces?" –this question asks which branch the veteran served in (Army, RAF or Navy/Royal Marines)

- VETCURR – "Are you currently serving in the UK Regular Armed Forces or in the UK Reserve Armed Forces?"

- VETYRLFT1 to 3 – "When did you leave [year] the UK Regular Armed Forces or the UK Reserve Armed Forces?" or "At what age did you leave the UK Regular Armed Forces or the UK Reserve Armed Forces?"

- The analysis presented here used the three-year APS data set for January to December 2016 to January to December 2018. This was because sample sizes in the annual data sets limited the detail of the analysis. The focus of the paper is on veterans of working age (18 to 64) living in Great Britain.

Size of the veteran population 2016-18

- MoD statistics show that around 13 thousand people left the forces every quarter during 2016-18.

- Overall, there was an average of 748 thousand working age veterans during 2016-18. The veteran working age population is relatively old: 56.2 per cent were aged over 50.

- The numbers decline sharply in successively younger 5-year age groups, because most leave the forces in their 30s and 40s.

- Only 13.3 per cent of veterans were female, reflecting the gender breakdown of the armed forces (the female share of service personnel at 1st October 2021 was 11.2%).

- Female veterans were younger than average, with higher percentages in the younger age groups and lower percentages in older age groups.

Age group	
60 to 64	
55 to 59	
50 to 54	
45 to 49	
40 to 44	
35 to 39	
30 to 34	
25 to 29	
18 to 24	

140,000.00 90,000.00 40,000.00 10,000.00 60,000.00 110,000.00

■ Female ■ Male

Geographical distribution

- In 2016-18 veterans represented 1.9% of all those aged 18 to 64 in Great Britain
- The largest number of veterans lived in the South-East and South-West of England
- The veteran share of the population was highest in the South-West and smallest by far in London.
- The regional pattern from APS data was similar to that for veterans identified by linking 2011 Census data with service leaver data.

■ Share of GB   ■ Veterans as % of 18-64 year olds
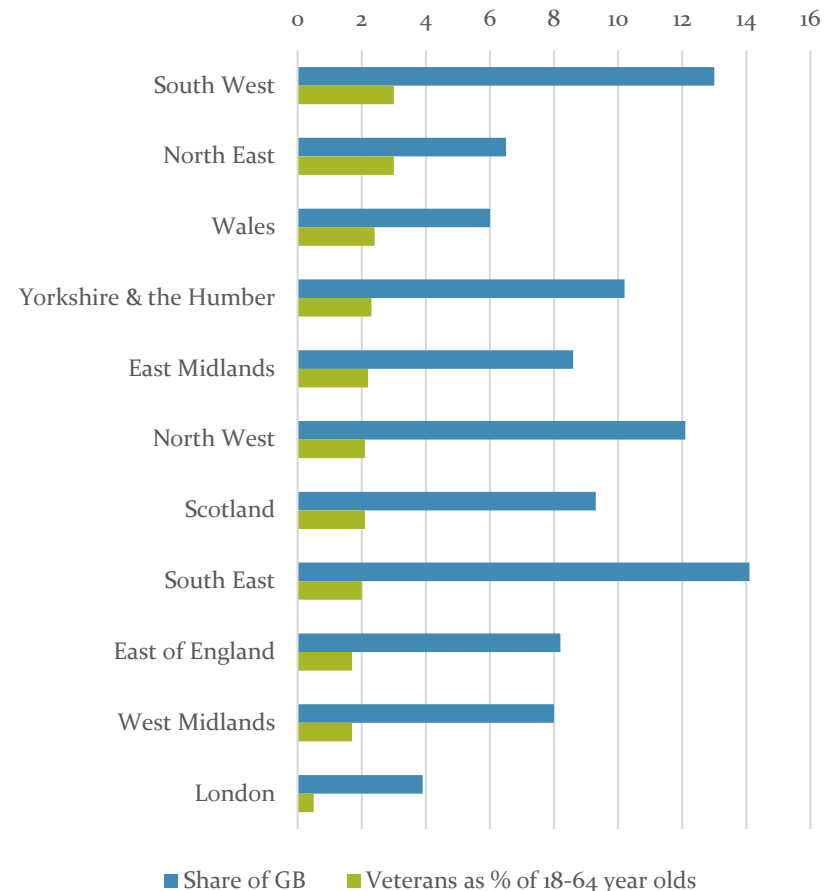
Overall economic activity

- In 2011, the economic activity rate for veterans was 82%.

- APS data showed that 83.2% of veterans aged 18 to 64 were economically active during 2016-18.

- The percentage economically active reached 93.7% for 25 to 29 year olds, and was still 92.2% for 45-49 year olds.

- The percentage economically active fell sharply after the age of 50.

- In contrast, the percentage economically inactive was 13.3% for the youngest age group, then was under 10 per cent for those aged under 35, before rising sharply for those aged over 50.

- The veteran unemployment rate was only 3.3% overall, but was 8.3% for 18-24 year olds.
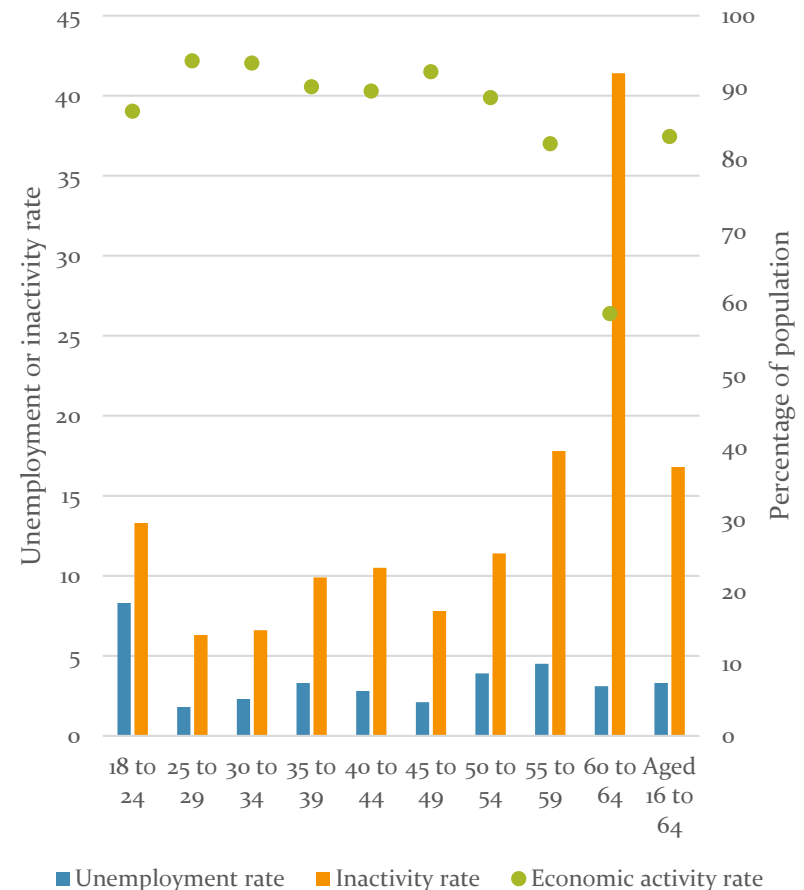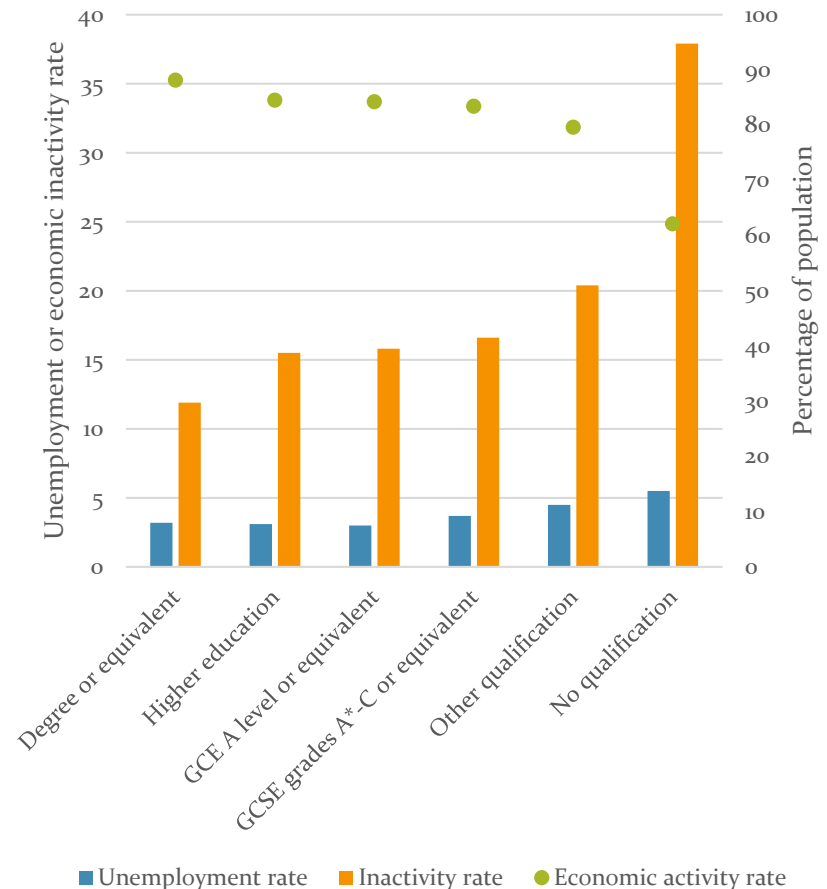
Employment rates by age and gender

- The percentage of men employed (81.6%) was markedly higher than that for women (72.6%).

- The male employment rate increased between the 18-24 and 25-29 year old age groups and then remained nearly 90 per cent until the 45-49 age group, afterwards falling sharply.

- For women, the percentage employed was highest for 18-24 year olds, fell with increasing age until the 40-44 year old age group, was higher for 45-49 year olds, then declined.

- The male-female differential was widest for veterans aged 30 to 39 and 60 to 64.

- It was narrowest for those aged 25-29 and 55-59 and negative for 45-49 year olds.
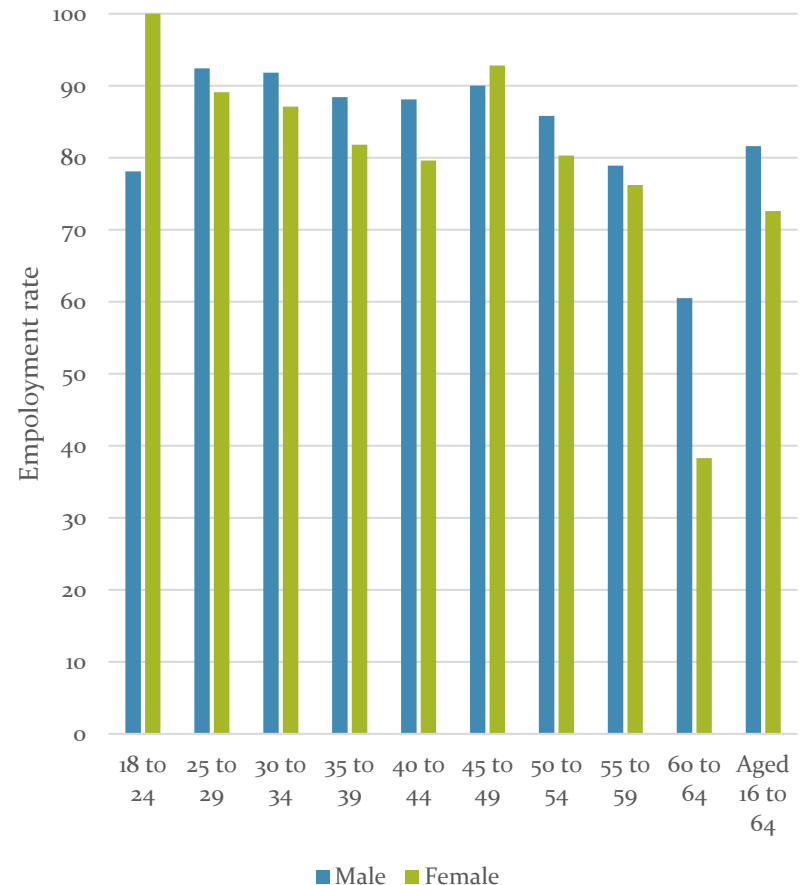
Economic activity and highest educational qualifications

- Highest qualification strongly influenced economic activity.
- The economic activity rate declined with declining highest qualification.
- The percentage economically inactive was four times as high for those with no qualifications as for those with a degree or equivalent.
- Over a fifth of those with "Other" qualifications were economically inactive.
- The percentage unemployed was highest for those with "Other" and No educational qualifications.
- Veterans with a GCSE A-level or equivalent as their highest educational qualification displayed the lowest unemployment rate.

Employment rates by highest educational qualification and gender

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- The percentage of veterans employed declined as the level of highest educational qualification declined.

- This trend was much more pronounced for women than for men.

- For men, employment rates varied little between those with GCSE grades A-C and those with higher education qualifications, but were much lower for those with "Other" and No qualifications.

- The gender differential was widest for those with "Other" qualifications (30.3 per cent), followed by GCSE grades A*-C or equivalent (16.5 per cent).
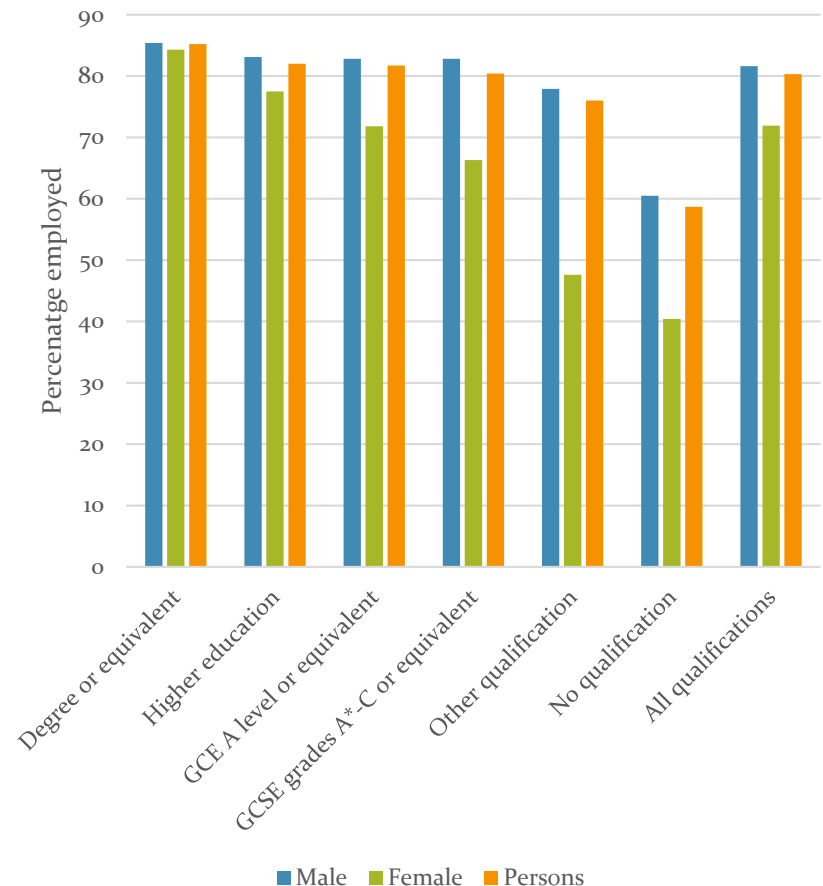
Regional labour market differentials
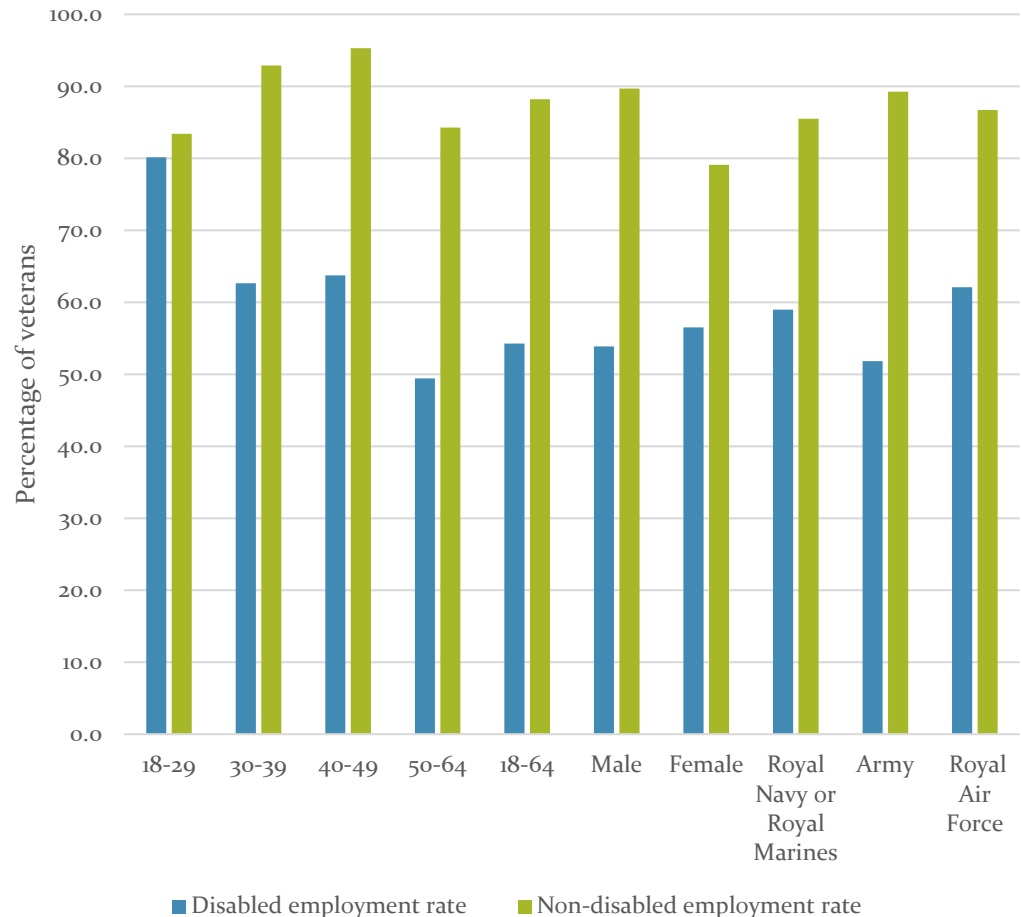
- The percentage employed was highest in South-East and Eastern England and London.
- The lowest employment rates were in Wales and Scotland.
- The percentage economically active was highest in London, followed by neighbouring regions of southern and eastern England and North-West England.
- The lowest percentages economically active were in Wales, Yorkshire and the Humber and the West Midlands.
- The percentage unemployed was highest (over 5 per cent) in London, the East Midlands and Scotland.
- The lowest unemployment rates were in South-West and South-East England.
- The percentage economically inactive was lower in the south and east of England than in the rest of Great Britain.

Legend:
- Unemployment rate
- Inactivity rate
- Employment rate
- Economic activity rate
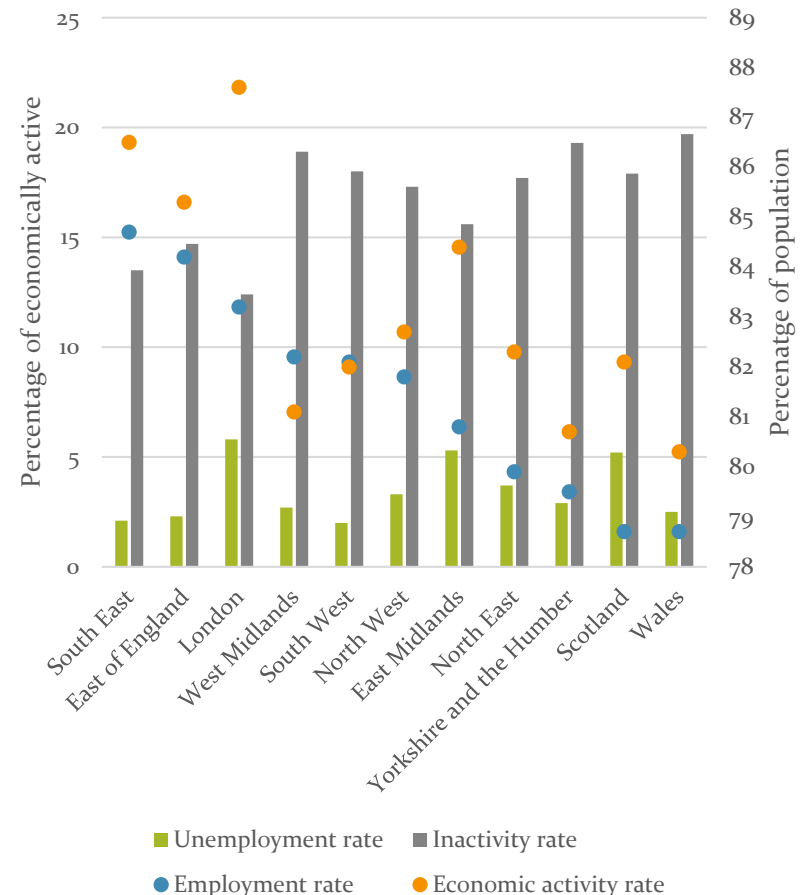
Employment rates of disabled and non-disabled

- Disabled veteran as a whole are much less likely (54.3%) than the non-disabled (88.2%) to be working.
- The percentage of disabled veterans employed decreases with increasing age.
- The disability differential in employment rates is slightly smaller for women than for men.
- The impact of disability on the probability of working is greatest for veterans who served in the Army (for whom the disability differential is also largest).

Percentage of veterans

Legend: ■ Disabled employment rate ■ Non-disabled employment rate

Categories: 18-29, 30-39, 40-49, 50-64, 18-64, Male, Female, Royal Navy or Royal Marines, Army, Royal Air Force

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Industrial structure of employment by gender

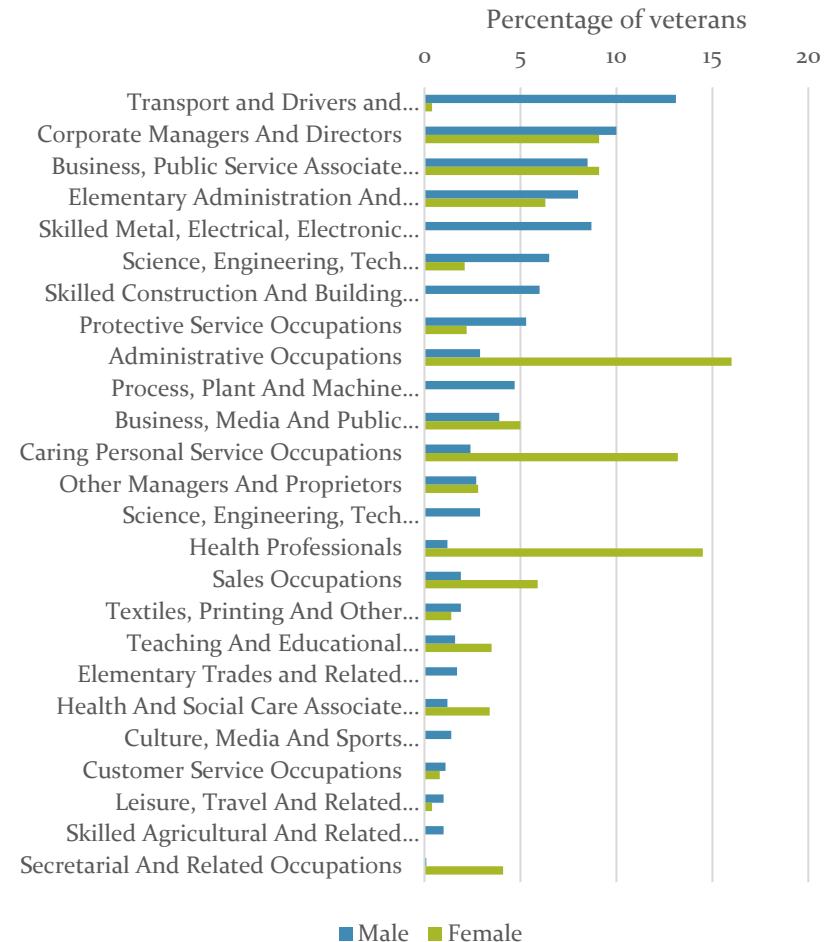- The largest industry sections employing male veterans were Manufacturing, Transport and storage, Construction and Public administration and defence.

- The pattern for female veterans was very different. Nearly a third worked in Health and social work.

- The next largest sources of female employment were Public administration and defence, Education and Wholesale, retail and repair of vehicles.

Percentage of veterans

Industry section	
A Agriculture, forestry and fishing	
B Mining and quarrying	
C Manufacturing	
D Electricity, gas, air cond supply	
E Water supply, sewerage, waste	
F Construction	
G Wholesale, retail, repair of...	
H Transport and storage	
I Accommodation and food services	
J Information and communication	
K Financial and insurance activities	
L Real estate activities	
M Prof, scientific, technical activ.	
N Admin and support services	
O Public admin and defence	
P Education	
Q Health and social work	
R Arts, entertainment and...	

Male Female

Occupational structure of employment by gender

- The largest SOC occupational sub-major groups employing male veterans were transport and drivers and corporate managers and directors.
- The former probably employed "other ranks" and the latter officers, but there is no rank variable in the APS.
- Other large occupations for both men and women were Business and Public Service Associate Professionals and Elementary Administration and Service Occupations.
- The next largest occupations for men were Skilled Metal, Electrical, Electronic Trades and Science, Engineering, Tech Professionals.
- The largest occupations for women were Administrative occupations, Health professionals and Caring Personal Service Occupations.
- There are marked differences in occupational structure by age.
- Veterans aged 18 to 29 were much more likely to be working in Elementary Administration And Service Occupations and Skilled Metal, Electrical, Electronic Trades.
- Veterans aged over 50 were much more likely than average to be working in Transport And Drivers And Operatives or Corporate Managers And Directors occupations.

Percentage of veterans

Legend: ■ Male ■ Female

Categories (top to bottom):
Transport and Drivers and…
Corporate Managers And Directors
Business, Public Service Associate…
Elementary Administration And…
Skilled Metal, Electrical, Electronic…
Science, Engineering, Tech…
Skilled Construction And Building…
Protective Service Occupations
Administrative Occupations
Process, Plant And Machine…
Business, Media And Public…
Caring Personal Service Occupations
Other Managers And Proprietors
Science, Engineering, Tech…
Health Professionals
Sales Occupations
Textiles, Printing And Other…
Teaching And Educational…
Elementary Trades and Related…
Health And Social Care Associate…
Culture, Media And Sports…
Customer Service Occupations
Leisure, Travel And Related…
Skilled Agricultural And Related…
Secretarial And Related Occupations

The future of data on veterans

- The 2021 Census in England and Wales and the 2022 Census in Scotland both include a question on veteran status which offers a great improvement in data on the veteran community in Great Britain.

- The flexible table builder offers the potential to create detailed tables for veterans (e.g. to cross-tabulate industry, occupation, qualifications and employment status for veterans). The Census Longitudinal Studies could provide information on transition over time.

- However, the Northern Ireland Census does not include such a question, because the Census Test encountered resistance to this question and indicated that its inclusion would threaten the viability of the Census.

- Unlike the APS, the 2021/22 Census does not ask when the veteran left the armed forces or the branch the veteran served in. The Census health questions are also less detailed than the APS questions.

- The ONS plans to link the Census data with administrative data on service leavers (the Service Leavers Database) as a way of creating updated information on veterans.

- It is not clear how regular information on the labour market experience of veterans could be created from the APS or LFS if no veteran questions are included. If they are restored, the survey could produce annual headline data and rolling 3-year averages for more detailed breakdowns.

2021/22 Census questions

- England and Wales 2021

- Scotland 2022

32 Have you previously served in the UK Armed Forces?
➡ Current serving members should only tick "No"

☐ No

☐ Yes, **previously** served in Regular Armed Forces

☐ Yes, **previously** served in Reserve Armed Forces

25 Have you ever served in the UK armed forces?
♦ Please include national service
♦ Tick **all** that apply

☐ No

☐ Yes – currently serving

☐ Yes – previously served, regular armed forces

☐ Yes – previously served, reserve armed forces

Conclusion

- This paper has shown that there is a lack of regular data which can be used to monitor the labour market characteristics of veterans

- The APS for 2014 to 2018 provides the only source of GB-wide labour market data which allows the demographic and socio-economic characteristics of veterans to be analysed. The MoD used this source to create a series of reports on veterans, the focus of which was mainly on health and the retired.

- Ongoing labour market data could be produced by reinstating the veteran questions to the APS. It will remain difficult to identify veterans from the APS/LFS without such a question.

- The ability to identify veterans in US in order to help fill the gap in knowledge of their life trajectories after leaving the services would be beneficial. However, given the relatively small annual number of leavers, not many would be captured, making analysis difficult.

- An alternative approach would be to link the Service Leavers Database to Census records (to identify demographic characteristics such as qualifications and ethnicity) and DWP/HMRC individual tax and benefit records.

- This paper draws upon a research report for the Forces in Mind Trust:

For more information

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