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Giving Veterans Hiring Preference

By Jennifer Schultz

Veterans offer a unique set of skills, experiences and leadership abilities developed and honed during their years of military service, yet unemployment rates for veterans remain high. The [jobless rate](#) for veterans of Iraq and Afghanistan increased to 10 percent in October 2013, significantly higher than the national average of 7.3 percent. Today, more than 750,000 veterans are looking for work.

The road to employment can be difficult for veterans returning to civilian life due to difficulties with identifying transferable skills, self-marketing and cultural barriers, among others. According to a 2012 [survey](#) of veterans from all eras, 64 percent of respondents said they had a difficult transition from military service to civilian life, attributed largely to employment challenges.

The military discharges approximately 160,000 active duty service members and approximately 110,000 Reserve and National Guard service members each year, according to U.S. Department of Labor [estimates](#). With more and more veterans returning home, state legislatures are more focused than ever on easing these veterans' transition to civilian jobs in both the public and private sectors. One policy many states have embraced provides a uniform method by which special consideration is given to qualified veterans seeking employment. Veterans' preference laws recognize the sacrifices and experiences of those serving in the Armed Forces by helping position them more competitively in the hiring process.

State Action

Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in initial hiring for public positions, usually by adding points to examination scores that determine the relative ranking of candidates. At least 21 states and Puerto Rico extend those preferences to internal actions such as promotions, transfers and retentions. Disabled veterans and prisoners of war are awarded preference points in 36 states, the District of Columbia and Guam. Members of the National Guard are awarded preference in 12 states.

Did You Know?

- Ten percent of veterans who served in Iraq and Afghanistan were unemployed in October 2013.
- One of the greatest challenges veterans face in finding employment is explaining how their military skills translate to the civilian workforce.
- Forty states, the District of Columbia, Guam and Puerto Rico award preference to veterans in public employment, while four states allow private employers to voluntarily give preference to veterans.



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While eligibility requirements vary by state, most award preference to honorably discharged veterans of the U.S. Armed Forces who served on active duty. Sixteen states and the District of Columbia require veterans claiming preference to have served for a specified period of time, and 17 states and Guam require state residency. In 25 states and the District of Columbia, the spouse or surviving spouse of an eligible veteran may be entitled to preference points. Laws in 21 states are enforced with civil penalties or extend a right of appeal to veterans who believe preference was wrongfully withheld.

While the majority of states grant some form of employment preference to veterans in the public sector, private employers have been hesitant to favor veterans due to long-standing federal laws that prohibit discrimination in hiring. [Title VII of the Civil Rights Act of 1964](#) prohibits veterans' preference in employment as unlawfully discriminatory due to the potential disparate impact on women. However, Section 11 of the act allows special rights or preferences to be granted to veterans as long as they are authorized under federal, state or local law. To date, four states—Arkansas, Minnesota, North Dakota and Washington—allow private employers to voluntarily give preference to veterans when making hiring decisions. Legislation is currently pending in [Massachusetts](#) and [North Carolina](#).

Washington was the first state to pass a permissive veterans' preference law in 2011. [HB 1432](#) allows private, nonpublic employers to award a voluntary preference to veterans, surviving spouses and spouses of disabled veterans. Laws in [Minnesota](#) and [North Dakota](#) contain similar language. Arkansas' [legislation](#) requires participating employers to apply a preference policy uniformly when hiring, promoting or retaining veterans, surviving spouses and spouses of disabled veterans. The law also requires the state to maintain a registry of employers that adopt a veterans' preference policy, which [advocates](#) say will give veterans a valuable tool to identify prospective employers.

At least 12 states and the District of Columbia provide tax credits to encourage private employers to hire veterans. Employers typically may claim the tax credit for the first and second taxable year in which they employ one or more qualified veterans. Credits range from \$1,000 to \$5,000 for each veteran hired. In 2013, 58 bills were introduced on this topic in 20 states, though only Mississippi enacted legislation this year.

Federal Action

The federal government has given veterans some degree of preference in employment since the end of the [Civil War](#). The policy in its present form stems from the Veterans' Preference Act of 1944, which is now codified in [Title 5 of the United States Code](#). Under the law, veterans who are disabled or who served on active duty in the Armed Forces during specified periods or in military campaigns are entitled to preference over non-veterans both in hiring and retention. Preference points (either five or 10) are added to passing grades earned in entrance examinations.

In 2011, President Obama [challenged](#) the private sector to hire or train 100,000 unemployed veterans and their spouses by the end of 2013. In April of this year, the administration announced that businesses had already hired or trained 290,000 veterans and military spouses. The first lady, as part of her initiative [Joining Forces](#), announced new commitments from private companies to hire a combined 435,000 veterans over the next five years.

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