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## REAPING THE SPOILS OF DEFEAT: LABOR MARKET EXPERIENCES OF VIETNAM-ERA VETERANS

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Most of the young men under study here were in the midst of the transition from adolescence to adulthood during the turbulence produced by the Vietnam War. For many, this war intervened directly in the transition process as they became the manpower that staffed the American armed forces. (Clearly, the Vietnam War and the concomitant draft entered the decision calculus of many young men who never entered the armed forces. However, our data provide no direct way of determining the extent to which college attendance was a method of draft evasion. Johnston and Bachman [1972, p. 111] report that "20 percent of the college youth mentioned avoiding the draft among their three most important reasons for entering college.") Most of those who survived the conflict in Southeast Asia reentered the civilian population as Vietnam-era veterans. In their roles as soldiers and veterans, these men were an integral part of the American experience of the 1960s.

In the early 1960s, when the U.S. military efforts in Southeast Asia were receiving overall public support, the draft was generally accepted

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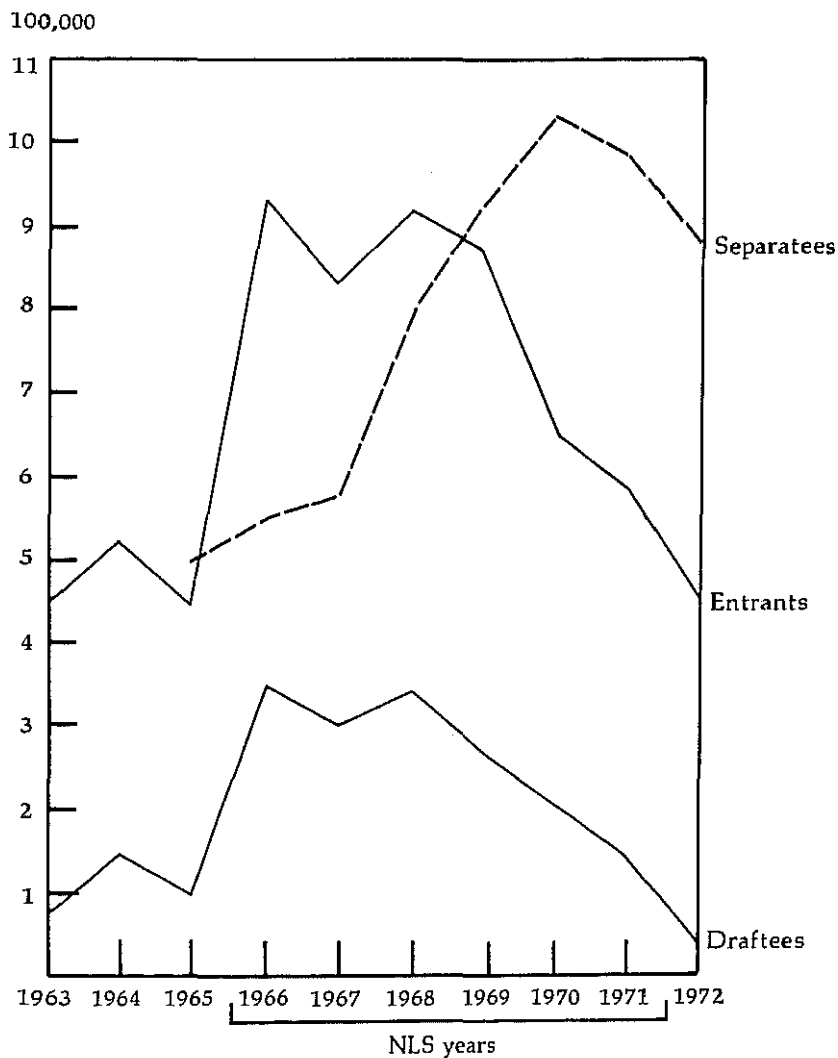
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and was the cornerstone of the military recruitment process. While the draft was not the main method of inducting men into military service, its presence often led to the decision to enlist. (A 1970 Defense Department study estimated that 50 percent of all Army and Air Force volunteers were "reluctant volunteers" [Helmer 1974, p. 3]. Clearly, over the history of the Vietnam conflict the proportion of reluctant volunteers varied.) However, the equity of the draft became a widely debated national issue as draft calls increased with the intensification of the war and the growing number of reported weekly casualties (see Useem 1973, pp. 44-113). Deferments for college students were seen as the means of placing the burden of the fighting on young men from the lower and lower-middle social classes. Eventually, military manpower policy was changed with the enactment of the lottery in 1969 and the end of the draft. Although the young men who served during this total period probably were not the "Poor Man's Army" (see Helmer 1974, pp. 3-10; Ladinsky 1976), it seems clear that military service during the Vietnam conflict was not randomly distributed among young men in the relevant age range. (Some young men who served during the Vietnam era entered the military prior to 1964. While the war spanned ten years, those who were discharged in the early war years may have been much different from those who entered during periods of heavy combat. Of the young men used in this study, 267 were Vietnam veterans at the time of the 1966 survey.) It is therefore important to inquire who these men were and from what socioeconomic groups they came.

While the debate over the equity of the draft continued, the experiences of the young men returning from the armed services also began to draw national attention. In the early years (1964-66), a relatively steady flow of veterans reentered a healthy civilian economy. This made their assimilation into the labor force relatively easy. However, this changed dramatically as the economy slumped, the war intensified, and the number of men discharged annually began to rise (Figure 9.1). Veterans and their readjustment problems became the focus of national attention. Newspapers, magazines, and television emphasized major themes such as the frustration of unemployment and the psychological readjustment problems of the returning soldiers (see Lifton 1973; Starr 1973; U.S. Senate 1974). As compared to white veterans, black veterans were thought to find assimilation even more difficult. They experienced higher rates of unemployment, on average, and had to cope with returning to a society and economy plagued by racial tensions (Fendrich and Axelson 1971; Michelotti and Gover 1972).

In response to veterans' needs, Congress passed several laws aimed

**FIGURE 9.1: Number of Entrants, Draftees, and Separatees, 1964-72**



Sources: U.S. Bureau of the Census, *Statistical Abstract of the United States 1960-1972* (Washington, D.C.: U.S. Government Printing Office, 1973); and *Data on Vietnam Era Veterans: A Report Prepared by the Veterans Administration submitted to the Committee on Veterans' Affairs United States Senate, Committee on Veterans' Affairs, 1976.*

at easing the transition from military to civilian life. As a result, veterans received preferential hiring into government jobs, increased educational assistance allowances, special counseling for both employment and drug abuse, and access to many other special benefits. The readjustment problems of veterans also stimulated interest within the social science community and led to research devoted to many aspects of the assimilation process.

This study has two objectives: to explore the factors affecting entrance into the armed forces during the Vietnam era and to investigate the links between military service and subsequent labor market experiences. (Most of the veterans in the sample used here served in the military for less than four years. Contributing to the incidence of short-term service during the 1966-71 period were the draft and lottery conscription methods.) The next section describes the data used in the study. The third section focuses on the first objective by starting with a theoretical framework used to explore the factors affecting service in the armed forces and concluding with the application of the data to this framework. The fourth section explores several issues related to the labor market experiences of the Vietnam-era veterans. The first focus is the impact of service in the military on a young man's earnings, occupational status, and unemployment experience in 1971. Then more subjective measures of the impact of service in the military are investigated; namely, the veterans' self-reports of the effects of service on their civilian careers. In the final section of the chapter the findings of the preceding sections are summarized and their implications are highlighted.

## THE DATA

This study is based on data from the National Longitudinal Surveys (NLS) of Work Experience.\* The members of the sample who provided the information were selected to be representative of the approximately 16 million young men in the U.S. civilian noninstitutionalized population who in 1966 were between the ages of 14 and 24. The sample was drawn by the U.S. Bureau of the Census, whose experienced interviewers also conducted the annual interviews (1966-71) of the panel. In

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\*These surveys have been designed by the Ohio State University Center for Human Resource Research under a contract with the Employment and Training Administration of the U.S. Department of Labor. The sample design, field work, and the initial stages of data processing are the responsibility of the U.S. Bureau of the Census under a separate contract with the Employment and Training Administration. For a more complete description of the surveys see Kohen et al. (1977).

order to provide sufficient numbers of observations for reliable inter-color comparisons, the sampling ratio for blacks was about three times as high as that for whites. Thus, the sample of over 5,200 youths originally interviewed in 1966 included 3,734 whites and 1,438 blacks. Although the statistics reported in the tables show numbers of sample cases rather than blown-up population estimates, all calculations were performed by weighting the observations so as to represent accurately the population being studied.

Stated most succinctly, the data collected during the course of the NLS include a detailed record of educational experience, information concerning first job after leaving school, a detailed work history during the period covered by the surveys, information about any military service experience, and information about a variety of social, psychological, and economic characteristics that are expected to influence labor market behavior.

While detailed description would serve no purpose here, the analytical potential of the longitudinal nature of the data merits attention. The fact that the data were collected at six points in time over a five-year period makes it possible to examine the extent and character of change in important aspects of the labor market status of the youth. This in itself is a substantial contribution, because such data are relatively uncommon. Much more important is the ability to relate an individual's characteristics at one point in time to his characteristics or status at a later point and to examine changes in one set of characteristics in light of changes in another. This allows analysis of directions of causation that can be accomplished in no other way. This application of such data to the labor market experiences of Vietnam-era veterans is both natural and unprecedented.

## **DETERMINANTS OF WHO SERVED IN THE ARMED FORCES**

As has been indicated above, the draft played a key role in the recruitment process throughout the Vietnam era. By definition, a conscripted individual who wished to remain a citizen in good standing had no feasible alternative to entering military service. In a period of armed conflict during which risk of injury and death associated with membership in the armed forces increases, the question of who serves takes on new significance.

From the demand side of the picture, it is important to recognize that young men of the Vietnam era were born and reached maturity during a period characterized by frequent international crises (World War II, Korea, Berlin, Cuba). These crises provided the climate in which

the draft was viewed as a necessary policy tool. It permitted able men to be drawn quickly into service in the event of an emergency. In addition, the military pay scale was kept below the civilian wage, thereby holding down defense expenditures.

On the supply side, the post-World War II "baby boom" provided a large pool of eligible young men from which to draw. Therefore, the Selective Service had the freedom to develop multiple criteria for either exempting or deferring young men from military service. Because these criteria were felt to systematically exclude upper class youth to the detriment of the lower classes (see Helmer 1974), the draft classification scheme came under attack. The model used here to explain the likelihood of serving in the armed forces during the Vietnam conflict draws heavily on criterion measures established by the Selective Service (see National Advisory Commission on Selective Service 1967), descriptive material about who served (see Helmer 1974; Useem 1973), and studies that have examined only the personal decision to enlist (see Johnston and Bachman 1972).

### Conceptual Framework

A healthy young man of this period could not make realistic decisions about future plans without taking into account the Selective Service System, because the armed services legally had a prior claim on him.\* However, if a young man did not meet certain minimum physical and mental health standards,† he was automatically excluded. Also, young men who could meet specific criteria established by Selective Service regulations were deferred (that is, were not liable to the draft while so classified). Although the criteria for deferment were revised several times during the Vietnam era (see Useem 1973), hardship and student deferments remained relatively stable. The hardship deferment was based primarily on the presence of a child and was a permanent

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\*For separate analysis of who enlisted and who was drafted, see Shields (1977).

†Until the inception of Project 100,000 (1966), young men were not eligible to serve in the armed forces if they scored below the tenth percentile on the Armed Forces Qualification Test (AFQT) or they scored between the tenth and thirtieth percentiles and failed the minimum requirements on the Army Classification Battery (ACB) or the Army Qualification Battery (AQB) (Karpinos 1966). Project 100,000 was begun as a part of the Defense Department's War on Poverty. The minimum mental test score requirements were lowered in order to give low-scoring men the chance to learn skills in the military. The new minimum standard was a score as low as the tenth percentile on the AFQT if the youth was a high school graduate or he received a minimum score on one of seven aptitude tests (Wool and Flyer 1969). Note that while the minimum mental requirements were lowered, they were not abolished. These "new standards" men comprised 9 percent of the entrants to the armed forces between 1966 and 1968.

deferment that depended mainly on there being enough alternative manpower to maintain a minimum level of national security. The student deferment, on the other hand, was *designed* to be temporary.\* Upon graduation or withdrawal from school a II-S classification almost automatically was converted to a I-A, placing the former student in the pool of young men eligible for the draft. However, student deferments could be converted into de facto exemptions through subsequent occupational or hardship deferments.

Aside from Selective Service criteria, there are various personal characteristics that may reasonably be expected to be associated with the likelihood of serving in the military. Since the question addressed here had never been dealt with directly, heavy reliance is placed on literature that focuses on factors related to a young man's decision to enlist.† However, the enlistment decision is only one important component of the participation by a young man in the armed forces. Thus it is important to consider possible countervailing effects of some factors that would decrease the likelihood of serving, even if they increase the likelihood of enlisting.

The literature indicates that a young man's enlistment decision stemmed from a variety of sources. Included among these are draft pressures, opportunities for training and the GI Bill, and several personal background characteristics. It is clear that the draft did induce enlistments during this period. Enlistment often reduced the likelihood of combat duty. It also offered a greater degree of choice of branch of service, type of training, military occupational specialty, and number of

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\*The precise criteria for a student deferment changed throughout the Vietnam era. Until 1966, enrollment in a graduate or undergraduate program insured deferment. For a short time (1966) the II-S was based on class standing. Graduate student deferments (except for students in medical or related fields) were abolished in 1967, while undergraduates making "normal progress" toward a degree continued to be protected. In 1969 the lottery was established and student deferments were no longer extended to incoming students. However, existing deferments were continued until graduation or withdrawal from school.

†The draft and problems associated with it led the Defense Department to sponsor several research studies that looked exclusively at the enlistment decision. Hence, unlike the broad question of the likelihood of entering, there is a substantial body of literature from which to draw for enlistment explanations. In addition to the obvious distinction between enlistment and induction, these studies tend to address even more narrow criterion measures. For example, Johnston and Bachman (1972) explore the enlistment decision only in the year following high school graduation. Hence, this study departs even further from theirs because they include as enlistees young men who attempted to enlist but were rejected and they exclude young men who enlisted after the year following high school graduation. Enlistment studies prepared for the President's Commission are also narrower in that they limit the question to specific branches of service (Cook 1970; Fechter 1970; Cook and White 1970) or to specific ranks (Altman and Barro 1970).

years of obligation. Indeed, for some individuals enlistment may have offered relatively more attractive options than the civilian labor market.

In addition, it has been hypothesized that the military is a potential vehicle by which a young man may (temporarily) escape an unpleasant environment. For example, individuals who have experienced or expect to experience racial or social class discrimination would be more likely to enter the armed forces, other things being equal. Although the military traditionally has been viewed as an avenue used by blacks to escape racial discrimination, the greater likelihood of black inductees scoring very low on the mental examination serves to reduce the rate of conscription for blacks. (Between 1964 and 1965, 59 percent of the black inductees failed the mental examination as compared to 25 percent of the white [Karpinos 1966].) In 1966 the armed forces attempted to increase participation among blacks by lowering the mental ability requirements through Project 100,000. This hope seems to have been realized; as of 1968, 33 percent of the New Standards men were blacks (Wool and Flyer 1969). This in turn contributed to the popular belief that blacks were more likely to serve during the latter part of the Vietnam conflict (Helmer 1974; U.S. Senate 1974).

Some observers have suggested that there is a relationship between geographic region of residence and the decision to enlist. First, some studies of enlistment behavior have hypothesized, but have not confirmed, a higher likelihood of enlistment by young men from the South. (The hypothesis was grounded in the popular notion that the traditions of the South are congenial to the pageantry of the military. For elaboration and empirical results see Johnston and Bachman [1972, p. 105].) An examination of AFQT disqualification rates by state reveals a pattern that may explain why earlier studies did not confirm the hypothesis. That is, the more rural Southern states show higher-than-average rejection rates.\* perhaps because of lower-quality educational systems. Thus, an above-average propensity to enlist in the South may be offset by an above-rate of failure on the AFQT among rural Southern youth. Another reason to expect that region will be related to the likelihood of serving in the armed forces is that, during the Vietnam War, college students in the Northeast were influenced by the high level of protest against the war and were less likely to enlist (Altman and Barro 1970, p. II-10). In order to investigate these hypotheses, the research model includes a variable representing the interaction between urbanicity and region of residence.

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\*Even controlling for race, Karpinos (1966), p. 102) found that draftees from the South were half again as likely as all youth to be rejected for mental reasons. His data also indicate that AFQT failure rates in the predominantly rural Southern states were twice the national rate.



Since the student deferment was central to controversy over the draft, it is necessary to examine variables associated with its impact. Johnston and Bachman (1972) found that some variables predict enlistment solely because they are inversely related to college entrance. For example, men with high measured mental ability and successful high school careers were less likely to enlist. In addition, their study indicated that young men of higher socioeconomic levels were more likely to attend college and, thus, more likely to avoid entering military service. These findings are consistent with the popular notion that members of the middle and lower social classes actually served in disproportionate numbers. Therefore, an explanatory variable representing socioeconomic status of parental family is included in the model.

Finally, the intensity of the war effort played an important role in the likelihood of a youth entering the armed forces. If a young man became eligible for the draft between 1966 and 1968, he entered a draft pool from which the proportion drawn had grown significantly. This, in turn, increased the probability of his serving. Therefore, a variable indicating the intensity of the war is included in the model.

### Empirical Model and Results

In order to examine the issues raised in the preceding discussion, the data used refer to all young men in the sample who could have become veterans during the Vietnam era. The era is defined as the period from 1964 to 1971. Operationally, the dependent or criterion variable is a dichotomy. It distinguishes between those who served in the armed forces during the Vietnam era and those who did not, irrespective of whether they were discharged by late 1971.\*

In review, the explanatory variables used in the analysis can be divided into two broad categories: Selective Service criteria and other "demand" factors, and personal characteristics associated with the student deferment and the enlistment decision. Selective Service criteria include health condition at age 18;† a below-average level of

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\*The sample excludes veterans who were discharged prior to 1964 and thus is consistent with most published statistical accounts of Vietnam-era veterans. Since the Vietnam War ended in 1973, this study understates the total proportion of young men in the age cohort who served by excluding those who entered in 1972 and 1973. However, the declining entrance rates after 1971 and the age of the NLS cohort (the youngest respondent was 19 in 1971) make it unlikely that the results would change substantially if 1972 and 1973 entrants were included. For confirmation of this see Shields (1977).

†In preparing the data for the study, it was necessary to construct variables that utilize individual characteristics at a common "age" reference point, that is, at a time prior to entrance into the service. This is essential because predicting the likelihood of serving demands preservice traits as the relevant criteria. The characteristics as of a young man's

measured mental ability; the presence of dependents at age 18; and the student deferment (that is, educational attainment at age 18). The other "demand" factor is a variable indicating the intensity of the war at the time that the youth became 18 years of age.

Personal characteristics associated with the student deferment include above-average socioeconomic level of parental family and above-average level of measured mental ability. In addition, the following characteristics are included in the analysis because of their hypothesized relationship with enlistment behavior: residence in the rural South, the urban South, or the Northeast at age 18; and race. For reasons discussed above, parabolic (inverted U-shaped) relationships are expected between the likelihood of serving in the military and levels of measured mental ability and education completed at age 18. That is, high and low values on both variables are expected to be negatively associated with participation in the armed forces.

## Methodology

The hypotheses described in the preceding section are tested by means of Multiple Classification Analysis (MCA), a version of multiple regression analysis with all the explanatory variables expressed in categorical form.\* The MCA technique permits one to calculate the mean value of the dependent variable for each category of a particular explanatory variable, "adjusted" for the effects of all other variables in the model. Differences in these values among the several categories of a variable may be interpreted as indicating the "pure" effect of that variable upon the dependent measure. For example, the MCA technique allows one to calculate for each education category of youth what proportion would have served, if the members of that category had been "average" in terms of all the other variables entering into the analysis.

## Results

Most of the hypotheses presented in the preceding section are

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18th year were chosen because eligibility to serve without parental consent and draft registration both occur at the 18th birthday. For additional discussion of the methodology, see Kohen et al. (1977, p. 164).

\*In order to maximize the data cases available for analysis, codes of NA (not available) on IQ, socioeconomic level, and type of residence at age 18 were included in the MCA, but the coefficients are not analyzed. For elaboration on the statistical implications of this procedure, see Kohen et al. 1977, p. 165.

supported by the analysis (Table 9.1). Having health problems and/or dependents at age 18 reduced the likelihood of serving in the armed forces, although the former is statistically significant only among whites. A parabolic relationship was expected for mental ability (IQ) and for education at age 18. Both variables exhibit this relationship, although education demonstrates it more forcefully. That is, respondents with only elementary education and those with at least some college training were much less likely than average to enter the military.

Of special interest is the finding that socioeconomic status per se was not related to military service during the Vietnam era, once the effects of education and mental ability are taken into account. Of course, it is true that social class background had an indirect impact on the probability of serving because it influences both measured mental ability and educational attainment at age 18. It is also noteworthy that a variable representing the war's intensity when the young man reached age 18 displays a strong relationship with the likelihood of his serving. Obviously, participation in the military service in the presence of the conscription system depends on the unpredictable nature of American foreign policy and the fortunes of war. Finally, as expected, geographic area of residence was related to the probability of having served in the military. Young men from the urban South were more likely than average to serve and those from the Northeast were less likely than average to serve.

Overall, a somewhat larger percentage of white than of black youths served in the armed forces between 1964 and 1971 (29 versus 26 percent of those eligible for military service), although this difference shrinks when other factors are controlled and is not statistically significant. However, the racial differences in the effects of some of the factors explaining service in the military are worthy of note. The most pronounced of these is that the health variable is not statistically significant among black youth, whereas it is very powerful among whites. While it is only speculation, it may be that the greater attractiveness of the military as compared to the civilian labor market led black youths with subtle or minor health problems (for example, allergies) to waive their right to nonservice more frequently than similarly afflicted whites.

Another racial difference appears for youths who had completed fewer than 12 years of school. While entering the service was negatively related to an elementary education of age 18 for both races, the absolute difference between blacks and whites in this category is very large. Whites were twice as likely as blacks (22 versus 10 percent) to enter the military. For youths who dropped out of high school or had

**TABLE 9.1: The Likelihood of Serving in the Armed Forces during the Vietnam Era: MCA Results (F-ratios in parentheses)**

<i>Characteristic</i>	<i>Whites</i>		<i>Blacks</i>	
	<i>Number of Respondents</i>	<i>Adjusted<sup>a</sup> Likelihood of Serving</i>	<i>Number of Respondents</i>	<i>Adjusted<sup>a</sup> Likelihood of Serving</i>
Total or average	3,627		1,432	
<i>Mental ability</i>		( 6.56) <sup>b</sup>		( 4.08) <sup>b</sup>
Above average	809	27.9 <sup>c</sup>	27	28.2
Average	1,534	32.7	264	33.0 <sup>c</sup>
Below average	301	27.9	314	26.0
NA	983	24.9 <sup>c</sup>	827	23.0 <sup>c</sup>
<i>Socioeconomic status</i>		( 0.41)		( 0.78)
Lower	629	28.7	701	25.9
Middle	1,439	30.1	444	27.3
Higher	1,403	28.7	100	21.4
<i>Education at age 18</i>		(10.44) <sup>b</sup>		(22.76) <sup>b</sup>
0-8 years	235	21.7 <sup>c</sup>	234	9.6 <sup>c</sup>
9-11 years	922	29.9	594	22.8 <sup>c</sup>
12 years	1,844	32.2 <sup>c</sup>	508	35.9 <sup>c</sup>
13-15 years	626	22.0 <sup>c</sup>	96	20.5
<i>Residence at age 18</i>		( 2.67) <sup>b</sup>		( 4.66) <sup>b</sup>
Northeast	876	27.0 <sup>d</sup>	156	20.6 <sup>d</sup>
North Central	1,082	29.8	216	24.2
South-urban	456	33.7 <sup>c</sup>	442	32.4 <sup>c</sup>
South-rural	572	24.9 <sup>c</sup>	498	24.2
West	554	31.1	57	10.0 <sup>c</sup>
<i>Health condition at age 18</i>		(35.37) <sup>b</sup>		( 2.04)
No health problems	3,429	30.2 <sup>c</sup>	1,367	26.0
Health problems	198	10.5 <sup>c</sup>	65	17.7
<i>Dependents at age 18</i>		( 7.68) <sup>b</sup>		( 9.08) <sup>b</sup>
None	3,511	29.6 <sup>c</sup>	1,329	26.6 <sup>c</sup>
Some	116	17.8 <sup>c</sup>	103	13.2 <sup>c</sup>
<i>War intensity at age 18</i>		(46.18) <sup>b</sup>		(24.69) <sup>b</sup>
Intense period	1,236	36.5 <sup>c</sup>	548	33.6 <sup>c</sup>
Not intense period	2,391	25.7 <sup>c</sup>	884	21.9 <sup>c</sup>
Grand mean		29.2		25.7

R <sup>2</sup>	.04	.09
F-ratio	9.45	9.70

*Universe:* Respondents 19 to 29 years old in 1971 who were not discharged from the armed forces prior to 1964.

<sup>a</sup> Adjusted by multiple regression technique of holding constant all other variables shown in the table.

<sup>b</sup> Statistically significant at .05 level.

<sup>c</sup> Category is significantly different from the grand mean at .05 level.

<sup>d</sup> Category is significantly different from the grand mean at .10 level.

*Source:* Compiled by the author from computer analysis of NLS data.

not graduated by age 18, the likelihood of serving was below average for blacks but not significantly different from average for whites. Thus, minority youths who perhaps had most to gain from the service were least likely to enter.\*

The geographic background variable also exhibits some interesting racial differences. While the likelihood of serving was higher than average for all young men from the urban South, the reasons probably differ for whites and blacks. For whites the popular notion of the congeniality of military traditions and Southern culture is most plausible. For blacks, it seems that the military maintained its potential as a way of escaping racial discrimination in the labor market even during the Vietnam conflict. Among young whites (but not blacks) from the rural South the rate of participation in the armed forces was significantly below average. This strong negative effect among whites probably derives both from availability of occupational (agricultural) deferments and from lower-quality schooling leading to higher failure rates on the AFQT. The weaker effect among black youths may be due to an above-average propensity to enlist in order to escape discrimination, which partially offsets the negative effect of lower-quality education. Finally, the absolutely and relatively lower likelihood of a young black than a young white serving if he resided in the Northeast or West may be due to lower levels of racial discrimination in those regions. That is, these lower levels of discrimination may have provided labor market opportunities that made the armed forces relatively less attractive. Or

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\*The racial differences discussed in this paragraph may arise from the fact that for both educational categories blacks had completed fewer years of schooling than had whites. Within the elementary school category a black youth was approximately twice as likely as a white (36 versus 19 percent) to have completed fewer than seven years of school by age 18. Within the group who had attended but not finished high school at age 18, equal proportions (that is, 17 percent) of the color groups had only nine years of schooling but fewer blacks than whites (49 versus 57 percent) had completed eleven years. Hence, on average, whites had accumulated more human capital and were better equipped to pass the AFQT.

they may have provided an environment more sensitive to the dangers and political issues associated with participation in the wartime armed forces.

## LABOR MARKET EXPERIENCES OF YOUNG VETERANS

A young man's military experience is an interruption in his life plans with unknown consequences. On the one hand, being a veteran may make a young man more attractive to employers relative to nonveterans, resulting in an increase in short-run and long-run earnings. On the other hand, military experience may serve only as a discontinuity in human capital accumulation with negative consequences for long-run success. The overriding question investigated in this section is whether service in the armed forces during the Vietnam era had any *net* (independent) effect on the subsequent civilian labor market experiences of young men. As serious students of this question have realized, to date neither theoretical nor empirical studies have produced unambiguous conclusions about the direction of such an effect (Beusse 1974; Browning, Lopreato and Poston 1973; Cutright 1973; Jurkowitz 1968; O'Neill, Ross, and Warner 1976; Weinstein 1969).

On the one hand, a young man's service in the armed forces has the potential of adding to his human capital in many forms. He may acquire new specific vocational skills, increased general educational credentials, broadened geographic horizons, "improved" work habits (for example, punctuality, adherence to instructions, teamwork), and additional resources with which to get civilian education and training (that is, GI Bill benefits). Also, while the draft was in effect, the potential cost of turnover to employers was smaller for youths who had fulfilled their military obligation. In addition, national campaigns to hire returning veterans led to some preferential hiring due to a moral sense of indebtedness to young men who fought on behalf of the nation. The same result was generated more formally in the public sector through veterans' preference rules under civil service systems.

On the other hand, military service also implies a loss of at least two years of potential civilian labor market exposure and experience,\* even though legislative and collective bargaining actions have at-

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\*Strictly speaking, the period could be less than two years if, for example, a young man was severely wounded and discharged early, or if he was in combat for an extended period and "earned" an early discharge. The operational definition of a veteran used here requires active duty for a minimum of only six months.

tempted to minimize this loss. For example, the Selective Service Act of 1967 stipulated that a young man holding a nontemporary job was guaranteed the right to return to that job after military service and that he did not lose any seniority status accumulated up to the time of entering the armed forces (Waldman 1970). Some unions, through collective bargaining, extended these rights to include additional accumulation of seniority and even promotions and pay increases while a young man was in the military service. Another potentially negative impact of military service on later labor market experience is the increased likelihood of physical disability, which limits the type and/or amount of work a young man can do. Last, but certainly not least, is the psychological damage that afflicted some young veterans of the Vietnam era (see Figley 1978). To the extent that they were stigmatized for participating in the war and/or felt personal guilt about their associations with the military establishment, veterans may have developed attitudes that reduced their productivity in job search and on the job.

While the military's intervention into a young man's life was felt by all who entered the armed forces, the effect may have been more pronounced among minority and disadvantaged youth. On the one hand, the military traditionally has been viewed as a means of escaping discrimination and achieving status advancement. In this sense the military experience would be perceived as a cause of later labor market success. For example, some have suggested that the armed forces creates a "bridging environment" that aids successful minority group assimilation into the civilian labor market (Browning et al. 1973). Minority youth often live in enclaves isolated from mainstream society, and service in the military tends to reduce their dependence on racial or ethnic enclaves by cutting community ties.

On the other hand, this type of positive effect of service may have been less likely in the Vietnam era because of the widespread feeling that U.S. involvement in the war was unjust. In addition, black youths were less likely to receive valuable training and more likely to participate in combat than their white counterparts (U.S. Senate 1974; also see Phillips, Chapter 18, this volume). It also has been suggested that in the black community traditional sentiments about the military changed dramatically as the war intensified. That is, why should a black youth die in Southeast Asia to save democracy that does not really exist? (Fendrich and Axelson 1971). This, in turn, led to a greater degree of political alienation among returning black veterans. Finally, disadvantaged youths were less likely to take advantage of programs (for example, the GI Bill) that eased the assimilation process.

Clearly, "military experience" and its impact on later civilian labor market experiences are not the same for all. Among the potentially

important sources of differences are branch of service, type of military occupation, length of active service, and type of formal training. A long-standing recruiting technique has been to emphasize the uniqueness of one branch of the armed forces in contrast to the others. One study found that Navy veterans more easily transferred their skills to the civilian sector than did Army veterans (Weinstein 1969). It was speculated that this resulted from philosophical differences among the branches of the armed forces—namely that Navy training was designed to be more general and to be applied to a wider range of job situations. However, that study was based on a sample of pre-Vietnam-era veterans. A later study using data on Vietnam-era veterans found no consistent net association between branch of service and later labor market success, although civilian earnings were found to be relatively lower among Army veterans in some military occupation groups (O'Neill et al. 1976).

Another source of differentiation in the military experience is type of training. For example, one study found that the labor market payoff to training in the armed forces differs by type. That is, the higher the status of the civilian counterpart of the training, the more likely the training is to be positively associated with earnings (O'Neill et al. 1976). Length of active service is another factor contributing to differences in the effects of military experience. That same study discovered no positive association between subsequent earnings and length of military service, except for veterans who had been electronic equipment repairmen in the military.\* A more limited case study did find more occupational progress among Army veterans than corresponding nonveterans (Katenbrink 1969).

The labor market implications of military service extend beyond income and occupational attainment. There has been considerable policy concern about the process by which a newly discharged veteran becomes a fully participating member of the civilian sector. For some veterans the process involves long spells of unemployment. In early 1970 unemployment among veterans began to rise, and it continued to do so through 1971, reaching 11.4 percent in the final quarter of that year (Michelotti and Gover 1972). For the younger veterans this was one-third again as high a rate of unemployment as that experienced by nonveterans of the same age and race, a difference that persisted through 1977 (*Employment and Training Report of the President 1978*, pp. 194-95).

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\*According to a personal communication from John Warner (one of the study's authors), the lack of a generally positive association may have resulted from inclusion of a variable representing highest military paygrade, because this variable is highly correlated both with length of service and with postservice earnings.



Perhaps the most important factors contributing to increased unemployment among veterans were the coincident rising level of general unemployment and the peaking of the discharge rate in the 1969-71 period. The relative youth of the Vietnam-era veterans at the time of discharge probably also contributed to the higher-than-historic incidence of unemployment. The average age at discharge of Vietnam-era veterans was 23 in contrast to 25 for Korean War veterans and 27 for veterans of World War II. Thus the Vietnam-era veterans had had relatively less time to accumulate meaningful labor market experience prior to entering the armed forces (Showell 1975).

Obviously, during the Vietnam era the Defense Department focused on winning the war and, therefore, on producing "soldiers." Clearly, "soldier" is an occupation with relatively few nonmilitary applications. There was little, if any, concern for the civilian manpower implications of military training. This placed veterans at a competitive disadvantage upon their reentrance to the civilian labor market. Even though reemployment rights were guaranteed, few veterans took advantage of this right (Werner and Radcliff 1973).

However, there also were forces that tended to inflate artificially the unemployment rate among veterans. First, virtually all veterans were eligible for unemployment insurance benefits. It was technically true that a veteran had to be looking for work during the benefit period. Yet, as a practical matter, state veteran employment representatives relaxed standards for recently discharged veterans, allowing them several weeks to readjust to civilian society (*Manpower Magazine* 1971). Second, it has been suggested that the educational benefits of the GI Bill tended to inflate the rates (Werner and Radcliff 1973). Because the educational system is typically divided into 10- to 15-week periods, veterans waiting to enroll had to seek temporary employment and were faced with employer reluctance to hire them because of their planned return to school.

## Models and Empirical Results

### *Models*

In order to address the first two questions about the effects of military service on later labor market experience, rather conventional regression models are used. They are models of the determination of earnings and occupational status but contain additional measures to identify various categories of veterans. To illustrate, the regression model to explain hourly wages includes traditional human capital variables, environmental variables, and job context variables. (The human capital variables are education, civilian occupational training,

mental ability, civilian work experience, length of service with current employer, and health condition. The environmental variables are urbanicity and region of current residence. The job context variable is one that distinguishes between private employees and government employees.) Several alternative sets of variables to distinguish veterans are also included in the equation. First, categories of veterans are separately identified by variables indicating whether training was received in the military and in which branch of service the veteran served. For example, Army veterans with training are differentiated from Army veterans without training. Second, an alternative equation is estimated by including, as substitutes for the variables representing training and branch of service, variables indicating whether the veteran's military and postdischarge jobs were in the same major occupational group. As a third alternative, these variables are replaced by one measuring the total number of months of active military duty. In each of the three specifications, the total amount of civilian work experience is divided into two portions—experience prior and subsequent to military service. (Obviously, all nonveterans receive a value of zero on the latter variable and on the one measuring months of active military duty.) Finally, each equation includes a variable specifying whether a veteran returned to school after being discharged.

Because of the well-documented racial differences in the determinants of wages and occupational status, separate equations are estimated for blacks and whites. This permits evaluation of whether the effects of military service differ according to race. The universe for which the equations are estimated consists of 19- to 29-year-old men who were both out of school and employed in 1971.

Turning next to the impact of service in the armed forces on personal unemployment experience, regression analysis is again employed. The equations control for several variables expected to be related both to unemployment and to the status of being a veteran. Because the "proper" dependent variables cannot be specified unambiguously, two alternatives are presented: the probability of experiencing at least one week of unemployment during 1971 and the proportion of time in the labor force during 1971 that was spent unemployed.\*

The models for explaining the incidence and extent of joblessness are nearly identical to those for earnings and occupational status described above. The major change is the addition of a variable designating those veterans discharged from the armed forces during 1971.

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\*The first is a variable coded "1" if the respondent experienced any full weeks of unemployment and "0" otherwise. The second is the ratio of weeks unemployed in 1971 to weeks in the civilian labor force in 1971.

Another change is deletion of the analysis based on comparing the military and civilian occupations because some of the veterans whose unemployment could be studied had not secured a postservice job by the time of the 1971 survey. The new variable is added because having been recently discharged is expected to increase the likelihood of joblessness. First of all, few veterans exercised their reemployment rights. Second, veterans were virtually automatically eligible for unemployment compensation due to minimal requirements to search. It is also expected that recency of discharge would artificially increase the proportion of labor force time spent unemployed, because it increases the numerator (weeks unemployed) and decreases the denominator (weeks in civilian labor force) of the ratio.\* The universe for the analysis of unemployment consists of 19- to 29-year-old men who were not enrolled in school at the time of the 1971 survey.

As a supplement to analyzing the objective consequences of military service on civilian labor market experiences, it is useful to examine the veterans' perceptions of these consequences. All veterans in the sample were asked (in 1971) whether they believed that their service in the armed forces had helped or hurt their (civilian) careers. Overall, slightly more than one-half of them reported that it had helped their careers and one-sixth reported a deleterious effect. The remaining three-tenths felt that their military experience had no impact on their later experiences in the civilian labor market. As might be expected, these response patterns were far from uniform across all types of veterans. For example, ex-Marines, veterans with very brief periods of service, and those who received no training with civilian application were relatively less likely to report positive effects of their military service. Similarly, college graduates, draftees, and those discharged in 1971 were relatively more likely to report negative effects.

In order to examine more carefully the sources of variation in the reported effects of the military service, MCAs were performed using two dependent variables. The first distinguished those who perceived positive effects from all others. The second differentiated those who reported negative effects from all others. Using the identical set of explanatory variables permits identification of the net distribution of responses to the question for each category of young veterans, where

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\*There is also reason to believe that the diligence of the census interviewers contributes to an artificially high proportion of a veteran's time spent in unemployment. That is, if it was learned that a respondent was unavailable at the initial attempt to contact him but that he would be discharged from the military service before the close of the survey period, the interview was probably conducted. Thus, the total amount of time in the civilian population for such a veteran will be minimal (less than two months), which artificially inflated the proportion of time unemployed if he sought work and/or applied for unemployment compensation.

"net" means "adjusted for the variation in the response due to other characteristics." Moreover, using the same explanatory variables demonstrates the nonsymmetric nature of the responses. That is, a given characteristic may induce an above-average positive response rate but not a below-average negative response rate.

Some of the explanatory variables included in these analyses are similar to those used in the analyses of earnings, occupational status, and unemployment. However, because the term "career" is somewhat vague, the hypotheses underlying these variables are more tentative than in the earlier analyses and may best be viewed as exploratory. For example, it is of interest to know whether the perceived impact of the military on civilian careers depends on the veteran's level of human capital. This knowledge would assist in evaluating military service as a source of producing human capital. Especially in light of programs such as Project 100,000 and Project Transition, it seems reasonable to expect that the least-well-educated young veterans had the most to gain from military service in terms of acquiring skills. Thus, the amount of schooling completed by the veteran prior to entering the military is included in the analysis. For similar reasons the following are included in the MCAs: whether the respondent's military and postservice jobs were in the same major occupation group, whether the respondent returned to school after being discharged from the service, and a comparison between the respondent's health status before and after military service.

The nature of a veteran's experience during his tour of military duty may be expected to influence his perception of its impact on his postservice career. Some of the variables in the equations are designed to represent this set of factors. These include method of entry to the armed forces, duration of military service, type of training received in the military, branch of service, and date of discharge. The hypotheses underlying this set of variables deserve brief explanation. First, it is anticipated that those who served involuntarily would be less likely to exhibit positive reactions and more likely to express negative reactions to their military experience. Second, longer periods of service are more likely to have been voluntary and, therefore, are expected to produce more positive perceptions about the impact of service. Third, it is anticipated that those who received training with some potential transferability to civilian jobs would be relatively more positive about the effect of their military experience.

The branch of the armed forces in which a young man served is included for exploratory purposes, with no a priori hypotheses. While gross differences in the response patterns of Army, Navy, Air Force, and Marine veterans are observed, they may simply reflect differences in voluntariness of service and/or differences in training. The date of

discharge is included for three reasons. First, the question about the impact of military service was asked of all veterans in 1971 (rather than, say, at the first interview after discharge), and it may be that the perceived impact of military service is stronger the more recent the tour of duty. Second, veterans who returned to civilian life in 1970 or 1971 entered a much less buoyant economy than was true of those discharged in the middle or late 1960s. Third, growing societal disenchantment with U.S. military involvement in Vietnam over the period 1966-71 probably made a difference in the general acceptance of the veteran according to when he reentered the civilian labor force.

### *Results*

Overall, the statistical results of analyzing the effect of military service on civilian earnings and occupational status are mixed (Table 9.2). Since the effect does apparently differ substantially between the races, the findings are discussed separately for whites and blacks.

For young white men, all of the variables identifying veterans exhibit positive associations with current hourly earnings, but there are only two effects that attain statistical significance, namely returning to school after being discharged and doing the same kind of work after discharge as was done while in military service. (It should be noted that the latter effect may represent either the impact of specific types of occupational training in the military or the identification of young men who held the same [high-paying] occupations before, during, and after military service.) While each month of active military duty seems to increase current wages, the impact is minuscule (about \$0.002/hour/month of service) and not statistically significant. Indeed, comparing the size of the effect to the effect of civilian work experience implies that, on average, the time spent in the military is detrimental to later success in the labor market. To be more specific, the regression results imply that the wage payoff per year of military service was only about \$0.025 hour in contrast to more than \$0.11/hour per year of civilian work experience. Hence, for white veterans it seems that only those young men who availed themselves of the subsidy to pursue postservice additional schooling received monetary payoffs from their military experience.

In contrast, the impact of armed forces service is less clear among young black men. First of all, there are too few (fewer than 10) respondents who returned to school after leaving the armed forces to have confidence in the estimated effect of this behavior on civilian wages. Second, none of the variables identifying veterans attains statistical significance in any version of the equation. Finally, the estimated effect of a year of military service (about \$0.08/hour) is

**TABLE 9.2: Net Effects of Selected Aspects of Military Service Experience on Civilian Hourly Wage and Occupational Status, 1971, by Race**

Version of the Equation and Aspect of Military Service Experience	Hourly Wage (dollars/hour)		Occupational Status (Duncan Index)	
	Whites	Blacks	Whites	Blacks
<i>Version I</i>				
Recipient of training in the military—Army	0.11	-0.15	-1.3	-1.2
Recipient of training in the military—other branch	0.18	b	-1.8	b
Nonrecipient of training in the military—Army <sup>a</sup>	0.30 <sup>c</sup>	-0.16	-0.7	-4.9
Nonrecipient of training in the military—other branch <sup>a</sup>	0.10	0.13	-3.2	-3.3
Returnee to school after military discharge	0.85 <sup>d</sup>	b	11.8 <sup>d</sup>	b
<i>Version II</i>				
Military and 1971 occupations—same	0.51 <sup>d</sup>	b	1.8	b
Military and 1971 occupations—different	0.12	0.03	-2.4	-3.6
Returnee to school after military discharge	0.82 <sup>d</sup>	b	11.6 <sup>d</sup>	b
<i>Version III</i>				
Per month of active military duty	0.002	0.007	-0.1	0.0 <sup>c</sup>
Returnee to school after military discharge	0.89 <sup>d</sup>	b	11.7 <sup>d</sup>	b

*Universe:* Employed respondents 19-29 years of age in 1971 who were not discharged from the armed forces prior to 1964.

*Note:* The effects are net in the sense that other variables that determine wages (occupational status) are held constant by the regression, including those variables associated with being a veteran. Each version of the equation was estimated separately and contained only those variables characterizing veterans that are shown. For example, Version I contains interactive dummy variables for veteran status, receipt of military training, and branch of service along with a dummy variable indicating the return to school, but it excludes the occupation comparison variables and the duration of service variable.

<sup>a</sup> Strictly speaking, these veterans received only basic training and/or training only in a military (combat) job.

<sup>b</sup> Coefficient based on fewer than 25 respondents.

<sup>c</sup> Statistically significant at .10 level.

<sup>d</sup> Statistically significant at .05 level.

<sup>e</sup> Indicates nonzero value rounded to zero.

*Sources:* Compiled by the authors, full regressions appear in Kohen, P. I., et al. *Career Thresholds 6*, U.S. Department of Labor, R & D Monograph No. 16, Washington, D.C.: U.S. Government Printing Office, 1977.

greater than the estimated value of a year of premilitary work experience (about \$0.02/hour) but less than that of a year of postmilitary work experience. If one takes the estimate at face value and ignores the lack of statistical significance, then the results imply that, whether it represents the acquisition of cognitive skills or productive work habits, the time a young black man spent in the armed forces paid off in increased civilian earnings.

Contrary to expectations, there is no evidence for either racial group that training in the armed forces that is potentially applicable to civilian jobs had a demonstrable, significant return.\* With one exception, all of the preceding inferences about hourly earnings apply equally to the analysis of occupational status. The exception is that there is no evidence that black veterans received any payoff to their military service in terms of occupational status.

The impact of being a veteran on unemployment experience in 1971 is more straightforward. The evidence for both racial groups indicates that young veterans were significantly more likely than nonveterans to suffer unemployment during 1971 (Table 9.3). Surprisingly, this conclusion does not apply to black young men who were veterans of the Army infantry. Among white veterans this effect was somewhat reduced for those who returned to school. Partly in contrast to expectations, the veterans discharged in 1971 did not have a higher likelihood of being unemployed, but they did spend significantly larger proportions of their labor force time without jobs. Examination of the full results also reveals that the differential unemployment experience of veterans eventually disappears, other things being equal. For example, a veteran's susceptibility to unemployment in 1971 was much lower if he had been discharged in, say, 1968 than in 1970. Thus, it seems that time in reacclimation to the civilian labor market is the principal source of a "solution" to the unemployment "problem" of veterans.

Turning to the analysis of the employed veterans' perceptions of the effect of their military service, the results of the MCA's provide support for some of the hypotheses (Table 9.4). Since the results for whites and blacks differ, they are discussed separately. Relative to enlistees, white draftees were less likely to report a positive career effect and more likely to report a negative career effect, although only the latter is statistically significant. Finding any statistical significance in this instance is especially noteworthy because branch of service and length of tour of duty are controlled for, and because some of the enlistees were of the draft-induced variety, making their service less

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\* It is noteworthy that approximately three-fifths of the veterans in the sample used here report having received training other than basic or combat training. This is in close accord with published data (U.S. Senate 1971, p. 140, Table 37).

**TABLE 9.3: Net Effects of Selected Aspects of Military Service Experience on Unemployment Experience, 1971, by Race**

(effects shown in percentage points)

Version of the Equation and Aspect of Military Service Experience	Probability of Being Unemployed 1971		Proportion of Time in Labor Force in 1971 Spent Unemployed	
	Whites	Blacks	Whites	Blacks
<i>Version I</i>				
Recipient of training in military—Army	11.6 <sup>c</sup>	25.8 <sup>c</sup>	5.1 <sup>c</sup>	7.1
Recipient of training in military—other branch	13.7 <sup>c</sup>	b	3.7	b
Nonrecipient of training in military—Army <sup>a</sup>	11.4 <sup>c</sup>	-1.9	0.9	-5.6
Nonrecipient of training in military—other branch <sup>a</sup>	14.9 <sup>c</sup>	28.6 <sup>c</sup>	4.3 <sup>c</sup>	5.6 <sup>d</sup>
Returnee to school after military discharge	-9.2	b	-0.2	b
Discharged in 1971	-9.3	-23.9 b	10.8 <sup>c</sup>	3.8
<i>Version II</i>				
Per month of active military duty	0.4 <sup>c</sup>	0.6 <sup>c</sup>	0.2 <sup>c</sup>	0.2
Returnee to school after military discharge	-7.2	b	0.7	b
Discharged in 1971	-8.6	-10.3	10.2 <sup>c</sup>	6.5

*Universe:* Respondents 19–29 years of age and interviewed in 1971 who were not discharged from the armed forces prior to 1964 and who spent at least one week in the labor force in 1971.

*Note:* The effects are net in the sense that other determinants of the likelihood of being unemployed are held constant by the regression, including those variables associated with being a veteran. Each version of the equation was estimated separately and contained only those variables characterizing veterans that are shown. For example, Version I contains interactive dummy variables for veteran status, receipt of military training, and branch of service along with a dummy variable indicating the return to school, but it excludes the occupation comparison variables and the duration of service variable.

<sup>a</sup>Strictly speaking, these veterans received only basic training and/or training only in a military (combat) job.

<sup>b</sup>Coefficient based on fewer than 25 respondents.

<sup>c</sup>Statistically significant at .05 level.

<sup>d</sup>Statistically significant at .10 level.

*Source:* Compiled by the authors. Full regressions appear in Kohen, A. I., et al, *Career Thresholds 6*, U.S. Department of Labor R



than entirely voluntary. Also, young white veterans who received training in the armed forces showed above-average positive reports of their military experience.

The long-service group of white veterans forcefully demonstrates the nonsymmetric nature of the perceptions being studied. That is, they had significantly higher-than-average rates of reporting both negative and positive effects of military service on civilian careers. Thus, long-service veterans were the least likely to express ambivalence and those who served for one year or less were the most likely to report no effect on their civilian careers.

As expected, the date of discharge had a strong regular effect on the probability that a young white veteran would report a negative effect of his military service. That is, the probability is much higher the more recently he was discharged. This may reflect one or more of several forces. First, the recency of negative *military* experiences may induce strong negative reports about anything related to those experiences. Second, the loss of a few years of civilian labor market exposure may have been more of an impairment in the relatively depressed labor market of 1971 than in the tighter labor markets of the middle 1960s.

There is one apparent discrepancy between the analysis of the veterans' perceptions and the earlier conclusions. That is, the analysis of perceptions does not show significant differences between white veterans who returned to school and those who did not, whereas the earlier findings showed higher earnings and better jobs among those who returned to school. The discrepancy may be explainable if those who returned to school would have continued their education in any event and, thus, perceived the military experience as an interruption in their prior plans to achieve higher earnings and status. While this is purely speculative, it is consistent with the following facts: those with higher levels of education prior to military service were more likely to return to school after being discharged, and college graduates had significantly below-average reports of positive effects and above-average reports of negative effects of military service.

In general, it is almost impossible to draw any confident conclusions from the analysis of the self-reports by young black veterans. In the main this probably is due to the small number of respondents who comprise many of the categories used in the analysis. Comparable to the findings for whites, there is a strong significant positive relationship between duration of active duty and the likelihood of reporting a positive effect. The small intercolor differences of blacks perceiving both more positive and less negative effects is not uniform across all categories of the veterans. Finally, when all is said and done, young black veterans and young white veterans do not diverge systematically

**TABLE 9.4: Perceived Effects of Military Service on Civilian Career: MCA Results  
(F-ratios in parentheses)**

Characteristic	Whites		Blacks			
	Number of Respondents	Adjusted Percent Reporting that Military Service Was		Number of Respondents	Adjusted Percent Reporting that Military Service Was	
		Positive	Negative		Positive	Negative
<i>Method of entry to service</i>		(0.76)	(2.69)		(1.68)	(1.07)
Drafted	152	50.7	21.5 <sup>c</sup>	75	53.8	15.5
Enlisted	303	52.7	14.1	50	54.8	9.8
Other	66	59.3	11.8	3	<sup>e</sup>	<sup>e</sup>
<i>Branch of service</i>		(0.30)	(0.64)		(2.63)	(2.67)
Navy, Coast Guard	95	52.4	14.7	8	<sup>c</sup>	<sup>c</sup>
Army	317	54.4	16.9	96	57.1	15.2
Air Force	58	50.5	10.5	11	<sup>c</sup>	<sup>e</sup>
Marines	51	48.4	18.4	13	<sup>e</sup>	<sup>e</sup>
<i>Duration of service</i>		(15.81) <sup>f</sup>	(5.54) <sup>f</sup>		(6.62) <sup>f</sup>	(1.94)
0-12 months	87	20.8 <sup>d</sup>	24.4 <sup>d</sup>	15	<sup>e</sup>	<sup>e</sup>
13-24 months	234	60.9 <sup>d</sup>	10.0 <sup>d</sup>	76	41.0 <sup>d</sup>	10.0
25-36 months	95	55.2	14.3	25	82.8 <sup>d</sup>	10.6
37 months or more	105	60.1 <sup>c</sup>	23.6 <sup>c</sup>	12	<sup>e</sup>	<sup>e</sup>
<i>Date of discharge</i>		(0.76)	(7.12) <sup>f</sup>		(0.69)	(0.90)
1971	101	49.3	27.6 <sup>d</sup>	33	56.9	20.3
1970	117	57.6	18.8	41	63.3	9.4
1968-69	109	49.7	16.0	31	49.1	16.6
1967 or earlier	194	54.0	7.9	23	50.3	8.1
<i>Training in military</i>		(9.18) <sup>f</sup>	(0.53)		(0.38)	(0.17)
None or military only	306	47.4 <sup>d</sup>	15.0	104	53.9	13.6

<i>Military and post service occupation</i>		(0.56)	(0.14)		(0.26)	(0.28)
Same	104	49.8	14.8	11	e	e
Different	417	53.8	16.2	117	55.9	12.4
<i>Health condition in 1971</i>		(1.99)	(1.56)		(0.75)	(0.44)
No health limitation	479	54.6 <sup>d</sup>	15.2	120	56.3	12.4
Limitation, began before service	15	e	e	2	e	e
Limitation, began during service	16	e	e	6	e	e
Limitation, began after service	11	e	e	0	e	e
<i>Education prior to service</i>		(1.36)	(3.99) <sup>f</sup>		(0.54)	(1.93)
0-8	16	e	e	4	e	e
9-11	91	47.8	10.9 <sup>c</sup>	30	57.3	19.9
12	280	53.5	14.8	77	56.7	8.1 <sup>c</sup>
13-15	92	59.2	16.8	16	e	e
16-18	42	42.2 <sup>c</sup>	34.6 <sup>d</sup>	1	e	e
<i>Returned to school post service</i>		(1.72)	(0.51)		(5.67) <sup>f</sup>	(0.56)
No	407	51.5	16.6	114	58.6	13.7
Yes	114	58.1	13.9	14	e	e
Grand mean		53.0	16.0		55.3	12.9
R <sup>2</sup>		.07	.06		.14	.00
F-ratio		2.97	2.60		2.03	0.84
Total number of respondents	521			128		

*Universe:* Respondents who were Vietnam-era veterans and who were employed in 1971.

<sup>a</sup> The percentages are adjusted by the multiple regression technique of holding constant all other variables shown in the table.

<sup>b</sup> Includes those who entered the armed forces through ROTC or OCS and those whose method of entry was not ascertained.

<sup>c</sup> Significantly different from the grand mean at .10 level.

<sup>d</sup> Significantly different from the grand mean at .05 level.

<sup>e</sup> Adjusted percentage not shown where category contains fewer than 20 respondents.

<sup>f</sup> Significant at .05 level.

*Source:* Compiled by the authors from computer analysis of NLS data.

in their views of the impact of their military service on their subsequent civilian work experiences.

## SUMMARY AND CONCLUSIONS

This study was conducted because the experiences of Vietnam-era veterans are integral to understanding the transitions by young men from adolescence to adulthood and from school to work during the late 1960s. As a starting point it focused on the factors determining who served in the U.S. Armed Forces during the Vietnam era (1964-71). In doing so the study departed substantially from earlier research that focused almost exclusively upon the decision by a young man to enlist in the military service. The analysis confirmed many intuitive answers to the question of who served, including the following: young men with health problems and/or dependents were less likely to serve and veterans were less likely to come from the ranks of both the least and the most capable young men than from the group with average educational achievement and mental ability.

Importantly, the findings also demonstrate that while socio-economic background obviously indirectly influenced who served (that is, through measured mental ability and educational attainment), it exercised no independent direct effect once these factors were taken into account. Equally important is the finding that there was no significant racial difference in the likelihood of serving in the armed forces during the Vietnam era. Finally, the results indicate regional/racial differences in the probability of entering the armed forces that are interpreted as evidence that the military was used as an avenue of escape from racial discrimination in the civilian labor market even during the Vietnam conflict.

The second objective of the study was to examine the effects of being a veteran on civilian labor market experiences. In order to consider a broad range of such experiences, regression analyses were performed on hourly earnings, occupational status, and unemployment during 1971. The models were designed to isolate those specific characteristics of veterans that were expected to affect labor market achievements, while simultaneously controlling for other determinants of those achievements.

When earnings or status is the criterion, young white veterans were found to have paid a substantial cost for their military service in terms of foregone civilian work experience. That is, the labor market apparently did not evaluate time in the armed forces as equivalent to time in civilian work in terms of producing human capital. The excep-

tions to this generalization were the minorities of young white veterans whose military and subsequent civilian jobs were in the same occupational group and those who took advantage of the GI Bill to return to school. For young blacks the interpretation of the results is less straightforward. None of the variables identifying veterans attain statistical significance. However, the estimated earnings payoff to each year on active military duty exceeded the payoff to each year of civilian work experience *prior to* service. For neither race group do the results provide clear support for the hypothesis that there is a significant carryover of military training into civilian jobs.

The most succinct summary of the results of analyzing unemployment among young men is that soon after their discharge veterans evidently experience significantly more joblessness than their non-veteran peers. But this disadvantage disappears with time. That is, reacclimation to the civilian labor market over time appears to be the "solution" to the unemployment "problem" of veterans.

Analysis of veterans' perceptions of the effect of military service on their civilian careers revealed rather more positive attitudes than would be suggested by the analysis of veteran/nonveteran differences in actual labor market achievements. More than half of the employed veterans reported that the armed forces experience had helped their careers. While there was no objective evidence to support it, this positive attitude was relatively more common among those who had received training while in the military service. Some of this dissonance may be due to vagueness in the meaning of "career." Or it may be due to a longer time horizon for the veterans' subjective evaluation than for the evaluation based on 1971 actual experiences. Furthermore, some consistency is evident. First, the results indicated that veterans who reported that military service was a detriment to their careers had significantly lower occupational status. Also, reports of negative effects declined with the length of time since leaving the armed forces, and this is consistent with the finding that (some) labor market disadvantages of veterans disappear with time. Finally, combining the analyses of objective and subjective assessments of the impact of military service leads to the conclusion that there may have been a slightly greater payoff to the young black veterans of the Vietnam era than to their white peers.

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