



ECONOMIC IMPACT OF VETERANS' BENEFITS REPORT

PLACER COUNTY, CALIFORNIA

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Introduction:

Placer County, CA, is home to a large number of veterans, nearly 70% more than the average California region. Every year veterans bring millions of dollars to the county in the form of military pensions, medical care, and more. The following report illustrates the economic impact of these dollars going back to 2006, and estimates a long-term decline in the veteran population in the future.

2006 – 2010:

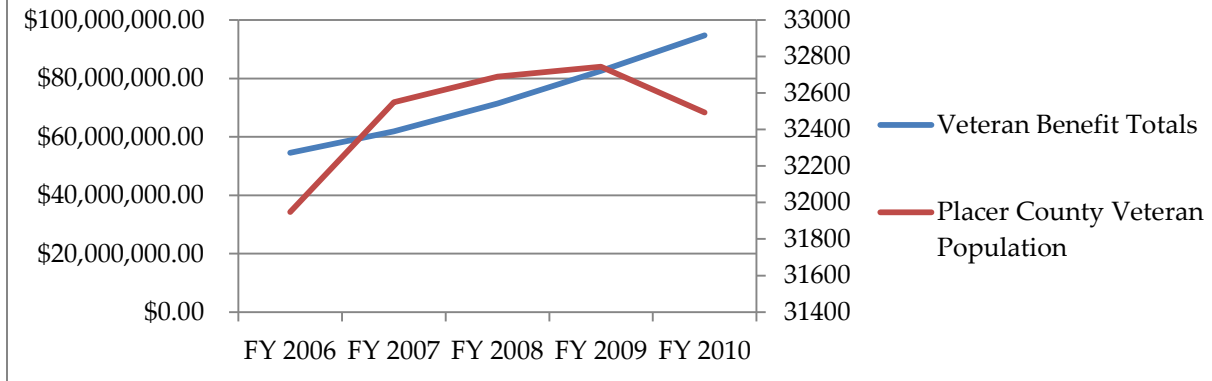
Veterans' economic impact on Placer County grew dramatically between 2006 and 2010 across all types of benefits, categorized into four areas:

1. Compensation and pension;
2. Education, vocation training, and rehabilitation;
3. Life insurance and indemnities; and
4. Medical care

In fiscal year (FY) 2016, Placer County veterans received \$54.6 million in military benefits, an increase of approximately 15% for four consecutive years (2006 to 2010) despite no dramatic increase in the county's veteran population.

The research indicates the increase is due to greater pension and medical expenditures, as well as a jump in vocational training benefits from soldiers who have returned from war.

Veteran Population and Benefit Growth



Benefit Type	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Compensation & Pension	\$30,462,784	\$34,264,712	\$40,360,926	\$46,113,282	\$51,593,769
Education/Vocation/Rehabilitation	\$2,722,938	\$2,645,717	\$2,838,928	\$4,566,589	\$9,760,433
Life Insurance & Indemnities	\$2,537,855	\$2,966,181	\$2,407,882	\$2,715,076	\$2,454,382
Medical Care	\$18,842,857	\$21,975,782	\$25,803,137	\$29,221,087	\$30,907,959
Total	\$54,566,435	\$61,852,394	\$71,410,874	\$82,616,034	\$94,716,544

For a more comprehensive picture of the current economic impact of Veteran Affairs' disbursements in Placer County, the following section discusses spending by age, gender, and type of benefit.

2010 – 2012 Population:

Placer County's veteran population declined from Fiscal Year 2010 to 2012. Overall, the veteran population decreased by 2% from 2010 to 2011 and by 7% from 2011 to 2012. The biggest demographic that moved out of the county were primarily younger males. The number of veteran women stayed about the same, and the number of retired veterans (both genders) increased slightly.

The following tables identify the current veteran population by age and gender. The largest demographic of veterans is retired males:

Age	Population	Percent
17-44	5,245	18%
45-64	10,344	35%
65-84	11,685	39%
85+	2,399	8%
Total	29,673	100%

Gender	Population	Percent
Male	26,829	90%
Female	2,844	10%
Total	29,673	100%

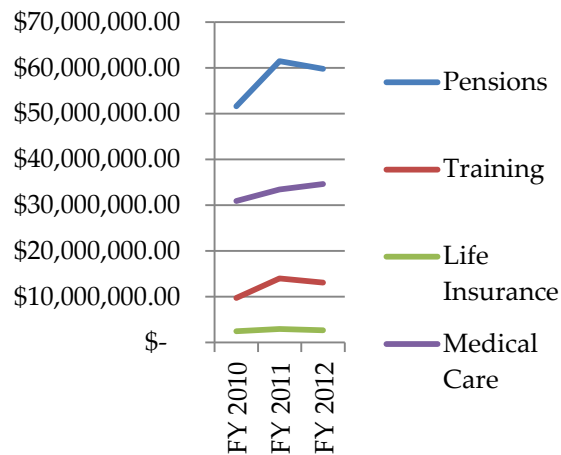
Benefits:

Despite the decline in population, Placer County received a greater dollar amount of benefits. From 2010 to 2011:

1. Pensions increased by 19% from the previous year;
2. Vocational training increased by 43%; and
3. Medical care benefits increased by 8%

From 2011 to 2012 the total veteran population decreased by 8%, but the total amount of benefits only decreased by 1%. The loss of benefits was seen in pensions, vocational training, and life insurance, but medical benefits continued to rise. Additionally, the total number of VA hospital patients residing in Placer County rose by 9%.

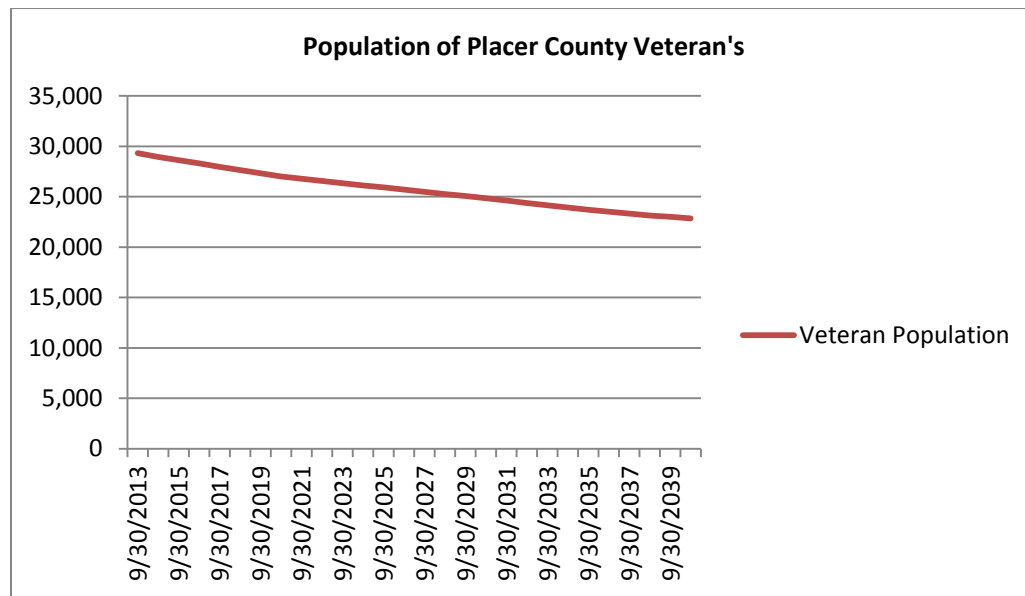
Spending by Benefit Type



Due to an aging veteran population and increased costs in the health care industry, veterans' medical care is the only expenditure that increases against the general decline in the veteran population

The Future - 2013 – 2040:

The Department of Veterans' Affairs does not project future expenditures, only population. There are federal budgetary concerns, the possibility of a major war, and constant changes to healthcare prices. However, the Department of Veterans' Affairs predicts that the population in Placer County will decline from 29,000 veterans in 2013 to 22,000 by 2040. The decline is constant, with no sharp drops. For more information about demographics within the population changes, please refer to the attached spreadsheet.



Conclusion:

Questions about the economic impact of veteran benefits remain unanswered because the information on how much veterans save or spend of their pension benefits is unavailable. Veterans choose privately whether to use their pensions on housing, consumer goods, or to save for the future. They unmistakably spend millions on medical care, but veterans might very well take these dollars to VA hospitals in Sacramento or El Dorado County. Despite these ambiguities, it is clear that veterans bring millions of federal dollars of economic impact to the local economy every year, especially in the healthcare industry.

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