MILKEN INSTITUTE

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Saluting Service and Bolstering Business:

Redefining Employer Investments in Veterans

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Poet Katharine Lee Bates wrote that veterans are "heroes proved…who more than self their country loved." They have bravely exchanged the comforts of home and the company of family and friends for the mission, risk, and uncertainties of military service. One way for us to honor veterans across generations is to raise awareness about the ways employers can invest in veterans at work.

Intentional employer investments are pivotal to the health and performance of people, communities, and businesses. The Milken Institute Employer Action Exchange (EAE)'s research shows the human and economic cost of exclusion from the workforce. Particularly for veterans, that cost amounts to $1.5 billion per year in lost innovation, underscoring the risk of not serving those who have served.

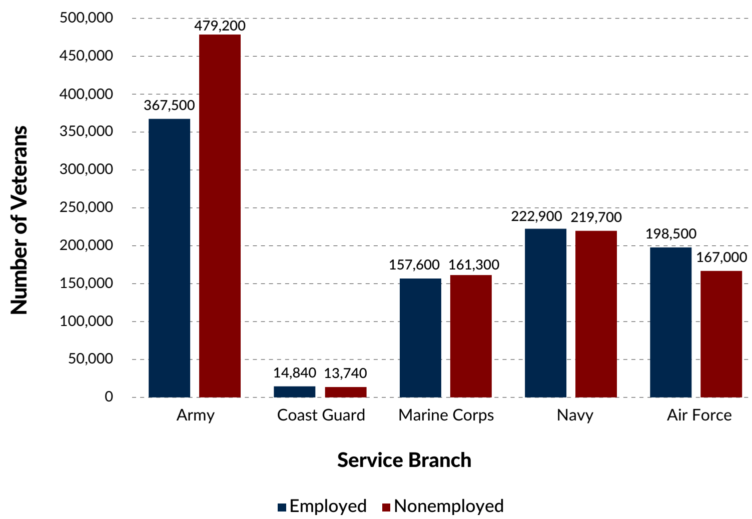
As our nation approaches its 250th anniversary, and we pay tribute to the people who have served our country and safeguarded our liberties, it is more compelling than ever for employers to invest in veterans. Whether employed by the federal government—the country's largest employer of veterans—the private sector, or nongovernmental organizations, veterans' training and experience bolster an organization's ability to face risks and develop resiliency. They often share highly desirable employee attributes, such as being mission-minded, highly trained in technical areas, adept at problem-solving, and steady under pressure, and they demonstrate well rounded, transferable leadership capabilities. Veterans have the skill sets employers need today and for the future.

Impacts and Implications of Veteran Underemployment

In 2024, 17.6 million veterans were in the US civilian population, representing about 7 percent of the population aged 18 and over. Of those, 8.44 million were working or looking for work.

The transition from the military to the civilian workforce can be difficult for any individual, regardless of job, background, or experience. The number of veterans who are employed and unemployed one year after being discharged is similar across all service branches (see Figure 1).

Figure 1: Number of Veterans Employed One Year Post Discharge (2002–2021)



Source: US Census Bureau, Veteran Employment Outcomes (2002–2021)

According to the US Bureau of Labor Statistics, as of May 2025, the overall unemployment rate for US veterans was 3.8 percent, compared with 4.1 percent for nonveterans. However, these statistics only tell part of the story. Of the approximately 200,000 veterans who transition to the civilian workforce annually, about half are in a different job after the first year, and about two-thirds believe they are underemployed. These impacts are contained not only to veterans themselves; they also extend to military spouses and partners. Despite having higher levels of education than the average American, nearly half of the country's 15 million military spouses are unemployed, costing the economy an estimated $1 billion each year.

These last statistics potentially point to the cultural differences between military and civilian workforces and other factors that can be barriers to employers extending or individuals accepting a job offer. This gap has several consequences. Excluding veterans from the workforce costs US businesses $1.5 billion annually due to lost talent and innovation. And if veterans do not accept job offers or move from one job to the next over short periods of time, their professional development and earning potential may be limited.

Beyond business considerations, the effects on veterans' mental health are especially significant. Service members face not only an abrupt transition to civilian life on a personal level but also challenges in career assimilation and advancement. Many experience a deep disconnect—having led troops in high-stress environments does not always translate to senior roles or competitive compensation in the civilian sector.

Veterans Driving Impact as Entrepreneurs

Many veterans are entrepreneurs, contributing to the economy directly as small business owners. In the US in 2021, approximately 1.6 million veteran-owned small businesses collectively employ 6 million people and generate $1 trillion in revenue.

However, according to data from the US Bureau of Labor Statistics, the number of self-employed veterans has declined by 2.2 percent from 2008 to 2025 (see Figure 2). This decline underscores the importance of organizations investing in their small business programs and how they impact veterans. Such symbiotic collaborations not only support veteran entrepreneurs but also allow larger organizations to learn from the unique perspectives, experiences, and skill sets that veterans bring to their small businesses and their impact on the surrounding communities. Clearly, we must continue to seek out, invest in, and support the most resourceful, determined, and experienced entrepreneurs—our nation's veterans.

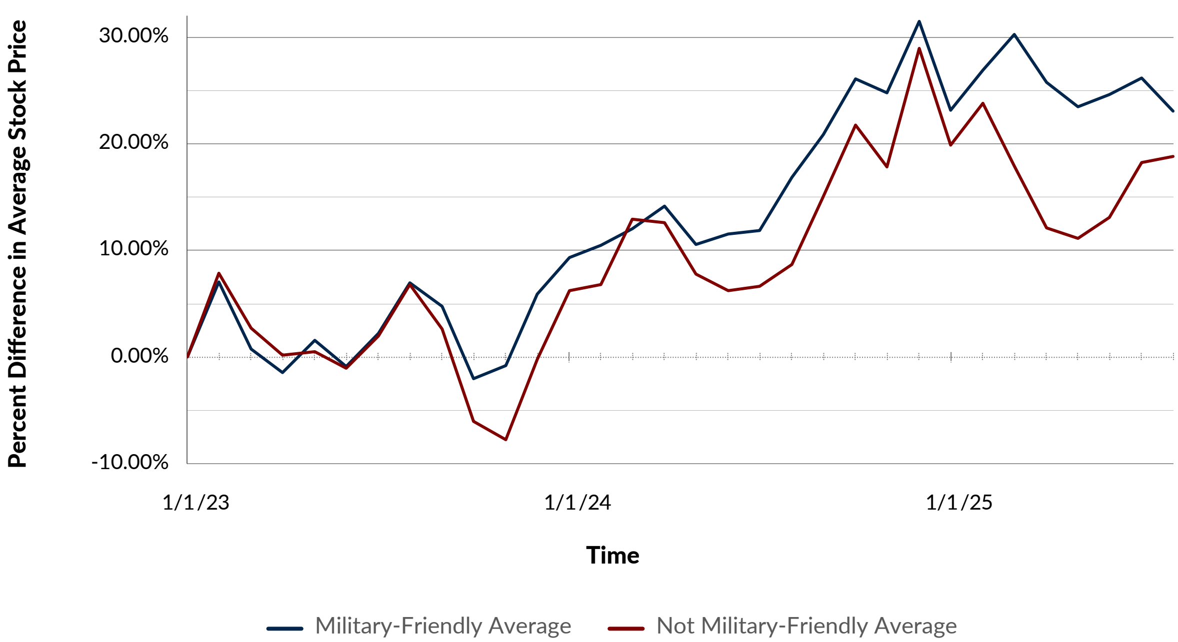
Figure 2: Percent of Self-Employed Veterans by Year

Source: US Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey (2008–2025)

Economic and Employer Impact of Veteran Employment

Supporting veterans in the workplace is a mutually beneficial decision for both service members and businesses. To demonstrate this, the EAE analyzed the stock performance of companies that received the designation of Military Friendly® in 2023. The top public companies were matched and compared to an organization not designated as "military-friendly" with similar stock prices at the time of designation, in the same industry (NAICS code), and of similar size (number of employees). The average price each month from January 2023 to August 2025 was calculated and plotted (Figure 3).

Figure 3: Difference in Average Stock Performance for 2023 Military-Friendly® Versus Nonmilitary-Friendly Employers



Source: Milken Institute analysis (2025)

Even when starting at similar stock prices, military-friendly employers outperformed their nonmilitary-friendly peers, with a 4 percent difference in growth rate compared to their nonmilitary-friendly peers. May 2025 exhibited the largest difference in average stock price, with military-friendly organizations surpassing their nonmilitary-friendly matched peers by 12.29 percent. These data illustrate that military-friendly businesses may contribute to the long-term resilience and business performance of organizations.

On Veterans Day and throughout the year, we should continue to act to ensure that employers serve and support our veterans. The ways employers create avenues to invest in veterans will vary across organizations. Some avenues involve internal policies impacting hiring, retention, career paths, or health-care benefits. Others affect internal culture, well-being, performance priorities, and mentorship. Employers can also invest externally in the surrounding communities through small business programs and nonprofit partnerships. They can also find ways to advance sector and industry standards by demonstrating their support for veterans in the workforce. Through our work with employers, the EAE will continue to identify insights and actions that benefit both veterans and employers as a part of the larger workforce ecosystem.

Service in Action:

Employer Examples Across the Milken Institute

The examples below demonstrate how employers prioritize veterans by considering and integrating their needs into organizational investments into tailored, whole-person health for employees and surrounding communities.

Employer Action Exchange: Milken Institute Health

Internal Impact: Example of Employee Health Care, Policies, and Programs

- Article—2025 Culmination of Insights and Actions: Employers Building a Resilient Culture from HQ to Isolated Remote Locations

Internal Impact: Examples of Organizational Culture and Well-Being

- Future of Health Summit panel—Bringing Whole-Person Health to the Workplace
- Article—Employers Advancing Whole-Person Health: The Need for a Comprehensive Approach

External Impact: Examples of Raising Industry and Sector Standards

- Report—Final Recap: Leidos CEO Pledge Collaborative Action Group
- Global Conference panel—Mental Health in ESG: Increasing Employer Value and Impact

Milken Institute Philanthropy

- Report—Thriving Beyond Service: Strategic Philanthropy for the Military-to-Civilian Transition
  For many veterans and their families, the transition from military service to civilian life—the military-to-civilian transition—can present practical, logistical, and emotional challenges that affect their ability to thrive post-service. This transition often requires short- and long-term support across multiple aspects of life, including health care, housing, employment, and family well-being. To that end, Milken Institute Strategic Philanthropy has published *Thriving Beyond Service: Strategic Philanthropy for the Military-to-Civilian Transition*. This publicly available report is the product of comprehensive research, interviews with more than 80 experts across relevant sectors, and a convening of select organizations to discuss both obstacles to and opportunities for improving veteran support.

Milken Institute Finance

- Report—The Impact of SkillBridge on Veteran Employment Outcomes
  Since its launch as a Department of Defense pilot program in 2011, SkillBridge has become one of the most recognized tools for helping service members transition into civilian employment. The program allows active-duty military personnel to participate in internships, training, or fellowships with civilian employers during their last 180 days of service while continuing to receive their military pay and benefits. In a labor market where workforce shortages and veteran underemployment are on the rise, SkillBridge plays a critical role in connecting military talent to high-demand private-sector jobs. Although the program has been a clear success, with more than 50,000 service members having completed the program by 2023, there have been limitations in access for service members, which vary according to their branch of service, posting, and level of command support.

About the Milken Institute

The Milken Institute is a nonprofit, nonpartisan global think tank focused on accelerating measurable progress on the path to a meaningful life. With a focus on financial, physical, mental, and environmental health, we bring together the best ideas and innovative resourcing to develop blueprints for tackling some of our most critical global issues through the lens of what's pressing now and what's coming next.

About Milken Institute Health

Milken Institute Health develops research and programs to advance solutions in biomedical innovation, public health, healthy aging, and food systems.

About Public Health at the Milken Institute

Public Health at the Milken Institute develops research, programs, and initiatives to activate sustainable solutions leading to better health for individuals and communities worldwide. To catalyze policy, system, and environmental change in public health and sustain impact, we approach our work in four interconnected areas: Prevention and Chronic Disease, Mental Health, Health Equity, and Employers and Public Health Priorities, which includes the Employer Action Exchange.

About the Milken Institute Employer Action Exchange

The Employer Action Exchange provides a trusted platform and includes expert guidance from key opinion leaders, briefings, and networking to advance customized, tangible actions on whole-person health priorities and investments. It offers a cultivated experience for employers representing diverse sectors and industries.