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Income Study: Regular Force Veteran Report

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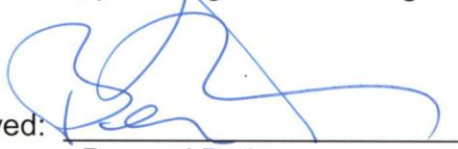
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Foreword

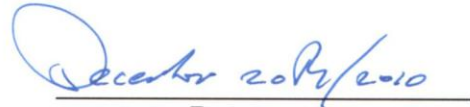
Bernard Butler, A/ADM Policy, Programs and Partnerships, VAC

“Military service can be demanding, yet there is little information available about the physical, mental and social health consequences after release. The results of this study, a component of the Life After Service Studies program of research, will support the development of programs and policies on transition and re-establishment of Canadian Forces personnel in civilian life. Veterans Affairs Canada is pleased to partner with the Department of National Defence/Canadian Forces and Statistics Canada on this groundbreaking research initiative which, for the first time, compares transition and health outcomes of those who receive benefits from our Department and those who do not, providing valuable insights into unmet needs and reach.”

Approved: _____



Bernard Butler
A/Assistant Deputy Minister



_____ Date

RAdm Andy Smith, Chief Military Personnel, DND

“The transition from the military to civilian life is a critical passage for Canadian Forces members, some of whom leave the Canadian Forces voluntarily after a short period of service, while others retire after 30 or 35 years of service. Sadly, some members are injured in service to their country and must make this transition under much more difficult circumstances. It is crucial, therefore, that the policies, practices and programmes of both the Department of National Defence and Veterans Affairs Canada are developed in a complementary fashion, with the common goal of enabling the healthy re-establishment of these soldiers, sailors, airmen and airwomen in civilian life. This Study is at component of the Life after Services Study, a partnership between the Department of National Defence, Veterans Affairs Canada and Statistics Canada. I look forward to future collaborative research of this nature, which will ensure better-informed, better-synchronized policy in both Departments, to the ultimate benefit of the men and women who have served our Nation with pride and valour. “

Approved: _____



Rear-Admiral A. Smith
Chief Military Personnel



_____ Date

Income Study: Regular Force Veteran Report

Executive Summary

Objective

The Income Study is part of the Life After Service Studies (LASS) program of research. This report examines relative income and family income using Statistics Canada's low income measure (LIM); and describes income trends and income differences between sub-populations within a larger population of Veterans.

Methods

Statistics Canada linked together DND records for 36,638 Regular Force Veterans released between January 1, 1998 to December 31, 2007 to the general family tax records from 1997 to 2007 and produced tables based on this record linkage.

Results

Total average Veteran income was \$62,000 in the year prior to release and rose in the release year and then declined in the year after release. Income is in 2007 constant dollars (excluding VAC Disability Benefits) for those released from 1998 to 2007. Subsequently total average income rose and eventually exceeded the pre-release level. Compared to the year prior to release, income declined on average by 10% during the first three years post-release. Declines differed considerably between groups. Females experienced a 30% decline, the medically released personnel a 29% decline and Veterans who served from 10 to 19 years a 21% decline while subordinate officers experienced an increase of 27%. The groups with the highest declines in income post-release were more likely to be current VAC clients.

Many Veterans received EI post-release. In the year following release, the rate of receipt of EI was 17%. This rate declined each year post-release. Over one-third (35%) of Veterans received EI at least once post-release. The highest rates of ever receiving EI were among Veterans living in Newfoundland (60%) and those released as privates (59%). The lowest rate was among those released as senior officers (8%). While 35% received EI at least once post-release, less than 3% received EI consistently in every year post-release.

The rate of low income peaked at 7% in the year following release and eventually declined to below 4%. While 15% had ever experienced low income post-release, for some groups this rate was more than double. The highest prevalence rates were among those released between the ages of 15 and 19 (41%), involuntary releases (37%), and those released as recruits (35%). The lowest prevalence rate was among those released at ages 55 and older (1%). Less than 2% of Veterans had low income in every year post release and receipt of social assistance peaked at about 1% in the year following release.

Non clients accounted for the majority (68%) of the Regular Force Veteran study population, followed by 25% for DP clients and 7% for NVC clients as of March 2009. Not including the impact of VAC programs, VAC clients had experienced the greatest declines in income post-release at 32% for NVC clients, 19% for DP clients and 4% for non clients. NVC clients were also more likely to have received EI and to have had low incomes. For the most part, this held true even after accounting for the younger age of NVC clients. Rehabilitation Program clients, experienced an even greater decline in income post release and were more likely to have had low income.

Conclusion

Post-release, Veterans on average experience a decline in income. VAC programs reach the groups with the largest declines. Small numbers of Veterans experience low income. Unfortunately, most low income Veterans are not clients of VAC.

Étude sur le revenu : Rapport sur les vétérans de la Force régulière

Sommaire

Objectif

L'étude sur les revenus est une composante du programme de recherche de l'Étude sur la vie après le service militaire (EVASM). Ce rapport examine le revenu relatif et le revenu familial à l'aide de la Mesure de faible revenu (MFR) de Statistique Canada, et décrit les tendances et les différences en matière de revenu entre les sous-populations, au sein d'une population plus large.

Méthodologie

Statistique Canada a procédé au recouplement de 36 638 dossiers du ministère de la Défense nationale (MDN) relatifs au personnel des Forces canadiennes (FC) libéré entre le 1^{er} janvier 1998 et le 31 décembre 2007 et des dossiers fiscaux généraux des familles entre 1997 et 2007 et a produit des tableaux en se fondant sur ce couplage de données.

Résultats

Le revenu total moyen des vétérans était de 62 000 \$ pendant l'année précédant la libération, puis a grimpé pendant l'année de la libération en tant que telle, pour enfin diminuer après la libération. En 2007, le revenu des vétérans libérés entre 1998 et 2007 était en dollars constants (à l'exclusion des prestations d'invalidité versées par Anciens Combattants Canada). Par la suite, le revenu total moyen a repris sa pente ascendante pour, au bout du compte, dépasser le niveau qu'il avait avant la libération.

Comparativement au revenu de l'année précédant la libération, le revenu après la libération a connu une baisse de 10 p. cent en moyenne au cours des trois premières années suivant la libération. Les baisses de revenus diffèrent considérablement d'un groupe à l'autre. Les femmes subissent une baisse de revenus de l'ordre de 30 p. cent et les personnes libérées pour raisons médicales connaissent une baisse de revenus de 29 p. cent, tandis que les revenus des vétérans qui ont servi de 10 à 19 années ont baissé de 21 p. cent et que les officiers subordonnés voient leurs revenus augmenter de 27 p. cent. Les groupes qui ont connu les baisses de revenus les plus importantes après la libération étaient plus susceptibles d'être des clients d'Anciens Combattants Canada (ACC).

Nombreux sont les vétérans qui touchent des prestations d'assurance-emploi après leur libération. Dans l'année suivant la libération, la proportion de vétérans qui bénéficient de l'assurance-emploi est de 17 p. cent. Cette proportion diminue chaque année après la libération. Plus d'un tiers (35 p. cent) des vétérans ont touché des prestations d'assurance-emploi au moins une fois après leur libération. Le plus haut taux de vétérans ayant touché des prestations d'assurance-emploi étaient ceux de Terre-Neuve (60 p. cent) et ceux qui ont été libérés alors qu'ils avaient le grade de soldat

(59 p. cent). Les taux les plus bas ont été constatés chez les officiers supérieurs (8 p. cent). Si 35 p. cent des vétérans ont touché des prestations d'assurance-emploi à au moins une occasion après leur libération, moins de 3 p. cent d'entre eux en ont bénéficié chaque année après leur libération.

Le taux relatif au faible revenu a atteint un sommet de 7 p. cent dans l'année suivant la libération, pour finalement diminuer à moins de 4 p. cent. Bien que 15 p. cent des vétérans aient, à un moment où à un autre après la libération, déclaré un faible revenu, pour certains groupes, ce taux était deux fois plus élevé. Les taux de prévalence les plus élevés ont été constatés dans les catégories suivantes : vétérans libérés entre 15 et 19 ans (41 p. cent), libérations involontaires (37 p. cent), et ceux libérés alors qu'ils avaient le statut de recrue (35 p. cent), alors que les taux de prévalence les moins élevés l'ont été chez les personnes âgées de 55 ans et plus au moment de la libération (1 p. cent). Moins de 2 p. cent des vétérans ont déclaré un faible revenu chaque année suivant leur libération, et la proportion de ceux qui ont touché de l'aide sociale a atteint un sommet de 1 p. cent dans l'année qui a suivi leur libération.

Les non-clients comptent pour 68 p. cent des vétérans de la Force régulière faisant partie de la population à l'étude, suivi de 25 p. cent des clients touchant une pension d'invalidité (PI) et de 7 p. cent des clients de la Nouvelle Charte des anciens combattants (NCAC) en mars 2009. En ne tenant pas compte des incidences sur les programmes d'ACC, ce sont les clients d'ACC qui ont connu les baisses de revenus les plus importantes à la suite de leur libération, avec un taux de 32 p. cent pour les clients de la NCAC, de 19 p. cent pour les clients touchant une PI et de 4 p. cent pour les non-clients. Par ailleurs, les clients de la NCAC étaient plus à risque de toucher des prestations d'assurance-emploi et d'avoir un faible revenu. Pour la plupart d'entre eux, ce fait est confirmé même après avoir tenu compte du jeune âge des clients de la NCAC. Les clients du Programme de réadaptation connaissent une baisse de revenus encore plus marquée après leur libération et étaient également plus susceptibles d'avoir un faible revenu.

Conclusion

En moyenne, les vétérans subissent une baisse de revenus après la libération. Les programmes d'ACC visent les groupes qui connaissent les plus fortes baisses de revenus. Un petit nombre de vétérans disposent d'un faible revenu. Malheureusement, la plupart d'entre eux ne sont pas des clients d'ACC.

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Table of Contents

Executive Summary	3
Income Study Governance Structure	8
Foreword	3
Acknowledgements	9
Pre-Publication Review	9
1. Introduction	13
2. Background	14
2.1 Income as a Determinant of Health	14
2.2 Canadian Forces Income and Income Policy	15
2.3 Veterans Affairs Canada Policy on Income	17
3. Method	18
3.1 Study Population	18
3.2 Service and Demographic Variables	20
3.3 Record Linkage	21
3.4 Time Frame	22
4. Results	23
4.1 Population and Sample Characteristics	23
4.2 Regular Force Veterans	27
4.2.1 <i>Overview</i>	27
4.2.2 <i>Total Income</i>	30
4.2.3 <i>Employment Insurance</i>	34
4.2.4 <i>Low Income</i>	36
4.3 VAC Clients	38
4.3.1 <i>VAC Clients and Non Clients</i>	38
4.3.2 <i>Rehabilitation Clients</i>	43
4.3.3 <i>Disability Benefit Clients</i>	46
4.4 Program Reach	48
4.4.1 <i>Changes in Income</i>	48
4.4.2 <i>Employment Insurance</i>	48
4.4.3 <i>Low Income</i>	49
5. Discussion	50
5.1 Summary and Implications of Findings	50
5.2 Limitations	52
5.3 Further Study	53
6. Conclusion	53
References	55
Appendix A: Research Team for LASS	57
Appendix B: VAC Programs for the CF	58
Appendix C: Release Types	60
Appendix D: Income Data Definitions	62
Appendix E: Low-Income Measures by Census Family Type	64
Appendix F: Record Linkage	66
Appendix G: Income Type by Release Year and Client Status	69

List of Figures

Figure 1 Income Study Population as of March 2009.....	20
Figure 2: Total Average Income by Source and Year.....	27
Figure 3: Veterans in Receipt of EI or SA/GIS and Prevalence of Low Income by Year	28
Figure 4: Veterans in Receipt of EI or SA/GIS and Low Income Post-Release.....	29
Figure 5: Veteran Share of Total Family Income by Year.....	29
Figure 6: Total Average Income Pre- and Post-Release by Age at Release.....	30
Figure 7: Total Average Income Pre- and Post-Release by Gender	30
Figure 8: Total average Income Pre- and Post-Release by Length of Service.....	31
Figure 9: Total Average Income Pre- and Post-Release by Release Type	31
Figure 10: Total Average Income Pre- and Post-Release by Release Year.....	32
Figure 11: Total Average Income Pre- and Post-Release by Rank.....	32
Figure 12: Total Average Income Pre- and Post-Release by Branch.....	33
Figure 13: Total Average Income Pre- and Post-Release by Province of Residence ...	33
Figure 14: Veterans Ever in Receipt of Employment Insurance by Demographic and Service Characteristics.....	35
Figure 15: Veterans Ever Below the Low Income Measure by Demographic and Service Characteristics	37
Figure 16: Total Average Income Pre- and Post-Release by Client Status as of March 2009	38
Figure 17: Average Pensions Post-Release by Client Status as of March 2009	39
Figure 18: Average Earnings Pre- and Post-Release by Client Status as of March 2009	39
Figure 19: Veterans Ever Received EI by Client Status and Age Group	40
Figure 20: Veterans Ever Below the LIM by Client Status and Age Group.....	41
Figure 21: Veterans Below the LIM at Least One Year Post-Release.....	41
Figure 22: Veteran Share of Total Family Income by Client Status.....	42
Figure 23: Total Average Income by Rehabilitation Clients and Other Veterans.....	43
Figure 24: Veterans in Receipt of EI by Rehabilitation Clients and Other Veterans	44
Figure 25: Veterans Families with Income Below the LIM by Rehabilitation Program Clients and Other Veterans	44
Figure 26: Veteran Share of Total Family Income by Client Status.....	45
Figure 27: Total Average Income by Disability Benefit Clients and Other Veterans.....	46
Figure 28: Veterans in Receipt of EI by Disability Benefit Clients and Other Veterans ..	46
Figure 29: Regular Force Veterans Below the LIM by Disability Benefit Clients and Other Veterans.....	47
Figure 30: Veteran Share of Total Family Income by Disability Benefit Clients and Other Veterans.....	47

List of Tables

Table 1: Release Year and Income Year 23

Table 2: Regular Force Veteran Population and Client Status 25

Table 3: Income Change Post-Release and Reach 48

Table 4: Receipt of Employment Insurance at Least One Year Post-Release and Reach
..... 48

Table 5: Low Income at Least One Year Post-Release and Reach 49

Table 6: NVC Program Clients and Average Cost 59

Table 7: Before Tax Low Income Measures by Census Family Size, 2007..... 65

Table 8: Before tax Low Income Measures (current \$s) for Census Family Adjustment,
1997 to 2007 65

Table 9: Total Linkage Rates DND-VAC and the T1FF Files 66

Table 10: Regular Force Veteran Linkage Rates DND-VAC and T1FF Files by Release
Year..... 66

Table 11: Primary Reserve Veteran Linkage Rates DND-VAC and T1FF Files by
Release Year 67

Table 12: Distribution of Panel Sample by Years of Income Data 67

Table 13: Regular Force Veteran Population and Sample Characteristics..... 68

1. Introduction

Income can be an important determinant of health and satisfaction with life after release from the military. Studies of Veteran income have included only small subsets of Veteran populations and have measured satisfaction with income or absolute income rather than relative income. No studies have examined continuity of income pre- and post-release for a large population of Veterans.

This paper summarizes the initial findings of the income part of the Life After Service Studies (LASS) program of research. The Income Study is one part of the LASS conducted by VAC, DND (Chief Military Personnel) and Statistics Canada (MacLean et al. 2010). LASS also currently includes a population health survey (STCL, Survey on Transition to Civilian Life), and a mortality and cancer study (CF-CAMS). LASS was created to evaluate the NVC programs, and to fill gaps in the research on military to civilian transition in Canada and other countries. The studies focus on four research questions:

1. Re-establishment: How are Canadian Forces personnel doing after transition to civilian life in terms of income, health, well-being, disability, and other determinants of health?
2. Program Reach: Are existing transition/re-establishment programs reaching those in need?
3. Unmet Needs: Are there unmet needs that call for new/revised programs?
4. Program Effectiveness: How do VAC clients and non-clients compare in terms of income, health (well-being), disability and other determinants of health?

The Income Study analyzes incomes pre- and post-transition from military service for four populations of personnel released from the CF from 1998 to 2007: (1) Regular Force Veterans excluding re-enlisted¹; (2) Regular Force Veterans including re-enlisted; (3) Primary Reserve Veterans excluding re-enlisted; and (4) Primary Reserve Veterans including re-enlisted. This initial report includes an analysis of the incomes for the first group, i.e., Regular Force Veterans excluding those re-enlisted. The objectives of this report are to describe:

1. the study populations;
2. the tax file record linkage and linkage rates;
3. the income trends, sources of income including Employment Insurance and social assistance and prevalence of low income among CF Veterans; and
4. differences in income trends according to demographic group, service characteristics (e.g. rank), VAC client status (New Veterans Charter (NVC) client, Disability Pension (DP) client and non client) and specific VAC program participation (Rehabilitation Program and Disability Benefit program).

¹ "Veteran" is defined as former CF personnel. Re-enlisted are personnel who released from the CF and subsequently re-enlisted and were still serving as of November 2009.

2. Background

2.1 Income as a Determinant of Health

Factors which influence population health are called the determinants of health and include income, social status, social support networks, education, employment/ working conditions, social environments, physical environments, personal health practices and coping skills, healthy child development, biology and genetic endowment, health services, gender, and culture (PHAC, 2010).

In general, higher socioeconomic status has been associated with better health. However, in wealthy countries like Canada, the distribution of income in a given society may be a more important determinant of population health than the total amount of income earned by society members (Federal, Provincial, Territorial Advisory Committee on Population Health, *Toward a Healthy Future: Second Report on the Health of Canadians*, 1999).

Over the last 10 years, the literature on income as a determinant of health has continued to evolve. However, weaknesses remain in Canadian research studies on income and health. A 2003 review of the published literature on the relationship between income inequality and health outcomes (Macinko, 2003) concluded that while most studies indicate a significant association between income inequality and health outcomes there are many inconsistencies in the methods used. These inconsistencies include the method of measuring income inequality and the health outcomes assessed which have included mortality, self-reported health and psychological distress. Raphael et al. (2005) examined 241 Canadian research studies on income and health and found gaps in Canadian knowledge concerning the roles that income and its distribution play in Canadians' health. The gaps included poor conceptualization of income and the means by which it influences health, the lack of longitudinal studies, and the lack of linked databases that allow for analysis of how income contributes to health.

Some studies support the threshold effect hypothesis which suggests the existence of a threshold of income beyond which adverse impacts on health begin to emerge (Kondo et al., 2009)). While no such threshold exists in Canada, two measures of low income are produced regularly by Statistics Canada; the low income cut-off (LICO) and the low income measure (LIM) which are both measured at the family level and take into account family size (Statistics Canada, 2009b). These measures are designed to identify populations in economically straightened circumstances who may be at risk of poverty and have some measure of social consensus in Canada.

Recent studies have examined the pathway from low income to poor health using longitudinal data. Orpana et al. (2007) used the Statistics Canada National Population Health Survey (NPHS) data and found that individuals living in households with combined incomes of less than \$20,000 were almost three times more likely to experience a decline in self-rated health than people with the highest incomes. More recently, another study using the NPHS data (Statistics Canada, 2009b) showed that stressors play an important role in the relationship between household income and

psychological distress.² Lower-income individuals had greater prevalence of stressors in their lives, such as job strain, financial problems, personal stress, and problems with relationships, neighbourhoods or children. The LIM will be used as a proxy for the health-risk threshold in this study"

2.2 Canadian Forces Income and Income Policy

Given the importance of income as a determinant of health, income and its effects on the quality of life of military members and Veterans has been a major policy concern of both the Canadian Forces (CF) and Veterans Affairs Canada (VAC). In the 1990s, concerns about the lower salaries of CF personnel compared to those of the Canadian Public Service resulted in a move to increase incomes within the CF. A substantial increase in pay for non-commissioned members and officers was implemented in 1996 in order to begin addressing this discrepancy in incomes (DND, 1998). During the Quality of Life hearings of the Standing Committee on National Defence and Veterans Affairs (SCONDVA) in 1997-1998, one of the main concerns expressed by CF members and their families was compensation and benefits (SCONDVA, 1998). This issue became one of the five "pillars" that support the quality of life of CF personnel and their families. It was determined that military service is unique from other occupations in Canada, and the compensation and benefits received by serving members must adequately reflect their skills, experience, as well as the unique nature of the military. In particular, it was determined that basic military pay should be enhanced to reflect the loss of personal freedom, frequent postings that cause disruption to personnel and their families, periods of prolonged separation from families, and overtime (i.e., the "Military Factor"). Thus, the 1990s saw substantial improvements in the economic quality of life of CF personnel. The gap between military and comparable Public Service incomes was closed in 1999, and pay increases to reflect the Military Factor were also achieved at this time (SCONDVA, 2000).

While CF personnel have experienced steady increases in income since the late 1990s, civilian earnings have remained constant (Park, 2008). The pay adjustments and increases that occurred in the late 1990s coincide with the changes in demographic composition of the military in the past 20 years, reflecting an older and more highly educated CF population. In addition to the pay increases of the 1990s, higher earnings of CF personnel compared to the civilian population may be a result of the various allowances that many individuals receive in addition to their salary, such as hazard, paratroops, or submarine (Park, 2008). Within the CF, differences in income are apparent according to service characteristics and demographics, with higher incomes among higher-ranking members, officers, and males (who have greater representation at the higher ranks and have on average participated in more deployments) (Park, 2008).

In addition to the changes in demographic composition of the CF, a trend that has occurred in Canadian society is the increased prevalence of dual-income families. Research within DND to assess the impact of military life on spousal income and

² Psychological distress is characterized by anxiety or a depressed mood, and may indicate more serious disorders such as clinical depression.

employment, and income comparisons of military and civilian families, is currently being carried out (Coulthard & Dunn, 2009). Data from the US suggests that military spouses are more highly educated yet earn lower wages than their civilian counterparts (Harrell, Lim, Werber Castaneda & Golinelli, 2004). In the only DND study focused specifically on spousal income and employment (Truscott, 1995), it was found that the proportion of dual-income families in the CF exceeded that of the general population, although on average, spousal employment income and total CF family income were lower than that of a comparable civilian group of Public Service employees. Characteristics of military life, such as posting and deployment history, may have an impact on family income, since frequent moves of location and the disruption of normal family life that occur with frequent deployments may result in employment limitations for spouses. For example, qualitative data collected within DND has suggested that it may be difficult for spouses of military personnel to obtain employment, acquire seniority, and receive promotions when they experience frequent moves (Sudom & Dursun, 2006). As well, in a survey of Regular Force CF members, it was reported that it takes a significant amount of time for many CF spouses to obtain employment when posted, which translates into lost income during the time of searching for employment. Once employed, over half of the respondents reported that their spouses were earning less than in their previous posting (Ewins, 2000). It is unknown whether any impact of military life on family income remains present once the military member transitions to civilian life. For families with a history of frequent moves, it is possible that the accumulated loss of spousal earnings over the span of the CF member's career may result in lower earnings that extend into retirement, compared to the general population. It should be kept in mind that the issue of impacts on spousal income does not apply to all Veterans as many Veterans either never marry or marry after release, especially those who release at a young age.

The CF recognizes that for some occupations, educational requirements are higher than they were in the past, and many ill and injured personnel transitioning to civilian employment must upgrade their education or certifications in order to obtain gainful employment. The CF/DND offers educational benefits to ill and injured individuals who are medically releasing from the Regular Forces or Primary Reserves through an Educational Reimbursement (ER) program. For eligible individuals, reimbursement can be made for expenses (tuition, books, etc.) during an approved period of study in which academic qualifications are being upgraded. Personnel selection officers (PSOs), in consultation with the casualty management team, Director Military Careers Administration (DMCA), and Integrated Personnel Support Centre (IPSC) staff, coordinate initial educational upgrading for CF members facing medical release. An Individual Learning Plan (ILP) is developed for ill and injured members detailing the educational program being sought and the funding required. Once the educational program is completed, PSOs coordinate with representatives from the Service Income Security Insurance Plan (SISIP) during transition from the ER program to vocational rehabilitation programs, at which time financial support from the educational reimbursement program ceases. SISIP is a suite of programs developed to financially support CF personnel and their families, including life and long-term disability (LTD) insurance, vocational rehabilitation, financial counselling and planning, and loans for financial distress and educational assistance. These programs are available to personnel while in the CF as well as following release. In addition to the educational reimbursement program, the CF Transition Assistance Program provides assistance to

medically releasing CF members in making the transition to civilian employment by matching job openings of potential employers with individual skills.

For Regular Force and full-time Reserve personnel releasing from the CF, assistance in the transition to civilian employment is also offered through the Second Career Assistance Network (SCAN) program. This program offers counselling, seminars, and workshops in areas including financial planning, disability pensions and benefits administered by VAC, SISIP benefits available after release, career development and transition, and job search training. The seminars and workshops are administered at varying time points throughout the members' career, so that individuals are fully informed of their entitlements should they decide to transition to civilian employment.

2.3 Veterans Affairs Canada Policy on Income

VAC has had a long history of providing income support benefits to Veterans of the First and Second World Wars and the Korean War. First introduced in 1930, the purpose of the *War Veterans Allowance Act* was to provide income support for certain aged or permanently unemployable wartime Veterans who, due to the intangible effects of wartime service, became unable to maintain themselves and their families. It was recognized at the time that not all Veterans whose post-war incomes were affected by wartime service would be eligible for benefits provided under the *Pension Act* of 1919. Over the years eligibility was expanded and the War Veterans Allowance (WVA) program was harmonized with the Guaranteed Income Supplement (GIS). By the mid 1980s, the number of allowance program recipients totalled approximately 90,000 and the annual client expenditure was about \$454 million dollars (Malone 2009). Today less than 6,000 Veterans and survivors of Veterans receive WVA.

While CF Veterans are not eligible for WVA, they are eligible for disability benefits, earnings loss while participating in the Rehabilitation Program³ and the Canadian Forces Income Support (CFIS) benefit if they have completed the Rehabilitation Program and cannot find work. CFIS and the Rehabilitation program were both introduced in 2006 as part of the suite of New Veterans Charter Programs under the *Canadian Forces Members and Veterans Re-establishment and Compensation Act* (see Appendix B for details). However, eligibility for these programs is restricted to those with service-related conditions⁴. The exception is the Career Transition Services program that is available to all who are releasing. Today, less than 10% of CF Veterans are in receipt of benefits from VAC, few have used Career Transition Services and the income support needs of the wider Veteran population are largely unknown.

The New Veterans Charter programs were part of the response to the 1998 SCONDVA report. The programs are aimed at supporting military member re-integration into civilian life and were supported by research conducted by VAC as part of the Review of Veterans Care Needs (RVCN). In 1999, the RVCN conducted a survey of 1,968 CF

³ Those who participated in the Rehabilitation Program but have been found to be Totally and Permanently Incapacitated for work may continue with extended earnings loss until age 65.

⁴ Service-relationship in this context includes those with career ending conditions (medically released) eligible for the VAC Rehabilitation Program and those eligible for VAC Disability Benefits.

clients of a total of 18,500 CF clients to determine their health needs. The findings suggested that CF clients are economically vulnerable, by career interruptions, the nature and severity of their disability, or low education (Marshall, Matteo & Mueller 2000, Marshall & Matteo 2004). More recent studies in the US have found that early retirement (less than 15 years) is associated with slightly lower measures of life satisfaction in general and in particular lower levels of satisfaction with their financial situations than those who retired later (Graves, 2005). Another US study found that the extent to which expectations of civilian work, financial, and family aspects of life were met emerged as significant predictors of satisfaction and adjustment after military retirement (Taylor, Shultz, Speigel, Morrison, & Green, 2007).

Previous Veteran studies have tended to rely on self reported incomes measured at one point in time and in absolute terms or measured satisfaction with income. However, those with high incomes could have low satisfaction with finances, having more to do with expectations of income rather than real or perceived income inequality. As well, these studies have included only small sub-sets of the Veteran population (for example VAC clients, US officers or US Naval officers). Very little is known about the larger population of releasing Veterans. The aim of the income study is to fill some of the gaps in research on post-military Veteran and family income by: (1) examining income over time (continuity of income); (2) measuring relative income and family income using Statistics Canada's low income measure (LIM); and (3) describing income trends and income differences between sub-populations within a larger population of Veterans.

3. Method

3.1 Study Population

As of March 2009, there were an estimated 686,000 CF personnel and former personnel living in Canada, including 592,000 Veterans⁵ and 94,000 still serving personnel⁶. As of March 2009, about 58,000 (8%) of these CF Veterans and personnel were VAC clients. The vast majority of VAC CF clients were disability benefit clients (those in receipt of a disability award under the New Veterans Charter [CFMVRCA] and/or a disability pension paid under the *Pension Act*). Of the 58,000 VAC CF clients, almost one-quarter, or 14,000, accessed New Veterans Charter (NVC) programs (see Appendix B for details on the NVC)⁷.

Data on releases were extracted from DND Human Resources Management System to create the study population. DND implemented a new national system in 1998 for the Regular Force and by 2002 the system started capturing data on Primary Reserve personnel. At the time of the study income data was not available after 2007. Therefore, the study population included releases from January 1, 1998 to December

⁵ Includes 313,000 Regular Force Veterans (former personnel) and 279,000 Primary Reserve Veterans. Source: VAC Corporate Information System, 2009.

⁶ Source: National Defence, 2008-09 Report on Plans and Priorities. Includes approximately 68,000 Regular Force FTEs and 26,000 Primary Reserves (paid strength).

⁷ The NVC clients are defined as those in receipt of at least one of the NVC programs (Disability Awards, Rehabilitation, Earnings Loss, Canadian Force Income Support, Health Insurance, and Career Transition Services).

31, 2007. Four populations were derived from this data for the tables produced by Statistics Canada (Figure 1):

- (1) 36,638 Regular Force Veterans excluding re-enlisted members (42,591 releases less 5,953 who re-entered the CF and were still serving as of November 2009);
- (2) 42,591 Regular Force Veterans including re-enlisted members
- (3) 12,018 Primary Reserve Veterans excluding re-enlisted members (20,831 releases less 8,813 who re-entered the CF and were still serving as of November 2009); and
- (4) 20,831 Primary Reserve members including re-enlisted members.

The first group, the Regular Force Veterans excluding re-enlisted members is the subject of this report.

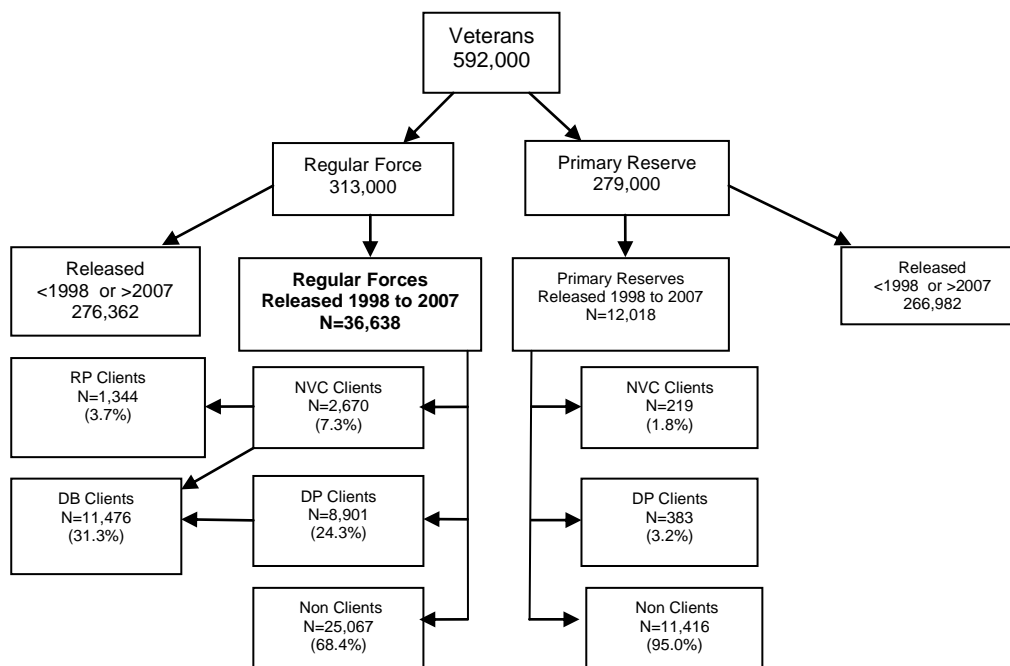
It is unknown whether the VAC programs are reaching the populations for which they were designed. To examine this, various client status groupings were studied by merging VAC administrative data into the income data set. The types of clients are as of March 2009:

- NVC clients, Disability Pension (DP) clients and non clients;
 - NVC clients (VAC clients who used programs under the New Veterans Charter including Disability Awards⁸, Rehabilitation, Earnings Loss, Career Transition Services, Canadian Forces Income Support and Health Insurance);
 - DP clients (VAC clients in receipt of Disability Pension but not NVC programs); and
 - Non clients (Veterans not using any VAC programs).
- Rehabilitation Program (RP) clients (a subset of NVC clients); and
- Disability Benefit (DB) clients (pensions and/or awards which includes both NVC clients and DP clients).

Of the 36,638 Veterans included in this report 11,571 (32%) were VAC clients as of March 2009. The remainder were non clients (68%). NVC clients (2,670 or 7% of the population) included Rehabilitation Program clients (1,344), DA clients (1,537), Career Transition Services (159), Health Insurance (229) and CF Income Support (3). Almost all NVC clients were in receipt of a DA. DP clients accounted for 24% of the population. Two other groups of clients were examined: Rehabilitation Program clients who accounted for 4% of the total population and about half of the NVC clients; and Disability Benefit clients who accounted for 31% of the population and included those in receipt of a disability pension and/or a disability award under the NVC. For details on VAC programs for the CF see Appendix B.

⁸ Includes Veterans also in receipt of a disability pension.

Figure 1 Income Study Population as of March 2009



3.2 Service and Demographic Variables

The following variables were derived from the DND Human Resources Management System data:

- Age at release derived from date of birth;
- Gender;
- Length of service derived from enrollment year and release dates;
- Release type (involuntary, medical, voluntary, retirement age and service complete);
- Release year;
- Rank at release (senior officer, junior officer, subordinate officer, senior NCM, junior NCM, private and recruit);
- Branch (Army, Navy, Air Force) and;
- Province of residence at release.

Release types and ranks were re-grouped for ease of analysis and to avoid cells with small numbers of observations. When a member of the Regular Forces is released, the CF base codes the release type under the following items: (1a) sentenced to dismissal; (1b) service misconduct; (1c) illegally absent; (1d) fraudulent statement on enrolment; (2a) unsatisfactory service; (2b) unsatisfactory performance; (3a) medical; (3b) medical military occupation, (4a) voluntary immediate annuity, (4b) voluntary fixed service; (4c) voluntary other causes; (5a) service complete on reaching retirement age; (5b) service complete reduction in strength; (5c) completed service for which required, (5d) not

advantageously employed, (5e) irregular enrolment and (5f) unsuitable for further service (See Appendix C for descriptions). The release items were grouped as follows:

- Involuntary (item 1a to 1d, 2a, 2b, 5b and 5d to 5f);
- Medical (item 3a and 3b);
- Voluntary (item 4a to 4c);
- Retirement Age (item 5a); and
- Service Complete (item 5c).

Ranks were grouped as follows:

- Senior Officer (Major to General – Army/Air Force & Lieutenant-Commander to Admiral – Navy);
- Junior Officer (Second-Lieutenant to Captain – Army/Air Force & Acting Sub-Lieutenant to Lieutenant – Navy);
- Subordinate Officer (Officer Cadet – Army/Air Force & Navy Cadet - Navy);
- Senior Non-Commissioned Member (NCM) (Sergeant to Chief Warrant Officer – Army/Air Force & Petty Officer 2nd Class to Chief Petty Officer 1st Class – Navy);
- Junior NCM (Corporal to Master Corporal – Army/Air Force & Leading Seaman to Master Seaman – Navy);
- Private (Private – Army/Air Force & Able Seaman – Navy); and
- Recruit (Private-Recruit, Private-Training – Army/Air Force & Ordinary Seaman, Ordinary Seaman-Recruit – Navy).

The tax data provided province of residence as of December 31, 2007.

3.3 Record Linkage

The study population data were record linked to the general family file (T1FF) tax records data from 1997 to 2007 using the social insurance numbers (SIN) contained on both datasets. The T1FF data cover all persons who completed a T1 tax return for the year of reference or who received Canada Child Tax Benefits (CCTB), their non-filing spouses (including wage and salary information from the T4 file), their non-filing children identified from three sources (the CCTB file, the births files, and an historical file) and filing children who reported the same address as their parent. Development of the small area family data is based on the census family concept. The census family includes parent(s) and children living at the same address and persons not in census families (Statistics Canada, 2010).

The following income indicators were included in this report (see Appendix D for detailed definitions):

1. Total income and earnings expressed in 2007 constant dollars;
2. Income from following sources: wage, self-employment, investment and government transfers expressed in 2007 constant dollars (excludes VAC Disability Benefits and includes a small amount of VAC Earnings Loss benefits);
3. Rates of receipt of Employment Insurance (EI) and Social Assistance (SA) or Guaranteed Income Supplement (GIS);

4. Prevalence of low income using the Statistics Canada before-tax LIM that establishes a threshold income each year by family size; and
5. Share of Veteran income to family income.

Since the time period covered includes multiple years of income data, all income amounts were expressed in 2007 constant dollars. Low-Income Measures (LIMs) are a relative measure of low income. LIMs are a fixed percentage (50%) of adjusted median family income where *adjusted* indicates that economies of scales have been taken into account. A census family is considered to be low-income when their income is below the Low-Income Measure (LIM) for their family type and size. As the thresholds are adjusted each year no inflation adjustment is required (see Appendix E for threshold amounts).

Transfers received from the VAC Disability Benefits Program would not be included in the T1FF data as both disability pensions and awards including related special awards such as attendance allowance are non-taxable and need not be reported to the Canada Revenue Agency. However, earnings loss paid by VAC would be included as earnings.

3.4 Time Frame

The Income study required the links to be done longitudinally, so as to have Veteran income information for the year prior to their release (t-1), the year of release (t0), and all available post-release years (t1 to t9). This has been illustrated in Table 1. The release years were 1998 to 2007 and the income data were from 1997 to 2007. For those released in 1998 the income data for a year prior to release (t-1) was 1997. This group would have nine years of post-release income. For those released in 2007, the income data was 2006 for the pre-release year and there was no income data for the 2008, the year following release, as tax data were only available to 2007 (Table 1).

The year prior to release (t-1) was chosen as to represent pre-release income. Income was found to be quite similar in t-2 and t-3. For analysis of demographic and service characteristics of sub-groups of the total Regular Force Veteran population, a three-year post-release average was calculated. The post-release average includes those who reported income in the release year and each of the first three years post-release. This essentially excludes those released from 2005 to 2007. The analysis of pre- and post-military income for sub-groups of the total Regular Force population was restricted to this measure as sample sizes become smaller with each year post-release. For example, the nine years post-release category (t9) includes only those who were released in 1998 (see Appendix F for more details).

The income data for NVC clients as well as Rehabilitation clients (a sub-set of NVC clients), essentially represents income prior to entering any of the programs. The NVC programs began in April 2006. Disability Award payments are non-taxable and therefore, not included. Although, earnings loss payments paid to Rehabilitation clients would be included in the income years of 2006 and 2007, the amounts would be very small. However, the post-release income data includes from 1999 to 2007. Therefore, very little of the earnings loss paid by VAC through the Rehabilitation program are included in the data.

Table 1: Release Year and Income Year

	Year Prior to Release (t-1)	Release Year (t0)		1 yr Post Release (t1)	2 yrs (t2)	3 yrs (t3)	4 yrs (t4)	5 yrs (t5)	6 yrs (t6)	7 yrs (t7)	8yrs (t8)	9yrs (t9)	
Income Year	1997	1998	Post-Release Average	1999	2000	2001	2002	2003	2004	2005	2006	2007	
	1998	1999		2000	2001	2002	2003	2004	2005	2006	2007		
	1999	2000		2001	2002	2003	2004	2005	2006	2007			
	2000	2001		2002	2003	2004	2005	2006	2007				
	2001	2002		2003	2004	2005	2006	2007					
	2002	2003		2004	2005	2006	2007						
	2003	2004		2005	2006	2007							
	2004	2005		2006	2007								
	2005	2006											
	2006	2007											

Average income, sources of income, the percentage who received EI and the percentage with incomes below the before-tax LIM were calculated for the year prior to release, the release year and the up to nine years post-release. For those included in the post-release average, an indication of temporary and persistent benefit receipt (EI, SA/GIS) or low income at least once over the entire income time period of up to nine years (ever) and in every year up to nine years (always) was also calculated.

4. Results

4.1 Population and Sample Characteristics

The majority of the 36,638 Regular Force Veterans in the study population released at age 35 and older (61%). This population was predominately male but 12% were female. Almost half had served 20 years or more making them eligible for a CF Superannuation annuity. In the first part of the release period, the number of releases was generally between 3,300 and 3,600 each year but increased to over 4,000 in 2006 and to almost 5,000 in 2007. Over half of the population released voluntarily (56%), 24% released for medical reasons, 7% had completed their service term, 6% had reached retirement age and 6% released involuntarily. Over half released as junior and senior non-commissioned members (58%), 16% released as recruits, 8% as senior officers, 7% as junior officers, 7% as privates and 4% as subordinate officers. Half of the population released from the Army, 29% from the Navy, 17% from the Air Force and for 5% the data was missing. Over half of the population enrolled in the 1970s and 80's. Over half of the population released in either Ontario and Quebec (51%), 20% in Atlantic Canada, 13% in Alberta, 9% in British Columbia and the remainder in other provinces and territories including a few who released in other countries (Table 2).

The characteristics of VAC clients and non clients differed in many ways. Both NVC clients and Disability Pension (DP) clients were more likely than non clients to be older, to have served for longer periods of time, released for medical reasons, released at higher ranks, and released from the Army than non clients. Over three-quarters of both NVC and DP clients were aged 35 and older at release compared to half of non clients. More than half of both NVC and DP clients served for 20 years or more, compared with less than half of non clients. Over half of both NVC and DP clients were medically

released compared to just 9% of non clients. Over 90% of both NVC and DP clients released at the junior NCM rank or above compared to 70% of non clients.

There were also important differences between NVC clients and DP clients. DP clients tended to be older and have served for longer periods of time than NVC clients. Some 86% of DP clients were aged 35 and older at release compared to 77% of NVC clients and 70% of DP clients served for 20 years or more, compared with 58% of NVC clients (Table 2).

Of the entire cohort, 92% had income tax records on the Statistics Canada income dataset for the release year. The match rates for the release year were higher for clients than non clients: 97% for NVC clients; 95% for DP clients; and 90% for non clients. As the match rates decline with each year following release, the analysis of post-release income focused mainly on Veterans who reported income in the release year and each of the first three years post release (n=21,436).

Income records were kept for those who filed in the release year and hence, there was a lower match for other time periods. For the pre-release year, 88% of tax records were matched to the overall population of 36,638 (Table 3). That is, 88% of the population filed in the release year and the pre-release year. The overall match rate declined with each year post-release as the population with multiple years of income post-release declined. For example, only those released in 1998 had income data nine years post-release and therefore only 8% of the total population had income data for nine years post-release. For the post-release average (those who reported in the release year and each of the first three years post-release), the match rate was 59%. This sample is a sub-set of those in t1, t2 and t3 and therefore incomes are not directly comparable between the post-release average and t1 to t3.

Table 2: Regular Force Veteran Population and Client Status

		NVC Clients (2,670 or 7.3%)		DP Clients (8,901 or 24.3%)		Non Clients (25,067 or 68.4%)		Total (36,638)	
		n	%	n	%	n	%	n	%
Age at release	15-19	3	0.1	4	0.0	1,471	5.9	1,478	4.0
	20-24	105	3.9	180	2.0	4,772	19.0	5,057	17.8
	25-29	231	8.7	423	4.8	3,681	14.7	4,335	11.8
	30-34	290	10.9	688	7.7	2,617	10.4	3,595	9.8
	35-39	441	16.5	1,614	18.1	2,696	10.8	4,751	13.0
	40-44	797	29.9	2,832	31.8	4,523	18.0	8,152	22.3
	45-49	457	17.1	1,624	18.2	2,517	10.0	4,598	12.5
	50-54	238	8.9	975	11.0	1,740	6.9	2,953	8.1
	55 and over	108	4.1	561	6.4	1,050	4.2	1,719	4.7
Gender	Males	2,331	87.3	7,839	88.1	22,024	87.9	32,194	87.9
	Females	339	12.7	1,062	11.9	3,043	12.1	4,444	12.1
Yrs of service	Less than 10	562	21.0	858	9.6	11,770	47.0	13,190	36.0
	10 to 19	571	21.4	1,838	20.6	2,751	11.0	5,160	14.1
	20 plus	1,537	57.6	6,205	69.7	10,546	42.1	18,288	49.9
Release year	1998	127	4.8	620	7.0	2,820	11.2	3,567	9.7
	1999	118	4.4	627	7.0	2,701	10.8	3,446	9.4
	2000	137	5.1	735	8.3	2,622	10.5	3,494	9.5
	2001	136	5.1	780	8.8	2,240	8.9	3,156	8.6
	2002	138	5.2	927	10.4	2,234	8.9	3,299	9.0
	2003	197	7.4	1,069	12.0	2,082	8.3	3,348	9.1
	2004	218	8.2	1,220	13.7	2,110	8.4	3,548	9.7
	2005	222	8.3	1,198	13.5	2,216	8.8	3,636	9.9
	2006	586	21.9	1,031	11.6	2,632	10.5	4,249	11.6
	2007	791	29.6	694	7.8	3,410	13.6	4,895	13.4
Release type	Involuntary	112	4.2	147	1.7	1,998	8.0	2,257	6.2
	Medical	1,526	57.2	4,987	56.0	2,121	8.5	8,634	23.6
	Voluntary	812	30.4	2,595	29.2	16,954	67.6	20,361	55.6
	Retirement Age	103	3.9	596	6.7	1,560	6.2	2,259	6.2
	Service Complete	117	4.4	569	6.4	1,890	7.5	2,576	7.0
	Unknown	0	0	7	0.1	544	2.2	551	1.5
Rank at release	Senior Officers	128	4.8	632	7.1	2,024	8.1	2,784	7.6
	Junior Officers	128	4.8	474	5.3	2,119	8.5	2,721	7.4
	Subordinate Officers	17	0.6	54	0.6	1,555	6.2	1,626	4.4
	Senior NCM	834	31.2	3,381	38.0	5,536	22.1	9,751	26.6
	Junior NCM	1,322	49.5	4,025	45.2	6,177	24.6	11,524	31.5
	Private	101	3.8	157	1.8	2,256	9.0	2,514	6.9
	Recruit	140	5.2	178	2.0	5,400	21.5	5,718	15.6
Branch	Army	1,530	57.3	4,754	53.4	11,869	47.3	18,153	49.5
	Navy	379	14.2	1,110	12.5	4,558	18.2	6,047	16.5
	Air Force	742	27.8	2,819	31.7	7,191	28.7	10,752	29.3
	Unknown	19	0.7	218	2.1	1,449	5.8	1,686	4.6
Enrollment period	1960's	120	4.5	755	8.5	1,559	6.2	2,434	6.6
	1970's	592	22.2	2,839	31.9	5,316	21.2	8,747	23.9
	1980's	1,185	44.4	4,024	45.2	5,866	23.4	11,075	30.2
	1990's	411	15.4	994	11.2	4,493	17.9	5,898	16.1
	2000's	362	13.6	289	3.2	7,833	31.2	8,484	23.2
Province at release	Newfoundland	54	2.0	171	1.9	639	2.5	864	2.4
	Prince Edward Island	11	0.4	41	0.5	135	0.5	187	0.5
	Nova Scotia	314	11.8	1,069	12.0	2,962	11.8	4,345	11.9
	New Brunswick	153	5.7	543	6.1	1,105	4.4	1,801	4.9
	Quebec	548	20.5	1,782	20.0	5,079	20.3	7,409	20.2
	Ontario	749	28.1	2,569	28.9	7,922	31.6	11,240	30.7
	Manitoba	122	4.6	371	4.2	866	3.5	1,359	3.7
	Saskatchewan	38	1.4	93	1.0	505	2.0	636	1.7
	Alberta	420	15.7	1,429	16.1	2,959	11.8	4,808	13.1
	British Columbia	233	8.7	662	7.4	2,309	9.2	3,204	8.7
Other	28	1.0	171	0.9	586	2.3	785	2.1	

Overall, the characteristics of the Veterans in the matched sample for the post-release average (n=21,436) were consistent with those of the total population (n=36,638) with the exceptions of age and length of service (Table 3). The matched sample was slightly older than the total population; 63% were aged 35 and older at release compared with 61% of the total population. The matched sample was also more likely to have served for 20 years or more; 53% of the matched sample served for 20 year or more compared to 50% of the total population. Non clients accounted for the majority of the Regular Force Veterans in the matched sample for the post-release average at 69% followed by DP clients at 26% and NVC clients at 5%. This compares closely with the distribution for the total study population at 68% for non clients, 24% for DP clients and 7% for NVC clients.

Table 3: Regular Force Veteran Population and Matched Sample to Income Tax Data

Time Period	Total Population		Matched Sample					
			NVC Clients		DP Clients		Non Clients	
	n	% of pop	n	% of pop	n	% of pop	n	% of pop
Total Population	36,638	100	2,670	100	8,901	100	25,067	100
Pre-release Year (t-1)	32,241	88	2,444	92	8,343	94	21,454	86
Release Year (t0)	33,601	92	2,529	95	8,493	95	22,579	90
Year after Release (t1)	27,676	76	1,703	64	7,588	85	18,385	73
Two Years Post-Release (t2)	23,770	65	1,159	43	6,602	74	16,009	64
Three Years Post-Release (t3)	20,481	56	958	36	5,486	62	14,037	56
Four Years Post-Release (t4)	17,296	47	761	29	4,330	49	12,205	49
Five Years Post-Release (t5)	14,466	39	591	22	3,370	38	10,505	42
Six Years Post-Release (t6)	11,589	32	452	17	2,522	28	8,615	34
Seven Years Post-Release (t7)	8,859	24	337	13	1,812	20	6,710	27
Eight Years Post-Release (t8)	5,910	16	215	8	1,136	13	4,559	18
Nine Years Post-Release (t9)	2,955	8	112	4	561	6	2,282	9
Post-Release Average (3 yrs)	21,436	59	992	37	5,643	63	14,801	59

Notes: Includes only those who filed in the year of release. Post-release average includes those who reported in the release year and each of the first three years post release.

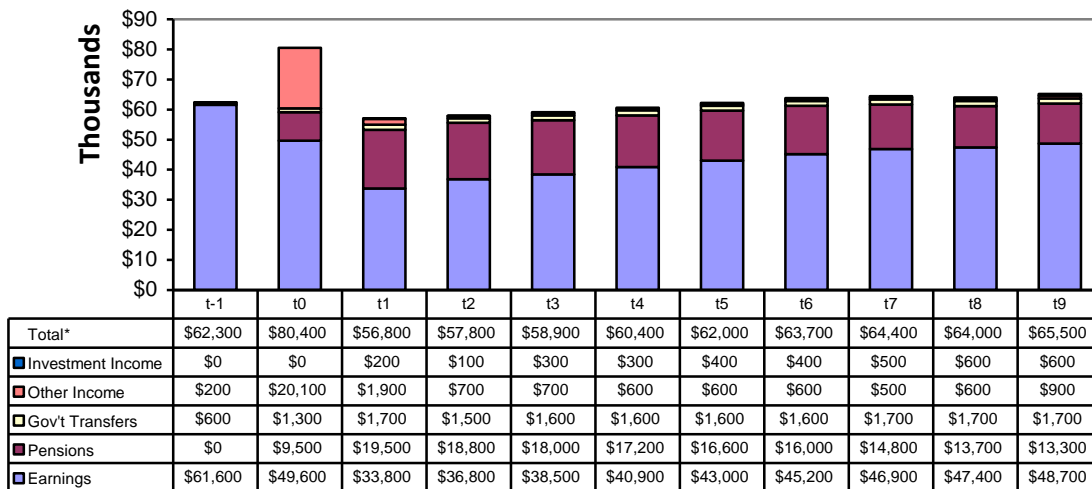
4.2 Regular Force Veterans

4.2.1 Overview

Average income in the year prior to release was \$62,300 in 2007 constant dollars (Figure 2). Average total income increased in the release year to over \$80,000 and then declined in the first year post release to less than \$60,000. Total income then steadily increased over the nine years post-release and eventually surpassed pre-release income but not until after six years post-release (see Appendix G for details).

The spike in total income in the release year was mainly due to other income which included severance pay, which is based on years of service⁹. The reduction in average post-release income was mainly due to a decline in earnings income. In the first year post-release, the average pension income (mainly CF Superannuation) was \$19,500 and this remained fairly stable over the remaining years. Government transfer income which includes Old Age Security and Canada Pension Plan also increased post-release from \$600 to \$1,700. Over the longer-term, rising earnings eventually resulted in post-release income greater than pre-release income (Figure 2).

Figure 2: Total Average Income by Source and Year



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars. It includes income from taxable market income (including VAC Earnings Loss Benefits) and government transfers but does not include non-taxable VAC Disability Benefits.

*May not add due to rounding.

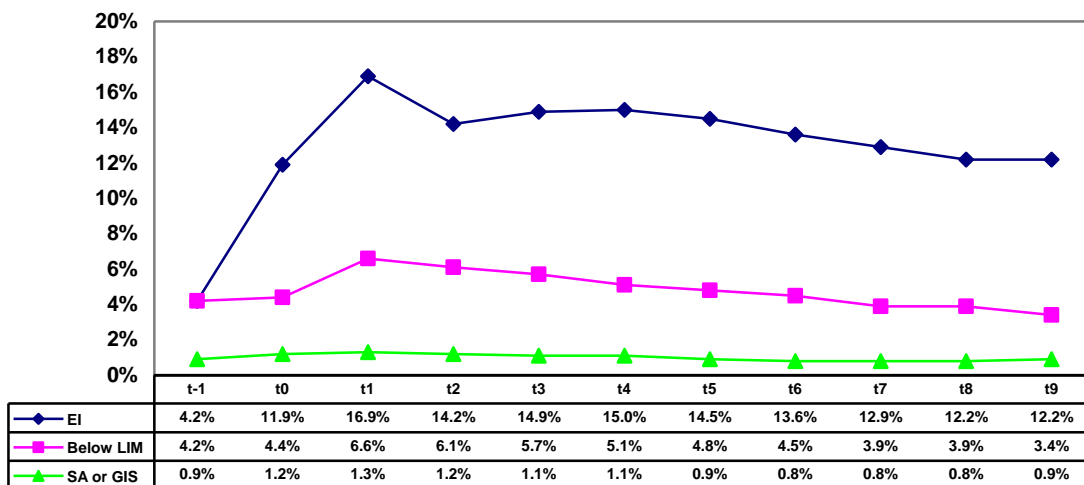
⁹ Average other income in the release year was \$3,740 for those with less than 10 years service, \$10,056 for those with 10 to 19 years of service and \$32,048 for those with 20 years of service or more.

The highest prevalence of receipt of Employment Insurance (EI), Social Assistance (SA) or Guaranteed Income Supplement (GIS) and low income was in the year following release (Figure 3). Prevalence rates for all three indicators declined each year after. The rate of receipt of EI spiked at 17% in the year following release and then declined to 12% and 15% in the following years.

The prevalence of low household income was 4% in the pre-release year which is roughly comparable to the rate for the general population working full-time for a full year 6% for 2008¹⁰. After rising to almost 7% in the year following release, the prevalence fell to below the pre-release level by the seventh year post-release. Even at the peak of 7%, post-release rates of low income were lower than the rate of 13% for workers and 16% for non-workers in the overall general population¹⁰.

The rate of receipt of SA or GIS was relatively low compared to receipt of EI. In the year prior to release less than 1% of Veterans were in receipt of social assistance. This grew to only 1.2% in the release year and the 1.3% in the year following release. The rate then declined and was again below 1% by the fifth year post-release.

Figure 3: Veterans in Receipt of EI or SA/GIS and Prevalence of Low Income by Year

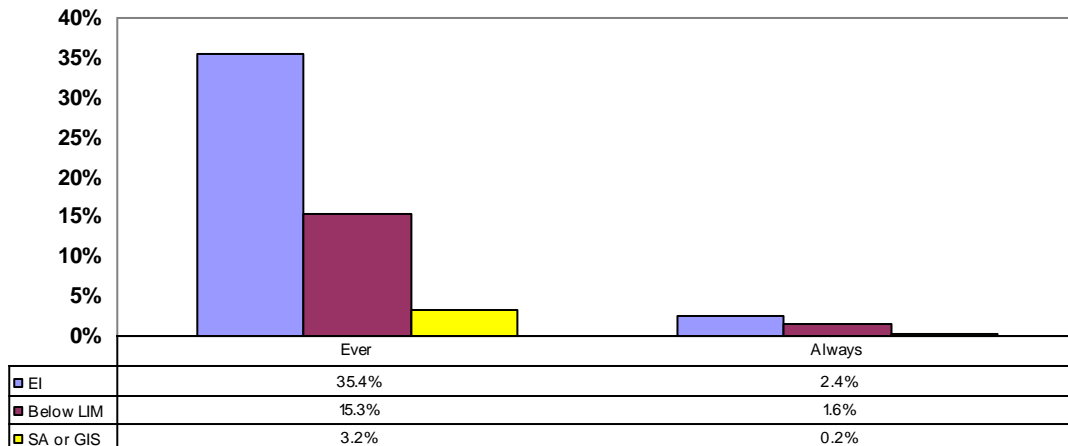


Note: Low income measure is before tax. EI in the year prior to release would include mainly those in receipt of maternity or paternity benefits.

¹⁰ Source: Population below the before-tax LIM derived from the Statistics Canada Survey of Labour and Income Dynamics (SLID), 2008. SLID includes serving members and Veterans. Note that the comparison covers differing time periods as SLID is a cross-sectional survey covering income for 2008 whereas the income data for this report is longitudinal in nature and as such the pre-release year includes income from 1997 to 2006.

Receipt of EI or social assistance and the prevalence of low income post-release were fairly temporary. While 35% of Veterans received EI at least once post-release, less than 3% of Veterans received EI in every year post-release. About 15% experienced low income at least once post-release but less than 2% of Veterans had experienced persistent low income. The proportion ever in receipt of social assistance was only 3% and the rate of persistent receipt was less 1% (Figure 4).

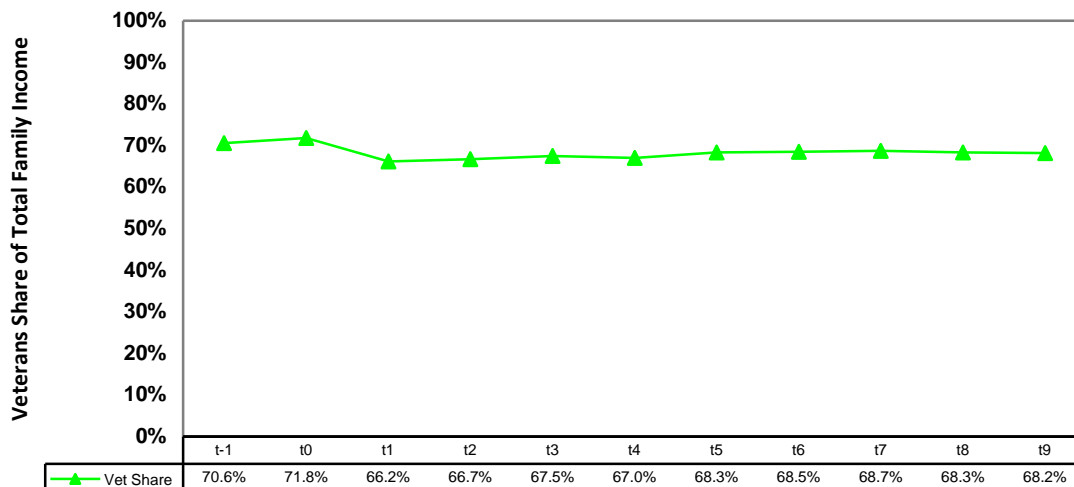
Figure 4: Veterans in Receipt of EI or SA/GIS and Low Income Post-Release



Notes: Ever = at least once during up to nine years post-release. Always = in each year post-release.

Veteran families rely quite heavily on the Veteran income both pre- and post-release. In the year prior to release Veterans' incomes accounted for over 70% of the total family income. This percentage declined to 66% in the year following release and rising slightly each year after (Figure 5).

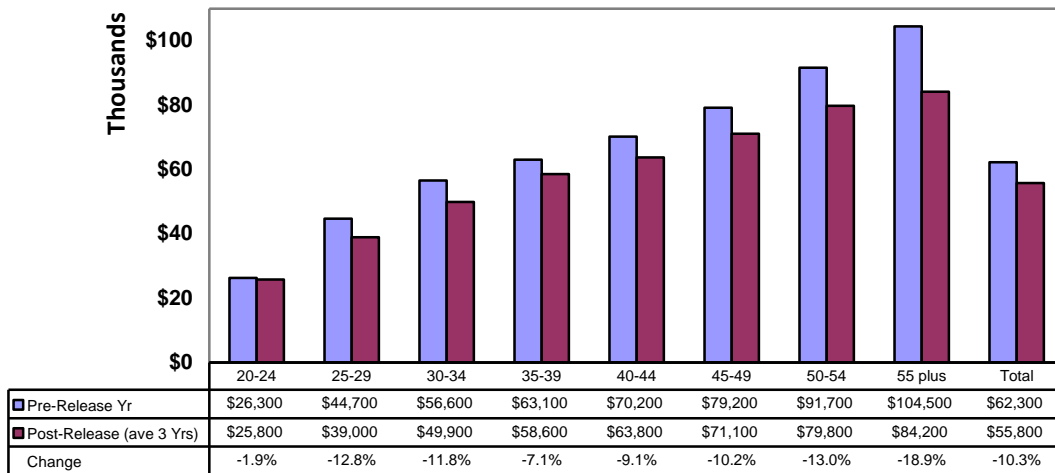
Figure 5: Veteran Share of Total Family Income by Year



4.2.2 Total Income

Age: Income increased with age at release both in the pre-and post-release year. Post-release income ranged from a low of \$25,800 for those aged 20 to 24 to \$84,200 for those aged 55 and older. Income declined post-release for each age group. Those aged 55, while having the highest post-release income, also experienced the largest decline in income at 19% followed by those aged 50 to 54 at 13% (Figure 6).

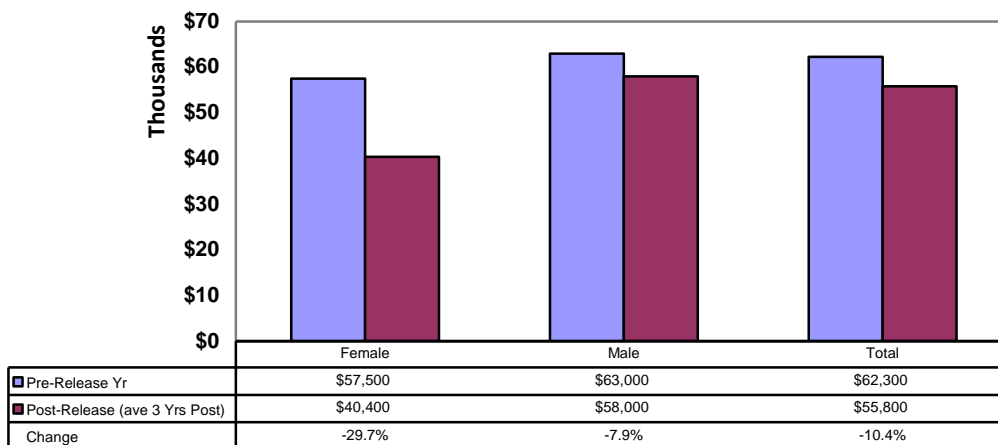
Figure 6: Total Average Income Pre- and Post-Release by Age at Release



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Gender: Females had lower incomes than males both pre- and post-release. On average, the pre-release income of females was \$57,500 compared to \$63,000 for males, explained at least in part by the shorter average lengths of service of females. Post-release, the average income of females declined by 30% (\$40,400) compared to only an 8% decline for males (Figure 7).

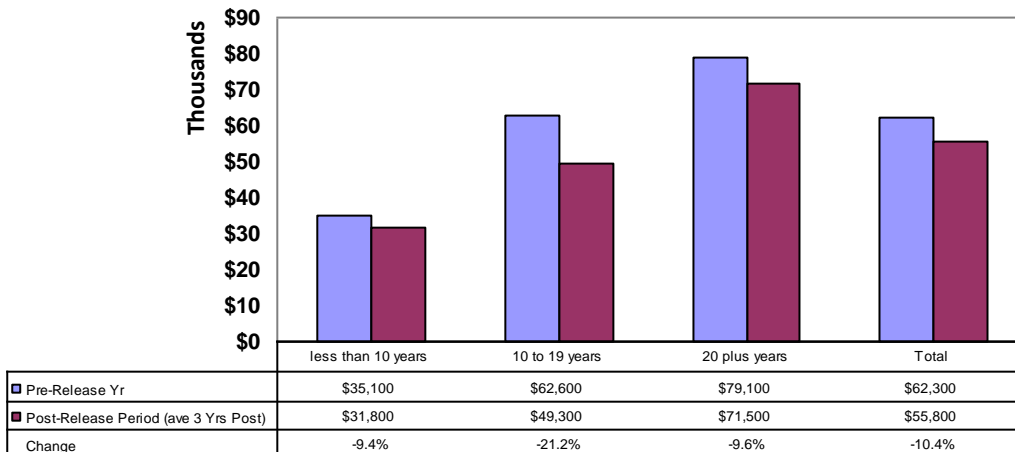
Figure 7: Total Average Income Pre- and Post-Release by Gender



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Length of Service: Both pre- and post-release total average income increased substantially with length of service. Veterans who served 20 years or more had an average post-release income of \$71,500 compared to \$49,000 for those who served from 10 to 19 years and \$32,000 for those who served less than 10 years. However, Veterans with 10 to 19 years of service experienced greater than average declines in income at 21% compared to 10% overall (Figure 8).

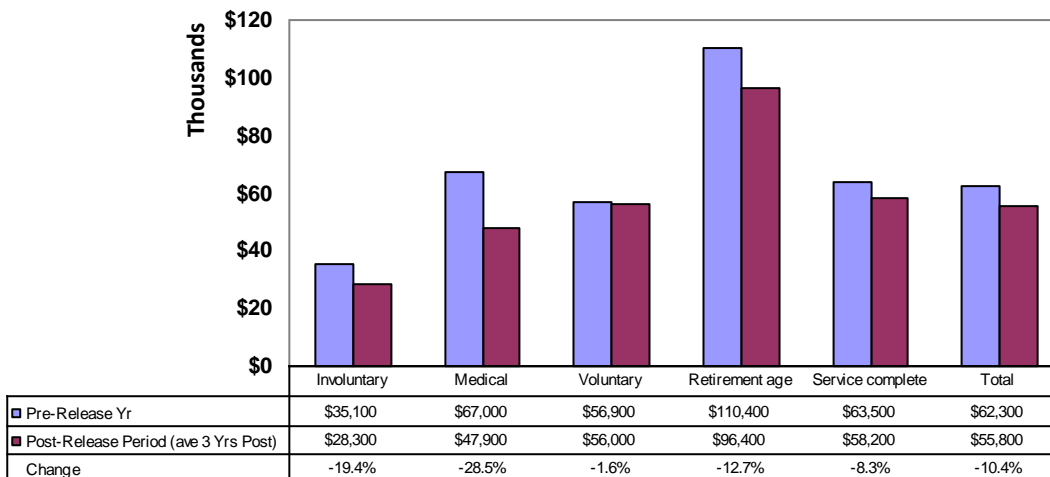
Figure 8: Total average Income Pre- and Post-Release by Length of Service



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Type of Release: Total income varied considerably by type of release. Those releasing due to reaching retirement age had an average pre-release income of over \$110,000 compared to \$35,000 for those released involuntarily. Those who released involuntarily had the lowest average post-release income at \$28,300, a 19% decline from the pre-release level. The medically released experienced the greatest decline in income at 29% (Figure 9).

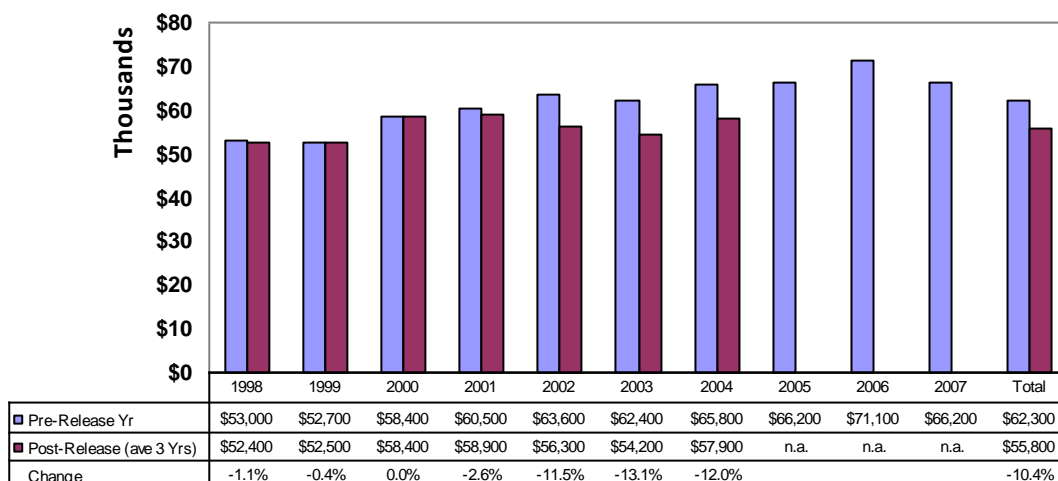
Figure 9: Total Average Income Pre- and Post-Release by Release Type



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Year of Release: Veterans released in the earlier part of the release period had lower than average incomes both pre- and post-release. While those released more recently had higher incomes, they had greater declines in income post-release. Veterans released in 1998 had an average pre-release income of \$53,000 which declined by only 1%. Those released in 2004 had an average pre-release income of \$65,800 which declined 12%. Civilian incomes have not kept pace with the growth in military incomes as the average pre-release income rose 24% from release year 1998 to 2004 while post-release income increased 10% over the same time period (Figure 10).

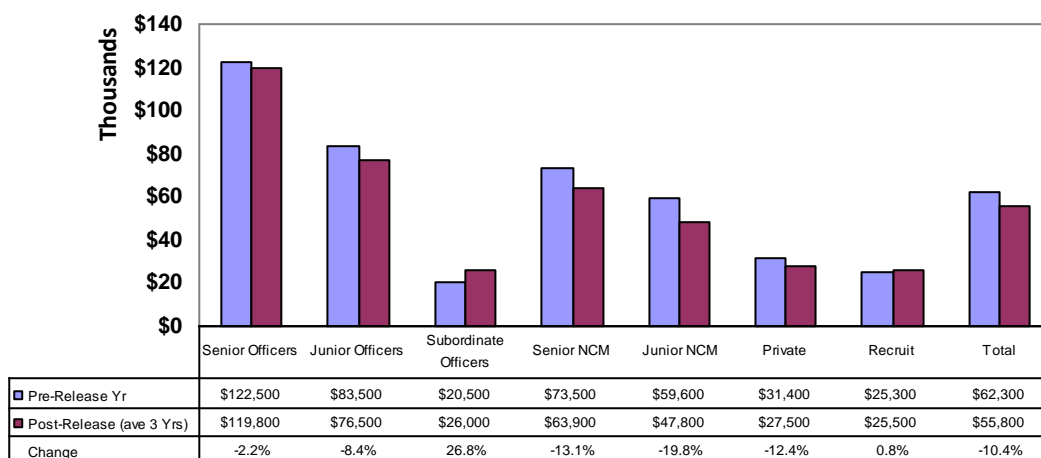
Figure 10: Total Average Income Pre- and Post-Release by Release Year



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Rank: Recruits, privates, junior NCMs and subordinate officers all had lower than average post-release incomes. Subordinate officers who are officers in training and were relatively young, while ranked fairly high, had the lowest pre-release income at \$20,500. However, this group also experienced an increase in income post-release of 27%. Junior NCMs experienced the largest decline in income of 20% (Figure 11).

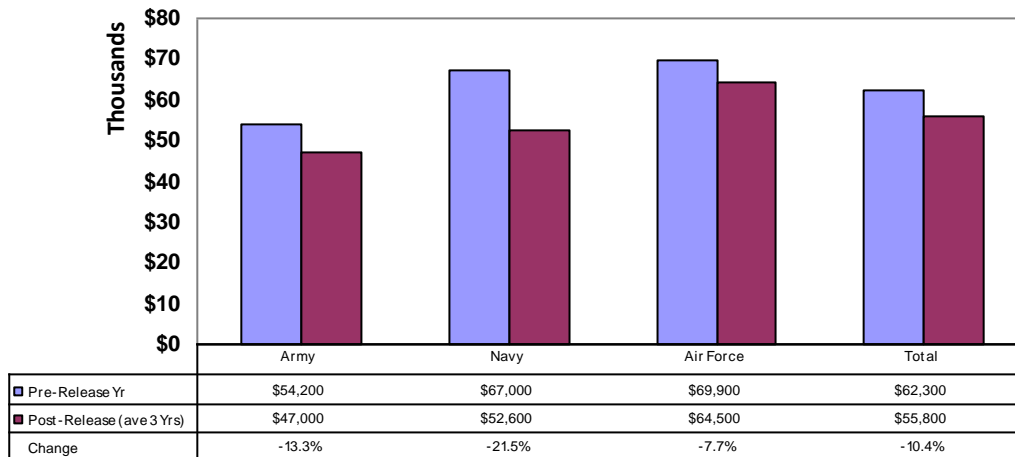
Figure 11: Total Average Income Pre- and Post-Release by Rank



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Branch of Service: Post-release average income ranged from \$47,000 for those released from the Army to \$64,500 for those released from the Air Force. The decline in income was the greatest for Veterans who released from the Navy at 22%. However, the post-release incomes of Navy Veterans remained higher than those of Army Veterans. Veterans who released from the Air Force had the highest incomes both pre- and post release and experienced the smallest decline in income (Figure 12).

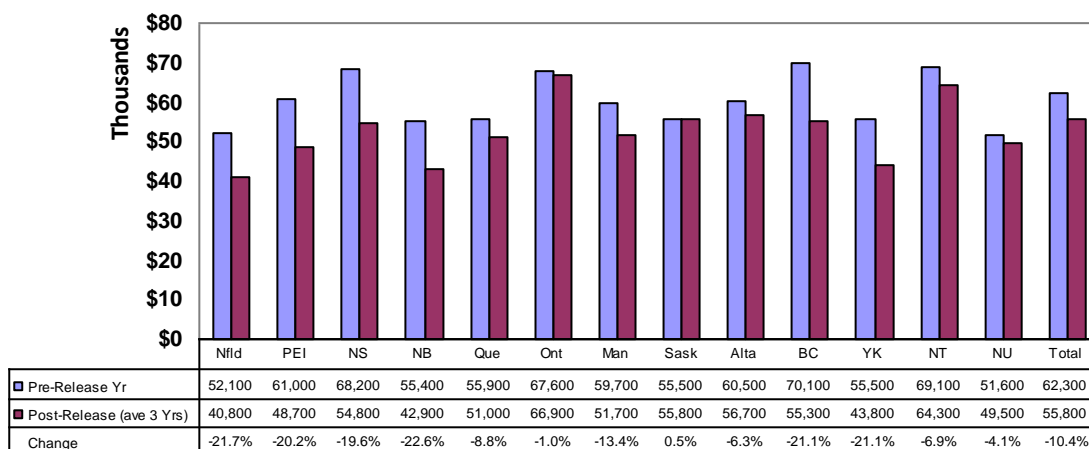
Figure 12: Total Average Income Pre- and Post-Release by Branch



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Province of Residence: The lowest post-release income was for those who lived in Newfoundland as of 2007 at \$40,800 and the highest was for those who lived in Ontario at \$66,900. Post-release incomes were lower than the average for those who lived in the Atlantic provinces, Quebec, Manitoba, British Columbia, Yukon and Nunavut. These same regions, with the exception of Quebec, also experienced higher than average declines in their post-release income (Figure 13).

Figure 13: Total Average Income Pre- and Post-Release by Province of Residence



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars. Province of Residence is as of 2007.

4.2.3 Employment Insurance

The Canadian Forces personnel are eligible for EI and social assistance under the same legislation as the general population. Anyone with sufficient insured hours of employment can qualify for benefits. However, receipt of benefits may not follow. Some situations that either defer or prevent payment of benefits are: disqualifications (e.g., for voluntarily leaving employment without just cause and income that has been allocated as earnings for benefit purposes (e.g. severance payments, vacation pay, pension income and earnings loss benefits)).

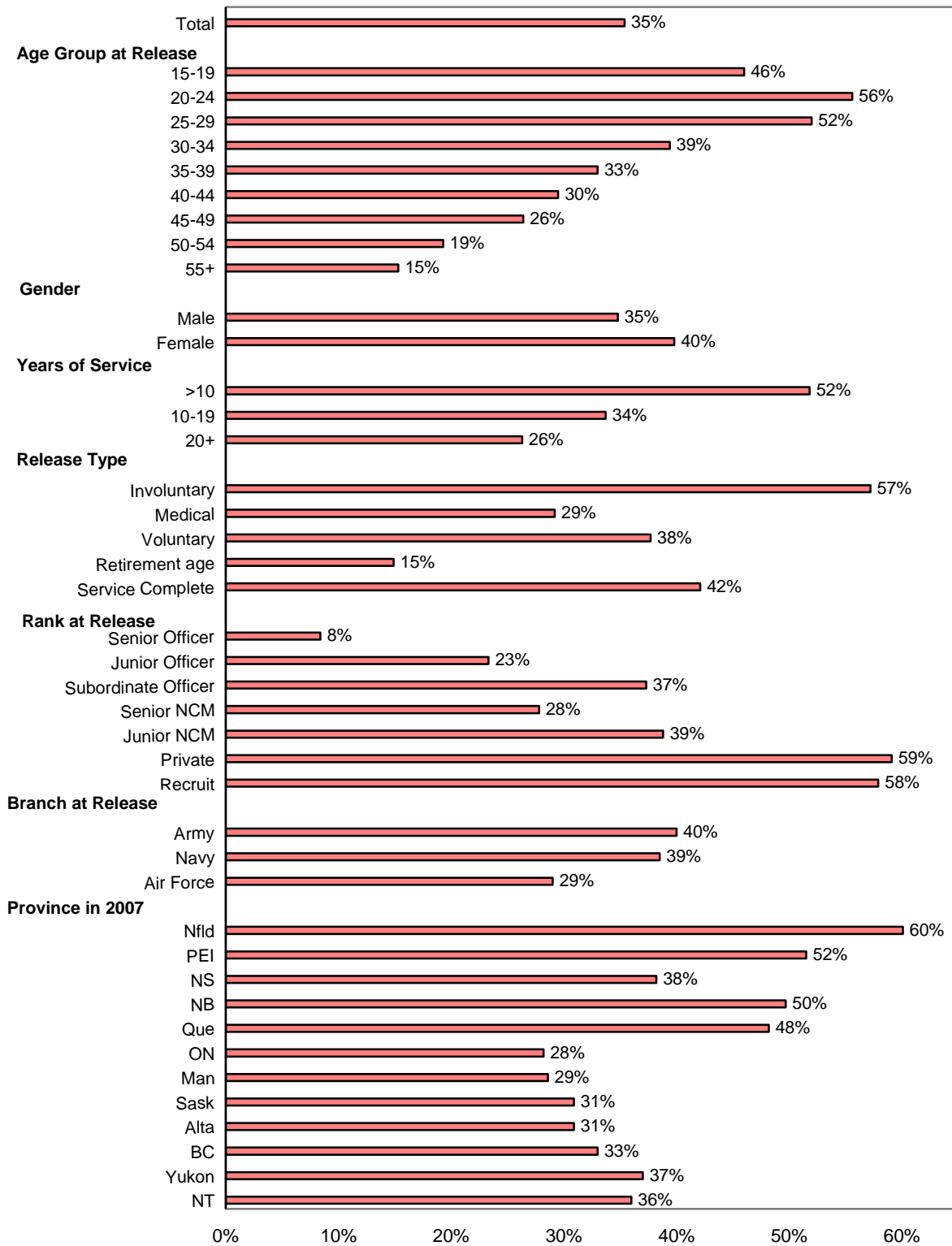
As CF members fall under the same Act and Regulations for EI as all Canadians, the same "rules" apply to disqualification for voluntarily leaving, which since 1997 generally means indefinite disqualification. There are several CF release categories that are generally subject to disqualification¹¹ including those who leave voluntarily and those who are released due to misconduct. These cases are subject to review to determine if there was "just cause" for voluntarily leaving and to confirm misconduct.

There are other cases where benefits are not paid due to other sources of earnings. For example, medically released personnel receive SISIP earnings loss benefits for up to 24 months post-release, and many CF personnel receive superannuation benefits which would either reduce or eliminate EI benefits payable.

On average 35% of Veterans were in receipt of EI at least one year post-release (ever). Among the provinces the highest rate of receipt of EI was for Veterans living in Newfoundland at 60%. Among the ranks, privates (59%) and recruits (58%) had the highest rates and among the release types, those released involuntarily had the highest rate (57%). The lowest rates were among senior officers (8%), Veterans aged 55 and older at release (15%) and Veterans who had reached retirement age (15%) (Figure 14).

¹¹ These include the following items: 1a sentenced to dismissal; 1b service misconduct; 1c illegally absent; 1d fraudulent statement on enrolment; 2a unsatisfactory service; 2b unsatisfactory performance; 4a voluntary immediate annuity; 4c voluntary other causes; and 5f unsuitable for further service.

Figure 14: Veterans Ever in Receipt of Employment Insurance by Demographic and Service Characteristics



4.2.4 Low Income

On average, 15% of Veterans lived in households that had low income at least one year post-release. The highest prevalence of low income among the age groups was for those released between the ages of 15 and 19 at 41%. Among the release types, those released involuntarily had the highest rate (37%) and among the ranks, privates had the highest rate (35%). The lowest prevalence rates were among those aged 55 and older at release (1%), those aged 50 to 54 at release (2%) and those released due to having reached retirement age (2%).

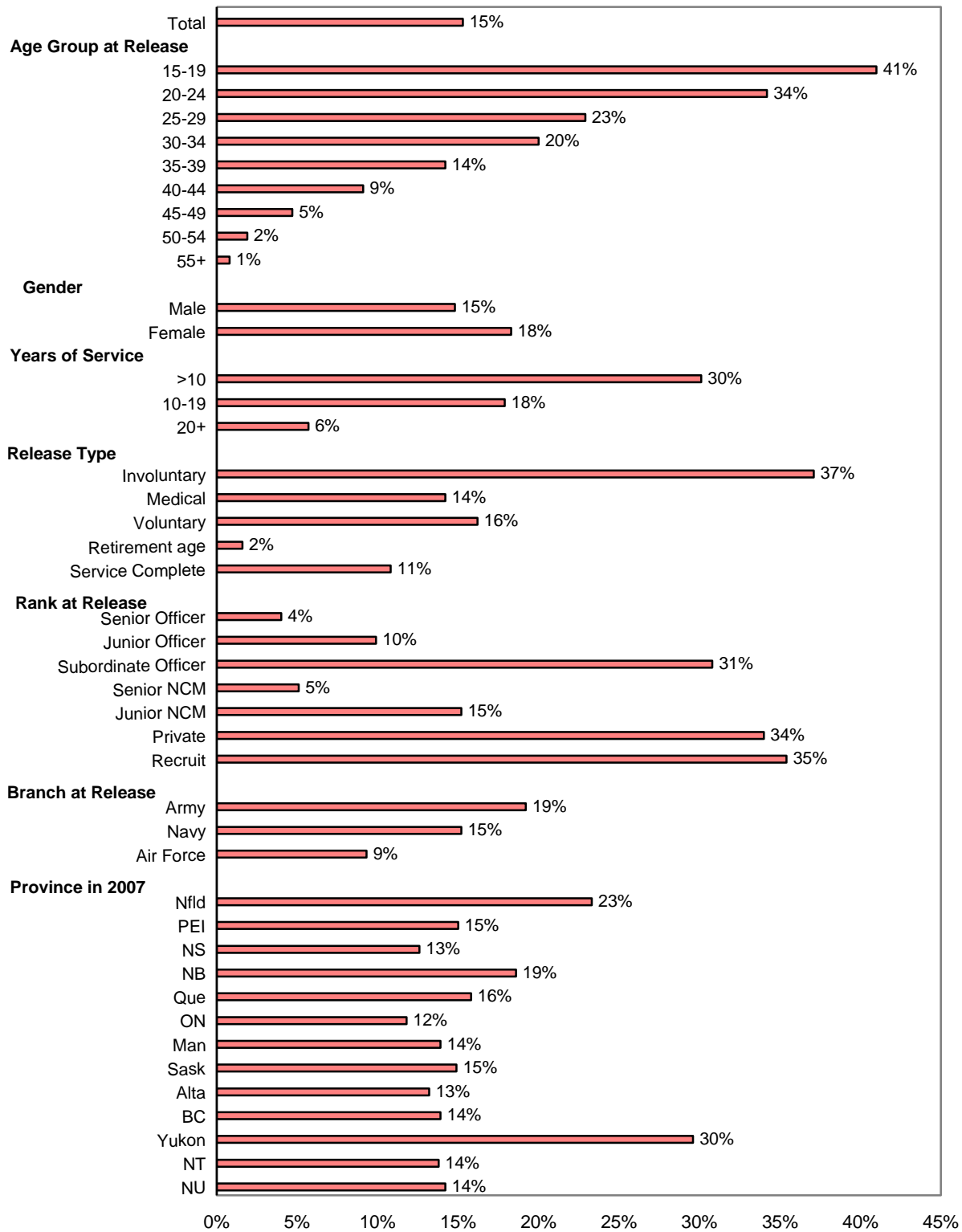
Prevalence of low income declined with age and was much more common among the youngest age group than among the other age groups. The prevalence of low income among Veterans aged 15 to 19 at release was more than twice that of the total population, 41% compared to 15%. Those released at younger ages are more likely to have shorter lengths of service, obtained a lower rank by release, and to have released involuntarily. Females tended to have shorter lengths of service and therefore less likely to have a pension than males explaining at least in part of their higher rate of low income (18% compared to 15% for males). Female Veterans also, tended to contribute to a smaller share of the family income, 53%, compared to 68% for males.

Veterans released from the military involuntarily, who represented about 6% of the cohort, were the most likely among the types of release to experience low income post-release, at 37% compared to 15% for the entire cohort. The vast majority of those released involuntarily were found unsuitable for further service or not to be advantageously employed in the military. A small number was released for other reasons including misconduct and fraudulent statement on enrolment. Veterans released involuntarily tended to be younger and were more likely to have released at lower ranks.

The ranks of recruit, private and subordinate officer were the most likely among the ranks to experience low income post-release. Subordinate officers are essentially officers in training, generally in university, and therefore tend to be younger than non commissioned members.

While, the differences in low income rates among branches of the military were not as striking as those among ranks and release type, there were differences. Veterans who released from the Army were the most likely to experience low income post-release, followed by the Navy and then Air Force.

Figure 15: Veterans Ever Below the Low Income Measure by Demographic and Service Characteristics



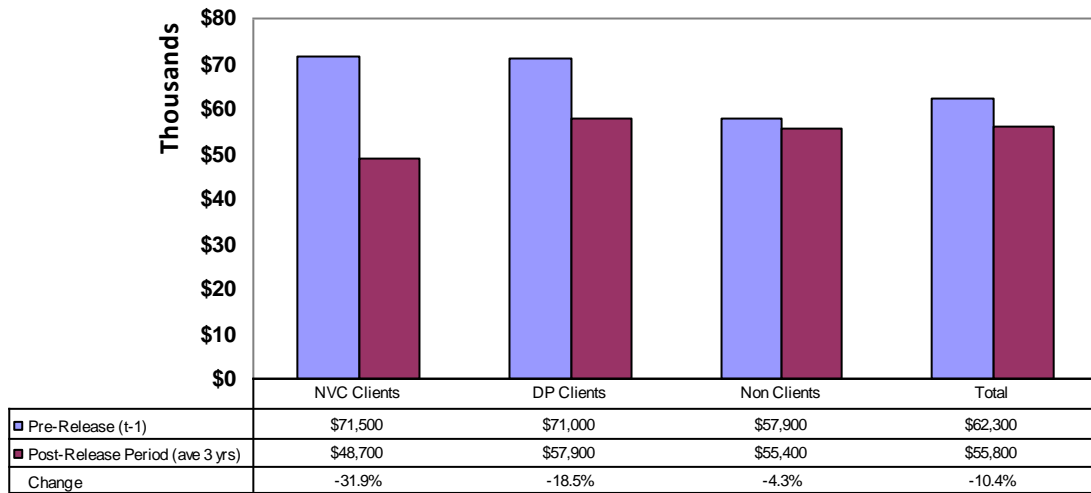
Notes: Low income measure is before tax. Ever = at least once during up to nine years post-release

4.3 VAC Clients

4.3.1 VAC Clients and Non Clients

Total Income: Average pre-release income for the total population was \$62,300 compared to the post-release average of \$55,800, a decline of 10%. Both client groups had higher incomes pre-release than non clients, which could be explained by their longer length of service and therefore higher earnings at release. Both client groups had income over \$70,000 compared to less than \$60,000 for non clients. Average income dropped by 32% for those who eventually became NVC clients, 19% for DP clients and only 4% for non clients (Figure 16).

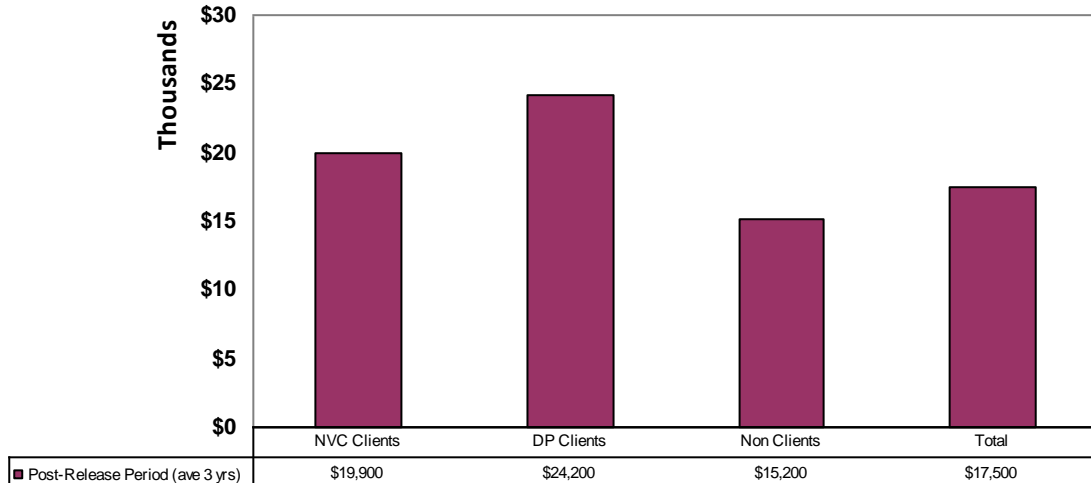
Figure 16: Total Average Income Pre- and Post-Release by Client Status as of March 2009



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

Pensions: Average pensions were highest for DP clients (\$24,200) followed by NVC clients (\$19,900) and non clients (\$15,200). The higher pension amounts of DP clients compared to NVC clients explains their lower decline in total income (Figure 17).

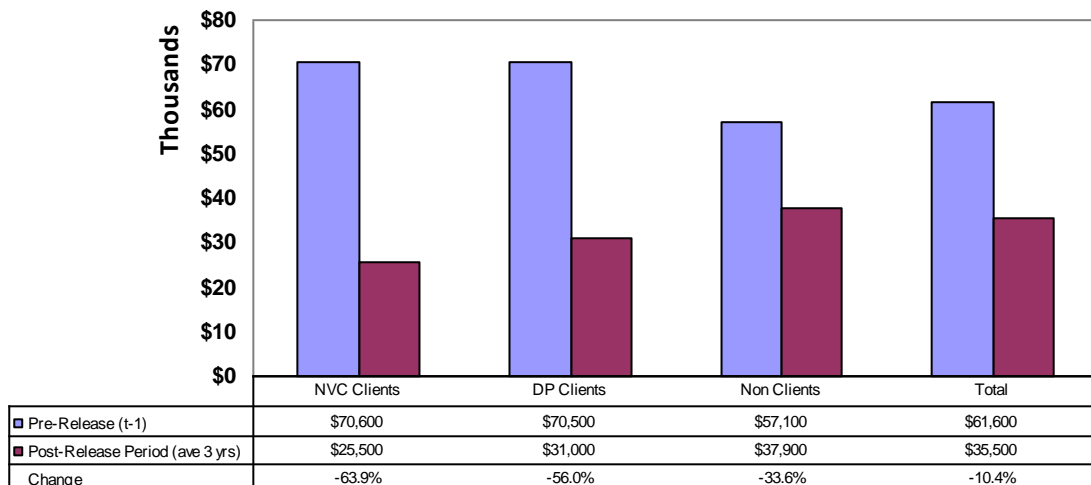
Figure 17: Average Pensions Post-Release by Client Status as of March 2009



Note: Pensions are before tax income of the Veteran expressed in 2007 constant dollars.

Earnings: Large declines in earnings explained the much larger declines in client income. Average earnings for NVC clients dropped from over \$70,000 to about \$26,000, which is an earnings decline of 64%. Average earnings for DP clients dropped from over \$70,000 to \$31,000 or 56% compared to a decline from \$57,000 to about \$38,000 or 34% for non clients (Figure 18).

Figure 18: Average Earnings Pre- and Post-Release by Client Status as of March 2009

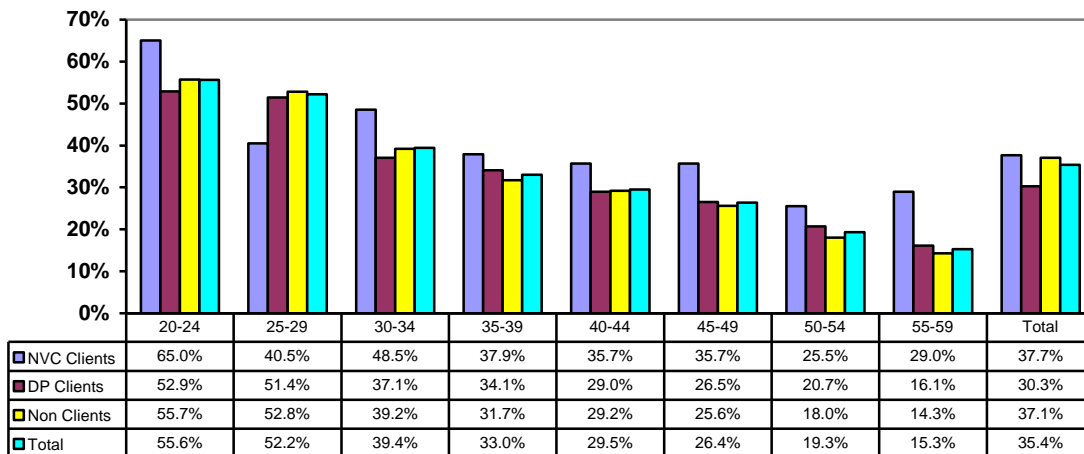


Note: Earnings are before tax income of the Veteran expressed in 2007 constant dollars.

Employment Insurance: Many Regular Force Veterans received EI at least once post-release (35%), and NVC clients and non clients were more likely to have ever received EI than DP clients. This is explained by the older age at release of DP clients. As seen in the previous section, the rate of receipt of EI declines with age. NVC clients were more likely to ever receive EI across all age groups with the exception of those aged 25 to 29 at release (Figure 19). Persistent receipt of EI is not very common and does not differ considerably by client status.

Social Assistance: Receipt of social assistance or Guaranteed Income Supplement (GIS) is more common among non clients then for either client group at about 4% compared the 2.5% for NVC clients and less than 1% for DP clients.

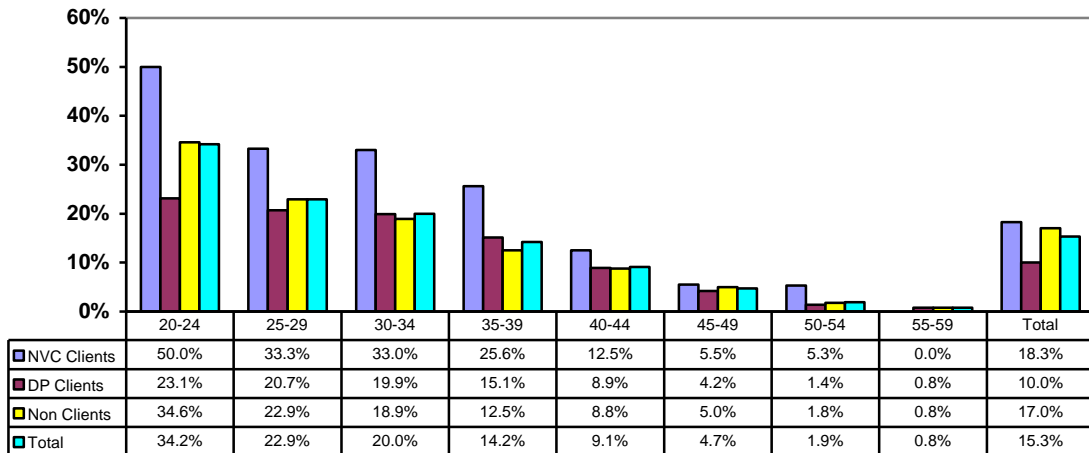
Figure 19: Veterans Ever Received EI by Client Status and Age Group



Notes: Ever = at least once during up to nine years post-release.

Low Income: NVC clients were overall the most likely ever to have had household incomes below the LIM, 18% compared to 17% of non clients and 10% of DP clients. NVC clients were also more likely to have incomes below the LIM at all age groups than DP clients and non clients (Figure 20). Since non clients accounted for 69% of the post-release sample, there were many Veterans experiencing low income who received no benefits from VAC.

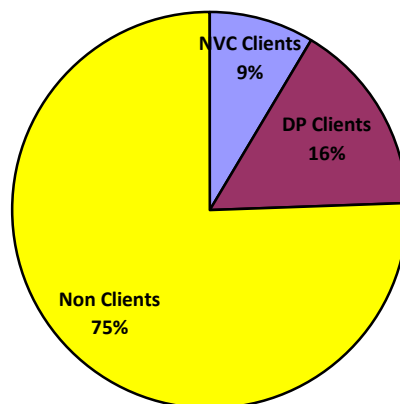
Figure 20: Veterans Ever Below the LIM by Client Status and Age Group



Notes: Low income measure is before tax. Ever = at least once during up to nine years post-release.

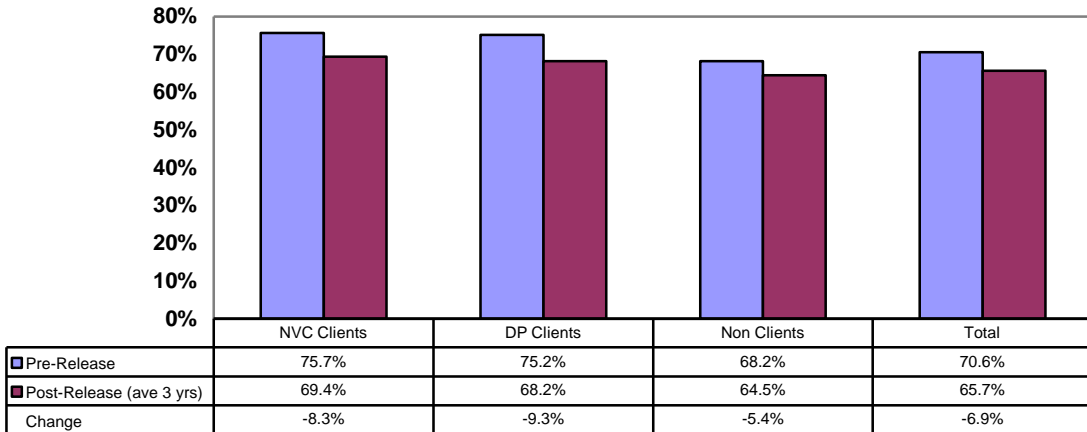
Low Income: Non clients represented 75% of the cohort that fell below the Low Income Measure at least one year post-release, while 68% of the population were non clients. NVC clients were also more likely to experience low income as 9% had incomes below the LIM and 7% of the population were NVC clients. DP clients were the least likely to experience low income as 16% of those who fell below the LIM were DP clients compared to 25% of the population.

Figure 21: Veterans Below the LIM at Least One Year Post-Release



Source of Family Income: Both NVC and DP clients had a higher Veteran share of total family income both pre- and post release than non clients. However, clients experienced a greater decline in the Veteran share of total family income post-release compared to non clients (Figure 22).

Figure 22: Veteran Share of Total Family Income by Client Status

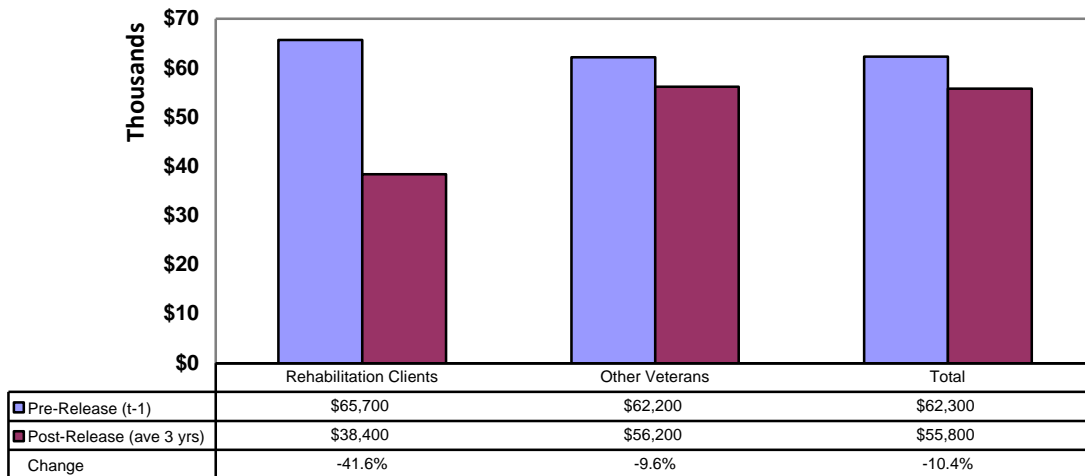


4.3.2 Rehabilitation Clients

The Rehabilitation Program helps disabled CF Veterans who need support to re-enter civilian life through medical, psycho/social and vocational services. The program began in April 2006 and the number of clients has grown from less than 1,200 in the first year to almost 2,600 as of March 2009. Among the study population, Rehabilitation clients¹² accounted for almost half of the NVC client group but less than 4% of the population.

Total Income: This fairly small group had higher than average incomes pre-release, almost \$66,000 compared to \$62,000. However, they experienced a relatively large decline in income post-release compared to other Veterans; 42% for Rehabilitation clients compared to 10% for other Veterans (Figure 23).

Figure 23: Total Average Income by Rehabilitation Clients and Other Veterans

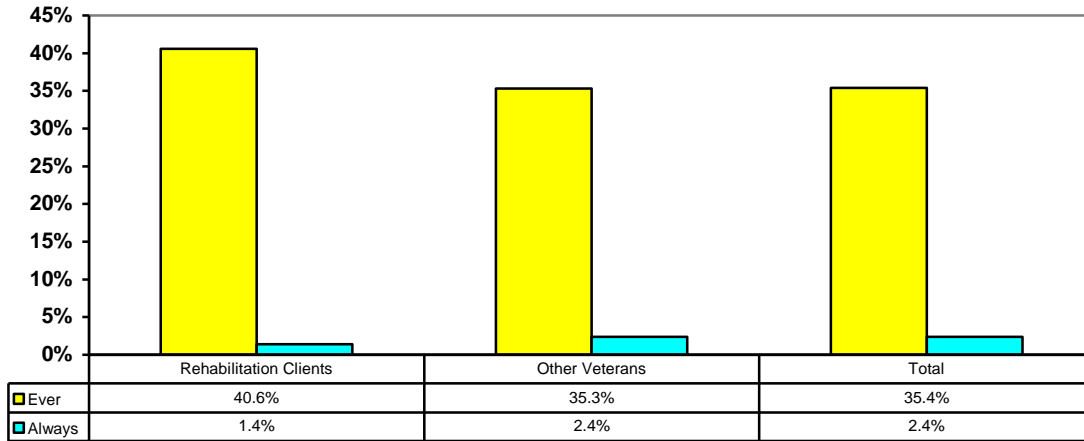


Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars.

¹² The vast majority of the post-release income for Rehabilitation clients would be from sources other than earnings loss received from the program. The program started in April 2006 and the income years represented in the average are from 1999 to 2007. Also, the average earning loss benefit was less than \$20,000 in 2007-08. Source: derived using VAC Statistics Directorate data.

Employment Insurance: A greater proportion of Rehabilitation clients (41%) had received EI post-release than the other Veterans (35%). Persistent receipt of EI was, however less common among rehabilitation clients (Figure 24).

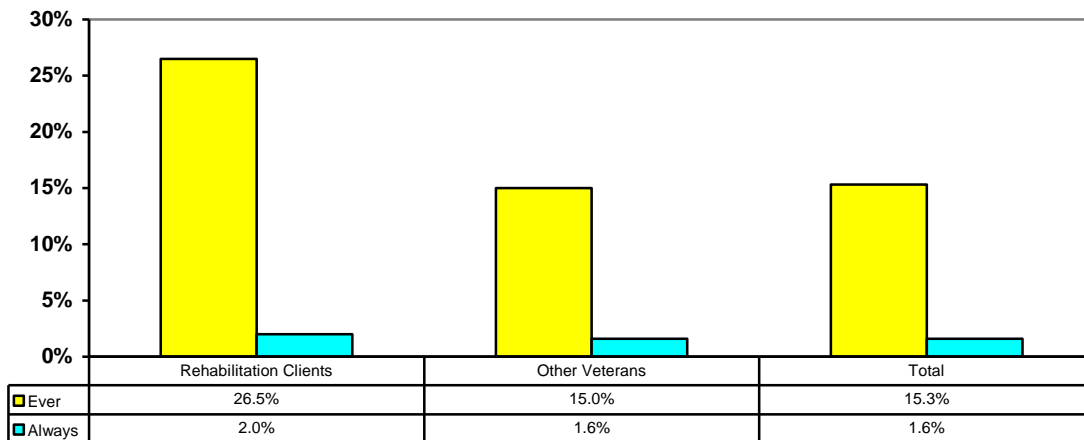
Figure 24: Veterans in Receipt of EI by Rehabilitation Clients and Other Veterans



Notes: Ever = at least once during up to nine years post-release. Always = in each year post-release.

Low Income: A much greater proportion of Rehabilitation clients (27%) lived in household with low income than other Veterans (15%). Persistent low income was also more common among Rehabilitation clients (Figure 25).

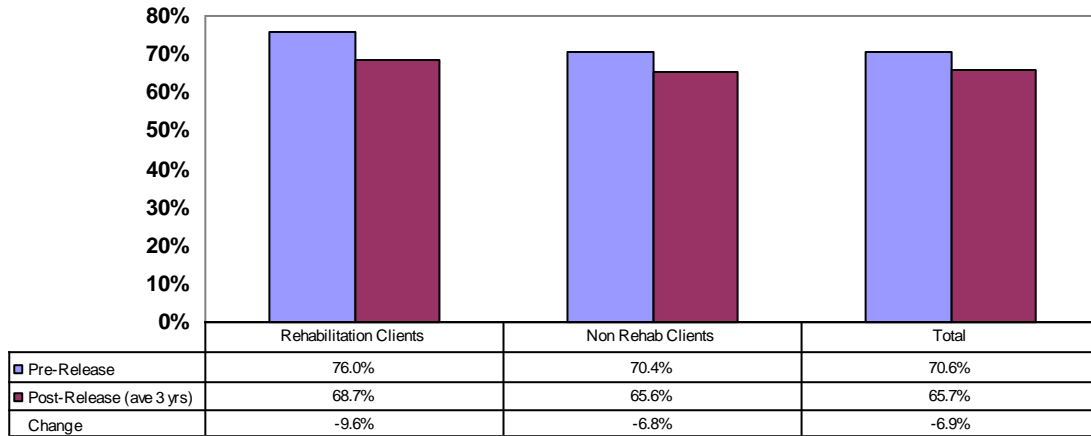
Figure 25: Veterans Families with Income Below the LIM by Rehabilitation Program Clients and Other Veterans



Notes: Low income measure is before tax. Ever = at least once during up to nine years post-release. Always = in each year post-release.

Veteran Share of Family Income: The families of Rehabilitation clients tended to rely more on the Veteran income both pre- and post release than non rehabilitation client. The pre- and post release share of Veteran income was 76% and 69% respectively for Rehabilitation clients compared to 70% and 66% for non rehab clients (Figure 26).

Figure 26: Veteran Share of Total Family Income by Client Status

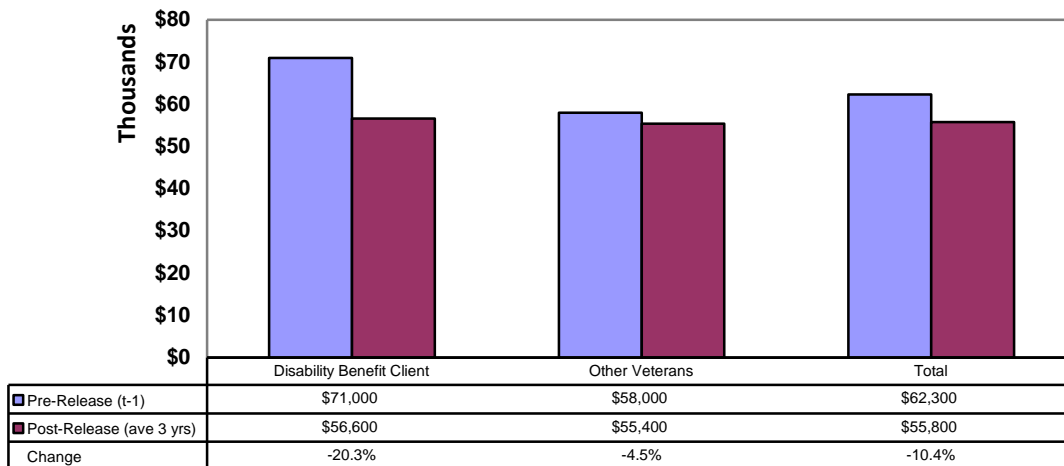


4.3.3 Disability Benefit Clients

Disability Benefit clients accounted for about one-third of the total Regular Force Veteran population and included those in receipt of a disability award under the New Veterans Charter and/or a disability pension.

Total Income: This group had higher than average incomes pre-release, almost \$71,000 compared to \$58,000. However, they experienced a relatively large decline in income post-release compared to non-disability benefit clients, 20% compared to 5% (Figure 27).

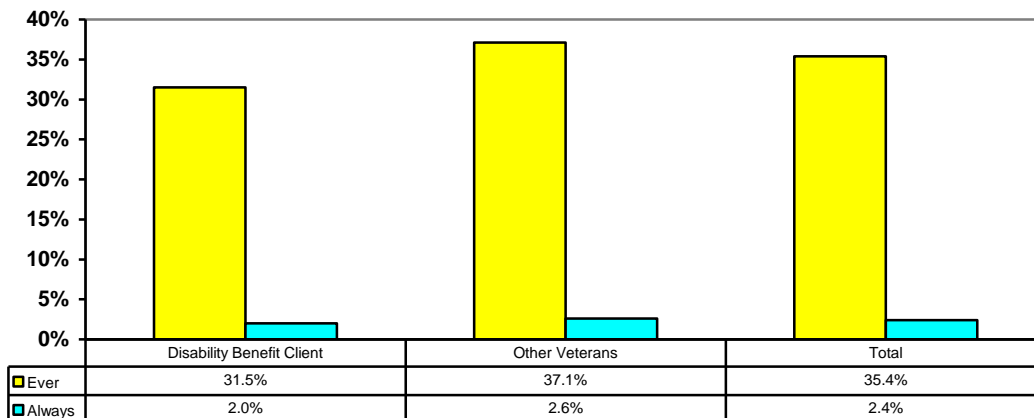
Figure 27: Total Average Income by Disability Benefit Clients and Other Veterans



Note: Total income is the before tax income of the Veteran expressed in 2007 constant dollars. It includes income from taxable market income (including VAC Earnings Loss Benefits) and government transfers but does not include non-taxable VAC Disability Benefits

Employment Insurance: A smaller proportion of Disability Benefit clients (32%) received EI post-release than other Veterans (37%). The same is true for persistent receipt of EI for these client types (Figure 28).

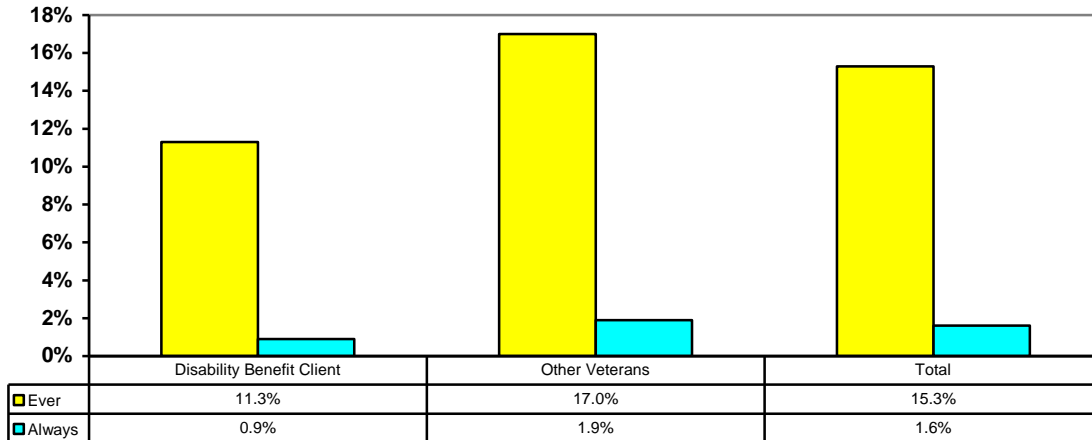
Figure 28: Veterans in Receipt of EI by Disability Benefit Clients and Other Veterans



Notes: Ever = at least once during up to nine years post-release. Always = in each year post-release.

Low Income: A smaller proportion of Disability Benefit clients lived in households with low income (11%) than other Veterans (17%). Persistent low income was also more common among non-disability benefit clients (Figure 29).

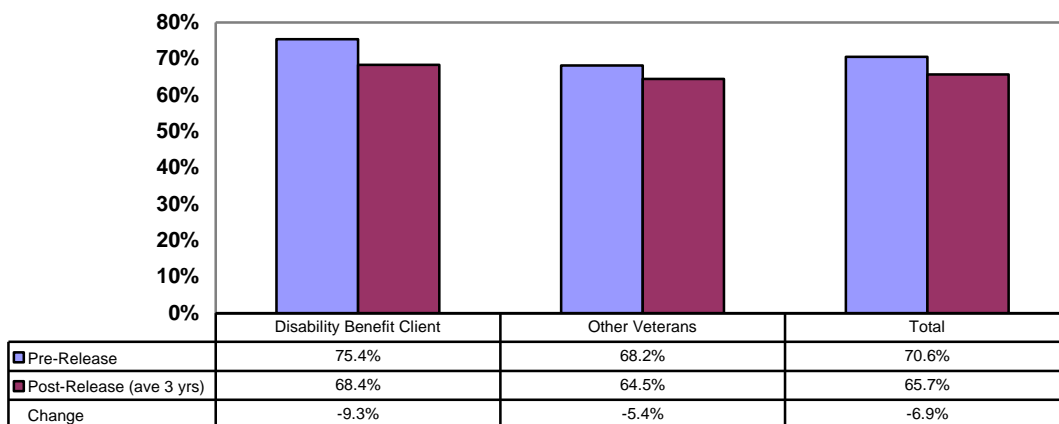
Figure 29: Regular Force Veterans Below the LIM by Disability Benefit Clients and Other Veterans



Notes: Low income measure is before tax. Ever = at least once during up to nine years post-release. Always = in each year post-release.

Veteran Share of Family Income: The Veteran share of family income was higher for Disability Benefit clients both pre- and post-release than for other Veterans. Disability Benefit clients also experienced a greater decline in the Veteran share of family income (Figure 30).

Figure 30: Veteran Share of Total Family Income by Disability Benefit Clients and Other Veterans



4.4 Program Reach

4.4.1 Changes in Income

VAC clients experienced the greatest declines in income post-release at 42% for Rehabilitation clients, 32% for all NVC clients, 19% for DP clients compared to 4% for non clients. Some groups with the highest declines were more likely to be VAC clients. For example, 75% of the medically released and 47% of those who served 10 to 19 years were VAC clients compared to the average of 32%. These groups were also more likely to be NVC clients.

Table 3: Income Change Post-Release and Reach

Population	% of Pop	Change	% Clients	% NVC Clients
Total	100%	-10%	32%	7%
Increase				
Subordinate Officers	4%	+27%	4%	1%
Recruits	16%	+1%	6%	2%
Sask. resident	2%	+1%	21%	6%
Largest Declines				
Females	12%	-30%	32%	8%
Medically released	24%	-29%	75%	18%
Served 10 to 19 yrs	14%	-21%	47%	11%

4.4.2 Employment Insurance

NVC clients and non clients were more likely to have ever received EI than DP clients. The groups with the highest rates of receipt of EI were less likely to be clients. For example, 60% of Newfoundland residents had received EI at least one year post-release, however 26% were VAC clients compared to the average of 32%. However, the reverse was not always true. For example Veterans released as senior officers had the lowest EI rate but were also less likely to be VAC clients.

Table 4: Receipt of Employment Insurance at Least One Year Post-Release and Reach

Population	% of Pop	EI Rate	% Clients	% NVC Clients
Total	100%	35%	32%	7%
Lowest Rates				
Senior Officers	8%	8%	27%	6%
Aged 55+ at release	5%	15%	39%	8%
Reached Retirement Age	6%	15%	31%	5%
Highest Rates				
Newfoundland resident	2%	60%	26%	6%
Privates	7%	59%	10%	4%
Recruits	16%	58%	6%	2%

4.4.3 Low Income

As seen in the previous section NVC clients were more likely than DP clients and non clients to ever to have household incomes below the LIM even after accounting for the younger age of NVC clients. Those released at age 15 to 19 experienced the highest rate of low income at 41%, however less than 1% were VAC clients compared to 32% of the entire population. Those released involuntarily experienced the second highest rate of low income post-release. However, this group were less likely to be VAC clients and NVC clients than the average for the entire population. Also, since 68% were non clients and 17% of non clients experienced low income, there are many Veterans experiencing low income who receive no benefits from VAC.

Table 5: Low Income at Least One Year Post-Release and Reach

Population	% of Pop	Low Income Rate	% Clients	% NVC Clients
Total	100%	15%	32%	7%
Lowest Prevalence Rates				
Aged 55+ at release	5%	1%	39%	6%
Aged 50 to 54 at release	8%	2%	41%	8%
Reached Retirement Age	6%	2%	31%	5%
Highest Prevalence Rates				
Aged 15-19 at release	4%	41%	0.5%	0.2%
Involuntarily released	6%	37%	12%	5%
Recruits	16%	35%	6%	2%

5. Discussion

5.1 Summary and Implications of Findings

Overall incomes declined by approximately 10% after release, with a spike in the release year (mainly due to sources of income such as severance pay) and a drop in income following release (a result of decreased earnings). Certain groups experienced large declines in income. For example, females, those with fewer years of service, and those released involuntarily or due to medical reasons, experienced greater than average declines in income. Female Veterans experienced a much larger decline in income post-release than male Veterans (30% compared to 8%). However, they also tended to contribute a smaller share of the family income. The impact of this decline would therefore be reduced by the lower family reliance on their incomes. Similarly, Disability Benefit clients experienced larger declines in income than other Veterans but had lower rates of low income and receipt of EI than other Veterans. It is unclear whether the income decline experienced by clients is a cause for concern, as clients tended to be older, and older clients are more likely to believe their incomes are adequate for retirement than younger clients who are not yet at retirement age (Marshall, Matteo & Mueller 2000).

VAC clients experienced much greater declines in income post-release compared to non clients. This is not surprising as VAC's programs compensate for mainly service-related conditions which were likely the cause of the income reduction. One of the most vulnerable groups in terms of declines in income post-release was the medically released. Compared to non clients, VAC clients were much more likely to have been released for medical reasons. VAC clients were also more likely to have been released from the Army. Individuals in the Army are more likely to be exposed to combat in theatre, particularly those deployed to Afghanistan. As such, they may be more likely to have experienced physical or psychological injuries for which they require support from VAC. As well, VAC clients were more likely to have served for longer periods of time and to be older at release and therefore more likely to have retired from the labour force. They are also more likely to have reached a higher rank and therefore had higher incomes at release that may have been difficult to replace in the civilian labour market. However, some Veterans are likely not being reached by VAC programs which focus on those with service-related conditions.

Approximately one-third of Veterans received employment insurance with the highest rates among Veterans living in Newfoundland, those of low rank, and those involuntarily released. Those in receipt of EI would not include all those unemployed due to eligibility rules. For example, many medically released could be unemployed but not qualify for EI payments due to income replacement benefits received from SISIP during the first two years post-release. However, eligibility for EI also opens the doors to employment programs offered by Service Canada. Therefore, VAC's Career Transition Services Program could be targeted to those who are unlikely to qualify for EI.

On average, 15% of Veterans were classified as having low income at some point after their release, less than 2% were below the low income measure and less than 1% were

in receipt of social assistance every year post-release. Therefore, for most Veterans low income was short-lived. Low income was more likely among those released involuntarily, at younger ages, and with lower rank and fewer years of service. It is not surprising that younger, junior ranking individuals would experience low income, as they would not have had time to accumulate income earnings. In addition, those released involuntarily are likely to have left the CF at a point where they were not financially prepared for retirement. Veterans who experience low income may represent higher risk groups that should be targeted by DND and VAC for income support programs and policies. Transition programs and services currently available to all releasing members, including pre-release seminars, transition interviews, and career transition services, could be targeted at those most at risk. However, from a policy perspective, attention must be focused on those consistently living in poverty.

NVC clients experienced a much greater decline in income than Disability Pension clients or non VAC clients. The greater decline in earnings of the NVC, compared to the disability pension clients and non clients, largely accounts for this discrepancy. NVC clients were also the most likely to have low incomes. The trends observed in NVC clients may be partly accounted for by the income changes in the rehabilitation group. Veterans participating in the VAC Rehabilitation program, which account for almost half of the NVC client group, had a much higher prevalence of low income than the other Veterans. NVC clients were more likely than other Veterans to receive EI across almost every age group. This could not be explained by any of the other demographic and service characteristics included in the study. The finding that NVC clients experienced the highest declines in income post-release, the highest rate of low income and rate of receipt of EI confirms that the program is targeting the right group.

Rehabilitation clients had experienced larger declines in post-release income and higher rates of low income compared to other Veterans. Also, Disability Benefit payments represent compensation for injury and are not designed to reduce low income rates. However, for those eligible for earnings loss post-release, including the medically released and those eligible for the VAC Rehabilitation Program, support could be designed to reduce low income rates. For example, currently both VAC's Rehabilitation Program and the SISIP LTD plan base earnings loss benefits at 75% of pre-release salary. This would leave many, especially those released at younger ages with few years of service below the low income measure and possibly more at risk of poor health.

The majority of low income Veterans in this study were not clients of VAC. Non clients accounted for 68% of the study population and 17% had experienced low income at least one year post-release. However, neither VAC's programs nor the SISIP LTD program, which is targeted to the medically released, addresses the re-establishment needs of other Veterans who are neither clients of VAC nor were medically released. As well, increased efforts to inform releasing members of available transition services may be required.

5.2 Limitations

The Income Study provides unprecedented information on the incomes of recently released Canadian Forces Regular Force and Primary Reserve Veterans before and after transition from military service. The study includes previously unavailable information on the trends in non self-reported income pre and post release, the sources of income and income disparity for a wide cohort of Veterans including VAC clients and non clients.

However, owing to the time period of the study and because disability benefits are not taxable, income in this study does not include VAC benefits or the impact of NVC programs. However, while VAC disability benefits were not included, this income would be relatively small. The ongoing monthly pension would add less than 6% to the total incomes reported for the Regular Force study population¹³. As well, disability awards are provided in a one-time lump sum amount¹⁴ and therefore, are not considered ongoing income. While the average amount of an award is much higher than for a pension, only 7% of the Regular Force Study population had received a disability award by March 2009.

Consideration was given to providing disability benefits expenditure data to Statistics Canada for inclusion in the analysis. However, client specific data was available for only four of the eleven years of the income analysis time period and Disability Award expenditures were available for less than two years (VAC started paying Disability Awards in April 2006). Therefore, disability benefits expenditures data was not sent to Statistics Canada for inclusion in the income analysis. This could, however, be done as part of further research into the impacts of VAC programs on incomes.

It should be noted that the cohort covered in this report released from the military during a relatively stable period of economic growth. The results may not be comparable to those of Veterans released from the military into different national economic environments.

Analysis was sometimes limited due to a small number of observations in some sub-populations in particular the NVC client population and the later years following release. Geographic location information was limited to province of residence and therefore analysis by rural/urban and other small areas such as around particular bases or VAC districts was not done for this report. Also, there may be other service and demographic characteristics that explain income and income changes that were not included in this analysis.

Income as reported on income tax records does not always represent wealth. Some Veterans with low income or larger reductions in income may also have accumulated assets which would modify the impacts on income.

¹³ Less than 30% (10,103) of the Regular Force study population (36,638) received disability pensions in 2007-08 of on average \$11,200. Source: Derived from VAC Statistics Directorate data.

¹⁴ Less than 2% (704) of the Regular Force study population (36,638) received an award in 2007-08 of on average \$31,200. Source: Derived from VAC Statistics Directorate data.

5.3 Further Study

This report found that most low-income Veterans were not clients of VAC. This may be due in part to the finding that VAC clients were older and had more years of service than non clients, factors which would also be associated with higher income. However, this may also suggest that VAC programs are not reaching those in need or that there is a need for programs to address the needs of those with low income. Examination of this question is likely to require further study into the differences between sub-groups of the Veteran population and between Veterans and the general population and accounting for these differences in comparisons of low income rates, as well as further examination of the determinants of low income among the Veteran population.

The low income measure used in this report uses essentially two categories of income, low income and not low income. However, not all below the low income measure may be at risk of poor health outcomes. Various measures of income- inequality would allow for further breakdowns of the full range of income distribution and therefore allow for more targeted policy responses.

Whether the programs and services are reaching the most vulnerable groups will require comparisons of the demographic and service characteristics of those using transition programs and services and those who are not. About 4,000 to 5,000 Regular Force members release each year. The proportion of the most vulnerable groups in terms of income declines, low income and unemployment that attend SCAN seminars, use Career Transition Services or have a transition interview remains to be determined.

As pointed out in the introduction, research on income as a determinant of health has indicated significant links between income inequality and health outcomes, although many inconsistencies exist in the methodologies used. Linking the income data from the LASS with the health component of the Transition to Civilian Life Survey will give more insight into the health and quality of life issues that individuals with low income face. This data will provide a source of previously unknown information on the links between socioeconomic status, education, health, and quality of life of former CF personnel.

Since the demographic and service characteristics of the various client status groups differ in many respects and many variables such as age at release and length of service are correlated, multivariate analysis would help to determine the relative strength of each characteristic in predicting income changes, source of income and low income.

Finally, while the time frame of this study did not allow for an examination of the impact on income of NVC program, adding a few more years of income data and VAC administrative data on program expenditure, once available, would make this more feasible.

6. Conclusion

Total average Veteran income was \$62,000 in the year prior to release and rose in the release year and then declined in the year after release. Income is in 2007 constant

dollars (excluding VAC Disability Benefits) for those released from 1998 to 2007. Subsequently total average income rose and eventually exceeded the pre-release level. Compared to the year prior to release, income declined on average by 10% during the first three years post-release. Declines differed considerably between groups. Females experienced a 30% decline, the medically released personnel a 29% decline and Veterans who served from 10 to 19 years a 21% decline while subordinate officers experienced an increase of 27%. The groups with the highest declines in income post-release were more likely to be current VAC clients.

Many Veterans received EI post-release. In the year following release, the rate of receipt of EI was 17%. This rate declined each year post-release. Over one-third (35%) of Veterans received EI at least once post-release. The highest rates of ever receiving EI were among Veterans living in Newfoundland (60%) and those released as privates (59%). The lowest rate was among those released as senior officers (8%). While 35% received EI at least once post-release, less than 3% received EI consistently in every year post-release.

The rate of low income peaked at 7% in the year following release and eventually declined to below 4%. While 15% had ever experienced low income post-release, for some groups this rate was more than double. The highest prevalence rates were among those released between the ages of 15 and 19 (41%), involuntary releases (37%), and those released as recruits (35%). The lowest prevalence rate was among those released at ages 55 and older (1%). Less than 2% of Veterans had low income in every year post release and receipt of social assistance peaked at about 1% in the year following release.

Non clients accounted for the majority (68%) of the Regular Force Veteran study population, followed by 25% for DP clients and 7% for NVC clients as of March 2009. Not including the impact of VAC programs, VAC clients had experienced the greatest declines in income post-release at 32% for NVC clients, 19% for DP clients and 4% for non clients. NVC clients were also more likely to have received EI and to have had low incomes. For the most part, this held true even after accounting for the younger age of NVC clients. Rehabilitation Program clients experienced an even greater decline in income post release and were more likely to have had low income.

Post-release, Veterans on average experience a decline in income. VAC programs reach the groups with the largest declines. Small numbers of Veterans experience low income. Unfortunately, most low income Veterans are not clients of VAC.

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Appendix A: Research Team for LASS

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Appendix B: VAC Programs for the CF

Disability Benefits

Veterans, still-serving personnel of the Regular and Reserve Canadian Forces and the Royal Canadian Mounted Police, their families, and certain other groups might be eligible for VAC disability programs and services. Eligibility is based on the Veteran's or member's service-related disability.¹⁵ Veterans found to be eligible by VAC under legislation for disability programs can access related VAC programs, services, and benefits. Disability entitlement is not necessary to access other VAC programs, such as the Rehabilitation Program. Figure 1 provides VAC definitions of the key terms disability entitlement and disability assessment, and shows the two main ways a condition might be connected to military service for entitlement: insurance principle which does not require a causal link to service activities such as a condition which arose during service in a Special Duty Area and compensation principle which requires a causal link to service activities such as a disability arising out of peacetime service not in a Special Duty Area.

Veterans Affairs Canada Disability Program Terminology

Disability entitlement—Entitlement means granting a client the right to disability programs through the application of law and the recognition of a service-related disabling condition. Entitlement is provided when there is evidence of a disability, the disability can be related to service, and the extent of the disability is apparent. Entitlement eligibility varies with type of military service.

- *Insurance principle*—Entitlement is granted for disability resulting from an injury or disease that was incurred during, is attributable to, or was aggravated by service in World War II, the Korean War, or any of the more than 70 special duty areas or operations, such as Afghanistan. A causal link to service activities does not need to be established.
- *Compensation principle*—Entitlement is granted for disability directly connected with or aggravated by service in peacetime, other than special duty areas or operations. A causal link to service activities needs to be established.

Disability assessment—After disability entitlement is granted the extent of disability is assessed and rated on a percentage basis from 0% to 100%. This rating is used to establish financial compensation.

Source: Boswall *et al.* (2010.)

In 2003, about 34,000 Canadian Forces Veterans and members were VAC disability benefit clients. By 2009, this number grew to over 56,000, a 65% increase in just six years. Although the total still-serving and Veteran CF population has remained fairly stable at around 700,000, the proportion of disability benefit clients among the eligible population increased from 5% to 8% over this same time period.

¹⁵ Veterans Affairs Canada. *Application for Disability Benefits. General information.* PEN 6202e: www.vac-acc.gc.ca & *Disability pensions Entitlement eligibility guidelines:* www.vac-acc.gc.ca

New Veterans Charter Programs and Services

The NVC aims to help Canadian Forces Veterans successfully make the transition into civilian life through rehabilitation and re-integration programs. The New Veterans Charter offers:

- Disability awards and other allowances Disability Awards are paid in recognition of the pain and suffering, physical and/or psychological loss, functional impairment and impact of a service-related injury on the Veteran's overall quality of life.
- Rehabilitation services The Rehabilitation Program helps disabled CF Veterans who need support to re-enter civilian life through medical, psycho/social and vocational services.
- Financial benefits (Earnings Loss and CF Income Support) Earnings Loss benefits may be paid to CF Veterans in recognition of the economic impact a career-ending and/or service-related injury has on their ability to earn income following their eligibility for the Rehabilitation Program. Income Support benefits are available to CF Veterans who have completed the Rehabilitation Program but haven't been able to find employment (CFIS).
- Career Transition Services (CTS) CTS, formerly the Job Placement Program, assists Regular Force personnel, as well as some personnel of the Reserves, get practical help finding a job. The program focuses on three key services: (1) Workshops; (2) Individual career counselling and; (3) Job-finding assistance.
- One-on-one case management
- Group health insurance
- Support for CF families

Table 6: NVC Program Clients and Average Cost

	March 2007		March 2008		March 2009	
	Clients	Avg Cost	Clients	Avg Cost	Clients	Avg Cost
Disability Awards	1,402	\$35,242	5,851	\$33,687	11,709	\$34,680
Rehabilitation	1,139	\$526	1,897	\$1,213	2,591	\$1,641
Earnings Loss	919	\$3,793	734	\$18,893	1,147	\$16,633
CF Income Support	0	0	1	n/a	3	\$4,772
Health Insurance	235	n.a.	421	n.a.	595	n.a.
Career Transition Services	15	n.a.	74	n.a.	401	n.a.

Source: VAC Statistics Directorate, Quarterly Fact Sheet and Corporate Information System.
n.a. Not available.

Appendix C: Release Types

Item & Category	Reason for Release	Description
1 - Misconduct	a) Sentenced to Dismissal	where sentenced by court martial to dismissal or dismissal with disgrace from Her Majesty's service;(1 September 1999)
	b) Service Misconduct	where convicted by a service tribunal of a serious offence that warrants release under this category; where convicted by service tribunals of a number of offences indicating a course of misbehaviour that warrants release under this category; (See Item2(a.) where convicted by a civil court of an offence of a serious nature related to the performance of his duties which would have warranted release under this category if convicted by a service tribunal
	c) Illegally Absent	who has been illegally absent and will not be required for further service under existing service policy
	d) Fraudulent Statement on Enrolment	who, at time of enrolment, made a fraudulent statement which, having regard to the circumstances under which it was made and its effect, warrants release under this item; a false statement as to age made by an underage applicant, or a minor oversight or ambiguous statement made through enthusiasm to join the forces, should not result in release under this category
2 – Unsatisfactory Service	a) Unsatisfactory Conduct	where convicted by a service tribunal of an offence which warrants release under this category, but does not warrant release under Item 1(b); where convicted by service tribunals of a number of offences indicating a course of misbehaviour which warrants release under this category, but does not warrant release under Item 1(b); by reason of unsatisfactory civil conduct, or conviction of an offence by a civil court, of a serious nature not related to the performance of his duties but reflecting discredit on the Service
	b) Unsatisfactory Performance	who has the ability to improve but continues to display a lack of application or effort in the performance of his duties. (See Item 5(d) for cases where unsatisfactory performance is attributable to an inherent lack of ability or aptitude.)
3 - Medical	a) Medical	On medical grounds, being disabled and unfit to perform duties as a member of the Service
	b) Medical	On medical grounds, being disabled and unfit to perform his duties in his present trade or employment, and not otherwise advantageously employable under existing service policy
4 - Voluntary	a) On Request – When Entitled to an Immediate Annuity	an officer or non-commissioned member who has not reached his retirement age in accordance with article 15.17 (<i>Release of Officers – Age and Length of Service</i>) or 15.31 (<i>Release of Non-commissioned Members – Age and Length of Service</i>), but whose service entitles him to an immediate annuity under the <i>Canadian Forces Superannuation Act</i> ; or an officer or non-commissioned member who has not reached his retirement age in accordance with article 15.17 or 15.31, and who has completed an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> when, prior to completion of that fixed period of service, an offer of further service, to be completed at the retirement age applicable to him in accordance with article 15.17 or 15.31, was refused by him
	b) On Completion of a Fixed Period of Service	Applies to the release of: an officer on completion or during the final year of his fixed period of service, other than an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> , when, prior to completion of that fixed period of service, an application for further service is not made, or he refused an offer of further service; or a non-commissioned member on completion of his fixed period of service, other than an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> when, prior to completion of that fixed period of service, an

		application for further service is not made, or he refused an offer of further service.
	c) On Request – Other Causes	Applies to the release at his request of an officer or non-commissioned member whose release is authorized in circumstances other than those prescribed in (a) or (b) of this Item.
5 - Service Completed	a) Retirement Age	Applies to the release of : an officer or non-commissioned member because he has reached his retirement age in accordance with article 15.17 (<i>Release of Officers – Age and Length of Service</i>) or 15.31 (<i>Release of Non-commissioned Members – Age and Length of Service</i>); or an officer or non-commissioned member who has reached his retirement age in accordance with article 15.17 or 15.31, but who has continued to serve in accordance with paragraph (2) of article 15.02 (<i>Release as of Right</i>), paragraph (5) of article 15.17 or paragraph (7) of article 15.31
	b) Reduction in Strength	Applies to the release of an officer or non-commissioned member as a result of a planned reduction, under section 15 of the <i>National Defence Act</i> , in the maximum numbers of officers and noncommissioned members in the Canadian Forces
	c) Completed Service for Which Required	Applies to the release of : an officer or non-commissioned member who, not having reached retirement age in accordance with article 15.17 or 15.31, has completed the period of service required under existing policy; an officer or non-commissioned member who, not having reached retirement age in accordance with article 15.17 or 15.31, has completed the period of service required because of a change in classification or trade specifications or in the establishment requirements of the Canadian Forces; an officer on completion or during the final year of his fixed period of service, other than an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> , when his application for further service is not approved, or an offer of further service is not made to him; a non-commissioned member on completion of his fixed period of service, other than an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> , when his application for further service is not approved, or an offer of further service is not made to him; or member who has not reached his retirement age in accordance with article 15.17 or 15.31, and who has completed an Intermediate Engagement as defined in the <i>Canadian Forces Superannuation Act</i> when, prior to completion of that fixed period of service, an offer of further service, to be completed at the retirement age applicable to him in accordance with article 15.17 or 15.31, was not made to him
	d) Not Advantageously Employable	Applies to the release of an officer or non-commissioned member: because of an inherent lack of ability or aptitude to meet military classification or trade standards; or who is unable to adapt to military life; or who, either wholly or chiefly because of the conditions of military life or other factors beyond his control, develops personal weaknesses or has domestic or other personal problems that seriously impair his usefulness to or impose an excessive administrative burden on the Canadian Forces
	e) Irregular Enrolment	Applies to the release of an officer or non-commissioned member by reason of an irregular enrolment other than Item 1(d)
	f) Unsuitable for Further Service	Applies to the release of an officer or non-commissioned member who, either wholly or chiefly because of factors within his control, develops personal weakness or behaviour or has domestic or other personal problems that seriously impair his usefulness to or impose an excessive administrative burden on the Canadian Forces

Appendix D: Income Data Definitions

Total income is the sum of the market income and government transfer payments.

Market income is defined as total income excluding government transfer payments from government programs. These exclusions include workers' compensation, Child Tax Benefit, employment insurance, CPP/QPP, etc.

Market income consists of the following variables:

- Alimony or support income
- Dividends (Actual)
- Earnings from T4 slips
- Interest and investment income
- Limited partnership income
- Other employment income
- Other income
- Other pension and superannuation income
- Registered retirement savings plan income
- Rental income
- Self-employment
- Indian exempt employment income

Government transfer income include

- Old Age Security pension
- Canada/Quebec Pension Plan
- Net federal supplements
- Employment insurance
- Goods and services tax credit
- Provincial refundable tax credits
- Social assistance
- Workers' compensation
- Child Tax Benefits
- Family benefits

Earnings

- Total earnings from T4 slips
- Indian exempt employment income
- Other employment income
- Net business income
- Net professional income
- Net commission income
- Net farming income
- Net fishing income

Other types of income

- Limited partnership income
- Dividends (Actual)

- Interest and other investment income
- Rental income
- Alimony or separation allowances
- Pension and superannuation income
- RRSP income of individuals aged 65 and over (RRSPO)
- Other income¹⁶
 - Scholarships, fellowships and bursaries
 - Artist's project grants
 - Research grants less research expenses
 - Project grants received in the tax year
 - Retiring allowances
 - Death benefits from employment service, less any tax free amounts
 - Taxable payments from a registered education savings plan
 - Loans and transfers of property
 - Amounts distributed from a retirement compensation arrangement
 - Training allowances
 - Income averaging annuity contract payments
 - Certain annuity payments
 - Registered education savings plan income
 - Registered retirement savings plan income, excluding annuities reported as pension income
 - Amounts from an amateur athlete trust and any other type of taxable income not reported elsewhere on the return

Investment Income includes limited partnership income, interest and investment income, dividends and rental income (does not include capital gains).

Pension and superannuation income refers to pension income excluding Old Age Security pension and the Canada or Quebec Pension Plan benefits. War veterans' allowances, veterans' disability and dependents' pension payments are nontaxable and they are not part of pensions and superannuation. Foreign pensions must be reported and converted into Canadian funds. In 1986 and 1987, annuity payments from an RRSP were included in pension and superannuation income.

Sources: Statistics Canada, Longitudinal Administrative Data Dictionary: 2004, Catalogue no. 12-585-XIE

¹⁶ Other income is used by the Canada Revenue Agency to capture income that is taxable but is not listed elsewhere in the tax return. In addition, amounts reported as spousal income are placed into other income for non-filing spouses during T1FF processing.

Appendix E: Low-Income Measures by Census Family Type

Low-Income Measures (LIMs) are a relative measure of low income. LIMs are a fixed percentage (50%) of adjusted median family income where *adjusted* indicates that economies of scales have been taken into account. A census family is considered to be low-income when their income is below the Low-Income Measure (LIM) for their family type and size.

The following steps outline the method to calculate the LIMs and to establish the low-income population for census families and persons not in census families.

1. Determine for each census family the adjusted family size whereby the first adult is counted as 1.0, each additional adult and each child 16 years of age and over as 0.4 and each child less than 16 years of age as 0.3 (except in a lone-parent family where the first child is counted as 0.4). Each person not in a census family is counted as 1.0.
2. For each census family calculate an adjusted family income by dividing their family income by their adjusted family size. For persons not in census families, for whom the adjusted family size is 1.0, the adjusted family income is the individual's income.
3. Determine the median adjusted family income which is the adjusted family income where 50% of the families, including persons not in census families, have a smaller adjusted family income and 50% have a higher one.
4. The LIM for a family of size one is 50% of the median adjusted family income and the LIMs for the other family types are equal to this value multiplied by their adjusted family size.
5. Low-income census families and low-income persons not in census families are those whose incomes are below the LIM for their family types. Census families and persons not in census families whose incomes are equal to or above the LIM for their family type are not considered low income.
6. This process is repeated for each year. Thus, the LIMs for each year are derived from the reported incomes of that year.

Table 9 outlines the before-tax Low Income Measures (LIMs) for 2007. Various census family types are outlined: lone-parent families (one adult with one, two and ten children), couple families (two adults with zero, one, two, and ten children), lone-parent or couple families with older children and younger children (one to four adults with zero, one, two and ten children) and persons not in census families (one adult, no children). Low-income census families and low-income persons not in census families are those whose (family) incomes are below the LIM for their family type. For example, the 2007 before-

tax LIM for a person not in a census family is \$17,190 and the 2007 before-tax LIM for a lone-parent family with two children 15 years of age and under is \$29,220.

Table 7: Before Tax Low Income Measures by Census Family Size, 2007

	Number of Children				
	0	1	2	...	10
	Dollars				
2007					
1 adult	17,190	24,070	29,220	...	70,480
2 adults	24,070	29,220	34,380	...	75,640
3 adults	30,940	36,100	41,260	...	82,510
4 adults	37,820	42,980	48,130	...	89,390

* Includes parents/spouses, children 16 years of age and over and the first child in lone-parent families regardless of age.

Table 10 shows the adjustment measure for each year. The before-tax LIM for any family size can be calculated by multiplying \$17,190 by the appropriate adjusted family factor for a specific family size (Table 9). For example, the before-tax LIM for a couple family with two children over the age of 15 is \$37,820. This is calculated by multiplying \$17,190 by 2.2.

Table 8: Before tax Low Income Measures (current \$s) for Census Family Adjustment, 1997 to 2007

Year	Low income measure \$
1997	11,790
1998	12,190
1999	12,700
2000	13,340
2001	14,090
2002	14,290
2003	14,620
2004	15,110
2005	15,690
2006	16,410
2007	17,190

Source: Special tabulation: T1FF 1997-2007

Appendix F: Record Linkage

The Income study required the links to be done longitudinally, so as to have Veteran income information for the year prior to their release, the year of release, and all available post-release years. The first step to construct the longitudinal file was to build the target population of Veterans for the study. This is done by keeping all records from the linked DND-VAC-T1FF file for which there has been a link established between the files for the year of their release. Then the longitudinal file is created by adding one by one the T1FF files containing the income information for the pre-release year, and all available post release year.

The DND-VAC file contained 63,422 records including 42,591 released from the Regular Force and 20,831 released from the Primary Reserves (Table 5). From this, 674 records were removed due to death during the length of the panel being observed, and another 250 records were removed as the person appeared more than once in the DND-VAC-T1FF file. The DND-VAC-T1FF file had 57,931 records, or 91.3% of the original DND-VAC file. For the Regular Force Veterans, the average linkage rate was 92%, ranging from 90.8% to 93.6% (Table 6). The Primary Reserve Veterans had a slightly lower average linkage rate of 90.1%, ranging from 89.5% to 93.3% (Table 7).

Table 9: Total Linkage Rates DND-VAC and the T1FF Files

	Number of Veterans		Linkage rate
	DND-VAC File	DND-VAC-T1FF File	
Regular Force	42,591	39,135	92.0%
Primary Reserves	20,831	18,766	90.1
Total	63,422	57,931	91.3%

Table 10: Regular Force Veteran Linkage Rates DND-VAC and T1FF Files by Release Year

Release Year	Number of Regular Force Veterans*		Linkage Rate
	DND-VAC File	DND-VAC-T1FF File	
1998	3,970	3,647	91.9%
1999	3,872	3,589	92.7%
2000	3,968	3,682	92.8%
2001	3,644	3,411	93.6%
2002	3,798	3,500	92.2%
2003	3,833	3,481	90.8%
2004	4,084	3,711	90.9%
2005	4,293	3,955	92.1%
2006	5,129	4,687	91.4%
2007	6,000	5,502	91.7%
Total	42,591	39,135	92.0%

* Includes re-enlisted.

Table 11: Primary Reserve Veteran Linkage Rates DND-VAC and T1FF Files by Release Year

Release Year	Number of Primary Reserve Force Veterans*		Linkage Rate
	DND-VAC File	DND-VAC-T1FF File	
1998	724	651	89.9%
1999	601	561	93.3%
2000	745	691	92.8%
2001	697	644	92.4%
2002	1,210	1,086	89.8%
2003	2,748	2,465	89.7%
2004	3,158	2,854	90.4%
2005	3,528	3,174	90.0%
2006	3,807	3,407	89.5%
2007	3,613	3,233	89.5%
Total	20,831	18,766	90.1%

* Includes re-enlisted.

Not all the records in the DND-VAC file matched to the T1FF, for various reasons. The person did not file in that year, wasn't in the country that year, or was institutionalized. In addition, not all records have all the information for all years of their panel. Table 3 illustrates that fact. For example, for Veterans released in 1998, 76.8% had 11 years of income data, the maximum number possible. The remainder had not filed in at least one year.

Table 12: Distribution of Panel Sample by Years of Income Data

Panel	Number of Years of Income Data											Total
	1	2	3	4	5	6	7	8	9	10	11	
1998	0.1%	1.8%	0.5%	0.9%	1.2%	1.1%	1.7%	2.7%	4.4%	8.8%	76.8%	100.0%
1999	0.1%	1.2%	0.8%	1.0%	1.4%	1.6%	2.4%	3.9%	7.7%	80.1%		100.0%
2000	0.1%	1.2%	0.8%	1.0%	1.7%	2.4%	3.8%	8.5%	80.5%			100.0%
2001	0.3%	1.5%	1.1%	1.2%	2.3%	3.2%	7.7%	82.7%				100.0%
2002	0.1%	1.3%	1.3%	2.1%	4.0%	8.2%	83.1%					100.0%
2003	0.3%	1.6%	2.1%	3.2%	9.7%	83.2%						100.0%
2004	0.4%	1.7%	3.4%	8.9%	85.5%							100.0%
2005	0.5%	3.2%	8.7%	87.6%								100.0%
2006	1.0%	8.4%	90.6%									100.0%
2007	6.1%	93.9%										100.0%

Table 13: Regular Force Veteran Population and Sample Characteristics

		Total Population (n=36,638)		Matched Sample of Post-Release Average (3 year average)								
				Total (n=21,436)		NVC Clients (n=992 or 5%)		DP Clients (n=5,643 or 26%)		Non clients (n=14,801 or 69%)		
		n	%	n	%	n	%	n	%	n	%	
Age at release	15-19	1,478	4.0	831	3.9	x	x	x	x	828	5.6	
	20-24	5,057	13.8	2,617	12.2	19	1.9	133	2.4	2,468	16.7	
	25-29	4,335	11.8	2,219	10.4	64	6.5	274	4.9	1,881	12.7	
	30-34	3,595	9.8	2,237	10.4	140	14.1	488	8.6	1,609	10.9	
	35-39	4,751	13.0	3,245	15.1	200	20.2	1,167	20.7	1,878	12.7	
	40-44	8,152	22.3	4,933	23.0	318	32.1	1,718	30.4	2,897	19.6	
	45-49	4,598	12.5	2,492	11.6	126	12.7	896	15.9	1,470	9.9	
	50-54	2,953	8.1	1,788	8.3	94	9.5	606	10.7	1,088	7.4	
	55 and over	1,719	4.7	1,074	5.0	31	3.1	361	6.4	682	4.6	
Gender	Males	32,194	87.9	18,758	87.5	891	89.8	4,950	87.7	12,917	87.3	
	Females	4,444	12.1	2,678	12.5	101	10.2	693	12.3	1,884	12.7	
Yrs of service	Less than 10	13,190	36.0	6,607	30.8	130	13.1	528	9.4	5,949	40.2	
	10 to 19	5,160	14.1	3,399	15.9	280	28.2	1,240	22.0	1,879	12.7	
Release year	20 plus	18,288	49.9	11,430	53.3	582	58.7	3,875	68.7	6,973	47.1	
	1998	3,567	9.7	3,161	14.7	119	12.0	585	10.4	2,457	16.6	
	1999	3,446	9.4	3,128	14.6	111	11.2	591	10.5	2,426	16.4	
	2000	3,494	9.5	3,177	14.8	126	12.7	708	12.5	2,343	15.8	
	2001	3,156	8.6	2,876	13.4	124	12.5	739	13.1	2,013	13.6	
	2002	3,299	9.0	2,975	13.9	129	13.0	877	15.5	1,969	13.3	
	2003	3,348	9.1	2,956	13.8	184	18.5	990	17.5	1,782	12.0	
	2004	3,548	9.7	3,163	14.8	199	20.1	1,153	20.4	1,811	12.2	
	2005	3,636	9.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	2006	4,249	11.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	2007	4,895	13.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
	Release type	Involuntary	2,257	6.2	1,120	5.2	34	3.4	85	1.5	1,001	6.8
		Medical	8,634	23.6	4,846	22.6	559	56.4	3,040	53.9	1,247	8.4
		Voluntary	20,361	55.6	11,868	55.4	267	26.9	1,656	29.3	9,945	67.2
		Retirement Age	2,259	6.2	1,526	7.1	48	4.8	414	7.3	1,064	7.2
		Service Complete	2,576	7.0	2,035	9.5	84	8.5	441	7.8	1,510	10.2
		Unknown	551	1.5	41	0.2	0	0	7	0.1	34	0.2
Rank at release		Senior Officers	2,784	7.6	1,774	8.3	42	4.2	430	7.6	1,302	8.8
Junior Officers	2,721	7.4	1,715	8.0	33	3.3	295	5.2	1,387	9.4		
Subordinate Officers	1,626	4.4	963	4.5	5	0.5	42	0.7	916	6.2		
Senior NCM	9,751	26.6	6,235	29.1	336	33.9	2,166	38.4	3,733	25.2		
Junior NCM	11,524	31.5	6,802	31.7	527	53.1	2,497	44.2	3,779	25.5		
Private	2,514	6.9	1,379	6.4	20	2.0	100	1.8	1,259	8.5		
Branch	Recruit	5,718	15.6	2,567	12.0	29	2.9	113	2.0	2,425	16.4	
	Army	18,153	49.5	9,913	46.2	572	57.7	2,963	52.5	6,378	43.1	
	Navy	6,047	16.5	3,450	16.1	129	13.0	659	11.7	2,662	18.0	
	Air Force	10,752	29.3	6,670	31.1	274	27.6	1,816	32.2	4,580	30.9	
Enrollment period	Unknown	1,686	4.6	1,403	6.5	17	1.7	205	3.6	1,181	8.0	
	1960's	2,434	6.6	2,148	10.0	99	10.0	682	12.1	1,367	9.2	
	1970's	8,747	23.9	6,116	28.5	294	29.6	1,973	35.0	3,849	26.0	
	1980's	11,075	30.2	6,117	28.5	410	41.3	2,266	40.2	3,441	23.2	
	1990's	5,898	16.1	4,107	19.2	167	16.8	617	10.9	3,323	22.5	
	2000's	8,484	23.2	2,948	13.8	22	2.2	105	1.9	2,821	19.1	
Province at release	Newfoundland	864	2.4	508	2.4	20	2.0	119	2.1	369	2.5	
	Prince Edward Island	187	0.5	111	0.5	5	0.5	23	0.4	83	0.6	
	Nova Scotia	4,345	11.9	2,536	11.8	108	10.9	658	11.7	1,770	12.0	
	New Brunswick	1,801	4.9	1,076	5.0	78	7.9	355	6.3	643	4.3	
	Quebec	7,409	20.2	4,486	20.9	190	19.2	1,157	20.5	3,139	21.2	
	Ontario	11,240	30.7	6,743	31.5	270	27.2	1,689	29.9	4,784	32.3	
	Manitoba	1,359	3.7	787	3.7	47	4.7	230	4.1	510	3.4	
	Saskatchewan	636	1.7	410	1.9	15	1.5	68	1.2	327	2.2	
	Alberta	4,808	13.1	2,613	12.2	165	16.6	840	14.9	1,608	10.9	
	British Columbia	3,204	8.7	1,773	8.3	76	7.7	395	7.0	1,302	8.8	
Other	785	2.1	393	1.8	18	1.8	109	1.9	266	1.8		

Notes: Post-Release Average includes population matched on income data in the year of release and each of first three years post-release.
x = suppressed due to less than 6 observations.
n.a. not applicable

Appendix G: Income Type by Release Year and Client Status

Income Type	Years	All	NVC Clients	DP Clients	Non Clients
average total income	Pre-release	\$62,300	\$71,500	\$71,000	\$57,900
	Release year	\$80,400	\$87,000	\$95,200	\$74,100
	3 year avg post	\$55,800	\$48,700	\$57,900	\$55,400
	1 year post	\$56,800	\$54,700	\$61,200	\$55,200
	2 years post	\$57,800	\$48,700	\$60,700	\$57,300
	3 years post	\$58,900	\$49,600	\$59,200	\$59,500
	4 years post	\$60,400	\$50,100	\$60,200	\$61,100
	5 years post	\$62,000	\$50,400	\$60,900	\$63,000
	6 years post	\$63,700	\$52,600	\$61,000	\$65,100
	7 years post	\$64,400	\$50,800	\$59,600	\$66,300
	8 years post	\$64,000	\$51,300	\$59,000	\$65,800
average earnings	9 years post	\$65,500	\$49,300	\$58,200	\$68,100
	Pre-release	\$61,600	\$70,600	\$70,500	\$57,100
	Release year	\$49,600	\$52,600	\$54,100	\$47,600
	3 year avg post	\$35,500	\$25,500	\$31,000	\$37,900
	1 years post	\$33,800	\$26,500	\$31,100	\$35,600
	2 years post	\$36,800	\$25,600	\$32,900	\$39,300
	3 years post	\$38,500	\$26,100	\$32,300	\$41,700
	4 years post	\$40,900	\$26,600	\$34,400	\$44,100
	5 years post	\$43,000	\$27,200	\$35,600	\$46,300
	6 years post	\$45,200	\$29,100	\$37,400	\$48,300
	7 years post	\$46,900	\$28,400	\$36,800	\$50,600
average pension	8 years post	\$47,400	\$29,700	\$37,300	\$50,800
	9 years post	\$48,700	\$24,800	\$35,200	\$53,200
	Pre-release	\$0	\$0	\$0	\$0
	Release year	\$9,500	\$10,800	\$13,700	\$7,800
	3 year avg post	\$17,800	\$19,900	\$24,200	\$15,200
	1 year post	\$19,500	\$22,200	\$26,400	\$16,400
	2 years post	\$18,800	\$20,400	\$25,400	\$16,000
	3 years post	\$18,000	\$20,000	\$24,200	\$15,400
	4 years post	\$17,200	\$19,900	\$23,200	\$14,900
	5 years post	\$16,600	\$19,900	\$22,200	\$14,500
	6 years post	\$16,000	\$19,800	\$20,900	\$14,300
average gov't transfers	7 years post	\$14,800	\$18,500	\$19,900	\$13,300
	8 years post	\$13,700	\$17,600	\$18,600	\$12,300
	9 years post	\$13,300	\$15,700	\$18,700	\$11,800
	Pre-release	\$600	\$600	\$400	\$700
	Release year	\$1,300	\$1,500	\$900	\$1,500
	3 year avg post	\$1,600	\$2,200	\$1,700	\$1,500
	1 year post	\$1,700	\$2,200	\$1,500	\$1,800
	2 years post	\$1,500	\$2,100	\$1,600	\$1,300
	3 years post	\$1,600	\$2,500	\$1,900	\$1,400
	4 years post	\$1,600	\$3,000	\$1,800	\$1,400
	5 years post	\$1,600	\$2,400	\$2,100	\$1,400
average other income	6 years post	\$1,600	\$2,800	\$1,900	\$1,500
	7 years post	\$1,700	\$3,100	\$2,000	\$1,500
	8 years post	\$1,700	\$3,100	\$2,100	\$1,600
	9 years post	\$1,700	\$4,400	\$2,000	\$1,500
	Pre-release	\$200	\$200	\$200	\$200
	Release year	\$20,100	\$22,300	\$26,500	\$17,400
	1 year post	\$1,900	\$3,800	\$2,200	\$1,500
	2 years post	\$700	\$800	\$800	\$600
	3 years post	\$700	\$1,000	\$500	\$700
	4 years post	\$600	\$700	\$600	\$500
	5 years post	\$600	\$400	\$600	\$600
6 years post	\$600	\$600	\$500	\$700	
7 years post	\$500	\$600	\$500	\$500	
8 years post	\$600	\$800	\$500	\$600	
9 years post	\$900	\$2,600	\$1,600	\$700	

Income Type	Years	All	NVC Clients	DP Clients	Non Clients
average investment income	Pre-release	\$0	-\$100	-\$100	\$100
	Release year	\$0	\$0	\$0	\$100
	1 year post	\$200	\$100	\$100	\$200
	2 years post	\$100	\$100	\$100	\$300
	3 years post	\$300	\$0	\$200	\$300
	4 years post	\$300	\$0	\$300	\$300
	5 years post	\$400	\$400	\$300	\$400
	6 years post	\$400	\$200	\$400	\$500
	7 years post	\$500	\$200	\$300	\$500
	8 years post	\$600	\$100	\$500	\$600
9 years post	\$600	\$1,600	\$500	\$600	
received EI	ever	35.4%	37.7%	30.3%	37.1%
	always	2.4%	2.0%	1.9%	2.6%
	Pre-release	4.2%	2.2%	1.4%	5.5%
	Release year	11.9%	7.7%	5.6%	14.7%
	1 year post	16.9%	13.6%	11.8%	19.2%
	2 years post	14.2%	13.4%	11.7%	15.3%
	3 years post	14.9%	16.0%	13.0%	15.6%
	4 years post	15.0%	17.4%	12.7%	15.6%
	5 years post	14.5%	18.4%	14.3%	14.4%
	6 years post	13.6%	19.4%	13.3%	13.4%
7 years post	12.9%	19.9%	12.8%	12.6%	
8 years post	12.2%	21.9%	10.0%	12.3%	
9 years post	12.2%	17.8%	10.6%	12.3%	
% under LIM	ever	15.3%	18.3%	10.0%	17.0%
	always	1.6%	1.4%	0.8%	1.9%
	Pre-release	4.2%	0.7%	0.7%	5.9%
	Release year	4.4%	1.2%	0.9%	6.0%
	1 year post	6.6%	5.7%	3.3%	8.1%
	2 years post	6.1%	7.2%	3.5%	7.0%
	3 years post	5.7%	6.6%	3.9%	6.3%
	4 years post	5.1%	7.8%	3.5%	5.5%
	5 years post	4.8%	7.1%	3.5%	5.0%
	6 years post	4.5%	7.3%	3.8%	4.5%
7 years post	3.9%	7.4%	3.9%	3.8%	
8 years post	3.9%	6.5%	4.3%	3.6%	
9 years post	3.4%	7.1%	3.3%	3.2%	
received SA or GIS	ever	3.2%	2.5%	0.9%	4.1%
	always	0.2%	x	x	0.3%
	Pre-release	0.9%	0.3%	0.1%	1.3%
	Release year	1.2%	0.8%	0.3%	1.6%
	1 year post	1.3%	1.1%	0.2%	1.8%
	2 years post	1.2%	1.0%	0.2%	1.7%
	3 years post	1.1%	x	0.2%	1.5%
	4 years post	1.1%	0.7%	0.1%	1.4%
	5 years post	0.9%	1.0%	0.2%	1.2%
	6 years post	0.8%	x	0.2%	1.0%
7 years post	0.8%	x	0.3%	1.0%	
8 years post	0.8%	x	x	1.0%	
9 years post	0.9%	x	x	1.0%	
share of family income	Pre-release	70.6%	75.7%	75.2%	68.2%
	Release year	71.8%	76.2%	77.4%	69.2%
	3 year avg post	65.7%	69.4%	68.2%	64.5%
	1 year post	66.2%	68.7%	68.9%	64.9%
	2 years post	66.7%	68.4%	68.7%	65.8%
	3 years post	67.5%	69.0%	68.6%	67.0%
	4 years post	67.0%	68.5%	68.7%	66.4%
	5 years post	68.3%	69.7%	69.0%	68.0%
	6 years post	68.5%	69.7%	68.2%	68.5%
	7 years post	68.7%	69.2%	68.6%	68.7%
8 years post	68.3%	70.0%	68.0%	68.3%	
9 years post	68.2%	72.6%	65.4%	68.7%	