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Income Study 2026
Pre- and Post-Release Income of Regular Force Veterans

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Pre- and Post-Release Income 2026

Executive Summary

Objective
This study of Veterans' income is an important component of research efforts aimed at understanding the military to civilian life transition. This report describes income trends pre- and post- release, for Veterans and their families.

Methods
Statistics Canada linked records of 102,096 Veterans released from 1998 to 2019 with Canadian tax files, to describe Veteran income (pre-tax) for the pre-release year, the 3-year period after release, and up to 24 years post-release. Statistics Canada produced aggregate tables for the cohort with at least 3 years of follow-up from the year prior to release (n=81,125). Before-tax income did not include the amount of VAC disability benefits.

Findings
Post-release, the largest source of Veteran income was employment income, followed by pensions and government transfers. Average income declined between the pre-release year and the first year post-release [$85K (2022 constant dollars) to $80K], with post-release income reaching pre-release income levels 4 years after release. The largest declines in income were experienced by Veterans who were 60 to 64 years of age (a 17% decline in income), females (a 14% decline in income), and Veterans who had medically released (an 11% decline in income). There were large variations in labour-market earnings across industries; for most industries, females earned less than their male counterparts.

The rate of low income peaked at 6% in the first year post-release before gradually leveling off at 4% a few years after release. Seventeen percent (17%) of Veterans experienced low income at least once post-release. The highest rates of post-release low income were experienced by Veterans who involuntarily released (45%), released with less than 2 years of service (44%), or released at entry level rank (41%). Females had higher rates of low income at least one year post-release than males (20% vs 17%).

Families rely on the Veteran's income with Veteran income accounting for about 69% of total family income in the release years. Average spousal income rose from $50K in the year prior to the Veterans' release to $52K during the first three years post-release.

Conclusion
In general, Veterans experienced little decline in income post-release, and few experienced low income. There were several groups of Veterans, such as younger Veterans, female Veterans, and medically released Veterans, who warrant further research and policy consideration.

1. Introduction

Income is an important determinant of health (PHAC, 2011) and Veterans experiencing low income have been more likely to report difficulty in adjusting to civilian life (MacLean et al, 2014). This study required a longitudinal linkage, from pre-release to post-release years. The first step to construct the longitudinal file was to build the target population of Veterans for the study. The target population was made up of all records from the linked Military Veteran Status File (MVSF) to the T1 Family File (T1FF) for the year of their release. Then the longitudinal file was created by adding one-by-one the T1FF files containing the income information for the pre-release year, and all available post-release years.

The primary objective of this study was to describe income trends pre and post-release, for Regular Force Veterans released between 1998 and 2019, including:

- change in total income, sources of income, rates of receipt of Employment Insurance or Social Assistance/Guaranteed Income Supplement, and rates of low income
- income trends according to demographic and service characteristics and VAC client status
- distribution of Veterans and labour-market earnings by industry
- employer continuity by demographic and service characteristics and industry
- family income and family status changes
- comparison of female and male Veterans by sources of income, low income, and industry.

2. Method

2.1 Study Population and Data Sources

As of March 2021, there were an estimated 592,300 Canadian Armed Forces (CAF) Veterans (released since 1953) living in Canada and about 19% were in receipt of benefits from VAC. The population covered in this report includes Regular Force Veterans released from 1998 to 2019.

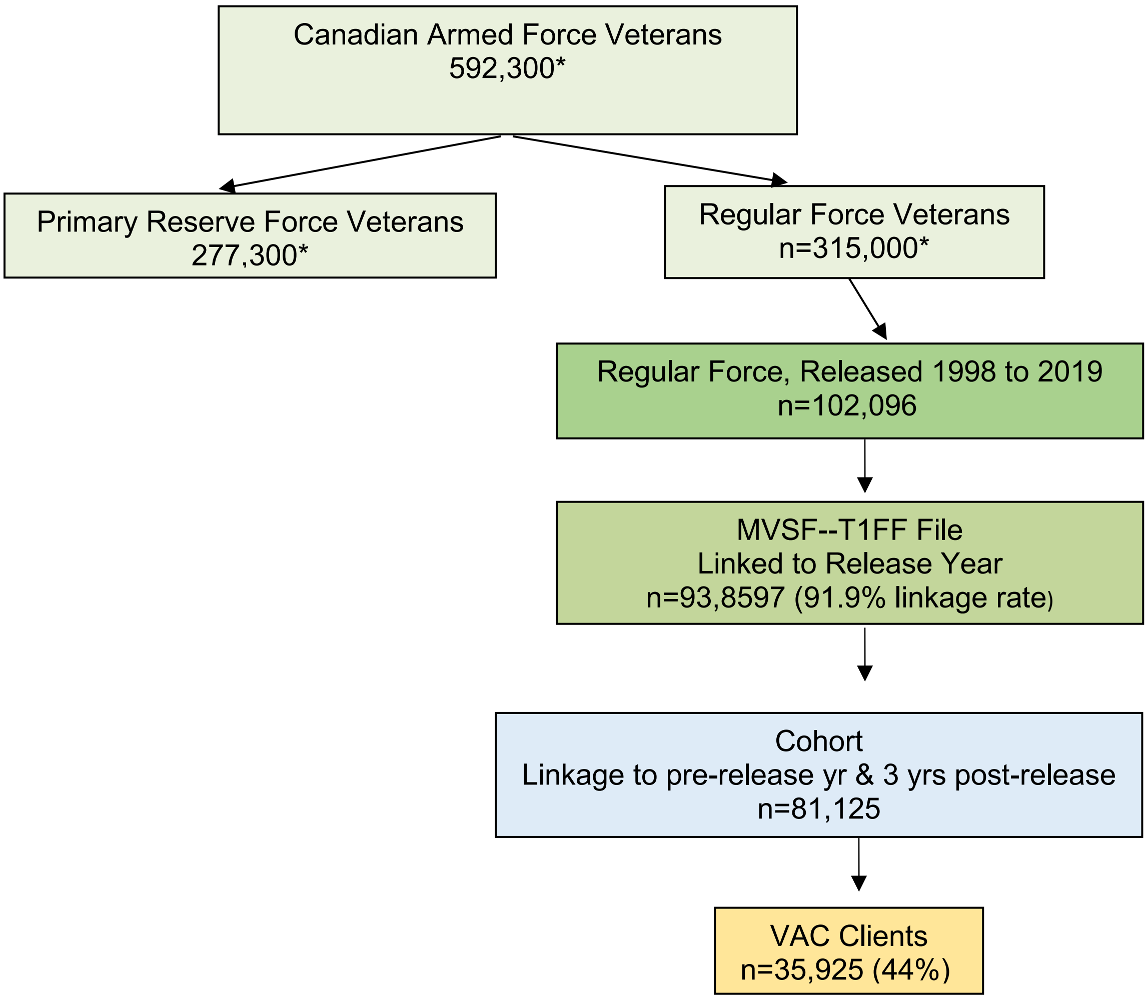
Data on releases was extracted from the DND Human Resources Management System to create the study population with data for the Regular Force available since 1998. The release data was linked by Statistics Canada with income data from tax files available up to 2022. From the release data, 102,096 Regular Force Veterans released from January 1, 1998 to December 31, 2019 were identified (See Appendix A).

The analysis used a cohort of Veterans who were linked to tax files in the pre-release year and in all of the first three years post-release. This cohort included 81,125 records, and allowed comparison of pre-release and post-release income.

Client status was examined by linking VAC administrative data to the tax data. Clients included those in receipt of Disability Pensions and/or any programs under the New

Veterans Charter as of March 2022 (35,9250 or 44% of the cohort). The New Veterans Charter includes programs such as Disability Awards, Rehabilitation, Earnings Loss, Career Transition Services and Canadian Forces Income Support. The numbers of VAC clients linked are shown in Figure 1.

Figure 1: Income Study Population



*Source: VAC Facts & Figures, March 2021

2.2 Time Frame and Linkage

The Income Study required the linkages to be undertaken 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 for Regular Force (t1 to t24), as per Table 1 below. The overall linkage rate was 91.9%. Details can be found in Appendix A.

A cohort linked to the tax file in the pre-release year and all of the first three years post-release was followed (n=81,125). Detailed analysis was generally restricted to a comparison of the pre-release year and the average of the first three years post-release. This was done as counts become smaller with each year post-release limiting analysis by demographic and service characteristics. For example, the 24 years post-release category (t24) includes only those who were released in 1998.

For this cohort, total income, sources of income, the percentage who received Employment Insurance (EI), Social Assistance (SA) / Guaranteed Income Supplement (GIS) and the percentage with incomes below the before-tax Low Income Measure (LIM) were calculated for the year prior to release, the release year and up to 24 years post-release for Regular Force Veterans. Receipt of EI, SA/GIS or low income at least one year or every year post-release was also calculated for the cohort.

Table 1: Study Time Frame

Prior to Release (t-1)	**Release Year (t0)**	Cohort	Post-release								
			1 yr (t1)	2 yrs (t2)	3 yrs (t3)	4 yrs (t4)	5 yrs (t5)	6 yrs (t6)	7 yrs (t7)	8yrs (t8)	…24yrs (t24)
1997	**1998**	Pre-release, release year & first 3 yrs post-release	1999	2000	2001	2002	2003	2004	2005	2006	…2022
1998	**1999**		2000	2001	2002	2003	2004	2005	2006	2007	
1999	**2000**		2001	2002	2003	2004	2005	2006	2007	2008	
2000	**2001**		2002	2003	2004	2005	2006	2007	2008	2009	
2001	**2002**		2003	2004	2005	2006	2007	2008	2009	2010	
2002	**2003**		2004	2005	2006	2007	2008	2009	2010	2011	
2003	**2004**		2005	2006	2007	2008	2009	2010	2011	2012	
2004	**2005**		2006	2007	2008	2009	2010	2011	2012	2013	
2005	**2006**		2007	2008	2009	2010	2011	2012	2013	2014	
2006	**2007**		2008	2009	2010	2011	2012	2013	2014	2015	
2007	**2008**		2009	2010	2011	2012	2013	2014	2015	2016	
2008	**2009**		2010	2011	2012	2013	2014	2015	2016	2017	
2009	**2010**		2011	2012	2013	2014	2015	2016	2017	2018	
2010	**2011**		2012	2013	2014	2015	2016	2017	2018	2019	
2011	**2012**		2013	2014	2015	2016	2017	2018	2019		
2012	**2013**		2014	2015	2016	2017	2018	2019			
2013	**2014**		2015	2016	2017	2018	2019				
2014	**2015**		2016	2017	2018	2019					
2015	**2016**		2017	2018	2019						
2016	**2017**		2018	2019							
2017	**2018**		2019								
2018	**2019**										

Note: shaded grey area represents the Cohort (Pre-release, release year & first 3 yrs post-release)

2.3 Demographic and Service Variables

The following variables were derived from the DND Human Resources Management System data (See Appendix B for more detail):

- Age at release, derived from date of birth and release dates
- Sex
- 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 (Officers, senior Non-Commissioned Member(NCM), junior NCM, entry)
- Branch at release (Army, Navy, Air Force)

Release types and ranks were grouped for ease of analysis and to avoid cells with small numbers of observations. The tax data provided province of residence at release as well as industry codes as of December 31, 2022[1].

[1] North American Industry Classification System (NAICS) Canada 2022 Version 1.0

2.4 Income, Family and Labour-Market Variables

The study population data consisted of release records linked to the T1 family file (T1FF) tax records data from 1997 to 2019 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 a historical file) and filing children who reported the same address as their parent and don't have their own spouse and/or children. Development of the small area family data is based on the census family concept. The census family includes a married couple (with or without children), a common-law couple (with or without children) or a lone parent family. Details of the service variables used in the record linkage are included in Appendix B.

The following income, family and labour market indicators were included in this report (see Appendix C, D and E for details):

- Veteran average total income and earnings expressed in 2022 constant dollars before tax
- Veteran sources of income included: earnings, pensions, investment and government transfers (excluding VAC Disability Benefits)[2] expressed in 2022 constant dollars
- Average incomes by source for those with specific sources of income (ex: Labour Market Earnings and Pension) expressed in 2022 constant dollars
- Veteran rates of receipt of EI and SA or GIS
- Distribution of Veterans by industry
- Labour-market earnings of Veterans by industry expressed in 2022 constant dollars
- Employer continuity defined as the proportion of the population with labour-market earnings who remained with the same employer during the first three years post-release
- Rates of family low income using the Statistics Canada before-tax LIM (CFLIM-BT) that establishes a threshold income each year by census family size
- Veteran's share of total family income
- Spousal income and sources of income expressed in 2022 constant dollars
- Changes in family structure (divorces, marriages and children) during the first three years post-release

[2] Transfers received from the VAC Disability Benefits Program were not included in the T1FF data as both disability pensions and awards including related special awards such as the Attendance Allowance are non-taxable and need not be reported to the Canada Revenue Agency. However, Earnings Loss Benefits and Permanent Impairment Allowances paid by VAC are taxable and were included as earnings.

3. Results

3.1 Cohort Characteristics

The study cohort included 81,125 records that were linked to tax files for Regular Force Veterans in the pre-release year and in all of the first three years post-release (Table 2). This group is called the Regular Force cohort. The majority (56%) of this cohort were not clients of VAC and 44% were VAC clients.

Among this cohort two thirds (66%) were 35 years of age or older and a large majority were males (86%). More than half of the cohort released with 20 or more years of service and released voluntarily. With respect to rank, junior and senior NCMs accounted for 69% of the cohort. Just over a third of the cohort released from the Army, followed by the Air Force (18%) and Navy (16%). As of 2022, half of released Regular Force members were living in either Quebec or Ontario. Taken together, less than 20% lived in the Atlantic Provinces, and 24% lived in the Western Provinces.

This study also compared VAC clients and non-clients by service and demographic characteristics. VAC clients were more likely than non-clients to be older, to have served for longer periods of time, and to have medically released. The vast majority (81%) of VAC clients were 35 years of age or older, compared to about half of non-clients. Sixty eight percent (68%) of clients had 20 years of service or more compared to 49% for non-clients. Just over half of VAC clients were medically-released, compared to only 8% of non-clients. There were some areas where VAC clients and non-clients were similar, including the proportion of females, branch, and province of residence.

Table 2: Regular Force Cohort* Characteristics by VAC Client Status

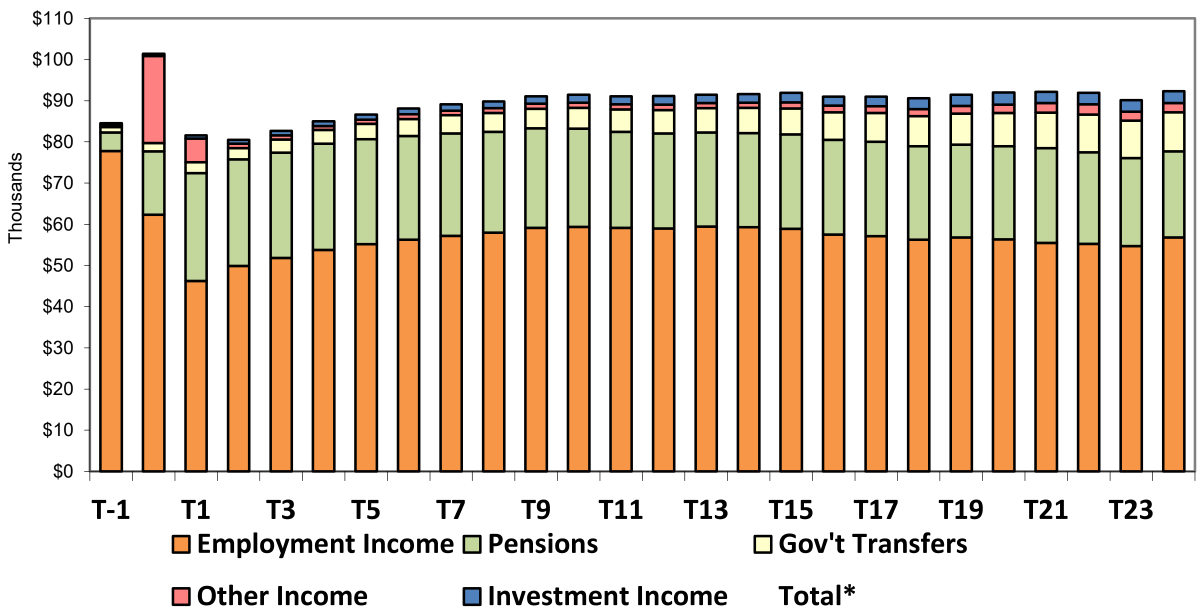
		VAC Clients 44%		Non-Clients 56%		Total 100%	
		n	%	n	%	n	%
Total		35,925	100%	45,195	100%	81,125	100%
Age at release	25 & under	1,110	3.1%	10,775	23.8%	11,880	14.6%
	25-29	2,515	7.0%	6,130	13.6%	8,645	10.7%
	30-34	3,235	9.0%	4,020	8.9%	7,255	8.9%
	35-39	4,840	13.5%	3,920	8.7%	8,760	10.8%
	40-44	7,370	20.5%	5,230	11.6%	12,600	15.5%
	45-49	6,210	17.3%	4,350	9.6%	10,560	13.0%
	50-54	5,630	15.7%	4,635	10.3%	10,265	12.7%
	55-59	3,490	9.7%	3,460	7.7%	6,950	8.6%
	60-64	1,340	3.7%	1,945	4.3%	3,285	4.0%
	65 plus	190	0.5%	735	1.6%	925	1.1%
Sex	Males	30,535	85.0%	38,875	86.0%	69,410	85.6%
	Females	5,395	15.0%	6,320	14.0%	11,715	14.4%
Years of service	Less than 2	175	0.5%	3,580	7.9%	3,750	4.6%
	2 to 9	4,455	12.4%	8,780	19.4%	13,235	16.3%
	10 to 19	6,880	19.2%	4,220	9.3%	11,100	13.7%
	20 plus	24,345	67.8%	21,975	48.6%	46,320	57.1%
Release type	Involuntary	660	1.8%	3,010	6.7%	3,670	4.5%
	Medical	18,925	52.7%	3,385	7.5%	22,315	27.5%
	Voluntary	13,335	37.1%	32,515	71.9%	45,850	56.5%
	Retirement Age	2,615	7.3%	4,280	9.5%	6,895	8.5%
	Service Complete	390	1.1%	2,000	4.4%	2,390	2.9%
	Unknown	X	X	X	X	X	X
Rank at release	Officers	5,470	15.2%	8,835	19.5%	14,310	17.6%
	Senior NCM	13,910	38.7%	9,780	21.6%	23,690	29.2%
	Junior NCM	15,705	43.7%	16,175	35.8%	31,880	39.3%
	Entry	840	2.3%	10,400	23.0%	11,245	13.9%
Branch at release	Army	13,970	38.9%	17,375	38.4%	31,345	38.6%
	Navy	5,295	14.7%	7,860	17.4%	13,155	16.2%
	Air Force	6,770	18.8%	7,425	16.4%	14,195	17.5%
	Unknown	9,895	27.5%	12,535	27.7%	22,430	27.6%
Province in 2022	Newfoundland	1,030	2.9%	1,060	2.3%	2,090	2.6%
	Prince Edward Island	340	0.9%	320	0.7%	660	0.8%
	Nova Scotia	4,485	12.5%	3,810	8.4%	8,295	10.2%
	New Brunswick	2,670	7.4%	1,955	4.3%	4,620	5.7%
	Quebec	7,475	20.8%	9,855	21.8%	17,330	21.4%
	Ontario	9,970	27.8%	12,735	28.2%	22,710	28.0%
	Manitoba	985	2.7%	1,170	2.6%	2,155	2.7%
	Saskatchewan	435	1.2%	835	1.8%	1,270	1.6%
	Alberta	3,915	10.9%	4,540	10.0%	8,455	10.4%
	British Columbia	3,265	9.1%	4,390	9.7%	7,655	9.4%
	Yukon	10	0.0%	55	0.1%	65	0.1%
	Northwest Territories	25	0.1%	70	0.2%	100	0.1%
	Nunavut	X	X	30	0.1%	35	0.0%
	Other	1,315	3.7%	4,370	9.7%	5,685	7.0%

* Population linked to tax records in the pre-release year and the first three years post-release. Rows may not add up to total due to rounding to the nearest 5 or 10.

3.2 Income Trends and Sources

Total income in the year prior to release was $84,520 in 2022 constant dollars (Figure 2). In the release year, total income rose to $101,410, and then declined to $81,550 in the first year post-release. Total income then increased fairly steadily for 10 years after release. Post-release income eventually reached pre-release income after four years post-release. The spike in income in the release year is largely due to other income, related to severance pay. The largest source of income in each year post-release was employment income, followed by pensions and government transfers. Employment income was lowest ($46,220) in the first year after release and while employment income rose after that, Veterans did not recover their pre-release level of employment income. Government transfers, including employment insurance and social assistance, rose steadily from $1,310 in the pre-release year to $9,460 in the 24th year post-release.

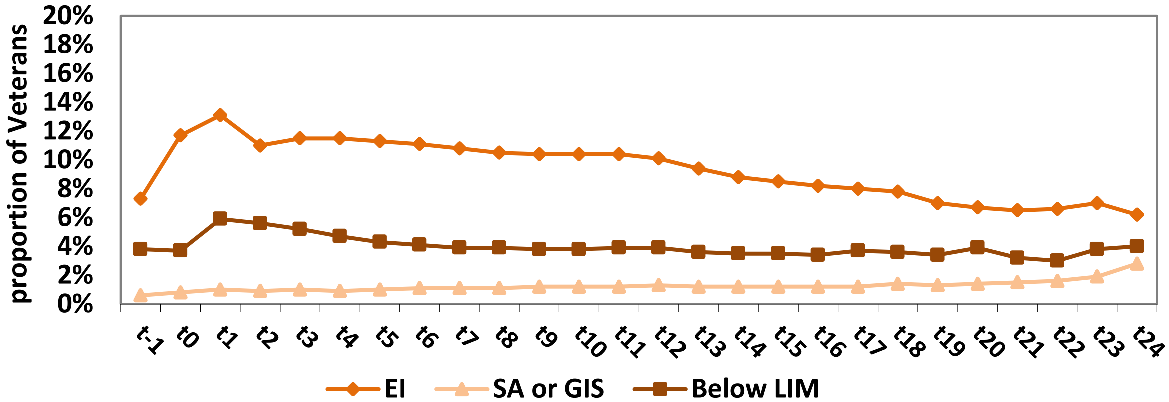
Figure 2: Total Income by Source



Note: Total income is the before tax income of the Veteran expressed in 2022 constant dollars. Total income includes income from taxable income (including VAC Earnings Loss Benefits) and government transfers but does not include non-taxable VAC Disability Benefits.
*May not add exactly due to rounding.

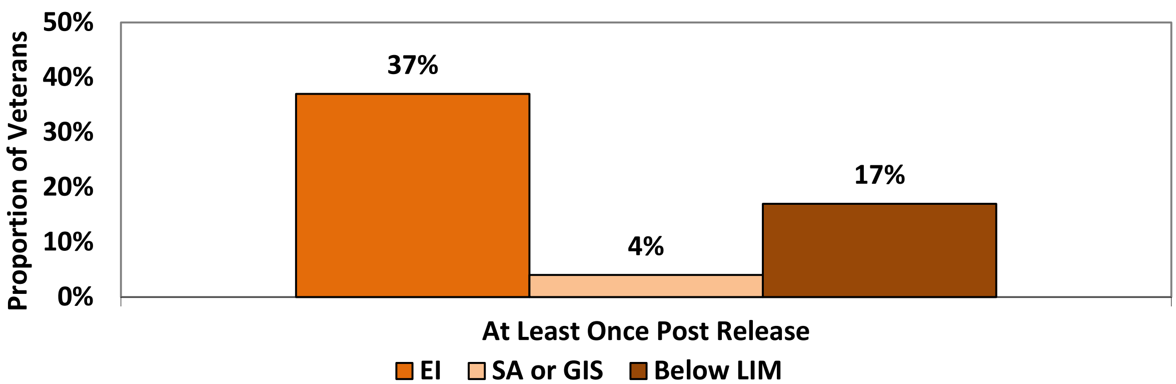
The highest rates for receipt of Employment Insurance (EI) and experiencing low income were in the first year after release (Figure 3). Rates for receipt of EI were 7% in the pre-release year, rising to 12% in the release year and peaking at 13% in the first year post-release. The rate of receipt of Social Assistance (SA) or Guaranteed Income Supplement (GIS) remained at 1% throughout the entire pre- and post-release period. The rate of low income was 4% in the pre-release year and the release year and rose to 6% in the first year post-release and then gradually declined until five years post-release when it leveled off at 4%.

Figure 3: Receipt of Employment Insurance or Social Assistance/Guaranteed Income Supplement and Rate of Low Income[3]



Receipt of EI at least one year post-release was 37% and the rate of receiving SA or GIS at least one year post-release was 4%. Seventeen percent (17%) of Veterans were in a low income situation for at least one year post-release (Figure 4).

Figure 4: Receipt of Employment Insurance or Social Assistance/Guaranteed Income Supplement , and Below Low Income Status Post-release



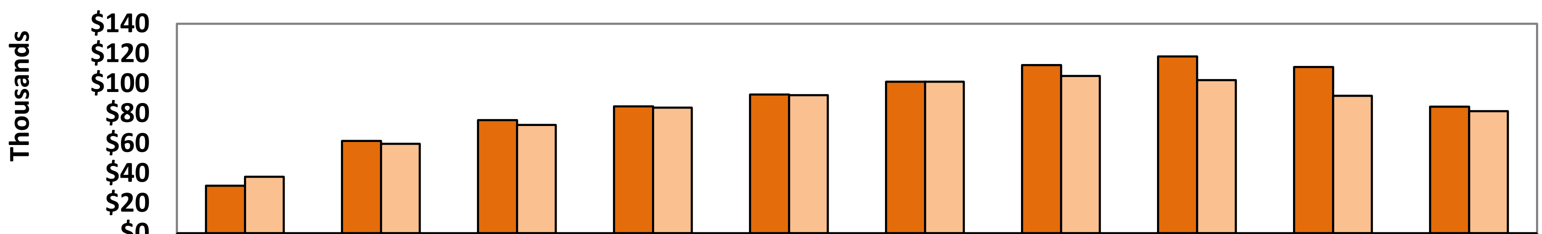
[3] Note: Low income measure is before tax. EI in the year prior to release would include mainly those in receipt of maternity or paternity benefits.

3.3 Total Income by Cohort Characteristics

The decline in income from the pre-release year to the average of the first three years post-release was 3.5% for the cohort. This section examines this change in income by a variety of service and demographic characteristics.

Income increased with age in the pre-release year, from $31,760 for those under 25 years of age to $111,120 for those 60 to 64 years of age. Income declined post-release for each age group, except for those under 25 years of age. Those 60 to 64 years of age, while having the highest post-release income, experienced a 17% decline in income, followed by those 55 to 59 years of age with a 13% decline (Figure 5).

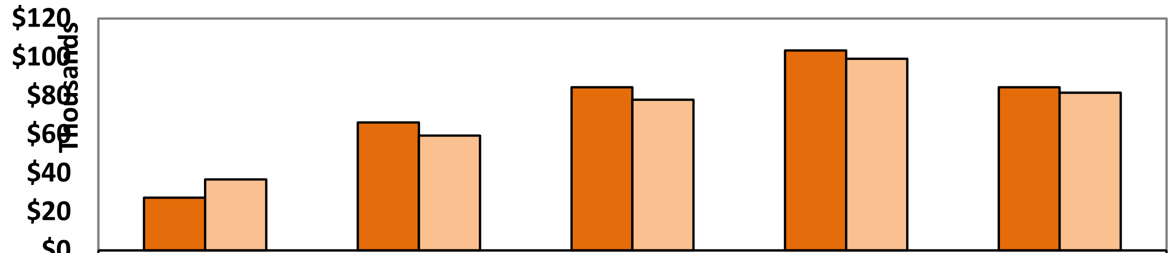
Figure 5: Total Income Change by Age at Release



	under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	Total
Pre-Release Yr	$31,760	$61,790	$75,500	$84,800	$92,630	$101,300	$112,450	$118,100	$111,120	$84,520
Post-Release (avg 3 yrs)	$37,780	$59,670	$72,350	$83,960	$92,360	$101,200	$105,220	$102,410	$91,880	$81,570
Change	19.0%	-3.4%	-4.2%	-1.0%	-0.3%	-0.1%	-6.4%	-13.3%	-17.3%	-3.5%

Both pre- and post-release total income increased substantially with length of service. Regular Force Veterans who served for 20 years or more had a total pre-release income of $103,430, compared to $27,330 for those with less than two years of service. Similarly, post-release income varied greatly between those two groups, at $99,190 and $36,680 respectively. Those who experienced the greatest declines in income post-release had served 2 to 9 years and 10 to 19 years (with declines of 10% and 8%, respectively) (Figure 6).

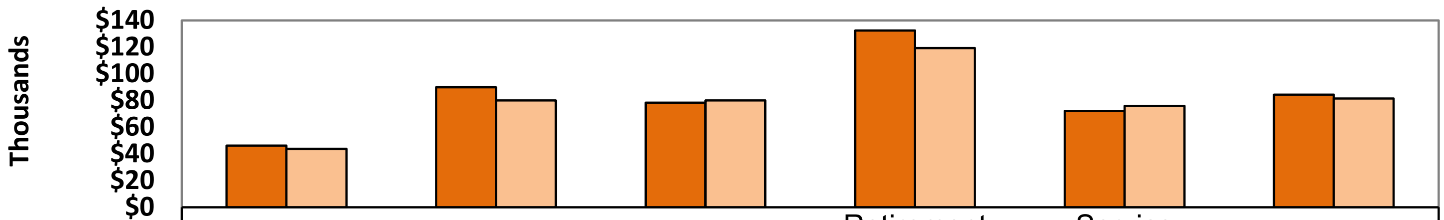
Figure 6: Total Income Change by Length of Service



	less than 2 years	2 to 9 years	10 to 19 years	20 plus years	Total
Pre-Release Yr	$27,330	$66,180	$84,430	$103,430	$84,520
Post-Release (avg 3 yrs)	$36,680	$59,470	$77,920	$99,190	$81,570
Change	34.2%	-10.1%	-7.7%	-4.1%	-3.5%

Total income varied considerably by release type (release types described in Appendix B). Those releasing due to retirement had a pre-release income of $132,430. At the other end of the spectrum, the average pre-release income for involuntary releases was $46,220. There was a similar pattern with respect to post-release income, with the highest at $119,280 for those at retirement age and the lowest at $43,730 for involuntary releases. Medical releases saw the greatest declines in income at 11%, from $89,840 to $80,100 (Figure 7).

Figure 7: Total Income Change by Release Type

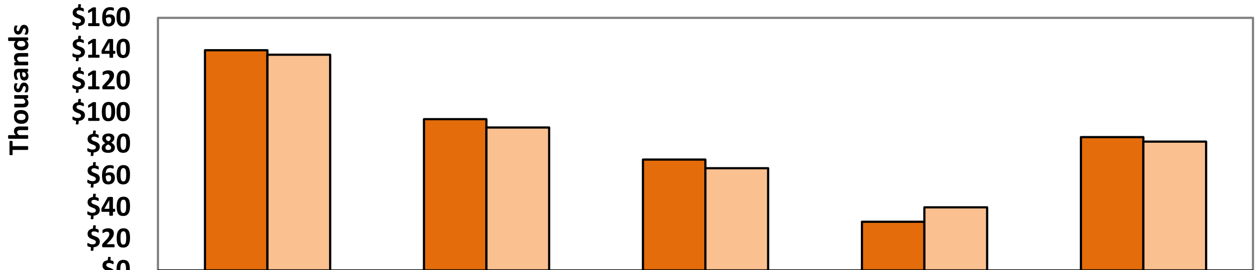


	Involuntary	Medical	Voluntary	Retirement age	Service complete	Total
Pre-Release Yr	$46,220	$89,840	$78,450	$132,430	$72,030	$84,520
Post-Release (avg 3 yrs)	$43,730	$80,100	$80,020	$119,280	$76,110	$81,570
Change	-5.4%	-10.8%	2.0%	-9.9%	5.7%	-3.5%

* see Appendix B for details on these categories

Officers had the highest income both pre and post-release, while entry rank had the lowest income in both time frames. Post-release incomes were higher than pre-release incomes for entry ranks and lower for all other ranks. Entry rank had the greatest increase in income post-release (30%) while junior NCMs had the greatest decrease (8%) (Figure 8).

Figure 8: Total Income Change by Rank

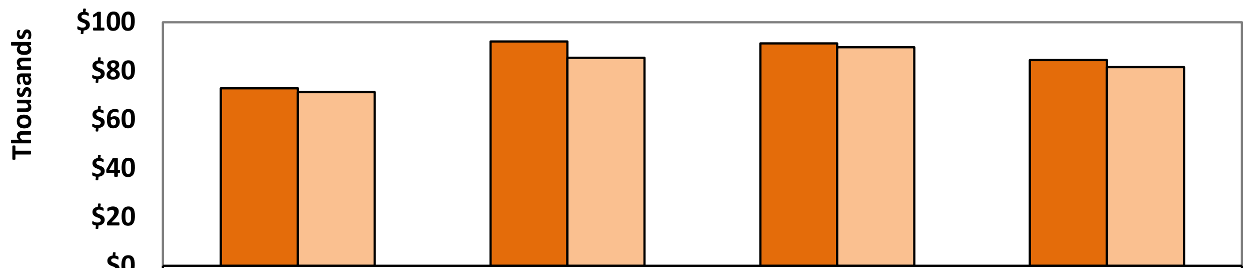


	Officers	Senior NCM	Junior NCM	Entry	Total
Pre-Release Yr	$139,460	$95,850	$70,350	$30,860	$84,520
Post-Release (avg 3 yrs)	$136,620	$90,470	$64,860	$40,060	$81,570
Change	-2.0%	-5.6%	-7.8%	29.8%	-3.5%

* see Appendix B for details on these categories

Post-release income for the cohort ranged from $71,370 for Army Veterans to $89,710 for Air Force Veterans. Navy Veterans had the highest pre-release income. The greatest decline in income (7%) was for those who released from the Navy (Figure 9).

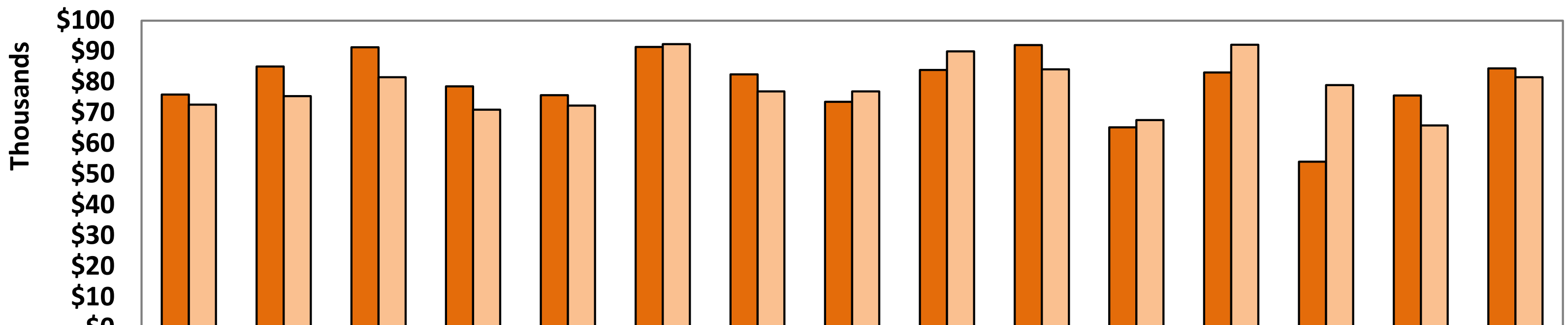
Figure 9: Total Income Change by Service Branch



	Army	Navy	Air Force	Total
Pre-Release Yr	$72,900	$92,090	$91,350	$84,520
Post-Release (avg 3 yrs)	$71,370	$85,400	$89,710	$81,570
Change	-2.1%	-7.3%	-1.8%	-3.5%

Those who lived outside of Canada had the lowest post-release income, at $65,880, followed by those who lived in the Yukon ($67,620) and New Brunswick ($71,060). Veterans who lived in Ontario had the highest post-release income at $92,330. Veterans who experienced an increase in income after release lived in Ontario (a 1% increase), Yukon or Saskatchewan (4 to 5%), Alberta (7%), Northwest Territories (11%) and Nunavut (46%).. The largest decline in income was among those who lived in Prince Edward Island (11%), higher than the average overall decline of 4%. Large declines in income were also experienced among those who lived in the Atlantic provinces as well as British Columbia, and outside Canada (Figure 10).

Figure 10: Total Income Change by Province of Residence, 2022



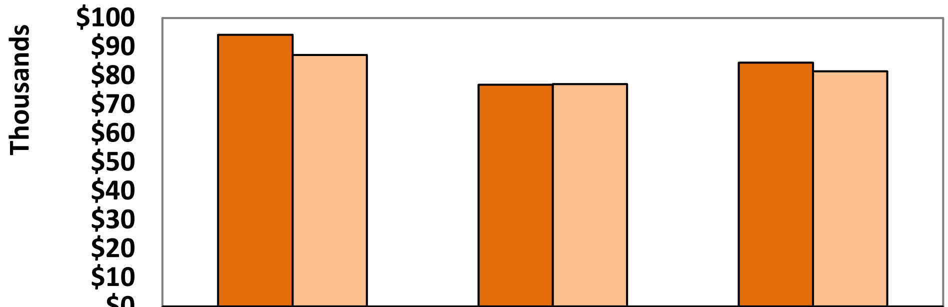
	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT	NU	Other	Total
Pre-Release Yr	$75,960	$85,070	$91,320	$78,670	$75,780	$91,460	$82,530	$73,570	$83,980	$92,090	$65,290	$83,170	$54,120	$75,600	$84,520
Post-Release(avg 3 yrs)	$72,710	$75,450	$81,580	$71,060	$72,390	$92,330	$76,940	$77,000	$89,980	$84,200	$67,620	$92,120	$79,000	$65,880	$81,570
Change	-4.3%	-11.3%	-10.7%	-9.7%	-4.5%	1.0%	-6.8%	4.7%	7.1%	-8.6%	3.6%	10.8%	46.0%	-12.9%	-3.5%

3.4 VAC Clients and Non-Clients

Forty four percent (44%) of the cohort were VAC clients while 56% were non-clients. This section compares total income, earnings, pension income and low income between VAC clients and non-clients.

Total pre-release income for VAC clients was $94,200 compared to post-release income of $87,170, a decline of 8%. There was minimal change in income for non-clients with both a pre and post-release average income of around $77,000 (Figure 11).

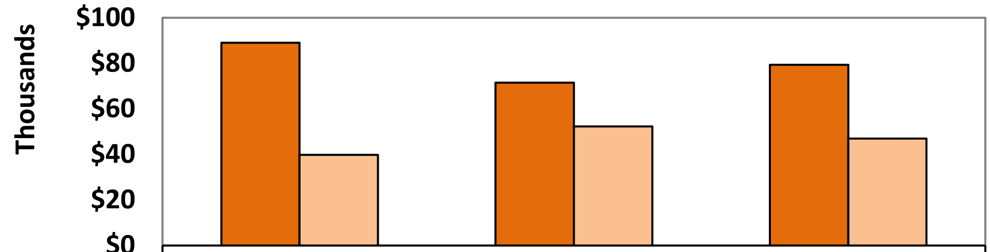
Figure 11: Total Income Change by VAC Client Status



	Clients	Non-Clients	Total
Pre-Release (t-1)	$94,200	$76,820	$84,520
Post-Release (avg 3 yrs)	$87,170	$77,120	$81,570
Change	-7.5%	0.4%	-3.5%

Pre-release earnings were greater for VAC clients ($89,070) than non-clients ($71,430) while post-release earnings were lesser for VAC clients ($39,860) than non-clients ($52,270). VAC client earnings decreased by 55% while non-client earnings decreased by 27% (Figure 12).

Figure 12: Average Earnings* Change by VAC Client Status

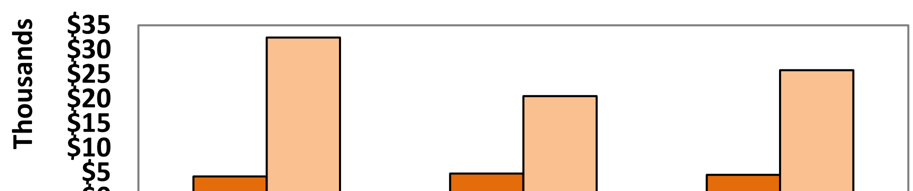


	Clients	Non-Clients	Total
Pre-Release (t-1)	$89,070	$71,430	$79,330
Post-Release (avg 3 yrs)	$39,860	$52,270	$47,000
Change	-55.2%	-26.8%	-40.8%
% of pop pre**	100%	99%	99%
% of pop post**	87%	93%	91%

* Among those with earnings
** Percent of cohort with earnings in the indicated time period

Pre-release pension income was low $4,240 for VAC clients and $4,790 for non-clients. Post-release pension income increased to $32,480 for VAC clients and $20,570 for non-clients. Overall, the post-release pension income was $25,840 (Figure 13).

Figure 13: Average Pension* Income Change by VAC Client Status



	Clients	Non-Clients	Total
Pre-Release (t-1)	$4,240	$4,790	$4,540
Post-Release (avg 3 yrs)	$32,480	$20,570	$25,840
Change	86.90%	76.7%	82.4%
% of pop pre**	1%	1%	1%
% of pop post**	80%	45%	61%

* Among those with a pension
** Percent of cohort with earnings in the indicated time period

3.5 Changes in Income, Low Income and VAC Clients

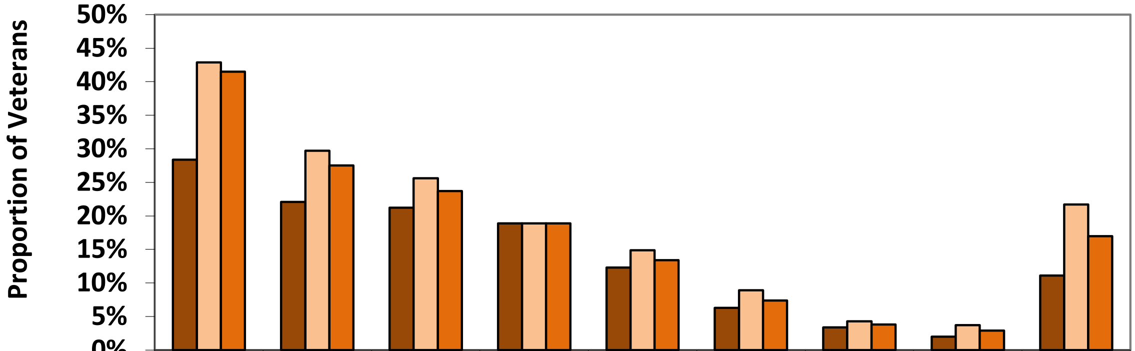
Veterans who were Nunavut residents (42%), served less than two years (34%), and released at entry level ranks (29%), had the largest increases in income after release (Table 3). With respect to decreases in income, those 60 to 64 years of age (17%), females (14%), and who medically released (11%) saw the largest declines, compared to an overall decline of 4%. Females, who accounted for only 14% of the cohort, were slightly more likely to be VAC clients (46%) than the cohort overall (44%). However, the majority (85%) of Veterans who were medically released were VAC clients, and accounted for 27% of the cohort. Veterans 60 to 64 years of age (41%) were more likely to be VAC clients than the average and accounted for 4% of the cohort (Table 3).

Table 3: Total Income Change by Characteristic

	Change Pre-Release Yr to Ave First 3 Yrs Post-Release	**% VAC Clients (n=35,925)**	**% of Cohort (n=81,125)**
Total	-3.5%	44%	100%
Largest Increases			
Nunavut resident	+46%	x	x
Served less than 2 years	+34%	5%	5%
Entry Rank	+30%	7%	14%
Largest Decreases			
Age 60 - 64	-17%	41%	4%
Females	-14%	46%	14%
Medical releases	-11%	85%	27%

Overall, 17% of Veterans experienced low income at least one year post-release. Non-clients were more likely than VAC clients to have experienced low income in at least one year post-release, at 22% and 11% respectively. The higher rate of low income among non-clients was mainly due to their younger age. Younger Veterans had higher rates of low income (Figure 14).

Figure 14: Low Income at Least One Year Post-release by Age and VAC Client Status



	under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	Total
Clients	28.4%	22.1%	21.2%	18.9%	12.3%	6.3%	3.4%	2.0%	11.1%
Non Clients	42.9%	29.7%	25.6%	18.9%	14.9%	8.9%	4.3%	3.7%	21.7%
Total	41.5%	27.5%	23.7%	18.9%	13.4%	7.4%	3.8%	2.9%	17.0%

Age at Release

Notes: Low income measure is before tax.

Veterans who released at retirement age (2%), or who were 55 to 59 years of age (3%) or Officers (6%) at release had the lowest rates of experiencing low income at least one year post-release. Veterans who involuntary released (45%), released with less than 2 years of service (44%) or released at entry level rank (41%) had the highest rates of experiencing low income. In all three of these sub-populations, less than 20% were clients of VAC, compared to 44% of the cohort. Involuntary release and those who served for less than 2 years accounted for 5% of the cohort population, while those released at entry level rank accounted for 14% of the cohort population (Table 4).

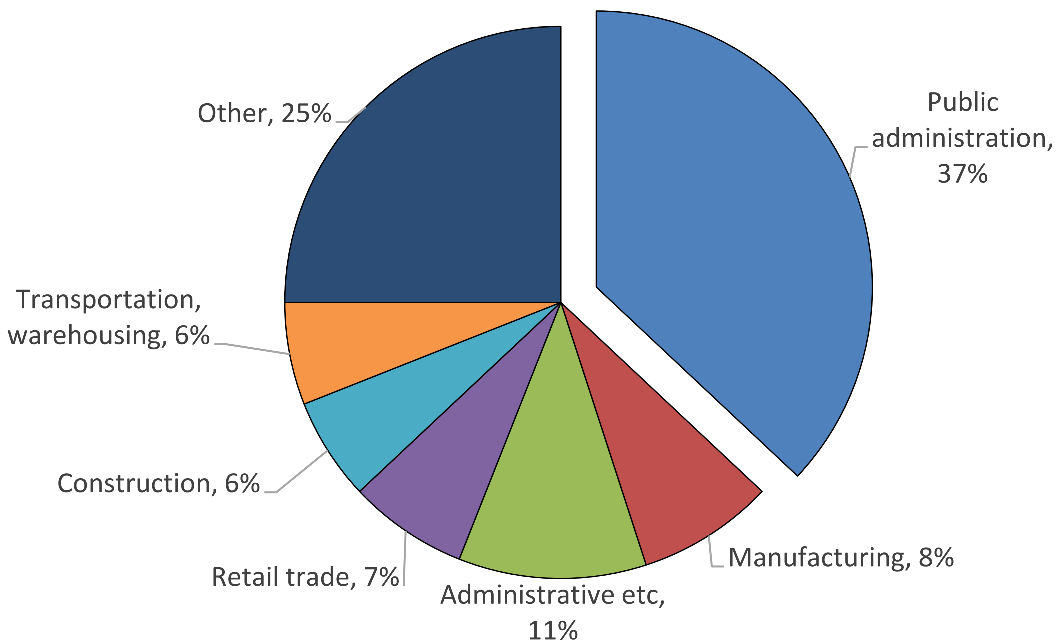
Table 4: Regular Force Low Income at Least One Year Post-release by Characteristic

	Low Income Rate	% VAC Clients (n=35,925)	% of Cohort (n= 81,125)
Total	17%	44%	100%
Lowest Rates			
Retirement age	2%	38%	9%
Age 55 to 59	3%	50%	9%
Officers	6%	38%	18%
Highest Rates			
Involuntary releases	45%	18%	5%
Served less than 2 years	44%	5%	5%
Entry	41%	8%	14%

3.6 Labour-Market Earnings by Industry and Employer Continuity

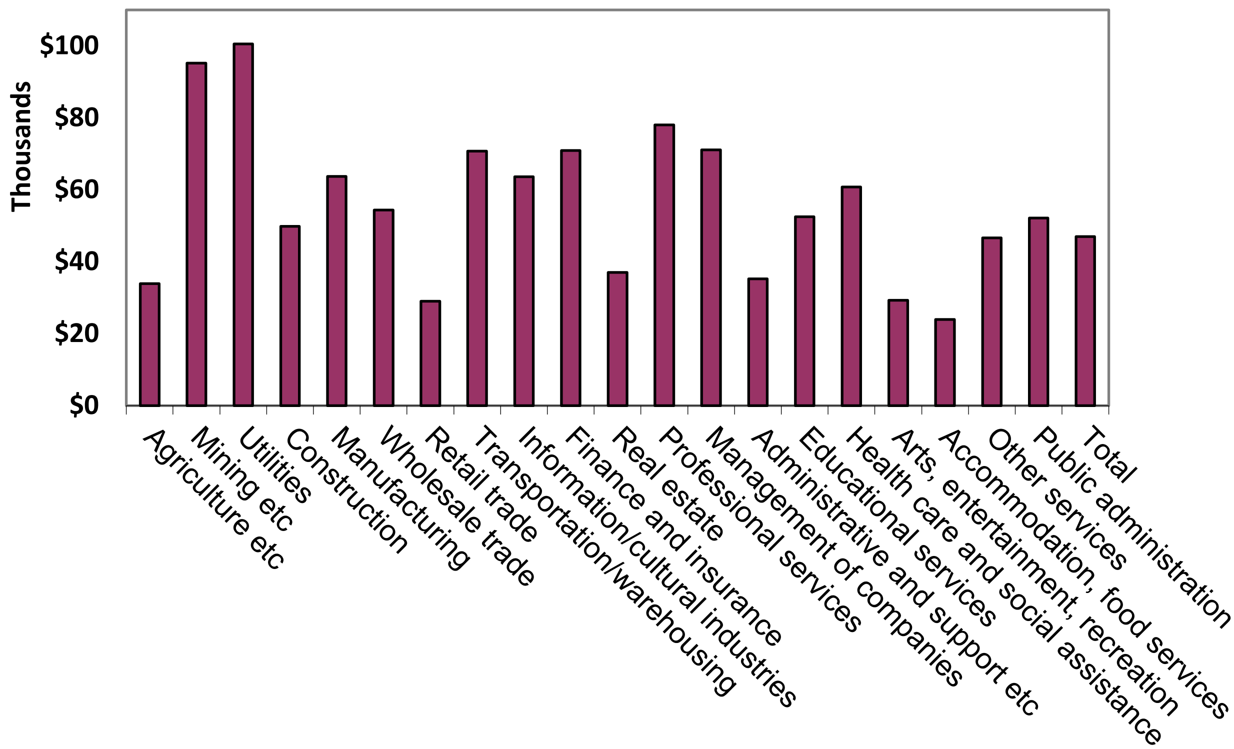
The largest industry of employment for Veterans in the year after release was public administration (federal, provincial, municipal and regional), accounting for over one-third of Veterans who were working in the year after release (Figure 16). This was followed by administrative services (11%), manufacturing (8%), retail trade (7%), construction (6%) and transportation and warehousing (6%). The top six industries accounted for three quarters of all employed Veterans. For details see Appendix D.

Figure 16: Veteran Employer by Main Industry in the Year After Release



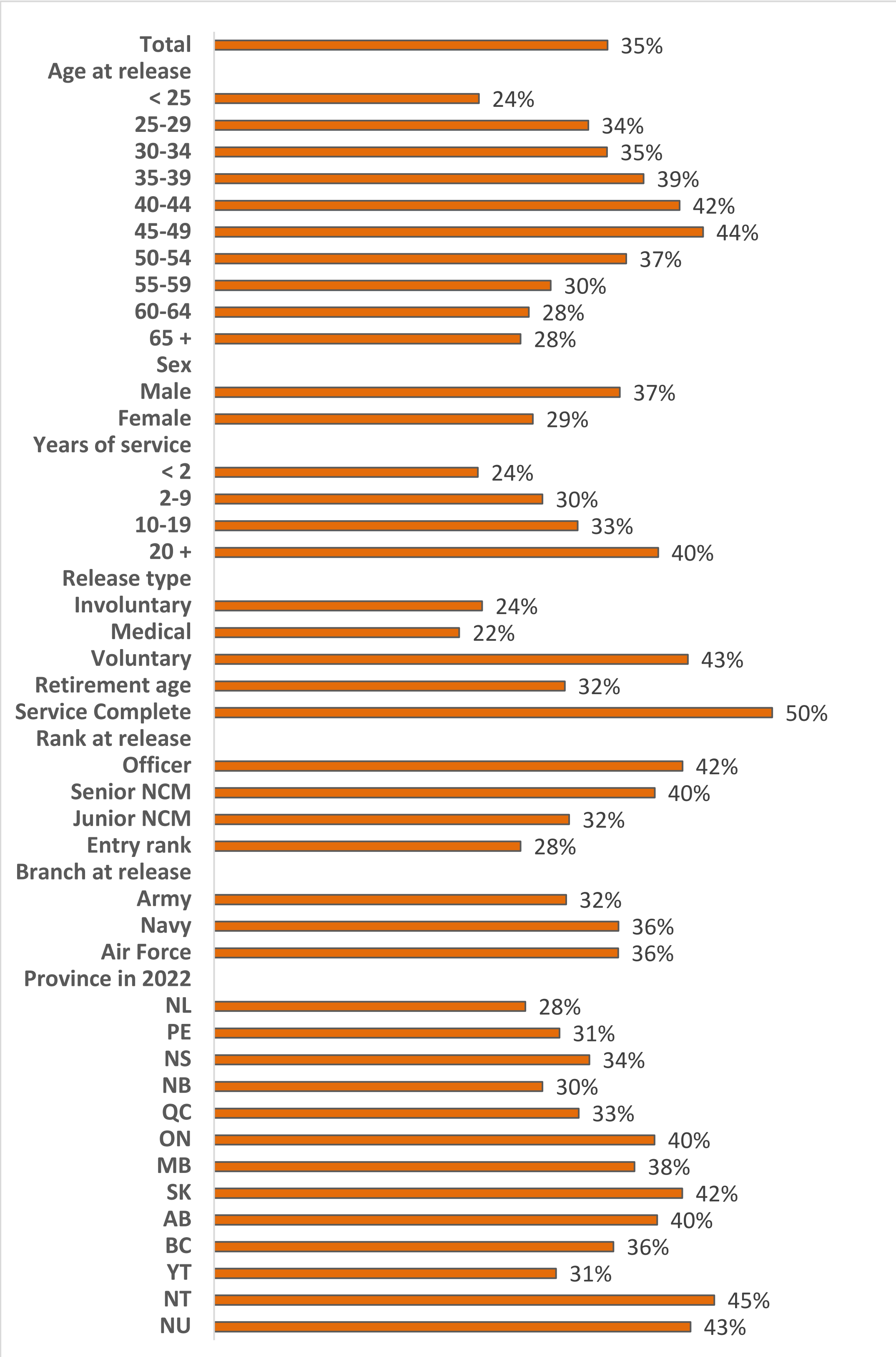
There were large variations in labour-market earnings in the year after release across industries in which Veterans were employed. The earnings for public administration employees ($52,200) were slightly above the average earnings of $47,000 (Figure 17). Earnings were highest for those who were working in “utilities”, “mining, quarrying, and oil and gas extraction”, and “professional services” industries, in which Veterans earned over $78,000 per year. Earnings were lowest in “accommodations and food services”, “retail trade” and “agriculture forestry, fishing and hunting”, with earnings of less than $34,000 per year.

Figure 17: Labour-Market Earnings by Main Industry in the Year After Release



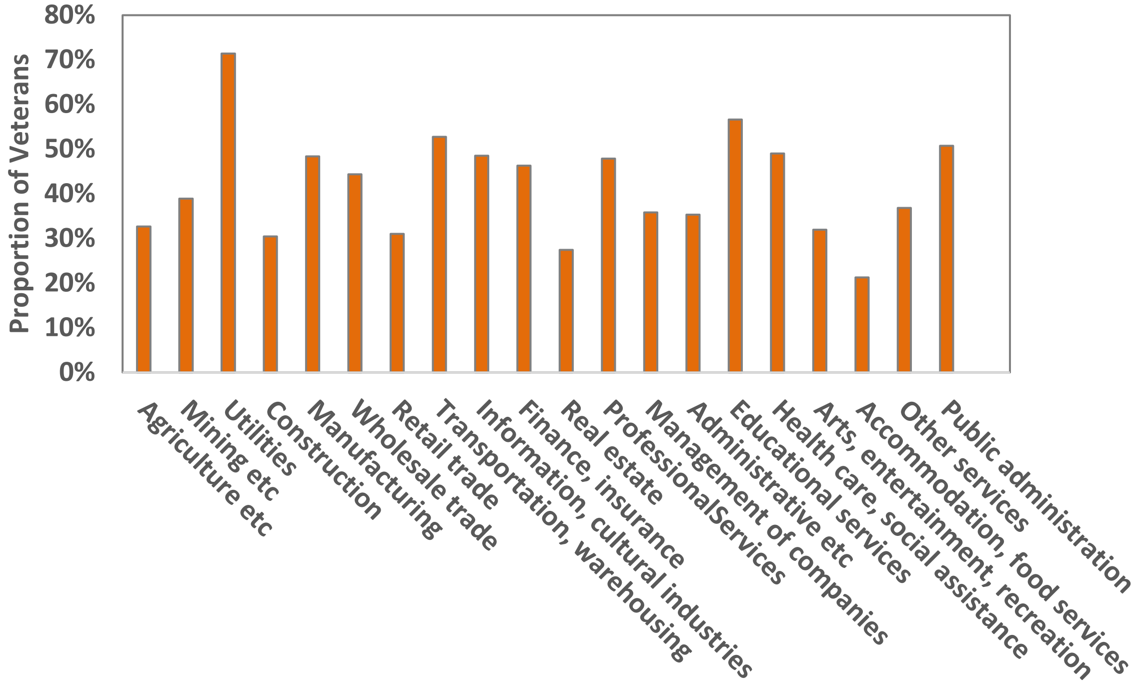
Just over a third (35%) of Veterans stayed with the same employer during the first three years post-release (employment continuity) (Figure 18). Veterans who had released after completing service were the most likely to have employment continuity (50%), followed by those who lived in the Northwest Territories at 45%, and those released at age 45-49 (44%). Those with the lowest employment continuity were medically released Veterans (22%), followed by those involuntarily released, those with less than two years of service or those under age 25, all at 24%.

Figure 18: Veterans with Employment Continuity by Demographic and Service Characteristics



Continuity of employment (Figure 19) was highest among those working in "Utilities" (71%), followed by "Educational services" (57%). Continuity was lowest in the "Accommodations and food services" industry (21%), followed by "Real estate and Rental Leasing" (27%).

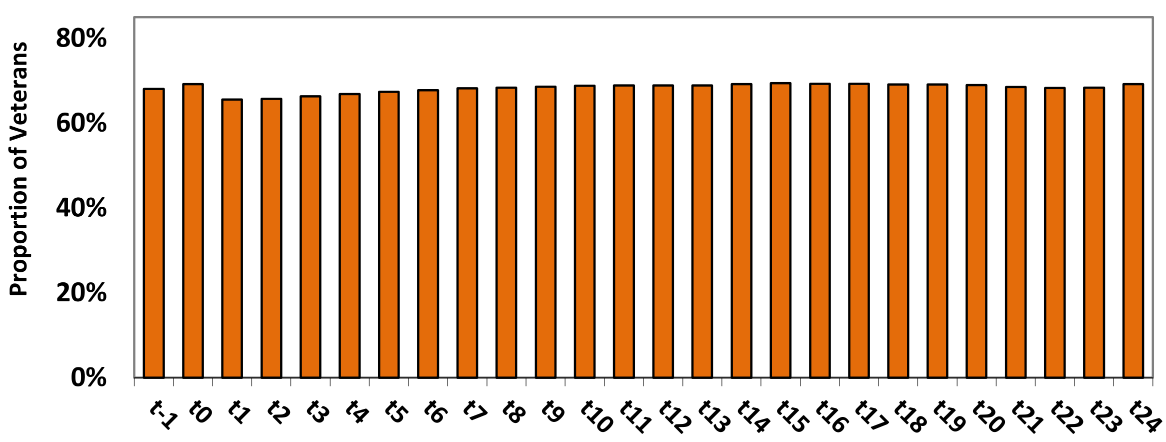
Figure 19: Veterans with the Employment continuity by Industry Post-Release



3.7 Families

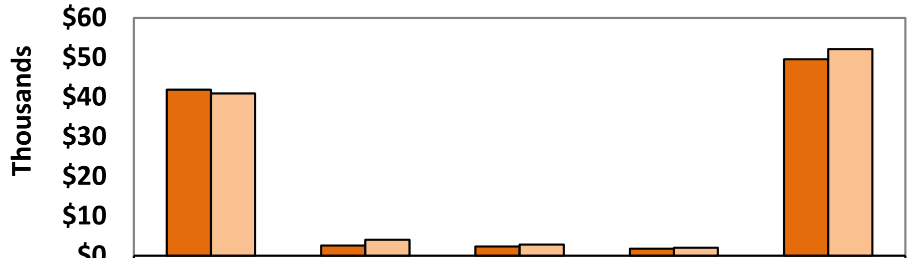
The Veteran's income both pre- and post-release on average was just over two thirds of the total family income. In the year prior to release, Veterans' incomes accounted for 68%. This percentage increased to 69% in the release year before dropping to 66% in the year after release and then gradually rose to 69% by the ninth year post-release (Figure 20).

Figure 20: Veteran Share of Total Family Income



Spouses on average had a total income of $49,540 in the year prior to the Veterans' release (Figure 21). This rose by 5% to $52,110 during the first three years after release. Employment income (Earnings) accounted for the majority of total spousal income both pre- and post-release and decreased by 2% post-release. Other sources of income, though small, increased post-release.

Figure 21: Spousal Income by Source



	Earnings	Pension	Gov't Transfers	Other	Total
Pre-Release Yr	$41,890	$2,560	$2,350	$1,750	$49,540
Post-Release (avg 3 yrs)	$40,950	$4,050	$2,820	$2,050	$52,110
Change	-2.2%	58.2%	20.0%	17.1%	5.2%

Many Veterans experienced a change in family status after transitioning to civilian life. Six percent (6%) got divorced during the first three years post-release and one in ten got married (Table 6). The highest rates of divorce were among Veterans who were voluntary released (31%) and Veterans who had 20 or more years of service (30%). This was followed by junior NCMs at release (28%) and Veterans who had served in the Army (23%). Eleven percent (11%) of Veterans had no children prior to release but had at least one child during the first three years post-release.

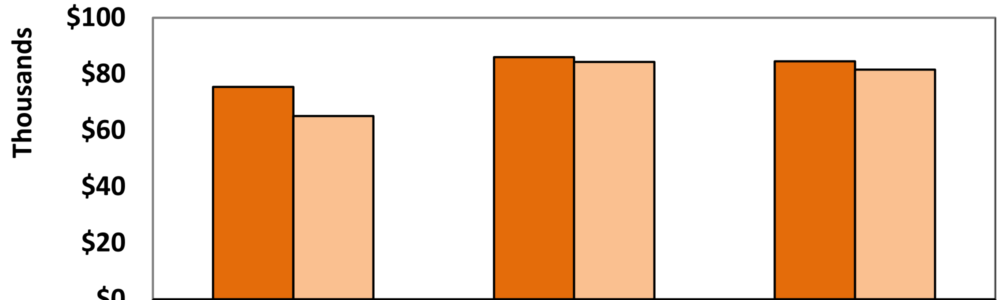
Table 6: Change in Family Status Pre- and Post-Release

	Number	**% of Cohort (n= 81,125)**
Divorced (married to single)	4,650	6%
Highest Divorced rates		
Voluntary release	2,495	31%
20+ years of service	2,440	30%
Junior NCM	2,310	28%
Army	1,850	23%
Married (single to married)	8,550	11%
Had Children (none to at least one)	8,890	11%

3.8 Female and Male Veterans

Female Veterans had lower incomes than males both pre- and post-release. On average, the pre-release income of females was $75,450, compared to $86,050 for males. This difference is explained at least in part by the shorter average lengths of service for females. Post-release, the total income of females declined by 14% compared to a small decrease for males of 2% (Figure 22).

Figure 22: Total Income* by Sex

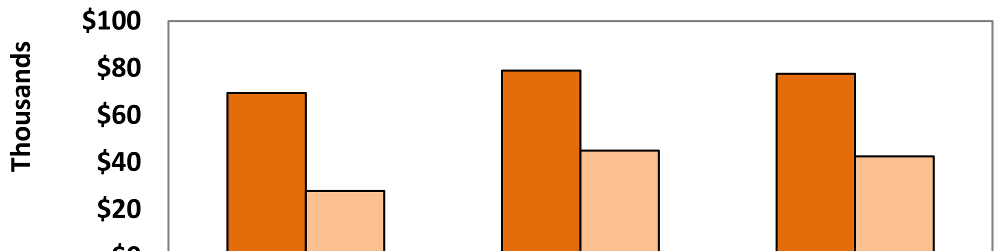


	Female	Male	Total
Pre-Release Yr	$75,450	$86,050	$84,520
Post-Release (avg 3 yrs)	$65,140	$84,350	$81,570
Change	-13.7%	-2.0%	-3.5%

* Total income is the before tax income of the Veteran expressed in 2022 constant dollars.

Female Veterans had lower labour-market earnings than males both pre- and post-release. On average, the pre-release labour-market earning of females was $69,500 compared to $78,960 for males. Post-release, the labour-market earnings of females declined by 60% compared to a 43% decrease for males (Figure 23).

Figure 23: Average Labour Market Earnings* by Sex

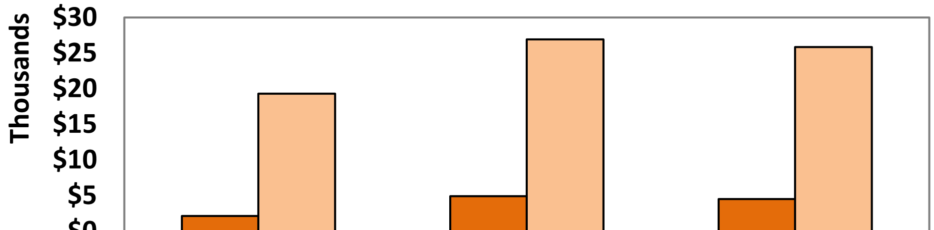


	Female	Male	Total
Pre-Release (t-1)	$69,500	$78,960	$77,600
Post-Release (avg 3 yrs)	$27,890	$45,020	$42,550
Change	-59.9%	-43.0%	-45.2%
% of pop pre**	98%	98%	98%
% of pop post**	88%	91%	91%

*Among those with earnings
** Percent of cohort with earnings in the indicated time period

Pre-release pension income was $2,160 for females and $4,950 for males. Post-release pension income increased to $19,330 for females and to $26,950 for males. Overall, the average post-release pension income was $25,840 (Figure 24).

Figure 24: Average Pension Income* by Sex

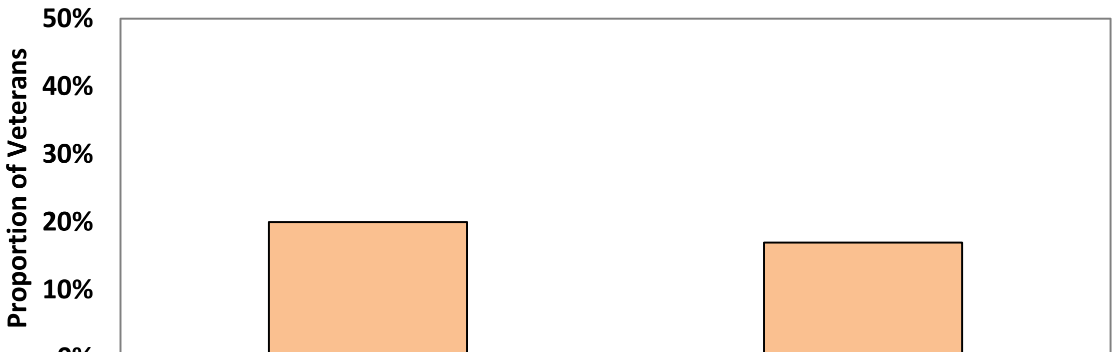


	Female	Male	Total
Pre-Release (t-1)	$2,160	$4,950	$4,540
Post-Release (avg 3 yrs)	$19,330	$26,950	$25,840
Change	88.8%	81.6%	82.4%
% of pop pre**	1%	1%	1%
% of pop post**	51%	61%	59%

* Among those with a pension
** Percent of cohort with earnings in the indicated time period

Female Veterans had higher rates of low income at least one year post-release than male Veterans (20% compared to 17%, respectively) (Figure 25).

Figure 25: Low Income* by Sex

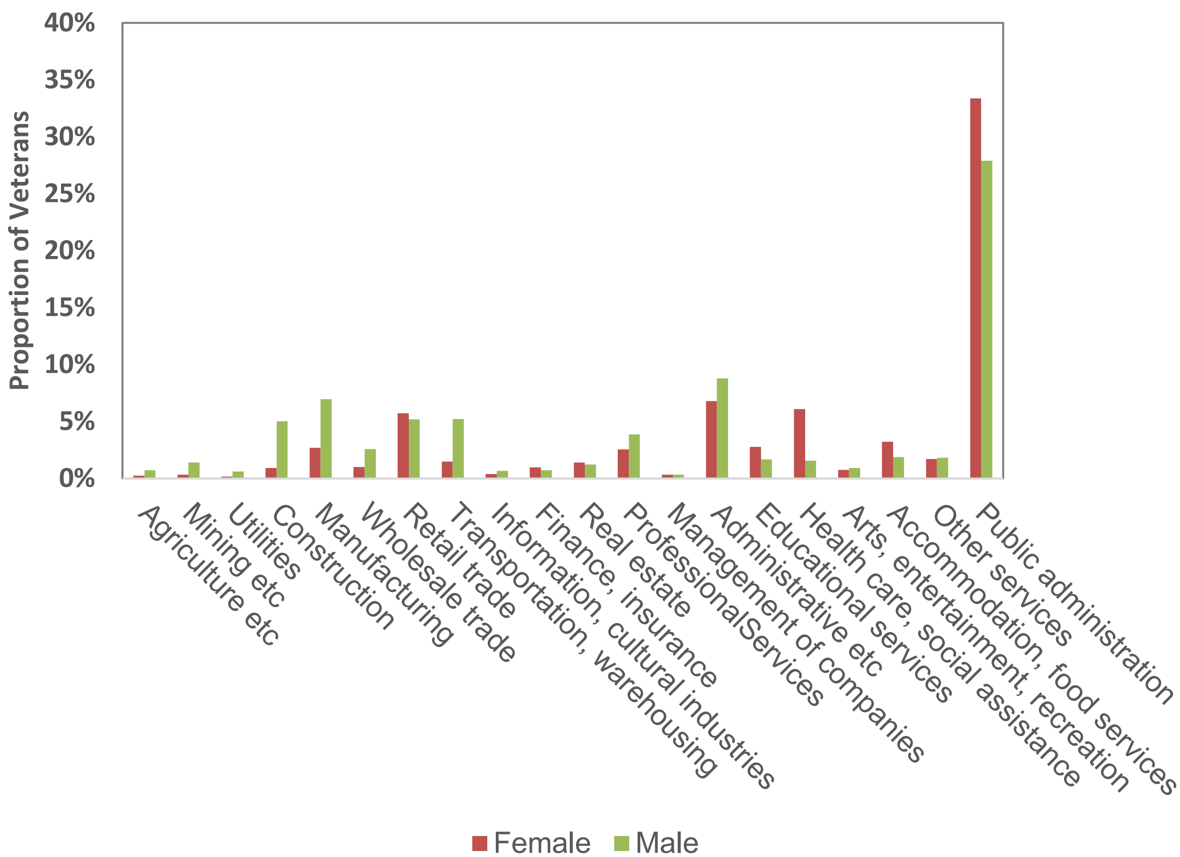


	Female	Male
Below LIM	20%	17%

* Low income measure is before tax.

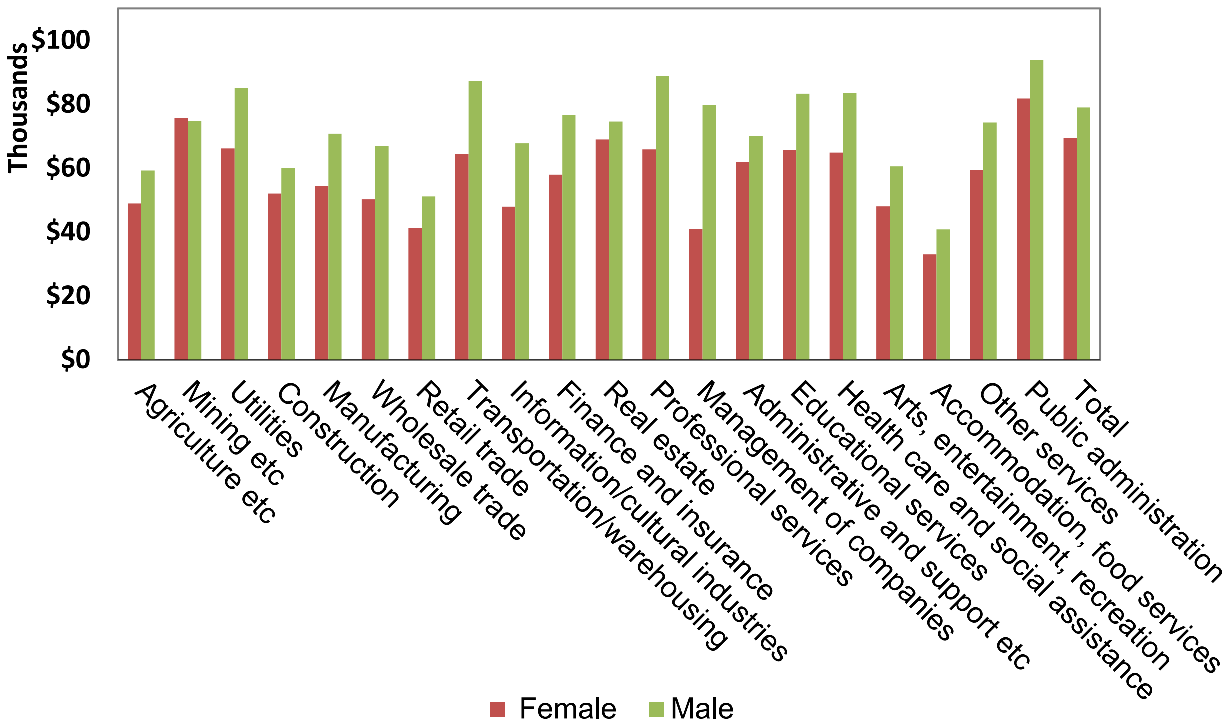
The largest employer of both female and male Veterans was “Public administration” (federal, provincial, municipal and regional), accounting for one third of female Veterans and one-quarter of male Veterans (Figure 26). For females, this was followed by “Administrative etc” (7%), “Health care, social assistance” and “Retail trade” (both at 6%). For males, after “Public administration”, the most common industries were “Administrative etc” (9%) and “Manufacturing” (7%). Females were much more likely to work in “Health care, social assistance” while males were more likely to work in “Manufacturing” and “Construction”.

Figure 26: Main Industry in Year After Release by Sex



Female Veterans earned 88% of what their male counterparts earned (Figure 27). Female Veterans earned slightly more than their male counterparts in the “Mining etc” industry but less in all other industries. The largest difference was in “Management of companies” where females earned about half of what males earned. For both females and males, earnings were highest for those who were working in “Public administration”. The next highest earnings for females were in mining followed by “Real estate” and “Educational services”. The next highest earnings for males were in “Professional services”, followed by “Transportation/warehousing” and “Utilities”. Earnings for both females and males were lowest in “Accommodations, food services”, with earnings of less than $40,000 per year.

Figure 27: Average Labour-Market Earnings* by Main Industry in the Year After Release



* Among those with Labour-Market Earnings

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Appendix A: Record Linkage

This study required longitudinal linkages to be undertaken, from pre-release to post-release years. The first step to construct the longitudinal file was to build the target population of Veterans for the study. The target population was made up of all records from the Military Veteran Status File (MVSF) linked to the T1 Family File (T1FF) from the year of release. The overall linkage rate was 91.9%. The longitudinal file was created by adding one-by-one the 2022 T1FF files containing the income information for the pre-release year, and all available post-release years. The MVSF file contained 102,096 records of Veterans released from the Regular Force from 1998 to 2019 (Table 1). At Statistics Canada, out-of-scope records were removed due to death during the length of the panel being observed.

Table 1: Total Linkage Rates DND-VAC and the 2022 T1FF Files

	Number of Veterans		
	MVSF File	MVSF-T1FF File (Linked to Release Year t0)	Linkage rate
Regular Force	102,096	93,859	91.9%

Linkage rates were consistent for the study period from 1998 to 2019 (Table 2).

Table 2: Linkage rates by year of release (panel)

Panel	Regular Force
1998	91.9%
1999	92.4%
2000	91.3%
2001	94.6%
2002	92.6%
2003	91.6%
2004	92.3%
2005	92.8%
2006	92.7%
2007	92.7%
2008	92.4%
2009	91.6%
2010	91.0%
2011	91.3%
2012	91.3%
2013	90.7%
2014	91.9%
2015	91.5%
2016	92.1%
2017	91.8%
2018	92.5%
2019	91.3%

Appendix B: Service Variable Definitions

Release types[4]:

- Voluntary
  - 4a voluntary immediate annuity,
  - 4b voluntary fixed service
  - 4c voluntary other causes
  - 5a Retirement Age
  - 5c Completed Service
- Medical
  - 3a medical
  - 3b medical military occupation
- Involuntary
  - 1a sentenced to dismissal
  - 1b service misconduct
  - 1c illegally absent
  - 1d fraudulent statement on enrolment
  - 2a unsatisfactory service
  - 2b unsatisfactory performance
  - 5b service complete - reduction in strength
  - 5d not advantageously employed
  - 5e irregular enrolment
  - 5f unsuitable for further service

Ranks[5]:

- Officers
  Navy: Sub-Lieutenant to Admiral
  Army/Air Force: Lieutenant to General

- Senior Non-Commissioned Member (NCM)
  Navy: Petty Officer 2nd Class to Chief Petty Officer 1st Class
  Army/Air Force: Sergeant to Chief Warrant Officer

- Junior Non-Commissioned Member (NCM)
  Navy: Ordinary Seaman to Master Seaman
  Army/Air Force: Private-Recruit (trained or basic) to Master Corporal

- Entry
  Navy: Ordinary Seaman-Recruit, Naval Cadet or Acting Sub-Lieutenant
  Army/Air Force: Private-Recruit, Officer Cadet or Second-Lieutenant

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[4] Definitions available at: https://www.canada.ca/en/ombudsman-national-defence-forces/education-information/caf-members/career/release-transition-civilian/frequently-asked-questions.html

[5] Source: https://www.canada.ca/en/services/defence/caf/military-identity-system/rank-appointment-insignia.html

Appendix C: Income Data Definitions

1. Total income is the sum of all sources of taxable income before tax, filed with the Canada Revenue Agency, as described on this page.

2. Earnings or Employment Income

- Wages and salaries include earnings from T4 slips and other employment income of gratuities, training, wage loss replacement (e.g. VAC's Earnings Loss and Diminished Earning Capacity), and employee benefit plans (e.g. SISIP Long-term Disability Insurance for medically released Veterans)
- Net self-employment income (business, professional, commissions, farming, fishing)
- Self-employment Indian exempt income and Indian exempt income
- Labour-market earnings is a subset of earnings from both T4, net self-employment and self-employment that excludes other employment income.

3. Pensions

- Pension and superannuation income*
- Foreign pensions converted into Canadian funds
- Excludes RRSP income of individuals 65 years of age and over (RRSPO)
- Excludes Old Age Security, Canada/Quebec Pension Plan (government transfers)
- Nontaxable and not on tax file: War Veterans' Allowance, Veterans' and dependents' Disability Pension/Disability Award

4. Government transfers

- Old Age Security pension
- Canada/Quebec Pension Plan
- Employment insurance
- Nontaxable but included on tax file: Net Federal Supplements, Tax Credits, Social Assistance, Workers' Compensation Benefits, Federal Child Benefits, Family Benefits, Working Income Tax Benefits, Children's Fitness Tax Credit, Eligible Educator School Supply Tax Credit

5. Investment

- Dividends and Interest, and other investment income (not capital gains)
- Limited partnership income
- Net rental income

6. Other income (or other private income)

- Registered retirement saving plans (RRSP income) for tax filers 65 years of age and over
- Alimony or separation allowances
- Gratuities, director fees, foreign employment
- Registered education savings plan, scholarships, research grants, artist grants, project grants, amateur athlete trust
- Retiring allowances
- Death benefits from employment service

- Registered disability saving plan income
- Training allowances
- Annuity payments (e.g. Guaranteed Annual Income Plan)

Source: Statistics Canada, Longitudinal Administrative Data Dictionary: 2004, Catalogue no. 12-585-XIE
*CAF immediate annuity after 20 yr service OR after 25 yr if enrolled 2007 or later OR after 10 yr if medical release.

Appendix D: North American Industry Classification System (NAICS)

Code	Sector
11	Agriculture, forestry, fishing and hunting
21	Mining, quarrying, and oil and gas extraction
22	Utilities
23	Construction
31-33	Manufacturing
41	Wholesale trade
44-45	Retail trade
48-49	Transportation and warehousing
51	Information and cultural industries
52	Finance and insurance
53	Real estate and rental and leasing
54	Professional, scientific and technical services
55	Management of companies and enterprises
56	Administrative and support, waste management and remediation services
61	Educational services
62	Health care and social assistance
71	Arts, entertainment and recreation
72	Accommodation and food services
81	Other services (except public administration)
91	Public administration

Source: https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1369825

Appendix E: Low-Income Measure (LIM)

LIM is a relative measure of low income in Canada, comparing the income of families to a threshold set by the distribution of the same size. LIM thresholds are half the median adjusted family income and are adjusted for a particular family size (including family size of 1) and composition. In 2022, the before-tax LIM for a family of four was $54,690 (Table 1). This means that a family of four whose before-tax income was less than $54,690 would be considered low income.

Table 1: Low Income Measure Before tax (CFLIM-BT) by family size, 2022

Census family size	Before-tax income
1 person	$27,345
2 persons	$38,672
3 persons	$47,363
4 persons	$54,690
5 persons	$61,145
6 persons	$66,981
7 persons	$72,348

Source: Statistics Canada, Income Statistics Division, Special Tabulation of T1 Family File (T1FF) data.