

# WHITE PAPER

**A study released today by the National Veterans Foundation reports that the United States Government is shortchanging veterans benefits to the military veterans that have served in Iraq and Afghanistan.**

## **IRAQ AND AFGHANISTAN VETERANS IN CRISIS**

**A Report by the National Veterans Foundation**

“This bill therefore and the former legislation provide the special benefits which are due to the members of our armed forces -- for they have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us, and are entitled to definite action to help take care of their special problems.”

-Franklin D. Roosevelt announcing the Serviceman’s Readjustment Act of 1944.

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Sixty years after President Franklin D. Roosevelt announced a new plan to support our veterans, veterans again face a period of crisis. America is fighting a different war in Iraq and Afghanistan, with an all volunteer Army. Women are in combat. Technology is saving the lives of thousands of service members who would have otherwise died. As a result, the percentage of disabled veterans, in need of specialized treatment, has significantly increased.

The current recession has placed increasing demands on the labor market. Even the educated are facing difficulty obtaining decent jobs. Housing is rarely affordable, and sub-prime loans are causing Americans to lose their homes. The cost of war extends far beyond the battlefield. Americans have repeatedly expressed their desire to “Support our troops” deployed to Iraq and Afghanistan. It is the duty of policymakers to convert the desire of American citizens to palpable results.

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## EDUCATION

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President Franklin D. Roosevelt promised veterans the opportunity to further their education when he signed into law the Serviceman's Readjustment Act of 1944, commonly referred to as the GI Bill. It not only promised veterans a tuition-free education, but also a livable stipend while in school.<sup>1</sup> Because of changes made to the GI Bill in the wake of the Korean and Vietnam Wars, the men and women serving in Iraq and Afghanistan are deprived of the educational assistance promised to veterans for decades. Educational funding for veterans has steadily declined in the 65 years since the original GI Bill was passed. Even though an education today costs 70 times what it did in 1949, the Department of Veterans' Affairs' ("VA") 2008 budget is \$200M less than it was just after World War II.<sup>2,3</sup>

- The original GI Bill authorized \$500 dollars per year to cover the cost of education, books, supplies, equipment and other necessary expenses, making any educational institution financially accessible to veterans.<sup>1</sup> It also authorized a living allowance, which was increased to \$65 for a single veterans and \$90 for veterans with dependents within one year of the bill's enactment.<sup>4</sup>
- Tuition hikes historically have averaged 8% per year.<sup>5</sup> If the GI Bill followed this trend, the \$500 given to WWII veterans would be equivalent to \$74,389.92. The adjusted income is within \$100 dollars of the estimated annual educational expenses at Harvard Business School.<sup>6</sup>
- After the Korean War, the VA ceased to pay tuition to educational institutions and started giving veterans a check to cover both educational and sustenance expenses.<sup>7</sup>
- While the American Council on Education supported the new plan, educational leaders like Fr. Theodore Hesberg reported reduced veteran enrollment at Notre Dame when he was president. This raised concerns that veterans had to compromise the quality of their education to make it affordable.<sup>8,9</sup>
- Today, the GI Bill uses complex formulas to determine monthly benefits. Full-time student veterans receive as little as \$317 a month to cover tuition, fees, books and supplies and living expenses. The highest benefit rate plan gives veterans \$1251 monthly for a maximum of 36 months.<sup>10</sup> This barely covers the in-state tuition and fees at state colleges like Ohio State – with nothing for housing, transportation or food.<sup>11</sup>
- Under the current GI Bill, service members must deduct at least \$1200 from their military pay to receive benefits. To get the highest rate (\$1251), an \$1800 contribution is required. Veterans can't get the funds back if they don't use their benefits.<sup>12</sup>
- Service members must enroll in the GI Bill at the time of enlistment and cannot enroll at a later time. Also, if veterans don't use their educational benefits for 10 years, they lose them completely.<sup>12</sup>
- Housing costs have also risen exponentially, where a \$33 Boston apartment in 1949 could easily cost over \$1400 today.<sup>13,14</sup>
- Veterans of the Iraq and Afghanistan wars have 1500% less funding for their education when compared to WWII veterans.<sup>15</sup>

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## HEALTHCARE

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In the mid-1990s, the Washington Times charged VA healthcare with being the worst in the nation.<sup>16</sup> The system underwent major changes to ensure quality and value under the leadership of Dr. Kenneth Kizer.<sup>17</sup> Today, the VA has the highest customer satisfaction rating of any healthcare system in the United States.<sup>18</sup> Although quality improved dramatically, veterans have difficulty accessing VA healthcare. Limited funding is making vital services like mental healthcare “virtually inaccessible” at some clinics.<sup>19</sup>

Rates of Post-Traumatic Stress Disorder, Traumatic Brain Injury and suicide are high among a new generation of veterans that includes 10% women. The VA healthcare system must prepare to care for the over 1.5 million men and women who have served in both Iraq and Afghanistan.<sup>20</sup> Suicide, alcoholism, domestic abuse and violent crimes are all on the rise.<sup>21</sup>

## ELIGIBILITY, ENROLLMENT AND THE BUDGET

- The 2003 VA decision to stop accepting non-disabled “priority 8 veterans” left almost a million veterans uninsured. Iraq and Afghanistan Veterans must enroll in the VA healthcare system within two years to ensure protection from “Priority 8” status.<sup>22</sup>
- At this point, only one third of the 750,000 eligible Iraq and Afghanistan veterans have enrolled in VA Healthcare.<sup>23</sup>
- VA policy prohibits clinics and hospitals from conducting “marketing activities” that would help inform unenrolled veterans of their eligibility.<sup>24</sup> Even if they could, the VA budget could not handle the added strain from more patients.
- VA nurses have stated “we cannot get the job done” with our present level of funding. Our number of veterans is growing, as is the gap between the budget and reality.<sup>25</sup>

## MENTAL HEALTH CONCERNS

- Between 30 and 40 percent of veterans returning from Iraq and Afghanistan will have debilitating mental health issues, including depression, PTSD and anxiety disorders.<sup>26</sup>
- Half of Montana veterans are experiencing wait times of over 30 days for Post-Traumatic Stress Disorder treatment.<sup>27</sup>
- The VA failed to allocate \$100M in funding earmarked for mental health initiatives between 2005 and 2006.<sup>28</sup>
- More than half of the over 200 Vet Center Readjustment Counseling Centers, whose staff are trained specially trained in PTSD counseling, have reported being short at least one full-time therapist.<sup>29</sup>
- Combat is not the only cause of mental health concerns. Military sexual trauma occurs among 16-23% of military personnel. This is of special concern amongst female veterans.<sup>30</sup>

## TRAUMATIC BRAIN INJURY

- Soldiers' proximity to frequent blasts in Iraq and Afghanistan have made Traumatic Brain Injury, or TBI, the "Signature Wound" of the Iraq and Afghanistan Wars.<sup>31</sup>
- Surveys estimate that up to 300,000 Iraq and Afghanistan may have a TBI.<sup>32</sup>
- Traumatic brain injury can cause headaches, reduced cognitive functioning, mood swings and sleep disturbances.<sup>33</sup>
- The Army Times questioned the accuracy of the VA's TBI screening.<sup>34</sup>

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## HOUSING

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Veterans trying to find affordable housing are welcomed by inflated rents and sub-prime mortgages. Historically, veterans have been disproportionately more likely to be homeless. Access to permanent housing has repeatedly been identified as a need for returning veterans by federal, state and community-based housing organizations.<sup>35</sup>

- Veterans represent only 11% of the population, but comprise 26% of the homeless population.<sup>36</sup>
- On any given night, there are over 200,000 homeless veterans in America.<sup>37</sup>
- The VA's home loan guarantee program has noble intentions, but has a poor design, lacks strategic planning and fails to produce results.<sup>38</sup>
- Original GI Bill home loans provided guaranteed loans at 2% interest.<sup>39</sup>
- 8% of Iraq and Afghanistan veterans are paying more the 50% of their income in rent. Half of that cohort has incomes below the federal poverty line.<sup>40</sup>

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## EMPLOYMENT AND ENTREPRENEURSHIP

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Veterans are returning home from Iraq and Afghanistan to find their healthcare, benefits and jobs at risk. Reservists lose seniority when away on deployment. Veteran-owned small businesses are struggling. Most veterans don't even reach out for help because they don't believe the government will help.<sup>41</sup>

- Initial data shows 22,000 veterans losing seniority, 11,000 being denied prompt reemployment and 15,000 losing health insurance.<sup>42</sup>
- Because of frustrations with bureaucratic government agencies, 77% of veterans say they don't even bother to seek reemployment help.<sup>43</sup>
- Although 3% of all Federal Small Business Contracts are by law to be earmarked for Disabled Veteran-Owned Small Businesses, the average is about one-half of one percent.<sup>44</sup>
- Better data is needed to accurately assess issues of employment and entrepreneurship among veterans.<sup>45</sup>

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## TRANSITION ASSISTANCE

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More Iraq and Afghanistan veterans are discharged on a daily basis and their transition to civilian life is proving to be difficult. Disability claim backlogs are at record highs as veterans struggle for economic survival.<sup>46</sup> Because there is no electronic link between Department of Defense and VA healthcare records, continuing healthcare is often delayed. Veterans aren't given legal assistance to support many of the issues that often arise during a one-year deployment. The strain isn't just affecting veterans; family members are having their lives disturbed by difficult military transitions.

- There VA has over 408,000 pending disability claims, and the average claim is taking 181 days to process.<sup>47</sup>
- The Department of Defense has been collaborating with the VA to link medical records to ensure a smooth transition. The agencies have been working on the project for 10 years and still don't have a working product.<sup>48</sup>
- Divorce rates have almost tripled among Army officers since the start of the Iraq War.<sup>49</sup>
- In a recent Marine Corps study over half of all marines report threatening someone with physical violence. 1 in 3 report drinking more than intended. <sup>50</sup>

<sup>1</sup> Serviceman's Readjustment Act § 400 (b)

<sup>2</sup> <http://www.whitehouse.gov/omb/expectmore/detail/10001128.2003.html>

<sup>3</sup> Administrator of Veterans' Affairs, 81st Cong., Report on Education and Training Under the Servicemen's Readjustment Act, As Amended 6 (Comm. Print 1950)

<sup>4</sup> ADMINISTRATOR OF VETERANS' AFFAIRS, 81ST CONG., REPORT ON EDUCATION AND TRAINING UNDER THE SERVICEMEN'S READJUSTMENT ACT, AS AMENDED 6 (Comm. Print 1950) [hereinafter VETERANS ADMIN. REPORT].

<sup>5</sup> <http://www.finaid.org/savings/tuition-inflation.phtml>

<sup>6</sup> <http://www.hbs.edu/about/mba.html>

<sup>5</sup> Separation of Subsistence from Tuition Under Public Law 550: Hearing Before the Subcommittee on Education and Training of the House Committee on Veterans' Affairs, 83d Cong. 1511 (1953)

<sup>7</sup> Veterans' Readjustment Assistance Act of 1952, Pub. L. No. 82-550, 66 Stat. 663, § 232(a)(1).

<sup>8</sup> statement of Rev. Theodore M. Hesburgh, President, University of Notre Dame, comparing veteran status of seventy-two percent of school's student population at height of original GI Bill enrollment as against veteran status of only one and one half percent of student population in June 1953).

<sup>9</sup> testimony of Chancellor Henry T. Heald, New York University, Representing the American Council on Education.

<sup>10</sup> [http://www.gibill.va.gov/GI\\_Bill\\_Info/rates.htm](http://www.gibill.va.gov/GI_Bill_Info/rates.htm)

<sup>11</sup> <http://undergrad.osu.edu/costs.html>

<sup>12</sup> See 10

<sup>13</sup> Interview with Francis X. Bellotti, Boston College Law School Alumnus, c/o 1952 and former Massachusetts Attorney General.

<sup>14</sup> <http://www.rent.com/rentals/massachusetts/>

<sup>15</sup> Calculated using <http://www.westegg.com/inflation/>. Pre-1975 data are the Consumer Price Index statistics from Historical Statistics of the United States (USGPO, 1975). All data since then are from the annual Statistical Abstracts of the United States. Also see 2 and 3.

<sup>16</sup> From the August 7, 2008 speech by Ray Greenburg, President of the Medical University of South Carolina. In 1993, the Wall Street Journal ran a story under the headline: The VA's War on Health. The following year, the Washington Times wrote a story on the VA entitled: The Worst Health Care in the Nation. The system needed a savior – not a Hollywood superhero, but a real live bureaucracy battler.

<sup>17</sup> "The effect of the Transformation of the Veterans Affairs Health Care System on the Quality of Care." New England Journal of Medicine. Volume 348:2218-2227

<sup>18</sup> "The Veterans Health Administration: Quality, Value, Accountability, and Information as Transforming Strategies for Patient-Centered Care" Healthcare Papers, 2005. 10-24

<sup>19</sup> "New Freedom Commission Members Assess Report's Impact" Psychiatric News, May 2006.

<sup>20</sup> The President's Commission on Care for America's Returning Wounded Warriors, "Final Report," July 30, 2007.

<sup>21</sup> "Study Finds 1.8 Million Veterans Are Uninsured," The Washington Post, June 21, 2007.

<sup>22</sup> United States Marine Corps. Post-deployment Leadership Training" [www.usmc-mccs.org/downloads/warrior/Post-Deployment%20Leadership%20Training.ppt](http://www.usmc-mccs.org/downloads/warrior/Post-Deployment%20Leadership%20Training.ppt)

<sup>23</sup> VHA Office of Public Health and Environmental Hazards, "Analysis of VA Health Care Utilization Among US Southwest Asian War Veterans, Operation Iraqi Freedom, Operation Enduring Freedom," October 2007. [today/news/stories.nsf/washington/story/8F851462E5D5B16986257366](http://today/news/stories.nsf/washington/story/8F851462E5D5B16986257366)

<sup>24</sup> Himmelstein et al, "Lack of Health Coverage Among US Veterans From 1987 to 2004," American Journal of Public Health, December 2007.

<sup>25</sup> Nurses Organization Of Veterans Affairs <http://www.vanurse.org/budgetshortfall.html>

<sup>26</sup> Department of Veterans Affairs, Fifth Annual Report of the Department of Veterans Affairs Undersecretary for Health's Special Committee on Post-Traumatic Stress Disorder, 2005, p.12.

<sup>27</sup> "Senators call for investigation into Montana's VA mental health care - Baucus and Tester ask Inspector General for 'thorough review' for Montana vets" Press Release from the Office of Senator Jon Tester Thursday, January 17, 2008

<sup>28</sup> GAO-07-66, "VA Health Care: Spending for Mental Health Strategic Plan Initiatives Was Substantially Less Than Planned," November 21, 2006, p. 6 <http://www.gao.gov/cgi-bin/getrpt?GAO-07-66>.

<sup>29</sup> "Staffing at Vet Centers lagging," USA Today, April 19, 2007 [http://www.usatoday.com/news/washington/2007-04-19-vet-centers\\_N.htm](http://www.usatoday.com/news/washington/2007-04-19-vet-centers_N.htm).

<sup>30</sup> Chris Adams, "Timely Decisions hard to find at Veterans Affairs," McClatchy Newspapers, November 27, 2007. The wait time varies dramatically between different regional VA offices, from 99 days to 237 days. See: GAO-06-149, "Veterans' Benefits: Further Changes in VBA's Field Office Structure Could Help Improve Disability Claims Processing," December 2005.

<sup>31</sup> Department of Defense American Forces Press Service. September 17<sup>th</sup>, 2007. <http://www.defenselink.mil/news/newsarticle.aspx?id=47474>

<sup>32</sup> "TBI: Hidden Wounds Plague Iraq War Veterans," *DenverPost*, April 16, 2007: [http://www.denverpost.com/ci\\_5675337](http://www.denverpost.com/ci_5675337).

<sup>33</sup> Center For Disease Control, TBI Signs and Symptoms [http://www.cdc.gov/ncipc/tbi/Signs\\_and\\_Symptoms.htm](http://www.cdc.gov/ncipc/tbi/Signs_and_Symptoms.htm)

<sup>34</sup> "VA says 6 % of combat vets have TBIs," *Army Times*, November 4, 2007.

<sup>35</sup> Nakashima, J. C. Burnette, J. McGuire, and A. Shelly. Community Homelessness Assessment, Local Education and Networking Group (CHALENG) for Veterans. Washington, DC: U.S. Department of Veterans Affairs.

<sup>36</sup> Veterans and Homelessness. Time, 0040781X, 11/19/2007, Vol. 170, Issue 21

<sup>37</sup> National Coalition for Homeless Veterans <http://nchv.org/background.cfm>

<sup>38</sup> Federal Office of Management and Budget <http://www.whitehouse.gov/omb/expectmore/detail/10002270.2004.html>

<sup>39</sup> Van Ells, Mark D. (2001) "To Hear Only Thunder Again: America's World War II Veterans Come Home"

<sup>40</sup> United State Census, 2005 American Community Survey

<sup>41</sup> Statement of United States Senator Edward M. Kennedy, "Protecting the Employment Rights of Those Who Protect the United States" to the Senate Help Committee. November 8<sup>th</sup>, 2007

<sup>43</sup> See 41

<sup>43</sup> See 41

<sup>44</sup> Task Force for Veterans' Entrepreneurship "Developing Entrepreneurial Opportunities for Veterans and Disabled Veterans" April 2005

<sup>45</sup> See 44

<sup>46</sup> Government Accountability Office. GAO-07-562T, "Veterans Disability Benefits: Processing of Claims Continues to Present Challenges," March 13, 2007, p. 3: <http://www.gao.gov/new.items/do7562t.pdf>

<sup>47</sup> Government Accountability Office. GAO-06-794R, "VA and DOD Health Care: Efforts to Provide Seamless Transition of Care for OEF and OIF Servicemembers and Veterans," June 30, 2006, p. 6: <http://www.gao.gov/new.items/do6794r.pdf> also see 46

<sup>48</sup> McCarrol et al: Domestic Violence and deployment in U.S. Army soldiers. *Journal of Mental Disorders* 2003; 191: 3-9

<sup>50</sup> See 20