

HOW ARE VETERANS FARING FINANCIALLY?
UPDATES AND NEW EVIDENCE FROM A NATIONAL SURVEY

Gary Mottola

William Skimmyhorn

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Abstract

This research provides updated and new evidence on the financial well-being of military veterans. We leverage data from two waves of the FINRA Investor Education Foundation’s National Financial Capability Study (NFCS) to examine how veterans are faring over time, relative to comparable civilians, and among different demographic subgroups. Overall, veterans in 2018 are faring better than those in 2015 in a number of areas. They have less difficulty covering expenses and bills, lower likelihoods of experiencing an income drop, and higher likelihoods of having emergency funds and retirement plans in addition to an employer plan. Veterans in 2018 are, however, more likely to report problematic credit card behaviors. Relative to non-veterans, veterans continue to fare better in many areas. They report higher financial well-being, lower levels of financial anxiety, and a higher likelihood of having a will. They are also more likely to participate in the gig economy. Veterans who are female; who are younger; who are married, divorced or separated; or who have financial dependents are faring worse than their veteran peers. Further, black veterans are faring somewhat better than white veterans, while those identifying as an “Other” race/ethnicity are faring worse.

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Gary Mottola
Investor Education Foundation
FINRA
Gary.Mottola@finra.org

William Skimmyhorn*
Mason School of Business
William and Mary
bill.skimmyhorn@mason.wm.edu

*Corresponding author

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1. Introduction

The financial well-being of military veterans remains an important, though understudied topic. Prior research (Skimmyhorn 2017) documents two motivations for public interest on the issue: patriotic feelings and gratitude toward those who have served in the military, and a commitment to veteran well-being as part of a national security strategy that relies on an all-volunteer force. Rigorous study of veteran financial well-being remains relatively rare, though.¹ Some exceptions are research from the Consumer Financial Protection Bureau (CFPB), which suggests that while veterans fare better financially than non-veterans on average (CFPB 2019, 2017), there is substantial variation in veterans' outcomes (CFPB 2019), suggesting that some groups of veterans warrant more attention.² Given the extant literature (CFPB 2019, Skimmyhorn 2017), continued attention to veteran financial well-being is in order to monitor changes and to assess new challenges and opportunities. In this study, we build on these previous efforts using comparative analyses (*i.e.*, examining veteran cross-sectional outcomes over time and examining veteran outcomes against non-veterans), multivariate analysis techniques, more comprehensive data (*i.e.*, more than 30 outcomes), and the most recent national survey to provide an improved picture of veteran financial well-being.

We leverage the National Financial Capability Study (NFCS) administered by the FINRA Investor Education Foundation. The survey is large, nationally representative, and thorough in its topical coverage. Repeated waves of the survey enable some longitudinal analysis (using repeated cross-sections) of veteran financial well-being from 2015 to 2018, and new items enable novel analyses of veteran financial outcomes compared to non-veterans.

Our first analysis compares veterans respondents in 2018 with other veteran respondents in 2015 to assess any changes in their financial well-being. Here we find signs of progress, consistent with the broader economic recovery from the Great Recession. This finding is consistent with results from a recent national study that found that financial capability for all adult Americans improved slightly between 2015 and 2018 or remained flat (Lin, Bumcrot, Ulicny, Mottola, Walsh, Ganem, Kieffer and Lusardi 2019). However, this study also found that

¹ There is a related literature on the financial well-being of military members. See Skimmyhorn (2014, 2016) for detailed analyses and Bell, Nelson, and Skimmyhorn (2016) for a review.

² The CFPB (2019) research notes that that their sample was neither nationally representative nor targeted towards veterans, but it did generate enough veteran respondents to support their analysis. We hope to build on their work here.

the growth in the economy outpaced improvements in financial capability. Moreover, it found signs of persistent or widening divides between those who are struggling financially and those who are prospering, even amid widespread economic growth and declining unemployment.³ Within the veteran population, we see similar evidence of some demographic groups exhibiting higher levels of financial capability than other groups, as we document later in this paper. Veterans in 2018 are also less likely to have difficulty covering expenses and bills and less likely to have experienced a recent drop in income than they were in 2015. They are more likely to have emergency funds and to have a retirement plan other than an employer plan. They are also less likely to report being underwater on their home. However, veterans in 2018 are reporting more problematic credit card behaviors and, among those enrolled in college, they are less likely to be attending a four-year college or university.

Our second analysis provides new evidence on the financial well-being of veterans in 2018 compared to their non-veteran peers. Leveraging new survey items, we are able to assess new measures of veterans' financial health, use of financial technologies, and labor market participation. Here we find more encouraging evidence for this group. Relative to comparable civilians, veterans have higher financial well-being as measured by the CFPB's scale, higher financial self-efficacy, and lower financial anxiety, and they are more likely to have a will. Veterans and non-veterans appear to use financial technology (*e.g.*, online banking, mobile banking) at similar levels to one another. Finally, while the two groups have similar labor market outcomes in terms of second jobs and receipt of federal assistance, veterans report higher levels of participation in the gig economy.

Taken together, these results suggest a generally positive financial picture for veterans. However, there are some concerning results (*e.g.*, credit card behaviors) that could inform future education and policy efforts. In addition, the veteran population is large and heterogeneous, and so there may be subgroups of veterans that are faring poorly despite better average levels. We analyze some of these subgroups in our next analysis.

³ Lin et al. (2019) note that, while all demographic groups improved in their ability to cover monthly expenses and bills, there are some groups that have improved less (younger Americans, those with lower incomes, and blacks) while other groups have made greater progress (older Americans, those with higher incomes, and whites and Asians).

Our third analysis provides rich descriptive evidence on the financial capability of veterans relative to one another. We compare the financial outcomes of veterans by measures of age, gender, race/ethnicity, education level, marital status and number of financial dependents, while controlling for these characteristics and for income. We find some notable differences in financial capability and well-being. Females report lower financial self-efficacy, higher financial anxiety, and higher financial stress. Younger veterans report lower financial well-being, more financial anxiety, and more financial stress. We also observe important differences by race/ethnicity, wherein relative to white veterans, black veterans report higher financial well-being and self-efficacy, and those not identifying as Asian, black, Hispanic or white in their race/ethnicity (*i.e.*, the “Other” category) report lower well-being. Interestingly, some veterans with more education report worse financial outcomes. Veterans with some college report lower financial well-being and greater financial anxiety than their high school-educated peers. College graduates and those with education greater than a college degree report higher levels of financial anxiety, though the latter group also reports higher financial self-efficacy. In terms of marital status, those who are married, separated or divorced all report lower financial well-being than their single veteran counterparts. Finally, those veterans with dependents report lower financial well-being, more financial anxiety and more financial stress, and these relationships appear to strengthen with an increase in number of dependents.

The paper proceeds as follows. In Section 2, we describe the NFCS and the data we used in this analysis. In Section 3, we document our empirical strategy. In Section 4, we investigate how veterans respondents are faring in 2018 compared to how other veteran respondents were faring in 2015. In Section 5, we investigate how veterans are faring in 2018 compared to their contemporary non-veteran peers. In Section 6, we compare different veteran subgroups of interest. We discuss our results and conclude in Section 7.

2. The NFCS

2.A. Description

The NFCS is an enduring initiative of the FINRA Investor Education Foundation. The foundation sponsors, develops, administers, and analyzes the NFCS on a wide variety of

important financial issues.⁴ The FINRA Foundation has administered the NFCS in 2009, 2012, 2015, and 2018. The survey exploits non-probability quota sampling from individuals in existing online panels. Respondents consist of individuals that voluntarily complete the NFCS online for compensation. As with any survey analysis, there could be selection bias in survey participation, non-response bias for specific questions among survey participants, and measurement error within questions. We include individuals with complete demographic data and valid answers to any of the items that contribute to our outcomes of interest. Since some individuals may not answer all questions, observation counts may vary slightly by outcome.

We exploit data from the 2015 and 2018 versions of the NFCS. Since the survey uses many of the same items in successive waves, we can compare the cross-sectional outcomes over time to determine how Veterans are faring relative to previous cohorts. Equally important, the FINRA Foundation continues to revise and improve the NFCS in collaboration with key academic and policy experts and stakeholders. As a result, the 2018 version presents an opportunity to provide up-to-date data on how Veterans are faring compared to non-Veterans for a number of important new outcomes.

2.B. Demographic Data

The NFCS collects detailed demographic data that we utilize in our analyses. Specifically, we use data on individual characteristics including gender, age, race/ethnicity (Asian/Pacific Islander, black, Hispanic, other⁵, white), marital status (single, married, divorced, separated, widowed), number of children (1, 2, 3, 4 or more), and level of education (less than high school, high school graduate, some college, college graduate, and more than college). The survey also includes data on an individual's state of residence. We determine Veteran status for an individual based on their answer to whether they have ever been a member of the U.S. Armed Services, either in the active or reserve components.⁶

In Table 1, we provide summary statistics for our first sample of interest: veterans from the 2015 (n=3,170) and 2018 (n=3,055) NFCS. The samples are approximately 15% female; an

⁴ All versions of the NFCS, as well as the survey methodology, are publicly available at: <https://www.usfinancialcapability.org/downloads.php>

⁵ The "other" race/ethnicity category includes non-Hispanic respondents who self-identified as Native American or Alaska Native, other, or two or more ethnicities.

⁶ We code individuals as veterans if they answer "Previously a member of the U.S. Armed Services." We also exclude current members of the military as we describe below.

average age of 58 years old; primarily white but racially and ethnically diverse; approximately 67% married; and approximately 70% with no financial dependents. They most commonly have an education level of some college. As the table reveals, there are very few meaningful differences between the two groups. The magnitudes of the mean differences (Col 3) are small and only one (of 22) is statistically significant at conventional levels ($\alpha=0.05$), no more than we would expect by chance. This is unsurprising given that neither the military nor the veteran populations have changed significantly from 2015 to 2018.

We summarize our second sample of interest, veterans and non-veterans in 2018, in Table 4. In this analysis, we omit current members of the military to enable more meaningful comparisons between veterans and non-veterans.⁷ We also incorporate the survey weights to provide nationally representative results. Here our sample consists of 2018 NFCS participants who are either non-veterans (Col 1, $n=22,894$) or veterans (Col 2, $n=3,055$). Unsurprisingly, and similar to research by Skimmyhorn (2017), the summary statistics reveal many differences between the two groups. These results highlight the need to control for these individual differences in order to make a more informed comparison between veterans and non-veterans. Veterans are, on average, less likely to be female; older; more likely to be white or black but less likely to be Asian/Pacific Islander or Hispanic; more likely to be married, divorced or widowed (*i.e.*, less likely to be single); and more likely to have higher levels of education. Our third sample consists solely of veteran respondents in 2018, and we summarize their individual characteristics in Column 2 of Table 1.⁸

2.C. Financial Outcomes

We analyze more than 30 different financial outcomes of interest for veterans contained in the NFCS. For all outcomes, we omit respondents who answered “Don’t know” or “Prefer not to say.” These outcomes can be divided into two broad categories: updates on existing NFCS outcomes and new outcomes. First, following Skimmyhorn (2017), we provide updates on four

⁷ The NFCS also includes samples of active duty servicemembers in 2015 ($n=518$) and 2018 ($n=745$). We omit these individuals, as a comparison between military members and comparable civilians is not the purpose of this analysis. For previous research on the financial well-being of military members, see Skimmyhorn (2014) and Skimmyhorn (2016).

⁸ The individual characteristics in Table 1 are unweighted, since we complete this analysis for a subsample of the population. We summarize the same characteristics for this group in Column 2 of Table 4 using the national weights, since our second analysis uses the full survey population.

groups of financial outcomes to document how veterans are faring financially over time. We describe the outcomes for each group and provide additional details about variable construction in Appendix A.

2.C.1. Updates on existing NFCS outcomes

Our first group of outcomes analyzes overall financial outcomes, including overall financial satisfaction, difficulty covering expenses, and experiencing a large drop in income. Our second group of outcomes analyzes spending behaviors, including spending greater than monthly income and an index (0-4) of problematic credit card behaviors. The third group of outcomes relates to individual savings and investments and includes having an emergency fund, having a retirement plan through an employer, having a retirement plan outside an employer plan, and having non-retirement investment accounts.

Our fourth group of outcomes covers a wide variety of individual outcomes related to prominent public policies designed to assist veterans. We analyze self-reported employment outcomes including being unemployed, being disabled, and being retired. We next analyze health outcomes, including having health insurance, having foregone medical treatment, and having unpaid medical bills past due. We also analyze education outcomes, including having student loans for oneself, having late student loan payments, and the type of school an individual attends. Our final group of policy outcomes relates to housing and includes homeownership, having late mortgage payments, and currently being underwater on a home.

2.C.2. New NFCS outcomes

Given the changes and updates to the NFCS, we also analyze three other groups of outcomes to provide new evidence on how modern veterans are faring relative to their civilian peers. We analyze new outcomes related to overall financial well-being that include the new CFPB financial well-being scale (0-100), financial self-efficacy, financial anxiety, financial stress, and having a will. We next analyze outcomes related to the use of financial technology including the use of online banking, the use of mobile banking, the use of a mobile phone for payments, and the use of technology for financial planning activities. We also analyze several new items related to labor market outcomes, including participation in the gig economy, having a second job, receiving government assistance (*i.e.*, Medicaid or food stamps/SNAP), and whether or not an individual regrets their previous college/university expenses.

3. Research Method

Our research has three primary goals: to provide evidence on changes in veteran financial well-being over the past few years, to provide new comparative evidence on veteran vs. non-veteran financial well-being, and to provide new evidence on how several subgroups of veterans are faring. We do so by investigating the three research questions below.

- How are veterans faring financially in 2018 compared to 2015?
- How are veterans faring compared to non-veterans in 2018?
- How are different subgroups of veterans faring compared to one another in 2018?

For all three questions, we provide multivariate regression evidence. While this method does not generate causal estimates, it provides more robust descriptive evidence that controls for other individual differences that might affect financial capability.

Research Question 1: How are veterans faring financially in 2018 compared to 2015?

In this analysis, we compare veteran respondents from the 2015 NFCS to those from the 2018 NFCS. We make these comparisons by estimating the following regression:

$$Y_i = \alpha + \beta \times I_{2018NFCS} + X_i\delta + \theta_{State} + \varepsilon_i \quad (1)$$

In this equation, Y_i is an outcome of interest for individual i (*i.e.*, Groups 1 through 4 above). X_i is a vector of individual characteristics including gender, age, marital status, children, race/ethnicity, and education level. θ_{State} reflects fixed effects for an individual's state of residence to account for any unique policy environments, macroeconomic conditions, or other secular differences that could affect financial outcomes. $I_{2018NFCS}$ is an indicator for respondents from the 2018 wave of the NFCS, and so β is our coefficient of interest. It reflects the average differences between 2018 and 2015 respondents after controlling for the demographic characteristics in X_i and a respondent's state of residence. When the outcome of interest is an indicator variable, the regressions estimate linear probability models, and for continuous variables they are ordinary least squares models. For all models, we compute heteroscedasticity-robust standard errors.

Research Question 2: How are veterans in 2018 faring compared to non-veterans?

In this analysis, we compare veteran respondents from the 2018 NFCS to non-veteran respondents. To make these comparisons we estimate the following regression:

$$Y_i = \alpha + \beta \times Veteran_i + X_i\delta + \theta_{State} + \varepsilon_i \quad (2)$$

Y_i reflects the new outcomes of interest (*i.e.*, Groups 5, 6 and 7 above) for individual i . X_i remains a vector of individual characteristics and θ_{State} is fixed effects as before. $Veteran_i$ is an indicator for veteran respondents, and so β is our coefficient of interest. It reflects the average differences between veterans and non-veterans in 2018, controlling for the demographic characteristics in X_i and a respondent's state of residence.

Research Question 3: How are different subgroups of veterans faring compared to one another in 2018?

Here we focus on veterans in the 2018 NFCS and estimate the following regression:

$$Y_i = \alpha + X_i\delta + \theta_{State} + \varepsilon_i \quad (3)$$

Y_i represents select outcomes of interest (*i.e.*, Group 5) for individual i . X_i remains a vector of individual characteristics and θ_{State} remains fixed effects for each state. δ is our coefficient of interest. It reflects the average difference(s) between veterans in different subgroups (*e.g.*, female veterans compared to male veterans).

4. Results: How are veterans faring financially in 2018 compared to 2015?

In this section, we complete descriptive analysis to answer the following questions:

- How do veterans in 2018 fare in their overall financial conditions?
- How do veterans in 2018 fare in their spending?
- How do veterans in 2018 fare in their saving and investment?

- How do veterans in 2018 fare in outcomes targeted by public policies?

For all of these analyses we compare veterans' answers in the 2018 NFCS to veterans' answers in the 2015 NFCS. We report our estimates from Equation 1 in Tables 2 and 3. For each outcome, we provide estimates without covariates in odd numbered columns and with covariates in even numbered columns, and we focus primarily on the latter estimates. In general, the additional controls have little effect on these estimates since the 2018 and 2015 respondents have few demographic differences (see Table 1). We also compare the estimates to the mean of the outcome for the 2015 respondents to provide the reader information on the economic magnitude of the observed relationships.

4.A. How do veterans in 2018 fare in their overall financial conditions?

In Table 2 Panel A, we provide evidence on three outcomes. We first observe that veterans in 2018 are equally satisfied with their financial condition as those in 2015 (approximately 69%). However, the results in Col 4 reveal that veterans in 2018 are 5.4 percentage points (pp) less likely to express difficulty in covering expenses and paying bills. Compared to the 2015 veteran mean of 37.4 pp, this is a 15% improvement and the difference is statistically significant ($p < 0.01$). Similarly, veterans in 2018 are 2.6 pp less likely to have experienced a drop in income in the past 12 months (Col 6), a 15% effect reduction that is also statistically significant ($p < 0.01$).

4.B. How do veterans in 2018 fare in their spending?

The results in Panel B of Table 2 related to spending suggest that veterans in 2018 are equally likely as those in 2015 to state that their spending often exceeds their income (approximately 16%). However, veterans in 2018 are demonstrating, on average, 0.07 more adverse credit card behaviors (*e.g.*, paying late, paying only the minimum). Relative to the 2015 veteran mean, this constitutes an 11% increase, and the results are statistically significant ($p < 0.01$).

4.C. How do veterans in 2018 fare in their saving and investment?

In Panel C of Table 2, we provide evidence on savings and investment outcomes over time. Veterans in 2018 are 3 pp more likely to have an emergency fund, a 5% effect magnitude that is also statistically significant ($p < 0.01$). Veterans in 2018 report an equal likelihood of

having a retirement plan from their employer as their 2015 counterparts (approximately 66%). However, veterans in 2018 are 3.5 pp more likely to have a retirement plan from someone other than their employer, a 7% effect magnitude compared to the 2015 veteran mean of 47.0 pp, and this result is statistically significant ($p < 0.01$). The results in Panel C show that veterans are 2.4 pp more likely to have non-retirement investment accounts, a 5% effect magnitude that is marginally statistically significant. Overall, veterans fare considerably better than their non-veteran peers.

4.D. How do veterans in 2018 fare in outcomes targeted by public policies?

In Table 3, we provide estimates for 12 outcomes related to public policies that support veterans covering the areas of employment, health, education, and housing. Broadly, these results suggest that veterans in 2018 and 2015 are faring quite similarly. First, the results in Panel A suggest that the employment outcomes for veterans in 2018 and 2015 do not differ in meaningful ways. Veterans in 2018 are equally likely to report being unemployed (around 3%), disabled (around 4%), and retired (around 44.6%). The results for the health outcomes in Panel B are similar. Veterans in 2018 are equally likely to be covered by health insurance (approximately 94%) and to have unpaid medical bills that are past due (approximately 16%). However, veterans in 2018 are 3.7 pp more likely to have forgone medical treatment (Col 4), an 11% increase that is marginally statistically significant ($p < 0.10$).

The Panel C results suggest that veterans in 2018 are 15.9 pp less likely to be attending a four-year college or university (Col 6). This is a large decrease (28%) that is statistically significant ($p < 0.05$). Whether this change reflects an improving economy (and therefore higher opportunity cost of going to school) or a change in veteran demand for higher education warrants more attention. However, veterans in 2018 and 2015 are equally likely to have student loans (approximately 12%) and, for those who have them, to have made a late payment on a student loan (approximately 27%).

Finally, in Panel D, we provide evidence on outcomes related to housing. Veterans in 2018 are equally likely to own a home (around 76%) and, for those who do, to have been late with a payment (around 12%). But veterans in 2018 are 3.2 pp less likely to report being underwater on their home, a 23% reduction relative to the average rate of 14.2 pp in 2015 that is also statistically significant ($p < 0.05$).

5. Results: How are veterans in 2018 faring compared to non-veterans?

In this section, we complete descriptive analysis to answer the following questions:

- How do veterans and non-veterans differ in their financial well-being?
- How do veterans and non-veterans differ in their use of financial technology?
- How do veterans and non-veterans differ in their labor market outcomes?

For all of these analyses, we compare veterans' answers in the 2018 NFCS to non-veteran answers in the 2018 NFCS. We report estimates from Equation 2 in Table 5.⁹ The differences we observe in many cases between the models with and without demographic variables highlight the importance of controlling for the many observable differences between veterans and non-veterans. We focus on our attention primarily on the multivariate results in the even columns.

5.A. How do Veterans and non-Veterans differ in their financial well-being?

In Table 5 Panel A, we provide evidence on five outcomes related to financial well-being. First, we first observe that veterans score 1.9 points higher on the CFPB Financial Well-Being scale (Col 2) than non-veterans. Compared to the non-veteran mean of 51 points, this is a 4% higher score that is statistically significant ($p < 0.01$). These findings are very similar to other national studies (CFPB 2019, 2017), further validating the NFCS methodology. Our estimates without controls (Col 1) are very similar to previous findings from the CFPB, but our multivariate estimated differences (Col 2) are slightly smaller and reflect the importance of controlling for other demographic differences between veterans and non-veterans.¹⁰

⁹ In unpublished results, we complete these same analyses (Section 5A through 5C) for younger veterans (*i.e.*, those with ages less than 41). The results differ somewhat from the full veteran sample. Broadly, we observe that young veterans also fare better overall compared to young non-veterans but that the full veteran sample fares even better relative to all non-veterans. In most cases (7 of 13 outcomes), young veterans and young non-veterans do not differ significantly from one another, perhaps due to the reduced sample sizes (n is approximately 7,000 in the young sample analysis). As one example, young veterans do not differ significantly from young non-veterans on the CFPB Financial Well-Being Scale (coefficient is -0.2186, which is economically small and statistically insignificant), but veterans overall fare 1.9 points better compared to all non-veterans. Briefly summarizing the outcomes with statistically significant differences, young veterans are more likely to have a will, more likely to work in the gig economy, more likely to have a second job, less likely to use online banking, more likely to use mobile payments, and more likely to use financial technology for planning.

¹⁰ CFPB (2019) estimates a 7-point premium for veterans compared to non-veterans in a univariate analysis. This is very similar to our baseline estimate of 6.3 points (Table 5, Column 1).

Veterans also report higher levels of financial self-efficacy than non-veterans. Their reported levels are 3.2 pp higher, a 13% magnitude relative to the non-veteran mean of 24.3 pp, and this difference is statistically significant ($p < 0.01$). Similarly, veterans are 3.0pp less likely to report financial anxiety (Col 6), a 6% lower level that is also statistically significant ($p < 0.05$). While our results suggest that veterans are also less likely to report financial stress (Col 8), these results are not statistically significant. Veterans are 13.2 pp more likely to have a will than non-veterans (Col 10), a difference that is large (45%) and statistically significant ($p < 0.01$). Taken together, these results suggest that veterans are faring better than their non-veteran peers in a number of areas.

5.B. How do veterans and non-veterans differ in their use of financial technology?

The results in Panel B of Table 5 suggest that veterans and non-veterans utilize technology for financial tasks quite similarly. The groups do not differ meaningfully in their use of online banking (approximately 77%), mobile banking (approximately 60%), or mobile phone payments (approximately 35%). However, veterans are 4.5 pp more likely to use financial technology for planning, a moderate difference (12%) that is statistically significant. Given that the groups do not differ in their use of the other financial technologies analyzed, this difference may reflect a higher level of planning overall for veterans and not necessarily a different use of technology.¹¹

5.C. How do veterans and non-veterans differ in their labor market outcomes?

We analyze four new labor market outcomes and present our results in Table 5 Panel C. Veterans are 4.9 pp more likely to participate in the gig economy (Col 2). This is a large difference (33%) that is statistically significant ($p < 0.01$). Otherwise, veterans and non-veterans report very similar outcomes overall. The two groups report similar levels of having second jobs (Col 4, approximately 27%), receiving federal assistance (Col 4, approximately 20%), and expressing remorse about college expenses (Col 8, approximately 15%). For all three outcomes, the results again demonstrate the importance of controlling for other differences between

¹¹ For example, veterans are more likely to have a will (Table 5 Panel A), which is one type of financial plan. In addition, in unpublished results we confirm that veterans are more likely to have tried to figure out how much they need to save for retirement (question j8).

veterans and non-veterans as the univariate comparison results (odd Cols) differ substantially from the multivariate results that we prefer (even Cols).

6. Results: How are different groups of veterans faring in 2018?

In this section, we compare the financial outcomes of veterans by demographic characteristics to answer the following question:

- How do different groups of veterans fare in their overall financial outcomes?

We report our estimates from Equation 3 in Table 6. The differences we observe reflect the average difference between individuals in a particular group (*e.g.*, female veterans) compared to the omitted group (*e.g.*, male veterans). We focus our attention on the estimates that control for current income (even numbered columns) and summarize results by primary demographic groups using effect magnitudes (regression estimates divided by the sample mean).¹²

6.A. How do veterans fare in their overall financial outcomes by gender and age?

The Table 6 Panel A results identify some areas where female veterans are doing more poorly than their male veteran peers. They report comparable levels of financial well-being (Col 2) and likelihood of having a will (Col 10). Relative to male veterans, however, female veterans report lower financial self-efficacy (4%, Col 4) and correspondingly higher financial anxiety (16%, Col 6) and financial stress (25%, Col 8). These results are consistent with a national study that shows women have higher levels of financial anxiety and stress relative to men (Lin et al., 2019).

6.B. How do veterans fare in their overall financial outcomes by age?

The results by age are more straightforward, with older veterans faring better than their younger counterparts. For each additional year of age, they express greater financial well-being (0.6%, Col 2), less financial anxiety (0.06%, Col 6), less financial stress (1.6%, Col 8), and are more likely to have a will (1%, Col 10). All of these differences are statistically significant.

¹² Income levels correlate with financial outcomes, as we would expect: higher incomes are positively correlated with financial well-being and negatively correlated with financial anxiety and financial stress. Low-income individuals are less likely to have wills.

6.C. How do veterans fare in their overall financial outcomes by race/ethnicity?

In Panel B, we compare veterans by their reported race/ethnicity. Relative to white veterans, black veterans report slightly higher financial well-being (3%, Col 2) and financial self-efficacy (5%, Col 4). The higher level of financial well-being of black veterans relative to white veterans runs counter to national results where black American adults have lower levels of financial well-being than white American adults (CFPB 2016; Lin et al., 2019). This may be the result of differential selection by race/ethnicity into the military, or the military may serve as a socioeconomic equalizer across race/ethnicity. Black and white veterans are comparable in their reported financial anxiety, stress, and likelihood of having a will. Hispanic and Asian veterans are similar to their white peers on all dimensions. Veterans of an “other” race/ethnicity report lower financial well-being (5%, Col 2), but are otherwise comparable to white veterans.

6.D. How do veterans fare in their overall financial outcomes by level of education?

In Panel C, we compare veterans with only a high school degree to their less and more educated counterparts and discover some surprising results. First, those with less than a high school education do not differ significantly on any dimension from the reference group. Contrary to our expectation, veterans with some college report lower financial well-being (3%, Col 2) and more financial anxiety (19%, Col 6) than those with just a high school degree, potentially reflecting concern over financing their education. Veterans who are college graduates report higher levels of financial anxiety (16%, Col 6), and they are more likely to have wills (19%, Col 10). Veterans with education greater than a college degree report higher financial self-efficacy (7%, Col 4) as well as more financial anxiety (30%), financial stress (23%), and a higher likelihood of having a will (26%).¹³

6.E. How do veterans fare in their overall financial outcomes by level of marital status?

In Panel D, we compare veterans by their marital status. Veterans who are married, separated, or divorced all report lower financial well-being (4%, 8%, and 3% respectively, Col 2) than their single peers do. Married veterans also report more financial anxiety (15%, Col 6), more financial stress (22%, Col 8), and a higher probability of having a will (16%, Col 10).

¹³ In unpublished results, we analyze the role of student debt for veterans with more than a college education. We find that student loan debt (own or for someone else) is positively correlated with financial anxiety. However, student loan debt does not appear to be the primary reason, as the positive relationship between greater than a college degree and financial anxiety persists even after controlling for student loan debt.

Separated veterans also report more financial anxiety (36%). Widowed veterans fare no differently than their single counterparts, except that they are more likely to have a will (30%).

6.F. How do veterans fare in their overall financial outcomes by level of number of dependents?

Finally, we compare veterans by the number of financial dependents they report in Panel D. Broadly, veterans with dependents report lower financial well-being (from 6% to 12%, Col 2), much higher financial anxiety (from 26% to 51%, Col 6), and much higher financial stress (21% to 33%, Col 6); the results provide suggestive evidence that these correlations increase in size with more dependents. This finding is consistent with data both in the military and outside the military. That is, dependents in a household are commonly associated with increased financial strain (Mottola 2014; Lin et al., 2019). Veterans with dependents also report lower levels of financial self-efficacy (26% for those with 1 dependent and 51% for those with 4 or more dependents).

7. Discussion & Summary

In this study, we provide new evidence on the financial well-being of military veterans. We leverage multiple waves of the NFCS to provide comparative analyses over time (*i.e.*, veterans in 2018 vs. 2015), new data to provide comparative evidence by status (*i.e.*, veterans vs. non-veterans), and recent evidence on the relative well-being for important subgroups of veterans (*i.e.*, by age, gender, race/ethnicity, education level, marital status, and number of dependents). We can summarize our analysis in three statements.

First, veterans in 2018 are faring better overall than those in 2015. Specifically, they have less difficulty covering expenses and bills, lower likelihoods of experiencing an income drop, and higher likelihoods of having emergency funds and retirement plans in addition to an employer plan. Veterans in 2018, however, report more problematic credit card behaviors. Second, veterans in 2018 are faring better on average than non-veterans. They report higher levels of financial well-being, less financial anxiety, a higher likelihood of having a will, and a higher likelihood of participation in the gig economy. Third, there are some subgroups of veterans that appear to be faring worse than others. Female veterans report lower self-efficacy, more financial anxiety, and more financial stress. Younger veterans fare worse than older

veterans on nearly all measures. Veterans identifying as “other” race/ethnicity report lower well-being relative to their white counterparts. Perhaps surprisingly, veterans with higher than a college degree report higher levels of financial anxiety.

Many of these findings mirror national results, but there are some noteworthy differences and similarities worth pointing out. The financial capability of both veterans and adult Americans in general improved between 2015 and 2018, though veterans appear to have improved at a somewhat faster rate. For example, veterans saw a bigger reduction in the percentage of respondents finding it difficult to pay their bills relative adult Americans. Similarly, veterans saw a greater increase in ownership of retirement accounts relative to adult Americans (see Lin et al., 2019). In short, the improving economy between 2015 and 2018 may have provided veterans with a stronger tailwind than adult Americans in general, though it is not completely clear why this would be the case.

Another notable difference is that black veterans exhibit higher levels of financial capability than white veterans, which runs counter to two studies that have recently examined race-based differences in financial well-being in the general population (CFPB 2019; Lin et al., 2019). Understanding why black veterans have higher financial well-being than white veterans could inform our understanding of why blacks, in general, have lower levels of financial well-being than whites. Such analyses might provide ideas about how to close this race-based gap in the general population.

One notable similarity is that female veterans have higher levels of financial stress and anxiety than male veterans. In both the general and veteran populations, these higher levels of financial stress and anxiety could be driven by gender-based income differences.

While our results rely on survey data and do not enable causal conclusions about veteran status, they provide a rich descriptive picture of veteran financial well-being that can inform additional research, policy development, and service provision to this critically important population. In particular, they provide important evidence on veteran financial well-being over time, comparative evidence on veteran well-being compared to non-veterans, and evidence on various veteran subgroups.

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Table 1. Veteran Characteristics in 2018 vs. 2015

	(1)	(2)	(3)	(4)
	2015	2018		
Variable	Respondents	Respondents	Difference	p-value
	n=3,170	n=3,055		
Female, %	14.16	16.10	1.94	0.033
Age, Years	57.62	57.55	-0.07	0.861
White, %	76.44	77.25	0.82	0.446
Black, %	9.84	9.98	0.14	0.852
Hispanic, %	7.82	6.48	-1.34	0.040
Asian or Pacific Islander, %	2.24	2.75	0.51	0.198
Other Race, %	3.66	3.54	-0.12	0.793
Less than High School, %	0.50	0.75	0.25	0.217
High School Graduate, %	18.39	19.25	0.86	0.388
Some College, %	43.47	41.05	-2.42	0.053
College Graduate, %	22.52	22.95	0.42	0.691
More than College, %	15.11	16.01	0.90	0.330
Married, %	67.82	67.27	-0.56	0.639
Single, %	13.44	13.22	-0.21	0.804
Separated, %	1.51	1.41	-0.11	0.726
Divorced, %	12.62	13.45	0.84	0.328
Widowed, %	4.61	4.65	0.04	0.937
No Dependents, %	70.38	70.05	-0.33	0.776
1 Dependent, %	12.56	13.26	0.70	0.409
2 Dependents, %	10.16	9.85	-0.31	0.688
3 Dependents, %	4.61	3.93	-0.68	0.186
4 or More Dependents, %	2.30	2.91	0.61	0.131

Note. 2018 and 2015 NFCS data for Veteran respondents. The table reports the means for each characteristic, the difference in the means by wave, and the p-value of the difference. The statistics come from an OLS regression of the characteristic in each row on an indicator for 2018 with robust standard errors.

Table 2. Veteran Financial Outcomes in 2018 vs. 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls
Panel A. Overall Financial Standing Outcomes								
Outcome =	Satisfied with Current Condition		Difficult to Cover Expenses & Bills		Experienced Income Drop			
2018 Veterans	-0.0032 (0.0120)	-0.0026 (0.0115)	-0.0527*** (0.0123)	-0.0543*** (0.0116)	-0.0236** (0.0094)	-0.0261*** (0.0090)		
Observations	6,225	6,225	6,140	6,140	6,126	6,126		
R-Squared	0.0143	0.0958	0.0157	0.1201	0.0155	0.1081		
2015 Sample Mean	0.6858	0.6858	0.3736	0.3736	0.1719	0.1719		
Panel B. Spending Outcomes								
Outcome =	Spending > Income		Adverse Credit Behavior Index (0-4)					
2018 Veterans	-0.0014 (0.0096)	-0.0034 (0.0094)	0.0697*** (0.0259)	0.0707*** (0.0237)				
Observations	6,102	6,102	5,227	5,227				
R-Squared	0.0101	0.0528	0.0221	0.1952				
2015 Sample Mean	0.1635	0.1635	0.6722	0.6722				
Panel C. Saving and Investment Outcomes								
Outcome =	Has Emergency Fund		Has Employer Retirement Plan		Has Other Retirement Plan		Non-Retirement Accounts	
2018 Veterans	0.0311** (0.0127)	0.0299** (0.0120)	0.0122 (0.0123)	0.0141 (0.0118)	0.0369*** (0.0130)	0.0348*** (0.0124)	0.0253* (0.0129)	0.0238* (0.0123)
Observations	6,028	6,028	6,041	6,041	5,983	5,983	6,052	6,052
R-Squared	0.0162	0.1203	0.0187	0.1093	0.0211	0.1240	0.0159	0.1103
2015 Sample Mean	0.6041	0.6041	0.6632	0.6632	0.4696	0.4696	0.4366	0.4366

Note. 2015 and 2018 NFCS Data. The table reports OLS regression results for the outcome in each column on the individual characteristics in each row and state fixed effects. The sample is restricted to Veteran respondents. For indicator variable outcomes, these are linear probability models. The even numbered columns include the the individual characteristics (e.g., age, race, education, marital status, number of children) in Table 1. The omitted categories are: white, high school graduates, single, and no dependents. Heteroskedasticity robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.10. Sample means are reported for 2015 respondents.

Table 3. Veteran Financial Outcomes Related to Public Policy in 2018 vs. 2015

	(1)	(2)	(3)	(4)	(5)	(6)
	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls
Panel A. Employment Outcomes						
Outcome =	Unemployed		Disabled		Retired	
2018 Veterans	-0.0054 (0.0037)	-0.0055 (0.0037)	-0.0002 (0.0051)	-0.0002 (0.0051)	-0.0139 (0.0127)	-0.0079 (0.0096)
Observations	6,225	6,225	6,225	6,225	6,225	6,225
R-Squared	0.0084	0.0287	0.0098	0.0391	0.0146	0.4483
2015 Sample Mean	0.0252	0.0252	0.0401	0.0401	0.4461	0.4461
Panel B. Health Outcomes						
Outcome =	Covered by Health Insurance		Foregone Medical Treatment		Unpaid Medical Bills Past Due	
2018 Veterans	-0.0006 (0.0064)	-0.0001 (0.0061)	0.0328 (0.0210)	0.0368* (0.0197)	0.0140 (0.0097)	0.0118 (0.0092)
Observations	6,156	6,156	6,037	6,037	6,119	6,119
R-Squared	0.0141	0.0983	0.0162	0.1479	0.0157	0.1129
2015 Sample Mean	0.9368	0.9368	0.3335	0.3335	0.1618	0.1618
Panel C. Education Outcomes						
Outcome =	Has Student Loans		Late Student Loan Payments		Attending 4 Yr College/University	
2018 Veterans	0.0074 (0.0084)	0.0068 (0.0076)	0.0367 (0.0279)	0.0345 (0.0279)	-0.1759*** (0.0653)	-0.1588** (0.0703)
Observations	6,145	6,145	1,135	1,135	287	287
R-Squared	0.0137	0.2018	0.0551	0.0901	0.2136	0.2541
2015 Sample Mean	0.1172	0.1172	0.2698	0.2698	0.5725	0.5725
Panel D. Housing Outcomes						
Outcome =	Owns Home		Late with Home Payment		Underwater on Home	
2018 Veterans	-0.0163 (0.0111)	-0.0156 (0.0101)	0.0111 (0.0133)	0.0006 (0.0122)	-0.0257* (0.0133)	-0.0320** (0.0125)
Observations	6,162	6,162	2,494	2,494	2,638	2,638
R-Squared	0.0155	0.1942	0.0409	0.1916	0.0378	0.1511
2015 Sample Mean	0.7621	0.7621	0.1223	0.1223	0.1418	0.1418

Note. 2015 and 2018 NFCS Data. The table reports OLS regression results for the outcome in each column on the individual characteristics in each row and state fixed effects. The sample is restricted to Veteran respondents. For indicator variable outcomes, these are linear probability models. The even numbered columns include the the individual characteristics (e.g., age, race, education, marital status, number of children) in Table 1. The omitted categories are: white, high school graduates, single, and no dependents. Heteroskedasticity robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.10. Sample means are reported for 2015 respondents.

Table 4. Individual Characteristics by Veteran Status

Variable	(1) Non- Veterans n=22,894	(2) Veterans n= 3,055	(3) Difference	(4) p-value
Female, %	57.56	14.59	-42.98	0.000
Age, Years	46.25	56.00	9.75	0.000
White, %	63.77	67.96	4.19	0.000
Black, %	10.90	13.33	2.43	0.003
Hispanic, %	16.60	11.74	-4.86	0.000
Asian or Pacific Islander, %	6.15	4.13	-2.02	0.000
Other Race, %	2.59	2.84	0.25	0.446
Less than High School, %	3.17	0.77	-2.41	0.000
High School Graduate, %	29.06	22.80	-6.27	0.000
Some College, %	38.33	44.77	6.44	0.000
College Graduate, %	18.49	18.44	-0.05	0.955
More than College, %	10.94	13.23	2.28	0.001
Married, %	48.96	66.18	17.22	0.000
Single, %	34.27	14.96	-19.31	0.000
Separated, %	1.59	1.60	0.01	0.981
Divorced, %	10.72	13.04	2.33	0.002
Widowed, %	4.47	4.22	-0.24	0.577
No Dependents, %	65.55	67.48	1.92	0.080
1 Dependent, %	15.02	14.30	-0.72	0.384
2 Dependents, %	11.79	10.46	-1.34	0.066
3 Dependents, %	4.77	4.45	-0.33	0.517
4 or More Dependents, %	2.86	3.32	0.46	0.297

Note. 2018 NFCS data. The table reports the means for each characteristic for Non-Veterans and Veterans, the difference in the means, and the p-value of the difference. The statistics come from an OLS regression of the characteristic in each row on an indicator for veteran status using the national weights and robust standard errors.

Table 5. Veteran vs. Non-Veteran Financial Outcomes in 2018

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls	No Controls	Add Controls
Panel A. Financial Well-Being										
Outcome =	CFPB Well-Being Scale (0-100)		Financial Self-Efficacy		Financial Anxiety		Financial Stress		Has a Will	
2018 Veterans	6.2851*** (0.3917)	1.8995*** (0.3760)	0.0657*** (0.0093)	0.0317*** (0.0099)	-0.1447*** (0.0115)	-0.0303** (0.0119)	-0.1348*** (0.0110)	-0.0180 (0.0115)	0.2658*** (0.0115)	0.1324*** (0.0117)
Observations	24,115	24,115	24,769	24,769	25,600	25,600	25,571	25,571	25,114	25,114
R-Squared	0.0206	0.1838	0.0069	0.0509	0.0114	0.0832	0.0121	0.0835	0.0395	0.2331
Covariates	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Non-Veteran Mean	51.9029	51.9029	0.7574	0.7574	0.5445	0.5445	0.4478	0.4478	0.2975	0.2975
Panel B. Technology and Finance										
Outcome =	Uses Online Banking		Uses Mobile Banking		Mobile Phone for Payments		Financial Technology for Planning			
2018 Veterans	0.0282*** (0.0097)	-0.0127 (0.0101)	-0.0770*** (0.0114)	-0.0149 (0.0114)	-0.0423*** (0.0107)	0.0066 (0.0108)	-0.0032 (0.0113)	0.0453*** (0.0112)		
Observations	25,592	25,592	25,570	25,570	25,469	25,469	25,372	25,372		
R-Squared	0.1208	0.0047	0.0822	0.0139	0.1281	0.0043	0.1368	0.0109		
Covariates	No	No	No	No	No	No	No	No		
Non-Veteran Mean	0.7743	0.7743	0.6032	0.6032	0.3472	0.3472	0.3834	0.3834		
Panel C. Labor Market Outcomes										
Outcome =	Participation in Gig Economy		Has a Second Job		Receiving Federal Assistance		College Expense Remorse			
2018 Veterans	0.0156* (0.0089)	0.0491*** (0.0089)	-0.0398*** (0.0097)	0.0116 (0.0102)	-0.0558*** (0.0087)	0.0101 (0.0090)	-0.0293*** (0.0070)	0.0065 (0.0073)		
Observations	25,362	25,362	25,632	25,632	25,484	25,484	24,235	24,235		
R-Squared	0.0128	0.1208	0.0047	0.0822	0.0139	0.1281	0.0043	0.1368		
Covariates	No	No	No	No	No	No	No	No		
Non-Veteran Mean	0.1468	0.1468	0.2665	0.2665	0.2051	0.2051	0.1215	0.1215		

Note. 2018 NFCS Data. The table reports OLS regression results for the outcome in each column on the individual characteristics in each row and state fixed effects. For indicator variable outcomes, these are linear probability models. The even numbered columns include the the individual characteristics (e.g., age, race, education, marital status, number of children) in Table 4. The omitted categories are: white, high school graduates, single, and no dependents. Observations are weighted using the NFCS national weights. Heteroskedasticity robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.10. Sample means are reported for non-veterans respondents.

Table 6. Demographic Characteristics and Financial Well-Being for Veterans in 2018

Outcome =	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CFPB Well-Being Scale	CFPB Well-Being Scale (0-100)		Financial Self-Efficacy		Financial Anxiety		Financial Stress		Has a Will	
Panel A. Basic Demographics (Omitted group is Male)										
Female	-2.1830*** (0.8158)	-0.7231 (0.7739)	-0.0608*** (0.0210)	-0.0361* (0.0210)	0.0818*** (0.0258)	0.0595** (0.0255)	0.0940*** (0.0250)	0.0733*** (0.0246)	-0.0526** (0.0255)	-0.0374 (0.0256)
Age	0.3332*** (0.0237)	0.3391*** (0.0224)	-0.0000 (0.0006)	-0.0001 (0.0006)	-0.0065*** (0.0008)	-0.0067*** (0.0007)	-0.0066*** (0.0007)	-0.0068*** (0.0007)	0.0064*** (0.0008)	0.0064*** (0.0008)
Panel B. Race/Ethnicity (Omitted group is White)										
Black	0.4766 (1.1006)	1.7441* (1.0055)	0.0190 (0.0267)	0.0431* (0.0261)	-0.0075 (0.0333)	-0.0233 (0.0325)	-0.0111 (0.0317)	-0.0267 (0.0311)	-0.0495 (0.0339)	-0.0322 (0.0339)
Hispanic	0.3988 (1.2443)	0.9765 (1.1945)	-0.0069 (0.0310)	0.0051 (0.0302)	0.0645* (0.0380)	0.0580 (0.0374)	0.0422 (0.0370)	0.0350 (0.0368)	0.0151 (0.0398)	0.0188 (0.0397)
Asian	-0.3324 (1.7835)	-0.6878 (1.6572)	0.0437 (0.0427)	0.0365 (0.0401)	-0.0809 (0.0577)	-0.0716 (0.0553)	-0.0191 (0.0554)	-0.0143 (0.0539)	-0.0371 (0.0599)	-0.0371 (0.0616)
Other Race/Ethnicity	-4.2316*** (1.5610)	-3.1440** (1.4776)	-0.0411 (0.0402)	-0.0265 (0.0394)	0.0334 (0.0461)	0.0242 (0.0448)	0.0352 (0.0445)	0.0253 (0.0443)	-0.0030 (0.0458)	0.0030 (0.0453)
Panel C. Level of Education (Omitted group is High School Graduate)										
Less than High School	-5.1676 (3.7877)	-1.5247 (3.4009)	0.0550 (0.0916)	0.1245 (0.0920)	0.1005 (0.1121)	0.0744 (0.1084)	0.1529 (0.1112)	0.1096 (0.1079)	-0.0635 (0.1256)	-0.0016 (0.1244)
Some College	1.2683 (0.8539)	-1.5771** (0.7872)	0.0512** (0.0218)	0.0014 (0.0211)	0.0332 (0.0250)	0.0719*** (0.0249)	-0.0007 (0.0234)	0.0347 (0.0233)	0.0003 (0.0252)	-0.0301 (0.0253)
College Graduate	4.8458*** (0.9243)	-0.4831 (0.8762)	0.1095*** (0.0231)	0.0251 (0.0229)	-0.0185 (0.0274)	0.0600** (0.0280)	-0.0459* (0.0256)	0.0227 (0.0261)	0.1681*** (0.0276)	0.1124*** (0.0286)
Greater than College	6.3277*** (0.9913)	-1.4134 (0.9472)	0.1631*** (0.0223)	0.0549** (0.0227)	-0.0022 (0.0294)	0.1154*** (0.0308)	-0.0367 (0.0269)	0.0665** (0.0283)	0.2235*** (0.0285)	0.1553*** (0.0305)
Panel D. Marital Status (Omitted group is Single)										
Married	3.1321*** (0.9440)	-2.3224*** (0.8857)	0.0685*** (0.0243)	-0.0247 (0.0238)	-0.0143 (0.0294)	0.0568* (0.0300)	-0.0027 (0.0282)	0.0636** (0.0286)	0.1556*** (0.0301)	0.0943*** (0.0313)
Separated	-3.3455 (3.0092)	-4.8373* (2.7124)	-0.0879 (0.0740)	-0.1091 (0.0721)	0.1310 (0.0828)	0.1365* (0.0796)	0.1105 (0.0854)	0.1236 (0.0826)	-0.0025 (0.0831)	-0.0105 (0.0806)
Divorced	-2.1515* (1.1799)	-1.9461* (1.0532)	-0.0212 (0.0311)	-0.0188 (0.0297)	0.0510 (0.0359)	0.0457 (0.0354)	0.0443 (0.0342)	0.0396 (0.0339)	-0.0250 (0.0364)	-0.0202 (0.0358)
Widowed	1.9103 (1.7178)	1.0848 (1.5099)	0.0246 (0.0415)	0.0055 (0.0385)	-0.0414 (0.0470)	-0.0395 (0.0462)	-0.0105 (0.0430)	-0.0076 (0.0423)	0.1808*** (0.0462)	0.1775*** (0.0449)
Panel E. Number of Dependents (Omitted group is No Dependents)										
1 Dependent	-2.7214*** (0.9177)	-3.4837*** (0.8496)	-0.0276 (0.0234)	-0.0431* (0.0226)	0.0835*** (0.0290)	0.0902*** (0.0284)	0.0534* (0.0280)	0.0610** (0.0273)	-0.0409 (0.0288)	-0.0490* (0.0289)
2 Dependents	-3.7232*** (1.0628)	-4.4677*** (1.0218)	-0.0233 (0.0271)	-0.0350 (0.0265)	0.0830** (0.0350)	0.0919*** (0.0346)	0.0867** (0.0347)	0.0957*** (0.0343)	-0.0670* (0.0357)	-0.0755** (0.0358)
3 Dependents	-2.2454* (1.3519)	-3.7327*** (1.2919)	-0.0185 (0.0402)	-0.0502 (0.0397)	0.0217 (0.0505)	0.0363 (0.0495)	0.0514 (0.0498)	0.0663 (0.0493)	0.0078 (0.0527)	-0.0110 (0.0529)
4 or More Dependents	-6.5509*** (1.8326)	-7.0690*** (1.7695)	-0.0716 (0.0473)	-0.0836* (0.0474)	0.1168** (0.0587)	0.1251** (0.0578)	0.0876 (0.0578)	0.0961* (0.0570)	-0.0249 (0.0610)	-0.0335 (0.0610)
R-Squared	0.2257	0.3532	0.0617	0.1305	0.1107	0.1478	0.1289	0.1608	0.1588	0.1774
2018 Veteran Mean	58.1245	58.1245	0.8359	0.8359	0.3765	0.3765	0.2915	0.2915	0.5894	0.5894
Controls for Income	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes

Note. 2018 NFCS Data. The table reports OLS regression results for the outcome in each column on the individual characteristics in each row and state fixed effects. For indicator variable outcomes, these are linear probability models. Odd columns include the the individual characteristics (e.g., age, race, education, marital status, number of children) in Table 4. The even columns include all these characteristics, as well as income. The omitted categories are: white, high school graduates, single, no dependents, and income from \$50k-\$75k. Heteroskedasticity robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.10. Sample means are reported for all Veteran respondents in 2018.

Appendix A

Description of Financial Outcomes

Group 1: Overall Financial Standing

1. *Overall financial satisfaction* (question J1) takes on a value of 1 for those who indicated that they were satisfied (*i.e.*, answer greater than 5 on a 1-10 scale) with their current personal financial condition; the value equals 0 otherwise.
2. *Difficulty covering expenses* (question J4) takes on a value of 1 for those who indicated that in a typical month it is very or somewhat difficult to cover their bills; the value equals 0 otherwise.
3. *Experienced a large drop in income* (question J10) takes on a value of 1 for those who indicated that they had experienced a large unexpected drop in income in the last year; the value equals 0 otherwise.

*Group 2: Spending*¹⁴

4. *Spending greater than monthly income* (question J3) takes on a value of 1 for those who indicated that over the past year their household spending was more than their household income; the value equals 0 otherwise.
5. *Poor credit card behavior index* (question F2) takes on values of 0 to 4, where 0 represents no bad credit card behaviors and 4 represents all of the following bad credit card behaviors. To create this variable, we first generate an indicator for each of the following credit behaviors: carrying over a balance and being charged interest; being charged a late fee; being charged an over the limit fee; or using a credit card for a cash advance. Then we construct the overall index by summing the four indicators.

Group 3: Saving and Investment

6. *Has an emergency fund* (question J5) takes on a value of 1 for those who indicated that they have set aside funds to cover expenses for 3 months in the case of sickness, job loss, economic downturn or other emergencies; the value equals 0 otherwise.
7. *Has a retirement plan through their employer* (question C1) takes on a value of 1 for those who indicated that they have a retirement plan (*e.g.*, a pension plan, Thrift Savings Plan, or 401(k)) through a current or previous employer; the value equals 0 otherwise.
8. *Has retirement accounts not from an employer* (question C4) takes on a value of 1 for those who indicated that they have a retirement account (*e.g.*, a IRA, Keogh, SEP, myRA) that they have set up themselves; the value equals 0 otherwise.
9. *Has non-retirement accounts* (question B14) takes on a value of 1 for those who indicated that they have investments in stocks, bonds, mutual funds, or other securities in accounts not for retirement; the value equals 0 otherwise.

¹⁴ The NFCS item related to the *Use of a budget* (question J31 in 2015 NFCS) was eliminated from the 2018 NFCS, and so we omit it from this analysis.

Group 4: Policy-Related Outcomes

Employment

10. *Unemployed* (question A9) takes on a value of 1 for those who indicated that they are unemployed; the value equals 0 otherwise.
11. *Disabled* (question A9) takes on a value of 1 for those who indicated that they are permanently sick, disabled, or unable to work; the value equals 0 otherwise.
12. *Retired* (question A9) takes on a value of 1 for those who indicated that they are retired; the value equals 0 otherwise.

Health

13. *Has health insurance* (question H1) takes on a value of 1 for those who indicated that they are covered by health insurance; the value equals 0 otherwise.
14. *Foregone health treatment* (question H30) takes on a value of 1 for those who indicated that because of the cost, they did not fill a prescription for medicine; skipped a medical test, treatment, or follow-up recommended by a doctor; and/or had a medical problem but did not go to a doctor or clinic; the value equals 0 otherwise.
15. *Has unpaid medical bills past due* (question G20) takes on a value of 1 for those who indicated that they currently have unpaid bills from a health care or medical service provider that are past due; the value equals 0 otherwise.

Education

16. *Has student loans for self* (question G30) takes on a value of 1 for those who indicated that they have student loans for themselves; the value equals 0 otherwise.
17. *Had late student loan payments* (question G35) takes on a value of 1 for those who indicated that they had students loans and had any late payments in the past 12 months; the value equals 0 otherwise.
18. *Type of school attended* (question A22) for those attending school, takes on a value of 1 for those who indicated that they are attending a four year college or university; the value equals 0 otherwise.

Housing

19. *Homeownership* (question EA1) takes on a value of 1 for those who indicated that they or their spouse currently own their home; the value equals 0 otherwise.
20. *Had late mortgage payments* (question E15) takes on a value of 1 for those who indicated that they own their home and had any late payments in the past 12 months; the value equals 0 otherwise.

21. *Underwater on home* (question E20) takes on a value of 1 for those who indicated that they currently owe more on their home than they think they could sell it for today; the value equals 0 otherwise.

In addition, given the changes to the NFCS, we also analyze three other groups of outcomes to provide new evidence on how modern veterans are faring relative to their civilian peers.

Group 5: Financial Well-Being

1. *Consumer Financial Protection Bureau (CFPB) Financial Well-Being Scale* (question J41). We score individual responses to the five items of the abbreviated scale that are included in the NFCS (items related to wants, just getting by, money not lasting, no money left over at the end of the month, and finances controlling life), and then construct the scale (0-100) following CFPB (2017). This scoring includes adjustments for age and mode of survey administration, which we assume is self-administered for all NFCS respondents. Higher scores indicate greater financial well-being.

2. *Financial self-efficacy* (question J43) takes on a value of 1 for those who indicated that they are very confident or somewhat confident in their ability to achieve a financial goal they set for themselves today; the value equals 0 otherwise (*i.e.*, not very confident, not at all confident).

3. *Financial anxiety* (question J33_40) takes on a value of 1 for those who answer 5 or above (on a scale from 1=Strongly Disagree to 7=Strongly Agree) to the statement “Thinking about my personal finances can make me feel anxious”; the value equals 0 otherwise (*i.e.*, answers 1-4).

4. *Financial stress* (question J33_41) takes on a value of 1 for those who answer 5 or above (on a scale from 1=Strongly Disagree to 7=Strongly Agree) to the statement “Discussing my finances can make my heart race or make me feel stressed”; the value equals 0 otherwise (*i.e.*, answers 1-4).

5. *Has a will* (question C41) takes on a value of 1 for those indicating they currently have a will; the value equals 0 otherwise.

Group 6: Financial Technology

6. *Use online banking* (question B41_1) takes on a value of 1 for those who indicated that they sometimes or frequently access their checking or savings accounts using a computer online; the value equals 0 otherwise.

7. *Use mobile banking* (question B41_2) takes on a value of 1 for those who indicated that they sometimes or frequently access their checking or savings accounts using mobile banking with text messaging, mobile app, or an internet browser or email on a mobile phone; the value equals 0 otherwise.

8. *Use mobile phone for payments* (question B31) takes on a value of 1 for those who indicated that they sometimes or frequently use their mobile phone to transfer money to another person; the value equals 0 otherwise.

9. *Use technology for financial planning* (question B43) takes on a value of 1 for those who indicated that they sometimes or frequently use websites or apps to help with financial tasks such as budgeting, saving, or credit management (*e.g.*, Mint, CreditKarma) but excluding websites or apps for making payments or transfers; the value equals 0 otherwise.

Group 7: New Labor Market Outcomes

10. *Participation in the gig economy* (question B44) takes on a value of 1 for those who indicated that they sometimes or frequently take on a work assignment through a website or mobile app such as Uber, Task Rabbit, Care.com, etc.; the value equals 0 otherwise.

11. *Has a second job* (question A40) takes on a value of 1 for those who indicated that in addition to their main employment they also did other work for pay in the past 12 months; the value equals 0 otherwise.

12. *Received government assistance* (question D40) takes on a value of 1 for those who indicated receipt of either Medicaid benefits or food stamps/SNAP; the value equals 0 otherwise.

13. *Education regret* (question G40) takes on a value of 1 for those who indicated that they wish they had chosen to go to a less expensive college; the value equals 0 otherwise.