
Appendix 1

Supporting Analysis

Environmental Scan

VA is continuously conducting scans of the environment in which it operates. Information on the “State of VA” is obtained from a variety of sources. These sources include: discussions with Congressional staff, veterans service organizations, oversight agencies, other Federal agencies, professional medical associations, and State Directors of Veterans Affairs; secondary research, including a review of published material and reports from external and internal sources including veteran trend data and results of customer surveys performed throughout VA; and feedback from veterans through town hall meetings as part of the Conversations with America initiative, and through a series of smaller focus groups.

The environmental scan provides VA with invaluable feedback and opens a new communication channel with veterans and stakeholders. VA is revising the way it conducts the environmental scan to make it more effective. Instead of conducting the scan every few years, VA will do it on an ongoing basis. This will allow VA to continuously update information from veterans and stakeholders, keep better track of trend data, and address issues in a more timely manner. The environmental scan will also be coordinated with other survey efforts including the National Survey of Veterans.

Demographic Trends

Collecting and analyzing the demographics of veterans are important activities that contribute to the effectiveness of VA’s strategic management. Among other things, the information is used in conjunction with the environmental scan to help identify future

opportunities and challenges. The following information is taken from “The Changing Demographics of Veterans - 1990 - 2020” published in April 2000 by the Office of Program and Data Analyses.

- The increasingly older veteran population will result in increased demand for long-term care, to include nursing homes and community health care programs and services.
- Annual veteran deaths are increasing and are expected to peak in 2008, creating greater demand for burial benefits, including interment in national cemeteries.

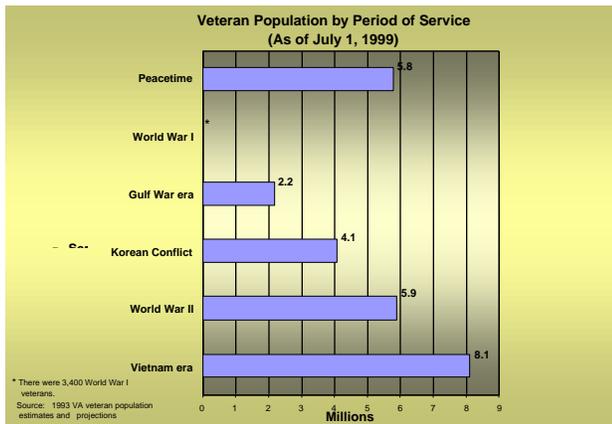
The following charts and graphs are examples of the types of population data and program trends that VA uses in its strategic planning process.

Appendix 1

Veteran Population by Period of Service

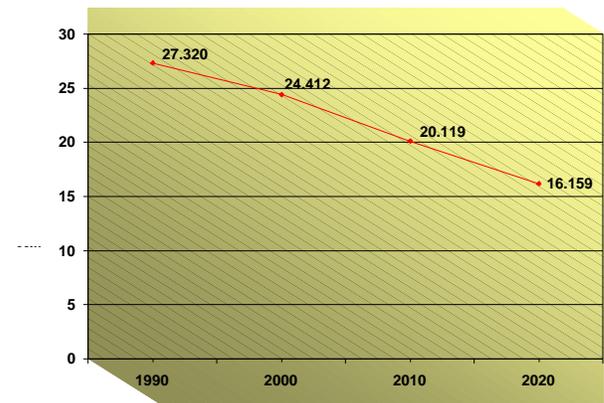
- Vietnam era veterans comprise the largest single period of service group **at 8.1 million** veterans, accounting for about one-third of all veterans.
- World War II veterans comprise the second largest period of service group at 5.9 million veterans, accounting for about one-fourth of all veterans.
- There are 4.1 million Korean Conflict veterans, 2.2 million Gulf War era veterans, and only 3,400 World War I veterans.
- There are 5.8 million peacetime veterans.

Note: Individual periods of service numbers add to more than the total veteran population because veterans may have served in more than one period.



Veteran Population in the U.S. and Puerto Rico - Changes Over Time

- Since the last Census in 1990, the estimated total veteran population in the U.S. and Puerto Rico declined 9%, from 27.3 million in 1990 to 24.4 million in 2000.
- By 2010, the total veteran population in the U.S. and Puerto Rico is expected to decline to 20.1 million. By 2020, it is projected to decline to 16.2 million.
- Between 2000 and 2020, the year-to-year rate of decline in the total veteran population is projected to be, on average, nearly 7 percent.



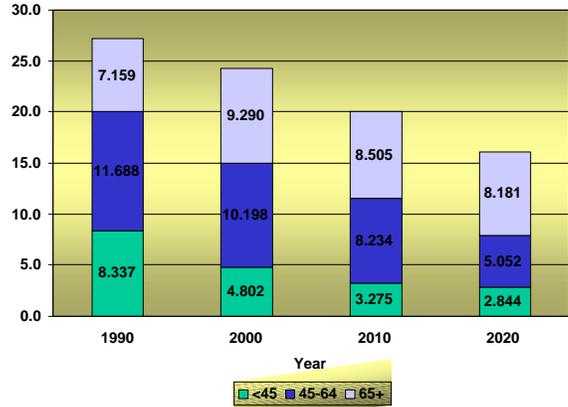
Source: 1993 VA veteran population estimates and projections

Appendix 1

Veteran Population by Age

The decline in the total veteran population between 1990 and 2020 masks differences among component age and period of service groups. For example:

- There is a projected decline in the veteran population “under 45”, primarily as a consequence of the downsizing of active duty forces.
- Veterans age “45-64” declined steadily from 1990 on.
- The number of veterans age “65 or over” is projected to increase from 7.2 million in 1990 to a peak of 9.3 million in 2000.

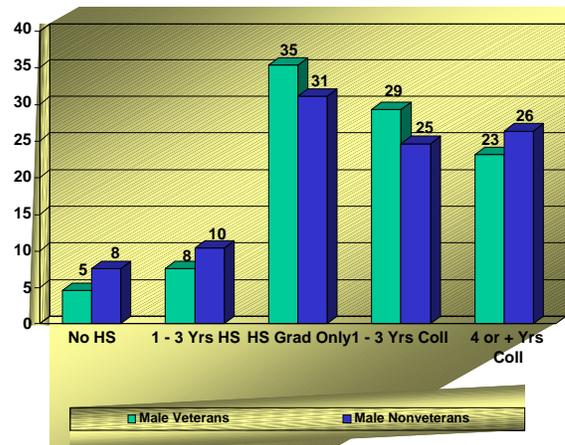


Source: 1993 VA Veteran Population Estimates and Projections

Education - Male Veterans and Nonveterans*

In 1999, significant differences existed between male veterans and nonveterans in their highest level of education attained:

- 12% of male veterans had not graduated from high school compared to 18% for male nonveterans.
- A higher proportion of male veterans (65%) than male nonveterans (56%) had at least a high school education or had completed 1 to 3 years of college.
- Male nonveterans are more likely than male veterans to have completed 4 or more years of college (26% vs. 23%).



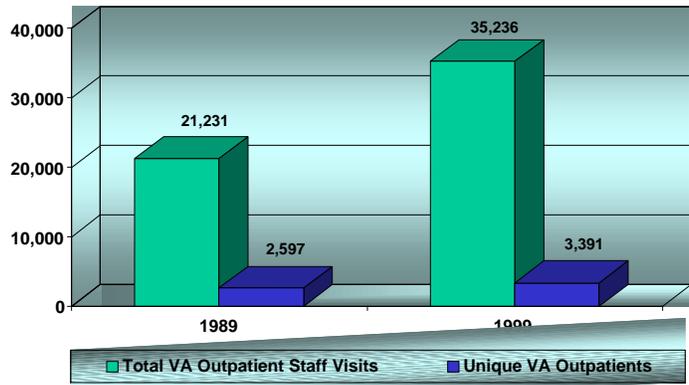
Source: Current Population Survey, March 1999

* Age 20 and Over

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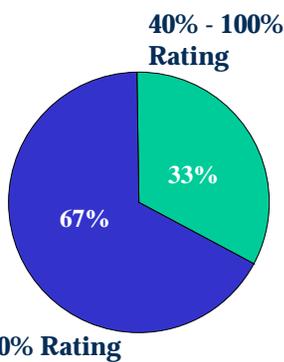
Total VA Outpatient Staff Visits and Unique VA Outpatients

- From FY 1989 to FY 1999 the total number VA outpatient staff visits (excludes non-VA outpatient visits, paid for by VA) increased 66%, from 21,230,674 to 35,235,948.
- Over the same time period, the total number of unique VA outpatients (individuals with multiple visits to VA clinics counted only once) increased 31%, from 2,596,756 to 3,391,276.
- Between FY 1989 and FY 1999, the total number of VA hospital-based or satellite outpatient clinics increased 128%, from 231 to 527.



Sources: FY 1989 and FY 1999 VA Outpatient Treatment Files

Service-Connected Compensation - Veterans Receiving Monthly Disability Payments (Percentage Distribution as of December 31, 1999) Service-Connected Veterans by Combined Degree



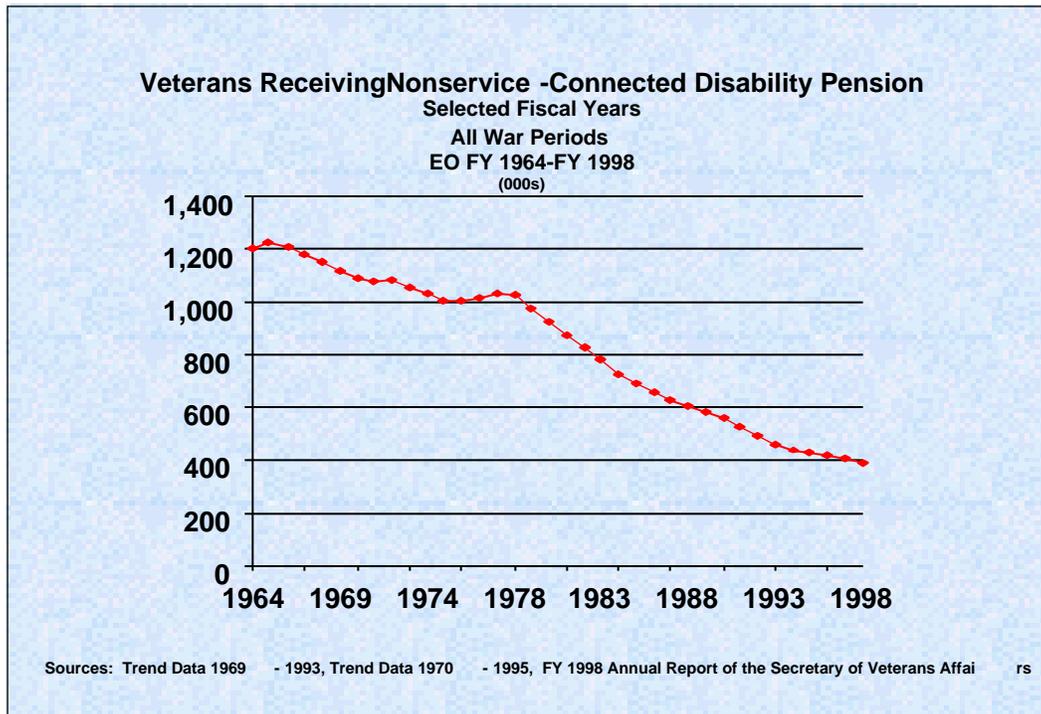
Source: Veterans Benefits Administration Data

Disability compensation payments are paid to veterans who are disabled by disease or injury incurred or aggravated during military service. If a veteran has an other than dishonorable discharge, he or she may be eligible for monthly disability compensation payments that vary by combined degree of disability and number of dependents.

- As of December 31, 1999, there were 2,297,311 total veterans in receipt of monthly VA compensation payments.
- As of December 31, 1999, about two-thirds (67%) of service-connected veterans have combined degree of disability ratings of from 0% to 30%. The remainder, about one-third (33%) of all service-connected veterans, have combined degree of disability ratings of from 40% to 100%.

Appendix 1

Veterans Receiving Nonservice-Connected Disability Pension Selected Fiscal Years

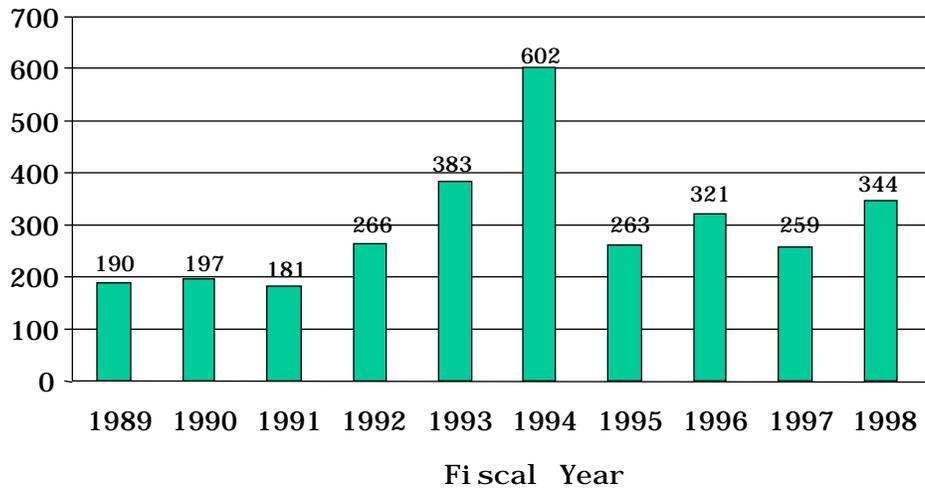


Sources: Trend Data 1969 - 1993, Trend Data 1970 - 1995, FY 1998 Annual Report of the Secretary of Veterans Affairs

- A total of 390,978 persons were in receipt of VA nonservice-connected disability pension payments as of September 30, 1998.
- 53% of VA Pension recipients as of September 30, 1998 were World War II veterans.
- The average monthly pension amount as of September 30, 1999 was \$473 (or \$5,677 annually).

Appendix 1

Home Loan Guaranty Loans Guaranteed FY 1989 - FY 1999 (000s)



Sources: FY 1988 - FY 1999 Annual Reports of the Secretary of Veterans Affairs
Note: Data include both home and manufactured home origination.

Home Loan Guaranty- Loans Guaranteed FY 1988 - FY 1998 - (000s)

- The program set new records in FY 1994 for the number of loans guaranteed and the total dollar volume of such loans. During FY 1994, VA guaranteed 602,220 home loans, which surpassed the previous record of 600,507 home loans set in 1956.
- Reasons for the peak in FY 1994 included: the lowest interest rates in 20 years; FY 1994 was the first full year of implementation of sweeping changes in the VA Home Loan Guaranty Program; and VA conducted a massive letter writing campaign in January and February of 1994 that informed veterans of opportunities to refinance at lower rates.
- The VA home Loan Guaranty program remains healthy, with 343,954 home loans guaranteed in FY 1999.