



Fort Hood Region Veterans Inventory Initiative

Quarterly Report, July - September 2012

An assessment of the intentions, educational level, skills, employment desires, and suggestions to improve the Fort Hood region's "Quality of Place" for Soldiers leaving military service at Fort Hood, Texas.





Quarterly Report: 4th Quarter, FY 2012
(July - September 2012)

A. BACKGROUND: Operation Economic Transformation is the Greater Killeen Chamber of Commerce plan to identify, measure, and capitalize on new and emerging economic development opportunities present in the Fort Hood region. One key recommendation was to regularly administer a survey designed to capture insightful information regarding the skills and desired career fields of veterans separating from military service at Fort Hood. In July 2006, the following parties entered into a Memorandum of Understanding (MOU) to routinely inventory the intentions, educational level, skills, employment desires, and suggestions of separating Soldiers in order to improve the Fort Hood regional “Quality of Place”:

- Fort Hood Adjutant General/Army Career and Alumni Program (ACAP)
- Workforce Solutions of Central Texas - Board
- Workforce Solutions of Central Texas - Service Centers
- Greater Killeen Chamber of Commerce
- Heart Of Texas Defense Alliance
- Texas Veterans Commission

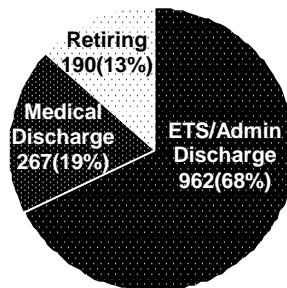
Data is collected via a voluntary twelve-question survey administered during either the Transition Assistance Program (TAP) workshop or installation final clearance¹. The purpose for the collection and analysis of this data is threefold:

1. Develop and retain the region’s skilled and motivated military Veteran workforce;
2. Foster innovation and entrepreneurship; retain existing businesses, and attract new business to the region; and
3. Align the efforts of the participating agencies to enhance options for current and future/potential residents.

B. DEMOGRAPHICS

1. For the 4th Quarter (July - September 2012), 1419 Soldiers completing their military service responded to the survey with the demographics graphed below.

DEMOGRAPHIC DISTRIBUTION



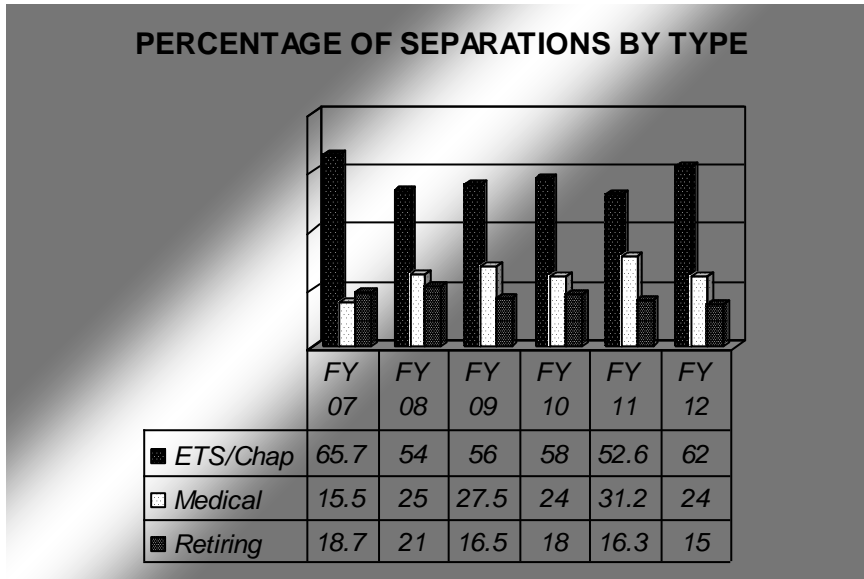
4th Quarter 2012

¹ Retiring Soldiers may participate in TAP up to two years prior to their retirement date, while non-retiring Soldiers may participate up to one year in advance. Effective November 2012, all Soldiers separating from the military are required to attend the TAP seminar and will provide the opportunity for more Soldiers to participate in the optional Veterans Inventory Initiative survey.

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2. The Veteran's Inventory Initiative has collected data on Soldiers separating from the service at Fort Hood since FY 2007 and, over that period, there have been twenty-four recurring quarterly reports based on data from a total of 22,449 separating Soldiers. The following graph compares reasons for separation from FY 2007 through 4th Quarter 2012. While the percent of Soldiers separating due to ETS and retirement had decreased in 2011, it appears that the percent separating due to ETS is increasing in 2012 and the percent retiring is decreasing slightly in FY 2012. While the percent of Soldiers separating due to medical reasons had increased in FY 2011, it appears that this percent has decreased to the FY 2011 level. As the Army downsizes by 2017, we anticipate higher ETS rates to occur.



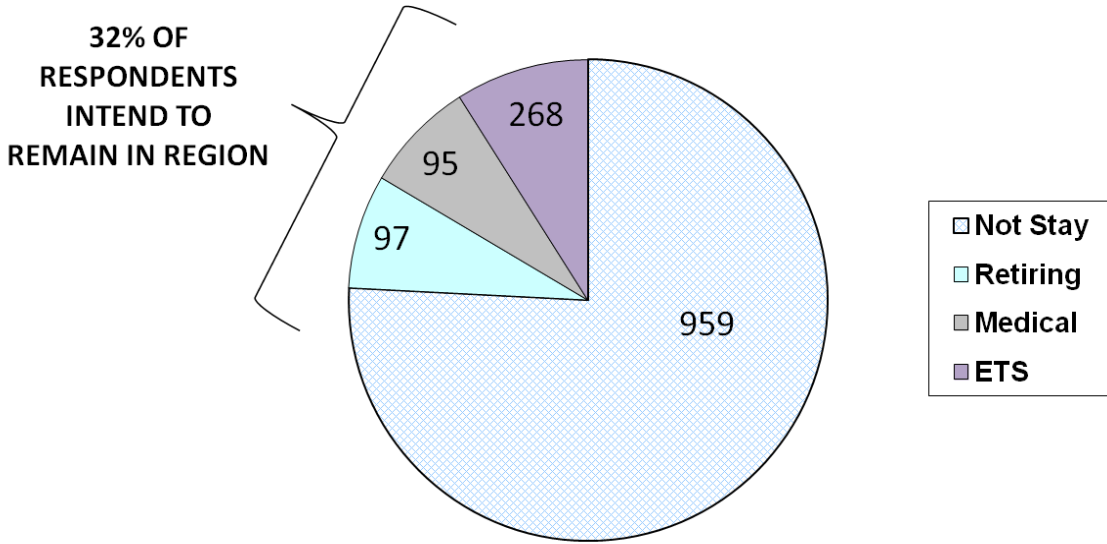
C. INTENTIONS ON STAYING IN THE REGION: The respondents were surveyed regarding their intentions on remaining in the region (within 30 miles of Fort Hood – generally equating to the Killeen-Temple-Fort Hood Metropolitan Statistical Area) when their service ended.

1. 460 respondents (representing 32% of all respondents) indicated they intended to stay in the region. This data represents:

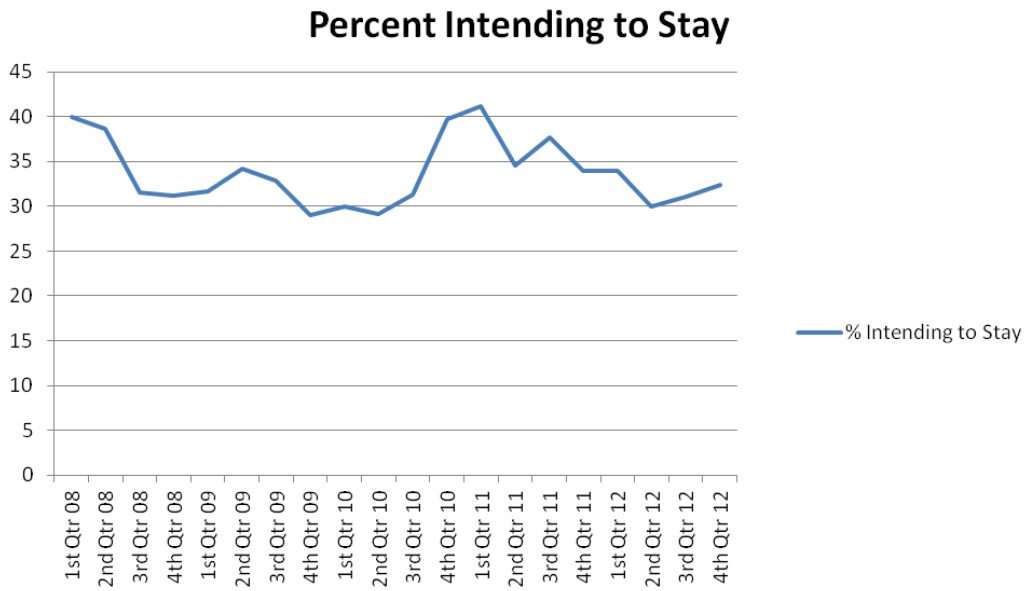
- a. 97 retirees (51%) of all retirement eligible respondents.
- b. 363 (30%) of non-retirement eligible respondents.

In addition, 337 (35%) of the 959 who responded they did not intend to stay in the region, would do so if desirable employment were available.

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2. When analyzing data of Soldiers' intentions on remaining in the Temple-Killeen-Fort Hood MSA from October 2007 to Sep 2012, the graph below indicates that the percent of Soldiers intending to remain in the area has consistently averaged between 29 and 41 percent. Data for this quarter fell within this range, and continues to remain within the historical range.² We will continue to monitor this information.

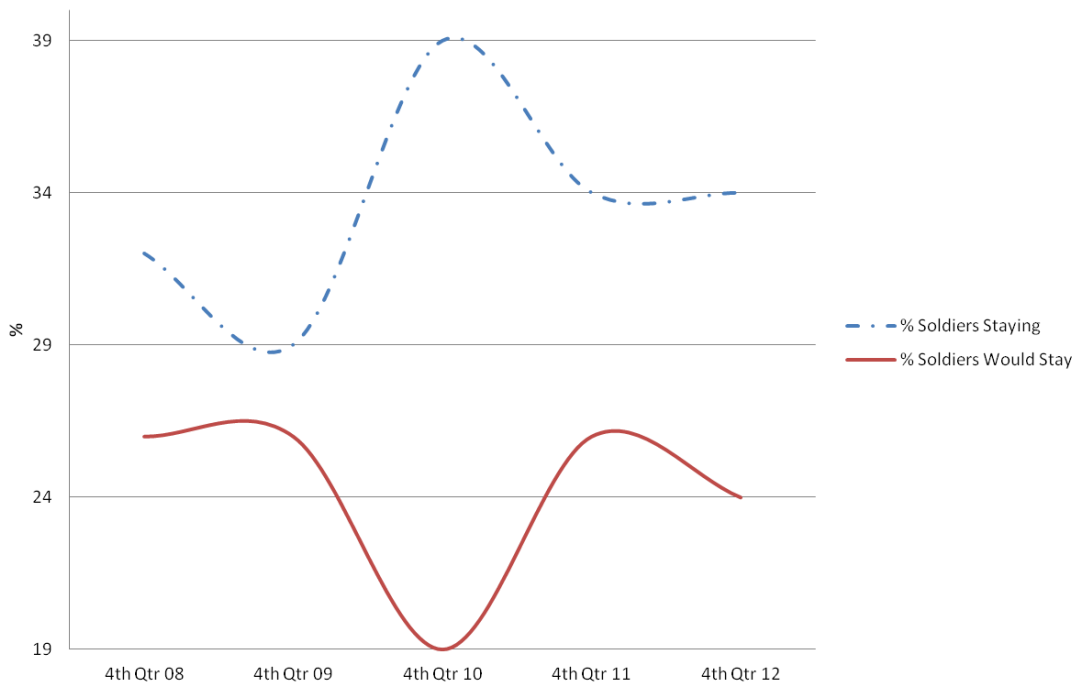


² However, because these surveys are completed up to one year for non-retiring Soldiers and two years for retiring Soldiers before actually leaving the service, "intent" to remain (or leave) may change by the actual separation date.



Respondents are able to more clearly indicate the intentions of their plans and desires once leaving the service. For this quarter, in addition to the 32% indicating they intend to remain in the area, another 35% of those not staying would stay if desirable employment was available. Over the past 30 months, 3321 (34%) respondents intended to remain in the Central Texas region and another 2247 (23%) of total respondents said they would stay if desired employment was available. While the data has fluctuated over the past four years, the latest trend clearly demonstrates that desirable employment readily available within the MSA is a strong driving force in retaining Soldiers in this area following their service in the military.

Percent Soldiers Staying



3. Military retirees residing in the MSA: While the Veterans Inventory Initiative only surveys the intent of Soldiers departing the service, it is possible to more accurately track the disposition of the retiring population using data from the Retired Army Personnel System, which provides the actual numbers of retired Soldiers to zip code level. For the fifteenth quarter in a row, the rate of growth for retirees in the Killeen-Temple-Fort Hood MSA increased slightly. According to the Retired Army Personnel System data below, Killeen, Harker Heights, Belton, and Nolanville experienced growth rates exceeding the MSA average of 8.8% for the three year period of 2009-2012. While Lampasas has had a decrease in growth rate, this quarter is at a slightly lower rate than in previous quarters. In an economic impact study released in Dec 2012, Texas comptroller Susan Combs reported that more than 250,000 retirees and their families remained within traveling distance of the post.

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	JUNE 2009	SEPT 2012	% GROWTH 2009 - 2012
KILLEEN	8120	8998	+10.8
COPPERAS COVE	3028	3138	+3.6
HARKER HEIGHTS	1843	2118	+14.9
TEMPLE	1150	1184	+3.0
KEMPNER	884	931	+5.3
BELTON	826	929	+12.5
LAMPASAS	356	351	-1.4
GATESVILLE	350	359	+2.6
NOLANVILLE	266	298	+12.0
SALADO	206	220	+6.8
MSA	17029	18526	+8.8

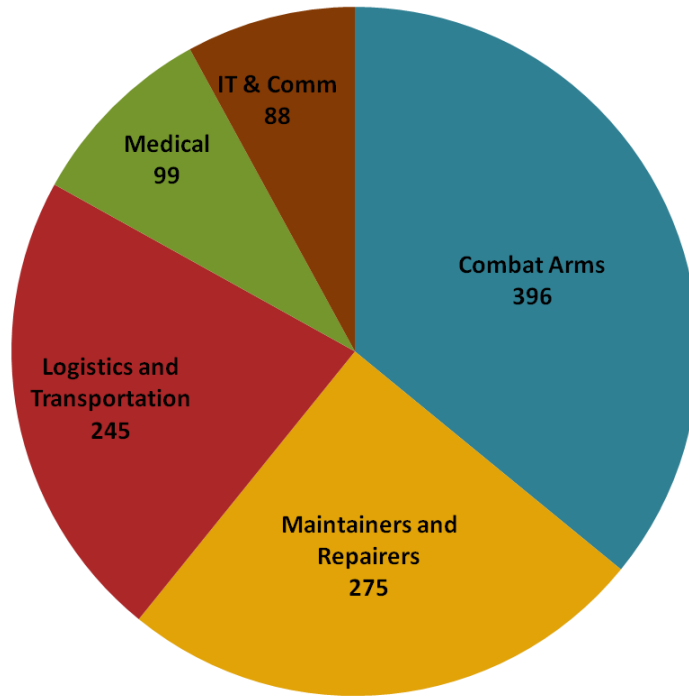
Additionally, while the national economy was continuing to experience the effects of the slowly recovering economy as a result of the recession this reporting period, the Killeen-Temple-Fort Hood MSA:

- a. Central Texas is ranked as one of the best dollar values for medical spending, Dartmouth Institute for Health Policy and Clinical Practice, April 2013.
- b. While statewide wages have decreased by .4%, the Central Texas wages have increased by .6%, Workforce Solutions of Central Texas, April 2013.
- c. CNN Cost of Living Index confirms that the overall cost of living at Ft Hood (Killeen) provides a Soldier 6% - 14% additional purchase power, CNN Money, April 2013.
- d. Killeen ranked fifth overall as one of the best performing cities in the nation by the Milken Institute, Dec 2011.
- e. Killeen ranked #1 on the Best Cities for Jobs list in 2011, moving up from #4 in 2010, www.forbes.com, May 2011.
- f. Population growth of 15.07% since 2000 in the Killeen-Temple-Fort Hood metropolitan area, Sperling's, www.bestplaces.net, Feb 2011.
- g. The Killeen-Temple-Fort Hood metro area's cost of living is 19.4% lower than the U.S. average, Sperling's, www.bestplaces.net, Feb 2011.
- h. Kiplinger.com ranked the Killeen-Temple-Fort Hood MSA as the 3rd most affordable in the nation.
- i. Killeen was named one of the top ten medium metro areas for Military Retirement: Second Careers by USAA and Military.com, Nov 2011.
- j. Killeen ranked fifth in the Best-Performing Cities Index for 2011, December 2011.

In addition to these indicators of economic stability for the Killeen-Temple-Fort Hood MSA, the Texas comptroller stated in the 2012 economic report that Fort Hood's economic impact climbed to \$25.3 billion statewide which was a 150% increase in comparison to the 2008 report. Comptroller Susan Combs stated "Fort Hood is an economic engine that helps growth in Texas." The report states that Fort Hood was also indirectly responsible for 214,344 jobs throughout Texas in addition to the 68,942 jobs in the Fort Hood MSA.



D. MILITARY OCCUPATIONAL SPECIALITIES: Departing Soldiers represented 152 different Military Occupational Specialities. However, 78% (1103/1419 respondents) can be grouped into five general areas: Combat Arms, Maintainers/Repairers, Logistics/Transportation, Medical, and Information Technology/Communications.



COMBAT ARMS

While the number of Soldiers separating from the service with an MOS of Logistics and Transportation had been the largest group twice in 2012, traditionally, Combat Arms is the largest group and remains the largest group this quarter. Most, if not all, will be combat veterans of the Iraq/Afghanistan campaigns, which have a distinctive small-unit focus by their nature. Therefore, in addition to the skills listed below, these Soldiers would likely have extensive leadership and staff planning skills that far surpass those of their civilian peers.

Soldiers in combat arms comprise 28% of the separating population.

Infantry (149)	Member or leader who individually employs small arms/heavy anti-armor weapons in support of combat operations
Armor (107)	Member or leader who employs main battle tanks or cavalry fighting vehicles in combat operations, and performs reconnaissance and security.
Field Artillery (106)	Operate or supervise high technology cannon artillery weapons, automated tactical data systems, intelligence activities, target processing, radar operations, artillery surveying operations, or meteorological observation.

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Air Defense Artillery (34)	Operate command/control/communications/computer information systems or the lightweight, highly mobile Avenger or medium weight Patriot Air Defense Missile systems.
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MAINTAINERS/ REPAIRERS

Soldiers that work in the field of maintenance and repair comprise 19% of the separating population.

Wheeled Vehicle Mechanics (73)	Supervise and perform unit, direct support and general support level maintenance and recovery operations on light and heavy wheeled vehicles, their associated trailers and material handling equipment.
Aviation repairers (69)	10 different enlisted specialties (less pilots and air traffic controllers) ranging from aircraft structural repairers to airframe-specific armament/electrical/avionics system repairers.
Tracked Vehicle Mechanics (43)	Perform or supervise unit maintenance, diagnose, and troubleshoot malfunctions on gas turbine and diesel power plants; the suspension, steering, hydraulics, auxiliary power units, and the armament/fire control systems on tracked vehicles including the M1 Abrams main battle tank and Bradley Fighting Vehicle.
Special purpose (42)	15 different low-density fields that require a degree of technical skills that would support the repair and maintenance of Army vehicles and equipment. These skills include metal workers (welders), machinists, small arms and fire control repair, power generation, computer/detection systems, radar, avionic communication equipment, and special purpose equipment (such as HVAC and refrigeration systems).

LOGISTICS AND TRANSPORTATION

Soldiers serving in the logistics and transportation fields comprise 17% of the separating population.

Motor Transport Operator (74)	Supervises and operates wheel vehicles to transport personnel and cargo. Oversees and checks proper loading and unloading of cargo on vehicles and trailers.
Petroleum Supply Specialists (42)	Supervise the receipt, storage, accountability, and cares for dispensing, issuing and shipping bulk or packaged petroleum, oils, and lubricants.
Unit Supply Specialists (37)	Supervise or perform duties involving the request, receipt, storage, issue, accountability, and preservation of individual, organizational, installation, and expendable supplies and equipment.
Automated Logistical Specialists (28)	Supervise and perform management or stock record/warehouse functions pertaining to receipt, storage, distribution and issue, and maintain equipment records and parts.
Ammunition Supply Specialists (11)	Assists in receipt, storage, issue, maintenance, modification, destruction, and demilitarization of explosive items. Performs ammunition supply stock control and accounting duties using both automated and manual procedures.



MEDICAL

Personnel in the medical field make up 7% of the separating population.

Health Care Specialist (80)	Provide emergency medical treatment, limited primary care, force health protection, evacuation in a variety of operational and clinical settings from point of injury or illness through the continuum of military health care under the supervision of a physician, nurse or physician’s assistant. As a field combat medic, provides emergency medical care/treatment at point of wounding on the battlefield or to battle and non-battle casualties during wartime .
Other (18)	4 Medical Log Spec, 4 Animal Care Spec, 2 Operating Room Spec, 2 Preventive Med Spec, 2 Biomedical Equipment Spec, 1 Medical Lab Spec, 1 Mental Health Spec, 1 Medical Surgical Nurse, and 1 Nutrition Care Spec.

INFORMATION TECHNOLOGY AND COMMUNICATIONS

The information technology and communications field makes up 6% of the separating population.

Signal Support Systems Specialist (19)	Supervise, install, employ, maintain, troubleshoot and assist users with battlefield signal support systems, terminal devices, satellite communications equipment and automated telecommunications computer systems, to include local area networks, wide area networks and routers. Integrate signal systems and networks; performs unit level maintenance on authorized signal equipment and associated electronic devices; train and provide technical assistance to users of signal equipment.
Information Technology Specialist (21)	Supervise, install, operate and perform unit level maintenance on multi-functional/multi-user information processing systems, peripheral equipment, and associated devices. Perform analyst and information assurance functions and conducts data system studies. Perform Information Services Support Office (ISSO) duties of printing, publications, records management and Communication Security (COMSEC) custodian functions and certification authority duties in support of the Defense Message System (DMS).
Multichannel Transmission System Operator-Maintainer (16)	Supervise, install, operate and perform unit level maintenance on multi-channel line-of-site and tropospheric scatter communications systems, communications security (COMSEC) devices, and associated equipment.
Satellite Communication Systems-Operator Maintainer (7)	Satellite Communication Systems Operator-Maintainers are responsible for making sure that the lines of communication are always up and running. They install, operate, maintain and repair strategic and tactical multichannel satellite communications.
Multi-media Illustrator (7)	Primarily responsible for supervising, planning or operating multimedia imaging equipment in order to produce various kinds of visual displays and documents. Operates assigned equipment to combine various visual media to create visual information

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	presentation; prepares graphic products using manual, mechanical, and electronic equipment; performs unit level maintenance on assigned equipment and preventive maintenance checks and services on assigned vehicles and generators.
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E. DESIRED POST- MILITARY SERVICE EMPLOYMENT: Respondents are asked to indicate the type (or types) of post-military employment they desire. If married, they can indicate their spouse's employment preferences. In order to standardize input for ease of analysis, the survey provides 14 broad categories conforming to industry categories found in the North American Industrial Classification System (NAICS), but respondents may write in and/or amplify any area not listed. For this 3rd Quarter report, the top five desired categories of post-military service employment were³:

SOLDIER

SPOUSE

1. Law Enforcement/Security:	472	1. Administrative/Office:	322
2. Management/Business:	351	2. Medical/Health Field:	231
3. Other:	316	3. Other:	192
4. Administrative/Office:	264	4. Education/Teaching:	118
5. Equipment/Maint. Repair:	245	5. Management/Business:	105

The anomalies in Military Occupational Specialty (MOS) data may have been carried over to the types of post-service employment desired. Law Enforcement/Security was ranked as the top desired career for post-service employment and is most likely attributed to the large number of Soldiers separating with a Combat Arms MOS. While Management/Business has been one of the top desired careers for post-service employment since 2007, it was, once again, the second highest desired career for this quarter. Since October 2007, the top desired careers for spouses have always included Administrative/Office, Education/Teaching, and Management/Business; Administrative/Office was the top desired career for spouses this quarter. The Medical/Health Field, once again, was in the top five for desired spouse employment and has been since July 2008.

The top categories of desired post-service employment for those intending to retire from military service are:

³ Employers desiring to hire Fort Hood veterans may post their employment website URL link on the ACAP website (www.acap.army.mil). Employers may also coordinate with the Fort Hood Transition Services Manager (Linda Christ at (254)288-6735) to arrange to recruit potential Veteran employees in person Tuesday through Thursday, and briefly address the TAP workshop (industry they represent, skills they are seeking, availability to discuss job opportunities.) Employers may place a job posting via "Work in Texas" (www.workintexas.com) - a statewide, internet-based job matching system through the Central Texas Workforce Center (254)200-2020. The Texas Veterans Services staff work closely with the Central Texas Workforce Business Services including job development, direct referrals, and military skills-civilian occupations matching. Contact Jerry Butts (Killeen: (254)200-2026) or Waverly Hargrove (Temple: (254)773-1607, ext 4032) for more information.

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1. Management/Business:	84 responses
2. Other:	56 responses
3. Education/Teaching:	52 responses
4. Admin/Office:	50 responses
5. Law Enforcement/Security:	49 responses

Law Enforcement was listed as the top desired area of employment for this 4th quarter while Management and Business had been the top desired area of employment for the last two quarters. Law Enforcement/Security has frequently been the top desired area of employment after leaving the service upon retirement and may be a function of the Military Occupational Specialty data being carried over to the types of post-service employment desired.

According to a new study by Payscale.com, management consultation and information technology program managers top the list for best jobs for veterans. The following is a list of the 16 most common and well-paid occupations that veterans have entered since transitioning from the military service.

- Management consultant
- Program manager, information technology
- Systems analyst
- FBI agent
- Field service engineer, medical equipment
- Systems engineer
- Information technology consultant
- Intelligence analyst
- Helicopter pilot
- Network engineer
- Project manager, construction
- Technical writer
- Business development manager
- Network administrator, information technology
- Heating, ventilation, and air conditioning service technician
- Fireman

Orion International, an employment placement service for former military personnel, finds that officers and senior-enlisted personnel typically find success in high-level management positions and many major corporations offer "fast-track" leadership development for veterans. Officers and Non-Commissioned Officers eligible to retire have spent many years leading increasingly larger and more complex organizations, are graduates of an Army Professional Education system that focuses on developing their leadership skills, and have demonstrated success as a result of their longevity of service. Orion's goal is to help place those with strong leadership skills back into the private sector work force who have mastered the skills of management during military service and many companies are looking to veterans to fulfill that need. Employers are looking to former military personnel due to their leadership experience, transferrable skills, and proven accountability. These veterans are known for being highly energetic and motivated and also known for being career-oriented, goal-oriented, and are very familiar with being in a position where accountability is high. The survey asks respondents if

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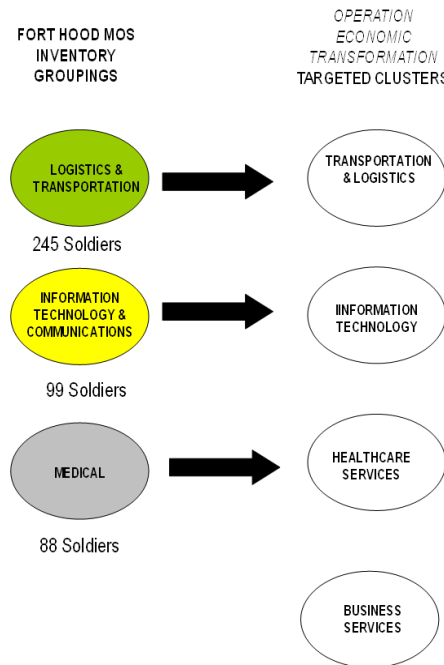
they do not intend to remain in the MSA upon leaving the service, would a job available in the area change their response. Typically, another 18% - 26% would remain in the area if a job was available. The Killeen-Temple-Fort Hood MSA has a large pool of educated veteran job applicants to choose from and it is clear that many would respond favorably to remaining in the area if the right job was available to choose from at the end of their service in the military.

While it is understandable that jobs readily available within the area would retain many more Soldiers within the MSA upon leaving the service, the Census Bureau has confirmed that 2.4 million businesses are owned by military veterans. Veterans have many years of military experience preparing them for the rigors of running a small business. Their discipline, drive, and motivation are characteristics that make them desirable employees. The combination of self-driven veterans and an inexpensive cost of living makes the Killeen-Temple-Fort Hood MSA a desirable place to retire.

The *Operation Economic Transformation* Report identified four “target industries” or clusters that present the Greater Fort Hood Region with immediate opportunities for economic growth:

- Information Technology
- Transportation and Logistics
- Healthcare Services
- Business Services

Clusters are geographic concentrations of interconnected firms and institutions utilizing related applications and serving similar markets. When fully developed, clusters can act as the principal drivers of economic growth and innovation in a region. The report recommended pursuing the development of these four clusters through a coordinated strategy of business retention, recruitment and entrepreneurship.





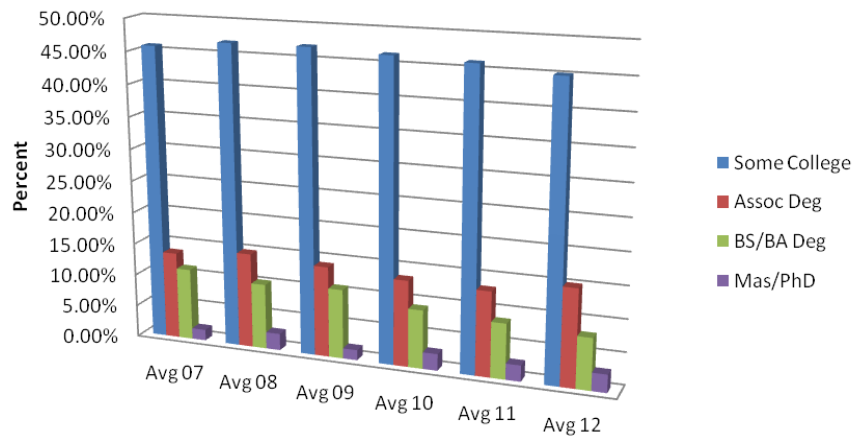
When separating the respondents into major MOS categories, there is a strong correlation between the numbers of separating Soldiers with those skills and the target clusters in the Operation Economic Transformation Report as shown in the chart above. In addition, because Officers and Non-Commissioned Officers eligible to retire have spent many years of their military career in leadership positions and are graduates of an Army Professional Education system, they have acquired many skills in Management and Administrative roles. This training and experience, regardless of their MOS, would directly correspond with the Business Services cluster.

F. EDUCATION LEVEL OF THOSE REMAINING IN THE REGION: Respondents provide their highest level of educational attainment. For this quarter, 65% percent of the respondents who intend to remain in the region have some level of post-secondary education:

1. Some College - 42%
2. Associates Degree - 12%
3. Baccalaureate Degree - 9%
4. Masters Degree - 2.4%

The data from 22,449 Soldiers separating over the 9 indicates that for those Soldiers who intend to remain in the Killeen-Temple-Fort Hood MSA (both retirement eligible and non-retirement eligible) educational attainment has increased steadily from 2007 to present.

Educational Attainment % of Those Intending to Stay in MSA



Anecdotally, businesses indicate they want to hire veterans. Educational attainment is a key variable in that process given the current national unemployment rate. With the sluggish job market and the extra benefits of health care, tuition assistance, and housing and food allowances while in the service, the military is becoming a more favorable career choice. However, with the downsizing of troop levels, the standards of recruiting has become more stringent. Today, candidates applying with a GED are often turned away and encouraged to complete at least 15 college credits before re-applying which guarantees a more educated



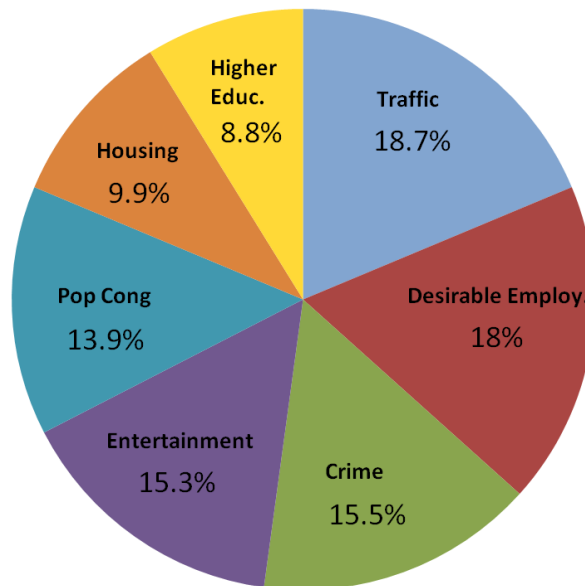
group of veterans. When taking into account that Central Texas offers a low cost of living, has several post secondary educational institutions within the Killeen-Temple-Fort Hood MSA where Soldiers are able to complete their degrees, and the fact that a large percent of Soldiers separating from the service desire to remain in the area, the Killeen-Temple-Fort Hood MSA is becoming a very desirable area for potential business partners to relocate to the area. This opportunity may also motivate many other Soldiers who have started their degree as indicated in the above graph to complete their education through the use of their Post 9/11 GI Bill benefits with the potential of a job in the area after leaving the service.

G. DESIRED “QUALITY OF PLACE” IMPROVEMENTS:

1. In the past, the Veteran's Inventory Initiative reports have tracked the respondents' desired improvements (their perception of the Central Texas Quality of Place) if remaining in the Killeen-Temple-Fort Hood MSA after separation from the military service. Respondents were also given the opportunity to provide additional comments regarding their response to "quality of place." The survey was revised in July 2009 to gain more clarity on the quality of place factors that separating Soldiers specifically indicated needed improvement.

After removing the 49% who state they intend to "return to home of record" (37%) and "moving for employment elsewhere" (12%) choices, the following graph depicts the factors that the remaining 51% cite as quality of place issues.

**Quality of Place Desires Needing Improvement
4th Quarter 2012**





2. For this quarter, the top three desired quality of place improvements were traffic congestion, desirable employment, and improvement in crime rate. Over the next three years, a number of transportation improvement projects will be completed (widening of US 190, SH 195, SH 201) that should assist in alleviating traffic congestion. Continued decreases in respondents citing lack of available higher education opportunities and available housing is an indicator that the region is making progress in areas that were perceived as significant issues in the past. While there are areas that separating Soldiers desire to see improvements to within the MSA, the Killeen-Temple-Fort Hood MSA economy appears to be more stable than many other areas in the country as well as most of Texas which makes this a desirable area to live after separating from the military.

Perceptions versus reality. Specific comments that separating Soldiers cite as desired improvements to the Central Texas “Quality of Place” remain consistent from previous reports. As 75 to 80 percent of Fort Hood Soldiers reside in the communities of Central Texas (98% within 10 miles of the Fort Hood main gate), the comments reflect their perceptions of areas where improvements might further influence their decision to remain in the region when their military service ends. As Operation Economic Transformation points out, “Economic development planning that is responsive to new opportunities...recognizes the increasing importance of quality of place in the attraction and retention of business and workers. Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.” Veterans ending their service at Fort Hood are clearly a talented and educated workforce worth retaining in the Central Texas region, and their perceptions of Quality of Place improvements are important feedback to be considered in future planning. We will continue to monitor the responses for any significant changes in subsequent reports.

Additional information not addressed in this quarterly report may be available for release to eligible entities. Requests for specific information should be addressed in writing to Executive Director, Heart Of Texas Defense Alliance at 2916 Illinois Avenue, Killeen TX 76543.

Special thanks to Ms. Linda Angel, Workforce Solutions of Central Texas, for the design of the report cover and logo; and to Mr. Gerry Fluharty, Workforce Solutions of Central Texas, who compiles the data for these reports.