Military Manpower for the Long Haul

By Steven M. KosiaK
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MILITARY MANPOWER FOR THE LONG HAUL

STRATEGY FOR THE LONG HAUL

By Steven M. Kosiak

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EXECUTIVE SUMMARY

For more than half a century, the US military has been well known for developing and employing the most advanced weapon systems in the world. However, over the years, perhaps nothing has contributed more to the effectiveness of the US military than the quality of its personnel. Indeed, in order to be effective, the US military must have adequate numbers of high-quality military personnel, with the right experience, training and skills.

Military manpower requirements can be successfully met only if adequate resources are provided for recruitment and retention efforts, including appropriate types and levels of compensation. In addition, success depends on less easily quantifiable elements such as effective leadership and intangible but important factors including high morale and the relative success of ongoing military operations. It also requires effective long-term planning. First, because it takes considerable time to produce quality military personnel; and, second, because the military is a closed system that—with few exceptions—promotes only from within.

The US military faces a range of serious challenges to its ability to recruit and retain sufficient numbers of quality personnel both in the near term and over the long term. The most critical near-term challenge is related to the wars in Iraq and Afghanistan. But these ongoing operations are not the only manpower-related problems confronting the US military. Among other things, those challenges include:

> Trends in various areas of military technology and concepts of operations that will, over time, likely require that the Services acquire and maintain an increasingly competent, well-trained and well-educated workforce.

> Obstacles within the Services’ traditional personnel and management cultures that may stand in the way of using the most cost-effective recruitment and retention tools, and creating a more flexible and effective personnel management and compensation system.
High and growing budgetary costs associated with military personnel (including the cost of pay and, especially, healthcare and retiree benefits), and the danger that increasing personnel costs may crowd out needed investments in the development and procurement of new weapon systems.

Taken together, these and other trends and challenges make it imperative that the Services’ personnel requirements be managed effectively in coming years. Doing so is likely to require both using traditional tools of personnel management (e.g., pay, bonuses and recruiting resources) more efficiently and adopting a mix of broader, and in some cases, new and innovative approaches (e.g., restructuring military compensation, and reorienting the military to focus more attention and resources on preparing for stability operations).

EMERGENCE OF THE—ALL VOLUNTEER FORCE (AVF)

In 1973 the United States ended the draft and began transitioning to the AVF. The transition was difficult, as through the late 1970s and into the early 1980s the military suffered significant personnel quality problems. By the mid-1980s, however, the AVF had turned the corner in terms of recruit quality. By around 1990, the quality of recruits under the AVF had reached very high levels, which remained the case until the end of the 1990s. The Services were also able to meet their quantity goals during this period.

In addition to improvements in education and aptitude, the AVF has led to a marked increase in experience. In 1969, only 18 percent of Army enlisted personnel had more than four years of service. By 1977, that share had grown to 37 percent, and by 2000 it had reached about 50 percent. In general, as the AVF matured in the 1980s and 1990s, personnel quality also improved among reserve personnel (i.e., Reserve and National Guard).

Paralleling the improvements in personnel quality and experience that occurred in the AVF during the 1980s and 1990s were substantial increases in compensation for military personnel. Another critical factor was the increasing investment that the Services made in funding for military recruiters, recruiter support, advertising and educational benefits.

THE AVF IN WARTIME

In October 2001, the US military began operations against al Qaeda and the Taliban government in Afghanistan. In March 2003, the Bush Administration launched the invasion of Iraq. Today, US forces remain heavily engaged in both countries. In terms of personnel recruitment and retention, the trends of the past six years have been mixed. The Navy, Air Force and Marine Corps appear to have weathered this
period relatively well. By contrast, the Army, especially over the past three years, has experienced some significant problems.

By 2007, the share of Army recruits with high school degrees had dropped to 79 percent, its lowest level in some 25 years. Another indication that Army recruit quality has suffered is the Service’s increasing use of “moral character waivers” for past criminal behavior. Moreover, as in the previous three years, the Army was able to meet its quantitative goals in 2007 only because it resorted to stopgap measures likely to exacerbate the recruiting challenge for 2008. In terms of recruit quality, trends for the Army National Guard and Army Reserve have been similar to those for the active duty Army.

On the other hand, the Army has met or exceeded its overall retention goals for active duty enlisted personnel in each of the last six years. The best available data suggest that, since 9/11, the Army has also been able to keep retention levels reasonably high among enlisted personnel in the Army National Guard and Army Reserve. The Army’s stop-loss policy—through which the Army retains service members beyond the length of their obligations if they serve in a unit that is deployed, or scheduled to be deployed within 90 days—distorts recent continuation rate data to some extent. However, the distortion appears to be relatively modest.

In the case of officers, the Army is also experiencing a number of personnel problems. Today, the active duty Army suffers a shortage of about 3,700 officers, particularly captains and majors. This shortage has been caused primarily by two factors: the failure to access (i.e., recruit and train) sufficient numbers of new officers in the 1990s, and the significant increase in officer requirements caused by the Army’s initiative, begun in 2004, to shift to a “modular” brigade-centric force structure. Worse yet, this shortage is likely to be exacerbated by current plans to expand the permanent active duty end strength of the Army by some 65,000 troops.

In order to address its officer shortage, the Army has increased the number of officer accessions and significantly increased promotion rates and opportunities. The former has been accomplished by greatly expanding use of the Officer Cadet School (OCS) program. Since it has traditionally represented a surge capability intended to quickly produce officers, this may raise some quality concerns.

In addition to increasing the production of new officers, the other main way the Army has attempted to address its officer shortage has been to increase officer promotion rates and opportunities. In other words, the Army has retained officers who, in past years, would have been passed over for promotion and, because the US military is an “up-or-out” system, would have been involuntarily separated from service. This too raises quality concerns.

Military compensation has grown dramatically since 1999. Average compensation for active duty military personnel is about 40 percent higher today in real (inflation-adjusted) terms than it was in 1999. Most of this increase was provided, or at least set in motion, prior to 9/11, dating from the last two years of the Clinton Administration.
Today, as has been true since at least the late 1990s, when adjusted for age and education, on average, military personnel receive higher pay than 75 percent of their civilian counterparts. Given the stress of recent combat operations, it seems reasonable to conclude that absent the increases in military compensation provided in recent years the Army would have experienced more severe problems with recruitment and retention. The other Services might also have experienced problems. On the other hand, taken as a whole, the increases in military compensation that have been implemented since 1999, many of which have involved retiree benefits, have not been especially efficient at improving recruitment and retention.

**FUTURE OF THE AVF**

The Army may be at a crossroads in terms of personnel quality. Even if the recent negative trends in recruitment and retention were to be completely reversed over the next few years, it would likely be years, and perhaps a decade or two, before the Army fully recovers. That said, given that the worst downward trends (e.g., in recruit quality) have existed for only a couple of years, if the Army is able to reverse course soon, the overall, long-term negative impact may be relatively modest. On the other hand, if the Army is not able to improve its recruitment efforts within the next few years, the impact could be both very negative and enduring.

The Army’s problems could become more manageable if US deployments to Afghanistan and Iraq are substantially reduced over the next several years. However, even if significant troop reductions are made in Iraq, overseas deployment rates are likely to remain relatively high, and well above pre-2001 levels, for many years to come. It is also possible that Army personnel will be deployed to other places in new operations in the next few years.

So far, the Marine Corps has managed to avoid many of the negative trends in personnel quality that have affected the Army. But given the duration and size of its deployments, prudence dictates that its continued personnel goals must also be considered at risk, at least to some degree. Recent trends suggest the Air Force and the Navy should have an easier time meeting both their quantitative and qualitative goals for military personnel. In this they are aided by the fact that, while valuable, they are less significant players in the wars in Iraq and Afghanistan than the ground forces.

Whatever happens in Iraq and Afghanistan, there are a range of other challenges that may lead to a more difficult recruitment and retention environment for all of the Services in coming years. These include both supply-side and demand-side challenges. Supply-side trends that may make it more difficult for the Services to meet their personnel requirements include a number of demographic changes that have led to a reduction in the propensity of American youth to join the military. Perhaps the most critical of these trends involve the decline in the size of the veteran
population (children of veterans being more likely to enlist) and the increasing propensity of Americans to attend college.

At the same time, a number of demand-side challenges are increasing the Services’ requirements for high-quality personnel. For example, because of the increasingly distributed and dispersed character of the modern battlefield (a trend driven, among other things, by the proliferation of long-range precision-strike weapons), in coming years the Services are likely to require junior-level officers and enlisted personnel who are better able to operate independently and integrate different, often cross-service, capabilities. Likewise, efforts to transform the US military may require individuals more willing to innovate and take risks than is currently the case. As the military attempts to incorporate ever more effective weapon systems, the need for greater numbers of personnel with technical expertise is also likely to grow.

**OPTIONS FOR MANAGING MILITARY MANPOWER**

If the United States is to continue in coming years to recruit and retain the quality personnel it needs, it will have to make use of a mix of different policy options and approaches—some of them relatively narrow and traditional, others broader and more innovative. A range of options that might be exercised are discussed here. Some of these are designed to improve the ability of the Services to attract and retain the people they need, while others would attempt to alleviate the Services’ recruitment and retention problems by reducing the number of required troops.

> **RETAI.N TRADITIONAL APPROACHES**: Studies generally show that increasing the number of military recruiters, spending more on advertising and enlistment bonuses, and providing additional educational benefits can be relatively cost-effective recruiting tools. By comparison, across-the-board pay raises and enhanced retirement benefits in particular tend to be costly and relatively ineffective tools. Likewise, studies on the effectiveness of various approaches to improving military retention suggest that targeted bonuses and special pays are typically more effective than across-the board pay raises, or enhanced pensions or other non-cash benefits.

> **CREATE MORE FLEXIBLE PERSONNEL MANAGEMENT AND COMPENSATION SYSTEMS**: At present, the Services’ ability to vary the duration of assignments and careers, as well as the levels of compensation, of different personnel in different occupational specialties is extremely limited. As a result, some personnel are moved to new positions before they have mastered their current ones, others are forced to retire when they are at their peak levels of technical proficiency, and still others leave the military because they are underpaid. Conversely, some military careers are too long, or personnel may be overpaid, given their skills or occupational specialties. By providing for greater variation in lengths of assignments and careers,
as well as compensation levels, it might be possible to significantly improve the efficiency and effectiveness of the military’s workforce.

> **SHIFT TO A SMALLER, MORE CAPITAL-INTENSIVE, LESS LABOR-INTENSIVE, MILITARY:** Over time, the US military has become smaller, but also equipped with ever more capable and costly weapon systems, and manned by ever better trained, educated, skilled, and costly personnel. In general, the willingness of the US military to make this quality-quantity tradeoff appears to have served it well, and it may be possible to continue to make this exchange in the future. However, it will be more difficult to do so to the extent that the US military— the Army and Marine Corps in particular —remains focused on large-scale stability operations, which by their nature tend to be labor-intensive missions.

> **DEVELOP SPECIALIZED ARMY IRREGULAR WARFARE FORCES:** When the Army completes its current reorganization, it will consist of 48 active brigade combat teams (BCTs) and 28 reserve BCTs, all of which will be “full-spectrum-capable” units. To the extent that one believes that the US military’s involvement in the wars in Iraq and Afghanistan is likely to continue for many years to come or that, whatever happens in those particular conflicts, a central mission for the US military in the future is likely to involve waging (and being prepared to wage) irregular warfare, it may make sense to place a higher priority on that mission, and develop dedicated irregular warfare forces.

> **FOCUS ON CAPACITY-BUILDING BY DEVELOPING IMPROVED TRAINING AND ADVISING CAPABILITIES:** instead of lowering US manpower requirements by shifting to ground forces that include more specialized irregular warfare units, another option is to develop improved training and advising capabilities, and to use those capabilities to build up the capacity of other countries to carry out counterinsurgency and related operations themselves. The development of expanded training and advising capabilities could substantially reduce the number of US military personnel that would otherwise have to be deployed to military operations, since it would allow indigenous and allied security forces to substitute for US “boots on the ground.”

> **RELY MORE ON CIVILIANS AND PRIVATE CONTRACTORS:** Studies have shown that civilian government employees with comparable skills and responsibilities are generally less costly than military personnel, while private contractors are less expensive than either comparable military personnel or DoD civilian employees. That said, there is considerable debate over just how much money military-to-civilian conversions and, especially, “outsourcing” are likely to save, and to what degree civilian workers can effectively substitute for military personnel. In particular, in recent years concern has grown that the United States may be relying too much on
contractor-provided support in its operations in Iraq and Afghanistan. These concerns relate to both the cost-effectiveness of contractors in combat environments, and operational and strategic shortcomings.

> **REINSTATE THE DRAFT:** A draft could help ensure that the US military could meet its numerical and quality goals for recruits. A reasonable, though far from definitive and conclusive, case can be made that a draft might also reduce budgetary costs (though not necessarily total economic costs) and improve the representativeness of US forces. However, much would depend on how a draft was implemented, and the differences, compared to the current AVF, might not be substantial. Moreover, since turnover rates would be greater, a mixed force of draftees and volunteers would leave the United States with a less experienced and thus less capable force. A potential benefit of a draft is that it might generate a greater sense of shared sacrifice when the country goes to war. On the other hand, the draft could be viewed as a form of coercion.

> **EXPEDITE CITIZENSHIP IN RETURN FOR MILITARY SERVICE:** Today some 37,000 non-citizens serve on active duty in the US military, representing about 1.5 percent of the total active-duty force. Special provisions for naturalization have been provided for immigrants serving in the US military since the Civil War. In recent years, Congress has further accelerated the naturalization process for these individuals and expanded a number of citizenship-related benefits. Some believe that the US military would benefit from making greater use of immigrants. Others have been critical of proposals to expand the use of non-citizens, among other things because of concerns that doing so will send the wrong message to the rest of the world — that Americans are not themselves willing to sacrifice for their country.

### CONCLUSION AND RECOMMENDATIONS

One cannot overstate the importance of effectively managing the Services’ manpower requirements in coming years. It took more than a decade to transition from the “hollow” military of the mid-1970s to the highly effective professional AVF that fought in Desert Storm in 1991. If the military falters in its efforts to recruit and retain quality personnel today, it could likewise be a decade or two before it is able to fully recover.

Detailed policy prescriptions will have to await further analysis. This analysis, in turn, will need to be tailored to take into account the next administration’s assumptions about critical national security questions, including preferences and expectations concerning the use of force, the wars in Iraq and Afghanistan, and possible involvement in future stability operations.

Nevertheless, it is possible to offer some tentative and general conclusions and recommendations. Among the options noted above, two should clearly be pursued: the
US military must do a better job of using its most cost-effective traditional recruitment and retention tools, and should restructure its personnel management and compensation systems to increase their flexibility. Strong consideration should be given to three others: making additional force structure cuts in the Navy and Air Force, creating specialized Army irregular warfare forces and improving training and advising capabilities. Two of the other options above, relying more on private contractors and immigrants, might also be worth considering, but in both cases there are potentially significant downsides. The final option, reinstating the draft, appears to be neither necessary nor prudent.
For more than half a century, the US military has been well-known for developing and employing the most advanced weapon systems in the world. Clearly, having sufficient numbers of high-quality weapon systems is critical to success. However, over the years, perhaps nothing has contributed more to the effectiveness of the US military than the quality of its personnel.

In turn, successfully meeting and shaping military manpower requirements entails providing adequate resources for recruitment and retention efforts, including appropriate types and levels of compensation. In addition, success depends on less easily quantifiable elements such as effective leadership and intangible but important factors, including high morale and the relative success of ongoing military operations. It also requires effective long-term planning.

Long-term planning is important for two reasons: first, it takes considerable time to produce quality military personnel; second, the military is a closed system that—with few exceptions—promotes only from within. It is very difficult, if not impossible, to recruit for senior military positions. The heart of the US military is its officer corps and its pool of non-commissioned officers (e.g., sergeants). It currently takes some 5-10 years to produce even relatively junior officers (e.g., captains and majors) and 15-20 years to produce mid-level officers (e.g., lieutenant colonels and colonels), with similar timeframes required to generate high-quality junior and senior NCOs. Thus, the quality of the military’s workforce a decade or two from now will depend critically on decisions made today.

The US military faces a range of serious challenges to its ability to recruit and retain sufficient numbers of quality personnel both in the near term and over the long term. The most critical near-term challenge is related to the wars in Afghanistan and Iraq. Because of the size and duration of the deployments required to support

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1 Personnel can be promoted more quickly, and often are in wartime, but this may have a negative impact on quality.
these operations, they have placed Army and Marine Corps personnel, in particular, under enormous stress. More specifically, these conflicts have created a very difficult recruitment and retention environment, especially for the Army.

But the ongoing operations in Afghanistan and Iraq are not the only manpower-related problems confronting the US military. Other challenges include:

> Trends in various areas of military technology and concepts of operations that will likely, over time, require that the Services acquire and maintain an increasingly competent, well-trained and well-educated workforce.

> Uncertainties about the specific types of military threats that will emerge in coming years, the best means of countering those threats, and the precise types of personnel—in terms of skills, education and training—the Services will need.

> Overcoming obstacles within the Services’ traditional personnel and management cultures that may stand in the way of implementing innovative personnel programs and policies.

> The high and growing budgetary costs associated with military personnel (including the cost of pay and, especially, healthcare and retiree benefits), and the danger that increasing personnel costs may crowd out needed investments in the development and procurement of new weapon systems.

> Pressure to restrain military spending, including funding for military personnel, in order to help address the country's long-term fiscal crisis (related to the retirement of the baby boomer generation, and particularly to rising healthcare costs).

Taken together, these and other trends and challenges create both a need and an opportunity to transform the Services’ personnel programs and policies in coming years.

At present, the Army appears to face the greatest manpower challenges. The other Services have generally been able to meet their recruitment and retention goals in recent years, including their objectives both for numbers of personnel and quality. By contrast, the Army has over the past several years begun to suffer significant recruitment and retention problems. Moreover, for at least the next few years, and perhaps much longer, the Army (along with the Marine Corps) is likely to continue to face the most demanding personnel challenges. This is because the wars in Afghanistan and Iraq are primarily ground operations—where Army personnel play the dominant role—and these operations seem unlikely to end anytime soon.

The task of the Army is also made more difficult by current plans calling for increasing the Service’s permanent active duty end strength by 65,000 troops over the next five years. For these reasons, while this report discusses trends and issues affecting all of the Services’ manpower requirements, it focuses primarily on the Army’s challenges.
It would be difficult to overstate the importance of effectively managing the Services’ manpower requirements in coming years. It took more than a decade to transition from the “hollow” military of the mid-1970s to the highly effective professional all-volunteer force (AVF) that fought in Desert Storm in 1991. If the military falters in its efforts to recruit and retain quality personnel today, it could likewise take a decade or more to fully recover.

ORGANIZATION OF REPORT

This report is organized into four chapters. Chapter 1 provides a brief history of the AVF and the costs associated with its development from 1973 to 2001. Chapter 2 discusses trends in the AVF since September 11, 2001, with special focus on the impact of the wars in Afghanistan and Iraq on the cost, size and quality of the AVF, and the Army in particular. Chapter 3 considers the prospects for the AVF in coming years, concentrating especially on the serious problems confronting the Army as it attempts to meet both its quantitative and qualitative goals for military personnel. Chapter 4 presents and assesses a range of options for managing the Services’ manpower requirements (specifically the Army’s) over the next two decades, including both relatively narrow programmatic initiatives and broader strategy-level options. The final chapter offers a range of tentative conclusions and recommendations concerning these options.
In 1973 the United States ended the draft and began transitioning to the AVF. The transition got off to something of a rocky start. Through the late 1970s and into the early 1980s, the military suffered significant personnel quality problems. Perhaps most importantly, the military was unable to meet its goals for recruit quality during this period. On average, between 1973 and 1980 only about 70 percent of recruits had completed high school, compared to a nearly 80 percent high-school graduation rate for the general population.\footnote{The AFQT assess both basic verbal and mathematical abilities. It is benchmarked against the 18–23 year-old civilian population.} Similarly, especially in the late 1970s, the share of recruits with low scores (category IV) on the Armed Forces Qualification Test (AFQT) increased substantially.\footnote{Golding and Adebayo, The All-Volunteer Military: Issues and Performance (Washington, DC: CBO, July 2007), p. 15.}

By the mid 1980s, however, the AVF had turned the corner in terms of recruit quality. By around 1990, the quality of recruits under the AVF had reached very high levels. The Department of Defense (DoD) defines recruits who have both graduated from high school and score above the median on the AFQT as “high-quality recruits.” The share of recruits considered high quality, which dropped from about 43 percent in 1973 to some 28 percent in 1977, surpassed 60 percent in 1990. For the remainder of the 1990s, the share of recruits considered high quality generally ranged between about 55 percent and 65 percent (see Figure 1).

DoD has had a long-term goal of ensuring that at least 90 percent of recruits have high school diplomas and at least 60 percent score above the median on the AFQT. Throughout the 1990s, all of the Services were consistently able to meet or exceed those benchmarks.\footnote{Each year the military also recruits some individuals who previously left the military after serving one or more terms. Throughout this report, statistics cited for recruits refer to non-prior service recruits. The vast majority of recruits are typically non-prior service recruits.} Notwithstanding these relatively high quality goals, the Services
were also able to meet their quantitative targets for recruits during most of the 1980s and 1990s.

In addition to improvements in education and aptitude, the AVF has also led to a marked increase in experience. In 1969, only 18 percent of Army enlisted personnel had more than four years of service. By 1977, that share had grown to 37 percent, and by 2000 it had reached about 50 percent. The other Services enjoyed comparable increases in the experience of enlisted personnel over these years. Altogether, between 1974 and 1996, the average length of service of active duty enlisted personnel rose from 6 years to 7.5 years. The experience level of the officer corps also improved under the AVF. Between 1974 and 2000, average experience among officers grew from 9.8 years to 11 years. Paralleling this improvement in experience levels, the average age of military personnel also increased over this period. For the military as a whole, for example, the average age of active duty enlisted personnel rose from about 25 years in 1974 to 26 years in 1987 and 27 years in 2000.

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6 Ibid.
7 Golding and Adebayo, *The All-Volunteer Military*, pp. 18–19.
8 Ibid., p. 19.

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**FIGURE 1. PERCENTAGE OF NON-PRIOR-SERVICE RECRUITS CONSIDERED HIGH QUALITY BY THE MILITARY, 1973–2006**

![Graph showing the percentage of non-prior-service recruits considered high quality by the military from 1973 to 2006.](image)

*Source: CSBA based on DoD data.*
This increase in experience and average age resulted from both the institution of longer initial enlistment terms and higher retention levels. The success of the Services in retaining personnel can perhaps best be seen by examining trends in continuation rates, which measure the proportion of personnel in service at the beginning of the year who remain in service at the end of the year.\(^9\) By 1990, continuation rates for each of the Services had reached around 85 percent, and they remained at roughly that level throughout the decade.\(^10\) Notwithstanding the Services’ historically high overall retention and continuation rates, they have all, to varying degrees, suffered retention problems among certain types and categories of personnel. These skill- or category-specific shortages continued to persist throughout the 1990s. Among the occupational specialties in which the Services experienced retention problems during the 1990s were pilots, mechanics and information technology specialists.

In general, as the AVF matured in the 1980s and 1990s, personnel quality also improved among reserve (i.e., Reserve and National Guard) personnel. The pattern was roughly the same as it was for active duty forces. Between 1980 and 1990, for example, the share of reserve recruits with high school degrees rose from 45 percent to 87 percent. Taken as a whole, the levels of recruit quality sustained by the reserve component in the decade of the 1990s tended to fall somewhat short of those maintained by the active duty component. But they still generally met or came close to meeting DoD’s benchmarks for high school graduation rates and AFQT scores.\(^11\)

**Importance of Quality**

The increase in personnel quality that occurred following the US military’s transition to the AVF also led to improvements in the effectiveness of US forces. A large number of studies have shown that educational level, AFQT score and experience are positively correlated with productivity and, specifically, the ability to perform a variety of military tasks.\(^12\) Historically, recruits with high school diplomas have been far more likely to complete their initial enlistment terms than those who did not finish high

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\(^9\) It is difficult to compare reenlistment data from year to year, among other things because the Services have, on occasion, changed the eligibility window during which personnel can reenlist. Golding and Adedeji, *Recruiting, Retention, and Future Force Levels of Military Personnel* (Washington, DC: CBO, October 2006), p. 10.

\(^10\) Authors’ estimate based on data provided in Ibid.

\(^11\) In 2000, continuation rates were 2–6 percentage points lower for Army, Navy and Marine Corps reserve personnel than for their active duty counterparts. However, because pre-2000 historical data on reserve component continuation rates are unavailable, there is no basis for determining whether this marks a higher or lower rate than the average of the 1990s or prior years.

\(^12\) Golding and Adebayo, *The All-Volunteer Military*, p. 17.
Thus, the improvements in educational attainment noted above have also helped increase experience levels.

In turn, greater experience has been linked to better performance. For example, research has shown that career military personnel are at least 50 percent more effective than first-term personnel in variety of tasks. Likewise, research indicates that personnel with higher AFQT scores are easier to train and tend to perform more effectively. For example, studies measuring the performance of Patriot air defense personnel and tank crews have shown higher AFQT scores to be linked to superior performance with simulators and at firing ranges.

The importance of recruit quality is especially critical because the US military is a closed system, which, with few exceptions, promotes only from within. It is not possible, for example, to recruit experienced battalion commanders, senior non-commissioned officers or senior Special Forces troops directly from the civilian workforce. And research indicates that, for the most part, lower quality recruits never catch up with their higher quality peers. As Beth Asch, the author of a 15-year longitudinal study on the link between recruit quality and career performance, noted, “what you brought in is what you kept . . . . If you want a high-quality staff sergeant, you better recruit him.”

Although more difficult to prove with objective criteria and statistics, the best measure demonstrating a link between personnel quality and military effectiveness may be the performance of the US military since the Vietnam War, which saw widespread breakdowns in discipline and performance. From Operation Desert Storm in 1991, through the military operations in Somalia, Haiti, Bosnia, and Kosovo later in that decade, US military personnel appear to have performed very professionally and effectively. Notwithstanding concerns about the overall direction of the wars in Afghanistan and Iraq, US military personnel also seem to have performed well in those conflicts.

**INCREASES IN MILITARY COMPENSATION**

Paralleling the improvements in personnel quality that occurred in the AVF during the 1980s and 1990s were substantial increases in compensation for military person-

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13 About 80 percent of recruits with high school diplomas complete their initial terms. By comparison, recruits who did not finish high school or have alternative credentials (such as a GED) have completion rates of some 50 and 60 percent, respectively. Ibid., p. 13.


17 Although these last two conflicts occurred after the period that is the focus of this chapter, the vast majority of personnel who have fought in those wars – and especially the successful initial phases of those conflicts – were members of the military at the close of this period (i.e., in 2001).
nel. Between 1971 and 1975, basic pay for a new recruit nearly doubled in real terms.\(^\text{\textsuperscript{18}}\)

In the late 1970s, high inflation rates began to chip away at military pay. But in 1981 and again in 1982 the military received large pay raises, and for the next decade and a half military pay grew at roughly the same rate as pay in the civilian sector.\(^\text{\textsuperscript{19}}\) In a 1999 study, CBO concluded that the average service member received higher compensation than 75 percent of non-military workers of the same age and education level.\(^\text{\textsuperscript{20}}\) The study found that this was true both in the case of enlisted personnel and of officers, and that this advantage generally persisted throughout the service member's career.

If anything, this study may understate military compensation levels at the end of the 1990s. This is because the CBO study was based on an analysis of “regular military compensation” (RMC), which excludes some important forms of military compensation. In addition to basic pay, RMC includes allowances for housing and food, and the value of the tax advantage each service member receives because these allowances are not subject to federal income tax. Thus, a service member’s RMC is substantially greater than his or her basic pay. For a typical service member, for example, basic pay accounts for only some 70 percent of RMC. However, even RMC does not capture all spending on military compensation.

RMC does not include DoD spending on military pensions, health care (for military personnel, dependents and retirees) and a variety of installation-based benefits (e.g., access to DoD daycare centers, commissaries and exchanges). In 1988, DoD’s total compensation costs averaged about $56,000 (2008 dollars\(^\text{\textsuperscript{1}}\)) per active duty service member.\(^\text{\textsuperscript{22}}\) By 1999, those costs had grown to about $72,000. Moreover, this total excludes healthcare, educational and other benefits provided by the Department of Veterans Affairs (VA). Including VA benefits might have increased those costs to some $85,000 or more,\(^\text{\textsuperscript{23}}\) with non-cash (i.e., non-RMC) benefits accounting for some 45–50 percent of the total. Although many civilian workers also receive non-cash benefits (especially health insurance) from their employers, the benefits they receive tend to be substantially less extensive and costly.

By 1999, DoD was spending a total of $115 billion annually on military compensation, with that funding accounting for about 35 percent of DoD's overall budget.\(^\text{\textsuperscript{24}}\) Although research indicates that, adjusted for age and education military personnel were on average more highly compensated than civilian workers in 1999 (and, as will be discussed in the next chapter, continue to be more highly compensated), this

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\(^{20}\) Ibid., pp. 3–32.

\(^{21}\) Unless otherwise noted, funding and cost figures cited in this report are expressed in 2008 dollars.


\(^{23}\) Author's estimate.

should not be interpreted as meaning that military personnel were (or are) over-compensated. Instead, it may represent a premium that individuals must be paid to accept the rigors of military life (e.g., frequent deployments away from home, potential exposure to combat).

As important as increases in compensation likely were for improving the quality of military personnel, greater compensation was not the only—nor even necessarily the main—factor leading to this improvement. Another critical factor was the increasing investment that the Services made in funding for military recruiters, recruiter support, advertising, and educational benefits. Between 1981 and 2000, DoD’s investment per recruit in these areas grew from about $4,500 to $11,400, a real (inflation-adjusted\textsuperscript{25}) increase of some 150 percent.\textsuperscript{26}

**PERSONNEL ISSUES AND TRENDS JUST PRIOR TO 9/11**

Although the AVF made great strides during its first three decades, by the late 1990s there were some reasons for concern. Between 1998 and 2000, the Army, Navy and Air Force each experienced problems meeting some of their recruitment and/or retention goals. For example, the Army fell short of its recruiting goal for active duty personnel by about 800 individuals in 1998 and 6,300 in 1999, while the Navy failed to meet its target in 1998, and the Air Force missed its goal in 1999.\textsuperscript{27} In 1999, both the Navy and Air Force missed their overall active duty retention goals by, respectively, about 1 percent and 5 percent.

A wide range of factors appears to have been responsible for these problems. During these years, the military faced a very tight labor market — by 1999 the US unemployment rate had reached a 29-year low.\textsuperscript{28} In addition, although by the late 1990s military personnel generally appeared to be compensated more highly than comparable civilian workers, the perception grew among many service members and others that they were under-compensated. Surveys of military personnel also suggested that the Services’ problems were linked to a lack of confidence in the military’s leadership, decreased job satisfaction and confusion about the purpose and importance of missions.\textsuperscript{29}

Compared to the period since 2001, and especially since the invasion of Iraq in 2003, the military’s involvement in overseas military operations was extremely

\textsuperscript{25} Unless otherwise noted, all changes in funding levels or costs cited in this report are expressed in real terms.


\textsuperscript{27} Ibid., p. 52.

\textsuperscript{28} Ibid, p. 54.

\textsuperscript{29} Ibid, p. 63.
modest in the late 1990s. At the height of the US military’s deployment in Bosnia in 1995, for example, some 20,000 US troops were stationed there. By comparison, for most of the past five years, the US military has had an average of some 200,000 troops or more deployed in and around Iraq and Afghanistan. Nevertheless, the rate of deployment was higher in the 1990s than it had been during most of the post-Vietnam period. The evidence is mixed as to whether this higher personnel tempo (PERSTEMPO) negatively impacted the Services’ retention efforts — indeed, there is some evidence that involvement in overseas operations actually tended to help retention.\footnote{Ronald D. Fricker, Jr., \textit{The Effects of PERSTEMPO on Officer Retention} (Santa Monica, CA: RAND, 2002), p. xii.} However, by 2000, the idea that such deployments might, at some point in the near future, damage the military’s recruitment and retention efforts — if they had not already — had become a major concern.

The combination of the modest, but real, shortfalls in recruitment and retention experienced by most of the Services in the late 1990s, and the emergence of a much improved overall federal budget environment at the same time (the federal budget was balanced in 1998 for the first time since 1969, and continued to run a surplus through 2001), led military leadership and others to push for major increases in military compensation. The Clinton Administration and Congress embraced, and in some cases expanded upon, these initiatives. In 1999 and 2000, they enacted major increases in military compensation. These included substantial boosts in military pay and the military’s housing allowance, as well as significant expansions of pension and healthcare benefits for military retirees. President Bush also provided for substantial pay raises in his first budget request, introduced at the beginning of 2001.

By 2000–01, it appeared that the Services had largely overcome and moved beyond the modest recruiting shortfalls experienced in the late 1990s. In 2000 and 2001 all of the Services were able to reach their targets for active duty recruitment — both in terms of quantity and quality. The Navy and Air Force continued to fall somewhat short of their reenlistment goals in these years. But for all of the Services, the continuation rates for active duty enlisted personnel during these years met or exceed the average rates of the 1990s.\footnote{As noted earlier, for a variety of reasons, continuation rates may provide a better measure of retention trends than reenlistment rates.}
On September 11, 2001, al Qaeda conducted terrorist attacks against the World Trade Center and the Pentagon. Soon thereafter, the US military began operations against al Qaeda and the Taliban government in Afghanistan. And in March 2003, the Bush Administration launched the invasion of Iraq. The initial phases of both operations were swift. However, the US military soon found itself involved in two long-term stability operations involving large numbers of military personnel.

In terms of personnel recruitment and retention, the trends of the past six years have been mixed. The Navy, Air Force and Marine Corps appear to have weathered this period relatively well. By contrast, the Army, especially over the past three years, has experienced some significant problems. Although many factors appear to have contributed to the Army’s personnel problems, the size and duration of its deployments in Iraq and Afghanistan are probably the most important.

NAVY, AIR FORCE AND MARINE CORPS

The past six years have been relatively good years for Navy, Air Force and Marine Corps recruitment efforts. Although retention is more difficult to measure, they also seem to have been reasonably good years in this area. In each of these years, all three Services have met or exceeded both their quantitative goals for active-duty recruits and their benchmarks for active-duty recruit quality. Throughout this period, each of these three Services has also maintained continuation rates comparable to those sustained in the 1990s.

The success of Navy and Air Force recruitment and retention efforts over the past six years has been facilitated by two important considerations. First, over the past several years both Services have been cutting their end strength—allowing them to

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3 Since the Services report their recruitment and retention data by fiscal year, and the federal government's fiscal year runs from October 1 through September 30, for the purpose of tracking trends in recruitment and retention in this analysis, 2002 is considered to be the first post-9/11 year.
reduce their recruitment and retention requirements, as well as permitting them to be more selective in terms of the personnel they accept and retain. Second, while Navy and Air Force personnel have played a significant supporting role in Iraq and Afghanistan, the Army and (to a lesser extent) the Marine Corps have borne primary responsibility for operations in those countries. Thus, the Navy and Air Force have largely been spared the much higher PERSTEMPO rates that have hit the ground force two Services.

In the case of Navy, Air Force, and Marine Corps reserve personnel, the picture is more mixed. The Marine Corps Reserve and Air Force Reserve have consistently been able to meet both their quantitative and qualitative goals for recruits. By contrast, the Navy Reserve and Air National Guard have missed their quantitative targets for recruits several times in the past six years, and experienced some decline in quality.

ARMY

In contrast to the other Services, the Army has experienced significant difficulties meeting its personnel goals in recent years, especially over the past three years. These problems have involved both the Army’s recruitment and retention efforts. Recent trends in these areas are discussed below, first for enlisted personnel and then for officers. Although in many ways the trends are similar, there are some significant differences. Moreover, there are variations in the data available for enlisted personnel and officers, making it impossible to directly compare trends in the two categories of personnel. Today, enlisted personnel make up about 85 percent of Army end strength, and officers the remaining 15 percent.

RECRUITMENT TRENDS—ENLISTED PERSONNEL

In the first few years after 9/11, the Army was able to meet both its quantitative and qualitative goals for recruits. The quality of active duty Army recruits actually increased between 2000 and 2003. Indeed, in 2003 the share of active duty Army recruits scoring above the median on the AFQT reached 73 percent. This was the largest percentage since 1991, which was the Army’s best year to date. Beginning in 2004, however, the Army began to experience some problems. The Army was able to meet both its quantitative and qualitative goals for recruits that year only because it drew upon its delayed entry pool (DEP).33 Normally, the Army tries to maintain a DEP equivalent to about one-third of the next year’s recruiting goal. In 2004, it drew the pool down to only about 19 percent of projected 2005 requirements.34

33 Golding and Adedeji, Recruiting, Retention and Future Force Levels of Military Personnel, p. 4.
34 Ibid. The DEP is composed of individuals who have enlisted in the military, but have not yet been inducted into the force (i.e., reported for basic training). The purpose of the DEP is to add some predictability and stability to the Army’s recruitment and training efforts, and to improve the prospect that it will be able to meet its recruitment goals for the coming year.
In 2005, in part because of its decision to draw down its DEP the previous year, the Army failed to meet its quantitative goals for active duty recruitment. It fell short of its target that year by about 8 percent, or 6,400 individuals. Moreover, the Army would have fallen even further short of its goal had it not drawn down its DEP still further. By the end of 2005, the Army’s DEP had fallen to 12 percent of projected 2006 requirements.\(^{35}\) The Army also experienced a modest reduction in quality. For the first time since 1983, it failed to meet its 90 percent benchmark for active-duty recruits with high school degrees. In 2005, the share dropped to 87 percent (see Figure 2). The Service was able to meet its 60 percent benchmark for the AFQT. However, in 2005, the share of active duty Army recruits scoring in the 10–30\(^{th}\) percentile of the AFQT (Category IV recruits) increased to 4 percent. At 4 percent, the share met but did not exceed DoD’s benchmark for the maximum percentage of Category IV recruits. However, it marked more than a doubling of the 1.4 percent share that Category IV recruits accounted for, on average, during the 1990s.

Although the Army was able to meet its quantitative goals for active-duty recruits in 2006, the reduction in recruit quality that began in 2005 accelerated substantially. In 2006, the percentage of active duty recruits with high school degrees fell to

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\(^{35}\) Ibid.

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**FIGURE 2. PERCENTAGE OF NON-PRIOR-SERVICE RECRUITS WITH HIGH-SCHOOL DEGREES, 1973–2007**

Source: CSBA based on DoD data.
81 percent, the lowest level in 25 years. In addition, the Army also experienced a noticeable drop in recruit AFQT scores in 2006 (see Figure 3). At 61 percent, the share of Army active duty recruits scoring above average on the AFQT met DoD’s (60 percent) benchmark goal, but it was the lowest since 1985. It also marked a drop of 6 percentage points from the share of active duty Army recruits that, on average, scored above the median on the AFQT in the 1990s. And again, as in 2005, Category IV recruits made up nearly 4 percent of the Army’s active duty accessions.

In 2007, the Army was again able to meet its quantitative goals for recruitment. But it was unable to turn the corner on recruit quality. In terms of both high school graduation rates and AFQT scores, 2007 looked similar to 2006. The share of recruits with high school degrees dropped to 79 percent,\(^3\) while the share scoring above average on the AFQT remained at 61 percent. Likewise, the share of Category IV recruits stayed at 4 percent. Moreover, as in the previous three years, the Service was able to meet its quantitative goals in 2007 only because it resorted to stopgap measures likely to exacerbate the recruiting challenge for 2008.

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**Figure 3. Percentage of Non-Prior-Service Recruits Scoring Above the Median on the AFQT, 1973–2007**

Source: CSBA based on DoD data.
Once again, the Army drew down its DEP to help meet its recruiting target. As a result, at the beginning of 2008, the Army’s DEP was down to 6,500–7,000 personnel, equivalent to only about 9 percent of its recruiting goal for 2008.\(^\text{37}\) The Army also made use of a $20,000 “quick ship” bonus to encourage recruits to leave for basic training earlier than would normally be the case.\(^\text{38}\) Although this clearly helped the Army’s efforts in 2007 by encouraging individuals to accelerate their induction into the Army, it presumably reduced the number of individuals who would otherwise have joined the Service in 2008.

Furthermore, the Army’s official quantitative goal for 2007 did not reflect the number of recruits that would be needed to support the larger Army proposed by the Bush Administration in early 2007. Under those plans, the Army is projected to increase its permanent active-duty end strength from 482,000 at the end of 2006 to 547,000 by the end of 2012. Fully supporting that goal would have required increasing the Army’s 2007 recruiting goal from 80,000 to some 83,000–86,000 personnel or more.\(^\text{39}\)

Another indication that Army recruit quality has suffered in recent years is the Service’s increasing use of “moral character waivers” for past criminal behavior—ranging from misdemeanors such as vandalism to felonies, including burglary and aggravated assault. In 2007, some 14,000, or 18 percent, of Army recruits were granted moral waivers.\(^\text{40}\) This marks a dramatic increase from the number of waivers granted in previous years. Between 2003 and 2006, for example, waivers were granted to an average of less than 6 percent of all new recruits.\(^\text{41}\) Among other things, history suggests that such individuals are twice as likely as other recruits to eventually be dismissed from service for misconduct.\(^\text{42}\) Over the past few years, the Army has also increased the maximum age allowed for new recruits from 35 to 42, and increased the number of waivers granted for medical conditions, raising concerns about the physical condition of some new recruits.

Still another reason to worry that the quality of new Army personnel has eroded in recent years stems from the significant decline in attrition rates. In 2005, about 18 percent of new recruits dropped out before serving six months in the Army. By 2007, the drop-out rate had fallen to only 6 percent.\(^\text{43}\) Although it is unclear what has caused


\(^{38}\) Josh White, “Many Take Army’s ‘Quick Ship’ Bonus,” *The Washington Post*, August 27, 2007, p.1. According to Curtis Gilroy, DoD’s Director of Accessions, by the end of the summer of 2007, the Army was shipping out most recruits within 30 days of signing their contracts.

\(^{39}\) Tyson, “Army Recruitment Meets Stated Goal,” p. A3


\(^{42}\) Clayton B. Reid, “Military Lowers Standards to Fill Ranks.”

this reduction, it is difficult to escape the conclusion that it reflects, to at least some degree, a lowering of standards.

Although differing in some details, recruitment trends for the Army National Guard and Army Reserve have generally resembled those for Army active duty enlisted personnel over the past six years. The Army’s reserve component has been less successful than its active component in meeting its quantitative goals for recruits during these years. The Army National Guard has fallen short of its target in each of the past five years, with the shortfall ranging from 1 percent (2006) to 20 percent (2005). The Army Reserve failed to meet its quantitative goal for recruits twice in recent years. In 2005 it fell short by 16 percent, and in 2006 it missed its target by 5 percent.

In terms of recruit quality, trends for the Army National Guard and Army Reserve have also been similar to those for the active duty Army. The Army’s reserve component has been somewhat more successful in attracting high school graduates. While the share of high school graduates among Army National Guard recruits dropped slightly over the 2003–05 period, at 91 percent, it has exceeded DoD’s 90 percent benchmark over the past two years. In the case of the Army Reserve, the share of high school graduates fell to 86 percent in 2007. This is its lowest share since 9/11. But it is still only slightly below the share sustained just prior to 9/11, and well above the 79 percent share achieved for active duty recruits in 2007.

On the other hand, in recent years the share of reserve component recruits scoring above the median on the AFQT has dropped even further than it has for active-duty recruits. Over the past six years, the share of Army National Guard and Army Reserve recruits scoring above the median on the AFQT has declined from, respectively, 60 percent to 57 percent, and 66 percent to 57 percent. As with the Army’s active-duty component, the share of Category IV (i.e., low quality) recruits has also increased to DoD’s benchmark maximum of 4 percent over the past few years.\footnote{Correspondence with Office of the Assistant Secretary of Defense for Public Affairs, December 2007.}

**RETENTION TRENDS—ENLISTED PERSONNEL**

The Army has met or exceeded its overall retention goals for active-duty enlisted personnel in each of the last six years. As noted earlier, for a variety of reasons the Services’ reenlistment data can provide a misleading picture of their success at retention. This is especially true in the case of recent Army data. One problem is that in 2005 the Army changed the window during which personnel could reenlist from one year to two years before their terms were set to end.\footnote{Golding and Adedeji, Recruiting, Retention and Future Force Levels of Military Personnel, p. 10} This had the effect of doubling the number of enlisted personnel who were eligible to reenlist in 2005.\footnote{In other words, future years may have lower reenlistment numbers because some individuals will have reenlisted early.} The two-year
eligibility window makes it more difficult to discern real trends from year to year, or to make meaningful comparisons with past years.

As noted earlier, because of these and other data limitations, continuation rates may provide a better measure of the Army’s success at retention. In 2004 and 2005, its continuation rate declined to its lowest level since 1996. But even with this decline, it remained comparable to the rates sustained on average during the 1990s. And in 2006 and 2007 the Army’s active-duty continuation rate for enlisted personnel actually improved.

The Army’s stop-loss policy — through which the Army retains service members beyond the length of their obligations if they serve in a unit that is deployed, or scheduled to be deployed within 90 days — distorts recent continuation rate data to some extent. However, the distortion appears to be relatively modest. According to a CBO estimate, the 2005 continuation rate for Army active duty-enlisted personnel, for example, would have been only about one-third of a percentage point lower had the Service not applied the stop-loss policy that year.

Thus, overall, it appears that the Army’s retention efforts for active-duty enlisted personnel have been relatively successful over the past six years. The best available data suggests that, since 9/11, the Army has also been able to keep retention levels reasonably high among enlisted personnel in the Army National Guard and Army Reserve. In both cases, continuation rates have declined somewhat since 2003. However, at least through 2005, they have remained higher than the rates sustained just prior to 9/11 (i.e., in 2000 and 2001).

OFFICER ACCESSIONS AND RETENTION

Today, the active-duty Army suffers a significant officer shortage. This shortage is primarily among mid-level officers, especially majors. In 2006, the Army estimated that it was short some 364 lieutenant colonels, 2,554 majors, and 798 captains. This shortage of some 3,700 officers was caused by primarily two factors: the failure to access (i.e., recruit and train) sufficient numbers of new officers in the 1990s, and the significant increase in officer requirements caused by the Army’s initiative, begun in 2004, to shift to a “modular” brigade-centric force structure. If anything, this shortage may have further worsened over the past two years. In particular, the

Overall, it appears that the Army’s retention efforts for active-duty enlisted personnel have been relatively successful over the past six years.

47 Ibid., p. 12.
48 In early years, the Army had primarily applied the stop-loss policy to personnel in certain occupational specialties.
49 Golding and Adedeji, Recruiting, Retention and Future Force Levels of Military Personnel, p. 15.
50 As noted earlier, continuation rate data is not available for Army National Guard and Army Reserve personnel for years prior to 2000.
52 For a discussion of causes of the Army’s officer shortage, see, ibid., pp. 3–5.
decision announced in early 2007 to expand the size of the Army by 65,000 troops has exacerbated the Army’s problems — though by precisely how much is unclear.

Between 1991 and 1999, the Army annually accessed an average of about 3,800 new active-duty officers. By contrast, the accession target during these years should have been some 4,300, based on Army models and assuming an end strength of 482,000 — the Service’s long-term goal before the plans to expand the force were announced in early 2007.53 Reducing the size of the officer corps during the post-Cold War drawdown (during which the Army’s active-duty end strength was reduced from about 781,000 personnel to 482,000) by, in part, lowering officer accession levels, contributed to the Army’s current shortage. It is worth noting, however, that absent this approach, the Army might have been forced to rely more heavily on involuntary Reductions-In-Force (RIF), which could have caused significant morale problems within the Army’s officer corps.54

Likewise, the Army’s modularity initiative has contributed to the Army’s officer shortage. The Army’s initial plan to transform its active-duty force structure organized around 10 active divisions (consisting of a total of 30 brigades), plus three independent brigades or regiments, to a force structure comprised of 42 brigade combat teams (BCT) increased its active-duty officer requirement by about 4,131 spaces,55 with captains and majors accounting for the bulk (3,635) of the higher requirement. Thus, most of the Army’s present shortage of captains and majors, noted earlier, can be attributed to the Army’s modularity initiative.56 While it is unclear just how much the planned expansion of the Army (which will result in the addition of six more BCTs) has exacerbated the Service’s already significant officer shortage, the impact could be substantial.57

In order to address its officer shortage, the Army has taken two major steps, both of which may raise some concerns about officer quality. It has increased the number of officer accessions and significantly increased promotion rates and opportunities. The number of active-duty officer accessions has been increased steadily since 1999 — growing from about 3,600 that year to 4,400 in 2005.58 However, in each of these years the Army has fallen slightly below its goal.

53 Ibid., p. 3.
54 Some analysts had predicted that the drawdown would lead to higher officer attrition rates, in part because of morale problems associated with the use of RIFs (the assumption being that concerns about the possibility of being RIFed at some point would cause some individuals, whom the Services would like to keep, to separate voluntarily when their enlistments were up). In fact, attrition rates did not increase during the period of the drawdown. Ibid., p. 8.
55 Ibid, p. 5.
56 Ibid.
57 Assuming the Army would maintain the current ratio of enlisted personnel to officers, the addition of 65,000 troops would be projected to increase overall officer requirements by some 7,000.
58 Ibid., p. 4.
The Army produces officers through four different routes: the US Military Academy (West Point), the Reserve Officer Training Corps (ROTC), Officer Cadet School (OCS), and direct commissions. Both West Point and ROTC are four-year programs in which participants earn a college degree. Traditionally, the Army has relied primarily on ROTC programs to produce new officers, and secondarily on West Point. Historically, ROTC has accounted for an average of about 60 percent of Army officer accessions, while West Point has accounted for some 25 percent of those accessions.\(^{59}\)

Under the OCS program, college graduates attend Officer Training School for 14 weeks before entering service.\(^{60}\) Direct commissions are used in a limited number of cases where the Service needs the particular skills of various types of professionals, such as doctors, lawyers, and chaplains. Traditionally, OCS and direct commissions have typically accounted for about 15 percent of Army officer accessions.\(^{61}\)

Over the past few years, the share of officers produced through these different routes has changed markedly, and in ways that may indicate some reduction in quality. Historically, West Point graduates have been widely viewed as representing the cream of the Army’s officer accessions. However, West Point has increased its production of new officers only very modestly in recent years, with the number of academy graduates increasing from 935 in 2000 to 978 in 2007. ROTC officer production has increased at a similarly modest rate, growing from about 3,600 in 2002 to 3,800 in 2007.\(^{62}\) Conversely, the OCS program — the source of new officers the Army has traditionally relied upon the least and has traditionally represented a surge capability intended to quickly produce officers — has greatly expanded its output of new officers. Between 2000 and 2006, for example, OCS officer production grew nearly threefold, from 484 to 1,420.\(^{63}\) In 2006, OCS and direct commissions accounted for about 35 percent of Army officer accessions,\(^{64}\) with OCS accounting for the vast majority of those accessions.

Although the Army has had difficulty substantially expanding the output of officers from West Point and ROTC, the situation may be improving. For example, the West Point class of 2012 (which enrolled this year) totals some 1,300 individuals.\(^{65}\) However, it will be four years before the members of this class enter service, and some

\(^{59}\) Ibid., p. 10.
\(^{60}\) Enlisted soldiers and warrant officers with a minimum of 90 semester credit-hours of college courses can also apply for OCS. “Officer Training Programs,” Army.com, http://www.army.com/enlist/officers06.html.
\(^{61}\) Ibid.
\(^{62}\) Ibid., p. 11.
\(^{63}\) Ibid, p. 12.
\(^{64}\) Ibid., p. 10.
eight or nine years before this influx of new officers has any impact on the shortage of captains and majors.

In addition to increasing the production of new officers, the other main way the Army has attempted to address its officer shortage has been to increase officer promotion rates and opportunities. In other words, the Army has retained officers that, in past years, it would have passed over for promotion and (because the US military is an “up or out” system) would have been involuntarily separated from service. As Figure 4 shows, since 2001 the Army’s promotion rates for mid-level officers have consistently exceeded the goals set out in the Defense Officer Personnel Management Act (DOPMA) of 1981.

Not only has the Army increased the rate at which officers are promoted once they become eligible for promotion, it has, in some cases, accelerated the point at which officers can be considered for promotion. In recent years, the Army has, for example, reduced the “promotion timing” (the amount of time an individual must spend at one rank before he or she can be promoted to the next level) for both captains and majors.66 This means that the Army is now promoting some individuals that would, in previous years, have been considered insufficiently experienced.67 In addition, the Army has made greater use of the Selective Continuation program. Under that program, officers twice rejected for promotion to the next rank, rather than being involuntarily separated from the Service (as would normally be the case), are allowed to continue on active duty, and remain eligible for future promotion.68

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66 Ibid.
67 Of course, in some cases, earlier promotions may be appropriate in wartime, and reflect efforts to make use of the most capable individuals available.

### FIGURE 4. ARMY OFFICER PROMOTION RATES

<table>
<thead>
<tr>
<th>Promotion to Rank of</th>
<th>DOPMA Goal</th>
<th>2001</th>
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<th>2003</th>
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<tr>
<td>Captain</td>
<td>95%</td>
<td>99.0%</td>
<td>98.2%</td>
<td>98.9%</td>
<td>92.3%</td>
<td>98.4%</td>
<td>NA</td>
</tr>
<tr>
<td>Major</td>
<td>80%</td>
<td>83.0%</td>
<td>89.5%</td>
<td>93.8%</td>
<td>96.9%</td>
<td>97.7%</td>
<td>100%</td>
</tr>
<tr>
<td>Lieutenant Colonel*</td>
<td>70%</td>
<td>75.7%</td>
<td>77.3%</td>
<td>79.6%</td>
<td>79.0%</td>
<td>88.9%</td>
<td>90%</td>
</tr>
<tr>
<td>Colonel*</td>
<td>50%</td>
<td>55.9%</td>
<td>53.5%</td>
<td>52.6%</td>
<td>53.2%</td>
<td>59.7%</td>
<td>NA</td>
</tr>
</tbody>
</table>

* Operations Career Field Only
Source: Department of the Army, CRS.
Despite the Army’s increase of promotion rates and expansion of promotion opportunities, it has also experienced retention shortfalls among certain ranks. In a January 2007 report, the Government Accountability Office (GAO) noted that, in recent years, “the Army has experienced decreased retention among officers early in their careers, particularly junior officers who graduated from USMA [i.e., West Point] or received ROTC scholarships.”66 In 2006, for example, 8 percent of the Army’s junior officers—captains and lieutenants—left the Army, compared to the Army’s goal of about 5 percent.70

Over the past two years, the attrition rate has been especially high for West Point graduates. The average attrition rate for the West Point classes of 1990 through 1999 was 29 percent.71 In other words, on average 29 percent of the members of those classes separated from the Service after their initial five-year terms were up. By contrast, the classes of 2000 and 2001 (whose initial obligations were completed in 2005 and 2006) experienced attrition rates of 34 percent and 35 percent, respectively.72

Taken together, the various steps taken by the Army over the past few years have allowed it to retain more officers than would otherwise be the case — thereby helping it alleviate its officer shortage. However, as with the Service’s increase in new officer production, it appears that the measures the Army has taken to improve officer retention may have led to some decline in overall officer quality.

There is also a concern that some of the steps the Army has recently taken to enhance its ability to attract and retain officers, while helpful in the near-term, could exacerbate problems over the longer term. For example, under one program, in exchange for incurring an additional service obligation, current company-grade officers are guaranteed an opportunity to attend graduate school sometime between their sixth and 11th years of service.73 As a result of this program and related initiatives, the Service now projects that the number of Army officers entering graduate school will be increased from 400–500 a year to some 1,100 by 2010. This could cause significant problems for the Army, especially given that most graduate programs last 15–24 months, and the fact that once they have completed graduate school current policy requires that the officers serve at least three years working in a billet related to their area of academic study.74 In other words, as the number of officers needed to fill com-

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71 Ibid.

72 Ibid. Moreover, 54 percent of the class of 2000 had separated from the Army by January 2006 and 46 percent of the class of 2001 had left within six months after the end of their service obligations.


74 Ibid.
bat units begins to climb due to the overall increase in Army force structure, a large number of officers may be in school and unavailable for assignment to line units.

**IMPACT OF THE WARS IN IRAQ AND AFGHANISTAN**

As with earlier periods in which the Army experienced problems with recruitment and retention, it is difficult to identify conclusively the sources of those problems. Myriad factors shape an individual’s decision to join or stay in the military, including the state of the economy, the military’s pay and benefits, family considerations, and society’s views concerning military service. In the case of the Army today, however, it is widely assumed that the most important source of the Service’s recruitment and retention problems is the frequency and duration of deployments in Afghanistan and, especially, Iraq.

Since the invasion of Iraq in 2003, the US military has sustained the continuous deployment of roughly 150,000 to 200,000 military personnel in Iraq, Afghanistan, and elsewhere in the region, also in support of operations Iraqi Freedom and Enduring Freedom. By comparison, during the preceding 30 years of the AVF, the US military was involved in operations that were either much smaller (e.g., the deployment to Bosnia, which consisted of a maximum of 20,000 troops) or much shorter (e.g., the 1991 Gulf War which involved some 500,000 troops, but required deployments of less than one year for most troops and included only four days of ground combat). The majority of troops deployed in these operations have been Army personnel.

The Army’s goal is to have three active duty units in the force for each active duty unit deployed in military operations.\(^75\) In practice, in recent years many units have had only one year between deployments, equating to a ratio of 2 to 1.\(^76\) Moreover, the size and duration of these conflicts means that many Army personnel have now experienced multiple deployments in support of these operations.

In 2006, RAND published a study that examined the impact of the recent increase in PERSTEMPO on intentions to reenlist.\(^77\) The study found that while involvement in military operations did not decrease the intention to stay in the military for members of the other Services, it did for Army personnel. In the case of the Navy and Air Force, the difference presumably reflects the fact that the operations in Iraq and Afghanistan—while supported in important ways by the Navy and Air Force—have been primarily ground campaigns. It is less clear why trends in recruitment and

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\(^76\) Ibid.

\(^77\) James Hosek, Jennifer Kavanagh and Laura Miller, *How Deployments Affect Service Members* (Santa Monica, CA: RAND, 2006).
retention for the Marine Corps—which, like the Army, has been heavily engaged in these operations—appear to be less negatively affected.\footnote{One factor may be that Marine Corps tours are generally shorter than Army tours (6 months versus 12–15 months).}

According to the RAND study, which was based on 2002–03 data, the long workdays, uncertainty, and family separation associated with military deployments—and preparing for such deployments—negatively affected service members’ intentions to reenlist. The study also found that personnel who do not actually deploy to these operations may nevertheless be affected by them, because they are often required to work longer hours to compensate for personnel shortages at home bases.

The war in Iraq also appears to have led to a significant decline in the share of adults likely to recommend military service to youths, with the Army and Marine Corps—the Services most heavily engaged in military operations—being recommended the least often.\footnote{Golding and Adedeji, \textit{Recruiting, Retention and Future Force Levels of Military Personnel}, p. 26.} Likewise, in 2005, a survey of adults and youths showed that, for both groups, the wars in Iraq and Afghanistan had reduced their likelihood of joining the military or recommending military service.\footnote{Ibid., p. 27.}

**TRENDS IN MILITARY COMPENSATION**

Military compensation has grown dramatically since 1999. Average compensation for active-duty military personnel is about 40 percent higher today in real terms than it was in 1999. Most of this increase was provided, or at least set in motion, prior to 9/11. Indeed, much or most of it stems from initiatives enacted in the last two years of the Clinton Administration. As noted earlier, the Clinton Administration, with the strong support of Congress, instituted a number of costly changes to military compensation in 1999 and 2000. Since then, the Bush Administration and Congress have supported further significant increases.

As discussed in the last chapter, by the late 1990s the average service member received greater cash compensation than 75 percent of workers in the civilian economy of the same age and possessing the same level of education. Moreover, the non-cash benefits received by military personnel were generally significantly more generous than those afforded civilian workers. Since the late 1990s military pay has grown more rapidly than wages in the overall economy. Thus, not surprisingly, a recent study by CBO found that (as of 2006), on average, service members continue to make more than 75 percent of their civilian counterparts.\footnote{Carla Tighe Murray, \textit{Evaluating Military Compensation} (Washington, DC: CBO, June 2007), p. 14.} When non-cash benefits—which, as discussed below, have been greatly expanded for military personnel since 1999—are included, the differential has, in fact, widened considerably in recent years.

In 2005, a survey of adults and youths showed that, for both groups, the wars in Iraq and Afghanistan had reduced their likelihood of joining the military or recommending military service.
It seems reasonable to conclude that absent the large increases in military compensation provided in recent years—including both those initiated prior to 9/11 and those enacted since then—the Army would have experienced more severe problems with recruitment and retention than it has. The other Services might also have experienced problems. Although the level of cash and non-cash compensation provided is by no means the only consideration that goes into an individual's decision to join or stay in the military, it is an important consideration. Presumably in the minds of many individuals, the growth in compensation helped offset, to some extent at least, the negative impact of the Army's recently very high PERSTEMPO. That said, taken as a whole, the increases in military compensation that have been implemented since 1999 have not been especially well targeted toward improving recruitment and retention.

Studies indicate that most potential recruits and military personnel are much more motivated by immediate cash benefits than by deferred non-cash benefits (e.g., healthcare and commissary privileges), because in the former case the individual can choose how to allocate the resources, thus maximizing the value to him or her. Moreover, individuals tend to under-estimate the cost (and thus the value) of non-cash benefits provided by employers. Likewise, people tend to discount heavily the value of deferred benefits. The cost-effectiveness of deferred benefits provided only to military retirees is especially questionable as a means of attracting and retaining military personnel—since only about one in five people who join the military remain in service for the 20 years needed to qualify for retiree benefits.

Despite these findings indicating that immediate cash benefits tend to be the most cost-effective form of compensation, the increases in military compensation implemented since 1999 have been heavily weighted toward non-cash benefits and, especially, deferred benefits directed at military retirees. For example, cash benefits (e.g., basic pay, allowances for food and housing) accounted for about 42 percent of the increase in compensation provided between 1999 and 2005, while non-cash benefits accounted for some 58 percent of growth. Programs for military retirees accounted for three-quarters of this increase in non-cash benefits.

Overall, cash compensation for the average active-duty service member increased by about 40 percent between 1999 and 2008, while non-cash benefits grew by some 50 percent. The cost-effectiveness of the increases in military compensation provided since 1999 was also diminished by the fact that, for the most part, they were implemented across-the-board, rather than targeted to those types of personnel the

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82 One study, for example, found that on average private sector employees believe their non-cash benefits packages are worth only about 70 percent of what they actually cost their employees to provide. Edward E. Lawlter, III, Rewarding Excellence: Pay Strategies for the New Economy (San Francisco, CA: Jossey-Bass, 2000), p. 99.
83 Kosiak, Military Compensation: Requirements, Trends and Options, p. 46.
84 Ibid, p. 27.
85 Author's estimate based on update of estimates for the 1999-2005 period provided in Ibid.
Services were having the most difficult time attracting and retaining. For the military as a whole, over the 1999–2004 period, targeted special pays and incentives (e.g., enlistment and reenlistment bonuses), accounted for less than 10 percent of the increase in cash benefits provided.\footnote{Ibid.}

However, since 2001, and over the past few years in particular, the Army has greatly increased its spending on both enlistment and reenlistment bonuses. For the Army as a whole (including both active and reserve components), total spending on enlistment bonuses rose from $135 million in 2000 to $366 million in 2005, while spending on selective re-enlistment bonuses increased nearly five-fold over this same period, from $105 million to $506 million. This shift towards greater use of enlistment and reenlistment bonuses may have played an important role in preventing the emergence of even more troubling trends in recruitment and retention over the past few years. Studies have consistently shown that such bonuses are among the most cost-effective forms of military compensation.\footnote{See, for example, Golding and Adedeji, \textit{Recruiting, Retention and Future Force Levels of Military Personnel}, p. 21}

The Services, and the Army in particular, have also made use of special combat-related pays to help mitigate the impact on retention of extended and frequent deployments in Iraq and Afghanistan. Service members in those countries can earn an extra $325 a month in imminent danger and hardship-duty pay.\footnote{For a discussion of the Services’ use of such pays, see, Murray, \textit{Evaluating Military Compensation}, pp. 18–19.} Other special pays that may be available to deployed personnel include the family-separation allowance ($250 a month) and overseas tour-extension pay ($80 a month). In addition, all income earned by enlisted personnel deployed in combat zones is exempt from federal income tax. In the case of officers, this benefit is capped at the highest level of enlisted pay plus any imminent-danger or hostile-fire pay received.\footnote{Ibid.}

For 2008, plans call for spending a total of about $150 billion on military compensation — exclusive of special war-related compensation, such as imminent-danger pay and the cost associated with activating reserve personnel.

\section*{THE US MILITARY TODAY}

As the discussion in this chapter shows, in recent years the US military has had a mixed record in terms of personnel recruitment and retention. As measured by traditional benchmarks, since 2001 the Navy, Air Force and Marine Corps have generally met both their quantitative and qualitative goals for recruits. Although the military’s retention data is more difficult to evaluate, it appears that these Services have also been relatively successful at retaining the military personnel they need.
By comparison, the Army has suffered some significant problems in both its recruitment and retention efforts. However, it is important not to overstate the extent of decline. Measured by the broad range of indicators discussed above, the average Army recruit of 2007 appears to be of lower quality than his or her counterpart of the preceding 10–15 years. However, in many ways the Army’s recent recruitment efforts still compare relatively favorably to what it achieved during the early years of the AVF—through the early to mid 1980s. For example, the percentage of active duty Army recruits with high school degrees in 2007 was substantially higher than the share achieved in 1980 (52 percent), or earlier years—when the term “hollow Army” was sometimes used to describe the state of the Service.

Similarly, the share of active duty Army recruits scoring above the median on the AFQT was higher in 2007 than it was in 1984 (54 percent) or previous years; and the share of Category IV recruits in 2007, although high compared to the 1990s, was comparable to the percentages sustained in the late 1980s, and much lower than shares typically accounted for by such recruits through the mid 1980s. Furthermore, the Army that fought successfully in the 1991 Gulf War was made up of individuals who, for the most part, joined the Service in the mid-1980s or earlier.

The problems the Army has experienced with regards to retention over the past few years also need to be kept in perspective. The continuation rate for enlisted personnel has remained at relatively high levels, comparable to those sustained during the 1990s. Likewise, the Army’s current officer shortage, while unfortunate, may be manageable. The shortage amounts to only about a 6 percent shortfall, and some analysts have argued that a shortfall of this magnitude should not pose a significant operational problem for the Army.

Nevertheless, the recent negative trends in Army recruit quality are unsettling—particularly when they are viewed, not in isolation, but cumulatively. By itself, a decline in the share of recruits with high school degrees, or with above average scores on the AFQT, or an increase in the share of recruits granted moral waivers, or recruits allowed to slip through basic training because of lower standards, might not be too disconcerting. However, taken together, they paint a considerably more troubling picture. Similarly, the trends in officer production and promotion rates discussed in this chapter raise some serious concerns about the quality of the Army’s officer corps.

In the case of both Army enlisted personnel and officers, these trends are of especially great concern in terms of what they may portend for the long term—if they are not reversed over the next few years. The next two decades may also pose significant manpower challenges for the other Services, as they attempt to meet requirements for what may be substantially different types of personnel skills and experience in the future.

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90 As late as 1985, for example, Category IV recruits accounted for 9 percent of the active Army’s total.
91 Henning, “Army Officer Shortages: Background and Issues for Congress,” p. 3.
This chapter looks out over the next decade or further and provides an assessment of the personnel-related challenges the Services will have to face in the near future. The first part of this chapter briefly focuses on the problems confronting the Army and other Services as a result of the ongoing military operations in Iraq and Afghanistan. As discussed in the previous chapter, while the Navy, Air Force and Marine Corps have fared relatively well in their recruitment and retention efforts, over the past several years, the Army has begun to suffer some significant personnel problems, which are closely linked to the size and duration of the Service’s deployments in Iraq and Afghanistan. The bulk of this chapter consists of a broad overview of a range of other challenges the Army and the other Services will have to overcome if they are to meet their recruitment and retention goals over the long term. Specifically, it examines important trends in technology, concepts of operations and other attributes of military forces and conflicts that could make it necessary to transform the Services’ traditional approaches to personnel management and compensation.

THE ARMY’S PERSONNEL CHALLENGE

The Army may currently stand at a crossroads in terms of personnel quality. Even if the recent negative trends in recruiting and retention were to be completely reversed over the next few years, it would likely be years, perhaps a decade or even longer, before the Army fully recovered from some of those trends. This is because, as noted earlier, the US military is essentially a closed system that promotes only from within. Generally, service members join for terms of about four years. Those who decide to make a career out of the Army — typically about one in five of those who join — will generally stay for 20-plus years. This means that most new enlisted personnel and officers who enter service this year, for example, will remain in the Army through at least 2012, and some members of this cohort will stay in the Service until 2028 or later.
That said, if the Army is able to reverse course soon, the overall, long-term negative impact may be relatively modest. In terms of active-duty recruits, for example, quality standards appear to have declined substantially in the last two years (2006–07), but to have remained relatively high prior to this decline. If the Army could get back on track with recruit quality in 2008, this two-year period of decline would amount to only a brief dip—albeit a regrettable one—that would cast only a small shadow over the Army’s quality and effectiveness over the long term. On the other hand, if the Army is not able to improve its recruitment efforts within the next few years, the impact could be both very negative and enduring.

The Army’s problems could become more manageable if US deployments in Afghanistan and, especially, Iraq are substantially reduced over the next several years. However, as discussed earlier, it is unclear to what degree the Army’s currently very high PERSTEMPO rate is responsible for its recent recruitment and retention problems. To the point, even if significant troop reductions are made in Iraq over the next few years, overseas deployment rates are likely to remain relatively high, and well above pre-2001 levels, for many years to come. It is, of course, also possible that Army personnel will be deployed elsewhere to other, new operations at some point in the near future.

The Army’s problems may be exacerbated by recent plans to expand its permanent active duty end strength by 65,000 personnel. Over the long term, achieving and sustaining this increase will require that the Army increase the number of recruits brought into the Service each year and/or improve success at retention. If the past several years is any guide, this may well mean accepting a further decline in quality. Increasing the permanent end strength could also further exacerbate the Service’s existing officer shortage. On the other hand, it is possible that by allowing for slightly longer breaks between deployments (i.e., reducing PERSTEMPO rates), the planned expansion could reduce the stress on Army personnel, and thus improve the recruitment and retention environment.

So far, the Marine Corps has managed to avoid many of the negative trends in personnel quality that have affected the Army. But given the duration and size of its deployments in military operations, prudence dictates that it too must be considered, to some degree, at risk. Recent trends suggest the Air Force and the Navy should have an easier time meeting both their quantitative and qualitative goals for military personnel. In this they are helped by the fact that, while important, they are (compared to the Army and Marine Corps) secondary players in the wars in Iraq and Afghanistan.

**OTHER LONG-TERM PERSONNEL ISSUES**

The ongoing military operations in Iraq and Afghanistan pose a special challenge for military personnel recruitment and retention efforts. Given the significant possibility that the US military, and its ground forces in particular, will remain relatively heavily...
engaged in these or similar operations in the future, this is likely to pose a serious long-term challenge. However, the Services’ long-term personnel management challenges go far beyond those related to conducting lengthy, large-scale stability operations.

Although it is impossible to predict with complete confidence the factors and trends that will most affect the Services’ personnel requirements and their ability to successfully meet those requirements in the future, five different trends seem likely to have a major impact over the next few decades. Some of these trends are driven by dynamics internal to the Services and the US military’s missions, while others are tied to broader changes in society.

**CHANGING DEMOGRAPHICS**

There are a wide variety of demographic trends that could impact the military’s ability to recruit and retain sufficient numbers of the right people in coming decades. Only two such trends are discussed here, but they are likely to pose some of the most difficult obstacles to the Services, particularly in terms of their recruitment efforts. These are the steady rise in college attendance and the declining numbers of veterans among the US population.

The propensity of American youth to join the military has declined substantially over the past several decades. In the mid 1980s around 25 percent of youths surveyed expressed an interest in military service. By the late 1990s, the share had fallen to below 20 percent, and by 2006, it had dropped to under 15 percent.\(^9\) This trend could rebound to some extent depending on the success of US efforts in Iraq and Afghanistan. However, over the long term, the trend could also worsen.

At least prior to the war in Iraq, perhaps the most significant explanation for the decline in the propensity to join the military was related to increased college attendance. The proportion of American youth who attend college has grown substantially over the past several decades — with this trend in part presumably driven by the fact that, increasingly, income growth has become linked to possession of a college degree. In 1980, about 49 percent of high school graduates began attending college within a year of leaving high school. By 2007, the share had grown to 67 percent.\(^93\) This has had a significant negative effect on the propensity of young Americans to join the military.\(^93\) For example, by one estimate, one-third of the drop in the propensity of American youth to join the military that occurred between 1987 and 1997 can be attributed to the increasing rates of college enrollments.\(^94\) Moreover, college enrollments are projected to remain high for the foreseeable future.\(^95\)

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\(^{93}\) Ibid., p. 5.

\(^{94}\) Ibid.

\(^{95}\) Ibid., p. 6.
The military has attempted to attract individuals intent on attending college by offering educational benefits, including financial assistance. And, in theory at least, the growing number of young people interested in pursuing a college degree should increase the pool from which new officers can be drawn. However, designing a system that allows young people to manage both a college degree and military service represents a difficult challenge. Moreover, educational attainment also appears to have a negative impact on the predisposition of parents, especially mothers, to recommend military service.  

Another important factor that has negatively impacted the propensity of American youth to join the military has been the dramatic decline in the veteran population. In 1988, about 40 percent of 18 year-olds had a veteran parent. By 2000, the share had dropped to only 18 percent. This trend is projected to accelerate in coming years. By 2018, the share of American 18 year-olds with a veteran parent is projected to fall to only 8 percent.

In addition to supply-side trends that may shrink the pool of individuals from which the Services can recruit enlisted personnel and produce officers, the military’s future personnel management challenge will be affected by a number of critical demand-side trends.

**INCREASING RELIANCE ON TECHNOLOGY**

Perhaps the most enduring trend likely to have an impact on the Services’ manpower requirements in coming years is the need for increasingly technically competent personnel. Although spending on military personnel in some ways competes with spending on weapons acquisition, and new weapon systems and other equipment can sometimes effectively (and cost-effectively) substitute for personnel, it is also important to remember that there is a synergy between military equipment and personnel. Just as an improved weapon can dramatically increase the effectiveness of a soldier, sailor, or airman, matching a weapon with a highly skilled service member can dramatically improve the weapon’s effectiveness.

If the US military is to get the most out of its weapons and other equipment it will have to acquire and retain the right kinds of military personnel. If the trends of the past 80 years are any guide, this will mean, among other things, assembling and maintaining a workforce that is increasingly technologically competent.

Long gone are the days when military personnel’s major link to technology was the rifle they took into combat. The trend toward the Services’ increased reliance on technology, and the growing sophistication of military technology, is well illustrated by changes in the Services’ occupational specialties over time. The share of military

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96 In other words, college educated parents, especially mothers, are less likely to recommend military service to their children.

97 Ibid., p. 8.
personnel in technical specialties grew from 7 percent in 1918 to 12 percent in 1945 and 26 percent in 1975 to 30 percent in 2001. Given the strength and persistence of this trend, as well as the logic of increased reliance on technology for a modern industrialized country, it seems almost certain that this trend will continue in the future. Indeed, it is possible that the need for technical competence will grow even faster in the future, as the rate of technological change continues to accelerate in many areas. This may be especially true, for example, in the case of information technology. The ability to effectively combine off-the-shelf commercial and military technologies may also become increasingly important, not only for the defense industry, but for military personnel as well. This would further expand and accelerate the need for personnel with technical skills.

**CHANGES IN THE THREAT ENVIRONMENT**

Changes in the threat environment since the end of the Cold War may also have increased the need for higher quality military personnel—in particular, more adaptable and flexible individuals. During the Cold War, the US military confronted a military challenge that was in many ways more threatening than anything we face today. The Soviet Union possessed massive, and relatively modern, conventional and nuclear forces. Those forces were also in a position to directly threaten critical regions of the world, including Western Europe, the Middle East and East Asia, as well as the United States. In one respect, however, this challenge was simpler to manage than those we face today or are likely to face over at least the next decade; the size, shape and character of the Soviet threat was relatively clear. Moreover, as noted earlier, in terms of concepts of operations, organization and technology, Cold War trends tended to follow an evolutionary (vice revolutionary) path.

The relative clarity and maturity of the Soviet military challenge meant that it was possible, during the Cold War, for the US military to focus its own resources on effectively countering a “clear and present danger” that changed only relatively slowly. The situation today is quite different; the US military faces an array of challenges that are much broader and less clear, in terms of both the nature and urgency of the threat they may pose. These include, for example, potential dangers posed by: the ongoing conflict with radical Islam; a strategic competition of rising China; the proliferation of weapons of mass destruction (WMD); terrorist attacks; failed or failing states; armed insurgencies; and regional adversaries (e.g., Iran).

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99 For example, as open system architectures with public source codes have become more prevalent, businesses have started exploiting the ability to tailor systems much more closely to individual users, and to do so relatively quickly. The military may also be able to exploit these opportunities if it possesses the technical expertise to do so. Cote, “The Personnel Needs of the Future Force,” pp. 67–68.
The diverse nature of these challenges does not necessarily mean that they pose an overall greater challenge than did the Soviet Union during the Cold War. Indeed, there is considerable uncertainty and disagreement concerning the extent to which some of these either represent serious challenges or, in any event, can be effectively addressed through the application of military force. This diversity does, however, mean that it is more difficult for the US military to tailor and focus its forces to meet specific threats than it was during the Cold War.

This suggests that, at least for the foreseeable future, the US military will have to operate with a greater degree of flexibility and adaptability, and that it might have to place increased emphasis on the ability to operate jointly—since, where there is uncertainty concerning the nature of the threat likely to be faced, it may be advantageous to respond with a mix of capabilities drawn from two or more of the Services. This suggests that, at least for the foreseeable future, the US military will have to operate with a greater degree of flexibility and adaptability, and that it might have to place increased emphasis on the ability to operate jointly—since, where there is uncertainty concerning the nature of the threat likely to be faced, it may be advantageous to respond with a mix of capabilities drawn from two or more of the Services. Thus, in addition to a need for greater technical competence, in coming years it may also be important to have military personnel who can more readily adapt to new types of challenges, or respond effectively to a greater range of different threats.

**GREATER DECENTRALIZATION ON THE BATTLEFIELD**

Another demand-side factor likely to increase the need for high quality military personnel is the advent of greatly improved surveillance and targeting capabilities combined with improved communications assets and the proliferation of relatively inexpensive, long-range precision-guided munitions (PGMs). These changes have created incentives for both offensive and defensive military forces to operate in a much more distributed fashion than they have in the past. Defensively, such dispersion is critical because in an environment where large, concentrated forces are relatively easy to find, target and attack, dispersion is likely to be critical to survival. In the offense, dispersion allows forces to cover, target and destroy, a greater number of enemy forces—which themselves are likely to be relatively widely dispersed in order to avoid attack by US guided weapons. Moreover, the growing effectiveness of long-range PGMs means that offensive punch is no longer as dependent on the ability to concentrate one’s forces as it once was. In other words, the goal is increasingly to “mass effects, not forces.”

If it is true that US forces will have to operate in an increasingly distributed fashion in coming years, the implications for military personnel requirements could be profound. Such decentralized and distributed operations would likely place far greater responsibility in the hands of lower level officers and enlisted personnel, particularly in the case of ground forces. As Owen Cote notes:

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These personnel will need to make decisions and acquire skills historically associated with much more senior ranks . . . For example, in the operational world, battalion and company-level units in a Stryker brigade will be responsible for the operation of their own UAVs [unmanned air vehicles], integration of organic direct and indirect fires, calling in air support and, in some cases, managing their own logistics. These are responsibilities and skills going well beyond the skills now taught to traditional, “pure” infantry and armor units trained for close, direct fire engagements.\textsuperscript{101}

Since stability and similar operations by their nature tend to involve greater decentralization and dispersion of forces, to the extent that such operations remain a focus of US ground forces in coming years, this growing requirement for military personnel capable of operating with greater independence may be further strengthened and accelerated. In addition, if in the future the US military relies more heavily on trainers and advisors to support stability operations, it may require a higher proportion of officers and NCOs.

Other forces will also be affected by the need to conduct widely distributed operations, but the impact on personnel requirements may be much less significant. For instance, as adversaries increasingly move away from concentrated forces and fixed assets towards dispersed and mobile operations, targeting opportunities for air forces are likely to prove more fleeting, thus placing a premium on the ability to strike quickly. This, in turn, will require maintaining a dispersed, persistent presence across the battle space. In this case, pilots operating in small groups will often have to directly integrate data from satellites and other sensors, and identify targets themselves—rather than rely on rear-area command posts to carry out these tasks.\textsuperscript{102} However, pilots account for only a small fraction of the manpower required to operate air forces, and the roles and requirements of ground support and other personnel located at US air bases (or on aircraft carriers) are likely to be much less affected by this trend.

**INCREASED IMPORTANCE OF INNOVATION**

To the extent that we may be in the midst of a transitional or transformational period in terms of the way wars are fought, the ability to innovate effectively may be more important than it was during more stable periods, such as the Cold War, when changes in operational concepts, organization and technology tended to move along a relatively predictable, linear path.

In turn, successful innovation may depend, in no small part, on having the right kind of military personnel. As with the personnel requirements related to operating on an increasingly distributed battlefield, it seems likely that a process of successful innovation would benefit from having lower-level personnel who are better suited, in


\textsuperscript{102} Ibid.
terms of aptitude and training, to operating independently. This may be especially true because such innovation focuses on improving the ability of units at low levels of command to effectively integrate new technologies, concepts of operations and organization. Successful innovation may also require personnel who are more disposed toward intelligent risk-taking than current service members.

The combination of the various demand-side and supply-side challenges, discussed above, suggests that the Services may face a difficult recruiting and retention environment in coming years. At the same time that the propensity of Americans to join the military appears to be declining, the Services appear to be experiencing a growing need for increasingly adaptable and technically competent individuals who are capable of operating independently and engaging in intelligent risk-taking. The next chapter presents a range of options that might be pursued to successfully meet the Services’ personnel challenges.

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US Defense Budget
Options and Choices for the Long haul
If, in coming years and decades, the United States is to recruit and retain the quality military personnel it needs, it will likely have to make use of a mix of different policy options and approaches — some of them relatively narrow and traditional, and others broader and more innovative. The extent and likely durability of the personnel challenges confronting the US military, and the Army in particular, suggest that relying solely on narrow, traditional approaches may not suffice.

This chapter provides an overview of eight different options that could be pursued. The list is by no means comprehensive. But it includes both some of the most controversial proposals and some of the potentially most effective options. The specific options considered in this chapter consist of the following:

> Traditional approaches

> Creating more flexible personnel management and compensation systems

> Shifting to a smaller, more capital-intensive (less labor-intensive) military

> Developing specialized army irregular warfare forces

> Focusing on capacity building by developing improved training and advising capabilities

> Relying more on civilians and private contractors

> Reinstating the draft

> Expediting citizenship in return for military service
TRADITIONAL APPROACHES

Historically, the US military has pursued a range of approaches to enhance its ability to recruit and retain the numbers and types of personnel it believes it needs. These include improving compensation (pay and other benefits), increasing the number of recruiters, using more enlistment and reenlistment bonuses, and spending more on advertising and educational benefits. All of these tools will continue to be used. Deciding how much to emphasize each of these different types of tools is a complex matter. The right mix will depend on a range of factors including, for example, the specific nature of current (and projected) challenges to recruitment and retention efforts — which can change substantially over time — and the level of resources currently being allocated to each of these areas (and, thus, the marginal cost/benefit of investing additional resources in particular areas).

A comprehensive discussion of each of these tools, and their relative merits, is beyond the scope of this report. That said, studies concerning the effectiveness of various types of recruitment and retention tools conducted over the years have been fairly consistent in their findings. These findings offer at least a rough guide as to their relative cost-effectiveness.

In terms of military recruitment, the most critical resource is generally the number of military recruiters. One recent study indicates that, on average, increasing the number of Army recruiters by 10 percent will lead to a 4.1 percent rise in the number of high-quality recruits accessed, while cutting the number of recruiters by 10 percent would be expected to result in about a 5.6 percent drop in the Service's enlistment of high-quality recruits.\footnote{John T. Warner and Curtis J. Simon, “Estimates of Army Enlistment Supply 1988–2005,” briefing to the military recruiting summit, November 2, 2005, Arlington, VA.}

By comparison, in the case of both advertising and enlistment bonuses, a 10 percent increase in spending is estimated to increase the number of quality recruits by about 1 percent, while a 10 percent rise in spending on educational benefits generally yields a 2.6 percent growth in such enlistments.\footnote{Ibid.}

Which of these four tools is the most cost-effective is impossible to say and, as noted above, may vary depending on specifics of the current or projected recruiting environment. Generally, the least cost-effective approach to improving recruitment numbers is to institute across-the-board pay raises — a fifth tool at the disposal of the military. A 10 percent increase in military pay would be expected to generate a 9.3 percent rise in the number of quality recruits.\footnote{Ibid.} However, because such pay raises would have to be given to all enlisted personnel, the marginal cost per recruit of this approach is very high (over $200,000).\footnote{Barbara A. Bicksler and Lisa G. Nolan, “Recruiting an All-Volunteer Force: The Need for Sustained Investment in Recruiting Resources,” \emph{Policy Perspectives}, Vol. 1, No. 1, September 2006, p. 20.} Compared to across-the-board pay raises, the marginal cost per recruit of expanding the number of military recruiters is like-
ly to be much lower. 109 And all of the other traditional policy tools—spending more money on advertising, enlistment bonuses and educational benefits—are similarly likely to be more cost effective than raising military pay. 110

The range of traditional tools available for sustaining and improving the Services’ ability to retain quality personnel is as diverse as those available to address the recruitment challenge. Those tools include increasing military pay, greater use of reenlistment bonuses and other special pays, and the expansion of non-cash benefits, such as healthcare and retiree benefits. As in the case of the different tools available for improving the military’s success at recruitment, a comprehensive discussion of these retention-related tools is beyond the scope of this report. However, again as in the case of recruitment tools, studies concerning the effectiveness of various approaches to improving military retention have been fairly consistent in their findings.

As noted in Chapter 2 of this report, most studies suggest that military personnel, like people generally, are motivated much more by immediate cash benefits than by deferred non-cash benefits, and that individuals tend to under-estimate the cost (and thus the value to them) of non-cash benefits. Similarly, people tend to discount heavily the value of deferred benefits. The cost-effectiveness of deferred benefits as a retention tool (let alone a recruitment tool) is especially questionable—since only about one in five people who join the military remain in service for the 20 years needed to qualify for retiree benefits.

Studies also indicate that, although cash benefits are typically more cost-effective than non-cash benefits (and particularly deferred benefits like pensions and retiree health care), across-the-board pay raises may not be an especially cost-effective means of improving retention. This is because the military’s retention problems are generally focused on particular Services, categories of personnel or occupational specialties. In such cases, across-the-board pay raises are likely to prove much less cost-effective than reenlistment bonuses and other special pays that can be targeted to those individuals, occupations and areas where the Services are experiencing (or are projected to experience) shortfalls.

Creating More Flexible Personnel Management and Compensation Systems

The structure of the US military’s personnel management and compensation systems has changed remarkably little over the past 50 years. This is in contrast to the private sector, where there have been significant changes in these areas. A wide range of studies over the past few decades has recommended that changes be made to the military’s personnel management and compensation systems. More than anything

109 Ibid.
110 Ibid.

Most studies suggest that military personnel, like people generally, are motivated much more by immediate cash benefits than by deferred non-cash benefits.
else perhaps, the aim of these suggested reforms has been to increase the flexibility of these systems.

Proponents of such reform argue that the Services’ existing personnel management and compensation systems impose a level of uniformity that has long hindered their ability to recruit and, especially, retain the people they need. Worse yet, they argue that such uniformity and rigidity will prove even more troublesome in coming years, as the US military tries to effectively adapt to changes in American society and the future battlefield.

Among the most frequent and serious criticisms of the current personnel management and compensation systems is that they severely restrict the ability of the Services to vary levels of compensation and duration of assignments. By far the most important determinants of an individual’s level of compensation in the US military today are her or his rank and years in service. Basic pay levels do not vary by occupational specialty. Neither does one’s occupational specialty in any way affect the vast majority of other cash and non-cash benefits provided to military personnel. The only elements of military compensation that provide a means of differentiating among different occupational specialties are special and incentive pays. However, such pays, on average, account for less than 10 percent of cash compensation for military personnel (and a far smaller share of total compensation).\textsuperscript{11} Comparative data on cash compensation for different occupational specialties confirms the limited flexibility currently provided through special and incentive pays.\textsuperscript{11}

The military’s limited ability to vary compensation, based on occupation, means that it is often incapable of efficiently responding to changes in supply and demand among different occupations. As a result, compared to their civilian counterparts in the same occupational specialties, some military personnel are substantially undercompensated (those with skills that are in high demand in the private sector) and others are overcompensated (those with skills that are \textit{not} in high demand). This lack of flexibility helps explain why the Services often have difficulty retaining personnel in a variety of specialties, even at times when \textit{overall} retention rates, as well as overall levels of compensation, are relatively high. In coming years, this lack of flexibility can be expected to hinder the Services’ ability to retain the kind of higher quality personnel—as measured by technical expertise, adaptability, judgment, risk-taking and capacity for innovation—they will need.

The current structure also greatly limits the Services’ ability to vary the duration of assignments, as well as careers, of different personnel in different occupational specialties. Among other things, this leads to a situation in which there is great similarity in the labor-experience mix of different occupational specialties. Thus, for

\textsuperscript{11} For a discussion of problems with the military’s current personnel management and compensation systems, see Steven M. Kosiak, \textit{Military Compensation: Requirements, Trends and Options} (Washington, DC: CSBA, 2005).

example, individuals with 11-20 years of service make up almost exactly the same share of personnel in the “Infantry, Gun Crews, and Seamanship Specialists” occupational category as they do in the “Communications and Intelligence” and “Health Care” occupational categories.\(^{113}\) As a RAND study has noted, “It is questionable whether an organization engaged in many different activities and employing many different technologies should find it efficient to have essentially the same labor-experience mix in each activity.”\(^{114}\)

Under the current system, some observers believe that assignments are frequently too short; that military personnel are often reassigned before, or soon after, they become proficient in a new position.\(^{115}\) This could be an even greater handicap in coming years, if the demands placed on small units and their commanders increase as suggested in the previous chapter of this report. Owen Cote has argued that “the rapid rotation of mid-level officers caused by today’s officer rotation policies makes it nearly impossible for leaders and units to train together effectively for the wars of the future.”\(^{116}\)

The current system’s imposition of what, for the vast majority of personnel, amounts to a requirement for mandatory retirement after about 20 years of service, has also been widely criticized.\(^{117}\) In the distant past, when the great majority of tasks in the military placed a premium on physical strength and endurance, such a limit may have made sense. But today, when “brain” has replaced “brawn” as the most critical attribute for many (and perhaps most) occupational specialties in the US military, it may be an anachronism. As Bernard Rostker has put it, “senior enlisted members and officers at the highest levels of command and responsibilities are forced out by mandatory retirement rules at an age when, in the private sector, they would be considered most valuable.”\(^{118}\)

A range of different changes have been suggested that would improve the flexibility of the Services’ personnel management and compensation systems. These include, for example, allowing:\(^{119}\)

> greater (or in some cases, less) time in assignments for officers and NCOs;

> more variation in time-in-grade (so that personnel are not confronted with the choice of either moving from a technical to a supervisory position, or separating from the military);

\(^{113}\) Asch and Hosek, *Looking to the Future*, p. 15.

\(^{114}\) Ibid., p. 10.

\(^{115}\) Bernard Rostker, “Changing the Officer Personnel System,” in *Filling the Ranks*, p. 146.


\(^{117}\) The US military is an “up or out” system, in which a very small fraction of military personnel (those promoted to the highest ranks) serve more than 20 years.

\(^{118}\) Bernard Rostker, “Changing the Officer Personnel System,” p. 146.

> more variation in length of military careers (e.g., by allowing more personnel to
remain beyond 20 years, and in some cases providing incentives for careers of less
than 20 years); and

> greater differentiation in compensation among different occupational specialties.

Taken together, changes such as these might go far towards injecting more flexibil-
ity into the military’s manpower and compensation systems, allowing the Services to
better meet their future personnel challenges.

**Shifting To A Smaller, More Capital-intensive (Less Labor-intensive) Military**

The number of personnel in the US military has declined significantly over the past
50 years. It is widely known that the US military’s personnel end strength was cut
substantially after the end of the Cold War. Between 1990 and 2001, the US military’s
active-duty end strength was reduced from some 2.07 million to about 1.38 million
troops, a cut of about 35 percent (with the bulk of those cuts being completed by the
mid-1990s). What is much less widely appreciated is that even *during* the Cold War,
the size of the US military was reduced. Between 1955 and 1990, for example, active
duty end strength fell from about 2.94 million to 2.07 million. Although the decline
in the size of the US military has not followed an entirely smooth curve, the overall
trend is unmistakable. Altogether, over the past 50 years, the size of the US military
has been cut roughly in half.

Absent this reduction in the size of the military, the relatively rapid growth experi-
enced over the past 50 years in weapons acquisition costs, and spending per troop on
military pay and benefits (especially since the onset of the AVF), could not have been
reconciled with the significant, but much slower rate of growth that has occurred
in the overall defense budget over these same years. The view taken consistently by
DoD planners over the past five decades has been that new generations of weapon
systems are so much more effective than their predecessors that they should be pur-
chased even when it means that, because of the much higher cost of these new weap-
ons, the existing inventory of current-generation weapon systems must be replaced
on less than a one-for-one basis. Paralleling this decision, they have also chosen to
emphasize quality (and higher per-troop costs) over quantity in the case of military
personnel and force structure.

On balance, the willingness of the US military to make this quality-quantity trad-
eoff appears to have served it well. Weapon-for-weapon and unit-for-unit, US mili-
tary forces have become progressively more capable over the past 50 years. And de-
spite reductions over these same years in the numbers of weapon systems, units and
personnel in US armed forces, it appears that the overall capabilities of the US military
have, likewise, generally improved — often dramatically.
The impact of improved technology on the US military’s capabilities and the logic of trading off quantity for quality can be seen perhaps most clearly in the case of US air forces. US air forces have become far more capable over the past several decades as a result of a variety of technological improvements. These include the acquisition of a “silver bullet” force of stealthy (i.e., radar evading) fighters and bombers, improvements in aircraft maneuverability, the incorporation of more effective sensors and other avionics aboard combat aircraft, the acquisition of improved PGMs, and the proliferation of aircraft capable of employing PGMs. As a result of these and other changes, US air power has become far more potent over the past several decades, even as the size of the US military’s air forces has declined.

Unit for unit, US ground forces have also become progressively more capable. The Army and Marine Corps fought the 1991 Gulf War with the equivalent of about 11 divisions. By comparison, during the initial conventional phase of the 2003 invasion of Iraq the US military employed the equivalent of about 4 divisions, including only a single heavy Army division.

Given the consistency and persistence of the US military’s preference for far more costly and capable weapon systems and personnel over force size, and the apparent benefits—in terms of military capability—of making this tradeoff, it may make sense to continue along this path over the next two decades. Reducing the Services’ end strength requirements would, in turn, lower their quantitative recruitment and retention requirements.

On the other hand, a simple continuation of the present trend toward smaller but better equipped, trained and manned forces may not, in all cases, be appropriate. For most of the past 50 years, the focus of the US military has been on missions related to defeating conventional military forces or conducting strategic strikes (with conventional or nuclear weapons) against an adversary’s homeland. For these kinds of missions, which typically involve attacks against armored units and other conventional military forces, as well as strikes against military bases, ports, airfields, bridges and other infrastructure targets, history suggests quality can often be a highly effective substitute for quantity—a conclusion strongly supported, most recently, by the impressive performance of the US military against Iraq’s conventional military forces during the invasion of that country in the spring of 2003. However, for other types of missions, it may prove more difficult to effectively substitute quality for quantity.

Nowhere may this be more true than in the case of “irregular” warfare—a term that subsumes stability operations, counter-insurgency, peacekeeping, and similar operations. As the post-invasion phase of the war in Iraq vividly illustrates, these tend to be very labor-intensive missions, where the number of “boots on the ground” can

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matter critically and where the opportunity to use superior technology and training to offset the need for numbers appears to be more limited than in the case of operations against conventional military forces and strategic targets. Such operations also may require a much longer-term presence than conventional military campaigns, necessitating the maintenance of a substantial rotation base.

It is likely that, even for relatively labor-intensive missions like irregular warfare, new technologies will be introduced that will, over time, allow for some further substitution of technology and training for manpower. However, to the extent such relatively labor-intensive missions remain a priority for the US military, in the case of the Army and Marine Corps the trend toward generally smaller, but much more capable, forces would be expected to slow, perhaps significantly. The question of whether, or to what extent, these kinds of missions will (or should), in fact, dominate the planning of the US Army and Marine Corps over the next 20 years is, of course, debatable.

Developing Specialized Army Irregular Warfare Forces

Assuming that the US military’s involvement in the wars in Iraq and Afghanistan is likely to continue for many years to come, or that, whatever happens in those particular conflicts, a central—if not the central—mission for the US military in the future is likely to involve waging (and being prepared to wage) irregular warfare, it may make sense to place a higher priority on that mission. This may mean focusing more—in terms of resources, force structure, equipment and training—on the irregular warfare mission.

As noted earlier, the irregular warfare mission subsumes stability operations, counter-insurgency, peacekeeping, and similar operations—which, compared to conventional military operations, tend to be much more labor-intensive and require a much longer-term presence. That said, personnel and units specifically equipped, trained and organized to carry out stability operations and other types of irregular warfare are likely to be more efficient and effective in performing such missions than “full-spectrum-capable” (i.e., general purpose) military forces—which, as the name suggests, are intended to carry out the full range of conventional and irregular warfare missions US forces might be called upon to perform. Holding all else constant, this means that to the degree that the US military—and US ground forces in particular—is optimized for irregular warfare, it should be able to “do more with less.” In other words, such a force should be able to conduct stability operations with fewer troops than one comprised of full-spectrum-capable forces. This, in turn, would reduce the military’s recruitment and retention requirements.

Just how much more efficient and effective specialized troops would be in carrying out stability operations and similar missions is difficult to estimate with any precision. However, even if the level of effectiveness per troop were improved by a relatively modest amount (say 10–15 percent), the impact on personnel requirements could be significant. For example, if such an increase in effectiveness allowed the Army to reduce its end strength—and, thus, its annual accession goal—by a comparable
percentage, it might permit the Service to bring the share of recruits with high school
degrees back up from the 25-five year low it experienced in 2007, when the share fell
to 79 percent, to its long-term goal of 90 percent.

Presently, US ground forces, and the Army in particular, is dominated by full-
spectrum-capable units. When the Army completes its current reorganization, it will
consist of 48 active brigade combat teams (BCTs) and 28 reserve BCTs. Under current
plans, all of these will be full-spectrum-capable. Thus, the payoff of shifting toward
ground forces that include some number of specialized irregular warfare units could
be substantial.

There is also reason to believe that the US military, and the Army specifically, may
have more conventional warfighting capability than it is likely to need for the foreseeable
future. This conclusion is suggested, among other things, by the US experience inIraq in 2003. As mentioned earlier, the US military deployed the equivalent of about 4
divisions, including only a single heavy Army division in its 2003 invasion of Iraq, out
of a total of 10 active Army and three active Marine Corps divisions.122

Another potential advantage of converting some BCTs to specialized irregular
warfare units is that they would likely cost less to equip. In 2005, CBO released a
study that examined a variety of different options for reorganizing the US Army.123
One of those options involved eliminating six full-spectrum BCTs, plus supporting
forces, and replacing them with five “Stability and Reconstruction” (S&R) divisions.
CBO estimated that this move would yield savings of some $32 billion through 2022.
In large part this is because such units would not need to be equipped with the same
costly high-technology weapons full-spectrum BCTs require (primarily to conduct
conventional combat operations).124

**Focusing on Capacity-Building by Developing Improved Training and Advising Capabilities**

Rather than attempting to lower US manpower requirements by shifting to ground
forces that include more specialized irregular warfare units (which are better suited
to carrying out stability operations), another option would be to develop improved
training and advising capabilities, and using those capabilities to build up the capacity
of other countries to carry out counterinsurgency and related operations effectively
themselves. Alternatively, these two options might be pursued simultaneously—as complements to each other. These training and advising capabilities could be used to expedite the expansion of both indigenous and allied security forces. This approach

122 A drawback to developing specialized irregular warfare forces is that if the United States ever did be-
come engaged in a conventional war requiring large ground forces, such specialized units would, of
course, be less effective than full-spectrum BCTs.


124 Ibid.
could substantially reduce the number of US military personnel that would have to be deployed to military operations, since it would allow indigenous and allied security forces to substitute for US “boots on the ground.”

The US military is currently training and advising Iraqi and Afghan security forces. Traditionally, Army special forces (i.e., “Green Beret”) units have been the only Army units specially trained and equipped to conduct training and advising missions. However, there are only a limited number of such elite units and, increasingly, they have been needed to carry out “direct action” missions (e.g., attacking high-value targets in Iraq and Afghanistan). Thus, the training and advising mission in these countries has, for the most part, been performed by using training and advisory teams created on an ad hoc basis. Over the past year, some 4,800 US military personnel have gone through a ten-week training course to prepare them to work as trainers and advisors in Iraq and Afghanistan. These personnel, organized into 135 teams in Iraq and 55 teams in Afghanistan, typically deploy for about one year, after which the members of the teams receive other assignments.

The Army argues that this approach has worked well. But others have complained that the approach is inefficient because, once established, it takes a period of four to six months for these teams to become proficient in their duties, and only six to eight months later they are essentially disbanded. Given this deficiency, the importance of this mission to the success of the wars in Iraq and Afghanistan, and the extent to which plans to expand the size of the US Army and Marine Corps seem to be driven by the perceived need to expand our capacity for stability operations, some have argued that the US military should create specialized training and advising units. For example, John A. Nagl (a recently retired Army officer who participated in developing the Army and Marine Corps’ latest Counterinsurgency Field Manual), has proposed that the Army establish a permanent 20,000 member Advisory Corps, organized into 750 twenty-five member teams.

A standing Advisory Corps of this size — composed of personnel proficient in foreign training and combat advisory skills — might allow the Army to build up the capacity of indigenous and allied military forces far more quickly if called upon to so in some future conflict than it has been able to in the cases of Iraq and Afghanistan. In turn, this could substantially reduce the amount of time US combat forces would need to be deployed — at least in large numbers — in such operations. Moreover, this approach might represent the only way the US military could hope to effectively carry out large-scale stability operations in countries larger than Iraq and Afghanistan (e.g., Pakistan or Nigeria).

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125 Andrew Feickert, “Does the Army Need a Full-Spectrum Force or Specialized Units? Background and Issues for Congress,” CRS, January 18, 2008, p. 15.
126 Ibid., p. 9.
127 Ibid., p. 9.
128 Ibid., 15.
However, the Army has rejected the idea of forming specialized training and advising units. Instead, the Army is reviewing a proposal to elevate the training and advising mission to a “core” mission of the Army’s full-spectrum-capable BCTs.\textsuperscript{129} Doing so might lead to some improvement in capability. But DoD has already directed the Services to raise stability operations to the status of a core mission, on par at least in theory with their traditional focus on conventional combat operations. Adding still another mission to the level of “core” might raise concerns that the Army may be becoming a “jack of all trades, and master of none.” On the other hand, developing a standing Advisory Corps is not the only possible approach to substantially expanding the Army’s capacity for training and advising. Another option would be to embed the personnel needed to perform this function in the “institutional Army” (e.g., at headquarters, training facilities and schools), and surge these individuals when needed.

One potential downside of expanding the Army’s training and advising capabilities is that, given the nature of the mission, such capabilities (whether in a standing force or embedded in the institutional Army) would likely require a higher proportion of officers and NCO’s than other units. In theory, this might exacerbate the Army’s personnel problems. However, because it would facilitate the substitution of indigenous or allied security forces for American troops, it seems likely that expanding the Services’ training and advising capabilities would, on balance, do far more to reduce (than expand) the Army’s personnel requirements.

**Relying more on Civilians and Private Contractors**

One way to reduce the number of military personnel the Services need to recruit and retain would be to make greater use of either DoD civilian employees or private contractors. Such substitution is obviously not possible for many tasks, including most combat-related specialties. However, military personnel also carry out a wide range of “infrastructure” functions, such as logistics, transportation and personnel support activities, that in some cases closely resemble or are identical to activities performed by civilians. In those cases, substitution may not only be possible, but may offer significant cost savings.

Studies have shown that when the total cost of military compensation is included, civilian government employees with comparable skills and responsibilities are generally less costly than military personnel, while private contractors are typically less expensive than either comparable military personnel or DoD civilian employees.\textsuperscript{130} That said, there is considerable debate over just how much military-to-civilian conversions and, especially, “outsourcing” to private contractors is likely to save.\textsuperscript{131}

\textsuperscript{129} Ibid., p. 16.

\textsuperscript{130} See, for example, R. Derek Trunkey, Robert P. Trost and Christopher M. Snyder, *Analysis of DoD’s Commercial Activities Program* (Alexandria, VA: Center for Naval Analysis, December 1996).

Perhaps more importantly, there is substantial uncertainty and disagreement concerning the degree to which civilian workers can effectively substitute for military personnel. In particular, in recent years concern has grown that the United States may be relying too much on contractor-provided support in its operations in Iraq and Afghanistan.

Although the precise number of private contractors deployed in these operations is unknown, the number in Iraq alone is reportedly approximately 160,000. These contractors are used in a wide variety of roles and come from at least 30 different countries, ranging from local Iraqis to American and British workers to Guatemalans and Ugandans. Private contractors play a major role in providing in-country logistical support for operations in Iraq and Afghanistan, with some 20,000 American contractors as well as large numbers of host-country or third-country nationals employed in these roles. More controversial has been the use of private contractors as security guards. According to one estimate, in 2006 there were some 181 private security companies working in Iraq alone, with some 48,000 employees.

Military commanders have substantially less control over private contractors than they do over military personnel. As CBO has noted, “A military commander can influence the contractor employee’s behavior through the contracting officer and the contractor’s desire to satisfy the customer, but the commander has limited direct control over any one employee.” Moreover, unlike military personnel, civilians and contractors participating in undeclared wars and contingency operations are not generally subject to the Uniform Code of Military Justice (UCMJ), further reducing their accountability to military commanders.

Another problem is that private contractors tend to have a narrower perspective concerning their roles. For example, private security guards may well focus solely on protecting their clients, and discount the negative impact their actions might have on the broader military aim of winning the “hearts and minds” of the local population. By contrast, military personnel are much more likely to see the necessity of performing their duties in a way that does not, if at all possible, alienate or offend the local population. The result is that, even if private security contractors are well trained and well intentioned, they may operate in a way that undermines the US military’s efforts.

In addition to these potentially critical operational and strategic shortcomings related to the use of private contractors, there are also concerns that the reliance on

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133 Ibid.


135 Singer, “Can’t Win With ‘Em, Can’t Go To War Without ‘Em,” p. 3.


137 Retired military personnel who work as contractors may remain under the jurisdiction of the UCMJ and thus be subject to court-martial for offenses committed while deployed in Iraq or Afghanistan. Ibid.
private contractors to support deployed combat forces may have proven inefficient in budgetary terms. As noted earlier, studies have generally shown that civilian government employees and, especially, private contractors can perform infrastructure type functions more cheaply than can military personnel. However, as CBO has noted, that evidence “pertains to peacetime functions performed in the United States and may not necessarily extend to combat operations overseas.”

Certainly, serious questions have been raised about the efficiency of private contractors used in a variety of roles in Iraq and Afghanistan, including allegations of widespread corruption.

A full discussion of the relative merits of relying on military personnel versus civilian government employees and, in particular, private contractors is beyond the scope of this report. There may still be substantial room to expand the use of private contractors for various support functions, where those functions are performed outside of combat zones (e.g., in the United States). On the other hand, recent experience in Iraq and Afghanistan suggests that, in certain areas at least, the United States may have moved too far in the direction of outsourcing military and support functions to private contractors.

### Reinstating the Draft

Among the most controversial and dramatic steps the United States could take to try to meet both its quality standards and numerical goals for military recruits in coming years would be to reinstate the draft. Some advocates of reinstating the draft have focused on philosophical and moral principles, specifically the idea that “service to the country is a fundamental responsibility of citizenship” and that a draft, assuming it is fairly implemented, spreads the sacrifice inherent in military service across a broader cross-section of Americans. Some believe that this sense of shared sacrifice is important for its own sake, while others also believe that it could help ensure that the United States only take military action in cases where there is broad public support. Still others focus on what they believe are advantages of the draft in terms of efficiency and effectiveness.

On the other side of the debate, some opponents of the draft raise strong moral arguments. In particular, they contend that the draft amounts to a form of involuntary servitude.

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138 Ibid., p. 24. Among other things, the relative cost-effectiveness of using military personnel versus private contractors to support overseas military operations may depend critically on the duration of those operations. In terms of logistics support, for example, CBO found that, when only wartime periods were taken into account, Army units could perform support tasks for essentially the same price as contractor personnel. However, when peacetime periods were also included, CBO found that relying on private contractors was likely to prove substantially less costly (since, compared to the Army, private contractors could more easily and substantially reduce costs in peacetime). Ibid., p. xiii.

139 See, for example, Matt Kelley, “Record Cases in Contract Probe: Crackdown Aimed at Second Insurgency,” USA Today, August 15, 2007.

no way to resolve—analytically—the question of whether a draft would be morally superior or inferior to the current AVF. A reasonable though far from definitive and conclusive case can be made that a draft might reduce budgetary costs and improve the representativeness of the US military. However, in both instances much would depend on how a draft was implemented and the differences, compared to the current AVF, might not be substantial or especially meaningful.

In strictly budgetary terms, the AVF may be more expensive than the mixed volunteer/draft force that preceded it. A 1978 study by the General Accounting Office (now the Government Accountability Office) estimated that adoption of the AVF had caused DoD’s annual manpower costs to increase by about $10 billion (2006 dollars).\textsuperscript{141} However, whether the AVF is estimated to be more expensive, and (if so) by how much, depends, among other things, on whether it is assumed that draftees would be paid market wages, or below-market wages. In the former case, there may be little or no difference. In the latter case, the differences may be significant. However, if below-market wages are paid, there is a hidden cost—in essence, an in-kind tax imposed on those drafted. Indeed, according to CBO, the extra money paid to service members under the AVF might equate to a “lower-bound estimate of the in-kind tax” that was previously being paid by draftees.\textsuperscript{142}

Moreover, even in terms of strictly budgetary costs, the savings associated with moving to a draftee force (assuming below-market wages are paid) would be at least partially offset by higher training costs. Such costs would presumably be incurred because a force relying on draftees would have higher (perhaps much higher) turnover rates.

Critics of the AVF point out that some racial and ethnic groups are over-represented in the US military (relative to their representation in the US population as a whole), while others are under-represented. For example, in 2006 Blacks comprised 19 percent of all active-duty military personnel while accounting for only 14 percent of all 17–49 year olds in the US population.\textsuperscript{143} Moreover, in 2006 Blacks made up 29 percent of all enlisted personnel in the Army.\textsuperscript{144} Conversely, Whites and Hispanics are under-represented in the military.\textsuperscript{145} Still, while it is true that the AVF does not perfectly mirror the overall US population, in terms of its ethnic and racial makeup, to the extent that this stems from free choice among individuals (and the higher levels of compensation provided under the AVF) it is debatable whether this should be considered a troubling pattern.

\textsuperscript{141} General Accounting Office (GAO), \textit{Additional Costs of the All-Volunteer Force}, February 1978.
\textsuperscript{142} Golding and Adedeji, \textit{The All-Volunteer Military: Issues and Performance}, p. ix.
\textsuperscript{143} Ibid., p. ix.
\textsuperscript{144} Ibid.
\textsuperscript{145} In 2006, Hispanics accounted for 11 percent of all enlisted personnel, while comprising 14 percent of the overall population of 17–49 year olds.
Moreover, while Blacks are over-represented in the US military — particularly in the Army — the share of fatalities they have accounted for in the wars in Iraq and Afghanistan has been relatively consistent with their representation in the overall population. In part because white service members are somewhat more likely to be in combat-related specialties than black service members, through 2006, Whites — who comprise 80 percent of the overall population of 17–49 year olds, but only 68 percent of all enlisted personnel — accounted for 76 percent of all fatalities in those two countries. By contrast, black service members made up about 14 percent of all fatalities.\footnote{Golding and Adeleji, *The All-Volunteer Military: Issues and Performance*, p. 24.}

Some critics have also raised concerns that individuals in lower income groups may be over-represented in the AVF. However, here too, the picture is more complex than sometimes assumed. An analysis by CBO suggests that, while people from all income groups are represented in the military, youths from both the very highest and lowest income groups may be somewhat less likely to serve than other individuals.\footnote{Ibid., p. ix.}

Whatever the merits of the draft in terms of budgetary, though probably not overall economic, costs and potentially more balanced racial, ethnic and socio-economic representation, there is good reason to be concerned that a military that relied in part on draftees would be less effective in terms of military capability. Currently, most service members enlist for terms of four to six years. By contrast, draftees (as prescribed in current law) would serve for two years. This greater turnover would lead to a less senior and experienced force. This lack of experience would, in turn, likely substantially reduce the effectiveness of the US military. As noted earlier, for example, studies have shown that experienced troops tend to be at least 50 percent more effective than first-term personnel in a variety of important tasks.\footnote{Ibid., p. 13.}

In addition to the obvious military consequences of possessing a force that is troop-for-troop less effective, this means that, to be equally capable, a military that relies in part on draftees would have to be larger than one comprised entirely of volunteers — reducing still further the potential budgetary savings that might result from such a change. The use of draftees could prove especially problematic in the case of extended military deployments, such as those in Iraq and Afghanistan — the very operations that have sparked renewed interest in the draft among some observers. CBO has estimated that including time for individual basic and occupational training, and unit training, it would be roughly 11 to 14 months before a draftee would be available for deployment.\footnote{Ibid., p. 3.} Assuming a two year-term, this implies maximum deployment times of only 8–13 months. By comparison, under the AVF the Army has recently sustained deployments ranging from 12 to 15 months, with many service members deploying multiple times.
Expediting Citizenship in Return for Military Service

Non-citizens have served in the US military since the founding of the country. During the Civil War, for example, immigrants made up approximately 20 percent of the soldiers in the Union Army. Today some 45,000 non-citizens serve in the US military, including about 22,000 active-duty personnel and 23,000 individuals in the reserves. Special provisions for naturalization (i.e., the process through which aliens can become citizens) have been provided for individuals serving in the US military since the Civil War, and special measures related to naturalization have been enacted in every major conflict since then. To varying degrees, these provisions provide for expediting the naturalization process of non-citizen service members.

Since the terrorist attacks of September 11, 2001 and particularly the invasion of Iraq in 2003, Congress has implemented a number of changes to accelerate the naturalization process for aliens serving in the US military and to expand some citizen-related benefits. With the exception of reinstating the draft, perhaps no other proposal for addressing current (and possible future) manpower shortages has generated more controversy.

Under the Immigration and Nationality Act (INA), legal permanent residents (LPRs) must generally have continuously resided in the United States for five years before they can apply for citizenship. However, as a result of legislation included in the Fiscal Year 2004 Defense Authorization Act (passed in November 2003), LPRs serving in the US military may petition for naturalization after only one year of legal residence. Prior to the enactment of this measure, LPRs serving in the military in peacetime had to wait three years before they could apply for citizenship.

In addition, under current law, if US military forces become involved in operations and the president, by executive order, officially designates a “period of hostilities,” LPRs on active duty are allowed to immediately petition for naturalization. In all cases, individuals applying for citizenship must also satisfy all other naturalization requirements (e.g., be of good moral character and demonstrate the ability to read, write, speak, and understand English, as well as an understanding of US history and government).

On July 3, 2002, President Bush declared that, for purposes of the INA, a “period of hostilities” exists. Partly as a result of this step, the number of LPRs in the US military who have become citizens increased from 750 in 2001 to some 6,000 in 2006.

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152 Ibid., p. 4.
153 Ibid., p. 2.
154 Ibid., p. 3.
155 Ibid.
Besides reducing the amount of time before a LPR serving in the US military can apply for citizenship in peacetime, the Fiscal Year 2003 Defense Authorization Act also included a number of other provisions intended to facilitate the naturalization process for LPRs serving in the military. Among other things, the measure: waves fees for naturalization based on military service; permits the process to take place overseas; and extends the program, for wartime service, to members of the Selected Reserves.156 The law also expands the immigration benefits available to the immediate relatives of citizens who die as a result of combat.

Some observers believe that the US military would benefit from making greater use of immigrants in military service. Presently, most efforts to encourage larger numbers of legal aliens to join the military focus on further streamlining the naturalization process and extending similar benefits to the service member’s immediate family.157 A number of observers have even argued that steps should be taken to allow illegal aliens to serve in the US military, motivated with the promise of citizenship.158

Others have been critical of proposals to expand the use of non-citizens in the US military. As one commentator noted: “Some find the idea of recruiting ‘American’ soldiers in Mexico or India distasteful. The concept has already inspired talk of “blood money” and “coercion” of the world’s poor.” Others worry that plans to encourage greater reliance on non-citizen military personnel may send the wrong message to the rest of the world — that, in effect, Americans are not themselves willing to sacrifice for their country.160

Interestingly, the number of non-citizens serving in the US military has actually declined over the past several years. The number fell from about 57,000 in 2003, to 45,000 today. This is partly due to the sharp increase in the number of individuals naturalized in recent years under the expedited war-time process, but also due to a reduction in the number of foreign nationals who are eligible to serve in the US military.161

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156 Ibid., p. 1.
157 Ibid.
158 See, for example, Max Boot quoted in Bender, “Military Considers Recruiting Foreigners: Expedited Citizenship Would Be An Incentive,” p. 3.
All of the Services will face a challenging recruiting and retention environment over the next 20 years as they attempt to meet their personnel requirements for both numbers and quality. The Army, and perhaps the Marine Corps, are likely to face the greatest challenges because of the stress caused by US involvement in stability operations in Iraq, Afghanistan and possibly elsewhere. Current plans to expand the size of the Army and Marine Corps will likely exacerbate these challenges.

Chapter 4 of this report briefly discussed a range of options that might be pursued to help ensure that the Services are able to meet their long-term personnel requirements. Some of these options are relatively narrow and traditional, while others are broader and more innovative. Given the serious challenges the Services—and the Army in particular—face, it is likely that some combination of both traditional and new approaches will, ultimately, have to be pursued if the Services are to succeed in their efforts.

Detailed policy prescriptions based on these options will have to await further analysis. This analysis, in turn, will need to be tailored to take into account the next administration’s assumptions about critical national security questions, including preferences and expectations concerning the use of force, the wars in Iraq and Afghanistan, and possible involvement in future stability operations.

Nevertheless, based on the discussion in this report, it is possible to offer some tentative and general conclusions and recommendations.

> **THE EFFECTIVE EMPLOYMENT OF TRADITIONAL PERSONNEL MANAGEMENT TOOLS WILL REMAIN CRITICAL.** The US military has used a wide range of tools to maintain or improve recruitment and retention levels in the past. In the future, it must continue to avail itself of many of these tools. But it must do a better job of choosing the best, and most cost-effective, tools. In the case of recruitment, generally the most cost-effective approaches involve increasing the number of military
recruiters, spending more on advertising and enlistment bonuses, and providing additional educational benefits. In terms of retention, reenlistment bonuses and special pays can often be effective. By comparison, across-the-board pay raises and, particularly, enhanced retirement benefits tend to be costly and relatively ineffective tools for retention and especially for recruitment. Most of these levers have been used extensively over the past decade, and it is unclear how much more can be gained by substantially increasing either recruiting resources, or various types of compensation. This suggests that the military must also consider broader and more innovative approaches to addressing its personnel challenges.

> THE MILITARY’S PERSONNEL MANAGEMENT AND COMPENSATION SYSTEMS NEED TO BE MADE MORE FLEXIBLE. At present, the Services’ ability to vary the duration of assignments as well as careers and levels of compensation of different personnel in different occupational specialties is extremely limited. As a result, some personnel are moved to new positions before they have mastered their current ones, others are retired when they are at their peak levels of technical proficiency, and still others leave the service because they are underpaid. Conversely, some individuals’ military careers may be too long, or personnel may be overpaid given their skills or occupational specialties. By providing for greater variation in lengths of assignments and careers, as well as compensation levels, the US military could significantly improve the efficiency and effectiveness of its workforce — and, particularly, its ability to retain the people it needs to effectively transform the military in coming years.

> IN THE CASE OF THE AIR FORCE AND NAVY, AT LEAST, IT WILL LIKELY BE BOTH FEASIBLE AND APPROPRIATE TO MAKE FURTHER TRADEOFFS OF QUANTITY FOR QUALITY. Over time, the US military has become progressively smaller, but also more capable. Essentially, it has opted for ever more capable (and costly) weapon systems and increasingly higher quality (and costly) personnel over numbers. This approach appears to have served it well in the past, and it will likely make sense to continue to make this tradeoff in the future — at least in the case of the Air Force and the Navy. On the other hand, to the extent that the ability to carry out large-scale stability operations (which are inherently labor-intensive missions) remains a key mission, making such tradeoffs in the Army and Marine Corps will be much more difficult.

> STRONG CONSIDERATION SHOULD BE GIVEN TO THE CREATION OF SPECIALIZED IRREGULAR WARFARE FORCES AND ADDITIONAL TRAINING AND ADVISING CAPACITY. Under current plans, the US Army is to be organized around 48 active and 28 reserve “full-spectrum-capable” BCTs. Shifting even a modest share of resources away from these forces to specialized irregular warfare units or additional training and advising capacity could significantly improve the US military’s ability to conduct and support stability operations.
> THE REINSTATEMENT OF A DRAFT COULD SUBSTANTIALLY REDUCE THE EFFEC-
TIVENESS OF THE US MILITARY. Moral arguments can be made both in favor of
and against reinstating the draft. However, reinstating the draft would almost cer-
tainly lead to a decline in military effectiveness (due to lower experience levels). It
is also unlikely that it would lead to significant budgetary savings. Thus, judged by
practical considerations, it is not a prudent option.

> PENDING A REVIEW OF THE USE OF CONTRACTORS IN IRAQ AND AFGHANISTAN,
IT WOULD PROBABLY BE A MISTAKE TO ASSUME THAT THE ARMY, AT LEAST,
WILL BE ABLE TO SUBSTANTIALLY REDUCE ITS MILITARY MANPOWER REQUIRE-
MENTS THROUGH GREATER RELIANCE ON OUTSOURCING. It is possible that the
Army could reduce its military manpower requirements by relying more on private
contractors to perform some infrastructure functions in the United States. On the
other hand, there is evidence that the Army may have become overly dependent
on contractor support in Iraq and Afghanistan — suggesting that, on net, further
substitution may be difficult.

> SUBSTANTIALLY INCREASING THE NUMBER OF NON-CITIZENS SERVING IN THE
US MILITARY WOULD LIKELY BE A PROHIBITIVELY CONTROVERSIAL OPTION. As
they have ever since the founding of the country, non-citizens continue to serve in
the US military today. It may be appropriate, in some instances, to further expand
the opportunities for legal permanent residents to serve in the US military. Howev-
er, given the controversy likely to surround such a move, it would be imprudent to
assume that any such change would substantially reduce the Services’ recruitment
and retention challenges.
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