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CRS Report for Congress

Military Retirement and Personnel Management: Should Active Duty Military Careers be Lengthened?

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MILITARY RETIREMENT AND PERSONNEL MANAGEMENT: SHOULD ACTIVE DUTY MILITARY CAREERS BE LENGTHENED?

SUMMARY

This report discusses whether the current average active duty military career should be lengthened. Proponents argue it could lead to cost savings resulting from more efficient personnel management, and would provide more scope for military career members to obtain more training and experience. Opponents tend to believe that lengthening average careers could result in career retention problems, and could lead to career personnel who were unfit to perform their military duties due to age and consequent lack of physical and mental vigor. Modifications of the current average active duty military career length could thus have substantial implications for the overall defense budget and the military effectiveness of the armed forces. The role of the Congress in these matters is crucial, as overall retirement criteria and retired pay computation formulae for all military members, and detailed personnel management policies for officers, are established by statute.

The dominant rationale for shorter careers has been the need to prevent the military effectiveness of the armed forces from being impaired by the presence, on active duty, of people physically incapable -- because of age -- of performing their military duties. A major secondary rationale for allowing, and requiring, retirement at comparatively earlier ages than most civilian retirement systems is providing a strong career retention incentive.

Modern military operations (whether training, actual combat, or operations other than war) require most participants, regardless of occupational skill or of military rank, to have a great deal of physical and mental stamina and endurance. There are strong indications that this requirement has not diminished due to technological and organizational change, and it can be argued that it may have increased. It applies to personnel in many support as well as in combat occupational specialties and units, and to many personnel stationed within the United States as well as in overseas areas where hostilities are more likely to occur. Modern military operations also require a great deal of technical and tactical competence, which, in order to be acquired and maintained, can only be obtained through substantial experience throughout a career. This experience can be obtained only through a combination of service in actual operational billets and in formal training and education. This requirement has increased and may well continue to do so.

The central issue for continuing to have all career military personnel serve for shorter careers, therefore, is not whether the shorter-career model's goal of physical and mental stamina and vigor remains important. It appears that it does. The issue is the extent to which the shorter career model is needed to attain requisite amounts of stamina and vigor in the career force, and whether longer careers, appropriately managed, could attain the same goal at similar or lower cost and with greater efficiency.

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MILITARY RETIREMENT AND PERSONNEL MANAGEMENT: SHOULD ACTIVE DUTY MILITARY CAREERS BE LENGTHENED?

INTRODUCTION

This report discusses whether the current average active duty military career should be lengthened. Proponents of doing so argue it could lead to cost savings resulting from more efficient personnel management, and would provide more scope for military career members to obtain more training and experience. Opponents tend to believe that lengthening average careers could result in career retention problems, and could lead to career personnel who were unfit to perform their military duties due to age and consequent lack of physical and mental vigor. Modifications of the current average active duty military career length could thus have substantial implications for the overall defense budget and the military effectiveness of the armed forces. The role of the Congress in these matters is crucial, as overall retirement criteria and retired pay computation formulae for all military members, and detailed personnel management policies for officers, are established by statute.

CURRENT ACTIVE DUTY MILITARY CAREER LENGTHS: AN OVERVIEW

Since the end of World War II (1945), the central paradigm of the military retirement system, and of military career personnel management, has been *retirement at any age, after at least 20 years of service, with an immediate annuity, in support of an up-or-out personnel management system designed to insure that most career military members spend only a few more than 20 years on active duty.*[1] The personnel management system requires retirement upon failure of selection for promotion or upon reaching a certain number of years of service. The interaction of the two systems insures that large numbers of career members will have to retire, or face a strong incentive to choose to voluntarily retire, within a few years after reaching the 20-year mark. This paradigm is embodied in detailed statutes for officers, and in Department of Defense (DOD) administrative regulations for enlisted personnel. It will be referred to as the "shorter career" concept throughout this study.

The dominant rationale for shorter careers has been the need to prevent the military effectiveness of the armed forces from being impaired by the

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[1]This report does not discuss the retirement system for members of the reserve components of the armed forces (including the National Guard). A short factual summary of reserve retirement is in the Appendix at pp. 43-44.

presence, on active duty, of people physically incapable of performing their military duties. Frequently, of course, physical incapacity was, and is, related to age. Thus, although many speak of the shorter career concept as assuring "youth and vigor" in the military career force, "vigor" is the fundamental concern. "Youth" is merely one characteristic which can relate, in the aggregate, to vigor. A major secondary rationale for allowing, and requiring, retirement at comparatively earlier ages than most civilian retirement systems is providing a strong career retention incentive. Other rationales that have been stated, such as assuring a rapid promotion flow to replace career members who are retired, can ultimately be traced back to the up-or-out concept and its purpose of insuring "youth and vigor."

The current debate has been shaped by the views of some who suggest that technological changes in the nature of warfare and of military institutions make vigor and stamina less important than experience and judgment, at least in some military tasks and occupational specialties. Others argue that whatever amount of vigor is needed, the shorter career paradigm is not the way to insure that military career members have enough of it -- that it costs too much and/or contributes to inefficient personnel management.

The military retirement component of the shorter career paradigm has been the object of considerable analysis and discussion since the late 1960s. Most of these analyses concluded that some of the criticisms of existing retirement policy had some validity. (DOD, however, has always objected to attempts to change either the retired pay computation formula or allowing retirement at the 20-year mark, arguing that both were required to assure youth and vigor and retain sufficient numbers of qualified career personnel.) In response to the studies' conclusions, as well as broader economic and political pressures, legislation enacted in 1980 and 1986 substantially reduced military retired pay levels. These changes were fully "grandfathered" (i.e., did not apply to anyone who entered military service before they were enacted), and their extent varies in accordance with the retiree's age. In general, their cumulative effect will be to reduce the retired pay of a post-1986 entrant to levels 20-40% lower than it would have been had a military member first entered service before Sept. 8, 1980.[2] However, both changes left the shorter career concept basically intact.

Although most policy debate about the shorter career concept has been centered around the arguments for and against the existing retirement eligibility and pay computation policies, approaches to the issue centered around personnel management statutes have been much rarer. There have been numerous studies within and without DOD on retirement over the past 30 years; there have been far fewer about personnel management. For instance, the Defense Officer Personnel Management Act (DOPMA), enacted in 1980, was the most comprehensive revision of officer personnel management statutes since the late 1940s. It refined, simplified, and made more uniform officer personnel

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[2]Goldich, Robert L. *The Military Retirement Reform Act of 1986: Issues and Implications.* CRS Report 87-702 F, October 29, 1989.

management policies, but did not significantly affect the up-or-out statutes that, along with the retirement system, shore up the shorter career norm.[3]

In fact, despite numerous recommendations from various studies to modify military retirement since the late 1940s,[4] the most salient characteristic of most of them is that they were not enacted into law. Established in the late 1940s, the current military retirement system has been subject to only three major modifications: (1) authorization and frequent changes in the cost-of-living adjustments (COLAs) for military retirees; (2) the 1980 legislation modifying the retired pay computation formula; and (3) the 1986 legislation also modifying the retired pay computation formula.[5] However, 20-year retirement and the shorter career norm remained intact. There thus appears to be a considerable gap between what analysts, in and out of DOD, have thought desirable to do to military career lengths -- i.e., try to extend them -- and what the senior uniformed leadership and the Congress have been willing to countenance.

SCOPE

This report addresses active duty military careers only. As of the end of FY1994, retired pay of persons retired from an active duty career included 82% of total Federal budget outlays for military retirement and 70% of FY1994 retirement beneficiaries.[6] Only the management of the career force is discussed; recruitment of new entrants is not addressed.

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[3]Rostker, Bernard, et al. *The Defense Officer Personnel Management Act of 1980: A Retrospective Assessment*. Report no. R-4246-FMP. Santa Monica, CA, The Rand Corporation, 1993. The Warrant Officer Personnel Management Act, Title XI, FY1992 National Defense Authorization Act; P.L. 102-190, December 5, 1991; 105 Stat. 1290 at 1491, performed the same function for warrant officers.

[4]For a partial enumeration of some of these, see Goldich, Robert L. "Military Nondisability Retirement 'Reform,' 1969-1979: Analysis and Reality," *Armed Forces and Society*, Fall 1983: 62-64; and Goldich, Robert L. *Military Nondisability Retirement: Current Issues and Proposals for Change*. CRS Report 80-56 F, March 27, 1980: 46-64.

[5]Several public laws enacted in the immediate aftermath of World War II had the effect of authorizing voluntary retirement at the 20-year mark combined with an up-or-out promotion system for officers of all four DOD services. See Rostker et al, *The Defense Officer Personnel Management Act of 1980: A Retrospective Assessment*: 90-94; U.S. Congress. Senate. Committee on Armed Services. *Army and Air Force Vitalization and Retirement Equalization Act of 1948; report to accompany H.R. 2744*. June 8, 1948. Reprinted in *U.S. Congressional Code and Administrative News, 1948*: 2164-65. Statutes enacted in 1916, 1925, and 1945 authorized voluntary 20-year retirement for active duty enlisted personnel (enlisted promotion and tenure policies were then and still are set almost entirely by administrative regulations rather than statutes). See U.S. Department of Defense. *Military Compensation Background Papers*. November 1991 Edition: 458-59.

[6]Other categories include disability retirees, reserve retirees, and survivor benefit recipients. See the Appendix, pp. 37-46, for a summary of the major program features of military retirement.

Some aspects of this report focus more on officer than enlisted personnel. This is understandable, in that officers provide the senior leadership and management of the armed forces, and have their careers managed in accordance with detailed statutes and congressional oversight, rather than by administrative regulations of the military services. Officer career policies thus generate more study, reflection, and analysis in and out of DOD. However, overconcentration on officers can skew debate over the issue. Most military personnel, active duty and retired, are enlisted, and more money is spent on enlisted than on officer retired pay. The "average" military career member, and military retiree, is a noncommissioned officer, holding one of the many grades of sergeant (or chief petty officer in the Navy and Coast Guard), not a major, lieutenant colonel, or colonel (or lieutenant commander, commander, or captain in the Navy and Coast Guard). This begs the question, therefore, which is examined in this report, whether career lengths for officer and enlisted personnel should be similar or different.

For similar reasons, there is more information available on the Army than on the other services. The Army is the largest service and the one still least dominated by technology -- and hence tends to be most concerned with human factors. The Army had the largest problems with insufficient "youth and vigor" among its career officer corps at the beginning of both world wars (or at least was the object of the most study),[7] generating more concern over strength, stamina, and age.

[7]The Navy introduced "modern" promotion policies based on selection by merit in 1917, almost 30 years before the Army (FY1917 Naval Appropriation Act, 39 Stat. 576-80).

DEVELOPMENT OF AND RATIONALES FOR THE SHORTER CAREER CONCEPT

Since the mid-19th century, both the military retirement and career personnel management systems have developed *primarily* around the need to prevent the military efficiency of the armed forces from being impaired by the presence on active duty of people physically incapable of performing their military duties.[8] Frequently, physical incapacity was, and is, related to age. The criteria for entitlement to what is now called "nondisability" retirement have become steadily more liberal, and the acceptable length of service for a military career steadily shorter, since the first retirement statute was enacted in 1861.[9]

In large part, the greater emphasis on a physically fit career force has paralleled the evolution of the United States from an isolated nation, little involved in great power politics, to a superpower. To support this change in the United States' role in the world, the U.S. Armed Forces have evolved from the 19th Century's minuscule cadres, designed to provide a minimal basis for wartime expansion, to the large standing forces, required to be ready for instant commitment to combat, that have been maintained since the end of World War II. The experience of the armed forces in World Wars I and II with overage career officers, many of whom proved incapable of meeting the rigors of wartime service due to lack of physical and mental endurance, led to the adoption of 20-year retirement, combined with an "up-or-out" promotion system established by

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[8]This section on the development of the military retirement and career personnel management systems, unless otherwise noted, is based on the following sources: U.S. Library of Congress. Congressional Research Service. *U.S. Military Retirement Pay: History and Analysis of Key Legislation, 1861-1958.* CRS Report for Congress No. 73-14 F, prepared by the National Defense Section, Foreign Affairs Division. Dec. 8, 1972. Also printed in U.S. Congress. House. Committee on Armed Services. *Recomputation and Other Retirement Legislation.* Hearings before the Special Subcommittee on Retired-Pay Revisions, 92d Cong., 2d Sess. Oct. 4-12, 1972. H.A.S.C. 92-78. Washington, U.S. Govt. Print. Off., 1972: 17321-17355; *Disability Retirement Pay of U.S. Military Personnel: History and Analysis of Pertinent Legislation, 1861-1949.* Prepared by Bert H. Cooper, Analyst in National Defense, Foreign Affairs Division, CRS. Printed in U.S. Congress. House. Committee on Armed Services. Hearing on the Disability Retirement of General Earl E. Anderson, U.S. Marine Corps, before the Subcommittee on Military Compensation, 94th Cong., 1st Sess. July 30, 1975. H.A.S.C. 94-23. Washington, U.S. Govt. Print. Off., 1975: 77-93; U.S. Dept. of Defense. *Military Compensation Background Papers. Compensation Elements and Related Manpower Cost Items: Their Purposes and Legislative Backgrounds.* 4th ed., Nov. 1991: 447-490. (Hereafter cited as U.S. Dept. of Defense, *Military Compensation Background Papers.*); and Hayes, James H. *The Evolution of Military Officer Personnel Management Policies: A Preliminary Study with Parallels from Industry.* Report no. R-2276-AF. Santa Monica, CA, The Rand Corporation, August 1978. These sources are, in turn, based on exhaustive research in the legislative histories of military retirement statutes from the mid-19th century through 1991.

[9]Arguably, a statute with elements of what became disability retirement was enacted in 1855, pertaining to Navy officers. See: U.S. Dept. of Defense, *Military Compensation Background Papers*: 451-452, 479.

statute for officers and by administrative regulation for enlisted personnel.[10] At the same time, the maintenance of a large peacetime standing force in the post-World War II era, the first such in American history, required a proportionally large career component. This led to the use of a shorter career, followed by comparatively liberal retirement benefits, as a career retention incentive.

Since the mid-1960s, and arguably earlier, some have asserted that the existing nondisability retirement system, and the personnel management system it supports, costs too much, has lavish benefits, and has contributed to inefficient personnel management. Enactment of the Military Retirement Reform Act of 1986 (P.L. 99-348, July 1, 1986; 100 Stat. 682), which cuts retired pay for future retirees, was a partial response to these criticisms.[11] However, the 1986 Act, by maintaining 20-year retirement with an immediate annuity, albeit with reduced retirement benefits for future entrants into the armed forces, did not fundamentally challenge the concept that shorter careers were and are essential to recruiting and maintaining sufficient high-quality career personnel capable of withstanding the rigors of wartime service.[12]

Defenders of shorter careers may acknowledge that some aspects of the paradigm may be counterproductive. However, they assert that, overall, shorter careers work better than other norms to insure an adequate career force. In the words of Major General Stuart Sherman, USAF (Ret.), Staff Director of the Fifth Quadrennial Review of Military Compensation (5th QRMC): "20-year retirement makes up in power what it lacks in subtlety."[13] It pushes people with more than 20 years of service out of active duty at a high rate, protecting "youth and vigor;" it dangles "the pot of gold at the end of the [20-year] rainbow," inducing people who might otherwise be inclined to leave the military to stay for at least 20 years; and finally, it encourages people to leave at or shortly thereafter they reach the 20-year mark, insuring comparative "youth and

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[10]For examples of the problems with overage officers at the beginning of both World Wars, see: Marshall, George C. *Memoirs of My Services in the World War, 1917-1918.* Boston, Houghton Mifflin, 1976. p. 171-176; Watson, Mark Skinner. *Chief of Staff: Prewar Plans and Preparations.* The War Department. United States Army in World War II series. Washington, Historical Division, Department of the Army, 1950. p. 241-69.

[11]See Appendix, below, pp. 40-42, for a discussion of the changes this Act made in military retirement.

[12]For enumerations of these arguments and counterarguments, see Goldich, "Military Nondisability Retirement "Reform," 1969-1979: Analysis and Reality: 64-70; U.S. General Accounting Office. *Military Compensation: Key Concepts and Issues.* NSIAD-86-11. Jan. 10, 1986: 66-75; U.S. Congress. House. Committee on the Budget. *Military Retirement System.* Hearing before the Task Force on Entitlements, Uncontrollables, and Indexing, 98th Cong., 1st Sess. Washington, U.S. Govt. Print. Off., July 20, 1983; and U.S. Congress. House. Committee on Armed Services. *Overview of the Military Retirement System.* Hearings before the Military Personnel and Compensation Subcommittee, 98th Cong., 1st Sess. July 28-Sept. 22, 1983. H.A.S.C. 98-24. Washington, U.S. Govt. Print. Off., 1984.

[13]The author heard General Sherman use this phrase during a presentation in 1984 or 1985.

vigor" in the senior career ranks. The question is whether, or to what degree, these objectives continue to be desirable for the future, and if they are desirable, whether other, less costly and more efficient, policies may better assist in attaining them.

CURRENT FACTORS FORCING RECONSIDERATION OF SHORTER CAREERS

Unprecedented pressures on the overall Federal budget, defense budget reductions, and the need for U.S. armed forces to reconfigure themselves to meet post-Cold War requirements, have combined with more established arguments against shorter careers, to increase general and congressional interest in modifying military retirement and personnel management policies.

One manifestation of this interest is in a recent congressionally-mandated study of officer personnel management. The FY1993 National Defense Authorization Act[14] required the Secretary of Defense to contract for an independent study of officer personnel management in the context of the post-Cold War national security environment. The Senate Armed Services Committee report on its version of the Act explicitly stated that the smaller post-Cold War officer corps "should be managed under rules that provide for less turnover and greater stability. Longer careers should be the rule rather than the exception, and up-or-out features of DOPMA should be adjusted accordingly."[15] The study, completed in 1994 by the Rand Corporation, suggested that a wide variety of officer career paradigms -- some with and some without up-or-out as a guiding principle -- could meet DOD officer requirements. Generally, the study appears to have a distinct, if judicious and clearly-reasoned, orientation in favor of extending average military career lengths.[16] Follow-on hearings on officer personnel management held by the Military Forces and Personnel Subcommittee of the House Armed Services Committee,[17] had the same tone.[18]

More recently, the House version of the FY1996 Omnibus Budget Reconciliation Act, Section 5004, H.R. 2491, passed House Oct. 26, 1995), would create a "Federal Employees Retirement Security Commission" to study both the civil service and military retirement systems. The Commission would review "the cost and suitability of benefits provided by the military retirement system, and their appropriateness in light of current and projected military readiness requirements." [Subsection 5004(e)(1)(D) of the bill.]

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[14]Section 502, P.L. 102-484, Oct. 29, 1992; 106 Stat. 2315 at 2402.

[15]U.S. Congress. Senate. Committee on Armed Services. *National Defense Authorization Act for Fiscal Year 1993; report to accompany S. 3114*. July 31, 1992. Washington, U.S. Govt. Print. Off., 1992: 199-200.

[16]Thie, Harry, and Roger Brown (Study Directors). *Future Career Management Systems for U.S. Military Officers*. Report no. MR-470-OSD. Santa Monica, CA, National Defense Research Institute, Defense Manpower Research Center, The Rand Corporation, 1994.

[17]Now the Military Personnel Subcommittee of the House National Security Committee.

[18]U.S. Congress. House. Committee on Armed Services. *Reform of the Military Officer Career Management System*. H.A.S.C. 103-52. Hearing, 103rd Congress, 2nd session, September 27, 1994. Washington, U.S. Govt. Print. Off., 1995.

COSTS

For budgetary reasons, all Federal entitlement programs, including military retirement, have come under close scrutiny in recent years.[19] While this trend accelerated after the election in November 1994 of a Republican Congress more inclined than its Democratic predecessors to balance the budget quickly by cutting social programs and Federal transfer payments to individuals, it was picking up momentum before then. For instance, the Bipartisan Commission on Entitlement and Tax Reform (the "Entitlements Commission"), was established in late 1993 by President Clinton to recommend ways to restrain entitlement growth and reform the tax system;[20] it issued its final report in January 1995, stating that "The gap between Federal spending and revenues is growing rapidly. Absent policy changes, entitlement spending and interest on the national debt will consume almost all Federal revenues in 2010. In 2030, Federal revenues will not cover even entitlement spending." The Commission's Interim Report had stated that: "A bipartisan coalition of Congress, led by the President, must resolve the long-term imbalance between the government's entitlement promises and the funds it will have available to pay for them."[21] Military retirement was not immune from the Commission's scrutiny.[22]

Reflecting these pressures, 1993 legislation postponed cost-of-living-adjustments (COLAs) for both military and civil service retirement in order to save money. The details of these postponements have been exhaustively

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[19]"Broadly defined, Federal spending is classified as mandatory when it is not directly controlled through the annual appropriation process. Entitlement programs account for the bulk of mandatory spending. An entitlement is created by legislation that requires the payment of benefits to any person(s) or unit of government that meets the eligibility requirements established by such law (provided budgetary resources are available)." In FY1995, military retirement outlays of about $27.5 billion will comprise an estimated 3.2% of all Federal entitlement outlays of approximately $848 billion. Entitlement spending, in turn, will comprise about 56% of all Federal spending of $1.525 trillion. Rimkunas, Richard. *Entitlement Spending: A Fact Sheet*. CRS Report 94-94 EPW, Updated December 5, 1994.

[20]Koitz, David. *The Bipartisan Commission on Entitlement and Tax Reform*. CRS Report 94-806 EPW, October 21, 1994.

[21]Bipartisan Commission on Entitlement and Tax Reform. *Final Report to the President*. Washington, January 1995: 1, 4.

[22]Some have argued that military retirement is different from other Federal entitlement programs such as social security, in that it serves to maintain military readiness through (1) insuring "youth and vigor" and adequate retention of career personnel, and (2) providing a pool of military retirees that are subject to involuntary recall to active duty for mobilization purposes. However, the fact remains that military retirement is, by definition, an "entitlement program," as are other Federal retirement systems. In addition, Federal civilian retirement systems serve workforce management ends as well. See Merck, Carolyn L. *Federal Retirement Systems: Background and Design Concepts*. CRS Report 94-929 EPW, November 28, 1994.

debated, and modified, in the Congress since 1993, but the postponements have not been reversed.[23]

Some have argued that shorter careers have led to greater costs than would have been the case if longer careers had been the norm. Shorter careers lead to the average military retiree collecting retired pay for a longer period of time than would otherwise be the case, certainly longer than most civilian retirees. Much of the military training establishment is driven by the need to replenish the pool of trained individuals who retire at or within a few years after reaching the 20-year mark. In addition, it has been argued that the "draw" of 20-year retirement keeps many people on active duty beyond what military personnel managers would consider an optimum point, resulting in more people with 10-20 years of service, and hence higher active duty pay costs than a less-experienced and less senior career force would have. There are, naturally, counterarguments, some of which are discussed below.

There are, of course, a wide variety of changes to the military retirement system that could be made to control costs without changing the basic concept of allowing people to retire at the 20-year mark. This is in fact, as noted above, what happened when retirement benefits were cut for future retirees in 1980 and 1986. This report, however, concentrates on the issues involved in shorter vs. longer military careers, not cost cutting *per se*.

Criticism of the costs of shorter careers begs the question of whether there are less expensive ways of retaining enough experienced personnel of requisite quality. Many have argued, for instance, that active duty compensation targeted on specific skills or occupational fields, or related to the extent of previous arduous service -- is a much more flexible, and less costly, career retention incentive than increased across-the-board pay, active or retired. Others have suggested that career lengths (and hence earliest possible retirement) should vary by career specialty or nature of service (i.e., remote areas, combat duty, family separation, wounding in action; officer or enlisted status; or military service), thus providing incentives, and/or monetary recognition, for personnel to remain in more arduous careers, while paying less for members whose careers are less strenuous, and who presumably require fewer incentives to pursue a military career. These options are explored in detail below.

HOW MUCH "YOUTH AND VIGOR" DOES THE MODERN MILITARY NEED?

Since World War II, numerous analyses have asserted that a modern armed force does not need to place as much emphasis on physical and mental strength and stamina in its career force as before. Several rationales for this view have

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[23]See Goldich, Robert L. *COLAs for Military Retirees: Summary of Congressional and Executive Branch Action Since 1982*. CRS Report 94-7 F, February 2, 1995: 8-19; and Goldich, Robert L. *Military Retirement and Separation Benefits: Major Legislative Issues*. CRS Issue Brief 85159, updated periodically.

been cited repeatedly by analysts and observers. The most important one is the decline in close combat, due to the range of modern weapons and the consequent dispersion of forces on the battlefield. (Knowledgeable analysts do not argue there is no need for a physically-fit force; rather, they suggest (1) that the standards of physical fitness and stamina do not have to be as rigorous as in the past, and/or (2) fewer people need to meet such rigorous standards. This broad trend in the nature of warfare and weapons is accompanied by the rising requirement for military personnel, even those in combat specialties, to be able to use and maintain technologically complicated equipment and weapon systems -- a requirement that may favor the experience and maturity of judgment of age over the physical and mental strength and stamina of youth.[24]

While the need for a more youthful officer corps was being pressed vigorously by the senior military leadership immediately after World War II, that leadership did not include the current shorter career norm among its definitions of youth and vigor. The legislative history of the Officer Personnel Act (OPA) of 1947 indicates clearly that the "normal" military career for an officer was to be approximately 30 years, not 20, although officers could apply for voluntary retirement at 20 years. The goal of a more "youthful and vigorous" officer corps was to be attained by insuring that officers could not be retained, in almost all cases, past their mid-50s (in contrast to pre-World War II statutes and policies which allowed officers to remain on active duty into their early 60s, with mandatory retirement for age at 64.) This contrasts with DOD's current tacit assumption that an appropriate level of "youth" is defined as one in which most career personnel retire by their mid-40s, or ten years earlier than envisioned by the 1947 law. In actuality, of course, approval of the request for retirement at the 20-year mark or at any time thereafter, subject to minor restrictions related to tour lengths, "paybacks" for education, and the like, immediately became the norm.[25]

Other arguments that youth and vigor are not as important derive from the changing missions of the armed forces in the aftermath of the Cold War. The post-Cold War U.S. military, it is asserted, will need to prepare more for low-intensity conflict (LIC) and operations other than war (OOTW) (examples include peacekeeping operations, humanitarian relief, or drug interdiction), rather than high-intensity operations on the battlefields of Europe that would have characterized a Third World War with the Soviet Union and the Warsaw Pact. The widespread deployment of U.S. forces since 1989 in LIC and OOTW situations -- the largest being Panama in 1989-1990, Somalia in 1992-1994, and Haiti from 1994 to this writing -- supports this contention. LIC and OOTW, analysts note, require much more emphasis on interaction with civilians, understanding of local mores and cultures, emphasis on minimum force and minimizing collateral damage rather than on bringing overwhelming military

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[24]A comprehensive articulation of this viewpoint is in Binkin, Martin, and Irene Kyriakopoulos. *Youth or Experience? Manning the Modern Military*. Washington, Brookings Institution, 1979: *passim*, esp. 15-37.

[25]Rostker et al, *The Defense Officer Personnel Management Act of 1980: A Retrospective Assessment*: 90-96.

power to bear. All of these characteristics would tend to emphasize the experience and judgment obtained through longer careers rather than the stamina and fitness insured by shorter careers.

OOTW/peacekeeping operations also may require the deployment of proportionately fewer combat forces, and a larger proportion of combat support and combat service support units,[26] than high-intensity combat, due to the need to provide services to the civilian infrastructure and population. These latter types of units arguably require much more technical skill and experience in applying those skills than physical stamina and strength.

Finally, one can accept the argument that some military personnel, in some occupational specialties, or serving in some environments, need as much "vigor" as military personnel have ever needed throughout history. This does not mean that the best tool for assuring that vigor is a guaranteed shorter career for virtually every career member that wants one. Vigor, where needed, can be guaranteed by repeated rigorous physical standards and qualifications for retention and promotion, regardless of age, and the counseling and, if necessary, separation of those who do not measure up.

CAN SHORTER CAREERS ENCOMPASS ALL THAT CAREER MEMBERS NEED TO LEARN?

One of the most cogent reasons for at least selective lengthening of current average career lengths -- i.e., opting for less "youth," if not less "vigor" -- involves matching the lengths of careers to the requirements for both formal education and operational experience. Modern career personnel have to deal with extraordinarily complicated organizations, which act based on equally complicated doctrines and procedures, usually with other services (joint operations) and frequently with the armed forces of other nations (combined operations).[27] They must also master technologically advanced equipment and command and manage their own services' units, weapons, and doctrine. Expertise in this wide range of activities is acquired through a combination of

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[26]There are a wide variety of definitions of combat, combat support, and combat service support. The Army and Marine Corps use these terms explicitly; they have more limited applicability to the Navy and Air Force. In the Army, "combat" generally denotes units "directly involved in the conduct of actual fighting" (i.e., firing on or otherwise engaging the enemy, of which examples include infantry, armor, artillery, or combat engineers); "combat support," units which "provide operational assistance to the combat arms" (such as military police, intelligence, and some signal and engineer units); and "combat service support," units which "perform personnel service support, logistics, and administrative functions supporting the operations of combat and combat support units," such as medical services, legal, finance, electrical and mechanical maintenance and repair, supply, and the like. See Goldich, Robert L. *U.S. Army Combat-to-Support Ratios: A Framework for Analysis*. CRS Report 89-386 F, June 26, 1989: 9.

[27]This is stated as authoritative U.S. military doctrine in Chairman of the Joint Chiefs of Staff. *Joint Warfare of the U.S. Armed Forces*. Joint Publication 1. November 11, 1991.

progressive formal training and education courses and service in varying types of operational billets.

In recent years, there has been a tendency to (1) increase the required amount of education and experience in specific fields and (2) assume that more experience in specific fields is required to assure adequate competence in those fields. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 made service in a joint position (i.e., one involving work with other services) a prerequisite for promotion to general or flag officer rank. Thus, those officers which each military service begins identifying as possible future senior officers must be allotted time in a joint duty billet so as to qualify for general or flag rank. There is also increasing concern that in order to competently direct and control modern military operations, career officers require more, or longer, tours in the operational forces and staffs of their particular service. Finally, the broad range of tasks the modern military may be called upon to undertake calls for many officers to receive specialized education and training outside of their military occupational specialties.

This "piling on" of educational and experience requirements -- or desirable attainments -- leads some to argue that modern officers simply cannot learn enough about their profession in a career of 20-plus-a-few years to master the variety of tasks and assignments they have to perform.[28] These arguments have often been framed in terms of opposition to the joint duty requirements imposed on the officer corps by Goldwater-Nichols -- i.e., that the joint duty requirements are onerous, undesirable, and lead to the neglect of officers' acquiring other, more important, skills. However, these assertions can also be interpreted to suggest not that any one set of requirements is bad, but that all, while needed, cannot be accomplished in the average military career of about 20 years or a little more. The following comments, therefore, while made in reference to Goldwater-Nichols, can also be interpreted to apply generally to a military career pattern in which too many people are rotated too quickly through too many assignments:[29]

> The Goldwater-Nichols Act's requirements on joint tour lengths and officer assignments have the potential to do great damage. These requirements cut two ways, reducing expertise in the field and on the subject [service] staffs at the same time. Officers need to serve in joint billets to qualify for advancement. To accommodate large numbers in order to meet this standard, to

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[28]See U.S. Congress. House. Committee on Armed Services. *DOD Reorganization Implementation*. Hearings, 100th Congress, 1st session. Apr. 28-Nov. 4, 1987. H.A.S.C. 100-34. Washington, U.S. Govt. Print. Off., 1988: 117-77; U.S. Congress. House. Committee on Armed Services. *Implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986*. Hearings, Feb. 3-Sept. 22, 1988. H.A.S.C. 100-109. Washington, U.S. Govt. Print. Off., 1989: 1-109; and Chiarelli, Lieutenant Colonel Peter W. "Beyond Goldwater-Nichols." *Joint Force Quarterly*, Autumn 1993: 77-78.

[29]Holland, Rear Admiral W. J., USN (Retired). "Jointness Has Its Limits." *U.S. Naval Institute Proceedings*, May 1993: 41-42.

> "check the block," there is little room for repeat assignments on the qualifying staffs. As a result, expertise is limited to what can be created in a single tour. Without repeat tours, the competence in billet starts at zero in every rotation. No matter how steep the learning curve, the total competence of the staff can never reach the truly expert except in simple tasks. Even the recognition of these limitations is lost as the staff loses expertise. Acquaintanceship by large numbers of people does not substitute for in-depth expertise by some.
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> The key to performance under pressure is real knowledge gained from intensive study and intensive training. Such skills require time to develop, are fragile, and decay quickly when not used. The higher the technical application and more specialized the procedure, the faster the skills erode. Athletes and musicians testify to the half-life of unpracticed skills. Long and repeated tours are necessary in any part of the military trade that requires detailed knowledge and developed leadership.

It may be, therefore, that the only way to insure adequate levels of competence among senior officer leadership is to give them more time to acquire that competence.

CHANGING CONCEPTS OF WORK AND AGING IN AMERICAN SOCIETY

It has been argued that shorter careers have become increasingly at variance with attitudes toward career lengths in American society as a whole. National policy has generally moved away from requiring retirement at a particular age.[30]

> In 1967, P.L. 90-202, the original Age Discrimination in Employment Act, prohibited mandatory retirement for private sector workers under age 65, but allowed it for workers age 65 or over. In 1978, P.L. 95-256 repealed mandatory retirement at age 70 for Federal workers, although it allowed non-Federal employers to require employees to retire at age 70 or over. In 1986, P.L. 99-592 made mandatory retirement unlawful for non-Federal workers, but, on a temporary basis, it permitted mandatory retirement for tenured faculty in colleges and universities and public safety workers employed by State and local governments. On Dec. 31, 1993, this temporary mandatory retirement authority for colleges and universities and State and

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[30]Merck, Carolyn L. *Retirement for Federal Workers in Public Safety Occupations.* CRS General Distribution Memorandum, May 18, 1994: 1, note 2.

> local governments expired. However, the law continues to allow mandatory retirement for non-Federal employees if the retirement age is based on a *bona fide* occupational qualification (such as physical stamina requirements).

The Rand Corporation has summarized the reasons why age alone has become a progressively less-significant factor in controlling involvement in the civilian labor force:[31]

- "Age is a poor predictor of the decline of stamina, strength, reasoning, and comprehension."[32]
- Job-specific fitness standards for individuals should govern youth and vigor needs.
- Social trends in the United States are toward an overall older labor force but earlier retirement and pension receipt from a first career.
- National policy is not to tie mandatory retirement to age.

More specifically, Rand asserts that the Congress, in adopting a recent statutory finding related to physical standards for members of the armed forces, has "challenged because of gender issues" the "underlying premise of youth and vigor and ability to perform satisfactorily being synonymous:"[33]

> For any military occupational specialty for which the Secretary of Defense determines that specific physical requirements for muscular strength and endurance and cardiovascular capacity are essential to the performance of duties, the Secretary shall prescribe specific physical requirements for members in that specialty and shall ensure (in the case of an occupational specialty that is open to both male and female members of the armed forces) that those requirements are applied on a gender-neutral basis.

In short, Rand analysts and some others see a general trend toward basing employability criteria on evaluations of individual qualifications rather than membership in any defined group or class of people (arguably this would apply not just to age, but to ending, sometimes by statutory mandate, of employment restrictions based on race, religion, nationality, sex, or sexual preference). Clearly, the panoply of personnel management and retirement statutes and

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[31]Thie and Brown, *Future Career Management Systems for U.S. Military Officers*: 97-98.

[32]*Ibid.*: 97, citing U.S. General Accounting Office. *Employment Policy Challenges Created by an Aging Workforce*. Report no. GGD-93-138. September 1993: 4.

[33]Thie and Brown, *Future Career Management Systems for U.S. Military Officers*: 110-11. Citing Sec. 543, FY1994 National Defense Authorization Act, P.L. 103-160, November 30, 1992; 107 Stat. 1547 at 1660.

policies that maintain the 20-year career concept are at odds with this rejection of group membership as a criterion for suitability for continued employment.

AGE, HEALTH, AND "VIGOR" IN THE LATE 20TH CENTURY

Some suggest that because of the greater average levels of physical fitness of people at all ages, resulting from better diet and understanding of nutrition, less strenuous and health-endangering occupations, better lifestyle management among health conscious individuals and professions (less consumption of tobacco and alcohol, and more exercise) and enormous advances in medicine, less "youth" is required to assure the same amount of "vigor." In other words, the 45 or 50-year olds of today are asserted to be, overall, as physically fit as the 35-40 year olds of the 1940s and 1950s.

A related argument is that conventional wisdom of aging leading automatically to sharp drops in physical strength and work performance is generally wrong, through approximately age 50. A 1979 Brookings Institution study stated that:[34]

> For example, cardiac output and respiratory performance usually decline with age at a much greater rate than do neural activity and metabolic function. Even in these cases, however, the average forty-year-old possesses over 95% of the cardiac output and about 90% of the respiratory capacity of the average thirty-year-old. In terms of performance in three classes of "speeded activities," research results indicate that the steepest loss as a function of age occurs in running events, which require 35 to 40% more time at age 60 than at age 20. The least loss due to age was evidenced in simple reaction time tasks, which were performed only 5% slower at age 60 than at age 20. The loss in both between the ages of 20 and 30 was negligible. Research results also suggest that maximal muscle strength is achieved between the ages of 25 and 30, gradually diminishing until age 50, after which a sharper decline occurs.

An analysis conducted for the President's Commission on Military Compensation in 1978 concluded that:[35]

> Age undeniably has some effect on most, if not all, human capacities. In most instances, however, severe age-deficits are not

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[34]Binkin and Kyriakopoulos, *Youth or Experience? Manning the Modern Military*: 28. This is based on the source cited immediately below in note 35.

[35]Parker, James F., Jr., Diane G. Christensen, and Martin G. Every. "A Review of the "Youth and Vigor" Concept and Its Importance in Military Occupations." Falls Church, VA, BioTechnology, Inc., February 1978. Printed in *Supplementary Papers of the President's Commission on Military Compensation*, April 1978: 30.

found until the sixth, seventh, and eighth decades. In studies done on work performance through the usual work lifetime (age 20 to age 60), there is little if any evidence that older workers are not capable of performing equally well in most job situations. Exceptions would be those occupations, and they do exist within the military, which require superior visual acuity, strength, or reaction time.

RATIONALES FOR KEEPING THE SHORTER-CAREER NORM

THE WORLD WARS AND "YOUTH AND VIGOR"

The senior uniformed leadership of the services had significant problems with overage and physically unfit officers during and before[36] both World Wars. These were more common in the Army, and possibly the Marine Corps,[37] than they may have been in the Navy. This may be because the Navy had adopted a statutory up-or-out officer personnel management system (albeit a less rigorous one than that which now obtains) between 1917 and continued it into the 1930s.[38] It may also reflect the extent to which Army personnel policies were better documented, and have been studied more intensively, than those of the Navy. Finally, the living conditions of even senior officers in a ground combat environment may well be more austere and unpleasant than those of naval officers afloat or ashore, demanding more physical and mental fitness to cope.

During World War I, the Commander-in-Chief of the American Expeditionary Force (AEF) in Europe during 1917-1918, General John J. Pershing,[39]

> Found many of the division commanders relatively old and therefore unfit for physical reasons, since trench warfare presented unusual hazards to health and demanded high stamina and vigor. He ruthlessly weeded out those who did not meet his standards...

General George C. Marshall, Army Chief of Staff throughout World War II, was particularly outspoken on this issue, based on his experience during World War I. In April 1940, when pre-World War II mobilization and rearmament was beginning, Marshall testified on age and military performance before the House Military Affairs Committee:[40]

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[36]For superannuation among U.S. Army officers in the post-Civil War era through 1898, see Coffman, Edward M. *The Old Army: A Portrait of the American Army in Peacetime, 1784-1898.* New York, Oxford University Press, 1986: 230-34.

[37]From the 1870s through 1934, Marine Corps officer personnel management and retirement policies were statutorily identical to those of the Army. *Military Compensation Background Papers*: 452-54.

[38]*Military Compensation Background Papers*: 452-54; Rostker et al, *The Defense Officer Personnel Management Act: A Retrospective Assessment*: 80-90.

[39]Weigley, Russell F. *History of the United States Army.* New York, Macmillan, 1967: 389.

[40]Watson, *Chief of Staff: Prewar Plans and Preparations*: 249. The House and Senate Military and Naval Affairs Committees were the predecessors of the Armed Services Committees of both chambers (now the House National Security Committee).

> Leadership in the field depends to an important extent on one's legs and stomach and nervous system and on one's ability to withstand hardships and lack of sleep and still be disposed energetically and aggressively to command men, to dominate men on the battlefield... [In World War I] I saw 27 different divisions of ours engaged in battle -- we employed 29--and there were more reliefs of field officers...due to physical reasons than for any other cause...their spirit, their tenacity of purpose, their power of leadership over tired men, was broken through physical fatigue.

Similarly, during large-scale Army maneuvers held in the period September-November 1941 (just before Pearl Harbor, Dec. 7, 1941), it was found that:[41]

> Many of the Army's corps and division commanders were men of considerable talent and administrative proficiency whose age and lack of experience in handling troops limited their effectiveness. General Marshall made it clear that these caretakers would give way to younger officers once the latter had acquired experience in staff positions and lower-level commands.

Only 11 of the 42 division, corps, and army commanders who took part in these prewar maneuvers actually held combat commands in World War II; most were found to be unfit for such strenuous positions.[42] However, many thousands of officers found too old for service in troop units were productively employed in headquarters and logistical organizations.[43] While it is true that some of the very senior leadership of the armed forces during the war were in their mid-50s through early 60s, these were few indeed compared to their counterparts in age who proved incapable of enduring the pressure of wartime service, in or out of actual combat or theaters of operations.

It should also be noted that although the interwar Marine officer corps has not been subjected to rigorous historical analysis along the lines of the Army officer corps, the Marine Corps may well have had similar problems. Many commanders and staff officers serving with the 1st and 2nd Marine Divisions,

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[41]Gabel, Christopher R. *The U.S. Army GHQ Maneuvers of 1941.* Washington, Center of Military History, United States Army, 1991: 116.

[42]Ibid.: 187. In the modern Army, a division has from 10,000 to 15,000 soldiers and is commanded by a major general (usually an officer in his late 40s to early 50s, with 26 to 30 or more years of service). A corps has from two to five divisions along with nondivisional combat and support units, is commanded by a lieutenant general (an officer in his early to mid 50s with over 30 years of service), and can have from 20,000 up to 140,000 soldiers (the U.S. Army's VII Corps attained the latter strength during the Persian Gulf War, when it had control of the equivalent of almost four U.S. divisions and one British division plus associated supporting units). A field army has two or more corps and several hundred thousand soldiers (the Third U.S. Army in the Persian Gulf War controlled the U.S. VII Corps and XVIII Airborne Corps, plus supporting forces; its peak strength was about 300,000 soldiers).

[43]Watson, *Chief of Staff: Prewar Plans and Preparations*: 245.

the first two to enter World War II combat, appear to have vanished into obscurity after their debuts in the latter half of 1942, never again to be seen among the ranks of the Marine Corps' Pacific Theater combat leaders, and apparently replaced by younger, more dynamic officers.[44]

The situation was not confined to general officers. Pre-World War II statutes provided that Army promotions were governed by seniority alone below the grade of brigadier general.[45] The result was that second lieutenants could be close to 30 or over before being promoted to first lieutenant; first lieutenants could have up to 18 years service before being promoted to captain at age 40 or so; majors and lieutenant colonels could serve well into their late fifties, and colonels up to the statutory retirement age of 64.[46]

The result was that after the war senior uniformed leaders lobbied for drastic changes in officer career patterns. General of the Army Douglas MacArthur said that the interwar promotion system of the Army was marked by "sapped ambition and destroyed initiative that encouraged routine and perfunctory performance of duty." General of the Army Dwight D. Eisenhower echoed MacArthur's remarks (both were made before the Senate Armed Services Committee): "No great argument would have to be presented to show that our promotion system has been unsatisfactory. Until we got to the grade of general officer, it was absolutely a lock step promotion and, short of almost crime being committed by an officer, there were ineffective ways of eliminating a man."[47]

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[44]The early presence, occasional relief, and later absence of these men can be tracked, impressionalistically, in Miller, John M., Jr. *Guadalcanal: The First Offensive*. The War in the Pacific. **United States Army in World War II**. Washington, Historical Division, Department of the Army, 1949; and Hough, Lieutenant Colonel Frank O., USMCR, Major Verle E. Ludwig, USMC, and Henry I. Shaw, Jr. *Pearl Harbor to Guadalcanal*. **History of U.S. Marine Corps Operations in World War II**. Volume I. Washington, Historical Branch, G-3 Division, Headquarters, U.S. Marine Corps, 1958: 254-374.

[45]Rostker et al, *The Defense Officer Personnel Management Act: A Retrospective Assessment*: 88.

[46]In 1991, on the other hand, for the Army, second lieutenants were promoted to first lieutenant after two years of service at around age 24-25; first lieutenants were promoted to captain after about four years of service at age 26-27; majors and lieutenant colonels were in their mid to late 30s, and late 30s to mid-40s respectively; and lieutenant colonels were promoted to colonel at around age 45, and (like other officers) were statutorily required to retire after 30 years of service (most commonly in their early 50s). Information obtained from the Total Army Personnel Command for another project, August 20, 1991; and Hudson, Neff. "Most Officers Are Promoted Late: Services Fail to Meet Standards Set in 1981." *Air Force Times*, May 23, 1994: 13, citing data obtained from service personnel commands and offices.

[47]Both officers cited in Arcari, Paul. "Why Military Personnel Can't Serve Until Age 62." *The Retired Officer Magazine*, October 1993: 35.

THE NATURE OF WARTIME SERVICE

Clearly, it is not enough to rely on the intuitive, albeit correct, generalization that "war is stressful" in order to determine how much "youth and vigor" the services' career forces need. What are the specific characteristics of wartime service that led to such an emphasis on physical and mental fitness and stamina? Do these characteristics apply only to combat units, combat occupational specialties, or in the overseas theaters of operations where U.S. armed forces are actually engaged in combat? Has the nature of wartime service -- in terms of requirements for physical and mental "vigor" -- changed since World War II, or is it likely to change in the future, so as to increase or diminish the need for physical fitness and stamina?

This section analyzes the stresses likely to be faced by career military personnel in a wartime environment by considering the following items:

- Physical strength
- Endurance
- Fear
- Recent developments in warfare

Physical strength

Since antiquity, soldiers and sailors have needed a substantial amount of physical strength. The physical demands placed on career members are likely to be substantially less than those placed on junior personnel, both officer and enlisted. However, there are also common requirements for physical strength which may be imposed on all military personnel in a theater of operations. Examples would be the need for service members, regardless of occupational specialty, to don chemical warfare protective gear, which is both heavy and impervious to ventilation; to carry general equipment needed for sustenance and protection, such as small arms and ammunition, water and food, and so on.

In addition, seniors must instruct, set examples for, and lead their subordinates, and those leading combat units will often have to carry the same combat-related gear as their juniors. For instance, senior Army officers, including general officers, serving in airborne (parachute) units jump with their soldiers in both training and combat, not only to set an example, but to be on the ground and assume command and control of their forces. All personnel must wear protective gear against possible chemical or biological attack, regardless of grade. Senior naval officers on board ship remain as vulnerable as their crews to enemy shells, mines, torpedoes, or bombs; senior aviators often fly combat missions on a regular basis. Certainly career noncommissioned officers, whether in combat or support units, can have occasion to get as involved in hard physical labor (or combat) as junior enlisted members.

Endurance

If the need for physical strength may vary by occupational specialty, the need for physical endurance -- a quality inextricably intertwined with mental stability under both physical and mental pressure -- appears to be a ubiquitous requirement in war or training for war. "Long hours" in combat situations are a cliche, whether ground, naval, or air. Over the past century, constant contact between enemy forces has become the norm in ground combat. This began in the last year (1864-1865) of the American Civil War, and was the norm by World War I (1914-1918).

Although naval and air personnel almost always have enormously greater "creature comforts" and better working conditions than soldiers on the ground, because the latter are unavoidably often exposed to the elements, this has not removed the requirement for constant long hours. Naval battles -- actual contact and firing between opposing ships -- whether pre-industrial or modern, have always lasted only a few hours or at the most two or three days. However, both ancient and modern warships have always demanded long hours of effort just to keep ships seaworthy and equipment in adequate shape. Standing watches for four to six hours, then spending the same or less time off, and then on again, are the norm. Efforts considerably beyond a civilian "eight-hour day" are also required for aircraft crew members and their supporting ground crews.

Nor are requirements for remaining alert and capable of functioning during punishing work hours confined to combat specialties. Wartime situations know no holidays or scheduled breaks; support personnel well removed from direct contact with the enemy, or involved in supporting a deployment overseas from the continental United States, may nonetheless have to work anywhere from 80 to 120 hours weekly for many months without respite.[48]

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[48]A CRS colleague of the author was ordered to active duty in early December 1990 for Operation Desert Storm to assist in planning for and beginning the reconstruction and revitalization of Kuwait -- not a "combat" job, although he always carried weapons after he deployed to the theater of operations. He reports working about 11 hours a day, seven days a week for approximately six weeks after being activated and before deploying to Southwest Asia in late January 1991. While in Saudi Arabia and Kuwait, he was generally awake and working for 18 hours daily, seven days a week, for about 2 1/2 months, until he returned to the United States in early April 1991. In his mid-40s at the time, he "literally did almost nothing but sleep for two weeks" when he was demobilized and returned home, and is not sure how effectively he could have performed his duties for extended periods of time while operating at the same tempo. He reports observing similar reactions among fellow soldiers of roughly the same age. Comments of Lieutenant Colonel Raphael F. Perl, Civil Affairs, USAR, CRS Specialist in International Drug Policy and Terrorism, to author. An example of an even less "combat-related" function where wartime conditions led to punishing workloads is from World War II when "division postal clerks were obliged to work day and night" just to sort mail. Greenfield, Kent Roberts; Robert R. Palmer; and Bell I. Wiley. *The Organization of Ground Combat Troops*. The Army Ground Forces. **U.S. Army in World War II**. Washington, Historical Division, Department of the Army, 1947: 312. The same also appears to have been true of Army postal units in Somalia 50 years later. Unpublished draft study of the operations of the 711th Adjutant General's Corps Company (Postal), USAR, in Somalia, prepared by Colonel John R. Brinkerhoff, USA (Ret.), under contract to the Institute for Defense Analyses, for the Office of the Assistant Secretary of Defense (Reserve Affairs), September 12, 1994.

Furthermore, the requirement for stamina and mental agility increases as do the rank and responsibilities of the individual, for more significant decisions need to be made amidst conditions of chaos and exhaustion. Arguably, in the performance of military duties, "competence" -- knowing what to do and how to do it -- may be comparatively easy to acquire. What is difficult is applying that competence, and insuring that orders given are carried out, in conditions of extraordinary stress, physical and mental.[49]

A British battalion commander in Operation Desert Storm stated the problem of stamina and health among wartime commanders as follows:[50]

> Hardiness is not about being physically tough, although that helps. It is more about endurance under long periods of pressure; about the mentality to take the difficult and hard decisions, and to balance those with the other issues of the day, many of which abound on the modern battlefield. It takes this quality to accept casualties as the price for defeating the enemy, when the media and modern sensibilities are exerting pressure to stop. It takes it, to stand by and watch "ethnic cleansing," and not be allowed to intervene; it takes even more to order others not to get involved.
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> Age is also a part of it. It is here that peacetime considerations come into most direct conflict with the requirements and demands of war...
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> There is no doubt that the older men suffered considerably during the six months of the Gulf War...I noted my own concern about being "overcautious" in my notes on the Gulf War, remarking that the young soldiers, troop [U.S. platoon] and squadron [U.S. company] leaders were prepared to risk all, whilst I balanced that with the caution of responsibility -- or was it?

Fear

Continuing to function while facing fear demands both emotional and physical strength and endurance. There are few if any environments in which human beings can be placed which will result in more fear than the battlefield, or simply being in a war zone. Repeated accounts of battle, whether on the ground, at sea, or in the air, have spoken of the extent to which the fear of

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[49]Clausewitz commented on this with his widely-quoted statement that "Everything in war is very simple, but the simplest thing is difficult." Carl von Clausewitz. *On War*. Edited and Translated by Michael Howard and Peter Paret. Princeton, N.J., Princeton University Press, 1976: 119. For a discussion of these factors involving recent U.S. military operations in Somalia, see David, Lieutenant Colonel William C. "Preparing a Battalion for Combat: Physical Fitness and Mental Toughness." *Infantry*, May-June 1995: 25-30.

[50]Denaro, Brigadier A. G. "Warrior or Worrier: Is the British Army Producing the Right Man to Command Its Troops on Operations?" *RUSI Journal* (United Kingdom), June 1995: 38.

death or wounding can contribute to physical and mental exhaustion.[51] It has been said that "A man's courage is his capital, and he is always spending. The call on the bank may be only the daily drain of the front line, or it may be a sudden draft which threatens to close the account."[52]

Fear, a psychological condition, can create physical stress and exhaustion. The better shape, therefore, a military member is in, the better he or she will be able to withstand the physical effects of fear, and maintain his or her "capital stock" of courage and resolution in the face of adversity.[53] This may be just as important, if not more so, for career personnel, who are more likely to bear a greater responsibility for more lives, as among younger, first-term officers and enlisted members who form the vast majority of military personnel. The fear of career personnel may result precisely from the weight of the responsibilities placed on them, as well as the possibility of attack by long-range aircraft, missiles, or artillery, with or without weapons of mass destruction.

Recent developments in warfare and their effects on the need for "youth and vigor"

Although some have argued that recent trends in warfare increase the requirement for experience and diminish that for youth, it is possible to interpret some of these trends in an opposite way. For instance, it may be that operations other than war (OOTW) and peacekeeping operations (PKOs) demand more, not less, fitness and stamina, because of the requirement for constantly being alert in ambiguous situations. In PKOs, the distinctions between enemy soldier and civilian are not clear (they may not be meaningful); 99% of the time the soldier is moving through a tranquil, peacetime environment, which can be interrupted at any time by a brief burst of gunfire or a grenade; women and children may be as hostile as men; and rules of engagement are usually restrictive. All of these conditions can lead to a much more nerve-wracking environment, draining of physical strength and endurance -- perhaps more so than a conventional war, where the soldier knows he or she is faced with a conventional armed force.

The move toward continuous operations can only demand more stamina, especially from commanders and their staffs. If one "owns the night" -- a phrase frequently said proudly by U.S. military personnel -- one has to remain awake to fight during it. However, at some point, lack of sleep will begin to exact its

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[51]Holmes, Richard. *Acts of War: The Behavior of Men in Battle.* New York, The Free Press, 1986: 204-69.

[52]Ibid.: 213, citing Lord Moran. *The Anatomy of Courage.* London, 1966.

[53]See, for example, David, "Preparing a Battalion for Combat: Physical Fitness and Mental Toughness": 29-30.

toll.[54] The more vigorous and better-conditioned a member is, the longer he or she can operate with little or no sleep. Related is the increased general complexity of combat, which requires orchestrating joint and combined operations. The complexity of these operations may suggest the need for more experienced personnel with longer service. However, it may also argue for more intellectually and physically vigorous and dynamic senior leaders, capable of absorbing more knowledge and applying it under conditions of extreme stress. Research conducted by the Walter Read Army Institute of Research (WRAIR) has confirmed this:[55]

> ...as Army doctrine calls increasingly for 24-hour, continuous operations with a particular emphasis on night fighting, opportunities for soldiers to grab a decent night's sleep -- never great at the best of times -- have become even rarer.
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> ****
>
> The higher up the chain of command a soldier is, the more damaging a lack of sleep is on his or her ability to perform....This is because the cognitive skills demanded of leaders degrade with lack of sleep much faster than the motor skills required of junior enlisted troops....
>
> ..."Middle-aged folks who have to do serious decision-making are very seriously hampered by lack of sleep... The real problem for the Army is with senior NCOs and officers. The soldiers under them can go a long time and still be effective, provided they get catnaps."
>
> This problem is compounded by the fact that leaders usually get less sleep than their soldiers....
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> ****
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> "What we saw was that...the higher the rank, the less sleep, the higher by echelon of command and control, the less sleep....

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[54]Several accounts of the Persian Gulf War indicate the extent to which fatigue had overtaken commanders and staffs by the end of the 100-hour ground war, from General H. Norman Schwarzkopf, USA, Commander-in-Chief of the U.S. Central Command, down through army, corps, and division commanders, and even brigade and battalion commanders. By the end of the ground war, the commander of the British 1st Armoured Division was requiring orders to be transmitted and confirmed in writing, because he was concerned that fatigue could lead to potentially disastrous misinterpretation of oral orders. See especially Swain, Colonel Richard M., USA. *"Lucky War": Third Army in Desert Storm*. Fort Leavenworth, Kansas, U.S. Army Command and General Staff College Press, 1994: 279-318, especially 286, 289, 295-96, and 300-01.

[55]Naylor, Sean D. "No Snooze...You Lose: Forty Winks is Formula for Success on the Job." *Army Times*, September 18, 1995: 12-13; see also Keegan, John. *The Face of Battle*. New York, Viking Press, 1976: 284-314.

> People at higher levels of command and control would be considerably impaired, whereas the young guys in the tanks and Bradleys, shooting and scooting, probably were getting adequate amounts of sleep."
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> ****
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> Continuous operations are commonplace for soldiers in an increasingly technical Army capable of operating at all hours of the day. Data gathered during maneuvers at the National Training Center, Fort Irwin, Calif., indicate that sleep deprivation increases with a soldier's rank and unit echelon. Studies also show that a unit's productivity declines markedly as soldiers become tired.

There is no reason to believe that the same situation does not obtain for the Navy -- ships do not put into port every night, and ships' crews have always had an exhausting schedule -- nor for aircrew, who, like soldiers and ground Marines, are increasingly committed to 24-hour operations.

The increased vulnerability of "rear-echelon" support forces and facilities to long-range attack by fire (such as from theater ballistic missiles, longer-range tube or rocket artillery, and special operations forces) may also argue for more youth and vigor, not less, among their members. For instance, the action causing more U.S. casualties in Operation Desert Storm than any other was a SCUD missile attack which landed amidst U.S. Army Reserve combat service support soldiers in Riyadh, Saudi Arabia, hundreds of miles behind the lines of contact between Coalition and Iraqi forces. The more likely support forces and personnel are to be fired at, the more likely they are to have drains on their supply of strength, stamina, and courage.

ARE PEOPLE REALLY MORE VIGOROUS AT A CERTAIN AGE THAN THEY USED TO BE?

It was noted above that some believe people are, today, much more vigorous at any given age than they used to be, due to better diet, health care, and more salubrious working conditions. However, it can also be argued that people are not that much more fit to participate in stressful and arduous activities in middle age than they used to be -- they just live longer, and are subject, as they age, to diseases and conditions of aging which sap their vitality just as inferior nutrition, primitive health care, and dangerous working conditions undermined the vigor of younger men and women decades or centuries ago.

Thus, while infectious diseases no longer have such disastrous effects on an overwhelmingly young population as they did before the 20th Century, diseases of aging, such as cancer and cardiovascular disease, plus muscular and spinal strains, affect the strength and stamina of the middle-aged. Lives may be longer, but ailments which continue to sap vigor and alertness are still very

much part of middle age and beyond. It seems unlikely, therefore, that a 50 or 55-year old today, on average, is substantially more vigorous than persons of similar age at any time since World War II, although a comparison going back much farther in time could show very different results.

OPTIONS FOR CONGRESS

AN INTRODUCTORY NOTE

If careers are to be lengthened, both retirement and personnel management statutes (or administrative regulations for enlisted members) should be reviewed for possible conflicts with the intended results. If this is not done, undesirable effects on both the services and individual military members could result. An extreme example, chosen for illustrative purposes only, would be to raise the minimum number of years of service required for retirement eligibility to, say, 24 -- but keeping a personnel management system which requires large numbers of members to leave service before the 24-year mark. However, other, less-drastic, consequences could result from less dramatic uncoordinated modifications of retirement and personnel management.

Indeed, such consequences already may be on the way, due to enactment of the Military Retirement Reform Act of 1986 without any corresponding changes in personnel management statutes and regulations. For instance, a major aim of the 1986 Act was to increase substantially the proportion of personnel serving for more than 20 years. However, according to DOD's own econometric model, the 1986 Act will not meet this objective.[56] This may well be because other statutes and regulations requiring mandatory retirement at certain points, depending on pay grade, were not affected by the 1986 Act. In addition, the reductions in retired pay for those personnel affected by the 1986 Act will be greater for enlisted personnel than for officers. Although the 1986 Act had no explicit intent of imposing larger benefit costs on enlisted personnel, differing career lengths and retirement ages have the effect of imposing such larger cuts. Structural changes which would have partially mitigated these differences were not adopted.[57]

Three broad options for the Congress are listed below: (1) keeping the current shorter-career norm; (2) keeping shorter careers for some, but not for all; and (3) lengthening the average military career across the board. In each case, rationales for selecting that option, plus, in the case of the latter two, ways of implementing change, are summarized.

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[56]Goldich, *The Military Retirement Reform Act of 1986: Issues and Implications*: 10, 67-71.

[57]Ibid.: 7, 29-31. It is true that because it is impossible to predict in advance all of the factors influencing the decisions of career military personnel to retire, the actual effects of the 1986 Act on the military career force are difficult to disaggregate from other factors and may well never be known. Post-Cold War reductions in active duty career strengths may exacerbate the negative effects of the 1986 Act that otherwise would have been comparatively minor and easily dealt with through small policy changes. On the other hand, if the post-Cold War manpower drawdown is largely complete by the mid- or late 1990s (as currently planned), the negative effects of the force downsizing may have abated by 2006, when the first nondisability retirees whose retired pay is computed in accordance with the 1986 Act begin retiring.

OPTION 1: KEEP THE CURRENT SHORTER CAREER NORM

It works

The major argument in favor of keeping the current military personnel management and retirement systems can be summarized as follows: the existing shorter career paradigm has produced a superb career force. This career force has proved, in the post-Vietnam War era, to be both intellectually robust and creative and physically and mentally vigorous and alert, and able to meet the pressures of both hard peacetime training and actual combat.

The shorter career norm has prevented the problem faced in all American wars through World War II, of having to weed out superannuated career personnel after and during mobilization, and only after their inadequacies have been revealed in battle. Whatever other problems U.S. forces have had since 1945, being saddled with unfit, overage career leadership, incapable of bearing the strain of war, has not been one of them.

In addition, arguments that sufficient vigor can be guaranteed by individual evaluation of physical and mental capabilities, rather than a blanket policy of a shorter career norm, although theoretically possible, could prove to be an administrative nightmare. For example, the current cumbersome and incredibly lengthy process whereby individuals are evaluated for possible physical disability separation would, if applied to the entire career force, bring timely personnel actions to a grinding halt. When dealing with hundreds of thousands of people, some broad parameters need to be set to avoid devoting a disproportionate share of total resources to "individualized" decision-making.[58]

Arguments that senior officers do not have enough time to "learn their jobs" in a shorter career environment are specious. An infinitesimal fraction of officers eventually become generals or admirals; sufficient latitude already exists within existing promotion statutes and regulations to slightly increase their career lengths (or those of selected officers in lower grades) without extending the average careers of all or a large proportion of all officers. In addition, if the services "would accept the notion that all officers need not be given an equal chance to make flag rank,"[59] then many officers would have far fewer "tickets to be punched" -- i.e., less-rushed careers.

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[58]For example, the Army apparently has severe administrative problems in keeping track of reserve retirement point credits (reserve retired pay is computed on the basis of, among other factors, points awarded to reserve members for specific types and amounts of participating in the reserve components and on active duty). See Peters, Katherine McIntire. "New Command Merges Personnel Services," and "Retirement Point Flubs Still Plague Old Center." Both in *Army Times*, September 18, 1995: 20.

[59]Comments made by Richard Fernandez, Congressional Budget Office, on a draft of this report, October 13, 1995.

The current shorter-career paradigm may have its problems, but alternatives are worse. Keeping shorter careers for some, but not for all (option 2, immediately below), could fundamentally alter the institutional characteristics of military service. The military is not a civilian employer, for whom the overwhelmingly dominant concern is the bottom line. To the extent that the military would greatly vary its retirement system in accordance with exactly what each military member does and under what conditions he or she does it would, some would argue, tear at the cohesion and common institutional loyalties of military personnel. Each decision about how much retirement credit to grant for spending time in a particular occupational specialty, participation in a particular military operation, or service in a particular location, would ultimately be a subjective decision. All servicemembers would have a vested interest in increasing the available range of credits toward shorter careers, potentially skewing the entire process.[60]

Finally, lengthening careers across the board, while certainly creating a more experienced, and therefore technically competent career force, could lead directly to some of the superannuation that the military services spent 80 years (from the Civil War to World War II) getting away from.

It doesn't cost too much

Those who argue in favor of the current shorter career paradigm also suggest that criticism of its cost is overblown. Military retirement costs are rising very slowly compared to the rates at which they rose during the 1960s and 1970s.[61] This is because the services have a smaller career force than they did between World War II and the Vietnam War. Retirement costs will drop even further in the future, because of an even smaller post-Cold War career force and two major cuts in military retirement costs and benefits in 1980 and 1986 for servicemembers who first entered during and after those years.[62] Because of the method by which the Federal Government accounts for retirement costs, these retirement cost reductions show up in the DOD budget immediately, and will be reflected in lower total Federal budget costs only later.[63] In addition, there have been a larger number of smaller retirement cuts, primarily in cost-of-living adjustments (COLAs).[64]

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[60]Although this report is concerned with active duty retirement, these issues would also come to the fore regarding reserve retirement.

[61]Goldich, *The Military Retirement Reform Act of 1986: Issues and Implications*: 37-43.

[62]See below, pp. 40-42.

[63]See below, pp. 44-45, for a discussion of the "accrual accounting" concept for military retirement.

[64]Goldich, Robert L. *COLAs for Military Retirees: Summary of Congressional and Executive Branch Action Since 1982*. CRS Report 94-7 F, Updated February 2, 1995 (and yearly thereafter).

Indeed, overall costs of various personnel management changes, according to the Rand Corporation, appear to balance out over time. Shorter careers may increase recruiting and training costs (because more new people need to be recruiting and trained to replace those leaving service), and they increase retired pay costs (because the average retiree spends more time on the retired rolls before dying). Conversely, longer careers reduce training costs, but increase active duty pay costs and the rates of retired pay of those retired. In examining five broad types of military officer career patterns, Rand found that the factors leading to cost difference "tend to offset each other, and as a result average cost per officer did not vary significantly (i.e., less than 5 percent) between alternatives."[65]

In addition, as the Military Retirement Reform Act of 1986 showed, it is possible to cut the costs of military retirement while preserving the essence of shorter careers. Retirement benefits can be reduced, while the eligibility for retirement at 20 years, and hence the pressures for retirement at the point or within a few years thereafter, can be maintained.

OPTION 2: KEEP SHORTER CAREERS FOR SOME BUT NOT FOR ALL

Some money could be saved

Those who suggest selective modification of the shorter-career norm argue that doing so would cut personnel and retirement costs to some extent. This would provide the substantive benefit of cutting Federal spending and assisting in deficit reduction. It would also comport with political reality in an era when general pressures for restraint in Federal spending, particular on entitlement programs such as retirement, is imperative.

It was noted above that at least one study indicates that the cost savings from certain different career norms would be comparatively small. However, this is only one analysis of career patterns designed to answer certain questions. It may be that different underlying assumptions would lead to different results, and that changes in the shorter-career policy, if executed with specific attention to costs, could indeed result in considerable savings.

How to vary the career length norm

Careers could be lengthened for some, while kept short for others, in accordance with a wide variety of criteria. While it would be more difficult to administer than the current system, and there unquestionably would be ambiguities, these would not be insurmountable, and could repay the additional effort required. Both policy and administrative precedents exist in the form of

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[65]Thie and Brown, *Future Career Management Systems for U.S. Military Officers*: 177-79.

a range of special pays and bonuses for both officer and enlisted personnel. These special pays and bonuses first began to be used on a wide basis when the transition to a voluntarily-recruited force began in the early 1970s. At that time, and throughout the 1970s, predictions were made that they would be impossible to administer and calibrate properly, and that, by paying military members of the same grade varying amounts depending on their jobs, they would negatively affect military cohesion and institutional characteristics.[66] None of these predictions appear to have proved valid -- at least to the extent that they have had any perceived adverse effect on the combat effectiveness of U.S. forces.

Variables that might be incorporated into the determination of normal career lengths include:

Occupational specialty. The shorter career pattern could be maintained for Army and Marine Corps combat arms and some combat support arms personnel,[67] combat aviators of all services, and Navy career fields where physical strength and stamina, combined with sea duty, argues for "vigor" determined by "youth." There could be some lengthening of careers for occupational specialties which demand less rigor than the primarily combat, seagoing, or flight-related fields, and a substantial lengthening for primarily sedentary fields. Thus, support specialties which were not themselves physically demanding, but could require service in arduous conditions, could have somewhat longer careers than combat members, while those which would be unlikely to deploy to a theater of operations or live outside of a comfortable environment could have, say, a 30-year career norm.

Nor does "vigor" have to be the only criterion for variation. For instance, occupational fields in which it is easier to retain career members could have comparatively longer careers; fields for which it is more difficult to retain career personnel could have shorter careers as a retention incentive.

There are examples of such variations in civilian life. For instance, Federal law enforcement, air traffic controller, and CIA covert/paramilitary operations personnel have shorter careers, and earlier retirement eligibility, than regular Federal civil servants.[68]

Officer or enlisted status. While career officers, especially at the very senior levels, may experience a heavier weight of responsibility than career NCOs, the latter are much more likely to have to live under arduous conditions

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[66]See, for example, Moskos, Charles C. "Compensation and the Military Institution," *Air Force Magazine*, April 1978: 31-35.

[67]See above, note 26, page 12, for the distinction among combat, combat support, and combat service support functions and branches in the Army (analogous distinctions and functions exist within the ground components of the Marine Corps).

[68]Merck, *Retirement for Federal Workers in Public Safety Occupations*.

and perform heavy physical labor than senior officers (and, of course, receive much less active duty compensation and benefits, including retired pay than officers). Strong consideration, therefore, might be given to continuing shorter careers for all or most enlisted members, while extending more officer careers.

Military service. Many more Army and Marine Corps occupational specialties and duty assignments are performed under a much broader range of stresses than are most of those in the Air Force. Navy seagoing careers involve bearing burdens and dealing with pressures unique to service afloat, but many Navy careers ashore are broadly similar to those of the Air Force. There may be no intrinsic reason why career lengths (or other aspects of personnel policy, such as active duty pay) need to be uniform across all the military services. If most career members of one service do not require anywhere near the amount of youth and vigor than most career member of other service(s), why not make much longer careers the norm for that particular service, with minor adjustments for the inevitable anomalies and exceptions? Or if it is more difficult for one service to retain career personnel than it is for the others, why not make shorter careers the norm as a retention incentive?

Location or circumstances of service. To partially account for service under arduous conditions, regardless of occupational specialty, additional service credit could be given for various kinds of duty. This could include (1) service overseas generally, (2) service in specified arduous areas even where no combat was involved (such as extreme heat or cold), (3) tours of duty where dependents could not accompany the military member (such as the current one-year unaccompanied tour for most U.S. personnel in Korea); or (4) actual combat duty (combat duty could be further refined and broken down in accordance with the type and amount of combat). This would assist in insuring that career personnel who had a good deal of more difficult service, and therefore more likely to need more "youth and vigor," would be able to retire earlier than military members whose careers were generally more sedentary.

The armed forces of the former Soviet Union had a system with many of these features, providing credit toward retirement in multiples of months for service in "the far North" (i.e., Siberia) and in combat areas. In addition, the 1976 Defense Manpower Commission, established by the Congress, recommended that:[69]

> The military retirement system should be restructured to provide for retirement eligibility with an immediate annuity only upon accumulation of 30 retirement points. Retirement points should be earned at a rate such that 30 years of service in noncombat jobs will qualify and a minimum of 20 years of service in combat jobs is needed to qualify. Intermediate rates should be assigned to jobs according to the mission and degree of combat orientation....

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[69]Defense Manpower Commission. *Defense Manpower: The Keystone of National Security*. Report to the President and the Congress. Washington, U.S. Govt. Print. Off., April 1976: 375.

Although the Defense Manpower Commission proposal did not take into account the issue of arduous service not necessarily performed in combat, it clearly points the way toward a system that orients continuation of the 20-year career norm toward only those personnel whose careers are sufficiently arduous to require it.

Combinations of the above.

Complexity a false issue

Arguments that a "point system," such as that suggested by the Defense Manpower Commission would be too complicated to administer for a career force of several hundred thousand individuals seem overdrawn. The current compensation system involves a complicated array of differing pay elements, and is clearly functioning. The current reserve retirement system, which involves crediting each individual reserve member with a certain number of points for performing a variety of military duties, generally functions well, despite occasional administrative problems inevitable in any system dealing with several hundred thousand people. There is no reason why an active duty retirement system cannot take into account a similar number of variables, given the capabilities of modern management information systems.

Changing career fields from more to less "vigorous" over time

Yet another variation would involve the systematic transfer of career personnel who, as they age, become insufficiently "vigorous," from the combat arms and combat billets into support fields. This is already done on a large scale by the Marine Corps, which has a large requirement for company-grade combat arms officers (lieutenants and captains) which narrows sharply in the field officer grades (majors and above). To a certain extent, the Army has (or has had) a similar policy.

OPTION 3: LENGTHEN THE AVERAGE MILITARY CAREER ACROSS THE BOARD

Saves the most money

If one assumes that the progressive lengthening of the average military career would save money, then an across-the-board increase would save the most money. Although, as noted above, predictions of cost savings (or increases) from changes in military personnel policy can vary greatly in accordance with the underlying assumptions, such policy changes can be designed with cost savings in mind. Thus, while an older career force would lead to increased active duty compensation costs per career member, these increased pay costs might be counterbalanced by maintenance of a smaller career force. Or, conversely, an

older career force might have lower training costs per member due to the greater average level of experience and skill, but these lower costs might be cancelled out by increased retired pay costs due to longer careers. The exact answers depend on precisely how the new career norm is designed.

Recognizes that change has taken place

Lengthening careers across the board would recognize that there have been major changes in the environment in which the military career force operates, and therefore in the requirements which career members have to meet. Although one or two individual factors might not by themselves suggest sufficient need to end the shorter-career norm, the cumulative weight of supporting changes can arguably do so. All Federal retirement costs are under enormous budgetary pressure. While some elements of the military still indeed require a great deal of "vigor," this does not mean that those elements need to have their vigor maintained by an across the board policy of shorter careers. Perhaps people are more vigorous in their forties and early fifties than they were three or four generations ago. "A system of testing to ensure that personnel continue to be able to meet billet requirements would go far toward ensuring that the services had the youth and vigor they need without arbitrarily terminating the careers of productive service members."[70]

Keep it simple

Lengthening careers across the board would preserve one feature of the current system of shorter career norms -- simplicity. Varying career lengths by a complicated formula depending on individual military occupational specialty, combat duty, overseas duty, duty with or without dependents, and so on, could be an administrative nightmare for a career force of several hundred thousand officers and NCOs. Better to exchange one generalized career norm for another, than trying to micromanage every officer and NCO's career without any norms.

How to lengthen the career norm

As noted above, any decision to lengthen the normal military career would require changes in both retirement and personnel management policies -- in statute for officers, and regulations for enlisted personnel. These changes could include the following:

Enforce the optional nature of 20-year retirement. Existing law provides that military members may request retirement after reaching the 20-

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[70]Comments of Neil Singer, Congressional Budget Office, on a draft of this report, October 12, 1995.

year mark.[71] The appropriate service is not required by law to approve such a request. Hence, careers could be lengthened by changing the administration of these statutes so as to no longer allow virtually automatic approval of retirement requests at any time after the 20-year mark. Such a change, however, would not automatically change other personnel management statutes, principally those governing promotion policy, which would probably have to be amended to shape the force and prevent anomalies and inequities arising from the new career norm.

Change existing law so that members may not even request retirement until some point beyond 20 years -- 24, 26, or even 30 years -- and modify the promotion system accordingly. This would insure a comprehensive rather than piecemeal approach to changing the personnel management system. Also, the lengthy discussion and debate which accompanies major legislative action would insure that, whatever other concerns military personnel and others had over the change, they would not feel that it was not being implemented sub rosa, without full public debate.

Careful design of longer career options could deal with many concerns

The central concerns of people concerned about across-the-board lengthening of careers is that the career force will be superannuated when the United States goes to war, and that with longer service required to get the same amount of retired pay, career retention would drop unacceptably. However, as noted above, there are countervailing measures to insure that where youth and vigor is needed, it would be present, and that other, more tailored, less-expensive methods exist to insure adequate career retention, rather than 20-year careers for all.

Several studies have proposed such measures. Some have suggested using special pays and bonuses, targeted on specific skills where retention is a problem. Others have suggested offering increased cash compensation in the form of a lump sum and/or early (pre-20-year) vesting in the retirement system.[72] A more recent study by the Rand Corporation suggests across-the-board increases in active duty pay (perhaps with some variation by pay grade), funded with the savings obtained from retired pay cuts, would be the most efficient method of maintaining and improving career retention. The Rand study cautiously estimates that its proposals would enable DOD "to maintain

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[71]See 10 USC 3911 and 3914 (Army officers and enlisted members respectively); 10 USC 6323 and 6330 (Navy and Marine Corps officers and enlisted members) 10 USC 8911 and 8914 (Air Force officers and enlisted members).

[72]See, for example, *Report of the President's Commission on Military Compensation.* Submitted to President Jimmy Carter, April 1978: 67-70; and Department of Defense. Office of the Secretary of Defense. *Fifth Quadrennial Review of Military Compensation. Volume I: Uniformed Services Retirement System.* January 1984: I-1/I-36 and *passim.*

forces at least as capable as today's at no higher cost."[73] Without necessarily endorsing their specific proposals, their approach -- which does not dismiss the requirements for "youth and vigor," and is not limited to retirement alone -- would appear to be a good model for further studies of the continued viability of the shorter-career norm.

Finally, longer careers could strengthen the professional capabilities of career members across the board by creating a more experienced force. The ceaseless rotation of career members from one job to another, in an attempt to insure minimal competence in a wide variety of military tasks, could be replaced by both longer assignments and a broader range of assignments. Career members would have more time to hone their core competencies and to obtain experience in assignments or formal education outside of their fields.

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[73]Asch, Beth J., and John T. Warner. *A Policy Analysis of Alternative Military Retirement Systems*. Report no. MR-465-OSD. Santa Monica, CA, The Rand Corporation, 1994.

CONCLUDING OBSERVATIONS

THE RELEVANCE OF COMPARISONS BETWEEN MILITARY AND CIVILIAN INSTITUTIONS

Some of the arguments made in favor of a longer military career norm are based on making military career patterns more like those of civilian organizations. Some of these derive from the assertion that many aspects of military operations, and hence careers, have indeed become more like those of civilian society. Others assume that molding military career patterns to look more like civilian career patterns is in itself a good -- that it leads to greater public support for, and confidence in, the military as an institution, for example.[74]

The first of these two sets of arguments is easier to analyze. Clearly some military occupational skills have substantial civilian analogues. Just as clearly, other skills have few or none. Many are in the middle. Similarly, many environments in which the military operates require vigor (whether or not it is guaranteed by youth), regardless of the specific job skills involved. The issue, therefore, is whether there are any occupational fields in which both the specific skills and the environments in which these skills are likely to be employed do not demand the kind of vigor guaranteed by the 20-year career norm? If this kind of vigor is needed, are there more efficient (i.e., less costly) ways of achieving it? The second is more dubious. There is no clear evidence that the American public as a whole accepts that there is positive good in the military as an institution being similar to civilian institutions. There is certainly ample impressionistic evidence, in which repeated public opinion polls over the past 25 years have shown the military to be the most respected, or admired, public institution in the United States, that the public has a high opinion of the military as it is. In short, there appears to be little basis for assuming that military institutions do a better job, or are better regarded by the public, if they are more, rather than less, like civilian institutions.

MILITARY-OPERATIONAL REALITY IN THE LATE 20TH CENTURY

A survey of recent conflicts involving highly organized and technologically sophisticated armed forces leaves little doubt that:

- Modern military operations (whether training, actual combat, or operations other than war) require most participants, regardless of occupational skill or of military rank, to have a great deal of physical and mental stamina and endurance, which can only be guaranteed by emphasis on "vigor," regardless of how vigor is maintained. There are strong indications that this requirement has not diminished due to technological and organizational change, and it can be argued that it

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[74]See Thie and Brown, *Future Career Management Systems for U.S. Military Officers*: 153-54, 182-85.

may have increased. It applies to personnel in many support as well as in combat occupational specialties and units, and to many personnel stationed within the United States as well as in overseas areas where hostilities are more likely to occur;

- Modern military operations also require a great deal of technical and tactical competence, which, in order to be acquired and maintained, can only be obtained through substantial experience throughout a career. This experience can be obtained only through a combination of service in actual operational billets and in formal training and education. This requirement has increased and may well continue to do so.

The issue, therefore, is the tradeoff between stamina (provided by youth and vigor, if youth is required to maintain vigor) and competence (guaranteed by experience, gained through either training or actual operations). Without high levels of individual training and readiness, of which one, but not the only, component, is overall physical fitness and mental/emotional endurance, U.S. forces are less likely to win, or more likely to expend more lives and money to win. Nor, despite ongoing rapid change in military technologies and doctrines, is there as yet any indication that future career personnel will be able to successfully conduct future military operations with less than current levels of physical fitness and stamina.

"THE AMERICAN PEOPLE WANT A WIN"

Cost and efficiency considerations always count, but, as former Army Chief of Staff General Gordon Sullivan once said, when U.S. forces go to war, the American people do not want elaborate academic or programmatic excuses for failure; "what they expect is a win."[75] These attitudes suggest that modification of the shorter career norm, which is arguably related more closely than many other aspects of military personnel management and compensation policy to military-operational considerations, should only be undertaken with caution. When U.S. forces are not engaged in combat -- i.e., most of the time -- the American public can be very defense cost-conscious. However, there are few if any indications that, when U.S. forces are committed to combat, the American people, or their representatives, are very concerned about the costs of the military career force, the extent to which it is or is not in tune with civilian mores and attitudes, or its average age. They want that career force to lead their troops to victory.

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[75]Interview with General Sullivan, *Army*, January 1992: 26.

APPENDIX:

BACKGROUND AND MAJOR PROGRAM FEATURES OF MILITARY RETIREMENT

STATUS OF MILITARY RETIREMENT

In FY 1996, total Federal budget outlays for military retirement will be an estimated $27.9 billion, and DOD budget outlays will be $11.1 billion. The differing figures for total Federal and DOD outlays result from the use of the "accrual" method in accounting for the costs of military retirement.[76] The actual number of retirees and survivors at the end of FY 1994 was 1.78 million, who were paid a total of $26.8 billion (1,250,000 nondisabled retirees from an active duty military career were paid $22.05 billion; 124,000 disability retirees were paid $1.51 billion; 204,000 reserve retirees were paid $1.92 billion; and 202,000 survivors were paid $1.32 billion).

ELIGIBILITY AND BENEFIT CRITERIA

The military retirement system covers members of the active duty and reserve components of the armed forces, and consists of three major elements: (1) nondisability retirement from both the active and reserve components of the armed forces (retirement after a full-time military career, or from a part-time military career of at least 20 years of active duty and creditable reserve component service combined); (2) disability retirement; and (3) survivor benefits for eligible survivors of deceased military retirees. In FY1994, nondisability retirement from an active duty military career accounted for approximately 82% of all military retirement costs and 70% of all retirees and survivors; disability retirement for 6% of costs and 7% of beneficiaries; reserve retirement for 7% of costs and 11% of beneficiaries; and survivor benefits for 5% of costs and 12% of beneficiaries.[77]

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[76]See below, pp. 40-42.

[77]See the annual DOD *Statistical Reports on the Military Retirement System*, published by the Office of the Actuary, Department of Defense. As of this writing, the most recent is that for FY 1994.

NONDISABILITY RETIREMENT FROM AN ACTIVE DUTY MILITARY CAREER

Entitlement to nondisability retired pay and retired pay computation base

A servicemember is generally authorized to retire upon completion of 20 years of service, regardless of age.[78] (The typical enlisted member retiring from an active duty military career in FY 1994 was 41 years old; the typical officer was 45 years old.) A member who retires from active duty is paid an immediate monthly annuity based on a percentage of his or her *retired pay computation base*. For persons who entered military service before Sept. 8, 1980, the retired pay computation base is final monthly basic pay at the time of retirement. Basic pay is one component of total military compensation, comprising 65 to 75% of the total depending on the service member's entitlement to various special pay, bonuses, and other elements of compensation. A member retiring under this provision of law at the 20-year mark thus receives retired pay equivalent to about 34% of his or her total active duty compensation being received upon retirement (special pays and bonuses are not included in the retired pay computation base).[79] For those who entered service on or after Sept. 8, 1980, the retired pay computation base is the average of the highest 3 years (36 months) of basic pay. These latter members will receive retired pay equal to about 32% of their total active duty compensation at the 20-year mark.[80]

Nondisability retired pay computation formula

The formula used for computing the annuity as a percentage of the retired pay computation base was changed by the Military Retirement Reform Act of 1986.[81] The Act provides that the previous formula shall be used in computing the retired pay of all military personnel who first entered military service before Aug. 1, 1986. This formula provides that retired pay is computed at the rate of

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[78]The FY 1993 National Defense Authorization Act (Sec. 4403, P.L. 102-484, October 23, 1992) authorizes DOD, on a temporary (until October 1, 1995) and discretionary basis, to allow active duty military members to retire and immediately begin receiving retired pay, with a minimum of 15, rather than the preexisting 20, minimum years of service (YOS)). DOD may use such factors as grade, precise years of service, and occupational skill in determining whether a military member will be allowed to retire with no less than 15 YOS. Such early retirement was in fact used in the 1930s to assist in removing a surplus of officers with 15-20 YOS. Early retirees will be eligible for the full range of medical, commissary and exchange, and other benefits that current 20-year retirees receive. Existing formulas for computation of retired pay and COLAs will apply. The early retirement statute also authorizes additional, deferred retired pay for early military retirees who take certain public sector jobs after leaving the military.

[79]Comments of Frank Rush, Principal Deputy Assistant Secretary of Defense (Force Management Policy) on a draft of this report, October 1995.

[80]Ibid.

[81]For a detailed analysis, see Goldich, *The Military Retirement Reform Act.*

2.5% of the retired pay computation base for each year of service. The minimum amount of retired pay a member can receive under the old formula is, therefore, 50% of the computation base (20 years of service x 2.5 percent). A 25-year retiree receives 62.5% of the computation base (25 years of service x 2.5 percent). The maximum, reached at the 30-year mark, is 75% of the computation base (30 years of service x 2.5 percent).

For military personnel who first enter military service on or after Aug. 1, 1986, the Military Retirement Reform Act of 1986 made two major changes in the retired pay computation formula:

First, the Act provides that for retirees under age 62, retired pay will be computed at the rate of 2.0% of the retired pay computation base for each year of service through 20, and 3.5% for each year of service from 21 to 30. Under this new formula, a 20-year retiree received 40% of the retired pay computation base upon retirement (20 years of service x 2.0 percent), and a 25-year retiree will receive 57.5% of the computation base [(20 years of service x 2.0 percent) + (5 years of service x 3.5 percent)]. A 30-year retiree, however, will continue to receive 75% of the retired pay computation base [(20 years of service x 2.0 percent) + (10 years of service x 3.5 percent)]. Members retiring at the 20-year mark under this formula will receive retired pay equal to about 25% of their total active duty compensation. The new formula, therefore, is skewed much more sharply in favor of the longer-serving career military member, theoretically providing an incentive to remain on active duty longer before retiring.

Second, the 1986 Act provides that when a retiree reaches age 62, retired pay will be recomputed on the basis of the old formula (i.e., a straight 2.5% of the retired pay computation base for each year of service). Thus, beginning at age 62, the 20-year retiree receiving 40% of the computation base for retired pay, according to the new formula, begins receiving 50% of the original computation base; the 25-year retiree's annuity jumps from 57.5% of the original computation base to 62.5 percent; and the 30-year retiree's annuity, already at 75% of the original computation base under both the old and new formulas, does not change.

These changes in the retired pay computation formula apply only to active duty nondisability retirees (those individuals retiring from a military career) who first enter military service on or after Aug. 1, 1986. Disability retirees and Reserve Component retirees are not affected.

COST OF LIVING ADJUSTMENTS (COLAs)

Military retired pay is protected against inflation. The 1986 Act provides that, for military personnel who first entered military service before Aug. 1, 1986, each December a COLA equal to the percentage increase in the Consumer Price Index (CPI) between the third quarters of successive years will be applied to military retired pay for the annuities paid beginning each January 1.

For military personnel who first enter military service on or after Aug. 1, 1986, the Act modifies the above formula by providing that annual retirement COLAs will be held to 1 percentage point below the actual inflation rate. Retirees covered by this new COLA formula would thus receive a 2.0% increase (rather than 3.0 percent) in their military retired pay under the hypothetical example described in the above paragraph. When a retiree reaches age 62, there is a one-time recomputation of his or her annuity to make up for the lost purchasing power caused by the holding of COLAs to the inflation rate minus 1 percentage point. This recomputation is applied to the old, generally more liberal retired pay computation formula on which retirees 62 or older have their annuities computed (see the above subsection entitled *Nondisability Retired Pay Computation Formula*), compounding, for most retirees, the size of this one-time annuity increase. After the recomputation at 62, however, future COLAs will continue to be computed on the basis of the inflation rate minus 1 percentage point.

These changes in the COLA formula apply to <u>all</u> persons who first enter military service after Aug. 1, 1986--active duty nondisability retirees, disability retirees, and Reserve Component retirees. The Act thus applies the changed COLA formula to a much broader group of individuals than it does the changed retired pay computation formula.

These statutes were temporarily modified by legislation enacted in 1993, 1994, and 1995. The Omnibus Budget Reconciliation Act (OBRA) of 1993 moved the payment date of the 1994 COLA for nondisability retirees from January 1 to April 1, and to October 1 for 1995, 1996, 1997, and 1998. However, provisions of the FY 1995 National Defense Authorization Act (Section 631, P.L. 103-337, Oct. 5, 1994) and the FY1995 DOD Appropriation Act (Section 8114A, P.L. 103-335, Sept. 30, 1994) superseded the 1993 OBRA and provided that the FY1995 COLA was first to be paid to nondisability retirees on Apr. 1, 1995. Similar provisions of both the House and Senate versions of the prospective FY1996 National Defense Authorization Act, and of the prospective FY1996 reconciliation bill, would provide for the FY1996 COLA to be paid to nondisability retirees beginning Apr. 1, 1996.

DISABILITY RETIREMENT

Entitlement to disability retired pay

A service member with *at least 8 years of service* becomes entitled to disability retired pay if:

- the disability is at least 30% (based on a standard schedule of rating disabilities maintained by the VA, although the medical examinations to determine the degree of disability are conducted by DOD);[82] *or*

- the member, regardless of the degree of disability, has at least 20 years of service (i.e., is eligible for nondisability retired pay).[83]

A service member with *less than 8 years of service* becomes entitled to disability retired pay if:

- the disability is at least 30 percent; *and*

- it was incurred on active duty or in the line of duty.[84]

Disability retired pay computation base

As with nondisability retired pay, for persons who entered military service before Sept. 8, 1980, the retired pay computation base is final monthly basic pay being received at the time of retirement. For those who entered service on or after Sept. 8, 1980, the retired pay computation base is the average of the highest 3 years (36 months) of basic pay.[85]

Disability retired pay computation formula

Disability retired pay is computed on the basis of one of two formulas, whichever is more financially advantageous to the service member: (1) 2.5% of the retired pay computation base for each year of service (which is identical to the nondisability retired pay computation formula); or (2) the retired pay computation base multiplied by the percentage of disability.

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[82]Although the standards used to determine disability ratings are the same for military disability retirement and veterans' compensation, the bases on which payment amounts are determined are different: disability retirement payments are based on preretirement military pay, whereas veterans' compensation payments are essentially arbitrary amounts legislated by the Congress and increased periodically to account for inflation.

[83]See below, p. 43, for a more detailed discussion of the disability retired pay computation formula for disability retirees who are entitled also to nondisability retired pay.

[84]This is a simplification of complex and overlapping statutes which operate to produce a comparatively simple set of entitlements to disability retired pay. See: U.S. Dept. of Defense, *Military Compensation Background Papers*, p. 485-486. DOD also notes that "...for all practical purposes the distinction between over 8 and under 8 is negligible, as line of duty includes virtually all cases." Comments on a draft of a previous CRS report by a staff member of the Compensation Directorate, Office of the Secretary of Defense, Feb. 21, 1995.

[85]See above, p. 41.

RESERVE RETIREMENT

To be eligible for reserve retired pay, a military member must complete at least 20 years of qualifying service -- either (1) active duty or (2) part-time reserve duty at a specified minimum level of participation -- and be at least age 60. Retired pay is generally computed based on the basic pay scale in effect when the member applies for retired pay on or after age 60. It is calculated by multiplying the reservist's "equivalent years of active service" by 2.5 percent, and multiplying the resulting percentage amount by the member's final basic pay level, if the member entered military service before Sept. 8, 1980, or by the average basic pay of the highest 3 years (36 months) of the member's military service, if the member entered on or after Sept. 8, 1980. "Equivalent years of active service" are computed on a point system, in which a certain number of points are credited to an individual based on active duty, active duty for training, inactive duty training ("weekend drill"), completion of various military training and educational requirements, and participation in a reserve component in an active status.[86]

SURVIVOR BENEFITS

Most military retirees elect to participate in the DOD Survivor Benefit Plan (SBP). Under the SBP, a military retiree can have a portion of his or her monthly retired pay withheld to partially finance (the remainder of the costs being borne by the Government), after the retiree's death, a monthly survivor benefit to a surviving spouse or other eligible recipient(s). The survivor benefit is a percentage (a maximum of 55 percent) or a base amount (that amount of retired pay that the retiree selects to be used in determining the SBP benefit and cost). SBP basic benefits are reduced at age 62 to reflect the eligibility of the beneficiary for social security.[87]

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[86]See Department of Defense. *Sixth Quadrennial Review of Military Compensation. Volume I: National Guard and Reserve Compensation*. August 1988: 9-2. Several benefits, broadly analogous to those provided the active force, have been enacted to assist personnel involuntarily separated from the reserve components during the post-Cold War drawdown. These include, for various categories of reservists, (1) early qualification for reserve retirement (after 15 but less than 20 years of service), with eligibility for reserve retired pay at age 60 (which is current policy); and (2) a lump-sum separation benefit.

[87]The SBP is an extraordinarily complex program. For a summary, see Burrelli, David F. *The Military Survivor Benefit Plan: A Description of Its Provisions*. CRS Report 94-779 F, October 6, 1994.

MILITARY RETIREMENT COST TRENDS AND ACCOUNTING MECHANISMS

Accounting for military retirement in the federal budget

All DOD budgets through FY1984 reflected the costs of retired pay actually being paid out to personnel who had already retired. The Congress simply appropriated the amount of money required to pay current retirees each year. Since FY1985, the "accrual accounting" concept has been used to budget for the costs of military retired pay. Under this system, the DOD budget for each fiscal year reflects the estimated amount of money that must be set aside and accrued at interest -- actually, invested in special, non-marketable U.S. Government securities similar in some ways to Treasury bills and bonds -- to fund the retired pay to which persons currently in the armed forces during that fiscal year, and who ultimately retire, will be entitled in the future. These estimated future retirement costs are arrived at by making projections based on the past rates at which active duty military personnel stayed in the service until retirement, and on assumptions regarding the overall U.S. economy, such as interest rates, inflation rates, and military pay levels. These DOD budget outlays for retirement are computed as a percentage of a fiscal year's total military pay costs for each military service. Approximately 35-40% of military basic pay costs must be added to the DOD personnel budget each fiscal year to cover the future retirement costs of those persons serving in the active force and the Selected Reserve components of the armed forces who ultimately retire from the military.[88]

Department of Defense budget outlays in each fiscal year that pay for the estimated cost of future retirees are transferred -- in a paper transaction -- to a Military Retirement Fund, located in the Income Security Function (Function 600) of the Federal budget. The Military Retirement Fund also receives [paper] transfers from the General Fund of the Treasury to fund the initial unfunded liability of the military retirement system. This is the total future cost of military retired pay that will result from military service performed prior to the implementation of accrual accounting in FY1985. Money is disbursed from this Military Retirement Fund to current retirees. Individual retirees continue to receive their retired pay from DOD finance centers. Technically, however, because this money paid to individuals comes not from the DOD budget, but from the Fund, it is paid out by the Income Security function of the Federal budget. Actual payments to current retirees thus show up in the Federal budget as outlays from the Federal budget as a whole, but not from DOD. Under accrual accounting, therefore, **total Federal** outlays for each fiscal year continue to reflect only the costs of payments to military members who have already retired, as they did before accrual accounting was first instituted. *Accrual accounting only changes the manner in which the Federal*

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[88]For a detailed discussion of the operation of accrual accounting, see *Valuation of the Military Retirement System*. Prepared annually by the Office of the Actuary, Department of Defense, as of September 30 [i.e., the end] of each fiscal year, and Goldich, *The Military Retirement Reform Act of 1986: Issues and Implications*: 34-37.

Government accounts for military retired pay on paper; it does not affect actual payments to individuals in any way.

Unfunded liability

Current debates over both Federal civilian and military retirement have included some discussion of the "unfunded liability" of both. As noted above, the military retirement system's unfunded liability consists of future retired pay costs incurred before the creation of the Military Retirement Fund at the beginning of FY1985. These obligations are slowly being liquidated by the payment to the Fund each year of an amount from the General Fund of the Treasury, and will be fully paid, based on current calculations, by FY2043. As of the end of FY1994, the total unfunded liability was $491.4 billion.[89] This figure is based on projected increases in active duty military pay and retired pay COLAs.

Concern has been voiced about the size of the unfunded liability within the Congress. For instance, Section 312 of the FY1996 budget resolution (H. Con. Res. 67, conference report dated June 26, 1995) states that it is the sense of the Congress that "a high-level commission should be convened to study the problem associated with the Federal retirement system and make recommendations that will insure the long-term solvency of the military and civil service retirement funds."

However, it should be noted that (1) the hundreds of billions of dollars of unfunded liability represents a cumulative total to be paid out to retirees over the next approximately 50 years, not all at once (private pensions can come due all at once if a company goes out of business and has to pay off the pension liabilities of its employees immediately); (2) by the time some persons first become eligible for retired pay under the pre-accrual accounting system, many others will have died; and (3) unlike the private sector, there is no way for employees to claim immediate payment of their future benefits. An analogy would be the mortgage on a house. Most homeowners cannot afford to pay cash for a house, so they get a mortgage. If the mortgage had to be paid in full, almost no homeowners could afford to do so. However, spread out over 30 years, the mortgage payments are affordable for many. Similarly, the unfunded liability of a Federal retirement program is affordable when payments based on the unfunded liability are spread over several decades.

Military retirement cost trends

Because military retirement is an entitlement paid to individuals, rather than a discretionary program, the retirement costs to the total Federal budget (payments to current retirees and survivors) always rise modestly each year, to deal with an easily-predictable slow rise in the number of retirees and survivors.

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[89] *Valuation of the Military Retirement System as of September 30, 1994*: 13.

Eventually, as the smaller career forces of the post-Cold War armed forces result in fewer newer retirees than deaths each year, the total Federal budget costs will decline (DOD projects this will begin in FY2009).[90] However, the cost to the DOD budget (estimated future retirement costs of current active and reserve personnel) has already started to drop, as the size of the force -- and hence, the number of people who will retire from it in the future -- continues to decline.

[90] *Ibid.*: 20.