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Recruiting and Retention: A Brief Overview of FY2004 Results for Active Component Personnel

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Summary

This report provides a brief overview of the FY2004 recruiting and retention rates for active component personnel. This report does not cover recruiting and retention rates for reserve component personnel.

Since the September 11, 2001 attacks on the World Trade Center and the Pentagon, the United States has launched three major military operations: Operation Noble Eagle (ONE), which covers military operations related to homeland security; Operation Enduring Freedom (OEF), which includes ongoing military operations in Afghanistan and certain other countries; and Operation Iraqi Freedom (OIF), which includes ongoing military operations in Iraq. ONE, OEF, and OIF have dramatically increased the operations tempo of the military services, and especially of the Army, which has shouldered the bulk of the manpower burden associated with the occupation of Iraq. Additionally, more military personnel have been killed or wounded in Iraq than in any other conflict since the Vietnam war. Many observers have expressed concern that the current operations tempo, and the level of casualties in Iraq, might lead to lower recruiting and retention rates, thereby jeopardizing the vitality of today's all-volunteer military.

To date, recruiting and retention rates for active component officer and enlisted personnel have remained generally strong. There are, however, some areas of concern. Most importantly, the Army will face significant recruiting and retention challenges in the coming year due to its increased recruiting and retention goals for FY2005, coupled with the relatively small number of people in the its "delayed entry pool" (which consists of individuals who have signed a contract to join the military at a future date).

This report will be updated as necessary.

Recruiting. Recruiting has been called the life blood of the Military Services. Without a robust ability to bring new members into the military, the Services would lack sufficient manpower to carry out mission essential tasks in the near term and would lack a sufficient pool of entry-level personnel to develop into the mid-level and upper-level leaders of the future. To protect against this, the individual military Services set goals for “accessions,” or new recruits, each year. There are both “quantity”¹ and “quality”² goals. Officer and enlisted goals are set separately.

The recruiting data presented in **Table 1** show that all of the Services met their enlisted accession *quantity* goals in FY2004. However, the Army may encounter recruiting problems in FY2005 due to the relatively small number of people in its Delayed Entry Program (DEP). The DEP is made up of those individuals who have signed a contract to join the military at a future date, up to one year in advance, but who have not yet “shipped” to basic training. Typically, the Army likes to have about 35% of the coming year’s recruit quota already enrolled in the DEP. However, because the Army drew heavily on its DEP in FY2004 to meet its quantity goal, and because it fell short of its FY2004 goal for new recruit contracts by 15%,³ it started FY2005 with only about 18% of the 80,000 individuals it hopes to send to basic training in the upcoming fiscal year. This relatively low level of the DEP may make it difficult for the Army to achieve its quantity goal for FY2005. The Army’s plan to meet this challenge includes increasing the size of its recruiting force by nearly 20% and offering more generous enlistment incentives.

The recruiting data presented in **Table 2** show that all of the Services exceeded DoD enlisted accession quality benchmarks in FY2004. The two principal DoD quality benchmarks are the percentage of non-prior service enlistees who are high school diploma graduates (HSDG) and the percentage who score above average on the Armed Forces Qualification Test (AFQT Categories I-III). Each of the Services exceeded the DoD

¹ This quantity goal is based primarily on the difference between the congressionally authorized end strength of the Service for a given fiscal year and the projected number of personnel the Service will actually have at the end of the year. Officer and enlisted accession goals are set separately. To simplify somewhat, if a Service has an authorized end strength of 200,000 enlisted personnel in a given year, and it projects that it will retain 175,000 of its current enlisted members through the year, it will set a goal of bringing in approximately 25,000 new enlisted recruits for that year (actually, the goal will be slightly higher to account for those new recruits who drop out, usually while in initial entry training). The actual number of new enlisted recruits a Service needs, however, may change during the year as new projections are made about the retention of currently serving enlisted personnel or if the Service is required to increase or decrease the total size of its force.

² DoD measures enlisted recruit “quality” based on two criteria: graduation from high school and score on the Armed Forces Qualification Test (AFQT). Since FY1993, DoD’s benchmarks for recruit quality stipulate that at least 90 percent of new recruits must be high school graduates and at least 60 percent must score above average on the AFQT.

³ The Army’s goal for new enlistment contracts in FY2004 was 90,222. The actual number of new contracts it achieved was 76,656, a shortfall of 13,566. While the standard measure of recruiting success for the Services is the achievement of their accessions goals (that is, the people who actually “ship” to basic training), the ability to achieve contract goals is often seen as a “leading indicator” of recruiting strength or weakness.

quality benchmarks, often by significant margins. Additionally, the quality for all Services was comparable to that of recent years (FY2000-2003).⁴

Officer recruiting differs from enlisted recruiting in that two of the major officer recruiting programs — the military service academies and the Reserve Officer Training Corps (ROTC) — take up to four years to produce newly commissioned officers. Thus, compared to enlisted accessions, the number of new officer accessions is more dependent on programming decisions made years earlier.⁵ For FY2004, all of the Services met their overall officer accession goals, although there were some shortfalls in traditionally hard to fill skills such as physicians, dentists, and nurses.

Retention. The term retention refers to the rate at which military personnel voluntarily choose to stay in the military. Imbalances in the retention rate can cause problems within the military personnel system. A common retention concern is that too few people will stay in, thereby creating a shortage of experienced leaders, decreasing military efficiency and lowering job satisfaction.⁶

The retention data presented in **Table 3** show the Services meeting or exceeding nearly all their goals for enlisted personnel in FY2004. However, there were some shortcomings. The Navy failed to meet its retention goal for sailors with fewer than six years of service by about two percentage points and the Air Force failed to meet its retention goal for airmen serving in their second enlistment by about five percentage points. These shortfalls will probably have a limited impact given their modest size, but it should be noted that the Air Force's inability to meet its retention goal for airmen serving in their second enlistment is part of a longer term trend. It has fallen short of this goal for seven of the past eight years, by four to six percentage points each year. The Army may also face challenges in meeting its retention goal for FY2005, which is 14% higher than it was in FY2004.

Overall officer retention in FY2004, as measured by continuation rates,⁷ trended slightly downward in comparison to FY2003; however, the FY2004 rates were generally

⁴ Historical recruit quality data available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>]. Historical recruit quantity data available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

⁵ The other two main officer commissioning programs are Officer Candidate School and Direct Commissioning. These programs produce newly commissioned officers much more rapidly — usually in a matter of months — and can be used to meet short term fluctuations in officer recruiting.

⁶ Note, however, that the opposite concern sometimes surfaces: namely, that too many people will stay in, thereby decreasing promotion opportunities and requiring a higher percentage of people to be involuntarily separated in order to prevent the organization from becoming “top heavy” with middle and upper level leaders. Retention that is too high or too low can have a negative impact on recruiting by making the military a less attractive career option.

⁷ Continuation rates are the measure of retention commonly used with commissioned officers. Unlike enlisted personnel, officers do not sign enlistment and re-enlistment contracts for specified periods of time; they may resign at any time after the end of their service obligation (usually four or five years after commissioning, but sometimes longer). As such, continuation rates — which measure the percentage of officers who continue in the service from one year to the next — are commonly used to measure their retention.

still a bit higher than they were in FY2000.⁸ One exception to this was the continuation rates for Marine Corps officers with less than eight years of service. These officers had continuation rates in FY2004 that were lower than the FY2003 rates and, in most cases, were also slightly below those of FY2000. Despite the generally strong overall continuation rates, there are retention concerns for some officer specialties. For example, the Navy is concerned about lower than normal retention rates for intelligence officers, while the Army has some concerns about retention among captains.

Conclusion. Congress has a number of options to address any recruiting and retention shortfalls that do occur. The traditional policy levers used by Congress and DoD include increased funding for advertising, increasing the size of the recruiting force, and larger enlistment, re-enlistment, and critical skills retention bonuses. Some have also argued that, in order to prevent serious recruiting and retention problems from surfacing in the future, the frequency and duration of military deployments needs to be decreased promptly. To facilitate this, they have advocated increasing the size of the military, reducing the number of U.S. military personnel deployed, or shortening the duration of rotations.

Table 1: Recruiting Data (Quantity) for Active Component Enlisted Personnel, FY2004 and 2005⁹

Service	FY2004 (Goal)	FY2004 (Achieved)	FY2004 Percent of Goal	FY2005 (Goal)
Army	77,000	77,586	101%	80,000
Navy	39,620	39,871	101%	38,500
Marine Corps	30,608	30,618	100%	33,052
Air Force	34,080	34,361	101%	24,465

⁸ FY2000 is sometimes used as a “benchmark” year, as it was the last full fiscal year unaffected by the U.S. response to the terrorist attacks of September 11, 2001.

⁹ Data provided by the Office of the Deputy Under Secretary for Military Personnel Policy, available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

Table 2: Recruiting Data (Quality) for Active Component Enlisted Personnel, FY2004 (Non-Prior Service Enlistees only)¹⁰

Service	DoD Quality Benchmarks		FY2004 (Achieved)	
	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A
Army	90%	60%	92%	72%
Navy	90%	60%	94%	70%
Marine Corps	90%	60%	97%	69%
Air Force	90%	60%	99%	82%

¹⁰ Data provided by the Office of the Deputy Under Secretary for Military Personnel Policy, available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>]. HSDG data for the Army omits up to 4,000 participants in the GED+ program. GED+ is an experimental program which allowed high-school dropouts with exceptionally high scores on the AFQT to complete their General Educational Development (GED) credential and then enlist in the military. The GED+ program was ended during FY2004.

**Table 3: Active Component Enlisted Retention Data,
FY2004 and FY2005¹¹**

Service/ Retention Categories	FY2004 (Goal)	FY2004 (Achieved)	FY2005 (Goal)
Army¹²			
- Initial Term	23,000	24,903	26,935
- Mid Career	20,292	21,120	23,773
- Career	12,808	13,987	13,454
Navy¹³			
- Zone A	56%	54.1%	56%
- Zone B	70%	70.2%	70%
- Zone C	85%	86.9%	85%
Air Force¹⁴			
- 1st Term	55%	63%	55%
- 2nd Term	75%	70%	75%
- Career	95%	97%	95%
Marine Corps¹⁵			
- 1st term	5,990	6,011	5,703
-Subsequent	5,628	7,729	5,003

¹¹ Data provided by the Department of Defense through Tom Jones, Office of the Secretary of Defense, Legislative Affairs.

¹² The Army tracks retention rates in three categories: initial term (serving in first enlistment, regardless of length), mid-career (second or subsequent enlistment with less than ten years of service), and career (second or subsequent enlistment with ten or more years of service). It states its retention goals in terms of raw numbers.

¹³ The Navy's most important retention categories are Zone A (up to six years of service), Zone B (6 years of service to under 10 years of service) and Zone C (10 years of service to under 14 years of service). It also has a Zone D (14 years of service to under 20 years of service) and Zone E (20 years of service or more), but these are less critical due to the high retention rates for Zone D, and the way in which retirement impacts retention decisions for Zone E. It states its retention goals in terms of the percentage of those eligible to re-enlist.

¹⁴ The Air Force tracks retention rates in three categories: first term (serving in first enlistment, regardless of length), second term (second enlistment), and career (third or subsequent enlistment). The Air Force sets retention goals as a percentage of those eligible to re-enlist.

¹⁵ The Marine Corps tracks retention rates in two categories: first term (serving in first enlistment) and subsequent (second or subsequent enlistment). Marine Corps retention goals are stated in numerical terms.