

**The Air Force is still meeting recruiting and retention goals, but warning lights have begun to blink.**

# Uncertainty on the Personnel Front

By Suzann Chapman, Associate Editor

**T**HE Air Force made its Fiscal 1995 recruiting goal, but it was a tough year. USAF managed to achieve its objectives because individual recruiters, on average, proved to be more productive, bringing in more recruits per month. Still, officials worry that recruiters will have to do even better. They say the recruiting outlook for the near future looks worse than 1995's.

Like the other services, USAF in 1995 had to overcome the inevitable effect of years of massive cuts in military forces and end strength. The drawdown led many in the public to conclude not only that the armed forces did not need any new recruits but also that the military no longer offered a stable career.

The services continued to struggle with the problem of diminishing interest in military service among today's young men, who are decidedly less likely to want to enlist than were their counterparts of several years ago.

Recruiting new troops was not the only worry. The drawdown and years of high operations tempo caused service officials to fear that the force might encounter severe problems in retaining high-quality, experienced military personnel and maintaining their morale. Thus, DoD and service leaders placed new emphasis on pro-

Figure 1 **Projected Recruiting Goals**

FY	1996	1997	1998	1999	2000	2001
New enlisted	30,700	30,200	30,000	33,500	32,700	35,800
Prior-service enlisted	300	50	50	50	50	50
<b>Total enlisted</b>	<b>31,000</b>	<b>30,250</b>	<b>30,050</b>	<b>33,550</b>	<b>32,750</b>	<b>35,850</b>
Line officer	3,337	3,139	3,353	4,020	4,176	4,076
Nonline officer	1,724	1,533	1,550	1,580	1,588	1,654
<b>Total officer</b>	<b>5,061</b>	<b>4,672</b>	<b>4,903</b>	<b>5,600</b>	<b>5,764</b>	<b>5,730</b>

grams and policies designed to enhance military "quality of life."

So far, Air Force enlisted retention has been fairly stable. Pilot retention is actually up somewhat.

The three military departments each year enlist roughly 200,000 young people, with another 50,000 new non-prior service recruits needed for the Guard and Reserve. The total number of enlistees entering the rolls during the last fiscal year was 175,783, but DoD projects a requirement of 208,000 in Fiscal 1996 (which began last October 1) and 226,000 in Fiscal 1997 (starting next October 1). About 20,000 newly commissioned officers enter the services each year.

Much like last year, the Air Force in 1996 needs to recruit 31,000 young people for the enlisted force (only 300 of whom may be prior service) and 5,061 new officers. Those numbers drop slightly over the next two years, then rise again. (See Figure 1, above.)

Thus far, the Air Force has had no difficulty finding qualified applicants for its officer ranks. In Fiscal 1992, the service was able to choose from 9,161 applicants to meet its requirement for 4,856 new officers. In Fiscal 1995, it had 13,950 applicants for 5,042 officer openings.

## Shrinking Pool

What concerns personnel officials, however, is a different problem: There are simply fewer seventeen-to twenty-six-year-olds in the country today than there have been since the baby-boom generation began to reach maturity in the 1960s. That youth cohort, which peaked in the 1970s, has been shrinking for a decade. Thus, the military will have to recruit a larger portion of the smaller pool of available youth.

Over the past twenty years, the Defense Department has learned to heed the results of surveys that an-



nually question some 10,000 young men and women about their interest in and attitudes toward military service. Those surveys, taken each year since 1975, have provided "strong indicators of potential recruits," according to DoD manpower studies.

If the surveys can be believed, they show a major change in attitude. Four years ago, one in every three males aged sixteen to twenty-one showed some interest in joining the military. By 1994, however, the ratio had dropped to one in four. (See Figure 2, at right.) Pentagon officials noted, however, that the enlistment propensity of sixteen- to twenty-one-year-old females appeared stable.

In a surprising and troubling turn of events, enlistment interest has fallen even faster and further among black youths. The Air Force Chief of Staff, Gen. Ronald R. Fogleman, in an address to the Tuskegee Airmen Convention in Atlanta, Ga., in August, reported that the "propensity" of blacks to enlist had dropped from fifty-four percent in 1989 to only thirty-two percent in Fiscal 1995.

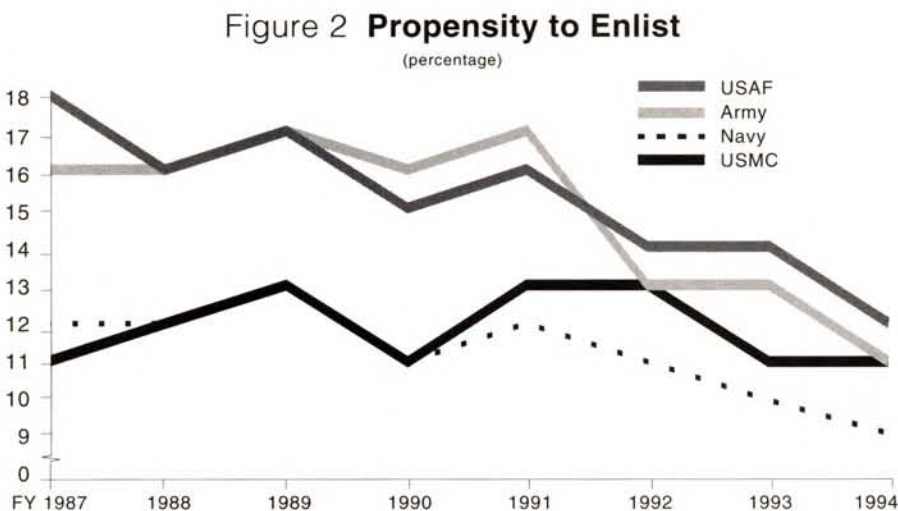
To help determine possible reasons for the lower interest level among all young men, the Defense Department conducted research in several focus areas, including Raleigh, N. C., Dallas, Detroit, and Baltimore. Even before the final report was released, the data seemed to indicate that one reason is that the young men want to "exceed their parents' lifestyles."

Anita Lancaster, assistant director of the Defense Manpower Data Center, said that, although parents may be successful, students tend to see them as struggling to make ends meet. Today's young people want to go beyond the achievements of their parents—earning a comfortable living, paying their bills with money left over—by going to college.

"Over and over, almost everyone we spoke with said education was the way to success and that [the] education process can't stop at high school," said Ms. Lancaster in an October interview with American Forces Information Service.

### Not a Boost, but a Drag

Increasingly, military-age people regard the four-year military commitment as something that would delay their quest for a better-paying job, rather than as a means to achieve



a higher civilian standard of living. Even the military's higher-education incentive, the Montgomery GI Bill, falls short, in their view. Many students prefer to use other options—attending community college, working part-time during school, or taking a break for a semester or a year to earn money for tuition.

Today's youth also apparently want more stability in their careers—not something easily achieved with the increasing use of the military in peace-keeping missions. According to the Pentagon surveys, the frequent and largely unpredictable deployments to trouble spots around the world has had a negative impact on the propensity of young persons to serve.

Overcoming these perceptions and attitudes, which would not be easy in any case, was made more difficult by the DoD decision to cut the number of recruiters and recruiting budgets during the drawdown. DoD officials said two-thirds of its recruiters worked more than sixty hours per week this past year. Many recruiters also covered larger territories than in past years.

The Air Force operated in Fiscal 1995 with about 850 recruiters nationwide. The authorized strength was 1,000, which the service recently increased to 1,200. During the drawdown, the overall USAF recruiting force—including officers, enlisted personnel, and civilians—dropped about twenty percent from Fiscal 1989 to Fiscal 1995.

Typically, the service has had trouble filling recruiting vacancies in some high-cost-of-living areas and some isolated locations, but USAF officials believe the recent attention to quality-of-life issues, including

increases in cost-of-living and housing allowances, will help them fill recruiter positions. In addition, service officials pointed out that recruiters received promotions to technical sergeant and master sergeant at a slightly higher than average rate in the Fiscal 1995 cycle.

The job is not for everyone, stated Gen. Henry Viccaglio, Jr., former commander of Air Education and Training Command and now commander of Air Force Materiel Command.

In a July 1995 commentary designed to encourage airmen to apply for recruiting duty, the General said, "It's demanding work for the man or woman who welcomes great responsibility and who relishes working independently." Starting with "Wanted: Enthusiastic young men and women for exciting job opportunities," General Viccaglio also emphasized that recruiters must have "impeccable records and impeccable appearance" with "integrity and determination." He cautioned that the Recruiting Service was not desperate enough to take just anyone.

### More Money, More People

To help its front-line representatives, who probably worked harder in 1995 than at any time since the Vietnam War era, the Pentagon also stepped up its recruiting and advertising funding.

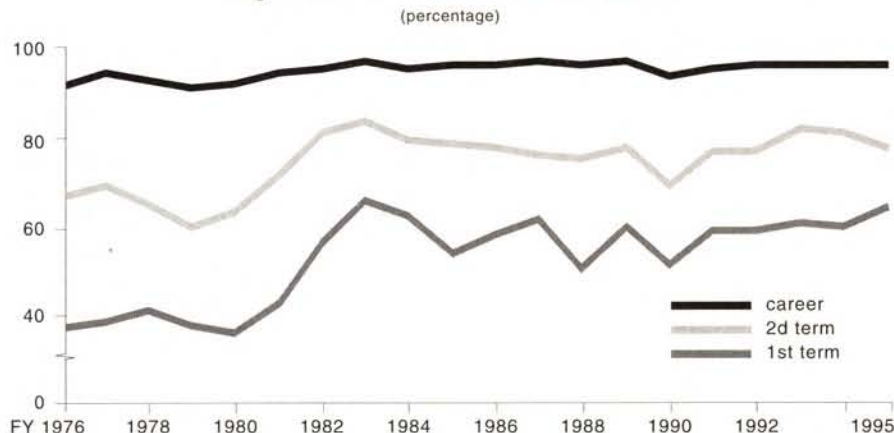
In Fiscal 1994, DoD reprogrammed \$41 million into recruiting. For Fiscal 1995, the department's recruiting budget increased by \$89 million, bringing the total recruiting investment to \$2 billion, with about \$1.4 billion of that for active-duty forces. The advertising fund increased from \$145 million



Figure 3 **USAF Recruiting Budgets** (\$ millions)

FY	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Advertising	\$16.8	\$14.8	\$14.8	\$16.3	\$8.6	\$8.7	\$7.7	\$7.6	\$13.6	\$10.3	\$15.3	\$16.1	\$16.7	\$17.2	\$17.7
Operations and maintenance	34.7	30.8	31.8	31.1	25.1	27.0	27.5	32.8	34.6	39.6	37.8	39.4	40.4	42.6	44.2
<b>Total</b>	<b>51.5</b>	<b>45.6</b>	<b>46.6</b>	<b>47.4</b>	<b>33.7</b>	<b>35.7</b>	<b>35.2</b>	<b>40.4</b>	<b>48.2</b>	<b>49.9</b>	<b>53.1</b>	<b>55.5</b>	<b>57.1</b>	<b>59.8</b>	<b>61.9</b>

Figure 4 **Reenlistment Rates**



in Fiscal 1994 to about \$185 million each for Fiscal 1995 and 1996.

The Air Force used some of its recruiting dollars in Fiscal 1994 to launch a radio-advertising campaign. USAF continued the campaign in Fiscal 1995 and will keep it active through at least Fiscal 1996. The increased funding, which essentially restored USAF's recruiting budget to its pre-drawdown level, also covers personal letters mass-mailed to each senior graduating in 1996 and continues direct-mail campaigns by local recruiters.

For Fiscal 1996, the service's total recruiting budget is \$49.9 million, compared to \$33.7 million in Fiscal 1991. Projections call for a steady increase through the turn of the century. (See Figure 3, above.)

Despite the expansion of budgets and the recruiter force, Air Force officials predict that next year will be tough, perhaps tougher than the most recent years. In fact, recruiters started the new year at a disadvantage; the Air Force had to borrow from the Fiscal 1996 delayed enlistment pool to meet its 1995 goal.

"This puts us at a deficit, but I'm confident we'll rebound," Maj. Gen. Kurt B. Anderson, USAF Recruiting Service commander, said in a November recap of the year's effort.

However, General Anderson added, "that's not to say that we don't expect more difficult times in Fiscal 1996." He said that competition among the services for quality recruits is intense. In a September interview, the General characterized last fiscal year as "a strong concern." This fiscal year, he said is "a serious concern."

Congress saw the value in enlarging recruiting budgets, providing additional funds to ensure the military pay raise and an increase in the housing allowance. At the same time, however, some lawmakers attacked both the Montgomery GI Bill and features of the military retiree pay system.

Congress first attempted to increase the amount of money an airman would have to pay into the education program [see "GI Bill Hike May Hurt Recruiting," December 1995 "Aerospace World," p. 15]. Despite indications from young people that the bill may not be the drawing card it once was, it is still a highly useful tool. DoD officials believe it helps attract prospective recruits who might be on the fence.

Similarly, the services viewed the latest Congressional move, known as "High One," to restructure computation of retired pay without a "grand-

father" clause as a breach of faith. Senior civilian and military leaders told Congress that High One would seriously erode morale for existing troops, many of whom might decide not to remain in the services, and send the wrong signal to young people who might be thinking about joining. [See "High One Defeated," November 1995 "Aerospace World," p. 15.]

Neither measure passed. To a large extent, however, the damage was done. Moreover, other proposals are likely to spring up as Congress and the Clinton Administration struggle to balance the federal budget.

### Concern Number One

Adequate pay ranks as the number one concern for most military members. In fact, DoD ranks it as the strongest single stimulus in generating the retention of top-quality people.

According to USAF personnel officials, military pay raises since 1982 have lagged behind inflation by a cumulative 4.6 percent. Even with the 2.4 percent pay raise in Fiscal 1996, the Employment Cost Index (ECI) gap between military pay growth and that of the private sector will increase from a cumulative 12.6 percent to 13.2 percent.

Furthermore, they project that the current law, which limits pay growth to 0.5 percent below the ECI, will cause the ECI gap to widen to more than eighteen percent by 2001. At the same time, the inflation gap would increase to more than ten percent.

The fact that the inflation gap has remained relatively small has led Air Force officials to believe that the current ECI gap has had minimal impact on retention and recruiting. However, they cautioned that the cumulative effects of inflation and pay-increase differences will eventually reduce the ability of the military to attract and retain highly qualified people.

Considering the initial indications from the youth surveys, young people



may already feel that the military does not offer competitive pay. However, competitive pay or not, the Air Force has maintained a fairly stable enlisted retention rate over the past few years.

In Fiscal 1976, the retention rate for first-term airmen was 37.3 percent, for second-term airmen, 67.4 percent, and for career airmen, 91.1 percent. Twenty years later, those numbers are 63.6, 77.1, and 95.7. As seen in Figure 4 on p. 42, Fiscal 1983 was the high year for each category. The years since have seen slight ups and downs, but the numbers have not dropped much.

The Air Force's 1995 quality-of-life survey seems to bear out the retention rates. Of the survey respondents, junior enlisted members were the most ambivalent about their career intentions. About thirty-six percent indicated they would not remain in the service, and another thirty-five percent were undecided.

#### **Rated vs. Nonrated**

That same survey highlighted a traditional dichotomy in the officer corps. The responses from rated officers indicated they were less satisfied with the promotion, evaluation, and assignment systems than non-rated officers were. The rated officers felt that performance should count for more than it does.

USAF personnel officials could not say why the perceptions varied between the two groups of officers. They plan to refine questions on the issue and to resurvey, possibly in 1996.

However, pilots and navigators might well have had cause for concern

**Figure 6 Pilot Inventory vs. Requirements**

FY	1996	1997	1998	1999	2000	2001	2002
Inventory	15,024	14,464	13,733	13,219	12,961	12,932	12,980
1997 Budget Estimate Submission requirements	14,558	14,211	13,859	13,714	13,683	13,737	13,737
Surplus (shortfall)	466	253	(126)	(495)	(722)	(805)	(757)

with much of the service's heavy operations tempo falling on their heads. They might have fared well in performance sections of evaluations, but deployments probably left little time for them to pursue professional or advanced academic education. To help alleviate this concern, the service recently decided to "mask," or exclude, having an advanced academic degree as a factor in promotion to captain and major for all line officers.

Despite their perceptions about promotion, rated officers are sticking with the Air Force in record numbers. The pilot retention rate in Fiscal 1989 was at thirty percent, then dropped to twenty-six percent three years later. In Fiscal 1994, the rate jumped to seventy percent, then seventy-two percent last year, nearing a record seventy-three percent set in Fiscal 1983. (See Figure 5, below.)

Navigator retention has held fairly steady over the years, with only a couple of significant drops. It reached a low of twenty-one percent in Fiscal 1993. However, for the last two years, their retention rate has been sixty-five and sixty-six percent, respectively.

These high rates could be based on a variety of factors, including the

fact that airline hiring is at a low point and the availability of new Aviator Continuation Pay (ACP)—or pilot bonus—agreements.

It could also be that rated officers are getting more bang for their buck. Instead of disliking the high operations tempo, rated officers participating in the various peacekeeping missions find more satisfaction in their jobs.

The Fiscal 1996 ACP program also opens the pilot bonus to helicopter pilots for the first time. The retention rate for rotary-wing pilots has undergone a steady decline, unlike the rate for their fixed-wing counterparts.

Additionally, service officials hope the new ACP will alleviate the long-term pilot shortage—projected to reach a high of 805 in Fiscal 2001. (See Figure 6, above.)

The pilot glut of a few years ago is over. Programs designed to reduce the flow into the cockpit will end. USAF expects to empty its "pilot bank," those awaiting flying positions, at the close of this fiscal year. The last "third pilots," those awaiting flying training, will enter training by the end of Fiscal 1997.

As a further hedge against the shortage, the Air Force has started a voluntary recall of hundreds of former pilots now serving with the Guard or Reserve or just recently separated. The service approved fifty pilots for return to active duty last year and plans to accept another 100 this fiscal year.

The number of officers projected to complete flying training also will increase from 525 this fiscal year to 1,100 in Fiscal 2002.

It is still too early to calculate the actual impact on recruiting and retention of DoD's quality-of-life improvements, many of which have yet to get beyond the press release and planning stages. The Air Force is doing well with retention right now, but, as with recruiting, the challenge never really ends. ■

**Figure 5 Officer Retention Rates**

