

# CRS Report for Congress

Received through the CRS Web

## **Recruiting and Retention: An Overview of FY2005 and FY2006 Results for Active and Reserve Component Enlisted Personnel**

**Updated January 20, 2006**

Lawrence Kapp  
Specialist in National Defense  
Foreign Affairs, Defense, and Trade Division

# Recruiting and Retention: An Overview of FY2005 and FY2006 Results for Active and Reserve Component Enlisted Personnel

## Summary

This report provides a brief overview of the recruiting and retention rates for Active and Reserve Component enlisted personnel during FY2005 and the first three months of FY2006. Since the September 11, 2001 attacks on the World Trade Center and the Pentagon, the United States has launched several major military operations which have dramatically increased the operations tempo of the military services, required the large scale mobilization of reservists, and resulted in significant battle casualties. These factors have been particularly applicable to the Army, Army Reserve, and Army National Guard, which have shouldered the bulk of the manpower burden associated with the occupation of Iraq. The Marine Corps and Marine Corps Reserve have also been heavily involved in Iraq. Many observers have expressed concern that these factors might lead to lower recruiting and retention rates, thereby jeopardizing the vitality of today's all-volunteer military. Recruiting and retention results for FY2005 and FY2006 to date are summarized below. This report will be updated as necessary.

**FY2005 — Active Components.** Concerns about the strength of Army recruiting grew in FY2005, as the Army missed its goal for shipping new recruits to basic training by a significant margin and failed to meet one of DOD's key quality benchmarks. The Navy, Marine Corps and Air Force met their quantity goals, and their recruit quality remained well above DOD standards. Retention remained generally strong for the Active Components. Although the Navy failed to meet two of its retention goals, this should be interpreted in the light of the Navy's force reduction plans.

**FY2005 — Reserve Components.** The Army National Guard, Army Reserve, Air National Guard and Navy Reserve all failed to meet their recruit quantity goals for FY2005. The Army National Guard, Army Reserve, and Air Force Reserve all failed to meet one or both of the DOD quality benchmarks. Attrition rates for the Reserve Components have generally remained at acceptable levels, although the Army National Guard slightly exceeded its attrition ceiling and four of the Reserve Components saw modest increases in the rate of people leaving compared with FY2004.

**FY2006 — Active Components.** All of the Services achieved their quantity goals for the first three months of FY2006, but concerns about Army recruit quality continue. Retention remained generally strong, although the Army fell short with respect to mid-career personnel.

**FY2006 — Reserve Components.** Most of the Reserve Components — including the Army National Guard and Army Reserve — met their quantity goals for the first three months of FY2006, although the Navy Reserve and Air National Guard fell well short. Enlisted attrition rates appear to be at acceptable levels for all the Reserve Components, with the Army National Guard, Army Reserve, and Air Force Reserve showing improvement compared to the first three months of FY2005.

## Contents

Recruiting .....	1
Active Components .....	2
Reserve Components .....	5
Analysis .....	7
Retention .....	8
Active Components .....	9
Reserve Components .....	9
Analysis .....	10
Options for Congress .....	11

## List of Tables

Table 1: Accession Data (Quantity) for Active Component Enlisted Personnel, FY2005 and FY2006 .....	12
Table 2: Accession Data (Quality) for Active Component Enlisted Personnel, FY2005 and FY2006 (Non-Prior Service Enlistees only) .....	12
Table 3: Recruiting Data (Quantity) for Reserve Component Enlisted Personnel, FY2005 and FY2006 .....	13
Table 4: Recruiting Data (Quality) for Reserve Component Enlisted Personnel, FY2005-FY2006 (Non-Prior Service Only) .....	14
Table 5: Active Component Enlisted Retention Data, FY2005 and FY2006 ...	15
Table 6: Reserve Component Enlisted Attrition Data for FY2005 and FY2006 .....	16

# Recruiting and Retention: An Overview of FY2005 and FY2006 Results for Active and Reserve Component Enlisted Personnel

This report provides a brief overview of the recruiting and retention rates for Active and Reserve Component<sup>1</sup> enlisted personnel during FY2005 and the first three months of FY2006. Since the September 11, 2001 attacks on the World Trade Center and the Pentagon, the United States has launched several major military operations which have dramatically increased the operations tempo of the military services, required the large scale mobilization of reservists, and resulted in significant battle casualties. These factors have been particularly applicable to the Army, Army Reserve, and Army National Guard which have shouldered the bulk of the manpower burden associated with the occupation of Iraq. The Marine Corps and Marine Corps Reserve have also been heavily involved in Iraq. Many observers have expressed concern that these factors might lead to lower recruiting and retention rates, thereby jeopardizing the vitality of today's all-volunteer military.

## Recruiting

Recruiting has been called the life blood of the military. Without a robust ability to bring new members into the military, it 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 Active and Reserve Components set goals for new

---

<sup>1</sup> The term "Active Components" refers to the Army, Navy, Air Force, and Marine Corps. The term "Reserve Component" refers to the seven individual reserve components of the armed forces: the Army National Guard of the United States, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve. This report, however, does not provide recruiting and retention data for the Coast Guard Reserve, which normally operates as part of the Department of Homeland Security, rather than the Department of Defense.

recruit “accessions”<sup>2</sup> each year. Officer and enlisted goals are set separately. There are both “quantity”<sup>3</sup> and “quality”<sup>4</sup> goals.

## Active Components

The recruiting data presented in **Table 1** (all tables are at the end of this report) show that, with the exception of the Army, all of the Active Components met their enlisted accession *quantity* goals in FY2005. The Army fell short of its accession goal by 8%.

At the start of FY2005, there was great concern that the Army would not be able to meet its quantity goal due to both the size of the goal (80,000 individuals) and the small size of its Delayed Entry Pool (DEP).<sup>5</sup> Typically, the Army likes to have about 35% of the coming year’s accession goal enrolled in the DEP; but at the start of FY2005 the Army’s DEP was only about 18% of its FY2005 accession goal.<sup>6</sup> The Army planned to meet this challenge by increasing the size of its recruiting force by nearly 20% and by offering more generous enlistment incentives. However, despite these efforts, the Army experienced weak recruiting for a number of months in 2005.

---

<sup>2</sup> In the case of the Active Component, “accessions” are individuals who have actually begun their military service, as distinguished from those who have signed a contract to serve but who have not yet begun their service. Accession for Active Component personnel usually occurs when an individual is “shipped” to basic training. For the Reserve Components, the term has a broader meaning: accession can occur shortly after an individual signs a contract, when he or she is “shipped” to basic training, or when a servicemember transfers from an Active Component to a Reserve Component.

<sup>3</sup> This quantity goal is normally based primarily on the difference between the congressionally authorized end strength of the Component for a given fiscal year and the projected number of currently serving personnel that Component will retain through the end of the year. Officer and enlisted accession goals are set separately. To simplify somewhat, if a Component 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 are discharged early, usually while in initial entry training). The actual number of new enlisted recruits a Component needs, however, may change during the year as new projections are made about the retention of currently serving enlisted personnel or if the Component must increase or decrease the total size of its force.

<sup>4</sup> 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% of new recruits must be high school diploma graduates and at least 60% must score above average on the AFQT.

<sup>5</sup> 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. In FY2004 the Army achieved its accession quantity goal in part by drawing heavily from its DEP.

<sup>6</sup> One reason for this reduction in the size of the DEP was the decision to increase the size of the Army in early 2004, which created a need to send more people to basic training than had previously been planned; another reason was that the Army missed its FY2004 goal for new recruit contracts by 15%, thus undermining its ability to refill the DEP.

It missed its monthly accession goals from February through May. Additionally, from January through May 2005, the Army was only able to meet about 58% of its goal for new contracts, thereby undermining its ability to replenish its DEP.<sup>7</sup> Subsequently, the Army showed considerable improvement, meeting its quantity goals every month from June through September. Additionally, in those same months, the Army met over 80% of its recruit contract goal.<sup>8</sup>

Despite this improved performance towards the end of the fiscal year, the Army failed to meet its overall quantity goal for the year. This undercut its efforts to increase the size of its Active Component force.<sup>9</sup> At the start of FY2005, there were 414,438 enlisted personnel in the Army; at the end of FY2005 there were 406,923.<sup>10</sup> Additionally, the Army's recruiting troubles resulted in a DEP at the start of FY2006 which was about 12% of the size of its FY2006 accession goal, an exceptionally low figure.<sup>11</sup>

The Army's accession goal for FY2006 is again 80,000 individuals. Achieving this goal will be quite challenging, especially in light of the small DEP the Army has. However, the Army has exceeded its quantity goal for the first three months of FY2006 (as shown in **Table 1**) and the Secretary of the Army is optimistic about

---

<sup>7</sup> While the standard measure of recruiting success for the various Components is the achievement of their accessions goals, the ability to achieve contract goals is often seen as a "leading indicator" of recruiting strength or weakness; it also has a direct impact on the size of the DEP. The Army's goal for new enlistment contracts in FY2005 was 111,929. The actual number of new contracts it achieved was 77,348, a shortfall of 34,581 (31%). The shortfall was most pronounced between January and May of 2005, when it achieved 28,411 contracts against a goal of 49,100 (58%).

<sup>8</sup> From June to September 2005, the Army achieved 82% of its contract goal (30,530 contracts against a goal of 37,423). From October to December 2005, the Army achieved 81% of its contract goal (22,762 contracts against a goal of 27,996).

<sup>9</sup> The National Defense Authorization Act for FY2004 (P.L. 108-136, section 401) authorized an end-strength of 482,400 for the Army, up from 480,000 in FY2003. In January, 2004, the Chief of Staff of the Army, General Peter Schoomaker announced that Secretary of Defense Donald Rumsfeld had authorized a temporary increase in Army strength up to 512,400 in order to facilitate restructuring of the Army. Subsequently, the Army increased its goal for new accessions in FY2004 from 72,500 to 77,000. The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375, sections 401 and 403), authorized an end-strength for the Army of 502,400 and provided the Secretary of Defense with the authority to increase Army end-strength to 512,400 during FY2005-FY2009 for certain purposes. The National Defense Authorization Act for FY2006 (P.L. 109-163, sections 401 and 403) authorized an Army end-strength of 512,400 and provided the Secretary of Defense with the authority to increase this by 20,000 more for certain purposes in FY2007-FY2009.

<sup>10</sup> Department of Defense, Directorate for Information Operations and Reports, available at [<http://web1.whs.osd.mil/mmid/military/ms1.pdf>].

<sup>11</sup> However, this was substantially higher than the 9% DEP level which was predicted by some during the Spring of 2005.

future months.<sup>12</sup> However, while the Army has improved its recruiting performance with respect to quantity, there are concerns about the quality of its new recruits.

The recruiting data presented in **Table 2** show the performance of the Active Components with respect to DOD enlisted accession *quality* benchmarks. 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 A). With the exception of the Army, all of the Active Components exceeded the DOD quality benchmarks in FY2005, often by significant margins.

The FY2005 quality metrics for the Navy, Air Force, and Marine Corps were little changed from those of FY2004. However, FY2005 saw a clear drop in recruit quality for the Army in comparison to FY2004. In FY2004, 92% of Army recruits were high school diploma graduates, but in FY2005 only 87% were. This latter figure was below the DOD benchmark of 90%.<sup>13</sup> Additionally, the proportion of Army recruits who scored above average on the AFQT dropped from 72% in FY2004 to 67% in FY2005. While this proportion is well above the DOD benchmark of 60% and is similar to the rate experienced by the Army from 1995-2001, the size of the decline is noteworthy. Also, in FY2005 the Army accepted a much higher proportion of “Category IV” recruits — that is, recruits who score in the 10<sup>th</sup> through 30<sup>th</sup> percentile of the AFQT. In FY2004, only 0.5% of Army recruits had AFQT scores in Category IV; in FY2005, that proportion increased to 3.9%, just shy of the DOD maximum of 4%.<sup>14</sup>

Although it is too early in the fiscal year to ascertain any definitive trends, the data for the first three months of FY2006 do not appear to indicate a turnaround in recruit quality for the Army. So far, 86% of Army accessions are high school diploma graduates and 60% scored above average on the AFQT. Additionally, one news account indicated that significantly more than 4% of these new accessions had AFQT scores in Category IV.<sup>15</sup> However, it must be reemphasized that Army

---

<sup>12</sup> During a recent briefing, Secretary of the Army Francis Harvey stated: “We have now made our recruiting objectives for the last seven months, and the future looks promising. The number of recruits who have signed an enlistment contract to date is almost 25% higher than it was at the same point last year. So for example, we have already contracted for approximately 40% of our July goal of 10,450, which is the largest monthly goal of the year.” Transcript from the Department of Defense, *DOD News Briefing with Secretary of the Army Francis Harvey*, January, 18, 2006.

<sup>13</sup> The last year in which less than 90% of the Army’s accessions were high school diploma graduates was 1983. Past recruit quality data available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>]. Past recruit quantity data available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

<sup>14</sup> DOD Instruction 1145.01, *Qualitative Distribution of Military Manpower*, September 20, 2005, paragraph 4.1.

<sup>15</sup> Tom Bowman, *Baltimore Sun*, “Army Met Recruiting Goal in November,” December 16, 2005. The article, however, cites an Army official stating that they would not have more  
(continued...)

accessions to date are about 14% of its total accession goal for the year. Therefore, the Army has the opportunity to improve recruit quality over the coming months.

## Reserve Components

The recruiting data show that two of the Reserve Components — the Marine Corps Reserve and the Air Force Reserve — met their enlisted quantity goals in FY2005 (see **Table 3**). The Army National Guard missed its quantity goal by 20%, the Army Reserve missed its goal by 16%, the Navy Reserve missed its goal by 12%, and the Air National Guard missed its goal by 14%.

The Army National Guard's recruiting problem was the most serious because its shortfall was the largest and followed its failure to meet its quantity goal in FY2003 and FY2004.<sup>16</sup> The Air National Guard's shortfall was also quite substantial and followed its failure to meet its recruit quantity goal in FY2004.<sup>17</sup> While the Army Reserve did meet its recruiting goal last year, its failure to do so in FY2005 may be a cause for concern, owing both to the magnitude of the shortfall and in light of the recruiting difficulties faced by the Army and Army National Guard. The significance of the Navy Reserve's recruit quantity shortfall should be assessed in light of current plans to reduce the size of the Navy Reserve.<sup>18</sup>

The recruiting shortfalls of the Army National Guard and the Army Reserve are particularly noteworthy as the failure of these components to meet recruit quantity goals have prevented them from achieving the end-strength levels authorized by Congress for FY2005.<sup>19</sup> As of September 2005, the actual personnel strength of the Army National Guard was 333,177 — about 95% of its authorized end-strength of

---

<sup>15</sup> (...continued)

than 4% of recruits from Category IV by the end of the year.

<sup>16</sup> In FY2004, the Army National Guard fell short of its recruit quantity goal of 56,002 by 7,209, or 13%. In FY2003, the Army National Guard fell short of its recruit quantity goal of 62,000 by 7,798, or 13%.

<sup>17</sup> In FY2004, the Air National Guard missed its recruit quantity goal of 8,842 by 566, or 6%.

<sup>18</sup> The authorized end-strength for the Naval Reserve in FY2005 was 83,400 (2,500 less than it was in FY2004), while its authorized end-strength for FY2006 is 73,100.

<sup>19</sup> The term "end-strength" refers to the authorized strength of a specified branch of the military at the end of a given fiscal year. (The term authorized strength means "the largest number of members authorized to be in an armed force, a component, a branch, a grade, or any other category of the armed forces"). The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 stipulated an authorized strength for the Army National Guard of 350,000 as of September 30, 2005. (P.L. 108-375, sec. 411, October 28, 2004). While end-strengths for the reserve components are maximum strength levels, not minimum strength levels, the inability to maintain a force at the authorized end-strength level can be an indicator of strength management problems.



350,000. The actual strength of the Army Reserve was 189,005 in September, 2005 — about 92% of its authorized end-strength of 205,000.<sup>20</sup>

In the first three months of FY2006, the Army National Guard and Army Reserve have dramatically improved their ability to meet recruit quantity goals, achieving 106.8% and 101.5% of their quantity goals, respectively. The Marine Corps Reserve and the Air Force Reserve continue to succeed in meeting their quantity goals as well. However, the Air National Guard continues to have difficulty in meeting its goals. Again, recruit quantity shortfalls for the Navy Reserve should be interpreted in light of current plans to reduce the size of the Navy Reserve.<sup>21</sup>

In addition to difficulties meeting recruit quantity goals, the data show that three of the Reserve Components — the Army National Guard, the Army Reserve, and the Air Force Reserve — failed to meet one or both of the DOD quality benchmarks in FY2005 (see **Table 4**). This was a substantial change from FY2004, when only the Army National Guard failed to meet them.<sup>22</sup> A comparison with FY2004 shows other negative trends in these metrics, especially for the Army Reserve and the Air Force Reserve.<sup>23</sup> On the other hand, there were some improvements in comparison to FY2004: the Air National Guard significantly increased the proportion of its recruits with high school diplomas and the Marine Corps Reserve saw a slight increase in this metric.<sup>24</sup> While it is important not to give too much weight to first quarter results, they do appear to indicate that reserve component recruit quality issues will remain for some time.

---

<sup>20</sup> Figures include both officer and enlisted personnel. The strength of the Naval Reserve in September, 2005, was 76,473 — 92% of its authorized end-strength for FY2005 of 83,400 — but the Navy plans to reduce the size of the Naval Reserve substantially over the next two years (see footnote 19). The Marine Corps Reserve was at 101% of authorized end-strength in September, 2005, while the Air National Guard and the Air Force Reserve were about 99.5% of their authorized end-strengths. All references to end-strength in this paragraph are for the Selected Reserve elements of the respective Reserve Components.

<sup>21</sup> See footnote 18.

<sup>22</sup> In FY2004, 83% of Army National Guard accessions were high school diploma graduates, while 57% scored above average on the AFQT.

<sup>23</sup> From FY2004 to FY2005, the Army Reserve saw its proportion of recruits with high school diplomas drop from 91% to 88% and the Air Force Reserve fell from 91% to 87%. From FY2004 to FY2005, the Army Reserve saw its proportion of recruits who scored above average on the AFQT drop from 70% to 67%; the Marine Corps Reserve fell from 78% to 76%; the Air National Guard decreased from 79% to 72%; the Air Force Reserve fell from 73% to 69%.

<sup>24</sup> From FY2004 to FY2005, the Air National Guard increased the proportion of its recruits with high school diplomas from 79% to 91%; the Marine Corps Reserve increased the proportion of its recruits with high school diplomas from 95% to 96%.

## Analysis

Military recruiting in FY2005 experienced some very substantial shortcomings, both in terms of quantity and quality, particularly with respect to the active Army and several of the reserve components. There are a number of likely causes of this. One factor that can have a powerful impact on military recruiting is the state of the economy. Military recruiting is generally easier in times of high unemployment and more difficult in times of low unemployment. Historical data indicate that unemployment has been dropping in recent years, falling from 6.0% in 2003 to 4.9% as of December, 2005.<sup>25</sup> Institutions of higher education also compete with the military for manpower. Over the past twenty five years, the proportion of high school graduates going directly on to college has increased from about half to about two-thirds.<sup>26</sup> This historically high proportion of college-bound youth reduces in size the pool which military recruiters have traditionally targeted: young people who have recently graduated from high school.

However, while these factors contribute to a challenging recruiting environment in general, it is important to recognize that recruiting shortfalls are most severe in the Army and its Reserve Components — the Army Reserve and the Army National Guard. Thus, in addition to broad social and economic forces which are likely having a dampening effect on recruiting generally, there are also other factors which appear to be undercutting recruiting for the *Army* in particular.

One factor likely affecting recruiting for the Army, Army Reserve, and Army National Guard is the major role they are playing in the Iraq conflict. Recent survey research indicates that the certain segments of the adult population — especially women and African Americans — have become less likely to recommend military service to young people since the war in Iraq began.<sup>27</sup> As a major source of recruits for the Army and its Reserve Components are young people without prior military service (primarily those who have recently graduated from high school), negative attitudes towards military service among those adults who are youth “influencers”<sup>28</sup> can have a powerful effect. There have been reports that Army recruiters are having difficulty signing up high school seniors, especially those below the age of 18, who require parental consent to enlist. Even among those old enough

---

<sup>25</sup> Department of Labor, Bureau of Labor Statistics, available at [<http://www.bls.gov/>]

<sup>26</sup> Department of Education, *Digest of Education Statistics: 2003*, Table 186.

<sup>27</sup> For example, in a November 2002 survey, 60% of the men and 54% of the women surveyed indicated that they would recommend military service to a young person who came to them for advice. By May 2004, those figures had dropped to 57% for men and 37% for women. Also in the November 2002 survey, 59% of white respondents, 53% of African American respondents, and 51% of Hispanic respondents indicated they would recommend military service to a young person who came to them for advice. By May 2004, the figures had changed to 47% for white respondents, 28% of African American respondents, and 56% for Hispanic respondents. See *Mothers' Attitudes Towards Enlistment*, produced by the Department of Defense's Joint Advertising, Market Research, and Studies Program, May 2004.

<sup>28</sup> Influencers are those adults who regularly interact with youth, such as parents, coaches, teachers, and mentors.

to enlist without parental consent, opposition to military service by parents or other influencers may discourage them from joining.<sup>29</sup>

Another factor affecting recruiting for the Army and its Reserve Components is the ongoing effort to increase the size of the active Army. In order to expand, the active Army has increased its goal for new recruits from 73,800 in 2003 to 80,000 in 2005 and 2006, thus providing active Army recruiters with a goal that is more difficult to reach. Additionally, this affects Army Reserve Component recruiting as well, as the active Army is now competing more vigorously with the Army Reserve and Army National Guard for some of the same potential recruits.

The comparatively high rates of mobilization in the Army Reserve Components in recent years may also be undercutting their recruiting efforts. A major source of recruits for both the Army Reserve and the Army National Guard is people leaving the active Army. These are people who want to embark on a civilian career but still wish to maintain their military affiliation and certain military benefits. However, the flow of enlisted personnel from the active Army to the Army National Guard decreased in recent years, dropping from 6,275 in FY2002 to 3,104 in FY2004. This may be partially due to concerns about being promptly called back to active service via mobilization orders and deployed to Iraq, Afghanistan, or some other location. On the other hand, this explanation is weakened by data showing that the number of people transferring from the active Army into the Army Reserve actually increased during this time frame, from 2,951 to 3,472.<sup>30</sup>

## Retention

The term retention refers to the rate at which military personnel voluntarily choose to stay in the military after their original obligated term of service has ended.<sup>31</sup> Imbalances in the retention rate can cause problems within the military personnel system.<sup>32</sup> A common retention concern is that too few people will stay in, thereby

---

<sup>29</sup> See for example: *Washington Post*, "Schools and Military Face Off," June 19, 2005, A3; *New York Times*, "Growing Problems for Military Recruiters: Parents," June 3, 2005, A1; *USA Today*, "Army and Marines Shift Focus to Wary Parents," April 5, 2005, A1.

<sup>30</sup> However, the Army Reserve's increase may be related to recent improvements in its ability to offer desirable positions and schooling to prospective recruits. Additionally, as the Army National Guard has a heavy concentration of combat units, while the Army Reserve is largely made up of combat support and combat service support units, potential recruits may view the Army Reserve as a safer option. Transition figures from Reserve Component Transition Branch, Army Human Resources Command.

<sup>31</sup> The obligated term of service for enlisted personnel is determined by their initial enlistment contract. The normal service obligation incurred is eight years, which may be served in the Active Component, in the Reserve Component, or some combination of both. For example, an individual may enlist for four years of service in the Active Component, followed by four years of service in the Reserve Component. See 10 USC 651 and DOD Instructions 1304.25.

<sup>32</sup> If too few people stay in, the military will suffer from a lack of experienced leaders, (continued...)

creating a shortage of experienced leaders, decreasing military efficiency and lowering job satisfaction.

## Active Components

The retention data presented in **Table 5** show that the Active Components met or exceeded nearly all their goals for enlisted personnel in FY2005, although there were some shortcomings. Of particular note is the strong retention performance of the Army and Marine Corps, both of which are heavily involved in combat operations in Iraq. Both of these services exceeded their retention goals in FY2005, often by large margins; the Army re-enlisted over 9,000 more soldiers in FY2005 than it did in FY2004. The Navy was the only service which failed to meet a retention goal in FY2005, falling about 6 percentage points short of its goal for “Zone B” sailors and one percentage point short of its goal for “Zone B” sailors.<sup>33</sup>

So far, the data for FY2006 show that the Marine Corps is well on the way to meeting its enlisted retention goals for the entire year, and the Navy is exceeding all of its goals. Similarly, the Air Force is exceeding its goals in two of its retention categories while coming up one percentage point below its goal for “Zone A” airmen. The Army achieved 121% of its retention goal for career enlisted personnel and 103% of its retention goal for first term enlistees, and achieved 90% of its retention goal for mid-career enlisted personnel.

## Reserve Components

The Department of Defense tracks Reserve Component retention via attrition rates. Attrition rates are a measure of the ratio of people who leave the reserves in a given year; they are the inverse of retention rates, which measure the ratio of people who stay in the service. Attrition goals are thus a maximum rate or ceiling, which the various Reserve Components try not to exceed. The data show all of the Reserve Components — except the Army National Guard — achieved enlisted attrition rates below these ceilings for FY2005 (see **Table 6**). The Army National Guard exceeded its ceiling by a small margin; when coupled with the recruiting problems it has experienced, this may be a cause for concern. Strong retention has helped the Army National Guard (and other components) counterbalance some of the effects of poor recruiting results; if this were to fade, it could create major manpower problems for the Army Guard.

For the first two months of FY2006, the data show improved attrition rates for the Army National Guard, Army Reserve, and Air Force Reserve in comparison to what was experienced by these components during the same period of time in

---

<sup>32</sup> (...continued)

decreased military efficiency and lower job satisfaction. If too many people stay in, promotion opportunities decrease and a higher percentage of people must be involuntarily separated in order to prevent the organization from becoming “top heavy” with middle and upper level leaders. Each of these outcomes, in turn, can have a negative impact on recruiting by making the military a less attractive career option.

<sup>33</sup> See Table 5 for definitions of the various retention categories for each of the Services.

FY2005 and FY2000.<sup>34</sup> However, even if this were sustained over the course of the year for the Army National Guard and Army Reserve, it would not be sufficient to restore their personnel strengths to congressionally authorized levels by the end of the fiscal year unless complemented by very strong recruiting. Rebuilding the personnel strengths of these two components may require several years.

## Analysis

The fact that retention for the Active and Reserve Components has remained generally strong in recent years may seem counter-intuitive, given the high operational tempo and large scale reserve mobilizations that have occurred since September 11, 2001, and especially since the invasion and occupation of Iraq. However, a number of studies conducted in the late 1990s indicate that deployments can enhance retention, perhaps by providing participants with a sense of accomplishment.<sup>35</sup> However, some of these studies also indicate that after a certain threshold level, this positive effect diminishes or becomes negative. Additionally, these studies focused on retention behavior during the 1990s, when the deployments were generally shorter and less hostile than at present.

Some survey data have raised concerns about future retention rates. For example, a DOD sponsored survey showed that respondents' intention to remain on active duty has remained fairly stable for those in the Navy and Air Force between March, 2003 and August, 2004. However, during this same time frame, "retention intention" dropped from 59% to 52% for respondents in the Army and from 53% to 46% for those in the Marine Corps.<sup>36</sup> A similar study of Reserve Component personnel showed that respondents' intention to stay in the reserves has remained fairly stable from May 2003 to November 2004 for those in the Air National Guard, Air Force Reserve, Marine Corps Reserve, and Naval Reserve. However, "retention intention" during this period dropped from 70% to 58% among respondents in the Army National Guard, and from 69% to 57% among those in the Army Reserve.<sup>37</sup>

---

<sup>34</sup> FY2000 is sometimes used as a "baseline" year, as it was the last year unaffected by post-September 11<sup>th</sup> military operations. It should also be pointed out that the attrition rates for the Army Reserve and Army National Guard may be skewed downward somewhat by "stop-loss" policies, which prevent soldiers alerted for mobilization or deployed from leaving the military until after their deployment is completed.

<sup>35</sup> See for example James Hosek and Mark Totten, *Does Perstempo Hurt Reenlistment? The Effect of Long or Hostile Perstempo on Reenlistment*, RAND, 1998; Paul Sticha, Paul Hogan and Maris Diane, *Personnel Tempo: Definition, Measurement, and Effects on Retention, Readiness and Quality of Life*, Army Research Institute, 1999; Peter Francis, *OPTEMPO and Readiness*, Center for Naval Analysis, 1999; and Paul Hogan and Jared Lewis, *Voluntary Enlisted Retention and PERSTEMPO: An Empirical Analysis of Army Administrative Data*, The Lewin Group.

<sup>36</sup> Defense Manpower Data Center, Human Resources Strategic Assessment Program, Note No. 2004-014, "August 2004 Status of Forces Survey of Active Duty Members: Leading Indicators."

<sup>37</sup> Defense Manpower Data Center, Human Resources Strategic Assessment Program, Note No. 2005-002, "November 2004 Status of Forces Survey of Reserve Component Members:

(continued...)

## Options for Congress

Congress has a number of options to address shortfalls in recruiting and retention. The traditional policy levers used by Congress and DOD include increasing funding for advertising, increasing the number of recruiters, and providing larger enlistment and re-enlistment bonuses. Some have also argued that the high operational tempo must be reduced in order to bolster current recruiting efforts and to prevent retention problems in the future. To facilitate this, they have advocated either increasing the size of military — especially the Active Component Army and Marine Corps — or reducing the U.S. military presence in Iraq and other places. Others have advocated reinstating the draft, something which would require congressional action to implement. Opponents of the draft, however, argue that even if it were politically feasible, conscription would not generate the type of highly motivated and highly trained individuals which the military has come to rely on.<sup>38</sup> Those particularly concerned about Reserve Component recruiting and retention often urge a reduction in the number of reserve personnel deployed to places like Iraq or a shortening of the duration of reserve mobilizations for those who do get called up; doing so, however, could put additional strains on Active Component forces.

---

<sup>37</sup> (...continued)  
Leading Indicators.”

<sup>38</sup> See CRS Report RL31682, *The Military Draft and a Possible War with Iraq*, by Robert Goldich, for a more detailed discussion of arguments for and against a draft.

**Table 1: Accession Data (Quantity) for Active Component Enlisted Personnel, FY2005 and FY2006<sup>39</sup>**

Service	FY2005 (Goal) <sup>40</sup>	FY2005 (Achieved)	FY2005 (Percent of Goal)	FY2006 (Goal)	FY2006 Oct-Dec (Goal)	FY2006 Oct-Dec (Achieved)	FY2006 Oct-Dec (Percent of Goal)
Army	80,000	73,373	91.7%	80,000	11,000	11,522	104.7%
Navy	37,635	37,703	100.2%	37,456	6,949	7,032	101.2%
Marine Corps	32,917	32,961	100.1%	32,701	6,345	6,604	104.1%
Air Force	18,900	19,222	101.7%	30,822	6,743	6,796	100.8%

**Table 2: Accession Data (Quality) for Active Component Enlisted Personnel, FY2005 and FY2006 (Non-Prior Service Enlistees only)<sup>41</sup>**

Service	DOD Quality Benchmarks		FY2005 (Achieved)		FY2006 Oct-Dec (Achieved)	
	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A
Army	90%	60%	87%	67%	86%	60%
Navy	90%	60%	97%	71%	95%	76%
Marine Corps	90%	60%	96%	68%	98%	68%
Air Force	90%	60%	99%	80%	99%	79%

HSDG: High School Diploma Graduate  
 AFQT: Armed Forces Qualification Test  
 CAT I-III A: Categories I-III A (above average scores)

<sup>39</sup> Data provided by the Department of Defense. Past recruit quantity data available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

<sup>40</sup> Some of these goals were changed during the course of FY2005. At the start of the FY2005, the accessions goal was 38,500 for the Navy, 33,052 for the Marine Corps and 24,465 for the Air Force Reserve.

<sup>41</sup> Data provided by the Department of Defense. Past recruit quality data available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>].

**Table 3: Recruiting Data (Quantity) for Reserve Component Enlisted Personnel, FY2005 and FY2006<sup>42</sup>**

Reserve Component	FY2005 (Goal) <sup>43</sup>	FY2005 (Achieved)	FY2005 (Percent of Goal)	FY2006 (Goal)	FY2006 Oct-Dec (Goal)	FY2006 Oct-Dec (Achieved)	FY2006 Oct-Dec (Percent of Goal)
Army National Guard	63,002	50,219	79.7%	70,000	12,605	13,466	106.8%
Army Reserve	28,485	23,859	83.8%	36,032	5,654	5,740	101.5%
Navy Reserve	11,141	9,788	87.9%	11,180	2,288	1,948	85.1%
Marine Corps Reserve	8,180	8,350	102.1%	7,930	1,606	1,614	100.5%
Air National Guard	10,272	8,859	86.2%	9,380	2,540	1,821	71.7%
Air Force Reserve	8,801	9,942	113.0%	6,836	1,803	1,812	100.0%

<sup>42</sup> Data provided by the Department of Defense.

<sup>43</sup> Some of these goals were changed during the course of FY2005. At the start of the year, the accessions goal was 12,600 for the Navy Reserve; 8,538 for the Marine Corps Reserve; 10,361 for the Air National Guard; and 8,162 for the Air Force Reserve.



**Table 4: Recruiting Data (Quality) for Reserve Component Enlisted Personnel, FY2005-FY2006 (Non-Prior Service Only)<sup>44</sup>**

Reserve Component	DOD Quality Benchmarks		FY2005 (Achieved)		FY2006 (Oct-Dec Achieved)	
	HSDG	AFQT CAT I-III	HSDG	AFQT CAT I-III	HSDG	AFQT CAT I-III
<b>Army National Guard</b>	90%	60%	83	57	85	54
<b>Army Reserve</b>	90%	60%	88	67	94	59
<b>Navy Reserve</b>	90%	60%	n.a.	n.a.	n.a.	n.a.
<b>Marine Corps Reserve</b>	90%	60%	96	76	94	65
<b>Air National Guard</b>	90%	60%	91	72	95	73
<b>Air Force Reserve</b>	90%	60%	87	69	95	75

---

<sup>44</sup> Data provided by the Department of Defense.

**Table 5: Active Component Enlisted Retention Data,  
FY2005 and FY2006<sup>45</sup>**

Service/ Retention Category	FY2005 (Goal)	FY2005 (Achieved)	FY2005 (Achieved Compared to Goal)	FY2006 Oct-Dec (Goal)	FY2006 Oct-Dec (Achieved)	FY2006 Oct-Dec (Achieved Compared to Goal)	FY2006 (Total Goal)
<b>Army<sup>46</sup></b>							
Initial Term	26,935	27,818	103.3%	7,152	7,384	103%	26,490
Mid Career	23,773	24,407	102.7%	6,618	5,984	90%	24,510
Career	13,454	17,287	128.5%	3,564	4,305	121%	13,200
<b>Navy<sup>47</sup></b>							
Zone A	53%	52%	-1 pt	53%	57%	+4 pts	53%
Zone B	69%	63%	-6 pts	64%	65%	+1 pt	64%
Zone C	85%	85%	Met	85%	86%	+1 pt	85%
<b>Air Force<sup>48</sup></b>							
Zone A	52%	56%	+4 pts	52%	51%	-1 pt	52%
Zone B	69%	80%	+11 pts	69%	76%	+7 pts	69%
Zone C	85%	90%	+5 pts	85%	89%	+4 pts	85%
<b>Marine Corps<sup>49</sup></b>							
1st term	5,949	6,152	103.4%	1,472	4,165	283%	5,887
Subsequent	5,079	6,987	137.6%	1,523	2,313	152%	6,250

<sup>45</sup> Data provided by the Department of Defense.

<sup>46</sup> 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.

<sup>47</sup> 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 states its retention goals in terms of the percentage of those eligible to re-enlist.

<sup>48</sup> The Air Force recently changed its retention metric. The Air Force's most important retention categories are Zone A (17 months to under 6 years of service), Zone B (six years of service to under ten years of service), and Zone C (ten years of service to under fourteen years of service). It states its retention goals in terms of the percentage of those eligible to re-enlist.

<sup>49</sup> The Marine Corps tracks retention rates in two categories: first term (serving in first enlistment) and subsequent (second or subsequent enlistment). The Marine Corps' retention goal is stated in numerical terms. The year to date goal is based on prorated projections of their annual goal by the Office of the Secretary of Defense, as the Marine Corps does not set quarterly or monthly retention goals.

**Table 6: Reserve Component Enlisted Attrition Data for FY2005 and FY2006<sup>50</sup>**

<b>Reserve Component</b>	<b>FY2005 (Ceiling)</b>	<b>FY2005 (Achieved)</b>	<b>FY2006 (Ceiling)</b>	<b>FY2000 Oct-Nov (Achieved)</b>	<b>FY2005 Oct-Nov (Achieved)</b>	<b>FY2006 Oct-Nov (Achieved)</b>
<b>Army National Guard</b>	19.5%	20.2%	19.5%	4.08%	3.51%	3.00%
<b>Army Reserve</b>	28.6%	23.4%	28.6%	3.87%	3.76%	3.09%
<b>Naval Reserve</b>	36.0%	31.2%	36.0%	2.73%	4.55%	4.78%
<b>Marine Corps Reserve</b>	30.0%	22.0%	30.0%	5.24%	3.10%	3.59%
<b>Air National Guard</b>	12.0%	10.2%	12.0%	2.21%	1.69%	1.75%
<b>Air Force Reserve</b>	18.0%	14.7%	18.0%	4.27%	2.37%	2.14%

---

<sup>50</sup> Data provided by the Department of Defense.