Introduction by Professor Catherine Rudder

This paper looks at a very topical and important issue (not enough soldiers currently in the military to meet its demands) and, using five clearly defined criteria, considers which of 8 alternatives might best serve the needs of the military. The background and the alternatives are all very clearly explained. As someone who knows absolutely nothing about the topic, I never felt confused or overwhelmed by the information; it was ‘translated’ so that a lay reader could follow the various arguments being made. The writers also looked at two other programs (one in Australia and one in Canada) which not only demonstrates a thorough exploration of policy alternatives but also provides a bit of humor to the article.
The Problem

Given the protracted nature of the Global War on Terror (GWOT), is the current U.S. military Stop Loss policy an effective retention and recruiting tool? If not, what alternative policies can the military adopt to maintain a force capable of executing all of its assigned missions?

Executive Summary

As the United States enters its fifth straight year in the Global War on Terror (GWOT) its military faces a growing shortage of trained and experienced personnel needed to execute all of its assigned missions. Stresses on military members and their families, along with reduced recruiting and retention levels, have forced the Department of Defense (DoD) to consider a broad range of personnel policy options to address the problem.

There are specific challenges to maintaining an all-recruited, all-volunteer military. This analysis addresses several policies, previous and current, used to raise and maintain our armed forces, including an examination of other countries. Our focus is more on the retention side of the military personnel equation; however all of the alternative courses of action discussed ultimately have an impact on recruiting.

After a critical review of the most viable options available, using five key evaluative criteria, it was determined that the most effective approach to meeting force levels was to pursue a combined strategy of three major initiatives. They are: 1) cash
incentives, 2) military to civilian conversions, and 3) greater use of the Guard and Reserve.

We found other policy alternatives that met the required goals set by DoD, but it was determined that they would be problematic to successfully implement. The three initiatives outlined above represent the best chance for success and should be the primary focus of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R) as it advises the Secretary of Defense and President of the United States.

Background

The United States is entering its fifth straight year of combat in the Global War on Terror (GWOT) and the negative effects on the armed forces are beginning to become apparent. Stresses on service members have resulted in lowered readiness rates and a shortage of qualified personnel.\(^1\) The problem is particularly acute within the Army and Marine Corps. These branches have shouldered the majority of the burden in Iraq and Afghanistan and are in what has been described as a "death spiral" of ever more rapid war-zone rotations.\(^2\)

The citizens of this country have, for various social and historical reasons, adopted a policy of fielding an all-recruited, all-volunteer military. America abandoned the draft toward the end of the Vietnam conflict and in July 1973 reverted to a volunteer force. Because of our reliance on patriotic citizens to serve their country, any increase in personnel requirements or reduction in applicants results in long-term shortages. For example, according to a recent Government Accountability Office (GAO) report, in fiscal

\(^{1}\) "Recruiting, Retention and Future Levels of Military Personnel", Congressional Budget Office, October 2006
\(^{2}\) "Military is Ill Prepared For Other Conflicts", Washington Post, March 19, 2007, A01
year 2005 five of the ten components (Army Reserve, National Guard, Air National
Guard, Marine Corps Reserve and Navy Reserve) failed to achieve their recruiting goals.\(^3\)

The U.S. military invests a considerable amount of time and money in training, so
any shortage has long-term ramifications on the overall quality of the total force. The
problem has become more difficult now that the Army and Marine Corps received
authorization to grow their end-strengths (the total number of forces available for duty),
in order to absorb the “surge” in Iraq while simultaneously rebuilding for the future.\(^4\)
There are two ways the individual services can maintain their end strength. They can
either increase the number of individuals they recruit from society, known in military
parlance as “accessions,” or implement policies to retain more of their existing force,
referred to as “retention.”\(^5\)

Our objective is to examine the retention side of the military personnel policy
debate with a specific focus on one of the more controversial measures that has been
adopted: Stop Loss. We will provide a detailed analysis of the current policy and offer
potential solutions and alternatives that will ensure the U.S. military has adequate
personnel levels to execute all of its assigned missions.

Definition of Stop Loss

Current Stop Loss policy, regardless of the separation date in the original contract,
requires soldiers to remain in the Army for a period beginning 90 days prior to their
unit’s deployment and extending 90 days after their unit has returned from its

\(^3\) DoD Needs Action Plan to Address Enlisted Personnel…”, GAO-06-134, November 2005
\(^4\) DoD Needs Action Plan to Address Enlisted Personnel…”, GAO-06-134, November 2005
\(^5\) “Recruiting, Retention and Future Levels of Military Personnel”, Congressional Budget office, October
2006
deployment. Currently the only service exercising their authority to use the Stop Loss policy is the Army. Until November 2003, the active Army typically invoked the policy within certain occupational specialties. As of December, 2006 Stop Loss affected a total of 10,711 soldiers from all Army components (active 7,072, National Guard 2,036 and Reserve 1,603). The Marine Corps elected to use Stop Loss in the summer of 2003. They indicated they retain the right and authority to invoke another involuntary stop-loss policy should they need to as part of their planned end-strength increase from 179,000 Marines to 202,000.

History of Stop Loss

The U.S. Military Stop Loss policy enables the government to retain active, guard or reserve service members beyond their length of obligation. Individuals who join the military agree to the provision under paragraph 9 (c) of the enlistment contract that states:

“In the event of war, my enlistment in the Armed Forces continues until six (6) months after the war ends, unless my enlistment is ended sooner by the President of the United States.”

Congress first granted Stop Loss authority to the military soon after the draft ended toward the end of the Vietnam War. However, the military did not use the

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9 Marine-Core Stop Move and Stop Loss Policy, MARADMIN 007/003
authority until 1990 during the buildup to the Persian Gulf War.\textsuperscript{12} A Stop Loss order for National Guard and Reserve units activated for the (GWOT) has been in effect since November 2002.\textsuperscript{13} The Pentagon has leveraged Stop Loss to sustain operations such as Iraqi Freedom, Enduring Freedom and Noble Eagle. The desired result of implementing Stop Loss is to ensure formations remain cohesive and combat effective during the time a soldier is deployed.\textsuperscript{14}

The act of retaining troops past their obligation date has been publicly criticized as a “backdoor draft.” In a memo sent in January 2006 to the Chairman of the Joint Chiefs of Staff and Undersecretaries of Defense, Secretary of Defense Gates asked to see plans to minimize the use of the Stop Loss policy for Active duty and Reserve components by February 2007.\textsuperscript{15} His directive was issued soon after the White House’s plan to increase end-strength in Iraq by 20,000 troops.\textsuperscript{16}

The Draft and Its Relationship to Stop Loss

President Franklin Roosevelt signed the Selective Training and Service Act of 1940 which created the country's first peacetime draft and formally established the Selective Service System as an independent federal agency.\textsuperscript{17} It exists to supply emergency manpower needs of the military by conscripting untrained manpower or personnel with professional health care skills if directed by Congress and the President in

\textsuperscript{14} Deputy Chief of Staff, G-1, “Stop Loss Program – Current and Historical Information.” Jan. 2007.
\textsuperscript{16} Office of the Press Secretary, President’s Address to the Nation, Jan. 2007.
a national crisis. In 1973 the draft ended and the United States military system converted to an all-volunteer force.

The draft is an option to surge military manpower, but there are a number of political and social complications associated with the policy. There are serious ethical problems related to conscription, which compels young adults to risk death and to kill – an act of the state that seems contrary to liberty.

An additional concern with the Stop Loss policy is the quality of draftees inducted to serve in the military. Many question the skills and capabilities of a draftee who is forced to serve against his or her own will. Overuse of the all-volunteer force, particularly in the Army and Marine Corps, led to an exodus of volunteers and a general perception among would-be recruits that military service had become far less appealing.

Effects on Military Recruitment

Quality vs. Quantity: US Army Case Study

The United States Army is the largest of the four services and has the greatest requirement to recruit and retain troops. Each year, the Army attempts to recruit individuals using two central measures: quantity and quality. Its quantitative goal is based on the difference between congressionally authorized end-strengths and the estimated number of soldiers who will remain in the Army. Quality is based on two main criteria: whether the recruit is a high school graduate, and how well the recruit has scored on the standard Armed Forces Qualification Test (AFQT).

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22 Ibid.
As of January 1, 2007, the Army had over 90,000 troops (active duty, reservists, and guardsmen) on the ground in Iraq.\textsuperscript{23} As the United States enters the fifth year of the conflict, more citizens at home are becoming disillusioned and unsupportive of prolonged military operations in Iraq. Relatives (and mothers in particular) who do not agree with the war play an important role in discouraging their family members from joining the military. Instead, recent high school graduates, the most sought-after recruits, are being encouraged to attend college or enter the workforce.\textsuperscript{24}

The Army is also attempting to increase its active-duty end-strength from 480,000 to 512,400, an increase of 32,400 Soldiers, which causes the annual goal for recruits to increase substantially.\textsuperscript{25} The smaller pool of qualified candidates causes more competition between the active Army, the Army Reserve, and the Army National Guard, while more frequent mobilization of reservists and guardsmen increases the challenges to retain retiring active duty soldiers in the Reserve and Guard.

Recruitment

In fiscal year 2005, the Army missed its recruiting goal, which prompted a renewed effort to bolster recruitment rates.\textsuperscript{26} The Army turned to Congress and looked within its own organization to find innovative incentives and slight modifications of policies to attract more individuals. For instance, Congress recently increased the maximum enlistment bonus from $20,000 to $40,000, with even higher bonuses available

\textsuperscript{23} Boots on the Ground in Iraq. 2007. congressional Research Service Information Paper. 2 January.
\textsuperscript{24} Henning, Charles A. and Lawrence Kapp. 2007. Recruiting and Retention: An Overview of FY2005 and FY2006 Results for Active and Reserve Component Enlisted Personnel. Congressional Research Service. 26 January
\textsuperscript{25} Ibid, page 3.
\textsuperscript{26} USA Today. 2006. Lower Standards Help Army meet Recruiting Goal. 9 October.
for recruits who possess specialized skill sets. Congress has also appropriated more money for recruiting and advertising, which the Army used in fiscal year 2006 to increase its number of recruiters by 1,300. The Army’s advertisement campaign has changed its focus from targeting primarily high school graduates to their teachers and parents as well.

The Army also recently unveiled changes to its standard recruitment policies. For example, the enlistment age limit was raised from 35 to 42, enabling older recruits to join and still serve a 20-year term with mandatory retirement at age 62. Additionally, standards have been lowered so that new recruits are allowed to have visible tattoos on their hands and on the back of their necks.

Waivers

To raise the number of recruits, the Army has increased waivers over the last few years. Waivers can be granted for medical conditions, misdemeanors, minor felonies, and drug and traffic violations (classified by the Army as moral waivers). From 2003 to 2006 the number of moral waivers granted by the Army grew from 4,918 to 8,129. In fiscal year 2006, 17% of recruits (13,600) received waivers to join the Army; 38% were for medical reasons, while more than half were for moral waivers.

The Army also grants waivers to recruits who have scored poorly on mandatory aptitude tests. In fiscal year 2006, 3.8% of new recruits scored below the standard on the Armed Forces Qualification Test (AFQT) but were still admitted. Although this number falls just above the Department of Defense policy maximum of 4%, this is well below the

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27 Ibid
28 Ibid
29 Ibid
30 USA Today. 2006. Lower Standards help Army meet Recruiting Goal. 9 October.
traditional Army maximum of 2%. Additionally, the Army continues to increase the number of recruits that do not have high school diplomas. In fiscal year 2004, 92% of recruits were graduates; however, in fiscal year 2005 only 87% were graduates, and in fiscal year 2006 only 81% had high school diplomas. The Department of Defense’s target high school diploma rate is 90%. Army officials have stated that “test-taking ability does not measure loyalty, duty, honor, integrity or courage.”

As a result of these policy changes, implemented in fiscal year 2006, the Army was able to meet its goal of 80,000 recruits. Despite meeting this goal, Army leadership remains concerned that the lowering of standards will have a profound effect on the overall quality of the Army.

Alternative Recruitment Approach: Australia & Canada

As Bardach notes, when attempting to construct alternatives to a policy issue, “One starting point would be to note what key political actors are actively proposing…” Since September 11, 2001, the U.S. has led the charge in the GWOT. As a result, the U.S. Army has recently experienced difficulties in meeting needed troop levels. Australia and Canada offer two examples of alternative approaches to recruiting and retaining qualified military personnel. These countries share a similar form of

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31 USA Today. 2006. Lower Standards help Army meet Recruiting Goal. 9 October.
33 Ibid.
34 Ibid.
35 USA Today. 2006. Lower Standards help Army meet Recruiting Goal. 9 October.
government as the U.S., have an all volunteer force and are ongoing participants in the GWOT.

Australia

Australia, like the U.S., has experienced recruiting difficulties due to their participation in the GWOT. In response to this shortfall, Australian Defense Minister Dr. Brendan Nelson introduced a pilot program called the “try before you buy program.” This new program will offer 1,000 positions in the Australian military to young adults that have completed their twelfth year of high school and are entering in college. Potential candidates will only be required to sign a one year contract, and in that time “undertake basic training and then participate in a range of limited, defense related activities for the remainder of that year.” The U.S. might consider this as a viable policy option in the future based on the results of the Australian pilot program.

Canada

As a partner in the GWOT the Canadian military has over 2,200 Service members deployed in Afghanistan. Despite strong public support for their mission in Afghanistan, the Canadian Defense Ministry has struggled since its last audit of recruitment and retention practices in 2002 to meet recruiting targets. The Office of the Attorney General (OAG) highlighted flaws in the recruiting and retention system. This OAG audit identified three major deficiencies: failure to attract minority groups, lengthy application process and “stringent physical requirements.” Of these three areas the

37 Defense, Australian Dept. of.2006, DOORSTOP INTERVIEW, Defense Recruitment, Iraq
39 Ibid
40 Ibid
lowering of physical fitness standards is most relevant to the U.S. efforts to maintain minimum recruitment levels.

Canada’s physical requirement test was recently waived in an attempt to encourage more applicants to enroll.\textsuperscript{41} In the past, the fitness tests required men under the age of 35 years old to complete: 19 pushups, 19 sit-ups and “squeeze 75 kilograms (165.75 pounds) in a hand grip”.\textsuperscript{42} As of October 1, 2006, the Canadian military is no longer required to meet this “minimum level of fitness”.\textsuperscript{43} The Canadian Armed Forces waived the fitness test and offered those who do not pass the physical medical examination free training to assist them in meeting basic physical requirements for military service.\textsuperscript{44} Scott Taylor, a Canadian military veteran stated, “If you’re 450 pounds, they will recruit you and then put you in a fat camp until you are ready.”\textsuperscript{45}

Evaluative Criteria

The proposed policy recommendations were measured using the following evaluative criteria:

Political Feasibility: Factors in political correctness, constituency support, financial constraints, matching political goals, and national/local political objectives.

Cost Effectiveness: Most efficient use of available financial resources; maximum return on investment.

Public Support: Reflects current public opinion and trends regarding major policy issues.

Legality: In accordance with current U.S. statutes (e.g. title 10 U.S.C.)

\textsuperscript{41} Gloria Galloway and Jeff Sallott, The Globe and Mail, “Military fitness test axed”, October 26, 2006, A1
\textsuperscript{42} Ibid
\textsuperscript{43} Ibid
\textsuperscript{44} Ibid
\textsuperscript{45} Ibid
Meeting Force Levels: Meets statutorily authorized end strength.
All criteria were weighted equally to determine the optimal solution to maintain a force capable of executing all of its assigned missions.

Policy Alternatives

Cash incentives

One of the more seemingly intuitive personnel retention tools used by the Department of Defense has been cash bonuses. The individual services can use cash incentives to keep combat-experienced people from departing service, and they stand to save millions of dollars in both recruiting and training costs.

The Army is already relying heavily on selective re-enlistment bonuses designed to target critically short military occupational specialties (M.O.S.) and under-represented ranks. As an example, they spent $94.9 million on re-enlistment bonuses in fiscal year 2000 and over $505 million in 2005. There is some evidence that these incentives have worked in the past, and may serve to prevent service members from exercising what Hirschman describes as “their exit” option to a policy problem – quit.

Military to Civilian Conversions

A possible alternative that would reduce excess personnel costs and streamline critical job requirements in the Defense Department (DoD) is to expand the scope of “military to civilian” conversions. Under existing directives, in particular Presidential

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Budget Decision-712 (PBD), DoD has been given the authority to convert jobs currently held by uniformed personnel into civilian contracted positions. The concept of “mil-to-civ” conversions is based on studies that indicate federal civilian personnel cost less to the government than their equivalent military rank.

In the context of maintaining personnel force levels in the GWOT, the obvious advantage of moving military jobs to civilians is the influx of trained soldiers into the ranks of forces operating overseas. Instead of being desk-bound staff serving in the States, service members could more directly contribute by executing military activities that civilians are unable to perform.

Privatized Army

The United States’ use of privatized armies increased after the September 11th attacks. By January 2007, there were 100,000 private contractors stationed in Iraq and 48,000 serving as “private soldiers.” Donald Rumsfeld is credited with introducing the idea of private contractors not only serving in traditional ‘civilian jobs,’ but also in combat.

The most well known in the U.S. is Blackwater USA, based out of Moyock, North Carolina. The company has 2,300 private contractors serving in nine countries with 20,000 soldiers on standby. They won a twenty-one million dollar contract with the State Department and secured a contract assisting with efforts in New Orleans after Hurricane Katrina, “billing the federal government $950 per man, per day…” Financial estimates

49 Ibid
51 Ibid
52 Ibid
53 Ibid
show that since June 2004, Blackwater USA was paid over 320 million for providing “diplomatic security” at home and abroad.54

Retirees’ Returning to Service

Former Secretary of Defense Donald Rumsfeld announced that retirees of the Gulf War, Vietnam War, Korean War and World War II were eligible to be re-enlisted.55 He noted “…We are fighting a new kind of war and we need as many soldiers as it takes to finish this war.”56 In 2001, there were a total of two million regular and reserve military retirees who were eligible to be called back to duty.57 The Department of Defense policy states “Any retired military member, regular or reserve, who has completed 20 years of active service, may be ordered to active duty by the Secretary concerned at any time in accordance with 10 USC 688.”58

Retirees are classified into three categories. Category I are the first members to be called back to duty.59 These servicemen have been retired for five years or less and are under the age of 60.60 Category II have been retired for more than five years, and are the second group to be re-enlisted.61 Those servicemen in Category III are rarely called back to duty and are in general not considered physically capable of re-enlisting.62

An overwhelming number of retirees responded after the Retiree Recall in 2001 following the terrorist attacks.63 The United States Air Force received a similar response

54 Ibid
56 Ibid
60 Ibid
61 Ibid
62 Ibid
when it began the Voluntary Return Entrance to Active Duty (VREAD) program as a tool to recruit retired military personnel. Through the Air Force’s VREAD program, retired personnel are allowed to serve for two years and may serve an additional six months if promoted.  

Although a number of retirees supported this program, many felt that the notion of bringing older servicemen out of retirement was not feasible.

Changes to Individual Ready Reserve

One of the ways the U.S. Army has fulfilled its manpower needs has been the use of the Individual Ready Reserve, (IRR). This consists of individuals who are not currently serving in the Armed Forces, but are living out civilian lives and have either served in the Armed Forces, had military training, or still have some period of military service remaining. Since the terrorist attacks, the U.S. Army has activated more than 2,500 IRR soldiers.

One of the drawbacks of IRR is the retraining that must occur before an IRR candidate can be sent to a duty station. This requires 30 days at a “mobilization center” getting checks to see if they are qualified for deployment and getting individual weapons qualification. Those who pass the muster will be sent on to military occupational school to get refresher training, normally lasting between two and four weeks.

To address this problem, the Army has introduced a new IRR category called the “Individual Warrior Category.” “Soldiers in the ‘IW’ category would be required to maintain a higher state of readiness by participating in virtual musters, attending annual

64 Ibid
66 Ibid
67 Ibid
readiness processing and maintaining proficiency in their military occupational specialty.” The objective with this policy is to decrease the time it takes to activate a soldier in IRR status and place them in an active duty environment.

Though it is not a permanent solution to meeting the shortfalls of needed troop levels, requiring soldiers on IRR to maintain a certain level of readiness is an option. By an IRR soldier continuing their military training in some form, it has the potential to decrease the amount of time to place a soldier from IRR into the battlefield, entice those personnel on IRR to keep up with training techniques, and perhaps inspire those on IRR to pursue a more permanent military career.

Greater use of the National Guard and Reserves

Shortly after the initial invasion of Iraq in 2003, U.S. military planners realized they would have to tap the National Guard and Reserves in order to meet long term force requirements necessary to provide reconstruction and stability operations. The Guard reached a high of 50,285 personnel in Iraq in 2005 which included eight brigades. That number was reduced dramatically by 2006 to just over 23,000 and continues to drop as it nears a bottom of only one brigade.69

It is clear that the Army and Air National Guard, as well as all of the Services Reserve forces, played an important role in augmenting active duty forces operating in the GWOT. According to the head of the National Guard Bureau, Lieutenant General H. Stephen Blum, Guard forces “will be proportionally represented in combat, combat

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support and combat service support” for the foreseeable future. In terms of available personnel, the Guard represents a much larger available force than the Service Reserves.

Given the dramatic reduction in National Guard overseas deployments of late (largely due to congressional pressure), and General Blum’s commitment that the Guard be an active participant in the GWOT, it is a reasonable option to consider ramping up National Guard deployments for future operations in the GWOT.

Conclusion

Based on our analysis, both quantitative and qualitative, we have concluded that a combination of three policy alternatives will best meet the U.S. military’s ability to maintain a force capable of executing all of its assigned missions. All three suggested recommendations are legal, politically viable and enjoy wide-spread public support.

Top Three Recommendations

Cash Incentives

The priority of these three policies which requires the least amount of additional resources, both political and financial, is to offer cash incentives. There is an historical precedent of cash incentive programs in the military that address these policy options and have proven successful in the effort to retain a qualified and properly trained force. There is also broad public support for cash incentives. In our analysis this proved to be the optimal alternative because it garners both public and political support, operates under
existing legal authorities, and would require only minor policy adjustments (e.g. requesting increasing cash bonuses from Congress).

Military to Civilian Conversion

Our second suggested policy recommendation is to continue and expand the current military to civilian initiatives that began in 1990’s. The conflicts in Iraq and Afghanistan require combat arms Military Occupational Specialties, which have been at levels difficult to sustain in a protracted conflict. Converting military positions to civilian jobs achieves a larger availability pool for combat operations overseas by allowing civilians to fill jobs that are currently staffed by active duty members. This is an appealing option because of existing political support for a program that more effectively deploys military personnel to combat operations, where their skills are more greatly needed.

Calling up more Guard and Reserves:

The third option, calling up further guard and reserve troops, although politically problematic, does provide access to a larger group of personnel who are at least indoctrinated and have received basic training. This option also presents no legal ramifications of any kind. To achieve the best results, all three policy suggestions should be integrated and implemented simultaneously. complete lack of public and political support. Although a national draft would be legal and relatively cost efficient, it would likely encounter numerous legal challenges.
Stop Loss

This option also lacks public and political support, and is viewed by many as a “back door draft”. Moreover, it has decreased the morale of service members and eroded their trust in their chain of command.

Privatized Army

Other Policy Options

Draft

It is clear that reinstating the draft is not a viable policy option because of the Controversial policies governing rules of engagement make this option less than desirable. Combine this with significant up front capital investments and questionable loyalties to the GWOT, and it becomes even less advisable as a policy option.

Individual Ready Reserve

Although this policy provides access to previously trained service members, it is based on an involuntary activation that is not widely supported.

Retirees

On the surface this policy would seem practical as it is entirely voluntary in nature. However, the relatively low number of actual volunteers makes it an ineffective tool in trying to meet needed troop levels.

The combination of the three top policy options will enable the United States Armed Service to achieve its overall goal of increasing force levels. The recommendation to increase cash incentives, military to civilian conversions and Guard and Reserve soldiers scores high in terms of political feasibility, cost effectiveness, public
support, legality and most importantly will increase force levels available for the Global War on Terror.
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**Key**

- **Red** 0-10
- **Amber** 11-15
- **Green** 16-26
- **Very Low** 0-5
- **Low** 6-10
- **Moderate** 11-15
- **High** 16-20
- **Very High** 21-25
Appendix

Client Background

The Under Secretary of Defense for Personnel and Readiness (USDP&R), Dr. David Chu, is responsible for the following:

- Develop policies, plans, and programs to ensure the readiness of the Total Force.
- Develop and implement policies, procedures, and standards for manpower requirements determination and training for the Total Force.
- Serve on Boards, Committees, and other groups pertaining to assigned functional areas and represent the Secretary of Defense on manpower and personnel matters outside the Department.

- This includes ensuring military personnel policies and programs:
  - Support the Services and Unified Commands in accomplishing their assigned missions.
  - Contribute to the long-term well-being of the Armed Forces and their military members.

With over 1.3 million men and women on active duty, and 669,281 civilian personnel, DoD is the nation's largest employer. Another 1.1 million serve in the National Guard and Reserve forces. Additionally, about 2 million military retirees and their family members receive benefits.

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70 http://www.defenselink.mil/prhome/
Personnel costs constitute a large portion of the DoD budget, and therefore attract a great deal of scrutiny from congressional oversight committees, policy think tanks and advocacy groups. For example, the Defense Department spent more than $108 billion dollars in FY2006 (out of a $419 billion overall Defense budget) to pay military members, civilians and contractors.\textsuperscript{72}

If the Department were a private business, its CEO would be the President of the United States, Congress would act as the Board of Directors, and the stockholders would be the American people.\textsuperscript{73} Because these “stockholders” comprise the backbone of our military, they have a keen interest in how our Nation sources its military.

Dr. Chu and the Defense Department understand this sensitivity, particularly given the protracted nature of the GWOT, and have ordered a detailed analysis of personnel policy options available to the Department as it examines the best course of action to continue fielding a military force capable of executing all of its assigned missions.

\textsuperscript{73} http://www.defenselink.mil/pubs/dod101/
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