



Center for Strategic and Budgetary Assessments

PRESS RELEASES

Military Compensation Reform: A New Way of Thinking

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Tomorrow, the Military Compensation and Retirement Modernization Commission is due to release its final report and recommendations to Congress. CSBA has been at the leading edge of this issue. Todd Harrison's 2012 report, *Rebalancing Military Compensation: An Evidence-Based Approach* (<http://csbaonline.org/publications/2012/07/rebalancing-military-compensation-an-evidence-based-approach/>), provided a new way of thinking about compensation reform that was the basis for the survey of military personnel conducted by the commission.

Rather than focusing exclusively on reducing costs, the CSBA study explored ways to get **better value from the compensation system by shifting funds from undervalued forms of compensation to more highly valued forms of compensation**. As part of the study, CSBA conducted a survey to measure how service members valued certain forms of compensation relative to others. The survey found, for example, that service members did not value many healthcare or retirement benefits at the levels it cost to provide those benefits. Service members did, however, place a high value on cash compensation and the military exchanges.

"I was surprised in our survey that service members valued the commissaries and military exchange benefits as much as they did," said Todd Harrison, the report's author. "What this revealed to me is that we can't just assume we know how people value things. We need to go out and measure it before making changes."

The CSBA survey was based on responses from over 1,300 active duty service members. "One of the limitations in our survey was that we did not have a large, randomized sample," said Mr. Harrison. "This meant that we could not recommend changes to the compensation system based on our survey results. Instead, we recommended that a larger survey be conducted using this methodology on a randomized sample from the active component, reserve component, and retiree community. And that is exactly what the commission did. I'm looking forward to seeing if the results of the large, randomized survey conducted by the commission are similar to what we found in our pilot study."

>download full report (<http://csbaonline.org/publications/2012/07/rebalancing-military-compensation-an-evidence-based-approach/>)

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