



Center for Strategic and Budgetary Assessments

STUDIES

Military Compensation: Requirements, Trends and Options

February 18, 2005

Resources: Budget & Resources

The effectiveness of the US military depends critically on its ability to attract and retain quality military personnel. As demonstrated by its performance in recent conflicts, the quality of the US military is today very high. Maintaining such a force in the future must be a central goal of US defense planning. Attracting and retaining sufficient numbers of personnel, with the right talents, skills and levels of experience, will require providing competitive compensation packages. This means not only providing adequate levels of compensation, but providing the right mix of pay and other benefits, and providing them through a flexible and adaptive personnel management structure.

Future challenges to recruitment and retention cannot be met effectively by simply spending more on military compensation, those dollars must also be spent more efficiently. Failure to direct future increases in pay and benefits in a way that targets those individuals the military most needs could lead to the worst of both worlds: Much higher levels of spending on military compensation, and an inability to meet the Services personnel requirements.