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**REPORT OF THE
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**Need To Improve Military
Members' Perceptions
Of Their Compensation**

Department of Defense

FPCD-75-172

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OCT. 10. 1975

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-163770

The Honorable
The Secretary of Defense

Dear Mr. Secretary:

We have completed our analysis of the 1973 Department of Defense Personnel Survey. The purpose of our analysis was to determine if military personnel have an accurate perception of what they receive in compensation.

In our report "Information and Observations on the Need to Revise the Method of Increasing Military Pay" (B-163770 Mar. 14, 1974), we pointed out the following fundamental problems in the military compensation system and suggested their study within the context of a major reform of the military compensation system.

--There is no single agreed-upon external standard for military pay.

--Regular military compensation is not a precise equivalent of a civilian salary.

--The military compensation system is not interrelated with other Federal pay systems.

--Equal, across-the-board increases in regular military compensation, even if desirable, are virtually impossible to achieve.

In August 1974 Senate Report No. 93-1104 of the Committee on Appropriations on the Department of Defense Appropriation Bill, 1975, stated:

"The Committee believes that a realistic look at the military compensation system in light of current salaries and benefits is absolutely required, and directs the Department to submit a report to the Committee not later than January 15, 1976, on modernization of the system. Suggestions from the Defense Manpower Commission and the General Accounting Office should be considered in the Department's review."

We are currently reviewing proposals to convert the military pay and allowances system to a salary system of compensation. As part of this review, we have analyzed DOD personnel surveys to determine how military members perceive their pay. The Department of Defense Personnel Survey administered during November and December of 1973 contained a group of questions on military compensation, and Defense officials in November 1974 said that Defense had not analyzed the compensation questions and responses and would not be able to do so for some time. Defense agreed to provide the survey data to GAO for analysis.

To analyze the compensation questions of the survey, we posed the following questions.

- How visible is military compensation? That is, to what extent do military members recognize their compensation?
- How satisfied are military personnel with their compensation?
- Is there a relationship between visibility of compensation and members' satisfaction? and what are the possible consequences of this relationship?

This report discusses in detail the results of our analysis.

Lack of visibility of compensation among military members is widespread.

- Total compensation (base pay, allowances, and fringe benefits) was perceived to be lower than our estimate of total compensation by 65 percent of enlisted personnel and 61 percent of officers. (See pp. 9 and 10.)
- Regular military compensation, the military equivalent of a civilian salary, was underestimated by 40 percent of enlisted personnel and 20 percent of officers. (See pp. 8 and 9.)

Significant numbers of military members indicated dissatisfaction with military compensation as they perceived it:

--58 percent of the enlisted personnel and 48 percent of the officers indicated they could earn more as civilians. (See p. 11.)

--54 percent of the enlisted personnel and 40 percent of the officers considered their pay less than adequate for the work they were doing. (See p. 12.)

--39 percent of the enlisted personnel and 22 percent of the officers indicated they were dissatisfied with their pay. (See pp. 12 and 13.)

Our analysis did not establish a clear causal relationship between visibility of compensation and pay comparability, adequacy, and satisfaction. However, our analysis revealed that lack of visibility of compensation and unfavorable attitudes toward pay were both negatively associated with career and reenlistment intent. That is, service members with low recognition and unfavorable assessments of compensation are more likely to indicate they will leave the service.

Lack of visibility may be a serious flaw of the current military compensation system since the military services now compete on an equal footing with other employers in the Nation's labor markets. In this environment, Defense gets the greatest return from military compensation expenditures when the required numbers of candidates and members with the skills and qualifications needed are motivated to join and remain in the service. To motivate effectively, military compensation should be fully recognized and understood by individuals being attracted or retained. The survey finding that many members undervalue their compensation indicates that the Department of Defense may not be receiving the maximum return from its military compensation expenditures.

On the basis of our analysis of the 1973 Personnel Survey, we suggest that visibility of military compensation needs improvement. We believe this could be achieved through two actions:

--Change the structure of the military compensation system.

--Educate members in how to evaluate military compensation.

We understand an objective of the quadrennial review of military compensation is to examine the desirability of a restructured military compensation system. We suggest that, in evaluating proposed systems, you use "visibility to the member" as one of the main criteria. Following are some questions you might ask when considering the quadrennial review's proposals.

- Will candidates for military service be able to understand and compare military compensation with that offered by competing employers?
- Will members recognize and acknowledge their compensation, particularly the salary component?
- Can members make accurate comparisons of their compensation with that offered by private sector employers?

It is possible that the military compensation structure will not be changed in the foreseeable future. In the meantime, Defense may lose significant numbers of members and potential members because military compensation is not fully visible. We suggest that you improve visibility of military compensation without waiting for a restructured compensation system.

While the concept of regular military compensation is easy to comprehend in the abstract, it is difficult for an untrained individual to compute. We suggest that the quadrennial review address this problem by developing approaches designed to:

- Secure acceptance by military members that regular military compensation is the approximate equivalent of a civilian salary.
- Teach military members to compute their compensation or tell them what it is at frequent intervals.
- Develop techniques for presenting total compensation so that members and potential members can value it accurately.

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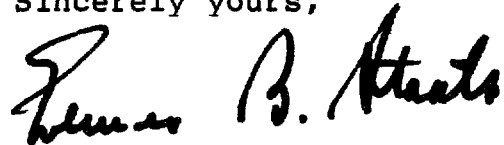
B-163770

We are sending copies of this report to the Secretaries of the Army, Navy, and Air Force; the Director, Office of Management and Budget; and the Chairmen, House and Senate Armed Services Committees, Committees on Appropriations, and Committees on Government Operations.

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Sincerely yours,



Comptroller General
of the United States

ANALYSIS OF COMPENSATION QUESTIONS FROM1973 DEPARTMENT OF DEFENSE PERSONNEL SURVEYINFORMATION AVAILABLE FOR ANALYSIS

The 1973 Department of Defense Personnel Survey was part of the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) research program. Usable responses were received from about 70,000 officers and enlisted personnel from a stratified random sample from the four services. The Department of Defense (DOD) questionnaire addressed the individual's perception of value of his total compensation. Respondents were asked:

"Taking into consideration base pay and allowances and the other military benefits which are in addition to take-home pay (such as medical care, dental care, commissary and PX privileges, food, lodging, retirement benefits, etc.), about how much money would you have to make in civilian life to equal the military compensation for a serviceman of your grade and time in service?" 1/

Alternative responses were provided in the form of a series of monetary ranges, generally at \$2,000 intervals. The series ranged from \$3,500 to \$16,500 for enlisted men and from \$8,000 to \$24,000 for officers.

Included were a number of questions on the background of the respondents. By using pay grade, time-in-service, marital status, and number of dependents, we were able to construct an estimate of a respondent's regular military compensation (RMC).

RMC is defined in Public Law 93-419, September 19, 1974 (88 Stat. 1152), as the sum of "basic pay, basic allowance for quarters, basic allowance for subsistence; and Federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax." RMC is commonly used as the military equivalent of a civilian salary.

To estimate total compensation, we added the value of major benefits--retirement, medical care, commissaries and exchanges--to the respondent's RMC.

1/For officers the reference to "food, lodging" was replaced by "subsistence and housing allowances."

We used the "normal cost" of military retirement as computed by DOD, less the imputed retirement contribution referred to in House Report 92-82. Since this method of estimating retirement costs is consistent with DOD practice and the beliefs of many service members, we accepted it as adequate for our purposes.

We used the per capita cost of medical care for service members and their dependents during fiscal year 1973, since it was impossible to determine value to the recipient. We believe the amount used is a conservative estimate of medical care value to the member.

We used the perceived value of commissary and exchange benefits as reported by service members on forms B and D of the 1973 DOD Personnel Survey. While this is less than DOD's estimates of commissary and exchange savings, we believe the member's perspective is more consistent with the objective of our survey.

These are the major military supplemental benefits. Many other benefits were omitted, such as VA benefits, unemployment compensation, recreational activities, and the insurance premium on FHA home loans, because of their relatively minor nature or difficulty in estimating.

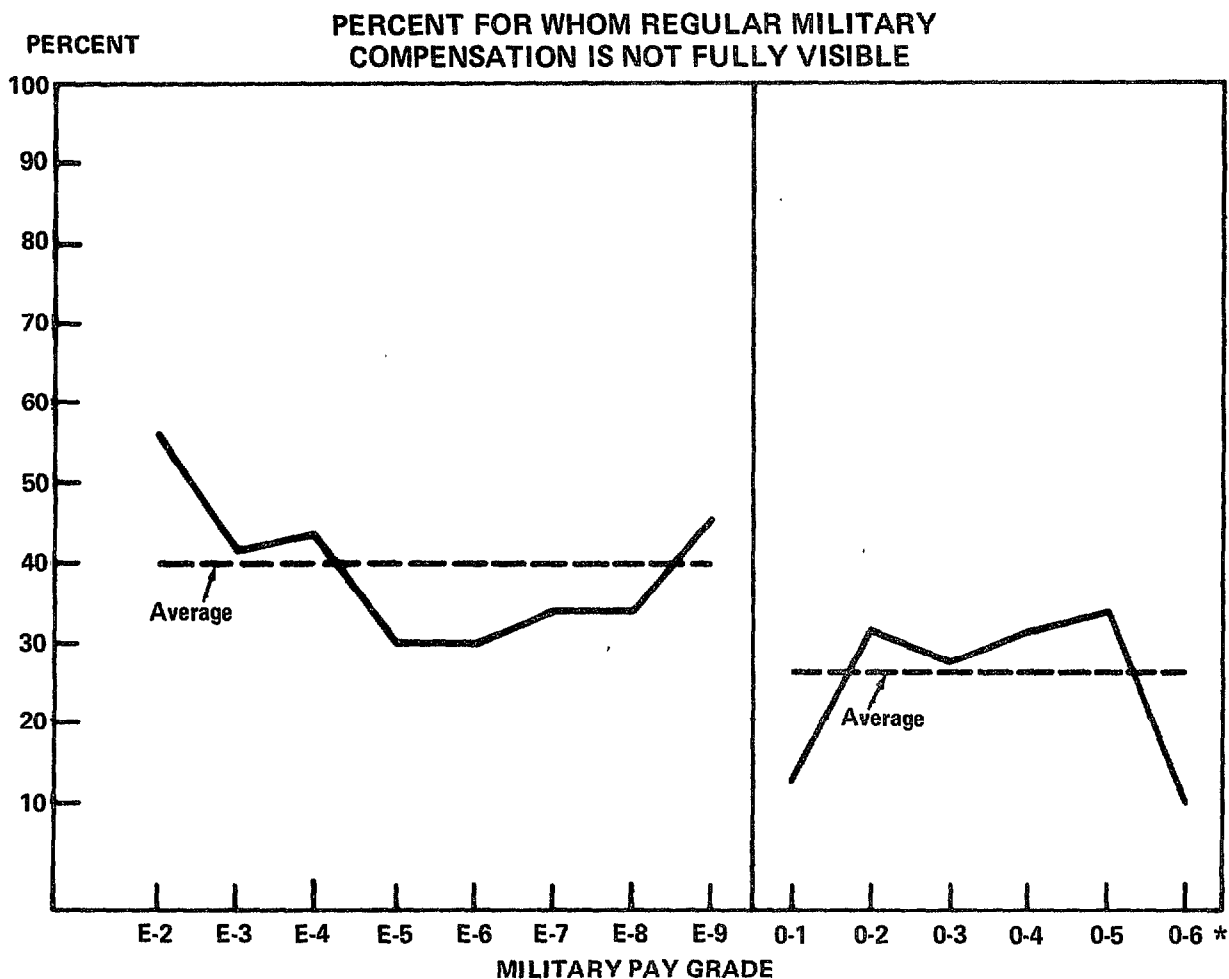
From the items listed and the October 1973 pay levels, we computed three major categories of military compensation: basic pay, RMC, and total compensation. The following table shows the weighted values by pay grade.

<u>Enlisted</u>	<u>Basic pay</u>	<u>RMC</u>	<u>Total compensation</u>
E-2	\$ 4,359	\$ 6,462	\$ 7,567
E-3	4,621	6,884	7,910
E-4	5,115	7,638	9,474
E-5	6,033	8,928	10,943
E-6	7,717	10,760	13,764
E-7	9,311	12,563	15,550
E-8	11,118	14,679	17,428
E-9	13,479	17,404	20,239
<u>Officer</u>			
O-1	7,569	10,164	11,982
O-2	10,110	13,235	14,861
O-3	13,373	17,090	20,357
O-4	16,484	20,690	24,653
O-5	20,353	25,175	29,638
O-6	25,216	30,819	36,526

VISIBILITY OF MILITARY COMPENSATION

Visibility of RMC

If a member's estimate of his total compensation was less than our estimate of his RMC, then RMC was not visible to that member. That is, if the respondent perceived his total compensation to be in the \$8,000 to \$10,000 category and our estimate of his RMC fell in the \$10,000 to \$12,000 category, it indicated that his RMC was not fully visible. This method produces a conservative estimate of visibility since only those respondents whose estimates of total compensation fell in a lower category than their RMC were counted as lacking visibility of RMC. The results of our analysis are shown in the following chart.



* This represents only extreme cases of lack of visibility, RMC of O-6 officers fell into the highest category, \$24,001 or more per year. Consequently, the underestimate of total compensation would have to be quite large in order to have registered in this analysis.

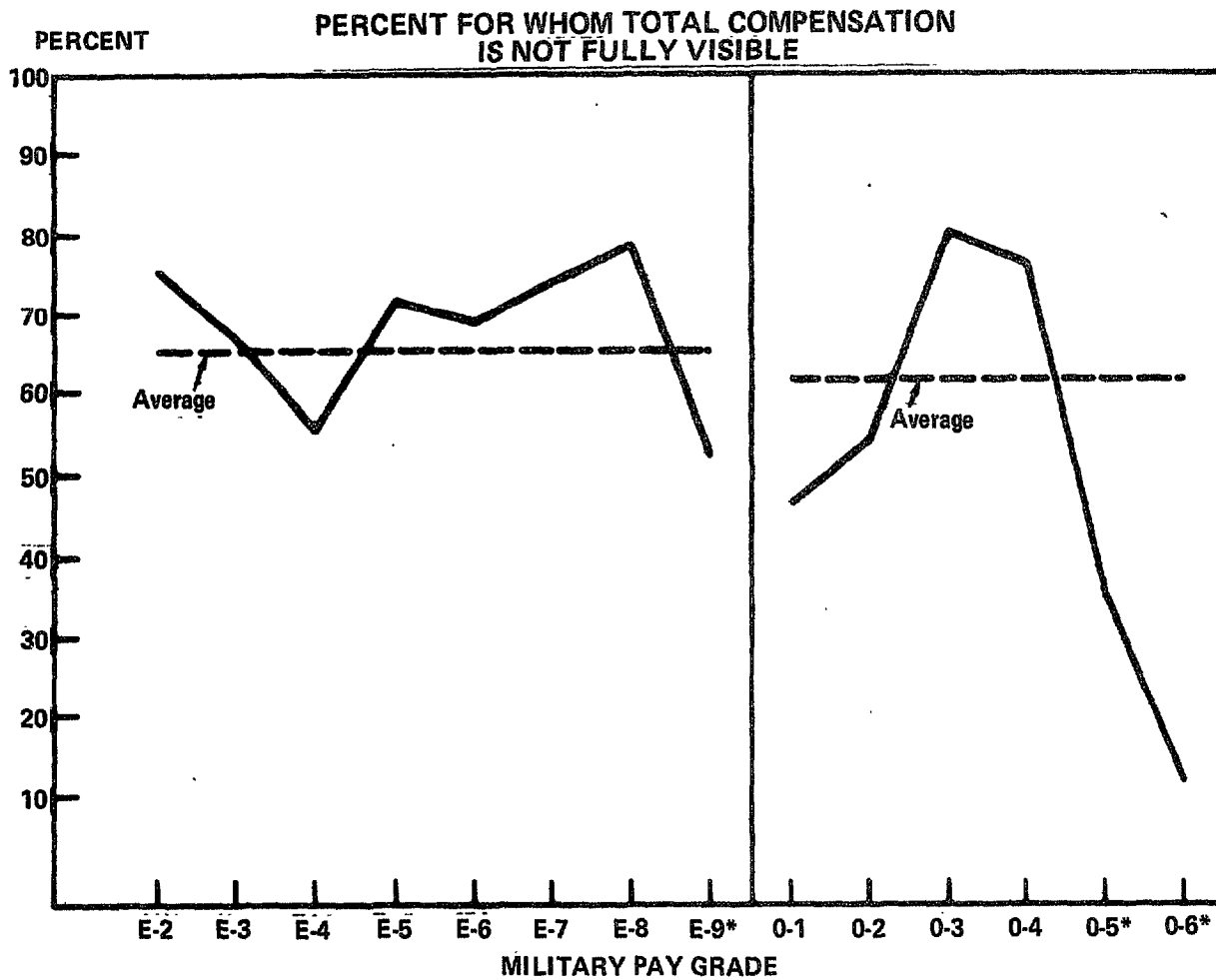
Forty percent of the enlisted personnel perceived total compensation in a category lower than their RMC. RMC visibility tended to be lower at the lower enlisted pay grades.

Over 25 percent of the officers perceived total compensation in a category lower than their RMC. Pay grade appeared to have no significant impact on RMC visibility to officers, except for pay grade O-1. About 90 percent of the O-1's recognized their RMC. Our estimate for O-6 is very conservative since their RMC fell into the highest category, \$24,001 or more a year, and their underestimate would have to be quite large to register in this analysis.

Total compensation

A second method of assessing visibility involved comparing the individual's perception of his total compensation with our estimate of his total compensation. If a respondent's estimate of his total compensation fell into a category lower than our estimate, then total compensation was not visible to the respondent.

The following chart shows the results of our analysis of the visibility of total compensation. Overall, 65 percent of the enlisted personnel and 61 percent of the officers perceived total compensation in a category lower than our estimate of their total compensation.



* These figures represent extreme cases of lack of visibility. Total compensation of personnel in these pay grades fell into the highest category, enlisted men \$16,501 and officers \$24,001 or more per year. Consequently, the underestimate of total compensation would have to be quite large in order to have registered in this analysis.

SATISFACTION WITH MILITARY COMPENSATION

DOD officials state that military compensation is reasonably competitive with that in the private sector. If this is true and if military members assess the adequacy of their compensation using civilian compensation as a standard, we would expect them to express satisfaction if they stated that their compensation equals or exceeds what they could earn as civilians. If they use some other standard or believe they are earning less than they could as a civilian, we would expect them to express dissatisfaction. The 1973 DOD Personnel Survey included a number of questions which elicited information on the respondent's

- perception of the comparability of his total compensation with what he could earn in the civilian sector,
- perception of the adequacy of his pay for the work he is doing,
- overall satisfaction with his pay, and
- criterion for assessing the adequacy of his pay.

Perceptions of comparability
with civilian sector compensation

Respondents were asked to compare their total military pay, allowances, and benefits to what they could earn in civilian life. Six response alternatives were provided ranging from "much more in the military" to "much more in civilian life," with one category for those who had no idea what they could earn in the civilian sector. Of those claiming knowledge of their civilian earning capability, 58 percent of the enlisted personnel (see app. II) and 48 percent of the officers (see app. III), indicated that they could earn more in the civilian sector.

Among the enlisted members, perceptions of superiority of civilian compensation were greatest among lower pay grades and single personnel and those serving in technical areas, such as electronic, electrical, and mechanical equipment repair. The higher the individual's education, the more likely he was to perceive compensation as being better in civilian life.

Higher ranking officers; those with more family responsibilities; those with higher education levels; or those serving in the scientific and professional, engineering and maintenance, and supply specialities were more likely to perceive civilian compensation as superior.

Perceptions of adequacy of pay

Another item in the questionnaire asked the respondents to indicate whether they were being paid adequately for the work they were doing. Overall, 54 percent of the enlisted personnel (see app. IV) and 40 percent of the officers (see app. V) indicated their pay was less than adequate.

Among the enlisted personnel, perceptions of less-than-adequate pay were greatest among those who were

- in the lower pay grades,
- more highly educated, and
- serving in the higher skilled military specialities.

Although there was variation by pay grade in the degree of adequacy of pay perceived by officers, 33 to 47 percent indicated less-than-adequate pay. The data revealed no systematic pattern.

Overall satisfaction with pay

A question measuring overall satisfaction with pay showed that 39 percent of the enlisted personnel (see app. VI) and 22 percent of the officers (see app. VII) expressed dissatisfaction.

The pattern of dissatisfaction among enlisted members followed the same trend as the comparability and adequacy questions. The highest degree of dissatisfaction was experienced by those who were

- in the lower pay grades,
- more highly educated, and
- serving in the higher skilled military specialities.

While officers in different pay grades exhibited differing levels of dissatisfaction, no pattern was apparent. Thirty percent of the officers in pay grade O-1 expressed dissatisfaction. As was the case with the analysis of pay comparability, those officers, excluding O-1s, who were more highly educated and those who were serving in the scientific and professional and engineering and maintenance military specialities exhibited the most dissatisfaction with their pay.

From the large number of unfavorable responses to questions concerning the comparability and adequacy of military pay, we expected an equally large number of respondents to express dissatisfaction with their pay. However, this was not the case.

	<u>Could earn more in civilian sector</u>	<u>Military pay less than adequate</u>	<u>Dissatisfied with military pay</u>
Enlisted	58%	54%	39%
Officer	48	40	22

This comparison implies that the individual may be using different standards to assess comparability and adequacy than he uses to assess satisfaction. Consequently, when asked to make an assessment of his satisfaction with his pay considering his total situation, the individual may balance the perceived defects in his compensation with other benefits arising from his military service.

Criteria used by servicemen
to assess their pay

Analysis of the criteria military personnel use to assess their pay leads to some insight into why certain groups experienced more dissatisfaction with their pay than others. Respondents were asked to indicate which of the following criteria was most important to them in judging the adequacy of their pay, namely

- educational background,
- experience,
- job responsibility,
- job difficulty,
- job unpleasantness,
- job hours,
- amount of money which could be earned as a civilian,
or
- amount of money needed to live on.

While need is not normally a factor for setting salaries in the civilian economy, the concept underlying military compensation considers the member's needs, as well as duties, responsibilities, and qualifications. This concept also applies to RMC where the quarters and subsistence components are essentially needs oriented.

The perceptions of inadequate pay among service members may be traceable to the needs concept. When military members responded to the question on the criteria for assessing their pay, 29 percent of the enlisted members and 23 percent of the officers indicated that they assess their pay using "need" as their criteria. As shown in the table, need was ranked first by enlisted members and second by officers as the main criteria for assessing the adequacy of their pay.

Criteria Used To Assess Pay

<u>Criteria</u>	<u>Enlisted personnel</u>	<u>Officer</u>
Need	29%	23%
Outside alternatives	17	19
Responsibility	21	36
Difficulty	4	4
Unpleasantness	5	2
Hours	8	4
Education	5	6
Experience	11	6

Examination of the criteria selected by various groups, provides some observations on the different levels of satisfaction with pay. (See apps. VIII and IX.) In examining pay assessment criteria by pay grade among enlisted personnel, we found that the lower the individual's pay grade, the less likely he was to indicate job characteristics, responsibility, difficulty, unpleasantness, and hours, as his primary criteria and the more likely he was to indicate outside alternatives. Among enlisted personnel and officers, higher educational level and greater technical complexity of their military specialty were both associated with increased likelihood of their citing outside alternatives as the main consideration.

The finding that in assessing their pay, lower pay grade enlisted personnel are more oriented toward alternative opportunities and less concerned with job characteristics may indicate that they are less committed to the service and that they view pay more from an economic aspect than do higher grade personnel. It may also be that, at the lower pay

grades, there is less opportunity for the intrinsic rewards of military service to be traded off against what might be considered less-than-adequate pay.

RELATIONSHIPS

After examining responses to individual questions, we attempted to determine the relationships between responses to particular questions.

Relationship between visibility and satisfaction

The relatively high proportion of service personnel for whom compensation is not fully visible and the fairly large proportion who exhibit dissatisfaction with some aspect of compensation raises the question of whether the two may be related. That is, do those individuals whose compensation is not fully visible exhibit more dissatisfaction? On the surface, there are indications that the two are related since those groups for whom compensation is least visible also exhibit the greatest amount of dissatisfaction with the compensation system.

The lack of visibility of both RMC and total compensation among enlisted personnel was found to be related to the perception of higher compensation in the civilian sector and overall dissatisfaction with pay. (See app. X.) The data revealed no relationship between the degree of visibility and the degree of perceived adequacy of pay.

Among the officers the situation was quite different. Generally, those officers whose RMC and total compensation were visible held less favorable attitudes toward pay comparability, adequacy, and satisfaction. (See app. XI.)

Relationship between visibility and reenlistment/career intent

One possible consequence of the low visibility of military compensation may be lower retention. Most studies of reenlistment intent show that once an enlisted member reenlists for his third term, it is extremely likely that he will continue to reenlist as long as he is able. Studies among officers show that those who remain in the service beyond their obligated tours are very likely to make the service a career. Consequently, our analysis of reenlistment/career intent concentrated on enlisted personnel within their first two terms and officers serving their initial tour.

Lack of RMC and total compensation visibility among enlisted personnel was associated with negative reenlistment intent. That is, those enlisted members whose compensation was less visible were more likely to indicate they would not reenlist for another term. (See app. XII.)

The relationship between compensation visibility and career intent among officers was less clear. As among enlisted personnel, career intent was lowest among those officers whose total compensation was less visible. However, those officers whose RMC was visible expressed less positive career intent than those whose RMC was not fully visible. An explanation for this unexpected result may lie in the fact that the officers in the O-1 pay grade showed a very low career intent as a group although their recognition of RMC was exceptionally high. It is possible that this group weighted the data toward the unexpected results we found.

Although it is tempting to infer from this data that lack of compensation visibility is causing some people to leave the service, this data should not be used by itself to form that conclusion. While we have determined that lack of visibility and negative reenlistment/career intent are related, we cannot attribute the negative career intent to the compensation's not being fully visible.

Relationship between satisfaction with compensation and reenlistment/career intent

Enlisted members who expressed less satisfaction with pay in general, pay adequacy, and pay comparability were more likely to express unfavorable reenlistment intent. Appendix XIII shows the relationship between reenlistment intent and attitudes toward pay among first- and second-term enlisted personnel.

As with enlisted personnel, those officers holding less favorable attitudes toward pay in general and the comparability and adequacy of pay were less likely to have favorable career intent. The relationship between career intent and attitudes toward pay among officers serving in their initial obligated tour is shown in appendix XIV.

Limitations on interpreting the data

A word of caution should be sounded on forming conclusions concerning the impact of pay visibility and satisfaction upon reenlistment/career intent. Many problems are involved in attempting to determine whether servicemen leave the military because of dissatisfaction with their pay. By using questionnaire data collected at a single point in time, we cannot conclusively establish a cause-and-effect relationship

between any two variables. That is, though we found a significant relationship between dissatisfaction with pay and negative reenlistment intent, we cannot be certain whether (1) the dissatisfaction is causing the negative reenlistment intent, or (2) the negative reenlistment intent is causing the individual to report dissatisfaction with pay in order to rationalize his decision, or (3) both attitudes are measures of overall dissatisfaction with the military. We have no way of determining whether those who indicated they would or would not reenlist actually carried out their stated intentions. However, longitudinal studies of the validity of the self-reported career intent found that most of those reporting negative intent actually do leave the service.

Conclusions

Our analysis of data from the 1973 DOD Personnel Survey indicates that visibility of military compensation is low. Many service members underestimated their RMC, the military equivalent of a civilian salary or wage. Military total compensation--pay, allowances, and benefits--was undervalued by a majority of both officer and enlisted members.

Analysis of the data concerning attitudes of military personnel revealed considerable dissatisfaction with the adequacy of compensation and the comparability of military compensation with civilian compensation. A lesser, but still significant, degree of dissatisfaction was exhibited with pay in general. The degree of dissatisfaction varied. Among officers, those in pay grade O-1 and those with higher education and more technical training expressed the most dissatisfaction. Among enlisted personnel, the highest degree of dissatisfaction was indicated by those in the lower grades and single members.

Although the survey data is not entirely conclusive, lack of visibility may be producing negative attitudes toward military compensation. If this is indeed the case, lack of visibility is a serious problem because the survey also shows that service members with unfavorable assessments of their compensation are more likely to indicate they will leave the service.

The design and phrasing of the survey's compensation questions were not completely satisfactory for the objectives of our analysis. However, our approach was sufficiently conservative to produce reasonable confidence in the results. We believe that, in developing future compensation surveys, DOD should develop the analysis objectives at the same time the questions are phrased so that the analysis can be accomplished quickly and accurately.

SUGGESTIONS

The military services now compete on an equal footing with other employers in the Nation's labor market. DOD gets the greatest return from military compensation expenditures when the required numbers of candidates and members with the skills and qualifications needed are motivated to join and remain in the service. To motivate effectively, military compensation should be fully recognized and understood by individuals being attracted or retained. If individuals undervalue military compensation, DOD will be less effective in competing for their services.

Salaries and wage rates are the primary compensation devices used by private sector employers to attract and retain employees. Few civilian employees are able to estimate the value of their total compensation accurately. We were not surprised, therefore, that military members, whose compensation includes many benefits and special pay and allowances, could not estimate their total compensation accurately. However, civilian employees generally know their salary or wage rate with reasonable precision. The survey finding that many military members undervalue RMC indicates that DOD may not be receiving maximum return from its military compensation expenditures.

On the basis of our analysis of the 1973 DOD Personnel Survey, we suggest that the visibility of military compensation, particularly the "salary" component, needs improvement. We believe this could be achieved through two actions:

- Change the structure of the military compensation system.
- Educate members to evaluate their pay accurately.

We understand an objective of the quadrennial review of military compensation is to examine the desirability of a restructured military compensation system. We suggest "visibility to the member" as one of the main criteria in evaluating proposed systems. Following are some factors which might be used in assessing how well a proposed system meets the "visibility" criterion.

- Will candidates for military service be able to understand and compare military compensation with that offered by competing employers?
- Will members recognize and acknowledge their compensation, particularly the salary component?

--Can members make accurate comparisons of their compensation with that offered by private sector employers?

It is possible that the military compensation structure will not be changed in the foreseeable future. In the meantime, DOD may lose significant numbers of members and potential members because military compensation is not fully visible. Action could be taken now to improve visibility of military compensation, particularly RMC, without waiting for a restructured compensation system.

Although the concept of RMC is easy to comprehend in the abstract, an RMC is difficult for an untrained individual to compute. We suggest that the quadrennial review address this problem by developing approaches to:

- Securing acceptance by military members that RMC is the approximate equivalent of a civilian salary.
- Teach military members to compute their RMC or tell them what it is at frequent intervals.
- Developing techniques for presenting total compensation so that members and potential members value it accurately.

ENLISTED PERSONNEL RESPONSES ON
COMPARABILITY OF TOTAL MILITARY COMPENSATION
WITH CIVILIAN SECTOR OPPORTUNITIES

	<u>Earning more in military</u>	<u>About the same</u>	<u>Could earn more in civilian sector</u>
Total enlisted personnel	25%	17%	58%
Pay grade:			
E-2	25	13	62
E-3	23	13	64
E-4	21	15	64
E-5	26	20	54
E-6	26	24	50
E-7	27	29	44
E-8	31	25	44
E-9	33	35	32
Family status:			
Single	23	14	63
Married with no dependents	25	17	58
Married with dependents	27	22	51
Educational level:			
Less than high school	31	13	56
High school or equivalent	26	19	55
At least some college	19	16	65
Military specialty:			
Infantry, gun crews, etc.	27	17	56
Electronic equipment repair	17	17	66
Communication and intelli- gence	26	15	59
Medical and dental	29	19	52
Technical specialties	22	18	60
Administration	29	18	53
Electrical and mechanical equipment repair	22	18	60
Craftsmen	22	17	61
Service and supply	31	18	51

OFFICER RESPONSES ON
COMPARABILITY OF TOTAL MILITARY COMPENSATION
WITH CIVILIAN SECTOR OPPORTUNITIES

	<u>Earning more in military</u>	<u>About the same</u>	<u>Could earn more in civilian sector</u>
Total officers	26%	26%	48%
Pay grade:			
O-1	31	23	46
O-2	37	24	39
O-3	28	27	45
O-4	18	26	56
O-5	19	29	52
O-6	14	30	56
Family status:			
Single	34	21	45
Married with no dependents	31	25	44
Married with dependents	23	28	49
Educational level:			
Less than college	37	27	36
College	30	27	43
At least some graduate school	20	26	54
Military specialty:			
Tactical operations	28	24	48
Intelligence	27	27	46
Engineering and maintenance	23	27	50
Scientific and professional	20	26	54
Medical allied	46	22	32
Administration	32	28	40
Supply and procurement	24	27	49
Commanders and staff	24	28	48

ENLISTED PERSONNEL RESPONSES ONADEQUACY OF PAY

	<u>More than adequate</u>	<u>Adequate</u>	<u>Less than adequate</u>
Total enlisted personnel	15%	31%	54%
Pay grade:			
E-2	20	29	51
E-3	16	29	55
E-4	14	30	56
E-5	12	30	58
E-6	10	34	56
E-7	10	42	48
E-8	9	44	47
E-9	10	54	36
Family status:			
Single	18	30	52
Married with no dependents	15	29	56
Married with dependents	12	33	55
Educational level:			
Less than high school	26	26	48
High school or equivalent	15	33	52
At least some college	12	30	58
Military specialty:			
Infantry, gun crews, etc.	20	31	49
Electronic equipment re- pair	10	30	60
Communications and in- telligence	16	33	51
Medical and dental	13	30	57
Technical specialties	11	31	58
Administration	17	33	50
Electrical and mechanical equipment repair	14	29	57
Craftsmen	14	29	57
Services and supply	21	33	46

OFFICER RESPONSES ON ADEQUACY ON PAY

	<u>More than adequate</u>	<u>Adequate</u>	<u>Less than adequate</u>
Total officers	10%	50%	40%
Pay grade:			
O-1	11	46	43
O-2	14	53	33
O-3	12	50	38
O-4	7	49	44
O-5	7	54	39
O-6	5	48	47
Family status:			
Single	16	49	35
Married with no dependents	12	50	38
Married with dependents	8	50	42
Educational level:			
Less than college	11	57	32
College	11	52	37
At least some graduate school	10	47	43
Military specialty:			
Tactical operations	10	50	40
Intelligence	15	55	30
Engineering and mainte- nance	10	49	41
Scientific and profes- sional	9	47	44
Medical allied	15	54	31
Administration	13	52	35
Supply and procurement	10	48	42
Commanders and staff	9	50	41

ENLISTED PERSONNEL RESPONSES ONSATISFACTION WITH PAY

	<u>Satisfied</u>	<u>Neutral</u>	<u>Dissatisfied</u>
Total enlisted personnel	39%	22%	39%
Pay grade:			
E-2	32	25	44
E-3	31	24	45
E-4	34	23	43
E-5	41	21	38
E-6	49	20	31
E-7	58	18	24
E-8	64	17	19
E-9	78	10	12
Family status:			
Single	33	25	42
Married with no dependents	38	22	40
Married with dependents	46	20	34
Educational level:			
Less than high school	32	30	38
High school or equivalent	41	23	36
At least some college	37	19	44
Military specialty:			
Infantry, gun crews, etc.	37	25	38
Electronic equipment repair	37	20	43
Communications and intelligence	39	23	38
Medical and dental	40	22	38
Technical specialties	39	21	40
Administration	44	20	36
Electrical and mechanical equipment repair	35	25	40
Craftsmen	35	21	44
Services and supply	41	25	34

OFFICER RESPONSES ON SATISFACTION WITH PAY

	<u>Satisfied</u>	<u>Neutral</u>	<u>Dissatisfied</u>
Total officers	65%	13%	22%
Pay grade:			
O-1	45	15	30
O-2	70	12	18
O-3	69	13	18
O-4	63	14	23
O-5	67	14	19
O-6	61	13	26
Family status:			
Single	64	14	22
Married with no dependents	65	13	22
Married with dependents	65	13	22
Educational level:			
Less than college	74	11	15
College	66	13	21
At least some graduate school	62	14	24
Military specialty:			
Tactical operations	64	14	22
Intelligence	72	12	16
Engineering and maintenance	62	15	23
Scientific and professional	60	15	25
Medical allied	70	12	18
Administration	66	12	22
Supply and procurement	63	15	22
Commanders and staff	66	13	21

ENLISTED PERSONNEL RESPONSES ONCRITERION USED TO ASSESS ADEQUACY OF PAY (note a)

	<u>Creden-</u> <u>tials</u>	<u>Job charac-</u> <u>teristics</u>	<u>Outside</u> <u>alter-</u> <u>natives</u>	<u>Needs</u>
Total enlisted personnel	16%	38%	17%	29%
Pay grade:				
E-2	16	38	19	27
E-3	14	38	21	27
E-4	15	37	21	27
E-5	16	35	16	33
E-6	17	40	12	31
E-7	17	43	10	30
E-8	20	48	9	23
E-9	19	55	6	20
Family status:				
Single	16	41	20	23
Married with no de-				
pendents	16	35	18	31
Married with depend-				
ents	16	37	12	35
Educational level:				
Less than high school	19	42	14	25
High school or equiv-				
alent	15	39	16	30
At least some college	19	35	19	27
Military specialty:				
Infantry, gun crews,				
etc.	16	45	13	26
Electronic equipment				
repair	15	37	20	29
Communications and				
intelligence	19	34	18	29
Medical and dental	20	34	17	29
Technical specialties	14	40	17	29
Administration	17	37	16	30
Electrical and me-				
chanical equipment				
repair	16	37	18	29
Craftsmen	19	32	24	25
Service and supply	16	40	15	29

a/To simplify the analysis, these eight alternatives were grouped into four categories: (1) credentials (education and experience), (2) job characteristics (responsibility, difficulty, unpleasantness, and hours), (3) outside alternatives, and (4) needs.

OFFICER RESPONSES ONCRITERION USED TO ASSESS ADEQUACY OF PAY (note a)

	<u>Creden- tials</u>	<u>Job charac- teristics</u>	<u>Outside alter- natives</u>	<u>Needs</u>
Total officers	12%	46%	19%	23%
Pay grade:				
O-1	14	41	21	24
O-2	12	48	21	19
O-3	10	47	20	23
O-4	11	45	19	25
O-5	13	49	14	24
O-6	12	57	11	20
Family status:				
Single	12	46	22	20
Married with no de- pendents	13	46	20	21
Married with depend- ents	12	46	18	24
Educational level:				
Less than college	14	58	9	19
College	10	49	18	23
At least some gradu- ate school	13	42	22	23
Military specialty:				
Tactical operations	11	49	18	22
Intelligence	14	36	18	32
Engineering and maintenance	12	47	21	20
Scientific and pro- fessional	17	34	27	22
Medical allied	18	45	23	14
Administration	12	46	20	22
Supply and procure- ment	9	47	21	23
Commanders and staff	11	50	15	24

a/To simplify the analysis, these eight alternatives were grouped into four categories: (1) credentials (education and experience), (2) job characteristics (responsibility, difficulty, unpleasantness, and hours), (3) outside alternatives, and (4) needs.

RELATIONSHIP BETWEEN VISIBILITY OF COMPENSATION AND
ATTITUDES TOWARD PAY AMONG ENLISTED PERSONNEL

	<u>RMC visibility</u>		<u>Total compensation visibility</u>	
	<u>Not fully visible</u>	<u>Visible</u>	<u>Not fully visible</u>	<u>Visible</u>
Perceived comparability:				
More in military	23%	26%	23%	28%
Same	17	18	18	16
More in civilian sector	60	56	59	56
Perceived adequacy:				
More than adequate	17	14	15	15
Adequate	30	32	31	31
Less than adequate	53	54	54	54
Perceived satisfaction:				
Satisfied	35	41	37	42
Neutral	24	22	23	22
Dissatisfied	41	37	40	36

RELATIONSHIP BETWEEN VISIBILITY OF COMPENSATION
AND ATTITUDES TOWARD PAY AMONG OFFICERS

	<u>RMC visibility</u>		<u>Total compensation visibility</u>	
	<u>Not fully visible</u>	<u>Visible</u>	<u>Not fully visible</u>	<u>Visible</u>
Perceived comparability:				
More in military	29%	25%	27%	25%
Same	27	23	25	23
More in civilian sector	44	52	48	52
Perceived adequacy:				
More than adequate	10	10	10	9
Adequate	51	47	49	48
Less than adequate	39	43	41	43
Perceived satisfaction:				
Satisfied	64	62	62	63
Neutral	15	13	14	13
Dissatisfied	21	25	24	24

RELATIONSHIP BETWEEN REENLISTMENT INTENT AND
VISIBILITY OF COMPENSATION AMONG FIRST- AND
SECOND-TERM PERSONNEL

	<u>Stated reenlistment plans</u>			
	<u>Yes</u>	<u>Undecided, probably yes</u>	<u>Undecided, probably no</u>	<u>No</u>
Visibility of RMC:				
Not fully visible	10%	17%	20%	53%
Visible	16	21	20	43
Visibility of total compensation:				
Not fully visible	12	18	20	50
Visible	16	21	19	44

RELATIONSHIP BETWEEN CAREER INTENT AND VISIBILITY OF
COMPENSATION AMONG OFFICERS SERVING
INITIAL OBLIGATED TOUR

	<u>Stated career intent</u>		
	<u>Favorable</u>	<u>Unsure</u>	<u>Unfavorable</u>
Visibility of RMC:			
Not fully visible	38%	22%	40%
Visible	34	22	44
Visibility of total compensation:			
Not fully visible	31	22	47
Visible	40	22	38

RELATIONSHIP BETWEEN REENLISTMENT INTENT AND ATTITUDES TOWARDPAY AMONG FIRST- AND SECOND-TERM PERSONNEL

	<u>Stated reenlistment plans</u>			
	<u>Yes</u>	<u>Undecided, probably yes</u>	<u>Undecided, probably no</u>	<u>No</u>
Perceived comparability:				
More in military	44%	30%	15%	11%
Same	33	30	19	18
More in civilian sector	23	28	19	30
Perceived adequacy:				
More than adequate	36	28	17	19
Adequate	35	30	18	17
Less than adequate	25	29	18	28
Perceived satisfaction:				
Satisfied	40	30	17	13
Neutral	30	33	18	19
Dissatisfied	22	26	18	34

RELATIONSHIP BETWEEN CAREER INTENT AND ATTITUDES TOWARD
PAY AMONG OFFICERS SERVING INITIAL OBLIGATED TOUR

	<u>Stated career intent</u>		
	<u>Favorable</u>	<u>Unsure</u>	<u>Unfavorable</u>
Perceived comparability:			
More in military	45%	23%	32%
Same	44	22	34
More in civilian sector	35	22	43
Perceived adequacy:			
More than adequate			
(note a)	36	17	47
Adequate	43	23	34
Less than adequate	38	24	38
Perceived satisfaction:			
Satisfied	45	22	33
Neutral	39	26	35
Dissatisfied	28	23	49

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