

Prepared Statement
of
The Honorable Michael L. Dominguez
Principal Deputy Under Secretary of Defense
(Personnel and Readiness)
Before the
House Subcommittee on Military Personnel
Committee on Armed Services

“Recruiting and Retention”

August 1, 2007

INTRODUCTION

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to be here today. I particularly appreciate the opportunity to discuss the current status and future of Army recruiting and retention. As Secretary of the Army Jack Marsh stated in the early 1980s, "*As the Army goes, so goes the All-Volunteer Force.*" That was true then, and remains so today.

Our All-Volunteer Force continues to perform brilliantly amidst its first protracted warfighting challenge. Recruiting and retention have been good, despite a tough recruiting climate characterized by a robust economy, high employment, a reduced likelihood of influencers to recommend service, an increased number of youth going to college directly from high school, and a high operating tempo for our military. Each of these affects our ability to attract young Americans to their Nation's armed forces.

Although the focus of today's hearing is Army recruiting and retention, I will briefly set the stage by summarizing for you the current status of the Department's military recruiting and retention efforts.

ACTIVE DUTY RECRUITING AND RETENTION

The success of our all volunteer force begins with recruiting, but is assured by the successes achieved in our retention program. The challenges I have just outlined affect both recruiting and retention, and the Department

gratefully acknowledges this Subcommittee's unflagging support as we rise to meet those challenges.

ACTIVE DUTY RECRUITING

During FY 2006, the military Services recruited to the active component 167,909 first-term enlistees, plus 12,631 persons with previous military service, yielding a total of 180,540 active duty recruits – notably, this outcome surpassed the DoD goal of 179,707.

While meeting those numerical goals is important, we also must achieve the right qualitative mix of recruits, if they are to complete their term of service and perform successfully in training and on the job. The “quality” of the accession cohort is important. We typically report recruit quality along two dimensions – aptitude and educational achievement. Both are important, but for different reasons.

All military applicants take a written enlistment test called the Armed Services Vocational Aptitude Battery (ASVAB). One component of that test is the Armed Forces Qualification Test (AFQT), which measures math and verbal skills. Those who score above average on the AFQT are in Categories I-III A. We value these higher-aptitude recruits because they are easier to train and perform better on the job than their lower-scoring peers (Categories IIIB-IV). These category groupings describe a range ¹ of percentiles, with Category I-III A describing the top half of American youth in math and verbal aptitudes.

¹ AFQT (Math-Verbal) Categories, expressed as a percentile of American youth: I (93-99); II (65-92); III A (50-64); IIIB (31-49); IV (10-30). Those below the 10th percentile are ineligible to enlist, by law.

We also value recruits with a high school diploma because they are more likely to complete their initial three years of service. About 80 percent of recruits who have received a traditional high school diploma complete their first three years, yet only about 50 percent of those who have not completed high school will make it. Those holding an alternative credential, such as a high school equivalency or a General Educational Development (GED) certificate, fall between those two extremes.

In conjunction with the National Academy of Sciences, the Department developed a mathematical model that links educational attainment, aptitude, and recruiting resources to job performance. With this model we established recruit quality benchmarks of 90 percent high school diploma graduates and 60 percent scoring above average on the AFQT. Those benchmarks were set by examining the relationship between costs associated with recruiting, training, attrition, and retention using as a standard the performance level obtained by the enlisted force cohort of 1990—the force that served in Desert Shield/Desert Storm. Thus, the benchmarks reflect the aptitude and education levels necessary to minimize personnel and training costs while maintaining the required performance level of that force.

Through June, FY 2007 all Services have met or exceeded numerical recruiting objectives for the active force. Army achieved 51,891 against a target of 51,150 recruiting goal, for a 101% year-to-date accomplishment (Table 1). However, the active Army is behind in one of its quality benchmarks, falling short of recruits with a High School Diploma. Although the Army is slightly below the

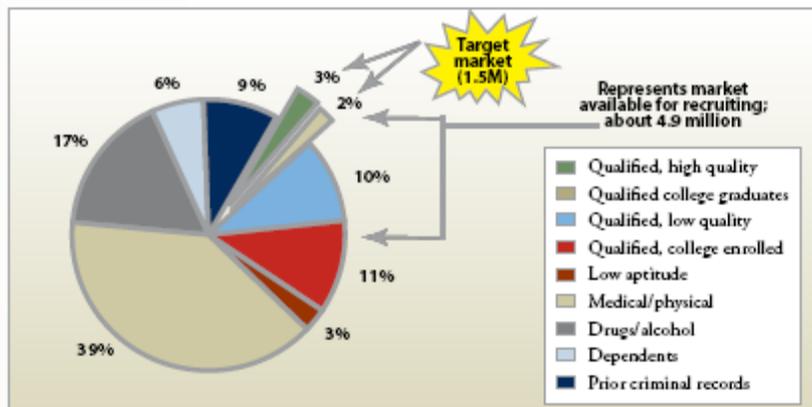
desired number of recruits scoring at or above the 50th percentile on the AFQT, we look for the Army to achieve the DoD benchmark by year's end.

FY 2007 Active Component Accessions
(Through June 2007, Year to Date)

	Quantity		
	Accessions	Goal	% of Goal
Army	51,891	51,150	101%
Navy	25,176	25,101	100%
Marine Corps	21,867	21,490	102%
Air Force	20,212	20,212	100%
Total	119,146	117,953	101%

While the American youth population is large, only a subset is qualified to enlist. It is an unfortunate fact that many of our contemporary youth population are ineligible to serve. About 39 percent are medically disqualified (with obesity representing the largest contributing factor); 17 percent have abused drugs or alcohol; and 9 percent have been involved in misconduct, with another 9 percent disqualified owing to an unusually high number of dependents, or unusually low aptitude (Figure 2).

Figure 2. Eligibility for Military Service

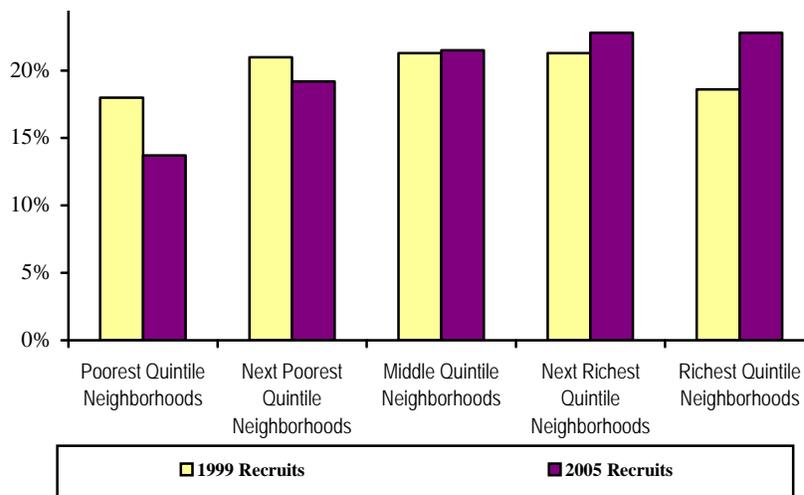


Source: The Lewin Group

Another 11 percent are qualified, but are enrolled in college, leaving fewer than 5 million — about 16 percent of the roughly 32 million youth ages 17-24 — eligible and available to recruit.

As we seek to recruit for today's military, we discover that many misunderstand its composition. We note in particular the frequent assertion that today's military recruits come disproportionately from the poor, the unemployed, the uneducated, and the minority populations. These are myths that we work hard to dispel. In fact, most recruits come from middle income families, with far more recruits drawn from higher-income households than poorer households. Since 1999, we have seen a significant increase in the number of recruits from higher income families (Figure 3). Furthermore, data show that recruits do not come from the ranks of the unemployed, that they are better educated than their contemporaries, and that their racial and ethnic composition mirrors our society.

Figure 3. Socio-Economic Neighborhoods of New Recruits



Source: The Heritage Foundation

Some also believe that African-Americans sustain the greatest proportion of casualties in Operation Iraqi Freedom. This also is untrue. As of June 30, 2007, African Americans represented about 17 percent of the force, yet accounted for 10 percent of deaths and 8 percent of the wounded. On the other hand, whites accounted for 70 percent of the force, but suffered 74 percent of deaths and 73 percent of the wounded. The corresponding numbers for Hispanics were 10 percent of the force, 11 percent of the deaths, and 7 percent of the wounded. These are simply an outcome of the occupational choices young people make with African Americans, for example, preferring skills offering the most valuable training, generating a modest overrepresentation in the health care field. These are the decisions young volunteers make, and we respect and celebrate their choices.

ACTIVE DUTY RETENTION

Overall, in FY 2006 active duty retention goals were surpassed across the board. The Army, Air Force, and Marine Corps met FY 2006 active duty retention goals in every category. The Navy delivered high retention at the start of the year, but a focus on physical fitness test performance led to a modest upswing in disqualifications among first-term Sailors later in the year. Navy is on a planned, controlled path to reshape its force both in terms of skill and experience.

Through June 2007, retention remains strong in the active force. All Services met or exceeded their overall retention missions. Army is currently at 101% of its aggregate year-to-date mission although it continues to experience

shortfalls in the mid-career category. We predict that Army will meet its reenlistment goals in all categories by the end of the year.

Table 2. Active Duty Enlisted Retention Through June 2007

	Status	Reenlisted	Mission YTD	FY07 Goals	
Army					
- <i>Initial</i>	G	21,590	20,126	107%	25,502
- <i>Mid-Career</i>	Y	16,256	17,260	94%	21,770
- <i>Career</i>	G	11,795	11,920	99%	14,928
Navy					
- <i>Zone A</i>	G	8,779	9,184	96%	12,300
- <i>Zone B</i>	G	6,622	6,102	109%	7,800
- <i>Zone C</i>	G	3,966	3,687	108%	4,700
Air Force					
- <i>Zone A</i>	G	13,502	13,500	100%	18,000
- <i>Zone B</i>	G	7,873	8,250	95%	11,000
- <i>Zone C</i>	G	5,088	5,250	97%	7,000
Marine Corps					
- <i>First</i>	G	7,129	6,224	115%	8,298
- <i>Subsequent</i>	G	7,304	5,850	125%	7,800

The Army is the only Service currently using Stop Loss. Over the past six months, the average number of soldiers under Stop Loss each month was 5,701 Active Component, 1,505 Reserve and 2,101 National Guard. As of June 2007, the Army Stop Loss program affected less than half of one percent of the total force (5,355 Active Component, 1,501 Reserve, and 2,313 National Guard soldiers). The active Army Unit Stop Loss program takes effect 90 days prior to

unit deployment, or simultaneous with official notification of deployment orders, if earlier. It remains in effect through the date of redeployment to permanent duty stations, plus a maximum of 90 days. Reserve component Unit Stop Loss begins 90 days prior to mobilization or with official mobilization alert order, if later, and continues through mobilization plus up to 90 days following demobilization.

RESERVE COMPONENT RECRUITING

Even with the stress of mobilization and the other elements in this challenging recruiting environment, the DoD Reserve components reversed the downward trend of the preceding three years and, cumulatively, achieved 97% of their fiscal year 2006 recruiting objectives --- a significant increase over the 85% achievement in FY 2005. By End of year 2006, two of the six DoD Reserve components exceeded their recruiting objectives – the Marine Corps Reserve and the Air Force Reserve. The Army National Guard and Air National Guard came close to making their goals, achieving 99% and 97%, respectively. The Army Reserve fell short by 1,653 (achieving 95%), and the Navy Reserve fell short by 1,458 (achieving 87%). The improved recruiting results, coupled with low attrition, have helped the Reserve components achieve a better end strength posture.

While fiscal year 2007 has been challenging for Reserve recruiting, the Reserve components have undertaken many successful initiatives in order to mitigate many of these challenges with positive results. During the third quarter of fiscal year 2007, three of the six DoD Reserve components met or exceeded

their recruiting objectives with the remainder reporting strong accession numbers for the quarter (Table 3).

We continue to monitor the quality of recruits against DoD benchmarks, and we see no decline in the quality of young men and women being recruited today. Changes to the Reserve enlistment and affiliation bonuses have helped to sustain this positive trend.

Table 3. Reserve Component Recruiting Performance through June 2007

	Quantity			Quality	
	Year-to-date Accessions	Year-to-date Goal	% of Goal	% High School Diploma Graduate (HSDG); <i>DoD Benchmark = 90%</i>	% Scoring at / above 50th Percentile on AFQT (Categories I-III A); <i>DoD Benchmark = 60%</i>
Guard and Reserve Enlisted Recruiting (Through June)					
Army National Guard	50,356	50,339	100%	93%	57%
Army Reserve	24,053	25,068	96%	90%	58%
Navy Reserve	7,252	7,601	95%	92%	70%
Marine Corps Reserve	6,204	5,733	108%	96%	75%
Air National Guard	7,003	7,492	93%	98%	75%
Air Force Reserve	5,446	5,228	104%	99%	74%

There is less encouragement today from parents, teachers, and other influencers to join the military -- active or reserve. In addition, fewer individuals are separating from the active components. These factors, coupled with a strong economy and lower unemployment, operate against reserve recruiting.

Nonetheless, the Army is aggressively managing Reserve Component recruiting through three avenues: (1) extension of the quick ship bonus and improvements in the Reserve Partnership Councils, (2) stronger incentives, with

increased enlistment bonuses for both prior service and non-prior service recruits, and (3) increased advertising expenditures, including targeted advertising to parents and influencers. Your continued support of these efforts is essential.

RESERVE COMPONENT RETENTION

The percentage of the reenlistment goal that was achieved saw an increase in FY 2006 to 104% -- up from 100% in FY 2005. This fifth straight year of increase reflects a positive trend that has carried into Fiscal Year 2007.

Measuring all losses, regardless of reason, from the Reserve components, we note that enlisted attrition remained below established ceilings for FY 2006. As a matter of fact, the composite (officer + enlisted) attrition rate of 18.4% was the lowest since FY 1991. Through the third quarter of FY 2007, enlisted attrition is on track to remain below ceilings established by each Reserve component. We are closely monitoring retention/attrition, particularly among those who have been mobilized and deployed to support operations in Iraq and Afghanistan.

Table 4. Reserve Component Attrition through June 2007

Selected Reserve Enlisted Attrition Rate (in percent)	FY 2000 YTD (Jun 00)	FY 2006 YTD (Jun 06)	FY 2007 YTD (Jun 07)	FY 2007 Target (Ceiling)
Army National Guard	14.4	14.3	14.4	19.5
Army Reserve	21.5	16.1	17.4	28.6
Navy Reserve	21.7	26.0	23.3	36.0
Marine Corps Reserve	22.9	18.9	19.2	30.0
Air National Guard	8.8	8.3	8.1	12.0
Air Force Reserve	12.0	10.9	13.0	18.0
All Reserve Components - Weighted Average	16.2	14.8	15.0	NA

Recruiting and retaining the right people in the right skills in the right number has always been a challenge, but continues to be more difficult as a volunteer force goes to war amidst a strong economy and an abundance of employment opportunities. Recruiters are working hard, with data showing that they continue to log long hours as they seek to recruit those who meet high standards for enlistment. Our educational and aptitude standards for new recruits have not changed, assuring the nation of a military that remains above the national average in both areas.

We also face a growing economy (unemployment was 4.5% in June – near historic lows) which has made recruiting difficult. Your support continues to be key. We appreciate the new authorities you provided in both the FY 2006 and 2007 National Defense Authorization Acts (NDAA), especially the Demonstration Authority authorized for the Army, as these have been important to recruiting success.

CONCLUSION

Today I encourage the support of All Americans, in particular its elected leaders, in lending their time and their voice in underscoring the merits of serving in America's All-Volunteer Force.

Mr. Chairman, in conclusion, I thank you and members of this Subcommittee for your advocacy on behalf of the men and women of the Department of Defense. Whether the career of a member of the Total Force is measured in months or years, whether that career is spent in a Reserve component, an Active component, a combination of the two -- or as a Department of Defense civilian -- the nation's gratitude for dedicated service is proved in your continued support and funding for the programs that keep our forces strong and healthy. I look forward to your questions.