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# ***DACMC Quality of Life Report***

***July 20, 2005***

**Subcommittee on Quality of Life**

**Mr. Joseph Jannotta**

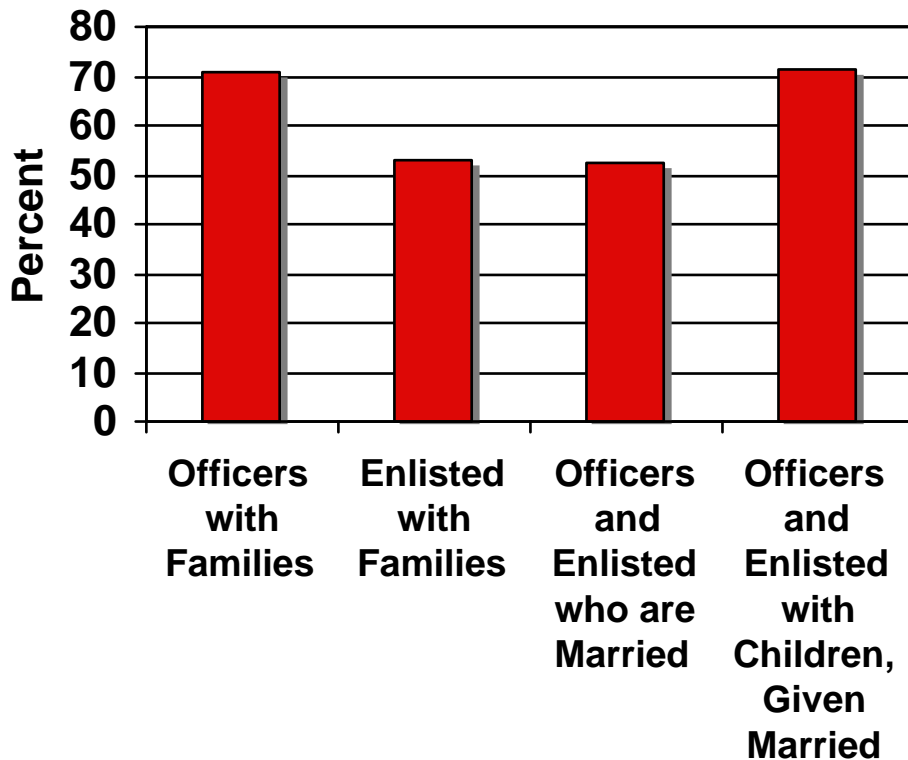
**GEN (Ret.) Lester Lyles**

**Consultant: Beth J. Asch**



# Introduction

**Family Status of Active Duty Personnel, Percent in 2003**



Source: 2003 DoD Demographic Report

- **Purposes of QoL**
  - Mitigate demands of military service
  - Help maintain morale, retention, improve readiness
- **Outline**
  - Current programs
  - Challenges
  - Framework for Improvement
  - Alternatives



# *General QoL Programs*

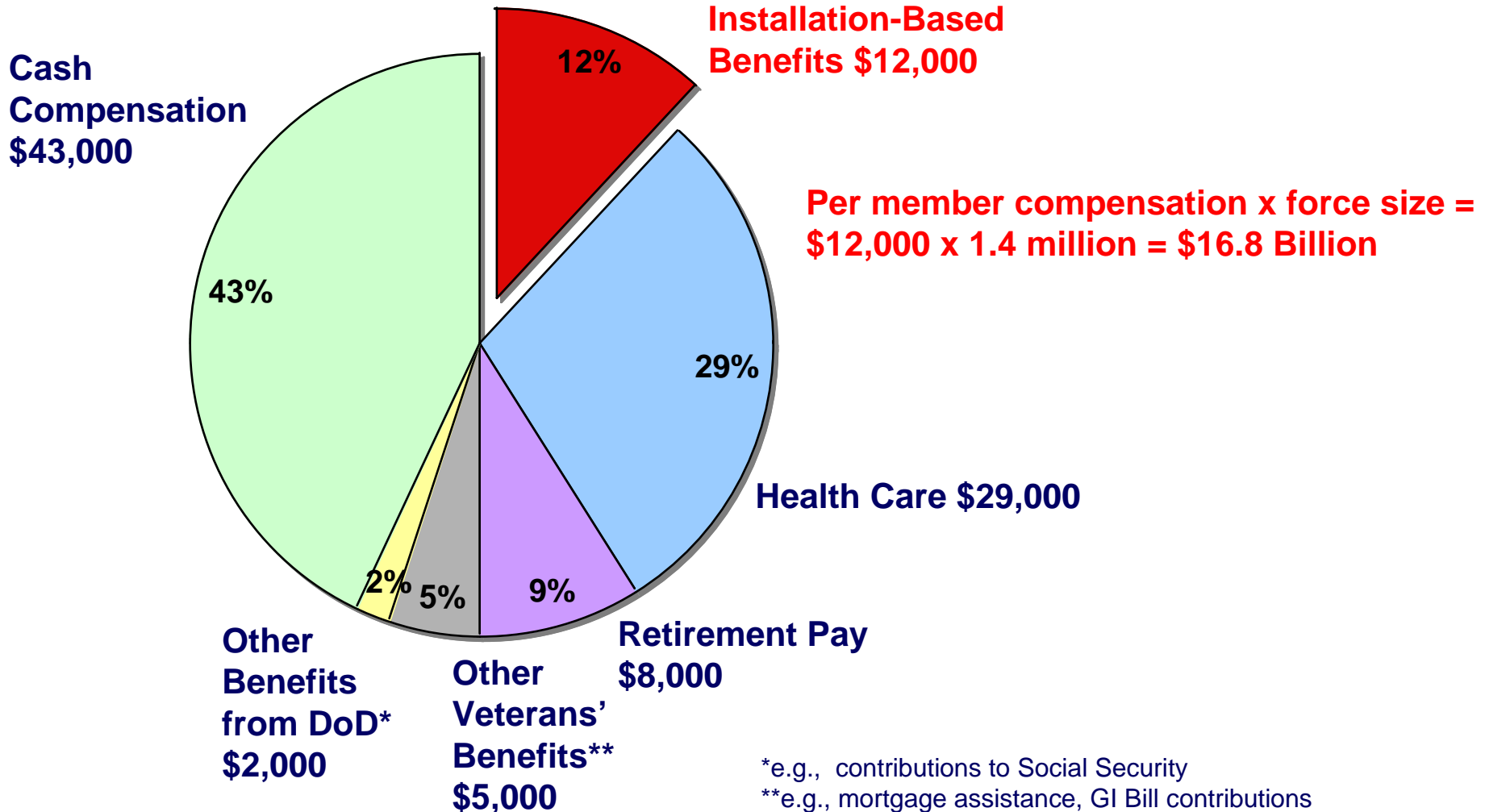
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- **Family and community support, e.g.**
  - Family readiness programs, Financial counseling, Tragedy assistance, Child care, Marriage, family and individual counseling, Spouse/child abuse, relocation and assistance, legal assistance, youth programs, chaplain services, drug/alcohol etc...
- **Morale, Recreation, and Welfare, e.g.**
  - Commissary, Exchange, Clubs, Temporary lodging, Fitness centers, Golf courses, etc...



# Installation-Based Benefits are 2nd Largest Non-Cash Part of Compensation

Compensation per Active-Duty Member, 2002  
(Average=\$99,000)



\*e.g., contributions to Social Security

\*\*e.g., mortgage assistance, GI Bill contributions

Source: Congressional Budget Office, January 6, 2004



# Challenges

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- **Unique stress of service on members, spouses**
  - “On-call”, separations of uncertain length, dangerous
  - Frequent and long-distance moves that sever ties to friends and community and that adversely affect spouse earnings and employment
- **Recent deployments spotlight challenges, QoL needs**
  - Marriages are challenged
  - Financial difficulties
  - Stress experienced by members, spouses, children throughout deployment cycle
  - Individuals often need counseling
  - Increased child care needs
  - Timely and accurate flow information to spouses and family members



# Challenges

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- **Changing demographics: QoL services may not have adjusted**
  - Half of enlisted force has some college by end of first term
  - 15% of active force is female
  - 70% of military wives have paying jobs
  - Dual military couples are 13% of married military families
  - Fraction of FY03 active duty force that is Hispanic is 9%
- **Programs are not always closely tied to objectives**
  - More data with analysis on the cost-effectiveness of QoL programs needed
  - Little guidance on whether a program should be provided “in-kind” as a QoL program or in cash and allow members the choice to make own arrangements



# ***Challenges: Increased Demand for Child Care But Insufficient Supply***

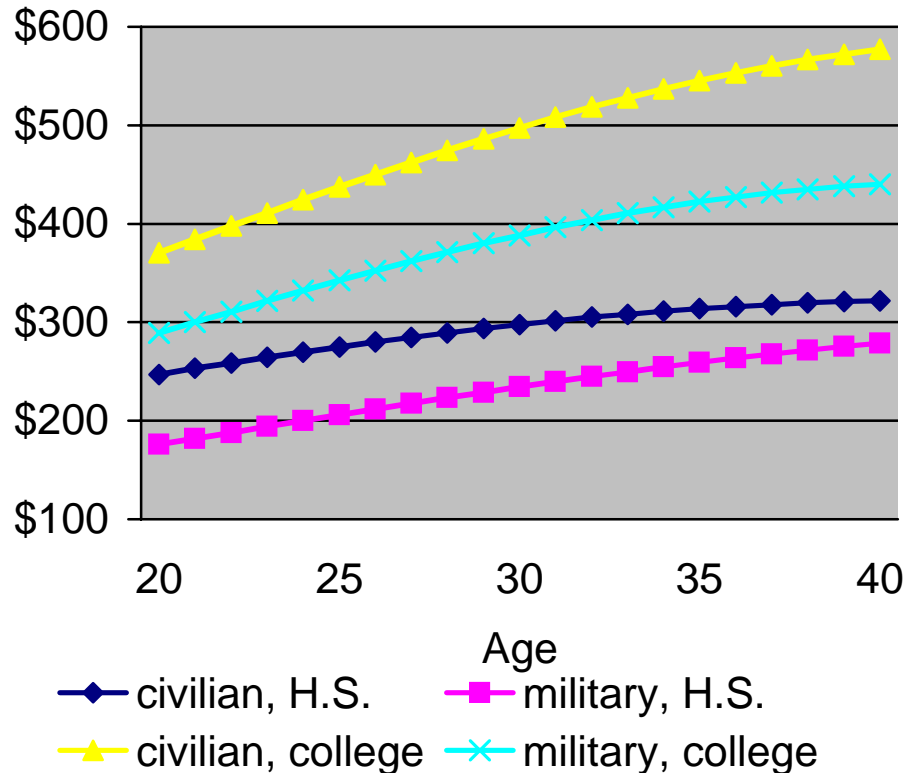
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- **“Baby boom”**: 15-53% increase in births due to Operation Enduring Freedom/Operation Iraqi Freedom
- **Thousands of child care spaces will be lost due to rebasing**
- **DoD estimates a short fall of 38,000 spaces**
  - Not clear if spaces have been subcategorized: infants, preschool, after-school
- **DoD plans to address needs of families in high perstempo/deployment locations first**
  - Maintain military construction
  - Buy space in local communities
- **DoD provided \$53 million over 2 years for extended hours, shift work, respite care**
  - This is only a temporary fix



# Challenges: Military Wives Earn Less than Their Civilian Counterparts

Weekly Wage: Full Time



Wage gap ~\$70/week for young high school-educated wives and ~\$90/week for young college-educated wives

Source: Hosek, Asch, Fair, Martin, Mattock, 2002

- **Military wives also less likely to work and less likely to work full time**
- **Initiatives include**
  - **DoD/Dept of Labor partnership to provide training and placement**
  - **Army corporate sponsors**
    - » Statement of support with 13 large large companies
  - **Navy job placement**
    - » No-cost partnership with employment/staffing agencies to provide job skills assessments and placements
  - **Air Force/Navy entrepreneurial assistance**





# **Challenges: Satisfaction Fairly High But Not for Counseling, Child Care or Spouse Jobs**

## **Level of Satisfaction with On-Base Programs and Services, Status of Forces Survey, March 2003**

Percent applicable service members	Satisfied	Neither satisfied or dissatisfied	Dissatisfied
Fitness Centers	81%	9%	10%
Chaplain Services	79%	14%	7%
Services concerning military separation/deployment	72%	20%	8%
<b>Family/personal counseling services</b>	<b>69%</b>	<b>14%</b>	<b>17%</b>
Financial counseling	68%	23%	9%
<b>Child care services</b>	<b>68%</b>	<b>13%</b>	<b>19%</b>
Family advocacy programs	67%	20%	13%
<b>Spouse employment services</b>	<b>43%</b>	<b>22%</b>	<b>35%</b>

Source: Byers, 2004



# ***Areas of Recent Concern and Priority for the NMFA\****

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- **Family readiness through deployment cycle:**
  - Training and size of family support workforce
  - Tools for coping with unpredictability
  - Return and reunion issues
  - Unknown effects of multiple deployments
  - Access to family and community support programs
- **More general concerns/priorities:**
  - Spouse employment, education
  - Child care
  - Health care
  - Dependent education

***\*NMFA is the National Military Family Association***



# ***Framework Needed to Get Right Balance Between Cash and QoL***

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- **Why choose in-kind benefits? When they:**
  - Promote readiness, retention
  - Ensure quality of life
  - Cost less if employer provides them
  - Provide favorable tax treatment
- **Why choose cash?**
  - Easily recognized value
  - Cash allows individuals better off by giving them more choices in how they spend their consumption

***Important to get right balance because compensation resources are scarce***



# ***Choice and Flexibility Improve Quality of Life***

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- **More choice in assignments, locations, and remuneration**
  - The lower earnings of military spouses is traceable to permanent change of station (PCS) moves
  - More choice would improve QoL: Choice has value to members/families in those instances when the service is indifferent about which qualified member fills a slot
  - Navy's Assignment Incentive Pay program is a model
- **More choice in benefits: Flexible spending accounts**
  - Allow employees to choose between cash and qualified (nontaxable) benefits, such as health care and dependent car
  - Allows employees to choose the benefits they receive, e.g., health, vacation, life, insurance, etc...
  - The Employee Benefit Research Institute estimates both employers and employees receive a tax savings



# ***DoD's New Social Compact, and Initiatives to Alleviate Stress***

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- **DoD's New Social Compact**

- Wellbeing and morale is the responsibility of commanding officers and military leadership; members and families have reciprocal responsibility to contribute to readiness

- Strategic initiatives include:

- » Address work life stress: grow child care, increase spouse employment, improve financial literacy
    - » Education: Tuition assistance, dependent schools
    - » Communication with families

- Set QoL goals, measures of success, with some follow up

- **DoD stress reduction initiatives include:**

- Military OneSource, Child care supplemental, Family assistance counseling, victim advocates/shelters, Communications during deployment, Financial readiness



# **Improving QoL: Some Alternatives**

- **Do a better job addressing deployment expectations of spouses**
  - CO's must ensure improved communication with spouses
- **Improve counseling access, follow-up**
  - Families, including dispersed guard and reserve families, must be made aware of available programs
  - Stigma of counseling for members must be removed
  - Confidentiality is paramount and must be guaranteed
  - Follow-up for both members and family members must continue well after the deployment
- **Expand child care with targeted resources, flexible accounts**
  - DoD has been growing child care, but must target resources to the military's specific need (infant care, extended hours, respite care) not overlap with care that can be purchased in the private sector
  - Should consider flexible spending accounts for private sector care
- **Manage spouse employment and education needs, beyond pilot programs**
  - Less frequent moves
  - Need professionally trained career counselors and placement specialists
  - More contact with large businesses (like Army PaYS)
  - More specific job leads, less resume building skills
  - Consider tuition assistance for spouse
- **Conduct research on cost-effectiveness of QoL initiatives**
  - Define objectives, evaluate effectiveness and cost; assess if cash would be better
- **Provide members with more choices when possible (e.g., locations)**