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Attracting College-Bound Youth into the Military

Toward the Development of New Recruiting Policy Options

Beth J. Asch
M. Rebecca Kilburn
Jacob A. Klerman

Prepared for the Office of the Secretary of Defense

RAND

Approved for public release, distribution unlimited

Preface

The armed services prefer to recruit high quality youth because they perform better and have lower attrition rates. Yet competition for this group is increasing because of fundamental changes in the civilian opportunities that these youth face. One of the most dramatic of these changes is the enormous increase in the relative returns from attending college that have occurred over the last 20 years. This report summarizes the findings of the first year of a two-year project that seeks to provide input necessary for the development and expansion of programs intended to improve the services' ability to compete against post-secondary institutions and subsequent civilian skilled employment. Specifically, the report examines trends in college attendance and the economic returns from attending college, describes the options that the military currently offers to combine service and college, and enumerates the types of issues that would need to be considered in developing and expanding recruiting programs that target college-bound youth. The report should be of interest to those concerned about military recruiting as well as to the larger defense manpower research community.

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Summary

Since the end of the cold war, the number of enlisted entrants into the military has declined significantly, reflecting the need for a smaller force in the post-drawdown military. Across the Department of Defense (DoD), total accession requirements declined by 33 percent between 1989 and 1998. Despite this dramatic drop, the armed services are still finding it difficult to meet their enlisted recruiting goals. For example, the Army had to reduce its annual 1997 recruiting mission when it became clear that the original mission was unattainable given its resources. In fiscal year (FY) 98, the number of Army accessions fell short of the Army's annual requirement by over 1 percent, while Navy accessions fell short by over 12 percent.

It is likely that some of these recruiting difficulties reflect relatively recent and possibly temporary changes in the enlisted recruiting environment. For example, the civilian labor market is currently experiencing an expansion. The civilian unemployment rate has declined over the past six years from 7.3 percent in January 1992 to 4.7 percent in January 1998. Like DoD, many civilian employers are having trouble filling vacancies. Other changes include a recent increase in the accession goals that recruiters face, changes in the size of the youth population, changes in relative military pay, and changes in recruiting resources, including advertising budgets and GI Bill benefits. Other research shows that, until recently, these changes could not explain the recruiting difficulties that the services had been experiencing during the 1990s (Asch and Orvis, 1994).

In response to recruiting difficulties, DoD typically uses a traditional set of policies to augment recruiting. These include increasing ad-

vertising, assigning additional personnel to recruiting, raising recruiting incentives, and others. However, as will be discussed below, there are some indications that the current recruiting situation to some extent reflects ongoing and permanent changes in the civilian labor market. These changes suggest that the military will increasingly be competing with civilian post-secondary educational institutions and subsequent skilled civilian employment for high quality youth. Although traditional policies are likely to continue to be effective in expanding enlisted supply, it is worth exploring other policy approaches that directly address this competition and might help combat current and possible future recruiting difficulties. This report focuses on approaches that would make the military more attractive to college-bound youth.

To develop or expand nontraditional policy options to attract college-bound youth into the military, basic information is needed on the college market and the factors that are driving youth interest in college. Also, an understanding of the options that the military currently offers to combine service and college is necessary for determining what new types of options might be developed. Also relevant to the development or expansion of policy options is a list of the issues that would need to be considered before choosing a new program, such as cost and effectiveness. The research presented here seeks to provide some of this information.

College Trends

Competition in the civilian labor market for more-skilled workers has increased demand for workers with a college education. This rise in demand for more-educated workers and decline in the relative demand for workers with less education have caused an increase in the wages of college graduates relative to high school graduates. The college premium defined as the percentage difference between the average real wage of a four-year college graduate and a high school graduate rose from 40 percent in 1979 to 65 percent in 1995.

In response to the dramatic increase in the college premium since the late 1970s, many more high school graduates are enrolling in post-secondary educational institutions. College enrollment rates have risen dramatically since 1980, from 46 percent of youth ages 18-19 in 1980 to 60 percent in 1994. The amount of education indi-

viduals seek to complete has grown as well. Of those who planned to go to school after high school, the percentage of surveyed high quality youth who said they wanted to obtain a graduate degree doubled from 25 percent in FY85 to 50 percent in FY97. Reflecting in part the increased demand for post-secondary education, real college costs have also risen dramatically in recent years. Average real tuition costs and fees rose by roughly 50 percent between 1985 and 1995. The increase was large for both two-year and four-year institutions and for private as well as public institutions.

Military Opportunities to Combine College and Service

During the draft and the early years of the All-Volunteer Force, the enlisted force was viewed as relatively unskilled. The primary civilian opportunities for enlisted individuals consisted of working in unskilled or semi-skilled occupations that did not require much post-secondary education. As the military has raised the quality of its recruits over the last decade and as more civilian youth are choosing to attend college, the alternatives available to potential recruits have changed. Increasingly, the civilian opportunities for enlisted individuals include post-secondary education and employment in skill-intensive occupations.

The military offers a myriad of opportunities to combine college and military service so that a high quality youth not only faces the decision of whether to join service, but also whether to attend a post-secondary educational institution before, during, or after an active tour of duty. The numerous options can be characterized as five basic tracks for combining active duty service and post-secondary education:

1. Officer track: The individual first attends a four-year college, and then enters service as an officer.
2. College-enlisted track: The individual first attends college or receives some college credit, and then enters the service as an enlistee.
3. Enlisted-college track: The individual enters the service as a high school graduate, completes a service obligation, leaves the service,

and then attends college as a veteran or, in some cases, as a member of a reserve or guard component.

4. Enlisted-officer track: The individual enters as an enlisted member. During his or her enlisted career, the member leaves the service temporarily to attend a four-year college. Upon receiving a degree, the member returns to serve as an officer.

5. Concurrent track: The individual obtains college credits while in the service, i.e., post-secondary education and service are simultaneous.

Each track consists of a multitude of programs, and the level of benefits associated with each program as well as the design of the various programs have changed over time. Nonetheless, the basic structure of these tracks, with the exception of the college-enlisted track, has remained unchanged since 1980 or even longer in some cases.

The first and fourth tracks those related to becoming an officer serve relatively few service members. For example, only some 17,000 individuals became an officer in FY96, accounting for 8 percent of all accessions into the military. The college-enlisted track (track 2) is also quite small. In FY96, only 3 percent of non-prior-service enlistees entered the military with some college education. A key message of this report is that the services should consider greatly expanding this track by increasing the budgets of current programs and developing new programs as a means of attracting college-bound youth into the military.

The two largest tracks are the enlisted-college track and the concurrent track. The primary program by which individuals enter the military and then attend college after their enlistment the Montgomery GI Bill (MGIB) enrolled some 136,000 individuals in FY96, representing 94 percent of all enlistments. That is, nearly all enlistees elect to participate in this college benefit program. The concurrent track is also large. Enrollments in Voluntary Education Programs, the primary way by which individuals can attend a post-secondary educational institution while serving on active duty, were approximately 673,000 in FY96. Although a large number of service members participate in this track, available data suggest that, with the exception of those in the Air Force, relatively few individuals use it to

obtain a B.A. degree, and relatively few complete even some college within their first eight years of service. We find that of those who stay until their mid-career, less than 1 percent obtain a B.A. degree and only 8 percent have some college by eight years of service (YOS). By YOS 12, about 2 percent have a B.A. degree whereas 39 percent have some college.

Of the two largest tracks, the enlisted-college (MGIB) track provides the greatest increment to education for the most individuals. Comparing the educational attainment in 1996 of 30-year-old veterans who left the military and are in the civilian sector with 30-year-old personnel who are still in the military shows that about 90 percent of the veterans had attained some post-secondary education while only 49 percent of the 30-year-old military personnel had. In other words, the most important way to combine military service with college requires that service members leave the military. The fact that most MGIB participants obtain their education after separating implies that the military does not reap an active duty return on the most important college program that it offers. The return would come in the form of having more-educated and presumably more-productive active duty service members.

Policy Options

Given the challenges of the current recruiting environment outlined above, considering nontraditional policy options seems warranted. Many factors would need to be evaluated before implementing new programs or expanding existing programs for combining military service and college: the effectiveness of the policy relative to other policies, the specific returns to the individual and to the military, costs, the effect of the policy on the age distribution of the force, and the operational and social distinctions between college-educated officers and college-educated enlistees.

One type of policy would expand the college-enlisted path by targeting the enlistment of more youth with some college. For example, recruiters could target the enlistment of individuals on two-year college campuses to a far greater extent or target the enlistment of dropouts from two-year and four-year post-secondary educational programs. Another way to expand the college-enlisted path is to offer a college-first option to high school youth. For example, re-

cruiters could offer high school seniors an entirely new option that would allow them to attend a two-year or four-year college first (paid for by the military) and then enlist on active duty for a term of service. A variant of this alternative would be to induce the individual to serve in a reserve component while in college and then enter an active component when he or she completed college. Regardless of how the program was structured, enlistees who enter active duty with post-secondary education would have to be paid more when they entered, given the college premium that they could earn if they entered the civilian sector instead.

Another alternative policy could be an enlisted-college-enlisted path, which would represent a sixth way to combine college and military service. Just as the current enlisted-officer track funnels enlistees through college and into the officer ranks, this track would funnel college-educated enlisted veterans back into enlisted service. For example, individuals who use the MGIB after a first term of service could return at a higher pay grade for a second enlistment term. This policy could operate as either an enlistment or reenlistment incentive or both.

The exact structure of these alternative paths or alternative ways of expanding the existing college-enlist path, their feasibility, cost, and their effectiveness requires further study. Just as the Army College Fund was born out of a national experiment that allowed research on the cost-effectiveness of alternatively designed educational benefit programs, we recommend that a national experiment be conducted to examine the cost-effectiveness of alternatively designed paths such as the college-first path.

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Chapter One

Introduction

Despite declines in the number of enlisted personnel required to enter the military as a result of the defense drawdown in the early 1990s, the services began experiencing recruiting problems in the mid-1990s. These problems have been compounded in the past few years as accession missions have risen. FY97 was a particularly difficult recruiting year for the Army. The Army began the year with a goal to recruit 89,700 enlistees. That goal was reduced to 85,982 in the middle of the year, and then reduced yet again to 82,000. Ultimately, the Army achieved 82,088 enlistments in FY97, just slightly above the lowered goal, but well below the initial goal it had set. Furthermore, recruit quality for all four services had declined in FY97 relative to FY96, as shown in Table 1.1. Recruiting problems continued into FY98. The number of youth entering the Army in FY98 fell short of the Army's accession requirement by over 1 percent, and the number entering the Navy fell short of the Navy requirement by over 12 percent.

In part, these recruiting difficulties reflect recent and possibly temporary changes in the enlisted recruiting environment. For example, the civilian labor market is currently experiencing an expansion. Like DoD, many civilian employers are having difficulties filling vacancies (Wall Street Journal, 1998). Also, the civilian unemployment rate declined from 7.3 percent in January 1992 to 4.7 percent in January 1998. Past research (e.g., Fernandez, 1982; Polich, Dertouzos, and Press, 1986) has shown that enlistments fall with the unemployment rate. Other changes in the environment include changes in the size of the youth population, changes in relative military pay, and changes in recruiting resources, such as advertising

Table 1.1
Percentage of FY97 Accessions That Are High
Quality

Service	FY96	FY97	Percentage Difference
Army	63	58	7.9
Navy	61	61	none
Marine Corps	63	62	1.6
Air Force	82	78	4.9
DoD	65	63	3.1

SOURCE: Accession Policy Directorate, Office of the Under Secretary of Defense for Personnel and Readiness.

NOTE: High quality is defined as those youth who are high school diploma graduates and who score in the top half of the Armed Forces Qualification Test (AFQT) distribution.

and educational benefits. Despite the fact that recruiting difficulties would be expected given these changes in the recruiting environment, research shows that these changes in environmental factors could not completely explain the recruiting difficulties that the services experienced in the mid-1990s (Asch and Orvis, 1994).

As will be discussed in Chapter Three, there is reason to believe that these difficulties may in part reflect permanent changes in the civilian labor market that make civilian opportunities more attractive to high quality youth today. Because of these changes, the competition that the military faces for high quality youth is typically not the civilian unskilled labor market, but instead, civilian post-secondary education followed by civilian skilled employment.

The purpose of the research summarized in this report is to provide information for the development of new policy options intended to address this source of competition and, in the process, improve recruiting outcomes. These policies would attract into the military youth who are interested in pursuing post-secondary education individuals whom we call "college-bound" youth. This is not to say that the expansion of traditional policies such as GI Bill educational benefits, advertising, or recruiters will not continue to be effective. Rather, our focus is on what nontraditional policies might be considered that directly address this trend in the civilian labor market.

That the military is increasingly competing with post-secondary educational institutions and subsequent civilian employment for high quality youth can be seen in a number of ways. Between 1980 and 1992, the military dramatically increased the quality of the recruits it enlisted; the percentage of enlistments that were high quality rose from 35 to 74 over this period.¹ During this same period, a higher fraction of such youth were choosing to attend college. Specifically, among high quality youth who graduated from high school in 1980, an estimated 74 percent went to college or attended a post-secondary educational institution within two years of graduating from high school. Among those who graduated in 1992, this figure rose to about 81 percent.² Thus, at the same time that the military sought to target the recruitment of high quality youth, more of those youths chose to go to college.

Another way to view the competition between the armed services and post-secondary educational institutions and subsequent skilled employment is to compare the characteristics of those who enlist with those who enter college.³ Table 1.2 shows selected mean characteristics of individuals who enlisted, those who attended two-year colleges, those who attended four-year institutions, and those who did not pursue any post-secondary education after high school. The characteristics presented in this table have been shown to be important predictors of enlistment (Kilburn and Klerman, forthcoming; Hosek and Peterson, 1985, 1990; and Kilburn, 1994).

This table shows that enlistees have key characteristics in common with those who attended a two-year college. The average AFQT score and the percentage of the two groups who are high quality are similar. The mean level of their mother's education an important predictor of the decision to enlist (Kilburn and Klerman, forthcoming) is also similar. The family income and the fraction who expect more

1 The percentage of accessions that are high quality have declined since 1992. Nonetheless, relative to 1980, the military's recruit-quality targets were still significantly higher in FY96 and FY97.

2 The figure for high school graduates in 1980 was generated from the National Longitudinal Survey for Youth. The figure for graduates in 1992 was generated from the National Educational Longitudinal Study (NELS).

3 In this context, we use the term "skilled labor" to mean workers with more education.