



## Closing the Pay Gap

*We must fix the pay gap now. It is counterproductive. Volunteer professionals—be they active, Guard or Reserve—deserve adequate pay.*

General Gordon R. Sullivan, USA Ret.,  
testimony before Congress, October 1998

The Association of the United States Army has been in the forefront of the campaign to close the pay gap. AUSA has spoken out—to the American people, to our elected representatives and to the administration. A nation that sends its sons and daughters around the globe—often in harm's way, with no notice and an uncertain return date—has an obligation to ensure that they are adequately paid and that their families enjoy a reasonable standard of living. Even after the recent pay raise, the gap is still much too wide: *almost 10 percent*. We're one-third of the way there, but we've still got two-thirds to go. It is critical to stay the course and finish the job.

The pay gap had reached 13.5 percent by 1998, and contributed to the recruitment, retention and readiness difficulties across all the services. Two years later—with the passage of the Fiscal Year (FY) 2000 and FY 2001 Defense bills—the pay gap has been narrowed, *but only to just under 10 percent*. And current military compensation legislation does not close the gap until 2026. There will continue to be a pay gap until 2026 unless the next administration and the next Congress provide more for pay above the 1999 legislated ramp-up of .5 percent (one half of one percent) per year to attain pay equality. That means that soldiers, sailors, airmen, marines and Coast Guardsmen volunteering to serve today would serve a full career before achieving pay equity with their civilian counterparts. It is AUSA's

position that the pay gap must be closed by 2006. There is no good reason in a time of unprecedented prosperity that this chronic pay gap should not be eliminated by 2006.

Since the end of the draft and the conversion to an all-volunteer military, pay raises for the armed forces have persistently lagged behind private-sector pay growth. Indeed, during this period, military pay achieved parity with pay in the civil sector only in 1972 and 1982. During the mid- to late 1970s, military pay raises were consistently capped below wage increases in the private sector. After severe retention problems during that period, Congress enacted catch-up raises for 1981 and 1982 that restored overall pay comparability. In 12 of the 17 years between 1982 and 1999, military pay raises were capped below comparability and cumulatively contributed to the recruiting and retention crisis of 1998 and 1999.

Congress responded in FY 2000 with an across-the-board 4.8 percent pay increase, a targeted pay increase, and specified annual military pay raises that *exceeded* private wage growth by .5 percent per year (compared to previous law that capped annual pay raises .5 percent *below* private-sector wage growth). More recently, the FY 2001 Defense bills provided for a 3.7 percent pay hike, and recalculated future pay raises, based on new projections. Despite this, the pay gap will not be closed until 2026. Moreover, while recruiting problems have been overcome for the moment with hefty bonuses,

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retention of *quality* soldiers and their families continues to be problematic for the Army—active, Army National Guard and Army Reserve.

AUSA believes that the comparability gap between military pay and that of the private sector must be closed at a rate greater than the administration has proposed. Paying servicemembers fairly is the least the next administration and the next three Congresses can do. Too many soldiers and their families depend on Army Emergency Relief (AER), parents' financial help, Women, Infants and Children (WIC) supplements, food stamps, or overextended credit at usury rates to get to the end of the month.

Closing the pay gap by 2006 is a realistic target. Adding 2.44 percent above legislated pay raises for the next five years will achieve reasonable comparability. AUSA is speaking out because service to the nation and its citizenry must not entail financial sacrifices to the point that our best-qualified men and women leave the service, and potential soldiers are unwilling to serve. This great nation, which even now is addressing the issue of how to spend its surpluses, must be more sensitive to its guardians of national security. Soldiers and their families deserve a quality of life that is commensurate with their sacrifices. That is the least our nation can do.

*This . . . great nation . . . humbles itself when it breaks its quarter-century covenant with the volunteer force and partly finances the nation's defense on the backs of its servicemen and women.*

General Sullivan before Congress, October 1998

### **Talking Points**

- No soldier should have to depend on welfare, food stamps, parents or overextended credit to make ends meet.
- The pay gap discourages new recruits from joining the Army.
- Professional soldiers are leaving the Army prematurely—in part because of the pay gap.
- FY00 and FY01 pay raises narrowed the pay gap from 13.5 percent in 1998 to 9.7 percent for 2001.
- The FY00 Defense budget pay raise ramp-up won't close the pay gap until 2026.
- Higher pay is not too much to ask for our soldiers in a time of huge budget surplus.
- E-1/E-2 pay is at least \$3,000 less than comparable civilian wages (\$15,300 versus \$12,200, calculated in 1999 dollars).
- The next administration and the next three Congresses must commit to putting the pay gap behind us by 2006—we're one-third of the way there, but we've still got two-thirds to go. Let's stay the course and get the job done.
- Closing the pay gap by 2006 is like a campaign; the final battle requires the support of AUSA membership, Congress and the next administration.
- Soldiers and their families deserve a quality of life that reflects the sacrifices they must make to protect this great nation—it's the least America can do.

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