
Defense Report

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The Department of Defense Pulls the Plug—There Will Be No New GI Bill for Now.

The military services are in full agreement—the best possible incentive for attracting young people of high intellect to man our sophisticated defense systems would be a renewal of GI Bill-type education incentives. Up until recently, the Department of Defense gave lip-service support to this conclusion. It has now withdrawn its support.

Two things have happened in the months since DoD made its pledge. First, the recruiting and retention efforts of all the services have been more successful in terms of numbers, and there has been a noticeable increase in the number of Army enlistees who are high school graduates. Unquestionably, this success has been assisted by a badly depressed job market, particularly that part of the market that attracts younger people. Recent high school graduates, with poor prospects for civilian employment, have flocked to the recruiting stations and service members, who might otherwise have laid aside their uniforms, decided that they were better off to stay on-board.

Second, the administration has come under heavy pressure to reduce federal spending. Although the administration's proposed budget for the next fiscal year recommends an increase in defense spending, the cost of a new education incentive, in the face of recruiting and retention improvement, was an expenditure that could be avoided. It has recommended, instead, continuation of the current education incentive which requires the service member to contribute part of the cost.

The GI Bill proposal discarded by DoD would have provided a total education benefit of between \$8,000 and \$10,000 for a completed three-year enlistment. Under the current plan a truly outstanding recruit who enlists (in the Army only) for a critical specialty will receive a government contribution of \$17,000 after he has personally contributed \$2,700. The more typical recruit after the same personal contribution (in any service) could receive a government education contribution of \$5,400 for a three-year enlistment or \$10,400 for four years. Obviously, the savings accrued by abandoning the GI Bill approach are not all that great, on a "per soldier" basis. Should an economic turnaround result in reduced enlistments, the department may have to go back to Congress with hat in hand.