

National Security and  
International Affairs Division

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July 9, 1996

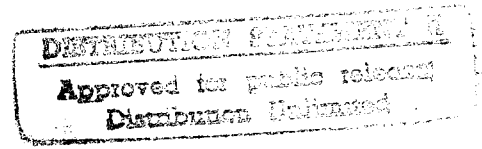
The Honorable C. W. Bill Young  
Chairman, Subcommittee on National Security  
Committee on Appropriations  
House of Representatives

Dear Mr. Chairman:

The Department of Defense's (DOD) budget request for fiscal year 1997 includes almost \$70 billion for pay and allowances for active and reserve military personnel. This represents about 30 percent of DOD's fiscal year 1997 total budget request. DOD estimates that in 2001, pay and allowances will continue to represent about 30 percent of the total budget. Because the military personnel accounts represent such a large share of DOD's budget, we reviewed them to (1) identify the various pay categories included in the accounts, (2) identify the trends of those pay categories, and (3) determine how changes in the budget compared with changes in service force levels.<sup>1</sup> We also inquired into the reasons for some of the service trends and differences among the services and have included the explanations when available.

Our analyses and discussions in this report focus primarily on the pay and allowances for active components, which for fiscal year 1997 comprise about \$60 billion of the \$70 billion requested. We will report separately on the reserve components because the budget categories for the reserve are considerably different from the active components.

Our review was performed under our basic legislative responsibilities. However, because of your expressed interest in the military personnel accounts, we are addressing the report to you.



Defense Budget:  
Trends in Active  
Military Personnel  
Compensation  
Accounts for  
1990-97

## Background

Military pay and allowances for active and reserve personnel are authorized in title 37 of the U.S. Code and are funded through the military personnel accounts. Military personnel is one of six major budget groups for DOD.<sup>2</sup> It is the second largest of DOD's budget groups after operation and maintenance and is expected to remain second through 2001.

<sup>1</sup>Our analysis used actual obligations for fiscal years 1990 to 1995 and budget estimates for fiscal years 1996 to 1997.

<sup>2</sup>The other major account groups are operation and maintenance; procurement; research, development, test, and evaluation; military construction; and family housing.

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The accounts for active duty personnel consist of 13 major categories, including basic pay; retirement accrual; social security taxes; allowances (e.g., for quarters, subsistence, relocation, and uniforms); incentive pay (e.g., flying duty, submarine duty, parachute jumping, and demolition); and 21 types of special pay for such specialties and purposes as medical officers, nuclear-qualified officers, sea duty, foreign language proficiency, and reenlistment bonuses. A list of these pay categories appears in appendix I.

The military personnel accounts fund a sizable portion of DOD's infrastructure, which DOD wants to decrease to help pay for modern weapon systems. For example, we reported in April 1996 that about 30 percent of DOD's planned direct infrastructure costs are funded out of the military personnel appropriation.<sup>3</sup> DOD defines infrastructure as all DOD activities other than those directly associated with operational forces, intelligence, strategic defense, and applied research and development. Infrastructure consists of central logistics; central medical; central personnel; central training; acquisition management; installation support; force management; and central command, control, and communications.

DOD's fiscal year 1997 budget request estimates that there will be about 1.4 million active duty military personnel in uniform by the end of that fiscal year. This total would represent a decrease of about 600,000 personnel since fiscal year 1990.

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## Results in Brief

Discounting for inflation by using constant 1996 dollars, there has been a close correlation since 1990 between the decrease in the active component portion of the military personnel accounts and the decrease in active military personnel. Specifically, the active component portion of the military personnel accounts is projected to decline between fiscal years 1990 and 1997 by 30 percent, the same rate of decline as active force levels.

About 85 percent of the military personnel accounts in fiscal year 1997 consist of five pay categories: basic pay (51 percent); retired pay accrual (17 percent); basic allowances for quarters (7 percent); subsistence (5 percent); and social security tax payments (4 percent). The payments in these and most other categories are requirements or entitlements by law.

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<sup>3</sup>In *Defense Infrastructure: Budget Estimates for 1996-2001 Offer Little Savings for Modernization* (GAO/NSIAD-96-131, Apr. 4, 1996), we reported that 90 percent of planned direct infrastructure costs are funded out of three appropriations: operation and maintenance (about 50 percent); military personnel (about 30 percent); and research, development, test, and evaluation (about 10 percent).

The services have discretion over some types of compensation, primarily within the special pays category, but the total amount involved is a minuscule portion of the total military personnel budget. Because very little of the total military personnel budget is discretionary, it appears that savings in the military personnel part of the infrastructure would have to come from personnel reductions, a lowering of the grade structure, a restructuring of the military compensation and retirement system, or any combination thereof.

Discounting for inflation by using constant 1996 dollars, the cost of each person in fiscal year 1997 is projected to be about the same as it was in fiscal year 1990. However, per person costs remained about the same from fiscal year 1990 to fiscal year 1997 largely because a substantial decrease in the retired pay accrual category offset per person increases that have occurred in most of the pay categories. Specifically, the cost per military person has decreased by about \$80 between 1990 and 1997 to about \$40,600. A decrease of about \$2,000 per person in retired pay accrual mostly offset increases in basic pay (\$700), the basic allowances for quarters (\$200), and six other categories.

There are marked differences in the services' budgets and per person costs for some types of special pay, which are intended to enhance the retention of skilled personnel, and for some incentive pays for hazardous duty. Special pays were estimated to cost \$1.2 billion in fiscal year 1997, and incentive pays were estimated to cost about \$500 million for the same year. The Navy dominates the special pay category, and the Navy and the Air Force have the largest budgets for incentive pays.

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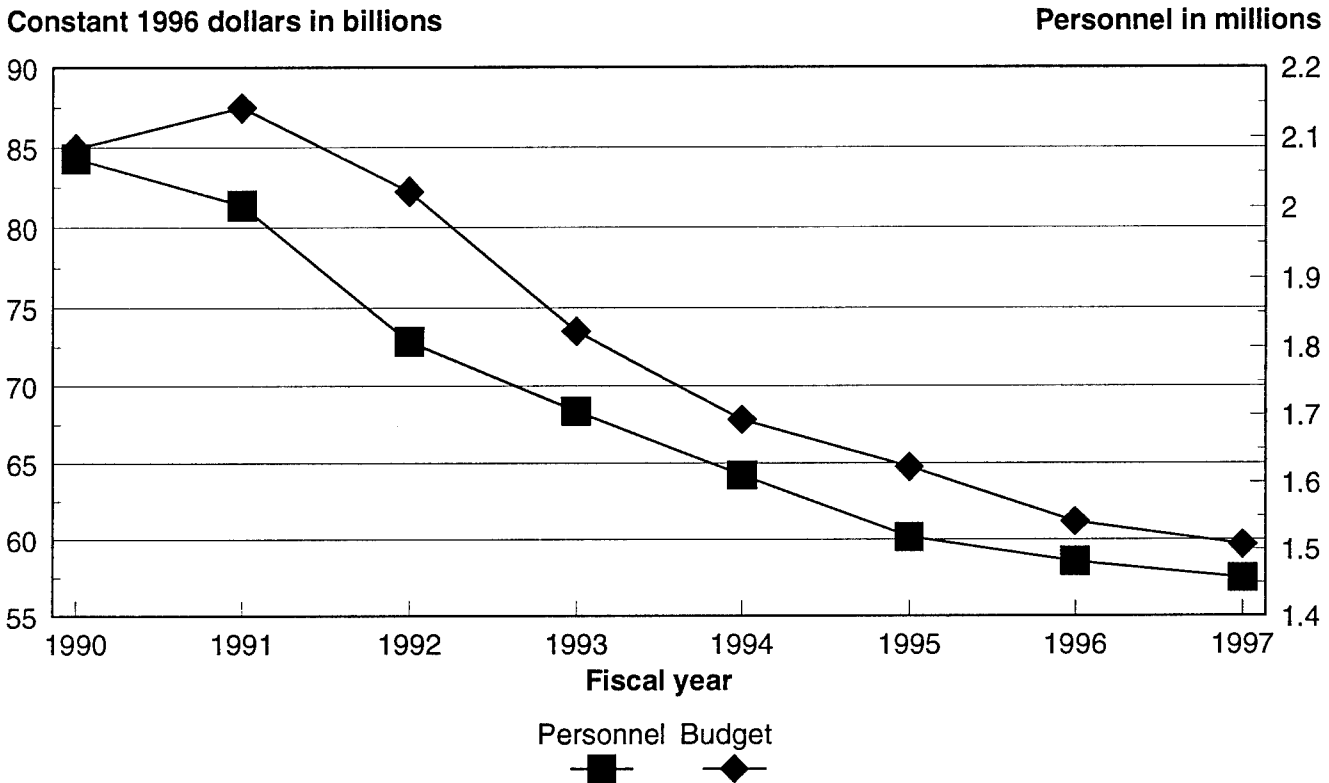
## Decrease in Personnel Budget Closely Follows Decrease in Personnel

The military personnel budget, adjusted to 1996 constant dollars, is projected to decrease at about the same rate as military personnel levels between fiscal years 1990 and 1997. (See app. II for an overview of budget and personnel level changes from fiscal years 1990 to 1997.) Figure 1 shows that the military personnel budget for active forces is projected to decline by 30 percent from about \$85 billion to \$60 billion through fiscal year 1997, while military personnel levels are projected to decline by the same rate from over 2 million to about 1.4 million.<sup>4</sup>

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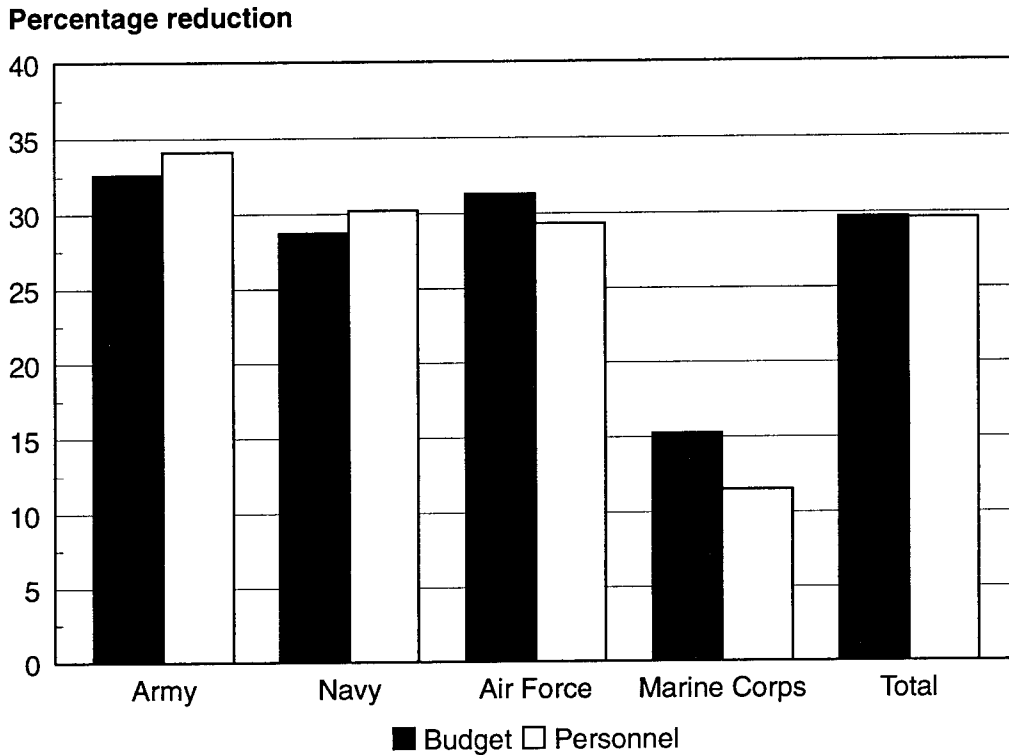
<sup>4</sup>Personnel levels are as of the end of the fiscal year, or end strength.

Figure 1: Decline of Military Personnel Budgets and Personnel Levels Between Fiscal Years 1990 and 1997



The decline in budgets and personnel levels for each of the services, except for the Marine Corps, have mirrored the overall declines. The Marine Corps' military personnel budget is projected to decline by about 15 percent while its personnel level is projected to decline by about 12 percent. Figure 2 shows the declines for each of the services.

**Figure 2: Percentage Reduction in Military Personnel Budgets Compared to Percentage Reduction in Personnel Levels Between Fiscal Years 1990 and 1997**

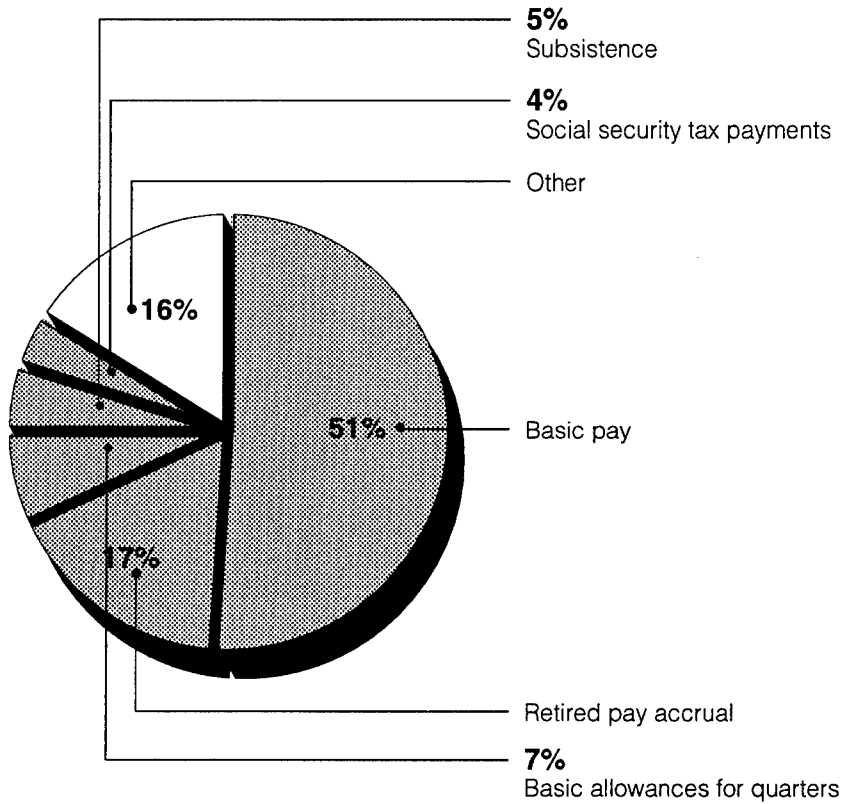


## Military Personnel Account Primarily Comprised of Entitlements

Legislated entitlements, retired pay accrual, and social security taxes account for nearly the entire military personnel budget. Generally, once servicemembers meet certain criteria such as years of service, marital status, and duty location, they are entitled to certain benefits. Title 37 of the U.S. Code gives the services discretion over only a limited number of military personnel account categories, primarily certain types of special pay that the services use to enhance the accession and retention of certain skilled personnel. These categories represent well under 1 percent of the total military personnel budget. Figure 3 shows that five budget categories—basic pay, retired pay accrual, basic allowances for quarters, subsistence, and social security tax payments—are projected to comprise nearly 85 percent of the military personnel budget for fiscal year 1997.

Figure 3 also shows that about half of the military personnel budget is projected for basic pay.

Figure 3: Allocation of Fiscal Year 1997 Military Personnel Budget



Note: Other includes permanent change of station, allowances, variable housing allowance, special pay, separation pay, incentive pay, other military personnel costs, and cadets/midshipmen pay.

Given the present situation, there appears to be little opportunity for reductions in the military personnel budget unless forces are reduced, the average grade structure is reduced, or the military compensation and retirement system is restructured. According to DOD's Future Years Defense Program and DOD officials, DOD does not plan to significantly

reduce the forces<sup>5</sup> or grade structure or restructure the military compensation and retirement system. Our February 1996 report on personnel relocations shows the difficulty in reducing entitlement budgets. The report states that although the services have attempted to reduce permanent change-of-station costs, they have little discretion to do so because of relocation benefits required by law and treaty or other commitments that require relocation.<sup>6</sup>

## Per Person Costs for Most Accounts Have Increased

The active military force has decreased in size since fiscal year 1990. The overall proportion of officers, noncommissioned officers, and other enlisted personnel in the force is projected to be almost the same in fiscal year 1997 as it was in fiscal year 1990, with a 1-percent increase in the proportion of officers and a 1-percent decrease in the proportion of enlisted personnel. The proportion of officers in the Army, the Navy, and the Air Force increased between 1 and 2 percent, and the Marine Corps' grade structure remained relatively stable during the period. Consistent with quality-of-life improvements such as making housing more affordable, some pay categories have increased. The cost per military person has decreased by about \$80 from fiscal years 1990 to 1997 to about \$40,600.<sup>7</sup> However, major decreases in the retired pay accrual category largely offset increases in other categories. Otherwise, increases in the rates for basic pay and basic allowances for quarters would have resulted in a cost increase on a per person basis.

Excluding the retired pay accrual, which is projected to decrease by about \$2,000 per person, and separation pay, which is projected to increase by almost \$400 per person, the per person cost of military pay and allowances is projected to increase by over \$1,500 between fiscal years 1990 and 1997. Figure 4 shows the decline in the total budget for pay and allowances and the increase in per person costs between fiscal years 1990 and 1997, when retired pay accrual and separation pay are excluded from the budget.

<sup>5</sup>The Future Years Defense Program calls for relatively modest personnel reductions between fiscal years 1997 and 2001. For example, the Army plans to reduce its force by another 20,000 personnel, the Navy by about 13,000, and the Air Force by about 6,000.

<sup>6</sup>Military Personnel Reassignments: Services Are Exploring Opportunities to Reduce Relocation Costs (GAO/NSIAD-96-84, Feb. 16, 1996).

<sup>7</sup>For per person calculations, we used average yearly strength reported by the services in their budget submissions. Average yearly strength includes reservists who serve on active duty, and the budget figures also include the personnel costs of reservists who serve on active duty.

**Figure 4: Trend in Per Person and Total Cost of Military Personnel for Fiscal Years 1990 to 1997, Excluding Retired Pay Accrual and Separation Pay**

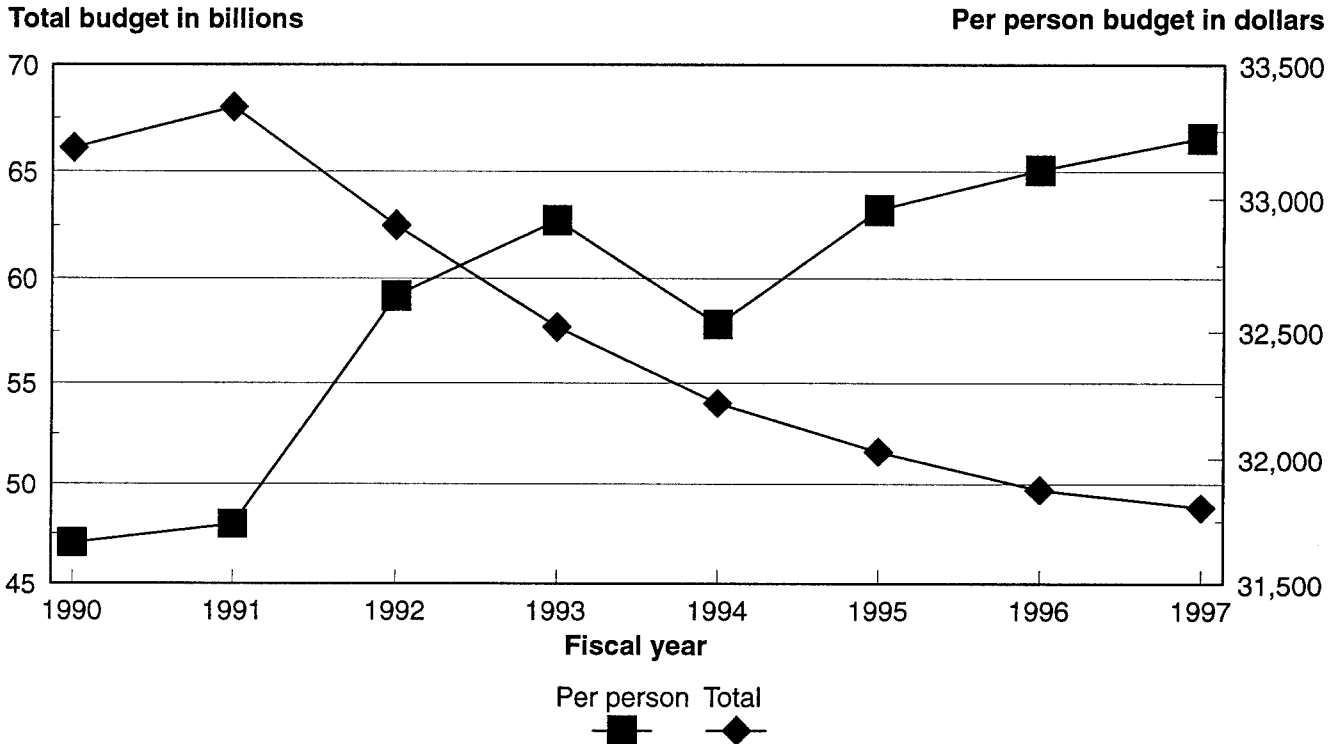


Table 1 compares the per person costs by service and major pay and allowance category for fiscal years 1990 and 1997. Table 1 also shows that:

- **Basic pay.** The Marine Corps' costs are considerably lower than the other services' in both fiscal years 1990 and 1997. The Air Force's costs have remained consistently higher than the other services. Air Force budget officials explained that its costs could be higher due to its higher officer-to-enlisted ratio, longevity for Air Force members, and higher-graded personnel.
- **Basic allowances for quarters.** The Air Force is projected to have the smallest increase between fiscal years 1990 and 1997 (3 percent), but its allowances were considerably larger than the other services in 1990. The

Army's basic allowances for quarters increased 14 percent, while the Navy's rose 10 percent. The Marine Corps is projected to have a 4-percent decrease. Army budget officials said its increase largely resulted from an increase in the percentage of married personnel from 56 percent to 64 percent along with some changes in the grade structure. Air Force officials mentioned that rates increased by 5 percent in fiscal year 1996. Navy personnel officials said that the increase is primarily due to a more senior force with more dependents. Specifically, the top 6 percent of enlisted pay grades are projected to increase from about 68 percent in 1990 to 69 percent in 1997 while the percentage of servicemembers with dependents is projected to increase from 53 percent in 1990 to 60 percent in 1997. Additionally, beginning in fiscal year 1997, single E-6s will become entitled to the basic allowance for quarters, thus significantly increasing the number of people entitled to receive this allowance.

- Variable housing allowance. The Navy's costs are considerably greater than the other services'. Costs are projected to increase for all services, except the Marine Corps. The Army's variable housing allowance rose 51 percent between fiscal years 1990 and 1997, the Air Force's rose 23 percent, the Navy's rose 17 percent, and the Marine Corps' declined 13 percent. The Navy's cost per person was substantially higher than any other service. Navy officials said the primary reason the Navy's cost per person is so much higher than the other services is due to the fact that the Navy's U.S. bases are located on the coasts in higher cost areas. For example, the Navy has bases in San Diego, California; Norfolk, Virginia; Jacksonville, Florida; Seattle, Washington; San Francisco, California; and New London, Connecticut. In addition, as the Navy grows into a more senior force, the cost per person entitled to the allowance rises. Moreover, as a larger percentage of the force has dependents, a growing percentage of the force is entitled to the allowance. Army officials said that the percentage of personnel stationed overseas, where they are not eligible to receive the allowance, decreased from about 36 percent in 1990 to an estimated 24 percent in 1997. Air Force officials said that base closures resulted in moving personnel who had been in base housing to places where there were high base housing occupancy rates and also where the variable housing rates were higher. Also, changes in the dormitory assignment policy for enlisted personnel resulted in more personnel using off-base housing.
- Special pays. The Navy's costs are greater than all the other services combined. The Air Force's costs are projected to increase by 32 percent between fiscal years 1990 and 1997, while the other services' costs are decreasing. The Marine Corps is projected to have a 50-percent decrease. Navy officials said sea duty and selective reenlistment bonuses primarily

contribute to their higher special pays. The Navy's forward presence drives up the percentage of people entitled to sea pay. Specifically, 30 percent of the force are entitled to receive sea pay. Moreover, the Navy considers the bonuses critical tools for retaining quality sailors in critical skill areas. Air Force officials said that recruitment needs affected special pay costs and that contingency operations were an important factor as well. For example, hostile fire payments increased by 25 percent, and flight pay and language proficiency pay were also affected. Congress approved some new special pay categories and also increased medical pays.

- Allowances. The Navy's and the Marine Corps' costs were considerably less than the Army's and the Air Force's in fiscal year 1990, but the Navy budget estimate indicates the gap will narrow by fiscal year 1997. All the services project increases. The Navy has projected a 68-percent increase in per person costs between fiscal years 1990 and 1997. The Marine Corps' costs will be lower than the other services' despite a 43-percent increase in allowance costs per person. Navy officials said the single largest contributor to the increase in the cost per person from 1990 to 1997 is the overseas station allowance. The allowance is authorized to assist a member in defraying the excess cost incurred when assigned to a permanent duty station abroad. The allowance includes housing, cost-of-living, and temporary lodging allowances. In recent years, unfavorable currency fluctuations, especially the Japanese yen, have been the major cause for the increase in the allowance. For example, in July 1996, prices in Yokosuka, Japan, are approximately 42 percent higher than the average U.S. city. Since 1990, a larger percentage of the Navy's total workforce is in overseas billets as the Navy has downsized. The Air Force said that overseas currency rates have contributed to escalating the allowance costs beyond the normal inflation rate. Base closures in Europe and contingency operations have also contributed to higher costs.
- Permanent change-of-station travel. The Army's and the Air Force's costs are considerably greater than the Navy's and the Marine Corps'. Increases from fiscal years 1990 to 1997 range from 6 percent for the Marine Corps to 15 percent for the Army and the Navy. According to Air Force officials, differences in the services' relocation costs are due to differences in the mixture of moves and varying relocation policies. For example, the services have different weight restrictions, different rank and grade mixes, and movements to different locations. Navy officials said a prominent contributor to the increase in permanent change-of-station travel is the increased cost of separation moves. Separation moves, as a percent of total moves, increased from 29 percent in 1990 to 31 percent in 1997. The increase in cost per move is also attributable to a more senior force with

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more dependents. Navy officials said the Navy has been able to decrease the number of operational moves through efforts to reassign people locally after ship decommissioning. However, when a steady state is reached, these efficiencies will no longer be achievable.

- Retired pay accrual. The accrual for each service is projected to decrease by a range of about 22 percent to 25 percent between fiscal years 1990 and 1997. The retired pay accrual estimate is the product of the full-time normal cost percentage of basic pay and the total amount of basic pay expected to be paid during the fiscal year. DOD's actuary sets the normal cost percentage to accrue the funds necessary to meet the future retirement obligation for current personnel. The normal cost percentage has been declining. For example, the normal cost percentage was 43.9 percent in fiscal year 1990 and is set at 32.6 percent for fiscal year 1997.
- Total per person costs. The Air Force has the highest and the Marine Corps the lowest per person costs, but the Air Force projects a decrease of about \$1,100 (3 percent) during the period, while the Marine Corps projects a decrease of over \$1,400 (4 percent). The other two services project increases of 1 percent to 2 percent. Although the Air Force's costs are projected to decrease by fiscal year 1997, the Air Force's fiscal year 1997 costs are about 6 percent higher than the Army's and the Navy's and about 25 percent higher than the Marine Corps'.

**Table 1: Per Person Costs by Service and Budget Category**

| <b>Budget category</b>        | <b>Fiscal year</b> | <b>Army</b>     | <b>Navy</b>     | <b>Air Force</b> | <b>Marine Corps</b> |
|-------------------------------|--------------------|-----------------|-----------------|------------------|---------------------|
| Basic pay                     | 1990               | \$19,689        | \$19,280        | \$22,065         | \$17,900            |
|                               | 1997               | 20,682          | 20,237          | 22,443           | 18,132              |
| Basic allowances for quarters | 1990               | 2,491           | 2,848           | 3,005            | 2,246               |
|                               | 1997               | 2,842           | 3,144           | 3,106            | 2,163               |
| Variable housing allowance    | 1990               | 350             | 1,020           | 569              | 812                 |
|                               | 1997               | 530             | 1,194           | 699              | 704                 |
| Special pays                  | 1990               | 626             | 1,723           | 477              | 551                 |
|                               | 1997               | 571             | 1,596           | 632              | 277                 |
| Allowances                    | 1990               | 1,345           | 786             | 1,224            | 841                 |
|                               | 1997               | 1,490           | 1,321           | 1,502            | 1,199               |
| Permanent change of station   | 1990               | 1,778           | 1,222           | 1,855            | 1,213               |
|                               | 1997               | 2,038           | 1,412           | 2,062            | 1,288               |
| Retired pay accrual           | 1990               | 8,643           | 8,464           | 9,626            | 7,858               |
|                               | 1997               | 6,742           | 6,590           | 7,316            | 5,902               |
| Other                         | 1990               | 4,840           | 4,848           | 5,449            | 4,421               |
|                               | 1997               | 5,841           | 5,207           | 5,400            | 4,752               |
| <b>Total</b>                  | <b>1990</b>        | <b>39,762</b>   | <b>40,191</b>   | <b>44,270</b>    | <b>35,842</b>       |
|                               | <b>1997</b>        | <b>\$40,736</b> | <b>\$40,701</b> | <b>\$43,160</b>  | <b>\$34,417</b>     |

Source: GAO analysis based on services' budget estimates.

Note: Totals may not add due to rounding.

## Variations Exist in the Services' Special and Incentive Pay Budgets

There are marked differences in the services' budgeting for some types of special pays, which are intended to enhance the retention of skilled personnel, and for incentive pays for hazardous duty, submarine duty, and aviation careers. Special pays in particular, which will decline by 33 percent to just over \$1 billion by fiscal year 1997, vary by type and service and are not necessarily proportional to a service's share of overall personnel levels. The total reduction in special pays, however, approximates the reduction in personnel levels.

Figure 5 shows that the Navy dominates the special pay category by budgeting more than the Air Force, the Army, and the Marine Corps combined (about \$656 million estimated for fiscal year 1997).

Figure 5: Trends in Special Pays by Service

Dollars in millions

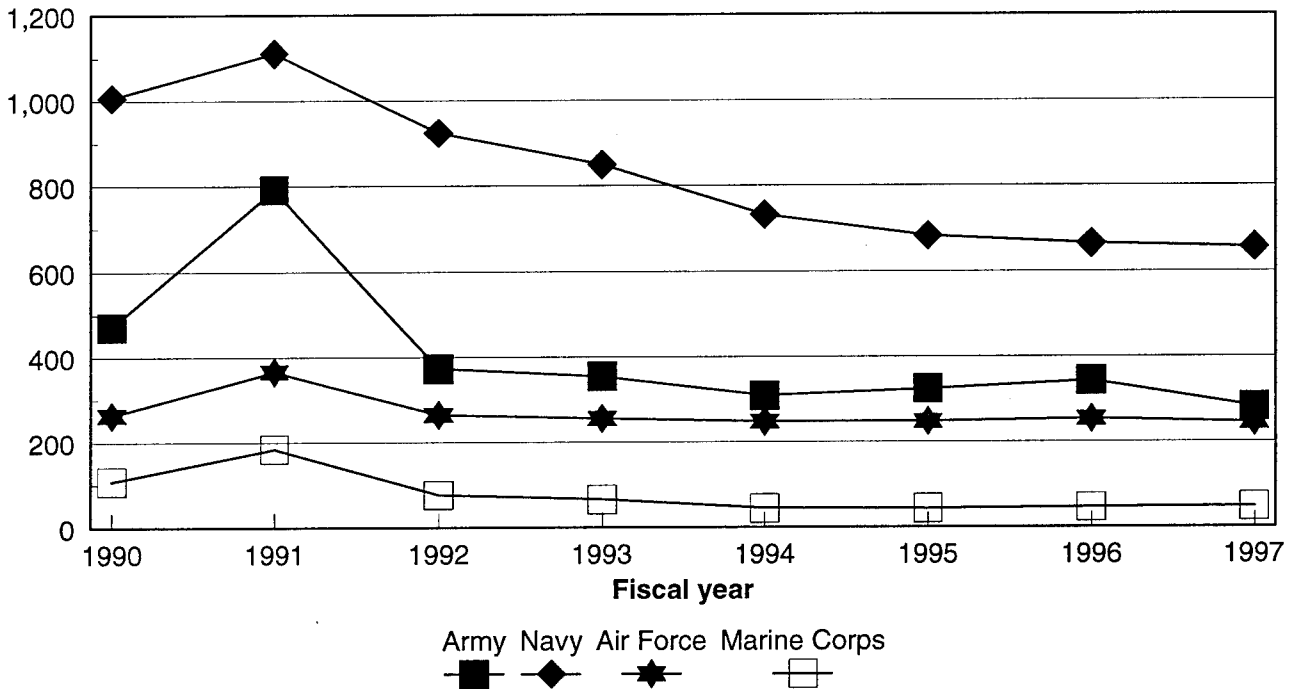
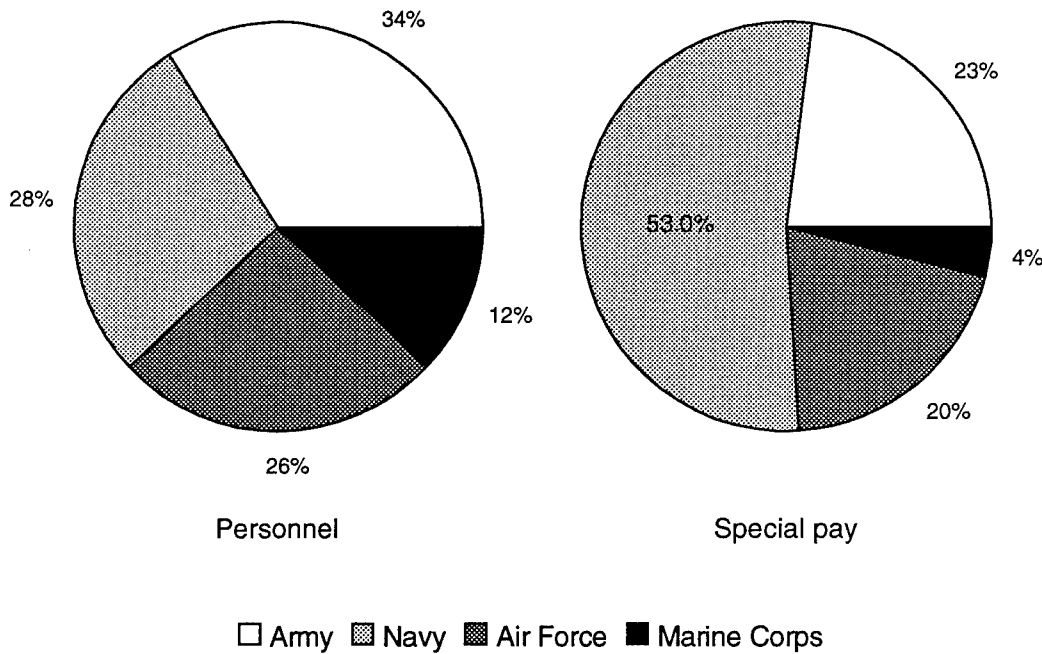


Figure 6 shows that the Navy accounts for over 53 percent of the total special pays budget in fiscal year 1997, while its share of the personnel level is 28 percent. The fiscal year 1997 Navy budget estimate equates to approximately \$1,600 per servicemember, compared to the next highest for the Air Force at about \$630.

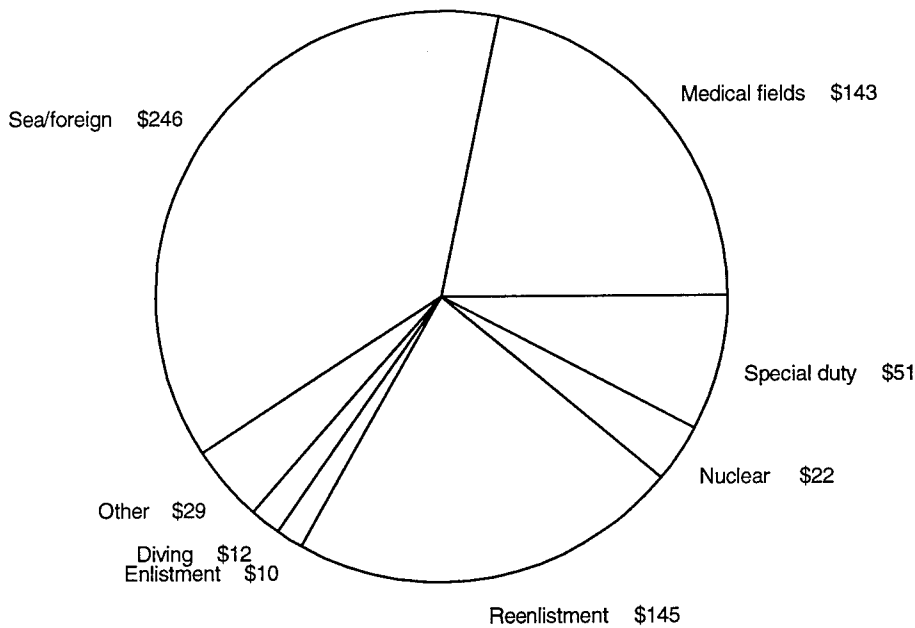
Figure 6: Services' Share of Personnel and Special Pays for Fiscal Year 1997



As shown in figure 7, the Navy's largest special pay categories are for sea and foreign duty, reenlistment bonuses, and medical personnel. The Navy is the only service that budgets for nuclear-qualified officer pay, nuclear accession pay, and officer responsibility pay. Also, the Navy uses an "other" classification of special pay, which is estimated to be about \$26 million for fiscal year 1997.

Figure 7: Navy Allocation of Special Pays for Fiscal Year 1997

Dollars in millions

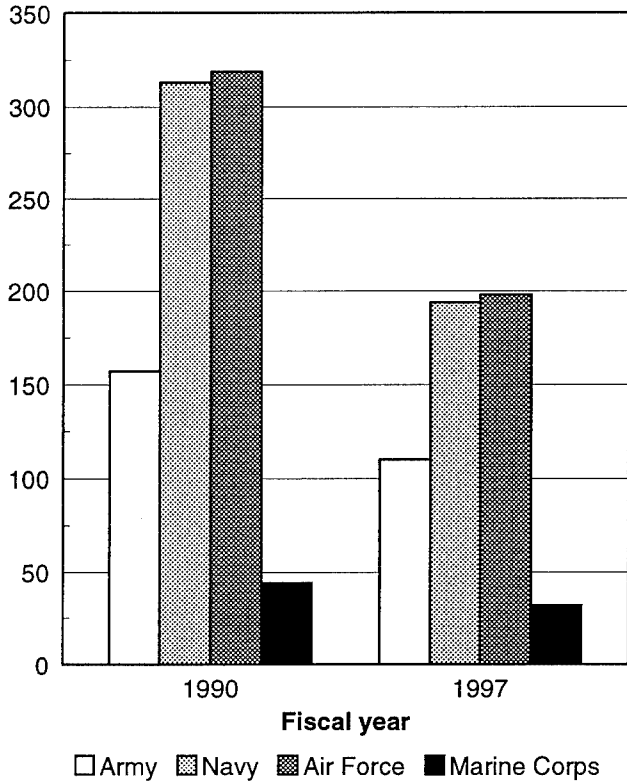


Note: Other includes other special pay (\$26), language proficiency (\$2), and responsibility pay (\$1).

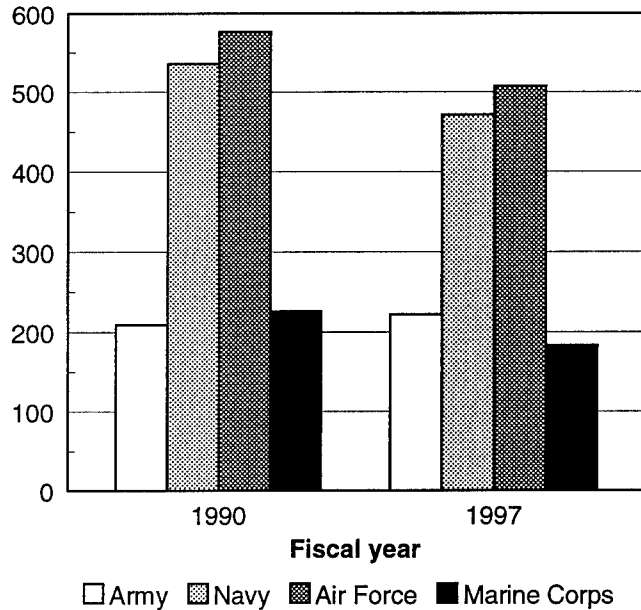
The incentive pay, hazardous duty, and aviation career categories are projected to decline from \$833 million in fiscal year 1990 to \$533 million in fiscal year 1997, or 36 percent. Figure 8 shows that the Navy and the Air Force have the largest budgets and per person costs for both fiscal years 1990 and 1997.

Figure 8: Services' Total Budgets and Per Person Budgets for Incentive Pay

**Total budgets**  
Dollars in millions



**Per person budgets**  
Dollars



**Agency Comments**

We provided a draft of this report to DOD for comment, but DOD chose not to comment formally on the draft. We did, however, incorporate informal comments from DOD and service officials.

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## Scope and Methodology

To identify budget trends and differences in costs among the services, we analyzed each service's estimate for its annual military personnel budget submission to Congress. For fiscal years 1990 to 1995, we used actual costs. For fiscal years 1996 and 1997, we used estimated costs. We adjusted the nominal dollars to constant fiscal year 1996 dollars using 1996 DOD inflation factors for military personnel costs. We did not analyze or verify the services' assumptions supporting the estimates, nor did we verify the accuracy of the data presented in their budget estimate submissions. We asked DOD and military service representatives to explain some of the trends and differences among the services. We incorporated the explanations we received and considered relevant. We did not verify the services' explanations.

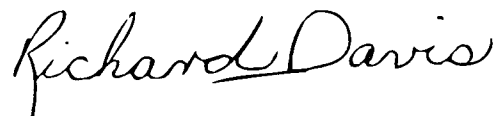
We conducted our work from October 1995 to June 1996 in accordance with generally accepted government auditing standards.

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We are providing copies of this report to appropriate congressional committees; the Secretaries of Defense, the Air Force, the Army, and the Navy; the Commandant, U.S. Marine Corps; and the Director, Office of Management and Budget. We will also provide copies to other interested parties upon request.

If you have any questions concerning this report, please call me on (202) 512-3504. Major contributors to this report were Robert Pelletier and Richard McGeary.

Sincerely yours,



Richard Davis  
Director, National Security  
Analysis

# Military Personnel Budget Categories

These budget categories apply to all services except where parentheses specify the applicable services. Special pays for medical-related skills and the cadets/midshipmen category do not apply to the Marine Corps.

- Basic pay
- Retired pay accrual
- Basic allowances for quarters
  - with dependents
  - without dependents
  - substandard family housing
  - partial
- Variable housing allowance
- Subsistence
  - basic allowance for subsistence
    - authorized to mess separately
    - leave rations
    - rations-in-kind not available
    - augmentation for separate meals (Army, Navy, Air Force)
  - subsistence in kind
    - subsistence in messes
    - operational rations
    - augmentation rations/other
- Incentive pay, hazardous duty, and aviation career
  - flying duty pay
    - aviation career, officers
    - crew members, enlisted
    - noncrew members (Army, Air Force)
    - crew nonrated (Army, Air Force)
    - AWAC weapons controllers (Air Force)
    - aviation continuation bonus (Air Force, Marine Corps)
  - submarine duty (Navy)
  - parachute jump pay
    - demolition pay
    - flight deck duty (Marine Corps)
    - high altitude, low opening parachute pay (Marine Corps)
    - other pays (Army, Navy, Air Force)
    - toxic fuels/live biological (Air Force)

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**Appendix I**  
**Military Personnel Budget Categories**

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- Special pays
  - physicians
  - dentists
  - nurses bonus
  - diplomate pay for psychologists (Army, Navy)
  - board certified pay for nonphysician health care providers (Army)
  - optometrists
  - veterinarians (Army, Air Force)
  - biomedical science (Air Force)
  - nuclear officer incentive pay (Navy)
  - nuclear accession bonus (Navy)
  - responsibility pay (Navy)
  - sea and foreign duty
    - sea duty
    - duty at certain places
    - overseas extension pay
  - foreign language proficiency pay
  - diving duty pay
  - reenlistment bonus
  - special duty assignment pay
  - enlistment bonus
  - hostile fire pay (Army, Air Force)
  - other special pay (Navy, Marine Corps)
- Allowances
  - uniform/clothing allowances
    - initial issue
      - military
      - civilian
    - additional allowance
    - basic maintenance
    - standard maintenance
    - supplementary
    - other (civilian clothing maintenance, inventory prepurchase) (Army, Navy)
  - station allowance overseas
    - cost of living
    - housing
    - temporary lodging
    - moving-in housing (Air Force)
  - continental U. S. cost-of-living allowance

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**Appendix I**  
**Military Personnel Budget Categories**

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- family separation allowances
  - on permanent change of station—no government quarters (Army, Navy, Air Force)
    - on permanent change of station—dependents not authorized
    - afloat (Navy, Marine Corps)
    - on temporary duty
  - general and flag officers, personal money allowance
- Separation pay
  - terminal leave pay
  - lump-sum readjustment pay
  - donations
  - severance pay, disability
  - severance pay, nonpromotion
  - severance pay, involuntary half (5 percent)
  - severance pay, involuntary full (10 percent)
  - severance pay, voluntary separation incentive
  - severance pay, special separation benefits
  - severance pay, 15-year retirement
- Social security tax payments
  - government contribution
  - military service credit
- Permanent change of station travel
- Other military personnel costs
  - adoption expenses
  - apprehension of deserters
  - death gratuities
  - unemployment compensation
  - survivor benefits
  - education benefits
  - interest on servicemembers' deposit/savings
  - allowance for quarters, surviving dependents (Air Force)
  - Civilian Community Corps (Air Force)
- Cadets/Midshipmen



# Services' Share of Military Personnel Budget by Category and Personnel Levels, Fiscal Years 1990-97

Dollars and personnel in millions; shares in percent

| Budget category   | Service      | 1990         |                 | 1991         |                 | 1992         |                 | 1993         |                 |
|---|--------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
|   |              | Share        | Amount          | Share        | Amount          | Share        | Amount          | Share        | Amount          |
| Basic pay   | Army         | 35.5         | \$14,837        | 37.1         | \$16,057        | 35.2         | \$13,971        | 33.9         | \$12,321        |
|   | Navy         | 26.9         | 11,259          | 26.2         | 11,358          | 27.7         | 11,002          | 28.8         | 10,470          |
|   | Air Force    | 29.2         | 12,189          | 28.0         | 12,127          | 28.3         | 11,223          | 28.2         | 10,243          |
|   | Marine Corps | 8.4          | 3,514           | 8.7          | 3,761           | 8.8          | 3,483           | 9.1          | 3,300           |
|   | <b>Total</b> | <b>100.0</b> | <b>\$41,799</b> | <b>100.0</b> | <b>\$43,303</b> | <b>100.0</b> | <b>\$39,678</b> | <b>100.0</b> | <b>\$36,334</b> |
| Retired pay accrual                                     | Army         | 35.6         | \$6,514         | 37.1         | \$6,953         | 35.2         | \$5,965         | 33.9         | \$4,485         |
|   | Navy         | 27.0         | 4,943           | 26.3         | 4,916           | 27.7         | 4,690           | 28.8         | 3,806           |
|   | Air Force    | 29.0         | 5,317           | 27.9         | 5,225           | 28.3         | 4,792           | 28.2         | 3,728           |
|   | Marine Corps | 8.4          | 1,542           | 8.7          | 1,628           | 8.8          | 1,485           | 9.1          | 1,199           |
|   | <b>Total</b> | <b>100.0</b> | <b>\$18,316</b> | <b>100.0</b> | <b>\$18,722</b> | <b>100.0</b> | <b>\$16,933</b> | <b>100.0</b> | <b>\$13,219</b> |
| Basic allowances<br>for quarters                        | Army         | 33.3         | \$1,877         | 35.4         | \$2,125         | 31.5         | \$1,664         | 31.9         | \$1,594         |
|   | Navy         | 29.5         | 1,663           | 28.4         | 1,704           | 31.8         | 1,681           | 32.2         | 1,607           |
|   | Air Force    | 29.4         | 1,660           | 28.1         | 1,688           | 28.7         | 1,518           | 28.0         | 1,399           |
|   | Marine Corps | 7.8          | 441             | 8.1          | 483             | 8.0          | 424             | 7.8          | 392             |
|   | <b>Total</b> | <b>100.0</b> | <b>\$5,641</b>  | <b>100.0</b> | <b>\$6,001</b>  | <b>100.0</b> | <b>\$5,288</b>  | <b>100.0</b> | <b>\$4,992</b>  |
| Variable housing<br>allowance                           | Army         | 19.8         | \$264           | 22.1         | \$328           | 20.0         | \$287           | 19.9         | \$273           |
|   | Navy         | 44.7         | 596             | 43.6         | 648             | 47.2         | 677             | 48.4         | 662             |
|   | Air Force    | 23.6         | 314             | 22.6         | 335             | 21.7         | 311             | 20.9         | 287             |
|   | Marine Corps | 12.0         | 159             | 11.7         | 174             | 11.2         | 160             | 10.7         | 147             |
|   | <b>Total</b> | <b>100.0</b> | <b>\$1,333</b>  | <b>100.0</b> | <b>\$1,485</b>  | <b>100.0</b> | <b>\$1,434</b>  | <b>100.0</b> | <b>\$1,368</b>  |
| Subsistence   | Army         | 36.6         | \$1,731         | 33.5         | \$1,110         | 34.6         | \$1,147         | 33.7         | \$1,004         |
|   | Navy         | 26.0         | 1,232           | 25.2         | 834             | 25.0         | 829             | 25.7         | 767             |
|   | Air Force    | 28.4         | 1,343           | 34.0         | 1,127           | 32.2         | 1,069           | 32.2         | 959             |
|   | Marine Corps | 9.0          | 426             | 7.2          | 240             | 8.2          | 273             | 8.5          | 253             |
|   | <b>Total</b> | <b>100.0</b> | <b>\$4,732</b>  | <b>100.0</b> | <b>\$3,311</b>  | <b>100.0</b> | <b>\$3,318</b>  | <b>100.0</b> | <b>\$2,982</b>  |
| Incentive pay,<br>hazardous, duty, &<br>aviation career | Army         | 18.9         | \$157           | 19.0         | \$165           | 19.5         | \$153           | 19.4         | \$138           |
|   | Navy         | 37.6         | 313             | 35.5         | 307             | 36.6         | 287             | 36.9         | 263             |
|   | Air Force    | 38.2         | 318             | 40.4         | 349             | 38.7         | 303             | 38.1         | 272             |
|   | Marine Corps | 5.3          | 44              | 5.0          | 44              | 5.2          | 41              | 5.6          | 40              |
|   | <b>Total</b> | <b>100.0</b> | <b>\$833</b>    | <b>100.0</b> | <b>\$864</b>    | <b>100.0</b> | <b>\$785</b>    | <b>100.0</b> | <b>\$713</b>    |

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

| Fiscal year  |                 | 1995         |                 | 1996         |                 | 1997         |                 | 1990-97           |              |
|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|--------------|
| 1994         |                 | Share        | Amount          | Share        | Amount          | Share        | Amount          | Change            | Percent      |
| 33.6         | \$11,539        | 33.7         | \$10,990        | 33.6         | \$10,510        | 33.7         | \$10,254        | (\$4,583)         | -30.9        |
| 28.6         | 9,814           | 28.0         | 9,129           | 27.7         | 8,655           | 27.3         | 8,317           | (2,942)           | -26.1        |
| 28.6         | 9,822           | 28.6         | 9,311           | 28.6         | 8,953           | 28.7         | 8,732           | (3,456)           | -28.4        |
| 9.2          | 3,175           | 9.6          | 3,137           | 10.1         | 3,145           | 10.3         | 3,139           | (375)             | -10.7        |
| <b>100.0</b> | <b>\$34,350</b> | <b>100.0</b> | <b>\$32,567</b> | <b>100.0</b> | <b>\$31,263</b> | <b>100.0</b> | <b>\$30,442</b> | <b>(\$11,357)</b> | <b>-27.2</b> |
| 33.6         | \$4,154         | 33.8         | \$3,901         | 33.6         | \$3,458         | 33.7         | \$3,343         | (\$3,171)         | -48.7        |
| 28.6         | 3,530           | 28.0         | 3,238           | 27.7         | 2,845           | 27.3         | 2,709           | (2,234)           | -45.2        |
| 28.6         | 3,536           | 28.6         | 3,305           | 28.7         | 2,946           | 28.7         | 2,847           | (2,471)           | -46.5        |
| 9.2          | 1,141           | 9.6          | 1,112           | 10.0         | 1,033           | 10.3         | 1,022           | (521)             | -33.8        |
| <b>100.0</b> | <b>\$12,360</b> | <b>100.0</b> | <b>\$11,556</b> | <b>100.0</b> | <b>\$10,281</b> | <b>100.0</b> | <b>\$9,920</b>  | <b>(\$8,397)</b>  | <b>-45.8</b> |
| 30.9         | \$1,431         | 32.2         | \$1,446         | 32.4         | \$1,420         | 32.9         | \$1,409         | (\$468)           | -24.9        |
| 32.3         | 1,495           | 31.4         | 1,408           | 30.8         | 1,351           | 30.2         | 1,292           | (371)             | -22.3        |
| 29.0         | 1,345           | 28.4         | 1,275           | 28.4         | 1,247           | 28.2         | 1,208           | (452)             | -27.2        |
| 7.9          | 364             | 8.1          | 362             | 8.4          | 370             | 8.7          | 374             | (66)              | -15.1        |
| <b>100.0</b> | <b>\$4,635</b>  | <b>100.0</b> | <b>\$4,491</b>  | <b>100.0</b> | <b>\$4,388</b>  | <b>100.0</b> | <b>\$4,284</b>  | <b>(\$1,357)</b>  | <b>-24.1</b> |
| 21.8         | \$287           | 22.2         | \$277           | 22.4         | \$268           | 22.9         | \$263           | (\$1)             | -0.3         |
| 46.5         | 610             | 44.7         | 558             | 43.7         | 523             | 42.8         | 491             | (105)             | -17.6        |
| 21.8         | 286             | 23.5         | 293             | 23.7         | 284             | 23.7         | 272             | (42)              | -13.4        |
| 9.9          | 130             | 9.6          | 120             | 10.1         | 121             | 10.6         | 122             | (37)              | -23.5        |
| <b>100.0</b> | <b>\$1,312</b>  | <b>100.0</b> | <b>\$1,248</b>  | <b>100.0</b> | <b>\$1,195</b>  | <b>100.0</b> | <b>\$1,148</b>  | <b>(\$185)</b>    | <b>-13.9</b> |
| 34.3         | \$969           | 35.1         | \$947           | 33.7         | \$917           | 35.9         | \$1,177         | (\$554)           | -32.0        |
| 25.2         | 713             | 24.6         | 665             | 23.3         | 635             | 26.3         | 862             | (370)             | -30.0        |
| 31.9         | 901             | 31.4         | 848             | 30.4         | 826             | 27.1         | 888             | (454)             | -33.8        |
| 8.6          | 244             | 8.9          | 241             | 12.6         | 242             | 10.8         | 353             | (73)              | -17.2        |
| <b>100.0</b> | <b>\$2,828</b>  | <b>100.0</b> | <b>\$2,700</b>  | <b>100.0</b> | <b>\$2,619</b>  | <b>100.0</b> | <b>\$3,280</b>  | <b>(\$1,452)</b>  | <b>-30.7</b> |
| 19.8         | \$130           | 20.9         | \$124           | 20.7         | \$118           | 20.6         | \$110           | (\$47)            | -30.2        |
| 36.7         | 241             | 35.8         | 212             | 35.9         | 205             | 36.4         | 194             | (119)             | -38.0        |
| 38.1         | 249             | 37.6         | 223             | 37.9         | 216             | 37.1         | 198             | (121)             | -37.9        |
| 5.4          | 35              | 5.8          | 34              | 5.6          | 32              | 5.9          | 32              | (13)              | -28.9        |
| <b>100.0</b> | <b>\$655</b>    | <b>100.0</b> | <b>\$593</b>    | <b>100.0</b> | <b>\$570</b>    | <b>100.0</b> | <b>\$533</b>    | <b>(\$300)</b>    | <b>-36.0</b> |

(continued)

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

Dollars and personnel in millions; shares in percent

| Budget category                    | Service      | 1990  |              | 1991           |              | 1992           |              | 1993           |              |
|------------------------------------|--------------|-------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                                    |              | Share | Amount       | Share          | Amount       | Share          | Amount       | Share          | Amount       |
| Special pay                        | Army         | 25.5  | \$472        | 32.3           | \$791        | 22.8           | \$373        | 23.3           | \$355        |
|                                    | Navy         | 54.4  | 1,006        | 45.3           | 1,111        | 56.4           | 925          | 55.7           | 849          |
|                                    | Air Force    | 14.2  | 263          | 14.9           | 367          | 16.1           | 264          | 16.7           | 255          |
|                                    | Marine Corps | 5.9   | 108          | 7.5            | 185          | 4.7            | 76           | 4.3            | 65           |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$1,850</b> | <b>100.0</b> | <b>\$2,454</b> | <b>100.0</b> | <b>\$1,638</b> | <b>100.0</b> |
| Allowances                         | Army         | 43.8  | \$1,014      | 47.2           | \$1,345      | 40.0           | \$1,007      | 37.2           | \$845        |
|                                    | Navy         | 19.8  | 459          | 19.1           | 546          | 22.4           | 564          | 25.0           | 568          |
|                                    | Air Force    | 29.2  | 676          | 26.5           | 755          | 29.9           | 754          | 28.8           | 655          |
|                                    | Marine Corps | 7.1   | 165          | 7.2            | 205          | 7.7            | 194          | 9.0            | 206          |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$2,314</b> | <b>100.0</b> | <b>\$2,850</b> | <b>100.0</b> | <b>\$2,519</b> | <b>100.0</b> |
| Separation pay                     | Army         | 41.5  | \$227        | 44.0           | \$335        | 56.9           | \$1,586      | 41.1           | \$1,084      |
|                                    | Navy         | 27.4  | 150          | 25.5           | 194          | 11.9           | 331          | 15.5           | 407          |
|                                    | Air Force    | 21.8  | 119          | 19.4           | 147          | 26.3           | 732          | 35.5           | 935          |
|                                    | Marine Corps | 9.4   | 52           | 11.1           | 84           | 5.0            | 139          | 8.0            | 210          |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$548</b>   | <b>100.0</b> | <b>\$761</b>   | <b>100.0</b> | <b>\$2,788</b> | <b>100.0</b> |
| Social security tax payments       | Army         | 35.6  | \$1,386      | 36.7           | \$1,407      | 35.1           | \$1,231      | 34.1           | \$1,095      |
|                                    | Navy         | 26.7  | 1,038        | 26.2           | 1,003        | 27.5           | 963          | 28.4           | 913          |
|                                    | Air Force    | 29.3  | 1,140        | 28.4           | 1,086        | 28.7           | 1,006        | 28.5           | 915          |
|                                    | Marine Corps | 8.4   | 327          | 8.7            | 333          | 8.7            | 307          | 9.0            | 289          |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$3,891</b> | <b>100.0</b> | <b>\$3,829</b> | <b>100.0</b> | <b>\$3,506</b> | <b>100.0</b> |
| Permanent change of station travel | Army         | 40.4  | \$1,340      | 35.3           | \$1,212      | 43.1           | \$1,552      | 39.2           | \$1,314      |
|                                    | Navy         | 21.5  | 714          | 22.4           | 769          | 20.4           | 734          | 21.1           | 709          |
|                                    | Air Force    | 30.9  | 1,025        | 36.1           | 1,239        | 29.6           | 1,067        | 32.8           | 1,100        |
|                                    | Marine Corps | 7.2   | 238          | 6.3            | 216          | 6.9            | 249          | 6.9            | 231          |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$3,317</b> | <b>100.0</b> | <b>\$3,436</b> | <b>100.0</b> | <b>\$3,601</b> | <b>100.0</b> |
| Other military personnel costs     | Army         | 47.3  | \$102        | 43.5           | \$137        | 55.4           | \$342        | 52.5           | \$408        |
|                                    | Navy         | 22.9  | 49           | 27.2           | 86           | 18.9           | 117          | 22.5           | 175          |
|                                    | Air Force    | 21.3  | 46           | 18.4           | 58           | 16.6           | 102          | 17.1           | 133          |
|                                    | Marine Corps | 8.5   | 18           | 11.0           | 35           | 9.1            | 56           | 7.9            | 62           |
|                                    | <b>Total</b> |       | <b>100.0</b> | <b>\$216</b>   | <b>100.0</b> | <b>\$316</b>   | <b>100.0</b> | <b>\$618</b>   | <b>100.0</b> |

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

| Fiscal year  |                | 1995         |                | 1996         |                | 1997         |                | 1990-97          |              |
|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|------------------|--------------|
| 1994         |                | Share        | Amount         | Share        | Amount         | Share        | Amount         | Change           | Percent      |
| 23.2         | \$309          | 25.0         | \$325          | 26.3         | \$345          | 22.9         | \$283          | (\$189)          | -40.0        |
| 55.0         | 732            | 52.5         | 682            | 50.7         | 664            | 53.2         | 656            | (351)            | -34.8        |
| 18.5         | 247            | 19.1         | 248            | 19.4         | 254            | 20.0         | 246            | (17)             | -6.6         |
| 3.3          | 44             | 3.4          | 44             | 3.6          | 47             | 3.9          | 48             | (60)             | -55.8        |
| <b>100.0</b> | <b>\$1,332</b> | <b>100.0</b> | <b>\$1,299</b> | <b>100.0</b> | <b>\$1,309</b> | <b>100.0</b> | <b>\$1,233</b> | <b>(\$617)</b>   | <b>-33.4</b> |
| 35.3         | \$740          | 34.6         | \$778          | 35.8         | \$772          | 35.6         | \$739          | (\$275)          | -27.1        |
| 27.5         | 577            | 27.1         | 608            | 26.0         | 561            | 26.2         | 543            | 84               | 18.3         |
| 28.2         | 592            | 29.2         | 657            | 27.8         | 600            | 28.2         | 584            | (91)             | -13.5        |
| 9.0          | 190            | 9.2          | 206            | 10.3         | 221            | 10.0         | 208            | 43               | 25.8         |
| <b>100.0</b> | <b>\$2,099</b> | <b>100.0</b> | <b>\$2,249</b> | <b>100.0</b> | <b>\$2,154</b> | <b>100.0</b> | <b>\$2,074</b> | <b>(\$240)</b>   | <b>-10.4</b> |
| 42.0         | \$626          | 30.9         | \$499          | 38.7         | \$479          | 50.9         | \$484          | \$256            | 112.9        |
| 27.2         | 405            | 20.4         | 329            | 25.6         | 317            | 20.2         | 192            | 42               | 28.0         |
| 20.9         | 312            | 43.0         | 695            | 27.4         | 339            | 16.2         | 154            | 35               | 29.2         |
| 9.8          | 146            | 5.7          | 92             | 8.4          | 104            | 12.6         | 120            | 68               | 131.8        |
| <b>100.0</b> | <b>\$1,489</b> | <b>100.0</b> | <b>\$1,616</b> | <b>100.0</b> | <b>\$1,239</b> | <b>100.0</b> | <b>\$950</b>   | <b>\$401</b>     | <b>73.2</b>  |
| 34.0         | \$1,034        | 33.8         | \$957          | 33.6         | \$924          | 33.6         | \$887          | (\$500)          | -36.0        |
| 28.2         | 858            | 27.8         | 785            | 27.4         | 755            | 27.2         | 718            | (320)            | -30.8        |
| 28.7         | 872            | 28.9         | 816            | 29.1         | 800            | 28.9         | 763            | (377)            | -33.1        |
| 9.1          | 278            | 9.6          | 271            | 9.9          | 273            | 10.2         | 269            | (59)             | -17.9        |
| <b>100.0</b> | <b>\$3,042</b> | <b>100.0</b> | <b>\$2,829</b> | <b>100.0</b> | <b>\$2,752</b> | <b>100.0</b> | <b>\$2,636</b> | <b>(\$1,255)</b> | <b>-32.2</b> |
| 37.9         | \$1,150        | 39.5         | \$1,147        | 39.0         | \$1,074        | 38.6         | \$1,010        | (\$330)          | -24.6        |
| 23.0         | 698            | 22.8         | 662            | 21.5         | 593            | 22.2         | 580            | (133)            | -18.7        |
| 31.6         | 958            | 29.8         | 867            | 31.2         | 858            | 30.7         | 802            | (222)            | -21.7        |
| 7.5          | 228            | 7.9          | 229            | 8.3          | 228            | 8.5          | 223            | (15)             | -6.4         |
| <b>100.0</b> | <b>\$3,034</b> | <b>100.0</b> | <b>\$2,905</b> | <b>100.0</b> | <b>\$2,753</b> | <b>100.0</b> | <b>\$2,616</b> | <b>(\$701)</b>   | <b>-21.1</b> |
| 44.4         | \$249          | 49.2         | \$278          | 44.9         | \$200          | 44.5         | \$203          | \$101            | 98.3         |
| 29.1         | 163            | 26.0         | 147            | 28.8         | 128            | 30.6         | 140            | 90               | 182.6        |
| 15.0         | 84             | 16.7         | 95             | 15.2         | 68             | 14.0         | 64             | 18               | 39.3         |
| 11.5         | 64             | 8.1          | 46             | 11.0         | 49             | 10.8         | 49             | 31               | 169.0        |
| <b>100.0</b> | <b>\$560</b>   | <b>100.0</b> | <b>\$566</b>   | <b>100.0</b> | <b>\$445</b>   | <b>100.0</b> | <b>\$456</b>   | <b>\$240</b>     | <b>111.0</b> |

(continued)

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

Dollars and personnel in millions; shares in percent

| Budget category   | Service      | 1990         |                 | 1991         |                 | 1992         |                 | 1993         |                 |
|-------------------|--------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
|                   |              | Share        | Amount          | Share        | Amount          | Share        | Amount          | Share        | Amount          |
| Cadets            | Army         | 31.9         | \$43            | 32.5         | \$42            | 32.8         | \$41            | 33.2         | \$39            |
|                   | Navy         | 35.8         | 48              | 34.7         | 45              | 34.0         | 42              | 33.5         | 40              |
|                   | Air Force    | 32.3         | 44              | 32.8         | 43              | 33.2         | 41              | 33.3         | 39              |
|                   | Marine Corps | a            | a               | a            | a               | a            | a               | a            | a               |
|                   | <b>Total</b> | <b>100.0</b> | <b>\$135</b>    | <b>100.0</b> | <b>\$130</b>    | <b>100.0</b> | <b>\$124</b>    | <b>100.0</b> | <b>\$118</b>    |
| Totals by service | Army         | 35.3         | \$29,964        | 36.6         | \$32,008        | 35.7         | \$29,319        | 34.0         | \$24,956        |
|                   | Navy         | 27.6         | 23,471          | 26.9         | 23,522          | 27.8         | 22,840          | 28.9         | 21,237          |
|                   | Air Force    | 28.8         | 24,454          | 28.1         | 24,545          | 28.2         | 23,184          | 28.5         | 20,919          |
|                   | Marine Corps | 8.3          | 7,036           | 8.4          | 7,386           | 8.4          | 6,888           | 8.7          | 6,393           |
|                   | <b>Total</b> | <b>100.0</b> | <b>\$84,925</b> | <b>100.0</b> | <b>\$87,461</b> | <b>100.0</b> | <b>\$82,231</b> | <b>100.0</b> | <b>\$73,504</b> |

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

| Fiscal year  |                 |              |                 |              |                 |              |                 |                   |              |
|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|-------------------|--------------|
| 1994         |                 | 1995         |                 | 1996         |                 | 1997         |                 | 1990-97           |              |
| Share        | Amount          | Share        | Amount          | Share        | Amount          | Share        | Amount          | Change            | Percent      |
| 34.1         | \$39            | 33.9         | \$38            | 33.3         | \$36            | 34.2         | \$36            | (\$7)             | -16.7        |
| 32.8         | 38              | 33.4         | 38              | 33.5         | 36              | 32.7         | 34              | (14)              | -29.1        |
| 33.0         | 38              | 32.7         | 37              | 33.3         | 36              | 33.1         | 35              | (9)               | -20.3        |
| a            | a               | a            | a               | a            | a               | a            | a               | a                 | a            |
| <b>100.0</b> | <b>\$115</b>    | <b>100.0</b> | <b>\$112</b>    | <b>100.0</b> | <b>\$107</b>    | <b>100.0</b> | <b>\$105</b>    | <b>(\$30)</b>     | <b>-22.3</b> |
| 33.4         | \$22,657        | 33.5         | \$21,707        | 33.5         | \$20,520        | 33.8         | \$20,196        | (\$9,768)         | -32.6        |
| 29.3         | 19,874          | 28.5         | 18,462          | 28.2         | 17,266          | 28.0         | 16,728          | (6,743)           | -28.7        |
| 28.4         | 19,241          | 28.8         | 18,669          | 28.5         | 17,426          | 28.1         | 16,795          | (7,660)           | -31.3        |
| 8.9          | 6,041           | 9.1          | 5,894           | 9.7          | 5,863           | 10.0         | 5,957           | (1,078)           | -15.3        |
| <b>100.0</b> | <b>\$67,812</b> | <b>100.0</b> | <b>\$64,732</b> | <b>100.0</b> | <b>\$61,075</b> | <b>100.0</b> | <b>\$59,677</b> | <b>(\$25,249)</b> | <b>-29.7</b> |

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

Dollars and personnel in millions; shares in percent

| Personnel level  | Service      | 1990         |               | 1991         |               | 1992         |               | 1993         |               |
|------------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                  |              | Share        | Personnel     | Share        | Personnel     | Share        | Personnel     | Share        | Personnel     |
| End strength     | Army         | 36.3         | 0.7506        | 36.2         | 0.7254        | 33.8         | 0.6113        | 33.6         | 0.5724        |
|                  | Navy         | 28.2         | 0.5829        | 28.5         | 0.5713        | 30.0         | 0.5419        | 29.9         | 0.5100        |
|                  | Air Force    | 26.1         | 0.5393        | 25.5         | 0.5109        | 26.0         | 0.4703        | 26.1         | 0.4444        |
|                  | Marine Corps | 9.5          | 0.1967        | 9.7          | 0.1950        | 10.2         | 0.1846        | 10.5         | 0.1784        |
|                  | <b>Total</b> | <b>100.0</b> | <b>2.0695</b> | <b>100.0</b> | <b>2.0026</b> | <b>100.0</b> | <b>1.8081</b> | <b>100.0</b> | <b>1.7052</b> |
| Average strength | Army         | 36.1         | 0.7536        | 37.5         | 0.8037        | 35.2         | 0.6746        | 33.8         | 0.5923        |
|                  | Navy         | 28.0         | 0.5840        | 27.3         | 0.5840        | 28.9         | 0.5528        | 29.8         | 0.5220        |
|                  | Air Force    | 26.5         | 0.5524        | 25.4         | 0.5434        | 25.9         | 0.4969        | 26.0         | 0.4552        |
|                  | Marines      | 9.4          | 0.1963        | 9.8          | 0.2107        | 10.0         | 0.1911        | 10.4         | 0.1818        |
|                  | <b>Total</b> | <b>100.0</b> | <b>2.0863</b> | <b>100.0</b> | <b>2.1418</b> | <b>100.0</b> | <b>1.9154</b> | <b>100.0</b> | <b>1.7513</b> |

**Appendix II  
Services' Share of Military Personnel Budget  
by Category and Personnel Levels, Fiscal  
Years 1990-97**

| Fiscal year     |               | 1994            |               | 1995            |               | 1996            |               | 1997            |  | 1990-97 |              |
|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|--|---------|--------------|
| Share Personnel |               | Share Personnel |               | Share Personnel |               | Share Personnel |               | Share Personnel |  | Change  | Percent      |
| 33.6            | 0.5413        | 33.5            | 0.5086        | 33.4            | 0.4950        | 34.0            | 0.4950        | (0.2556)        |  |         | -34.1        |
| 29.1            | 0.4687        | 28.6            | 0.4346        | 28.6            | 0.4245        | 27.9            | 0.4069        | (0.1760)        |  |         | -30.2        |
| 26.5            | 0.4263        | 26.4            | 0.4004        | 26.2            | 0.3882        | 26.2            | 0.3811        | (0.1582)        |  |         | -29.3        |
| 10.8            | 0.1742        | 11.5            | 0.1746        | 11.7            | 0.1740        | 11.9            | 0.1740        | (0.0227)        |  |         | -11.5        |
| <b>100.0</b>    | <b>1.6105</b> | <b>100.0</b>    | <b>1.5182</b> | <b>100.0</b>    | <b>1.4817</b> | <b>100.0</b>    | <b>1.4570</b> | <b>(0.6125)</b> |  |         | <b>-29.6</b> |
| 33.9            | 0.5619        | 33.8            | 0.5285        | 33.5            | 0.5027        | 33.8            | 0.4958        | (0.2578)        |  |         | -34.2        |
| 29.2            | 0.4851        | 28.7            | 0.4491        | 28.4            | 0.4267        | 28.0            | 0.4110        | (0.1730)        |  |         | -29.6        |
| 26.3            | 0.4366        | 26.4            | 0.4131        | 26.5            | 0.3972        | 26.5            | 0.3891        | (0.1633)        |  |         | -29.6        |
| 10.6            | 0.1754        | 11.1            | 0.1737        | 11.6            | 0.1733        | 11.8            | 0.1731        | (0.0232)        |  |         | -11.8        |
| <b>100.0</b>    | <b>1.6590</b> | <b>100.0</b>    | <b>1.5644</b> | <b>100.0</b>    | <b>1.4999</b> | <b>100.0</b>    | <b>1.4690</b> | <b>(0.6173)</b> |  |         | <b>-29.6</b> |

\*Not applicable.

Note: Some columns do not add because of rounding.