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Critics Say It's Time to Overhaul Army's Bonus System

By DAMIEN CAVE

An Army recruit in Midland, Tex., signed up for four years in the infantry on April 22, and received a \$20,000 bonus. Three weeks later near El Paso, another recruit who chose the same job and length of service received no bonus.

Military officials do not consider such disparities surprising. For decades, the Army has used bonuses selectively, to sign up recruits for immediate needs, to help attract applicants for hard-to-fill specialties, and to win over qualified people who might otherwise be lost to better-paying opportunities. Even with the Army falling short of its recruitment goals for the year, the military says the program works: A doubling of the top bonus to \$40,000 is often the first thing that Army officials request when Congress asks what they need to maintain troop strength as the war in Iraq goes on. And the Army officials said there were no plans to change the program or give out significantly more money.

"Not all skills qualify for the maximum bonus," said Lt. Col. Bryan Hilferty, an Army spokesman at the Pentagon. "The Army uses bonuses to attract applicants into skills or specialties where they are most needed."

But outside the Pentagon, a growing number of military experts, retired Army officials, recruiters and applicants have begun to clamor for an overhaul in how the Army doles out its incentives. They say that the Army's use of the top bonus amount can be confusing, and it is indeed handed out very infrequently, leading some to charge that applicants can be misled. The bonus disparities among seemingly equal recruits, they said, can also lead to dissension in the ranks as soldiers compare what they received to enlist.

Most fundamentally, though, critics described the program as an ineffective tool for attracting troops - a holdover from an era when the most significant recruiting challenges came from competition with a robust economy. Now the main hindrance to recruitment is war, many said, and bonuses should be used to boost compensation for anyone willing to volunteer.

"The problem is that they need volume," said Col. David Slotwinski, a former chief of staff for the Army's recruiting command, who retired in 2004. "The bonuses should be spread so you can attract the greatest volume in the shortest time."

In the civilian world, bonuses for starting a new job are relatively rare. But in a profession fraught with danger, which initially pays only about \$30,000 a year, including allowances for housing and food, a bonus can represent a significant boost in income and respect.

Over the years, the military's bonus program has become increasingly sophisticated. Military officials acknowledge that the \$20,000 figure, and the maximum offer of \$70,000 for college tuition, are often used on signs and by recruiters as marketing tools, to spark interest among potential applicants.

Recruits lock in an actual amount only at the end of the process, when they are sitting alone with a job counselor at a local processing station, just before they sign their final contract. They must first pass a battery of tests, and their qualifications and the Army's needs affect the size of the offer. Those who score well on the military's aptitude test or agree to ship out immediately are likely to be offered a higher bonus. Those who sign up for hard-to-fill jobs, like those in Special Forces, have traditionally received the most money.

Beth Asch, a senior economist at the Rand Institute who specializes in military personnel, said that the Army's job selection and bonus program was closely modeled on the airlines' ticket system, and often yielded the same kinds of varying results.

"What they're trying to do is marry up individuals with training slots," she said. "It's trying to balance a recruit's desires and schedule with what the Army wants. It's just like the airlines where someone sitting next to you paid a different price."

Colonel Hilferty, the Army spokesman at the Pentagon, said that the Army's job and incentive system "works best when it fills needed skills with soldiers." He said the Army would give out \$207 million in bonuses this year, after receiving supplemental funding, up from the \$141 million originally budgeted, and \$125 million in 2004. Between the beginning of the Army's fiscal year in October and June, the Army gave a bonus of at least \$1,000 to 25,189 recruits, or 53 percent of those who signed up.

Douglas Smith, a spokesman for the Army recruiting command at Fort Knox, Ky., said that recruits did not have to sign the contract if they were unhappy with an offer. He said that recruits knew that the top bonuses - like cheap airfares - are restricted to those who meet specific qualifications.

"I don't think we're any different than any other corporation that advertises options about its product or service," he said. "If you look at our ads, it says you may be eligible." Some recruits, however, say that it can be startling when they compare notes.

"One guy I know got \$9,000, and someone who signed up after him got \$6,000" for the same job, said Almendro Fernandez, 17, a recruit from Waipahu, Hawaii, who starts Army boot camp later this summer and did not receive a bonus. "They're pretty confused."

David Segal, a military sociologist at the University of Maryland, said that disparities in compensation also undermined cohesion among troops as they move up the ranks.

"Once they start hearing that someone got a better deal," he said, "soldiers get angry." An analysis of Army data - of every enlistment package given out between October and June - reveals wide chasms between what recruits receive.

It shows that the top bonus of \$20,000 was given to only 6 percent of the 47,727 people who signed up for active duty. In 31 of 33 job categories, including officers, recruits were more likely to receive nothing than the top \$20,000 payout.

In the infantry, the Army's largest occupation and one of its most dangerous, more than a quarter of those who signed up since October did not receive a bonus. Twelve percent received \$20,000 and the rest received a hodge-podge of amounts with 439 receiving \$5,000, 723 receiving \$10,000 and 547 receiving \$15,000. Among all infantry recruits, the average bonus was \$9,264.

In the ammunition category, which includes the explosives specialists who defuse roadside bombs in Iraq, 320 people received no bonus at all while 118 received \$20,000. The average for all 815 ammunition recruits was \$7,561.

Even in the Special Forces, which awarded the highest average bonus of \$14,020, 98 people did not receive a bonus.

College money was also scarce. The statistics show that fewer than 10 percent of all recruits earned money from the Army College Fund, an incentive program that provides tuition assistance and is needed to reach the maximum of \$70,000 for college.

The most common compensation package for a new recruit amounted to an average bonus of \$5,589, roughly \$13,712 in annual salary (not including allowances for housing and food) and the Montgomery GI Bill, which offers about \$36,000 for tuition if recruits agree to contribute \$100 a month for their first year and go to a four-year college.

But the bonuses did not necessarily pack a punch: they are paid out over several years and taxable, unlike re-enlistment bonuses in a combat zone. And according to some military experts, the Army has still not directed its incentives toward its most pressing needs.

Under the current system, for example, the people who signed up to play in Army bands received an average bonus of \$6,396 - \$645 more, on average, than what was received by those who joined military intelligence, and more than double the amount paid to enlistees in combat engineering.

Ms. Asch, the expert at Rand, said that these discrepancies were the result of an outdated system, intended for peacetime recruiting. To reach the Army's current recruiting goals of 80,000 active duty troops, 28,485 in the Reserves, and 63,000 in the National Guard, she said, more money should be given to more people.

"The Army should be applying the bonuses more broadly," she said. "Essentially what they need to do is give out higher entry pay, and since the Army has the same pay table as everyone else in the military, the only way they can do that is with the bonus."

"The nice thing about bonuses is that they are temporary," she added. "You can experiment; you can have a floor of, say, \$2,000 for everyone and go up from there. The beauty of them is that they're flexible."

Recruiters said they would also welcome the chance to give large bonuses to everyone, rather than just a chosen few. Sgt. First Class Leon Jones, who worked as an Army recruiter in Washington until last summer, said that he often felt uncomfortable with the Army's use of the bonus, especially since recruits discovered what they would be paid only after they had become vested in the process, when it was difficult to turn back. He said that the bonuses seemed to exploit the vulnerabilities of poor recruits.

"There is an old saying that goes, 'all that is lawful is not expedient,' " said Sergeant Jones, who left the Army July 29, after 16 years. "We are supposed to be the ethical standard bearers for a nation."

Mr. Smith, the Army spokesman at the recruiting command, denied that the current system was unethical or misleading. He said that the Army was testing a program that would let recruiters with laptops make job and bonus offers in an applicant's home. But, he said, he did not know when it would be available nationwide.

In the meantime, the Army is turning to other incentives. In July, it began paying an additional \$400 a month for three years to those who serve in a handful of fields, including the infantry. Military officials are also considering proposals to help soldiers buy homes or start businesses.

Congress, which held several hearings this summer on military recruitment and retention, has seemed willing to go along with these proposals, including the doubling of the top bonus to \$40,000.

But even if the new incentives become widely available, they may not be enough to sway some recruits toward dangerous occupations. Roy Ross, 18, who shipped off to Army boot camp on July 20, said he turned down several jobs with large bonuses that were open to him because of his high score on the military's aptitude test.

"I looked into it, and they were really dangerous," said Mr. Ross, who is from Jacksonville, Fla., and chose to become a helicopter mechanic. "I'm wild, but I'm not that wild."

<http://www.nytimes.com/2005/08/15/national/15recruit.html?pagewanted=print>