

ENLISTMENT DECISIONS OF YOUNG MEN

In order to sustain U.S. defense capability, each year the armed services enlist over 250,000 young men for active duty. What factors influence the decision to enlist? Do these factors vary among young men in ways that allow us to identify distinct segments of the recruiting market? Answers to these questions will influence the forecasts of enlistment trends, the allocation of recruiting resources, and the design of enlistment advertising campaigns and incentive programs.

A recent Rand study addresses these questions by analyzing microdata on the actual enlistment behavior of young men. Most previous studies of enlistment determinants have used aggregate data; that is, they have analyzed enlistment behavior in terms of local or national recruiting and employment conditions rather than in terms of variables specific to the individual. Unlike the few previous studies using microdata, this study deals with actual behavior, not enlistment intentions, and it also uses a substantially larger database. The database was created by pooling and augmenting data from two spring 1979 surveys, one supplying observations on enlistees, the other on non-enlistees.

SEGMENTING THE RECRUITING MARKET

The male youth population can be segmented along many dimensions: by region, for instance, or by demographic cluster. This study assumes that the population also becomes segmented by the decisionmaking process of the young men themselves. As they decide whether and when to continue schooling, to enter the civilian labor market, or to enlist, their decisions place them into distinct segments of the recruiting market. This study focuses on the two market segments that supply the most male recruits who are high school graduates or high scorers on the Armed Forces Qualification Test (AFQT). These segments are the high school seniors and the nonstudent high school graduates, or *seniors* and *graduates*. In 1979, there were 1.5 million seniors and 3.0 million graduates (ages 17-22), and of these approximately 61,000 seniors and 159,000 graduates enlisted, or 3.9 and 5.3 percent, respectively.

The findings confirm that enlistment behavior varies by market segment. Overall, **seniors and graduates differ substantially in the empirical determinants of their enlistment decisions.** Graduates are more responsive to work-related variables such as employment status, wage rate, hours of work, labor force experience, job tenure, and, if not currently employed, duration of joblessness. Seniors, by contrast, are more responsive to education-related variables such as learning proficiency, ability to finance further education, parental influence, and individual expectations for more education. However, education-related variables are also important for many graduates, just as employment-related variables are important for many seniors.

EFFECT OF EDUCATIONAL EXPECTATIONS

An important finding is that **the decision to enlist depends strongly on a young man's expectation for future education.** The variable indicating a young man's expectation for more education defines important differences *between* and *within* the senior and graduate segments. For instance, seniors who expect more education (63 percent) are *less* likely to enlist, while graduates who expect more education (40 percent) are *more* likely to enlist. This finding suggests that these segments of the recruiting market may respond differently to an enlistment incentive of educational benefits.

Understanding the importance of educational expectations may help recruiters identify high-quality prospects who are likely to enlist. (Here "high quality" means scoring in the upper half of the Armed Forces Qualification Test.) In particular, as Figure 1 illustrates, expectations do not affect the enlistment probability of high-quality seniors. In contrast, **among high-quality graduates, those who expect more education are much more likely to enlist than those who do not.** Thus, recruiters who need to meet high-quality quotas might focus more effort on high-quality graduates who expect to obtain more schooling.

The results suggest that graduates who expect more education may see in military service an opportunity for job

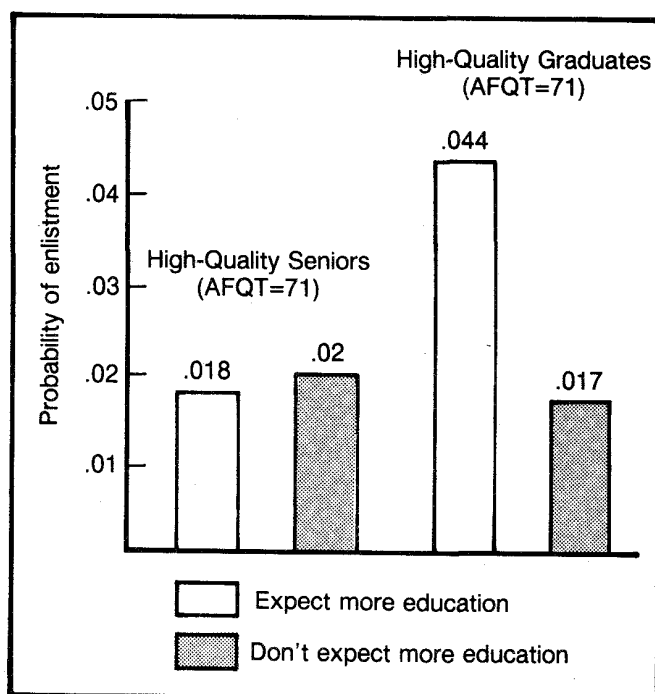


Fig. 1—Upper-AFQT graduates who do expect more education are more likely to enlist than those who do not

training and advancement that they have not found in civilian employment. Graduates who do not expect more education may be more satisfied with their civilian employment. In comparison, high-quality seniors who expect more education typically plan to enroll in a college or technical institute rather than enlist, and those who do not expect more education apparently believe that they have relatively good prospects in the civilian labor market.

EFFECT OF EMPLOYMENT VARIABLES

Employment variables such as wage rate and joblessness are important determinants of enlistment behavior for seniors and graduates. **Both seniors and graduates become more likely to enlist as their civilian wage rate falls relative to military pay.** Seniors are responsive to the wage rate because most hold jobs: 60 percent of the seniors were employed in spring 1979 and another 28 percent had been employed within the past 12 months. (The corresponding percentages for graduates are 88 and 10.)

Unlike aggregate studies to date, this study is able to show how wage responsiveness differs by market segment. For example, the results indicate that young men who expect more education are less responsive to current civilian wage rates than those who do not. Among those who do not expect more education, seniors are much more responsive than graduates. These patterns imply that if military wages increased relative to civilian pay (other things equal), the change would increase enlistments of relatively more young men who do not expect more education and, among these, relatively more seniors than graduates.

Longer joblessness increases the enlistment probabilities of both seniors and graduates. Graduates become more likely to enlist the longer they have been unemployed and the more hours they worked on their last jobs, which are two measures of earnings loss. Seniors who have worked in the past year but are currently jobless are also more likely to enlist the longer they have been without work. But this effect is stronger among seniors not expecting more education, who have presumably narrowed their choices to work or enlistment. Among seniors who expect more education, joblessness may indicate, not duress, but rather a decision to concentrate on their studies.

RECRUITING FROM THE SENIOR AND GRADUATE SEGMENTS

One finding suggests that the graduate market may have been significantly underworked in 1979. The study found that graduates were less likely to have been recruited if their local area had a relatively high percentage of seniors and recent graduates (within one year of high school graduation). At least in 1979, then, the more recruiters could rely on seniors to meet their recruiting goal, the less incentive they had to pursue graduates. This implication emphasizes the importance of giving recruiters the proper incentives to recruit from all segments of their local market.

FUTURE RESEARCH

The methodology developed in this study can be applied to other research areas. Currently, the model of individual enlistment decisionmaking used in this study is being extended to examine an individual's choice of service and occupational area, application and subsequent enlistment, the enlistment of women, and enlistment in reserve components.