

the civilian economy, in attempting to attract additional labor supply, and particular interest has been expressed in the feasibility and cost of meeting our requirements voluntarily in this way.

In attempting to derive a supply curve for military recruits, our economists were in many ways moving into unexplored territory. It seemed almost self-evident that an increase in pay would produce some increase in enlistments. The precise relationship was much more difficult to forecast, particularly under conditions of a dynamic labor market.

The available research evidence drawn largely from studies by psychologists and sociologists indicates that many factors, in addition to pay, have influenced many young men in the choice of a job or career. An incomplete list of such factors, as listed by one leading psychologist, include: the person and his biological inheritance, parents, peers, relatives, teachers, social class, educational experience, geography, minority group status and location of opportunity.

Our own surveys of civilian youths have confirmed the fact that pay alone is a less potent factor in career choice than might be expected. We found that occupational values varied greatly with educational level.

Generally, the high school dropout or graduate who did not go on to college placed greatest emphasis on the training and job security aspects of jobs, whereas the college man placed much greater emphasis upon his inherent interest in the type of work and in various job status factors.

Pay, as such, was listed as the most important factor by less than 9 percent of those surveyed—pay, directly, as distinct from many of the indirect relationships which do exist.

With regard to military service, we found wide variations in basic likes or dislike for military service, even among men with similar educational backgrounds.

Nevertheless, it was evident that, at the margin, substantial increases in military compensation would produce some increase in volunteering.

In order to measure this relationship, we compared Army enlistment rates in 1963 in each of the nine census geographic regions with two key economic variables: the median civilian income of young men, aged 16 to 21, and their unemployment rates in the regions.

We found a statistically significant correlation among these variables. As shown in the accompanying chart, the percent of qualified youth who enlisted in the Army—excluding those who reported they were influenced to enlist by the draft—was highest in the southern region where civilian income was lowest and unemployment rates relatively high. It was lowest in the Great Plains States where civilian earnings were slightly above the national average.

When geographic regions with similar unemployment rates were grouped together and compared, in all cases those with the lower civilian income had the higher enlistment rates.

This basic relationship, and a similar study for officers, based on ROTC voluntary enrollments, provided the limited empirical basis for the estimates of response of enlistments to pay used in our study.

I assure you that Dr. Oi and many of his colleagues strained very hard to find other meaningful data. This was the most meaningful relationship in this context which could be found and which did