tude toward "risk." For example, a Navy captain or Marine Corps colonel (O–6) who completed 23 years of service could look forward to a guarantee of 7 additional years of military employment at an income level which is, at worst, not likely to decline sharply. Conversely, the vagaries of business conditions might make it difficult to secure civilian employment or, if he is employed, might cause him to lose his job. Thus, a transfer to civilian employment during this period could represent, in a real sense, a loss of "security."

However, continued military service until retirement is mandatory increases "risk" in the sense that it increases the odds that, when termination of military employment does finally occur, the retirees will be unable to find civilan second career employment that is both financially rewarding and personally satisfying. Thus, it is difficult to say which course of action, early or later termination of a military career, is the more risky. To a large extent, the solution is dependent on the economic aspiration level of the individual. If his income aspiration levels are relatively low, extended military service provides a high degree of assurance of attaining his goal. If his income aspirations are low enough such that the combination of military active duty income and subsequent military retired pay satisfies his desires, that is, he does not desire a second career, extended military service provides him complete assurance of attaining his goal. Conversely, if he aspires to higher income levels, early retirement offers the greatest opportunity for realizing his ambitions.

In addition to the results yielded by the model, analysis of questionnaire and other income data led to the following conclusions:

1. Except for a "one time surge" occurring during the first 1 or 2 years immediately after entering the civilian work force, military retirees maintain, but do not tend to improve, the *relative* income standing they establish at the time of their military retirement, that is, though their incomes may grow over time, the growth experienced generally parallels that of the Nation's wage level.[10]

2. The military retirement age (and hence the age at which the individual enters civilian employment) is a crucial variable in determining the absolute and relative level of income which will be realized from second career employment. As age advances, second career incomes decline. (See table 1.)[11]

3. There was a strong positive correlation between education and annual income (see table 1). However, the relative advantage of an advanced degree declined sharply as the retirement age advanced.[12]

4. O–6 retirees almost invariably achieved higher income levels than O–5 retirees in comparable retirement age and education level groups. Thus, if promotion to higher rank is a measure of "success" in military life and annual income is a measure of success in civilian life,

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[10] This result corresponded with published findings from census data for similar age groups in the overall U.S. population. See H. P. Miller, "Lifetime Income and Economic Growth," "American Economic Review," September 1965, p. 834.

[11] It should be noted that the annual incomes displayed in table 1 relate only to those individuals who held full-time employment or were self-employed. Lower averages would, of course, result if unemployed and part-time workers were included. However, for the purposes of the analysis undertaken, it was considered that a more valid comparison of the effects of age and other factors would be obtained by focusing on those working full time.

[12] The relatively poor table 1 income showing of those who obtained master's degrees after retirement stems from the fact that most of this group entered the education field, a relatively low-income profession.