

one can conclude that the qualities which result in success in the military environment similarly tend to produce success in civilian second careers.

5. The income level achieved in second careers, as well as the labor force participation rate, appears to be very much a function of the opportunities open to the individual and not solely a function of need. Were second career incomes solely a function of need, we would expect O-6 retirees, with their larger retirement annuities, to have lower second career incomes than O-5 retirees. Table 1 illustrates that the reverse is true, when retirement age and education level are held constant. Similarly, tables 2 and 3 indicate that labor force participation is strongly affected by the opportunities available, with participation and opportunities increasing with the education level.

For officers holding advanced degrees there appears to be a strong positive economic incentive to leave the military organization soon after achieving retirement eligibility.¹³ If such an incentive actually exists and if career military officers are responsive to economic incentives, we would expect the more highly educated officers tending to retire at earlier ages than their less educated fellows who do not have comparable second career opportunities.

The empirical evidence available substantiates the theory. Table 4 compares the retirement ages and education levels for O-5 and O-6 officers in the population surveyed. The relationships are very much those which we might expect from the economic data in table 1. Those who earned master's degrees while still on active duty tended to exit from their military careers at earlier ages than their less educated age and grade cohorts. (At some ages those who obtained master's degrees after their military retirement terminated their military service earlier than those who had earned their master's degrees before retiring, but the former group is small in number and statistics concerning it, therefore, more subject to the influences of random variations.)

Most of the O-5 retirees in table 1 are individuals who failed of selection to O-6. For them, retirement would be mandatory upon completion of 26 years of service. Most retire before completing that length of service, but when the group is analyzed by education level, there are some perceptible differences in the rates of exit. Table 4 indicates that graduate trained officers in grade O-5 do not tarry on active duty once they fail of promotion to the next grade. Some 73.3 percent of this group had retired by age 45, while only 58 percent of the B.S. degree holders and 32.3 percent of the nondegree personnel had retired by the same age. It is also interesting to note that 38.8 percent of the graduate trained retirees in grade O-6 had turned to civilian life by age 47. By retiring at this early age, the majority must have forgone the opportunity to be considered for promotion to the next grade (O-7, rear admiral-brigadier general).

Thus, the data of tables 1 through 4 tend to indicate that—

1. There is a positive economic incentive for the more highly educated officers to leave military service soon after becoming eligible for retirement.

2. Officers holding advanced degrees are apparently aware of, and responsive to, this incentive.

¹³ Lenz, *op. cit.*, ch. IV.