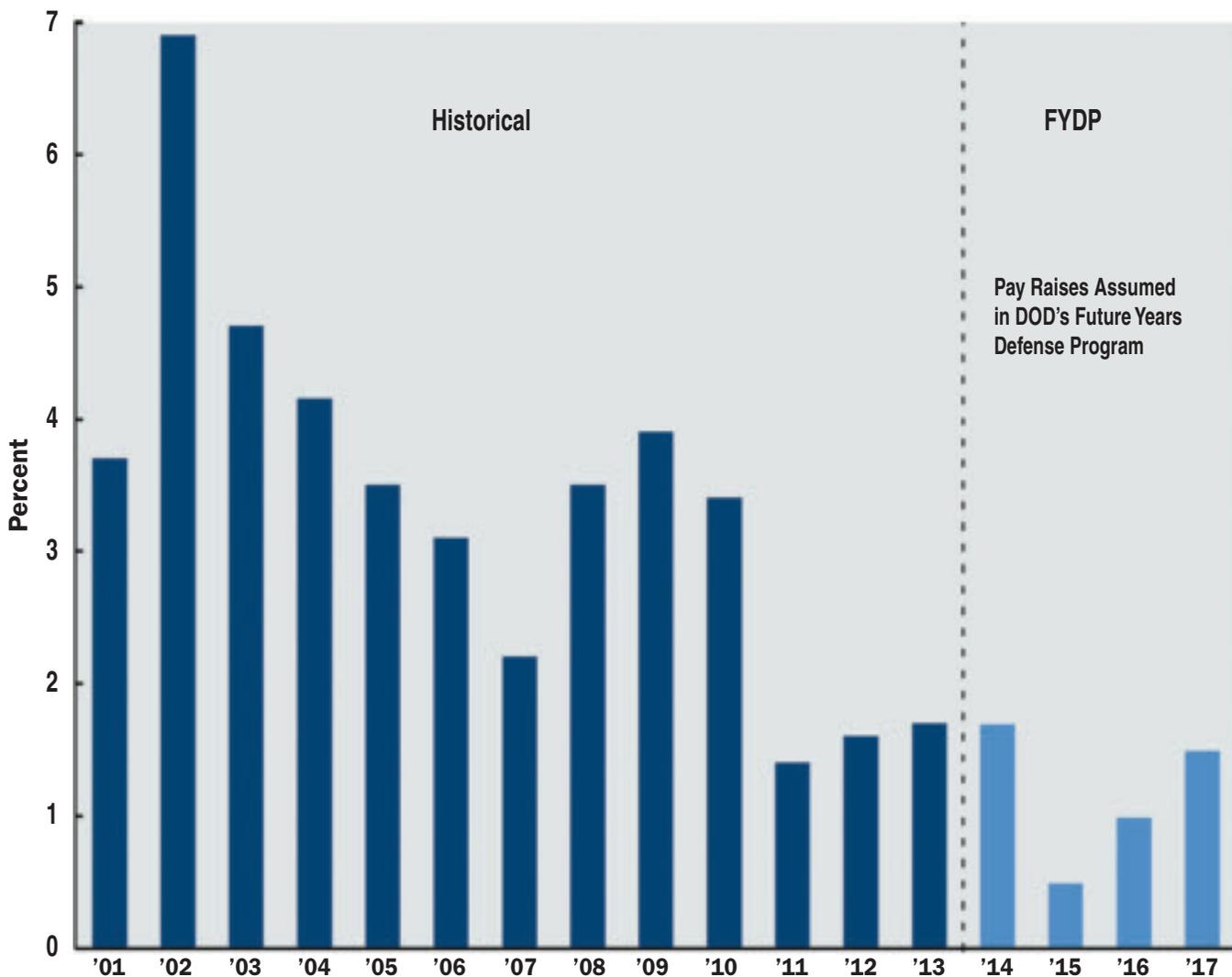


Shrinking Pay Raises

After the Sept. 11, 2001, attacks and the start of wars in Afghanistan and Iraq, large annual military pay boosts became the norm. The result was predictable; today, says the Congressional Budget Office, the average enlisted member earns more than 90 percent of civilians with similar education and experience. Those days may be over, though. As seen in this chart, pay increases have been relatively small—between one and two percent—for the

past three years (2011-2013). Moreover, the Defense Department's Future Years Defense Program projects raises for 2015-2017 that will be even smaller. DOD's latest budget calls for spending \$169 billion for military compensation in 2013, about one-third of the entire base budget. As CBO noted, "Given the total cost of military compensation, small percentage reductions could result in substantial savings."

Military Basic Pay, Annual Percentage Increases



Source: "Approaches for Scaling Back the Defense Department's Budget Plans," Congressional Budget Office, Washington, D.C., March 2013.