

## Personnel Cost Equal Comparison

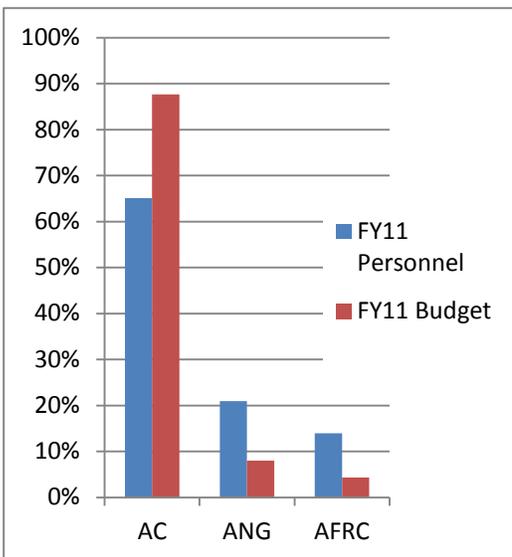
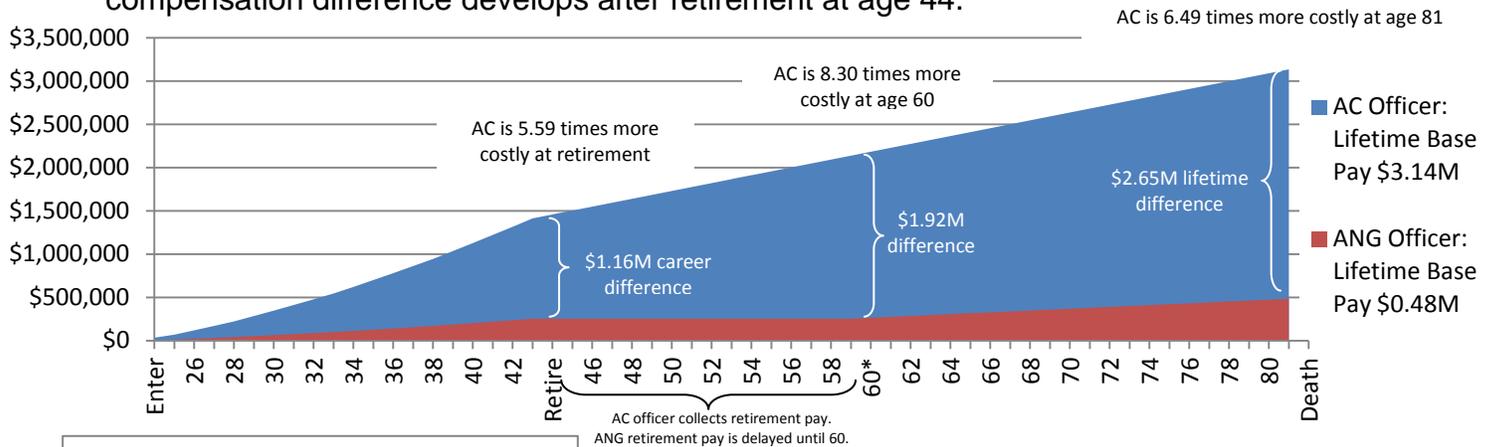


### Overview

The Air National Guard (ANG) is a ready, available, and accessible force that has consistently demonstrated it is a cost effective complement to the Active Component (AC). In fact, a 2007 Government Accountability Office (GAO) study estimated Reserve Component (RC) member costs to be only 15% of an AC member. The reasons for this difference include lower cash compensation for Drill Status Guardsman (DSG), lower non-cash compensation primarily due to health-care, housing and subsistence differences, and lower deferred costs primarily due to delayed and lower retirement benefits. This reduced personnel cost structure - that continues to provide our nation with combat ready airmen trained to the same readiness standards of the AC - is the leading reason that the ANG is the "Best Value for America".

### Comparisons

The chart below depicts the lifetime base pay compensation of an ANG officer compared to the lifetime base pay compensation of an AC officer. Using an entry age of 24, retirement after completing 20 years of service and a life expectancy of 81, the difference in total lifetime base pay compensation is over \$2.65 million. Nearly \$1.5 million of that compensation difference develops after retirement at age 44.



- ANG Personnel Cost Efficiencies include:**
- Sixty-five percent of our force is DSG
  - Lower Cash compensation
    - DSG are paid for one weekend per month and two weeks out of the year
  - Lower non-cash compensation is approximately 11% whereas AC is 21%
    - DSG do not incur Permanent Change of Station (PCS) costs
    - DSG are not entitled to housing and subsistence allowances
    - DSG medical care is typically paid by commercial insurance
  - Lower Deferred compensation:
    - DSG retirement payments are delayed until 60 years of age
    - Reduced compensation levels due to retirement model