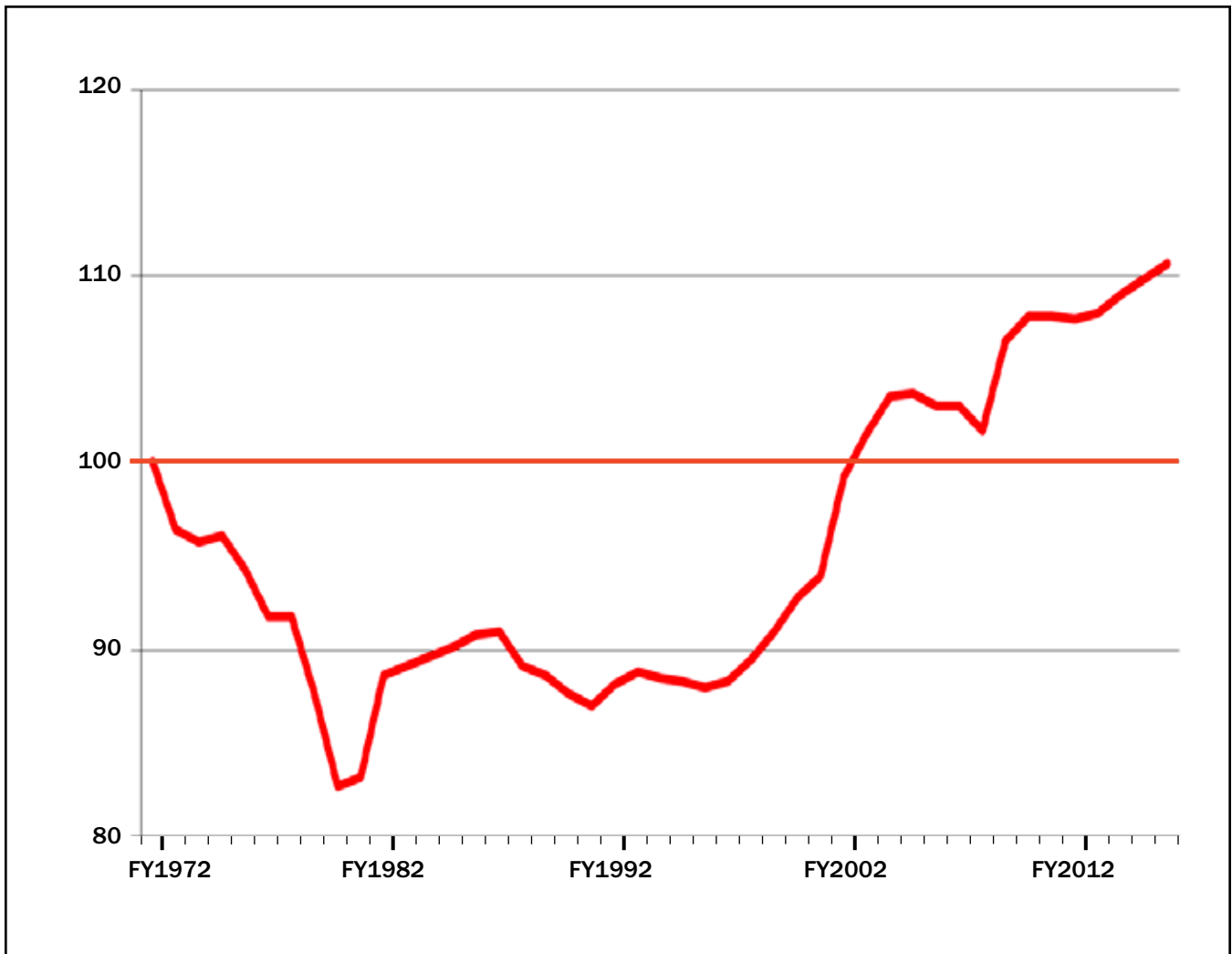


The Long March of Military Pay

This chart plots real cumulative military pay since 1972. Each point is based on an annual pay raise relative to inflation (the consumer price index). If each raise had exactly matched the CPI, the line would have equaled 100 across the whole period. A decline reflects a raise that did not match inflation. A rise denotes a raise higher than inflation. As seen, military

pay did not keep pace with high inflation in the 1970s. Catch-up raises in the early 1980s narrowed but did not close the gap. Military pay went more or less sideways until the mid-1990s, when it began a long rise. In 2001, pay re-achieved the purchasing power it had in 1972. Today, military pay exceeds cumulative inflation by nearly 10 percentage points.

Cumulative Military Pay Raises Relative to Consumer Price Index



Source: "A Historical Perspective on 'Hollow Forces,'" Andrew Feickert and Stephen Daggett, Congressional Research Service, Washington, D.C., Jan. 31, 2012. Adapted from Figure 1. Based on actual military pay raises and consumer price index (CPI-W) data in Department of Defense, *National Defense Budget Estimates*, Fiscal Year 2012.