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BLENDED RETIREMENT SYSTEM

IMPACT ON GENDER RETENTION

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by

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A Research Report Submitted to the Faculty

In Partial Fulfillment of the Graduation Requirements

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13 April 2017

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Biography

Commander Sarah Felger is assigned to the Air War College, Air University, Maxwell AFB, AL. Prior to the Air War College, Commander Felger served as Commanding Officer USCGC THETIS (WMEC 910), where she led a crew of 100 in executing counter-narcotics and migrant interdiction missions throughout the Caribbean Sea and Eastern Pacific Ocean. Commander Felger is a career Cutterman with over ten years of sea time on five ships, including two tours as Commanding Officer. Ashore, Commander Felger has served as a Command Duty Officer at the Coast Guard Seventh District Command Center, Company Officer at the U.S. Coast Academy, and as a fellow in the U.S. Senate assigned to the Commerce, Science and Transportation Committee. She earned a Bachelor's of Science in Management from the U.S. Coast Guard Academy in 1997 and a Master's degree in Leadership, Education and Development from the University of Maryland in 2007.

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Abstract

This research study supports components of two Coast Guard strategic documents, the Human Capital Strategy and the Diversity and Inclusion Strategic Plan. Through qualitative interviews, the new Blended Retirement System was reviewed as to how it could impact the retention of women in the Coast Guard. The findings show that military members, both men and women, do consider military and retirement compensation in their decisions on how long to remain in the service, but financial compensation is not the most important factor. In order to continue to close the retention gap between men and women in the Coast Guard, the service should focus on leadership development, career progression, and overall quality of life issues for women and men. In implementing the Blended Retirement System, the Coast Guard should strive to provide certainty in the early years of the program for those who will have the option of choosing the new system next year.

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Introduction

Through its Human Capital Strategy and Diversity and Inclusion Strategic Plan, the Coast Guard has committed to recruiting, training, developing, and retaining a diverse workforce, which includes gender diversity, as a strategic priority. The research question was developed from two points of interest for the Coast Guard Office of Human Resources (CG-1). Retention data over the last 10 years shows a significant disparity between retention of men and women between 5-11 years of service. This gender gap is present for both enlisted and officer personnel. Data also shows that the gap has started to close slightly, for officers, based on the most recent three years' of data. See figures (1) and (2). Secondly, the Coast Guard, along with all Department of Defense (DoD) military branches, is transitioning from the current retirement system, based on a member's high three years' of salary, to the Blended Retirement System (BRS) which has several components, most notably an option for members to earn matching contributions from the service into their Thrift Savings Plan (TSP) retirement account to provide members departing the service prior to 20 year retirement eligibility with some portable retirement benefit. Other components of the BRS include an option of continuation pay, to ensure some commitment of service past 12 years, and a lump sum versus annual annuity option upon retirement at over 20 years of service. The research question was: In order to close the gender retention gap, could the Coast Guard use the BRS as a meaningful tool or should retention efforts be focused on other leadership and quality of life efforts? The basic premise was to determine what, if any, impact the BRS will have on gender retention and to identify factors that do impact retention in order to focus Human Capital efforts for the Coast Guard.

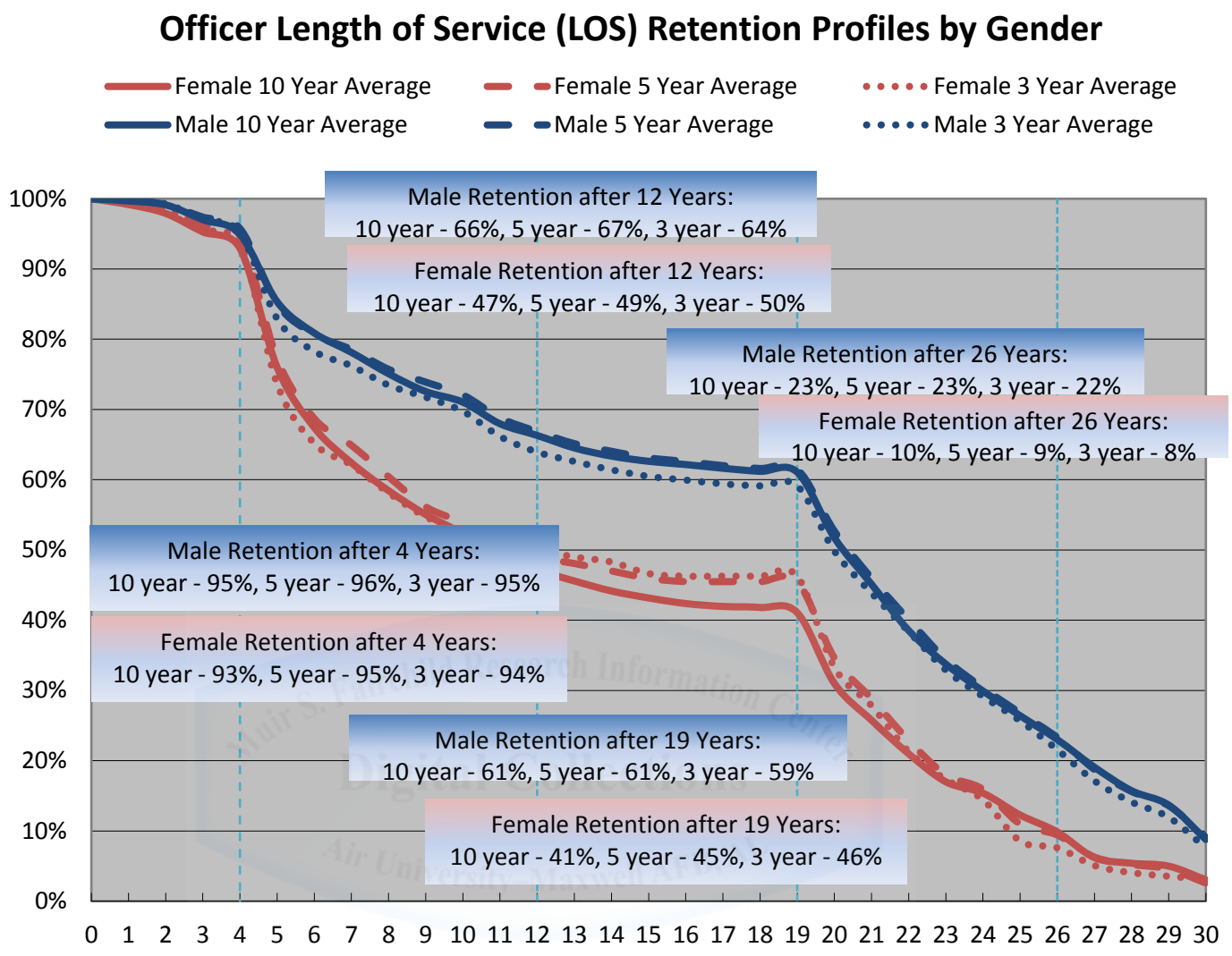

Figure (1) U.S. Coast Guard data provided by CG CG-12A; unpublished data

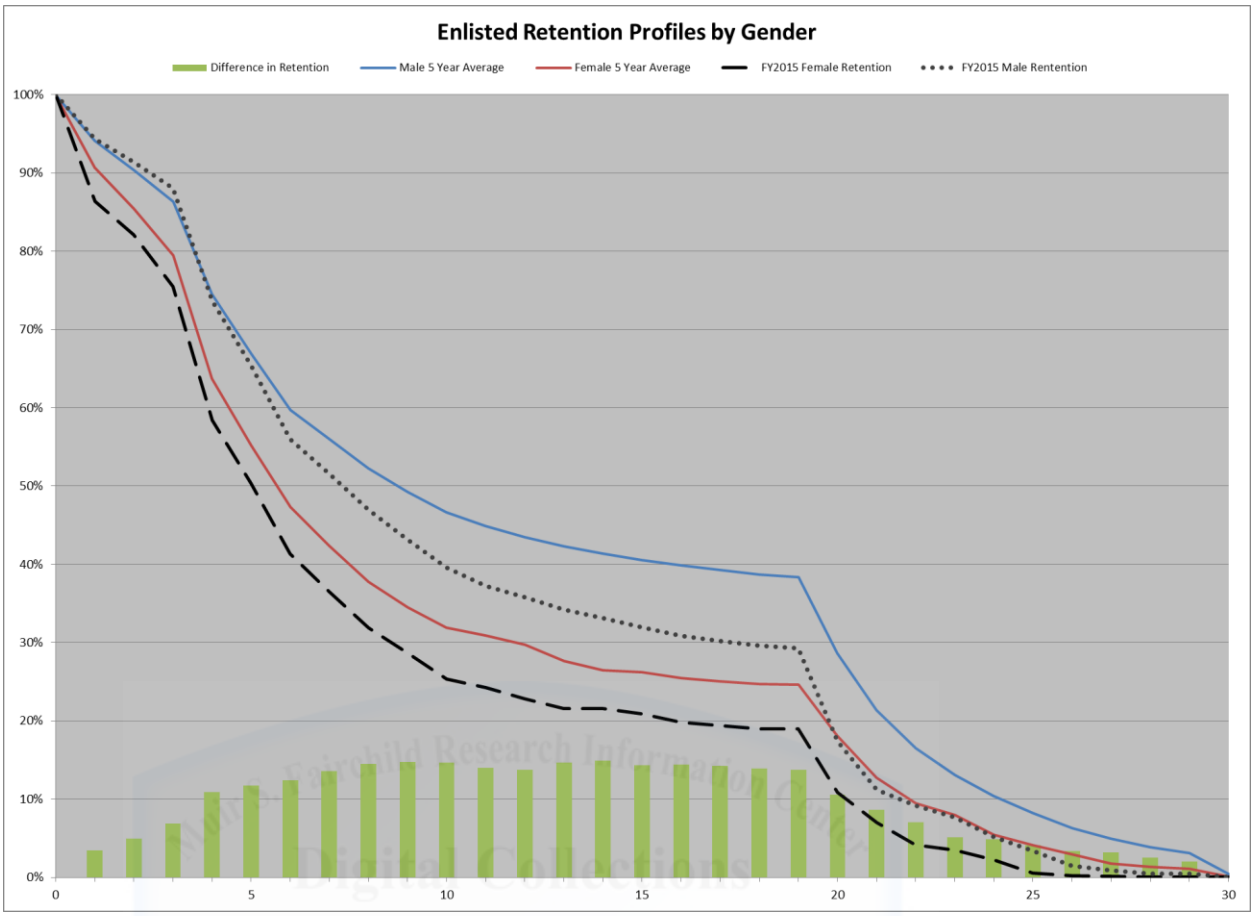

Figure (2) U.S. Coast Guard data provided by CG CG-12A; unpublished data

Thesis

Military pay and compensation, including retirement benefits, are agnostic to diversity and gender. This should be a source of pride for the services, as it is not the norm in civilian society. With baseline economic stability provided by military compensation, most service members make their decision to separate or remain in the service based on several non-monetary factors, including career opportunities, family stability, geographic stability, spousal employment and promotion/advancement opportunities. Thus, the BRS will have a neutral effect on gender

retention. In order to continue to close the retention gap between men and women, the Coast Guard should focus Human Capital efforts on leadership development, job opportunities and career progression for women in technical rates and operational specialties, and continued family support programs for members and spouses. Additionally, the Coast Guard should maintain as much certainty as possible in terms of continuation pay with the BRS in the near term, for those who have the option of choosing the BRS or remaining under the current defined benefit system.

Background and Discussion

To fully understand the challenge with retention of women in the Coast Guard and the impact the BRS may have, literature review was conducted on several topics to include BRS, diversity, female officer retention, Coast Guard demographic data, and civilian gender trends. Interviews were also conducted with Coast Guard program managers in human resources (CG-1), budgeting (CG-8), and members of the Human Capital Strategy implementation team. The following topics formed the basis of questions for the qualitative interview questions and analysis to form the thesis and recommendations.

Current versus Blended Retirement System

The need for an overhaul of the current military retirement system was the result of the military's desire to provide some portable pension benefit to veterans who serve less than 20 years and to reduce the overall cost of military retirement benefits in an uncertain and constrained budget environment.[1] The legislation for the BRS was passed in the 2016 National Defense Authorization Act and is set for implementation during 2018.[2] The BRS reflects societal cultural changes as well. The military remains one of the only institutions where

employees remain with one employer for an entire career. The millennial generation has shown a preference for a culture of choice and options, less likely to remain with one company for a career.

Analysis of the BRS shows that in the long term, it will be financially beneficial for members who opt in early and those who are required to use the BRS based on new accessions, which will occur after January 01, 2018. The uncertainty lies in current members with 7-12 years of service range, in 2018, the open period to opt in. According to Dr. Jack White, professor of finance at the U.S. Coast Guard Academy, a member in this group must be financially savvy and comfortable with some financial risk in order to come out ahead with the BRS.[3] As the interview results showed, most members prefer the comfort and consistency of the current retirement system.[4]

Compounding the uncertainty of who will opt in to the BRS is the uncertainty that remains with the Continuation Pay (CP) component of the BRS. Under the NDAA, the services can award members with 2.5 - 13 months' salary at 12 years of service, provided the member commits to four more years of service. The Coast Guard, along with the other services, is in the process of determining the amount of compensation that CP will be. The uncertainty for members remains that CP can vary from year to year, so the opt-in decision gets even more challenging. For Coast Guard budget and personnel program managers, the workforce forecasting along with annual and future budget programming also gets exponentially more complex.[5] As the current Coast Guard program manager for BRS put it, implementing the BRS is "like building an airplane in flight, with system requirements changing continuously."[6]

While the foundational DoD BRS RAND study provided the Coast Guard with solid baseline information, it was not based on Coast Guard retention numbers nor consistent with

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budget and programming unique to the Coast Guard. The Coast Guard contracted RAND to conduct its own BRS study, but the report was not available prior to this study being complete.[7] Similar to the DoD study, the Coast Guard report is gender and diversity neutral.

Service Gender and Retention Data

As the previous figures show, the gender retention gap exists for both officer and enlisted women and results in a much lower percentage of women in the Coast Guard at the senior officer and enlisted levels. What is significant is that while officer accessions have continued to rise over the last 10 years[8], enlisted accessions have essentially remained stagnant.[9] The Coast Guard Academy, source of roughly 75 percent of all Coast Guard officer accessions, had the largest percentage of incoming women for any service academy in 2016 at 38 percent.[10] As of 2015, at the Ensign or O1 paygrade, the officer corps was 30 percent women, while at O6, that number was eight percent.[11] Enlisted female accessions have been steady at 15 percent of an incoming recruit class for the last eight years. At the senior enlisted level, in E8 and E9 paygrades, numbers have been similarly stagnate, at about seven percent.[12]

Does the Coast Guard have a target number for acceptable level of women in the service? No. Both the Human Capital Strategy (HCS) and Diversity and Inclusion Strategic Plan place a priority on attracting, recruiting, training, and retaining a diverse and inclusive workforce.[13] [14] As indicated earlier, women are increasing in numbers in the civilian workforce, currently comprising 47 percent[15]. They are also now the majority population in most colleges and many graduate programs.[16] The question remains for the Coast Guard, what is the right number and how should it be spread across paygrades? Some theorize that the more women through the door, the more to retain. The term "critical mass" is often used, defined as 20 percent, to indicate

the level below which a minority population can be negatively impacted and driven out of organizations.[17] For critical mass to be effective, it must be show representation across grades and ranks.[18] Is the goal to have above critical mass of women at all paygrades? If so, under current retention models, the accession numbers for women would have to increase significantly. Also, what is the opportunity cost lost for men denied entering the service? Should the target be somewhere else, with goal to achieve retention of women similar to men? These are questions that remain for the Coast Guard as they move forward with implementation of the many initiatives which support the HCS and Diversity and Inclusion Strategic Plan.

Another factor to consider is that gender roles in society have evolved as women have increased as a percentage of the workforce and the number of families representing the "norm" of a nuclear family with one spouse who stays at home to care for children and the household have decreased, especially amongst the millennial generation.[19] This is increasingly true for Coast Guard women as a larger percent of officers and enlisted women are married to a Coast Guard member. Members married to other members and single members, proportionally higher amongst women in the military, have increased personal and professional challenges in balancing military and family demands and thus may be more inclined to separate from the service earlier.[20] The stay-at-home spouse model, which research shows supports better career military success, cannot be applied to most military women.

One more point to frame the retention challenge is that change in the military takes time – whether it's gender integration or a new retirement system. The Coast Guard was the first military service to open all career specialties to women in 1978. Nearly 40 years later, as part of Women's History Month, the Coast Guard recently highlighted the fifth women to serve in Command of an air station.[21] Similarly, there are only five women who have Commanded

cutters as an O6. In the afloat community, cutters, there are earlier and more opportunities to serve as Commanding Officer (CO) at the O5 level, but change has been slow there also. The first woman to serve as an O5 CO earned the position in 1997. Twenty years later, there have only been approximately 14 women to serve in that position, a paltry fraction of the nearly 300 men who have served in the same position over the last 20 years.[22] These women officer in command positions is reflective of the larger issue of less women still in operational specialties, both officer and enlisted. In general terms, women officers represent only 20 percent of the afloat community, and many of them are junior officers, and 12 percent in aviation. The enlisted women numbers are similar, but easier to define by enlisted specialty, where traditional support ratings have the highest concentration of women.[23] This also ties into the earlier critical mass discussion. In a recent, more exhaustive study on retention of Coast Guard women, quantitative data showed that women are less likely to see themselves in leadership roles in the Coast Guard, especially in operational and technical rates, because they don't see women in those positions. Conversely, in support rates, like yeoman, junior women were much more likely to see themselves in leadership and command roles.[24]

Workforce Shaping Tools – Temporary Separation and Parental Leave

Temporary separation (TEMPSEP) is a program currently offered to Coast Guard members to separate from the service for up to two years for various reasons - education, family care, religious missions, or just time to explore other life options. Originally called the Care of Newborn Children (CNC) program, it was essentially designed as an incentive and retention program for women, providing time for them to care for young children and return to the service with minimal to no career impact, dependent on remaining in Reserve status.[25] Though it has

evolved into an equal opportunity program, a higher percentage of women in the service still utilize the program, yet the return rate for both men and women are about the same – 14 percent of officers who use TEMPSEP return to active duty.[26] Another significant point is that officers separating voluntarily are much more likely to use the TEMPSEP option than enlisted members. Enlisted members use TEMPSEP much less frequently than officers and even less return to active service, such that workforce managers do not even factor them into their forecasts and analysis.[27]

The Coast Guard has recently increased maternity leave from six weeks to twelve weeks and has changes in progress for paternity leave and non-traditional family members, like adoption leave.[28] These changes were made in support of HCS initiatives, but challenges remain for both women taking maternity leave, its impact on career progression, the impact to the unit with members absent, and the negative stigma from personnel who have to bear additional duties while a member is on parental leave.[29]

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Exit Survey Results

One way to capture a member's reason for separating from the service is through exit surveys. The Coast Guard has had a process in place to conduct "career intentions" surveys of enlisted members as they approach the end of an enlistment contract. For officers, there has not been a formal process in place. Though CG-1 is working to make the process more formal and accountable, recent data was not available to capture separation trends.[30] From historical data, the most consistent theme and reason for separation after initial enlistment or officer commitments was what the Coast Guard survey program manager called "local leadership issues"[31] meaning that poor leadership, at the first unit level, was often cited as the primary

reason for separation from the service. The Coast Guard prides itself amongst the services, as empowering junior enlisted members with significant leadership responsibility. That responsibility at a junior rank has to be matched with maturity and understanding of a diverse workforce. The service is aware of this challenge and has recently revamped the enlisted leadership training and development progression to further address this issue as part of the larger HCS initiatives.

Interview Methodology and Results

Interviews were conducted of ten active duty members, officer and enlisted, men and women. The population, though small, represented married, single and members married to other service members. The population represented more operational specialties, in aviation, afloat and ashore operations, with only two interviewees in support ratings. Interviews were conducted in Washington, DC, Mobile, AL and Key West, FL from November 2016 through January 2017. The target requirement was that members have 7-12 years of service, the group which has the greater uncertainty of opting into the BRS and also closely aligns with the gender gap, at 5-11 years. The interview questionnaire is provided as enclosure (1).

Interview results

Familiarity with BRS - The level of understanding of the BRS varied, from very little to well-versed in the terminology and pros/cons of BRS. Most members interviewed at a minimum had completed the BRS Supervisor Training, which the Coast Guard required of all E6 and above in 2016. In 2017, BRS training is being provided for all BRS eligible members. The Coast Guard is also working to significantly increase the number of active duty and civilian financial

counselors to assist members with their BRS decision.[32] With most interviewees, BRS components were reviewed, including the uncertainty that remains with Continuation Pay (CP).

One theme from the interviews was that the current retirement system was "comfortable" and "secure;" people understand it because that's all they've known and the retirement benefit is based solely on time in service and salary vice the many factors which will make the BRS benefit different for each individual. Those who were considering opting for the BRS acknowledged they would still have to do their research and own calculations to determine if it was beneficial for them.

Intent to opt in to BRS: Of all ten interviewees, only two were confident that they would opt in to the BRS. Six were adamant about remaining with the current system and two were unsure, indicating they would have to do more research and understand the BRS better before making a decision. The intent to opt in was similar amongst men and women.

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Primary factors in separate/retention decision: In response to the question, "What is the most important in your decision to stay in or get out of the Coast Guard?" the answers provided included: Job satisfaction, outside career opportunities, family security, spousal employment, and outside educational opportunities. See enclosure (2) for all responses. Notably, not one person, man or woman, indicated having children or family care as the primary factor. Though admittedly a small sample, this shows that the simple "women get out because they want to have kids" theory is false and treating gender retention as only childbearing or childcare issue is a mistake. As a follow on question, other factors in the separate/retain decision included:

Geographic stability, second career opportunities, family stability, co-location challenges and risk (in aviation). Second career opportunities were especially noteworthy for officer and enlisted aviation members as well as women with 7-8 years of service.

Importance of financial compensation: The question – "How much does monetary compensation influence your decision to remain/separate from the service?" Responses – ranged from "Not driven by money" to "50/50" to "Heavily" This also varied equally amongst men and women and depended on spousal employment as well as personal investment portfolio. A common theme was that the current military retirement benefit provided a baseline level of financial security.

Continuation Pay: To the question, "how much would CP have to be to influence your BRS decision/decision to remain in the service?," most interviewees remarked "on the high end" referring to closer to 12-13 months' salary. One commented, "would get my attention at six (months)." For this population, those in the 7-12 years of service range, CP may be the deciding factor on whether to opt-in to the BRS, or not.

Workforce Shaping: As an interesting point, the question was asked, "Should the Coast Guard use CP as an incentive to shape the personnel make-up of the service, by gender?" Some members thought it was a good idea, but acknowledged it could cause great discontent and would be challenging legally and politically. The question was also asked, "Should the Coast Guard use CP as an incentive to shape the personnel make-up of the service, by specialty?" Most respondents were amenable to the Coast Guard using CP as a workforce shaping tool, for both

officer and enlisted specialties. In a strong statement, one aviator remarked, "There's not enough money the Coast Guard can throw at the aviator problem to solve it."[33] In discussion with the Coast Guard BRS program manager, the CP is expected to be a set amount, varying only by officer and enlisted, and will not be used as a workforce shaping tool.[34] This is consistent with all military pay and retirement benefits being agnostic to gender.

Analysis

The interview results showed that every member has different variables that factor into his/her decision to remain in the service, or not. They also showed that the decision on whether to opt-in to the BRS varies amongst members and is not strictly a financial decision. The easiest part of this analysis is determining that the BRS remains uncharted waters for both members and program managers. The latter, both in budget and policy offices, are working with the moving and dynamic target to be ready for the opt-in period in 2018 and are doing their best to make the right decisions, given the uncertain nature of budget and workforce analysis information. That said, the plan to vary CP from year-to-year within the BRS seems to compound the uncertainty for members and the service, in terms of budgeting. The CP offers an opportunity to lock in rates, for officer and enlisted members, for the next few years, so that a member doesn't make a decision to opt-in and then the financial calculus changes with the next year's CP. With that, it is important to remember that CP is a 'may' not a 'shall.' Even if members opt in to the BRS, they do not have to accept CP and commit to four additional years of service. But for members given the next year to decide if they will opt-in, or not, it would be beneficial for them to have some certainty that CP rates will be consistent, at least for the cohort of members in the 7-12 years of service group in 2018.

The initial DoD report from RAND, analyzing the BRS proposal, showed that the services would be able to maintain current workforce levels and attrition rates, in general terms. While program managers and workforce analysis offices move forward, it is important to note that BRS could also create an unbalanced system with members over the 20 years of service for retirement eligibility. This supposition is based on the fact that in the BRS, the retirement salary multiple factor is two percent vice two and a half under the current system. Facing only 40 percent of a military salary, members may be inclined to stay in well past 20 years. This could be more prominent in the enlisted workforce where final salaries are less and would offer less certainty and security in a second career or retirement.

While the BRS component of retention may be on the lesser side of the complexity scale, and that's saying something given the earlier FedEx airplane analogy, solving and closing the gender gap remains the biggest challenge; one with multi-faceted and multi-dimensional solutions – no certain answer or one-size-fits-all solution for women in the Coast Guard. There certainly is positive emphasis and focus on all Human Capital Strategy and Diversity and Inclusion efforts, as the energy on these subjects was palpable in visits to CG-1 and in phone interviews. Since the BRS and military compensation is, and should remain, gender neutral, the remaining analysis will focus on areas where efforts have improved and can continue to improve. Since the late 1970s, the Coast Guard has led all military services in gender integration. Progress has been slow but steady in improving gender relations and the Coast Guard being the service of choice for many women. Knowing the slow pace of change, the service must keep on an ahead bell just to maintain course and speed. In order to reach critical mass in less than another 40 years, additional shaft turns are necessary.

With the gender gap closing slightly over the last three years for officers, but relatively stagnant numbers for enlisted women, the focus of additional energy should be on the enlisted workforce. Recent changes to enlisted leadership development, requiring attendance at the Chief Petty Officer Academy prior to advancement to E-7 is a great start. There are many small units, cutters and small boat stations, where an all enlisted workforce works in a remote environment. Often, only two or three junior enlisted women serve at those units. If their first impression of the Coast Guard is a first line supervisor with poor leadership and a command that supports an environment of micro-aggressions towards women, those young women are more likely to show perceived poor performance and will likely separate from the service before they even have an opportunity to the many positive aspects of leadership in the Coast Guard.

It has been observed in both academic and military environments that many in the majority are "diversity-ed" out, assuming that we've talked about the problem enough, so it must have been solved. With the gender retention numbers as they are, there is still work to do. In addition to continuing the gender and diversity conversations at senior enlisted leadership courses, an increased emphasis should be placed on the same at the junior course, Leadership and Management School, required for E5s.

Another area for improved leadership development applies to both officer and enlisted members - informal mentoring. In the book "Athena Rising" written by two professors at the U.S. Naval Academy, the basic premise is that majority groups, usually white men, have a responsibility to mentor women at all career progression points, such that "as women succeed and assuming leading roles in an organization, the culture will become more egalitarian, effective and prone to retaining top talent."[35] While there is mixed research on the effectiveness of formal mentoring programs, there is sound evidence that both men and women succeed and

develop better as leaders with an informal mentor or mentors. One example comes from the Coast Guard major cutter fleet in Atlantic Area, where all new O5 Commanding Officers were offered (not required) an O6 mentor who had successfully served in Command. The program manager only offered the mentoring relationship while it was incumbent on the officers to reach out and make the connection. Feedback from several of the O5s, men and women, was that the mentors were helpful in offering advice in challenging leadership situations. Similar programs likely already exist but could be further emphasized at Command Cadre schools for Boat Forces and other operational specialties.

In the same vein as leadership development, career progression and opportunities in operational specialties should be a continued focus for workforce managers. The informal mentoring just discussed is certainly applicable here too. Two women, one officer and one enlisted, one married and one single, in the interview population were either considering separating, or already on the path to TEMPSEP, based on not seeing a long-term career for themselves in the Coast Guard. They both had served 6-7 years and enjoyed the Coast Guard, but saw better education and career opportunities in the civilian sector. It is a reality of the military personnel system that the services will lose good people along the way, but changes could be made to the system that allow members to see and climb the career ladder without being enticed to separate.

The case of the enlisted member, though in a support specialty, highlights a growing reality that many of the enlisted specialties, storekeepers with contracting officer qualifications, intelligence specialists, and information system technicians (cyber professionals), are increasing in knowledge and responsibility requirements and are also increasingly competitive skills to have in the civilian sector. Though a topic for a much larger discussion, in order to retain members

with these skills and the commensurate education, the services may need to rethink the officer and enlisted personnel structure and associated pay scales.

To the earlier background discussion on women not seeing themselves in leadership roles, mostly in operational specialties, it is acknowledged that change will continue to be slow, especially in the enlisted workforce. There are opportunities there for senior enlisted members, men and women, to reach out to junior enlisted women and ensure they choose a rate they will enjoy and continue to succeed in. There is also an opportunity for improvement in overall enlisted career management, which is currently dispersed through rating force managers and assignment officers.

Lastly, the interview results supported the larger body of literature that the gender retention gap is not as simple as 'women get out to have kids.' With that, the analysis and recommendation to focus on family support programs is a much bigger topic than parental leave and childcare. Within the interview population, there was a spectrum of members married to civilian spouses, single members, and members married to another service member. In each situation, a member's family, not just defined as a spouse and children, were factors listed in a member's decision to remain in the service or separate. There are already many initiatives in place to mitigate or remove challenges to balancing family demands with a successful military career. Examples include, positive emphasis on geographic stability, revamped assignment priorities for enlisted personnel, 100 percent tuition assistance implementation, maternity leave, career intentions surveys, and revising both officer and enlisted evaluations – all factor into a member's ability to serve in a positive inclusive environment and the service's ability to retain talented members, men and women. The only caution is that the societal trends in non-traditional family dynamics will continue to evolve and the service must continue to adapt to the

changing needs of a professional workforce comprised of men and women with varying family demands that may be incongruent with successful military service.

Recommendations

In order to continue to close the retention gap between men and women, the Coast Guard should continue to focus Human Capital efforts on: on leadership development, job opportunities and career progression for women in technical rates and operational specialties, and continued family support programs for members and spouses. In implementing the BRS, especially in the opt-in year, 2018, the Coast Guard should promulgate and commit to what continuation pay will be for the next three to five years, to provide some certainty in the near term for those who are in the in the most uncertain service range, 7-12 years.

First, the certainty in CP may be the most tangible to implement, but still difficult in the annual and constrained budget environment with dynamic retention models. The benefit to the members is a known financial benefit to consider in the opt-in decision, with no risk that CP will change in the near term. For the service, a set CP for the next three five years would bring one variable of certainty for budget programming purposes. Understandably, CP will have to be adjusted over time, but in this initial phase of implementation, CP should be a known quantity for members considering the decision to opt-in, or not.

In the realm outside of compensation areas of recommended improvement are in leadership development and family support programs. As discussed through the analysis, the Coast Guard has implemented and seen many positive changes with gender integration over the last forty years, but it has been slow in some areas. Positive efforts continue to be made, but until critical mass is reached at senior paygrades, there is still a need for engaged leadership

development and discussion on gender issues. In both formal and informal programs, efforts should continue to foster recruiting, retention and career progression for women. Family support program improvements should continue to grow to support the many diverse family situations that men and women bring to the Coast Guard.

Conclusion

"It's complicated" is an understatement for both the BRS and gender retention. In terms of the BRS, financial compensation in the military is agnostic and that is a good thing. Though the BRS does offer more complicated decisions for men and women in the coming year, it will not have positive or negative impact on retention of women in the Coast Guard. There remains uncertainty in the next 7 to 10 years in workforce shaping (and thus budget forecasting) at the senior officer and enlisted levels. That uncertainty comes partly from BRS, but mostly from leadership, career progression, and individuals making the best decisions for themselves and their families, regardless of family situation. In order to accelerate positive change in the gender retention gap, the Coast Guard should continue its positive efforts in implementing the Human Capital Strategy while increasing emphasis on gender components of leadership development for all members.

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Enclosures:

1) Interview questionnaire
2) Interview results summary spreadsheet

Interview questions – BRS as it relates to retention – gender impact

Name: Date:

Paygrade: Years of service:

Accession source: Marital status:

Children:

Married to member:

Temp sep? dates:

BRS components:

1) CG matching contribution
2) Continuation pay 8-12 years
3) 40% at retirement with option of lump sum

Have you decided how long you will stay in the Coast Guard?

How long will you stay in the Coast Guard?

What is the most important factor in your decision to stay in or get out?

What other factors may influence your decision?

How much does monetary compensation influence your decision?

Enclosure (1)

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Do you participate in the TSP?

Are you familiar with the continuation pay component of the BRS?

Will you opt in to the BRS or remain under the current system?

What level of incentive would help you make the decision to commit to the Coast Guard past 12 years of service? (4 years obligated service with continuation pay)

Should the Coast Guard use continuation pay as an incentive to shape the personnel make-up of the service?

By gender?

By specialty?

The BRS has several components, which include:

- A defined retired pay benefit using a 2.0 percent per year multiplier in lieu of 2.5 percent,
- An automatic 1 percent of basic pay government contribution to a member's Thrift Savings Plan (TSP) beginning 60 days following entry,
- Government matching contributions up to 4% to a member's TSP account using the same matching plan as is used for government civilians under the Federal Employee Retirement System (FERS) although a member only receives matching contributions from the 3rd through the 26th year of service, and
- A choice to receive full monthly retired pay upon retirement or to elect to receive reduced retired pay plus a partial lump-sum payment. This lump-sum payment will be calculated as either 50 percent or 25 percent of the discounted retired pay that would be due a member from the date of retirement until the date the member would reach full Social Security retirement age. At full Social Security retirement age, all members will receive their full defined benefit retired pay, regardless of their lump-sum payment election.

In addition, the legislation that established the BRS includes a provision to provide a continuation bonus (Continuation Pay or CP) that is paid to the member at the 12th year of service for an additional 4 year obligation.

Enclosure (1)

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Interviewee # Gender	Familiar with BRS	Have you decided how long you will stay in the Coast Guard?	How long will you stay in the Coast Guard?	What is the most important factor in your decision to stay in or get out?	What other factors influence your decision?	How much does monetary compensation imfluence your decision?
1 F	Yes, explained basics again	Yes	Likely 20	Job satisfaction; have spouse support to share family resp; goal is to progess up ranks. Currently sel for O4.	Family happiness, stability; possibility to transition to commercial aviation. Industry curr hiring rotary pilots.	Stability of 20 year retirement for rest of life is appealing. Monetary comp provides stability.
2 M	Yes, very familiar; has significant financial plannin trng & education. Provides counseling to unit members	Yes	At least through 13 yrs, when aviation req complete. May consider shift to commercial aviation at 13 yrs.	Outside career opportunities; aviation seniority in commercial aviation.	Lack of faith in entities (current retirement system); ability to pay pension indefinitely.	50/50; also big influence is CG opportunities from 15-20 yrs. Staff tour/policy job is not appealing.
3 M	Yes, explained basics again	Yes	Yes, full 20; possibly more, depends on schooling; goal is to make Chief	Family - what keeps our life secure and stable	Ease of transition to second career; if before 20 it will be because of career options.	Not driven by money; spouse and I are very stable, responsible and comfortable
4 F	Yes, explained basics again	Yes	Intention is to stay 20, probably not longer.	Spouses job security and pay	ex-spouse and location (for chared custody of children)	It's a factor, but not the only one. Job satisfaction is big; military life is hard.
5 M	Yes, explained basics again	No - at crossroads	unsure; may be driven to another challenge; looking at further education in leadership	Spouses civilian job; currently in school for pscychology	Risk involved in aviation; MISHAPs; medical benefits for family; safety & security in CG career	Heavily, towards the top; considering real estate as a career.
6 F	Yes, explained basics again	No - undecided	TBD - depends on next assignment; have been away from family in Hawaii for several years.	Location mixed with job/position	Personal life; family pride in military - would let them down if I got out.	Not much; already well-positioned with investments.
7 F	Yes, reviewed	No - undecided	Possibly temp sep to pursue contracting education and career	Job opportunity and advancement	Location	It makes life comfortable, but is not the most important
8 M	Yes, reviewed	Yes	20 and as long as I'm having fun	Whether Command opportunities still exist	Family decisions - have been geo-separated from spouse for 6 years; spouse salary is a factor	Both my salary and spouse's are important
9 M	Yes, reviewed	Yes	At least 20	Depends on school for kids - location for schools	Interest rates, uncertainty in markets	Need to know what CP would be - would have to be high
10 F	Yes, reviewed	Yes	Will be 8 years then Reserve - already have approved temp sep; unsure of return after temp sep	Career and education options; want to pursue MBA and do analytics and resource mgmt.	COLO challenges; usually means one career gets priority over other; excited about opportunities outside CG.	Not the major factor; dual careers has provided stability

Enclosure (2)

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Do you participate in TSP?	Are you familiar with the Continuation Pay component of BRS?	Will you opt in to the BRS?	What level of incentive would help you make the decision to commit to the Coast Guard past 12 yrs of service? Understanding 4 yr cmtmnt w/CP	Should the Coast Guard use Continuation Pay to shape the personnel make-up of the Service?	By Gender?	By specialty?
Yes, started later in career	No - explained	No, will remain under current system	High end, but N/A (high end is 13)	Yes, personally, I think BRS will decrease retention.	Interesting; would create hate and discontent	Yes, they have to for aviators
Yes, 12%	Yes	Yes	Would have to be on the high end, but would also have to understand aviation landscape at the time.	Yes	Yes, but could breed discontent	Yes - "There's not enough $ the CG can throw at the aviator problem to solve it."
Yes, 7.5%	Explained	I don't think so; need to do more research, but it doesn't look advantageous.	Would get my attention at 6 months' salary	Yes, but you don't always want people motivated by money - may not retain the best	No, makes no sense - equal pay for equal workforce	Yes; better options may be mentors and ldshp shaping
Yes, 14-15%	Yes, explained more	No, will remain under current system; already financially stable	Not likely to take/consider; intend to remain under current system.	Possibly	No, so ugly in that arena - what about ethnicity?	Yes, not a bad thing
No, have private IRA; maxed out	Yes, explained more	No, I will remain under current system	It would have to be a lot of money to stay	Possibly	Could be complaints, but could be justified	Yes, for critical rates
No, have private IRA; maxed out	Yes	No, still have to figure out if staying in	Money is not that important	Possibly	No	Yes
Yes, was at 10% now at 5%	Yes	No, need to get more informed before final decision	High end	Possibly	No, that's not fair; too much political controversy	Yes, but better ideas are senior leaders shaping junior leaders
No, have private IRA; maxed out	No - explained	No, I'm not a risk taker	High end, but N/A (high end is 13)	Possibly	If diversity is priority, it's not absurd	Yes, aviation, Cuttermen, red hull competencies
Yes	Yes	No; TSP has not "knocked it out of the park"	High end	Yes	Not too far-fetched; how to execute comes down to legal pressure	Yes, C4I, acquisition, Intel
No, have private IRA	No - explained	Yes, think so, but need to start TSP and do more research.	It would not - throwing money at me would not work; I would still get out and pursue career outside CG. Happy about temp sep.	Yes	Would have to be careful to tailor for long-term; think about temp-sep, it was initially a "compensation" for women.	Yes

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Enclosure (2)

Notes

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[4] Interview Summary Spreadsheet
[5] Corey Braddock, U.S. Coast Guard, CG-821, phone interview conducted October 2016.
[6] Grafton Chase, U.S. Coast Guard, CG-13, phone interviews conducted October 2016 and January 2017.
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[13] U.S. Coast Guard, Human Capital Strategy, 2016, 6.
[14] Diversity and Inclusion 4.
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[23] Ladyga, et al. 8.
[24] Ladyga, et al. 32.
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[26] CG-12A and CGA unpublished data, provided October 2016.
[27] Jeremy Anderson, U.S. Coast Guard, CG-12A, phone interview conducted October 2016.
[28] Tutalo.
[29] Ladyga, et al.
[30] Thomas Olenchock, U.S. Coast Guard, CG-1B, phone interview conducted October 2016.
[31] Ibid.
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