



A NEW GI BILL:

Rewarding our Troops, Rebuilding our Military

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EXECUTIVE SUMMARY

In 1944, President Franklin Delano Roosevelt signed the original GI Bill, ensuring that eight million combat veterans coming home from Germany and Japan would be able to afford an education. Called the “Servicemen’s Readjustment Act,” the World War II GI Bill covered tuition, fees, and books, and gave veterans a living stipend while they were in school. Presidents Gerald Ford and George H.W. Bush, Senators Bob Dole and Patrick Moynihan, and authors Norman Mailer and Frank McCourt all relied on the GI Bill.

Experts have argued that the GI Bill “reinvented America” after a half-decade of war. Indeed, a 1988 Congressional study showed that every dollar spent on educational benefits under the original GI Bill added seven dollars to the national economy in terms of productivity, consumer spending and tax revenue. But in his signing statement, President Roosevelt spoke more simply:

“[The GI Bill] gives emphatic notice to the men and women in our armed forces that the American people do not intend to let them down.”¹

Today, 1.5 million troops are returning from Iraq and Afghanistan to a very different future than the one FDR made possible for the Greatest Generation. The current educational benefits offered to veterans are far lower than the original GI Bill. Today, after paying a nonrefundable contribution from their first military paychecks, troops can receive a total of up to \$39,600 towards their education. Unfortunately, this covers only 60-70% of the average cost of four years at a public college or university, or less than two years at a typical private college.

In addition, structural problems and bureaucratic delays discourage veterans from using their GI Bill benefits. National Guardsmen and Reservists, including those who have served multiple combat tours, typically receive only a fraction of their GI Bill benefits. Moreover, 30% of troops who pay the nonrefundable \$1,200 contribution do not end up using the GI Bill at all. These veterans have paid the government \$230 million, but received nothing in return.

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At the same time, the military's \$4 billion dollars in budget cuts and serious problems with the Pentagon has led to a loss of mission, and aptitude training, and a loss of support for the number of bonuses. These long-term problems will size of the Armed Forces Reserve.

Millions in bonuses and GI Bill benefits for people to join the military. The GI Bill is the single most effective reason civilians join the military. As our military grows, an expanded GI Bill will allow us to recruit that our military needs in the world.

1944, better known as the GI Bill, provided most eight million dollars in education. The original GI Bill provided \$1,000 in tuition, fees, and living expenses, and while they were in school, they were guaranteed at least 90 days of unemployment benefits.

The GI Bill's leaders their names: Robert H. Wood, George H.W. Bush, George McGovern, Hubert H. Rangel, Charles Rangel, William Rehnquist, Warren Christopher. It was passed by two dozen members of Congress, including authors like Frank McCourt.²

There is just a handful of GI Bill veterans. 2.2 million veterans

	Then	Now
Covered full cost of tuition	✓	✗
Paid for room and board	✓	✗
Full benefits available to all combat veterans	✓	✗
Nonrefundable pay-in requirement	✗	✓

While the WWII-era GI Bill covered tuition, room and board, and gave full benefits to all combat veterans, the current GI Bill does none of these things—and requires an initial, nonrefundable contribution.

additional 3.5 million veterans went to vocational schools, 1.5 million vets got on-the-job training, and 700,000 more received farm training.⁴ The GI Bill produced “238,000 teachers, 91,000 scientists, 67,000 doctors, 450,000 engineers and a million assorted lawyers, nurses, businessmen, artists, actors, writers and pilots.”⁵ Although the vast majority of beneficiaries were men, the GI Bill also put 64,000 women through college.⁶

Perhaps most impressively, every dollar spent on educational benefits under the original GI Bill added seven dollars to the national economy in terms of productivity, consumer spending and tax revenue.⁷

TODAY'S GI BILL

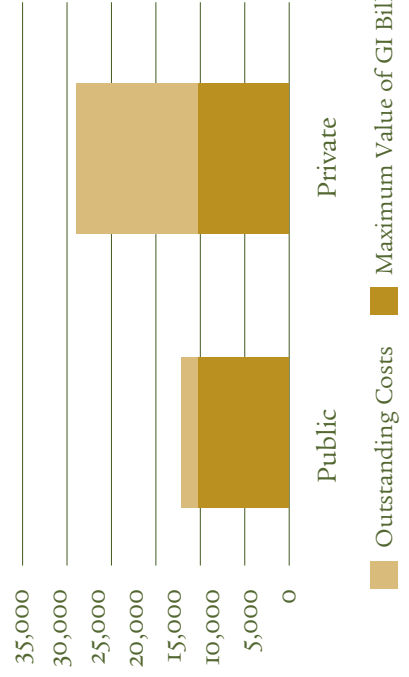
About 300,000 Iraq and Afghanistan veterans have used some part of their GI Bill.⁸ But many aspects of the current system, including lower benefit rates, bureaucratic delays, and eligibility issues, discourage people from taking full advantage of these benefits.

Lower Benefits

Today's GI Bill benefits simply do not cover the cost of college. Troops must pay \$1,200–\$1,800 from their first military paychecks to be eligible for the GI Bill, and this money is nonrefundable, even if the service member is discharged.

At the typical private college, GI Bill benefits will not pay for even two years of tuition.¹¹ As a result, many of America's top-caliber schools are out of the reach of veterans relying on GI Bill benefits.

GI Bill Benefits Do Not Cover Annual College Costs

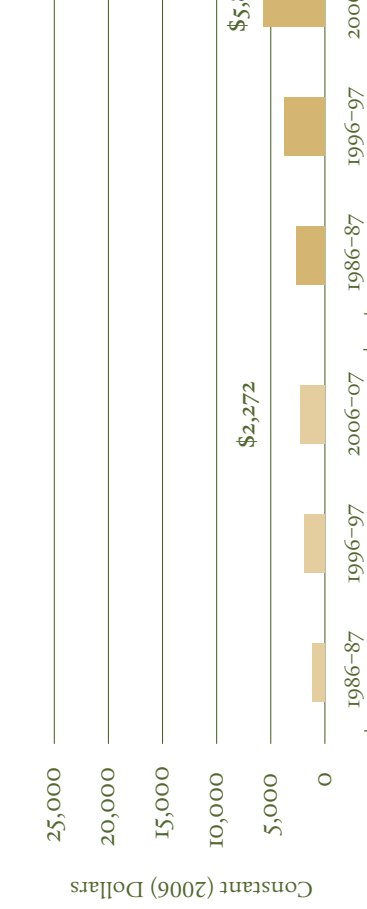


Even for troops receiving the maximum GI Bill benefits, college costs can leave an education out of reach. College costs are based on the average for four-year public and private institutions in 2005. Source: Rob Kelley, “College costs going nowhere but up,” CNN, October 18, 2007.

Structural Problems

There are several technical problems with the current GI Bill. First, the GI Bill is paid out in monthly increments, so students must pay upfront costs out-of-pocket. Moreover, the GI Bill precludes veterans from qualifying for many federal grants and most scholarships, because

Average College Tuition, 1986-2006



to inflation,¹³ rising to more than 100 percent. As a result, the timing of GI Bill benefits has been repaid; more than 100 million veterans are waiting to be processed. Active-duty service members receive their benefits after

Because of these disadvantages, the GI Bill is a net cost to the government. In 2007, nearly 1 million veterans received GI Bill benefits. Forty percent of those benefits were for nonrefundable contributions. But Guard and Reserve troops receive benefits that are based on their service. For example, a veteran who served twelve months and received almost \$2,000 in benefits during his or her service would receive almost \$2,000 in benefits during his or her service.

Reserve and National Guard

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raising the enlistment aptitude test.

In addition, the Army is now accepting far more people with criminal backgrounds. In 2006, 8,129 recruits received waivers,³⁶ one-tenth of the total number of new enlistees. Of this number, 900 waivers were for felonies, double the amount in 2003. In 2007, the percentage of recruits receiving waivers increased again, to 12 percent.³⁷ Reports by the FBI and the Army's Criminal Investigation Command link looser recruiting standards and more criminal waivers to an increase in gang-related activity in the military.³⁸

The maximum enlistment bonus in 2006 was \$40,000, up from \$20,000 in previous years, while the average enlistment bonus reached \$11,000.³⁹ Naturally, the overall cost of enlistment bonuses has risen dramatically. The Army's expenditures for enlistment bonuses for active-duty, National Guard and Reserve troops have more than doubled from 2000 to 2005.⁴⁰

These high recruitment costs will only increase as the Defense Department begins a planned expansion of the Armed Forces. Defense Secretary Gates has recommended "a total increase in the two services of 92,000 soldiers and Marines over the next five years—65,000 soldiers

1-NEEDED

tment of Veterans the original GI Bill the GI Bill far exceeds as of productivity,

Moreover, the cost hich the framework tion costs, serious and the looming "college" as their military.²⁵ As the rained by the Iraq recruitment tool. f the military is to d of troops needed aciated roles in the

g 4billion annually,²⁷ serious difficulties 004 and 2005, the s, and Marines all e-recruitment figures persist. The Army d June 2007,²⁹ and amatically behind rrecruiters, lowered es are necessary to

in terms of age, um age for a new The goal of having hool diplomas was t even this lowered two years. In 2006,

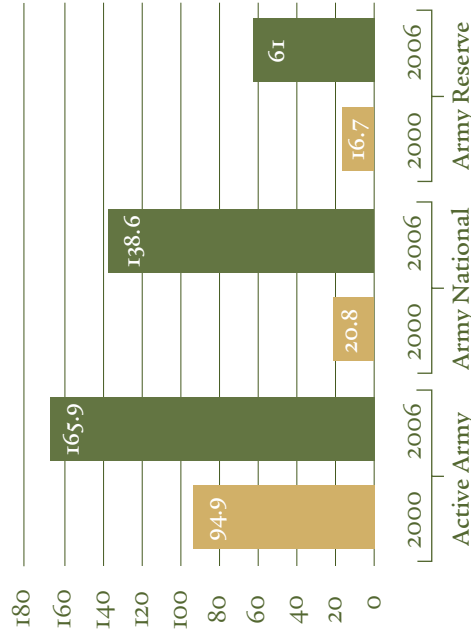
by at least 13 percent,⁴² a huge burden on the already strained recruiting process.

CONCLUSION

President Roosevelt knew that returning combat troops both require and deserve a comprehensive plan to help them reintegrate into civilian life. The promise made to the Greatest Generation can still be kept to the veterans of today. A new GI Bill would increase the future earnings of our veterans,⁴³ and as a result would increase consumer spending, productivity and tax revenue. And unlike simple cash recruitment bonuses, the GI Bill will actually pay for itself in the long run.

For IAVA's recommendations on education and on military readiness, see our Legislative Agenda, available at www.iava.org/dc.

Army Spending on Enlistment Bonuses Skyrockets (dollars in millions)



IN PERSON: TODD BOWERS

Marine Corps Reservist Sgt. Todd Bowers Middle Eastern studies at George Washington from finals when he was activated for Bowers' school made no accommodations early, and he was forced to withdraw from

While he was deployed to Iraq, Bowers' round penetrated the rifle scope he was on the left side of his face. Sgt. Bowers was awarded a Commendation medal with "V" device. But when Bowers returned home, he was at university and credit lenders. Despite notifying

national security
see the IAVA Issue
tension Threatens
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Bill and recruiting
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How the GI Bill

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Needs Action Plan
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