

Military Personnel in the National Accounts

Submit your answers by email to psets@caseybmuligan.com

Background

Right now military personnel are recruited on a “volunteer basis”: the military is a chosen occupation, in exchange for salary and benefits. In 2014, their salary and benefits totaled \$198 billion.

- (1) Where, if anywhere, do the activities and incomes of military personnel appear in the national accounts?
- (2) Suppose instead that military personnel were recruited by conscription: they were recruited by force, and not paid any salary or benefits. How would the national accounts be different?