



FACT SHEET

U.S. Air Force Fact Sheet

ARMY AND AIR FORCE EXCHANGE SERVICE

The Army and Air Force Exchange Service is a joint-service military organization serving both the Army and Air Force. Its worldwide headquarters is in Dallas, Texas.



Mission

The Army and Air Force Exchange Service has two primary missions. One is to provide quality merchandise and services to 8.7 million active duty, National Guard, reserve members, military retirees and their family members, at uniformly low prices. The second is to generate reasonable earnings for the support of Army morale, welfare and recreation and Air Force services programs.

Personnel

On each post or base, a general manager is responsible for all AAFES facilities on the installation. Of the more than 53,000 AAFES employees worldwide, 34 percent are military family members and another 4 percent are active-duty military who work part-time during their off duty hours. Although a military organization, AAFES has 64 assigned military personnel.

Facilities and Resources

AAFES operates more than 10,000 activities, including: retail stores, catalog services, bookstores, class six package stores, concessions, food facilities, florists, gas stations and auto repair, laundry and dry cleaners, barber and beauty shops, military clothing sales stores, movie theaters, vending centers and video rental. Although AAFES is a federal organization, it is a nonappropriated fund instrumentality that is almost entirely self-supporting and receives only 2 percent of its operating support from tax dollars appropriated by Congress.

Sales in fiscal 2001 totaled \$7.09 billion and earnings were \$373.1 million. Contributions to Army morale, welfare and recreation and Air Force services funds were \$243.9 million or \$277.94 for every soldier and airman. Dividends paid to individual services included \$145.4 million to Army, \$864 million to Air Force, \$10.2 million to the Marine Corps and \$1.7 million to the Navy. Over the past 10 years, AAFES payments to these funds have totaled more than \$2.42 billion.

The Army and Air Force spent this money on quality of life improvements for soldiers, airmen and their families. These contributions make AAFES a major non-pay benefit to customers. AAFES earnings are also used to build new stores or renovate existing facilities without expense to the federal government. These include new shopping centers, mini-malls, home and garden centers, branch stores, shoppettes and warehouses. Funds to construct these new or replacement facilities come entirely from sales of merchandise and services. It's another way that AAFES supports and gives back to the military community.

Organization

The commander is a general officer responsible to a board of directors that is established by the secretaries of the Army and Air Force. Subordinate commands control operations in Europe (Mainz, Germany) and the Pacific Rim (Okinawa, Japan). Three region directors in the continental United States control store operations from the AAFES Operations Center, also located in Dallas.

History

During the American Revolution, the military did not issue personal items such as soap, razors, and tobacco to soldiers. However, peddlers -- called sutlers -- followed the Army and sold merchandise, most of it inferior. Because of its corruption, traders authorized to sell merchandise at each post replaced the sutler system in 1867. By 1889, the War Department authorized canteens, putting traders out of business.

On July 25, 1895, General Order No. 46 set the standard for the concept and mission of today's exchange service. Eventually, independent operations evolved at Army divisional levels. Large posts, with little or no direction from higher headquarters, established a post exchange to serve their unit. Post commanders decided how to spend earnings. The system remained basically unchanged until 1941, when the War Department established the Army Exchange Service to provide broad guidance for worldwide operations. When the Air Force became a separate service, the exchange became a joint operation. In 1948, the organization became the Army and Air Force Exchange Service.

Point of Contact

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