

Pulse Check

Military and Veteran Families' Pre-Holiday Financial Needs

November 2020

3,570

RESPONDENTS

Poll conducted November 9-23, 2020

Blue Star Families' Pulse Checks on a specific topical issue provide a brief snapshot of the perspectives of currently-serving and veteran families.

Military Affiliation

Active-Duty Family	61%
Veteran Family	32%
National Guard Family	5%
Reserve Family	4%
Other Military Affiliation	11%
Civilian with no Military Affiliation	1%

Race/Ethnicity

White, Non-Hispanic	72%
Black/African-American	10%
Hispanic or Latino/a	14%
Asian	6%
Other	6%

Rank

Junior Enlisted (E1-E4)	14%
Mid-Level NCO and Senior Enlisted (E5-E9)	59%
Commissioned Officer	25%
Warrant Officer*	2%

Caregiving

Caregiving	40%
Non-Caregiving	60%



Frequent moves (and their accompanying unreimbursed expenses) exacerbate already high levels of chronic spouse unemployment and underemployment, and create a situation where some military families are not able to meet their immediate and long-term financial needs.¹ This poll sought to identify immediate financial needs among those facing financial hardship, understand how and/or if they were addressing these needs, and identify barriers to seeking financial support. Military family respondents of all ranks, not only those whose highest ranking member is a junior enlisted (E1-E4) member, reported high levels of need in November 2020, with consumer debt being the most frequently reported for all groups (except for veteran family respondents who identify as unpaid caregivers; this group identified “key essentials (e.g. food, prescriptions)” as their top immediate financial need). The majority of active-duty and veteran families reported they are addressing their immediate financial needs with personal funds, such as checking and savings accounts, or lines of credit; however, those without access to cash and/or credit resources reported selling off possessions or not paying other bills. Emotional responses such as shame, pride, and embarrassment, were collectively the top reported reason for not seeking help in the event of a financial emergency in open-ended responses.

Impact of COVID-19

As the COVID-19 pandemic rages across the globe, the financial impact left in its wake is becoming more clear. Our Pain Points Poll (March-June 2020) showed that military families were somewhat insulated from financial detriment in the early days of the pandemic; the majority of military and veteran family respondents reported no impact to their financial situation during the 10-week polling period.² Subsequent data from the Resilience Under Stress Study (RUSS) (May/June 2020) reinforced this financial resilience, with only 11% of active-duty family respondents reporting that the pandemic had a “major” or “severe” impact on their financial situation.³ Both of these surveys were conducted in the wake of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided eligible military and veteran families financial stipends

to offset the impact of the pandemic. However, as the direct impact of that stipend dissipates, cracks in this financial security foundation are beginning to appear. Thirty-seven percent of active-duty family respondents to Blue Star Families’ 2020 Military Family Lifestyle Survey (MFLS) (September 2020) reported that COVID-19 had made their financial situation worse or much worse.⁴ This is likely linked to an increasingly challenging employment situation for military spouses. The 2020 MFLS findings suggest the pandemic dealt an additional blow, with 42% of military spouse respondents who had been working prior to the pandemic reporting they had stopped working at some point during it, with layoffs and furloughs as the top reported cause; only 32% have since found new employment.⁵

“My wife can barely work, due to people not traveling. Because of that, our finances have been so much tighter, including food budgets. We don’t qualify for food assistance by the state because they count the BAH into our income.” — Active-duty service member

Immediate Financial Needs Differ Between Caregiver and Non-Caregiver Families

While types of immediate financial need are similar among caregiver and non-caregiver groups, as well as among both active-duty and veteran family respondents, caregiver respondents demonstrate substantially greater rates of need than their non-caregiver peers. Furthermore, both caregiver and non-caregiver veteran family respondents listed mortgage/rent as a top-five immediate financial need, whereas their active-duty counterparts did not. In line with previous research, nearly all Pulse

Check respondent groups (veteran families who are caregiving being the exception) identified consumer debt as their top immediate financial need.^{6,7} Food, prescriptions, and other key essentials took the top spot for veteran caregiver respondents. Financial concerns among military families is a MFLS perennially-identified issue, with recent survey research showing a decrease in the ability of families to meet their monthly debt obligations.^{8,9}

Percent of respondents reporting no immediate financial need

Active-duty family (non-caregiver)	Active-duty family (caregiver)	Veteran family (non-caregiver)	Veteran family (caregiver)
71%	47%	71%	51%

Childcare / K-12 Education Costs

Medical / Dental

Mortgage / Rent

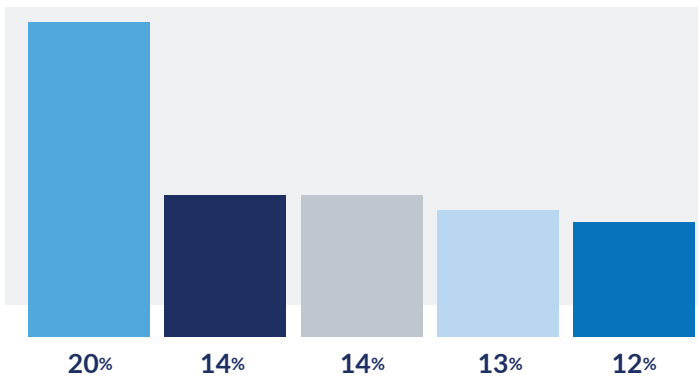
Student Loans / Higher Education Costs

Key Essentials (Food / Prescriptions)

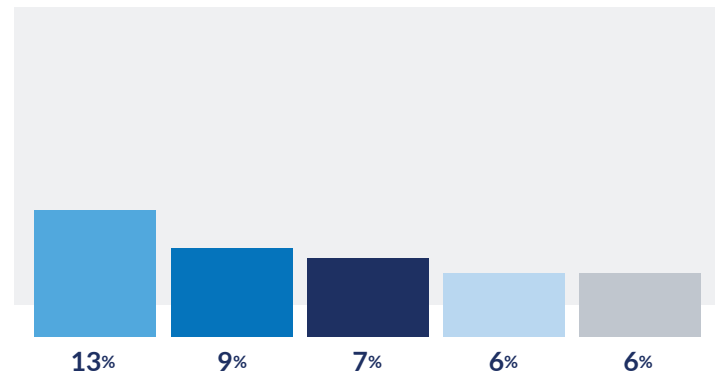
Consumer Debt

Housing / Vehicle Maintenance

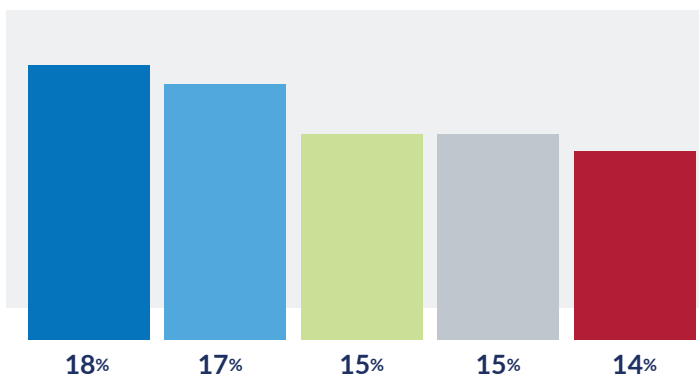
Active-Duty Caregiving



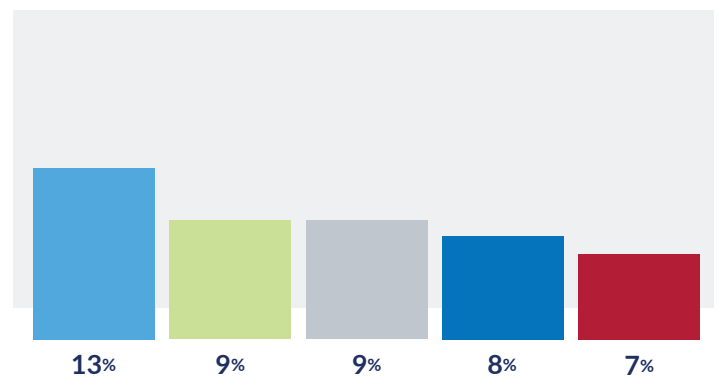
Active-Duty Non-Caregiving



Veteran Caregiving



Veteran Non-Caregiving



Debunking Stereotypes: Junior Enlisted Families are Not the Only Ones in Need of Financial Support

In line with previous research, while the immediate needs of respondents whose highest-ranking member is junior enlisted (E1-E4) are more pronounced than their higher ranking counterparts, the need for financial assistance exists across all military ranks in this poll.¹⁰ For example, among active-duty family respondents reporting at least one immediate need,

21% of mid-level and senior enlisted families (E5+) indicated they need immediate financial support to cover the cost of key essentials such as food and prescriptions, and 13% reported a relief need for mortgage or rent. Officer families were the only group to report a double-digit need (11%) to cover “unreimbursed relocation expenses.”

Breakdown of active-duty families who reported at least one immediate need:



Consumer Debt

43% Junior Enlisted
42% Mid/Senior Enlisted
27% Commissioned Officers



Student Loans (Higher Education Costs)

32% Junior Enlisted
26% Mid/Senior Enlisted
28% Commissioned Officers



Key Essentials (Food/Prescriptions)

37% Junior Enlisted
21% Mid/Senior Enlisted
13% Commissioned Officers



Childcare

12% Junior Enlisted
26% Mid/Senior Enlisted
33% Commissioned Officers



Maintenance (Housing/Vehicle)

26% Junior Enlisted
24% Mid/Senior Enlisted
9% Commissioned Officers



“I’m an officer so on paper I’m not eligible for aid but my family is still suffering due to an unforeseen roof leak and spouse job loss from COVID-19 economic impacts.” — Active-duty service member

Help-Seeking Behaviors and Barriers

11% of all respondents would need to sell something in order to cover a \$500 emergency expense

Active-duty family respondents reported that using personal funds from a checking account (52%), savings account (44%), or incurring debt on a credit card (48%) would be the most frequently utilized options to address an unexpected expense. Veteran families reported similar usage of funds from a checking account (53%), savings account (38%), and incurring additional debt on a credit card (47%).

Those without available cash or credit access face more consequential decisions, which could further undermine their long-term financial resilience. For example, one-fifth of active-duty family respondents (19%) and one-third of veteran family respondents (33%) are not paying other bills in full to cover their immediate needs, while one in 10 veteran family respondents are not paying their mortgage.

Only 24% of active-duty respondents reported that nothing would prevent them from seeking financial assistance if they required it in the future

Targeted financial assistance resources are available for military families. However, the majority of respondents reported at least one barrier to accessing them. In an open-ended question, active-duty respondents identified emotional barriers (28%) such as pride, shame, or embarrassment as the most common barrier to seeking help. Many also identified the desire to avoid chain of command involvement, an incohesive assistance network, confusing application processes, and qualification requirements that can make it difficult to justify the effort required. Results from this polling show that less than 5% of active-duty family respondents would seek support from a service affiliated relief society.



“If we say anything about our situation to the military, we are immediately labeled as unable to properly handle our financ[es] [...] We were also told that it doesn’t matter that COVID-19 happened; they tell us we should be better prepared (this is our first duty station and its horrible) and it’s our own fault we are having financial difficulties.” — Military spouse

Barriers to Seeking Financial Assistance

Pride, Shame, Embarrassment

“Shame and the process that makes it seem shameful.” — Spouse of a veteran

Avoidance of Future Debt

“The snowball of increased debt, having to have an addition payment later on.”
— Active-duty spouse and veteran

Awareness of Available Resources

“The only thing that might prevent me from getting financial assistance would be my being confused on how to go about asking for it, i.e., how it works, where to get it, or a sense of shame on how I came to need financial support in the first place.” — Active-duty service member

Chain of Command Involvement

“The military programs require involvement of chain of command and I have no confidence that hardship would be kept confidential. I don’t want people at work to know we are struggling and create a stigma.”
— Active-duty spouse

Others Have Greater Need

“Pride. It is hard to ask for help sometimes. We have been fortunate in the past and because we are struggling right now, we don’t want to take away from other families who may need help.”
— National Guard spouse

Difficult Application Process

“Usually very complicated, slow processes. Might still be turned down after all the effort.” — Veteran

Eligibility Limits

“On paper we make too much money. But being far away from family with no support system ... there often just isn’t enough.” — Active-duty spouse

Implications and Recommendations

Financial issues and the need for support is not unique to military families. High levels of military spouse unemployment and underemployment, frequent moves that can necessitate the use of personal funds that are not reimbursed, and unexpected expenses can all work in tandem to create a situation where military families are financially unable to meet their needs—both immediate and long term.¹¹

To set the conditions for long-term, sustainable financial resilience, stakeholders in all sectors need to work together to address military spouse unemployment and underemployment. This, however, is a long-term solution. In the interim, military and veteran families must be willing to seek and utilize resources available to them when they face financial hardship; doing so requires addressing the primary barriers preventing this help-seeking behavior. Recommendations include:

De-stigmatize help-seeking behavior among both those who need help and those who facilitate it.

Civilian literature on the usage of means-tested assistance programs has shown that many people hold negative internal beliefs about the kind of person who needs assistance as well as beliefs that they will face negative actions from others if it becomes known that they need assistance.¹² To this end, military service organizations, and commands within the military itself, should work to convey messaging that financial need doesn't always result from poor

budgeting practices and prevent discriminatory behaviors from happening to those who seek help.

Increase awareness of available resources, especially those offering no-interest loans or grants.

Despite a dearth of available resources, the third most commonly-cited barrier was the lack of knowledge of available resources. Stakeholders from all sectors can play a role in increasing awareness of available trusted resources.

Reduce or eliminate chain of command involvement in procuring financial assistance wherever feasible.

Five percent of active-duty respondents would avoid seeking help in order to avoid chain of command involvement. Accounting for potential security implications, the threshold for command involvement should be reviewed to determine if there is any level by which a family could request assistance and know their need would be kept truly private.

Ease the application process and reduce the timeline to obtain available support as able.

Families facing financial crises often require immediate assistance; cumbersome and confusing application processes and delayed timelines could decrease the likelihood of help-seeking and increase the likelihood of defaulting on other bills or pursuing high-interest loans, which further undermine financial resilience in the long term.

¹ Blue Star Families. (2020). 2019 Military Family Lifestyle Survey Comprehensive Report. <https://bluestarfam.org/survey>

² Blue Star Families. (2020). *Pain Points Poll*. https://bluestarfam.org/wp-content/uploads/2020/06/PPP-Wks1-10_Wrap-up_Part-1.pdf

³ Blue Star Families. (2020). *Resilience Under Stress Study*. https://bluestarfam.org/wp-content/uploads/2020/11/RUSS-Report-11.4.20_FINAL.pdf

⁴ Blue Star Families. (2021). 2020 Military Family Lifestyle Survey: COVID-19 Quick Glance.

⁵ Blue Star Families, COVID-19 Quick Glance

⁶ While 96% of 2019 MFLS respondents indicated they have at least one credit card, only 35% answered “we do not currently have a balance (zero)/ we pay off our balance each month.”

⁷ Thirty percent of active-duty spouse respondents to the 2019 Survey of Active Duty Spouses conducted by the Department of Defense indicated that their overall financial condition was presenting some difficulty/not comfortable for their family.

⁸ Blue Star Families (2019). *2018 Military Family Lifestyle Comprehensive Report*. <https://bluestarfam.org/survey>

⁹ NFCC. (n.d.) *2019 Military Financial Readiness Survey*. *NFCC.org*. Retrieved December 3, 2020, from <https://www.nfcc.org/resources/client-impact-and-research/2019-military-financial-readiness-survey>

¹⁰ Nearly half (48%) of 2019 MFLS respondents reported financial issues/stress are/were the biggest stressor in their military family and 85% of 2019 MFLS respondents were ranked E5 or above.

¹¹ Blue Star Families. (2020). 2019 Military Family Lifestyle Survey Comprehensive Report. <https://bluestarfam.org/survey>

¹² Stuber, J., & Schlesinger, M. (2006). Sources of stigma for means-tested government programs. *Social Science & Medicine*, 933–945. <http://www.rootcausecoalition.org/wp-content/uploads/2017/04/Sources-of-stigma-for-means-tested-government-programs.pdf>