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FAMILIES**

**MILITARY  
FAMILY  
LIFESTYLE  
SURVEY**



**Economic Stability**

# **2021 Military Family Lifestyle Survey Comprehensive Report**

## **Financial Stability and Housing**

In collaboration with



**Syracuse University**

**D'Aniello Institute for  
Veterans & Military Families**



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Funding for the 2021 Military Family Lifestyle Survey is provided through the generosity of our presenting sponsor USAA and from supporting sponsors Lockheed Martin, CSX, CVS Health, AARP, Starbucks, BAE Systems, Northrop Grumman, Walmart Foundation, Verizon, The Barry Robinson Center, and the USO.



**A third of active-duty family respondents (33%) currently hold student loan debt and nearly all active-duty family respondents (94%) have at least one credit card. Already stressed by student loans, credit card debt, and out-of-pocket relocation costs, military families making PCS (permanent change of station) moves face long military housing waitlists, unaffordable civilian housing markets, and expensive rental costs, which can further add to their financial burden.**

Military family respondents share common financial stressors with their civilian counterparts, including student loan debt, credit card debt, and child care costs.<sup>1</sup> However, the COVID-19 pandemic revealed that military families have a unique combination of risk and protective factors that may make them both more financially resilient or more financially vulnerable than their civilian peers. The large majority of active-duty family respondents (84%) report household incomes<sup>a</sup> that may have made them eligible to receive the highest amount of each of the three COVID-19 stimulus

payments,<sup>2</sup> providing some additional financial relief for families. Still, military families face spouse unemployment rates at 4-6 times the national average,<sup>3,4</sup> and can rack up unreimbursed relocation costs with each new duty assignment. Additionally, despite the intent of the Basic Allowance for Housing (BAH) to provide for 95% of monthly housing costs<sup>5</sup> for comparable civilian housing, of those who report out-of-pocket costs, more than three-quarters (76%) of active-duty family respondents say theirs exceeds \$200 per month. Taken together, these are possibly contributing factors to why 48% of active-duty family respondents report that their financial situation causes them “some stress” or a “great deal of stress.” Most adults in the general U.S. population (75%) reported they were doing okay financially leading into

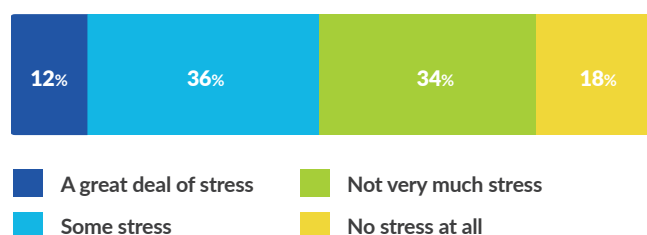
*What best describes where you currently live?*

“Own civilian housing — note in order to live within BAH and have acceptable quality housing, the service member commutes over 3 hours each day. **The BAH is insufficient to afford decent housing closer without risking putting our family in debt.**”

Active-duty Air Force Spouse

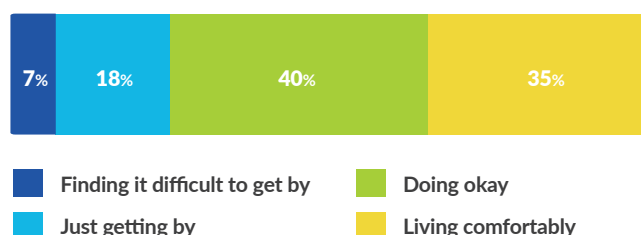
### Amount of Stress Caused by Family's Current Financial Condition

Active-Duty Family Respondents



### Financial Well-Being of U.S. Adults<sup>6</sup>

Current Financial Situation at the end of 2020



<sup>a</sup>Adjusted gross income (AGI) less than or equal to \$75,000 (\$150,000 for married couples filing a joint return).



2021.<sup>6</sup> Adults in the general U.S. population who were able to retain their employment, and especially those who were able to work from home, reported especially strong financial positions.<sup>7</sup> In contrast, military spouses' inability to retain employment through a PCS has long been a financial stressor for military families, even prior to the pandemic.

## Student Loans

Of active-duty family respondents who report financial stress, 41% cite spouse unemployment or underemployment as a top contributor to their stress, with "student loans" (30%) being the next most commonly cited contributor. Two-thirds of active-duty spouse respondents (65%) have a bachelor's degree or higher, illustrating this is a well-educated community. A third of active-duty spouse respondents (33%) currently hold student loan debt in their family, which is most commonly used to fund their own education (82%). However, because of the barriers to active-duty spouse employment,<sup>8</sup> spouse respondents may be unemployed or underemployed despite having obtained a degree that may have been paid for with

student loans. This debt may therefore be disproportionate to the household income given that 41% of active-duty spouse respondents with low-to-moderate family income (\$50,000 per year or less)<sup>9</sup> owe student loan debt.

### Student Loan Debt

Active-duty Spouse Respondents with Current Family Student Loan Debt



Percentages will not sum to 100% due to rounding

## Credit Card Debt

Nearly all active-duty family respondents (94%) have at least one credit card, which is higher than the overall U.S. consumer average of 79%,<sup>10</sup> indicating that military life may simultaneously allow for<sup>11</sup> and require access to financial resources that are not typical for the average U.S. consumer. At the time of survey fielding, half (51%) of active-duty family respondents

**18% of active-duty family respondents with a household income of less than \$50,000 per year owe more than \$10,000 in credit card debt.**

(that have at least one credit card) report that they carry over the balance owed on their card(s) from month to month. Among those respondents who carry over a balance, debts range from less than \$1,000 (12%) to over \$20,000 (16%). Similar to the burden of student loan debt on low-to-moderate income families, the credit card debt-to-income ratio is higher among families making less than \$50,000 per year. Further, a greater proportion of respondents with a household income of more than \$100,000 per year report their balance is paid off each month, in comparison to respondents with less household income (53% vs. 30%). This finding indicates that as household income increases, credit cards may be utilized for benefits like travel points and cash back bonuses,<sup>12</sup> instead of necessities, such as emergency expenses, supplement household expense deficit, or to cover out-of-pocket relocation expenses during a PCS move.

### Credit Card Debt

Active-duty Family Respondents with Revolving Credit Card Balance



Percentages will not sum to 100% due to rounding





## The Cost of Relocation

Out-of-pocket relocation costs are a source of financial stress, according to 29% of active-duty family respondents who are experiencing financial stress. Two-thirds (66%) of active-duty family respondents report having unreimbursed out-of-pocket expenses related to their last PCS move, and among those with unreimbursed moving costs, more than half of those who have unreimbursed expenses (55%) report those expenses to be over \$1,000. Compounded across multiple moves during a military career, unreimbursed out-of-pocket relocation expenses can create financial hardship for families, especially when the active-duty spouse often loses employment and the family loses income with a relocation. Unlike their civilian counterparts, who moved less in the past year than in previous years,<sup>13</sup> nearly half of active-duty family respondents (45%) had completed a PCS within the past year or were currently PCSing at the time of survey fielding. In the last year, military families faced additional challenges related to moving during the COVID-19 pandemic and a skyrocketing housing market. Some families who PCSed during this year's housing crunch<sup>14</sup> found themselves facing long military housing waitlists, scarce civilian rental housing availability, fast-rising home prices,<sup>15</sup> and a competitive "seller's market." While the proportion of families spending more than \$200 above BAH per month in housing is similar for those who PCSed recently and those who did not, the level of satisfaction with housing drops for those who relocated recently, indicating families may have limited housing choices and are possibly accepting lower-quality housing.

### Unreimbursed Relocation Expenses from Most Recent PCS

% of active-duty family respondents who report any out-of-pocket relocation costs

Between \$1 and \$500	19%
Between \$501 and \$1,000	26%
Between \$1,001 and \$2,000	22%
Between \$2,001 and \$5,000	24%
Over \$5,000	9%

### Number of Moves as a Result of Service Member's Orders

% of active-duty family respondents who report any out-of-pocket relocation costs

None	3%
1-3 times	34%
4-6 times	36%
7-9 times	17%
10 or more times	10%

## Out-of-Pocket Housing Costs and Satisfaction with Housing by Recent Relocation

Active-Duty Family Respondents

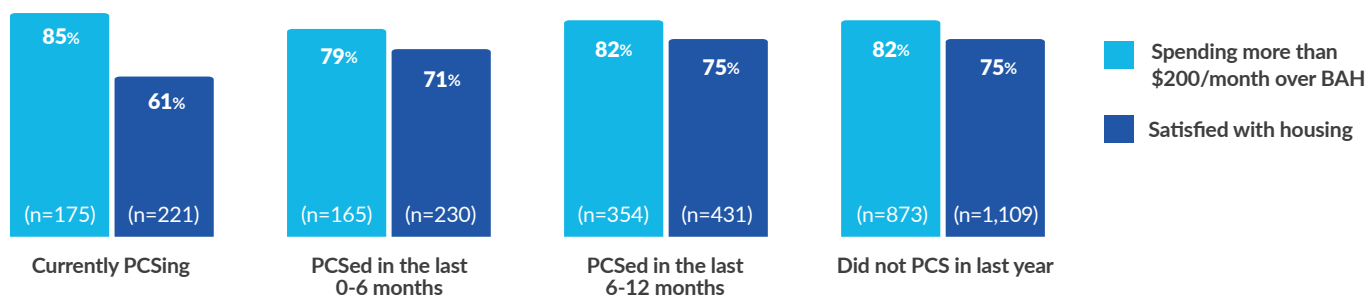


Figure 1 shows the top aspects of the current housing situation that are most concerning according to the recent relocation for active-duty family respondents. While the "local housing market is unaffordable" and the "cost of housing rental is too high" remain the top two concerns regardless of the most recent PCS, for active-duty family respondents who had recently completed a PCS or were currently in the process of PCSing at the time of survey fielding, the "waitlist



for on-installation housing is too long” and “poor quality schools” are top concerns. Particularly, 25% of active-duty military families who note that they are concerned with “poor quality of schools” also disagree that they are satisfied with the overall quality of their housing. This further illustrates that active-duty families, in their military lifestyle, are often forced to confront a nexus of challenges that have the potential to impact their financial security and the well-being of their families.

**Figure 1: Top Aspects of Current Housing Situation that are Most Concerning by Recent Relocation**  
Active-Duty Family Respondents

Currently PCSing	Relocated in the last 0-6 months	Relocated in the last 6-12 months	No recent PCS
Local housing market is unaffordable (39%)	Local housing market is unaffordable (38%)	Local housing market is unaffordable (34%)	Local housing market is unaffordable (35%)
Cost of housing rental is too high (36%)	Cost of housing rental is too high (26%)	Cost of housing rental is too high (31%)	Cost of housing rental is too high (25%)
Waitlist for on-installation housing is too long (21%)	Waitlist for on-installation housing is too long (18%)	Housing repair/maintenance problems (15%)	Housing repair/maintenance problems (21%)
Poor quality schools (18%)	Poor quality schools (13%)	Out-of-pocket costs for housing maintenance (15%)	Out-of-pocket costs for housing maintenance (17%)

## Parent Support

Military-connected parent respondents who provided support to their active-duty service member child(ren) and/or their active-duty child(ren)'s spouse(s) in the last year:

**18%** Provided financial support on a regular basis

**38%** Provided financial support for emergencies

**9%** Provided housing

Military families, while insulated from some of the disturbances of the COVID-19 pandemic, nonetheless continue to experience financial challenges that are unique or intensified by military service, including spouse unemployment and underemployment, student loan debt and credit card debt, unreimbursed out-of-pocket relocation expenses, and difficulty finding affordable housing that meets their families' needs with each PCS.



## Recommendations

\*More information in Recommendations Chapter of Comprehensive Report



### Military

- Explore options for improving calculation of Basic Allowance for Housing (BAH), taking into consideration issues such as school district quality, housing availability, etc.\*
- Commission a report to identify types of out-of-pocket relocation expenses and assess the efficacy of current expense reimbursement policy.
- Continue to expand efforts to provide service members more control over their careers (including when and where they relocate) and day-to-day schedules.



### Congress

- Commission a report on the effects of nationwide housing shortages and rising costs on military families.
- Support a fixed period of federal student loan deferment for military spouses who leave a job to relocate due to military orders.



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