



Military Family Lifestyle Survey



Economic Stability

2022 Comprehensive Report

Veteran Financial Wellness Spotlight

In collaboration with

S Syracuse University

D'Aniello Institute for
Veterans & Military Families

JPMorgan Chase & Co., Founding Partner

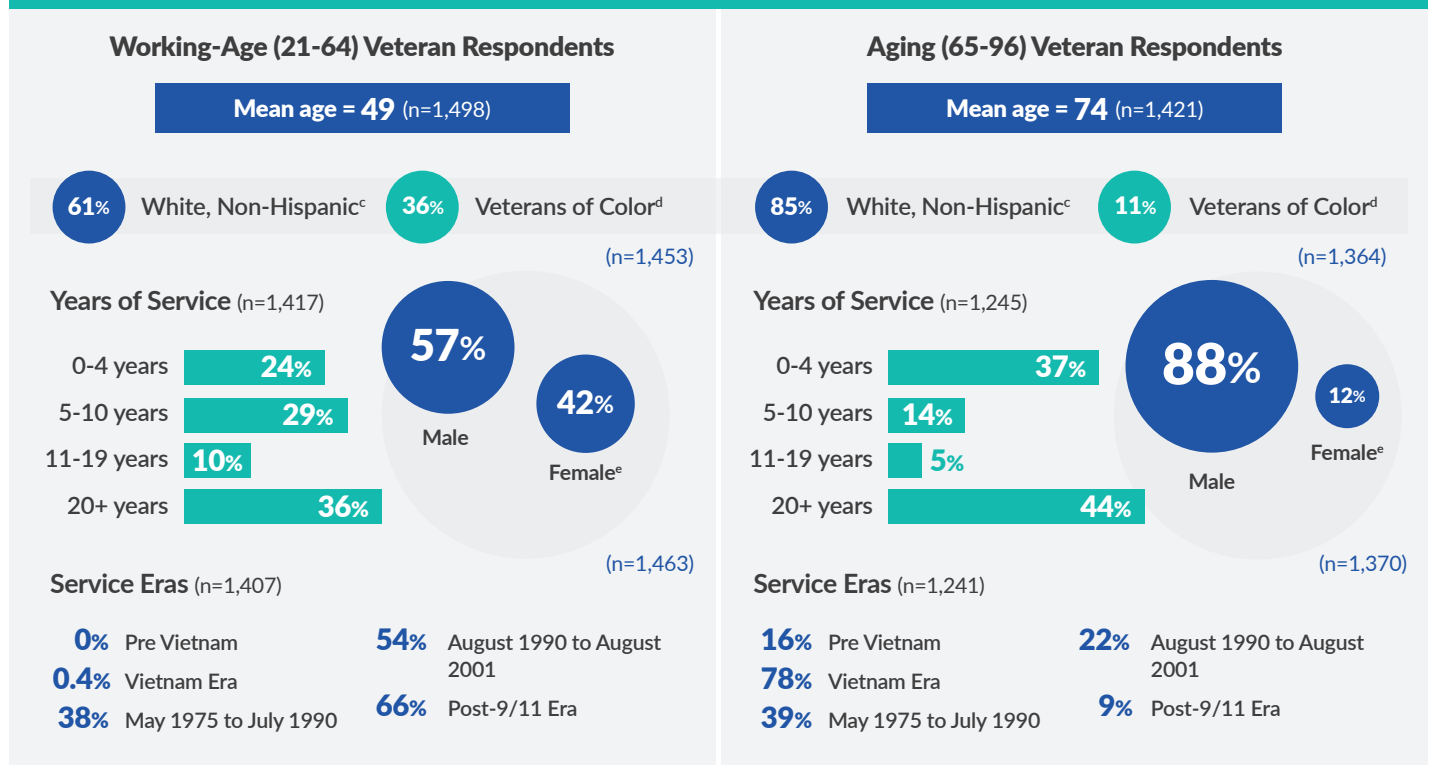
Funding for the 2022 Military Family Lifestyle Survey is provided through the generosity of our presenting sponsor The USAA Foundation, Inc. Supporting sponsors include JP Morgan Chase & Co., Lockheed Martin, CSX, AARP, Craig Newmark Philanthropies, Macy's Inc., BAE Systems, Northrop Grumman, American Council of Life Insurers, and Pratt & Whitney.

Most Veteran respondents said their family was “doing okay” financially or “living comfortably,” but housing costs, major home repairs, and excessive credit card debt were primary financial stressors. For aging Veteran respondents, however, medical costs were also cited as a top source of financial stress.

Introduction and Veteran Sample Demographics

U.S. Veterans are an increasingly diverse and aging population; nearly half (47%) of Veterans are ages 65 or older in 2022.^a Similar to the overall Veteran population, nearly half (49%) of this year’s Veteran respondent subsample are 65 years of age and older (aging Veterans).^b Aging Veterans respondents (reported ages 65 to 96) have an average age of 74 years old, whereas the average age for working-age Veterans (reported ages 21 to 64) is 49 years old. Table 1 describes the demographics of the two age groups of Veteran respondents.

Table 1: Veteran Respondents’ Demographics by Age Group



^a The National Center for Veterans Analysis provides population projection tables that estimate the overall population demographics for U.S. Veterans. Please find these tables at Veteran Population - National Center for Veterans Analysis and Statistics (va.gov). While other administrative data and nationally representative surveys offer varying Veteran population projection estimates, we utilized those provided by the NCVA due to their utilization of separation data available through September 2020. For more information on how the NCVA produces their population projections, please see VetPop2020_A_Brief_Description.pdf (va.gov).

^b The term ‘aging Veterans’ refers to Veterans 65 years old and older. ‘Working-age Veterans’ refers to veterans ages 18-64. The terms ‘aging’ and ‘working-age’ are frequently used throughout social science and population health research. Please see the following publications: Wilmoth, J. M., Ph.D, London, A. S., Ph.D, & Heflin, C. M., Ph.D. (2015). The use of VA disability compensation and social security disability insurance among working-aged veterans. Disability and Health Journal, 8(3), 388-396. and Wilmoth, J. M., & London, A. S. (2011). In Angel J. L., eds, Settersten R. A., Jr(Eds.), Aging veterans: Needs and provisions.

^c White, non-Hispanic Veteran respondents are those who only selected white (and no other answer choices) to the race/ethnicity select-all question.

^d Veteran respondents of color include those who selected American Indian/Alaska Native, Asian, Black/African American, Hispanic or Latino/a/x or of Spanish origin, Middle Eastern or North African, or Native Hawaiian or other Pacific Islander. They could also select white and/or a write-in option, but not as the only option.

^e For the purpose of reporting, “female” respondents include those respondents who selected “woman” or “trans woman” and “male” respondents include those who selected “man” or “trans man” in response to the question “What is your gender?”

Overall, the working-age Veteran respondent subsample is more racially and ethnically diverse compared to their aging Veteran peers. Additionally, since the adoption of the All-Volunteer Force in 1973, new recruitment strategies, including an expansion of service roles for women, created conditions in which women are increasingly represented in the Veteran population.^f Working-age Veteran respondents also differ from their older peers in their service experience, with proportionally more working-age Veteran respondents serving between 5-19 years (39%) in the Armed Services compared to aging Veterans (19%).

Financial Wellness of Veteran Respondents

This year's survey captured several indicators of financial wellness for Veteran respondents and Table 2 shows the top contributors to financial stress among those Veteran respondents who are financially stressed.

Table 2: Top Contributors to Financial Stress

Veteran respondents who reported financial stress

Working-Age Veterans (n=798)		Aging Veterans (n=339)	
Housing costs	49%	Major home repairs	35%
Major home repairs	33%	Housing costs	34%
Excessive credit card debt	30%	Other (e.g., concerns about retirement accounts during market volatility, living on fixed retirement income)	27%
Getting behind on bills	22%	Medical costs	25%
Underemployment/Unemployment	22%	Excessive credit card debt	21%

Question Text: Which of the following contributes to your family's current financial stress? Please select your top 3 choices.

Financial Stress Differs for Working-Age and Aging Veterans

While most (70%) of all Veteran respondents report their family is “doing okay” or “living comfortably” when asked about finances, other reports indicate mixed results on financial issues related to medical costs/financial inequity for Veterans.¹ Furthermore, this financial wellness differs between working-age and aging Veteran respondents: a smaller proportion of aging Veteran respondents (50%) report financial stress when compared to their working-age counterparts (82%). However, Table 2 shows that Veteran respondents in both age categories have similar financial stressors with major home repairs and housing costs as the top two financial stressors, echoing findings from active-duty family respondents about out-of-pocket housing costs (see Financial Security finding for additional information). However, medical costs were also identified as a top contributor to those with financial stress: 19% of working-age Veteran respondents and one-quarter of aging Veterans respondents.

^f According to the VAS's recent population estimates, women represent roughly 9% of working-age Veterans. For more detail, please see National Center for Veterans Analysis and Statistics. (2020). 1L_VetPop2020_National_NCVAS. Washington D.C.

Medical Costs for Veteran Respondents

Of all Veteran respondents (n=231) who reported experiencing financial stressors due to medical costs, dental care (49%), prescription drug costs (34%), and specialty care copays (30%) were identified as the top three contributing medical costs to their financial stress. Table 3 further disaggregates medical costs as financial stressors, demonstrating differences by Veteran respondent age group.

Table 3: Top Contributors to Medical Costs as a Financial Stressor

Veteran respondents who reported medical financial stress

Working-Age Veterans (n=147)		Aging Veterans (n=81)	
Dental care (including orthodontics)	48%	Dental care (including orthodontics)	49%
Specialty care copays	34%	Prescription drug costs	46%
Other health care costs not covered by insurance	30%	Health insurance premiums	33%

Question Text: Which of the following medical costs contribute to your financial stress? Please choose the top 3.

Health Insurance Utilization Among Veteran Respondents

Despite its costs, access to Medicaid and VA health benefits are associated with lower odds of worry about medical costs for older Americans.² Given the difference in medical costs as a family financial burden for working-age versus aging Veteran respondents, it is worth further exploring the state of health insurance usage.

The majority of aging Veteran respondents are insured by Medicare (80%), and many also indicated using Tricare for Life (42%), VA (40%), and other private health insurance (23%). In comparison, working-age Veterans, who are not eligible for Medicare unless they have a qualifying disability, primarily use VA insurance (53%), private insurance (31%), or Tricare Prime (24%). Different types of

health insurance have varying referral, network coverage, and reimbursement policies. Consequently, use of different health insurances may lead to important differences in access to health services and available resources that warrant further exploration.

Use of different types of health insurance may explain the differences between where the two age subsamples receive regular and routine care. Among aging Veteran respondents who may have a combination of medical providers to receive routine medical care, 64% go to a civilian provider, 50% see a VA provider, and 12% use a



military provider.⁸ For working-age Veteran respondents, 15% used a military provider, 67% used a VA provider, and 42% used a civilian provider to receive routine medical care.

One-third (34%) of aging Veteran respondents use the VA to meet all of their health care needs, compared to nearly half (49%) of working-age Veterans using the VA to meet all of their health care needs, which is consistent with other research that has found that while VA users tend to be older than Veterans who do not use the VA, younger Veterans rely on the VA more than their older peers and receive a greater share of their overall care from the VA.³ This same report also found that Veterans with lower income, living in rural areas, have single sources of health insurance coverage, and poorer self-reported health status get a greater portion of their care from the VA than other VA patients do.⁴

Overall, medical costs play a significant role in the financial concerns of many Veterans. As the Veteran population grows older, there remains a need to further understand how insurances are used by Veterans and the impact these types of use may have on individual financial burden and financial wellness.

Recommendations

For the VA

- Further investigate the financial impact of medical and health care costs on the Veteran population, particularly for aging Veterans (65 years and older).

⁸ Respondents were asked to pick out all applicable medical providers that they receive routine medical care from.

Endnotes

- 1 Institute for Veterans and Military Families. (2022, April 26). Financial Literacy month: Military financial readiness and resources. Institute for Veterans and Military Families.
<https://ivmf.syracuse.edu/2022/04/26/military-financial-readiness-and-resources>
- 2 Choi, N. G., & DiNitto, D. M. (2018). Correlates of Worry About Health Care Costs Among Older Adults. *Journal of Applied Gerontology*, 37(6), 763–782. <https://doi.org/10.1177/0733464816650803>
- 3 Farmer, C. M., Hosek, S. D., & Adamson, D. M. (2016). *Balancing Demand and Supply for Veterans' Health Care*. RAND Corporation. https://www.rand.org/pubs/research_reports/RR1165z4.html
- 4 Ibid