



Military Family Lifestyle Survey



Economic Stability

2022 Comprehensive Report

Financial Security

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.

Military families' financial well-being lags behind civilian peers. The military lifestyle intensifies financial stressors that may be experienced differently by active-duty family respondents of color.

Inflation was a global economic challenge for governments in 2022,¹ and in the U.S., the combination of increasing housing costs, ongoing housing shortages,² and rising interest rates, along with historic rates of inflation added financial pressure on American families. Particularly, active-duty military families, who usually have fixed family income with additional costs related to their military lifestyle (e.g., PCS costs, travel costs, unreimbursed housing costs related to relocation), end up paying greater proportions of their disposable income to basic necessities. In the 2022 Military Family Lifestyle Survey (MFLS),^a a majority of active-duty family respondents (72%) report their financial situation as “doing okay” or “living comfortably,” although this is less than the proportion of the U.S. population who are in a similar financial situation.^{3,b} The disparity is even greater for active-duty family respondents of color (67%).^c

Most respondents report they have some level of financial stress; just one in seven active-duty family respondents (14%) report that their family currently has no financial stress. Those that report financial stress most often report contributing factors that are directly influenced by their military lifestyle.



Table 1: Top Contributors to Financial Stress

Active-duty family respondents who report financial stress
(n=2,134)

Housing costs	48%
Relocation costs	32%
Unemployment or underemployment	28%
Student loans	24%

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

Relocation Costs and Housing Costs

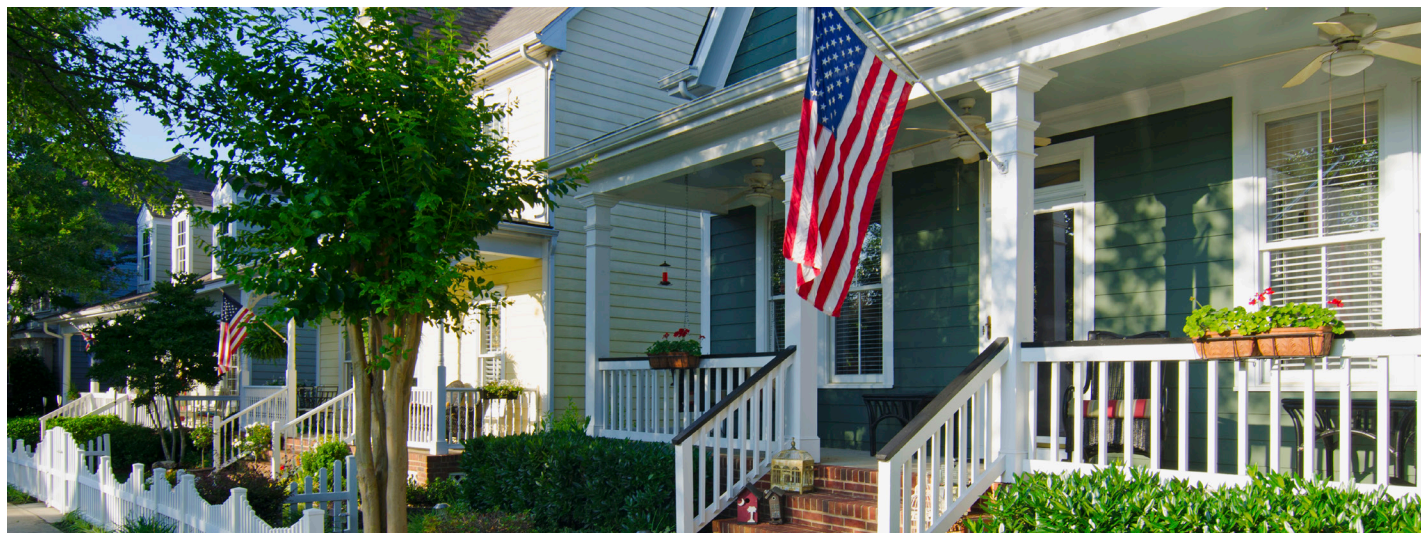
One-third of military families move in a given year,⁴ compared to just 13% of civilian families.⁵ These moves often require temporary lodging stays at one or both ends of the relocation. Service members receive Temporary Lodging Expense (TLE) to cover the cost of 14 days of temporary lodging, an extension issued in September 2022 from the previous maximum of 10 days.⁶ However, the majority of active-duty family respondents with a recent relocation^d and those who used at least a day of temporary housing (55%) spent 15 or more days in temporary housing before moving into permanent housing, leaving them to cover the cost of at least five additional days out

^a The MFLS was fielded from May 23-July 10, 2022.

^b Respondents to the Survey of Household Economics and Decisionmaking were asked: “Overall, which one of the following best describes how well you are managing financially these days?” A total of 78% of adults surveyed reported either “doing okay” financially or “living comfortably.”

^c Active-duty family 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.

^d Relocated or were actively in the process of relocating within the 12 months preceding survey fielding.



of pocket. These temporary housing costs, in conjunction with fees to move pets, additional vehicles, firearms, and medical equipment, add up for the military family. In fact, 85% of active-duty family respondents reported unreimbursed out-of-pocket costs during their last PCS. Among those who had out-of-pocket PCS expenses, 63% reported \$1,000 or more in unreimbursed expenses.

Not only do the relocations themselves cost active-duty families thousands out of pocket,⁷ but these moves often come with housing-related challenges, including skyrocketing monthly rates for rental properties,^{8,9} the inability to find suitable housing for their families, and challenges to homebuying due to relocating to a high cost-of-living area and unfavorable interest rates¹⁰ (see Housing and Relocation finding for additional information).

Forty-five percent of active-duty family respondents who attempted to purchase a home during their recent PCS reported that their **“desire to utilize VA loan was perceived as a deterrent to getting offers accepted”**.

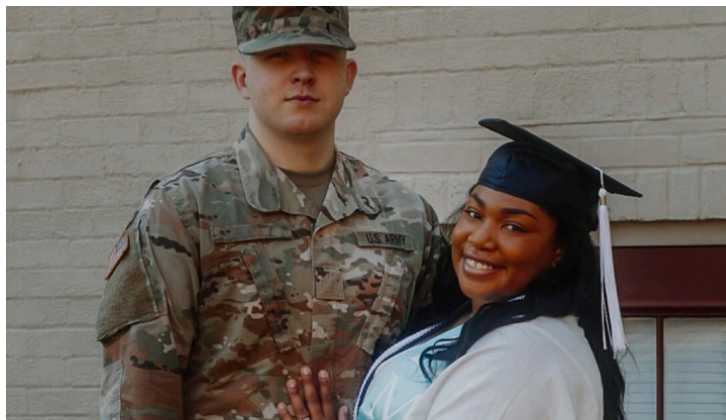
Many military families struggled to find rental housing within their Basic Allowance for Housing (BAH).^{11,12} Among active-duty family respondents who PCSed in the 12 months prior to survey fielding, 73% of those respondents who attempted to find private rental housing were not able to find rentals within \$200 of the service member's BAH.^e Similar challenges were noted in the Blue Star Families September 2022 Relocation and Housing Pulse Check.¹³ Some military families, whether pushed from the competitive rental market or influenced by other factors, such as the need for safe neighborhoods with quality education opportunities for their children or pet-friendly housing options,¹⁴ decide to purchase a home to meet their housing needs. The 1944 Servicemen's Readjustment Act (more commonly known as the G.I. Bill) has helped millions of active-duty service members and Veterans become homeowners through affordable mortgages backed by the VA loan guarantee program.¹⁵ This benefit has led to a greater level of homeownership among Veterans and active-duty service members than the civilian population,¹⁶ including strengthening the proportion of homeownership among Veterans in communities

^e Three-quarters of active-duty military families who relocated and searched for private rental housing between September 2021 and September 2022 reported that finding housing within \$200 of the service member's BAH allotment that met their families needs was “extremely difficult,” most commonly citing that “There were few or no homes available within \$200 of my BAH allotment” as a challenge.

of color.¹⁷ However, VA guaranteed loans come with additional steps beyond traditional mortgages, making them potentially less appealing to sellers in a competitive market,¹⁸ with nearly half (45%) of active-duty family respondents who attempted to purchase a home during their recent PCS^f reported that their “desire to utilize VA loan was perceived as a deterrent to getting offers accepted.

Spouse Employment

High rates of spouse unemployment have plagued military families for decades,¹⁹ which directly impacts military families’ financial well-being. A greater proportion of active-duty spouses who are employed, regardless of full- or part-time status, report that their families are financially “doing okay” or “living comfortably” (83% and 74% respectively) than those who are not currently working but want or need to work (55%). The military lifestyle also intensifies spouse employment issues as service members’ unpredictable schedules and long work hours make it difficult for spouses to balance work and home demands. For active-duty spouse respondents of color, who have a greater need for two incomes²⁰ and yet experience a 27% unemployment rate according to the 2022 MFLS, the impacts of military spouse employment challenges are even greater (see Spouse Employment finding for more information).



Student Loans

An overwhelming majority of active-duty family respondents have pursued higher education: 88% have one or more years of college credit. To cover the cost of education, military families, like their civilian counterparts, often rely on borrowed funds.²¹ A third of active-duty family respondents (34%) currently hold student loan debt in their family and among those with current debt, 79% owe \$10,000 or more. Families who carry student loan debt may face additional challenges with repayment when plagued by spouse unemployment and underemployment.

Cyber Fraud and Identity Theft

While cyber fraud^g and identity theft,^h with their potential to create a financial burden for military families, were not widespread among active-duty family respondents in this year’s MFLS, previous reports compiled by the U.S. government and others indicate that this may be an area worth further exploration.²² Among active-duty family respondents, 7% said that they or their spouse had been a victim of identity theft while 9% had been a victim of cyber fraud in the previous 12 months. Additionally, among active-duty family respondents who indicated that they have financial stress, less than 1% indicated either cyber fraud or identity theft as one of the contributors to

^f Recently relocated respondents are those who completed a PCS move in the 12 months before survey fielding.

^g Cyber fraud is the crime committed via a computer with the intent to corrupt another individual’s personal and financial information stored online.

^h Identity theft is the fraudulent acquisition and use of a person’s private identifying information, usually for financial gain.

their family's current financial stress in contrast to the financial stressors of housing costs (48%), relocation costs (32%), and spouse employment issues (28%).

Military service provides the tangible benefits of a steady income and job security and can provide families of color with financial advantages over their civilian peers.²³ However, the military lifestyle also introduces circumstances that can intensify the financial challenges that all Americans have — obtaining affordable housing, maintaining steady employment, managing student loan debt, and dealing with the potential financial fallout from cyber fraud or instances of stolen identity. As the civilian employment market strengthens, military recruitment and retention declines,²⁴ and the financial benefits of military service diminish, making military service less attractive and endangering the strength of the All-Volunteer Force.²⁵ As the Department of Defense takes historic steps toward addressing these financial challenges,²⁶ long-term solutions to housing and relocation costs, spouse employment, and student loans remain paramount.

Recommendations

For recommendations about addressing un-/underemployment among military spouses, see the Finding on Spouse Employment.

For Congress

- Permanently extend Temporary Lodging Expense allotment to 30 days to support military families during a PCS.
 - Expand the PCS pet cost reimbursement program for OCONUS moves to include CONUS moves.
 - Explore opportunities to reimburse families for safe firearm storage during a PCS to support families' financial security and enhance suicide prevention efforts.
- Consider adding military spouses who lose a job due to a PCS and are actively seeking employment to a dedicated student loan deferment program.*

For the Federal Government

- Continue clarifying PSLF program requirements and program updates, particularly for qualifying military spouses.
- Expand cross-agency and interdepartmental efforts to address cyber fraud and identity theft for military- and Veteran-connected individuals and families.

For the Department of Defense

- Restore BAH to 100% of the calculated rate.
- Explore ways to reduce the financial burden of a PCS through temporary and responsive programs like temporarily increasing BAH where appropriate and maintaining longer periods of TLE assistance.
- Expand awareness of financial resources that include education on cyber fraud and identity theft.

*More information in Recommendations Chapter of Comprehensive Report

Endnotes

- 1 DeSilver, D. (2022). Inflation around the world, over the past two years. *Pew Research Center*. <https://www.pewresearch.org/fact-tank/2022/06/15/in-the-u-s-and-around-the-world-inflation-is-high-and-getting-higher>
- 2 Hayward, J. (2022). U.S. Housing Shortage: Everything, Everywhere, All at Once. *Fannie Mae*. <https://www.fanniemae.com/research-and-insights/perspectives/us-housing-shortage>
- 3 Board of Governors of the Federal Reserve System. (2022). Economic Well-Being of U.S. Households in 2021. <https://www.federalreserve.gov/publications/files/2021-report-economic-well-being-us-households-202205.pdf>
- 4 Defense Manpower Data Center. (2008). *December 2007 Status of Forces Survey of Active Duty Members Topics: Permanent Change of Stations (PCS) Moves and Details on Readiness*. http://www.esd.whs.mil/Portals/54/Documents/FOID/Reading%20Room/Personnel_Related/%202007-12%20SOFS-A_Briefing_PCS.pdf
- 5 Harvard University: Joint Center for Housing Studies. (2020). Are Americans Stuck in Place? Declining Residential Mobility in the US. https://www.jchs.harvard.edu/sites/default/files/media/imp/harvard_jchs_are_americans_stuck_in_place_frost_2020.pdf
- 6 U.S. Department of Defense. (2022). *DoD Announces Immediate and Long-Term Actions to Help Strengthen the Economic Security and Stability of Service Members and Their Families*. <https://www.defense.gov/News/Releases/Release/Article/3167769/dod-announces-immediate-and-long-term-actions-to-help-strengthen-the-economic-s>
- 7 Blue Star Families. 2022 Relocation and Housing Pulse Check. https://bluestarfam.org/wp-content/uploads/2022/10/BSF_PulseCheck_Report_Sep2022.pdf
- 8 PBS News Hour. (2022, June 12). Skyrocketing home prices and rents create housing crisis. <https://www.pbs.org/newshour/show/skyrocketing-home-prices-and-rents-create-housing-crisis>
- 9 Smith, D. M. (2022, September 19). How Military Families Can Cope with the Rental Housing Shortage. *MilitaryByOwner Blog*. <https://blog.militarybyowner.com/how-military-families-can-cope-with-the-rental-housing-shortage>
- 10 PBS News Hour. (2022, June 12). Skyrocketing home prices and rents create housing crisis. <https://www.pbs.org/newshour/show/skyrocketing-home-prices-and-rents-create-housing-crisis>
- 11 Jett, M. (2022, August 11). Military families struggle to find and secure affordable housing in Warner Robbins. *WMAZ-TV Macon*. <https://www.msn.com/en-us/lifestyle/home-and-garden/military-families-struggle-to-find-and-secure-affordable-housing-in-warner-robins/ar-AA10zExr>
- 12 Rico, R.J. (2022, August 20). *Military Families' Housing Benefits Lag as Rents Explode*. NBC6 South Florida. <https://www.nbcmiami.com/news/national-international/military-families-housing-benefits-lag-as-rents-explode/2840192>

- 13 Blue Star Families. 2022 Relocation and Housing Pulse Check. https://bluestarfam.org/wp-content/uploads/2022/10/BSF_PulseCheck_Report_Sep2022.pdf
- 14 Ibid
- 15 History.com editors. (2019, June 7). *G.I. Bill*. History.com. <https://www.history.com/topics/world-war-ii/gi-bill>
- 16 Choi, J. H., Stochak, S., & Goodman, L. (2020). *The Impacts of US Military Services on Homeownership and Income*. Urban Institute. https://www.urban.org/sites/default/files/publication/101495/the_impacts_of_us_military_service_on_homeownership_and_income_1.pdf
- 17 Rhodes, T. (2022, June 16). VA Loan Program Helps Shrink Homeownership Gap for Veterans. *Veterans United*. <https://www.veteransunited.com/valoans/va-loan-shrinks-homeownership-gap>
- 18 Kamin, D. (2021, September 14). For Military Families, V.A. Loans Are a Lifeline, but With a Catch (Published 2021). *The New York Times*. <https://www.nytimes.com/2021/09/14/realestate/military-families-va-loans.html>
- 19 Petreus, H., & Twardowski, A. (2019, December 31). *Military Spouse Employment*. CRS Reports. <https://crsreports.congress.gov/product/pdf/R/R46498/3>
- 20 Blue Star Families. (2021). *Military Families of Color Needs Assessment*. https://bluestarfam.org/wp-content/uploads/2022/02/REI_Finding-7_Military-Spouse-Employment.pdf
- 21 Sallie Mae. (2022). *How America Pays for College*. <https://www.salliemae.com/content/dam/slm/writtencontent/Research/HowAmericaPaysforCollege2022.pdf>
- 22 Fletcher, E. (2020, May 21). *Identity theft causing outsized harm to our troops*. Federal Trade Commission. <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2020/05/identity-theft-causing-outsized-harm-our-troops>
- 23 Blue Star Families. (2021). *Military Families of Color Needs Assessment*. https://bluestarfam.org/wp-content/uploads/2022/02/REI_Finding-6_Finances_Spotlight-6_Food-Insecurity.pdf
- 24 U.S. Department of Defense. (n.d.). *The Effect of the Civilian Economy on Recruiting and Retention*. Retrieved December 15, 2022, from https://militarypay.defense.gov/Portals/3/Documents/Reports/SR05_Chapter_2.pdf
- 25 Novelly, T., Toropin, K., Beynon, S., & Kheel, R. (2022, May 13). Military Throwing Cash at Recruiting Crisis as Troops Head for the Exits. *Military.com*. <https://www.military.com/daily-news/2022/05/13/bigger-bonuses-pentagons-top-weapon-combat-recruiting-crisis-troops-head-exits.html>
- 26 U.S. Department of Defense. (2022, September 22). Memorandum: Taking Care of Our Service Members and Families. <https://media.defense.gov/2022/Sep/22/2003083398/-1/-1/0/TAKING-CARE-OF-OUR-SERVICE-MEMBERS-AND-FAMILIES.PDF>