



Military Family Lifestyle Survey

2023 Comprehensive Report

Housing and Relocation

Higher out-of-pocket housing costs may influence military families' likelihood to recommend military service. Housing costs remain the top contributing factor to financial stress for active-duty family respondents, despite slight gains in overall financial well-being.

BAH/off-base housing concerns are once again a top five issue of concern for active-duty family respondents and housing costs are the top contributing factor to financial stress for active-duty family respondents who report financial stress. The Department of Defense, aware of this increasing pressure, announced substantial adjustment to most Basic Allowance for Housing (BAH) rates in 2023 — averaging a 12.1% increase¹ and a 5.4% increase in 2024.^{2,a} Additionally, because BAH is recalculated annually and does not react quickly to rapid market fluctuations that military families must navigate when relocating to their assigned duty station community, the FY2023 National Defense Authorization Act (NDAA) required the DOD to present a report to both the

House and Senate Armed Services Committees on the effectiveness of BAH calculations to deal with fluidity of the housing market in the continental United States.³ That report had not yet been published as of February 2024, but highlights the need for data-driven decision-making when examining the BAH calculation.

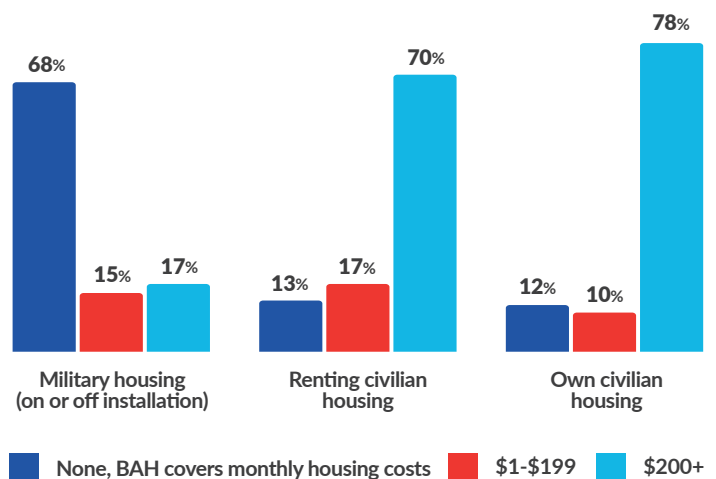
Despite pressure from both lawmakers⁴ and organizations advocating on behalf of military families to restore the BAH to 100% of local housing costs,⁵⁻⁷ the Department of Defense has maintained the 95% rate for the 2024 fiscal year. While the majority of active-duty family respondents (73%) who live in civilian housing, regardless of ownership status, continue to pay well over \$200 per month in housing costs out

of pocket (see Figure 1), this is the lowest proportion since 2020.^b This may indicate that policies aimed at addressing out-of-pocket costs are positively impacting some active-duty family respondents.

Housing costs vary regionally within the continental United States with a greater proportion of respondents who live in the South (66%) in comparison to the Northeast (48%), Midwest (56%), and West (50%) paying

Figure 1: Monthly Out-of-Pocket Housing Costs by Housing Situation

Active-duty family respondents (n=2,057)



Question text: Basic Allowance for Housing (BAH) is a benefit that provides uniformed service members housing compensation intended to cover 95% of housing costs in local civilian housing markets. What amount of your monthly out-of-pocket housing costs, including utilities, are NOT covered by your BAH?

^a Data from this survey was collected prior to the 2024 pay increase.

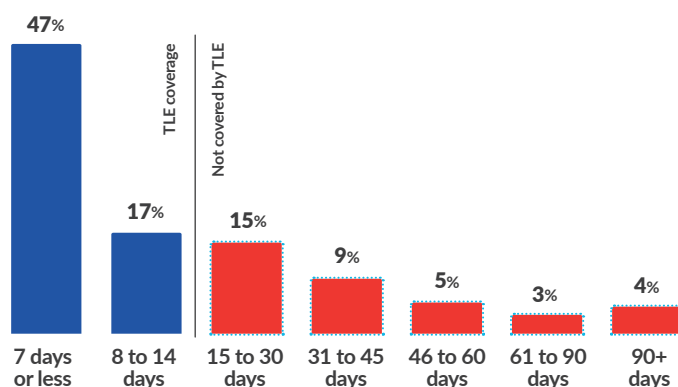
^b The proportion of active-duty family respondents reporting monthly out-of-pocket housing costs greater than \$200 was 81% in 2022, 76% in 2021, and 77% in 2020 iterations of the annual Military Family Lifestyle Survey. Comparisons should be interpreted with caution as these convenience samples are not the same year over year.

\$200 or more over their BAH each month.^c While rental costs have risen across much of the country⁸ throughout the past few years, the South has seen a greater increase as it has risen in popularity as a relocation destination for many civilian families,⁹ adding to housing market competition for the military families who relocate there through Permanent Change of Station (PCS) orders as well.

The DOD also addressed the financial toll of relocation for military families, particularly those who utilize temporary housing for longer periods of time while searching for or awaiting availability of more permanent housing,¹⁰ by extending the Temporary Lodging Expense benefit from 10 days to 14 days, and up to 60 days in some cases.¹¹ This benefits a majority of military families; more than half (57%) of active-duty family respondents reported that they did/will utilize temporary housing for at least one day prior to moving into permanent housing at the new duty station. However, about one-third

Figure 3: Number of Days Spent in Temporary Housing Before Moving into Permanent Housing at New Duty Station

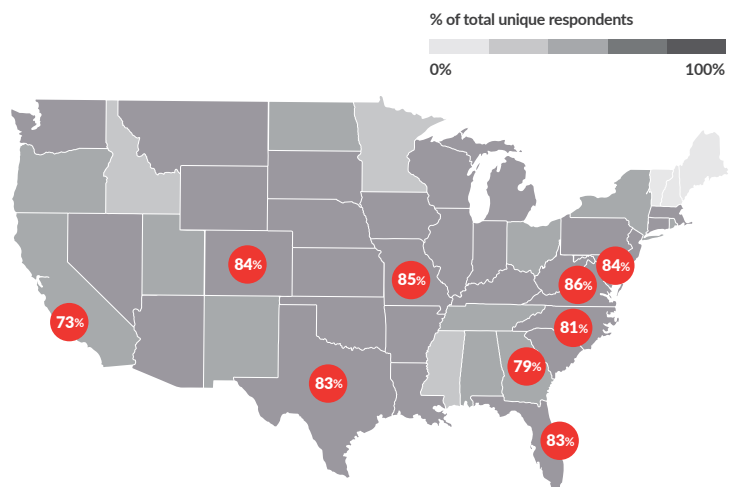
Active-duty family respondents who completed a PCS within the 12 months preceding survey fielding (n=867)



Question text: How long was the gap between when you arrived at your new duty station and when you moved into permanent housing?

Figure 2: Proportion with Out-of-Pocket Housing Costs Greater than Anticipated Cost Share, by State

Active-duty family respondents with any out-of-pocket housing costs



Question text: Basic Allowance for Housing (BAH) is a benefit that provides uniformed service members housing compensation intended to cover 95% of housing costs in local civilian housing markets. What amount of your monthly out-of-pocket housing costs, including utilities, are not covered by your BAH? Proportions provided for states where the sample size was greater than n=20.

of military families will still have out-of-pocket temporary housing costs; 36% of active-duty respondents who completed a recent PCS indicated they utilized temporary housing for 15 or more days.

Efforts by the DOD to respond to rising housing costs and overall inflation may be positively influencing military family financial well-being, as families who moved more recently report slightly better financial standing than those who have not. Nearly three-quarters of active-duty respondents (71%) who have completed a PCS within the 12 months preceding survey fielding said their family is “doing okay” or “living comfortably” when

^c Proportions include active-duty family respondents who report paying \$200 or more out-of-pocket monthly over their BAH for housing, regardless if they currently reside in military housing (on or off installation), rent civilian housing, or own civilian housing.

Table 1: Unreimbursed Temporary Housing Expenses

Active-duty family respondents who completed a PCS within the last 12 months (n=395)

None/I did not have any unreimbursed expenses	33%
Between \$1 and \$500	21%
Between \$501 and \$1,000	17%
Between \$1,001 and \$2,000	15%
Between \$2,001 and \$5,000	9%
Over \$5,000	4%

Question text: What amount of your temporary housing costs were not covered by your Dislocation Allowance (DLA), Temporary Lodging Expense (TLE)(CONUS), Temporary Lodging Allowance (TLA) (OCONUS), or Basic Allowance for Housing (BAH)?

asked about their financial situation compared to 68% of those who did not PCS in the last 12 months.

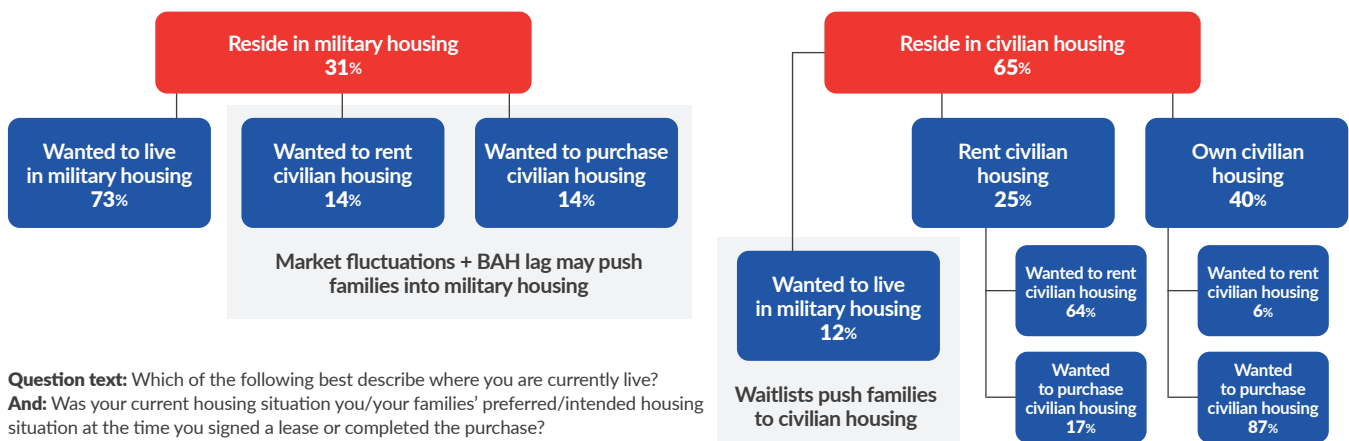
Housing Preferences, Choice, and Satisfaction

Most active-duty family respondents (65%) live in civilian housing, whether renting or through ownership, and one-third (31%) live in military housing. Active-duty family respondents who reside in civilian housing report

higher levels of satisfaction regardless of the amount of money spent over their BAH each month. While military housing may be more cost-effective for some families, fewer than half (42%) of active-duty family respondents who live in military housing are satisfied with their housing, in contrast to 80% of those who own civilian housing and 58% of those who rent civilian housing.

Figure 4: Current Living Situation and Preferred Living Situation when Most Recent Lease was Signed or Purchase was Complete

Active-duty family respondents (n=975)



Market circumstances in a particular area can shift the housing options available to families as they relocate, pushing some families toward housing options that they would not otherwise consider. Long waitlists for military housing may push some families to obtain civilian housing, and expensive civilian housing markets may push others toward military housing. The majority (68%) of active-duty family respondents, however, report their current living situation as their families' preferred/intended housing

situation at the time they signed their lease or completed their purchase. When respondents were asked why they were not living in their preferred housing situation, the most common themes that emerged from open-ended responses coalesced around financial barriers and long waitlists.

Table 2: Reasons Why Not Living in Preferred Housing: Most Common Themes Reported in Open-Ended Responses

Active-duty family respondents (n=740)

26%	BAH is too low for preferred housing	<p>“BAH was \$700/mo less than average rent in the good school zone ...” — Active-Duty Army Spouse</p> <p>“The community outside the base has seen a large jump in the price of homes. We placed several offers and were outbid each time. Home rentals in the community were extremely limited and charging above the BAH rate.” — Active-Duty Army Spouse</p>
24%	Prefer on-base housing but waitlist is too long	<p>“The waiting list was too long for on-base housing and we didn’t want to have to move twice (once into temp. housing and then again when on-base housing became available). But we love the community aspect of living on base and would choose it if not for the long wait” — Active-Duty Navy Spouse</p> <p>“The waitlist for the housing we were eligible for was too long, living in a hotel for six months to a year was a NO GO for us and not worth the convenience of living on post.” — Active-Duty Army Spouse</p>
16%	Prefer to buy but housing costs/interest rates are too high	<p>“We did not have a choice, money was too tight to try and buy a house so we had to get an apartment off base because housing on base was and still is a seven-eight month waiting period.” — Active-Duty Army Spouse</p> <p>“We didn’t have money for closing costs of a house or down payments/deposits after relocating from Japan to [the] USA.” — Active-Duty Air Force Spouse</p>

Housing Costs and Likelihood to Recommend Service

Military families are increasingly subsidizing costs that — according to policy — should be covered by the military as part of the benefits promised to and provided for military families as part of their service to the country. The gradual but persistent degradation of housing benefits, combined with financial pressures caused by spouse employment barriers, unaffordable or unavailable child care, and out-of-pocket relocation costs may reduce the appeal of military service when weighed with its challenges. As out-of-pocket housing costs increase, the likelihood of active-duty family respondents to recommend military service dips.

The transient nature of military life creates a repeating cycle where military families face challenges related to the cost and satisfaction of their housing with each PCS. Unlike civilian peers, military families do not

Table 3: Likelihood to Recommend Service by Out-of-Pocket Housing Costs

Active-duty family respondents

Amount of monthly housing costs not covered by BAH	Likelihood to recommend military service (Range: 0-10)
All housing costs covered (n=601)	5.03
\$1-\$199 (n=283)	4.92
\$200-\$499 (n=555)	4.76
\$500 or more (n=619)	4.75

Question text: “How likely are you to recommend that a young family member (child, niece, nephew, etc.) join the military?” Range: 0=very unlikely to recommend, — 10=very likely to recommend.

have the opportunity to stabilize their housing costs due to frequent relocation. Efforts to remediate some of the financial pressures, such as recent pay increases and adjustments to BAH and relocation costs, are a good starting point, though additional actions are necessary to further address the degradation of promised benefits and reduce the financial burden placed on families. To sustain the All-Volunteer Force, quality-of-life challenges such as housing must be urgently addressed.

Limitations

While survey respondents were asked to consider their monthly out-of-pocket housing costs, including utilities, respondents may have different definitions of what is included in their monthly housing costs, making equivalent comparison difficult. Survey data shows that active-duty family respondents who own civilian housing are most satisfied, however, this could be due to a number of factors outside the quality of the housing, including the choice to select a desired home, the freedom to personalize a living space, the opportunity to build wealth or equity, or the pride of homeownership. However, BAH is not meant to cover the monthly cost of owning a home.¹²

Recommendations



- Restore the BAH payment to 100% of the calculated rate.
- Address toxic conditions and safety concerns in military housing, including privatized housing, through data gathering/reporting, funding remediation plans, and ongoing congressional oversight.



- Revise BAH calculation to align more quickly with fluctuating housing markets, considering evaluating at shorter intervals.
- Increase the lead time given to families prior to a PCS move to ensure families have enough time to prepare in order for families to evaluate their housing options, obtain suitable housing, find spouse employment, child care, and set up necessary medical appointments.¹³
- Create a transparent tracking system that accounts for toxic exposures in military housing with full transparency of DOD personnel exposed.



- Encourage state and localities to use tax increment financing (TIF) districts¹⁴ to develop new and affordable housing.^{15*}

*More information in Recommendations Chapter of Comprehensive Report

Endnotes

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