



Military Family Lifestyle Survey



Financial Situation

Comprehensive Report | **2024**

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Active-duty family respondents’ financial situations are challenged by military pay concerns, relocation, and spouse unemployment. For most active-duty family respondents, relocation expenses take 12 or more months to bounce back from financially.

Since the height of the COVID-19 pandemic, the cost of living has increased, financially straining American families,¹ but recent research highlights that military families feel greater financial pressures than their civilian peers. While civilian households have enjoyed a 43% increase in income since 2011, military households saw half that, only 21%.² As a result, in inflation-adjusted terms, military households are worse off now than they were in 2011.³ For military families already burdened by relocation costs, out-of-pocket

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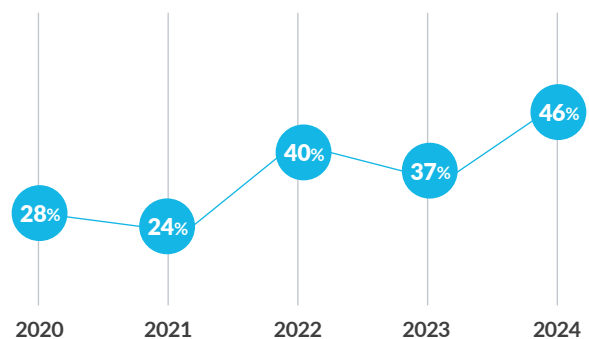
housing costs, and high spouse unemployment rates, this additional strain can have cascading negative financial effects. Highlighting the impact of military family financial challenges on force readiness, recruitment, and retention efforts, the House Armed Services Committee (HASC) Quality of Life Panel Report, released in April 2024, included several recommendations directly tied to military family financial security, including military pay and spouse employment efforts, such as an increase in service member pay.⁴

Military pay has been a top five reported issue of concern for the past five years for active-duty family respondents (Figure 1), nearly doubling in importance as the most commonly reported concern in the Military Family Lifestyle Survey (MFLS). Among enlisted respondents, it is the top issue of concern; 58% of enlisted active-duty family respondents list this as a top issue, compared to just 30% of officer family respondents.

The role of military pay in military family financial security is emphasized by fewer than two-thirds (62%) of active-duty family respondents who report their current financial situation as “doing okay” or “living comfortably,” in contrast to 72% of overall U.S. adults.⁵ Differences in financial situation were noted amongst respondents by their/their service member’s rank with a majority of officer active-duty family respondents (82%) indicating they were “doing okay” or “living comfortably,” compared to fewer than half of their enlisted

Figure 1: Military Pay as a Top Issue of Concern 2020-2024

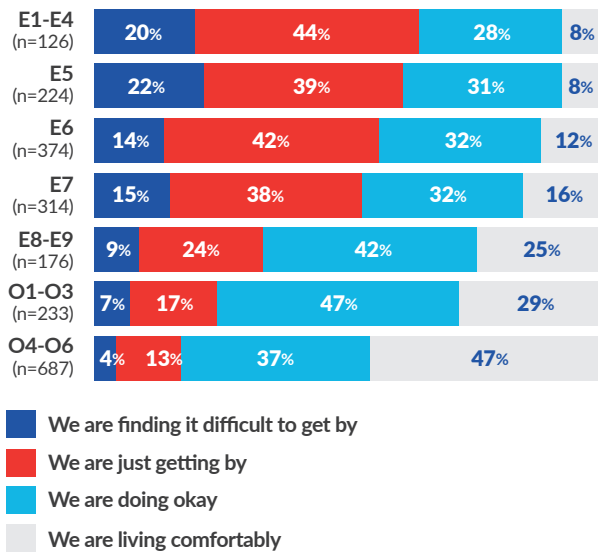
Active-duty family respondents



Question text: Please select at least five military life issues that most concern you.

Figure 2: Financial Situation by Rank

Active-duty family respondents



Note: Mid-grade enlisted ranks E5-E7 were separately broken out due to the variability in this group.

counterparts (46%) (Figure 2). Those most impacted by low military pay are those in the lowest ranks. Only one-third (36%) of junior enlisted (E1-E4) reported they were “doing okay” or “living comfortably” with (44%) reporting they are “just getting by.”

Pay Errors

Concerns related to military pay issues encompass more than the amount of base compensation received for service. More than one-quarter (27%) of active-duty family respondents reported that they/their service member experienced a pay error within the past 12 months. The majority (77%) of those respondents reporting pay errors indicated that they received less money than they were owed. Nearly two-thirds (64%) of those who experienced pay errors

reported it took three or more months to rectify these errors and 69% reported the process to be “difficult” or “very difficult.” While it is unclear what causes these pay errors, it is an opportunity for further research.

Top Contributors to Financial Stress

For the past three years, active-duty family respondents have consistently reported that housing costs, relocation costs, and spouse unemployment and underemployment are the top contributors to their families’ financial stress (Table 1).

Table 1: Top Contributors to Financial Stress		
Active-duty family respondents who report experiencing financial stress ^a		
2022 (n=2,134)	2023 (n=2,100)	2024 (n=1,920)
Housing Costs 48%	Housing Costs 48%	Housing Costs 48%
Underemployment/Unemployment 31%	Relocation Costs 34%	Relocation Costs 32%
Relocation Costs 31%	Underemployment/Unemployment 30%	Underemployment/Unemployment 28%

Question text: Which of the following contributes to your family’s current financial stress? Please select your top three choices.

^a Those who answered “We currently have no financial stress” were removed from the final calculation.

Housing Costs

For nearly half (48%) of financially stressed active-duty families, housing costs were the top contributor to their financial stress, for the third year in a row.^{6,7} The efforts to address the disparity between Basic Allowance for Housing (BAH)⁸ and reported service member monthly housing costs have not yet reduced the proportion who are exceeding their anticipated cost-share. An increasing proportion of military families are unable to cover their housing costs with their allotted BAH, or within the anticipated cost-share of \$200/month (Figure 3). Active-duty family respondents paying above their expected cost share are still the majority.

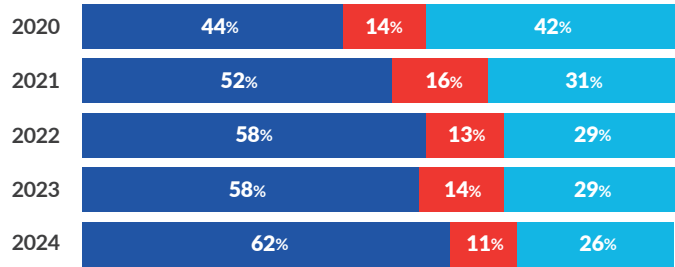
Relocation

Each year, approximately one-third of military families relocate, up to 400,000 service members and families.⁹ The financial costs of relocation can be enormous and have cascading impacts to a family’s financial situation including loss of employment for the spouse, loss of accessible child care, and can lead to food insecurity.¹⁰ One-third (32%) of active-duty family respondents completed a PCS within the 12 months preceding survey fielding. Of these respondents, the majority (74%) indicated they were “doing okay”/“living comfortably” prior to their recent relocation, but only 61% report their financial situation after the relocation is the same. This may be due in part to unreimbursed out-of-pocket expenses. Most (69%) active-duty families reported they paid more than \$500 for out-of-pocket expenses related to their most recent PCS that were not reimbursed (Figure 4).

Rebuilding after a relocation takes time. More than half (52%) of active-duty family respondents who had out-of-pocket relocation expenses

Figure 3: Housing Costs

Active-duty family respondents 2020-2024



- % exceeding cost-share (>\$200)
- % within cost-share (<\$200)
- % within BAH (\$0 out of pocket)

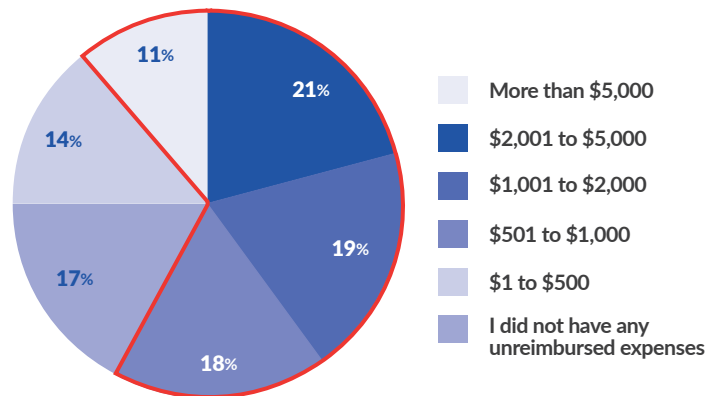
Question text: “Basic Housing Allowance (BAH) is a benefit that provides uniformed service members housing compensation intended to cover 95% of housing costs in local civilian housing markets. What amount of your monthly out-of-pocket housing costs, including utilities, are NOT covered by your BAH?”

Note: Those who answered “unsure” and “prefer not to answer/does not apply” were excluded from analysis.

Rows may not sum to 100% due to rounding.

Figure 4: Unreimbursed Costs Related to Most Recent PCS

Active-duty family respondents (n=1,824)

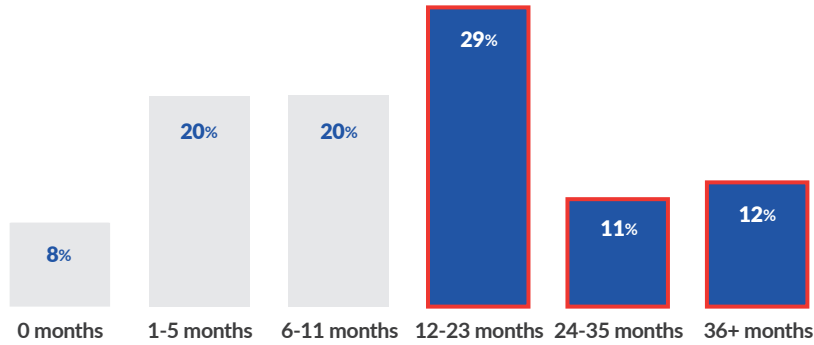


69% of active-duty families paid more than \$500 in unreimbursed costs for their most recent PCS.

Question text: During your last PCS, how much of your out-of-pocket expenses related to the PCS were not reimbursed?

Figure 5: Number of Months to Rebuild Savings/Pay Down Debt Following Relocation

Active-duty family respondents (n=1,142)



52% say it will take longer than 1 year to financially recover from a PCS.

Question text: How many months did it/do you anticipate it will take to rebuild your savings/pay down your debt after your recent relocation?

report it did (or will) take 12 or more months before they are able to (or will) regain their pre-relocation financial state (Figure 5).

Unsurprisingly, the recovery time differences align with the time it takes for a military spouse to find new employment. Among those active-duty spouse respondents who started new employment after their most recent PCS, 72% said it took longer than three months (Table 2).

When relocating every 18-36 months,¹¹ military families need to begin preparing for the next

relocation almost as soon as they arrive in their new community, something that is difficult to do given the amount of time it takes to regain financial footing from the most recent PCS.

Table 2: Months it Took After Most Recent Relocation Before Beginning Work
Active-duty spouse respondents* who started new employment after most recent PCS (n=868)

Less than 1 month	12%
1-2 months	16%
3-4 months	19%
5-6 months	17%
7-9 months	9%
More than 9 months	27%

72% said it took longer than 3 months to begin work.

Question text: How many months after your most recent relocation did it take before you were able to start working?

*Who are not also active-duty service members

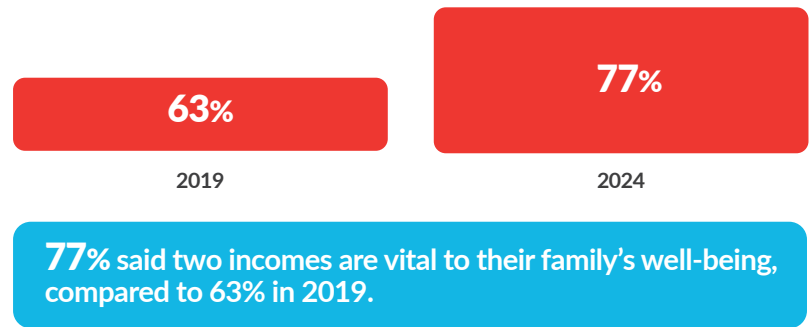
Spouse Employment

Recent reports have indicated that military family incomes have begun lagging behind their civilian counterparts, primarily due to lack of employment for spouses.¹² An increasing proportion of military families say that having two incomes is vitally important to their family’s well-being; more than three-quarters of 2024 active-duty family respondents (77%) agree, an increase from 63% in 2019.

While it seems obvious, spouses who are employed report better financial situations than their unemployed peers (Figure 7); nearly twice the proportion (69%) of active-duty spouses who are employed full time or part time report their family’s financial situation as “doing okay” or “living comfortably” compared to those who are unemployed (37%). See Spouse Employment and Child Care Finding for more information.

Figure 6: Two Incomes is Vitally Important

Active-duty family respondents, 2019 and 2024



77% said two incomes are vital to their family’s well-being, compared to 63% in 2019.

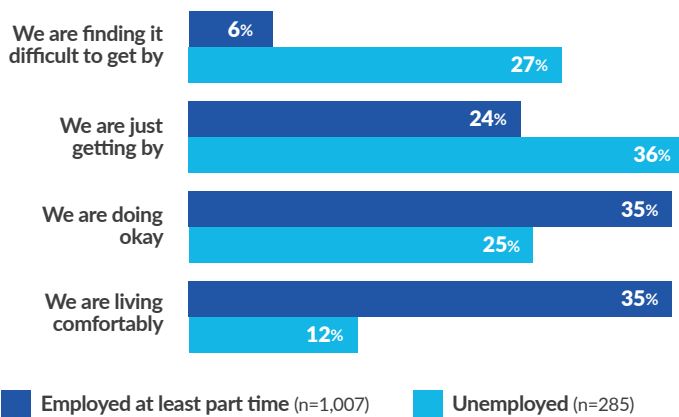
Question text: Please indicate whether you strongly disagree, disagree, agree, or strongly agree with the following statement: Having two incomes is vitally important to my family’s well-being.

Financial Stability Solutions

When active-duty family respondents were asked to identify their top solutions to their financial stress, the majority (72%), reported a military pay raise as the top solution (Table 3). Congress has been working

Figure 7: Financial Situation by Employment Status

Active-duty spouse respondents who are not also service members



on ways to improve the financial stability of military families, especially of those in the most junior pay grades through pay increases,¹³ targeted spouse employment programming, and child care eligibility expansions.

Military families face distinct financial challenges compared to their civilian counterparts, exacerbated by issues like relocation expenses, spouse unemployment, military pay errors and the threat of government shutdowns. The lingering impact of these challenges on financial stability and force readiness underscores the importance

of targeted solutions, such as increasing military pay and enhancing spouse employment opportunities. Addressing these issues is vital for ensuring the long-term resilience and well-being of military families.

Table 3: Top Solutions to Solve Financial Stress
Active-duty families (n=1,884)

Military pay raise	72%	Greater number of providers accepting TRICARE	19%
Increased BAH	68%	Extended Temporary Lodging (TLE) benefits*	15%
Employment for spouse	38%	Avoid government shutdown	20%
Student loan forgiveness	25%	Greater number of providers accepting TRICARE	19%
Child care subsidy	23%	Extended Temporary Lodging (TLE) benefits*	15%
Avoid government shutdown	20%		

Question text: Which of the following would best solve your financial stress? Please select your top three choices.

*On Sept. 13, 2024, the DOD announced an increase of TLE from 14 to 21 days.¹⁴

Recommendations



Congress

- Restore BAH payment to 100% of the calculated rate.



DOD

- Revise BAH calculation to align more quickly with fluctuating housing/rental markets, consider evaluating at shorter intervals.
- Providing improved financial literacy training to service members and their spouses designed to address the unique or specific needs of members and their families.
- The Office of the Inspector General should conduct a comprehensive review of the magnitude of unpaid and delayed payments to service members and their families and provide recommendations for improving efficiencies.^{15,16}
- Implement a clear and streamlined process for resolving pay and reimbursement issues that does not inadvertently penalize the service member.



Communities

- Foster belonging for military families through community partnerships and resource integration.*

*More information in Recommendations Chapter of Comprehensive Report

Endnotes

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