

State of Personal Finance in the Military Community



About The USAA Educational Foundation

At The USAA Educational Foundation (USAAEF), our mission is to lead and inspire actions that improve financial readiness across the military community.

We offer a comprehensive library of free resources that empower individuals to build a stronger financial future and improve their quality of life.

We understand military life

Our financial experts have advanced credentials and close ties to the military community. We are passionate about helping service members, veterans and their families.

We're here for you anytime, anywhere

We offer on-demand learning resources like calculators, videos, guides and checklists that you can access 24/7, from anywhere in the world.

We're in it for the long haul

From your first assignment through deployments, relocations and beyond, we have intel to help you address financial challenges, make smart money moves, understand benefits and invest wisely at any stage of military life.

We're not selling anything*

As part of our mission to provide trustworthy and unbiased information, we never reference, endorse or sell any commercial product or service. Our resources are always objective and free for the military community.

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Our History

Since 1986, The USAA Educational Foundation has empowered the military community to make informed financial decisions through every stage of life.

USAA, the founder and sponsor of The USAA Educational Foundation, is a San Antonio, Texas-based financial services company that provides auto, homeowners and life insurance products as well as banking and investment services.

While USAA is our sponsor, The USAA Educational Foundation does not endorse or promote any commercial supplier, products or services.



Note From the President

For over 40 years, The USAA Educational Foundation has focused on supporting those who have served our country, along with their families. From our inception, we have been there to help you navigate important moments in life—from budgeting for a permanent change of station (PCS) or deployment, to saving for a newborn child's college education. That history lives on to this day.

USAAEF is committed to being the military community's primary source of information supporting financial security and financial well-being.

There are a wide range of reports that discuss issues facing military families, many of them scratching the surface of financial security. Our goal is to provide an easy-to-read overview of the state of personal finance for the military community and provide resources to help you understand steps you can take to improve your financial security.

This report is the first of what will be an annual report that provides a holistic look at key factors impacting personal finance for the currently serving, veterans and their families.



David Evetts
President





Key Definitions

Financial Health:

Ability to manage daily expenses, withstand financial shocks and build long-term security

Financial Stability:

Ability to manage day-to-day finances and meet immediate obligations

Financial Resilience:

Capacity to bounce back from unexpected financial challenges, like sudden medical bills or job loss

Financial Security:

Long-term financial well-being, emphasizing future preparedness (retirement savings, wealth accumulation)

Housing Affordability:

Insights into homeownership, renting and housing costs

Transportation Affordability:

Household vehicle ownership, auto financing, leasing and purchase behaviors

Executive Summary

The state of personal finance in the military community in 2025 reflects clear strengths alongside persistent strains. On average, military-affiliated households are better positioned than their civilian counterparts, with higher incomes, stronger credit profiles, greater savings and liquidity and substantially more retirement assets and net worth. These advantages reflect steady military compensation, structured retirement systems and access to institutional financial support.

At the same time, military life creates recurring financial pressures. Frequent PCS moves, assignments to high-cost duty stations, elevated spouse unemployment and rising housing and transportation costs create predictable financial pinch points—especially during transitions such as relocations, deployments and separation from service. These factors are in addition to the impacts of broader economic events such as recession, stagflation and government shutdowns.

As a result, financial readiness is strong overall but uneven in practice. Many families demonstrate solid financial stability, resilience and long-term security, yet a meaningful share continue to face limited emergency savings, gaps in investment participation or challenges managing large recurring expenses. These risks are not evenly distributed and tend to concentrate around key transition points.

Taken together, the findings underscore a central reality: When military compensation and benefits are relatively uniform, differences in outcomes are shaped by how households plan, decide and respond to financial challenges over time.

Ensuring timely access to education, planning tools and protections—particularly during transitions—remains critical to strengthening financial stability today, building resilience for tomorrow and expanding opportunity for the future.

Advantages

Challenges

Financial Stability



Military-affiliated households have **higher median household incomes** than civilian households.

Military spouses face **unemployment** at rates four times higher than civilian counterparts.

Financial Resilience



Financial management is stronger due to institutional financial support, such as access to personal financial managers and financial counseling.

PCS moves create predictable "pinch points," often requiring >\$500 in out-of-pocket costs and delayed income recovery.

Financial Security



Military households, on average, have three times more in **retirement savings** than civilians.

Despite strong wealth indicators, some military families have a gap between long-term security and **lived financial experience**.

Housing Affordability



Veterans' **homeownership** outpaces the general population by about 13% points.

Continental United States (CONUS) counties with a major military installation have 12% higher **homeownership costs**.

Transportation Affordability



Service members are less likely to have **vehicles repossessed**.

Young veterans are more likely to fall behind on **debt payments** in the months following separation.

Financial Stability

Financial stability is a key indicator of overall financial health. It is the ability to cover routine expenses, pay bills on time and manage predictable financial obligations without falling behind. In short, it is all about cash flow—how households handle money coming in and money going out. Military-affiliated household finances are steady for many families, but a significant portion report constant money stress and very little room at the end of the month.¹

Resources

[Budget & Savings](#)

[Understanding Credit](#)

↗ Tailwinds

Median household income is higher for military-affiliated households compared with civilian counterparts—\$105,000 compared with \$95,000.²

Median checking balances for military-affiliated households are about 25% higher than civilian households.²

In 2025, junior enlisted (E1-E4) received a 14.5% pay increase.

↘ Headwinds

The unemployment rate for military spouses is nearly four times the rate of their civilian counterparts.³ Frequent moves, combined with the cost and availability of child care, contribute to the high rate of spouse unemployment.¹

Revolving credit balance: 44% of military-affiliated households carry a credit balance month-to-month.²

Inflation: The rising costs of goods and services affects all consumers, with the National Foundation for Credit Counseling reporting that military households are more severely impacted.⁴

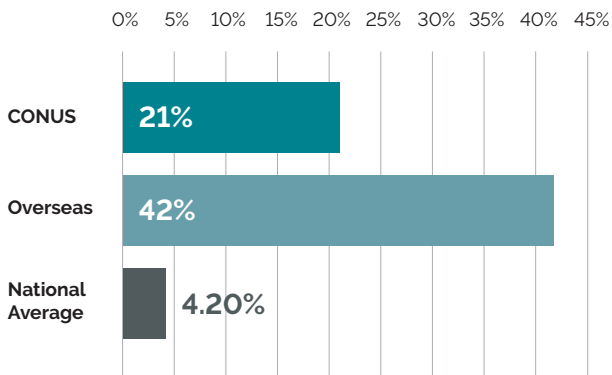
¹ Blue Star Families—2024 Military Family Lifestyle Survey (MFLS) (published 2025); DoD—Defense Personnel and Security Research Center (OPA/DPAC): 2021 Active Duty Spouse Survey (ADSS): results.

² MVEST(2025): The Military & Veteran Economic Security Tracker (MVEST) is a national data and analytics platform developed by The USAA Educational Foundation.

³ Military spouse employment landscape: trends, barriers, and opportunities (March 2025). D'Aniello Institute for Veterans & Military Families, Syracuse University.

⁴ Consumer financial literacy survey, National Foundation for Credit Counseling (NFCC).

Military Spouse Unemployment Rate



[Blue Star Families](#) and [U.S. Department of Labor](#)

Current State

While military-affiliated households often have a higher median income and checking account balances than their civilian counterparts, a significant portion experience persistent financial stress due to issues like high military spouse unemployment, moves and the impacts of inflation.



Financial Resilience



Military financial resilience reflects a household's ability to absorb unexpected expenses, income disruptions and PCS-related costs without long-term financial harm. Overall, military-affiliated households demonstrate stronger resilience than civilian households, with higher savings, greater liquidity and generally stronger credit. However, these advantages mask a persistent minority with limited financial buffers, leaving some families vulnerable to routine disruptions.

Resources

[Save for Emergencies](#)

[Moving \(PCS\)](#)

↗ Tailwinds

Higher savings and liquidity: Military-affiliated households hold higher median savings (\$23,000 versus \$13,000 civilian) and liquid assets (\$107,000 versus \$77,000), improving shock absorption.¹

Stronger credit profiles: Average credit scores are higher (727 versus 715 civilian),¹ supporting access to lower-cost borrowing.

Institutional financial support: Access to personal financial managers, financial counseling and structured savings programs strengthens day-to-day financial management.

↘ Headwinds

Uneven emergency savings: Nearly 1 in 4 military-connected households report less than \$500 in emergency savings,² with junior households less likely to maintain an adequate cushion.

Lower checking balances: Only 43% of military households can cover three months of expenses with checking balances, while about 23% can cover six months.¹

PCS financial strain: Frequent moves create predictable "pinch points," often requiring >\$500 in out-of-pocket costs and delayed income recovery.³

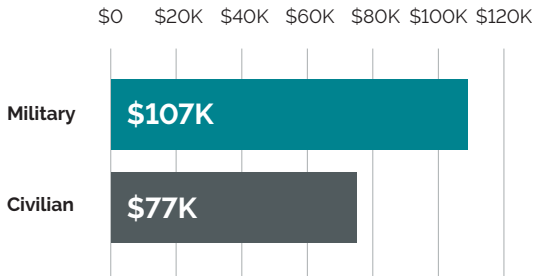
Ongoing stress for small segments: Missed credit payments, insurance gaps and food insecurity—especially among enlisted families—signal continued vulnerability.



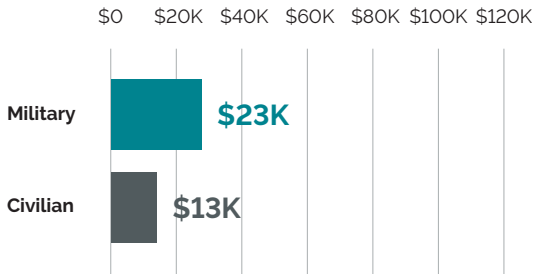
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Military vs. Civilian Financial Buffers

Median Liquid Assets¹



Median Savings Assets¹



Current State

The 2025 outlook shows stable overall resilience alongside concentrated risk among households with thin financial buffers.

¹ MVEST(2025): The Military & Veteran Economic Security Tracker (MVEST) is a national data and analytics platform developed by The USAA Educational Foundation.

² Military Family Advisory Network (MFAN): 2023 military family support programming survey results.

³ Blue Star Families—2024 Military Family Lifestyle Survey (MFLS) (published 2025).

Financial Security

Military financial security is about long-term stability—building wealth, preparing for retirement and protecting financial progress over time. Overall, military-affiliated households are more financially secure than civilian households, especially when it comes to retirement savings and net worth. However, not all families benefit equally. Some service members face short-term financial pressure that can weaken long-term security.

Resources

[Saving for Retirement](#)

[Investing Basics](#)

[Life Insurance](#)

➤ Tailwinds

Strong retirement readiness: Military households have much higher retirement savings than civilians—about three times more, on average—showing strong long-term preparation.¹

Higher net worth: Median net worth is \$365,000, about \$46,000 higher than civilian households, giving many military families a solid financial foundation.¹

Widespread use of retirement and investment tools: Nearly 6 in 10 military households invest, and 83.3% of service members contribute to the Thrift Savings Plan, reflecting strong saving habits while serving.²

Strong life insurance coverage: More than 9 in 10 service members carry the maximum Servicemembers' Group Life Insurance (SGLI) coverage, providing broad financial protection for military families and strengthening overall financial security.³

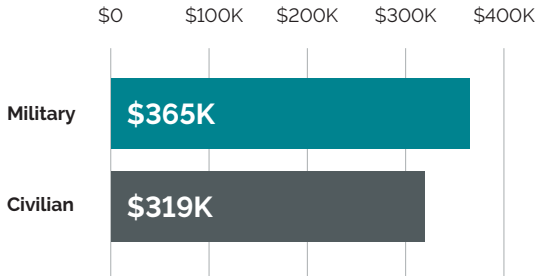
➤ Headwinds

Perceived financial strain despite long-term gains: Even with strong long-run wealth indicators, some military families experience day-to-day financial pressures due to illiquid assets, spouse employment barriers, frequent relocations and high-cost duty stations, creating a gap between long-term security and lived financial experience.

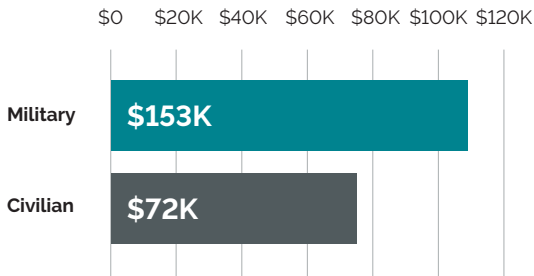
Short-term pressure can undermine long-term goals: Some service members take retirement loans or early withdrawals to manage current expenses, reducing future financial security.

Military vs. Civilian Long-Term Financial Position

Median Net Worth

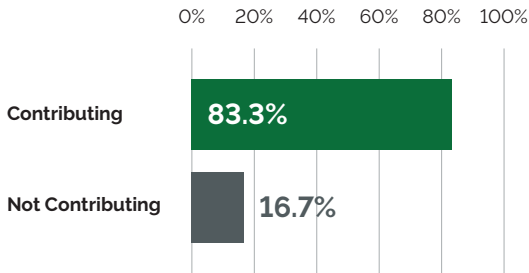


Median Retirement Assets



Retirement System Participation

Thrift Saving Plan Contribution Adoption Rate



Current State

In 2025, military households show strong long-term financial security overall, supported by higher savings, investments and retirement assets than civilian peers.

The outlook is stable and positive, but continued financial education and protection are critical to ensure that all service members can sustain financial security over time.

¹ MVEST(2025): The Military & Veteran Economic Security Tracker (MVEST) is a national data and analytics platform developed by The USAA Educational Foundation.

² DoD-OUSD(P&R): Financial Literacy and Preparedness Survey; Results from the 2023 Status of Forces Survey; DoD-OUSD(P&R): Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces: Results from the 2022 Status of Forces Survey.

³ Veterans Benefits Administration, annual benefits report fiscal year 2024, U.S. Department of Veterans Affairs.

Housing Affordability

Housing affordability refers to a household's ability to maintain safe, stable housing without financial strain. For military and veteran families, affordability is shaped by frequent relocations, high-cost duty stations and local housing markets, while programs such as Basic Allowance for Housing (BAH) and Veterans Administration (VA) home loans provide important support. Even with these benefits, many families continue to face meaningful challenges in finding housing that fits both their needs and their budgets.

Resources

[Home Buying HQ](#)

[Mortgage-Related Definitions](#)

[Renting vs Buying Video](#)

[Rent or Buy Calculator](#)

[Mortgage Payment Calculator](#)

Tailwinds

Veterans have a higher homeownership rate than the general population (about 78% versus 65%).¹

Rising Basic Allowance for Housing (BAH): BAH increased by an average of 5.4% in 2025 and is projected to rise approximately 4.2% in 2026.

Lower rates of homelessness: The VA reported 32,882 veterans who experienced homelessness in 2024, a record low, and down 55.6% since 2010.²

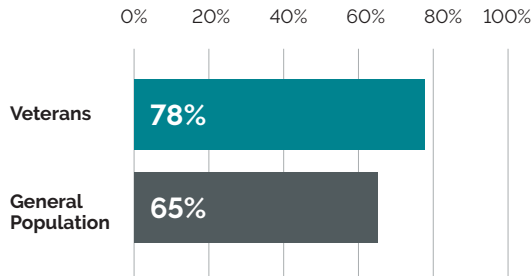
Headwinds

Higher home prices: Existing-home price exceeded \$400,000, pushing housing costs further out of reach for many middle-income families.³ Only about one in five homes nationwide are affordable to the typical veteran buyer, even with VA benefits.⁴

Escalating homeownership costs: Median monthly mortgage payments, taxes, insurance and utilities increased from \$1,960 to \$2,035 in 2025.⁵

Higher cost of living off base: Median homeownership costs are 12% higher in CONUS counties with a major military installation.⁶

Homeownership Rates



Can the military afford to live where it serves?

Approximately 58% of service members rely on BAH to rent or buy housing off base, meaning that a majority are engaged directly with local civilian housing costs.⁷

Year	BAH Avg. Increase	Rent CPI Increase
2022	~5.1%	~6.0%
2023	~12.1%	~8.0%
2024	~5.4%	~5.1%
2025	~5.4%	~3.5-4.0%*
2026	~4.2%	~3.9%*

*Rent Consumer Price Index (CPI) here refers to national broader rent inflation trends from CPI data—not exact yearly figures published yet for all years but drawn from annual patterns available at the Bureau of Labor Statistics.

¹ Recent trends in housing cost burden among U.S. military veterans. Rand Corporation, Research Report. 2023

² Veteran homelessness reaches record low, decreasing by 75% since 2023—VA News.

³ Median sales price of existing homes (HOSMEDUSM052N) | FRED | St. Louis Fed.

⁴ Affordability improves slightly for veteran homebuyers, but most homes are still out of reach. Redfin News. November 10, 2025.

⁵ The cost of homeownership continues to rise. United States Census Bureau. September 11, 2025.

⁶ MVEST(2025): The Military & Veteran Economic Security Tracker (MVEST) is a national data and analytics platform developed by The USAA Educational Foundation.

⁷ Military housing. Congressional Research Service. September 29, 2023. Accessed March 15, 2026.



Current State

Housing affordability continues to challenge many U.S. households, though recent trends show modest signs of stabilization.

Rental markets have begun to ease slightly, with rent in the top-50 metro areas trending down year over year in November 2025.

Transportation Affordability

Transportation affordability refers to a household's ability to maintain reliable access to work, services and daily needs without transportation costs creating ongoing financial strain. For service members and veterans, affordability is influenced by vehicle prices, financing conditions, insurance costs and the essential need for dependable transportation. While many military and veteran families successfully manage these expenses, transportation remains an ongoing consideration for long-term financial stability.

Resources

[Car Buying Basics](#)

[Vehicle Payment Calculator](#)

➤ Tailwinds

Comparable auto loan payments: Veteran auto loan payments closely mirror those of civilian households across all age groups.¹

Lower vehicle repossession: Service members are less likely to voluntarily surrender their vehicles, or have their vehicles repossessed, compared with civilians.

Interest rates easing, incentives make comeback: Loan rates appear to be slowly improving and some manufacturing incentives have returned to stimulate demand.²

➤ Headwinds

Inflated vehicle prices: The average new vehicle price is approximately \$50,000, and used vehicles frequently sell for \$26,000–\$28,000.³

Rising insurance costs: Auto insurance premiums rose about 12% from 2024 to 2025, pushing the average full-coverage cost to roughly \$2,638 annually.⁴

More financed, smaller down payments: Service members financed approximately \$39,000, on average—roughly \$2,200 more than civilians⁵—while putting down approximately \$1,100 less. For used vehicles, they financed approximately \$27,500, approximately \$400 more than civilians.⁶

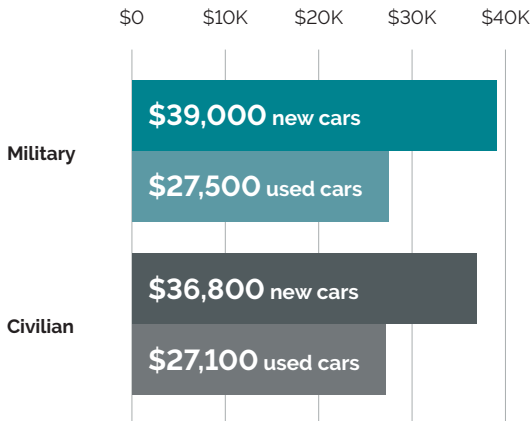
Negative equity: Service members are more likely to roll negative equity into new auto loans, meaning that unpaid balances from previous vehicles are carried forward. Average negative equity was about \$5,900 for new vehicles and nearly \$4,000 for used, both higher than for civilian borrowers.⁷

How affordable is transportation for today's veterans?

A variety of VA transportation assistance programs exist to help veterans reach medical facilities, highlighting that transportation costs can be a barrier to care for some veterans.

Young veterans are more likely to fall behind on debt payments like auto loans in the months following separation.

Average Amount Financed



Current State

Transportation costs remain one of the largest household expenditures in the United States, shaped by elevated vehicle prices and financing conditions.

¹ MVEST(2025): The Military & Veteran Economic Security Tracker (MVEST) is a national data and analytics platform developed by The USAA Educational Foundation.

² New-vehicle affordability improves in January on higher income, lower loan rates. Cox Automotive. February 16, 2026. Accessed March 15, 2026.

³ Kelley Blue Book report: new-vehicle average transaction price hits record-high in September, surges past \$50,000 for the first time ever. October 13, 2025.

⁴ The true cost of auto insurance in 2025 | Bankrate.

⁵ CFPB Finds servicemembers pay more in auto lending market | Consumer Financial Protection Bureau (CFPB).

⁶ Auto lending to service members. Consumer Financial Protection Bureau. January 2025.

⁷ Consumer Financial Protection Bureau. January 2025.

Conclusion

The state of personal finance for the military community in 2025 is fundamentally one of strength tempered by strain.

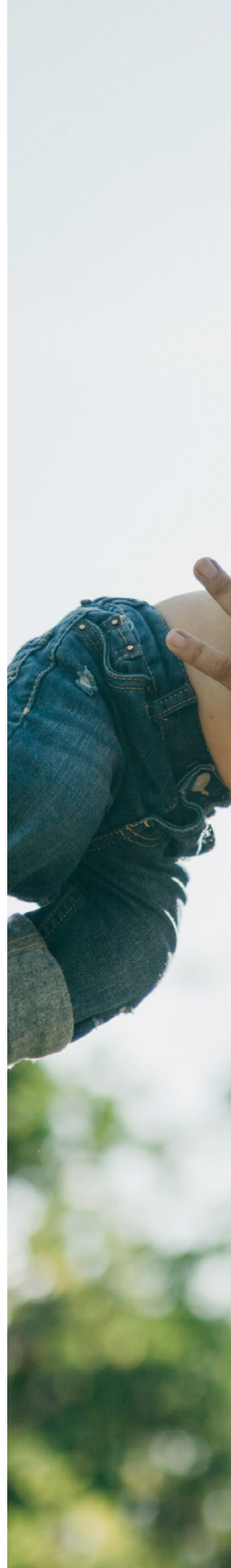
On average, military-affiliated households are better positioned than their civilian counterparts, with higher incomes, stronger credit profiles, greater savings and liquidity, and substantially more retirement assets and net worth. These advantages reflect the value of steady military compensation, structured retirement systems and access to institutional financial support.

At the same time, military life introduces unique and recurring financial pressures that shape outcomes in meaningful ways. Frequent PCS moves, assignments to high-cost duty stations, elevated spouse unemployment and rising housing and transportation costs create predictable financial pinch points that can disrupt household budgets and, in some cases, undermine long-term goals.

These challenges are persistent—and importantly, they are not evenly distributed, often falling most heavily on families during key moments of transition.

While this report does not directly measure the effects of financial education, the relatively uniform nature of military pay and benefits suggests that how families plan, decide and respond to financial stressors matters. In this context, consistent access to timely education, planning tools and protections can support better financial decision-making at key moments—helping families navigate transitions, manage risk and build wealth over time.

As The USAA Educational Foundation marks its 40th year of service, we remain committed to supporting service members, veterans and their families with trusted, unbiased resources that strengthen financial stability today, build resilience for tomorrow and expand opportunity for the future.



A photograph of a man with a beard, wearing a white t-shirt, holding a baby up in the air. The baby is wearing a white onesie and has its hands near its mouth. The background is a bright, sunny sky with some green foliage visible at the bottom. The overall mood is joyful and hopeful.

Additional Resources

Military Aid Societies:

[Air & Space Forces Aid Society](#)

[Army Emergency Relief](#)

[Coast Guard Mutual Assistance](#)

[National Guard Relief Foundation](#)

[Navy-Marine Corps Relief Society](#)

Partner Nonprofits/Organizations:

[Blue Star Families](#)

[Elizabeth Dole Foundation](#)

[Face the Fight](#)

[Military Family Advisory Network](#)

[Tragedy Assistance Program for Survivors](#)

[Wounded Warrior Project](#)



Appendix



From our Partners and Peers

Wounded Warrior Project

Reference: [Wounded Warrior Survey](#)

TABLE 14: Top Reasons for Financial Strain or Struggle Among WWP Warriors
(WWP warriors were asked to report the top two reasons for financial strain or struggle in the past 12 months.)

Top Reasons for Financial Strain or Struggle	★ WWP WARRIORS
Increased cost of goods (for example, food, gas, rent)	54.8%
Not applicable	22.2%
Other unexpected financial hardship (natural disaster, car, home repairs, etc.)	20.9%
Working but not making enough money	20.3%
Family obligations (care for a parent or child, taking on dependents, funeral costs, etc.)	19.7%
Out of work	14.2%
Living beyond means (overspending)	9.3%
Medical bills	3.7%

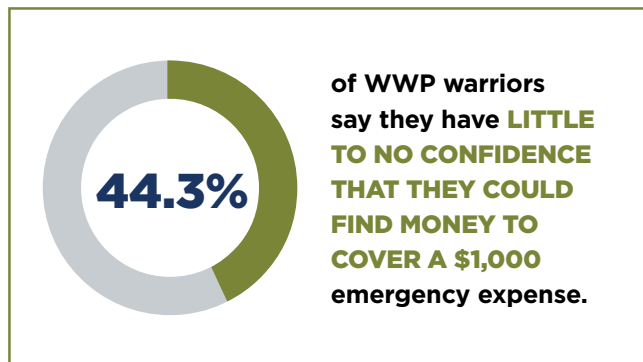
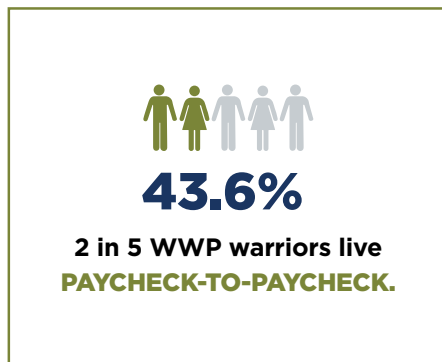
TABLE 15: Types of Debt Among WWP Warriors

Type of Debt	★ WWP WARRIORS
Credit card	75.3%
Auto loan	67.7%
Mortgage on primary home	63.5%
Student loans	21.0%
Medical	20.3%
Recreational or secondary vehicle(s)	13.2%
Other	8.8%
Mortgage on secondary home(s)	5.1%

NOTE: The sum of the percentages is greater than 100%, as WWP warriors were asked to select all that apply.

TABLE 16: Manageability of Debt Among WWP Warriors (Excluding mortgages on primary residences)

Manageability of Debt	★ WWP WARRIORS
Very manageable	35.2%
Somewhat manageable	40.1%
Somewhat unmanageable	16.4%
Very unmanageable	8.3%



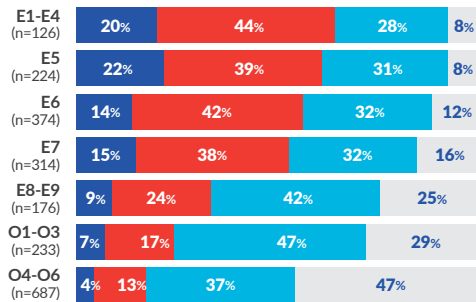


From our Partners and Peers Blue Star Families

Reference: [Military Family Lifestyle Survey](#)

Figure 2: Financial Situation by Rank

Active-duty family respondents

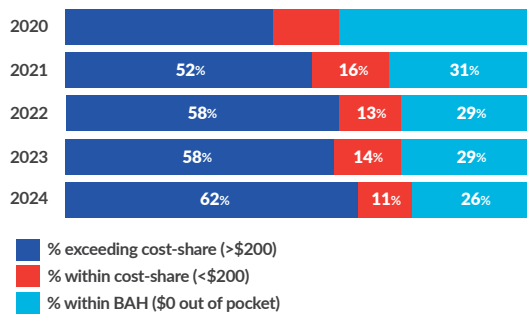


- We are finding it difficult to get by
- We are just getting by
- We are doing okay
- We are living comfortably

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

Figure 3: Housing Costs

Active-duty family respondents 2020-2024



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

Table 2: Months it Took After Most Recent Relocation Before Beginning Work

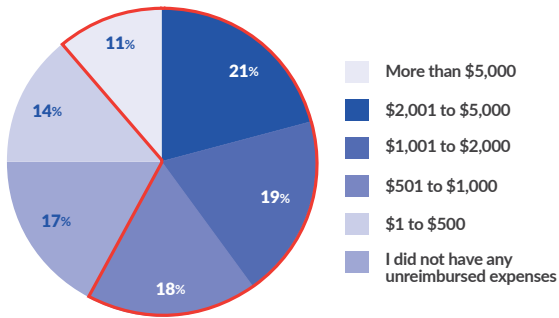
Active-duty spouse respondents* who started new employment after most recent PCS (n=868)

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.

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.

Figure 6: Two Incomes is Vitaly Important

Active-duty family respondents, 2019 and 2024

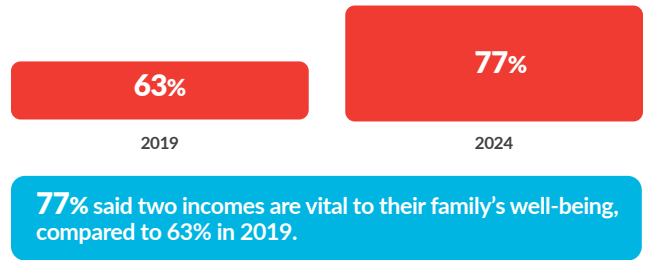
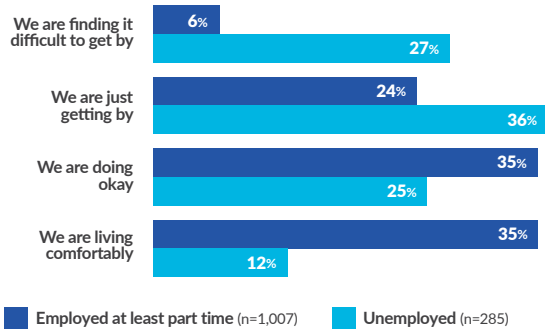
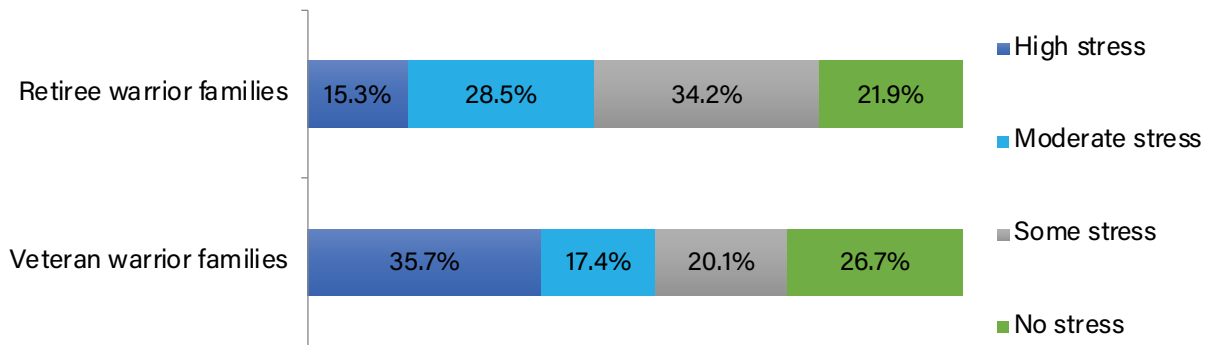


Figure 7: Financial Situation by Employment Status

Active-duty spouse respondents who are not also service members



Veteran and Retiree Warrior Family Financial Stress



Subpopulation	<\$500 in emergency funds or no fund
Veteran Warrior Families	35.7%
Veteran Warrior Families who transitioned 11+ years ago	48.2%
Caregiving Warrior Families	25.9%
Unemployed and want to work	37.7%

Healthy Futures

FINANCIAL WELL-BEING

Families who experience **excellent financial well-being** were more likely to experience excellent family well-being.



Nearly 1/2 of respondents (45.5%) made less than \$75,000 per year in gross family income including all allowances such as BAH, for those who receive them.

TRANSITION

Respondents who had **left military service** within the **last five years** identified the programs and resources they had utilized:



64.4%
DoD Transition Assistance Program

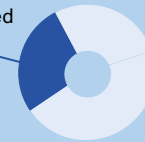
58.5%
GI Bill Program

EMPLOYMENT

56.5% of active duty spouses are employed (39.1% full time and 17.4% part time)

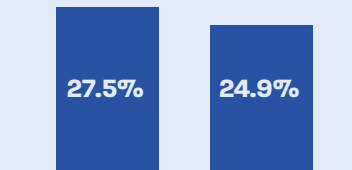


21.8% of active duty spouses are unemployed and looking for work.



SAVINGS

27.5% of respondents indicated that they had **\$10,000 or more** in an emergency savings account:



24.9% of respondents indicated that they had **less than \$500** in emergency savings or no emergency savings at all.



51.8% of respondents reported barriers to saving money that included:



Cost of living and inflation

Income constraints and lack of financial resources

Unexpected expenses

Moving and PCS

Dependents and extended family

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