



Pulse Check

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Military and Veteran Families' Financial Needs

March 2021

4,411

RESPONDENTS

Poll conducted March 1-16, 2021

Blue Star Families' Pulse Checks on a specific topical issue provide a brief snapshot of the perspectives of currently-serving and veteran families, as well as their civilian neighbors.

Military Affiliation

Veteran Family	44%
Active-Duty Family	41%
Other Military Affiliation	16%
National Guard Family	10%
Reserve Family	4%
Gold Star Spouse or Family Member	2%
Civilian	2%

Race/Ethnicity

White	77%
Hispanic or Latinx	12%
Black/African-American	8%
Asian	5%
American Indian/Alaska Native	3%
Other	3%
Native Hawaiian or Other Pacific Islander	1%

Rank

Junior Enlisted (E1-E4)	9%
Mid-Level and Senior Enlisted (E5-E9)	53%
Warrant Officer*	3%
Commissioned Officer	34%



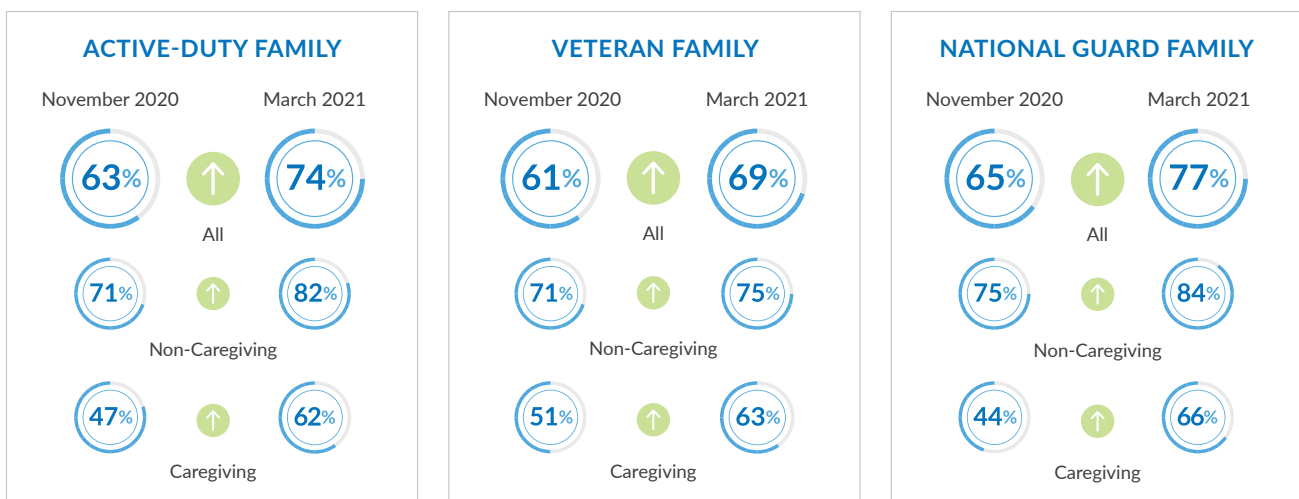
The military lifestyle, in conjunction with the ongoing COVID-19 pandemic, has left some families unable to cover their financial needs. This poll, the second in a series of financial Pulse Checks, sought to further quantify the immediate needs of military-connected families facing financial hardship one year after the onset of the pandemic. More than half of military-connected family respondents to Blue Star Families' 2020 Military Family Lifestyle Survey (60%) experienced "some stress" or "a great deal of stress" as a result of their current financial situation.ⁱ While it is true that active-duty military families may have been partially insulated from the financial effects of the pandemic due to relative stability of pay for service members, root causes of military family financial instability (especially high levels of spouse unemployment and underemployment) pre-date the pandemic and have been exacerbated by it.ⁱⁱ National Guard families, many of whom were activated during 2020,ⁱⁱⁱ often face different financial challenges than their active-duty and veteran counterparts.^{iv} The COVID-19 pandemic has placed an additional burden on caregiving families, and 1,327 respondents identify as unpaid caregivers in this poll's sample.^{v,vi}

Despite indications of overall financial improvement, those requiring immediate financial assistance report needs across a greater number of areas

Although there is no way to discern whether the same individuals took the two polls, there are indications that the level of financial need was lower in March 2021 than in November 2020, perhaps as a consequence of recent federal stimulus funding.^{vii} The proportion of respondents reporting no need for immediate financial assistance increased for all groups. However, for respondents who reported at least one immediate financial need, subtle differences exist across respondent groups based on their current military affiliation. While active-duty (35%) and veteran (33%) family respondents requiring immediate financial assistance for at least one item continue to report consumer debt as the top item for which they require immediate financial assistance, National Guard families most frequently reported student loans/higher education costs (31%). National Guard family respondents also identified a greater number of critical needs (e.g., mortgage/rent, key essentials, utilities, etc.) within their top five, compared to other groups. Differences between caregiving and non-caregiving families within each subgroup continue to follow the trends seen in the November poll: respondents who identified as caregivers more frequently reported at least one immediate financial need than non-caregiving respondents.

Immediate Financial Needs

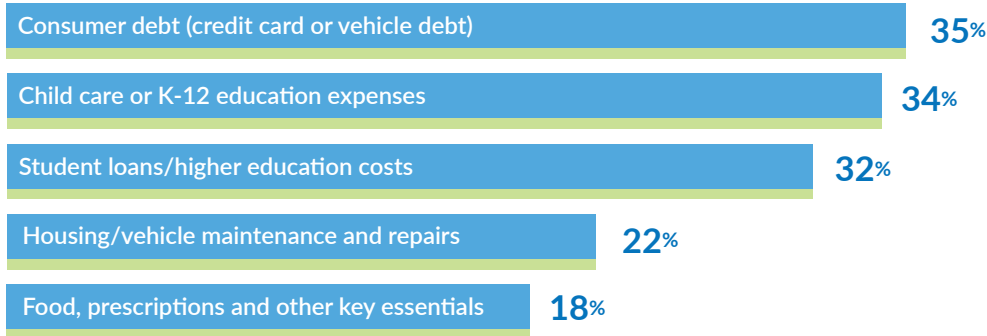
No Immediate Need: Respondents who selected “none of the above”



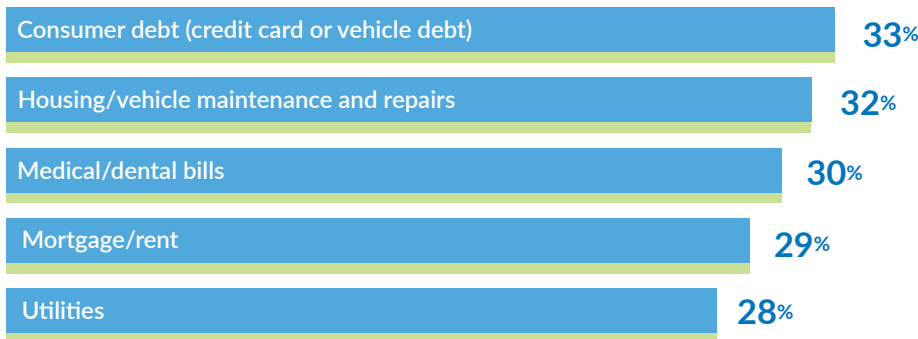
Immediate Needs By Respondent Group

Respondents reporting at least one financial need

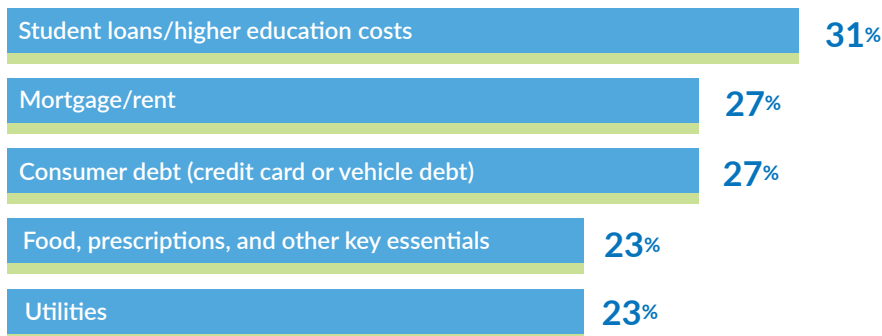
ACTIVE-DUTY FAMILY



VETERAN FAMILY



NATIONAL GUARD FAMILY



However, there are also indications of more nuanced and complicated stories for those families who do require immediate financial assistance. Consistent with the November findings, a smaller proportion of currently-serving junior enlisted respondents (E1-E4) report not requiring any immediate financial assistance than their higher ranking enlisted colleagues (E5+) (58% vs. 70%). Furthermore, while the percentage of currently-serving respondents having at least one financial need may be lower than the previous Pulse Check, at least 10% of respondents reported a greater variety of areas across which they require assistance, suggesting a deepening financial hole for those families experiencing challenges. Moreover, the level of need among mid-level/senior enlisted active-duty family respondents surpassed that of junior enlisted in several categories, including consumer debt, student loans, and child care. Nevertheless, while the majority of all respondents are using liquid assets to cover these costs, higher ranking family respondents are doing so at higher levels than their lower ranking colleagues; 73% of mid-level/senior enlisted family respondents and 70% of commissioned officer family respondents indicated they were using money from a checking or savings account to cover their current need, compared to 63% of junior enlisted family respondents.

Immediate Financial Needs By Rank Grouping

Categories of need for active-duty family respondents with at least one immediate need



	Consumer Debt	Student Loans (Higher Education Costs)	Key Essentials (Food/Prescriptions)	Child Care	Maintenance (Housing/Vehicle)	Medical/Dental Bills	Utilities	Un-reimbursed Relocation Costs	Mortgage/Rent
Junior Enlisted	34%	31%	22%	16%	31%	21%	21%	12%	19%
Mid/Senior Enlisted	37%	34%	20%	31%	21%	19%	13%	5%	16%
Commissioned Officer	29%	33%	23%	41%	20%	22%	12%	9%	14%

Spouse employment continues to support active-duty families' financial needs

A growing body of Blue Star Families research suggests that military spouse un/underemployment undermines military families' financial readiness and is a leading contributor to active-duty families' stress; these issues were exacerbated by the COVID-19 pandemic. For example, more than two-thirds of active-duty family respondents to the 2018 MFLS (69%) agreed that having two incomes was "vitally important" to their family's well-being, and yet spouse employment challenges are named as a perennial top issue for active-duty families.^{viii} "Civilian spouse's employment" was



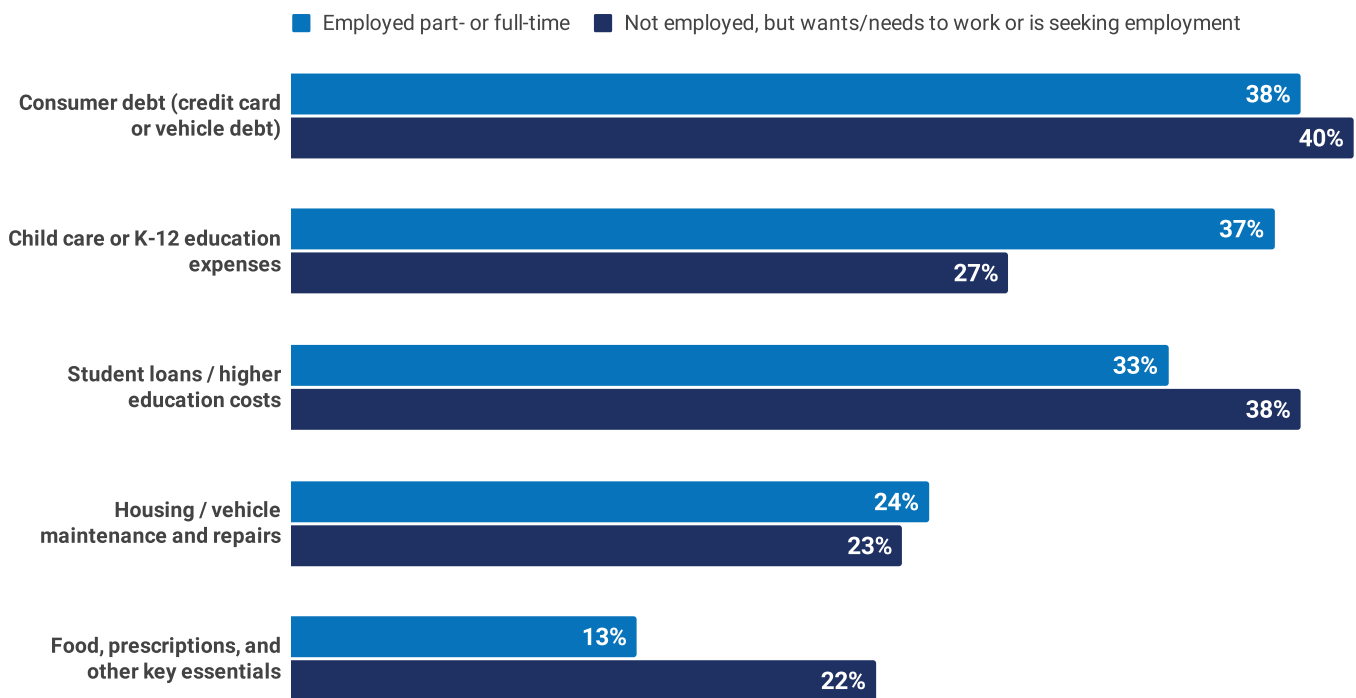
a top stressor for 44% of active-duty family respondents to the 2020 MFLS, and "financial issues/stress" was a top stressor for 39%.^{ix} The COVID-19 pandemic brought new challenges, with 42% of active-duty spouse respondents to the 2020 MFLS who were employed prior to the pandemic leaving the workforce at some point between March and September 2020.^x

Consistent with this growing body of research, a significantly^{xi} greater proportion of active-duty spouse respondents who are employed report not requiring immediate financial assistance (75%), compared to their counterparts who are not employed, but want or need to work (or are actively seeking work) (66%). Also in line with previous Blue Star Families research, which found that food insecurity levels are higher for enlisted active-duty spouse respondents who are not employed but want or need to work (20%) when compared to those with enlisted spouses who are employed full- or part-time (10%),^{xi} difficulty covering the cost of food and other key essentials is associated with employment status in this poll. One in five (22%) active-duty spouse respondents to this poll who are not working (but want or need to, or are actively seeking employment), and require immediate financial assistance for at least one item report they require immediate financial assistance to cover food, prescriptions, and other key essentials, compared to 13% of their employed counterparts.

Results from this poll also suggest that spouse employment offers a buffer to support unanticipated future expenses; a greater proportion of employed active-duty spouse respondents also report the ability to cover a future unexpected \$500 expense using existing resources that don't require incurring additional costs (money from checking or savings accounts), compared to their counterparts who are not employed, but want or need to, or are actively seeking employment (76% vs. 60%).

Areas of Immediate Need Differ by Employment Status Among Active-Duty Spouse Respondents

Active-duty spouse respondents who report requiring immediate financial assistance for at least one item



Respondents requiring immediate financial assistance report greater barriers to seeking help

The November 2020 poll asked respondents in an open-ended format what barriers, if any, would prevent them from seeking future financial assistance in the event they required it. Among those who provided a response, the greatest proportion — one-quarter (28%) of active-duty family respondents and 27% of veteran family respondents — wrote that emotional barriers, such as shame and embarrassment, would prevent them from seeking support.^{xii} In the March 2021 poll, the question was included as a multiple choice question. About the same proportion of respondents selected “pride, shame, or embarrassment” as a barrier (25% of active-duty, 23% of veteran, and 22% of National Guard family respondents); however, these emotional barriers were not the top selected answer choice for any group. Instead, active-duty, veteran, and National Guard family respondents more frequently selected “desire to avoid future debt,” “belief others have a greater need,” and “nothing would prevent me from seeking help”; veteran and National Guard family respondents also selected “lack of knowledge of available resources” more commonly than emotional barriers. Notably, 16% of active-duty and 10% of National Guard family respondents reported the “desire to avoid chain-of-command involvement” as a barrier to seeking financial relief.

Furthermore, perceptions of barriers differ between respondents with current needs for financial assistance and those without. Although a smaller proportion of those requiring immediate financial assistance reported “nothing would prevent [them] from seeking help” than those who did not report needing support on at least one item among active-duty and veteran family respondents (13% vs. 30% among active-duty family respondents; 27% vs. 38% among veteran family respondents), this was not the case for National Guard family respondents (28% vs. 29%). The most commonly-reported individual barriers were different for each group and generally more pronounced for those requiring immediate support. For example, while 33% of all active-duty family respondents report “desire to avoid future debt” as a barrier to seeking financial assistance, a greater proportion (46%) of those requiring immediate financial assistance reported this to be the case, compared to 28% of those without a need for immediate assistance. This same pattern holds true for most perceived barriers, but the difference is most prominent for “lack of knowledge of available resources” (a 21 percentage point difference for active-duty family respondents).

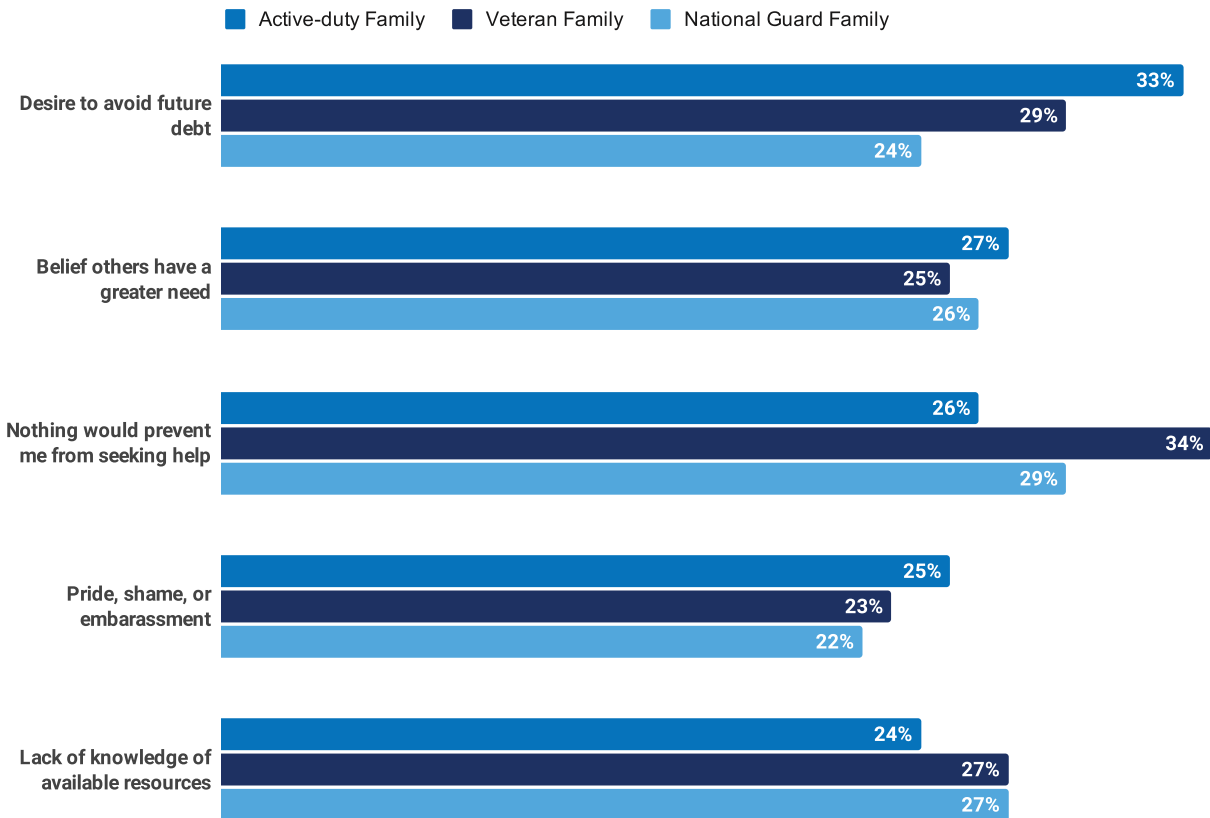
However, current behaviors complicate understanding of the perceived barriers articulated above. For example, although “desire to avoid future debt” is a highly ranked barrier among those requiring immediate financial assistance, 47% of active-duty family respondents with a need for immediate financial assistance are currently

using credit cards to cover the expense, and 6% sought a traditional loan. Furthermore, these respondents are deferring payment on other bills, which could damage their future credit and lead them to incur additional fees, further undermining their financial stability (17% are not paying other bills in full, 8% are not addressing their current financial need, and 4% are not paying their full mortgage or rent).

Meanwhile, consistent with November’s report, fewer than 5% of active-duty family respondents requiring immediate financial assistance for at least one item indicated they sought assistance from a relief society to cover their current need (4%), or they would seek assistance from a relief society to cover a future need (3%). This behavior may be a consequence of the requirement for chain-of-command approval for some relief options; 16% of all active-duty family respondents reported a desire to avoid chain-of-command involvement as a barrier, and this proportion was higher among respondents requiring immediate financial assistance for at least one item (25%), compared to those without the need for immediate support (12%).

Barriers to Seeking Assistance

Responses to "what, if anything, would prevent you from seeking financial assistance support in the event that you required it?"



Conclusions and Recommendations

Financial hardship is not a challenge unique to the military community. However, elements unique to military life — such as chronic military spouse employment and potential career implications for service members — render different needs and barriers for military-connected families. Organizations and the military services can set the conditions for preventing financial hardship, and for increasing awareness of and comfort in accessing existing resources when financial challenges emerge. Doing so requires removing identified barriers and addressing systemic causes of chronic military spouse employment.

Recommendations provided in the November 2020 report continue to be relevant:

- De-stigmatize help-seeking behavior among both those who need help and those who facilitate it
- Increase awareness of available resources, especially those offering no-interest loans or grants
- Reduce or eliminate chain of command involvement in procuring financial assistance wherever feasible

The results of this poll also indicate that while the overall financial situation may be improving for many families, for those who do have a current need for immediate financial assistance, the situation may be worsening. Spouse employment challenges continue to erode active-duty families' financial well-being, and respondents who need immediate help perceive greater barriers to obtaining it.

Recommendations stemming from this poll's findings are:

Tailor programs and communications outreach strategies to address the different needs of active-duty, National Guard, and veteran families. Different types and levels of need across these groups suggest that a one-size-fits-all approach will be less successful than one that is more targeted.

Continue to invest in programming and organizational reforms to support sustainable military spouse employment. A growing body of Blue Star Families research builds a direct link between military spouse employment and broader financial well-being; however, root causes of chronic unemployment and underemployment have been exacerbated by the COVID-19 pandemic. Upstream solutions, such as addressing child care costs, will alleviate spouse employment challenges and support families' financial readiness.

Invest in connecting with difficult to reach populations. Respondents who report the need for immediate financial assistance also report greater barriers to obtaining it across a wider variety of barriers. While removing these barriers will encourage increased usage in the long term, perceptions about their existence (or lack thereof) may take longer to reverse. For this reason, in the short term, reaching high-need populations may require more work and thus a greater investment of time and energy.

Methodology

Data Collection and Sampling

Fielding for the March 2021 Financial Pulse Check commenced on March 1 and ended on March 16 utilizing GetFeedback (www.getfeedback.com), a web-based surveying platform. Participant recruitment included direct email, social media advertising, organic social media, and distribution through various partner organizations. Participant recruitment targets were set to assess needs among National Guard and junior enlisted families, and to increase the racial and ethnic representation of the survey sample. This convenience sample



is not generalizable to the general military-connected population and over-sampled White, non-Hispanic, and female respondents. Polling occurred during tax season, followed distribution of the second round of stimulus payments (authorized December 27, 2020), and immediately prior to the authorization of the third round of COVID-19 stimulus payments (March 11, 2021), which may have influenced responses.

Data Analysis & Limitations

An assessment of the differences across variables occurred within and between subgroups, including active-duty families, veteran families, National Guard families, and caregiving families. Demographic variables include employment status, race and ethnicity, and LGBTQ+ self-identification, among others. Not all results have been included herein based on limitations presented by the sample (e.g., response rates) and/or space. Seventy-eight percent of counted respondents completed the entire poll, and all responses were included in the analysis, regardless of poll completion. For that reason, descriptive statistics reflect the frequencies and percentages of respondents who provided a response to a specific question.

Some questions allowed for multiple response selections; therefore, some percentages may compute to greater than 100%. In cases where a respondent could only select a single response option, rounding may account for any tabulations equating to greater than 100%. Comparisons to the November 2020 poll are not exact and should be interpreted as indicators of possible changes due to differences in the composition of each poll's sample (each poll was conducted separately, and respondents are not part of a broader survey panel).

Endnotes

- I. Blue Star Families. *2020 Military Family Lifestyle Survey*. Unpublished data.
- II. Blue Star Families. (2021). *2020 Military Family Lifestyle Survey Comprehensive Report*. Blue Star Families. <https://bluestarfam.org/survey>
- III. Winkie, D. (2020, December 13). 2020 saw the Guard used the most since World War II. Is a retention crisis looming? *Army Times*. <https://www.armytimes.com/home/left-column/2020/12/13/2020-saw-the-guard-used-the-most-since-world-war-ii-is-a-retention-crisis-looming>
- IV. Blue Star Families. (2020). *Resilience Under Stress Study*. https://bluestarfam.org/wp-content/uploads/2020/11/RUSS-Report-11.4.20_FINAL.pdf
- V. Rosalynn Carter Institute for Caregiving. (2020). *Caregivers in Crisis: Caregiving in the Time of COVID-19*. <https://www.rosalynncarter.org/wp-content/uploads/2020/10/Caregivers-in-Crisis-Report-October-2020-10-22-20.pdf>
- VI. The White House, Briefing Room. (2021). COVID-19 has exacerbated the economic inequality and caregiving crisis facing women of color. Here's how the American Rescue Plan helps. <https://www.whitehouse.gov/briefing-room/blog/2021/03/23/covid-19-has-exacerbated-the-economic-inequality-and-caregiving-crisis-facing-women-of-color-heres-how-the-american-rescue-plan-helps>
- VII. Internal Revenue Service. (2020). Treasury and IRS begin delivering second round of Economic Impact Payments to millions of Americans. <https://www.irs.gov/newsroom/treasury-and-irs-begin-delivering-second-round-of-economic-impact-payments-to-millions-of-americans>
- VIII. Blue Star Families. (2019). *2019 Military Family Lifestyle Survey Comprehensive Report*. Blue Star Families. <https://bluestarfam.org/survey>
- IX. Blue Star Families. (2020). *2019 Military Family Lifestyle Survey Comprehensive Report*. Blue Star Families. <https://bluestarfam.org/survey>
- X. Ibid
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- XII. Blue Star Families. (2021). *Military and Veteran Families' Pre-Holiday Financial Needs*. Blue Star Families. <https://bluestarfam.org/research>