



Financial Management for Military Families

Managing Money Through Relocations, Deployments, and Military Life

The Financial Challenges of Military Life

Military families face many of the same financial responsibilities as civilian households, but military service introduces some unusual complications. Frequent relocations, lengthy deployments, changing housing allowances, and interruptions in a spouse's employment can make long-term financial planning difficult.

A Permanent Change of Station (PCS) may require a family to move across the country or overseas, sometimes with relatively little notice. A deployment can leave one spouse managing the household finances alone for months. Even a promotion or new assignment can change the family's income and living expenses.

Fortunately, military service also provides financial advantages, including housing allowances, healthcare benefits, retirement programs, and relocation assistance. Understanding how these benefits work—and preparing for the expenses they don't cover—can make military life considerably less stressful.

For general advice on budgeting, saving, managing credit, and reducing debt, visit my companion collection, [Everyday Money and Debt](#). Here, we'll concentrate on the financial circumstances unique to military families.

Military Income Can Change With Assignments

Military basic pay is relatively predictable, but total compensation can change substantially when a service member receives new orders.

Basic Allowance for Housing (BAH) varies according to pay grade, duty location, and dependency status. A transfer from an expensive metropolitan area to a smaller military community may reduce the housing allowance, although applicable rate-protection rules can affect the amount received.

Special-duty payments, deployment-related allowances, and other forms of compensation may also begin or end with an assignment. Families should avoid committing temporary income to permanent expenses, such as a large automobile payment or an expensive mortgage.

Before accepting a new lease or purchasing a home, determine what your actual compensation will be at the next duty station. For more information about military compensation, see my companion article, **Active-Duty Military Pay and Allowances: A Fact Sheet**.

The Hidden Expenses of a PCS Move

The military generally pays many authorized relocation expenses, including household goods transportation and certain travel costs. Nevertheless, a PCS move can be surprisingly expensive.

Families may encounter temporary lodging expenses, pet transportation costs, utility deposits, replacement household items, and unexpected automobile repairs. Some expenses may be reimbursable, but reimbursement often occurs after the money has already been spent.

One particularly useful benefit is the **Dislocation Allowance (DLA)**, which helps eligible service members offset certain relocation expenses. Other allowances may cover authorized temporary lodging, travel, and transportation costs. Eligibility and amounts depend on the circumstances of the move.

Before relocating, consult the transportation and finance offices to determine which expenses are authorized and whether advance payments are available.

A family that maintains a separate reserve for PCS expenses is less likely to encounter financial difficulties while waiting for travel claims to be processed.

Financial Considerations During Deployment

Deployment can significantly change a military family's financial circumstances. Depending on the assignment, service members may qualify for additional allowances or special tax treatment,

while the spouse remaining at home may face increased childcare, transportation, or household expenses. Because these changes are often temporary, families should avoid making long-term financial commitments based on deployment-related income.

Financial preparation is also an important part of deployment readiness. Arranging access to bank accounts, managing recurring payments, and establishing appropriate legal authorizations can prevent unnecessary difficulties during a lengthy separation. These matters are covered in greater detail in my companion article, **Managing Family Finances During Deployment**, in the *Deployment and Family Separation* section.

Protecting the Family With Military Insurance Benefits

Military families have access to insurance programs designed specifically for service members and their dependents.

Servicemembers' Group Life Insurance (SGLI) provides life insurance coverage for eligible service members, subject to coverage elections and program requirements. **Family Servicemembers' Group Life Insurance (FSGLI)** offers coverage for eligible spouses and dependent children.

Families should review their insurance elections and beneficiary designations after marriage, childbirth, divorce, or other significant changes.

Eligible military dependents also have access to healthcare through **TRICARE**. Coverage options, enrollment requirements, and out-of-pocket expenses vary according to the family's circumstances and selected plan.

Frequent relocation makes automobile and renters insurance particularly important. Insurance requirements and premiums may change between states, while families living in government or privatized military housing should understand that the housing provider's coverage generally does not insure their personal belongings.

Financial Protections for Service Members

Federal law provides certain financial protections to eligible military personnel.

The **Servicemembers Civil Relief Act (SCRA)** includes protections involving qualifying pre-service debts, certain leases, and other financial obligations. For example, eligible service members may qualify for a limitation on interest rates for certain debts incurred before military service.

The **Military Lending Act (MLA)** provides additional protections for covered borrowers and qualifying consumer credit transactions, including restrictions on certain lending practices and charges.

These laws do not eliminate legitimate debts, and their protections apply only under specified circumstances. Nevertheless, they can be valuable when a service member faces financial difficulties related to military obligations.

Military legal assistance offices and financial readiness counselors can help families understand which protections may apply.

The Financial Impact of a Military Spouse's Career

One of the most persistent financial challenges facing military families is the difficulty of maintaining a second career through repeated relocations.

A military spouse may establish a successful career at one duty station, only to leave that employment when PCS orders arrive. At the next location, professional licensing requirements, limited job opportunities, or childcare responsibilities may delay a return to work.

The resulting loss of income can be substantial, particularly when relocations occur every few years.

Families should consider this possibility before assuming that two full-time incomes will always be available. They should also investigate military spouse employment programs, career counseling, professional licensing assistance, and educational opportunities.

The **Military Spouse Employment Partnership** and related career resources can help spouses locate employment opportunities and pursue professional development.

Military marriage may require sacrifices from both partners, but a spouse's professional ambitions should remain an important part of the family's long-term financial planning.

Military Retirement and the Thrift Savings Plan

Military retirement benefits are another important consideration, particularly for families contemplating a full military career.

Service members covered by the **Blended Retirement System (BRS)** may qualify for a military pension after sufficient creditable service. The system also includes government contributions to the **Thrift Savings Plan (TSP)**, subject to eligibility and contribution rules.

The TSP is a retirement savings program available to uniformed service members and federal civilian employees. It allows participants to invest for retirement through payroll contributions and offers tax-advantaged savings options.

Service members covered by older retirement systems have different pension arrangements, making it important to understand which system applies.

Families should also remember that military retirement isn't guaranteed. Many service members leave active duty before qualifying for a military pension, making portable retirement savings particularly valuable.

Where to Find Financial Assistance

One advantage military families enjoy is access to financial counseling and assistance programs specifically designed for service members.

Military OneSource provides financial counseling and educational resources covering relocation, deployment, and other military-related financial concerns. Installation financial readiness offices also offer assistance, often without charge.

Each armed service has organizations that may provide emergency financial assistance to eligible members and families. These include Army Emergency Relief, Navy-Marine Corps Relief Society, Air Force Aid Society, and Coast Guard Mutual Assistance.

Depending on eligibility and circumstances, assistance may take the form of grants, interest-free loans, or other support. Families experiencing unexpected financial hardship should investigate these resources before turning to expensive commercial borrowing.

Financial Readiness Is Family Readiness

The financial challenges of military life are often unpredictable, but they need not become overwhelming.

Understanding how assignments affect compensation, preparing for relocation expenses, organizing finances before deployment, and taking advantage of military-specific benefits can help families maintain financial stability.

Perhaps the most important principle is that financial management should be a shared responsibility. Both spouses should understand the family's accounts, insurance arrangements, and financial obligations, particularly when military duties require lengthy separations.

Military life offers enough adventures without adding preventable financial emergencies. With careful preparation and a little flexibility, families can concentrate on the opportunities and experiences that make military service rewarding.

And when the next set of PCS orders arrives, at least the family's finances won't have to be packed into a cardboard box marked *Fragile*.

Helpful Resources for Military Families

- [Everyday Money and Debt](#) — My collection of articles on household budgeting, saving, credit, and debt management.

- [Military OneSource — Financial and Legal](#) — Military financial counseling and family assistance.
- [Defense Travel Management Office](#) — Housing allowances, relocation benefits, and travel entitlements.
- [Thrift Savings Plan](#) — Military retirement savings information.
- [VA Life Insurance](#) — SGLI and other military life insurance programs.
- [Military Spouse Employment Resources](#) — Career and employment assistance for military spouses.
- [Army Emergency Relief](#) — Financial assistance for eligible Army families.
- [Navy-Marine Corps Relief Society](#) — Financial assistance for eligible Navy and Marine Corps families.
- [Air Force Aid Society](#) — Financial assistance for eligible Air Force and Space Force families.
- [Coast Guard Mutual Assistance](#) — Financial assistance for eligible Coast Guard families.

Editor's Note: Military benefits, financial protections, retirement programs, and relocation allowances are subject to eligibility requirements and regulatory changes. Consult current official resources for individual circumstances.