



## **BAH Restoration Act**

Active duty and some reserve servicemembers receive a monthly stipend for housing called Basic Allowance for Housing. This stipend varies based on a servicemember's rank, family size, and locality and is meant to help cover the cost of housing. In 2015, Congress changed the formula for calculating Basic Allowance for Housing (BAH) from covering 100 percent of a locality's estimated housing cost to cover just 95 percent of estimated housing costs. This change has significantly hurt servicemembers' family finances as affordable housing availability has dwindled and rising housing costs strain family checkbooks.

In 2021, nearly 70 percent of active-duty families did not have affordable housing, which is defined by the Department of Housing and Urban Development (HUD) as costing 30 percent or less than their household's gross income. Additionally, housing now constitutes 42 percent of the core Consumer Price Index across the country and the challenge of housing affordability is only going to get worse. Studies by the Federal Reserve project that the shelter index will rise 5.9 percent from September 2022 to September 2023 – well above the average annual increase of 2.7 percent from 2000-2019 – and will continue to rise nearly 4 percent in FY 24. This increase in housing costs represents a significant strain on military families who must pay hundreds of dollars more per month in out-of-pocket housing expenses due to the 95 percent calculation.

Military members often change duty stations every two-to-three years requiring them to relocate frequently. The stress of these moves is compounded when the income from their BAH does not adequately cover the costs of housing in their new communities. Junior enlisted service members in the pay grades E-1 to E-4 are particularly challenged. For example, between 47-83 percent of junior enlisted members with dependents receive BAH that falls short of covering affordable housing. For those without dependents, the numbers soar to 70-99 percent of junior enlisted servicemembers. Under the current calculation, the average enlisted servicemember will not receive BAH that can cover government-recommended housing standards until the grade of E-7, which can take 7-10 years of service. This is a readiness issue, as servicemembers who cannot afford housing where the military sends them will not stay in the service.

This reduction in BAH has severely hampered service members' renting and purchasing power and is a source of growing financial stress for military families. To help alleviate this financial stress, the calculation for BAH should be restored to 100 percent of estimated housing costs. The BAH Restoration Act introduced by Senator Warnock would increase the formula for BAH calculations inside the United States to cover the full 100 percent monthly cost of adequate housing in that area. This bill will ensure that our servicemembers can afford safe and adequate housing for them and their families.

This bill is endorsed by The Military Officers Association of America, the Military Housing Association, The American Legion, and the Military Family Advisory Network. For any questions or to be added as a cosponsor, please contact Ethan Whiting at [Ethan\\_Whiting@warnock.senate.gov](mailto:Ethan_Whiting@warnock.senate.gov) or Jamal Halley at [Jamal\\_Halley@warnock.senate.gov](mailto:Jamal_Halley@warnock.senate.gov).