



Financial readiness is crucial to military preparedness, directly impacting operations. The distraction of financial stress can lead to decreased operational efficiency and mission readiness, as servicemembers preoccupied with financial worries are less likely to perform at their best in high-stakes environments. (U.S. Army photo by Kristen Wong)

Money Isn't Everything, But It's Definitely an Enlisted Issue

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Soldiers' financial health enables readiness. However, the pay discrepancies between enlisted servicemembers and their civilian counterparts pose significant challenges to individuals' and organizations' success. From the vantage point of both senior and junior enlisted Soldiers, the strain of financial stress varies but remains constant.

While senior enlisted personnel see the impact of financial insecurity on discipline, morale, and retention within their ranks, junior enlisted Soldiers often experience these struggles firsthand. Yet they can feel unheard.

The American Soldier plays a vital role in national defense, but many grapple with financial stressors that hinder their ability to perform duties effectively. Recently, Congress approved a groundbreaking pay raise for junior enlisted servicemembers that helps alleviate some of this stress. Meanwhile, some Army leaders are integrating financial literacy into their resilience training, acknowledging that financial stress is a significant factor in resilience.

All signs indicate that financial readiness for junior enlisted servicemembers is paramount. But are we doing enough?

Financial Stress and Mission Readiness

Financial readiness is crucial to military preparedness, directly impacting operations. A 2019 Military Family Advisory Network survey revealed that 92.5% of servicemembers and their families identified financial stress as a major concern, with many reporting that it hindered their focus on military responsibilities (Military Family Advisory Network, 2019).

Furthermore, the National Foundation for Credit Counseling found that military families have a higher prevalence of missed credit card payments than the civilian population and are more likely to use risky non-bank financial services such as payday loans (National Foundation for Credit Counseling, 2024).

The distraction of financial stress can lead to decreased operational efficiency and mission readiness, as servicemembers preoccupied with financial worries are less likely to perform at their best in high-stakes environments.

Enlisted Servicemember Compensation

As of January 2024, a U.S. Army Private (E-1) with less than two years of service earns an annual base pay of \$24,206, or \$2,017 per month (Defense Finance and Accounting Service, n.d.). In addition to this base pay, Soldiers may receive a Basic Allowance for Housing (BAH) if they live off-post, which varies by location

and dependents, and a Basic Allowance for Subsistence (BAS) of around \$465 per month to cover food costs (Department of Defense, n.d.).

The pay raise will certainly improve these numbers. However, the compensation for entry-level Soldiers remains on par with the annual salary of minimum-wage workers across the U.S.

A minimum-wage worker's salary varies significantly by state. For instance, in Washington, which has the highest state minimum wage at \$16.28 per hour, a full-time worker earns approximately \$33,862 annually, which exceeds the base pay of an entry-level Soldier (Department of Labor, 2024).

In states with lower minimum wages, such as Wyoming, the federal minimum wage of \$7.25 per hour typically applies (Department of Labor, 2024). A full-time worker there earns about \$15,080 annually, not far below Private's base pay when excluding BAH — highlighting the modest financial compensation enlisted personnel receive at the beginning of their military careers.

Those entrusted with defending our nation — enduring the perils of combat, grueling training, and immense personal sacrifice — are compensated at a level that barely surpasses the annual salaries of minimum-wage workers. However, additional compensation to servicemembers helps close the pay gap.



The lack of targeted financial training disproportionately impacts junior enlisted Soldiers, who often struggle to manage their limited resources. Expanding financial education in resilience programs could help address these challenges, equipping Soldiers with the tools to navigate their financial realities more effectively and support mission readiness. (U.S. Army photo by Spc. Alexes Anderson)

Housing Allowance

Married Soldiers or those in other dependent situations receive an allowance to help cover housing costs. Still, recent trends in the housing market indicate that entitlement rates trail the rapidly increasing cost of living expenses (like rent and utilities near major military installations).

In high-cost areas like San Diego, Washington, D.C., and other large duty stations such as Fort Bliss, Texas, and Fort Bragg, North Carolina, rent prices have surged significantly in recent years (Zillow, n.d.).

This widespread increase creates a noticeable gap between BAH and actual housing costs, forcing many Soldiers and their families to pay out-of-pocket for housing or seek less desirable living arrangements.

Basic Allowance for Subsistence

As noted, another source of compensation for Soldiers is BAS. However, when you compare the approximately \$465 married Soldiers or those with other dependent situations receive to the average monthly grocery bill for a U.S. family — estimated at around \$650, according to the U.S. Department of Agriculture (USDA) (2024) — BAS falls short.

While BAS is intended solely for the servicemember, many use this allowance to feed their families — highlighting the challenges households face relying on a single military income. When BAS is reduced or taken during events such as combat training center (CTC) rotations, these factors further stress military families.

This deficit means that many military families must significantly supplement their food budget out of their own pockets, further straining their finances — especially in the face of rising grocery costs. The result is an epidemic of food insecurity in the junior enlisted ranks.

A Senior NCO's Perspective

Soldiers receive financial readiness training, but we can do more for them. This training's scope is limited and often falls short of addressing Soldiers' stressful challenges.

During initial entry training, Soldiers receive eight hours of financial instruction, which is insufficient given the complexities of modern financial management and Soldiers' lack of knowledge and experience in the area (Department of the Army [DA], 2017). In contrast, Soldiers receive resilience training throughout their

time in the Army, which represents an opportunity to integrate financial resilience into the fold.

As a Master Resilience Trainer (MRT), I understand the program's importance and positive impact on Soldiers and units when appropriately conducted. However, resilience programs do not focus on the stressors related to financial readiness, which is where I saw most issues over my 54 months as a first sergeant.

My commanders and I partnered with the installation's financial readiness counselors to address

this. We incorporated financial literacy topics such as budgeting, debt reduction, car and home buying, and Thrift Savings Plan management into our resilience training sessions. The results were incredible, tangibly reducing financial-based issues and improving morale and team cohesion.

The pay raise for junior enlisted servicemembers is a positive step but underscores the broader need for robust financial readiness education. The lack of targeted financial training disproportionately impacts junior enlisted Soldiers, who often struggle to manage their limited resources.

Expanding financial education in resilience programs could help address these challenges, equipping Soldiers with the tools to navigate their financial realities more effectively and support mission readiness.

A Junior Soldier's Perspective

When I was a single private living in the barracks, I earned about \$800 every two weeks. Although I was grateful for the Army's stability — housing, meals at the dining facility, and medical coverage — I couldn't help but wonder, "How can someone survive on this?"

Despite having the essentials covered, I still had personal bills, savings goals, and aspirations that extended beyond the basics. The limited income made me contemplate picking up a second job or sacrificing some of my goals to make ends meet. The idea of taking on a second job while working 12-hour days led me to question my future in the Army, especially when I compared military pay to civilian sector wages.

While my financial situation was not dire, countless conversations with other junior enlisted Soldiers revealed a harsh reality: Many of them were barely scraping by, with little to their names.



Spc. Sindy Baron shops for healthy food items at the Fort Lewis Main Commissary, Joint Base Lewis-McChord, Washington. Many military families must supplement their food budget out of their own pockets, straining their finances — especially when grocery costs rise. (U.S. Army photo by Spc. Karleshia Gater)

For some, joining the military was an escape from difficult situations at home. Yet, they still felt the pull of financial obligations — sending money to support their families, paying half their mother's rent, or covering household bills and groceries. This strain is a stark reality for many junior enlisted servicemembers.

Discussions Happening in the Formation

The Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 authorizes “a 14.5% pay raise for junior enlisted servicemembers and supports a 4.5% pay raise for all other servicemembers” (House Armed Services Committee, n.d.).

Pay is one of the most discussed topics. The pay increase for junior enlisted generated excitement, because many recognized the opportunities that extra money could provide (especially for those who are married).

I often reflect on when I didn't have enough money, relying on the dining facility to get me through until the next pay period. I remember telling my battle buddies I couldn't join them for outings because I was broke, which took a toll on my mental health. I dreaded attending platoon breakfasts because every penny mattered, and I would make excuses not to show up, embarrassed to admit I couldn't afford it.

My situation wasn't due to poor spending habits. I had a family to support, and every expense was critical. I started to hate driving because of the cost of gas.

Now, I'm married, and my wife and I have a beautiful daughter. I'm a family man. I take home \$2,830 per month after taxes and deductions. My family follows a strict budget covering savings, groceries, fuel, insurance, car payments, internet, phone bills, and a subscription service. After all these expenses, we have between \$500 and \$1,000 left for the month, which is manageable but leaves little room for emergencies or unforeseen expenses.

Recently, my wife applied for her permanent U.S. residency, and the financial stress we endured is hard to forget. We had to pay thousands in lawyer and application fees, which ate up the \$500 to \$1,000 usually left over.

The stress was overwhelming. We sacrificed savings, date nights, and other simple pleasures to cover necessities, which impacted my family's holistic health tremendously.

Financial problems contribute to 20% to 40% of all divorces (Jimenez Law Firm, 2022). For every 10 marriages ending in divorce, four are due to money issues. My wife and I persevered, but many others gave in to the stress. I understand the stressors associated with being a Soldier and raising a family, and I believe that increasing the pay for junior Soldiers like me would



Staff Sgt. Regina Ledford, a financial management technician assigned to 3rd Infantry Division, trains Soldiers on financial planning at Fort Stewart, Georgia, Aug. 10, 2022. Soldiers receive financial readiness training, but we can do more for them. This training's scope is limited and often falls short of addressing Soldiers' stressful challenges. (U.S. Army photo by Pfc. Elsi Delgado)

alleviate much of it. I hope the raise does this.

Financial anxiety in the junior ranks is evident every day, with 47% of adults in the U.S. saying money negatively impacts their mental health — causing anxiety, stress, sleeplessness, depression, and other problems (Gillespie, 2024). Mental health is paramount in our profession and one of the five domains of our Holistic Health and Fitness efforts (DA, 2020).

My most significant mental stressor was checking my bank account and realizing I couldn't afford to take my wife to the movies — which made me feel like a failure as a husband.

However, after receiving a pay increase following my promotion to specialist and a bonus for re-enlisting, I noticed a considerable improvement in my mental health. With money saved for a rainy day, reduced debt, and the ability to treat my wife — and occasionally myself — I finally felt a sense of relief.



Pay is one of the most discussed topics among junior enlisted. The recent pay increase for junior enlisted generated excitement, as many recognized the opportunities that extra money could provide, especially for those who are married. (U.S. Army photo by Spc. Mark Bowman)

A Call for Support

I love serving in the Army, and joining was my best decision (next to marrying the woman of my dreams). But we can do better. Compensating our junior servicemembers and prioritizing their financial well-being would demonstrate we put people first and care about their quality of life. Soldiers are the platform with which the Army performs its functions, so the organization should invest in them.

The pay increase for junior enlisted troops might significantly boost morale across all formations. It could positively impact family dynamics, mental health, personal well-being, and retention.

Let's not think this one-time bump will hold the line. I am calling on leaders to examine the benefits of this historic pay raise and keep the trend going for years to come. ■

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