
Defense Report

AUSA



Freezing Military Housing Allowances—It Means Another Out-of-Pocket Expense for the Military

A large percentage of the nation's military personnel live in housing they rent or buy on the civilian market because their assignments are not close to military installations or because the installation where they are assigned lacks sufficient government-owned quarters. For years, military personnel in this situation had to dig into their own pockets to make up the difference between their housing allowances and the actual cost of keeping a roof over their heads. In 1980, after many years of debate, Congress finally approved a variable housing allowance (VHA), designed to limit the service member's additional housing cost to 15 percent of the allowance for his or her particular grade. Thus, if rent and utilities amounted to more than 115 percent of the allowance, the government was to make up the difference.

But last year, this much-needed supplement began to erode. The Administration applied a pay "cap" to military base pay. An accompanying cap was placed on the basic housing allowance and on the VHA so military income fell behind both the pace of civilian compensation and the increases in housing costs—a new kind of double jeopardy.

Now the President is reportedly contemplating a further one-year freeze on VHA to accompany his planned freeze on base pay. If this plan is put into effect, it will cost service families an estimated \$300 million which can come only from service members' pockets. Once that money has been spent, there is little hope that it will be recovered by any future executive or congressional action.

In his State of the Union address President Reagan told the two million men and women in uniform that he knew they would understand the reasoning behind his freeze proposals. What he chooses to overlook is the fact that the freeze follows on top of a "cap" and that demands for the military and federal civil servants to "sacrifice" have come far more frequently than they have for any other segment of society. There is a growing suspicion in the ranks that this is an insight to the future. It is not an encouraging prospect.