

Executive Summary: An Evaluation of BAH Adequacy Standards and Recipient Housing Choices

Basic Allowance for Housing (BAH) compensates active duty servicemembers for housing costs in the 50 US states when government quarters are unavailable or when servicemembers prefer and are eligible to reside off base. The Office of the Under Secretary of War for Personnel & Readiness contracted with CNA to answer the fundamental compensation policy questions: Do current BAH standards (e.g., housing size, type of home) and sampling methodologies result in BAH rates commensurate with actual servicemember choices? If not, why?

CNA designed the BAH Adequacy Survey to answer these questions. A stratified random sample of BAH recipients in each military housing area (MHA) was selected to participate in the survey from April to June 2025. The final survey received more than 50,000 completed responses across the Services. Our findings are summarized with the five questions below.

1. Are servicemembers living in homes above or below standards?

The survey revealed that most off-base BAH recipients (84 percent) are not living at standard. BAH recipients are spending more on mortgages and rent than comparable civilians, which may be due to BAH recipients consuming more housing. They are choosing housing with more bedrooms than their BAH standard, their on-base housing standard, and comparable civilians. Furthermore, they are more likely to live in single-family homes than their on-base counterparts and comparable civilians and therefore more likely to live in single-family homes than is indicated by their BAH standard. We recommend that the Office of the Secretary of War (OSW) reduce the gap between servicemember housing choices and BAH standards by reducing residence types to two options (multi- and single-family dwellings) or dispensing with residence types completely. We also recommend OSW consider adopting on-base housing standards for bedroom allocation rather than basing bedroom standards on comparable civilians, per current law.

2. What factors influence housing budgets and housing choices?

Most BAH recipients (87 percent) live off base. Only 21 percent of those who have to live off base at their current duty station indicated that they would live on base if it were an option, implying that BAH recipients prefer the civilian housing market. Those who choose to live off base cited privacy and perceived quality of on-base housing as reasons for choosing to live off base. Although privacy may be difficult to address, the quality of on-base housing could be improved with adequate resources. We recommend that OSW, Congress, and/or the Services improve the quality of on-base housing by sponsoring a study to assess complaints of privatized and unaccompanied housing quality and allocate funding for improving base housing targeted at the areas identified for quality improvement.

Top Reasons for Choosing...	...to Live Off Base	...a Specific Neighborhood	...a Specific Home
Reason 1	Privacy	Commute	Cost
Reason 2	Quality of on-base housing	Affordable housing	Number of bedrooms

Source: BAH Adequacy Survey conducted by CNA.

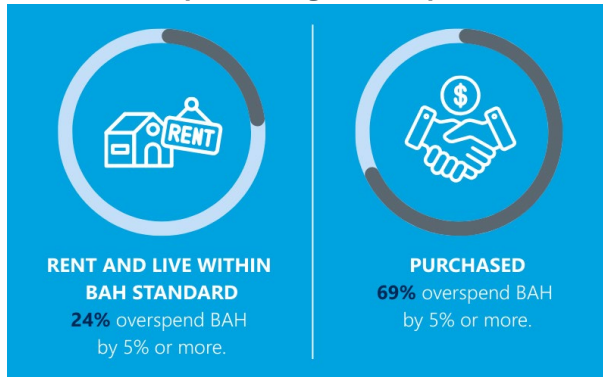
3. Are servicemembers renting or purchasing homes?

BAH is designed to cover rental costs rather than mortgages, but BAH recipients living off base are nearly as likely to purchase a home (48 percent) as to rent one (52 percent). BAH recipients with a spouse or partner are nearly twice as likely to purchase a home as those without a spouse or partner. Other factors that increase the odds of homeownership are being an officer, number of dependent children, serving in the Air Force or Marine Corps, having a dual-income household, and number of completed years of active duty service. We recommend that OSW develop messaging highlighting the costs and benefits of homeownership for servicemembers.

4. How do servicemembers' costs compare to their BAH rate?

Nearly half of servicemembers overspend their BAH by 5 percent or more. The amount by which they overspend BAH increases with career progression, homeownership, family size, and household income. More than half of servicemembers who overspend their BAH are living in homes above their BAH standard, and nearly half of BAH recipients living off base have increased housing costs because they have purchased homes. Among those who rent homes within their BAH standard, 24 percent overspend BAH by 5 percent or more. If the goal is to align BAH policy with servicemember housing choices rather than with average comparable civilian housing expenditures as is codified in current law, Congress will need to weigh whether it is appropriate for BAH rates to exceed average civilian housing costs significantly. Our analysis of the differential in rental costs and BAH at 10 featured MHAs found variation by MHA and housing profile, indicating that costs are not uniformly above or below BAH in specific MHAs or for specific housing types. We recommend that OSW investigate a dynamic model for establishing BAH rates that responds to the unique needs in local markets to align BAH rates better with the costs experienced by servicemembers.

48% of BAH recipients living off base purchase a home



Source: BAH Adequacy Survey conducted by CNA.

5. How do costs align with perceptions of BAH adequacy and overall satisfaction?

BAH rate satisfaction and perceptions are incongruent with servicemember-reported cost data. Among those who reported that BAH does not cover their monthly expenses, 46 percent report monthly costs less than BAH. Those who believe that BAH fully covers their expenses report BAH satisfaction midway between neutral and somewhat satisfied (3.5).

Overall, 70 percent of respondents are dissatisfied with BAH, and just 10 percent of survey respondents feel that BAH fully covers their basic monthly housing expenses. Those who perceive BAH as inadequate to cover their expenses are more dissatisfied than those who perceive BAH as fully covering their expenses. The incongruencies between perception and actual reported costs indicate that BAH recipients' understanding of BAH does not align with policy; they consider BAH inadequate even when it covers their spending. We recommend that OSW develop improved messaging on BAH policy and rates, including standardized educational materials explaining BAH in everyday language. We also recommend that OSW publish BAH rates with separate rent and utilities allowances.

BAH Perception	Mean Satisfaction (Scale: 0 to 5)	BAH Differential (BAH - Cost)	Reported Costs at or Below BAH
Does not cover	1.8	-\$440	46%
Sometimes covers	2.2	\$108	70%
Typically covers	3.0	\$390	80%
Fully covers	3.5	\$327	75%

Source: BAH Adequacy Survey conducted by CNA.

For more information about this study, please contact

Linda M. Pikulin | Senior Research Scientist
703-824-2981 ▪ pikulinl@cna.org

Adam Clemens | Research Program Director
703-824-2877 ▪ clemensa@cna.org

This document contains the best opinion of CNA at the time of issue. The views, opinions, and findings contained in this report should not be construed as representing the official position of the Department of the Navy.

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