



NATIONAL COALITION *for* HOMELESS VETERANS

“Homelessness and Money Mismanagement in Iraq and Afghanistan Veterans”

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Quick Takeaways:

- Veterans may be at greater risk for money mismanagement due to lack of financial experience, targeted predatory loans, and service-related traumatic brain injury.
- Money mismanagement is strongly associated with homelessness.
- Financial education programs may improve financial literacy and reduce homelessness.

Study:

Researchers surveyed Operation Iraqi Freedom and Operation Enduring Freedom veterans who were non-active or part of the Reserves/National Guard. They sent out an electronic survey to randomly selected veterans, with follow-up survey reminders and a paper survey. This survey collected information on demographics, income, service history, physical and mental health history, substance use history, housing history, and history of money management. A follow-up survey was sent approximately one year later.

Researchers defined money mismanagement based on previous research, and veterans mismanaged their finances if they participated in one of the following activities: writing bad checks, forging checks, going over their credit limit, referred to a collection agency, or fell victim to a financial scam.

Findings:

Researchers found that money mismanagement was associated with homelessness. In the study, 30.2% of veterans mismanaged their finances in at least one of the ways defined by the study, 16.9% were contacted by a collection agency, 13.6% wrote a bad check, 20.3% went over their credit limit, 3.4% were victims of a scam, and 0.5% forged a check. Further, worse money mismanagement was associated with higher rates of homelessness.

Conclusion:

Money mismanagement was strongly associated with homelessness, and the greater the mismanagement, the greater the association with homelessness. Veterans who have not had to manage their finances due to having their needs provided for by military service may lack the financial knowledge necessary once they are discharged. Veterans are often targeted by predatory loans and financial scams. Researchers believe that improving financial literacy among veterans may reduce money mismanagement and the associated increased risk of homelessness. Integrating financial education into services provided to homeless veterans may improve housing and financial stability and reduce the rate of becoming homeless again.