



## Financial Readiness Presentation Student Guide

This student guide is meant to reinforce key points in the Financial Readiness Presentation. As you watch and discuss the six videos, please complete the activities below.

### **Before beginning:**

It would be helpful to have a copy of your most recent Leave and Earning Statement (LES), investment statements and access to the Financial Readiness Guide located at [personalfinanceformilitarylife.org](http://personalfinanceformilitarylife.org). Let's get started!

## FILL IN THE BLANKS FOR EACH KEY POINT.

1. Believe it or not, how you \_\_\_\_\_, \_\_\_\_\_ about, and \_\_\_\_\_ your finances may be influenced by your money personality.
2. To actually improve your \_\_\_\_\_ it makes sense to learn a little about \_\_\_\_\_ first.
3. Spenders feel an \_\_\_\_\_ connection to spending money. They may associate it with gaining acceptance or respect.
4. \_\_\_\_\_ like the security of money in the bank because it means they're in control.
5. Givers make a point of showing \_\_\_\_\_ by purchasing gifts, dinners, and supporting favorite causes. They use money to express \_\_\_\_\_ and \_\_\_\_\_.
6. For \_\_\_\_\_, money is a tool. They use it, and sometimes risk it, to turn their dreams into reality. Which of the 4 money personalities best describes you? Why? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## ACTIVITY: THE SECOND CHALLENGE

1. Challenge yourself to write down as many financial goals as you can in one minute.
2. Take some time to review your goals and rank them by level of importance.
3. Calculate the savings required on a monthly basis to achieve success.

GOALS	RANK	CALCULATE SAVINGS

**TOTAL:**

## FILL IN THE BLANKS FOR EACH KEY POINT.

1. One of the best ways to reach your \_\_\_\_\_ is to follow a \_\_\_\_\_.
2. The four steps in the budgeting process (in order) are:  
Step 1: \_\_\_\_\_  
Step 2: \_\_\_\_\_  
Step 3: \_\_\_\_\_  
Step 4: \_\_\_\_\_
3. Try to save at least \_\_\_\_\_ to \_\_\_\_\_ % of your pre-tax pay.
4. Consider \_\_\_\_\_ your savings to keep it simple.
5. List some examples of life changes that could require a budget change:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **ACTIVITY:** **BRIDGE THE GAP BETWEEN YOUR BUDGET AND GOALS**

Let's connect your financial goals to your budget.

1. Build or review your budget. The Budget Worksheet provided in this student guide is a great way to start. (See pages 9-10)
2. Go back to the goals you identified in **The 60 Second Challenge**. Is the money you're spending going towards the goals you've identified? If not, what changes can you make to better save towards your goals? Explain.

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## FILL IN THE BLANKS FOR EACH KEY POINT.

1. A credit report is a record of an individual's past credit \_\_\_\_\_.
2. You can get your FREE credit \_\_\_\_\_ at [Annualcreditreport.com](https://www.annualcreditreport.com).
3. A \_\_\_\_\_ is a number that represents past credit behaviors, sort of like a grade.
4. \_\_\_\_\_ accounts for 35% of your credit score, so pay your credit card payments on time!
5. Having good credit could allow you to \_\_\_\_\_ money when you need to borrow money.
6. Someone with good credit will appear \_\_\_\_\_ risky to lenders and could qualify for a loan with a lower interest rate.
7. Someone with \_\_\_\_\_ credit might appear riskier to a lender and could qualify for a loan with a higher interest rate.
8. Financial health and credit history are considered in the approval process of \_\_\_\_\_ clearances, so be careful with credit. It could impact your career opportunities!

### **ACTIVITY:** CREDIT REPORT A,B,Cs

It's a good idea to check your credit report annually and it's as easy as **A, B, C**. Start by visiting:

1. [Annualcreditreport.com](https://www.annualcreditreport.com) and answering a few personal questions to verify your identity.
2. **B**egin a thorough review of your credit reports and check for accuracy.
3. **C**orrect any errors directly with the credit bureau.

## FILL IN THE BLANKS FOR EACH KEY POINT.

1. How you approach \_\_\_\_\_ money could have a profound impact on everything from your career to your ability to build wealth.
2. What are the three tips to dealing with debt:
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
3. Keep all monthly debt payments to less than \_\_\_\_\_ % of gross pay.
4. \_\_\_\_\_ payday loans.
5. Consider 0% emergency \_\_\_\_\_ from the Services'/Components' relief societies.
6. The \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ can cap your interest rate at 6% on some debts you or your spouse obtained before you entered active duty. Visit [militaryonesource.mil](http://militaryonesource.mil) and search the keyword "SCRA" for more information.

## **ACTIVITY: DESTROY YOUR DEBT**

1. List your debts on the lines provided along with your strategy for paying them back.
2. Watch the Debt Destroyer™ video series to help get out and stay out of debt. Visit [personalfinanceformilitarylife.org](http://personalfinanceformilitarylife.org) for more information.

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## FILL IN THE BLANKS FOR EACH KEY POINT.

1. What are the three most common ways to pay for retirement.
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
2. Service members who serve 20 years and qualify for military retirement, get a \_\_\_\_\_ check for the rest of their life.
3. One of the easiest ways for service members to save for \_\_\_\_\_ is through the Military's Thrift Savings Plan or TSP.
4. For those covered under the Military's Blended Retirement System, once you've served 60 days, your branch of Service will automatically begin contributing \_\_\_\_\_ % of basic pay into your TSP account.
5. Once you've served for \_\_\_\_\_ years, your service will then begin matching any contributions you make, up to 5% of what you put in.
6. If you contribute 5% out of YOUR pocket, your service will contribute 5% out of THEIR pocket for a total of 10%. Contributing at least \_\_\_\_\_ % of your pay is typically a good idea.

### **ACTIVITY: TIME MEANS MONEY!**

Some people spend more time reviewing a restaurant menu than their retirement strategy.

Now is the perfect time to review your strategy and super-size your retirement.

1. How much do you have saved for retirement in investment accounts like the TSP?
2. How are your investments performing? Do you need to make any changes?
3. Consider increasing your contributions.

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## FILL IN THE BLANKS FOR EACH KEY POINT.

1. It's important to protect your \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ if the unexpected were to happen.
2. Reduce access to your personal information to protect yourself from \_\_\_\_\_.
3. It's a good practice to frequently \_\_\_\_\_ your insurance policies to make sure the coverages and deductibles make sense for your financial situation.
4. To determine how much life insurance you should have, use the acronym LIFE, which stands for:  
L \_\_\_\_\_  
I \_\_\_\_\_  
F \_\_\_\_\_  
E \_\_\_\_\_
5. Your insurance coverage, combined with any assets that would be available at your death, should equal \_\_\_\_\_ than these four things combined.
6. A good estate plan will cover things like:
  1. Who should get your \_\_\_\_\_ and other \_\_\_\_\_ when you die.
  2. Who you'd like to act as guardian(s) for your \_\_\_\_\_.
  3. Choosing an executor to watch over the process to ensure your \_\_\_\_\_ are carried out.
  4. Treatments you \_\_\_\_\_ or do not \_\_\_\_\_.
  5. Who is authorized to make \_\_\_\_\_ and \_\_\_\_\_ decisions on your behalf when you can't.
7. Be sure to speak with a \_\_\_\_\_ to discuss your specific situation, and review your plan often to make sure it still fits the picture of your life.



**ACTIVITY: PLAN AHEAD + RISK MANAGEMENT**

1. Review your insurance coverages and estate plan.
2. What coverages and plans do you currently have? What are you missing?
3. Is there anything you should change to better manage your risk?

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## PERSONAL FINANCE FOR MILITARY LIFE

### **Congratulations!**

You completed the Financial Readiness Presentation and activities. You now know how your money personality, budgeting, understanding credit, managing debt, investing for retirement, and protecting your life and assets are all critical pieces of the puzzle for a successful financial life. Remember, managing your money and achieving financial readiness is mission readiness. It's also a life-long journey.

For more information on improving your finances, visit our website at [personalfinanceformilitarylife.org](https://personalfinanceformilitarylife.org).



# BUDGET WORKSHEET

MONTH

INFLOWS	YOU	SPOUSE
Basic pay	\$	\$
Special pay (hazardous duty, flight pay, etc.)		
Housing allowance		
Subsistence allowance		
Total Monthly Gross Income <b>[A]</b>	= \$	= \$
<b>DEDUCTIONS</b>		
Federal Income Tax Withholding (if applicable)	\$	\$
State Income Tax Withholding (if applicable)		
FICA - Social Security		
FICA - Medicare		
Other deductions (employer-provided retirement plan contributions, etc.)		
Total Deductions <b>[B]</b>	= \$	= \$
<b>OTHER INFLOWS</b> (interest, gifts, refunds, etc.) <b>[C]</b>	= \$	= \$
Total Monthly Net Inflows <b>[A-B+C]</b>	= \$	= \$

OUTFLOWS	PLANNED	ACTUAL
<b>SAVINGS/INVESTMENTS</b> (target at least 10% - 15% of monthly gross income)		
Emergency fund	\$	\$
Retirement accounts (IRA, Roth IRA, etc.)		
Other		
<b>DEBT</b>		
Credit cards	\$	\$
Loans (other than mortgage and autos)		
<b>HOME</b>		
Food	\$	\$
Rent/Mortgage payment		
Property taxes (1/12 of total annual expense)		
Utilities, cable, satellite, internet, etc.		
Home maintenance		
Furniture		
Phone/Mobile phone		
Property insurance (renters, homeowners)		
<b>CHARITABLE GIVING</b>		
Place of worship	\$	\$
Other		

# BUDGET WORKSHEET

MONTH

OUTFLOWS continued	PLANNED	ACTUAL
<b>INSURANCE</b>		
Health	\$	\$
Disability		
Life (SGLI, spouse's group plan, personally owned, etc.)		
Long-term care		
<b>EDUCATION</b>		
Tuition	\$	\$
Room/Board/Travel		
Books/School supplies/Uniforms		
<b>TRANSPORTATION</b>		
Vehicle payment	\$	\$
Auto insurance		
Gasoline/Parking/Tolls/Public transportation		
Vehicle maintenance		
Other (Registration/License fees, 1/12 of total annual expense)		
<b>PERSONAL</b>		
Clothing	\$	\$
Laundry/Dry cleaning		
Grooming (hair care, toiletries, etc.)		
Child care (baby sitters, child care center)		
<b>RECREATION/ENTERTAINMENT</b>		
Vacations (1/12 of total annual expense)	\$	\$
Entertainment/Dining out		
Hobbies (for example, golf or tennis equipment and fees)		
Club fees/Organization dues		
Other		
<b>TOTAL MONTHLY OUTFLOWS</b>	= \$	= \$

CALCULATE MONTHLY CASH FLOW	PLANNED	ACTUAL
Total Monthly Net Inflows	\$	\$
Less Total Monthly Outflows	- \$	- \$
Net Cash Flow (Deficit)*	= \$	= \$

\* If your net cash flow is positive, you can save more for emergencies or other financial goals. If it's negative, you will have to cut outflows or increase inflows (by taking a second job, for example).

### GETTING STARTED

1. Think, speak, approach
2. Finances, yourself
3. Emotional
4. Savers
5. Love, love, affection
6. Investors

### BUDGETING

1. Goals, budget
2. Know your current situation, know where your money should go, create a plan, make adjustments
3. 10, 15
4. Automating
5. Pay increase/decrease, deployment, PCS, marriage, baby or divorce

### UNDERSTANDING CREDIT

1. Behaviors
2. Report
3. Credit score
4. Payment history
5. Save
6. Less
7. Bad
8. Security

### MANAGING DEBT

1. Borrowing
2. Have a game plan for paying debt back, be smart about major purchases, seek help if you're struggling
3. 36
4. Avoid
5. Loans
6. Servicemember Civil Relief Act (SCRA)

### RETIREMENT

1. Social security, pensions, personal investments
2. Pension
3. Retirement
4. 1
5. Two
6. 5

### PROTECTION

1. Assets, life, estate
2. Identity theft
3. Review
4. Liabilities, income, final expenses, education
5. More
6. Financial, assets; children; wishes; want, want; medical, financial
7. Legal professional