



PERSONAL  
FINANCE FOR  
MILITARY LIFE



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# AGENDA



Getting Started



Budgeting



Understanding Credit



Managing Debt



Retirement



Protection



# GETTING STARTED







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## Money personalities influence your attitude and decisions about money.

- Setting financial goals are a good first step to improving your finances.
- Common personalities include: Spenders, Savers, Givers, and Investors.



**Spenders**



**Savers**



**Givers**



**Investors**





- Which of the four money personalities best describes you?
- The video mentions a number of common financial goals.  
What are some things you do to stay motivated to reach your goals?

## THE SECOND CHALLENGE

Write down as many financial goals as you can in one minute.  
Then take some time to prioritize them and determine how much you  
need to save monthly to achieve success.



# BUDGETING

The background is a solid mustard yellow color. It features faint, stylized line-art illustrations of financial concepts. In the center, there is a large, tilted rectangular shape with a double border, resembling a budget sheet or a large banknote. Scattered around this central element are several smaller icons: a stack of three coins at the bottom center, a single coin with a dollar sign on it to the left, another coin with a dollar sign to the right, and a small stack of coins in the upper right corner. The overall theme is financial planning and budgeting.





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## **STEP 1: Know your current situation**

- Set goals
- Track inflows and outflows

## **STEP 2: Know where your money should go**

- Save and/or invest 10 - 15%\*
- Transportation less than 10%\*
- Housing less than 28%\*

## **STEP 3: Create a plan**

- Spend less than you earn
- Pay yourself first
- Automate saving and investing
- Strive to save 3 - 6 months of expenses for emergencies

## **STEP 4: Make adjustments**

- Make family budgeting a team sport
- Replenish emergency funds as needed
- Review frequently





- Mobile money, debit cards, cash, budgeting apps - how do you keep your budget on track?
- What are your 4 largest expenses each month? Do these represent what is most important to you?



## BRIDGE THE GAP

Connect your financial goals to your money. Build or review your budget.



# UNDERSTANDING CREDIT







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# CREDIT: KEY POINTS

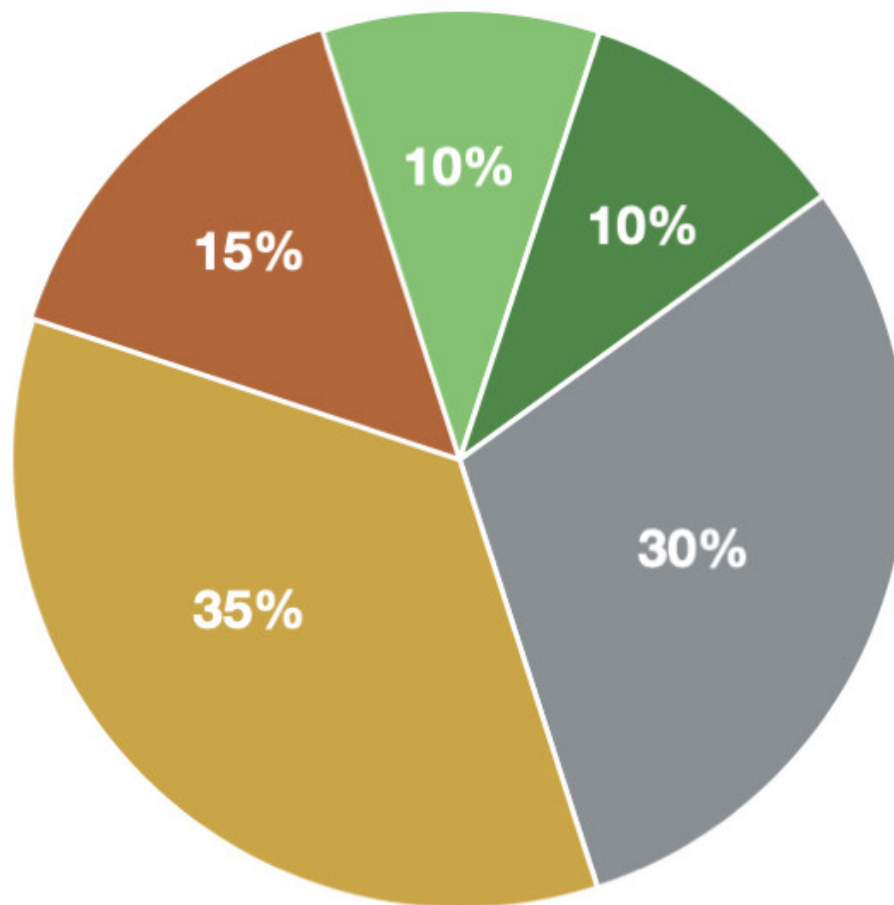
Manage credit score components

Do not cosign for someone else

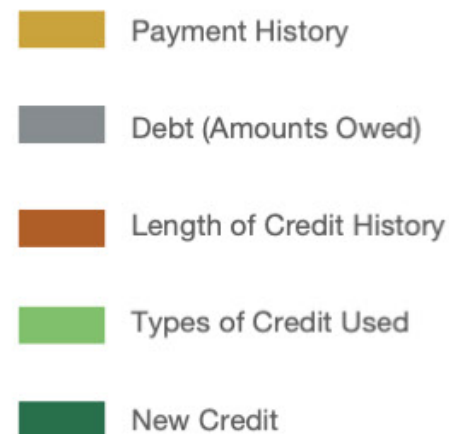
A secured credit card or loan  
might help to establish credit

FICO scores range from 300 - 850

Visit [annualcreditreport.com](https://annualcreditreport.com) for  
a free copy of your credit report



## FICO MODEL



For more information, see [myfico.com](https://myfico.com)





- Since payment history accounts for 35% of your credit score, what are ways to ensure payments are made in full and on time?
- What are some of the benefits and drawbacks to using credit?



## CREDIT REPORT A, B, Cs

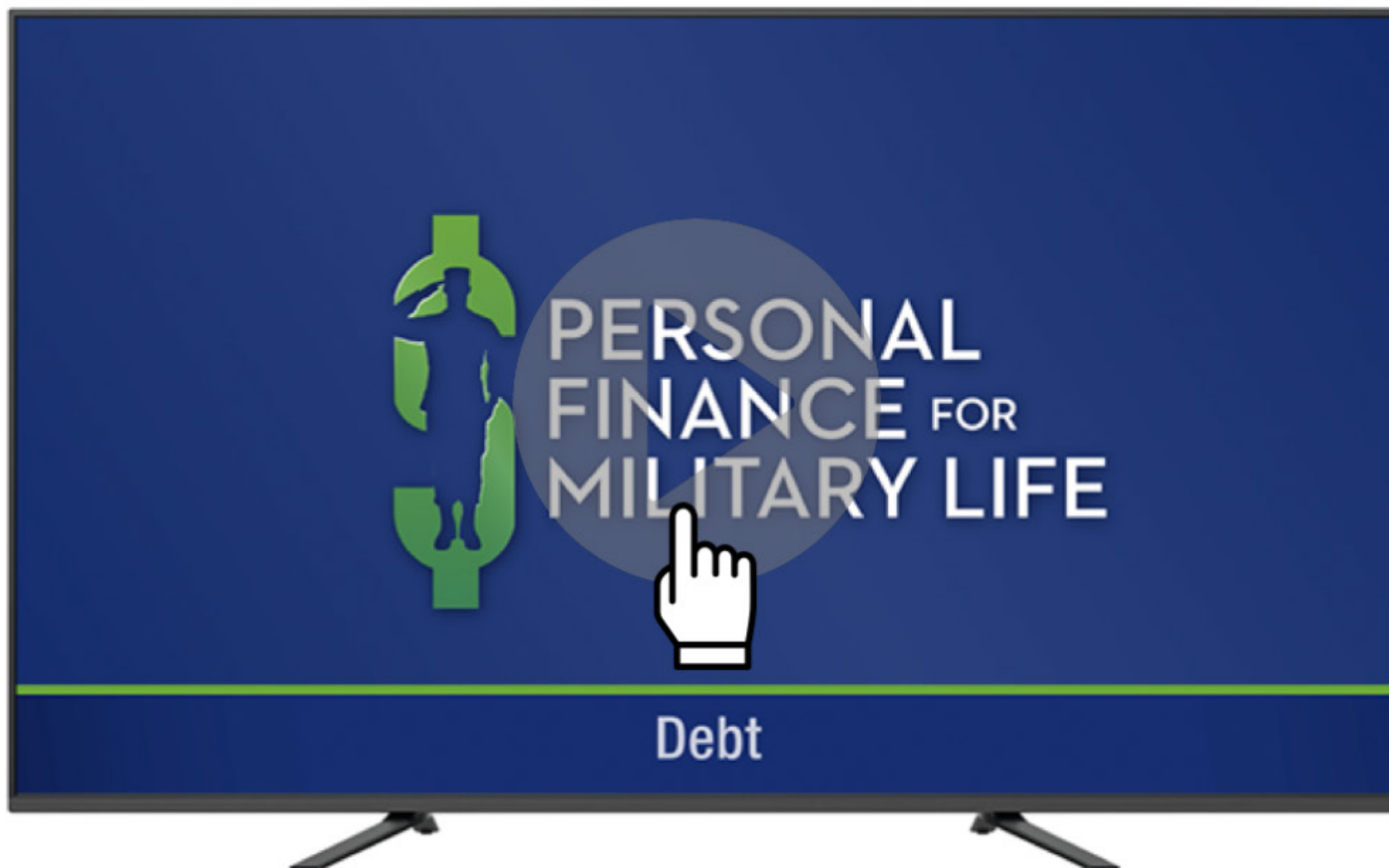
Go to [Annualcreditreport.com](https://annualcreditreport.com), Begin a thorough review, and Correct any errors.



# MANAGING DEBT







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# DEBT: KEY POINTS



Plan before you borrow

Explore Servicemembers Civil Relief Act

Pay more than the minimum required

Pay off highest interest rate debt first

Seek advice





- Having a budget and emergency fund are two great ways to avoid debt problems. What are a few other steps you can take to avoid falling into debt?
- Instead of payday loans, consider 0% emergency loans from your service relief society (AER, NMCRS, AFAS, or CGMA).

**WATCH THE DEBT DESTROYER™ VIDEO SERIES  
TO GET OUT AND STAY OUT OF DEBT!**

Visit ***[personalfinanceformilitarylife.org](https://personalfinanceformilitarylife.org)*** for more information.



# RETIREMENT







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- Save for retirement now.
- Service members covered under the Military's BRS should consider saving at least 5% into their TSP.
- Traditional TSP (or IRA) contributions normally lower taxable income now. Qualified distributions are typically taxable in the future.
- Roth TSP (or IRA) contributions do not lower taxable income now. Qualified distributions are tax-free in the future.





- A promotion is a great time to save more for retirement. What are a few ways you've been able to save for retirement?



## TIME MEANS MONEY!

Some people spend more time reviewing a restaurant menu than their investments. Go review your retirement accounts and consider increasing your contributions.



# PROTECTION







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- Protect your assets, vehicle, and home with insurance.
- Protect your identity – *[identitytheft.gov](https://www.identitytheft.gov)*
- Create an estate plan.
- Life insurance helps provide financial security for survivors.
- SGLI alone won't be enough in some situations.

## LIFE INSURANCE OPTIONS THROUGH THE MILITARY

SGLI	FSGLI	FSGLI	SGLI & FSGLI
Member Coverage: Up to \$400,000	Spouse Coverage: Up to \$100,000	Child Coverage: \$10,000	Continues for 120 days after separation



- What are the possible consequences to a family if someone dies without enough life insurance?



## PLAN AHEAD!

Review your insurance coverages and estate plan often, and make changes as needed.



# SUMMARY





Set financial goals

Create and follow a budget

Create an emergency fund

Manage credit and debt wisely

Save or invest now (10 - 15% of gross pay)

Strongly consider contributing to the TSP

Protect your life, loved ones, and possessions



# THANK YOU



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