

CFS Intro: Congratulations on your leadership role! Whether you are a new or experienced leader, it's always important to understand how financial readiness directly impacts mission readiness. When your service members are in financial distress, they are less productive, less resilient, and less focused on the mission – your unit's mission. Today's 30-minute class has six short videos that will inform you, as a leader, how to leverage your CFS and PFM as key partners, how to recognize financial warning signs, and how to educate your team about military retirement plans. Let's get started!

Play Videos 1 & 2

Discussion Questions



1. Leadership
Facilitation
Intro

1. Why do military members tend to have more financial issues than their civilian counterparts?

CFS Talking Points: Age, no foundation of financial education, military lifestyle such as frequent moves, deployments, managing money separately from spouse, spouse unemployment, cost of living, access to credit



2. Need for PFM
and Financial
Warning Signs

2. How can you utilize your Command Financial Specialists to help alleviate and possibly avoid poor financial decisions?

CFS Talking Points: Make sure you have quality CFSs who are properly trained and maintain current relevant information and seek continuing education; have CFS hold trainings on regular basis (Indoc, Unit trainings, Safety Stand downs); support CFS office hours; promote CFS to members; advertise the program.

3. What ways can you work with the PFM program to improve the overall financial well-being of your military members?

CFS Talking Points: Invite PFMs to trainings, schedule briefs, communicate on concerns/issues, attend Leadership Financial Seminars offered at installation, maintain current POC, offer services to military members, support members in seeking services.

CFS Intro: Let's take a look at some common financial pitfalls that service members find themselves in.

Play Video 3

Discussion Questions



3. Financial
Planning

1. What are some common money mistakes that you see with your Service Members and how can you help?

CFS Talking Points: Common money mistakes include mismanaging day to day finances, ignoring credit, and not saving for retirement. Your CFS can teach budget classes, credit and debt management classes, and TSP.

2. How can your CFS help anticipate and potentially prevent some common money mistakes?

CFS Talking Points: An empowered CFS will keep you informed and up to date on financial trends in your unit. This knowledge can help you provide timely and relevant education to prevent money mistakes which could result in stress, poor job performance, or loss of clearance.

CFS Intro: As a leader, you may get questions about military retirement plans. This video will help you understand the differences between Legacy and Blended Retirement Systems so you can help explain it to your service members.

Play Video 4

Discussion Questions



4. Retirement System Overview

1. How would you describe the difference between Legacy and Blended Retirement System?

CFS Talking Points: Both Legacy and Blended Retirement System (BRS) earn a pension at 20 years. The multiplier is different but both plans earn a pension. Legacy TSP participants do not get a match. BRS TSP participants get a match of up to 5% if the participant contributes 5%. BRS participants can choose to receive continuation pay and have the option for lump sum at retirement.

2. General Q&A:

- Q: What is the multiplier for Legacy Retirement?
- A: 2.5%
- Q: What is the multiplier for BRS?
- A: 2%
- Q: What is the maximum match that a BRS participant will get?
- A: 5% match

CFS Intro: The Thrift Savings Plan (TSP) is an important component for retirement planning. Let's watch this quick video so you can be prepared to answer questions about the TSP.

Play Video 5



5. Understanding and Managing TSP

Discussion Question

1. How would you explain to a service member the difference between Traditional and Roth contributions?

CFS Talking Points: When service members make traditional contributions, their taxable income is reduced now, but withdrawals from these accounts are taxable later. When service members make Roth contributions, their taxable income is not reduced now, but withdrawals from these accounts can be tax-free later, including the earnings.

Knowledge Check

Question: What are the 5 core funds in the TSP?

Answer: G, F, C, S, I

Question: What is a Lifecycle Fund?

Answer: A Lifecycle Fund is a professionally developed mix of the 5 core funds that start with a riskier blend but get more conservative over time as you approach retirement. "Set it and forget it."

CFS Intro: This last video wraps up today's learning objectives and key takeaways.

Play Video 6



6. Facilitator
Conclusion

Discussion Question

1. How will you engage your CFS and PFM to improve the financial literacy of your service members?

CFS Talking Points: Designate a high performing, highly motivated Lead CFS. Give that Lead CFS a "seat at the table". Create command routines that support delivery of financial literacy touchpoints such as having your CFS on the In/Out-Processing Checklists, inviting PFC/PFM to Indoc/Inprocessing Briefings and quarterly training.

CFS Conclusion: In closing, today's lesson was to ensure that you know how to leverage your CFS and PFM as key partners, how to recognize financial warning signs, and how to educate your team about military retirement plans.

Remember, as a leader, you are a role model for your subordinate leaders and all members of your team. If you are not financially fit, please make time to meet with your PFC/PFM or your personal financial advisor. When your service members see or hear you talking about a budget, driving an affordable car, contributing to and talking about the TSP, they will be more inclined to follow your lead. THANK YOU for your service and your leadership towards financial literacy!