

## Engaging in Conversation and Assessing Financial Well-Being

As you begin engaging in conversation and assessing a service member's current financial well-being, recognize that everyone has questions on finances — no matter their level of well-being, and no one person knows everything about achieving financial well-being. The key is to start the conversation, perhaps at a morning stand-up, during a feedback session or anytime you may meet with your service members.

Below, find key questions that, based on the responses, provide insights into one's financial well-being, as well as resources designed to assist you and your service members. Before asking others these questions, ask yourself, record your answers and then see how you might rate your own financial well-being.

### Well-being area

#### **Present/financial security: Control over day-to-day, month-to-month finances**

Challenges to control one's expenses may, for some, result in individuals or families experiencing barriers to financial well-being. This question screens for that potential condition.

#### *Question*

Do you control your money, or do you feel like your money controls you from day to day or month to month?

- If a service member indicates their money is in control, encourage them to use a spending plan or visit a Personal Financial Manager (PFM) to begin shifting the balance of power.
- If a service member indicates they are in control of their money, provide praise and encouragement to continue on this track. Help is available to provide periodic checkups to provide assistance in goal setting.



**RESOURCES:** A [Personal Financial Manager \(PFM\)](#) can assist with financial resources, education, and planning. PFMs are a part of the Work-Life staff at each Health, Safety, and Work-Life Regional Practice (HSWL-RP). If a PFM is not available at your location, please reach out to your unit's Command Financial Specialist or [CG SUPRT](#) Money coach. For DoD members, [Installation Military and Family Support Centers](#) provide a number of support programs and can assist with identifying local resources. Additionally, military emergency relief societies may be able to provide emergency financial assistance through interest-free loans or grants.

- Air Force Aid Society: <https://afas.org/>
- Navy-Marine Corps Relief Society: <https://www.nmcrcs.org/>
- Army Emergency Relief: <https://www.armyemergencyrelief.org/>
- Coast Guard Mutual Assistance: <https://www.cgmahq.org/>
- American Red Cross: <https://www.redcross.org/find-your-local-chapter.html>

*\*The American Red Cross can assist when a service member or family member is not located near a military installation.*

## Well-being area

### Future/security: Capacity to absorb a financial shock

One way to assess financial well-being is to think about the ability to absorb a financial shock or unexpected expense. What would you do if you were in the following situations? Consider discussing with your service members to get them thinking about unexpected expenses and developing a plan to better prepare for financial shock and increase financial well-being.

#### *Question*

If you had an unexpected expense of \$400, such as a vehicle repair/maintenance or medical bill, how would you cover the expense?

- If the service member indicates they would be able to pay cash or cash equivalent (savings or credit card paid fully at next statement), provide praise and encourage them to stay on this track. Include in the discussion repaying themselves to keep emergency savings available in the future.
- If the service member indicates they would need to use a credit card but they could not pay it off at the next statement or would need to use some other form of credit in order to cover the expense, make them aware of resources such as the military aid societies. The aid societies can provide interest-free emergency assistance to help lessen the burden of repayment. Encourage service members to meet with a personal financial manager or personal financial counselor to develop a spending plan and start an emergency fund to better prepare for future financial shocks.

#### *Question*

Consider another financial shock, such as needing major vehicle repairs of \$1,500. How would you pay for it?

- If the service member does not have an emergency fund, share [resources for establishing an emergency fund](#). Any amount can help, but experts typically recommend three to six months of living expenses to cover a significant disruption to income, such as job loss. Additionally, remind service members of the assistance available through the military aid societies.
- If the service member does have an emergency fund, encourage the positive steps they are taking and talk to them about [additional savings strategies to address the unexpected](#).
- If the service member does have an emergency fund, discuss the amount of savings the service member needs to feel confident in that situation.



RESOURCE: For more information on financial planning, visit the [Managing Your Money page](#) on the Office of Financial Readiness website.

#### *Question*

If you deploy, does your spouse/partner or trusted individual have the tools needed to manage your family finances and make decisions?

- Discuss what tools may need to be established or updated. For example, establishing [legal authority/power of attorney](#) to make financial decisions on their behalf or [credit alerts](#) and [credit freezes](#) to ensure the protection of personal financial information.
- Remind service members to review and update information such as spending plans, wills, insurance policies and personal information such as [DEERS](#) at major events including marriage, divorce or birth of a child. Personal financial managers and [personal financial counselors](#) can assist with reviewing and updating financial information and [installation legal assistance services](#) can assist with legal documents.



RESOURCES: For more information on financial planning, visit the FINRED website section, [Planning for the Future](#). Spouses can find helpful information, tips and a community of resources on [MilSpouse Money Mission](#).

## Well-being area

### Present/freedom of choice: Financial freedom to make choices and enjoy life

#### *Question*

Do you always/often, sometimes/rarely or never have extra money at the end of the month?

- If the service member indicates they never have income at the end of the month, encourage them to meet with a personal financial manager or personal financial counselor to discuss factors that affect their cash flow and develop a monthly spending plan.
- For service members that indicate they sometimes have extra income, they may just need to make a few adjustments to have more flexibility or freedom. Encourage them to develop a monthly [spending plan](#) and take action to track their money.
- If the service member always or often has extra income at the end of the month, encourage continued positive actions and ask them to assess how they are financially [planning for their future](#).

#### *Question*

When is the last time you reviewed your credit report? Do you know where to find it?

- If the service member has never reviewed their credit report or hasn't done so recently, point them to [AnnualCreditReport.com](#) and encourage them to make it a yearly practice.
- Reviewing a credit report is a step in the right direction, but service members need to understand that a credit report contains payment history, amount of loans and other financial information such as bankruptcies or recent applications for credit, which is then used to compute their [credit score](#). Their credit score predicts how likely they are to repay a loan. A personal financial manager or

personal financial counselor can assist in the service member's understanding of what the report says about their credit worthiness.

- Regularly reviewing their credit report helps ensure the reported information is accurate and decreases the potential of credit score impacts or [identity theft](#).
- Further, encourage your service members to be aware of [consumer credit protections](#) available to them, such as the [Servicemembers Civil Relief Act](#) or the [Military Lending Act](#). A service member can speak with their [nearest legal assistance office](#) for more information.

## Well-being Area

### Future/freedom of choice: On track to meet financial goals

#### *Question*

Have you established any financial goals? If so, what steps are you taking to meet them?

- If the service member has not established financial goals or is unsure how to begin, encourage them to take the first step by creating a spending plan with goals. A personal financial manager or personal financial counselor can assist with this. If the service member has established financial goals, invite them to share their strategies.



RESOURCE: FINRED website article on financial goal planning, [Don't Just Plan for the Future — Plan for Your Future](#).

#### *Question*

What is your experience working or meeting with a personal financial manager (PFM) or CG SUPRT money coach?

- If the service member has never worked with a PFM or money coach, inform them of the no-cost resource available and offer to help schedule an appointment with the nearest [Personal Financial Manager](#) (PFM) located at each Health, Safety, and Work-Life Regional Practice (HSWL-RP) or virtually with a money coach through [CG SUPRT](#). Meeting periodically to set, review or reassess goals will further financial well-being, BEFORE a financial shock or stressor arises.



RESOURCE: To locate a CG personal financial manager, visit [Personal Financial Manager](#). Or, find a DOD installation PFM at: [MilitaryINSTALLATIONS](#).

#### *Question*

What areas of personal finance do you feel most confident in applying to your financial situation (e.g. investing for your future, maximizing credit, managing debts, etc.)?

- If the service member indicates a lack of confidence in one or more areas, reassure them that they are not alone and there are many resources immediately available to help them get started and on the road to future financial success. For example, a service member may want or need to purchase a vehicle, but doesn't

know where to begin. As a leader, you can refer them to the FINRED [Car Buying Basics video series](#).



RESOURCES: [Office of Financial Readiness](#), [MilLife Learning courses](#), and nearest personal financial managers.

- If the service member indicates a high level of confidence with personal finance, ask which areas of financial knowledge they feel most comfortable handling — [budgeting](#), [credit](#), [savings](#), etc. Consider encouraging the service member to share their experiences and outreach to their peers. These are your future leaders that will pave the way ahead for your unit.

### *Question*

Do you maximize matching your Thrift Savings contributions each pay period or consider increasing contributions?

- If the service member doesn't know how much money they put into their TSP account each pay period, encourage them to take control of their long-term savings, visit [TSP.gov](#) and explain that the contribution amount is listed on their LES.
- Remind service members how [small savings now can make a big difference](#) in the future.
- Ask a service member if they have considered increasing TSP contributions at various career milestones, such as at promotions or annual pay increases. This is a quick way to increase savings without an impact to current spending habits.



RESOURCE: To encourage increased TSP savings contributions, read [Simple Tips to Save More for Retirement](#) on the FINRED website.

As you work to remove the stigma of discussing finances, encourage positive financial actions and acknowledge any steps towards progress.

- Creating measurable financial goals, such as paying off their lowest credit balance within the next six months, and taking steps to achieve that goal through additional payments each month.
- Creating an emergency fund separate from savings that helps to absorb a financial shock, such as emergency travel, car or home repair.
- Smart car-buying practices through self-directed learning, whether through a video, article or a well-informed peer.