

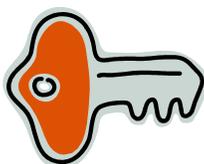
**STOCKTON CENTER FOR
ECONOMIC & FINANCIAL LITERACY**
THE RICHARD STOCKTON COLLEGE OF NEW JERSEY



MILITARY MONEY MATTERS
(for Active Duty and Reservists)



Experts say a person needs to budget to truly have a grip on one's finances. This should be easy in the military life because we need discipline and order for our jobs and lifestyles. Sadly, everyday our brothers and sisters in the armed forces depend on "payday loans", pawnshops, live out of their means and rely on other unsavory business practices to get by. The reason for this is we know we will always get those government paychecks on the first and 15th of every month so we never really stop and think the most effective way to work it. Below are some key concepts to help one another out.



Key concepts

START YOUNG

The sooner you start being financially responsible, the better! And the best part is you can start today. Simply put, time is money and we don't have a second to waste. If you are a senior member of the military and you are reading this, it is your responsibility to help junior soldiers and sailors and pass down this info to them.



BUDGET BUDGET BUDGET!

When it comes to our income in the U.S military, it is very easy. The payscale is public knowledge; you can find it almost anywhere on a military base or on the internet. Once we have established our income (use base pay), all we have to do next is find out our monthly expenses and do some simple math. We have to make sure our expenses do not exceed our income or else that's when we find ourselves in trouble. When you are writing your budget, don't factor in special pays such as bonuses, hazard duty pay, flight pay or any other extra because you can not rely on these on a month to month term. It is actually better to underestimate your income so you will always have that little extra wiggle room.



RAINY DAY FUNDS AS SAVINGS

All of us know that bad things happen. It could be unforeseen medical expenses, the car breaks down, family issues that need extra \$\$\$\$\$. This is why we establish a rainy day fund. A good rainy day fund should be about 3 - 6 months of living expenses. Put this money aside in an interest-earning account and have that extra security that we all want for our families. An easy way to do this: Do not factor in all those extra little pays and bonuses we all love receiving. Throw that money in your rainy day fund and watch it grow. Once this fund is established, you will no longer depend on payday loans and or pawnshops and you will be amazed at the interest and fees you save.



BANKING WISELY

With our job comes a lot of travel and sometimes out-of-pocket spending until we put in our travel claim form and receive our money back. Many armed forces personnel conduct financial services through USAA.com because they are exclusively for military members and their families. USAA will waive ATM fees up to \$15 a month and have a low 4% interest rate on credit cards if you are deployed on military services.



Suggested Further Resources:

Federal Trade Commission (FTC). Online Shopping and E-Payments information is located at

<http://www.ftc.gov/bcp/menus/consumer/tech/online.shtm>

Federal Trade Commission (FTC). Defer, Detect, Defend: Avoid ID Theft. Available at

<http://www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idth01.shtm>.

New Jersey Department of Banking and Insurance. Consumer Alert: Not All ATMs are What They Seem. Available at

http://www.state.nj.us/dobi/division_consumers/finance/consumeralert_atm.htm

United Services Automobile Association. Available at https://www.usaa.com/inet/ent_logon/Logon.

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