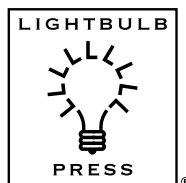


# A SALUTE TO SMART INVESTING

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# Managing Your Money

Being financially prepared is part planning and part action.

There's a lot more to managing your money than checking your account balance, getting cash from the ATM, and making credit card and loan payments.

In the broadest sense, managing money is about creating a plan that strikes a balance between the money you have coming in and the amounts you're spending. Developing and sticking to this plan—which some people call a spending plan and others call a budget—takes discipline. But the payback is well worth the effort—now and in the future.

## GETTING STARTED

The first step in managing your money is to know where you stand. One way to find out is to set up a simple worksheet that lists your expenses and what they're costing you. It's easy to do online, and that makes it easier to update.

If you pay some bills, such as insurance or taxes, quarterly or annually, figure out the approximate monthly amount by dividing the total by 12.

## NUMBER GAMES

The next step is gathering the records of payments you've made over the last two or three months—your checkbook register, bank statements with details of the checks you wrote and amounts debited from your account, and credit card statements. Your records may show other costs you overlooked when you created your expense sheet, which you should include. If you pay for things with cash, make an effort in the future to keep receipts of the amounts you spend. It's handy to use a smart phone or small notebook to keep track.

When you have an entry for every category, add what you're spending and subtract it from your monthly income. Once you know where your money is going, and what things actually cost, you can start to figure out ways to cut back if you need to. In fact, you can add an extra column to your worksheet where you write down what you plan to spend in the future in each category.

The goal is to have money left over so you can increase your savings, pay down your debt, or both.

### Monthly Expenses Worksheet

Expense	Amount
Housing	
Food	
Clothing	
Utilities	
Credit card charges	
Loans	
Childcare	
Insurance	
Savings	
Transportation	
Taxes	
Support for others	
Other payments	

## MANAGING TO SAVE

In addition to accounting for your current expenses, a budget or spending plan should have a line for savings. The money you put aside for savings can be allocated partly for emergency and rainy day funds, and partly for meeting your short-term financial goals.

## TRIMMING YOUR EXPENSES

There are a number of ways to get your spending under control. Some involve knowing what your choices are and choosing those that cost less. Others focus on timing—making purchases when things you need are on sale. Still others mean eliminating things you can live without, at least for now.

You can also start to cut back on certain **variable costs**:

- Control food costs by making shopping lists, buying on sale, and avoiding high-priced prepackaged foods
- Track sales on clothing, appliances, home furnishings, and other purchases that are often scheduled for major holidays or store events
- Consider car purchases at year end or during special promotions
- Turn down your thermostat
- Do some home repairs yourself
- Limit travel and transportation costs where possible (consider a car pool)
- Reduce your entertainment expenses

Get a handle on **fixed costs** that you can reduce:

- Check around for the most economical phone, internet, and TV services
- Do the same for banking services

- Increase deductibles on your insurance policies
- See if you can renegotiate outstanding loans for a lower interest rate

Cut back or eliminate **unnecessary expenses**:

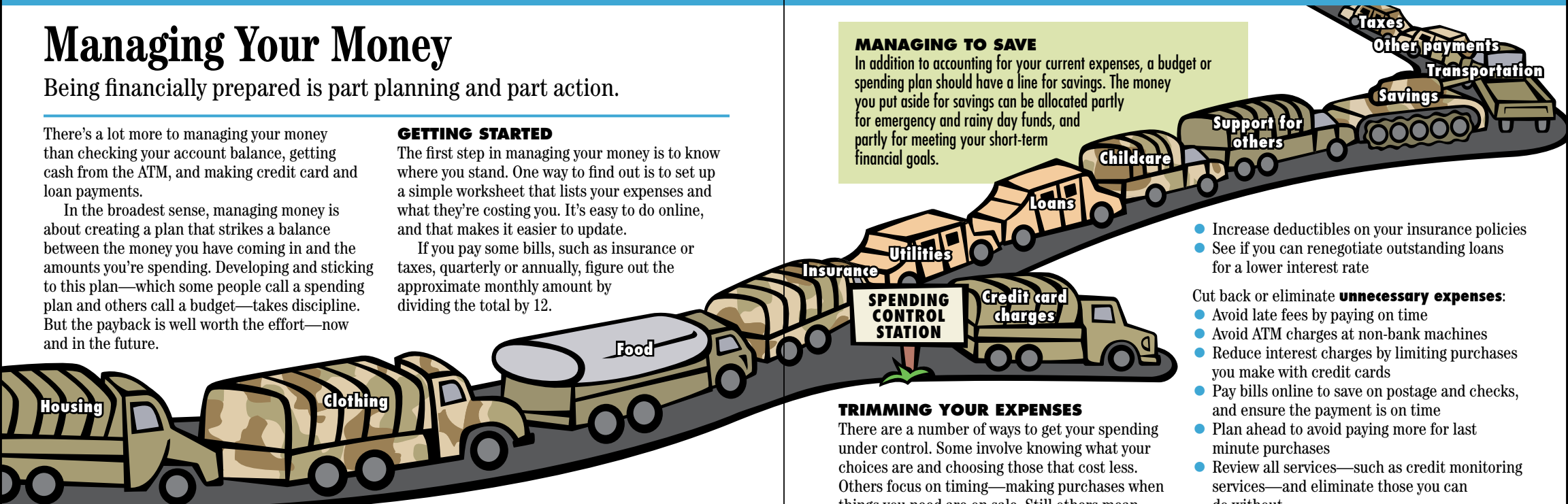
- Avoid late fees by paying on time
- Avoid ATM charges at non-bank machines
- Reduce interest charges by limiting purchases you make with credit cards
- Pay bills online to save on postage and checks, and ensure the payment is on time
- Plan ahead to avoid paying more for last minute purchases
- Review all services—such as credit monitoring services—and eliminate those you can do without

## A FAMILY MATTER

Every family handles its financial matters in its own way. For example, couples have many different ways of sharing household expenses and determining who pays for what. Yet working as a team—knowing what the overall expenses will be and having a plan in place to pay them—is always an essential ingredient in smart money management and controlling expenses.

While some people are shy or uncomfortable about discussing money, when the family has a clear sense of its financial situation, everyone can do his or her part to support the spending plan and contribute new ideas for keeping costs in check.

You might also consider working with financial support counselors at your installation. They can suggest ways that the whole family can participate in making and sticking to a budget that will work to everyone's benefit.



# Help When and Where You Need It

There are places you can go for help.

Managing your money carefully not only helps you reach your financial goals. It also helps protect you and your dependents by preventing many of the financial problems you could otherwise encounter. But most people, at one time or other, need help with challenges as straightforward as moving to a new duty station or as complex as finding solutions to situations it wasn't possible to avoid. Fortunately, there are many places to turn when you're a member of the armed forces.

## RECOGNIZING PROBLEMS

The first step in getting the help you need is recognizing there's a potential problem and being willing to deal with it. Here are some of the warning signs:

- Constantly paying late fees on loans and bills
- Skipping payments
- Being unable to pay more than the minimum due on your credit cards
- Having no money available for emergencies
- Putting off important purchases because you can't pay for them
- Depending on short-term loans to get by

## MILITARY AID SOCIETIES

There are four **military aid societies**: Army Emergency Relief, Air Force Aid Society, the Navy-Marine Corps Relief Society, and Coast Guard Mutual Assistance. These organizations offer interest-free loans to cover emergency situations including food, rent, utilities, medical expenses, car repair, emergency travel, and more. If a loan would cause undue financial hardship it may be turned into a grant, which wouldn't need to be repaid, or a combination loan and grant. For those who meet certain eligibility require-

ments, the aid societies also provide educational scholarships for children and spouses, including surviving spouses, of military personnel.

## MONEY ON THE MOVE

If you receive PCS or other orders to relocate, the Moving link at Military OneSource can help with all aspects of the transition. You can find useful tips, a planning calendar, and information about your next installation at [www.militaryonesource.mil/moving](http://www.militaryonesource.mil/moving).

Remember, if you're under PCS orders, you may be entitled to special benefits and allowances that can help cover some of the costs of moving. Also be sure to consult your installation's Relocation Assistance Program (RAP) Manager or Military OneSource for more information.

## GOVERNMENT SECURITY

What's more, you have government protection when it comes to your finances. The **Service-**

**members Civil Relief Act (SCRA)** was created in 1940 and amended in 2003. It helps ease the burden of financial and legal obligations for military personnel while they're deployed or on active



duty. The act caps interest rates on a variety of loans, including credit cards and mortgage payments, at 6%—provided those loans are incurred before you entered active service. It allows you to end your apartment lease if you're deployed for more than 90 days and terminate your car lease if you're deployed for over 180 days, among other benefits.

The first step is to visit your closest **Armed Forces Legal Assistance Program** office to find out what you're eligible for. To locate an office near you, visit <http://legalassistance.law.af.mil/content/locator.php>.

## COMBATING SCAMS

If you'd like more information about identity theft, or if you believe or have proof that your identity has been stolen, you should consult the Federal Trade Commission website at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft). You'll find lots of useful tips about ways to deter, detect, and defend yourself against identity theft.

If you've been scammed, you should contact the legal services office or the personal financial manager at your installation. In addition, you can report the scam on the Federal Trade Commission's website, at [www.ftccomplaint](http://www.ftccomplaint)

Two additional resources are [www.mymoney.gov](http://www.mymoney.gov), from the Department of the Treasury, and [www.consumerfinance.gov](http://www.consumerfinance.gov), the website of the Consumer Financial Protection Bureau (CFPB). Its Office of Servicemembers Affairs focuses on the needs of military personnel and their families.

## CONTACT INFORMATION

Each of the military aid societies has its own website:

- **Army Emergency Relief**  
[www.aerhq.org](http://www.aerhq.org)
- **Air Force Aid Society**  
[www.afas.org](http://www.afas.org)
- **Navy-Marine Corps Relief Society**  
[www.nmcrrs.org](http://www.nmcrrs.org)
- **Coast Guard Mutual Assistance**  
[www.cgmahq.org](http://www.cgmahq.org)

Note that if you are away from your home base but near another military installation, military aid societies have reciprocal agreements that allow you to receive assistance through any agency, regardless of your military service branch or affiliation. If you are not near a military installation, you may contact the American Red Cross for assistance at 1-877-272-7337.

assistant.gov. This official government website enables law enforcement agencies, including the military police, to monitor and look for common scams. By connecting the dots, enforcers may be able to identify scammers who are using the same or similar techniques on military personnel across the country.

