



# Association for Financial Counseling Planning Education Military Pre-Conference



## Department of Defense Update

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*Deputy Director, OSD Office of Family Policy/  
Children and Youth*



# Association for Financial Counseling Planning Education Military Pre-Conference



## Topics

- Financial Readiness Campaign
- Financial Counseling
- Military Spouse Fellowship Program
- Youth Outreach
- Media/Speaker Circuit
- On-line Competency
- Career Advancement Accounts
- Regional Joint Family Assistance Workshops
- Joint Family Support and Assistance Program

# *America's Financial Culture*

- The **average** American spends \$1.22 for every \$1.00 they make!

*That means if you make \$30,000 a year, you're spending \$36,600!?*

- The **average** household has seven credit cards and pays \$8,500 a year in finance charges!

*And meanwhile, the credit card balances continue to grow...*

- The **average** 25-34 year old spends 25% of their income on paying down debt!

*That's one-fourth of your income you can't use for yourself or your family!*

- The **average** American adult receives a failing grade for their knowledge of basic economic concepts!

*They don't understand how to properly budget, save, or invest*

**Bottom Line?**

***You can't afford to be average!!***

# Integrity

The Military's Core Values

*will be upheld:*

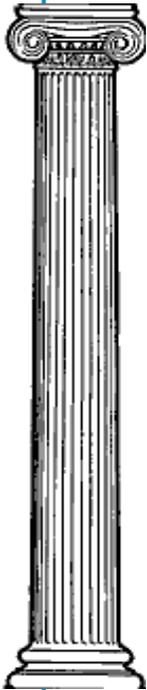
Our Service members  
must pay their just debts\*



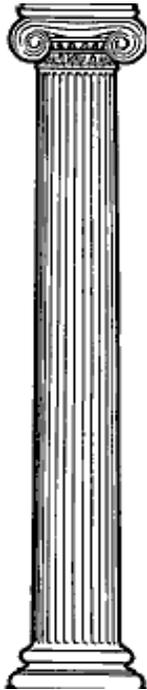
***\* Payday loans are just debts.  
Declaring bankruptcy betrays the unique  
trust that has been bestowed upon our  
Military and should be viewed only as a  
last resort, if at all.***

# The Pillars of Personal Financial Readiness

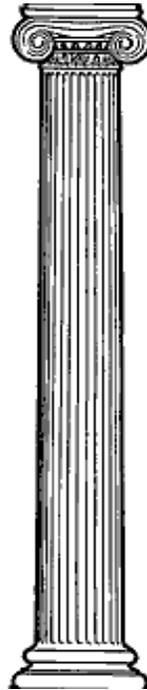
**Good  
Credit**



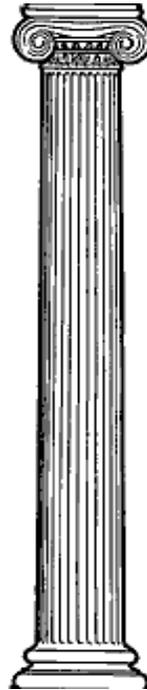
**Financial  
Stability**



**Routine  
Savings**



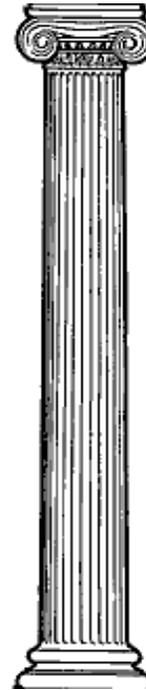
**TSP**



**SGLI**



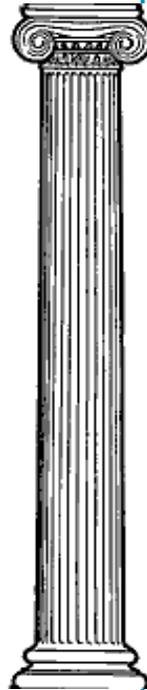
**Low %  
Loans**



**MWR**



**Security  
Clearance**



# Counseling

- Military One Source
  - Telephonic counseling
- Military Family Life Consultants
  - Certified financial counselors, in concert with installation Personal Financial Managers
  - All services, all components
  - On-call, by request
  - Briefings, one-on-one counseling, education & training
- Turbo TAP

# Military Spouse Fellowship Program

- FINRA initiative in partnership with AFCPE & NMFA
- Program:
  - *Personal Finance and Financial Counseling & Debt Management*
  - Study group webinars
  - Examinations
  - Practicum hours (scaled)
- 200 selectees from 2000 applicants
  - 172 active participants (11% drop rate)
  - All Services, components
  - Status: 31 AFC-certified, 7 finalizing cert process
- Practicum hours
- Employment opportunities following certification

# Youth Outreach

## *The Challenge:*

- Fewer than half of high school and college students have a regular savings plan
- Only about one-fourth of those students stick to a budget
- Over 30% of students don't keep track of their spending at all



*50% of our military youth will join (or seriously consider joining) the military*



*According to the National Endowment for Financial Education, as few as ten hours of classroom instruction can be enough to persuade students to improve their spending and saving habits*



# Youth Financial Readiness

- Military Youth Saves 2008 Pilot
  - 11 Pilot sites: West Point, Fort Buchanan, Norfolk (area), San Diego (area), Camp LeJeune, Camp Pendleton, Beaufort, SC, Eielson AFB, Lackland AFB, Mountain Home AFB, Minot AFB, DLA sites: Susquehanna, PA and San Joquian, CA
  - Youth Center, CDC, Family Support Center programs
- DoD Education Activity (DoDEA)
  - Meeting scheduled - December 07
  - Financial-related curricula, standards, after school activities, etc
- DoD Financial Partners:
  - Jumpstart Coalition
  - ABA/AMBA Education Foundation
  - BBB/B&GCA “Money Matters”
- How can we reach our youth?



# Media/Speaker Circuit

- Circulate prominent trainers globally to reach military members and their families
  - Major events: address “pillars” with personal flair/cause
- *Moneywise in the Military with Kelvin Boston*
  - Japan, Seattle (Oct)
- Personalities being sought:
  - Ben Stein
  - Suze Orman (Ft Dix)
  - Jim Cramer (“Mad Money”)
  - Rick Adelman
  - Kelly Perdew
  - Dr. Robert Manning (Credit Card Nation)
- PSA’s, DVD’s, CD’s, Podcasts, Conferences, etc

# On-Line Competency

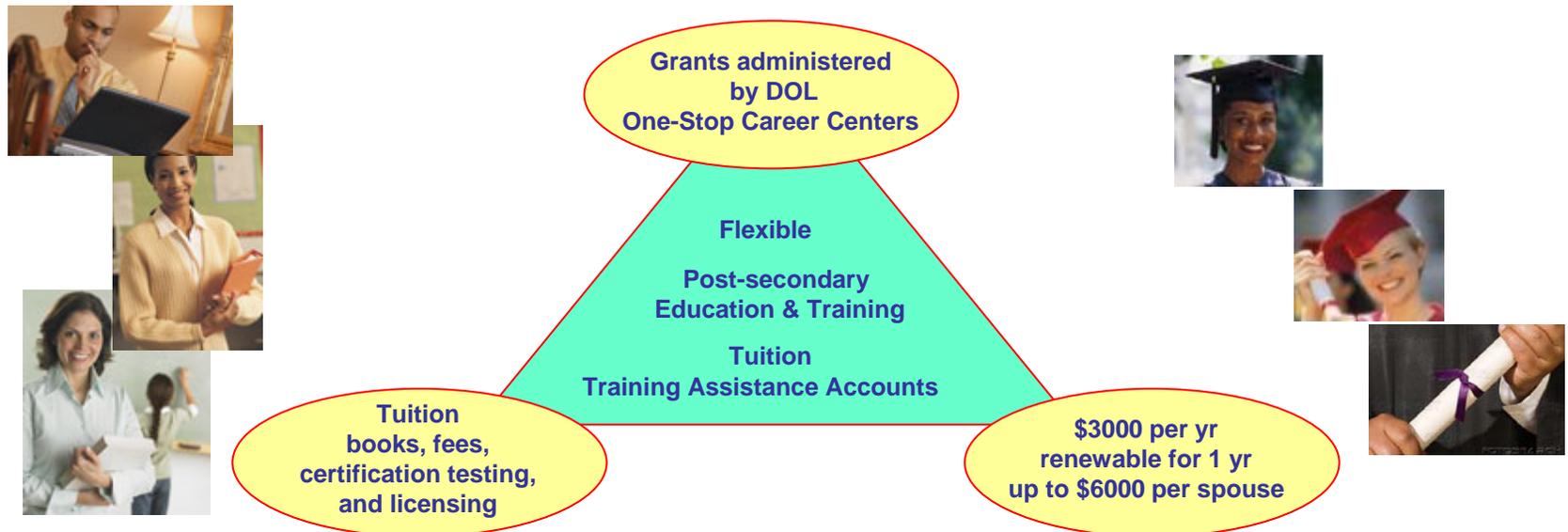
- First meeting on 31 Oct with NC State Project Officer & USDA Program Manager to discuss:
  - Target audience(s)
  - Financial areas of emphasis
  - Competency requirements
  - Reviewing, reporting, and referral requirements
- Four phases:
  - Phase 1: Preparation (to be completed 4<sup>th</sup> quarter 2007)
  - Phase 2: Development (completed mid-2008)
  - **Phase 3: Delivery (NLT 30 Aug 2008)**
  - Phase 4: Evaluation
- Financial Council meeting to discuss with PFM's
  - Week of 10 December

# Career Advancement Accounts (CAA)

## ■ Demonstration Project

- Fund Education, Training, Certification/Licensing necessary for Mil Spouses to have a career
- Provide valuable, trained workers to businesses
- Increase financial stability of military families
- Support retention/readiness of US Armed Forces
- Partnerships: DoD, DoL, State Gov, Workforce Investment Boards, others

## ■ Focus: specific portable and high-growth career fields



- For more information: [www.milspouse.org](http://www.milspouse.org), and **Ms. Pamela Smith**  
[Pamela.Smith@osd.mil](mailto:Pamela.Smith@osd.mil) 703-602-4949 ext 119

# CAA Participating States and Installations

## California

Camp Pendleton (Marine Corps)  
San Diego (Navy)

## Colorado

Fort Carson (Army)  
Peterson AFB (Air Force)

## Florida

Eglin AFB & Hurlburt Field (Air Force)  
Jacksonville NAS (Navy)

## Georgia

Fort Benning (Army)

## Hawaii

NS Pearl Harbor (Navy)  
Hickam AFB (Air Force)  
Kaneohe Bay (Marine Corps)  
Schofield Barracks (Army)

## North Carolina

Fort Bragg (Army)  
Pope AFB (Air Force)

## Maine

Brunswick NAS (Navy)

## Washington

Fort Lewis (Army)  
McChord AFB (Air Force)  
Naval Base Kitsap-Bremerton (Navy)

### Demonstration Sites:

- DoD-DOL selected
- All Military Services represented
- Targets junior military personnel spouses

# Joint Services Family Assistance Workshops

- Regional workshops conducted by MC&FP staff to brief family support and children & youth personnel of all Services and components on support programs, pilots, and initiatives and to allow networking
- **Topics covered:**
  - Children & Youth programs
  - Financial Readiness
  - Military Home Front.dod.mil
  - Turbo TAP
  - Special Needs Programs
  - Spouse Employment Programs
  - Heroes to Hometowns
  - Military One Source
  - JFSAP
  - Pilots, initiatives
- **Schedule:**
  - 15-18 Jan 08 (tent): Jacksonville, FL (GA, SC, FL, AL)
  - 11-15 Feb 08 (tent): San Diego area
  - 11-14 Mar 08 (tent): Washington, DC and Norfolk, VA
  - 8-11 Apr 08 (tent): Phila, PA (PA, NY, NJ, DE, CN, NH, MA, ME, VE, RI)
  - 12-16 May 08 (tent): Midwest (KY, IL, IN, OH, TN, WV, MI, MO, NE, KS, SD, ND, IA, MN)
  - 9-13 June 08 (tent): Southwest (AZ, CO, UT, NM)

# Joint Family Support and Assistance Program

- **Background:** NDAA 07 - *The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing assistance to families of members of the Armed Forces.*
- **JFSAP Mission:** Provide mobile, high quality family services to augment current family programs' ability to meet the needs of Active Duty, Guard and Reserve family members.
  - Primary focus of support will be families who are geographically dispersed from a military installation
- **Functional areas:**
  - Financial and material assistance
  - Mobile support services
  - Sponsorship of volunteers and family support professionals for delivery of support services
  - Coordination of family assistance programs
  - Facilitation of discussion on military family assistance programs between and among military and civilian stakeholders

# Joint Family Support and Assistance Program

- **Staffing:** Each location will have three key staff members:
  - Child & Youth Consultant
  - Military and Family Life Consultant (MFLC)
  - Military OneSource (MOS) Consultant
  
- **Staff Function:** Partner with military, state and local resources to:
  - Assess needs
  - Identify resources & address gaps
  - Enhance/build community capacity
    - Facilitate an integrated service delivery system and a community of support for military families
  
- **Pilot States:**
  - Alabama, Arkansas, California, Colorado, Florida, Hawaii, Indiana, Minnesota, Nebraska, New Hampshire, Ohio, Oregon, Tennessee, Texas, West Virginia
  - Expanded from 6 to 15 in August 07

# *Mission Success* vs *Mission Failure*

- ✓ Good credit
- ✓ Financial stability
- ✓ Regular savings
- ✓ Contribute to TSP
- ✓ Don't Opt-Out for SGLI
- ✓ Low % loans
- ✓ Security Clearance

- ✗ Bad credit
- ✗ Bankruptcy
- ✗ No emergency savings
- ✗ No retirement savings
- ✗ No SGLI/insurance
- ✗ Predatory loans
- ✗ No Clearance

*“Financial Readiness = Mission Readiness”*

- Dr David Chu

*Under Secretary of Defense for Personnel & Readiness*

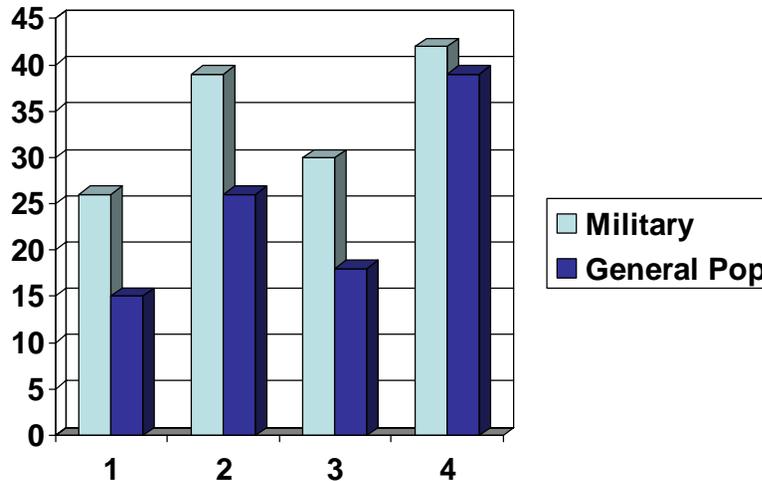
# Great News!

- *Military Money* magazine Fall 2007
- Americans Well-Informed on Automobile Retailing Economics (AWARE) reports:

*“America’s military personnel are particularly prepared for this major financial event in their lives, more so than Americans in general....they are more likely than the average consumer to understand the process of buying and financing a vehicle, and to spend time researching their options”*

## Military Members Research Financing Options

Respondents who Completed  $\geq 3$  hrs of Research



1-Credit Card, 2-Vehicle Financing, 3-Furniture/Appliance Financing, 4-Home Improvement Loan

# Questions?

**Moneywise**  
with Kelvin Boston



**Military Money**  
Home. Life. Success.



**SaveAndInvest.org**

**NMFA**  
National Military Family Association

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