

Four Financial Challenges Your Loved Ones in the Military May Be Facing

Joe Delaney

Independence Day is an opportunity to recognize the sacrifices previous generations have made to defend our country's freedom, and consider the challenges today's service people face.

Below are four financial struggles that could afflict your loved ones in the armed services.

1. The mixed blessing of home ownership

When assigned to a base, it may seem like a blessing to buy a nearby home that accommodates a family lifestyle. In some markets, mortgage payments may even be [less than rent](#).

But military careers often involve multiple relocations over the years. When service people are assigned to a new base, they say goodbye to their local social circle, spouse's job and children's school. They also separate from the local economy.

If your friend or relative in military service is considering buying a house, you might encourage them to weigh the benefits against potential future costs, and review the following:

- When they are reassigned, will they be able to sell before they move?
- If not, will they be able to afford two mortgages?
- Will they be able to find a tenant willing to sign a month-to-month lease so a buyer can move in on short notice?
- As a long-distance landlord, will they be able to handle the costs of property management services?

These are important questions to consider before signing on any dotted lines.

2. Lack of account access while deployed

Online banking makes it possible to manage money while overseas, but it can be [difficult](#) due to bank security protocols. The key for military personnel, especially those heading into combat zones, is to plan ahead.

- Prior to deployment, they must **set up online banking**, and inform the bank of the country from which they will be accessing it during their tour of duty.
- It is also a good idea to **set up automatic bill payments**. The last thing members of the armed services need upon returning stateside is to deal with unnecessary debt due to nonpayment of bills and accumulated credit card fees.

3. Translating military skills into civilian marketability

A [2014 survey](#) found that two-thirds of veterans had a difficult time transitioning to civilian life. Besides health concerns, figuring out how to apply their military experience to civilian work is one of the most common challenges.

This doesn't mean your loved one retiring from active service isn't smart, talented or a valuable addition to the U.S. civilian workforce. It simply means he or she is starting from square one. Unlike college students, whose internships help transition them into the workforce, active military personnel don't have the same opportunities to network with potential civilian employers.

While there are [resources](#) available to veterans to provide help with this transition, nothing is more important to a generation of young military retirees than support from an understanding family. They may be too proud to ask for help with career building, but it doesn't hurt to offer your connections.

4. Lack of financial experience and education

Military personnel are often recruited young. Their training isn't focused on financial literacy, and historically, military culture hasn't encouraged it. This is why veterans of armed services are twice as likely to carry [credit card debt](#).

Thankfully, this is beginning to change. The federal government is pushing all branches of the military to take steps to improve the financial health of their service members. For example, [a new app](#) is available to members of the Navy with guidance on programs unique to them, like the naval retirement system.

Another positive development is the National Financial Educators Council's [American Dream Movement](#), an effort to provide complimentary money skills training to U.S. troops. They partner with government organizations, schools, nonprofits and other groups to reach veterans and active service people.

Now You Know

Share this article with friends and family who are serving or have recently served in the military. Let them know you are thinking of them this Independence Day, and you appreciate their service to our country.

About Joe Delaney, Managing Director, Lifeguard Wealth, San Rafael, CA

Joe Delaney founded Lifeguard Wealth to help others realize their goals and dreams. As a fee-only financial advisor, he is dedicated to putting clients first. Joe has more than 30 years of financial-industry experience as a CPA and CFO; he has held senior positions with institutional investment and wealth management firms. Since 2001, he has focused his career on creating and executing wealth management strategies for individuals and families. He is licensed to provide investment

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