



Financial counselor Alice Lane, talks with Staff Sgt. Thomas Tichy about the classes she teaches at the Soldier and Family Assistance Center at Fort Hood, Texas. They include credit management, car and home buying, consumer awareness and ID theft, insurance, banking, and budgeting. (Photo by Gloria Montgomery)

Toolkit: Teaching Soldiers financial readiness

By Jennifer Mattson

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When he married Carole, who was debt-free with nine children from a previous marriage, Master Sgt. Tony Colon had five children of his own and \$25,000 of debt.

Committed to becoming debt free in two years, the couple home schooled four of their children and Carole began working the night shift at Wal-Mart. And in 22 months, the couple was able to become financially independent.

Tony and Carole, who have taught financial management classes at Fort Campbell, Ky., for Better Opportunities for Single Soldiers retreats, the families of the 5th Special Forces Group (Airborne) and for their church, now help other Soldiers and their families learn about the basics of finances and budgeting. Their lessons include how to save for retirement, pay off credit card debt and establish an emergency fund.

“Creating a budget is easy. The hard part is execution,” Tony Colon said. “Personal finance is 80 percent behavior and only 20 percent head knowledge. It takes at least 90 days of money planning for it to stick and to become a natural occurrence each month.”

The Colons teach their financial management class during a 13-week personal finances program, but can also give a 90-minute presentation if they’re called upon by groups needing a shorter time commitment.

Since they started teaching the program, more than 250 Soldiers and their families have graduated their personal finance program. All totaled, they have reported a \$1.9 million change in their monetary positions, which includes paying off debts and putting additional money into savings.

In particular, NCOs have a responsibility to keep their finances in order, Colon said, as they are expected to lead by example when it comes to financial readiness.

“As leaders, the most important thing an NCO can do when dealing with their Soldiers’ finances is to ensure that their own finances are

good to go,” Colon said. “Leaders have very little authority when it comes to the spending habits of their Soldiers until their Soldier gets in trouble for missing payments or falling behind on child support. Only then can an

NCO and his commander get involved and mandate that the Soldier take care of the past due accounts.”

A proactive approach is far less costly, Colon said.

“It is far better for NCOs and officers to ensure that they are living within their means, are saving for emergencies and have a plan for retirement,” he said. “Leading by example will encourage others to do so and only then will there be less financial stress in the unit.”

Removing financial stress from a unit is a tall task. Because it affects mission readiness, though, it’s essential that NCOs mentor junior Soldiers on how to keep their finances under control, Colon said.

“It has been said that money is not the most important thing in the world,” he said. “However, it is the only thing that touches and affects every area of our lives. Having your financial house in order will enhance your overall combat readiness.

“When a Soldier, single or married, has an emergency fund established, savings, investments and little, or better yet, no debt, they are able to concentrate on the mission at hand.”

For more advice, calculators and to play the Army Financial Literacy Game, visit Army OneSource’s financial readiness page

at <https://www.myarmyonesource.com/familyprogram-sandservices/financialreadiness>.

Creating a budget

Following these four steps can help you identify and correct bad spending habits.



1

PREPARE A BUDGET WORKSHEET

Be sure to include rent or mortgage payments, utilities, transportation, food, medical expenses, clothing, leisure activities, cell phone bills, cable or Internet bills, and miscellaneous.



2

CATEGORIZE & ESTIMATE EXPENSES

Categorize your prior month's expenses as above. If you don't have access to last month's expenses, estimate how much you spent in each category.



3

CREATE A FOOD BUDGET

Create a menu table and write down what you plan to eat and drink each day for one week, including snacks. At the supermarket, buy the items you need, calculate the total cost of your weekly food bill, then multiply it by 4.5 to get a monthly estimate.



4

EVALUATE YOUR BUDGET

Look at your budget to determine if your expenses exceed your income. If so, evaluate where you can cut.

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Creating a budget

Warning signs

Below are some signs that you might need to create a budget and work toward paying off your debts. They can also be red flags as you assess your Soldiers' financial readiness.

- **20% or more** of your take-home pay is used to make credit card payments.
- **Loans:** You have one or more loans from a lending company that charges 20% or more in interest.
- **You screen phone calls** to avoid debt or bill collectors.
- **Overdraft protection** is constantly being used, depleting your savings.
- **Frequent past-due bills** or bills that you continually fail to pay on time.
- **Paying only the minimum amount** on your credit cards.
- **Paycheck advances** or payday loans are part of your regular budget.
- **A car loan** that is financed at 12% or more interest. ■



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