



When Spc. Anesha Medley, pictured with her daughter Serenity in 2011, needed emergency financial assistance to pay an expensive electric bill when living in Kaiserslautern, Germany, she turned to Army Emergency Relief. (Photo by Rick Scavetta)

Army Emergency Relief Campaigns to Erase Stigma of Asking for Financial Help

By Michael L. Lewis

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It's a unique organization that is entirely about Soldiers helping Soldiers, where those facing financial hardship can obtain grants and zero-interest loans. Yet many Soldiers are reluctant to seek aid from Army Emergency Relief, often because their leaders do not understand the program or erroneously attach undue stigma to asking for financial help. So instead of just ask-

ing for money during this year's fundraising campaign, AER wants to get the word out: They're here to help, and there's no shame in asking for assistance.

"We are the Army's own emergency relief organization, and we exist solely to help the Army take care of its own," said retired Command Sgt. Maj. Charles Durr, AER's assistance chief. "But experience has taught us

that, though many Soldiers have name recognition of AER, they really don't understand the programs and functions of the organization."

The result is that Soldiers who need help aren't asking for it, turning instead to high-interest loans from predatory lenders, said Command Sgt. Maj. Rory L. Malloy, the commandant of the U.S. Army Sergeants Major Academy at Fort Bliss, Texas, and one of the three enlisted members of AER's Board of Managers.

"This is one of the few programs in the Army that helps Soldiers. But when somebody asks for AER assistance, a lot of people immediately say, 'That's a bad thing. You screwed up,'" Malloy said. "So instead, these Soldiers go and spend a lot of money with these predatory lenders, and that's not what we want.

"There is absolutely no shame in asking for help; we encourage it in every other area," he said. "The guy who says he's having marital issues or needs spiritual counseling, we say, 'Let's go see the chaplain' — it's not a bad thing. But as soon as we start talking about financial hardships, the question is, 'What's wrong with you?' It should be, 'Hey, I've been there myself. Let's sit down and work it out.'"

Combating the stigma

In a recent assessment that involved thousands of interviews with Soldiers of nearly every rank at 21 Army installations worldwide, AER found this stigma — not fundraising difficulties, fraud and abuse, or the need to dip into reserve investments — to be the organization's No. 1 challenge. Durr said many Soldiers told AER that their leaders were sending a message that, by seeking assistance, Soldiers would hurt their promotion chances.

"It was this belief that you should never have a financial problem, that you should be able to manage your money without help," Durr said. "But that's an unrealistic expectation — that a young kid is never going to get into a financial bind. But that translated to the belief that, if you can't be trusted to manage your financial affairs, you can't be trusted to be a team leader or squad leader, that I can't trust you with my mission requirements."

Since seeking AER assistance used to necessarily mean involving NCOs in your chain of command, Soldiers would often get title or payday loans that didn't need their NCOs' permission or knowledge, Malloy said.

"Leaders are supposed to be the first to embrace AER in order to help their Soldiers. But a lot of times, they're the ones who create the stigma," Malloy said. "It only takes one leader to get angry at a Soldier who wants to go to AER. But that Soldier doesn't need to go through that leader to go downtown to the payday lender."

With astronomical interest rates, such loans typically plunge Soldiers even deeper into a financial hole, Durr said.

"A classic example is we had a dependent spouse take out a payday loan for \$2,500, and she had to pay in excess of \$5,000 in interest," Durr said. "It's just amazing

how our Soldiers are being taken advantage of when AER is here to help with zero-interest loans and grants. But when leaders do not know about AER's programs and benefits, they're only pushing their Soldiers to the natural alternative — payday lenders — and perpetuating the problem, not solving the problem."

So AER's main goal during the fundraising campaign is to increase awareness of its programs and benefits and encourage Soldiers to use them, Malloy said.

"Those who receive support are our best ambassadors," he said. "We want Soldiers to take advantage of these programs, and then go out and tell their story. It's the only campaign I know of that, to raise funds, tells people how to get funds from them. Instead of saying, 'We need your money so that we can do this,' AER says, 'Here's how we can help *you*, and here's how you can get that help.' And then, if you want to help *us*, here's how you can donate."

Soldiers helping Soldiers

AER was incorporated in 1942 by the secretary of war as a private nonprofit corporation affiliated with the Army, but neither controlled nor funded by the government. Though its original mission was to assist mobilized Reserve pilots in the Army Air Corps whose military pay was just a fraction of what they were making as civilians, it was quickly expanded to help Soldiers who found themselves in financial binds due to unforeseen circumstances.

Seven decades later, AER has assisted more than 3.6 million Soldiers and disbursed more than \$1.6 billion in financial assistance to them, Durr said. Last year, AER gave more than \$74 million to 53,000 Soldiers, almost entirely from funds donated by other Soldiers.

"Though we have a very close relationship with the Army, we get no funding from them," Durr said. "It's all Soldiers' donated dollars" and a \$250 million investment portfolio of reserve funds that AER can dip into when needed.

"They actually give out more than they receive [in donations] some years," Malloy said.

"But the focus is Soldiers helping Soldiers," Durr said. "We give money based on need, and there's never any limits to that," he said. "It's to meet those immediate cash flow issues that Soldiers may experience during their call to duty. But it is not an entitlement; just because you contribute does not mean you automatically have access to these funds. There must be an immediate, unforeseen, sudden emergency financial need, and there's no other way to resolve that issue."

More than three-quarters of the assistance given to Soldiers each year is in the form of zero-interest loans, Durr said. But for some situations, AER gives Soldiers a grant, an outright gift of money.

"We encourage grants when they're given for the right reason," Durr said. "Obviously, if a Soldier is mismanaging his or her funds over and above their means, that

grant is not appropriate. But certainly when it's appropriate, we encourage leaders to recommend approval for assistance as a grant."

Often grants are given to Soldiers whose fixed income makes it nearly impossible to pay back funds received to pay for an emergency. But that's exactly how AER can help in ways no other financial institution can, Malloy said.

"There are a lot of cases where the office says, 'We know you're asking for a loan. But we think, to really help you get ahead, we're either going to give it all to you as a grant or a portion of it as a grant,'" Malloy said. "There is no bank out there that would say, 'Just take this \$3,000. It's free money. You don't need to pay us back.' No bank would do that, and that's the difference with AER."

In an effort to make it easier for NCOs to get AER assistance, rules were changed last year to allow sergeants and staff sergeants to apply to AER directly and not through their chain of command. Previously, only sergeants first class and above could do that.

"The Soldiers making decisions every day on the battlefield are the sergeants and staff sergeants," Durr said. "If they can be responsible for mission requirements and the lives of our men and women and their welfare, why can't they process an application for assistance? If we can get sergeants and staff sergeants to come to Army Emergency Relief for assistance, and they see that it's a very easy process, they'll become more educated about the program and really become advocates of the program. And since junior enlisted Soldiers do what their leaders do, those sergeants and staff sergeants will be able to say, 'I had a problem and I went to AER. I can tell you this is where you can get assistance and this is how you do it.'"

Durr said rules have also been changed in the past couple of years to make it easier to give money to Soldiers. An online application system in development will streamline the process further.

"We are looking for ways to say 'yes,'" Durr said. "There's been a huge philosophical change in the organization, and we really want to get after what Soldiers need. If there's a way for us to say 'yes,' we will say 'yes.'" ■

Sidebar: The who, what and how of AER

Who's eligible?

- Soldiers on extended active duty and their dependents.
- Reserve and National Guard Soldiers on continuous active duty for more than 30 consecutive days and their eligible family members.
- Soldiers retired from active duty because of longevity or physical disability and their eligible family members.
- Widows, widowers and orphans of Soldiers who died while on active duty or after retirement. (AER financial assistance usually occurs at the time of, or shortly after, the death of the Soldier.)

Who approves?

- Up to \$2,500: The installation's AER officers.
- Up to \$3,500: The installation's garrison commander, deputy, chief of staff or command sergeant major.
- Over \$3,500: AER Headquarters in Alexandria, Va.
- Commanders' Referral Program: Company or battery commanders and their first sergeants can approve up to \$1,500 in assistance to help Soldiers whose financial hardship situations don't fall in AER's traditional categories.

How AER can help

All of AER's assistance categories, policies and procedures can be found in AR 930-4 and on AER's website, www.aerhq.org. In general, assistance is limited to \$4,000. The areas where AER is able to assist Soldiers with immediate, unforeseen financial hardships include:

Nonreceipt of pay due to paperwork errors, for example. AER won't replace the entire paycheck, but will provide enough so that a Soldier can meet immediate financial needs such as rent and food.

Lost or stolen funds: A police report is required. As above, AER won't replace the entire amount, but will provide enough so that a Soldier can meet immediate financial needs.

Medical or hospital expenses: AER can help pay a patient's share of expenses that aren't covered by insurance, or help pay for special equipment that isn't covered. But AER doesn't normally assist with routine medical bills.

Funeral expenses for family members: AER can provide assistance to help defray the costs after the death of a spouse, child, dependent parent or stillborn baby.

Emergency travel expenses including transportation, lodging and food.

Initial rent, utilities and food when establishing a new household.

Clothing when lost in a natural disaster, for example.

Essential privately owned vehicle expenses: To ensure a Soldier's sole means of transportation is safe and reliable, AER can provide loans to help with essential repairs, routine maintenance or even a replacement vehicle, if it's deemed cheaper to replace a Soldier's vehicle than to repair it.

Fires and other disasters: AER can provide assistance with immediate needs after a natural disaster.

Dental care for dependents: AER can help cover up front costs or costs not covered by dental insurance.

Car seats and cranial helmets for children.

Home-related expenses: Unexpected expenses relating to a heating or cooling unit, or to purchase a stove, refrigerator, or essential furniture such as when establishing an initial household.

Wounded Warrior Grants to help personnel who have been medically evacuated without any clothing, hygiene items or money.

Scholarships: AER provides need-based scholarships to dependent children and spouses pursuing undergraduate degrees.

How to help AER

The Army conducts the annual AER fundraising campaign from March 1 through May 15. Contributions may be made online at aerhq.org, given to any AER office or mailed to:

Army Emergency Relief
200 Stovall St., Room 5S33
Alexandria, VA 22332-0600

All contributions are tax-deductible. Donors may make their contributions to the general assistance fund or can target their contributions to specific programs, such as education scholarships or widow assistance.



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