BACKGROUND

The Congressional Report on Personal and Family Financial Management Programs

As requested in the National Defense Authorization Act for Fiscal Year 2002, the Department of Defense reported to the House Armed Services Committee on the severity and type of personal financial challenges confronting Service members, the magnitude of the problem, and the adequacy of training and assistance provided to Service members and their families. The report, dated March 31, 2002, was primarily based on survey information gathered in 1999 by the Defense Manpower and Data Center (DMDC), and assessments accomplished by the Military Service during December 2001 through February 2002.

The report showed that Service members in grades E1-E6 have the most difficulty with their personal finances. The 1999 DMDC Active Duty Survey showed these Service members had less confidence in their finances and identified themselves as having a difficult time making ends meet. Savings patterns were consistent with this assessment, with 24 percent of E1s-E4s having no savings and 43 percent having less than $1000 in the bank. Although it would appear that Service members with less income would be expected to have more financial problems and less savings, a 2000 study by the RAND Corporation concluded that a lack of understanding of personal finances and poor management practices also contributes to the difficulties experienced by younger Service members and families.[1] They also compared the financial condition of Service members with their civilian counterparts and found that 27 percent of junior enlisted Service members had difficulty paying bills on time as compared to 19 percent of comparable civilians.[2]

The Military Services provide financial education to junior Service members as part of their indoctrination into the military. The Services provide this education as early as possible within the time constraints of their military and education requirements. Little is provided during basic military training, due its intensity and duration. The Services provide personal financial education in:

- Standards of conduct and ethical financial behavior, consequences of indebtedness, and managing personal affairs
- Servicemen's Group Life Insurance (SGLI), survivor benefits, and commercial insurance
- Understanding pay and the leave and earning statement (LES)

---

[1] Richard Buddin and D. Phong Do, Assessing the Personal Financial Problems of Junior Enlisted Personnel, National Defense Research Institute (Santa Monica CA: RAND, October 2000), p. 42

[2] Ibid., p. 29

- Check book management, setting financial goals and establishing a spending plan
- Credit management
- Use of the official government credit card
- Establishing savings
- Buying a car
- Consumer scams
- Where to get personal financial management and legal guidance and assistance at the installation

In addition to indoctrination, the Military Services provide education and also counseling services at installation-level to expand on initial training and provide help where needed. These services are delivered through the installation level Family Support Program to Service members and their families. Recent emphasis has been on providing support to Service members and their families before, during and after deployments.

The Military Services assessed their training and counseling programs to be adequate, but still requiring improvement. Shortly before the assessment, the Army, Air Force and Navy had instituted training for first term enlisted Service members to occur after Basic Training, but within 90 days after being assigned to their first duty stations. The Navy established a two-day course in 2002 to occur prior to Sailors attending advanced individual training. The Army and Air Force included personal finances as a key topic in overall orientation programs offered to new Service members arriving at their first permanent duty stations. The Navy also enhanced training offered to unit level counselors to help ensure they provide beneficial advice.

The report also outlined several improvements and areas for standardization needed in programs providing education and counseling:

- Programs need to encompass all aspects of personal finances relevant to the time the Service member and family need the information. Curriculum should be periodically updated and the introductory program designed for junior enlisted should consistently cover a broad spectrum of topics.

- Personal financial managers, command financial specialists, and personal financial instructors should be provided periodic training to remain proficient in the subject matter and should receive certifications in financial counseling.

- More time or additional assistance needs to be provided to the installation personal financial managers and command financial specialists to meet the needs of Service members and families.

- Additional marketing is needed to provide visibility to existing programs, and awareness campaigns are needed to address cultural influences that support impulse buying and fiscal irresponsibility.

- Reserve forces needed to be included in program improvements.

- Standardization in evaluation systems is needed to allow program managers to benchmark their programs and to determine best practices that can be replicated throughout the system.

The House Armed Services Committee did not provide any further guidance on personal finances to the Department. However, the report did garner attention from Federal Agencies and nonprofit organizations whose mission is to improve the financial literacy of the American Public. These organizations took note of the needs expressed by the Department and offered to assist in supporting Service members and their families.

The Strategic Plan for Personal Financial Management in support of the Department's Social Compact

At the same time the Report to Congress was written, the Department developed a strategic plan for personal financial management. This strategic plan was one of approximately 15 plans designed to express the reciprocal commitment of the Department to Service members and their families for the commitment they make to service to their country. The Social Compact identifies long term concepts for support of the "military lifestyle."

The strategic plan for personal financial management defined the role of the Department of Defense as providing *a culture that values financial competency and responsible behavior*. As part of this social compact, Service members and their families would be educated on the principles of personal financial management and would be encouraged to use these principles to build wealth for their future. To attain this vision, the plan considers a broad base of strategies that could influence the current military culture to emphasize the benefits of financial competency and responsible behavior for Service members and their families, and for the Military Services. These strategies were expressed in the following five over arching goals:

- *Define personal finances as an integral part of mission readiness and Quality of Life.* To achieve this shift requires support from all levels of leadership. Having leadership deliver the message that personal finance is an important part of personal readiness and military bearing, makes the message value driven.

- *Implement a sustained marketing program.* Along with leadership involvement in its delivery, the message needs to be delivered to Service members and their families outside of the workplace.

- *Maintain a comprehensive and state-of-the-art education and training program.* Using a variety of media, the message needs to reach all segments of the Armed Forces and their family members.

- *Achieve a cost-effective cultural shift.* In order to be cost effective, DoD needs to take full advantage of partnerships that can sustain education, training and awareness activities over the long term.

- *Measure the effectiveness of financial readiness programs.* Measurement needs to be a consistent feature, so that programs with the greatest impact can be replicated throughout the system.

As with the Report to Congress, the Social Compact strategic plan for personal financial management gained the attention of Federal Agencies and nonprofit organizations involved in financial literacy programs for the American public. Establishing a Campaign for Financial Readiness provided an opportunity to initiate the strategic plan with the assistance of these organizations.

THE FINANCIAL READINESS CAMPAIGN

Concept

The Financial Readiness Campaign was conceived as a method of initiating the strategic plan for personal financial management with the assistance of outside agencies. The goals of the strategic plan appeared to be applicable to DoD, Service and installation implementation of a campaign, and formed the basic template for action at all levels:

- Engage leadership in delivering the message of *financial readiness* and in directing their organizations to implement activities associated with the campaign.

- Use all available media to deliver the message of financial readiness and to all members of the military family. With the assistance of donated resources, the campaign is able to include print, broadcast, compact disc and Internet resources.

- Use the donated resources of partner organizations to supplement the activities of the Department. Since there were several organizations willing to contribute to the campaign, this became a major factor in implementing the campaign in 2003.

- Establish measures to track progress and to determine benchmarks and best practices. This requires measures that are sufficiently scalable to provide feedback based on installation results, as well as Service and DoD performance.

These strategies did not provide an objective for the campaign that could focus the efforts of DoD and partner organizations. With the assistance of a focus group of installation and Service-level personal financial management (PFM) specialists, the following objectives and target groups were defined for the campaign:

- Objective: Increase personal readiness by reducing the stressors related to financial problems. This objective would be accomplished by:

    - Increasing awareness of personal finances and increasing financial abilities of Service members and their families,

- Helping Service members and their families increase savings and reduce dependence on unsecure debt,

- And by enhancing efforts by the Department to protect Service members and their families against predatory practices.

- Target Audience: Data from the DMDC surveys and Service level research show that the most vulnerable group is Service members in grades E1-E4. Additionally, the focus group recognized that spouses often play the primary role in managing family budgets, but they also have poor access to information to support them as the family financial manager. Consequently the group chose *junior enlisted and spouses* as the primary target audience for the campaign, with the understanding that information would be available to all segments of the military community as part of the campaign.

Implementation strategy

The strategies, objectives and target audience provided a sense of direction for the campaign; however, these elements did not provide a methodology for implementing a campaign across the Department that would be relevant to installation-level communities. In order to coordinate resources and allow sufficient flexibility at installation-level, planning and execution of the campaign was bifurcated into headquarters-level activities and installation-level activities.

Headquarters-level planning and execution activities: The Morale, Welfare and Recreation Directorate of the Deputy Under Secretary of Defense (Military Community and Family Policy) [DUSD(MC&FP)], in concert with the Military Service proponents for personal finances, developed memoranda of understanding with 26 Federal agencies and nonprofit organizations to provide in-kind resources and support for the campaign. The nonprofit organizations selected to participate in the campaign are not aligned with any specific for-profit organization, although they may receive their funding from a group of corporate sponsors. Organizations that have partnered with the Department are listed in Enclosure 1.

The in-kind resources provided by the partner organizations cover a variety of educational and promotional needs. Adapting these to supplement installation-level programs dictated that the planning for their use be delegated to the installation personal financial management teams. To give installations access to these resources, a web site was developed that featured pertinent information, such as web addresses for partner organizations, a copy of the memorandum of understanding with the Department, a description of the resources they would be providing, and point of contact information. Additionally, information was added

to the web site to give installation practitioners access to the memorandum signed by senior leadership directing the campaign, points of contact within the Military Services, draft document for their use in crafting local plans, and evaluation requirements to assess their efforts and report outcomes to headquarters. A page from the web site is shown at Enclosure 2.

Installation-level planning and execution activities: The real planning and execution of the campaign occurs at installation level, based to a large degree on the specific needs of the local community and on the local partnership opportunities available to supplement the products and services obtained through national-level memoranda of understanding. The focal point for planning is the installation PFM specialist who is responsible for conducting education and counseling programs. Many of the PFM specialist have developed close working relationships with organizations such as the on-base bank and credit union, local consumer credit counseling agencies, and the U.S. Department of Agriculture Cooperative State Research Education and Extension Service (USDA CSREES).

With guidance and direction provided through Service leadership, the installation PFM specialist helps define the desired outcomes on behalf of the installation leadership. With leadership's support and approval, the PFM specialist defines a plan using the resources available locally and through the web site. Although their plans should be executed between May 2003 and May 2004, due to extended deployments and other extenuating circumstances, the plans may be delayed to executed later on in 2004.

Campaign status and planned actions

The campaign was initiated on May 5, 2003 with a memorandum from the Under Secretary of Defense for Personnel and Readiness [USD(P&R)] to the Secretaries of the Military Departments, informing them of the partnerships available to support on-going initiatives within the Military Departments to support financial readiness (memorandum provided at Enclosure 3). This memorandum was followed by a kick-off event co-sponsored by the USD(P&R) and the Under Secretary of the Treasurer for Domestic Finance at the Treasury Department Cash Room. The event recognized the support being provided by partner organizations and demonstrated the significance of the undertaking, both from the standpoint of DoD and the Department of Treasury.

Since the kick off event, there have been some notable achievements:

- The National Military Family Association, in concert with the InCharge Institute, published a new magazine called *Military Money*. The magazine is currently being distributed free through Defense Commissaries on a

quarterly basis, with the first three editions having been delivered in quarterly since September 2003. Along with the magazine, the InCharge Institute has also sponsored a web site (**www.militarymoney.com**) and sixty-second announcements on Armed Forces Radio Network called the "Military Money Minute with Mike Schiano."

- The Consumer Federation of America is currently working with the staffs of Fort Stewart, Georgia, Camp Lejuene, North Carolina, and Naval Region Mid-Atlantic, Norfolk, Virginia, to pilot the "America Saves" program for the Military Services. The "America Saves" program helps low to middle income families to reduce debt and develop savings. The program focuses on local community involvement in providing motivational sessions to interest people in savings and then "wealth coaches" to help them attain their debt reduction and savings goals.

- The Federal Reserve Board is evaluating a recently initiated financial education program sponsored by the Army Emergency Relief Society at Fort Bliss, Texas. The Federal Reserve Board has developed a research model that will follow graduates from the course and compare their behavior with that of other first term soldiers who attend advance individual training at other Army installations where they currently do not receive financial education as part of their course work.

- "Moneywise with Kelvin Boston," a syndicated television program that currently reaches 83 million households, will be broadcasted on the Armed Forces Network. The 30-minute show offers practical, easy to understand advise from noted financial professionals, journalists and authors. In addition, each program features inspirational stories of real people facing real financial challenges.

- The Council of Better Business Bureaus has established a separate agreement with the Department of the Army to establish agreements with merchants in communities around Army installations to commit to fair and ethical business practices in dealing with military families.

To understand the impact of partner contributions on Military Service programs, the FRC plans to host a meeting in May 2004 for partners and Service representatives to assess the utility of the partnerships in the first year of the campaign. The meeting will explore successes and lessons learned to apply to the subsequent partnership efforts.

CONCLUSION

The Financial Readiness Campaign represents the first step in fulfilling the commitment expressed in the Social Compact to create *a culture that values financial competence and responsible behavior*. This vision is significant only in that it supports the financial well being of Service members and their families. Financial well being is significant in that it helps mitigate force management risk.

The Financial Readiness Campaign is expected to continue as long as it provides benefit to Services members, their families and the Department. The campaign does not have sufficient momentum at this time to sustain itself, and more effort is needed to get installations to fully engage in using the resources being provided by the 26 partner organizations who have committed to the campaign. There are more functions and agencies within the Department, and potentially more partnerships with external organizations, that can help continue the campaign as it seeks to increase the financial awareness, competence and consumer protection of those in the military who are most vulnerable and under served.

The Financial Readiness Campaign should eventually evolve into new ways of providing personal financial management education and counseling to Service members and their families. The vision of *"financial competence and responsible behavior"* could possibly be extended into those areas that impact or influence the financial well being of Service members and their families. As long as the emphasis remains on attaining the vision, the course needed to arrive at that destination can remain flexible and efficient.

ENCLOSURE 1: FINANCIAL READINESS CAMPAIGN PARTNERS

Air Force Aid Society (AFAS): The AFAS is the official charity of the United States Air Force. Its charter promotes the Air Force mission by providing worldwide emergency assistance to members and their families, sponsoring educational assistance programs, and offering a variety of base community enhancement programs.

AFAS supports DoD's Financial Readiness Campaign through several venues, most significantly by assisting Active Duty and retired Air Force personnel, their eligible family members and other eligible personnel in their time of need through the use of counseling, grants, loans, and a number of other services to include referrals to outside agencies. AFAS provides DoD with regular updates on caseloads, amount of assistance, and trends seen as a result of its intervention.

Army Emergency Relief Society (AER): The AER is a private non-profit organization that collects and holds funds to relieve the distress of soldiers and their family members. It exists solely to help the Army take care of its own. AER was established in 1942 by the Secretary of War to assist soldiers and their families in overcoming financial emergencies. It is dedicated to caring for the financial needs Army personnel and their families in emergency situations. The AER also provides assistance to members of the retired community. The AER promotes an annual fundraising campaign within the Army and assures that all unit level commanders are familiar with the type of assistance their organization can provide to their soldiers.

In addition to its continued support of soldiers through counseling and providing emergency financial assistance, AER is supporting DoD's Financial Readiness Campaign by allocating the resources of the AER to fund a 16-hour pilot personal financial management-training course for the Advanced Individual Training (AIT) course for soldiers and the Officer and Warrant Officer Basic courses at Fort Bliss, Texas, for a period of approximately 3-5 years.

Association of Military Banks of America (AMBA): The AMBA is a not-for-profit association of banks operating on military installations, banks not located on military installations but serving military customers, and military banking facilities designated by the U.S. Treasury. The association's membership includes both community banks and large multinational financial institutions, all of which are insured by the Federal Deposit Insurance Corporation.

The AMBA is supporting the Financial Readiness Campaign by encouraging member banks to provide, participate and aid in financial training events.

Better Business Bureau (BBB): The BBB system is today supported by more than 250,000 local business members nationwide. It is dedicated to fostering fair and honest relationships between businesses and consumers, instilling consumer confidence and contributing to an ethical business environment.

The BBB is assisting in the Financial Readiness Campaign by allowing resources of the BBB system to be available to Service members and their families, worldwide. In addition the BBB will promote local partnerships between BBBs and installations to encourage fair and equitable business dealings and the protection of Service members and their families from predatory business practices.

Consumer Federation of America (CFA): The CFA provides consumers a well-reasoned and articulate voice in decisions that affect their lives. Day in and out, CFA's professional staff gathers facts, analyzes issues, and disseminates information to the public, legislators, and regulators.

The CFA is supporting the DoD's Financial Readiness Campaign, by introducing their America Saves Program at various military installations throughout the United States. CFA has customized their program to help best address the needs at individual Military Installations.

Defense Credit Union Council (DCUC): The DCUC is an organization of credit unions whose membership consists entirely or in part of personnel of the DoD. The DCUC consists of 281 credit unions with over 10 million members. The DCUC is managed by a seven-member board of directors consisting of a representative from each of the services, plus three representatives at large.

The DCUC is supporting the Financial Readiness Campaign by encouraging member credit unions to provide, participate and aid in financial training events.

Department of Labor (DoL): The DoL fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices, and other national economic measurements. In carrying out this mission, the Department administers a variety of Federal labor laws including those that guarantee workers' rights to safe and healthful working conditions; a minimum hourly wage and overtime pay; freedom from employment discrimination; unemployment insurance; and other income support.

The DoL supports the Campaign by making their Savings Matters material accessible to military personal financial managers and other DoD personnel, particularly civilian spouses of Service members, and Service members that are transitioning to civilian employment.

Department of Treasury (DoT): The DoT consists of two major components: the Departmental offices and the operating bureaus. The Departmental Offices are responsible for the formulation of policy and management of the Department as a whole, while the operating bureaus carry out the specific operations assigned to the Department. Operating bureaus make up 98% of the Treasury work force. The basic functions of the Department of the Treasury include: managing Federal finances; collecting taxes, duties and monies paid to and due to the U.S. and paying all bills of the U.S.; producing all postage stamps, currency and coinage; managing Government accounts and the public debt; supervising national banks and thrift institutions, and promoting financial education; advising on domestic and international financial, monetary, economic, trade and tax policy; enforcing Federal finance and tax laws; and investigating and prosecuting tax evaders, counterfeiters, forgers, smugglers, illicit spirits distillers, and gun law violators.

The DoT is supporting the DoD Financial Readiness Campaign by including it as part of the national agenda to improve the understanding of personal finances, and by promoting, with the assistance of DoD, the availability of electronic investment opportunities.

Employee Benefits Research Institute (EBRI) and American Savings Education Council (ASEC): EBRI/ASEC is a nonprofit, national coalition of public and private-sector institutions that share a mission to undertake and support initiatives aimed at raising public awareness about what is necessary to successfully ensure long-term personal financial independence. While EBRI/ASEC's main emphasis is on increasing awareness about the needs for a secure retirement, EBRI/ASEC also works through its partners to educate Americans on all aspects of personal finance and wealth development, including credit management, college savings, and home purchase. EBRI/ASEC's partners include public and private employers; financial, educational and service organizations; and government agencies. EBRI/ASEC's goal is to make savings and planning a vital concern of all Americans.

EBRI/ASEC assists the Financial Readiness Campaign by making its wealth of financial education materials available to the DoD, advising the DoD on which materials are best suited for target audiences, by assisting the DoD in measuring the impact of the campaign on target audiences.

Federal Citizen's Information Center (FCIC): FCIC provides the answers to questions about the Federal Government and everyday consumer issues whether citizens write, call, or log on.

The FCIC is assisting the DOD in its mission of Financial Readiness by making its Money Resource Information available to relevant DoD personnel.

Federal Deposits Insurance Corporation (FDIC): FDIC's mission is to maintain the stability of and public confidence in the nation's financial system. To achieve this goal, the FDIC was created to insure deposits and promote safe and sound banking practices.

The FDIC is making its Money Smart materials, curriculum and resources available to DoD financial educators. The FDIC also encourages banks and credit unions located on military installations to participate in innovative ways to provide financial education with Money Smart materials.

Federal Reserve Board (FRB): The FRB was created to provide the nation with a safer, more flexible, and more stable monetary and financial system. Over the years, its roles have evolved and expanded. Today, the Federal Reserve's duties include conducting the nation's monetary policy by influencing money and credit conditions in the economy in pursuit of full employment and stable prices; promoting the stability of the financial system; providing banking services to depository institutions and to the federal government; and ensuring that consumers receive adequate information and fair treatment in their interactions with the banking system.

The FRB has committed to developing a survey, which will be part of a longitudinal study to evaluate the impact of training provided to enlisted personnel and a comparison control group who does not receive specific training. The pilot will be conducted at Fort Bliss (as part of the AER sponsored training) and will run over a 2-3 year period. FRB is also looking into varying ways of evaluating the effects of the training.

Federal Trade Commission (FTC): The FTC enforces a variety of federal antitrust and consumer protection laws. The Commission seeks to ensure that the nation's markets function competitively, and are vigorous, efficient, and free of undue restrictions. The Commission also works to enhance the smooth operation of the marketplace by eliminating acts or practices that are unfair or deceptive. In general, the Commission's efforts are directed toward stopping actions that threaten consumers' opportunities to exercise informed choice. Finally, the Commission undertakes economic analysis to support its law enforcement efforts and to contribute to the policy deliberations of the Congress, the Executive

Branch, other independent agencies, and state and local governments when requested. In addition to carrying out its statutory enforcement responsibilities, the Commission advances the policies underlying Congressional mandates through cost-effective non-enforcement activities, such as consumer education.

The FTC has established the Military Sentinel Consumer web site to assist DoD personnel with consumer complaints, and has granted DoD consumer advocates access to information collected by the web site to assist in stopping consumer fraud.

Freddie Mac: Freddie Mac is a stockholder-owned corporation chartered by Congress in 1970 to create a continuous flow of funds to mortgage lenders in support of homeownership and rental housing. Freddie Mac has voluntarily implemented a series of commitments regarding financial operations and controls that will strengthen the capital adequacy, transparency and market discipline of the company.

Freddie Mac is aiding the DoD's Financial Readiness Program by making its Credit Smart materials and resources available to DoD financial educators.

InCharge Institute of America: InCharge Institute is a non-profit organization that empowers consumers to take charge of their finances. InCharge has been established as a family of services devoted to providing long-term debt resolutions through customized counseling and financial education. Its mission is to be the "go to source" for information, research, and education on the behaviors and issues facing individuals and families on consumer credit, money management, and financial well being.

InCharge is producing a quarterly periodical aimed at promoting financial awareness among the spouses of Service members, particularly young spouses. InCharge has partnered with the National Military Family Association (NMFA) to produce this periodical, which is being distributed via base commissaries.

Jump$tart Coalition for Personal Financial Literacy: The Jump$tart Coalition for Personal Financial Literacy aims to increase the personal financial literacy of young adults. Jump$tart believes that all young adults need to have the financial literacy necessary to make educated financial decisions. Jump$tart's direct objective is to encourage curriculum enrichment to insure that basic personal financial management skills are attained during the K-12 education experience. Jump$tart promotes its mission through evaluating the financial literacy of young adults; developing, distributing, and encouraging the use of standards for grades K-12, and promoting the teaching of personal finance.

Jump$tart is assisting DoD's Campaign by making its Personal Finance Education Materials Clearinghouse database available to DoD personal financial managers, educators and command financial specialists.

Moneywise with Kelvin Boston: Moneywise with Kelvin Boston is a television series is designed to help viewers earning $25,000 to $100,000 understand basic financial planning concepts, increase their net worth, and use their financial resources more effectively. Each telecast examines one financial topic that is important to this audience. The series features profiles of real people from diverse economic and cultural backgrounds. Viewers also receive practical information and "jargon free" financial advice from experts and best selling authors.

Mr. Boston is making his television series available to the Armed Forces Radio and Television Service for broadcast in overseas military communities.

National Endowment for Financial Education (NEFE): NEFE is a nonprofit private foundation that is dedicated to aiding all Americans in acquiring the necessary information and skills to take control of their personal finances. NEFE accomplishes its mission by primarily partnering with concerned organizations to supply financial educations to members of the public – chiefly to underserved individuals whose financial education needs are not being handled by others, and to America's youth.

NEFE is providing DoD financial educators with access to its Web-based training program. Additionally, NEFE has partnered with the NFMA to provide over 200,000 copies of the "Military Family - Money and Mobility" pamphlet to Service members and their families.

National Foundation for Credit Counseling (NFCC): The NFCC, through its Member agencies, sets the national standard for quality credit counseling, debt reduction services and education for financial wellness. NFCC is the nation's largest and longest serving national nonprofit credit counseling network. With more than 1,300 community-based agency offices across the country, NFCC Members help over 1.5 million households annually. NFCC Members, often known as Consumer Credit Counseling Service (CCCS) or other names, can be identified by the NFCC Member seal. This seal signifies high standards for agency accreditation, counselor certification and policies that ensure free or low-cost confidential services.

NFCC is providing Service members with budget counseling and debt-management plans in person, by phone or online through its network of Consumer Credit Counseling Services worldwide.

National Military Family Association (NMFA): The NMFA is an independent, nonprofit 501(c)(3) organization devoted to ascertaining and resolving issues of concern to military families. NMFA's mission is to serve the families of the seven uniformed services through education, information and advocacy. NMFA's primary goals are to educate military families concerning the rights, benefits and services available to them; to inform them regarding the issues that affect their lives; and to serve and protect the interests of military families by influencing the development and implementation of legislation and policies.

NMFA provides the spouse perspective in developing products in collaboration with other non profit organizations who have partnered with DoD to support the Financial Readiness Campaign. Notably, NMFA has partnered with NEFE, InCharge and WIFE.org to provide programs for the military spouse and family.

Navy and Marine Corps Relief Society (NMCRS): The NMCRS is a private, non-profit, volunteer, service organization committed to ensuring that all its available resources are used to assist active and retired personnel of the Naval Services and their eligible family members to achieve self-sufficiency and to find solutions to emergency needs.

The NMCRS assists Active Duty and retired Navy and Marine Corps personnel and their eligible family members in their time of need through the use of counseling, grants, loans, and a number of other services to include referrals to outside agencies. The NMCRS is also providing DoD with data to help measure the effectiveness of the Financial Readiness Campaign.

North American Securities Administrators Association (NASAA): NASAA is the oldest international organization devoted to investor protection. They are a voluntary association whose membership consists of 66 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, Canada, and Mexico. In the United States, NASAA is the voice of the 50 state securities agencies responsible for efficient capital formation and grass roots investor protection.

The NASAA acts as a conduit for its members to develop initiatives to support the interests of Service members and their families. Additionally, it publishes an electronic newsletter available to the general public that has information on investor news and helpful information for the consumer that is available to Service members and families.

Securities and Exchange Commission (SEC): The primary mission of the SEC is to protect investors and maintain the integrity of the securities markets. As more

and more first-time investors turn to the markets to help secure their futures, pay for homes, and send children to college, these goals are more compelling than ever.

The SEC is making its information and tools concerning the securities industry world available to military personal financial managers, educators and command financial specialists. The SEC will also program its Town-Hall Investor meetings in communities that have a large military population.

Social Security Administration (SSA): The SSA is a federal government agency which partnered with the American Savings Education Council (ASEC) to begin "Save for Your Future" education campaign. This campaign, which is one of several SSA efforts aimed at educating workers about the importance of financial planning, is committed to informing Americans about the need to save and plan for retirement and other life stages. The main goals of the "Save for Your Future" Campaign are to increase public knowledge of SSA's programs; increase public awareness of the Social Security Statement; increase the number of individuals who save; and increase the amount of money people save.

The SSA is sharing relevant educational resources and tools used at "Save for Your Future" events with the DoD, in order to increase the resources and abilities of military personal financial managers, educators and command financial specialists to educate enlisted Service members and their families in financial planning for their future.

U.S. Department of Agriculture Cooperative State Research Education and Extension Service (USDA, CSREES): The USDA, CSREES works with land-grant university partners and others to advance knowledge for agriculture, the environment, human health and well-being and communities. The Consumer and Family Economics group was created to meet and agency goal to enhance economic opportunities and quality of life among families and communities by strengthening the capacity of families to establish and maintain economic security. USDA, CSREES has eight decades of experience in personal and family money management education.

The USDA, CSREES is sharing relevant financial-education research, knowledge, resources and tools with the DoD, military personal financial managers, educators and/or command financial specialists.

Women's Institute for Financial Education (WIFE): WIFE is a nonprofit organization, dedicated to providing financial education to women. WIFE's mission is to financially educate all women, from childhood to adult, enabling them to succeed and prosper.

WIFE encourages practical money-management skills and an introduction to financial planning, among the spouses of enlisted Service members, through materials and advice that cover the basics of financial literacy. WIFE is also providing DOD personnel and the spouses of Service members access to their Money Club tools and resources.

ENCLOSURE 2: DOD TOOLBOX WEB SITE

lifelines Services Network | Log On | MWR Home | FeedBack | Register | LIFELines: HOME

Department of Defense
Financial Readiness Campaign

Utilities | Documents

lifelines services network

What do you think of our site?

- Great!
- Looks Good
- Don't like the color

Is this site easy to use?

- Yes
- No

Vote

DOD WEB-Links & WEB-Documents

The items below are informative world wide web accessible pages and documents and are not maintained by the Financial Readiness Campaign staff. The links are provided here as a service to interested site viewers/members.

Web Links

DoD MAP Financial Resources	Army Financial Readiness
Navy Personal Financial Management	Navy Lifelines Financial Resources
Air Force Personal Financial Management	Air Force Crossroads Financial Resources
Marine Corps Financial Fitness	Military Pay and Benefits
Military Pay and Benefits (DFAS)	

Web Documents

DoD Directive 1342.17, Family Policy	DoD Directive 1344.7, Personal Commercial Solicitation on DoD Installations
DoD Directive 1342.19, Family Care Plans	DoD Directive 1342.22, Family Centers
DoD Directive 1342.23, Family Readiness in the National Guard & Reserve	USD(P&R) Memo, April 29, 2002, Education Programs on Personal Financial Affairs
Army Regulation 608-1, Army Community Services	SecNav Instruction 1754.1A, Family Service Center Program
Marine Corps Manual MCO P1700.24B, Marine Corps Personal Services Manual	Air Force Instruction 36-3009, Family Support Center Program

Privacy & Security Notice | External Link Disclaimer | Web Policy | About MWR ToolBox | Contact Us

ENCLOSURE 3: USD(P&R) MEMORANDUM

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

MAY 5 2003

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: Initiation of the Department of Defense Financial Readiness Campaign

The financial well being of the force is a significant readiness issue. Today's complex financial environment demands wise choices about savings, credit, mortgages, TSP, and a host of fact of life issues. To further complicate financial readiness plans, the military lifestyle includes frequent relocation and deployments.

Military service must not inhibit a Service member's ability to build savings and embark on the American dream of owning a home. Therefore, I am initiating the Department's Financial Readiness Campaign to improve the financial assistance available to our Service members and their families and to stimulate a culture that values saving and financial health.

This campaign will support your on-going effort to teach Service members and their families about personal finances and to encourage good money management. The Department has established partnerships with several Federal agencies and prestigious non-profit organizations. These notable organizations are ready to support your Services' financial training. Attached is the list of participating organizations.

Financial well being is an important aspect of the social compact between the Department of Defense, Service members and their families. A Department committed to providing reliable financial information and assistance is the first step to achieving financial goals and maintaining the readiness of the Force.

David S. C. Chu

Attachment:
As stated