



Flight Plan to Financial Freedom



Air Force Financial Readiness First Duty Station–Officer (FDS–O)

Instructor Guide

May 2020

Financial readiness is a cornerstone of the Financial Readiness Touchpoints, from accession to separation or retirement. Financial choices that are made early in an enlisted Airman's career can impact everything from retention in the service to comfort in retirement. The First Duty Station–Officer (FDS–O) curriculum, facilitated by financial educators or Airman and Family Readiness Center (A&FRC) staff, will equip Airmen with the knowledge and skills they need to take immediate financial responsibility and make sound financial decisions. It will also lay the foundation for honorable service in the Air Force and smooth transitions throughout an Airman's career.

Guidance on financial readiness training requirements are outlined in AFI 36-3009 (10 May 2019), Airman and Family Readiness Centers.

CONTENT ORGANIZATION

The First Duty Station–Officer training covers three topical areas (see below). An extensive library of accompanying and optional handouts is also included. These materials can provide the basis for group classroom instruction or individual briefing. In any case, the training can be tailored to meet the needs of the individual(s) or groups in approximately 90 minutes. The list of financial resources can be expanded to include base-specific resources at each training site.

- › Introduction
- › Topic One: Military Money
- › Topic Two: Manage Your Money
- › Topic Three: Smart Spending
- › Conclusion

TRAINING MATERIALS

A list of required and optional materials is included in the materials section under each topic. All learning aids are included with the training materials, and instructors may print new blank forms as needed.

The *Instructor Guide* (IG) is designed to accommodate various teaching and training styles. First Duty Station–Officer instructors come from a variety of backgrounds and experiences, as Airmen themselves do. Although some topics must be covered in depth, others can be shortened or eliminated as the needs of learners and the expertise of instructors dictates. Optional activities and experiences will be identified as such in this IG. Supporting material is provided to allow each instructor to highlight the materials that best suit his or her teaching experience, learner needs, and personal style.

INSTRUCTOR NOTES

Sections labeled “Instructor Note” include additional information for instructor background, as well as activities that provide practical application of key learning points. Instructor notes include an icon and appear in a shaded text box for easier recognition.







SECTIONS

Each content area is divided into sections:

- › Introduction
- › Materials and equipment
- › Learning objectives
- › Outline
- › Content

CONTENT ICONS

The following icons are used throughout the guide:

Instructor Note:	<i>Indicates additional information related to the content for the instructor</i>
	<i>Handout (indicates a handout is associated with the content)</i>
	<i>Learning Activity (indicates a learning activity)</i>
	<i>Optional Material (indicates additional information that may be used at the instructor's discretion)</i>
	<i>Animated Slide (indicates that a slide is animated)</i>

TRAINING EVALUATIONS

Upon completion of FDS–O training, learners are encouraged to complete a training evaluation.

Please check the Personal Financial Readiness (PFR) Operations Guide for the most current information on how to complete a course evaluation and encourage learners to complete the evaluation.

GUEST SPEAKERS

The use of guest speakers is to be determined by each A&FRC or command. Speakers may be invited to present information about a specific organization or as a subject matter expert. Use of guest speakers must comply with DoDI 1344.07-AFI 36-2925, *Personal Commercial Solicitation on Air Force Installations*, and use only Air Force-provided materials; that is, this training.

DESCRIPTION

- I. Length of Training. FDS–O consists of 90 minutes of live classroom training or one-on-one briefing. Delivery will take place for one day.

- II. Topics. FDS–O comprises content organized under three financial topics, plus an introduction and conclusion. (Please see the Content Outline for details of each.)
 - A. Introduction
 - B. Topic One: Military Money
 - C. Topic Two: Manage Your Money
 - D. Topic Three: Smart Spending
 - E. Conclusion

LEARNING OBJECTIVES

- I. Curriculum Terminal Objective:
 - A. Upon conclusion of this training, learners should have attained the knowledge and skills necessary to maintain financial readiness and to begin building wealth to meet future needs.
- II. Introduction:
 - A. *Terminal Objective:* Upon the conclusion of this presentation, learners should be able to articulate how effective personal financial planning and management supports Air Force priorities.
 - B. *Enabling Objective:* Using an optional self-assessment, learners may identify indicators of financial strength and weakness in their own finances.
- III. Topic One: Military Money
 - A. *Terminal Objective:* At the end of this section, learners should be able to correctly explain elements of military finances, including the contents of a Leave and Earnings Statement (LES).
 - B. *Enabling Objectives:*
 - 1. Engaging in the *LES Beat the Bell* activity, learners will correctly identify the key components of the LES.
 - 2. Responding to a printed scenario in *The Rockefeller File* activity, learners will identify resources for getting assistance with pay questions and problems.
- IV. Topic Two: Manage Your Money
 - A. *Terminal Objective:* Upon conclusion of this presentation, learners should be able to establish financial goals and draft a spending plan, select the types of accounts that meet their needs, and understand the value of saving and investing.
 - B. *Enabling Objective:*
 - 1. Preparing to complete the *Spending Plan Worksheet*, learners will assess the following areas of a spending plan: income, savings and transfers, indebtedness, living expenses, calculating the difference between monthly income and monthly expenses, the debt-to-income ratio, and net worth.



V. Topic Three: Smart Spending

- A. *Terminal Objective:* Upon the conclusion of this presentation, learners should be able to establish good spending habits, including using credit wisely, recognizing and protecting themselves from misleading consumer practices, making informed decisions when buying a car or home, and choosing insurance that meets their needs.
- B. *Enabling Objectives:*
 - 1. Learners will identify possible effects of misusing credit.
 - 2. Learners will correctly answer questions on how to protect themselves from predatory consumer practices and identity theft.
 - 3. Learners will identify items on a car-buying checklist for use when buying a car.
 - 4. Learners will correctly answer questions about how to shop for a home and home mortgage.
 - 5. Learners will identify specific components of five major types of insurance.

OUTLINE

I. Introduction (10 minutes)

- A. Introduction
 - 1. Welcome
 - 2. Housekeeping
 - 3. Training Purpose and Rationale
 - 4. Agenda
- B. Financial Readiness Touchpoints
 - 1. Military Life Cycle (MLC)
- C. My Air Force Benefits
- D. eBenefits
- E. Air Force Priorities
- F. Optional Learning Activity: *Financial Well-Being Assessment*

II. Topic One: Military Money (20 minutes)

- A. Military Money
 - 1. Agenda
- B. Learning Activity: *LES Beat the Bell*
- C. Optional Topic: Allotments
 - 1. Discretionary Allotments
 - 2. Non-discretionary Allotments
- D. Common Pay Problems
- E. Learning Activity: *The Rockefeller File*
- F. Finally, Remember...



III. Topic Two: Manage Your Money

A. Manage Your Money

1. Agenda

B. Developing a Spending Plan

1. Spending Plan Worksheet
2. Income Reductions
3. Living Expenses
4. DTIR: How Much is Too Much?
5. Net Worth
6. Subtotal: Developing a Spending Plan Review

C. Personal Banking

D. Introduction to Saving and Investing

1. Saving Strategies
2. Time and Compounding
3. Starting Early
4. Investment Options
5. Investment Instruments
6. The Blended Retirement System (BRS)
7. Thrift Savings Plan (TSP)
8. Section Subtotal: Manage Your Money

IV. Topic Three: Smart Spending (45 minutes)

A. Introduction to Smart Spending

1. Agenda

B. Credit and Debt Management

1. The Impact of Credit
2. Credit Reports
 - a. Optional Topic: Credit Report Components
 - b. Credit Scores
3. Choosing and Using Credit Cards
 - a. Cutting Credit Card Costs
 - b. Government Travel Charge Cards (GTCC)
4. Managing Debt
 - a. Optional Topic: Warning Signs of Credit Trouble
 - b. Recovering From Excessive Debt
 - c. Student Loan Debt
5. Subtotal: Credit and Debt Management



- C. Financial Consumer Awareness
 - 1. Military Consumer Awareness
 - 2. Misrepresentations, Frauds, and Scams
 - a. Optional Topic: Avoiding Predatory Businesses
 - 3. Strategies for Making Major Purchases
 - 4. Predatory Lending
 - 5. Legal Rights of Consumers
- D. Car-Buying Strategies
 - 1. Introduction to Car-Buying Strategies
 - a. Agenda
 - 2. Deal No. 1: The Purchase
 - a. Review Your Finances
 - 3. Deal No. 2: The Financing
 - 4. Deal No. 3: The Trade-in
 - 5. Summary and Sources of Help
- E. Optional Topic: Home-Buying Strategies
 - 1. How Much House Can You Afford?
 - 2. What Kind of House Do You Want?
 - 3. Down Payments and Closing Costs
 - 4. Choosing a Mortgage Loan
- F. Insurance
 - 1. The Purpose of Insurance
 - 2. Types of Insurance: Life Insurance
 - 3. Types of Insurance: Health Insurance
 - 4. Types of Insurance: Renters and Homeowners Insurance
 - 5. Types of Insurance: Auto Insurance
 - 6. Subtotal: Insurance Review
 - 7. Optional Learning Activity: *Check Your Insurance IQ Quiz*
- V. Conclusion
 - A. Conclusion
 - 1. Sources of Help
 - 2. Evaluations and Certificates
 - 3. Thank You



Introduction

INTRODUCTION

This introductory section provides learners with an overview of the training they will be receiving and a rationale for the training. If presented in a group setting, provide information about facilities, the organization of the class, and the materials to be used.

MATERIALS AND EQUIPMENT

Suggested materials and equipment include:

- › PowerPoint slides/projector/screen
- › Chart paper and easel or white board
- › Paper
- › Markers
- › Pens, pencils
- › Post-it notes
- › Folders (to collect handouts, optional)
- › Business cards (to include with folders, optional)

Forms:

- › Class sign-in sheet
- › Optional: *Financial Well-Being Assessment*

LEARNING OBJECTIVES

- I. *Terminal Objective:* Upon the conclusion of this presentation, learners should be able to articulate how effective personal financial planning and management supports Air Force priorities.
- II. *Optional Enabling Objective:* Using a self-assessment, learners will identify indicators of financial strength and weakness in their own finances.

CONTENT OUTLINE

- A. Introduction
 1. Welcome
 2. Housekeeping
 3. Training Purpose and Rationale
 4. Agenda
- B. Financial Readiness Touchpoints
 1. Military Life Cycle (MLC)
- C. My Air Force Benefits

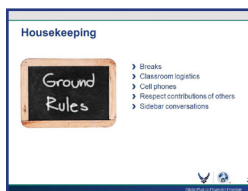


- D. eBenefits
- E. Air Force Priorities
- F. Optional Learning Activity: *Financial Well-Being Assessment*

CONTENT



SLIDE 1



SLIDE 2

Introduction

Welcome

Welcome the learners to the First Duty Station–Officer training. Tell them that they have an opportunity to review financial management practices and develop skills that will set their flight path for financial success.

Introduce yourself. Provide your name, your position, and a brief summary of your experience.

Housekeeping

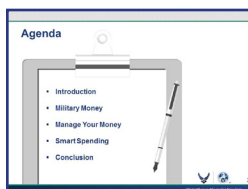
Request that learners fold their name tents and write their names on both sides using a marker.

Discuss the following FDS–O administrative items and any items that are not listed here that are relevant to the local training site:

- › Breaks
- › Classroom logistics (e.g., restroom locations, fire exit)
- › Turn off cell phones and other electronic devices
- › Respect the contributions of others
- › No sidebar conversations

Training Purpose and Rationale

Explain that the purpose of this training is to help all Airmen learn to manage money at the beginning of their Air Force careers. These skills can then be used as they advance, when they make major purchases, when they marry or have children, when they have a permanent change of station (PCS), and when they transition from the Air Force to civilian careers.



SLIDE 3

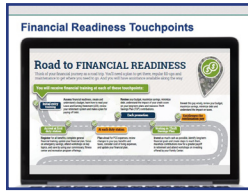
Agenda

Explain that the training consists of reviewing resources in three topical areas that are designed to help them make informed decisions about their money. These areas include:

- › Military Money
- › Managing Your Money
- › Smart Spending

State that at the conclusion of the training (or briefing), learners will be asked to complete an evaluation of training content.





SLIDE 4

Financial Readiness Touchpoints

Military Life Cycle

Explain that military service provides them with an opportunity to develop and work toward long-term goals, such as education, job training, and service to country. The Air Force is also concerned with their success once they leave the service.

Tell learners that the military has identified financial “touchpoints” throughout Airmen’s careers that will help them align their military career with their goals after they leave the Air Force. These touchpoints begin with their initial entry into the Air Force and continue through promotions, permanent change of station (PCS) moves, significant life events, deployments, and their eventual transition to civilian employment. Encourage learners to take advantage of the financial training offered at each of these touchpoints.

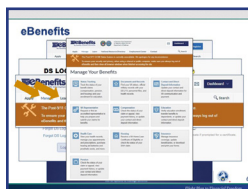
Explain that their attendance in FDS–O is part of the road to financial readiness. The Air Force wants to ensure that every Airman can succeed financially.



SLIDE 5

My Air Force Benefits

Indicate to learners that the My Air Force Benefits site (<https://www.myairforcebenefits.us.af.mil/>) maintains a rich collection of federal, state, and other benefits available to Airmen and their families, both now and in the future. Learners can search online and download fact sheets by topic, location, and life event touchpoint.



SLIDE 6

eBenefits

Explain that eBenefits is the online resource for veterans’ benefits. A DoD self-service (DS) logon is required to access eBenefits. Remind learners that they requested a DS logon during their accession (e.g. Air Force Academy, OTS, or ROTC). Once they have gained authorization to access eBenefits, they can use their DS logon or their Common Access Card (CAC) to log in to the eBenefits website.

Explain that although much of the information contained in eBenefits is most helpful after they leave military service, it is important for them to ensure that their records are accurate.

Point out the tabs on the dashboard. Users can learn about the benefits available to them. They can also manage their benefits.

Encourage learners to become familiar with the information in eBenefits to ensure that they enjoy all the benefits they earn from their military service.





SLIDE 7

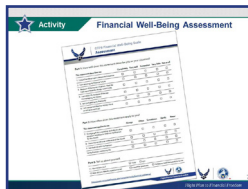
Air Force Priorities

Tell learners that, in addition to the touchpoints, the Air Force has identified five priorities that serve as guiding principles for all Airmen:

- › Restore readiness ... to win any fight, any time.
- › Cost-effectively modernize ... to increase the lethality of the force.
- › Drive innovation ... to secure our future.
- › Develop exceptional leaders ... to lead the world's most powerful teams.
- › Strengthen our alliances ... because we are stronger together.

Ask learners which of these priorities are supported by their financial readiness. Answers may include:

- › Restore readiness. Financial fitness can affect the readiness of individuals. Note that stress related to finances can affect performance at work.
- › Develop exceptional leaders. Strong leaders should demonstrate sound financial practices.



SLIDE 8



Optional Learning Activity: *Financial Well-Being Assessment*

Purpose:

This activity functions as an individual assessment of financial fitness.

Materials:

Financial Well-Being Assessment

Time:

5 minutes

Preparation:

This activity requires minimal advance preparation. Print sufficient copies of the *Financial Well-Being Assessment* for all learners.

Process:

1. Explain to learners that this exercise will give them a chance to assess their financial fitness.
2. Distribute copies of the *Financial Well-Being Assessment*.
3. Instruct learners to answer the questions based on their current situation, not future goals.
4. Allow two to three minutes for class to complete the assessment.



5. Tell learners they can access the electronic version of the assessment on the Consumer Financial Protection Bureau website at <https://www.consumerfinance.gov/consumer-tools/financial-well-being>. When they complete the form on the website, it will give them a financial well-being score and provide links to financial planning tools.

Debrief the activity by explaining that the first step in their flight plan to financial freedom is understanding their current financial status.

[End activity]



Topic One: Military Money

INTRODUCTION

This section of the training (or brief) includes primary points of military money: military pay and official travel using the government travel credit card. Learners will review the components of a Leave and Earning Statement (LES) and discuss some common pay problems.

MATERIALS AND EQUIPMENT

Suggested materials and equipment include:

- › PowerPoint slides/projector/screen
- › Chart paper and easel or white board
- › Paper
- › Markers
- › Pens/pencils
- › Name tent cards
- › Calculators (optional)

Forms:

- › *Sample LES*
- › *The Rockefeller File* handout
- › Optional: *How to Read an Active-Duty Air Force Leave and Earning Statement* handout

LEARNING OBJECTIVES

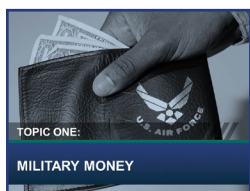
- I. *Terminal Objective:* At the end of this section, learners should be able to correctly explain elements of military finances, including the contents of an LES.
- II. *Enabling Objectives:*
 - A. Responding to a printed scenario in *The Rockefeller File* activity, learners will identify resources for getting assistance with pay questions and problems.

OUTLINE

- I. Topic One: Military Money
 - A. Military Money
 1. Agenda
 - B. Learning Activity: *LES Beat the Bell*
 - C. Optional Content: Allotments
 1. Discretionary Allotments
 2. Non-discretionary Allotments
 - D. Common Pay Problems
 - E. Learning Activity: *The Rockefeller File*
 - F. Finally, Remember...



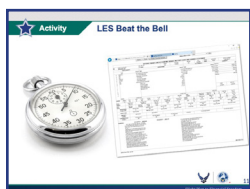
CONTENT



SLIDE 9



SLIDE 10



SLIDE 11



Military Money

Explain that Airmen receive a regular paycheck, just like civilian employees. Paydays are twice a month, roughly the first and 15th. Reserve Component members receive drill pay after completing drill periods.

Agenda

Indicate that this first topic of training focuses on their current pay.



Learning Activity: *LES Beat the Bell*

Purpose:

This activity functions as a review of the leave and earning statement.

Materials:

- > Sample LES
- > A coin
- > A bell or gong
- > A countdown timer (such as a watch with a second hand or a stopwatch app for a computer or smart phone).

Time:

10 minutes

Preparation:

This activity requires minimal advance preparation. Print sufficient copies of the *How to Read an Active-duty Air Force Leave and Earning Statement* handout (and, if desired, the *Sample LES*) for all learners.

Process:

Explain to learners that this exercise will give them a chance to review the LES.

Divide learners into two teams.

Distribute copies of the first page only of the *How to Read an Active-duty Air Force Leave and Earning Statement* handout.

Instruct learners that teams will be competing against each other to answer questions about the LES. Each team will be allowed 10 seconds



to produce an answer, at which point the bell will be rung and the other team will have 10 seconds to respond. Note that a difficult question might pass back and forth several times before a correct answer is produced.

Allow teams a few minutes to organize themselves and send a representative to the coin toss that will decide which team takes the first question. The representative whose birthday is nearest the day of the class gets to choose heads or tails.

Suggested Questions

Instructor Note: Instructors may substitute their own questions.

1. Where are monthly allowances listed? (Answer: Section #10, Entitlements.)
2. In what location will you find the amount of Social Security tax withheld from your check? (Answer: Section #11, Deductions.)
3. You recently got married and registered your spouse in DEERS. Where would you look to make sure your basic allowance for quarters (BAQ) reflects your new status? (Answer: Section #53, BAQ Type.)
4. What does "M/S" in sections #35 and #47 stand for? (Answer: "Married/Single." These are your tax statuses for federal [#35] and state [#47] withholding purposes. These do not have to be the same.)
5. If you had a family dental plan that you wanted paid automatically every month, where would that payment be listed? (Answer: Section #12, Allotments.)
6. What does "ETS" in section #6 stand for? (Answer: ETS stands for "Expiration Term of Service." It is the date—in YYMMDD format—the Airman's current enlistment or obligated term of service ends.)
7. If this was an end-of-month (EOM) LES, where would you look to see how much pay the Airman received mid-month? (Answer: In section #11, the "Deductions" section of the LES.)
8. If this was an EOM LES covering the month of July, when would the Airman's bank receive his or her deposit? (Answer: August 1. With exceptions for end-of-month [EOM] holidays, EOM pay is deposited on the first day of the month following the pay period.)
9. What is a deduction taken from the pay of every active-duty enlisted Airman and warrant officer, but not from commissioned officers' pay? (Answer: \$0.50 per month to help support the Armed Forces Retirement Homes [AFRH] in Washington, DC and Gulfport, MS.)
10. Where is the AFRH deduction noted on the LES? (Answer: Section #11, "Deductions.")



11. How is the "Cr Bal" leave figure in section #28 calculated? (Answer: BF Bal [amount carried over from the previous fiscal year] + Ernd [amount of leave earned in the current fiscal year] - Used [amount of leave used in the current fiscal year].)
12. What is the date used to calculate an Airman's years of service, and where is it found on the LES? (Answer: the date in YYMMDD format is found in two places, "PAY DATE" [section #4] on the ID line and "DIEMS"—Date of Initial Entry into Military Service, section #28—in the Summary section.)
13. Numbers in the "Base Pay Rate" box in the TSP section (section #63) range from 0 to 100. What do they signify? (Answer: The percentage of basic pay to be deducted from the Airman's check and transferred into his or her TSP retirement account.)
14. What contribution rate maximizes government matching funds added to an Airman's TSP account? (Answer: 5%.)
15. Why might the "Wage Period" numbers in the FED TAXES (section #33) and FICA TAXES (section #39) be different? (Answer: When TSP contributions are tax-deferred, they are not subject to federal income taxes until withdrawn in retirement. Tax-deferred TSP contributions are therefore subtracted from section #33. However, the entire basic pay amount is considered when calculating Social Security and Medicare deductions.)
16. If the Airmen wanted a certain amount of money deposited into a savings account every month, where would that be noted on the LES? (Answer: in the Allotments section, section #12.)

Debrief the activity by distributing the last two pages of the *How to Read an Active-duty Air Force Leave and Earnings Statement* handout, then taking and answering any additional questions about the LES and its contents.

Remind Airmen to review each and every LES and to be sure that pays, allowances, and deductions are current and correct.

[End activity]

Point to the name text at the top of the *Sample LES* page, and emphasize that an Airman's pay is the Airman's responsibility. If he or she cannot understand why he or she is receiving more or less than the expected amount in their checks, he or she needs to find someone in personnel support who can help him or her, and do it right away.

Explain that financial hardships can occur when they do not understand how much they earn and what their net pay is supposed to be.





SLIDE 12



Optional Topic: Allotments

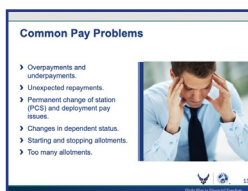
Explain that there are two types of allotments (payments diverted from the Airman's paycheck to other parties): discretionary and non-discretionary.

Discretionary Allotments

For discretionary allotments, members specify the individual, institution, or business to receive the allotment. No more than six discretionary allotments are allowed. Examples of discretionary allotments include voluntary payments to dependents or other relatives, payments for loans, and transfers to savings.

Non-discretionary Allotments

Non-discretionary allotments are made to a specifically designated agency or for a short list of other purposes. There is no limit to the number of nondiscretionary allotments a member can have. Non-discretionary allotments include savings bonds, child support payments, and indebtedness to the government.



SLIDE 13



Common Pay Problems

Briefly summarize the issues listed on the slide. Examples:

- › Overpayments: Receiving Family Separation Allowance (FSA) after the deployment is over. Receiving BAH even though you are living in the dormitory.
- › Underpayments: Being docked for SGLI payments you do not owe.
- › Unexpected repayments: Being credited for travel expenses you did not incur.
- › Changes in dependent status: Receiving BAH at a "with dependents" rate even though you are divorced and no longer have qualifying dependents.
- › Starting and stopping allotments: A charitable contribution you were expecting to make by allotment has not been deducted from your check.
- › Too many allotments: Money is still being sent to a bank to cover a debt that has been paid in full.

Emphasize the importance of knowing how much money should be coming in and immediately researching deviations.





SLIDE 14



Activity: *The Rockefeller File*

Purpose:

The purpose of this activity is to give learners an opportunity to identify common pay problems and discuss possible solutions to those problems.

Materials:

- › *The Rockefeller File* handout
- › Pens or pencils

Time:

5 minutes

Preparation:

Minimal preparation is required for this activity. Use a white board or chart paper to record (and reinforce) correct responses.

Process:

Distribute the handout. Allow learners a few moments to review it, then pose each of the questions.

1. Second Lt. Rockefeller notices that her first paycheck in May is about \$67 higher than her mid-month check in April. Where on the LES might she look for an explanation?

Answers might include:

- › The Entitlement section, to see if her basic pay has increased.
- › The Entitlement section, to see if her allowances have increased.
- › The Allotments section, to see if her allotments have decreased.
- › The Deductions section, to see if her deductions have changed.

(Any of these answers is correct.)

2. Second Lt. Rockefeller determines that she has received a special pay for a qualification she does not possess. What should she do?

Answers might include:

- › Say nothing to anyone and enjoy the money while it lasts.
- › Take her LES to personnel support and inform the personnel office of the error. (This is the correct answer. You might add that she should put any overpayments she receives aside, possibly in a savings account, so it is available when the government recoups the extra pay.)
- 3. While reviewing her LES, 2nd Lt. Rockefeller notices that her tax deductions are based on a status of single with no dependents, when in fact she was married three months ago. Where should she go first to get this error corrected?



Answers might include:

- › The personnel office.
- › The Defense Enrollment Eligibility Reporting System (DEERS) site.
- › Logging into her myPay account on the DFAS website. (This is the best answer. Registering her spouse in DEERS will not change her withholding status. The personnel office probably can help her, but making the change via myPay is quickest and easiest.)

[End activity]

Finally, Remember...



SLIDE 15

Remind Airmen that their pay is their responsibility. They should verify information on their LES each month. If their pay varies and they do not understand why, they should see their local personnel office or go to myPay to investigate the changes. If they need to contact Defense Finance and Accounting Service (DFAS) directly, contact information can be found on the myPay website.

Tell learners that they will now discuss how to manage their hard-earned money.

Topic Two: Manage Your Money

INTRODUCTION

This content area stresses the importance of developing a written spending plan (budget) to manage cash flow and meet financial goals, informs Airmen of personal banking options, and introduces saving and investing concepts and practices. Instructors will introduce topics and tools to learners.

MATERIALS AND EQUIPMENT

Materials needed include:

- › PowerPoint slides/projector/screen
- › Chart paper and easel or white board
- › Paper
- › Markers
- › Pens/Pencils
- › Post-it notes

Forms:

- › *Financial Planning Pyramid* handout
- › *Investing Basics* handout
- › *Questions and Answers about Changes to TSP Withdrawal Options* handout
- › *Spending Plan Worksheet*
- › *TSP Fund Summary* handout
- › Optional: *Choosing a Bank or Credit Union* handout
- › Optional: *Electronic Banking Safety* handout
- › Optional: *Spending Plan Worksheet Checklist* handout
- › Optional: *Spending Plan Worksheet Sample* handout

LEARNING OBJECTIVES

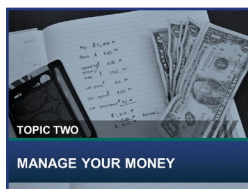
- I. *Terminal Objective:* Upon conclusion of this training, learners should be able to establish financial goals and draft a spending plan, select the types of accounts that meet their needs, and understand the value of saving and investing.
- II. *Enabling Objectives:* Preparing to complete the *Spending Plan Worksheet*, learners will assess the following areas of a spending plan: income, savings and transfers, indebtedness, living expenses, calculating the difference between monthly income and monthly expenses, the debt-to-income ratio, and net worth.



OUTLINE

- I. Topic Two: Manage Your Money
 - A. Manage Your Money
 - 1. Agenda
 - B. Developing a Spending Plan
 - 1. Spending Plan Worksheet
 - 2. Income Reductions
 - 3. Living Expenses
 - 4. DTIR: How Much is Too Much?
 - 5. Net Worth
 - 6. Subtotal: Developing a Spending Plan Review
 - C. Personal Banking
 - D. Introduction to Saving and Investing
 - 1. Saving Strategies
 - 2. Time and Compounding
 - 3. Starting Early
 - 4. Investment Options
 - 5. Investment Instruments
 - 6. The Blended Retirement System (BRS)
 - 7. Thrift Savings Plan (TSP)
 - 8. Section Subtotal: Manage Your Money

CONTENT



SLIDE 16

Manage Your Money

Tell learners that although this section of the training is short, you will provide them with resources that will help them in several areas of personal financial management.



SLIDE 17



Agenda

Introduce the sections of this topic:

- › Develop a spending plan.
- › Choose a bank or credit union (should Airmen need to do so).
- › Set saving and investing goals.

Explain that each section is introductory, equipping them for additional work and effective decision-making outside of the training.





SLIDE 18



Developing a Spending Plan

Spending Plan Worksheet

Instructor Note: Distribute the *Spending Plan Worksheet* and, if desired, the *Spending Plan Worksheet Checklist* and *Sample Spending Plan Worksheet*.

Tell learners that the *Spending Plan Worksheet* is a simple tool they can use to plan and monitor their spending. Inform them that having an organized, written spending plan has been shown to be the critical first step for individuals who want to relieve financial stress and take control of their money.

Tell learners that more detailed tools for analyzing their finances are available through the A&FRC.

Instructor Note: Direct learners' attention to the different parts of the worksheet sample.

Note that there are two main divisions: Income, and Transfers and Expenses. One tracks money coming in and the other tracks money going out.



SLIDE 19



Income Reductions

Turn learners' attention to Transfers and Expenses.

Remind learners that not everything that moves money out of their checking account is an expense. Savings and investments, for example, transfer money to other accounts (but make those funds unavailable for current expenses). Debt payments represent money moved from current income to fund previous spending.

Inform learners that financial experts strongly suggest saving and/or investing at least 10% of their net income



SLIDE 20

Living Expenses

Point out that the next seven sections of the worksheet include spaces for recording common living expenses. They may have other living expenses not listed on the worksheet. They can enter these expenses on the "uncategorized" lines on the *Spending Plan Worksheet*. The important thing is to review their day-to-day and week-to-week spending, so they can see what they really spend money on.



Suggest that there are many ways to track expenses and they should use the one that is easiest for them. There are online sites and mobile apps that can help track transactions electronically. Some people use a pocket-sized notebook or attach sticky notes to their wallets or billfolds. Whatever their strategy, they should be sure to write everything down—the \$3 for an energy drink, the \$7 for lunch, the \$5 for coffee, the \$15 they loaned to a co-worker, and so on. Then, after they have tracked all expenses for a month, they can group expenditures around the categories on the worksheet, or even write in their own.

Note that when all the Income, Transfer, and Expense numbers are entered into the *Spending Plan Worksheet*, they can see whether they have a surplus (money left over) or a deficit (more money going out than coming in) at the end of the month.

DTIR: How Much is Too Much?

Without Mortgage	With Mortgage
≤15% Well-positioned	≤38% Well-positioned
16%-20% Fully extended	37%-42% Fully extended
21%-30% Overextended	43%-49% Overextended
>30% Seek help	>50% Seek help

SLIDE 21

DTIR: How Much is Too Much?

Indicate the section of the worksheet that addresses debt-to-income ratio. Explain that debt-to-income ratio is a simple way to keep an eye on debt commitments. Indicate that DTIR is based on gross income—that is, income before taxes and other deductions—rather than net income. Note that this spending plan considers mortgage spending as an expense rather than a debt payment, but some people (including some lenders) prefer to include a mortgage under indebtedness. The table on the slide provides guidelines for interpreting debt-to-income ratio both ways.

Net Worth

What you own
- What you owe
= Net worth

Net worth	
Net value of savings, investments, real estate, personal property	\$ 210,000.00
Less: liabilities (debt, car loans, student loans, etc.)	\$ 100,000.00
= Net worth	\$ 110,000.00

SLIDE 22



Net Worth

The last section of the worksheet provides a formula for assessing net worth. Assure learners that it is not unusual for a young single person to have a very low or even negative net worth, but that net worth is a useful number for measuring progress toward long-term financial goals.

Subtotal: Developing a Spending Plan

	<ul style="list-style-type: none"> The Spending Plan Worksheet Elements of a spending plan Assessing spending and indebtedness Expense tracking strategies
--	--

SLIDE 23

Subtotal: Developing a Spending Plan Review

Remind learners that there are many opportunities to create or review a spending plan, such as during deployments or when they are preparing for a permanent change of station (PCS).

Ask: How might a deployment affect your budget?

Answers may include:

- › Fewer expenses
- › Additional pay
- › Tax-free zone



Ask: How might a PCS move affect your budget?

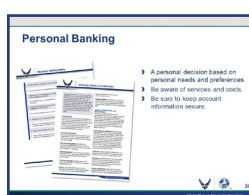
Answers may include:

- › Change in BAH
- › Travel costs
- › Cost of setting up new household

Ask: Are there any other situations that might affect your finances?

Answers may include:

- › Marriage
- › Birth of a child
- › Purchasing a home



SLIDE 24



Personal Banking

Instructor Note: Distribute the *Choosing a Bank or Credit Union* and, if desired, the *Electronic Banking Safety* handouts.

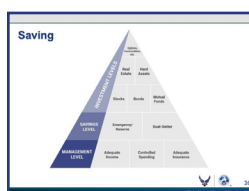
Explain that an Airmen's choice of financial institution is a personal one based on the level and types of services he or she needs. When learners need to change banks, however, they might review the *Choosing a Bank or Credit Union* handout and they should always keep account information secure, especially in the digital age.



SLIDE 25

Introduction to Saving and Investing

Point out the statement on the section slide. Inform learners that they will learn about both saving and investing are parts of a sound financial management strategy.



SLIDE 26



Saving

Instructor Note: Distribute the *Financial Planning Pyramid* handout.

Point out the layers of the pyramid, noting that each rests on the foundation of the layer or layers below it. For example, sound financial management underlies saving, and saving is the basis for investing.

Instructor Note: Tell learners that the *Financial Planning Pyramid* also includes hard assets (tangible things), such as real estate, precious metals (gold or silver), and collectible items. Note that these may be suitable investments at some point in an Airman's life but will not be covered in this training.





SLIDE 27

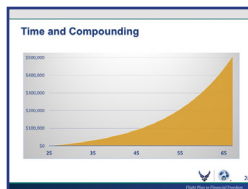


Saving Strategies

Note that everyone's savings should include an emergency reserve fund of one to three times their monthly income (up to six months is even better, especially for one-income households). They should also save for "goal-getter" goals like major purchases, whenever possible, rather than financing them and having to pay interest.

When their emergency reserve is fully funded, Airmen can divert more of their savings to longer term investments like TSP, individual retirement accounts (IRA), or mutual funds.

Inform learners of the bottom line up front (BLUF): While saving is an important part of financial management, the best way to achieve long-term financial goals is to invest, not just save, and to start contributions to investment accounts right away.



SLIDE 28



Time and Compounding

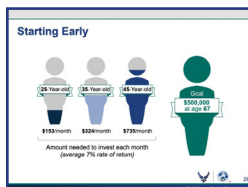
Tell learners that according to financial experts, a retiree will need at least \$500,000 in personal assets, on top of any pensions, to live comfortably in retirement.

Instructor Note: Distribute the *Investing Basics* handout.

Indicate the Return on Investment section. Remind learners that retirement accounts grow by compounding over time. That is, returns on funds invested are reinvested to generate more returns, a pattern that repeats itself year after year. The higher the rate of return, the more quickly their financial goals can be met.

Explain that a 25-year-old will have to invest \$154.47 per month at a rate of return of 7%—a total out-of-pocket expense of \$79,707—to have \$500,000 at age 67.

Note that savings alone, at current interest rates, would incur almost 10 times the out-of-pocket expense as investing to achieve the same outcome at age 67.



SLIDE 29

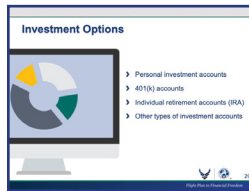
Starting Early

Add that even though a 25-year-old will have to invest more than \$150 per month at a rate of return of 7% to have \$500,000 at age 67, their out-of-pocket cost increases significantly if they wait until later in life to start making investments.

A 35-year-old would have to invest \$325 monthly—a total out-of-pocket expense of \$128,237—to get the same \$500,000 at age 67.

Starting at age 45, an investor would have to put aside \$735 each month—a total out-of-pocket expense of \$202,860—to have \$500,000 by age 67. (All examples assume a 7% long-term rate of return, with taxes deferred.)





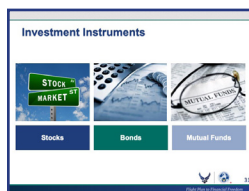
SLIDE 30



Investment Options

Refer learners to the *Investing Basics* handout. Explain that investors may invest money into different kinds of accounts, including the ones on the slide:

- › **Personal investment accounts, for holdings in stocks, bonds, and mutual funds:** There are no upward limits on amounts that may be invested and no requirement that investments be held for a set length of time. Dividends (payments made to shareholders) may incur taxes that have to be paid annually.
- › **401(k) accounts:** These are employer-sponsored retirement accounts; TSP is a form of 401(k). In 2020, employees may contribute up to \$19,500 per year. Contributions are subject to early withdrawal penalties and taxes if withdrawn before age 59.5.
- › **Individual retirement accounts (IRA).** These are retirement accounts funded entirely by individuals rather than employers. In 2020, individuals may contribute up to \$6,000, and either defer taxes until retirement (traditional IRA) or pay taxes now and pay no taxes later on earnings (Roth IRA). Early withdrawal penalties apply to either kind of IRA.



SLIDE 31

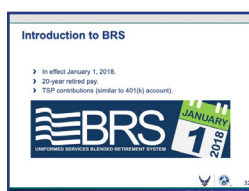


Investment Instruments

Explain that the most common investment instruments are stocks and bonds and that the value of investment accounts grows through profit-sharing with stockholders (dividends), growth in the market value of shares of stocks, and/or interest payments on money borrowed from investors (bonds).

Explain that mutual funds are an alternative to selecting individual stocks or bonds. A mutual fund pools money from many investors to purchase stocks and/or bonds. The holdings of a mutual fund are called a "portfolio." Mutual funds are considered "safer" investments than single stocks because the portfolio is diversified, with the risk of decrease or loss of value spread across many financial instruments.

Different portfolios project different rates of return. None of them are guaranteed, however, and the highest projected returns are associated with the highest risk.



SLIDE 32

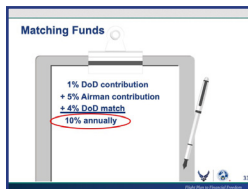


The Blended Retirement System (BRS)

Note that everyone in attendance is already an investor. Although called a "savings" account, each Airman's Thrift Savings Plan (TSP) account is really a closely managed investment account. State that you will begin the savings and investing discussion by reviewing the DoD's blended retirement system (BRS) and the role TSP plays in it.



Remind learners that they learned about the Blended Retirement System (BRS) during basic military training. BRS combines a defined-benefit pension earned by Airmen who serve 20 or more years with a defined-contribution program, like a 401(k), that benefits any Airman who serves more than 60 days. All service members joining on or after January 1, 2018, are automatically enrolled into the Thrift Savings Plan (TSP), where retirement contributions are made. DoD contributes an equivalent of 1% of basic pay into TSP beginning 60 days after entry into the military. Note that this is called a “service automatic” contribution.



SLIDE 33

Matching Funds

Explain that DoD will also match service member contributions up to an additional 4% after two years of service. The maximum government contribution is 5% if the service member is contributing 5% of their basic pay.

Ask learners to calculate the value of 5% of their monthly basic pay. Answers may vary. Point out that by saving that amount each month, the government will match their contribution, resulting in a significant return on their initial investment.

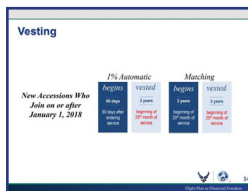
Instructor Note: An estimating tool called the "Rule of 72" calculates how long it takes money to double at different interest rates. To use the Rule, divide the interest rate (as a whole number) into 72.

For example, suppose an Airmen invested \$80 per month (\$960 per year) for just a year at age 20 and received a 6% rate of return for 40 years, until age 60.

By the Rule of 72, that \$960 would double about every $72/6 = 12$ years, or 3.33 times over the period it was invested. The money also compounds, that is, earnings are reinvested to earn still more money. So \$960 becomes \$1,920 the first time it doubles, \$3,840 the second time, \$7,680 the third time, and ends up after 3.33 iterations at approximately \$10,214 ($\$7,680 + (\$7,680 \times 0.33)$). After 40 years, the value of the investment is more than ten times what the Airman put into his or her account.

Now, suppose an Airman invested the same amount (or more-enough to receive all the matching funds available from the government on top of their own contributions) every year until age 60. The value of their investments at retirement would be quite substantial.

Both the DoD automatic 1% and the matching contributions continue through the end of the pay period during which the service member attains 26 years of service.



SLIDE 34

Vesting

Tell learners that being “vested” means having ownership. To be fully vested in the TSP account is to be entitled to all the funds in it. Like any service member with a TSP account, BRS members are always vested in their own contributions and any earnings on those amounts. Those who joined the Air Force on or after January 1, 2018, were vested in government contributions and matching funds after two years of service. Those who opted in to BRS from the legacy retirement system were immediately vested in any government matching. Anyone who had more than two years of service when they opted in was immediately vested in the 1% government contribution.



SLIDE 35

Thrift Savings Plan (TSP)

Instructor Note: Distribute the *TSP Fund Summary* and *Questions and Answers about Changes to TSP Withdrawal Options* handouts.

Explain that the different Thrift Savings Plan (TSP) funds are diversified index funds that balance risk and return. Under the Blended Retirement System (BRS), unless they direct otherwise, service members’ contributions go to the age-appropriate L Fund. L Fund managers assume that investors’ risk tolerance is highest when they are young and lowest as they approach retirement age. The mix of investments within each of the different TSP funds varies to reflect this assumption.

Airmen may choose to contribute more than the amount that the DoD matches, up to the 2020 401(k) account limit of \$19,500 per year.

Emphasize that Airmen leave a significant amount of money on the table if they contribute less to their TSP accounts than the maximum that the DoD will match. They not only lose out on the matching contribution, they also lose the chance to defer taxes on what they set aside.

Instructor Note: Remind learners about the *Questions and Answers about Changes to TSP Withdrawal Options* handout. Note that while restrictions on in-service withdrawals from TSP have been relaxed somewhat, learners would be ill-advised to treat their TSP accounts like a regular savings account. Withdrawals have a significant negative ripple effect on funds available for retirement.





SLIDE 36



Section Subtotal: Manage Your Money

Summarize major learnings from this section of the training. Learners should:

- › Manage spending so they can meet current expenses and prepare financially for the future.
- › Choose from a range of financial services that are most compatible with their financial goals and lifestyle.
- › Start saving and investing early.
- › Get the best interest they can on savings.
- › Let compounding of interest and earnings work for them.
- › Contribute at least as much basic pay to TSP as the government will match.

Solicit and answer questions.



Topic Three: Smart Spending

INTRODUCTION

This section of the training introduces credit management as a key component of overall financial management and stresses “smart spending”: avoiding financial predators, making informed choices on major purchases like cars and houses, and carrying the right amounts of different kinds of insurance. Instructors will introduce topics and tools to learners.

MATERIALS AND EQUIPMENT

Materials needed include:

- › PowerPoint slides/projector/screen
- › Chart paper and easel or white board
- › Paper
- › Markers
- › Pens/Pencils
- › Internet access (optional)

Forms:

Credit and Debt Management

- › *Credit Reports* handout
- › *Servicemembers’ Civil Relief Act Simplified* handout
- › Optional: *Choosing Credit Cards* handout
- › Optional: *Student Loan Repayment Options for Military Borrowers* handout
- › Optional: *Warning Signs of Credit Abuse* handout

Financial Consumer Awareness

- › *Sources of Help for Military Consumers* handout
- › Optional: *How to Complain Effectively about Products and Services* handout
- › Optional: *The Consumer Action Handbook (Available in bulk from the Federal Trade Commission [FTC])*

Car Buying

- › *Car Buying Tricks of the Trade* handout
- › *Common Dealership Financing Pitfalls* handout
- › Optional: *Determining Car Payments* handout
- › Optional: *Three Deals of Car Buying* handout



Home Buying

- › *Figuring Out Your Monthly Payment* handout
- › *House Hunting Checklist* handout
- › Optional: *Closing Costs* handout
- › Optional: *Mortgage Loan Types* handout
- › Optional: *Mortgage Shopping Worksheet*

Insurance

- › *Shopping Tips for Insurance* handout
- › Optional: *Organize Your Records* handout
- › Optional: *Check Your Insurance IQ Quiz*

LEARNING OBJECTIVES

- I. *Terminal Objective:* Upon completing this topic, learners should be able to establish good spending habits, including using credit wisely, recognizing and protecting themselves from misleading consumer practices, making informed decisions when buying a car or home, and choosing insurance that meets their needs.
- II. *Enabling Objectives:*
 - A. Learners will identify possible effects of misusing credit.
 - B. Learners will correctly answer questions on how to protect themselves from predatory consumer practices and identity theft.
 - C. Learners will identify items on a car-buying checklist for use when buying a car.
 - D. Learners will correctly answer questions about how to shop for a home and home mortgage.
 - E. Learners will identify specific components of five major types of insurance.

OUTLINE

- I. Topic Three: Smart Spending
 - A. Introduction to Smart Spending
 1. Agenda
 - B. Credit and Debt Management
 1. The Impact of Credit
 2. Credit Reports
 - a. Optional Topic: Credit Report Components
 - b. Credit Scores
 3. Choosing and Using Credit Cards
 - a. Cutting Credit Card Costs
 - b. Government Travel Charge Cards (GTCC)



- 4. Managing Debt
 - a. Optional Topic: Warning Signs of Credit Trouble
 - b. Recovering From Excessive Debt
 - c. Student Loan Debt
- 5. Subtotal: Credit and Debt Management
- C. Financial Consumer Awareness
 - 1. Military Consumer Awareness
 - 2. Misrepresentations, Frauds, and Scams
 - a. Optional Topic: Avoiding Predatory Businesses
 - 3. Strategies for Making Major Purchases
 - 4. Predatory Lending
 - 5. Legal Rights of Consumers
- D. Car-Buying Strategies
 - 1. Introduction to Car-Buying Strategies
 - a. Agenda
 - 2. Deal No. 1: The Purchase
 - a. Review Your Finances
 - 3. Deal No. 2: The Financing
 - 4. Deal No. 3: The Trade-in
 - 5. Summary and Sources of Help
- E. Optional Topic: Home-Buying Strategies
 - 1. How Much House Can You Afford?
 - 2. What Kind of House Do You Want?
 - 3. Down Payments and Closing Costs
 - 4. Choosing a Mortgage Loan
- F. Insurance
 - 1. The Purpose of Insurance
 - 2. Types of Insurance: Life Insurance
 - 3. Types of Insurance: Health Insurance
 - 4. Types of Insurance: Renters and Homeowners Insurance
 - 5. Types of Insurance: Auto Insurance
 - 6. Subtotal: Insurance Review
 - 7. Optional Learning Activity: *Check Your Insurance IQ Quiz*



CONTENT



SLIDE 37



Introduction to Smart Spending

Refer learners back to the *Spending Plan Worksheet*, reminding them that balancing spending and income can be challenging, especially when buying online or on credit. Impatient or impulsive purchases can be far more costly than they need to be. Airmen work hard for their money and should get the most for it that they can.



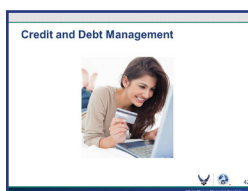
SLIDE 38



Agenda

Tell learners that this topic is broken into five subsections:

- › Credit and debt management
- › Financial consumer awareness
- › Car-buying strategies
- › Home-buying strategies
- › Insurance



SLIDE 39

Credit and Debt Management

The first subsection will help them improve their credit knowledge and skills by touching on:

- › Getting and using credit wisely
- › Reducing the cost of credit
- › Managing debt

Ask learners what they think might be some consequences of poor credit and debt management. Verify they know that financial mismanagement can affect their security clearances and therefore their careers, and the people with poor credit histories pay higher interest on loans and more for insurance.



SLIDE 40



The Impact of Credit

Remind learners that credit can influence almost every aspect of their lives, not just their finances. Those who have good credit can use it to reach their financial goals and be successful in other areas. Those who have poor credit will struggle to make their goals a reality.

Tell learners success or failure with finances depends much more on knowledge and appropriate behavior than it does on the amount of money they have.





SLIDE 41



Credit Reports

Instructor Note: Distribute the *Credit Reports* handout.

Refer learners to the *Credit Reports* handout. Stress the importance of reviewing their credit reports at least once a year to verify that credit information is correct, complete, and without unauthorized inquiries or accounts. Verify that learners know that unauthorized inquiries or accounts may indicate identity theft.

Credit reports are available at no charge through the personal financial counselor/educators (PFC/E) at the A&FRC. Note that any American with a credit history can also get one free credit report a year from each of the “big three” credit reporting agencies (Equifax, Transunion, and Experian). The reports are available at <https://www.annualcreditreport.com> or by calling (877) 322-8228. Some banks and credit unions also offer their customers Fair Isaac Corporation (FICO) scores free of charge on their websites.

Instructor Note: Emphasize that Airmen are eligible for free credit monitoring, depending on their duty status. Tell learners that credit monitoring means the reporting agency will alert the Airman about unusual account activity. Each of the credit-reporting agencies has its own application procedure. The important point, however, is that the Airman must request this service. Though free, the service is not automatic.



SLIDE 42



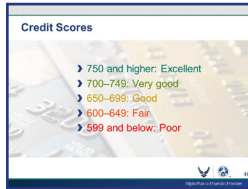
Optional Topic: Credit Report Components

Review the following with learners, as time permits. Reports from the different agencies vary in format, but all include:

- › Identification and employment information
- › Payment history
- › Inquiries (both financial and employment-related)
- › Public record information such as bankruptcies, foreclosures, or tax liens
- › Accurate information, both positive and negative

Some reports may also include inaccurate information. Under the Fair Credit Reporting Act (FCRA), both the credit reporting agency and the information provider (such as a merchant) must correct inaccurate or incomplete information in a credit report. Dispute forms are available on credit reporting agency websites, or they can request a hard copy from the agency.





SLIDE 43

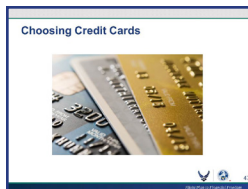


Credit Scores

Explain that credit scoring is a system that creditors use to help determine whether to extend credit and how much to charge for it.

Creditors award points for factors they consider most important. Explain that credit scores vary depending on the product offered and the range of scores the creditor is using, so what counts as a “good” score will be different from lender to lender. However, for FICO scores, the following is true but can change depending on other influences on other economic factors:

- › **750 and higher:** Considered excellent. People in this range will get the best credit rates.
- › **700 to 749:** Considered very good credit. Individuals may or may not qualify for the very best interest rates and terms, depending on what they are applying for.
- › **650 to 699:** Considered good credit. Individuals may still qualify for a loan but will pay more for credit than those in the excellent or good ranges.
- › **600 to 649:** Considered fair credit. These individuals may find it difficult to get credit and will likely end up paying high interest rates.
- › **599 and below:** Considered poor credit. These individuals usually have some negative activity or adverse action on their report, such as foreclosures, liens, and/or credit judgments. Individuals in this category will probably have to pay the maximum interest rates allowed by law, if given credit at all.



SLIDE 44



Choosing and Using Credit Cards

Instructor Note: If desired, give each learner a copy of the *Choosing Credit Cards* handout.

Explain that there are many choices when shopping for a credit card. Credit card companies vary in products, services, charges, and fees, and borrowers should shop for the best deals. The handout includes good questions to ask.



SLIDE 45



Cutting Credit Card Costs

Instructor Note: Distribute the *Servicemembers Civil Relief Act Simplified (SCRA)* handout.

Explain to learners that they may be able to save on the cost of credit cards by asking the card issuer to:



- › Waive or reduce annual fees.
- › Reduce APRs on purchases, cash advances, and balance transfers.
- › Remit fees (such as over-limit fees) in exceptional cases.
- › Cancel add-on “services” such as credit life, credit disability, or credit unemployment insurance.
- › Lower the interest rate to 6% on account activity before enlistment or commissioning through provisions in the Servicemembers Civil Relief Act. Use the handout to explain how to access SCRA protections.



SLIDE 46



Government Travel Charge Cards (GTCC)

Inform learners that at some point, if they do not have one already, they will need to acquire a government travel charge card.

Explain that applicants undergo a credit check and, depending on their credit score, may receive a standard card, a restricted card, or no card.

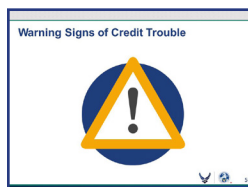
Emphasize that government travel charge cards are issued only for official travel-related expenses. Cardholders who misuse their DoD travel cards are subject to administrative or disciplinary action.



SLIDE 47

Managing Debt

Remind learners that although credit can be a good thing, too much of a good thing can be bad, and credit is no exception to that rule.



SLIDE 48



Optional Topic: Warning Signs of Credit Trouble

Instructor Note: If desired, distribute and refer learners to the *Warning Signs of Credit Abuse* handout.

Explain that possible warning signs of excessive credit use include:

- › Having less than one month's take-home pay in savings.
- › Making minimum monthly payments on credit cards.
- › The amount owed to debts increases each month.
- › Falling behind on payments and receiving late notices.
- › Using credit to pay regular living expenses without paying off the entire amount.
- › Being at or near credit limits on credit cards most of the time.
- › Having a debt-to-income ratio of more than 20% (or 36% with a mortgage).



Point out that financial counseling can help borrowers make a debt-reduction plan before debt reaches a critical stage, when an individual or family is:

- › Rotating bills—paying some this month, some next month.
- › Borrowing or getting cash advances to make payments—using credit to pay for credit.
- › Being denied additional credit.
- › Hiding bills or being dishonest with family members about debts.
- › Seeking additional debt from predatory lending sources, such as payday loans or refund anticipation loans.
- › Having to rely on a debt-consolidation loan to reduce payments enough to meet monthly living expenses.

Emphasize that at the critical point, financial counseling is essential to establish a plan and/or to provide outside sources of help to reduce debt to a manageable level.



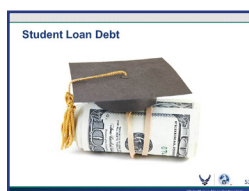
SLIDE 49



Recovering From Excessive Debt

Instructor Note: The base legal office should be the authority on dealing with collection agencies in all circumstances.

State that those who struggle with debt have options that can help them better manage their current debt load. Their A&FRC can help them develop a workable spending plan, prioritize debts, and develop a “power payment” plan. They can also talk with creditors and get counsel from the legal office. Most importantly, they need to change any behaviors that helped back them into a debt corner.



SLIDE 50



Student Loan Debt

Instructor Note: As desired, distribute the *Student Loan Repayment Options for Military Borrowers* handout.

Note that service members are not always aware of repayment options that can make student loan debt more manageable. Review options as learner demand warrants.



SLIDE 51

Subtotal: Credit and Debt Management

Explain to learners that when managed correctly, credit, whether loans or credit cards, can be a great tool. When abused, it can lead to higher costs, credit denials, and even bankruptcy. Keep these tips for using credit wisely in mind:



- › Have a working budget or spending plan, keep it up-to-date, and live within your means.
- › Calculate your current debt-to-income ratio and keep monthly payments at 15% to 20% of your net income or less.
- › Plan all credit purchases; make sure they fit into your budget.
- › Shop around for credit; it is just like any other product you would buy. Look for the best deal.
- › Check your credit report annually and keep it spotless.
- › Use all of your available resources to help you manage your debt wisely and ultimately get out of debt.



SLIDE 52

Financial Consumer Awareness

Welcome learners to Financial Consumer Awareness. State that this very short section of training is designed to help Airmen get the most for their money in the consumer marketplace and avoid getting ripped off.

Assert that consumer education is the key to avoiding bad deals, scams, and fraud in the marketplace—that fraud is one of the few crimes in which victims can decline to participate.

Note that this section of Topic Three may touch on the following topics:

- › Avoiding Scams and Frauds (Optional)
- › Avoiding Retail Predators
- › Strategies for Making Major Purchases.
- › Avoiding Predatory Lenders
- › Knowing the Legal Rights of Service Members

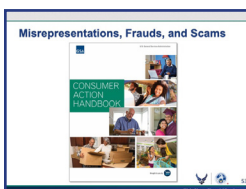


SLIDE 53

Military Consumer Awareness

Emphasize that it is the learners' knowledge and behavior in the consumer marketplace that determines whether they get the most for their money or become a victim of schemes designed to separate them from their money.

Note that military personnel are targets for consumer predators, as they have economically attractive qualities.



SLIDE 54



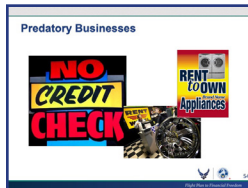
Misrepresentations, Frauds, and Scams

Explain that the Federal Trade Commission (FTC) provides specific protection and prevention suggestions in the annually updated *Consumer Action Handbook* for every fraud and scam of the previous year. (This resource can be ordered in bulk and provided to learners, used in training, or accessed online at <https://www.usa.gov/handbook>.)



Instructor Note: If you have copies of the *Consumer Action Handbook*, pass them out now. You may also use your personal copy as a visual aid.

Explain that despite consumer alerts, warnings, and consumer education, there are still many misleading and illegal business in the marketplace. Emphasize that many unethical business practices are not illegal and so the law will not help them if they make unwise purchases and agreements.



SLIDE 55



Optional Topic: *Avoiding Predatory Businesses*

Ask learners what strategies they use to get good deals on the things they buy and avoid bad deals.

Note that some of the most common consumer abuses are committed by businesses that finance the items they sell, like tires, wheels, and electronics. Other examples include “rent-to-own” retailers, in which customers can rent automotive or household goods for much more than they would pay to purchase them. The “convenient, low monthly payment plan” eventually costs the buyer several times the actual value of the purchase, hiding an annual interest rate of 500% or more.

Instructor Note: If you plan to offer the optional home-buying topic, state that disadvantageous mortgages will be discussed in the that section.



SLIDE 56

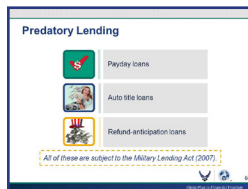
Strategies for Making Major Purchases

Review basic guidelines for shopping, especially for big-ticket items, as a way to avoid costly mistakes:

- › **Know what you want** (and how it will fit into your spending plan): This will help buyers get the most for their money.
- › **Do not buy on impulse:** Impulse buying is a big contributing factor to getting ripped off. Unplanned spending not only undermines spending plans, it means the buyer has not done any research or comparison shopping.
- › **Do your homework:** Know the product and the seller. If a product or deal seems excessively complicated, it is probably not a good fit for the buyer. If a deal is legitimate, the seller will be willing to answer all of their questions and give buyers time to research the company and the product. Buyers should be especially careful when dealing with online merchants.
- › **Comparison shop:** Prospective buyers should make sure they have investigated all of their options before making large purchases. They should be sure to include military exchanges and businesses that offer military discounts to take advantage of any tax benefits or discounts.



- › **Get agreements in writing:** If a deal is not in writing, it is the buyer's word against the salesperson's.
- › **Sleep on it:** Buyers should allow themselves to wait 24 hours before making a major purchase. This "cooling off" period will save money and allow them to sort the hype from the reality out of the salesperson's presence. If the deal is not good tomorrow, it is not a good deal. The base legal office will review any installment contract at no cost.



SLIDE 57



Predatory Lending

Explain that the 2007 Talent-Nelson Amendment to the John Warner National Defense Authorization Act (informally known as the Military Lending Act, or MLA) allows DoD to regulate the terms of payday loans, auto title loans, and refund anticipation loans to active-duty service members and their dependents. However, service members and dependents are not always aware of the MLA's protections or do not disclose their identities to lenders.

Assert that DoD strongly encourages service members and their families to choose alternatives to predatory lenders that are designed to help resolve financial crises, rebuild credit ratings, and establish savings for emergencies.

The high interest rates charged for predatory loans can propel an already overextended borrower into a deeper spiral of debt.



SLIDE 58



Legal Rights of Consumers

Instructor Notes: Distribute the *Sources of Help for Military Consumers* and, as desired, the optional *How to Complain Effectively About Products and Services* handouts.

You may also wish to distribute the optional *Servicemembers Civil Relief Act (SCRA) Simplified* handout so that learners will have additional information on consumer protections offered by the SCRA.

State that consumers have legal rights at the state and federal levels. They do not lose these rights because they are in uniform, but they do need to know what they are to protect themselves.

- › **Lemon laws** (also known as motor vehicle warranty enforcement acts or motor vehicle warranty rights acts): These laws allow buyers to return a new vehicle that has safety or repeat mechanical or cosmetic problems that constitute a major defect. Buyers are entitled to a refund or a replacement. Some states also have lemon laws regarding used vehicles.



- › **State automobile repair facilities act:** Many states have enacted laws that deal specifically with businesses that repair vehicles. The laws, which vary from state to state, may deal with issues such as required disclosures on written estimates, unauthorized charges, invoices, disposition of replaced parts, and unlawful acts and practices. States that have an auto repair facilities act are listed in the *Consumer Action Handbook*. Buyers may also contact their state attorney general's office or check for the information on the internet.
- › **Usury laws:** A usury law sets a cap on interest rates. Since there is no federal limit, each state determines its own maximum allowable rate. Nearly every state has some form of usury law, but there are always businesses that are able to find their way around them.



SLIDE 59

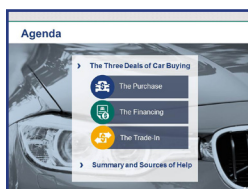
Car Buying Strategies

Introduction to Car Buying Strategies

Inform learners that most service members purchase a new or used car while on active duty and that they spend more of their disposable income on automobiles than on virtually anything else except food and shelter.

Ask learners what advice they would give a fellow service member who is planning to buy a car. State that they will learn additional strategies in this part of the training.

As appropriate, remind them that more extensive information about car buying is available at the A&FRC.



SLIDE 60



Agenda

Instructor Note: The instructor may distribute the optional *Three Deals of Car Buying*, *Car buying Tricks of the Trade* and *Determining Car Payments* handouts.

Tell learners that this section includes information about vehicle purchase, financing, and trade-in. Learners will also take a look at the legal rights they have when buying or selling a car, and the sources of help available to inform and guide them in important decisions.



SLIDE 61



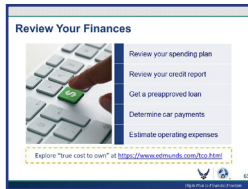
Deal No. 1: The Purchase

Inform learners that many people begin the car-buying process by visiting a dealership, which should be one of the last things they do. Tell learners that they will save hundreds and maybe thousands of dollars on their next purchase by doing some homework before they step on to the lot. Preparation will ensure that they are always in control of the buying process.



To make a successful purchase, there are four things they need to determine before stepping on to a lot. They are:

- › How much they can afford.
- › The type of vehicle they want to buy.
- › Where they will buy the vehicle.
- › A fair and affordable price for the vehicle.



SLIDE 62



Review Your Finances

Refer learners to the *Spending Plan Worksheet*. Encourage them to complete their budget or spending plan outside of class, if they do not already have one. Invite them to attend a budgeting class or to work with a personal financial counselor/educator (PFC/E) at the A&FRC.

Remind learners that “afford” refers to more than the car payment, but also includes sales and property taxes, finance charges, insurance, operating expenses, and maintenance.

Remind learners that one part of the *Spending Plan Worksheet* calculates (or guides them in calculating) their debt-to-income ratio, which will be reviewed by potential lenders .

- › **Review your credit report:** Tell learners to be sure to check their credit report as they work on their spending plan and debt-to-income ratio.
- › **Get a preapproved loan:** Suggest that learners consider getting preapproved for a loan from their financial institution. Preapproval puts them in a stronger negotiating position with sellers.
- › **Optional: Determine car payments:** At the instructor's discretion, refer learners to the *Determining Car Payments* handout and ensure they understand how to make the calculations.
- › **Estimate operating expenses:** State that financial advisers usually suggest keeping total car expenses to within 25% of their net income. Advise learners to determine this figure by multiplying net income by 0.25.

[Edmunds.com](http://www.edmunds.com/tco.html) has an online calculator that considers the hidden costs of car ownership. They can try out this calculator at <http://www.edmunds.com/tco.html>.



SLIDE 63



Deal No. 2: The Financing

Inform learners that there are three factors to consider in the financing deal: where to finance, finance charges, and contracts.

Remind Airmen that whatever their choice of financing, they should be cognizant of the total financed cost for that purchase option, not just the size of the monthly payment. If they find that difficult to determine, a PFC/E at the A&FRC can help.



The base legal office should review sales contracts before they are signed.

Instructor Note: Refer learners to the *Common Dealership Financing Pitfalls* handout for additional information on dealer financing.



SLIDE 64



Deal No. 3: The Trade-in

Only after all homework has been done and the purchase price and financing are negotiated should trade-in be addressed with a dealer.

- › **Trade-in versus private sale:** In many instances, a buyer can get more for their current vehicle if they sell it themselves. On the other hand, trading the car in at the dealership can make for a quick transaction and can save tax dollars. In most states, buying a new car at \$20,000 with a trade-in worth \$12,000 makes only the difference, \$8,000, and not the full \$20,000 taxable. (At 6% sales tax, that results in a savings of \$720.)
- › **What is a fair price?** The same research methods used in determining what to pay for the car can be used to get a fair price for a trade.



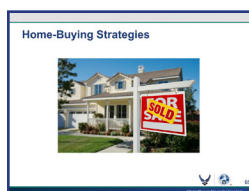
SLIDE 65



Summary and Sources of Help

Note that this section has mentioned numerous resources to help with a vehicle purchase.

- › **A&FRC:** Airmen can get a free copy of their credit report and FICO score from the A&FRC. PFC/Es there can help them interpret their results and develop strategies for improving their credit and lowering the cost of financing.
- › **Base legal office:** Legal specialists can—and should—review contracts before they are signed.
- › Drop by the local library or check the online sources to look over *Consumer Reports*, Edmunds, NADA Guides, or Kelley Blue Book and the many other resources available.
- › Additional resources are also listed on handouts.



SLIDE 66

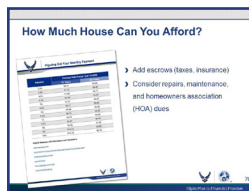


Optional Topic: Home-Buying Strategies

Buying a home is a big decision. Learners may feel an urge to buy and yet be unsure whether it is the best choice for them at this time in their lives. This short review of home-buying and its associated informational handouts may help them make solid, sensible choices.

Be sure to provide learners with a schedule of home-buying classes at the A&FRC. The information introduced here will be developed in much greater detail in the home-buying training.





SLIDE 67



How Much House Can You Afford?

Instructor Note: Distribute the *Figuring Out Your Monthly Payment* handout.

Review the handout with learners. Note that the handout only applies to principal and interest (P&I) and does not include “escrows,” which are annual and semi-annual payments for taxes and insurance collected in small increments each month.

Projected repair and maintenance expenses are not included, either. Note that in addition to P&I and escrows, condominiums charge homeowners mandatory association (HOA) fees that cover the cost of common amenities (such as a pool or clubhouse) and maintenance and repairs to common areas.



SLIDE 68



What Kind of House Do You Want?

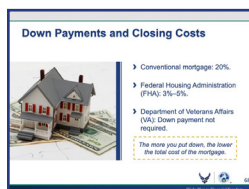
Ask learners what features they would consider “must have” and “nice to have” in a home.

Instructor Note: Distribute the *House Hunting Checklist* handout.

Explain that the handout can help home shoppers evaluate features they like and dislike in the homes they look at. They should make a copy for each home they consider. Attach pictures and other documents to the checklists.

Remind learners that when they purchase a new home, they also purchase a neighborhood.

Inform learners that factors that determine the perfect location for a home may include distance from employment, availability of public transportation, location and reputation of schools, safety, and accessibility of services and shopping.



SLIDE 69



Down Payments and Closing Costs

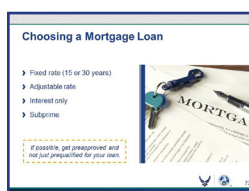
Instructor Note: As desired, distribute the *Mortgage Shopping Worksheet* and *Closing Costs* handouts.

Ensure learners understand that the same credit rules apply when taking out a loan for a home purchase as when making any other major purchase on credit: The better their credit rating, the lower the interest they will pay, and the higher the amount of the loan, the higher the total cost of their purchase will be.

Home loans may require a substantial down payment. If using the handout, highlight the “minimum down payment required” line and verify that prospective homebuyers recognize this responsibility.



Depending on the type of mortgage available to buyers for properties of interest, down payment requirements can range from 0% for a VA mortgage to 20% or higher for a conventional mortgage.



SLIDE 70



Choosing a Mortgage Loan

Instructor Note: As desired, distribute the *Mortgage Loan Types* handout. Go over only the main loan types, referring learners to the description on the handouts for the remaining ones.

Fixed rate: These are the most popular loans because they offer stable, consistent payments throughout the life of the loan. (Note, though, that insurance premiums and taxes may increase during the life of the loan, causing the monthly payment to go up.) The terms of fixed-rate loans are usually 15 or 30 years, although others (such as 10 years or 20 years) may be offered at the buyer's request.

Be wary of:

Adjustable-rate mortgages: The lure of lower payments for more house makes adjustable-rate mortgages attractive—at first. But when the interest rate adjusts, the borrower may not be able to afford the new payments.

Interest-only mortgages: Buyers build no equity and may even lose money when it comes time to sell if the property does not appreciate in value.

Subprime mortgages: These are mortgage loans offered to potential homebuyers with no or low credit. They carry high interest rates and may have contract clauses that put the loan into foreclosure quickly when payments are late or missed.

Explain to learners that they will be best prepared to negotiate with sellers if they are preapproved for financing, which is a step beyond prequalification.

Insurance



SLIDE 71

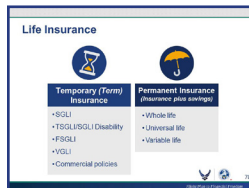


The Purpose of Insurance

State that insurance is a means of transferring risk, in particular, risks of financial loss or hardship.

Remind learners that major life events such as moving away from home, marrying, and having children affect insurance need. Some types of insurance, such as health and disability, are provided while learners remain on active duty. Other types of insurance, such as life and property insurance, are their responsibility in part or in full.





SLIDE 72



Types of Insurance: Life Insurance

Ask learners the purpose of life insurance. Be sure to articulate that the purpose of life insurance is to ensure the financial well-being of survivors by filling the gap left by those depending on the decedent's income, such as a spouse or children. Life insurance needs should be reassessed and adjusted both upward and downward as Airmen move from single in quarters to married homeowners with children to retirees.

Explain that there are two basic types of life insurance: temporary insurance (also called "term insurance") and permanent insurance, which is also called "universal life insurance," "whole life insurance," and some other variants.

Term insurance policies are written to cover a specific period of time (the term) at a specific price. At the end of the term, the policy may be renewed, but may cost more due to factors like the age of the insured.

While on active duty, Airmen and family members may be inexpensively covered by term life insurance policies available from DoD:

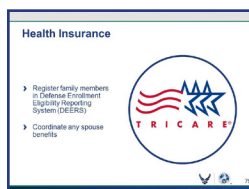
- › **Servicemembers' Group Life Insurance (SGLI):** Most Airmen are covered by SGLI, a low-cost group life insurance plan for active and Reserve personnel in the armed forces. SGLI coverage is available in \$50,000 increments up to a maximum of \$400,000. Its premiums are only 7 cents per \$1,000 of insurance, totaling at most \$28 per month, regardless of the service member's age.
- › **SGLI Traumatic Injury Protection Program (TSGLI):** TSGLI provides automatic traumatic injury coverage to all service members covered under SGLI. It provides short-term financial assistance to severely injured service members and veterans to assist them in their recovery from traumatic injuries incurred on or off duty.
- › **SGLI Disability Extension:** Provides free coverage for up to two years from the date of separation for service members who are completely disabled and unable to work when they separate. At the end of the extension period, they automatically become eligible for Veterans Group Life Insurance (VGLI), subject to premium payments.
- › **Family Servicemembers' Group Life Insurance (FSGLI):** If they are married or single with children, this is the time of greatest need for life insurance. FSGLI provides term life insurance coverage to the spouses and dependent children of service members insured under SGLI. Service members pay the premium for spousal coverage up to \$100,000. Dependent children under the age of 18 are automatically insured for \$10,000 at no cost. In addition, children between the ages of 18 and 23 who are full-time students are also covered.



- › **Veterans Group Life Insurance (VGLI).** When Airmen transition out of the service, whether discharged at the end an enlisted contract or through disability or retirement, they have the option to purchase term insurance from the VA up to their SGLI coverage. [Note: Carefully review and compare coverages and cost. VGLI might not always be the best choice for all veterans.]

Airmen and family members will need to personally assess whether SGLI and FSGLI covers all of their family's future needs. If there are children in the household, regardless of employment status, the surviving spouse is generally going to have a significant need for additional funds to offset the loss of the other spouse's income while the children are living at home or are in college.

Service members and veterans may apply for insurance with commercial insurers. Be aware that many commercial policies exclude casualties of war from their coverage.



SLIDE 73



Types of Insurance: Health Insurance

While on active duty, all of service members' health care and most of their family members' care is covered at no cost by TRICARE. In order to be covered, however, dependent family members must be enrolled in the Defense Eligibility Enrollment Reporting System (DEERS) by the service member (the sponsor) and then be enrolled in TRICARE Health and TRICARE Dental.

Spouses in two-income families who are also covered by their employer's medical insurance plans must notify TRICARE of that coverage to coordinate benefits. Typically, TRICARE pays deductibles and co-pays for a spouse with other health insurance.

Disability insurance replaces a portion of income should the service member be injured or become ill and unable to work for an extended period of time. Active-duty Airmen have disability coverage; when they retire or separate, however, they need to revisit this coverage.



SLIDE 74

Types of Insurance: Renters and Homeowners Insurance

Renters insurance protects the service member against the loss of personal property if it is lost, stolen, or destroyed. Airmen do not have to be renters to get renters insurance—it is available for those who live in the dormitories or in base housing. Renters insurance is relatively inexpensive, usually less than \$25 a month depending on coverage.

Suggest that when buying property insurance, learners opt for replacement value rather than actual value. The cost is only slightly higher.

Remind learners to note exclusions stated in their property insurance policies. Most property insurance does not cover certain types of damage (including earth movement, water damage, power failure, neglect, or intentional damage). Most of these “perils” can be covered by a separate policy specific to that issue, such as flood insurance, which is the most common.



SLIDE 75



Types of Insurance: Auto Insurance

For many service members, the biggest initial purchase they will make is a car, and auto insurance is an important way to protect that investment. With this insurance, the policyholder agrees to pay the premium and the insurance company agrees to pay their losses as defined in their policy. There are several different types of car insurance, and each is priced separately.

- › **Liability:** Liability coverage pays for the driver’s legal responsibility to others for body injury or property damage. It is written as three numbers. For example: 100/300/50 means \$100,000 in bodily injury coverage per person, \$300,000 in bodily injury coverage per accident and \$50,000 in property damage coverage per accident.
- › **Property (or Vehicle):** Coverage pays for damage to or theft of the owner’s car. If the car owner causes an accident, collision coverage pays to repair his or her vehicle (the actual cash value, not the replacement cost). Comprehensive coverage pays for damages to his or her car not caused by an accident, such as a tree fall, fire, or theft. Most insurers will only pay as much as the car was worth when the event occurred, minus the deductible, not the cost of a new car, although some insurers offer replacement value coverage for an additional premium.
- › **Medical:** Also referred to as medical payments or personal injury protection (PIP), medical coverage pays for the cost of treating injuries, rehabilitation, and sometimes wages lost by someone injured in an accident. It may also cover funeral costs. This coverage protects the vehicle owner and his or her passengers for injuries, no matter who is at fault.
- › **Other:** Uninsured and underinsured motorist coverage. Uninsured coverage will reimburse the vehicle owner or another designated driver if one of them is hit by an uninsured or hit-and-run driver. Underinsured motorist coverage comes into play when an at-fault driver has insufficient insurance to pay for the total loss he or she has caused. This coverage will also protect the policyholder if he or she is hit as a pedestrian.



- › **Optional:** Other optional insurance features may include towing and labor, rental car reimbursement, and gap coverage, which pays the difference between the car's estimated fair market value/cash value and the amount left on the loan if the vehicle is totaled or stolen.

Most states require drivers to purchase a minimum amount of auto insurance, and it may be tempting, especially for young drivers, to stop there. However, if they want to protect themselves from big repairs or a possible lawsuit, it is wise to buy more than what is required for the additional coverage to protect their assets.



SLIDE 76

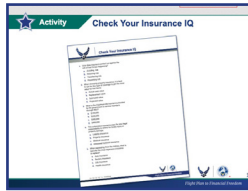


Subtotal: Insurance Review

Instructor Note: Distribute the *Shopping Tips for Insurance and Organize Your Records* handouts.

Emphasize the importance of reviewing and updating insurance coverage with every life event. Learners should review their needs to determine whether they have the proper type and proper amount of insurance. Learners should:

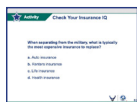
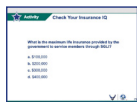
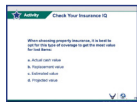
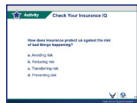
- › **Use an insurance calculator.** Use a tool such as the one provided by the VA (https://www.benefits.va.gov/INSURANCE/resources_tools_lifelnNeedsCalc.asp) to determine how much insurance they actually need.
- › **Comparison shop for the best deal.** Many insurance providers offer similar products at very different rates. Comparison shop among reputable companies to find the best deal. Ask about discounts for military families, multiple or multi-line insurance plans, and safety precautions.
- › **Choose high deductibles to save on premiums.** With high liability limits, these are usually the best buys in the world of insurance. Use emergency fund savings to self-insure the cost of the deductible.
- › **Organize records.** Airmen should make sure to keep all of their insurance policies in order. Keep one set of records in their home in a place where loved ones who need this information can find it. They should secure another set of these records in a location outside the home, such as with a financial professional, a trusted family member, or in a safe deposit box.



SLIDES 77



SLIDES 78-82



Optional Learning Activity: *Check Your Insurance IQ Quiz*

Materials:

- › *Check Your Insurance IQ* handout (optional)
- › Pens and pencils (optional)

Time:

5-10 minutes

Preparation:

Practice with the PowerPoint slides. Review the handout, if applicable.

Procedure:

Review using the Insurance IQ PowerPoint slides. Click your mouse or press Enter on your keyboard to reveal the answers. If you use the quiz handout, allow learners three to five minutes to circle their answers before revealing the answers in the slides.

[End activity]



Conclusion

INTRODUCTION

The conclusion of *First Duty Station–Officer* training provides an opportunity for learners to evaluate of the effectiveness the training and address any final questions they might have about the information presented.

MATERIALS AND EQUIPMENT

Materials needed include:

- › PowerPoint slides/projector/screen
- › Chart paper and easel or white board
- › Paper
- › Markers
- › Pencils

Forms:

- › Training Evaluations
- › *Sources of Help for Military Consumers* handout
- › Training Completion Certificates

OUTLINE

- I. Conclusion
 - A. Sources of Help
 - B. Evaluations and Certificates
 - C. Thank You



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USEFUL WEBSITES

- Department of Veterans Affairs: <https://www.va.gov>
- TRICARE (health insurance): <https://www.tricare.mil>
- Consumer awareness: <https://www.consumerworld.org>
- General insurance information: <https://www.iii.org>
- Insurance fraud: <https://www.insurancefraud.org/index.htm>
- Insurance news and analysis: www.ambest.com/home/default.aspx
- Consumer Financial Protection Bureau: <https://www.consumerfinance.gov>
- Social Security Administration: <https://www.ssa.gov>

