

PROMOTION/ADVANCEMENT

COAST GUARD FINANCIAL READINESS

Preparation: Distribute and discuss the *Promotion/Advancement* Checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at [Coast Guard Personal Financial Management Program - FINRED Learning Resource Library - APAN Community](#).

★ PART ONE: Foundational Topics

Play Videos 1, 2, and 3



1. Promotion/
Advancement
Course Overview

Introduction: Welcome to this training course! The goal of today's discussion is to improve your understanding of personal finance, so you can make the most of your new situation. It is important to review your finances as you set a path for a successful and more prosperous future.



2. Spending Plans

DISCUSSION QUESTIONS

1. Why is a spending plan important?

Talking Points: A good spending plan can help you in many ways. It helps you manage your money and know where it is going each month. A spending plan also helps you achieve financial goals such as saving for a new vehicle or retirement. Emergencies can happen to anyone and a good spending plan helps you to be prepared for unexpected expenses or emergencies.



3. Emergency
Funds

2. What four tips do financial experts suggest for developing a spending plan?

Talking Points:

1. Understand your current situation: Track your income and expenses for the next 30 days or look back 30 days using bank and credit card statements.
2. Know where your money should go: Save or invest 10% – 15% of pretax pay. Limit housing expenses to your BAH or 25% – 30% of pretax pay. Limit transportation expenses to 15% – 20% of pretax pay.
3. Create a plan: Put limits on how much you will spend each month on the various expense categories.
4. Make adjustments: As life changes, make the adjustment and update your budget.

3. How can an emergency fund help you?

Talking Points: Having an emergency fund gives you the peace of mind that you have money available to pay for unexpected expenses without going into debt. Just make sure to use your emergency fund only for emergencies. If you do tap into it, make sure to replenish it as soon as possible.

KNOWLEDGE CHECK

Question: How much money should be set aside to establish an emergency fund?

Answer: Financial experts recommend saving three to six months of living expenses in an easily accessible account like a savings or money market account. Consider using your promotion pay increase to reach your goal.

★ PART TWO: Saving for Retirement

Play Videos 4 and 5



4. Understanding the TSP

Introduction: The next two videos cover saving for retirement. Consider using your pay increase to save even more for retirement by increasing your Thrift Savings Plan (TSP) contributions.

DISCUSSION QUESTIONS



5. Managing Your TSP

1. How much can you contribute to your TSP each year?

Talking Points: Whether you are covered under the Blended Retirement System (BRS) or the Legacy “High 3” retirement system, you can save up to \$23,000 in 2024 into your TSP. This is called the elective deferral limit and is set by the IRS each year. You may be able to contribute even more if you served in a combat zone or direct support area.

For those of you covered under the BRS, you are eligible for automatic and matching contributions from the Coast Guard. It is important to contribute at least 5% of your basic pay to take full advantage of the Coast Guard contributions, which includes a 1% automatic contribution plus 4% matching contribution on 5% of your basic pay. Review the chart in the video for more details.

2. How do you manage your TSP account?

Talking Points: Log in to Direct Access to view, adjust your contributions level and type, and verify or update your mailing address.

At <https://www.tsp.gov>, you can do the following: review account balances, review and update investments, and review beneficiaries.

KNOWLEDGE CHECK

Question: When are Coast Guard contributions to your TSP account vested?

Answer: Coast Guard contributions vest, meaning they are yours to take when you leave the Coast Guard, after two years of service.

★ PART THREE: Career Goals

Play Video 6

Introduction: This training concludes with information on professional and educational programs. The Coast Guard offers career investment programs that can assist you now and help you prepare for the future.



6. Career Investment Programs

DISCUSSION QUESTIONS

1. What Coast Guard programs are available to help you meet your professional and educational goals?

Talking Points:

- A. Look into whether your military career offers a registered apprenticeship for your MOS or skills you may have. Visit the United Services Military Apprenticeship Program (USMAP) website to identify and register for apprenticeships, track progress, and report completion of apprenticeships. Learn more: https://www.cool.osd.mil/uscg/credential_basics/index.html?apprenticeship.
- B. Your experience in the Coast Guard may translate into civilian certification or licensure. Find out more by visiting Coast Guard Credentialing Opportunities Online (CG COOL) at <https://www.cool.osd.mil/uscg/index.htm>.
- C. You may qualify for tuition assistance to pursue an associate, bachelor or graduate degree while serving. Remember, further education can help increase your earning potential when you leave the Coast Guard. Learn more about your options by visiting <https://www.forcecom.uscg.mil/Our-Organization/FORCECOM-UNITS/ETQC/VOLUNTARY-EDUCATION/Tuition-Assistance>.

KNOWLEDGE CHECK

Question: What additional resources are available?

Answer: Contact CG SUPRT at <https://www.cgsuprt.com> or 855-CG-SUPRT (247-8778). Resources are also available at your local Health, Safety and Work-Life (HSWL) Regional Practice.

★ PART FOUR: Conclusion

Play Video 7

Conclusion: Thank you for attending this training, I hope it has assisted you with making decisions about your promotion/advancement. If you need additional assistance, please schedule an appointment with a CFS or PFM.



7. Final Thoughts