

FIRST DUTY STATION

COAST GUARD FINANCIAL READINESS

Preparation: Distribute and discuss the *First Duty Station* 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: Managing Finances

Play Video 1



1. First Duty Station Introduction

Introduction: Welcome to this training course. Today our conversation is about managing your finances at your first duty station and beyond. The goal is to improve your understanding of personal finance as you settle into your new location. Together we will watch videos to aid in the sharing of information and discuss some of the financial aspects of arriving at your first duty station.

Preface: Arriving at your first duty station is an exciting time filled with new routines and new information. (You can share story of your first duty station.) Gaining a solid understanding of your finances now will set you up for success in the short term and long term. As we go through the videos and different topics are presented, take note of what you can directly apply to your personal finance journey.

Play Video 2



2. Compensation, Taxes and Banking

DISCUSSION QUESTIONS

1. How often are you looking at your Payslip?

Talking Points: Use this opportunity to have students view their personal Payslip. Encourage participants to get in the habit of checking their Payslip every month. Explain that by checking the Payslip, potential pay problems such as underpayment or overpayment can be addressed in a timely manner. If time permits, review and show/point out to students common pay and allowances such as Base Pay, BAH and BAS.

2. How did you choose the bank/credit union you are currently working with?

Talking Points: Facilitate discussion on how and why students choose their current financial institution. Ask if the institution(s) was (were) chosen based upon the factors listed in the video: convenience, variety of products and services, fees, lifestyle. Discuss how to research financial institutions and choose the best fit for the individual. Remind them of fees and the importance of access to funds wherever they are in the world.

KNOWLEDGE CHECK

Question: You can update your federal and state tax withholding at what site?

Answer: Access your tax withholding through Direct Access at:

<https://hcm.direct-access.uscg.mil>.

★ PART TWO: Personal Finance Principles

Play Videos 3 and 4

Introduction: The next video will cover foundational personal finance principles that are essential to grasp and maintain throughout your life. Starting now at your first duty station puts time on your side and sets you up for a prosperous financial future.



3. Spending Plan

DISCUSSION QUESTIONS

1. What unique expenses will you include when building your personal spending plan?

Talking Points: Give participants time to respond. Explain that a personal spending plan is an individual plan or family plan (if appropriate) that will not be an exact copy of someone else's. Remind students that the important takeaway is to have a spending plan, to track expenses, and update or change as necessary.



4. Emergency Funds

2. Is your current spending in line with the financial goals you want to accomplish?

Talking Points: Encourage students if they don't currently have specific financial goals to take time to think through and establish what they would like to accomplish short term and then move to long term. Ask students if the way they currently spend money reflects what they want their finances to look like. If not, remind them they are in control and offer ideas for change.

3. What emergencies have you or your family faced in the past?

Talking Points: Give participants time to respond. Possibly provide a story of your own. Might include: hot water heater breaking, flat tire in fairly new tire due to running over object, unexpected trip home due to illness or death of family member, etc. Does not include: annual vacations, holiday & birthday spending, buying an item you want to buy, etc.

KNOWLEDGE CHECK

Question: It is recommended that transportation expenses not exceed what percentage of your income?

Answer: 15% – 20% of pretax pay, however lower is better

Question: What are some strategies to build your emergency fund savings goal?

Answer:

- Start with a small goal like \$1,000 and build from there.
- Pay yourself first by setting aside money from paychecks or other sources of income.
- Establish an allotment or automatic funds transfer to make saving easier.
- Sell unwanted items and deposit the proceeds into savings.

★ PART THREE: Debt and Credit

Play Video 5

Introduction: The goal of the next video is to provide information on making informed decisions when it comes to credit and debt. Having this area of your life under control allows you to focus on your future and not be bound to paying for your past.



5. Debt and Credit

DISCUSSION QUESTION

1. Taking on too much debt can have what effect on your life?

Talking Points: Potential financial implications: Spending considerable money on interest expense, not having money available to put toward goals, needing to work more hours or more years.

Other potential implications: stress, anxiety, depression, sleep disruption, relationship problems, missing out on life events that cost money.

KNOWLEDGE CHECK

Question: What are the three major credit reporting agencies?

Answer: Equifax, TransUnion, Experian

Question: Which site lets you access your credit reports from the three major credit reporting agencies at no cost, once per week?

Answer: <https://www.annualcreditreport.com>

Question: What credit score is most commonly used in lending?

Answer: FICO; scores range from 300 – 850

★ PART FOUR: Consumer Protection and Identity Theft

Play Videos 6 and 7

Introduction: Unfortunately, there are a lot of people out there who make a living scamming people out of their money, or just flat-out stealing it through identity theft. Because of this, it's important to know how to protect yourself and your identity.



6. Misleading Consumer Practices and Identity Theft

DISCUSSION QUESTIONS

1. What can you do to better protect your personal and financial information?

Talking Points: More secure passwords, being aware when using public WiFi, keeping wallet secure, updated software, properly dispose of personal documents, make sure creditors have current address, check credit reports



7. SCRA, MLA,
and Credit
Protection

2. Would you prefer to use an active duty alert or a security freeze?

Talking Points: Give participants time to respond.

Active duty alerts last for one year, can prompt credit issuers to verify your identity prior to issuing new credit, won't impact existing credit or your credit score, and is free. Active duty alerts are not 100% reliable as some credit issuers do not heed the alert, a fraudster may have enough of your information to verify your identity, and must be renewed when it expires.

Security freezes can reduce the ability for someone to create fraudulent credit in your name, give you peace of mind, won't impact existing credit or your credit score, is free, and can prevent you from impulsively applying for new credit cards. Security freezes aren't guaranteed 100% effective, need to be temporarily or permanently lifted if you plan to obtain new credit, and you must plan ahead when obtaining new credit.

You can do both.

KNOWLEDGE CHECK

Question: What two laws provide financial protections to Coast Guard members and their families?

Answer: Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA)

★ PART FIVE: Major Purchases

Play Videos 8, 9, and 10

Introduction: Making major purchases, whether because you want to or you need to, is something we all end up doing. Still, because they are “major,” getting them wrong can have lasting negative impacts on your financial life and life in general. So, let's watch a few videos designed to help in this area.



8. Transition
to Other
Financial
Planning
Topics

DISCUSSION QUESTIONS

1. Everybody think of a major purchase you've made. Now, think about one thing you did right with it and one thing you think you could have done better. Who would like to share their answer?

Talking Points: Highlight/incorporate some of the “get it right” tips from video 9 into the student's response:

1. Follow logic over emotion
2. Know what you can afford
3. Figure out financing before shopping
4. Think ahead



9. Financing
a Major
Purchase

2. Who has made — or knows someone who has made — a bad vehicle purchase decision? What happened?



10. Buying
a Vehicle

Talking Points: Integrate video points into the student stories: Video 9 points plus know what you can afford... including all costs associated with a vehicle purchase.

★ PART SIX: Education and Career Enhancement

Introduction: Next up are the valuable education benefits and education and career enhancement programs available to you as a Service member. Taking advantage of these can help you while you are in the service as well as after you separate.

Play Video 11



11. Education and Career Investment Programs

DISCUSSION QUESTION

1. Have you considered any of the education benefits mentioned? How can using these programs benefit you?

Talking Points: Give participants time to answer. Examples include: Tuition Assistance Program, Servicemembers Civil Relief Act, Student Loan Repayment Plans, Public Service Loan Forgiveness, Apprentice Program. Furthering education while on Active Duty can assist in a smooth transition to the civilian sector and can also enhance your knowledge for your current job.

★ PART SEVEN: Insurance

Introduction: Though not something most people find exciting to discuss or spend money on, having the right types and amounts of insurance is a critical piece of a solid personal finance foundation.

Play Videos 12, 12A, and 13



12. Life and Health Insurance

DISCUSSION QUESTIONS

1. Remember that the beneficiary(ies) named on your life insurance supersedes what your will states. What life events might make you consider changing beneficiaries?

Talking Points: Marriage, divorce, birth or adoption of a child, relationship change, the death of a beneficiary



12A. TRICARE Options and Costs

2. The Insuring Your Vehicles, Home and Property video mentioned renters insurance. Why would you need it again?

Talking Points: Covers possessions if stolen. Covers possessions if damaged as a result of covered perils like windstorms or fires. Covers possessions if damaged in military-provided housing including the barracks. Also provides liability protection.



13. Insuring Your Vehicles, Home and Property

KNOWLEDGE CHECK

Question: Explain a key feature of the difference between term and whole life insurance.

Answer:

- Term: specific amount of coverage for a defined period of time; fixed and lower initial cost, not complex
- Whole: coverage for your entire life; flexible premiums; cash value

Question: Where can you go to review your health insurance options?

Answer: <https://www.tricare.mil>

★ PART EIGHT: Investment Strategies

Introduction: At this point we have discussed having a proper spending plan, emergency savings, education benefits, health and life insurance. Next, we move onto ways to put your money in a position so it works for you.

Play Videos 14, 15, 16, and 17



14. Basic Investing

DISCUSSION QUESTIONS

1. Are you currently using any of the three primary investment categories?

Talking Points: Encourage students to discuss cash, bonds and stocks. Ask how they can use these investment tools to reach their financial goals. Remind students of risk and timeframe and how they can impact the choices they make when deciding what investment tool(s) to use. Discuss using mutual funds as an option for diversification.



15. Compound Interest

2. Why is it important to start investing now versus waiting until later?

Talking Points: Compound interest is powerful, but it takes time to experience the full benefits. Encourage students to focus on what they can save each paycheck and not how difficult it is to save. It's not how much you make, but what you keep that is important.



16. Understanding the TSP

3. How can you play a more active role in funding your future financial goals to include retirement?

Talking Points: Pay attention, get organized, have account information, check accounts on a regular basis, work with a Command Financial Specialist (CFS) and/or Personal Financial Manager (PFM) at your local Health, Safety and Work-Life (HSWL) Regional Practice.



17. Managing Your TSP

KNOWLEDGE CHECK

Question: What are three major inputs that will determine the outcome of your investments?

Answer: The amount of money you invest, the rate of return of the investments and time

Question: What investment tool can provide stability to your portfolio and may be a good option for shorter-term financial goals?

Answer: Bonds

Question: What is the purpose of the Thrift Savings Plan?

Answer: Allows participants a tax-advantaged account to save for retirement

★ PART NINE: First Duty Station Conclusion

Conclusion: Now that we have discussed financial considerations of your first duty station, remember that you can speak with a Personal Financial Manager at your local HSWL Regional Practice if you have questions or concerns. They have the resources to assist you as you navigate your financial life in the military as well as prepare you for life after the Coast Guard.

Play Video 18



18. Final Thoughts

Conclusion: Provide the contact information for the Personal Financial Manager and other relevant resources specific to the Coast Guard member's HSWL Regional Practice.