

Companion to Million Dollar Sailor Course Instructor Guide 3rd Edition





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Virtual Million Dollar Sailor (MDS):

Course Overview

Welcome to the virtual edition of Million Dollar Sailor (MDS): A Personal Wealth Building Program for Sailors and Family Members. Virtual MDS is a two-day training converted from the face-to-face MDS which was designed to assist Service members and their families in successfully navigating through the transitions of military life and the financial challenges accompanying them.

Virtual MDS is a supplement to the face-to-face MDS curriculum. For more course details, the face-to-face instructor guides are accessible on DoD's FINRED Learning Resource Library virtual portal.

The Million Dollar Sailor course provides a comprehensive overview of enhancing personal financial fitness.

Mission

The mission of the program is to enhance overall quality of life through personal financial growth and fitness, to improve overall operational readiness and performance, and to enhance retention. This course targets many of the current financial challenges that face our military and their families, including credit management, identity theft, bankruptcy, government credit card abuse, and the multiple issues involving internet buying and selling.

Course Learning Objectives

At the conclusion of this course, learners should have attained the knowledge and skills necessary to:

- ▶ Provide a basic understanding of financial issues.
- ▶ Create an awareness of the available assistance resources.
- ▶ Develop problem-solving skills concerning financial issues.
- ▶ Promote strategies for achieving financial growth.
- ► Improve financial literacy.

Course Enabling Learning Objectives

Describe financial strategies to:

- ▶ Read a military Leave and Earnings Statement (LES) or Payslip.
- Create a personal spending plan.
- ▶ Set short- and long-term financial goals.
- ▶ Identify basic banking and financial services.
- ▶ Obtain and review a credit report.
- Assess insurance needs.
- ▶ Understand the basic steps to purchase a car and home.
- ▶ Make informed financial purchasing decisions.
- ▶ Build wealth through saving and investing.
- ▶ Understand the military retirement systems.
- Access and review individual Thrift Savings Plan elections.

Course Learning Activities

The vMDS IG is organized in modules mirroring the standardized CNIC MDS curriculum. The chapter learning objectives, outlines and lecture notes are pulled directly from MDS Instructor Guide. Interactions, activities, and course requirements have been modified for the virtual environment. Presenters should review both the CNIC MDS curriculum and vMDS IG before leading the two-day vMDS training.

Note: vMDS is tailored to the Adobe Connect classroom via the Fleet and Family Support Program (FFSP) Learning Management System (LMS). It can easily be tailored to other virtual platforms. For example, Slido can be used with TEAMS to add polls, guizzes and Word clouds.

Course PowerPoint Slides

vMDS PowerPoint (PPT) slides have been slightly modified to function properly in the virtual environment. Adjustments include adding animations, adjusting format and fonts, and hiding face-to-face activity slides. It is recommended presenters use the vMDS PPT slides; however, the face-to-face curriculum PPT slides can be used, but be aware of functionality challenges and prepare for virtual activity instructions.

Course Engagement Tools

vMDS can be just as engaging as the face-to-face course. Encouraging participation using virtual elements or tools keeps virtual learners from multitasking and promotes learning retention.

Chat Pods and Time Stamps:

Chat pods in the virtual classroom are more than just a communication tool – they are a vital instructional design component that fosters engagement, inclusion, and insight. When used appropriately, chat pods encourage participation, foster collaborative learning, provide immediate feedback, and support accessibility. When time-stamped, they become a powerful diagnostic and planning resource. Enabling time stamps in the chat creates a digital record showing the date and time of messages, allowing instructors to document participation. Always set expectations at the beginning of class that chat responses verify active participation and support the community learning environment.

Breakout Rooms:

Breakout rooms are powerful tools for increasing interactivity, collaboration, and deeper learning in virtual classrooms; in smaller groups, learners are more likely to speak up, share ideas, and engage in critical thinking. Breakout rooms were deliberately chosen for a portion of vMDS as they enable small group interaction that mirrors in-person focused group work, support active learning that requires participation and concept application, and facilitate differentiated instruction with tailored support. With proper instructional design, breakout rooms transform passive webinars into active learning environments, allowing learners to apply, discuss, and personalize content in meaningful ways.

For breakout rooms to be effective, presenters and producers must:

- ▶ Allow time to presort learners into specific breakout rooms, if necessary. Unless otherwise directed, presenters are included in the "random distribution" to breakout rooms. If there are multiple presenters, attempts should be made to verify there is only one presenter, or one "guide", per room.
- ▶ Confirm all learners are dialed in for audio, and that all audio lines and classroom profiles are merged. "Merging" is a process by which learners' individual audio and computer profiles are recognized as one single individual; without merging, learners' computer profiles are sent to breakout rooms, but the audio line remains in the main room. Merging also prevents audio feedback from becoming an issue.
- ▶ Clearly define the activity's purpose and expected outcomes.
- ▶ Provide written instructions in the breakout environment.

- ▶ Use structured prompts or worksheets to guide interactions.
- ▶ Allow time for debriefing when learners return to the main room.

Poll Pods:

Poll pods are an accessible core engagement and assessment tool in well-designed virtual classrooms. They help instructors check understanding in real time, encourage active learner thinking and maintain active learning, and drive interaction and participation, all while collecting useful data to inform instructional decisions. Poll questions are best used for a specific purpose and/or strategic moments, then debriefed in a collaborative discussion that builds community and/or collective understanding. vMDS employs a variety of poll types to include multiple choice, multiple answer, and short answer polls. Poll pod responses are generally anonymous, which increases honesty for sensitive questions or controversial topics. Presenters can decide if they'd prefer to make poll responses public, by broadcasting results via visual feedback in real time, or keep them hidden from the group at large. In all cases, presenters and producers can easily track how many learners have responded to each poll question, which is helpful in determining if it is time to move on from a specific question.

Reaction Tools:

The virtual platform often include emoji reactions that learners can use to express emotions, feedback and agreement in real time without interrupting a session. This is great for pulse checks. Become familiar with the virtual platform you are using to understanding its capabilities and limitations.

Virtual Field Trip

Screen sharing provides instructors an opportunity to take learners on a virtual field trip to visit websites or demonstrate online tools/calculators. There are many opportunities in vMDS for virtual field trips, Prepare by practicing the field trip before the webinar.

Course Preparation

Effective virtual engagement begins long before the first learner logs into the virtual classroom. Just as a well-executed mission requires planning, rehearsal, and coordination, so too does delivering an impactful vMDS course. Preparation is not simply administrative—it is instructional. Thoughtful planning ensures that each virtual tool is used with intention and precision, turning passive participation into active learning. Being prepared for training promotes organization, projects a positive image, and reduces stress. To ensure you are prepared, review the following:

- ▶ This and each standalone module's Instructor's Guide.
- ▶ PowerPoint slides and handouts for each lesson.
- Virtual classrooms for each day.
- Market course through local CFS channels, social media, and outreach to other family service programs.
- ▶ How certificates will be issued to learners who complete the course requirements.

References

- ▶ DoD Instruction 1322.34, Financial Readiness of Service Members
- ▶ DoD Instruction 1342.22, Military Family Readiness
- ► SECNAV Instruction 1740.4 (series), Department of The Navy Personal Financial Management (PFM) Education, Training, and Counseling Program
- ▶ OPNAV Instruction 1740.5 (series), United States Navy Personal Financial Management Program

Instructors Note

Depending on the virtual platform being utilized, it is beneficial to have prepared email templates or to employ an authorized cloud-based service that provides the necessary materials. This strategy will allow presenters to dedicate their focus to delivering the lesson and engaging with the course content effectively. Applicable resources will also be available in each classroom to be shared with learners, as needed.

Personalize your lesson. Add your own notes and prompts for discussions.

You can include:

- Subject matter expertise.
- ▶ Detailed/technical information.
- Instructional strategies and methods.
- Personal experiences.
- Examples and analogies.

Training Materials

A dependable computer and stable connection is needed to present and share videos, if applicable, during the virtual training session. You will also need the following items to conduct the session:

- ▶ Internet connection
- ▶ PowerPoint presentations to include stand-alone material
- Instructor guides to include stand-alone material
- Handouts shared as PDFs
- LMS course page and Help Desk access information for learners to access certificates, if applicable
- Download videos to a local computer or upload in virtual classroom to ensure there are no playback interruptions. Attempts to stream video from external websites can introduce frustrating delays. See page 58 of MDS Instructor Guide for more information.

The Virtual MDS course has been converted from the face-to-face Million Dollar Sailor curriculum to provide flexible options for learners to access this standardized curriculum. This Virtual MDS Instructor Guide includes the course overview, schedule and content organized by Lessons 1-11. To access the current face-to-face materials, presenters must visit and download the course curriculum from DoD's FINRED Learning Resource Library virtual portal.

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Virtual Course Marketing Description

Do you want to be a millionaire? Then this is the webinar series for you. Million Dollar Sailor (MDS) equips you with knowledge and tools to elevate your personal financial wellbeing. From budgeting basics to saving like a superstar, each session covers important financial concepts. These are concepts that you can use throughout your life to make sound financial decisions that can lead to becoming a millionaire. Completion of all sessions is required for the final Million Dollar Sailor certificate.

Marketing

The provided course description, along with pertinent local information, can be effectively employed to promote an upcoming course. While this is one of many methods for marketing a local course, utilizing virtual resources and incorporating other Family Service programs can significantly improve outreach efforts to individuals who may be interested in attending.

Course Structure

The Million Dollar Sailor (MDS) program is a comprehensive two-day course offering fifteen hours of financial training. It consists of 11 modules, each ranging from sixty minutes to two hours. The course can be delivered in person or virtually. The virtual course is intended to be completed in its entirety. The modules are sequenced to build upon one another, following the financial pyramid from the foundation to the peak.

The virtual agenda is as follows:

Date	Time	Module
	0800-1130	Module 1: Welcome, Introduction & Overview
		Module 2: Military Pay
		Module 3: Planning Your Financial Future
Day 1	1130-1230	Lunch
	1230-1600	Module 4: Consumer Awareness
		Module 5: Banking & Financial Services
		Module 6: Credit Management
	0800-1130	Module 7: Insurance
	2 1130-1230 1230-1600	Module 8: Car Buying
Day 2		Module 9: Home Buying
Day 2		Lunch
		Module 10: Wealth Building and Retirement Planning
		Module 11: Million Dollar Resources and Closing

Break Times

Breaks should be offered at the instructor's discretion, based on the facilitation flow and considering learner input as appropriate. Best practice indicates one 10- to 15-minute break per 90 minutes of instruction. Displaying a countdown timer during breaks provides learners a clear visual cue for when the course will resume. Playing neutral music in the background creates a professional atmosphere while instructors and learners prepare for the course to resume.

Upon returning to classes after breaks and lunches, virtual reintegration best practices include:

- Post-break: Ask learners to answer a question, or share their response of choice, using reaction tools to verify they have returned. This is a small but potentially meaningful interaction to pull learners back into the virtual classroom.
- ▶ Post-lunch: Prepare an engaging icebreaker (non-content-related question) or opener (content-related question) and request learner audio feedback to reestablish the technology connection. In doing so, presenters are reengaging and refocusing learners, bringing them back to the virtual classroom.

Virtual MDS Facilitation

The intended facilitators of MDS include both Family Service Center Personal Financial Management (PFM) staff and Command Financial Specialists (CFS). Military personnel and financial management staff are integral to the course. Service PFM staff are certified professionals who deliver financial educational material and counseling of financial services required by law. Command Financial Specialists are trained uniform military personnel who have completed the 40-hour personal financial management CFS certification course and are appointed by their respective command leadership to deliver these services.

- ► Family Service Center PFM Staff (end user)
- ▶ Military members, veterans, family members, and others entitled to Family Service Center Services (target audience)

Virtual Environment

Locations offering virtual courses should focus on delivering content effectively by using a variety of virtual platform tools to actively engage learners. Instructors have the opportunity to enhance the learning experience by incorporating chat features, interactive virtual activities, and establishing clear course boundaries for participants. While technical difficulties may arise, as they often do in virtual settings, this can serve as a valuable opportunity for growth and improvement. By anticipating potential challenges—keeping in mind the saying, "whatever can go wrong, will go wrong"—we can better prepare and support ourselves and our learners. Although this guide does not cover every possible issue, it will highlight common challenges and practical solutions to enhance our virtual teaching experience.

Participants, whether they are learners or instructors, may encounter connectivity challenges during the two-day course. It is imperative to establish a contingency protocol for both groups. Depending on the virtual platform selected for the course, it is important to ensure that all participants receive the necessary dial-in information for the webinar. Instructors should consider distributing a copy of the presentation slides to learners prior to each module. It is advisable for learners to have access to both the dial-in option and the presentation materials to minimize potential disruptions.

It is very important to create clear and detailed guidelines for how the virtual platform will be used. These guidelines should cover key areas of participation and clearly explain the expectations and responsibilities of each participant. Engagement should be defined in terms of active contribution to discussions, frequency of input, and encouragement of collaboration among peers, thereby fostering a sense of community within the virtual environment.

Additionally, comprehensive instructions should be provided regarding the usage of both general chat and specialized chats. This includes clearly defining the purpose of each chat area and asking participants to use them appropriately. Clear examples of appropriate topics and respectful communication practices should be included to enhance the quality of interactions.

Guidelines for microphone and video camera usage must also be clearly defined. Participants should receive guidance on when to activate their microphones—such as during discussions or when invited to share insights—as well as etiquette concerning interruptions and turn-taking. Setting clear expectations for video usage, such as when cameras should be on during presentations or group discussions, can help foster a more engaging atmosphere.

It is also important to clearly state the minimum time learners need to participate to receive credit for each module. This should encompass not only the total hours but also the necessity of participating in live interactions, completing assigned tasks, and reviewing educational materials. By providing all this information, participants will have a clearer understanding of what is required of them, ultimately leading to a more productive and enriched learning experience.

Million Dollar Sailor Participants

Regardless of service, the Million Dollar Sailor Program is open to any command member, officer and/or enlisted, family member, and civilian entitled to Family Service Center services. Learners will also include CFS candidates. These candidates are required to complete all modules of the MDS program prior to attending the three-day CFS course track offered by a USN, USMC, or USCG PFM staff.

Certain modules will include activities and information that allow participants to compare and contrast their finances. As part of the registration process, it is recommended learners be informed by email or during course registration that information will be provided to them about reviewing:

- A military LES (DFAS MyPay https://mypay.dfas.mil/#/) or Payslip (Direct Access https://mypay.dfas.mil/#/) or Payslip (Direct Access https://mypay.dfas.mil/#/) or Payslip (Direct Access https://mypay.dfas.mil/#/) or Payslip (Direct Access https://hcm.direct-access.uscg.mil/).
- A credit report (Free download https://www.annualcreditreport.com/index.action).
- ► Their TSP account (https://www.tsp.gov/).
- Banking, loan, and credit card statements (member & spouse).
- Personal retirement accounts.
- ► Auto & property insurance coverages.

Evaluation

Evaluative measures have been built into the MDS Training Program to assess the training's perceived value, whether it has met its objectives, and to identify areas for improvement. This process values the input of each learner, making them integral to the program's success. Use the most up-to-date evaluation provided by your chain of command.

Instructor and Producer Tips

Each Module will include icons that represent cues for the presenter and producer (if applicable). Each Module also includes Classroom Layout with a list of virtual components that maximize engagement for welcoming students, presenting content, and facilitating activities. Use the lobby each day and after lunch to reengage students. Also, it is important to review housekeeping at the beginning of each day to remind students of the requirements and processes.

	Icon Key		
	ő	Presenter	Indicates activities intended for the primary presenter.
Who		Guest Speaker	Typically facilitated by a third-party presenter.
		Producer	Instructions for virtual classroom technical assistant, indicating actions to perform such as changing layouts or bringing in polls.
	Animated Slide	Indicates to click on animated slides, or before a bulleted list, denoting the entire list is bulleted on the slide.	
What		Presenter Note	Tips and instructions for facilitating that portion of content.
W		Activity	Instructions for executing an activity.
	M	Student Manual	Indicates the presenter should refer learners to use their

Collaborating with the Fleet and Family Support Program (FFSP) Learning Management System (LMS)

While the FFSP LMS platform is not a prerequisite for the successful delivery of a virtual Million Dollar Sailor Course, embracing this powerful tool presents numerous advantages. By utilizing the platform, presenters can dedicate their full attention to the course content, ensuring a seamless and engaging learning experience, without the distractions of technical intricacies and challenges that often accompany virtual environments. The information in this section is beneficial should a site choose to present vMDS in collaboration with the FFSP LMS.

To start, complete the required Webinar Request Form (WRF) at: https://form.asana.com/?k=GPS9th7GAzZ8cwe31qtOvQ&d=484346284818869

vMDS presenters are then assigned to a producer(s). The presenters and producer(s) work together to deliver a successful vMDS course without duplication of effort. Each has their primary responsibilities.

Presenter Responsibilities



- ▶ Request the course page link from the producer.
- Review and practice standardized vMDS instructor guide and supporting materials
- Ask your producer to save your slides as a PDF or provide them with a PDF to make available for learner download.
- ► Inform producer of any relevant supplemental needs.
- Attend vMDS rehearsal.
- ▶ Use a reliable audio connection.
- Prepare a backup plan in the event of local technical difficulties.
- ▶ Communicate early, often, and effectively.

Producer Responsibilities

- ▶ Provide the presenter with the course page link.
- ▶ Build vMDS classrooms.
- ► Schedule a rehearsal/tech-check.
- Orient presenters to the available virtual classroom features.
- ▶ Supply presenters with a training report showing course registration status.
- ▶ Manage all technical aspects of the classroom.
- Send daily follow-up materials packet to presenters.
- ▶ Communicate early, often, and effectively.

Lesson 1: Welcome, Introduction and Overview **Description**

This opening module is an interactive lesson. This lesson is designed to introduce learners to the Million Dollar Sailor course structure, evaluate learner's initial financial knowledge, and provide an overview of required military financial literacy Touchpoints, or FEAPs (USMC).

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 90 minutes

Materials

- ▶ Welcome. Introduction and Overview Instructor Guide
- Welcome, Introduction and Overview PowerPoint Presentation
- Quiz Instructions PowerPoint Presentation

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- Understand the Million Dollar Sailor concept.
- ldentify and understand the three levels of the financial pyramid.
- Establish overall financial literacy knowledge.
- ▶ Understand the purpose and milestones of financial literacy Touchpoints/FEAPS.

Course Outline

- 1. Intro to course for students (5 minutes)
- 2. Course purpose (5 minutes)
- 3. Financial Pyramid (5 minutes)
- 4. Course Two-day agenda (5 minutes)
- 5. Virtual classroom policies (5 minutes)
- 6. Optional Activity Meet your Classmates (10 minutes)
- 7. Activity Gauge your Financial Knowledge (30 minutes)
- 8. Intro to Touchpoints (25 minutes)

Classroom Layout

Layout Name	Components
Lobby	► Audio instructions
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	▶ Lesson 1 Presentation share pod
	► LOBBY OPENER: L1 SL 1 Hope to Learn Chat: What is one thing you want to learn from this course?
Housekeeping	► Audio instructions
	▶ Welcome chat pod
	► Housekeeping
1 Presentation Welcome,	Notes pod with dial in information
Introduction and	▶ General chat pod
Overview	▶ Lesson 1 Presentation share pod
	► Attendee pod
	► ACTIVITY POD: L1 SL 1 Hope to Learn Chat: What is one thing you want to learn from this course?
	► Reaction Tools
Meet Your Classmates	▶ Notes pod with dial in information
	▶ General chat pod
	► Attendee pod
	▶ Reaction Tools
	► ACTIVITY: Meet Your Classmates poll pod
Quiz Layout: Gauge Your	Notes pod with dial in information
Financial Knowledge	▶ General chat pod
	► Attendee pod
	► Reaction Tools
	► ACTIVITY: Adobe quiz pod – Gauge Your Financial Knowledge

Virtual Million Dollar Sailor: Welcome, Introduction and Overview **Presenter Content**

Producer Notes

Lobby



Presenter

Welcome learners to the training as they join the classroom.

Ask them to answer lobby chat.

Cue producer to begin housekeeping when you are ready to start.



Producer Note

Merge phone lines as necessary.

Explain how to download or access the handouts if necessary and navigate any technical difficulties.

Housekeeping



Producer Note

Review housekeeping and technology tips with learners.

While reviewing housekeeping tips, share how to contact you if learners have a message that they don't want the entire class to see.

Move to 1 Presentation Welcome, Introduction and Overview Layout

Lesson 1

SLIDE 1: WELCOME AND INTRODUCTION



Welcome to the Virtual Million Dollar Sailor course! Thank you for joining us and for taking your first step on the road to financial security and freedom. Over the next two days, we will provide you with the tools and resources you need to successfully manage, protect, and build your wealth.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- · Revisit the lobby opener and ask learners to write down one thing they hope to learn from attending the training today.



Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.

Presenter Content

Producer Notes



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Presenter Note

Briefly introduce the lesson topics. Instructors can adjust the agenda topics for this slide based on whether the course is virtual or hybrid, and if the optional "Meet Your Classmates" activity is used.



Animated Slide

This slide has animations...

In this lesson we will cover the following topics:

- Course purpose
- MDS Financial Pyramid
- Virtual course information
- Activity Meet Your Classmates
- Activity Gauge Your Financial Knowledge
- ► Intro to Touchpoints/FEAPs

Is becoming a millionaire easy? Give me a green check if you think it is, a red x if not.

Do you know any millionaires? Give me a green check if you do, a red x if you do not.

The path to managing your money and achieving true financial freedom is both attainable and clear. It requires courage and determination to make difficult choices about your desires and necessities and to prioritize sacrifices in the present for a brighter future. While countless books, seminars, and programs boast about knowing a shortcut to get rich quickly or hidden secrets, often, these claims are misleading or carry significant risks. The undeniable truth is that financial freedom is within your reach, but it demands time, effort, and dedication to accomplish.



Producer Note

Clear statuses, if applicable.

SLIDE 3: ADMINISTRATION



Presenter Content

Producer Notes



Presenter Note

Military participants who attend both training days will need to complete a student data card. DISTRIBUTE a digital version or have available in the course downloads section of the MDS Student Data Card to military members attending the class.

ASK learners to complete the data card, including signing the Privacy Act Statement on the bottom half, and turn it in when completed. The name that appears on the data card will appear on the certificate of completion at the conclusion of the training.

EXPLAIN that the Privacy Act is required because the information provided on the student data card is entered into a database that track Service members' completed professional training.

INTRUCTOR NOTE: Student data cards are completed and forwarded to the appropriate service PFM program headquarters to ensure students receive credit for completing coursework. Navy sites will input the corresponding student data into the CeTARS platform and retain the CeTARS course completion report in accordance with CNIC certification standards. After entering the data, Navy sites will dispose of the completed data cards in compliance with privacy regulations.

Non-military students, including military dependents, retirees, veterans, and civilian staff, are not required to complete a student data card. Those that fall within the non-military category are encouraged to verify their name and information is documented correctly on the class roster for the certificates of completion awarded at the conclusion of the training.

SLIDE 4: MDS FINANCIAL PYRAMID





Presenter Note

Explain that this course is structured around the financial pyramid from the foundation to the peak.



Animated Slide

This slide has animations...

The MDS Financial Planning Pyramid is a powerful tool that empowers you to take control of your personal finances. By mastering its principles, you can transform into a Million Dollar Sailor, confident in your financial future.

To gain the maximum benefit, start with the foundation of a solid financial plan. This first step in building wealth begins with finding your current financial outlook. Without establishing and managing your current financial affairs, it is extremely difficult to achieve financial success. This foundation starts with you creating a spending plan, controlling your spending, managing your debt, and establishing SMART financial goals.

Once you've built a solid financial foundation and are effectively managing your personal finances, the next step is to protect the wealth you will accumulate and hope to grow. This proactive approach provides a sense of security, knowing that your hard-earned money is shielded from potential financial pitfalls and unexpected life events.

Finally, you will be ready to start building financial wealth to meet your financial goals. You

Producer Notes Producer Notes might not realize, but those serving in the military have wealth-building tools such as the Thrift Savings Plan or military-specific financial education programs that one might utilize to achieve financial success. Remember, the money you save or invest today is not the money you will use in retirement. If done correctly, the money you initially set aside to build wealth will accumulate and make more money, much like a snowball rolling down a hill. This course is not designed to make you a Wall Street investor but to provide you with the essentials to begin bettering your financial health and achieving your financial goals. Remember, each person's financial situation is unique. If you attempt to skip steps and an emergency arises, your financial plan could quickly collapse. Building a successful financial plan takes time and commitment.

SLIDE 5: COURSE TWO-DAY AGENDA





Instructors can modify this slide to meet local needs and speaker availability.

Ask a question to facilitate an opening discussion that engages your virtual learners before sharing the agenda. For example, "Knowing this course will help you successfully manage, protect, and build your wealth, what do you think our two-day agenda includes?"

Use pointer tool to highlight specific content being referenced.

Military Pay. Understanding your military pay is crucial for effective financial planning both now and in the future. In this discussion, we will explore the different types of military pay and allowances, how they are documented on your LES or payslip, and the various events that can lead to changes in your military pay.

Planning for Your Financial Future. The starting point for managing your money successfully is creating a detailed financial plan. This plan helps you keep track of your income, understand how you spend your money, and set clear goals for the future. We are here to help you set clear financial goals, make a personalized spending plan, and carefully track your expenses, so you have financial success.

Consumer Awareness. Taking charge of your finances starts with a careful examination of your spending habits and the motivations behind them. Consumer Awareness highlights the clever marketing strategies that businesses use to lure you into spending your hard-earned money. By understanding these tactics, you can empower yourself to make smarter financial decisions and protect your wallet.

Banking and Financial Services. Effective money management is essential for achieving financial stability and success. By saving your money wisely and keeping it accessible, you can make the most of your finances. Today, Banking and Financial Services will delve into a range of valuable products, services, and costs associated with financial institutions, including the advantages of electronic banking.

Presenter Content	Producer Notes
Credit Management. How we manage our money is closely tied to how we handle credit and debt. For many, this means protecting their credit history; for others, it means fixing past mistakes to improve their credit. Our discussions will emphasize the critical importance of hese strategies in achieving financial stability and success.	
nsurance. Insurance may not be the most popular topic, but its value becomes undeniable when you find yourself in need. While it won't lead to wealth, it can safeguard you from inancial setbacks. Protecting the assets that enhance your net worth is a vital step in smart inancial management.	
Car Buying. The Car Buying Module is designed to empower you with essential knowledge on three key aspects of purchasing a vehicle: the purchase itself, financing options, and rade-ins. You'll also learn effective strategies to confidently navigate high-pressure sales actics, ensuring you make informed decisions every step of the way.	
Home Buying. Purchasing a home is an important milestone, and while it might seem distant, being informed is crucial. This training will teach you key steps to confidently buy home including clarifying your needs, establishing a realistic budget, choosing the right agent, and securing the best mortgage for your situation.	
Wealth Building & Retirement Planning. Individuals with financial aspirations must prioritize saving and investing. It's normal to feel overwhelmed at first, but this Wealth-Building Module will give you the essential knowledge to succeed. We will explore the key principles of building wealth and planning for retirement, focusing on compound interest and the value of time. This material will give you the tools to save wisely, make smart investment choices, and navigate retirement options confidently.	
Financial Resources. When we envision billionaire icons Warren Buffett and Bill Gates, we often think of their incredible journeys against overwhelming odds. Yet, it's vital to emember that their success was not achieved in isolation; they had vital support along he way. And you do, too. As we conclude our training, we will explore a wealth of valuable eferral resources—all at no cost—that are here to empower you in your pursuit of pecoming a Million Dollar Sailor.	
SLIDE 6: FACILITY AND CLASSROOM POLICIES	
Facility and Classroom Policies Robertson Course C	

Presenter Content

Producer Notes

SLIDE 7: VIRTUAL CLASSROOM POLICIES





Presenter Note

Learners who are attending the course in conjunction with CFS are required to attend each module in its entirety. Instructors may identify, categorize, and communicate with CFS candidates separately from the broader MDS learner population to minimize distractions during overall course presentations.

When sharing virtual classroom policies, reinforce the housekeeping shared at the beginning by emphasizing the expectations on the slide.

Share the following tips for a successful classroom experience:

- ▶ The virtual classroom will open 15 minutes before the start of the class. Remind learners to log in early to account for any potential connectivity issues or questions they may have.
- ▶ If available, both learners and instructors should dial into the class to avoid connectivity disruptions.
- Learners must have access to both the dial-in option and the presentation materials to help minimize disruptions.
- Learners are expected to participate in the course through chat pods, poll pods, breakouts or any additional virtual training tools.

Producer Note

- 1. Explain how to mute/unmute audio line.
- 2. Demonstrate chat pod functions.
- 3. Assist students in finding the reactions.

OPTIONAL ACTIVITY - MEET YOUR CLASSMATES SLIDE 8:





Presenter Note

Facilitate the introduction to the "Meeting Your Classmates" activity. Cue producer to move to Meet Your Classmates layout.

Now it is time to get to know each other through "Meet Your Classmates!"

This activity is designed to help you quickly get to know your classmates' collective backgrounds regarding common financial experiences.

In a moment, you will see a multiple answer poll pod appear on screen. Please use the poll pod to select which financial situations apply to you. Raise your virtual hand if you reach five or more applicable situations.

Give me a green check if you are ready.



Producer Note

- 1. Clear statuses, if applicable
- 2. Move to Meet Your Classmates layout. Return to Lesson 1 presentation lavout at the end of the activity

Presenter Content

Producer Notes



MEET YOUR CLASSMATES LAYOUT



Animated Slide

Go over the on-slide instructions. Allow learners time to select their answers in the poll pod. Debrief the activity, highlighting trends, including highs and lows in responses. Refrain from elaborating, because learners will complete an initial assessment quiz following this activity and you can expand on the pertinent topics at that time. This activity should take no longer than 10 minutes.



Presenter Note

Possible answers are:

- 1. Uses a budget app
- 2. Viewed their credit report in the past 6 months
- 3. Has a savings account with at least \$1,000
- 4. Has had their identity stolen
- 5. Does not have any debt (excluding mortgage)
- 6. Knows about Survivor Benefit Plan
- 7. Uses their phone for all their banking
- 8. Has two or less credit cards
- 9. Knows their credit score
- 10. Has bought crypto currency
- 11. Has a 401k
- 12. Has co-signed for someone
- 13. Has used food delivery service in the past month
- 14. Drives a car that is 10 years or older
- 15. Has a college degree
- 16. Has other life insurance (not SGLI)
- 17. Previously attended a FFSC financial class
- 18. Used a relief society loan
- 19. Attending for the CFS qualification requirement
- 20. Knows at least 2 languages
- 21. Loaned money to family
- 22. Has a Roth IRA
- 23. Received a call from a bill collector
- 24. Had NSF charges (aka bounced a check)

Speaking of common financial situations, we all have something that threatens to break our bank. Please share in the chat, "What's your budget buster?"

Presenter Content

Producer Notes



Presenter Note

Briefly acknowledge budget busters and share your own.

Regardless of how many "yes" answers you personally had, there are many experiences in this room – including those things that bust our budgets. Please share your experiences in class discussions throughout the course so we can learn from each other.



GAUGE YOUR FINANCIAL KNOWLEDGE





This guiz-based activity allows participants to start with an introduction and discuss financial topics. Learners will review a series of descriptors and choose the best financial concept match. The matching quiz is based on the lesson's standardized IG and slide content. Each correct answer and talking point will be presented as the instructor reveals the answers about financial concepts throughout the slide progression. As the instructor moves through the presentation, these topics align with the three key levels of financial knowledge outlined in the MDS course: Wealth Management, Wealth Protection, and Wealth Building. Each topic features concise descriptions designed to deepen understanding and prompt thoughtful reflection.

This exercise not only assesses the learner's financial knowledge but also paves the way for introducing the Department of Defense's mandatory financial literacy milestones, known as "Touchpoints" or "Financial Education Action Points (FEAPs)."

This activity will be repeated at the end to analyze retention of the topics covered throughout the curriculum. This comparison not only highlights the learners' growth and understanding but also helps instructors refine their teaching strategies for future courses.

This activity is designed to help us better understand everyone's familiarity with the core financial concepts we will cover. It provides an opportunity for you to reflect on your knowledge of these topics before we delve deeper into the course.

In a moment, you will complete an introductory quiz to check your current financial knowledge.



QUIZ LAYOUT – GAUGE YOUR FINANCIAL KNOWLEDGE

Presenter Content

Producer Note

Producer Notes



Presenter Note

Review the Quiz Instructions PPT presentation to introduce the activity. After technical instructions are shared, tell learners they can begin and monitor completion results as they come in. When all learners complete the quiz, announce the winner, encourage learners to take a moment to review their responses and be mindful of any incorrect responses during the review. Continue with the content progressing through the concepts.



- 1. Move to Quiz layout
- 2. Hide Quiz Instructions PPT after presenter reviews instructions
- 3. Ensure the Adobe quiz is
- 4. Explain how to complete the
- 5. Set a 5-minute countdown timer
- 6. Start the countdown timer and open the quiz on presenter's cue
- 7. Clear statuses
- 8. Return to Lesson 1 presentation layout at the end of activity

For virtual platforms without quiz feature, type questions in chat pod.

Animated Slide

This slide has animations...

There are ten questions. Read each description and select the best-matched topic. Let's make it a friendly competition – the person to complete the quiz first with the most correct answers gets bragging rights. After, we will review the correct answers as a group.

Do not begin the quiz until I say, "Go."

Give me a green check if you're ready to begin. Ok, go!

SLIDE 9: GAUGE YOUR FINANCIAL KNOWLEDGE -WEALTH MANAGEMENT





Presenter Note

When debriefing the answers, use questions to facilitate discussion. This activity and debrief should take no longer than 30 minutes. Keep track of the time to stay on target with the course duration.



Animated Slide

This slide has animations..

As we progress through these concepts, we encourage you to briefly share your insights and experiences. Everyone will have the chance to participate because your input is valuable to us! It's fine to admit that you know little about a topic; even the most knowledgeable financial experts started where you are now. Over the next two days, we will work to enhance your understanding of these essential financial concepts.

Wealth management topics include:

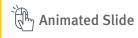
Spending Plan: A spending plan, or budget, tracks income and expenses, helping allocate funds for essentials, savings, and discretionary spending to effectively manage money and reach financial goals.

Manage Debt: Understanding and controlling debt levels, including credit cards and loans,

Virtual Million Dollar Sailor: Welcome, Introduction and Overview		
Producer Notes		

SLIDE 10: GAUGE YOUR FINANCIAL KNOWLEDGE – WEALTH PROTECTION





This slide has animations..

Wealth protection topics include:

Insurance Needs: Assessing coverage needs (health, auto, life) to protect against potential risks and aligning insurance choices with personal and financial circumstances.

Build Savings: Creating a financial cushion through savings for emergencies, future goals, or unexpected expenses, reinforcing financial security.

Consumer Awareness: Making informed purchasing decisions, understanding product value, recognizing marketing tactics, and being aware of consumer rights to make wise spending choices.

Manage Credit: Responsible use and maintenance of credit accounts, such as monitoring credit scores, timely payments, and low balances, which support favorable terms for future loans.

SLIDE 11: GAUGE YOUR FINANCIAL KNOWLEDGE – WEALTH BUILDING





Hard Assets: Tangible investments like real estate, precious metals, or collectibles can appreciate over time but require careful management and are subject to market fluctuations.

Compound Interest: Interest that accumulates on both the initial principal and previous interest, significantly increasing savings or investments over time.

Presenter Content

Producer Notes

Retirement Planning (TSP, Roth vs. Traditional): Saving and investing through options like the Thrift Savings Plan (TSP), Roth IRAs, and Traditional IRAs, each with unique tax advantages, to ensure financial stability in retirement.

Stocks and Bonds: Investment vehicles representing ownership (stocks) or lending (bonds), balancing growth potential and risk in a portfolio for long-term financial goals.



Presenter Note

Summarize the three concepts or provide examples of topics that did not receive any responses from the learners. Reinforce to learners that the MDS course is designed to build on these three principles, and any unfamiliarity of the items in this activity will be covered in the next two days.

The final topic to display will be concerning the required military financial literacy Touchpoints, or FEAPs (USMC), which are specialized financial education and resource initiatives tailored for military personnel. When discussing these milestones, some participants may not be familiar with the training or requirements. This topic will transition naturally into the next slide and class discussion.

SLIDE 12: INTRODUCTION TO FINANCIAL LITERACY TOUCHPOINTS/ FINANCIAL EDUCATION ACTION POINTS (FEAPS)



Producer Note

Bring in L1 SL 11 Touchpoints Poll

> Have you ever completed a financial touchpoint? Yes No





Presenter Note

The Road to Financial Readiness roadmap lists the 12 milestones Service members will encounter. Briefly discuss each milestone and discuss examples a learner might experience to trigger a training requirement. For classes that are composed with USMC personnel, mention that the Marine Corps label their financial literacy milestones, Financial Educational Action Points (FEAPS). Regardless of service, the financial milestones are delivered at the same point within a Service member's career.

Many of you may have wondered, "What are Touchpoints?" after completing the previous activity.

Who here has completed a financial Touchpoint before? Use the poll to note your experience.



Presenter Note

If any learners said, "Yes," ask them to share their experiences.

Now is the time to delve into their importance and explore the critical financial milestones that Service members will face throughout their military careers.

Presenter Content

Producer Notes

Touchpoints have been strategically developed to provide timely training during pivotal financial life events experienced by Service members. Envision your financial journey as a road trip:



Animated Slide

This slide has animations...

Where are you currently? What destination do you aspire to reach? How will you successfully travel from your starting point to your goal? Just as with any successful journey, it is crucial to plan your route and establish a clear strategy. The Road to Financial Readiness roadmap lists the 12 milestones Service members will encounter. Each of these personal or professional milestones is accompanied by various financial considerations and decisions that require careful attention.

These training sessions are an invaluable resource, offering essential information and support to guide you through each significant milestone. This information is valuable and will give you the tools to make smarter financial decisions to achieve your goals.

SLIDE 13: TOUCHPOINT TRAINING PLATFORMS





Presenter Note

Each service has a specific process to deliver and document the required training. Inform participants to consult with their command training department or Command Financial Specialist for their service's guidance for training completion.

There are various ways to access information for these Touchpoints, which may differ based on your service. We will use the Navy-specific process as an example.

When a Sailor reaches one of these milestones, they can choose between in-person training or virtual training options. In-person training can be conducted by a Fleet and Family Support Center (FFSC) Personal Financial Manager (PFM) or a Command Financial Specialist (CFS). For those who prefer a self-paced approach, the virtual options are flexible and easily accessible.

Below are examples of both formats.



Presenter Note

Use pointer tool to highlight specific content being referenced.

One-on-One

Checklists and handouts

	Producer Notes
assroom or Group	
Checklists and handouts	
PowerPoint (PPT) Training	
Videos and Video Discussion Guides (VDG)	
rtual	
Navy e-Learning website	
MyNavy Financial Literacy mobile app	
LIDE 14: TOUCHPOINT MATERIALS	
Each Touchpoint includes a Checklist that provides actionable, relevant, and timely information to help Service members make informed financial decisions. In the top right corner, there's a blue box that lists handouts relevant to that Touchpoint. These handouts offer more detailed information that reinforces the items covered in the checklists, making them valuable tools for everyone.	
ery Touchpoint also features a presentation that can be delivered by a Fleet and Family pport Center (FFSC) Personal Financial Manager (PFM) or a Command Financial Specialist FS). This is especially useful when a command needs to provide the same training to a group Service members simultaneously. Can you think of a specific Touchpoint milestone where s could take place?	
Iditionally, videos are available for self-paced virtual options and can also be incorporated o group presentations. These videos consist of a series of short clips that allow participants complete their training at their own pace or to be included in a group setting alongside the de presentation.	
	The state of the s

Presenter Content

Producer Notes



VIRTUAL FIELD TRIP: FINRED ROAD TO FINANCIAL READINESS WEBSITE



Presenter Note

Cue the producer to move to the Overdraft Scenario layout.

Instructor chooses and demonstrates a selection of features from the FINRED Road to Financial Readiness website. Consider prompting learners to provide input on which features they would like to visit during the field trip.

Take learners on a field trip of the FINRED Road to Financial Readiness website. As time allows, touch on the following features:

- Click on two to three touchpoints to demonstrate the key information highlight and available resources.
- Click on and introduce an example of how to access a video resource.
- Click on and introduce an example of a handout resource.
- Click on and introduce an example of a article resource
- Share any other resources you would like to highlight, as time allows.

Encourage learners to visit and explore the site independently.



Producer Note

Move to Field Trip layout. Return to 1 Welcome, Introduction and Overview presentation layout at the end of the activity.

SLIDE 15: SUMMARY AND FINAL QUESTIONS





Producer Note

Reveal chat with guestion: "Which topic are you most looking forward to learning about?"



Presenter Note

Facilitate the summary slides, encourage learners to download or make available their latest pay statement (e.g., Leave and Earnings Statement [LES] or Coast Guard Payslip) during the break, because it will be useful during the next lesson. Then, turn the class over to the producer.

Now that you have an overview of what to expect from this course, which topic are you most looking forward to learning about?

Do any of you have final questions or comments about our discussion or your expectations?

As we move through today and tomorrow, remember that this course is about more than just listening; your active participation and questions are essential to our success.

I appreciate your commitment to this training. Let's dive in and take our first step toward becoming million-dollar sailors!



Producer Note

Move to Lesson 2 layout

Lesson 2: Military Pay

Description

This course is expected to take approximately 60 minutes to teach. Through a series of PowerPoint slides, the learners are presented with information about military compensation to include the pay statement (Leave and Earning Statement or Payslip), military pay and allowances, common allotments and deductions, tax considerations, common pay issues, and problem resolution methods. It will also cover how participants can better monitor their military pay, understand its impact on personal finances, and verify and correct common pay issues.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- Military Pay Instructor Guide
- Military Pay PowerPoint Presentation
- ▶ Understanding Your Pay Statement Handouts
 - o Coast Guard Payslip Handout
 - LES Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

At the conclusion of this course, learners should be able to:

- ▶ Discuss how to manage pay information across their career to maintain financial readiness.
- Discuss the various components of military pay and events which affect changes in military pay.
- Identify other military benefits beyond pay and allowances.
- Explain federal and state tax considerations.
- Recognize common pay problems and solutions to correct them.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. Managing Military Pay (10 minutes)
 - A. Activity: Pay Management Matters
 - B. Accessing your military pay statement
 - C. Pay system overview
 - D. Understanding your pay statement
- 3. Military Pay (10 minutes)
 - A. Types of pay
 - i. Basic pay
 - ii. Special and incentive pays
 - iii. Allowances
 - B. Housing and living allowances
 - C. Moving and travel allowances
 - D. Advance Pay
 - E. Allotments and deductions
- 4. Military Benefits (10 minutes)
 - A. Servicemembers' Group Life Insurance and Family Servicemembers' Group Life Insurance
 - B. Thrift Savings Plan
 - C. Survivor Benefit Plan
 - D. Medical and dental coverage
 - E. Education benefits
 - F. Leave
 - G. Retirement benefits
 - H. Continued benefits for retirees
- 5. Tax Considerations (10 minutes)
 - A. Types of taxes
 - i. FICA
 - ii. Federal
 - iii. State
 - B. Withholding
- 6. Common Pay Problems and How to Correct Them (10 minutes)
 - A. Identification of common problems
 - B. Prevention and resolution of common problems
 - C. Repayment options
- 7. Resources (5 minutes)
 - A. Websites
 - B. Additional support and assistance
- 8. Conclusion (5 minutes)
 - A. Summary and Review
 - B. Questions

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	o CG Payslip Handout
	○ LES Handout
	▶ 2 Presentation Military Pay share pod
Housekeeping	▶ Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
2 Presentation	▶ Notes pod with dial in information
Military Pay	▶ General chat pod
	▶ 2 Presentation Military Pay share pod
	► Attendee pod
	► Reaction tools
Field Trip	▶ Notes pod with dial in information
	▶ General chat pod
	► Screenshare pod
	► Attendee pod
	▶ Reaction tools

Virtual Million Dollar Sailor: Military Pay

Presenter Content

Producer Notes

Classroom Management and Content Lesson 2

SLIDE 1: WELCOME AND INTRODUCTION



Welcome to today's lesson on military pay. The purpose of today's course is to help you manage your military compensation. We'll focus on the components of your pay statement and how to access it via your pay system. But first, let's take a step back and think about why it's important to understand and manage your pay.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenters

Introduce yourself by providing:

- · Your name.
- Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Animated Slide

This slide has animations..

In this lesson we will cover the following topics:

- Managing Military Pay
- Types of Military Pay
- ▶ Military Benefits
- Tax Considerations
- Common Pay Problems and How to Correct Them

Virtual Million Dollar Sailor: Military Pay

Presenter Content

Producer Notes



Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.

SLIDE 3:



PAY MANAGEMENT MATTERS





Ask learners to raise their hands if they've experienced any of the following in the last six months, or they expect one or more of these events in the next six months:

- Move or PCS.
- Marriage, divorce, or welcoming a new child.
- Promotion or job change.
- Deployment or sent on temporary orders (TDY).

As you can see by the show of hands, these are common experiences in the military. The purpose of this course is to help you understand military compensation and how these events can impact your personal financial life. All the events listed above can have an impact on your pay, so it is important that you anticipate potential changes and adjust so you can meet your financial goals.

SLIDE 4: ACCESSING YOUR PAY STATEMENT





Presenter Note

Ask participants how often they review their pay statements. Members of the Army, Air Force, Navy, Marine Corps, and Space Force access their statement (Leave and Earning Statement or LES) at https://mypay.dfas.mil/. Coast Guard members access their statement (Payslip) via Direct Access at https://hcm.direct-access.uscq.mil/. Cue the producer to push the applicable URL(s) to learners.

It is up to you to make sure your pay information is correct. Ensure you're keeping these thoughts in mind:

 Know your entitlements – Educate yourself on what pays you should be receiving. Reach out and ask questions if you need more information.



Producer Note

Paste applicable URL(s) into chat

- Leave and Earning Statement (LES) https://mypay.dfas.mil/
- Coast Guard (Payslip) https://hcm.direct-access. uscg.mil/

Virtual Million Dollar Sailor: Military Pay **Presenter Content**

Producer Notes

- ▶ Understand current law and policy Military pay is governed by many laws, policies, and instructions that change frequently. Make sure your personal information is complete and up to date to ensure you are being paid correctly for your situation.
- ▶ **Life circumstances change** Remember the exercise from the beginning of the course? Life events like getting married or divorced, having a child, a deployment or TDY, getting promoted, and a PCS can lead to pay fluctuations. Understand how these events will impact your pay and manage your financial life accordingly.
- ▶ **Maintain readiness** When you are prepared for changes in pay, you can adapt your needs accordingly.
- ▶ Stay on track with your goals Managing your pay statements helps you make sure you're receiving the pay and benefits you're entitled to and keeps you on track with your financial goals.

Make it a habit to review your statement every time you get paid. Mistakes can happen and if you get paid too much, it's not a gift.

You'll have to pay it back. We're going to cover the specific components of military pay you need to know about in the next part of this course.

SLIDE 5: PAY SYSTEM OVERVIEW





Presenter Note

Cue producer to reveal poll. Ask participants to respond to the poll to share their branch of service they or their family member is associated. Most Service members are covered under the Defense Finance and Accounting Service (DFAS) and monitor their pay through myPay. Members of the Coast Guard access their pay information through Direct Access. Refer members to their pay system's FAQ.

Depending on your branch of service, you will access your pay information via myPay for DoD, or Direct Access for Coast Guard. MyPay and Direct Access are automated systems that help you manage your money. You can:

- Access your pay statements (Leave and Earnings Statement or Payslip) and tax forms.
- Change federal and state income tax withholding.
- Update direct deposit information.
- ► Manage allotments.
- ▶ Enroll and manage contributions to the Thrift Savings Plan (TSP).
- Update personal information including address and dependency status.

Direct Deposit System and Pay Frequency: Your pay is sent via electronic funds transfer to your designated financial institution via the Direct Deposit System (DDS). It is your responsibility to ensure that the account is open and in good standing.



Producer Note

Reveal L2 SL5 Service Branch poll

What is your branch of service? Navy Coast Guard Marine Corps Army Air Force Space Force

Virtual Million Dollar Sailor: Military Pay

Producer Notes Presenter Content

Active-duty Service members are paid on the 15th and the last day of each month. If either date falls on a holiday or weekend, you'll receive your pay on the preceding workday.

For additional assistance, contact your pay system online or by phone via the information listed below.

DoD — DFAS

► Online: https://mypay.dfas.mil/ then select "FAQ"

▶ Phone: 1-888-332-7411, option 5

Coast Guard Pay and Personnel Center – Direct Access

Online: https://www.dcms.uscq.mil/ppc/pd/da/

Phone: 1-866-772-8724

▶ PPC-DG-CustomerCare@uscq.mil

SLIDE 6: UNDERSTANDING YOUR PAY STATEMENT





Presenter Note

Ask participants to look at their own pay statement if they brought it and review each section. If they did not bring it, encourage participants to access their pay statement via their mobile device or follow along with the Understanding Your Pay Statement handout. The handout includes Leave and Earning Statement (LES) and Payslip examples.



Animated Slide

This slide has animations..

Your pay statement is a summary that shows all pay changes and information for the month including entitlements, which are pays and allowances, allotments, deductions, and pay-related remarks. It is your responsibility to review and verify your information each month. If your pay varies and you don't understand why, reach out to your installation finance office or your pay system directly.

Your pay statement includes the following sections:

Personal information: Contains information that identifies you including your full name, last four digits of your Social Security number, pay grade, pay base date, years of service and Expiration Term of Service (ETS).

Virtual Million Dollar Sailor: Military Pay **Producer Notes Presenter Content** Entitlements/Deductions/Allotments/Summary: This section lists the other figures that make up your monthly compensation, such as pay, allowances, taxes, deductions, garnishments (if any) and allotments. This section allows you to see exactly how your takehome pay is calculated. Date of initial entry into military service (DIEMS) is the date you signed your contract committing to the military. The type of military retirement plan for which you are eligible is shown in the Retirement Plan (RET PLAN) Box. Tax Summary: This is the tax summary paid for the period and the year. It shows the number of exemptions you claim for tax withholding. It is a good idea to keep your December pay statement as a backup for other IRS documents (like a W-2) to use when preparing income taxes. It is also important to ensure the Marital Status (M/S) block and number of exemptions (Ex) block are correct. Many military members enter the service using a designation of S 00 (single claiming zero) and may consider adjusting this once they marry or have children. Adjusting your exemption status can affect the amount of pay you receive. At PCS, some Service members may consider changing state residency, which can affect income tax withholding. Review DD Form 2058 and speak to a tax professional for more information. Pay Data: This section includes the specific information used to determine the allowances you are entitled to receive. The data includes dependent information, the ZIP code of your duty station, the amount of rent you pay if living off-installation, and unit identification number. Verify the ZIP code to ensure that you are receiving the proper BAH for the area in which you are living. SLIDE 7: UNDERSTANDING YOUR PAY STATEMENT (CONT.) **Producer Note** Paste URL into chat www.tsp.gov Presenter Note Continue with the review of the different pay statement sections. Animated Slide This slide has animations.. Thrift Savings Plan Summary: These boxes cover information on Traditional and Roth TSP contributions, including your contributions plus automatic and matching contributions from your agency. The rate boxes show the percentage of pay specified for contribution. The current

boxes show the amount contributed to TSP this pay period while the YTD shows the amount for the year. You can also review your TSP account at www.tsp.gov or on the TSP mobile app.

Leave Summary: This includes your beginning leave balance, the leave you have earned from the beginning of the fiscal year (Oct. 1) and the leave you have used, cashed in, or lost due to exceeding the maximum balance. Be certain to check "leave used" to make sure it is correct. Also check the "use/lose" block so you do not exceed the maximum allowable accrued leave.

Remarks: This section includes notes from your pay system regarding your monthly statement or other information, such as the starting or stopping of allotments or direct deposit, use of

Virtual Million Dollar Sailor: Military Pay

Presenter Content

Producer Notes

leave, garnishments, or general notes regarding pay, allowances, deductions, or other military benefits. It is important to review this section every time you get paid because it will notify you of any upcoming changes to your pay.

SLIDE 8:



PAY STATEMENT





Proceed through the interactive activity on screen. First, click on the left image to display an enlarged Navy/Army/Air Force earning statement.

Ask the participants to raise their hand and volunteer if they know the location of each of the sections listed below, then ask the volunteer to use drawing tools to mark the location on the slide. As each one is identified, or if the participants aren't able to identify a section, click on the image once to display a highlighted box around the section.

Review the sections in the following order:

- 1. End-of-Month Pay
- 2. Entitlements
- 3. Federal Tax Withholding Status
- 4. Allotments
- 5. Year to Date (YTD) TSP Contributions
- 6. Duty Station ZIP Code
- 7. Years of Service
- 8. Deductions
- 9. Current Leave Balance

Click on the red X in the top right corner of the last example on the slide to return to the main slide. If there are no Marine Corps learners in attendance, move on to the next slide. If there are, on the

main slide, click on the right image to display an enlarged Marine Corps earning statement. Follow the same steps as before.

Review the sections in the following order:

- 1. Forecasted Pay
- 2. Remarks
- 3. Federal Withholding Status
- 4. TSP Contributions YTD
- 5. Duty Station ZIP Code
- 6. Years of Service
- 7. Deductions
- 8. Current Leave Balance

Animated Slide

This slide has unique animations. You must click on the slide content to reveal the animations. Be sure to test animations during rehearsal to plan ahead.



Producer Note

This activity outlines all DoD provided pay statements. For DHS, please utilize the CG Payslip Handout during this activity. While the layouts are different, the terms and content are the same.



Producer Note

- 1. Activate drawing tools
- 2. Enable drawing tools for learners
- 3. Explain how to use drawing
- 4. Clear drawing tools after each section

Depending on your virtual platform, you might not have drawing tool feature. If not, use a similar process with the tools your platform provides.

Virtual Million Dollar Sailor: Military Pay

Presenter Content

Producer Notes

Field Trip Layout

SLIDE 9: TYPES OF PAY





Producer Note

- 1. Move to Field Trip layout
- 2. Return to Lesson 2 Military Pay presentation layout at the end of the screen share.

Presenter Note

Share your screen to display the most recent Basic Pay Table at https://militarypay.defense.gov/Pay/ Basic-Pay/Active-Duty-Pay/. Cue your producer to move to the Field Trip layout to share your screen.

There are three main types of pay: basic pay, special and incentive pays, and allowances.

- ▶ Basic Pay: This type of pay is the fundamental component of military pay. It is taxable and is determined by rank and years of service, and usually makes up the largest portion of a Service member's pay. The most up-to-date active-duty basic pay tables can be found at https://militarypay.defense.gov/Pay/Basic-Pay/Active-Duty-Pay/.
- **Special and Incentive Pays**: These pays are given to qualified Service members who have unique or specific skills, or have key occupation specialties. They can include Special Recognition, Skill Incentive, and Critical Skill and Reenlistment Bonuses and can be based on an annual lump-sum bonus, monthly pay, or pay when the duty is performed. Special and incentive pays may also be determined by location or duty status. Common examples include Hardship Duty Pay (HDP), Hostile Fire Pay/Imminent Danger Pay (HFP/IDP), Sea or Flight Pay, and Assignment Incentive Pay (AIP). (Note: There are over 60 special and incentive pays authorized.)
- ▶ **Allowances**: You may receive allowances to cover living, housing, travel, and moving expenses. Most are nontaxable and based on specific needs, which are reflected on your pay statement. Types of allowances include housing, subsistence, and moving or travel (dislocation) expenses. Let's get started with housing.

SLIDE 10: HOUSING ALLOWANCES





Presenter Note

Ask learners to raise their hand if they have ever lived off base. Then, tie in their experiences by asking follow up questions as the content is presented.

- Basic Allowance for Housing (BAH) is intended to offset the cost of housing when you do not receive government-provided housing. It is based on pay grade, location, and dependency status. BAH rates are set by surveying the cost of rental properties in each geographic location. There are different types of BAH including:
 - o Partial BAH which is paid to Service members without dependents who live on base in government quarters.

Virtual Million Dollar Sailor: Military Pay		
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BAH-DIFF which you are entitled to if you're paying court-mandated child support.		
 Cost of Living Allowance (COLA) is paid in certain U.S. and overseas locations to offset expenses due to being assigned to a high cost of living area. It is based on inflation and exchange rates. 		
 Overseas Housing Allowance (OHA) is for Service members who live in private housing at their overseas duty station. 		

SLIDE 11: ALLOWANCES





Presenter Note

Ask learners what other allowances they know of or want to know more about.



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There are several allowances that are designed to help cover specific needs, like food and housing. Let's cover a few of the most common ones.

- ▶ Basic Allowance for Subsistence (BAS) is designed to offset costs for meals. It is paid to all active-duty personnel except those serving in initial entry training. All enlisted Service members are paid the full monthly rate, but those required to eat in the mess hall will have most of the allowance automatically withdrawn from pay to cover the cost of their meals, including those eaten in government dining facilities.
- Basic Needs Allowance (BNA) is based on several factors including gross household income, duty location, and household size with the goal of promoting economic security for military families who may encounter financial hardships. Eligibility requirements apply. Service members are encouraged to get additional guidance and support on the application process from installation personal financial managers or counselors.
- Family Separation Allowance (FSA) provides compensation, under certain circumstances, to offset a reasonable amount of extra expenses incurred due to involuntary separation from dependents. It is important to know that FSA can be either "Unaccompanied" or "Separated" depending on circumstances, and Service members must submit DD Form 1561 (Statement to Substantiate Payment of Family Separation Allowance) to verify entitlement.
- ▶ Family Supplemental Subsistence Allowance (FSSA) depends on household size and income level. It is available to those serving outside the United States, Puerto Rico, the U.S. Virgin Islands, or Guam. Reach out to your family support center, command, or community services financial management counselors for additional information. Service members can apply via DD Form 2857 (FSSA Application).
- ▶ **Clothing Allowance** is a uniform/clothing allowance that is paid to enlisted members annually. Officers receive it once upon entry into the service. Services may provide this allowance in other circumstances as needed.

Presenter Content

Producer Notes

SLIDE 12: MOVING AND TRAVEL ALLOWANCES



The government pays for expenses associated with orders that require travel, usually after the travel is completed. This can include travel for a temporary duty assignment or permanent change of station (PCS). Types of travel allowances include:

- ▶ Mileage and Monetary Allowance in Lieu of Transportation (MALT) which is not intended to reimburse all the costs of operating a vehicle. It is based on the official distance between authorized locations and covers authorized travelers in the vehicle.
- ▶ **Per Diem** which is intended to cover lodging, meal, and incidental costs while on official government travel.

Allowances related specifically to a PCS include:

- ▶ **Dislocation Allowance (DLA**). It is intended to partially reimburse expenses incurred during a permanent change of station (PCS) and the amount depends on several factors including pay grade and dependency status.
- ▶ **Temporary Lodging Expense (TLE**) which provides partial reimbursement of lodging and meal expenses while staying in temporary lodging inside the continental United States (CONUS).
- ▶ **Temporary Lodging Allowance (TLA**) which is intended to partially pay for higher than normal expenses incurred while staying in temporary lodging outside the continental United States (OCONUS).

SLIDE 13: ADVANCE PAY



Advance pay is not an allowance but can be authorized if needed when moving.

- ▶ **Advance Basic Pay** may be authorized for up to three months' pay and is subject to command approval. Service members are required to submit an application.
- ▶ Advance BAH is intended to help offset the costs of moving into off-base housing. Service members can receive up to three months in CONUS and 12 months in OCONUS when moving into nongovernment housing. It is subject to command approval.
- ▶ **Be aware of the risks.** Remember that advance pay is like an interest-free loan that must be repaid and it can present financial risks to your long-term financial plan. Basic pay advances are paid back over a 12-month period, beginning one month after it is drawn. In some cases, repayment can be extended to 24 months. Repayments are automatically deducted from your paycheck so make sure your budget and spending reflect your current income and expenses.

Presenter Content

Producer Notes

SLIDE 14: ALLOTMENTS





Presenter Note

Ask learners how they would describe an allotment to someone brand new to the military.



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This slide has animations..

An allotment allows you to have money taken directly out of your pay and sent to a designated person or account. It can be a convenient way to pay bills, make charitable contributions, and manage your money. Allotments can have an indefinite or specific timeframe. You can start and stop allotments by filling out a form at your installation finance office or online by logging in to your pay system. There are two types, discretionary and nondiscretionary.

- Discretionary allotments are designated by the Service member to a specified individual, institution, or business for payment of recurring bills or for savings. No more than six are permitted at any given time. However, they are prohibited to purchase, lease, or rent personal property. Permitted discretionary allotments include:
 - o Dependent payments.
 - o Insurance premiums.
 - Mortgage or rent payments.
 - o Loan repayments.
 - o Savings.
- Nondiscretionary allotments can be made to a specifically designated agency or purpose and are not limited to a defined quantity. Nondiscretionary allotments are limited to the following:
 - U.S. Savings Bonds with a Treasury Direct.gov account.
 - o Relief loan payments to military relief societies like Army Emergency Relief, Navy and Marine Corps Relief Society, Air Force Aid Society, or Coast Guard Mutual Aid.
 - o Government loans.
 - Charitable contributions to the Combined Federal Campaign.
 - Privatized housing payments.
 - o Child and spousal support.
 - Delinquent taxes.

Presenter Content

Producer Notes

SLIDE 15: DEDUCTIONS



Deductions are amounts that come out of your paycheck, most of which are automatic. There are four types:

- ▶ Taxes This includes state and federal income tax, and Social Security and Medicare tax, known as FICA. Some states do not have income tax and some states exempt residents serving in the armed forces based on their home of record. Service members may choose to change their state of legal residency (which may be different from their home of record) provided they meet the requirements of the new state. Review DD Form 2058 and contact your pay office for additional information.
- ▶ Insurance Insurance deductions include premium costs for Servicemembers' Group Life Insurance (SGLI), Family Servicemembers' Group Life Insurance (FSGLI), and the dental health plan.
- ▶ Garnishments This is an involuntary deduction taken from your pay due to legal action against you. When a garnishment is ordered, the government is required to withhold money from your paycheck to pay your debts.
- ▶ Other pay withholding You can choose to have pay withheld for things like educational assistance programs or the Thrift Savings Plan (TSP) in your desired amount. This is also where you will see advance pay, BAH, or OHA repayments.

Producer Note

Paste URL into chat https://www.va.gov/lifeinsurance/options-eligibility/ sgli/

SLIDE 16: MILITARY BENEFITS





Presenter Note

Ask participants to share some of the noncash benefits they receive as Service members.



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There is much more to your military compensation than your take-home pay. Next, we'll cover key programs and benefits that are part of your compensation benefits.

▶ **SGLI and FSGLI** – Servicemembers' Group Life Insurance (SGLI) is a term insurance policy with coverage of up to \$500,000 per member. Coverage is available in \$50,000 increments. You can determine the amount of your coverage by checking the deductions or remarks section of your pay statement. If there is no deduction listed for SGLI, you are not covered. When you leave the service, SGLI coverage ends after 120 days. You can apply for Veterans' Group Life Insurance (VGLI) within one year and 120 days from your discharge for up to the amount of coverage you had through SGLI. Visit https://www.va.gov/life-insurance/optionseligibility/sgli/ for more information.

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Family Servicemembers' Group Life Insurance (FSGLI) is term life insurance coverage for your whole family. Providing you are covered by SGLI, your children will be automatically covered at \$10,000 per child at no cost to you. Your spouse may be covered up to \$100,000 or the dollar amount of your coverage, whichever is less. Coverage for spouses is not automatic and the cost varies by age.		
Make sure your beneficiary designations for SGLI and FSGLI are accurate. Update your life insurance beneficiaries if you've had a change in your family member status. A will or Record of Emergency Data (RED) is superseded by your SGLI beneficiary designation. Thrift Savings Plan (TSP) – The TSP is a defined-contribution retirement plan available		
through the U.S. government. It is a long-term retirement savings and investment plan, like a 401(k) plan offered to private-sector employees. Program benefits depend on which military retirement plan you are covered under, the Legacy or Blended Retirement System (BRS). Both systems provide tax benefits to encourage saving for retirement. Those covered under the BRS are eligible for automatic and matching contributions from their branch of service.		
▶ Survivor Benefit Plan (SBP) – No-cost automatic coverage is provided to those on active duty, and reserve component members who die of a service-connected cause while performing inactive duty training. SBP provides up to 55% of estimated retired pay to an eligible beneficiary upon the Service member's death. Upon retirement, Service members can purchase coverage of up to 55% of retired pay with premium payments coming directly from pretax retired pay.		
▶ Medical and Dental – Coverage is provided at no cost to active-duty Service members and at varying costs to family members depending upon the type of coverage selected. This coverage is not automatic, you must enroll your eligible dependents.		
▶ Education – Your branch of service, the Department of Defense (DOD), and the Department of Veterans Affairs (VA) recognize the importance of education and offer a variety of programs to help Service members in this area. Programs and benefits include apprenticeship and credentialing programs like the United Services Military Apprenticeship Program (USMAP), tuition assistance, GI Bills (Montgomery and Post-9/11), and in-state tuition for veterans. Eligibility, service requirements, and time limits vary depending on the program.		
▶ Leave – You earn 2.5 days of leave per month for a total of 30 days per year. Depending on duty assignments, you are also provided leave on federal holidays. In most cases, you can carry over a maximum of 60 days from one fiscal year to the next and are permitted to sell back a maximum of 60 days at the end of enlistment or when you separate from the military.		
▶ Retirement – Retirement benefits are available under the Legacy system and the BRS. These programs are covered in greater detail in the Wealth Building and Retirement Planning course.		
 Legacy – Those covered under the Legacy system must serve a minimum of 20 years to receive a pension benefit based on basic pay and years of service. 		
 BRS – Service members who joined the military on or after Jan. 1, 2018 are covered under the BRS. A smaller pension benefit is available after 20 years of service, plus automatic and matching TSP contributions, continuation pay, and a lump-sum option at retirement. 		

Virtual Million Dollar Sailor: Military Pay **Producer Notes Presenter Content** Military retirees and veterans with qualifying disabilities continue to receive commissary and exchange privileges, and health insurance.

SLIDE 17: MILITARY TAX CONSIDERATIONS





Presenter Note

Ask learners to share any military-specific tax benefits that come to mind.



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Serving in the military includes some notable tax benefits. Many allowances are not taxed, FICA is applied to basic pay only, and members may be exempt from paying state income taxes. The Servicemembers Civil Relief Act (SCRA) provides that a member of the military who is a legal resident of one state, but living in another due to military orders, is not liable to the second state for income taxes on his or her military income. However, if you receive nonmilitary income from the second state, you must pay state income taxes on that income. These and other benefits can provide a significant tax advantage. Let's review in further detail.

- ▶ FICA taxes FICA stands for Federal Insurance Contributions Act and covers Social Security and Medicare taxes withheld from all Service members' basic pay.
- ▶ **Federal taxes** Federal income tax withholding (FITW) is based on all pays; most allowances are exempt. FICA taxes are withheld from basic pay only. The amount withheld is determined by how you complete your IRS Form W-4, available at your installation disbursing office or pay system like myPay or Direct Access. The federal income tax system is a pay-as-you-go system, meaning as you earn your money, you must pay taxes on it.
- ▶ **State taxes** Your military compensation may be subject to state income tax withholding (SITW) for the state you claim as your legal residence. Be aware there may be a difference between your state of legal residence and your home of record.
- ▶ **Withholding** The amount of federal and state (if applicable) income taxes you must pay is defined by law. Tax returns are due on April 15th, however the due date can vary so check federal and state guidelines. Some people may withhold more than necessary and receive a tax refund. Others may not withhold enough and will be required to pay taxes by the filing deadline. It is key to review your pay statement and make sure your marital status and number of exemptions is accurate for your situation. You can update your withholding in myPay, your pay system, or via IRS Form W-4.
- ▶ Volunteer Income Tax Assistance (VITA) Program Taxes can be complicated. The good news is that you do not have to figure it out on your own. VITA provides free tax consultation and preparation services for Service members by trained tax professionals who understand military-specific issues.

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SLIDE 18: COMMON PAY PROBLEMS



Pay problems can happen when least expected. The good news is that there are steps you can take to fix them. The sooner a pay problem is identified, the better. Review your pay statement each month and get in touch with your installation finance office right away if you see an error. Here are a few common problems to look out for:

- Overpayments and underpayments.
- Unexpected repayments.
- PCS and deployment pay issues.
- Inaccurate exemptions.
- ► Inaccurate dependent status.
- Starting and stopping allotments.
- ► Too many allotments.
- Government credit card misuse.

SLIDE 19: POTENTIAL PAY SOLUTIONS





Presenter Note

Ask learners to to share what they have done to prevent, recognize or address pay problems.



Animated Slide

This slide has animations...

Now that you know what to watch out for, here are some ways to prevent and resolve common pay problems.

- Monitor your pay statement. Make it a habit to review your pay statement every time you get paid.
- Notify your installation finance office immediately when there is a change in family status meaning a marriage, birth, divorce, or death. Keep your Record of Emergency Data up to date and monitor your information in your pay system.
- Carefully monitor allotment start and stop requests and keep copies of associated paperwork for each allotment.
- Follow your spending plan and track your income and expenses. Now is a great time to get started if you don't have one set up.
- Use your government travel charge card (GTCC) for authorized expenses only.

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SLIDE 20: REPAYMENT OPTIONS



If you find yourself in a situation where you received pay or entitlements in error, the government is going to get it back. By knowing what you're entitled to and keeping track of your pay and benefits information, you can set aside any money you received that you should not have. However, Service members may not catch these errors right away. This can cause financial hardship when the government recoups the money. Let's discuss a few options that may help ease the burden.

- Extend the repayment period. Contact your finance office or pay system (myPay or Direct Access) to arrange for a longer repayment period. Explain your situation and be prepared to provide command support to justify why you need more time for repayment.
- Make payment arrangements. Contact your pay system to see if an arrangement can be made that is better aligned with your financial situation.
- Submit a waiver of indebtedness. This can provide some breathing room to sort out your finances. In this scenario, all pays and allowances return to their original amount for a period of time. This is not an option to be taken lightly; it is a complicated form and must be approved by your command. The indebtedness issue must be resolved, however this extra time can provide you with an opportunity to work out a repayment plan that is easier on your budget.

Meet with your finance office or command to complete a request for repayment options.

SLIDE 21: SOURCES OF HELP





Presenter Note

Familiarize yourself with the resources available at the websites listed below.

There are many resources available to help you understand your military pay and benefits including the following websites and local support.

Websites:

- ▶ The Office of Financial Readiness (FINRED) https://finred.usalearning.gov/
- ▶ Volunteer Income Tax Assistance (VITA) Program https://www.militaryonesource.mil/ benefits/volunteer-income-tax-assistance-program/
- MilTax https://www.militaryonesource.mil/financial-legal/taxes/miltax-military-tax-services/
- ► CGSUPRT www.CGSUPRT.com

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 Additional support and assistance: Personal Financial Managers, Personal Financial Counselors, or Financial Readiness Program Specialists at your local military and family support center Command/Unit Financial Specialist (for Navy, Marine Corps, and Coast Guard) Installation legal office Military aid and relief societies 		
SLIDE 22: CONCLUSION Conclusion - Recognit Many Pay - Many Pay Parties - Tax Consideration - Tax Consideration - Recognit - Recognit Many Pay Parties and How to Cornel Then - Recognit		
Facilitate the summary slides and turn the class over to the producer.		
Understanding and managing your military pay is key for good financial planning. Use this information to place yourself on the road to financial success by knowing what you are entitled to and by keeping track of your pay and benefits information. In review, we covered how to manage your military pay, types of pay and benefits, tax considerations, common pay problems, and resources. Does anyone have any final questions about the information we covered today? Thank you for your participation! Congratulations on completing Military Pay training.	Producer Note Move to Lesson 3 layout	

Lesson 3: Planning for Your Financial Future **Description**

This course is expected to take approximately 60 minutes to teach. Planning for Your Financial Future provides information and tools for understanding motivations regarding money, writing SMART financial goals and developing a personal spending plan to achieve personal financial goals.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- ▶ Planning for Your Financial Future Instructor Guide
- ▶ Planning for Your Financial Future PowerPoint Presentation
- Spending Plan Worksheet Handout
- ► SMART Goals Handout
- ► Financial Values Handout
- ► Money Personalities Video https://finred.usalearning.gov/Hosted/video/MoneyPersonalities
- ► Spending Plan Video https://finred.usalearning.gov/Hosted/video/PFCSpendingPlan

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should have attained the knowledge and skills necessary to develop personal financial goals and make adjustments to personal spending to attain those goals.

Course Outline

- 1. Welcome and Introduction (2 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. Money Personalities (6 minutes)
 - A. Money Personalities (optional video)
 - i. Money personality descriptions
 - ii. Financial strategies
 - a. Spenders
 - b. Givers
 - c. Savers
 - d. Investors
- 3. The Power of Planning (7 minutes)
 - A. Wishes vs. Goals
 - B. Characteristics of SMART goals
 - i. Which is a SMART Goal?
 - ii. Activity: SMART Goal Challenge
 - iii. Prioritize and Quantify Goals
- 4. Developing Your Spending Plan (40 minutes)
 - A. Spending Plan (optional video)
 - i. Four Steps to Developing a Spending Plan
 - B. Activity: Spending Plan Worksheet
 - C. Your Action Plan
 - D. Improve your cashflow
- 5. Resources (3 minutes)
 - A. Websites
 - i. Office of Financial Readiness
 - a. Sen\$e Mobile App
 - ii. Military OneSource
 - a. Financial and Legal
 - B. Additional support resources
 - i. Personal Financial Manager (PFM)
 - ii. Personal Financial Counselor (PFC)
- 6. Conclusion (2 minutes)
 - A. Summary and Review
 - B. Final Questions

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod with videos downloaded
	 https://finred.usalearning.gov/Hosted/video/MoneyPersonalities
	 https://finred.usalearning.gov/Hosted/video/PFCSpendingPlan
	▶ Downloads
	My Rating As A Money Management Handout
	SMART Goals Handout
	Spending Plan Worksheet Handout
	Financial Values Handout
	▶ 3 Presentation Planning for Your Financial Future share pod
	► Chat pod
	 Share one thing you hope to get out of todays training.
Housekeeping	▶ Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
3 Presentation Planning	▶ Notes pod with dial in information
for Your Financial Future	► General chat pod
	► General chat pod
	▶ 3 Presentation Planning for Your Financial Future share pod
	► Attendee pod
	▶ Reaction tools
Field Trip	Notes pod with dial in information
	► General chat pod
	► Screenshare pod
	► Attendee pod
	▶ Reaction tools
Spending Plan	Notes pod with dial in information
	► General chat pod
	► Attendee pod
	► Reaction tools
	Countdown timer
	► Spending Plan Worksheet share pod
	▶ Weblinks pod

Presenter Content

Producer Notes

Classroom Management and Content Lesson 3

SLIDE 1: WELCOME TO PLANNING FOR YOUR FINANCIAL FUTURE



Welcome to the *Planning for Your Financial Future* lesson.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





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This slide has animations..



Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.

Presenter Content

Producer Notes

In this lesson we will cover the following topics:

- ► Money Personalities
- ► The Power of Planning
- Developing Your Spending Plan
- Resources



Presenter Note

Ask learners to raise their virtual hand if they want to be wealthy or make work optional as soon as

For most people, wealth is determined by how you manage your finances and not how much money you make.

Today we are going to discuss some important aspects of financial planning which are setting goals and building a spending plan. To live comfortably and build wealth it is important to develop these fundamentals of financial planning so that they become a habit.

SLIDE 3: MONEY PERSONALITIES





Handout

Refer learners to the Financial Values and My Rating as a Money Manager handouts. Explain that the handouts are resources learners can use to learn about their views of money and money management.

Understanding your own motivations regarding money can help you identify how you can use your spending plan to help you achieve your goals.

MONEY PERSONALITIES SLIDE 4:





Presenter Note

Cue the producer to bring in the Money Personalities video.

Access FINREDS most current video at this link https://finred.usalearning.gov/Hosted/video/ **MoneyPersonalities**



Producer Note

- 1. Bring in Money Personalities video
- 2. Provide instructions for video playback
- 3. Play video
- 4. Hide video

Presenter Content

Producer Notes



Activity

Explain that how we think, speak, and approach our finances may be influenced by our "money personality."

Play the Money Personalities video (runtime: 3 minutes 34 seconds) followed by a short group discussion to identify learner's money personality and generate strategies for balancing financial needs and wants for each of the four personalities. What personality do they think they have? (6 minutes)

Note: If you chose not to play the video, provide the information below about each money personality and then ask learner's to identify which personality they think they are. Ask the group to generate ideas on strategies for balancing financial needs and wants for each of the four personalities.

Money Personality Descriptions

Spenders

- ▶ They are emotionally connected to spending.
- ▶ They associate spending money with gaining the acceptance and respect of others.
- ▶ They are prone to "Retail Therapy"; spend money to make themselves happy.
- ▶ Their financial goals will likely include purchasing a new car or a better home.

Savers

- ▶ They like the security of having money in the banks.
- ▶ They tend to be conservative in their savings.
- ► Their financial goals will likely include maintaining an emergency fund and becoming debt free.

Givers

- They show love by spending money on others.
- ▶ They will often spend money on gifts or experiences for loved ones.
- ▶ Their financial goals often involve leaving a legacy for their family. This can include investing in life insurance and estate planning.

Investors

- ▶ They see money as a tool to be used to achieve financial goals.
- ▶ They may be willing to take on more financial risk in pursuit of higher returns.
- ▶ Their financial goals often focus on achieving fully funded retirement accounts.

Financial Strategies

Suggested high-level strategies for each money personality are as follows:

- Spenders
 - Consider using cash over credit to avoid going into debt.
 - Budget for impulse spending.
 - Implement a waiting period before making an impulse buy. This gives you more time to consider the need for the purchase.

Virtual Million Dollar Sailor: Planning For Your Financial Future **Presenter Content**

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Savers

o Consider the difference in financial returns on investing versus standard savings.

Givers

- Remember to pay yourself first.
- o Budget for gifts.

Investors

- Create a backup plan in case a risky venture does not result in expected returns.
- o Establish an emergency fund to prevent the need to prematurely pull funds out of investments to cover everyday expenses.

SLIDE 5: THE POWER OF PLANNING



In this topic we will look at how having a plan for your money can truly make a difference in your financial health.

SLIDE 6: WISHES VS. GOALS





Presenter Note

Ask learners what they think is the difference between a wish and goal.

Allow learners a few moments to talk about what they think the difference is between a wish and a goal.

The difference between a wish and a goal is having a plan to get you where you want to be. A wish is something you desire and typically involves no effort.

Example: I wish I could win the lottery.

The fact of the matter is that we all wish for something but often do not put an effort toward attaining our wish.

A goal, on the other hand, is something you work to accomplish. Goals require planning and demand effort.

Example: I wish to travel to a tropical island; therefore, I will need to set a date and save the money required to cover airfare and lodging and to eat and explore.

When it comes to attaining goals, having a plan for your money can truly make a difference. And, if you are going to turn wishes into goals, you need to understand how to develop SMART goals.

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SLIDE 7: CHARACTERISTICS OF SMART GOALS





Presenter Note

Ask learners to use reaction tools to identify who has heard of SMART goals.

Successful people have SMART financial goals! They take control of their money, plan how their income will be spent or saved, and commit to their goals in writing.

Goal setting is an important part of personal financial management. Goal setting helps you decide what you want to accomplish with your money and clearly define the steps needed to get there.

SMART goals are Specific, Measurable, Achievable, Realistic, and Time-Bound.

Specific: When setting up financial goals, you must make them specific.

- Goals should be straightforward and emphasize what you want to happen.
- ▶ Specifics help you focus your efforts and clearly define what you are going to do.
- ▶ Being specific is determining the what, why, and how of the goal.

Measurable: If you cannot measure your goal, you cannot manage it.

- Establish concrete criteria for measuring progress toward the attainment of each goal you set.
- Measuring your progress helps you stay on track and reach your target dates and experience the exhilaration of achievement that spurs you on to continue your efforts and reach your goal.

Achievable: Good financial goals are ones that you can reach; otherwise, you probably will not commit to them.

Realistic: The goal should be attainable and practical. A realistic goal is designed within your current financial means.

Time-bound: You should be able to complete the goal within a set timeframe: one week, three months, by retirement, and so forth. SMART goals can be short, intermediate, or long term.

Using SMART goals helps you to create a clear target to work toward and gives you a sense of urgency, which makes you more likely to reach the goal.

Now, let's look at an example of a SMART goal.

Presenter Content

Producer Notes

SLIDE 8: WHICH IS A SMART GOAL?





Presenter Note

Ask learners, which goal statement meets all of the characteristics of a SMART Goal? Then, ask learners if the goal is specific, measurable, achievable, realistic and time-bound. Allow learners time to respond to each question.

Only one of them is a SMART goal. The correct answer is Goal B.

Specific

- Goal A's objective is vague. How much money is "enough"? What is the saving strategy? When exactly does this person want to retire?
- ▶ Goal B's objectives are clearly stated—a set dollar amount should be saved in a specific account by a particular age.

Measurable

- ▶ Goal A's objective is unclear. It would be very difficult to measure success for the goal.
- Goals B's progress is easy to track by checking the balance in the TSP account as it builds up over time.

Achievable

- ▶ Goal A is worded in a general way that makes it tough to assess whether it is achievable or not. If the individual thinks "enough money" is two million dollars but they are already age 50 and only has five thousand dollars in a TSP account, then this goal is not achievable without major outside help.
- Goal B is achievable, assuming that the individual has sufficient time to save the targeted amount by the set date.

Realistic

- Goal A does not give enough data to determine if it is realistic.
- Goal B may be realistic depending on if the individual is capable of investing \$400 per month.

Time-bound

- ▶ Goal A has no fixed end date.
- Goal B has a fixed end date—when the individual turns 63.

Presenter Content

Producer Notes

SLIDE 9: "SMART GOAL CHALLENGE





Producer Note

1. Set countdown for 4 minutes



Handout

Refer learners to the SMART Goals handout.



Activity

Encourage learners to write one SMART personal financial goal they want to achieve in the next 12 months. Cue the producer to bring in countdown timer. Give learners 4 minutes to complete the activity. Ask volunteers to share their SMART Goal.

SLIDE 10: PRIORITIZE AND QUANTIFY GOALS



If you are like most people, you probably have more than one financial goal. What do you do then? You will need to prioritize your goals.

To do this, decide which goal is most important to you and rank the remaining goals.

- ► Foundational goals like building emergency funds and protecting against unplanned events should take priority.
- ▶ Another important goal to consider is saving for retirement since it requires accumulating a large amount of money and this takes time.

After prioritizing your goals, write down when you want or need to reach each goal and how much money is needed to achieve the goal (as shown in example on the slide).

The example is for a person who has added a new child to their family and who wants to increase their emergency savings by \$2,400. They also want to save for a new car and their child's education. They are calculating the education goal based on their newborn starting college in 18 years, however, if their 7-year-old car is beginning to show its age and will need to be replaced in a few years, this new car goal will be more immediate is a higher priority, at least temporarily, over saving for the education of a newborn. *\$185 per month assumes an average 7% rate of return, compounded monthly, in an education savings account.

It is important to think these goals through. Once you know the amount needed, you can budget (allocate) for the expense and create your spending plan.

Keep in mind what inflation will do to your goal over time, especially if your goal is a long way off. In these cases, you may want to utilize a financial calculator or speak to a Personal Financial Counselor to help determine how much you will need to save.

Presenter Content

Producer Notes

SLIDE 11: DEVELOPING YOUR SPENDING PLAN





Presenter Note

Ask learners, which goal statement meets all of the characteristics of a SMART Goal?

Then, ask learners if the goal is specific, measurable, achievable, realistic and time-bound. Allow learners time to respond to each question.

Many studies have shown that having an organized, written spending plan is a critical first step for individuals who want to take control of their money and relieve stress.

In this next topic I will introduce you to a simple tool you can use to plan and monitor your spending.

SLIDE 12: SPENDING PLAN





Presenter Note

Cue the producer to bring in Spending Plan video (runtime: 2 minutes 55 seconds). The video introduces learners to the four steps in preparing a budget. Before playing the video, advise learners the first step in developing a spending plan is understanding the budgeting process. Ask learners to share their key takeaways from the video.

Access FINREDS most current video at this link https://finred.usalearning.gov/Hosted/video/ PFCSpendingPlan.



Producer Note

- 1. Bring in Spending Plan video
- 2. Provide instructions for video playback
- 3. Play video
- 4. Hide video
- 5. Display Slide 13 at the end of the video

SLIDE 13: FOUR STEPS TO DEVELOPING A SPENDING PLAN





Presenter Note

Ask learners to share their thoughts on the four steps to developing a spending plan. Do they have any outstanding questions about the steps? If you did not play the video, briefly describe the four steps outlined below.

Step 1. Understand Your Current Situation

- ▶ Know what money is coming in and where your money is going.
- Track your spending.

Presenter Content

Producer Notes

Step 2. Know Where Your Money Should Go

- ► Save and invest 10–15% of pre-tax income.
- Limit housing to basic allowance for housing (BAH) or 25% of pre-tax income.
 - Housing includes mortgage or rent, taxes, utilities, and maintenance.
- Keep transportation expenses (auto payment, insurance, gas, and maintenance) at 15–20% of pre-tax income.

Step 3. Create a Plan

- ▶ Set limits on how much you will spend each month.
- ▶ Balance needs and wants.

Step 4. Make Adjustments

- Revisit and update your plan as your life changes:
 - o Get a pay increase / decrease.
 - Deploy or make a permanent change of station (PCS) move.
 - o Change in family situation.

Spending Plan Layout

SLIDE 14:



SPENDING PLAN WORKSHEET





Handout

Refer learners to the Spending Plan Worksheet handout.



Activity

Explain to the learners the purpose of this activity is to help them identify information they need to complete their spending plan. Encourage learners to complete this activity whether they run the budget in their household or not. Recommend that those who do not normally maintain the family budget check with their spouse to identify gaps.

Give learners 20 minutes to complete the activity. If time permits, learners can calculate how much of their income they should spend on housing and transportation, etc. The activity, including debrief, should not exceed 30 minutes.

Debrief the activity by asking the group if this activity has helped them identify where they have money left to save or spend. Explain that if their expenses are more than their income, they should look for expenses to reduce or cut.



Presenter Note

Students during this activity they will quickly realize they may not have all the information to accurately complete a spending plan and it is okay. The activity's purpose is to get them thinking about their spending. When learners encounter gaps, encourage them to make a note so they can retrieve this information later.



Producer Note

- 1. Set countdown timer for 20 minutes
- 2. Return to 3 Presentation Planning for Your Financial Future layout at the end of the activity

Presenter Content

Producer Notes

SLIDE 15: YOUR ACTION PLAN





Animated Slide

This slide has animations..



Presenter Note

Ask learners to brainstorm what someone could do if they do not have enough money to put toward their SMART goal after completing the spending plan worksheet. Learners may come off mute or use the chat pod to share ideas.

With a plan in place, you have the tools you need to take action to improve your financial future:

- Start by setting SMART goals
 - Establish emergency fund
 - Eliminate debt
 - Save for future
- Develop a spending plan to meet these goals
- ► Review your progress at least annually
- Adjust your plan as necessary

SLIDE 16: IMPROVE YOUR CASHFLOW





Animated Slide

This slide has animations...



Presenter Note

Ask learners to brainstorm actions that can improve cashflow. Call on learners to share their ideas verbally.

There are three actions to take when working to improve your cash flow. Each of these steps requires some serious consideration and possibly some further exploration.

First action: Increase your income.

- ▶ You can do this by seeking a promotion, getting a second job, or adjusting your income tax withholding.
- Making tax adjustments should not be done without consulting a tax professional or a financial counselor. A simple misjudgment in adjusting your taxes could leave you owing the IRS, so ensure you use your resources.

Virtual Million Dollar Sailor: Planning For Your Financial Future **Presenter Content Producer Notes Second action:** Decrease your living expenses. Question yourself, "Do I really need to make this purchase now?" ▶ Get into the habit of reducing, reusing, and recycling the material things you already own.

Third action: Decrease indebtedness.

- You can do this by using a power payment program where you apply extra funds to highinterest debts in order to get them paid off more quickly.
- ▶ A personal financial counselor or other qualified financial counselor at your Military and Family Support Center can give you more information on power payment programs and provide debt management resources.

Any one of these actions on its own can help you erase a deficit. A combination involving two or three actions will help you increase your cash flow and get your personal finances on track to attain your financial goals even more quickly.



Presenter Note

Encourage learners to take a few moments to make changes to their Spending Plan Worksheet based on ideas the groups generated in the discussion.

SLIDE 17: RESOURCES



In this final section we will look at some of the free resources that available to help you achieve personal financial success.

SLIDE 18: WEBSITES





Presenter Note

Familiarize yourself with these websites:

- FINRED-information about a wide range of financial topics and the Sen\$e mobile app https://finred.usalearning.gov/
- Military OneSource-information about personal finance www.militaryonesource.mil/



Animated Slide

This slide has animations..

The Office of Financial Readiness website is a great resource for Service members and their families to find information and assistance in achieving and maintaining financial readiness.

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Presenter Content	Producer Notes
The website provides many different resources regarding personal finance articles, worksheets, calculators, and tips on topics such as spending and saving, credit and collections, and taxes. The Sen\$e mobile app is a great new resource to use for financial education on the go. Visit the app store on your device and download the app today. The app includes a Spending Plan tool. You can access additional personal finance resources on the Military OneSource website.	

SLIDE 19: ADDITIONAL SUPPORT RESOURCES





Animated Slide

This slide has animations..

If you would like to learn more about financial planning, consider talking to a financial professional. There are two types of financial professionals available to you at no cost: Personal Financial Manager and Personal Financial Counselor (PFC).

These individuals have a degree and are nationally certified. They can provide you with personal financial counseling and financial education and training, like the session today.

- ▶ To find a Personal Financial Manager at your nearest installation visit the Military OneSource website.
- ▶ To find a PFC check out PFC locator map on the Office of Financial Readiness website. These individuals are available 24/7, 365 days a year.

SLIDE 20: SUMMARY AND REVIEW





Presenter Note

At the beginning of the session if you asked learners to write down one thing, they hoped to learn from attending the training today, ask them if they learned what they had hoped they would, and if not to share with the group what they wrote down.

Provide a short answer or explanation to what learner's shared and invite them to make an appointment with a personal financial counselor to learn more

Presenter Content

Producer Notes

Producer Note

1. Move to Summary layout

2. Conclude training



Presenter Note

SLIDE 21: FINAL QUESTIONS

Ask learners if they have any final questions about the topics we covered today?

Facilitate the summary slides and turn the class over to the producer.

As you have learned, to live comfortably and build wealth it is important to develop key fundamentals of financial planning so that they become a habit.

In review, we covered:

- ► Money Personalities
- ► The Power of Planning
- ▶ Developing Your Spending Plan
- Resources

Thank you for your continued participation.

Congratulations on completing *Planning for Your Financial Future* training.

Lesson 4: Consumer Awareness

Description

This course should take approximately 60 minutes to teach. Through a series of PowerPoint slides, the learners receive information to become more knowledgeable consumers. This course will cover consumer issues including identification and protection from misleading or fraudulent consumer practices, marketing and advertising tactics directed toward the military community, how to make intelligent purchases, identity theft prevention and resolution, and how to manage consumer issues and complaints.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- Consumer Awareness Instructor Guide
- Consumer Awareness PowerPoint Presentation
- ▶ Military Consumer Awareness Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- Discuss how to identify misleading and fraudulent consumer practices in marketing and advertising.
- ldentify how to make an informed purchase.
- ▶ Describe strategies for preventing and coping with identity theft.
- ▶ Recognize laws, resources, and procedures to protect their consumer rights.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. Misleading and Fraudulent Practices (10 minutes)
 - A. Activity: Military Targeted Ads
 - B. Consumer advertising techniques
 - C. Common schemes
 - D. Why are Service members vulnerable?
- 3. Smart Purchases (10 minutes)
 - A. Tips to guide shopping decisions
 - B. Advantages and disadvantages of payment options
- 4. Identity Theft (10 minutes)
 - A. Signs of identity theft
 - B. Reduce the risk of identity theft
 - C. Steps to resolve identity theft
 - D. Activity: Deter, Detect, Defend
- 5. Military Consumer Protection (15 minutes)
 - A. Military Lending Act
 - B. Types of predatory lending practices
 - C. Servicemembers Civil Relief Act
 - D. Federal and State Protection Laws
 - E. Resolving complaints
 - F. Sources of support
- 6. Sources of Help (5 minutes)
 - A. Websites
 - B. Additional support and assistance
- 7. Conclusion (5 minutes)
 - A. Summary and review
 - B. Questions

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	➤ Welcome chat pod
	▶ Video pod
	▶ Downloads
	Military Consumer Awareness Handout
	▶ 4 Presentation Consumer Awareness share pod
	► Chat pod
	Tell us how your training is going so far.
Housekeeping	▶ Notes pod with dial in information
	▶ Parking lot chat pod
	▶ Welcome chat pod
	▶ Housekeeping
Presentation Consumer Awareness	▶ Notes pod with dial in information
	► General chat pod
	► Consumer Awareness Presentation share pod
	► Attendee pod
	▶ Deter, Detect, Defend poll pod
	▶ Reaction tools

Presenter Content

Producer Notes

Classroom Management and Content Lesson 4

SLIDE 1: WELCOME TO CONSUMER AWARENESS



Welcome to today's lesson on consumer awareness. Today's course aims to help you be a smarter consumer. From understanding and safeguarding against misleading or fraudulent practices to deciphering marketing tactics tailored to the military community, we will equip you with the knowledge and tools to make informed

decisions. We will also explore strategies for making smart purchases, delve into identity theft prevention and resolution, and address how to manage consumer issues and complaints effectively. Lastly, we will focus on some military legal protection laws that provide unique safeguards for you and your family. Consumer education is the key to avoiding bad deals, scams and fraud in the marketplace. This course will help you recognize the warning signs of fraud to help you protect your finances.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

Presenter Content

Producer Notes

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor



Animated Slide

This slide has animations...

In this lesson we will cover the following topics:

- ► Misleading and Fraudulent Practices
- ► Smart Purchases
- Identity Theft
- Military Consumer Protection

MILITARY TARGETED ADS





Producer Note

Remind learners to unmute



Activity

Ask learners to examine the ads and identify ones specifically targeted to the military. You may also prompt learners to open ads on their digital devices to share with the group. Once identified, ask them what it is about the ads that would appeal to Service members. Are any recurring themes, messaging, or appeals used in the ads targeting Service members and families specifically? What emotions or values do the ads appeal to? Ask learners why they think these companies used these images. Ads often have incorrect grooming standards, as we see in these examples. How does this affect your impression of the company?

As you can see marketing and advertising are designed to persuade you to make a purchase. Most marketing campaigns follow a simple formula to get you to buy a product: They get your attention, build your interest and desire, and spur you to action. You could be exposed to as many as 5,000 advertisements daily, depending on your lifestyle. These come at you from all angles — from the billboard and radio ads on your way to work to ads on social media and your favorite websites. We'll talk about marketing tactics in a moment, but the key takeaway from this activity is the importance of examining a potential purchase or contract in detail to ensure it is the best deal for you. By understanding the tactics advertisers employ, you can make more informed decisions and mitigate the influence of targeted advertising. Next, let's review some standard advertising techniques used by businesses.

Presenter Content

Producer Notes

SLIDE 4: "CONSUMER ADVERTISING TECHNIQUES





Use pointer tool to highlight specific content being referenced.

Pick two or three topics from the list below and ask learners to share if they have had experience with these advertising techniques. Learners will have an opportunity to revisit this after the review.

Most advertisements use specific techniques based on the product and target audience to get you to buy more in quality or quantity than intended or to spend more than planned. Ads may also try to get you to buy something you neither wanted nor needed and to buy it repeatedly. It's essential to be aware and understand the influence of advertising and not let high-pressure sales tactics influence you to make poor consumer choices.

Here are some of the ways that advertisements will capture your attention, appeal to your logic or emotions and influence your decision to buy a product or service:

- ▶ **Affinity marketing** Attempt to capture the military or veteran community.
- ▶ **Beauty appeal** Beauty attracts us; we are drawn to beautiful people, places, and things.
- ▶ **Celebrity endorsement** Ads will associate a product use with a well-known person.
- **Escape** Getting away from it all is appealing and desirable.
- ▶ Independence/individuality Products are linked to individual decision-making.
- ▶ **Intelligence** Associates the product with smart people who cannot be fooled.
- ▶ **Lifestyle** A product is associated with a particular style of living or way of doing things.
- ▶ **Nurture** These ads associate products with caring for others.
- ▶ **Peer approval** Associates the use of the product with friendship and acceptance.
- ▶ Rebellious Associates the products with behaviors or lifestyles that oppose society's norms.
- ▶ **Rhetorical question** This technique asks the consumer a question that demands a response that affirms the product's goodness.
- ➤ **Scientific/statistical claim** Provides scientific proof or experiment, specific numbers, or an impressive-sounding mystery ingredient.
- ▶ **Unfinished comparison/claim** They use phrases like, "Works better in poor driving conditions!" The question you should be asking is "Works better than what?"
- ▶ Meaningless Terms Advertisements often employ meaningless terms to make a product sound desirable. These include terms such as "greatly reduced" (from what?), "below cost" (how do they stay in business selling this way?), and "now or never" (which creates a sense of urgency on your part to buy or miss the opportunity). Now-or-never ads are often used in high-pressure sales such as timeshare vacations. Another common term in high-pressure sales is "special purchase," which is usually an excuse to raise the price with unique features and looks.

Producer Note

- 1. Activate drawing tools
- 2. Enable drawing tools for learners
- 3. Explain how to use drawing tools
- 4. Clear drawing tools at the end of the activity
 Depending on your virtual platform, you might not have a corresponding audience response feature. If not, use a similar process with the tools your platform provides.

Presenter Content Producer Notes Activity After discussing consumer advertising techniques, cue producer to activate drawing tools. Encourage learners to use drawing tools to identify at least one consumer advertising technique they have personally experienced, based on what they know now.

SLIDE 5: COMMON SCHEMES AIMED AT CONSUMERS



Despite the consumer alerts, warnings, and consumer education, there still is abundant misleading and illegal business in the marketplace. According to the Federal Trade Commission, consumers reported 2.6 million fraud complaints with a total loss of \$10 billion in 2023. Military consumers reported over 93,000 fraud complaints, including 42,766 imposter scams that cost them over \$178 million. Under the right circumstances, anyone is susceptible to being deceived or cheated. However, fraud is one of the few crimes you can decline to participate in if you recognize the warning signs. Being informed and aware as a consumer can help you avoid potential fraud and scams.

Technological Tools: Scammers may use technology to facilitate their crimes including skimming, ID spoofing, and phishing schemes. Legitimate businesses will not contact you and ask for your username and password. Do not click on any content in an unsolicited email or text and be cautious with your downloads. Set up two-factor authentication when possible.

Let's review some key terms and examples to increase your awareness.

Misrepresentations: Misrepresentation is not necessarily illegal, but it is confusing. Sellers mislead you by making you believe the deal is different than it is. A key point to remember is that while some business practices may not be ethical, they are not illegal. This is why caveat emptor ("let the buyer beware") applies without legal guidance. Be on the lookout for door-to-door sales, sweepstakes prizes and contests, gifts, and merchandise you did not order.

Scams: A scam is an act of exploitation but not necessarily illegal. Scams take advantage of areas where consumer laws do not provide protection. Be wary of free home-inspection deals, get-rich-quick deals, pyramid schemes, work-at-home schemes, Internet-based business opportunities, Internet scams and predatory lending.

Frauds: Fraud is a deliberate deception. It is usually illegal, and there are numerous laws to protect you. Be on the lookout for email fraud, identity theft, goods and services fraud and telemarketing fraud.

Visit https://www.usa.gov/scams-and-fraud for useful information including updated material on common scams and frauds to help you stay clear and be a savvier consumer.



Producer Note

Paste URL into chat https://www.usa.gov/scams-and-fraud

Presenter Content

Producer Notes

SLIDE 6: WHY ARE SERVICE MEMBERS VULNERABLE?





Presenter Note

Ask learners to share why military personnel are targets for consumer predators.



Animated Slide

After sufficient time for learner responses, click to animate slide content.

As you can see there are several possible reasons. Because of some of the unique aspects of military life, consumer predators often target Service members. Many businesses near military installations employ high-pressure sales tactics and can be predatory and unethical in their sales and lending practices. These unscrupulous businesses may advertise in nationally published and widely read news sources geared toward the military community, even though these publications are not official government sources. Additional factors that may make Service members more vulnerable include:

- ▶ A steady paycheck and a willingness to spend it.
- Service members may have limited consumer education and are eager to experience new things and places.
- ▶ More Service members marry young and may have more significant financial needs.
- ▶ Service members' patriotism and military status often make them targets for affinity marketing.

These factors may make the military consumer, especially the inexperienced military consumer, susceptible to scams and fraud in the consumer marketplace.

SLIDE 7: TIPS TO GUIDE SHOPPING DECISIONS





Presenter Note

Ask learners to share some tips making smart purchasing decisions.



Animated Slide

After sufficient time for learner responses, click to animate slide content.

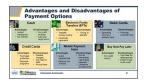
Being an informed consumer can help you avoid potential pitfalls and scams and empower you to make better decisions. You will be able to recognize deceptive advertising and become more discerning and critical in your decision-making process. Making smart purchases is

Virtual Million Dollar Sailor: Consumer Awareness		
Presenter Content	Producer Notes	
necessary for consumer awareness, ensuring that you get the best value for your money while avoiding common pitfalls and deceptive practices. Whether shopping for everyday necessities or making a large purchase, making informed decisions that align with your needs and spending plan is important. Remember, spending on a major purchase doesn't mean you have to risk your financial future in the process. It is possible to make a large purchase and still be smart about it. Strive to be a savvy consumer who considers sales cycles and seasonal discounts when making purchases.		
Let's review some tips to help you make smart purchasing decisions.		
Is it a want or need? Be honest when you ask yourself if this purchase is necessary. For example, you may need a car but consider your requirements first. Do you need a two-door car? What type of vehicle will meet your functionality needs? You should be just as excited about making a smart purchase as you are about what you want to buy.		
Know what you can afford. Have a spending plan and stick to it. Your spending plan should include your financial goals, which can help you stay on track and avoid impulse buys. Your spending plan can also help you monitor your accounts and detect unusual or potentially fraudulent activity.		
Do your homework. Know the product and the merchant before you buy. Never buy anything that you do not understand. Take time to do your research and evaluate how your potential purchase, plus any additional or ongoing costs, fits into your spending plan. Shop around online and in-person to compare prices. Check out your installation exchange and businesses that offer military discounts.		
Check the warranty/guarantee. When comparing products and services, don't forget to check the warranty or guarantee which may save you repair or replacement costs in the future. Ask questions to understand if a manufacturer or limited warranty is included in the purchase price and carefully consider the need for an extended warranty at an additional charge.		
Get agreements in writing. Keep written agreements as a record for products and services. Save printed and digital receipts as proof of purchase.		
Too good to be true? Things that seem wonderful on the surface can sometimes include hidden costs or contractual obligations. Make sure to read the fine print and understand all of your short- and long-term responsibilities when making a purchase.		
Sleep on it. Wait 24 hours before making a major purchase to help you avoid impulse buying. Do not be rushed into signing anything. If the deal is not good tomorrow, it is not a good deal. Unplanned purchases not only undermine your spending plan but also mean you have not done any research or comparison shopping, so you may not be getting the best deal for your money.		
Picture your future. Your life may be completely different in a year or two. Will your purchase make sense then, or will you regret it? For example, purchasing a large couch or big dining room table may not make sense if you likely will not have space for them at your next duty station.		
Chances are high that you'll make many major and routine purchases throughout your life. Don't risk your financial future. Plan and take the time to carefully consider your purchase. Evaluate your needs, review your spending plan, and educate yourself to make wise choices. Remember that today's decisions can make a big difference for your financial future.		

Presenter Content

Producer Notes

SLIDE 8: ADVANTAGES AND DISADVANTAGES OF PAYMENT OPTIONS





Use pointer tool to highlight specific content being referenced.

Now that we've reviewed how to make smart purchases, let's cover the various payment options available when making purchases and transactions. Understanding these options can help you make informed purchasing decisions that align with your financial goals.

Cash: Paying with cash helps you avoid the extra cost of interest and, depending on your situation, can be a better option than paying with credit. Cash transactions are processed instantly, eliminating the need for waiting periods or processing. However, cash is not practical or safe for large purchases as it may require carrying large sums of money. Paying by cash has no credit building benefits. Avoid taking cash from your emergency fund to pay for major or routine purchases.

Electronic Funds Transfers (EFTs): EFTs are a digital method to transfer money between people, banks, and companies quickly. You can set up ETFs to automate bill payments, helping to ensure your payments are made on time and prevent late fees or penalties. Be aware that you may not control the precise timing of the transfer, so it is crucial to have enough money available in the account to avoid potential overdraft fees.

Debit cards: Debit cards are convenient, widely accepted, and can be used for in-store and online purchases and ATM withdrawals. It's typically linked to your checking account, so you are spending money that you already have. Costly overdraft fees may be applied if used without sufficient funds in the linked account. Like cash, debit cards do not help build your credit reputation. Review the terms of use for your account to ensure you are aware of potential fees and restrictions.

Credit cards: Credit cards offer flexibility and convenience. Many offer purchase protection such as extended warranties and fraud liability protection. They may also have reward programs and cash-back incentives. However, carrying a balance on a credit card can result in interest charges, increasing the overall cost of the purchase. Credit cards may also encourage impulse buying or overspending, leading to debt if not managed responsibly. Some cards have annual fees, adding to the cost of using credit.

Mobile Payment Apps: Mobile payment apps allow you to make transactions quickly and securely using your smartphone. Many mobile payment apps use encryption and tokenization to reduce the risk of fraud. Not all merchants accept mobile payments, and the apps rely on smartphones and internet connectivity. Consumer protection provisions may not apply, so proceed cautiously when making purchases or conducting person-to-person transactions.

Buy Now, Pay Later: This relatively new payment method allows you to purchase products with little or no money down and pay by installment without a credit inquiry. Many companies do not charge interest but will charge a late fee for a missed payment. It doesn't have the same

Virtual Million Dollar Sailor: Consumer Awareness **Presenter Content Producer Notes** benefits or protections as a credit card and does not help you build a strong credit reputation. When considering any purchase, make sure it fits into your spending plan.

SLIDE 9: SIGNS OF IDENTITY THEFT





Presenter Note

Ask the group for a show of hands if anyone has been a victim of identity theft. How did they discover it and what were the signs?



Animated Slide

After sufficient time for learner responses, click to animate slide content.

Now that we've discussed strategies for making smart purchases, let's focus on another critical aspect of financial security: protecting ourselves from identity theft. According to the FTC, identity theft happens when someone steals and uses your personal information without your permission. Identity theft is a serious problem that can ruin your credit and good name and can take a great deal of time, effort, and money to resolve. The availability of personal information via social media and other means can make it easier for thieves to steal your identity and use it to open credit cards and bank accounts and obtain loans. The results can be disastrous and could affect future creditworthiness, your credit report and job opportunities every facet of your financial life. In 2023, there were over 1 million reports of identity theft to the FTC. Let's review some warning signs of identity theft.

- Missing bills or statements that fail to arrive in your mailbox
- Unauthorized transactions or withdrawals from your bank account or credit card statements
- ▶ Unexpected calls or letters from debt collectors about accounts you don't recognize
- Errors on your credit report like unfamiliar accounts or inquiries
- Unexplained changes to your credit score
- ▶ Receiving bills for purchases you did not make
- Denial of credit or loan applications
- Suspicious activity on your social media or email accounts

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SLIDE 10: HOW TO REDUCE THE RISK OF IDENTITY THEFT





Presenter Note

Ask learners to share some tips for protecting against identify theft...



Animated Slide

After sufficient time for learner responses, click to animate slide content.

Take precautions to protect yourself against becoming a victim of identity theft. If you notice any of the warning signs, it's important to take immediate action to protect yourself from further harm. Deterring identity theft involves protecting your personal information daily. Let's go over some proactive steps to minimize identity theft risk.

- Safeguard your mail. Collect your mail every day and place a hold if you are away for an extended period. Set up Informed Delivery® notifications at www.usps.com.
- Remember to shred everything, If you are expecting a new or replacement credit card or checks and it is not delivered when expected, notify your financial institution immediately.
- ▶ Review your social media accounts and remove identifying information in posts, photos, and platform quizzes or surveys.
- Notify creditors of address updates.
- Opt out of unsolicited credit offers at https://www.optoutprescreen.com
- ▶ Safeguard your wallet, identification cards and debit and credit cards.
- Guard your Social Security number and give it out only when absolutely necessary. Keep your card and any other documents that show your Social Security number in a safe place.
- Save your receipts. Keep receipts to verify on your bank statements and shred if not needed for tax purposes.
- ▶ Safeguard your checks, bank statements and pay records. Electronic records need to be safeguarded just as you would safeguard hard-copy files.
- ▶ Keep your personal identification number (PIN) secret and never write it on the credit/debit card or a slip of paper kept with the card.
- ▶ Do not give card numbers to strangers. Confirm whether a person represents a company by calling the phone number on your account statement or on the company's website.
- Don't answer calls or open emails, texts, or social media messages from people you do not know.
- ► Check credit reports regularly at: https://www.annualcreditreport.com/index.action
- ► Consider placing active-duty alerts or security freezes on credit reports before deployment.



Producer Note

Paste URL into chat https:// www.optoutprescreen.com/



Producer Note

Paste URL into chat https:// www.annualcreditreport.com/ index.action

SLIDE 11: STEPS TO RESOLVE IDENTITY THEFT





Presenter Note

Use pointer tool to highlight specific content being referenced. Ask learners what they would do to defend themselves if they because of victim of identity theft?

Facing identity theft can be a frightening experience, but with the right knowledge and quidance, you can take decisive steps to resolve and recover. Here are some tips to help you defend against identity theft:

Contact companies where the fraud occurred: Call and speak to the fraud department of each company as soon as you discover it. Follow the company's quidance on notification, which may be a digital submission or in writing and include copies of supporting documents. Send written correspondence via certified mail with return receipt for documentation. Document all communication and keep copies of all receipts, letters and email communication regarding the identity theft for your records.

Close accounts and change passwords: Close any accounts that have been tampered with or opened fraudulently. Complete steps to dispute fraudulent transactions. Change passwords, personal identification numbers (PINs), and other log-in credentials. Consider setting up twofactor authentication.

Review your credit report and place a fraud alert and credit freeze: You can check your credit reports for free every week from Equifax, Experian, and TransUnion at https://www. <u>annualrecreditreport.com</u>. Note any transactions or accounts you don't recognize. Place a free fraud alert for one year and renew them as needed. Fraud alerts can help prevent identity thieves from opening any more accounts in your name. You can place a fraud alert by contacting one of the three credit nationwide credit bureaus. The company you contact is required to notify the other two credit reporting agencies. You may use a personal representative to place or remove an alert on your behalf. You will receive a confirmation letter from each of the agencies confirming the placement of the fraud alert on your file. A credit or security freeze stops new creditors from accessing your credit file until the freeze is lifted. You have to notify each reporting bureau individually to place the freeze. It stops new accounts from being opened in your name, but you still need to protect your existing accounts from identity theft.

File a police report: The police report will document your identity theft claim. Creditors may try to get you to pay for a debt you did not incur. Credit card companies may require a police report before starting any type of investigation or other action.

File a complaint with the Federal Trade Commission: You can file a complaint with the Federal Trade Commission at 1-877-438-4338 or complete their online form to report your identity theft. Your information will help you create your Identity Theft Report and recovery



Producer Note

Paste URL into chat https:// www.identitytheft.gov/ assistant

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Presenter Content

Producer Notes

plan. You can provide this report to the police to incorporate into their police report. Both the Identity Theft Report and your police report can help you prove that someone stole your identity and make it easier for you to fix problems caused by identity theft. Learn more at IdentityTheft.gov.

SLIDE 12: DETER, DETECT AND DEFEND





Producer Note

Bring in L4 Slide 12 Poll Choose one.

Deter

Detect

Defend

Presenter Note

Slide 12 lists actions related to identity theft prevention. Ask learners to use the poll to classify each action as: Deter, Detect, or Defend



Animated Slide

This slide has animations..



Activity

To reinforce understanding of identity theft prevention strategies, learners will use the poll pod to match specific actions to the corresponding Deter, Defend category.

We will review some real-life scenarios to reinforce our understanding of identity theft prevention. I will read each action one at a time and we will match it with the corresponding Deter, Detect, Defend category.

Actions:

- 1. Shredding sensitive documents before discarding them. (Deter)
- 2. Monitoring bank and credit card statements for unauthorized transactions. (Detect)
- 3. Installing antivirus software and keeping it up to date. (Defend)
- 4. Setting up fraud alerts with credit bureaus. (Detect)
- 5. Using strong, unique passwords for online accounts. (Deter)
- 6. Checking credit reports regularly for errors or suspicious activity. (Detect)
- Being cautious about sharing personal information online or over the phone. (Deter)
- 8. Signing up for identity theft protection services. (Defend)
- 9. Freezing credit reports to prevent unauthorized access. (Defend)
- 10. Educating oneself about common identity theft scams and tactics. (Deter)

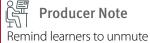
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SLIDE 13: MILITARY LEGAL PROTECTIONS







Presenter Note

Ask learners if they can share a personal experience or know someone who has faced challenges with consumer transactions while serving in the military?

Serving in the military comes with many responsibilities and risks, but it also offers certain legal protections designed to support and protect your rights and those of your families. Understanding your legal rights and entitlements is essential for navigating the challenges and opportunities that come with military service and safeguarding your well-being. Let's begin by exploring the Military Lending Act (MLA) and the Servicemembers Civil Relief Act (SCRA); two programs that may provide certain protections while serving in the military.

SLIDE 14: THE MILITARY LENDING ACT





Presenter Note

Use pointer tool to highlight specific content being referenced.

The Military Lending Act (MLA) is a federal law designed to protect active-duty Service members and their covered dependents from predatory lending practices. It imposes strict regulations on certain types of consumer loans, including payday loans, vehicle title loans, and tax refund anticipation loans. These loans typically have high interest rates and have short payback terms. It is intended to protect you and your covered dependents from falling into cycles of debt and financial hardship due to high-cost loans with inflated interest rates and fees. Key provisions of the MLA include:

Interest rate cap: The law prohibits lenders from charging more than 36% military annual percentage rate (MAPR), which includes interest, fees, and certain other charges. Loans may not be automatically refinanced or rolled over by the lender.

Mandatory arbitration is prohibited: Lenders cannot require borrowers to submit to mandatory arbitration or waive their rights under applicable consumer protection laws including the Servicemembers Civil Relief Act.

Restriction on loan terms: Certain loan terms, such as prepayment penalties and mandatory allotments, are prohibited.

Unreasonable notice requirements: Lenders cannot insert any unreasonable notice requirements into credit agreements as a prerequisite to a borrower's rights to bring legal action against the creditor.

Presenter Content	Producer Notes
ne MLA has been in effect since 2007. Any credit agreement subject to the regulation that fails comply with this regulation is void and cannot be enforced.	
LIDE 15: TYPES OF PREDATORY LENDING PRACTICES	
The MLA regulates three types of predatory lending practices to protect military consumers: payday loans, auto-title loans and refund anticipation loans. These products have high interest rates coupled with short payback terms.	
Payday Loans – Payday loans are short-term, high-cost cash loans based on your personal check held for future deposit or electronic access to your bank account. These loans are designed to provide immediate access to cash, with the expectation that the loan will be repaid in full, along with fees and interest by the next pay day. Without the MLA or other legislation capping the interest, the average annual percentage rate on payday loans can range from 300% to 600% or more.	
Auto-title Loans – An auto-title loan is a short-term loan that's usually less than 30 days. Your car title is used to secure the loan. Most title lenders will make the loan only if you do not owe anything on the car. Like payday loans, auto-title loans come with high interest rates and typically do not require a credit check. They rely on your vehicle's value to determine loan eligibility. They are often targeted toward people with bad credit, low income, Service members and the elderly.	
Refund Anticipation Loans – These loans offered by tax preparation companies, check-cashing service or other short-term lenders allow you to get an advance on an anticipated tax refund. It is a high-fee, high-interest rate short-term loan. The fees paid to get the quick refund are usually based on a percentage of the refund, so the more you get back, the more the loan will cost. The lender will deduct the loan amount, plus fees and interest directly from the refund proceeds before disbursing the remaining funds to you.	
verall, these types of loans can be expensive and risky. They are designed to trap borrowers a cycle of debt, which can lead to long-term financial hardship. It's important for Service members and their families to choose alternatives designed to help resolve financial crises, build credit ratings, and establish savings for emergencies.	
LIDE 16: THE SERVICEMEMBERS CIVIL RELIEF ACT (SCRA) The Servicemembers (ivil Relief Act (SCRA)) The Servicemembers (ivil Relief Act (SCRA)) The Servicemembers (ivil Relief Act (SCRA))	
Presenter Note	

periods of active military service. Potential Service member benefits offered under the act

include:

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▶ Interest rate cap: The SCRA caps the interest rate on pre-service debts to 6%. This applies to mortgages, credit cards, student loans and other types of loans.	
▶ Lease termination : Service members have the right to terminate residential and vehicle leases without penalty if they receive orders for a permanent change of station (PCS) or deployment lasting 90 days or more.	
▶ Termination of cellphone contracts : Service members who receive orders for a PCS or deployment lasting 90 days or more are eligible to terminate their cellphone contracts without incurring early termination fees or penalties if they relocate to a location that does not support the contract.	
▶ Protection from eviction : Landlords are prohibited from evicting Service members and their families from rental properties without a court order while they are on Active duty.	
▶ Relief from foreclosures : Depending on your duty status and situation, the SCRA may provide protection against foreclosure. The SCRA prohibits the "sale, foreclosure, or seizure" without a court order of a Service member's personal property if the Service member secured the debt before entering military service.	
▶ Stay of proceedings : Allows Service members to request a stay of civil proceedings, including lawsuits, foreclosures, and bankruptcy proceedings, if military service materially affects their ability to participate in legal proceedings.	
▶ Vehicle repossession protection : Protects against the repossession of vehicles owned by Service members while on active duty, unless a court grants permission based on specific circumstances.	
▶ Insurance protections : Prohibits the cancellation of life insurance policies held by Service members while on active duty, except for non-payment of premiums.	
▶ Installment contracts : SCRA gives certain protections against repossessions for installment contracts. If the contract was entered into before going on active duty and at least one payment was made before that time, the creditor cannot repossess the property while the member is on active duty, nor can they terminate the contract for breach without a court order.	
▶ Income tax deferrals : Allows eligible Service members to request a deferral of income taxes owed during periods of military service. The deferral extends the deadline for paying taxes beyond the normal due date.	
▶ Residency for state taxes : Under certain circumstances, the SCRA prohibits states from taxing Service members and their spouses solely due to their presence in a state because of compliance with military orders.	Producer Note
For a comprehensive discussion of the SCRA, visit https://www.justice.gov/servicemembers . You can also visit your installation's legal office for guidance related to your specific situation.	Paste URL into chat https://www.justice.gov/ servicemembers

SLIDE 17: FEDERAL AND STATE PROTECTIONS



Consumers have legal rights at the state and federal level. These laws ensure fair and transparent practices in business, protect from deceptive or fraudulent practices, and provide remedies in case of disputes or violations. By understanding your rights and privileges under federal and state consumer protection laws, you can make more informed decisions, assert your rights when necessary, and seek restoration in case of unfair or deceptive practices. Let's begin by exploring some federal consumer protection laws.

- ▶ **Consumer Bill of Rights**: These are general rights of access to product and price information and the right to an informal dispute process.
- ▶ Fair Credit Billing Act: This applies only to credit purchases and allows you to withhold payment on a disputed product or service. This law allows you to challenge a credit card charge when the charge was unauthorized or is in error, you never received the product, or the product did not perform as promised.
- ▶ 7th Amendment (right to trial by jury): This is the cornerstone of a consumer's right to appeal and is part of the Bill of Rights. Many high-cost contracts have a waiver of the right to court appeal to avoid costs and class action against manufacturers. Never waive this hard-won right by signing a contract without taking it to your installation's legal office first.
- ▶ Credit Card Accountability, Responsibility, and Disclosure (CARD) Act: This law prevents credit card companies from predatory actions such as teaser rates, excessive fees and charges and the ability to raise your rates with little or no notice. Among additional provisions, the law requires companies to apply payments to the balance with the highest interest rate when there are multiple interest rates on an account.
- ▶ **Truth in Lending Act (TILA)**: Also known as regulation Z, this law requires lenders to disclose information about all charges and fees associated with a loan.
- ▶ **Electronic Fund Transfer Act (EFTA)**: It protects individual consumers who engage in electronic transfers including ATM withdrawals and direct deposits while limiting liability for unauthorized transfers.

State consumer protection laws include:

- ▶ **Lemon laws**: These laws are also known as motor vehicle warranty enforcement acts or motor vehicle warranty rights acts. They allow you to return a new vehicle that has safety or repeat mechanical or cosmetic problems that constitute a major defect. You are entitled to a refund or a replacement. Some states also have lemon laws regarding used vehicles.
- ▶ State Automobile Repair Facilities Act (SARFA): This state-level law deals 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. Contact your state attorney general to find out whether your state has an auto repair facilities act.
- ▶ **Usury laws**: A usury law sets a cap on interest rates. Since no federal limit exists, each state determines its maximum allowable rate. Almost every state has some form of usury law, but there always are businesses that can find their way around them.

Virtual Million Dollar Sailor: Consumer Awareness

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Producer Note

If needed, bring in file pod

SLIDE 18: RESOLVING COMPLAINTS





Handout

Refer learners to the second page of the Military Consumer Awareness handout, which has the information in this section and a sample complaint letter.



Presenter Note

Use pointer tool to highlight specific content being referenced.

Resolving consumer complaints can be a frustrating experience. As Military Service members, you have resources available to help navigate and address these issues effectively. It's important to act immediately if you are unhappy with a product or purchase. Here are some steps you can take to resolve consumer complaints.

- ▶ Contact the seller first: Start with the salesperson. If that does not solve your complaint, go to the manager. Make sure you have a copy of all of your documentation, a clear description of the problem and the resolution you want. Be calm and clear with the store personnel. Sometimes company policy prevents the manager from giving you the help or remedy you desire. Be patient.
- Maintain detailed and organized records: Save all purchase-related paperwork, sales receipts, repair orders, contracts and any letters to or from the company, emails, and keep a log of your conversations and actions that details who, what, where and when, with the times and results in a digital or physical format.
- ▶ Go to the company president and/or the manufacturer: If the store manager is unable to help you, write a letter to the president of the company and/or the manufacturer of the product. Try to obtain the store president's name and address from the store manager. Calmly and accurately explain the problem and what action you would like to take. Be brief and to the point. Include all documentation and anything else you need to tell your side of the story. You are starting a paper trail that clearly will show your good-faith efforts to resolve the problem. Sending the letters by certified mail and requesting a return receipt is the best way to verify they were delivered.
- ▶ **Contact the appropriate organizations**: This could include trade associations, national consumer organizations, and/or media outlets.
- Use your consumer advocate resources: If you still are not satisfied, resources may include:
 - o The state attorney general or state office of consumer affairs: This is the primary resource for people who have been the victims of fraud, misrepresentations, and scams. They can take legal action against the company. Find your local office at https://www.usa.gov/ state-attorney-general.



Producer Note

Paste URL into chat https:// www.usa.gov/state-attorneygeneral

Virtual Million Dollar Sailor: Consumer Awareness **Presenter Content Producer Notes** • State regulatory and licensing agencies: These agencies are responsible for overseeing and regulating industries and professions within a specific state. o Armed Forces Disciplinary Control Board: This is the military's consumer watchdog organization. You can make a report to the local regional board if you believe a company has taken advantage of you because of your military status or it is likely to take advantage of other Service members. o Look into other nongovernmental organizations, like nonprofits, that provide consumer resources. Consumer Financial Protection Bureau: You can submit a company complaint to this government agency. They will review the documentation you provide, forward the complaint to the company, and work to get a response. They also share complaint data with state and federal agencies in an effort to enforce federal consumer financial protection laws. ▶ **Dispute-resolution programs**: This is used as an alternative to court. Programs may be offered through a corporation or the court system and typically include mediation, arbitration and conciliation. Small-claims court: This court resolves disputes over small amounts of money. Typically, you will not need a lawyer. The maximum amount that can be brought into small-claims court varies from state to state. SLIDE 19: SOURCES OF SUPPORT



Ask learners to identify sources of support. Where can they go for help and resources?

The consumer marketplace can be a complicated place. Take advantage of all of the resources available to you to help you make smart purchases. You should be familiar with the following resources:

- ▶ **Military and family support centers**: Personal financial managers or counselors (PFMs and PFCs) at your installation are available to provide personal financial education and counseling for Service members and their families. Each branch of service has its own family support center.
- ▶ **Command or unit financial specialists**: Your unit or command may have individuals assigned to provide financial education or support. Reach out to your leadership for more information.
- ▶ **Military relief organizations**: They offer crucial support and assistance to Service members and their families during times of financial hardship, emergency situations, or transition. Each branch of service has its own relief society dedicated to providing support and assistance.
- ► The Consumer Financial Protection Bureau (CFPB) Office of Servicemember Affairs: They provide resources and tools to help military consumers make informed financial

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decisions and protect themselves from financial exploitation.	
▶ FTC Military Consumer: In addition to being the primary resource for information on identity theft, the FTC's military consumer website https://www.militaryconsumer.gov/ provides practical tips and resources to help military consumers avoid scams and manage finances.	
▶ Installation legal office: Judge advocates staff these offices and play a crucial role in providing legal assistance and support to Service members and their families facing various legal issues.	
CLIDE AS DECOUDED	

SLIDE 20: RESOURCES





Presenter Note

Familiarize yourself with the resources available at the websites listed below.

There are many resources available to increase military consumer awareness including the following websites and local support.

- ► Websites:
 - Federal Trade Commission https://www.militaryconsumer.gov/
 - Federal Trade Commission Identity theft https://www.identitytheft.gov/#/
 - o Consumer Financial Protection Bureau https://www.consumerfinance.gov/consumertools/educator-tools/servicemembers/
 - o Servicemembers Civil Relief Act https://www.justice.gov/servicemembers
 - o Credit reports https://www.annualrecreditreport.com
 - o Equifax Military Credit Monitoring https://www.equifax.com/personal/military-credit-monitoring
 - Experian Military Credit Monitoring https://www.experian.com/lp/military.html
 - o TransUnion Active-Duty Military Credit Center https://www.transunion.com/active-duty-military-credit-center
 - The Office of Financial Readiness (FINRED) https://finred.usalearning.gov
 - o Military OneSource https://www.militaryonesource.mil/
 - o Coast Guard Support https://www.cgsuprt.com/portal/landing

Virtual Million Dollar Sailor: Consumer Awareness

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SLIDE 21: SUMMARY AND REVIEW





Producer Note

Move to 5 Presentation Banking and Financial Services



Facilitate the summary slides and turn the class over to the producer.

Military consumer awareness is crucial in safequarding your and your family's financial wellbeing. Being informed about consumer rights, protections and resources available will help you make more informed financial decisions and protect yourself from fraud and exploitation.

In review, we covered how to recognize misleading and fraudulent practices, making smart purchases, signs of identity theft and how to mitigate and resolve it, military consumer protections, and helpful resources.

Congratulations on completing Consumer Awareness training.



Producer Note

Paste URL into chat https:// www.militaryconsumer.gov/

Lesson 5: Banking and Financial Services **Description**

This course is expected to take approximately 60 minutes to teach. The learners are presented with information about personal banking and financial services through a series of PowerPoint slides. They will learn about financial institutions and the array of products and services they offer, how to choose the right financial institution based on their needs, understand the elements of digital banking, and master the principles of responsible money management.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- ▶ Banking and Financial Services Instructor Guide
- ▶ Banking and Financial Services PowerPoint Presentation
- ► Military Banking Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- Discuss the differences between financial institutions and the products and services offered.
- ▶ Choose a financial institution to meet their needs.
- Discuss the essential elements of digital banking to manage their finances.
- Develop skills and knowledge necessary to manage their financial accounts.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. Financial Institutions: Products and Services (15 minutes)
 - A. Banks and Credit Unions
 - B. Types of Accounts
 - C. Products and services
- 3. Choosing a Financial Institution (10 minutes)
 - A. Factors to Consider When Selecting a Financial Institution
 - B. Considerations When Changing Financial Institutions
 - C. Actions to Resolve Complaints
- 4. Digital Banking (10 minutes)
 - A. Types of Digital Banking Platforms
 - B. Security Measures and Safeguards
- 5. Smart Money Management (10 minutes)
 - A. Transactional Accounts
 - B. Managing and Reconciling Accounts
 - C. Consequences of Financial Mismanagement
- 6. Resources (5 minutes)
- 7. Summary and Review (5 minutes)

Classroom Layout

Layout Name	Components
Lobby	► Notes pod with dial in information
	➤ Welcome chat pod
	▶ Video pod
	► Downloads
	Military Banking Handout
	▶ 5 Presentation Banking and Financial Services share pod
Housekeeping	► Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
5 Presentation Banking and Financial Services	► Notes pod with dial in information
	► General chat pod
	▶ 5 Presentation Banking and Financial Services share pod
	► Attendee pod
	► Reaction tools
Overdraft Scenario	► Attendee pod
	▶ Notes pod with dial in information
	▶ Banking and Financial Service Presentation Share pod
	► Reaction tools
	▶ L5 SL 13 Activity Chat pods x4
	What consequences might John face from his financial institution?
	What personal consequences might John be experiencing?
	How could financial issues affect Johns military career?
	What actions could John take to improve his money management?

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Classroom Management and Content Lesson 5

SLIDE 1: WELCOME TO BANKING AND FINANCIAL SERVICES



Welcome to today's lesson on banking and financial services. The purpose of today's course is to help you understand the key concepts and principles of banking, enabling you to make informed financial decisions and manage your finances effectively. We'll explore the variety of products and services offered so you can choose the right institution that fits your needs to achieve your financial goals.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.



Animated Slide

This slide has animations..

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In this lesson we will cover the following topics:

- Financial Institutions
- Banking Products and Services
- Choosing a Financial Institution
- Digital Banking
- Smart Money Management

BANKING TERM MATCH-UP







Activity

Ask learners to raise their hands to pair each banking term with the matching definition on the slide.



Animated Slide

This slide has animations...

Great job everyone. I hope you found this activity challenging and informative. Now that we've completed this activity, take a moment to reflect on the importance of these terms in your everyday life.

They will empower you to make informed financial decisions as you manage your finances. We will reinforce what you have learned in this activity as we move through this course together.

SLIDE 4: BANKS AND CREDIT UNIONS





Handout

Refer learners to the Military Banking handout.



Activity

Ask learners to give a green check if they prefer credit unions or a red x if they prefer banks. Do they know the differences between banks and credit unions?

When you joined the military, one of your first decisions may have been to choose which financial institution to use to deposit your military pay directly. While the term "financial institution" could include several types of companies, for this course we are primarily going to

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focus on banks and credit unions. Many people are not aware of the difference between banks and credit unions. Understanding the differences will empower you to decide where to deposit your pay and manage your day-to-day finances. Let's cover some details on both financial institutions, beginning with banks.

Banks are often publicly traded (meaning banks sell ownership shares on the public market), and for-profit organizations owned by shareholders and governed by regulatory agencies at the federal and state levels. They usually offer a wide range of services and account options. Interest rates on loans tend to be higher, and interest rates on savings accounts tend to be lower than those of credit unions because of their for-profit status.

Credit Unions are not-for-profit organizations owned by their members. They are usually established to serve people working in a similar career field. Service members have many credit union options available to them. Because of its not-for-profit status, credit union interest rates on loans tend to be lower, and interest rates on savings accounts tend to be higher.

When deciding between a bank and a credit union, it's important to consider your individual financial needs. There's no right or wrong answer. Consider accessibility when choosing a bank or credit union, ensuring convenient access to your accounts no matter where you are stationed and how often you move. Find a solution that best fits your needs. Do your research and strive to choose an institution that aligns with your financial goals while providing the products and services you need to achieve financial success.

SLIDE 5: TYPES OF ACCOUNTS



Understanding the different types of accounts available in banks and credit unions will help you make informed decisions about where to deposit your money and how to manage your finances effectively. Although banks and credit unions offer many account and service options, most people start by opening a checking account, a savings account, or both. Let's review some information on both types of accounts.

Checking Accounts: Checking accounts in a bank or "share draft" accounts in a credit union are more flexible. These accounts are designed for everyday transactions, allowing you to deposit money, write checks, withdraw cash, and make electronic payments. They typically offer features such as automated teller machine (ATM) debit cards, online banking, and mobile banking apps for convenient access to your funds.

Here are some usual key features of a checking account:

- ▶ No limit on the number of transactions you can make each month.
- May require a minimum balance to avoid monthly maintenance fees.
- May offer overdraft protection linked to a separate account to cover transactions that exceed your available balance. In some cases, there may be an associated fee for this feature so carefully read the terms of use for your account.

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Savings Accounts: In a savings account, or a "share savings" account, as credit unions call them, you deposit your money into the bank or credit union, and they provide a safe place for your money while paying interest on the balance. You can withdraw, transfer, or deposit your money directly from the bank or credit union through an ATM or virtual services. The institution may impose withdrawal limits. Generally, this type of account allows an unlimited number of deposits. Still, the institution may limit the number of transfers or withdrawals per month. Here are some key features of savings accounts:

- May offer slightly higher interest rates compared to checking accounts.
- ▶ May require a minimum balance to earn interest and avoid monthly maintenance fees.
- Provide easy access to funds for emergencies or unexpected expenses.

Consider factors like your financial goals and liquidity needs when choosing the right type of account. Evaluate each account type's features, fees, and interest rates to determine which aligns best with your financial situation.

SLIDE 6: PRODUCTS AND SERVICES





Presenter Note

Ask learners to list products and services offered by banks and credit unions. During your discussion, use the pointer to highlight specific content being referenced.



Animated Slide

After sufficient time for learner responses, click to animate slide content.

What challenges are you facing when managing your money? How can financial institutions help you solve these challenges? Banks and credit unions offer a wide range of products and services to meet the diverse financial needs of individuals, businesses, and organizations. Let's review some common ones.

Deposit Products: These accounts allow you to deposit money for safekeeping and potential growth. These include:

- Checking accounts: Designed for everyday transactions with features like ATM debit cards, checks, and online banking.
- Savings Accounts: Intended for long-term deposits and earning interest.
- Money Market accounts: Combines features of the checking and savings accounts. It usually offers higher interest rates but may have minimum deposit requirements and a limited number of monthly transactions permitted.
- Certificates of Deposit (CDs): Accounts that require you to deposit a specific amount of money for a defined time in exchange for a fixed interest rate.

Virtual Million Dollar Sailor: Banking and Financial Services	
Presenter Content	Producer Notes
ending Products: These products allow you to borrow money to finance various purchases r projects. These include:	
Auto Loans: Loans designed explicitly for purchasing vehicles. They typically have fixed interest rates and repayment periods ranging from three to eight years.	
Mortgage Loans: Loans used to finance the purchase of a home. These loans are generally longer term and vary by lender. The interest rate may be fixed or variable. The typical term is 15 or 30 years.	
Personal Loans : Unsecured loans that can be used for a variety of purposes, such as home improvements, debt consolidation, or unexpected expenses.	
• Business Loans : Loans tailored to the needs of small businesses, providing funding for equipment purchases, expansion, or working capital.	
nvestment Products: Investment products allow you the potential to grow your wealth and chieve long-term financial goals. Unlike savings and checking accounts, investment products account a level of risk, meaning the possibility of growth comes with the chance of losing part of your investment. Financial institutions do not insure investment products like they assure checking and savings accounts. Let's cover some typical investment products.	
Stocks: Ownership shares in publicly traded companies, offering the potential for capital appreciation and dividend income.	
▶ Bonds : Debt securities issued by governments, municipalities, or corporations providing fixed interest payments and return of principal at maturity.	
Mutual Funds: Pooled investment vehicles that invest in a diversified portfolio of stocks, bonds, cash, or other assets, managed by professional portfolio managers.	
Retirement Accounts: Tax-advantaged accounts designed to help individuals save for retirement, such as an Individual Retirement Account (IRA).	
Pither Banking Products and Services: In addition to deposit, lending, and investment roducts, banks and credit unions offer a variety of additional services to meet your specific nancial needs. There's a good chance that many of you are already taking advantage of these enefits. Let's delve into them.	
Check Card/Debit Cards: Most financial institutions offer a combination check card/debit card. It looks like a credit card, but it is linked to your checking account. When you swipe your card for point-of-sale transactions, as you would a credit card, the transaction is almost immediately deducted from your checking account. With any check, debit, or ATM card, it is important to track and review your account regularly to verify purchase amounts and your available account balance so you can avoid overdrawing your account and paying overdraft or non-sufficient funds fees. Be aware that these are not credit cards and do not help establish credit. However, because financial institutions track overdrafts and non-sufficient funds transactions, mismanagement of your card can adversely affect your credit reputation. You can also use these cards at any ATM to make withdrawals and deposits. An ATM may charge a usage fee if you do not have an account with the institution.	

Presenter Content

Producer Notes

- **ATM Cards**: Some financial institutions offer a separate ATM card that you may link to a checking or savings account and withdraw cash from that account. A PIN is required to access the account and you cannot use the card for other purchasing transactions. NOTE: Using ATMs overseas may be advantageous since the fees for withdrawing money may be lower than the fees charged by currency exchange services. Be sure to check if exchange fees also apply to your transaction.
- ▶ **Credit Cards**: These are issued by a bank allowing you to borrow money to make purchases. Each month, you receive a bill with a minimum monthly payment. You can pay the total balance, a portion of the balance, or make a minimum payment. You will pay interest charges if you carry a balance. Your credit card has a preapproved credit limit, which is the maximum amount you can borrow at any given time. Your monthly statement includes the "Minimum Payment Warning" section stating how long it will take to pay the entire balance on your account and how much you will pay in interest if you make minimum payments only. Remember, responsible use of a credit card can help you establish and improve your credit reputation, which is essential when applying for loans and other forms of credit in the future.
- ▶ Safe Deposit Boxes: These are secure storage containers banks and credit unions provide to protect valuable items and documents from theft, loss or damage. They are typically located within the bank's vault and the box holder or authorized individuals are only able to access them. Generally, institutions charge an annual rental fee which can vary depending on the box size. Contents stored inside safe deposit boxes are not insured by the financial institution.

SLIDE 7: FACTORS TO CONSIDER WHEN SELECTING A FINANCIAL INSTITUTION





Presenter Note

Use pointer tool to highlight specific content being referenced.

So far, we've covered the differences between banks and credit unions and reviewed the types of accounts, products and services they offer. In this section, we'll cover selecting a financial institution to meet your needs. With all these options, choosing one that is the right fit for your needs can be difficult.

To help you make an informed decision, let's discuss some essential factors you should consider when selecting a bank or credit union to strengthen your financial well-being.

▶ **Convenience**: For most people, convenience and accessibility are significant factors in choosing a financial institution. Consider your location, preference, and need for in-person services offered by a financial institution, especially if you plan to PCS overseas or deploy. Based on your situation, consider what features are most important to you to manage your finances efficiently.

Virtual Million Dollar Sailor: Banking and Financial Services **Presenter Content Producer Notes** Online and Mobile Banking Services: Common online and mobile banking services like bill pay, remote deposit, and transfers can make your financial life easier. Evaluate your banking options and make sure your choice aligns with your needs. Review the institution's online platform and mobile app to ensure it has the features and functionality you need. **Fees and Account Requirements**: Compare the fees associated with your checking and savings accounts. Look for institutions that offer competitive interest rates, low or no monthly fees, and minimum balance requirements. Review foreign transaction fees if you are deployed or living overseas. Be sure to check for any special programs or waivers if you are living overseas. Credit and Investments: Does the bank or credit union offer credit cards, competitive loan rates, and investment products? ▶ **Security**: Research to ensure you are dealing with a legitimate business. Confirm that the bank is insured under the Federal Deposit Insurance Corporation (FDIC) or the credit union is insured under the National Credit Union Administration's (NCUA) Share Insurance Fund. Coverage is automatic and protects depositors up to \$250,000 per depositor, per insured institution, for each ownership category. Ensure websites and apps are encrypted. Use strong and unique passwords and set up multi-factor authentication (MFA). Avoid banking on public Wi-Fi networks. Protect yourself from phishing scams by not providing log in information through a link sent via email or text; access your accounts directly through the institution's website or app. Monitor account activity and notify your financial institution immediately if you notice any unauthorized transactions. ▶ **Customer Service Support**: Does the bank or credit union offer adequate customer support? Can you easily reach a customer support representative without having to go into a building or without a lengthy phone wait? Do they offer virtual support via digital assistance or a live chat feature on their platform? Compatibility: Service members and their families often have unique banking needs that cannot be met by all financial institutions. Look for institutions that allow direct deposit, access to your accounts remotely, deposit checks remotely, and have online bill pay. Some institutions may offer deployment-status services such as interest rate reductions, bill deferments, and other services and perks. SLIDE 8: ACTIONS TO RESOLVE COMPLAINTS **Presenter Note** Ask learners to raise their hands if they have ever had to dispute a charge with a financial institution.

complaint; start by contacting your bank or credit union. Each financial institution has a chain of command for handling complaints. Here is the chain you can follow:

If you have a dispute with a financial institution, you should handle it like any other consumer

Ask a volunteer to share their experience out loud.

Presenter Content

Producer Notes

- Customer service representative
- Branch manager (if it is a branch)
- Institution president

When you talk with individuals, keep a written record of whom you spoke to and what was discussed or decided. Remember to remain calm and treat the bank or credit union staff with respect during your conversations. Follow their complaint resolution process. If you still need resolution, there are federal, state and local regulatory agencies that govern financial institutions. You can also contact the Office of the Comptroller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB). The CFPB Office of Servicemembers Affairs provides information to help military consumers protect their finances. CFPB also assists in consumer complaints and will forward your complaint to the financial institution and work to get a resolution. Meet with your local PFM for support and resources. Navy, Marine Corps, and Coast Guard members can meet with their CFS for additional support. Your legal services office can help as well.

Remember, as a Service member, you have rights and protections under federal laws like the Servicemembers Civil Relief Act (SCRA) and the Military Lending Act (MLA). Don't hesitate to seek assistance if you believe your rights have been violated.

SLIDE 9: TYPES OF DIGITAL BANKING PLATFORMS





Presenter Note

Ask the group to share challenges they have experienced with traditional banking methods. Do they think digital banking could resolve them? What banking services have they performed online?

Let's begin by defining digital banking. It is a broad term that covers any banking transactions that can be done virtually. It includes electronic funds transfers (ETFs), direct deposits, ATM transactions, account transfers, online payments, and account management transactions. Digital banking helps you manage your finances conveniently and securely from anywhere, at any time. There are three common digital banking platforms.

Online Banking: Most financial institutions offer online banking as a regular service, allowing you to conduct banking transactions. The benefits of these services include convenience, ease of access, transaction speed, and the ability to perform a wide range of transactions online. This can be especially helpful for military members who travel and move often. Access to online services is established with your bank or credit union via their website or mobile app using your login credentials. Online banking can be done anywhere at any time, and it allows you to complete most transactions without ever entering a physical building.

Typical online services include:

- ► Accessing electronic account statements
- Verifying account balances
- Transferring funds between accounts

- ▶ Remote deposit by electronically transmitting a digital image of the check
- Online bill-paying services
- Applying for loans and credit cards
- Purchasing investment products

Mobile Banking Apps: Designed specifically for smartphones and tablets, mobile banking apps allow you to access your accounts and perform transactions directly from your device. They offer a range of services, including mobile check deposit, card management, and personalized alerts and notifications. Most mobile banking apps allow you to do almost everything you can do online. Financial technology apps (fintech) are also available to help you manage your money. However, they may also include fees, interest rate charges, and subscription costs while not providing consumer protections like FDIC coverage and military-specific provisions offered under MLA and SCRA.

Presenter Content

Peer-to-Peer Payment Apps: Proceed with caution when it comes to peer-to-peer payment apps. While they can be a convenient way to split a bill or pay for something, it is important to know that these platforms do not offer the same consumer protections as a financial institution. Avoid transferring money to someone you don't know, find out if there are associated fees, and consider sending a small amount to confirm the recipient's identity before making a significant transfer.

SLIDE 10: TRANSACTIONAL ACCOUNTS



Although it is important to choose the right financial institution, accounts, and services, it is even more important to manage your money responsibly once it is in your chosen bank or credit union. In this section, we will discuss transactional accounts, which are fundamental components of personal banking.

Transactional Accounts: Most people's main account is a checking or share draft account. These are transactional accounts and serve as hubs for daily transactions such as deposits, withdrawals, and transfers. Let's review these transactions and how to handle them effectively.

Deposits: You can make a deposit by taking your money to the bank, using an ATM, taking a digital image of your check and transmitting it electronically, transferring funds from another institution, mailing your deposit to the bank, or by direct deposit from your employer.

Funds Availability: Once you deposit your money, you may find that not all funds are available immediately. The Federal Reserve establishes the legal limit on how long a financial institution may delay a customer's ability to use deposited funds. Cash and electronic deposits are usually available for withdrawal on the same business day. Check deposits vary depending on factors such as the type of check, the amount, and the account holder's relationship with the bank.

Producer Notes

Virtual Million Dollar Sailor: Banking and Financial Services **Producer Notes Presenter Content** Withdrawals and Transfers: You can withdraw money from your account in several ways. Although writing checks used to be the most popular way to access funds in your account, using your ATM/debit/check card and electronic transfers are more common today. You can also transfer funds from one account to another within the same bank or between different financial institutions. You can initiate electronic transfers through online banking platforms,

SLIDE 11: SMART MONEY MANAGEMENT

mobile banking apps, or automated phone systems.





Presenter Note

Ask learners to raise their hand if they actively manage and monitor their accounts. Did any of them experience fees due to improper management?

Managing your financial accounts is a must for maintaining accurate records and ensuring that your accounts reflect your true financial position. It's a fundamental part of money management. Find a system that works for you and will help you keep up with your transactions. If you do not want to maintain a paper copy, try keeping a spreadsheet or online tracker. There are also online sites and mobile apps that can help you track what is coming in and going out. Just make sure when using online and mobile tracking methods that you check the security of the platform and your account information first.

Record all account transactions to ensure that you know the balance on your accounts before you make a withdrawal. Keep printed or digital receipts that include the date, confirmation number, and description to match the transaction when you review your account. When using an ATM, hold your receipt until you verify it online or with your account statement.

You can maintain accurate financial records and detect errors or discrepancies early by accurately managing your accounts. It will let you know exactly how much money you have, where it's going, and keep you from overdrawing your account.

SLIDE 12: CONSEQUENCES OF FINANCIAL MISMANAGEMENT





Producer Note

Remind learners to unmute



Presenter Note

Ask earners what could go wrong if they forget to keep track of their spending or don't check their accounts regularly?

We've covered the importance of managing your financial accounts. Now, let's talk about what can happen if we don't stay on top of it. Picture this: you forget to keep track of your spending or don't check your account balance regularly. What could go wrong?

Presenter Content

Producer Notes

- ▶ Overdraft fees: If you spend more money than you have in your account, you may have to pay overdraft fees.
- ▶ **Missing errors**: If you do not actively manage your accounts, you can miss errors that could affect your account balance and possibly cause you to overdraw your account.
- ▶ **Drop in credit score**: Missed or late payments can hurt your credit reputation, making it harder to get loans or credit cards in the future. If you do, you may have to pay more in interest.
- ▶ **Risk of fraud or identity theft**: If you don't keep track of your accounts, you could miss early warning signs of identity theft and fraud, which could lead to more financial challenges when you have to deal with it later.
- ▶ **Military-related consequences**: Financial mismanagement can potentially lead to disciplinary action, loss of orders, eligibility for promotion or specific duty assignments or programs, and loss of security clearance.

Overdraft Scenario Layout

SLIDE 13:

CONSEQUENCES OF FINANCIAL MISMANAGEMENT





Cue the producer to move to the Overdraft Scenario layout.



Activity

Split learners into four groups assigning them to one of four designated discussion question chat pods. Ask a volunteer to read the scenario displayed on the slide: John Smith is an E-3. He consistently overdrafts his checking account and recently had his debit card declined when trying to make a purchase.

Give learners two minutes to answer their assigned discussion questions before discussing their responses and reviewing the content.

Discussion questions:

- What consequences might John face from his financial institution?
- What personal consequences might John be experiencing?
- How could financial issues affect Johns military career?
- What actions could John take to improve his money management?

Financial institution consequences include fees, damaged credit score, limited access to future credit. Personal consequences include stress, anxiety, strained relationships, embarrassment, and predatory lending. Potential actions that could help in this situation could include setting low balance alerts, following a spending plan, regular account monitoring and review, and transaction validation. Mismanagement can affect consideration for reenlistment, retention, duty assignments, special programs, promotions, security clearances, and discharge.

Producer Note

Move to Overdraft Scenario layout. Return to 5 Presentation Banking and Financial Services layout at the end of the activity.

Presenter Content	Producer Notes
As you can see from this activity, not managing your accounts can lead to negative consequences that can impact your financial well-being and military career. As a Service member, you are required to maintain your finances successfully. Mismanagement of your inances can negatively affect both your personal AND professional life.	
SLIDE 14: ADDITIONAL SUPPORT AND ASSISTANCE	
Banks and credit unions offer many products and services to help you manage your financial life. The information and resources in this course the report of the course of the course of the course can help guide your decision-making but you should know that you do not have to figure it out alone. If you need help with your financial resources, multiple resources are available to you. Military financial resources include your:	
 Personal Financial Managers, Personal Financial Counselors, or Financial Readiness Program Specialists at your local military and family support center. Installation legal office. 	
Military aid and relief societies.	
Command/Unit Financial Specialist (for Navy, Marine Corps, and Coast Guard).	0 = 7
Conclusion Federal Institutes Banks Products and Services Concey to Federal Institutes County of Federal Institutes County of Federal Institutes F	Producer Note 1. Move to 6 Presentation Crec Management layout
Presenter Note	
Facilitate the summary slides and turn the class over to the producer.	
We have covered quite a bit of material today. We discussed financial institutions and the types of accounts, products, and services they offer. Then, we discussed how to choose a financial institution to meet your needs, digital banking, and the benefits of smart money management. hope you are now empowered to make informed financial decisions while navigating the inancial institution landscape.	
follow up with your financial resources if you need additional information or support. Does inyone have any questions about the information we covered today?	
hank you for your participation! Congratulations on completing <i>Banking and Financial Services</i> !	

Lesson 6: Credit Management

Description

Credit Management is a 60-minute interactive lesson. This lesson provides learners with the knowledge to build and protect their credit health and reduce the cost of credit.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- Credit Management Instructor Guide
- Credit Management PowerPoint Presentation
- Understand Your Credit Score Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- ▶ Make informed decisions about obtaining credit.
- Establish good habits for using credit wisely.
- ▶ Identify credit management strategies and resources.

Course Outline

- 1. Welcome and Introduction (2 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. The Impact of Credit (6 minutes)
 - A. What's the Best and Worst That Could Happen?
 - i. Wise Uses of Credit
 - ii. Unwise Uses of Credit
 - a. Routine Purchases
 - b. Impulse Buying
 - c. Spending to Feel Good
 - d. Spending for Status
 - e. Retaliatory Spending
 - iii. Effects of good and poor credit
- 3. Building Credit (5 minutes)
 - A. Qualifying for Credit
 - i. Character
 - ii. Capacity
 - iii. Collateral
 - B. Establishing Credit
 - i. Share-Secured Loan
 - ii. Co-signed Loan
 - iii. Retail Cards
 - iv. Major Credit Cards
- 4. Credit Scores and Reports (7 minutes)
 - A. Credit Scores
 - i. Five Components of a Credit Score
 - a. Length of Credit History
 - b. Credit Utilization
 - c. Credit Mix
 - d. New Credit Accounts
 - e. Payment History
 - B. Credit Score Ranges
 - i. FICO Scores
 - C. Credit Reports
 - i. Purpose
 - ii. Credit Reporting Agencies
 - iii. Credit Report Content
 - a. Employment History
 - b. Payment History

- c. Inquiries
- d. Public Record Information
- iv. Annual Review
 - a. Free Annual Credit Report
 - b. Correcting Inaccurate Information
 - c. Fair Credit Reporting Act (FCRA)
 - d. Errors on Credit Report
- 5. The Cost of Credit (35 minutes)
 - A. How Much Does Credit Cost?
 - i. Credit Terms
 - a. Annual Percentage Rate (APR)
 - b. Variable Rates
 - c. Repayment Period
 - d. Grace Period
 - e. Minimum Monthly Payment
 - f. Credit Card Accountability, Responsibility, and Disclosure (CARD) Act
 - ii. Credit Fees
 - a. Charged for Service
 - b. Balance Transfers
 - c. Charged for Consumer's Actions
 - d. Late
 - e. Over-the-Limit
 - f. Annual
 - g. Foreign Transaction
 - iii. Loan Interest Calculations
 - a. Simple Interest
 - b. Add-on Interest
 - iv. Shopping for Credit
 - a. Credit Unions
 - b. Banks
 - c. Finance companies
 - d. Retail merchants
 - v. Predatory Lending Practices
 - vi. Five Ways to Reduce the Cost of Credit
 - a. Pay Bills on Time
 - b. Get Preapproved
 - c. Shop Around and Compare Costs
 - d. Know the Terms
 - e. Servicemembers Civil Relief Act (SCRA)
 - f. Military Lending Act (MLA)

- 6. Recovering from Debt (5 minutes)
 - A. Credit warning Signs
 - i. Critical Indicators
 - B. Take Action
 - i. Take Charge
 - a. Change Behavior
 - b. Prioritize Debts
 - c. Power Payment Plan
 - ii. Seek Help
 - a. Talk to Creditors
 - b. Financial Counselors
 - iii. Do Your Homework
 - a. Credit Repair Clinics / Repair Services
 - b. Debt Settlement Companies
 - c. Bankruptcy
- 7. Resources (2 minutes)
 - A. Websites
 - i. Office of Financial Readiness
 - ii. Consumer Financial Protection Bureau (CFPB)
 - iii. MilSpouse Money Mission
 - B. Additional Support Resources
 - i. Personal Financial Manager (PFM)
 - ii. Personal Financial Counselor (PFC)
- 8. Conclusion (2 minutes)
 - A. Summary and review
 - B. Ouestions

Virtual Million Dollar Sailor: Credit Management

Presenter Content	Producer Notes

Classroom Layout

Layout Name	Components	
Lobby	▶ Notes pod with dial in information	
	▶ Welcome chat pod	
	▶ Video pod	
	► Downloads	
	▶ 6 Presentation Credit Management share pod	
	► Chat pod	
	 Tell us how your training is going so far 	
Housekeeping	▶ Notes pod with dial in information	
	▶ Welcome chat pod	
	► Housekeeping	
6 Presentation Credit	▶ Notes pod with dial in information	
Management	► General chat pod	
	▶ 6 Presentation Credit Management share pod	
	► Attendee pod	
	► Reaction tools	
Credit Duel	Notes pod with dial in information	
	▶ L6 SL4 Activity chat pods	
	Wise Credit Uses/Unwise Credit Uses	
	 Credit Management Presentation share pod 	
	► Attendee pod	
	► Reaction tools	
Field Trip	Notes pod with dial in information	
	► General chat pod	
	► Screenshare pod	
	► Attendee pod	
	► Reaction tools	
Five Ways	Notes pod with dial in information	
	► General chat pod	
	► L6 SL18 Activity chat pods	
	o Blue Team	
	o Green Team	
	Red Team	
	► Attendee pod	
	► Reaction tools	
	► Countdown Timer	

Virtual Million Dollar Sailor: Credit Management **Presenter Content Producer Notes**

Classroom Management and Content Lesson 6

SLIDE 1: WELCOME TO CREDIT MANAGEMENT



Welcome to the *Credit Management* lesson. This course aims to provide you with the knowledge to build and protect your credit health and to ultimately reduce the cost of credit.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

Virtual Million Dollar Sailor: Credit Management

Presenter Content

Producer Notes

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor



Animated Slide

This slide has animations...

In this lesson we will cover the following topics:

- ► The Impact of Credit
- Building Credit
- Credit Scores and Credit Reports
- ▶ The Cost of Credit
- ▶ Recovering from Debt
- Resources

SLIDE 3: THE IMPACT OF CREDIT



Credit has become a normal part of everyday personal financial management for most Americans. Used appropriately, it can be an excellent tool. Credit can be a building block to your financial success and good credit management can protect your financial health. Credit can influence almost every aspect of your life, not just your finances.

Virtual Million Dollar Sailor: Credit Management

Presenter Content

Producer Notes

Credit Duel Layout

WHAT'S THE BEST AND WORST THAT COULD HAPPEN?





Presenter Note

Cue the producer to move to the Credit Duel layout or create two separate chat pods. The producer will start the timer on your cue.



Producer Note

- 1. Move to Credit Duel layout
- 2. On cue, start a two-minute timer for the activity
- 3. Return to 6 Presentation Credit Management layout at the end of the activity



Activity

Split learners into two teams. Assign one team to the Wise chat pod and the other to the Unwise chat pod. Give learners two minutes to share wise and unwise uses of credit in the designated chat pods.

After two minutes, discuss responses.

Wise examples:

- Planned purchases of assets.
- To avoid carrying large amounts of cash as long as balances are paid each month.
- To take advantage of sales or discounts when cash isn't immediately available.
- To cover emergency expenses.
- To cover daily expenses as long as balance paid each month.

Unwise examples:

- · Impulse buying.
- · Emotional spending.
- Spending for status impressing others.
- Retaliatory spending.
- Paying for everyday living expenses not paying the balance each month.

SLIDE 5: EFFECTS OF GOOD AND POOR CREDIT





Animated Slide

This slide has animations...

Let's look at the effects credit can have on your financial health. Good credit helps you:

- Qualify for a mortgage or rental lease and loans (e.g., car loan).
- Purchase insurance.
- Qualify for certain jobs that require a security clearance.
- Qualify for assignments overseas.

Virtual Million Dollar Sailor: Credit Management **Producer Notes Presenter Content** Adverse effects of poor credit and poor credit management include: Inability to qualify for a mortgage or rental lease or loans. ▶ Inability to get insurance or pay higher insurance rates. Inability to qualify for certain jobs. Loss of or inability to qualify for security clearances. Failure to qualify for overseas assignments.

SLIDE 6: BUILDING CREDIT





Presenter Note

Ask learners what they think is the number one way to start building credit.

In this section we are going to look at how getting credit can help you build credit.

SLIDE 7: QUALIFYING FOR CREDIT



When deciding to extend credit to a consumer, creditors look for both the ability and willingness to repay debts.

The factors they use to evaluate a borrower can be summarized by the three C's of credit:

- Character.
- Capacity.
- Collateral.

Character: Will you repay the debt?

- Creditors will look at your credit history: how much you owe, how often you borrow, whether you pay bills on time, and whether you live within your means.
- They will also look for signs of stability: how long you have lived at your present address, whether you own or rent your home, and the length of time at your present place of employment.
- ▶ The bottom line is that your credit score is your reputation.

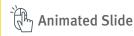
Capacity: Can you repay the debt?

- Creditors ask for employment information: your occupation, how long you have worked at your present job, and how much you earn.
- ▶ They also want to know about your current expenses: how many dependents you have, whether you pay alimony or child support, and the amount of your other financial obligations.

Presenter Content Producer Notes Collateral: Is the creditor fully protected if you fail to repay? Creditors want to know: Possessions you may have that could be used to back up or secure your loan. Resources other than income that you have for repaying the debt: Saving, Investments, Property. Collateral is sometimes called "capital." Both terms refer to a borrower's assets that can be used to secure the loan. Creditors use combinations of these factors to reach a lending decision. Different creditors may reach different conclusions based on the same set of factors. One may

SLIDE 8: ESTABLISHING CREDIT





This slide has animations...

Consumers should start building their creditworthiness early so that they will be able to get credit when they need it. As we just mentioned, lenders look for evidence of financial responsibility and stability when extending credit.

find a borrower an acceptable risk, while another may deny the same borrower.

For someone who does not have a credit history, the first step is to properly maintain a checking and/or savings account and to pay existing bills (e.g., rent, utilities) on time. There are options that can help a person establish a credit history. Let's look at some options you may wish to consider.

Share-secured loan: In a share-secured loan, the amount of the loan is secured by money in your savings or share savings account.

- ▶ Credit unions and banks may grant a loan up to an amount of money in the account
- Money is frozen until a portion or entire loan is paid off
- Interest rate is usually low; repayment is already guaranteed, even if the borrower defaults on payments

The borrower is paying to borrow their own money, but the idea is to establish a credit history by making regular payments.

Co-signed loan: A co-signed loan is a good option for borrowers with little credit history, but they will need someone with an established credit history who is willing to co-sign for the loan.

- ► Co-signer guarantees loan repayment if other signer defaults
- ▶ Loan appears on both signers' credit reports

Be cautious about co-signing a loan for a friend or a relative. As a co-signer, you are responsible for any missed payments. If repayment is mismanaged or goes into arrears, this could reflect poorly on your credit report and hurt your creditworthiness.

Virtual Million Dollar Sailor: Credit Management **Producer Notes Presenter Content Retail cards:** A retail charge card is offered by a retail store or similar lender and is often the easiest type of credit card to get but it typically has a high interest rate. Tips for using this type of credit to build a credit history: Use one card to make small purchases ▶ Pay bill in full each month Major credit cards: After establishing a credit history, consumers can usually qualify for a major credit card from a bank or credit union. **Secured credit cards** often require a cash deposit, have low credit limits, high rates, and hidden fees or "membership" costs Premium cards (often called gold or platinum) are targeted at consumers with the best credit ratings and will typically have lower rates and higher limits If you decide to apply for, or already have a major credit card you will want to ensure you understand the: ► Terms of the agreement [e.g., annual percentage rate (APR)] Associated fees (e.g., annual fee to have the card) Benefits (e.g., how cash back or other perks are awarded) We will talk about credit terms and fees later in the session. SLIDE 9: CREDIT SCORES AND REPORTS FINANCIAL Credit Scores and Credit Reports Now let's look at what credit scores are, what they mean, and how you can use your credit report to ensure it contains accurate information and to improve your credit score. SLIDE 10: FIVE COMPONENTS OF A CREDIT SCORE Presenter Note Ask learners to identify components of a credit score. What have they heard about credit scores? What do they think has the greatest impact on a credit score? Animated Slide After sufficient time for learner responses, click to animate slide content. Credit scoring is a system creditors use to help determine if they will extend credit to you and

how much to charge for that credit. Your credit score is based on information about you and your credit experiences. This information can be found in your credit report. The Fair Isaac

Virtual Million Dollar Sailor: Credit Management	
Presenter Content	Producer Notes
Corporation (FICO) score is the most widely used credit-scoring model. Other credit-scoring models are VantageScore, TransRisk, and PLUS Score.	
FICO considers five areas of information and weighs each category:	
▶ Payment history: 35 percent—do you pay on time every month?	
▶ Credit utilization : 30 percent—how much you owe relative to your credit limits.	
▶ Length of credit history : 15 percent—how long an account has been open and how recently it has been utilized.	
▶ New credit accounts : 10 percent—how often do you seek new credit?	
Credit mix: 10 percent—credit mix (loans versus credit cards), types of loans (e.g., mortgage, student, vehicle), and types of credits cards (retail versus major).	

SLIDE 11: SCORE RANGES





Ask learners to give a green check if they know their credit score and a red x if they do not know their credit score. Do they know the best score an individual can have?

Credit scores vary depending on the product offered and on the range of scores the creditor is using. A credit score is a subjective term because it really depends on how much credit you are applying for, from whom, and for what purpose. For example, a "healthy" credit score to buy a house may be different than a "healthy" score to get approved for a rental lease.

In general, the following are true for FICO scores:

- ▶ **800 to 850**: Exceptional credit—individuals in this range are offered the best credit rates.
- ▶ **740 to 799**: Very good credit—individuals in this range may or may not qualify for the very best interest rates and terms, depending on what they are applying for.
- ▶ **670 to 739**: Good credit—individuals in this range may still qualify for a loan but will pay more for credit than those in excellent or very good ranges.
- ▶ **580 to 669**: Fair credit—individuals in this range may find it difficult to get credit and will likely end up paying high interest rates.
- ▶ 300 to 579: Poor credit—individuals in this range 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.

Presenter Content

Producer Notes

SLIDE 12: CREDIT REPORTS





Presenter Note

Ask learners to raise their hands if they know what the three main credit reporting agencies are.



Animated Slide

After sufficient time for learner responses, click to animate slide content.

A credit report is a detailed account of the credit, employment, and residence history of an individual.

Credit reports:

- ▶ Are used by a prospective lender to determine a person's creditworthiness.
- List any judgements, tax liens, bankruptcies, or similar matters of public record entered against an individual.

There are three main credit reporting agencies: Equifax, Experian, and TransUnion. These agencies maintain independent databases and compete with one another to sell information to lenders, insurance companies, and employers. When obtaining a copy of your credit report be sure to request a copy from each agency since all three may not have the same information.

SLIDE 13: ANNUAL REVIEW





Animated Slide

This slide has animations.

It is important to review your credit report at least once a year to verify that your information is correct and complete. Your report provides a holistic picture of your credit standing. Free annual credit reports are available from the Annual Credit Report website.

(Source: www.ftc.gov/) By federal law, every American with a credit history can get one free credit report each year from each of the big three credit reporting agencies.

If you are denied credit, insurance, or employment based on information in your credit report, you are entitled to receive a free report.

- ▶ Request report within 60 days of receiving denial notice.
- Denial notices include name, address, and phone number of credit reporting agency used to make the decision.
- Contact the reporting agency if you find mistakes in your report.



Producer Note

Paste URL into chat www.ftc.gov/

Presenter Content	Producer Notes
Fair Credit Reporting Act (FCRA)	
Both the credit reporting agency and the information provider (the person, company, or organization that provides information about you to an agency) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of your rights under FCRA, if you see inaccurate or incomplete information contact the credit reporting agency and the information provider.	
Errors on Credit Report	
Since errors in your credit report could prevent you from getting future credit, it is important to review your report and request that the reporting agency correct inaccurate information by filing a Credit Report Dispute. Dispute forms are available on credit reporting agency websites, or you can request a hard copy from the agency.	
When filing a dispute:	
► Ask your legal office for help.	
► State what information you believe is inaccurate.	
 Include copies (not originals) of documents that support your position. If sending dispute form and/or copies of documents in the mail, send via certified mail, return receipt requested as proof that the agency received the form and documents. 	
▶ Keep copies of all documents including follow-up correspondence.	
The credit reporting agency must investigate the disputed items, usually within 30 days unless they consider your dispute frivolous. The agency also must forward all relevant information you provide about the inaccuracy to the organization that provided the information.	
If disputed information is inaccurate as claimed, organization must notify all three credit reporting agencies.	
▶ When the investigation is complete, the credit reporting agency must: Correct information in your file, provide you written results, provide a free copy of your report, if the dispute results in a change this free report does not count toward your annual free credit report.	
You can request that each credit reporting agency send a notice of correction to anyone who received your report in the past six months. If the requested report was for employment, the report will be sent to any employers who requested the report in the past two years. If the investigation does not resolve your dispute, you can request that a statement about the dispute be included in your file and in future credit reports.	
SLIDE 14: THE COST OF CREDIT	
The Cost of Credit	
In this section we'll talk about how much credit costs, how to shop for credit, how to avoid predatory lenders, and how to reduce your overall credit cost.	

Presenter Content

Producer Notes

Credit is a privilege, and the cost of that privilege is the interest you pay on your debt. If you have good credit, you typically pay less in interest; but there are other ways to reduce the overall cost of credit. Paying bills on time and maintaining a spotless credit record can:

- ► Improve your creditworthiness.
- Lower overall cost of credit.

Besides your personal creditworthiness, the cost of credit is determined by other factors:

- Where you borrow.
- ► How much you borrow.
- How long you take to repay.
- How much you pay each month.
- How interest is calculated.

How much you borrow has a big influence on total cost. A down payment can often result in substantial savings. The larger the down payment, the less the total cost.

Borrowing for a longer period lowers the monthly payment but results in a higher cost. The shorter your repayment period, the less interest you pay, which reduces the total cost.

Field Trip Layout

SLIDE 15: HOW MUCH DOES CREDIT COST?





Presenter Note

Familiarize yourself with the loan calculators on the FINRED website https://finred.usalearning.gov/ ToolsAndAddRes/Calculators/Loan

Cue the producer to move to the Field Trip layout.

Share your screen to show learners how to use a calculator to determine the cost of credit and how different loan terms (e.g., loan amount, interest rate) can affect the total interest and amount paid for the loan. Demonstrate the effect that paying only the minimum monthly payment can have on the term of the loan and total amount of interest paid.

Note: Screensharing demonstration should not take longer than five minutes total.

Credit Terms

- ▶ Annual Percentage Rate (APR): APR is a measure of the cost of credit, expressed as a yearly rate. It must be disclosed before you obligate yourself to the debt and it must show on your account statements. A credit card issuer must disclose the "periodic rate," the rate applied to your outstanding balance to calculate the finance charge for each billing period.
- ▶ **Variable rate**: Some credit card plans let the issuer change the APR when interest rates or other economic indicators change. These changes can raise or lower the finance charge on your account. The card issuer must tell you that the rate may change, how much it may change and how frequently, and how the rate is determined.



Producer Note

- 1. Move to Field Trip layout.
- 2. Return to 6 Presentation Credit Management layout at the end of the activity.

Virtual Million Dollar Sailor: Credit Management	
Presenter Content	Producer Notes
▶ Grace period : The grace period allows you to avoid finance charges by paying your balance in full before the due date. Without a grace period, a card issuer may impose a finance charge from the date you use your credit card or from the date each transaction is posted to your account.	
▶ Average daily balance : If you do not have a grace period, this is the most common finance charge calculation method. This calculation uses the average of your balance during the billing cycle to calculate your finance charges for the month.	
Minimum monthly payment: The minimum dollar amount that must be paid each month on a loan, line of credit, or other debt without incurring a late fee. Generally, this relates to revolving debt, like credit cards. Each month, the minimum payment is based on the card's statement balance and calculated as either a flat percentage of the statement balance typically 2%, or a combination of flat percentage and interest. Since only a small portion of the minimum payment is applied to the principal balance every month, it can take card holders years or even decades to pay back their debt. Refer to the terms and conditions of your credit card to learn more about how your minimum balance is calculated.	
▶ Credit Card Accountability, Responsibility, and Disclosure (CARD) Act: Under the CARD Act, your monthly credit card bill includes information on how long it would take to pay off your balance if you only made minimum payments. It will also tell you how much you would need to pay each month in order to pay off your balance in three years. Knowing this information may save you a great deal of money so read your bill each month.	
Credit Fees	
Some fees are charged for:	
Services (e.g., balance transfer, foreign transactions).	
Your actions (e.g., over-the-limit fees, late payment fees).	
Some fees are simply tacked on as part of your account and include activation, acceptance, participation, and monthly maintenance. Fees may appear monthly, periodically, or as one-time charges, and can have an immediate effect on your available credit.	
Example: A credit card with a \$250 limit and \$50 in fees leaves you with \$200 in available credit. By law, these fees cannot total more than 25 percent of the initial credit limit. (This limit does not apply to penalty fees, such as penalties for late payments.)	
Some products may have high-priced add-ons such as credit life, credit disability, or credit unemployment insurance. You should be able to waive or opt-out of these add-ons.	
Before you sign , read the fine print in a credit application or the contract for your credit product to understand the fees you will be charged. Your installation Legal Services Office is a great resource if you have questions and can review credit and loan contracts.	
Fees Charged for Service	
▶ Annual fee : An annual fee is charged for being a cardmember, usually to enjoy special features and perks (e.g., each frequent flier points).	

▶ Balance transfer fee: Many credit card companies offer incentives for balance transfers; that is moving your debt from one credit card to another. Not all of these offers are the

same and their terms can be complicated.

some companies offer low introductory rates that rise significantly after the end of the introductory period. Some charge balance transfer fees. If the card you are transferring a balance to has a lower interest rate overall, the balance transfer may save you money in the ong run. **Pees Charged for Consumer's Actions** **Late / delinquency: Some cards offer low rates for on-time payments but will apply a very high APR if you are late a certain number of times in a specified time period. In some cases, this could be one late payment. Information about delinquency rates should be disclosed in credit card applications and in solicitations that do not require an application. **Cash advance: Cash advances allow you to draw cash from a preset cash limit on your account. Most cards charge a higher interest rate for cash advances, and the interest starts to accrue immediately. **Over-the-limit: An over-limit fee is a penalty charged by credit card companies when cardholders' purchases exceed their credit limit. **Foreign transaction: This fee is imposed by a credit card issuer on a transaction that is placed overseas or with a foreign merchant. **Oan Interest Calculations** **Interest an loans can be calculated in different ways. To know what you are being charged, sow interest is calculated, and steps you can take to minimize the impact of an increase in the interest rate review the terms of your credit product (e.g., loan, credit card) before you sign a contact or application for credit. **There are two methods for lenders to calculate the interest that you need to understand: **Simple: The finance charge is computed by applying a percentage rate to the outstanding balance during each payment period. As you make payments, the interest charged decreases along with the loan balance due. **Add-on: The finance charge is calculated on the amount financed and then added on to the amount financed at the beginning of the loan. The sum total has to be repaid. No matter how many payments you have made, or how quickl	Introductory period. Some charge balance transfer fees. If the card you are transferring a balance to has a lower interest rate overall, the balance transfer may save you money in the ong run. Sees Charged for Consumer's Actions Late / delinquency: Some cards offer low rates for on-time payments but will apply a very high APR if you are late a certain number of times in a specified time period. In some cases, this could be one late payment. Information about delinquency rates should be disclosed in credit card applications and in solicitations that do not require an application. Cash advance: Cash advances allow you to draw cash from a preset cash limit on your account. Most cards charge a higher interest rate for cash advances, and the interest starts to accrue immediately. Over-the-limit: An over-limit fee is a penalty charged by credit card companies when cardholders' purchases exceed their credit limit. Foreign transaction: This fee is imposed by a credit card issuer on a transaction that is placed overseas or with a foreign merchant. oan Interest Calculations Interest on loans can be calculated in different ways. To know what you are being charged, low interest is calculated, and steps you can take to minimize the impact of an increase in the interest rate, review the terms of your credit product (e.g., loan, credit card) before you sign a ontact or application for credit. Simple: The finance charge is computed by applying a percentage rate to the outstanding balance during each payment period. As you make payments, the interest charged decreases along with the loan balance due. Add-on: The finance charge is calculated on the amount financed and then added on to the amount financed at the beginning of the loan. The sum total has to be repaid. No matter how many payments you have made, or how quickly you repay the debt, the interest charged always stays the same. These types of fees are prohibited for loans more than 61 months. Example: \$1,000 at 12 percent for one year. Using simple interest, you	Presenter Content	Producer Notes
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Presenter Content

Producer Notes

SLIDE 16: SHOPPING FOR CREDIT



Credit is a product for which you should shop, as you would for a car, computer, or large home appliance. Because the amount of interest that can be charged on different types of credit can vary considerably, it is important to compare offers carefully. Try to get preapproved for large items by arranging financing before you go shopping. This will give you a firm idea about what you can afford to pay and how much that credit will cost you. Where you borrow will affect your cost.

- ▶ **Credit unions**: Credit unions are nonprofit organizations owned by its members. They lend only to their members and normally offer some of the most attractive rates.
- ▶ **Commercial banks**: Banks are for-profit financial institutions that offer a wide variety of products. Banks typically lend to lower-risk applicants and rates are usually competitive.
- Savings and loan associations: These organizations are similar to banks, but they generally focus on mortgages or similar services.
- ▶ **Finance companies**: These companies normally deal with higher-risk applicants. Therefore, rates are higher than most of the other options mentioned.
- ▶ **Retail merchants**: Retail merchants can be an expensive place to finance any consumer purchase.
 - Rates are often relatively high because you are paying for the convenience of on-site financing.
 - This applies to both in-store loans and credit cards that have promotional introductory rates that rise rapidly after 90 to 180 days.

SLIDE 17: PREDATORY LENDING PRACTICES





Ask learners to share examples of predatory lending. What do they recall from previous training? What have they personally experienced?

Predatory lending is any lending practice that imposes unfair and abusive loan terms on borrowers, including high interest rates, high fees, and terms that strip the borrower of equity, while benefitting the lender. This is the most expensive money to borrow.

Presenter Content

Producer Notes

These lenders:

- Use aggressive sales tactics and deception to get borrowers to take out loans they cannot afford.
- Charge excessive interest rates and fees.
- May wrap in unnecessary insurance.
- ▶ Often have pre-payment penalties.
- ▶ Target vulnerable populations (those who struggle to meet monthly expenses, have recently lost their job, etc.)

Predatory lending includes:

- Advance-fee loans.
- Payday loans.
- Subprime mortgages.
- Title loans.
- Tax refund-anticipation loans.
- Pawn shops.
- Rent-to-own stores.

Five Ways Layout



FIVE WAYS TO REDUCE THE COST OF CREDIT





Presenter Note

Cue the producer to move to the Five Ways layout.



Activity

Ask learners to come up with five different ways to reduce the cost of credit. Divide the learners into three teams and call out what team they are on. Ask learners to contribute ways to reduce the cost of credit; remind them to avoid duplicating their teammate's answer(s). Discuss, after learners have contributed five unique answers in their team's chat. Limit the activity to three minutes. If learners cannot produce five unique ways, proceed to review. Cue producer when ready to start timer.



Animated Slide

This slide has animations.

Great job coming up with ways to reduce the cost of credit. Let's review. Pay bills on time and maintain a good credit record.

Get preapproved for large items—arrange for financing before you shop; this will help you get a firm idea about what you can afford and how much that credit will cost you.



Producer Note

- 1. Move to Five Ways layout.
- 2. Return to 6 Presentation Credit Management presentation layout at the end of the activity.
- 3. Support the presenter in dividing learners into three teams. Identify each team's chat pod using the appropriate chat text color.
 - a. Blue Team
 - b. Green Team
 - c. Red Team
- 4. Start timer for 3 minutes.

Virtual Million Dollar Sailor: Credit Management **Producer Notes Presenter Content** ▶ Pay more than the minimum monthly payment on credit cards. Shop for credit and compare offers carefully. The interest that can be charged on different types of credit can vary considerably. ▶ Know the terms of your credit or loan agreement. Ask credit issuers: o Is there an annual fee? If so, how much? Can it be waived? • What is the interest rate on any balances? If there is a low introductory rate, how long is it in effect? What rate will be charged after the introductory period? • What is the grace period on purchases? • What are the terms for balance transfers and cash advances? • What additional fees apply, such as late payment, over the limit, and others? o Are there other hidden charges, such as an increase in the interest rate in the event of a late payment? • Are there other "services" tacked onto your account for which you will have to pay? ▶ Call the credit card company and tell them you plan to switch to a card with a lower interest rate; ask what they can do for you. In many cases, they will lower your interest rate to keep you as a customer. This can be effective if you have been a customer with an account in good standing for a year or more, have good credit, or carry a balance. Servicemembers Civil Relief Act (SCRA) The SCRA is a federal law that provides protections for Service members as they enter Active duty. One of the provisions provides credit rate reductions to 6 percent if a Service member's military obligation makes it difficult to pay on financial obligations such as credit cards, loans, mortgages, etc. Qualifying debts are debts incurred by the Service member, or the Service member and their spouse jointly, before coming on Active duty. Debts entered into after going on Active duty are not protected by this provision of the law. For information on rate reductions under the SCRA, contact your Legal Service Office. Military Lending Act (MLA) The Military Lending Act, or MLA, is a federal law that provides certain protections in lending for active-duty Service members. The MLA limits the amount a creditor may charge on a wide range of credit products to 36% Military Annual Percentage Rate (MAPR). In addition to interest, the MAPR also includes fees, charges for debt cancellation and suspension, and costs of additional credit products such as credit insurance. SLIDE 19: RECOVERING FROM DEBT Recovering from Debt

In this section we are going to look at the warning signs of carrying too much debt and what

individuals can do to take action to help them better manage their current debt load.

Presenter Content

Producer Notes

SLIDE 20: CREDIT WARNING SIGNS



Warning signs that a person's finances have reached a critical stage and they need to take immediate action to better manage debt include:

- Making only the minimum payments on loans or credit cards—this may include rotating bills, so you are making only partial payments for one month and the rest the next month but never catching up.
- Dedicating most income to repay debt each month—or using credit to pay credit, such as seeking additional debt from predatory lending sources or getting cash advances to make payments.
- Falling behind on payments and receiving late notices. Symptoms of this include hiding bills from your partner or being dishonest with family members about your debts.
- You are:
 - At or near the credit limit on credit cards most of the time.
 - Denied additional credit.
 - Relying on debt-consolidation loans to reduce payments enough to meet monthly living

If you find yourself in any of these situations it is time to take action and consider seeking financial counseling to help you develop a plan of action to reduce and manage debt.

SLIDE 21:



TAKE CHARGE





Producer Note

Bring in L6 SL21 Take Charge chat pod

Presenter Note

Cue producer to bring in Take Charge chat pod.



Activity

Ask learners to brainstorm ideas on ways a person can better manage their current debt load. Give learners two minutes to contribute answers in the designated chat pod.



Animated Slide

This slide has animations.

Let's review the best practices.

Presenter Content	Producer Notes
Change your behavior: Remember that overcoming debt is more about behavior than financial knowledge.	
Prioritize debts: Major items, such as your mortgage and car payment, should be a top priority.	
Use a power payment plan: Create a spending plan to get to positive cash flow (make sure minimum payments are made on all monthly bills) and apply all remaining available funds to whichever debt has the smallest balance. When the smallest balance is paid off, apply the money used for that payment to the second debt on your list; keep the payments on other debts the same. Again, when the second debt is paid off, apply all the money used for the payment to the next bill on your list and so on. In this manner, you will "power pay" down your debt.	
Seek help:	
• Talk with your creditors. Let them know why you are having difficulty making monthly payments. Be honest about what you can or cannot pay. Be prepared to offer them a plan for paying your debt, but do not promise more than you can deliver. Once a plan is agreed upon, be committed to keeping your part of the agreement.	
• Financial counselors can help you figure out what to change so that your behavior moves you in the direction of improving your financial health. Financial counselors have computerized budgeting programs that can help you develop a power payment plan that makes setting up a personal debt payment plan easy and flexible.	
Do your homework before you consider:	
• Debt settlement companies negotiate with your creditors on your behalf to get your debt reduced. Debt settlement occurs when the company or lender holding a delinquent account offers to settle the amount (i.e., they take less than the actual amount owed and charge off, or settle, the rest). This is rarely a viable option. It is better to talk with professional credit counselors.	
o Bankruptcy is often the last option for protection from bill collectors, lawsuits, and foreclosures. Bankruptcy does not allow you to walk away from financial problems and it may severely affect your ability to get credit in the future. It could also have a potential negative influence on your career. For Service members, bankruptcy can make it difficult to get and/or retain your security clearance. If your military position requires a security clearance, loss of your clearance (or the failure to obtain or retain it) could result in needing to change jobs and could affect your ability to reenlist.	
LIDE 22: RESOURCES	
Resources	

Presenter Content

Producer Notes

SLIDE 23: WEBSITES





Animated Slide

This slide has animations.

Familiarize yourself with the resources available on the websites:

- ► FINRED—information about managing and monitoring credit https://finred.usalearning.gov/ Money/ManagingCredit
- Consumer Financial Protection Bureau-information about credit cards www. consumerfinance.gov
- ▶ MilSpouse Money Mission—resources that are accessed from Money Ready and MilTools drop-down menus www.milspousemoneymission.org

SLIDE 24: ADDITIONAL SUPPORT RESOURCES



If you would like assistance in determining your financial ability to buy a home or other financial topics, consider talking to a financial professional. There are two types of professions available to you at no cost: Personal Financial Manager (PFM) and Personal Financial Counselor (PFC).

These individuals have a degree and are nationally certified. They can provide you with personal financial counseling and financial education and training, like the session today.

- ▶ To find a PFM at your nearest installation visit the Military OneSource website.
- ▶ To find a PFC check out the PFC locator map on the Office of Financial Readiness website. These individuals are available 24/7, 365 days a year.

SLIDE 25: SUMMARY AND REVIEW





Producer Note

Move to Summary layout. Conclude the session.



Presenter Note

Facilitate the summary slides and turn the class over to the producer.

Credit is a regular part of our financial life. When managed correctly, credit, whether loans or credit cards, can be a great tool. When mismanaged they can lead to higher costs and credit denials.

Virtual Million Dollar Sailor: Credit Management		
Presenter Content	Producer Notes	
Keep in mind these tips for using credit wisely: Have a working budget or spending plan, keep it up-to-date, and live within your means. Plan all credit purchases; make sure they fit into your spending plan. Shop around for credit. Check your credit report annually and keep it spotless. Use all available resources to help you manage your credit health. In review, we covered: The Impact of Credit. Building Credit. Credit Scores and Credit Reports. The Cost of Credit. Recovering from Debt. Resources. Thank you for your ongoing participation. Congratulations on completing Credit Management training!	Producer Notes	
Questions? The impact of Chold	Producer Note Move to Summary layout. Conclude the session.	

Lesson 7: Insurance

Description

This course is expected to take approximately 60 minutes to teach. Through a series of PowerPoint slides, the learners are presented with information about insurance protection. They will learn about the importance of insurance, the different coverages, insurance needs specific to life events, and tips to maximize insurance savings.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- ► Insurance Instructor Guide
- Insurance PowerPoint Presentation
- Life Insurance Calculation Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- ▶ Understand the importance of managing risk through insurance.
- ▶ Differentiate between various types of insurance coverages and evaluate their benefits and limitations.
- ▶ Assess insurance needs according to major life events.
- ▶ Identify and implement effective insurance money-saving strategies.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. The importance of Insurance (5 minutes)
 - A. Risk
 - B. Managing Risk
- 3. Types of Insurance (15 minutes)
 - A. Auto Insurance
 - B. Health Insurance
 - C. Homeowners / Renters Insurance
 - D. Life Insurance
- 4. Insurance Needs for Major Life Events (20 minutes)
- 5. Know Your Benefits and Entitlements (5 minutes)
 - A. Death Gratuity
 - B. Dependency and Indemnity Compensation (DIC)
 - C. Survivors' and Dependents' Education Assistance (DEA)
 - D. Survivor Benefit Plan (SBP)
 - E. Social Security
- 6. Saving Money on Insurance (5 minutes)
- 7. Conclusion (5 minutes)
 - A. Resources
 - B. Q&A

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	Insurance Handout
	Life Insurance Calculation
	▶ 7 Presentation Insurance share pod
	► Chat pod
	 Share one key takeaway from Day 1 training.
Housekeeping	▶ Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
7 Presentation Insurance	▶ Notes pod with dial in information
	▶ General chat pod
	▶ 7 Presentation Insurance share pod
	► Attendee pod
	▶ Reaction tools
LIFE	▶ Notes pod with dial in information
	▶ LIFE Insurance Calculation handout Share pod
	► Chat pod
	▶ 7 Presentation Insurance share pod (Slide 9)
	► Attendee pod
	▶ Reaction tools

Virtual Million Dollar Sailor: Insurance

Presenter Content

Producer Notes

Classroom Management and Content

Lesson 7

SLIDE 1: WELCOME TO INSURANCE



Welcome to today's lesson on insurance. This course aims to help you understand and manage risk using insurance. We'll focus on the various types of insurance and learn how much you may need based on your unique circumstances and life events. But first, let's take a step back and think about why it's important to understand risk and insurance.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- Your name.
- Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Producer Note

Review housekeeping and technology tips with learners.

While reviewing housekeeping tips, share how to send a private chat to the hosts if learners have a message that they don't want the entire class to see.

Move to 5 Presentation Banking & Financial Services Layout



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.



Animated Slide

This slide has animations...

Virtual Million Dollar Sailor: Insurance Presenter Content Producer Notes In this lesson we will cover the following topics: The importance of insurance Types of insurance Insurance needs for life events Know your benefits and entitlements Money saving tips Resources and Q&A

SLIDE 3: "THE IMPORTANCE OF INSURANCE





Producer Note

Remind learners to unmute



Ask learners why it is important to have insurance. A potential answer could include, "Insurance protects you from an unexpected financial loss resulting from risk." Next, ask learners how they define "risk." Share that risk involves the chance of financial loss and uncertainty.

Great answers, and as you can see, the common theme is protection. Let's now dive in deeper and discuss risk and how insurance can be an effective method to help manage risk. Insurance helps us manage risk and protects us from financial loss. We face risks every day, and while many amount to nothing, some could result in damage, injury, loss, or liability. There are several ways to manage the various risks that we are all exposed to:

- ▶ **Avoid**: One way to do this is to avoid the risk altogether. For example, if you are concerned about the risk of injury, you could avoid purchasing a backyard trampoline.
- ▶ **Reduce**: A second way is to reduce the risk. For example, if you are concerned your cell phone may distract you while driving, you might silence the volume or put it in the back seat where you cannot reach it.
- ▶ **Retain**: You can also retain a risk. This means that you are willing to pay for a financial loss that may occur. An example would be to not carry vision insurance for your dependents and pay out of pocket if your child needs glasses in the future.
- ▶ **Transfer**: You can transfer the risk by purchasing insurance to protect you from losses you cannot afford to cover yourself. You pay a small, known cost the premium for the promise that the insurance company will pay for a larger cost of loss that may occur, within certain limits.

Presenter Content

Producer Notes

SLIDE 4:



INSURANCE LANDSCAPE





Activity

Give learners one minute to brainstorm different types of insurance in the main chat. What have they heard of or purchased themselves? How many did they come up with from the list below? Common Types of Insurance

- Auto insurance
- Health insurance
- Homeowners insurance
- Flood/earthquake
- Title
- Renters insurance
- Life
- Umbrella
- Accidental Death & Dismemberment
- Medical
- · Long-term care
- Disability
- Private mortgage insurance (PMI)
- Guaranteed Asset Protection (GAP)
- Federal Deposit Insurance Corporation (FDIC)
- National Credit Union Administration (NCUA)
- Travel
- Home appliance insurance (aka extended warranty)
- Pet
- · Identity theft



Animated Slide

This slide has animations..

There are many types of insurance. Rather than spend time covering each type in detail, we will focus on the most common types that many of you are likely familiar with:

- Auto: Protects a person against financial loss if a vehicle is in an accident, damaged, or stolen.
- ▶ Health: Covers the cost of medical expenses due to illness, injuries, and health conditions.
- ▶ Property: Homeowners insurance covers a home and its contents in case of damage or theft and can help pay for repairs and replacement. Similarly, renters insurance covers the cost of replacing stolen, damaged, or ruined items in a rented house or apartment.
- Life: Can replace income, pay debts, fund financial goals, provide for funeral arrangements, and fund a legacy, if desired.

SLIDE 5: "AUTO INSURANCE





Activity

Present a fact about the type of auto insurance and ask learners to guess what type of auto insurance you are referring to. Learners will type their answer into the chat. Move on to the next fact after receiving the first correct answer.



Animated Slide

This slide has animations...

For many of you, your first major purchase may be a car. Auto insurance is an important way to protect your investment. You agree to pay the premium and the insurance company agrees to cover potential losses as defined in your policy. There are several different types of car insurance, and each is priced separately.

This coverage pays for your legal responsibility to others for bodily injury or property damage within the policy limits. Take a quess at what type of auto insurance this is.

Liability - Auto liability insurance is mandated by law in most states. Each state sets minimum coverage limits for bodily injury and property damage liability. 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.

This insurance coverage pays the cost of repairing or replacing your vehicle if it is damaged in an accident, regardless of who's fault it is.

Collision - Collision coverage will pay to repair your vehicle based on the actual cash value, not the replacement cost. It is required by most lenders if your vehicle is financed.

This coverage pays for damages to your car caused by something other than a collision with another vehicle like a tree fall, fire, or theft.

Comprehensive - Your insurer will only pay as much as the car was worth when the event occurred, called the actual cash value and not the cost of a new car, called the replacement cost value.

This coverage pays for the cost of treating injuries, rehabilitation and sometimes wages lost by someone injured in an accident.

Medical - Medical coverage is also referred to as medical payments or personal injury protection (PIP). In addition to paying for the cost of treating inquiries, rehabilitation and sometimes lost wages, it may also cover funeral costs. This coverage protects you and your passengers, no matter who is at fault.

This coverage protects you or passengers in your vehicle for bodily injury you or your passengers sustain in an accident involving a driver who does not have liability coverage.

	Virtual Million Dollar Sailor: Insurance	
Presenter Content	Producer Notes	
ninsured or underinsured motorist - Uninsured motorist Underinsured motorist coverage rotects you or your passengers in your vehicle for bodily injury you or your passengers sustain an accident involving a driver who has insufficient insurance to cover your injuries or your assengers' injuries. Uninsured or underinsured motorist coverage may also protect you if you se hit as a pedestrian.		
ptional - Other optional insurance coverage may include towing and labor, rental car imbursement, and GAP coverage. GAP stands for "guaranteed asset protection," and it pays the difference between the car's estimated fair market value and the amount left on your loan your vehicle is totaled or stolen.		
ost states require drivers to purchase a set minimum amount of coverage, and states or calities may require different coverage minimums. It may seem like a good idea to stop there. owever, if you want to protect your finances from potential repair bills or litigation, it may be nart to purchase more than the minimum requirement.		
ere are a few tips to consider when looking for auto insurance:		
Maintain a good credit history. Most insurers use credit information to price auto insurance policies, so a good credit history can reduce your costs. Pay your bills on time, do not obtain more credit than you need, and keep your credit balances as low as possible. Review your credit report regularly and correct any errors promptly.		
Shop before you buy. Request quotes from several companies before purchasing a policy to find the best insurance at the best price. Get at least three quotes by calling companies directly or accessing information online. Purchasing auto insurance from an auto dealer may not provide the best value and is generally more expensive.		
Ask about discounts. Insurers may give discounts for added safety features, like antilock brakes, side airbags, and anti-theft devices. Companies may also give bundling discounts to customers who buy two or more types of insurance (e.g., homeowners and auto) or insure multiple vehicles. Finally, companies might provide a discount for those serving or who have served in the military.		
<u>Choose higher deductibles.</u> As with most insurance, the higher your deductible, the lower your premium. When going this route, make sure to have enough money saved to cover the higher deductible.		
Reduce coverage on older cars. Compare your vehicle's actual cash value to the premium cost of collision and comprehensive to help you decide.		
Maintain coverage while on deployment. Some companies will allow continued coverage at a reduced rate while you are deployed. Contact your insurer and let them know your car will be "off the road." If you drop coverage, your rates will likely increase when you reinstate it due to a lapse in coverage. If you have a loan on the vehicle, the creditor will require you		

Virtual Million Dollar Sailor: Insurance

Presenter Content

Producer Notes

SLIDE 6: HEALTH INSURANCE



Health insurance is crucial in maintaining overall well-being. While on active duty, TRICARE covers health care for you and your eligible dependents. As the sponsor, you're required to enroll eligible family members in the Defense Eligibility Enrollment Reporting System (DEERS) so they can be covered by TRICARE. Active-duty members

must be enrolled in TRICARE Prime, but eligible family members may select other TRICARE coverage options. Contact your local TRICARE office to discuss what coverage best suits your needs.

National Guard and Reserve members and their families may be eligible for TRICARE Reserve Select coverage or TRICARE Prime depending on the sponsor's status. Visit https://www.tricare.mil/Plans/Eligibility/NGRMandFamilies for more.

Health care coverage is something you should review throughout your time in the military, and especially when you experience a significant event like marriage, welcoming a new child, or a move. It is especially important to know your options as you prepare to leave military service. Carefully examine your needs and understand the coverage options that are available to you and your loved ones.

Medical bills are one of the leading causes of bankruptcy. Health insurance can help you avoid major out-of-pocket expenses, protecting your health and your finances.

Producer Note

Paste URL into chat https://www.tricare.mil/Plans/Eligibility/NGRMandFamilies

SLIDE 7: PROPERTY INSURANCE



Next, let's discuss two types of property insurance: homeowners and renters insurance.

Generally, mortgage lenders require homeowners insurance to cover both your property and personal possessions. A standard

homeowners insurance policy, also called an HO5 or "all risks" policy, covers property damage to the home and contents, liability against injuries to others while on your property, and expenses if you are displaced.

Renters insurance is an important aspect of financial protection that is often overlooked. Whether you live on or off your installation or relocate often, renters insurance can provide peace of mind and financial security. It is important to know that a landlord typically has property insurance on the building, but that coverage does not extend to personal property belonging to tenants. If you're renting, it is up to you to make sure your personal items are protected.

It is critical that both renters and homeowners know what is not covered, so make sure to review the policy exclusions. Certain types of damage like earth movement, hurricane, water damage, power failure, neglect, and intentional damage are examples of perils that can be covered under a separate policy. Flood insurance is one of the most common types of additional coverage.

If you live in an area prone to hurricanes, tornadoes, floods, or other natural disasters, take the time to examine what coverages are available and determine what you need. Additional coverage will likely mean increased costs so make sure to consider your spending plan.

Presenter Content	Producer Notes
ou may also want to consider adding a rider to your policy. A rider is an addition to a bigger olicy to cover specific items like jewelry, collectibles, sports equipment, or electronics that hay not be fully covered under a standard policy. An appraisal may be required to secure this upper of coverage.	
roperty Insurance Tips	
Choose the right level of protection. When shopping, consider more than the cost of coverage. Find the right type of policy, with the proper level of protection, and add any special provisions for valuables such as jewelry, electronics, and other valuables.	
Consider additional coverage. You might also need additional coverage for events such as earthquakes or flooding. Flood insurance is a wise purchase that is required (and expensive) in high-risk areas but often inexpensive elsewhere. For homeowners, flood insurance is offered under the National Flood Insurance Program and through commercial companies.	
Consider replacement cost coverage. You may want to choose replacement cost coverage, not actual cash value, for comprehensive coverage of your belongings. Actual cash value coverage reimburses you for the depreciated value of your lost property because your used item is worth less than a new version. Replacement cost value reimburses you at a rate equal to what it would cost to replace your lost property today.	
Determine your need for personal liability coverage. An umbrella policy can protect your finances if you are held liable for the losses of others due to your negligence. It may be included in homeowners or renters policies but review your situation and determine the appropriate level of coverage for your needs.	
Take an inventory. Create a list of your possessions and determine whether you have enough insurance coverage. Keep a copy somewhere secure, like in a fireproof safe or at a location outside the home. Photos or videos of each room and its contents will help you to settle a claim in the event of a loss.	
SLIDE 8: LIFE INSURANCE	
Life insurance Life insurance is a type of coverage that can help you take care of your loved ones after you die. It can be a challenging topic, but having the right coverage in place for your situation can provide peace of mind and security for those you care about.	
eview your policies and coverage amount on a regular basis. Life events like getting married, ivorced, or having a child may change the amount of coverage you need. Make sure your issurance coverage aligns with your wishes and reflects your current needs. For example, if you exently divorced, but left your former spouse named as beneficiary, they will continue to be ne beneficiary unless you change it. Review your beneficiary designations on a regular basis to insure they are accurate.	
s a Service member, you are automatically covered under Servicemembers' Group Life Isurance (SGLI) for \$500,000 unless you decrease or decline coverage. Family Servicemembers' Broup Life Insurance (FSGLI) covers eligible spouses and dependent children if you're covered ander full-time SGLI. Spouse coverage is available up to \$100,000 and cannot exceed your overage; premiums vary by age and coverage is not automatic. Coverage for dependent hildren is free and automatic for \$10,000 each.	

Virtual Million Dollar Sailor: Insurance

Presenter Content

Producer Notes

When you leave the military, your life insurance coverage under Servicemembers' Group Life Insurance (SGLI) ends. You have a few options to replace SGLI within a specific time limit. You

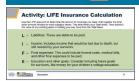
- ▶ Covert it to Veterans' Group Life Insurance (VGLI) within one year and 120 days of leaving the service. If you apply within 240 days after leaving the military, you will not have to submit evidence of good health. The cost of VGLI varies based on age and amount of coverage.
- Convert your SGLI and your spouse's Family Servicemembers' Group Life Insurance (FSGLI) to a commercial policy through the VA.
- Consider Veterans Affairs Life Insurance (VALife) if you have a service-connected disability. VALife offers whole life insurance coverage up to \$40,000. A medical exam is not required. Your premium is based on your age when you apply and remains fixed as long as you keep the policy.
- Apply for coverage with a life insurance company or learn about potential coverage options with your new employer.

LIFE Layout

SLIDE 9:



LIFE INSURANCE CALCULATION





Presenter Note

Cue producer to move to the LIFE layout.



Handout

Refer learners to the Life Insurance Calculation handout.



Activity

Walk learners through the LIFE Insurance Calculation worksheet handout. Explain what LIFE stands for and ask learners to contribute an amount for each calculation. You will use drawing tools to display calculations on the slide. Encourage learners to set aside time after training to complete the form.

SGLI provides essential life insurance coverage, but it may not be enough, especially if you are married with young children at home. To ensure your loved ones are adequately protected, it's crucial to calculate the right amount of coverage for your situation. We'll use the L-I-F-E approach to calculate the coverage you need.

Let's follow along with the LIFE Insurance Calculation Handout. Determine the dollar amount needed for each category and add them together to calculate total need.



Producer Note

- 1. Move to the LIFE layout.
- 2. Return to 7 Presentation Insurance layout at the end of the activity.
- 3. Activate drawing tools
 - a. Enable drawing tools for learners
 - b. Explain how to use drawing tools
 - c. Clear drawing tools at the end of activity

Presenter Content	Producer Notes
IFE stands for: L − Liabilities: These are debts to be repaid. How much should we include here? I − Income: Include income that would be lost due to death, but still needed by your survivors. How much should we include here? F − Final expenses: This could include funeral costs, medical bills, and other final expenses to be paid. How much should we include here? E − Education and other goals: Consider including future goals for survivors, like money for your children's college education. How much should we include here? Next, calculate the combined value of your existing assets or funding. How much should we include here? In short, add up the value of what you own, which could include things like your TSP or etirement savings, money saved in your checking and/or savings accounts, Social Security benefits, and existing life insurance policies. Then, subtract from your total need the combined value of any existing assets and funding. If this calculation results in a positive number, meaning there is currently more required than available resources, that's the amount of additional insurance necessary to cover your needs or vishes after death. It may take some time to gather information on your existing assets, accounts, and liabilities. They goals are debt as the still resource in the properties of	Producer Note Producer Note Paste URL into chat www.ssa.gov
could potentially receive based on your work history. Remember, you don't have to figure this but alone. Work with your installation Personal Financial Manager or Counselor (PFM/PFC) or Command Financial Specialist (CFS) for more support. SLIDE 10: LIFE INSURANCE CONSIDERATIONS When you're thinking about life insurance, it is important to remember that your need for coverage will change as the circumstances of your life change. Your financial responsibilities, career progression, and family status are all factors to consider. Your need for life insurance may be short or long-term depending on your ituation and goals. Your need for life insurance may be minimal if you have no dependents. If you are married and/or have young children, your insurance needs may increase.	
Life insurance can generally be divided into two categories: term, also called temporary coverage, and permanent insurance, also called whole life coverage. All insurance purchases are a personal choice, but knowing your current situation can help you identify the type of coverage that fits your specific needs. Let's cover the two types.	

Virtual Million Dollar Sailor: Insurance	
Presenter Content	Producer Notes
Term Life Insurance	
Term insurance provides protection for a limited period, the term of the policy. The face amount or death benefit will be paid only if the insured dies while the policy is active. Generally, the period of coverage can be from one to 20 or even 30 years. Premiums generally stay constant throughout the duration of the policy. Some policies may allow you to renew the term or convert it to a permanent policy.	
There are a few important considerations to keep in mind when it comes to term life insurance. Generally, term insurance is less costly and can be useful for limited duration needs, like paying off a mortgage, covering educational expenses, or financially supporting young children until they are adults. The cost of life insurance increases as you get older. For example, if all other factors are constant, a policy purchased at 40 will be more expensive than one purchased at 20 because the 40-year-old is statistically closer to the end of his or her life and more of a risk to the insurance company. Term insurance has no cash value, meaning that benefits are not paid if the insured survives past the duration of the policy.	
Permanent Life Insurance	
Permanent insurance is a broad category of life insurance plans designed to last your lifetime and do not expire, but rather pay a death benefit to your designated beneficiary when you die. Another important feature of this type of policy is the accumulation of cash value. Let's examine how it works.	
When you make payments to your policy, part of the premium covers the cost of insurance and administrative fees, while the remainder goes into a cash value account to be saved or invested. The cash value grows based on the policy's interest rate or investment performance. These dollars can be accessed through policy loans or withdrawals but are primarily intended to fund the policy in the future.	
Because of this cash value component, permanent insurance is generally more expensive than term. It's important to structure and monitor your permanent policy to ensure the premiums and cash value are adequate to cover the cost of insurance to avoid a lapse in coverage.	
Life insurance can be complex so make sure you understand the policy's details including premiums, benefits, and any associated fees or administrative costs.	
Life Insurance Premium Factors	
The cost of your insurance is based on several factors, some of which you can control. Common factors insurance companies consider include:	
▶ Age : The number one factor behind the cost of life insurance is the age of the policyholder.	
▶ Gender : Next to age, gender is the biggest determinant of pricing. Women generally live longer than men, which means they typically pay premiums for a longer period than men, affording them slightly lower rates.	
► Health : Your health helps to determine whether you are insurable and at what cost.	

The carrier may require a medical exam. People with health conditions may face higher

▶ **Occupation**: The cost of life insurance can increase dramatically for those in high-risk jobs like demolition specialists, race drivers, or scuba divers. People with dangerous hobbies can

insurance premiums. Your family health history may also be a consideration.

also be affected.

Virtual Million Dollar Sailor: Insurance

Presenter Content

Producer Notes

- ▶ **Lifestyle**: Certain lifestyle choices, like tobacco or alcohol use, can affect insurance premiums.
- **Driving record**: Insurance companies may review your driving record during the underwriting process by asking you direct questions or accessing your records through the Department of Motor Vehicles.

The cheapest insurance is not necessarily the best. It is a good idea to research the company when buying life insurance. Insurance companies are evaluated and rated based on history, performance, and financial stability. Gather information on the company or agent on your state's insurance commission website.

SLIDE 11:



INSURANCE NEEDS FOR LIFE





Presenter Note

Cue producer to bring in LIFE Events Insurance poll.



Activity

Challenge learners to examine how their insurance needs could change based on the life events listed below. Ask the group which life events they are most interested in and select only the top three scenarios from the poll to discuss as a group. Spend 5 minutes on this activity.

Life changes all the time. The purpose of this activity is to apply what you've learned about different types of insurance in the course.

We all experience major life events that affect our insurance needs. Making a major purchase, getting married, having children, accumulating assets, transitioning to civilian life, divorce, and retiring are a few examples.

Smart insurance planning begins with a detailed assessment of your current needs, plus review and adjustment when significant life events occur. Some types of insurance, such as health and disability, are provided to you while you remain on active duty. Other types of insurance are your responsibility in part or in full. We will discuss two or three major life events and explore how you can make the best insurance purchasing decision for each one.

We're not going to cover all the scenarios today, so let's choose two or three that you're most interested in using the poll. The goal is for you to think through how your needs will change as you experience changes throughout your life, during and after your time in the military. At the beginning of this section, we talked about several different types of insurance. For today's purposes, we're going to focus on the four types we covered in-depth during the course: auto, health, property, and life. Reviewing your coverage is important when you experience a major life event.



Producer Note

Bring in L7 SL11 Insurance Needs for Life Events poll.

Which life events are you most interested in hearing about?

Marriage

Children

Divorce

Vehicle purchase

Home purchase or refinance

PCS/Relocation

Dependents move out of home

Change in health

Job change

Loss of coverage

Separate from Service/ Retirement

▶ Dependents moving in/out of the home – All coverages – Blending families or children growing up and moving away from home can mean changes for your insurance too.

Review your auto policy to make sure you and your dependents are covered appropriately. Understand your options for health coverage for your eligible dependents based on their age and seek other coverage if needed. Consider the need for renters insurance for older

dependents living away from home while attending college, to protect personal property like expensive laptops and other possessions. Lastly, your need for life insurance could shift depending on financial responsibility for those living in your home. Change in health – Health, Life – If you or a dependent experience a change in health, review and update your life and health insurance coverages to reflect the change. Job change – All coverages – Starting a new job is a great time to review your insurance coverage. Your needs and options may change with your new employer, so it is a great time to make sure your policies are up to date. Loss of coverage – All coverages – There are several reasons why you could lose insurance coverage. Take a step back and evaluate your current needs, and make sure your coverage fits with your current situation. Separate from Service/Retirement – All coverages – It is a good idea to review all your insurance coverages when you separate from the military or retire. If you move, update auto and property policies so they reflect your current location. Retirees are eligible for continuing coverage under the Transitional Assistance Management Program (TAMP) or through their new employer. VA health care may be an option for coverage as well. Review your life insurance needs and consider the replacement options for SGLI we covered earlier in the course. Increased financial responsibility – All coverages – Over time, you may find that you own more things and have greater financial responsibilities. Review your auto and life insurance overage and adjust as needed. Take a close look at your property insurance and consider if your homeowners or renters policy covers the value of your property and possessions. Adjust if you need to. SLIDE 12: INSURANCE FOR LIFE EVENTS - TOP TIPS As you can see, understanding and planning for insurance needs at different life events is crucial since each stage presents unique challenges and opportunities. Adequate insurance planning not only provides pe	
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,	
 Review and compare your insurance coverage regularly to account for changes in your life. Organize your policy documents to ensure you and your family members have easy access to your insurance information when needed. 	
Educate yourself about different types of insurance and their benefits and purchase coverage that aligns with your specific needs.	
▶ If you are a member of the Reserves or National Guard, there may be additional considerations for you as you transition to and from active-duty orders.	

Presenter Content

Producer Notes

SLIDE 13: KNOW YOUR BENEFITS AND ENTITLEMENTS





Presenter Note

Use pointer tool to highlight specific content being referenced.

Let's cover a few benefits available for Service members to support loved ones in the event of your death. While these are not all insurance policies, it's important to consider how these benefits could affect your additional insurance needs.

- ▶ **Death gratuity**: This is a one-time, \$100,000 lump-sum payment provided to certain survivors of Service members who die while on active duty, active duty for training, or inactive duty for training. It is a tax-free benefit, typically paid within 72 hours. This benefit is intended to help meet the needs of a deceased Service member's family before veteran or survivor benefits begin.
- SGLI: The standard coverage for SGLI is \$500,000 unless you decrease or decline coverage. SGLI proceeds are paid to whomever is the named beneficiary at the time of your death. It is critical that your beneficiary designations are aligned with your current wishes and needs. Verify and, if necessary, update your beneficiary designations when you experience a major life event.
- ▶ Survivor Benefit Plan (SBP): SBP provides eligible beneficiaries with a monthly payment, referred to as an "annuity." This government-subsidized program is free while the Service member is on active duty or while on eligible Guard or Reserve orders. Should a Service member die in the line of duty, their entitlement is calculated as of that date and the SBP annuity will be paid monthly for the rest of the survivor's life or until they become ineligible. At retirement, a Service member may choose to continue coverage under SBP. Find out more at https://militarypay.defense.gov/benefits/survivor-benefit-program/
- Other benefits and entitlements: The military will pay the cost of a basic funeral and provide transportation for family members. If married, the surviving spouse will be provided a no-cost final move and receive Basic Allowance for Housing (BAH) or permission to live in installation housing for 12 months. Additionally, the military will disburse any accumulated leave or arrears in pay.
- **Social Security**: Benefits may be available for your surviving spouse and children, depending on your work history and the age of the children. Eligibility rules are complex. Log in to your account at ssa.gov to learn more about the potential benefits that may be available to you and your loved ones.

Benefits Provided by the VA:

Dependency and Indemnity Compensation (DIC): DIC is a tax-free, monthly benefit generally payable to a surviving spouse, child or parent of a Service member who dies while on active duty or a veteran who died from a service-related injury or illness.



Producer Note

Paste URL into chat https:// militarypay.defense.gov/ benefits/survivor-benefitprogram/

Presenter Content Producer Notes Survivors' and Dependents' Educational Assistance (DEA): A child or spouse of a veteran or Service member who has died, is captured, missing, or has disabilities may be eligible for assistance to help pay for school or job training through the DEA program, also called Chapter 35. DEA can be used for college, career training certificates, apprenticeships, and on-the-job training.

SLIDE 14: SAVING MONEY ON INSURANCE





Ask learners what they've done to save money when buying insurance.

Let's discuss a few tactics you can use to save on your insurance costs.

- ▶ **Shop around and compare carriers**. Be sure to review coverage, policy benefits, financial rating, and reputation of the company, not just the premium cost. For more in-depth information, visit your state department of insurance website.
- ▶ **Bundle coverage**. Insurance carriers may offer a discount if you have multiple lines of insurance with them (e.g., autos and renters).
- ▶ **Build and maintain your credit rating**. Having good credit usually results in a lower cost of insurance.
- ▶ **Ask about discounts**. Some auto insurers may offer a military discount or a good student discount if your teenage driver maintains good grades. Additionally, taking a defensive driving course can also lower costs.
- ▶ Consider increasing your insurance deductible. This can save you money on your premiums but proceed with caution. Make sure you have enough money saved in your emergency fund to cover your deductible and any increased out-of-pocket expenses.
- Increase your home's safety features. Consider fire safety measures like smoke detectors, sprinklers, and extinguishers. Installing an alarm system may also help you save.

SLIDE 15: SOURCES OF HELP





Familiarize yourself with the resources available at the websites listed below.

Insurance can be complicated. The good news is that you don't have to figure it out on your own. Resources are available online and in person to help you understand and access the right coverage for you.

Virtual Million Dollar Sailor: Insurance **Producer Notes Presenter Content** Websites: DoD Office of Financial Readiness (FINRED) https://finred.usalearning.gov/Planning#Insurance ▶ Milspouse Money Mission – Insure Your Family https://www.milspousemoneymission.org/insure-your-family/ Coast Guard Support (CGSUPRT) https://www.cgsuprt.com/ Additional support and assistance: Personal Financial Managers, Personal Financial Counselors, or Financial Readiness Program Specialists at your local military and family support center. Command/Unit Financial Specialist (USN, USMC, USCG). Installation legal office. ► Military aid and relief societies. **SLIDE 16: CONCLUSION Producer Note** 1. Move to 8 Presentation Car **Buying Strategies layout** Presenter Note Facilitate the summary slides and turn the class over to the producer. As you can see, understanding and securing different types of insurance is crucial for protecting your financial future and that of your loved ones. Insurance is not just a safety net for unexpected events, it is a planning tool for managing risk and ensuring stability. Prioritizing insurance can help you build a resilient financial foundation. In today's course, we covered: Why insurance is important. ▶ Types of insurance. Insurance needs for specific life events. Knowing your benefits. ▶ Tips to save on the cost of insurance. Additional support and resources. Does anyone have any final questions about the information we covered today? Thank you for your participation!

Lesson 8: Car Buying Strategies

Description

This course is expected to take approximately 60 minutes to teach. Through a series of PowerPoint slides, the learners are presented with information about successful car buying strategies. This course will cover essential steps to take before a vehicle purchase, determine affordability, payment, risks of negative equity, decide between new, pre-owned or lease, effective negotiating tips, evaluate financing options, and insurance needs

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- Car Buying Strategies Instructor Guide
- Car Buying Strategies PowerPoint Presentation
- Spending Plan Worksheet Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- ldentify the essential steps needed before making a vehicle purchase and how to make an informed purchase.
- Determine affordability, a payment that fits the spending plan, and the risks of negative equity.
- Evaluate the pros and cons of new, pre-owned, and leased vehicles.
- Be familiar with negotiation strategies to secure the best possible deal.
- ▶ Evaluate and compare various financing options for purchasing a vehicle.
- Evaluate their insurance needs when purchasing a vehicle.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
- 2. Essential Steps Before You Buy (10 minutes)
 - A. Research Vehicles that Meet Your Needs and Preferences
 - B. Review Current Financial Situation
 - C. Check Your Credit and Get Preapproved
 - D. Assess Trade-in Value
 - E. Shop for Vehicle
- 3. Determine Affordability (10 minutes)
 - A. Calculating How Much Car You Can Afford
 - B. Determine a Reasonable Car Payment
 - C. Understand Risks of Negative Equity
- 4. New, Pre-owned, Lease (10 minutes)
 - A. Pros and Cons of Buying New
 - B. Pros and Cons of Pre-owned
 - C. Pros and Cons of Leasing a Vehicle
- 5. Negotiation Tips (5 minutes)
 - A. Proven Negotiating Tips
- 6. Financing Options (10 minutes)
 - A. Understanding the Different Financing Options
 - B. Finance Charges
 - C. Reviewing Contracts
- 7. Insurance Considerations (5 minutes)
 - A. Types of Insurance Coverages
- 8. Conclusion (5 minutes)
 - A. Review
 - B. Questions

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	Car Buying Strategies Handout
	Spending Plan Worksheet Handout
	▶ 8 Presentation Car Buying Strategies share pod
	► Chat pod
	Tell us how your first day of training was
Housekeeping	Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
8 Presentation Car	Notes pod with dial in information
Buying Strategies	► General chat pod
	8 Presentation Car Buying Strategies share pod
	► Attendee pod
	► Reaction tools
Field Trip	► Notes pod with dial in information
	► General chat pod
	► Screenshare pod
	► Attendee pod
	► Reaction tools
Pros/Cons	► Notes pod with dial in information
	► General chat pod
	► Attendee pod
	► Reaction tools
	► L8 SL9-11 Activity Chat pods
	o Pros/Cons

Presenter Content

Producer Notes

Classroom Management and Content Lesson 8

SLIDE 1: WELCOME TO CAR BUYING STRATEGIES



Welcome to today's lesson on car buying strategies. Most Service members will purchase a new or used car during their military service. Buying a car is exciting and fun but it's also a big financial decision. Whether you are a first-time buyer or looking to upgrade your vehicle, this course will help you make informed decisions and get the best deal.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.



Animated Slide

This slide has animations..

Virtual Million Dollar Sailor: Car Buying Strategies Presenter Content Producer Notes In this lesson we will cover the following topics: Essential steps to take before your vehicle purchase Determine affordability, your payment and negative equity risks New, pre-owned or lease Negotiating tips Financing options Insurance considerations

SLIDE 3: "CAR FEATURE PREFERENCE



Producer Note

Remind learners to unmute

RAA Activity

Randomly, call on learners to discuss each respective car feature. Ask if this feature is very important or not a big deal for them. Ask other learners to type high or low in the chat pod. Facilitate a brief discussion on how learners uniquely rank various car features and how their priorities can impact the decision-making process.

Car features include:

- 1. Fuel efficiency
- 2. Price
- 3. Safety
- 4. Brand
- 5. Size
- 6. Features
- 7. Comfort
- 8. Quality

Thank you for sharing your insights and perspectives. It's clear that everyone has unique priorities when it comes to buying a car. Remember, whether it is safety, fuel efficiency, or size, the most important thing is to find a vehicle that aligns with your individual needs and preferences. Next, let's review some essential steps to take before your first test drive.

Presenter Content

Producer Notes

SLIDE 4: ESSENTIAL STEPS BEFORE YOU BUY





Presenter Note

Ask learners what they think is the first step a person should take before buying a car.



Animated Slide

After sufficient time for learner responses, click to animate slide content.

Making the decision to buy a car is exciting, but it's also one that requires careful consideration and preparation. You can save yourself hundreds, if not thousands, of dollars on your next purchase by doing some homework before you step onto the lot so that you are always in control of the buying process. To make a successful purchase, there are five things you need to determine before stepping onto the lot. They are:

- Research vehicles that meet your needs and preferences: Start by researching different car models to determine which ones meet your lifestyle needs and preferences. Consider factors such as price, safety features, fuel efficiency, and reliability. Narrow it down to a few select vehicles to make comparison shopping easier.
- ▶ Check your spending plan: Determine how much you can realistically afford to spend on a car and upkeep. Remember to factor in additional costs such as insurance, maintenance, gas, and registration fees. Even if you believe you can comfortably afford to allocate a large portion of your income toward a vehicle purchase, it's important to recognize that a vehicle is a depreciating asset and typically loses value as soon as it is driven off the lot.
- ▶ Check your credit. Your credit reputation plays a significant role in determining the interest rate you'll qualify for when financing a car. Check your credit report before starting the car buying process and make sure it is accurate. Take steps to improve your reputation if necessary. You can get your credit report for free weekly at https://www.annualcreditreport. com/index.action
- ▶ **Get preapproved**: Getting preapproved for a loan from your financial institution will provide information on interest rates, payments, and terms. This gives you purchasing power at the dealership. You don't have to accept their offer or even apply for financing via the dealership. You are in control of the buying process!
- Assess your trade-in: Trading in your existing car can be a convenient and efficient way to reduce the cost of your new vehicle purchase. Before you decide to trade in your car, it's important to assess its value to determine its worth. Online valuation tools can give you an estimate based on factors like the trade-in vehicle's age, mileage, condition, and market demand. To maximize the trade-in value, take steps to ensure it's in the best possible condition. It's important to research trade-in offers from different dealerships to find the best deal and if the deal is not agreeable, you have the option of selling your car privately or to a third-party buyer. The key here is to make an informed decision that maximizes the value of your trade-in and puts you in a better position for your car buying journey.



Producer Note

Paste URL into chat https:// www.annualcreditreport.com/ index.action

Virtual Million Dollar Sailor: Car Buying Strategies **Producer Notes Presenter Content** ▶ **Shop for your vehicle**: Once you've completed these steps, it's time to start shopping for your new vehicle. You can shop for your vehicle in person at local dealerships and take test drives to ensure the vehicle meets your needs. You can also explore alternative buying options such as online car buying platforms, or private sellers. They may offer different pricing structures or inventory options.

SLIDE 5: DETERMINE AFFORDABILITY





Handout

Refer learners to the Spending Plan Worksheet handout.



Activity

Ask learners what factors they think should be considered when determining how much car you can afford? How do you balance your desire for a certain type or brand of car with your financial limitations?



Animated Slide

After sufficient time for learner responses, click to animate slide content.

Determining what you can afford is a crucial step in the car buying process. It involves evaluating your financial situation and setting a realistic spending plan that aligns with your income, expenses, and financial goals. Let's look at some key factors to consider when calculating how much car you can afford:

- Evaluate your financial situation.
- Review your monthly income after taxes. This is the amount you have available to cover all your expenses, including your car payment.
- List your monthly expenses, including housing costs, utilities, groceries, insurance, and any existing debt payments like student loan or credit card payments.
- ▶ Determine how much you have left after covering your essential expenses. This will give you a clear picture of how much you can comfortably allocate to a car payment.
- Set a baseline and seek to limit transportation expenses to 15%-20% of your monthly pretax income.
- Avoid over-extending your spending plan. Stretching your spending plan to afford a more expensive car can put a strain on your finances and lead to financial stress down the road.

Presenter Content

Producer Notes

Field Trip Layout

SLIDE 6:

CAR PAYMENT CALCULATION CHALLENGE





Producer Note

- 1. Move to the Field Trip layout.
- Return to 8 Car Buying
 Strategies layout at the end
 of the activity.



Presenter Note

Familiarize yourself with the auto loan calculators on the FINRED website https://finred.usalearning.gov/ToolsAndAddRes/Calculators/Auto

Cue the producer to move to the Field Trip layout.



Activity

Share your screen to as you demonstrate using the auto loan calculator to determine the monthly car loan payment or the car purchase price. Instruct learners to choose a hypothetical car they would like to purchase and run several calculations based on various inputs including purchase price, term, and interest rate. Consider the following scenarios. Calculations are made with no money down and do not include taxes or fees. Give learners time to run the numbers then confirm results for each scenario. Challenge learners to factor in a down payment, taxes, and fees to see how it impacts the overall cost:

- New truck: \$48,000 purchase price at 9% interest rate for six years; calculate payment and total interest paid on the loan. Payment = \$865.23; Total interest = \$14,296.17
- Pre-owned sedan: Monthly loan payment of \$800 at 7.8% interest rate for four years; calculate payment and total interest paid on the loan. Purchase price = \$32,896; Total interest = \$5,504.16
- New electric vehicle: \$39,000 at 6.5% interest rate for five years; calculate payment and total interest paid
 on the loan. Payment = \$763.08; Total interest paid = \$6,784.84. An electric vehicle tax credit could also
 reduce the total cost.
- Pre-owned sports car: Monthly loan payment of \$650 at 7% for five years; calculate purchase price and total interest paid. Purchase price = \$32,826; Total interest paid = \$6,173.59

What did you learn about the impact of the purchase price, loan term and interest rate on monthly payments and total interest costs? How might this information influence your decision-making process when purchasing a vehicle? In the next section, we will cover several factors that influence your car payment.

SLIDE 7: DETERMINE A REASONABLE CAR PAYMENT



When it comes to purchasing a vehicle, determining a reasonable car payment is essential to maintaining financial health and ensuring you can comfortably manage your monthly obligations. What is a reasonable monthly car payment? Here are some guidelines to help you answer this question.

➤ Consider keeping your total car expenses to within 15%-20% of your pretax income.

Total car expenses include the car loan payment plus maintenance, insurance, operating expenses (e.g., fuel, oil), taxes, license, and registration. Operating expenses can sometimes total up to one-third of the monthly payment. To estimate operating costs of your new

Virtual Million Dollar Sailor: Car Buying Strategies **Producer Notes Presenter Content** vehicle, multiply your monthly payment by .66. Adding estimated operating expenses to your monthly payment will give you a good idea of what to expect. Does it fit your current financial situation? ▶ Use the FINRED car loan calculator we just talked about to estimate your monthly loan payment based on different purchase prices, interest rates, and loan terms. Adjust the variables to see how changes in the down payment or loan term affect your monthly payment. Ensure your car payment and estimated operating expenses allow you to continue contributing to your emergency fund, retirement savings, and other financial goals. A high car payment can reduce your ability to support other goals. ▶ What additional events may affect your cashflow? PCS? A child? Plan for the unexpected to ensure you can comfortably keep up on your vehicle costs. Aim for a loan term that balances affordability with minimizing interest costs. While longer loan terms can lower your monthly payment, they can increase the total interest paid over the life of the loan. It's important to determine a reasonable car payment that fits your financial situation, allowing you to enjoy your vehicle without compromising your financial stability. Your goal is to find a balance between getting a reliable car and maintaining a healthy spending plan. SLIDE 8: UNDERSTAND RISKS OF NEGATIVE EQUITY Presenter Note

Use pointer tool to highlight specific content being referenced.

Imagine buying a car and then owing more on the loan than the car is worth. How do you think that could impact your finances and future decisions? When purchasing a car, it's essential to be aware of the concept of negative equity and the financial risks it poses. Negative equity is commonly referred to as being "upside-down" on your loan. Let's review some factors that can contribute to negative equity so you can make more informed decisions during the car buying process.

- **Depreciation**: Cars depreciate quickly, losing a significant portion of their value as soon as they are driven off the lot. New cars tend to depreciate faster than used cars. This depreciation can happen faster than the rate at which you pay down your loan.
- ▶ **Low down payment**: Making a small down payment, or no down payment at all, can increase the likelihood of negative equity. The less you put down, the larger your loan balance will be relative to the car's value.
- ▶ **Long loan terms**: Opting for a longer loan term, like 72 or 84 months, can result in lower monthly payments, but it also means that you will be paying off the loan more slowly.
- ▶ **High interest rates**: Loans with high interest rates mean more of your payment will go toward interest rather than your principal. This will keep your loan balance higher for longer.

Presenter Content

Producer Notes

▶ Paying more than market value: If the loan amount exceeds the vehicle's market value, the risk of negative equity can increase as the vehicle depreciates and you may be left owing more than its current value.

Negative equity can result in trade-in challenges. You may have to pay the difference between your car's value and the remaining loan balance. This amount is sometimes rolled into your new car loan, increasing the new loan amount and monthly payments and TOTAL cost of your purchase. Take the following steps to help avoid negative equity.

- ▶ Make a larger down payment: Aim to put down at least 20% of the car's purchase price. This reduces the loan amount and total cost.
- ▶ **Choose a shorter loan term**: Select the shortest loan term you can afford. Shorter terms typically come with higher monthly payments but help you pay down the principal faster and reduce the risk of negative equity.
- ► Consider depreciation rates: Research the depreciation rates of different makes and models before making a purchase. Some cars hold their value better than others.
- ▶ **Avoid overpaying**: Negotiate the purchase price and look for discounts or incentives.
- ▶ **Be cautious with extras**: Be mindful of adding too many optional features or warranties that can increase the purchase price but may not retain value, especially if these costs are included as part of your financing.
- ▶ Additional payments: Making extra payments can help you pay off your loan sooner and avoid negative equity. Review your contract to ensure you will not incur payment penalties if you pay more than your monthly payment.

By understanding the risks associated with negative equity and taking proactive steps to minimize them, you can make smarter, more financially sound decisions when buying a vehicle.

Pros/Cons Layout

SLIDE 9: "CONSIDERATIONS FOR BUYING NEW





Producer Note

1. Move to the Pros/Cons layout for slides 9-11.



Cue the producer to move to the Pros/Cons layout.



Activity

Ask learners to share pros and cons of buying a new car in the designated chat pods. Give learners one minute to respond.



Animated Slide

After receiving learners' responses, click to animate slide content.

Presenter Content

Producer Notes

How do you define value when it comes to buying a vehicle? Do you think a new vehicle offers better value compared to a used one? Why or why not? Would you automatically choose a new vehicle if you had an unlimited spending plan? When considering the purchase of a vehicle, deciding between a new or pre-owned is a significant decision. Each one has positive and negative aspects; there are no absolute answers. You should consider your own needs and resources when making the choice. Let's explore the pros and cons of buying a new vehicle to help you make an informed decision.

Potential pros of buying a new vehicle:

- Latest technology like new safety features, "infotainment" systems, smartphone integration, and advanced navigation
- Manufacturer warranty coverages for major repairs and maintenance for a defined period
- Low maintenance and reliability, offering peace of mind
- Attractive financing incentives like low interest rates or cashback incentives
- ▶ New cars offer a higher resale value when it's time to sell or trade in.

Potential cons of buying a new vehicle:

- ▶ The initial purchase price, taxes, and registration fees are higher.
- New cars experience rapid depreciation during the first few years of ownership.
- Insurance for new cars tends to be more expensive due to the higher replacement value and the cost of comprehensive and collision coverage.

When deciding whether to buy a new vehicle, consider your financial situation, long-term plans, and personal preferences. Evaluate the importance of the latest features, reliability, and warranty against the higher cost and depreciation so you can make a well-informed decision that aligns with your needs and spending plan.

Pros/Cons Layout



PROS AND CONS OF PRE-OWNED





Activity

Ask learners to share pros and cons of buying a pre-owned in the designated chat pods. Has anyone bought both new and pre-owned vehicles? How did the experiences compare? Give learners one minute to respond. What are their initial thoughts when they hear pre-owned? Do they see it as positive or negative? What are some thoughts about purchasing a pre-owned vehicle? Give learners one minutes to respond in the designated chat pods. Use the list to below to supplement learners' responses.



Animated Slide

After sufficient time for learners responses, click to animate slide content.

Presenter Content

Producer Notes

Potential benefits:

- ▶ Pre-owned vehicles are generally less expensive.
- ▶ Pre-owned vehicles have already undergone depreciation, so their value holds more steadily.
- Insurance premiums are typically lower because they cost less to repair or replace.
- ► Certified Pre-Owned (CPO) options are available and come with rigorous inspections and warranties, which can provide confidence in your purchase.
- ▶ The pre-owned market may offer a wide variety of models, years, and features, allowing you to find a vehicle that fits your specific needs and preferences.

Potential drawbacks:

- ▶ Older vehicles may require more frequent maintenance and repairs, which can add up over time.
- Pre-owned vehicles may have limited or no warranties, leading to out-of-pocket expenses for repairs.
- ► Even with vehicle history reports, the full history of a used car may not be entirely transparent.
- ▶ Older cars may lack the latest technology, safety, and fuel efficiency improvements.
- ▶ Some lenders may offer less favorable financing terms like higher interest rates or shorter loan terms.

There are many factors to consider when buying a pre-owned vehicle. While the lower purchase price and reduced depreciation can make pre-owned an attractive option, you should also be aware of higher maintenance costs, limited warranties, and possible unknown vehicle history. Balancing these factors can help you make informed decisions that align with your financial goals and personal needs.

Pros/Cons Layout

CLIDE 44

LEASING CONSIDERATIONS





Producer Note

Return to 8 Presentation Car Buying Strategies layout at the end of the activity



Activity

Ask learners to share pros and cons of leasing a car in the designated chat pods. Have they ever leased a vehicle before? When might leasing a vehicle be a better financial decision than buying one? Give learners one minute to respond.



Animated Slide

After sufficient time for learners responses, click to animate slide content.

Leasing a vehicle has become a popular option for Service members due to frequent moves. Let's delve into the considerations of leasing so you can determine if this option best suits you.

Virtual Million Dollar Sailor: Car Buying Strategies **Producer Notes Presenter Content** Potential pros of leasing a vehicle: You only pay monthly for the vehicle's depreciation during the lease term, plus rental charges such as interest, taxes, and fees. Lower upfront costs include a security deposit, the first month's payment, taxes, and registration fees. You can drive newer models with the latest technology, safety features and efficiency every few years. ▶ Most leased vehicles are under warranty for the lease period which can reduce repair and maintenance costs. ▶ Return the vehicle at the end of the lease term and avoid the hassle of selling or trading in. You don't have the risk of the vehicle's future market value since you are able to return the vehicle. The Servicemembers Civil Relief Act (SCRA) provides protections for Service members by allowing early termination of leases started before or during active-duty military service, if certain requirements are met. Potential cons of leasing a vehicle: ▶ You don't own the vehicle. You get to use it but must return it at the end of the lease unless you choose to buy it. You have up-front costs which may include the first month's payment, a refundable security deposit, a down payment, taxes, registration, and other fees. ▶ You are responsible for any early termination charges if you end the lease early if you do not meet the SCRA requirements. Most leases limit the miles you may drive, and you may incur additional charges if you exceed those limits. Most leases limit wear to the vehicle during the lease term and you will likely have to pay extra if you exceed those limits. At the end of the lease term, you may have a new payment either to finance the purchase of the existing vehicle or to lease another vehicle. Leasing a vehicle may have tax implications such as state sales tax and/or personal property tax on monthly lease payments. SLIDE 12: NEGOTIATION TIPS Negotiation Tips Do your Secure pre-approval for stick to it Walk away Negotiate each part separately primer in the morehy perment. Be patient your advantage Request a detailed Get everything in writing Presenter Note Ask learners to use the reactions if they have felt overwhelmed or pressured during a car buying negotiation. What strategies did they use, if any, to stay in control? Most salespeople are reasonable, honest individuals. Some, however, may use techniques intended to pressure you into making a commitment you may not be ready to make. It's

Apportant to be aware of these tactics. Let's review some proven negotiation tips and echniques to confidently approach care negotiations to secure a favorable deal. Do your homework: Conduct research before stepping into a dealership. Know the fair market value of the car you are interested in, including the invoice price, potential factory incentives on new vehicle purchases, and the average selling price. Secure preapproval for financing: Get preapproved for a loan from your bank or credit union. This gives you a clear picture of how your car payment fits into your spending plan and provides a benchmark to compare with dealer financing offers. Set a limit and stick to it: Determine the maximum amount you are willing to spend on the car and any additional features. Stick to your spending plan even with faced with tempting upgrades or persuasive sales tactics. Be willing to walk away: One of the most powerful negotiation tools is the ability to walk away. Be prepared to leave if the dealer is unwilling to meet your price or terms. This tactic may prompt them to reconsider their position and make a more favorable offer. Negotiate each part separately: Break down the negotiation into parts: the price of the car, trade-in value, and financing. Deal with each component individually to avoid confusion and ensure you get the best deal on every aspect. Focus on the total price, not the monthly payment: Dealers may try to make the deal seem affordable by emphasizing low monthly payments sometimes by extending the length of the loan, which can obscure the true cost of the car over the loan. Keep the focus on the overall price to ensure you're not paying more than necessary. Be patient: Negotiations can take time. Don't rush the process. The more patient and composed you are, the more likely you are to secure a better deal. Use silence to your advantage. After making an offer or asking a question, remain silent. Salespeople are trained to fill silence with information, which can provide valuable insights or lead		Producer Notes
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Focus on the total price, not the monthly payment: Dealers may try to make the deal seem affordable by emphasizing low monthly payments sometimes by extending the length of the loan, which can obscure the true cost of the car over the loan. Keep the focus on the overall price to ensure you're not paying more than necessary. Be patient: Negotiations can take time. Don't rush the process. The more patient and composed you are, the more likely you are to secure a better deal. Use silence to your advantage: After making an offer or asking a question, remain silent. Salespeople are trained to fill silence with information, which can provide valuable insights or lead to a better offer. Request a detailed breakdown: Ask for a detailed breakdown of the costs involved in the purchase. This should include car price, taxes, fees, and any additional charges. Reviewing this carefully can help you identify and challenge any unnecessary or inflated costs. Get everything in writing: Ensure that all terms, offers, and promises are documented in writing before you agree to anything. Verbal agreements are not legally binding and can lead to misunderstandings or disputes later. You can also request a copy to bring to your installation's legal services office for review before signing. Timing matters: Consider shopping for a car toward the end of the month, quarter or year	car, trade-in value, and financing. Deal with each component individually to avoid confusion	
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Get everything in writing: Ensure that all terms, offers, and promises are documented in writing before you agree to anything. Verbal agreements are not legally binding and can lead to misunderstandings or disputes later. You can also request a copy to bring to your installation's legal services office for review before signing. Timing matters: Consider shopping for a car toward the end of the month, quarter or year	purchase. This should include car price, taxes, fees, and any additional charges. Reviewing	
	Get everything in writing : Ensure that all terms, offers, and promises are documented in writing before you agree to anything. Verbal agreements are not legally binding and can lead to misunderstandings or disputes later. You can also request a copy to bring to your	
deals.	when salespeople are eager to meet quotas and may be willing to offer discounts or better	

Presenter Content

Producer Notes

SLIDE 13: FINANCING OPTIONS





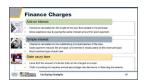
Presenter Note

Ask learners to raise their hands if they have financed a vehicle through a bank. Then ask them to raise their hands for credit unions and finally to raise their hands for financing through a dealership.

Have you ever wondered how different car financing options could impact your monthly payments and overall costs? Understanding the different types of car financing options can make a big difference in how much you end up paying overall and empower you to make the best decision for your financial situation. Whether you choose a dealership, traditional bank or online lender, each option has its benefits and considerations. Let's explore them now.

- ▶ **Dealership financing**: You may be able to finance your car directly through the dealership; special promotions, incentives or lower interest rates could apply. However, it's essential to review the terms carefully, as dealerships might mark up the interest rates for additional profit. Always negotiate the terms and compare them with other financing options before deciding.
- ▶ Bank or credit union loans: These institutions often offer competitive interest rates, especially if you have a good credit score. Preapproval from a bank or credit union can also give you a clear idea of your spending plan and strengthen your negotiating power at the dealership. Credit unions may provide lower rates and better terms if you are a member and have good credit.
- ▶ Online lenders: Online lenders can offer convenience and competitive rates. Many online lenders can pre-approve you within minutes, allowing you to shop for a vehicle with confidence. It's important to research these lenders thoroughly and ensure they are reputable before committing to a loan.
- ▶ Manufacturer financing: Car manufacturers often provide financing options through their own financial services. These programs can include special incentives, such as cash back offers, low interest rates, or extended warranty plans.

SLIDE 14: FINANCE CHARGES



You have likely noticed how much more a car costs over the life of a loan compared to the sticker price, right? Why do you think that happens? Yes! It's because of finance charges. It costs money to borrow money.

When financing a vehicle, it's essential to understand that the amount you ultimately pay will be more than the initial purchase price. Finance charges can significantly impact the total amount you pay for your vehicle, so let's dive into the different types of interest charges you might encounter.

Virtual Million Dollar Sailor: Car Buying Strategies	
Presenter Content	Producer Notes
 Add-on interest: With this method, the loan interest is calculated for the length of the loan then added on to the principal. This is a more expensive type of loan because you pay the same amount of interest each payment even though the balance owed on the outstanding loan is reduced each month. There is no cost-saving benefit to paying off the loan early. Simple interest: With a simple interest loan, interest is calculated on the outstanding principal balance of the loan. Each payment you make reduces the principal, and interest is recalculated on the new, lower principal amount. This means paying more than the minimum payment can reduce your overall interest costs. Credit unions are required by federal law to charge simple interest only. This is the most common type of auto loan. 	
▶ State usury laws: These laws limit the amount of interest that can be charged on a loan. Do your research and understand your state's limits. Read all contracts thoroughly before signing. The federal Truth in Lending Act requires that the annual percentage rate be disclosed in the financing documents. Read the fine print. Have your installation legal office review contracts if you have questions before signing.	
SLIDE 15: REVIEWING THE CONTRACT	
It's crucial to understand all the details in your car purchase contract to avoid any unexpected surprises and to ensure that you are making a sound financial decision. Contracts can be complex and filled with jargon, but taking the time to review and understand them can protect you from unfavorable terms and conditions. Here are some key components to review in the purchase contract:	
▶ Description : Ensure that the vehicle's make, model, year, and vehicle identification number (VIN) are accurately listed.	
▶ Condition : The contract for buying a pre-owned vehicle should state its condition, including any known defects or issues. Look for terms like "as-is," which means you accept the car as is.	
▶ Purchase price and fees: Ensure the agreed upon price matches what you negotiated. Carefully review all additional fees including taxes, license, registration fees, and other charges like delivery and handling fees. Try to pay as many of these up front to avoid paying interest on them if they are included in the financing.	
▶ Trade-in information : If you're trading in a vehicle, the contract should clearly state the trade-in value agreed upon. Verify how the payoff amount is being handled if you owe money on the trade-in and that it is accurately reflected in the contract.	
▶ Financing terms : Verify the amount being financed. Ensure the interest rate is clearly stated and matches what you were quoted. Confirm the amount of your monthly payments and the total number of payments required.	
▶ Manufacturer's warranty: Verify the details of any manufacturer's warranty included with the vehicle. If you purchased an extended warranty or service contract, ensure it is detailed in the contract, including coverage terms and costs.	
▶ Insurance coverage: Review any insurance requirements specified in the contract. Your lender may require specific coverage for the term of the loan. Know what is required before changing or dropping coverage; reinstating mandatory coverage can be significantly more expensive.	

Virtual Million Dollar Sailor: Car Buying Strategies **Producer Notes Presenter Content** ▶ **Right to cancel**: Some states have a cooling-off period that allows you to cancel the contract within a certain timeframe. Verify if this applies to your purchase and understand the conditions. ▶ Additional clauses: Understand default terms and review how disputes will be handled. Taking time to review and understand your contract can help you avoid potential pitfalls and make a confident, informed decision. Ask the dealer to explain any part of the contract that is unclear. Take your time and don't feel rushed to sign the contract. Do not sign until you fully understand every term. Review it with your installation legal office if you have additional questions or concerns before signing. Walk away if the dealer refuses to let you take the

SLIDE 16: TYPES OF INSURANCE COVERAGE

unsigned contract with you. This could be an indication of a dealer to avoid.





Presenter Note

Ask learners to recall the different types of auto insurance discussed in lesson 7. What do they think would happen financially if they were involved in a major accident without insurance? Ask learners to take a moment to think about the potential costs and consequences.



Animated Slide

After sufficient time for learners responses, click to animate slide content.

Insurance is essential for protecting yourself and others on the road. Let's review the different types of insurance coverage available for vehicles:

- Liability Insurance: It is required by state law, and it ensures you can cover the costs of damages and injuries you are responsible for, and it protects you from financial ruin.
- ▶ **Collision Insurance**: It covers the cost of repairing or replacing your vehicle if it is damaged in a collision with another vehicle or object, regardless of who is at fault.
- ▶ **Comprehensive Insurance**: It covers damage to your vehicle from non-collision events such as theft, vandalism, natural disasters, and falling objects.
- ▶ Personal Injury Protection (PIP)/Medical Payments coverage: This covers medical expenses for you and your passengers regardless of who is at fault in an accident.
- Uninsured/Underinsured Motorist Coverage: This covers your medical expenses and property damage if you're involved in an accident with a driver who has no insurance or insufficient coverage.
- ▶ **Gap Insurance**: It pays the difference between the actual cash value of your vehicle and the amount you owe on your car loan or lease if your vehicle is totaled or stolen.

Presenter Content

Producer Notes

SLIDE 17: MINIMIZING INSURANCE COSTS





Presenter Note

Ask learners to recall tips for minimizing their insurance costs.



Animated Slide

After sufficient time for learners responses, click to animate slide content.

Knowing the different types of coverage and costs ahead of time enables you to include this expense in your spending plan. For many, the insurance payments can be as much or more than the car payment. Let's review some tips for minimizing your car insurance costs:

- ▶ Shop around and compare insurance quotes from multiple providers to find the best coverage at the most affordable price.
- Remember that safety features such as antilock brakes, airbags, daytime running lights and security systems can sometimes merit discounts on your insurance policy.
- ▶ A higher deductible, which may NOT be the one offered, could result in a lower premium. Make sure you have money saved to cover the deductible if you choose this option.
- Review your policy and drop options or coverage that you no longer need on an older vehicle. Be sure to double-check your loan contract requirements BEFORE dropping coverages!
- Check your credit report. Insurance companies may check your credit worthiness before issuing a new policy or renewing a current insurance policy. If you have credit problems, it can affect the cost of your insurance or even your ability to get insurance.
- Ask for discounts that you may be eligible for like low mileage, group, military, good student, etc.
- Avoid lapses in coverage.
- ▶ Be a safe driver. A poor driving record can increase premiums.
- Pay the premium up front, if possible, because there may be fees associated with an installment plan.
- If leasing, read the lease to see whether gap insurance is required. If so, shop around for the best deal, which may NOT be the one offered by the dealership or finance company. If gap insurance is required, collision and comprehensive coverage are often required as well. Insurance may be higher on a leased vehicle because you do not actually own it.

Presenter Content

Producer Notes

SLIDE 18: SOURCES OF HELP



Buying a vehicle is a big decision, but the good news is that you do not have to figure it out on your own. There are many resources available to help you in person and online including:

- Military and family support centers: Personal financial managers or counselors (PFMs and PFCs), or Financial Readiness Program Specialists at your installation are available to provide personal financial education and counseling for Service members and their families. Each branch of service has its own military and family support center.
- ▶ **Military relief organizations**: They offer crucial support and assistance to Service members and their families during times of financial hardship, emergency situations, or transition. Each branch of service has a relief society dedicated to providing support and assistance.
- Command or unit financial specialists: The Navy, Marine Corps, and Coast Guard may have individuals assigned to a unit or command to provide financial education or support. Reach out to your leadership for more information.

Field Trip Layout

SLIDE 19: RESOURCES





Presenter Note

Cue the producer to move to the Field Trip layout. Familiarize yourself with the resources available at the websites listed below.



Activity

Share your screen to show learners where to access DoD Office of Financial Readiness (FINRED) Car Buying Video Series https://finred.usalearning.gov/Money/CarBuyingBasics.

Check out the tools below as you navigate the car-buying process.

Additional websites include:

- ► FINRED Major Purchases https://finred.usalearning.gov/Money#Major-Purchases
- ► FINRED Auto Calculators https://finred.usalearning.gov/ToolsAndAddRes/Calculators/
- Sen\$e app download today! Find out more at https://finred.usalearning.gov/ ToolsAndAddRes/Sen\$e#gsc.tab=0
- ► Federal Trade Commission https://consumer.ftc.gov/articles/buying-used-car-dealer
- Credit reports https://www.annualcreditreport.com/index.action



Producer Note

- 1. Move to Field Trip layout.
- 2. Return to 8 Presentation Car Buying Strategies layout at the end of the activity.

Presenter Content

Producer Notes

SLIDE 20: SUMMARY AND REVIEW





Producer Note

1. Move to 9 Presentation Home Buying layout





Presenter Note

Facilitate the summary slides and turn the class over to the producer.

Navigating the car buying process can be complex, but with the right knowledge and preparation, you can make informed decisions that suit your financial situation and personal needs.

In review, we covered how by following these essential steps before your purchase, determining how much car you can afford, weighing the pros and cons of new versus preowned versus leasing vehicles, honing your negotiation skills, understanding financing options, and considering insurance requirements, you set yourself up for a successful and satisfying car buying experience. Remember, the goal is to make a purchase that not only meets your immediate needs but also supports your long-term financial health.

Thank you for your attendance. Does anyone have questions on the material we covered today?

Thank you for your continued participation.

Congratulations on completing Car Buying Strategies training.

Lesson 9: Home Buying

Description

This course is expected to take approximately 60 minutes to teach. Home Buying is designed to increase the knowledge of first-time home buyers on the home buying process and financial considerations when deciding to buy a home.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 60 minutes

Materials

- ► Home Buying Instructor Guide
- Home Buying PowerPoint Presentation
- Closing The Deal Quiz PowerPoint Presentation
- ▶ Looking for the Best Mortgage Handout
- Mortgage Shopping Worksheet Handout
- Spending Plan Worksheet Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to make informed decisions about purchasing a home.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
 - D. Why Do You Want to Buy?
- 2. What Can You Afford? (5 minutes)
 - A. Calculate Your Budget
 - i. Debt-to-Income Ratio (DTI)
 - B. Creditworthiness
 - i. What Lenders Look For
 - C. Down Payment
 - i. Lender Requirements
 - ii. Private Mortgage Insurance (PMI)
- 3. Lenders and Loans (25 minutes)
 - A. Types of Loans
 - i. Conventional
 - ii. Government Insured
 - a. Federal Housing Administration (FHA)
 - b. Department of Veterans Affairs (VA)
 - B. Mortgage Comparison
 - C. Choosing a Lender
 - i. Interest Rate
 - ii. Annual Percentage Rate (APR)
 - iii. Discount Points
 - iv. Loan Origination Fee
 - v. Lock-in Options
 - D. Choosing a Mortgage Loan
 - i. Fixed Rate Mortgage
 - ii. Adjustable-Rate Mortgage (ARM)
 - iii. Other Loan Options
 - a. State Veterans Programs
 - E. Mortgage calculators
- 4. Home Buying Process (15 minutes)
 - A. Steps to Homebuying
 - B. Mortgage Applications
 - i. Prequalify
 - ii. Preapproval
 - a. Capacity
 - b. Capital and Cash Reserves

- c. Credit
- d. Collateral
- e. Good Faith Estimate
- iii. Document Requirements
- iv. Review Credit Report
- C. Selecting a Real Estate Agent
 - i. Can You Do It Alone?
- D. Negotiating the Deal
 - i. Offer Letter
 - ii. Contingencies
 - iii. Counteroffers
 - iv. Property Appraisal
 - v. Home Inspection
- E. The Closing
 - i. HUD-1 Settlement Statement
 - ii. Closing Costs
 - iii. Prepaid Costs
- 5. Homeowners Insurance (1 minute)
 - A. Basic Coverages
 - i. Cost to Rebuild
 - ii. Personal Property
 - iii. Personal Liability
 - a. Medical Costs
- 6. Resources (3 minutes)
 - A. Local Homebuying Resources
 - B. Additional Support Resources
 - i. Personal Financial Manager (PFM)
 - ii. Personal Financial Counselor (PFC)
- 7. Conclusion (6 minutes)
 - A. Summary and Review
 - B. Activity: Closing the Deal
 - C. Questions

Virtual	Million	Dollar	Sailor	Home	Buying
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Presenter Content Producer Notes

Classroom Layout

Classroom Layo		
Layout Name	Components	_
Lobby	Notes pod with dial in information	
	▶ Welcome chat pod	
	▶ Video pod	
	▶ Downloads	
	 Looking for the Best Mortgage Handout 	
	 Mortgage Shopping Worksheet Handout 	
	 Spending Plan Worksheet Handout 	
	▶ 9 Presentation Home Buying share pod	
	► Chat pod	
	 Share one key takeaway from Day 1 training 	
Housekeeping	► Notes pod with dial in information	
	► Welcome chat pod	
	► Housekeeping	
9 Presentation Home	► Notes pod with dial in information	
Buying	► General chat pod	
	▶ 9 Presentation Home Buying share pod	
	► Attendee pod	
	► Reaction tools	
Field Trip	► Notes pod with dial in information	
	► General chat pod	
	► Screenshare pod	
	► Attendee pod	
	► Reaction tools	
Home Buying Process	► Notes pod with dial in information	
	► General chat pod	
	► Attendee pod	
	► Reaction tools	
	9 Presentation Home Buying share pod	
	► L9 SL16 Activity polls	
	o Pre-approval 1-6	
	Home Shopping 1-6	
	Offer & Negotiation 1-6	
	o Inspection & Appraisal 1-6	
	o Pre-closing and Title 1-6	
	o Closing 1-6	

 Notes pod with dial in information Closing the Deal chat pod Attendee pod Reaction tools Closing the Deal poll pod Buyer Contingencies Private Mortgage Insurance Conventional 	
 Attendee pod Reaction tools Closing the Deal poll pod Buyer Contingencies Private Mortgage Insurance 	
 Reaction tools Closing the Deal poll pod Buyer Contingencies Private Mortgage Insurance 	
 Closing the Deal poll pod Buyer Contingencies Private Mortgage Insurance 	
BuyerContingenciesPrivate Mortgage Insurance	
ContingenciesPrivate Mortgage Insurance	
Private Mortgage Insurance	
	
 Conventional 	
VA Funding Fee	
Appraisal	
	 Lender Market Value Closing Costs ▶ 9 Closing the Deal PPT share pod

Presenter Content

Producer Notes

Classroom Management and Content Lesson 9

SLIDE 1: WELCOME TO HOME BUYING



Welcome to the Home Buying lesson.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.



Animated Slide

This slide has animations.

Virtual Million Dollar Sailor: Home Buying **Producer Notes Presenter Content** In this lesson we will cover the following topics: ▶ What Can You Afford? Lenders and Loans ► The Homebuying Process Homeowners Insurance Resources The information provided will help you make decisions such as whether you are financially ready to buy a house and what you can expect as you go through the homebuying process. WHY DO YOU WANT TO BUY? **Producer Note** 1. Explain how to use a Word Cloud 2. Bring in Word Cloud tool 3. Remove Word Cloud at the Instructor Note end of the activity Cue the producer to bring in Word Cloud. **Activity**

Ask learners using only one word to share the reasons why they want to buy a house. Do they want more space, to build equity, is it their dream to own a home? Learners may provide clarifying information in chat.

Buying may be a good option if you:

- Are willing to take on the risk that comes with home ownership.
- ▶ Have the money for the large initial investment involved.
- ▶ Do not mind the possibility of becoming a landlord if you have to move and cannot sell your house.
- ▶ Do not mind the time, effort, and cost involved in maintaining a house (e.g., mowing the grass, fixing or replacing broken appliances).
- Are ready to take the time needed to research and find the best home for you and your family.

SLIDE 4: WHAT CAN YOU AFFORD?



Now that we know why you want to buy a house, let's see if you are financially ready to buy a house. You may have determined your needs and wishes for your new home, but before you start looking for a house you have to make sure your finances are in order.

Virtual Million Dollar Sailor: Home Buying **Producer Notes Presenter Content** It may be the right time and place to buy, but if you cannot afford the cost of owning a home (i.e., mortgage payments, taxes, and maintenance), buying a house may not be an option. You should also understand the impact owning a home will have on your taxes, namely what you can and cannot deduct. This may impact your cashflow and tax withholdings. To figure out how much house you can afford, start by looking at your cash flow, checking your credit, and determining how much money you will need to set aside for a down payment and to cover the costs associated with the purchase.

SLIDE 5: CALCULATE YOUR BUDGET





Handout

Refer learners to the Spending Plan Worksheet handout.



Activity

Ask learners to guess what is included in a mortgage payment. After sufficient time for learner responses, advise learners that a mortgage payment includes the principal, interest, taxes, and insurance (PITI).

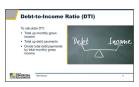
To calculate how much you can afford the first thing you want to do is look at your cash flow.

- Ask yourself whether you have a significant amount of money left over every month, or are you living on a shoestring budget?
- Tracking your cash flow (how much money is coming in and what you spend) for a couple of months can give you an idea of where you stand.

If you already have a Spending Plan for your household, that plan is a key tool in determining your cash flow and determining the monthly mortgage payment you can afford. If you do not have a Spending Plan this is a good time to develop one.

Once you know what you can afford, you can use an online calculator to get a ballpark estimate of what you can afford.

SLIDE 6: DEBT-TO-INCOME RATIO (DTI)



Lenders base mortgage loan decisions on a number of factors including how much debt the borrower currently carries. This includes all current debt payments plus the new mortgage. Lenders will require borrowers and/or their spouses to qualify for loans according to a set debtto-income ratio.

Presenter Content

Producer Notes

Many lenders use a 28/36 qualifying ratio.

- This means that your mortgage payment (PITI plus any homeowners' association dues) should not exceed 28% of your gross monthly income.
- ▶ All monthly debt obligations, including mortgage payment and other recurring debt, should not exceed 36% of your gross monthly income.

You can use these ratios to determine whether you are financially ready to take on a mortgage payment or whether you need to first pay down some of your recurring debt.



Presenter Note

Some lenders allow a higher monthly debt-to-income ratio, some as high as 43%. If learners ask how they can determine their DTI, briefly walk through the steps using the example below for a Service member and working spouse or an example that is representative of individuals in the class. Tell learners that if PMI is required, that will factor into their DTI.

Example:

- Monthly household gross income: \$6620.38
- Total debt payments: \$1932.77

To calculate your debt-to-income ratio:

- Total up your monthly gross income—everything you make in one month before taxes. Example: $$1932.77 \div $6620.38 = .2919 \times 100 = 29.19\% DTI$
- Total all your debt payments (loans, new mortgage, and credit card balances.) o For debt payments (e.g., loans and credit card balances) and rent (or mortgage).
 - Use the minimum payment for each debt, even if you pay more than the minimum each month.
- Divide the total monthly debt amount by the total monthly gross income, and multiple that by 100. This is your debt-to-income ratio.

SLIDE 7: CREDITWORTHINESS



Besides debt-to-income ratio, lenders base mortgage loan decisions on your creditworthiness and their professional judgement of your ability to pay and federal/state rule.

What Lenders Look For

To judge creditworthiness, lenders look for evidence that you pay your bills on time, that you have a track record of managing and prepaying past debt, and that you have the capital needed to take on a mortgage.

Lenders look at three factors: capacity, capital, and character. From a lender's perspective, the ideal customer has a:

- High credit score,
- ► Low level of recurring debt,
- Long history of on-time payments,
- Steady and reliable employment history,
- Sufficient assets, such as savings and investments.

Presenter Content

Producer Notes

SLIDE 8: DOWN PAYMENT





Animated Slide

This slide has animations.

For most mortgage loans, borrowers will need to make a down payment, which is a set percentage of the home's appraised value or selling price that you pay at time of purchase.

Lender Requirements

The minimum down payment required for a house varies depending on the type of mortgage and can range from 0% to 20%.

- ► Conventional loans may require 20%.
- ► FHA loans may require as little as 3.5%.
- ▶ VA loans usually do not require a down payment but there is a VA funding fee.

The amount of your down payment can affect the total cost of your mortgage over the life of the loan. In general, the less money you put down at time pf purchase, the more money you will pay in interest and fees over the life of the loan.

Private Mortgage Insurance (PMI)

In general, if your down payment is less than 20%, you will have to pay for mortgage insurance, also known as private mortgage insurance, or PMI. Mortgage insurance protects the lender if you default on the loan.

SLIDE 9: LENDERS AND LOANS



Let's look at what you need to know about selecting lenders and loan types and the costs associated with obtaining a mortgage loan.

SLIDE 10: LOAN TYPFS





Animated Slide

This slide has animations.

There are many different options in terms of mortgages and lenders. Today we will focus on government insured and conventional loans.

Presenter Content	Producer Notes
Government insured loans are backed by the federal government.	
Conventional loans are not insured or backed by the federal government.	
onventional	
asic features of a conventional loan:	
Down payment is typically 20% although some loans may require 10% and others need as little as 5% down.	
Mortgage insurance is required when down payment is less than 20% of appraised value.	
Requires a good credit score.	
Obtained from private lenders.	
ederal Housing Administration (FHA)	
asic features of an FHA loan:	
Designed for first-time or lower income home buyers.	
Has a maximum loan amount.	
Benefits include:	
Less restrictive in credit qualification than a conventional loan.	
 Low down payments; can be as low as 3.5%. 	
FHA occasionally changes minimum required down payment.	
 Your required down payment will depend on your credit score. 	
Mortgage insurance required when down payment is less than 20% of appraised value.	
Loan is insured by the FHA.	
Obtained through private lenders such as a bank or credit union.	
epartment of Veterans Affairs (VA)	
asic features of a VA loan:	
Available to qualifying veterans.	
Generally:	
Does not require a down payment, unless required by the lender.	
Has more relaxed credit requirements than a conventional loan.	
Does not require mortgage insurance; requires a VA funding fee.	
Backed by the VA (VA guarantees a portion of the loan).	
Obtained from private lenders such as banks or credit unions.	
he VA funding fee is a one-time, non-refundable charge that the borrower pays for a VA-acked mortgage. In most cases the fee can be rolled into the loan but if a borrower does this, will add to the overall loan balance. Individuals eligible for a VA loan will need to obtain a ertificate of Eligibility (COE).	

Presenter Content

Producer Notes

SLIDE 11: MORTGAGE COMPARISON





Activity

Check what the current terms (e.g., down payment and interest rate) are for FHA and VA home loans in your area.

Compare two mortgage payments for two different homes that have the same selling price. The slide displays an example. Ask learners to determine five unique factors that can affect the monthly mortgage payment amount. Call on learners to respond and discuss as a group.

Factors can include:

- Down payment (affects amount financed).
- Credit score of the borrower(s).
- Mortgage loan type and annual percentage rate (APR).
- Financing the VA funding fee (fee is rolled into the loan).
- ► Location/region can affect:
 - o Property taxes.
 - Homeowners insurance.
 - o Home Owners Association (HOA) fees.

The next few slides will cover factors and costs you need to consider when shopping for a mortgage loan.



Instructor Note

The interest rate and APR associated with a mortgage loan are not the same. The interest rate is the cost the borrower pays each year to borrow the money, expressed as a percentage rate. The APR is a broader measure of the cost of borrowing money and reflects the interests rate, points, mortgage broker fees, and other charges a borrower pays to get the loan.

SLIDE 12: CHOOSING A LENDER





Animated Slide

This slide has animations.



Handout

Refer learners to the Looking for the Best Mortgage booklet handout at https://www.hud.gov/sites/documents/booklet.pdf

Tell learners to scroll to the mortgage shopping worksheet at the end of the booklet. The worksheet contains an extensive list of variables used to compare loans and lenders.

Finding a reputable lender with a variety of mortgages and attractive loan rates is an important first step in the home buying process. Your real estate agent can make recommendations. Friends and coworkers may be an also provide referrals.

When looking for a lender, you want one that can offer several mortgage options, who is knowledgeable about those options, and who takes the time to explain the options to you.

When comparing the loans that lenders offer, you want to pay attention to the interest rate, APR, points, origination fee, escrow deposit, and other costs of each loan. Each factor affects the total you pay over the life of the loan.

Interest Rate

- ▶ The cost you pay each year to borrow the money.
- Expressed as a percentage rate.

Annual Percentage Rate (APR)

- ▶ The total of the interest rate plus any points, fees, and other charges you pay to get the loan.
- Expressed as a percentage rate.
- ▶ When comparing loans, a lower APR is the least expensive option.

Discount Points

- ▶ Points, also known as discount points, lower your interest rate in exchange for paying an upfront fee at closing. Paying points upfront lowers your interest rate and therefore you pay less over time.
- ▶ A discount point is a percentage of the loan amount.
- ▶ The exact amount that your interest rate will be reduced depends on the specific lender, the kind of loan, and the overall mortgage market.

Loan Origination Fee

- ▶ A loan origination fee is imposed by the lender for processing the loan and is payable at closing.
- ▶ The fee is generally about 1% of the loan amount and is applied toward the lender's cost of making the loan.
 - The amount of the fee will be included in the Good Faith Estimate, which is discussed a little later in the lesson.
- ➤ You may be able to negotiate the amount of the loan origination fee with the lender, particularly if you are taking out a large mortgage.

Presenter Content	Producer Notes
Lock-in Options	
Lenders may offer different options to lock in the interest rate mortgage.	at the time you apply for the
Lenders usually honor guaranteed lock-in rates for a specific t more.	ime, such as 45 or 60 days or
 If you close the transaction within that period, the lender of interest rate you locked in, regardless of whether the rates 	•
If you choose to lock in your rate, be sure to get a written lock	c-in agreement.
SLIDE 13: CHOOSING A MORTGAGE LOAN	
There are many types of mortgage loa Knowing which type of loan suits your understanding how interest and fees a	needs takes research and
There are two basic types of loans—fix	red rate and adjustable rate. Producer Note
ixed Rate Mortgage	Paste URL into chat https:
▶ With this mortgage, the interest the lender charges you stay term—usually 15, 20, or 30 years.	the same for the entire loan www.hud.gov/sites/documents/booklet.pdf
► The combined principal and interest payment will not chang the amounts that go toward principal rather than principle w	l la companya di managantan di managantan di managantan di managantan di managantan di managantan di managanta
o The portion of your payment that goes toward principal w	ill increase over time.
Adjustable-Rate Mortgage (ARM)	
▶ Also called a variable rate.	
With this mortgage, the interest rate adjusts, or fluctuates, ov match the underlying market rate.	er the lifetime of the loan to
ARMs typically start with a lower (introductory) interest rate the months, one year, or a few years.	nan fixed-rate mortgage for
While these loans offer lower initial interest rates than fixed-ra increases, so does your mortgage payment.	ite loans, as the interest rate
Other Loan Options	
State veterans' programs are offered by many states and may state manages its own benefits.	include home loans. Each
► There are other types of mortgage options that may appear a monthly payment). Do your research to know if any of these situation:	S .
o Balloon loan.	
o Buydown.	
 Mortgage assumption. 	
 Seller financing. 	
Before you sign any documents, it is critical that you know wl any contract, read the fine print.	nat you are purchasing. As with

Presenter Content

Producer Notes

Field Trip Layout

SLIDE 14: MORTGAGE CALCULATIONS





Producer Note

- 1. Move to Field Trip layout
- 2. Move to Home Buying Process layout at the end of the activity



Instructor Note

Cue the producer to move to the Field Trip layout. Familiarize yourself with the calculators on the FINRED website: https://finred.usalearning.gov/ToolsAndAddRes/Calculators/Housing



Activity

Share your screen to show learners how to use one or more of the calculators on the FINRED website. If you will not demonstrate a calculator, explain that mortgage calculators contain fields where you can enter and change values (e.g., loan terms and interest rates).

Below are the recommended calculators to demonstrate:

- Mortgage Calculator
- Home Closing Cost Calculator

There are many calculators available on the internet. Let's look at one on the Office of Financial Readiness website.

Home Buying Process Layout

SLIDE 15: THE HOME BUYING PROCESS



We have looked at lenders and mortgages, now let's look at home buying process.

SLIDE 16: STEPS TO HOME BUYING



We have looked at lenders and mortgages, now let's look at home buying process.



Producer Note

- 1. Start countdown timer for one minute
- 2. Do not broadcast poll results until the end of the activity
- 3. Return to 9 Presentation Home Buying layout at the end of the activity



Animated Slide

This slide has animations.



Activity

Ask learners to put the six steps to home buying in order using the polls. Give learners one minute to complete the activity.

Presenter Content Producer Notes Recommended homebuying steps and order: 1. Figure out home much you can afford.* A. Shop for a mortgage and get prequalified and/or preapproved. B. Shop for a professional real estate agent. 2. Shop for a home. 3. Make an offer / sign purchase agreement. 4. Get a home inspection and appraisal. A. Shop for homeowners' insurance. 5. Review pre-closing paperwork and provide lender any final paperwork. 6. Close on your new home. A. Move in! * If applying for a VA loan, apply for a Certificate of Eligibility (COE).

SLIDE 17: MORTGAGE APPLICATION



Before you start the search for the specific home you want, you should comparison-shop mortgage loans with a few different lenders. This process can include one or both of these two processes: Loan pre-qualification and loan pre-approval.



This slide has animations.

Prequalify

- ▶ This is an informal process where you talk with a lender to see how much you may be able to borrow.
- ▶ The process can be done online or over the phone using general information about your income, debts, and possible down payment.
- Getting prequalified by a lender does not a guarantee that you will qualify for the loan.

Preapproval

- ▶ This process is more formal where you meet with the lender either face-to-face or by phone.
- Prior to the meeting you will need to gather documentation and information about your current and past financial situation.
- After you meet with the lender (and provide all of the requested documentation) the lender will:
 - Pull your credit report and score from all three major agencies to verify your credit history.
 - Evaluate your financial situation to determine if you are creditworthy by looking at:
 - **Capacity:** your current and future ability to make payments.
 - Capital or cash reserves: money, savings, and investments you have that can be sold quickly for cash.

Virtual Million Dollar Sailor: Home Buying **Producer Notes Presenter Content** • Credit: your history of paying bills and other debts on time. ■ Collateral: the address of the property you want to purchase.

If the lender decides that you are creditworthy, they will give you a **Good Faith Estimate**, or GFE. The GFE lays out the loan terms, type, amount, and estimated closing costs. The GFE has a time limit. The GFE is not a quarantee of a loan, it is just notification that you are approved for one.

Document Requirements

Before you apply for a loan, there are some things you should do to prepare.

Gather personal and financial documents for all borrowers:

- Personal identification (e.g., government issued identification with photo).
- Proof of income.
 - o Recent paystubs.
 - W-2 wage statements from past two years
 - o 1099 forms.
 - o Tax returns (two most recent years).
- Proof of assets.
 - Bank statement(s).
 - Investment statement(s).

Review Credit Report

Request your free annual credit report to look for errors, unpaid accounts, or collection accounts.

- ▶ You can obtain a free annual credit report from each of the main credit reporting agencies: Equifax, Experian, and Transunion www.annualcreditreport.com.
- Finding and removing errors and eliminating excessive debt will make you a more attractive borrower to lenders.
 - Errors in your credit report could prevent you from being approved for a mortgage.
 - You can request that the reporting agencies correct inaccurate information by filing a Credit Report Dispute.

SLIDE 18: SELECTING A REAL ESTATE AGENT





Animated Slide

This slide has animations.

Because a house is one of the biggest financial investments people make, many team up with a real estate agent during the house search process. A good agent can save you time, effort, and money.

Presenter Content

Producer Notes

A real estate agent can:

- ▶ Help assess your financial situation and suggest lenders and suitable loan types.
- ▶ Focus your house search by targeting suitable neighborhoods.
- ▶ Provide listings of available houses that fall within your budget and meet your needs.
- ▶ Research prices of comparable houses that have recently sold.
- Help you determine a realistic asking price.
- Manage the details of your purchase.

There are different types of real estate professionals, so you want to know who you are working with. Is the person a buyer's agent or a seller's agent? What types of services do they offer? Do they offer a "movers advantage" program that might offer discounts or "refund" fees.

Can You Do It Alone?

Some people prefer not to use a real estate agent to help them buy a house. If you do decide to go it alone there are some things to keep in mind:

- ▶ Understand why you do not want to work with an agent. Is it because you want to save on agent fees?
 - o Typically, the seller pays the real estate agent's commission.
- ▶ There will be lots of paperwork.
 - o Can you decipher the complex jargon and terms?
 - o Do you know how to draw up a purchase agreement?
 - Can you read an inspection report?
- ▶ You will have to
 - o Do the negotiating on:
 - Price.
 - Clauses and contingencies in the purchase agreement.
 - Request and review seller disclosures.
 - Know what sellers are required to disclose in your state.

The bottom line is, unless you have been through the house buying process before, it can be better to use a real estate agent to ensure you are protected financially and legally and do not pay too much for the house.

SLIDE 19: NEGOTIATING THE DEAL





Ask learners to share their personal experiences with the content in chat. What lessons have they learned?

On the slide are parts of "the deal" that you need to understand when negotiating.

Virtual Million Dollar Sailor: Home Buying	
Presenter Content	Producer Notes
Offer Letter	
Once you are pre-approved for a loan and have found the home of your dreams, your agent will send an offer letter to the listing agent.	
Also called a purchase agreement, an offer letter typically includes: Description of the property. Offer price.	
Down payment amount.Financing method you have chosen (e.g., VA loan).	
Closing and occupancy dates.	
► Any requested repairs.	
► Contingencies.	
Contingencies	
Contingencies are clauses that allow you to "walk away" from the deal if certain conditions are not met.	
Common types of real estate contingencies:	
▶ Home inspection—if the inspector finds defects or damage, you can ask the seller to make the repairs.	2
Mortgage approval—if you do not qualify for a loan, you are not obligated to purchase the property.	2
▶ Appraisal—if the home appraises for a value that does not match the offer letter, then the buyer can offer a different value. The seller may make a counter offer with a different value	
Counter offers	
Rather than let you walk away from the deal because some contingency has not been met or they do not agree with some part of your offer, the seller is allowed to make a counteroffer.	
Some examples are if the seller:	
▶ Wants to haggle over closing costs or needed repairs.	
Cannot move out by the requested closing date, they are allowed to propose a different date.	
Anything in the offer letter is subject to a counteroffer, so be prepared to negotiate, especially on the price, and specifically if you have made a low-ball offer.	
Jnder Contract	
Once negotiations are complete—the buyer and seller have come to an agreed upon price and other terms of the sale—and all parties have signed the offer letter (purchase agreement) the document becomes a legally binding agreement that governs the purchase and sale of the poroperty.	
This is the point when the house if considered "under contract."	

Presenter Content	Producer Notes
roperty Appraisal	
our lender orders an appraisal to determine the market value of the property, because it will e used as collateral for your loan. You have a legal right to get a copy of the appraisal report.	
Inlike the inspection, the appraisal is mandatory. The appraiser is a certified professional hired y the lender, not the buyer.	
 he appraiser can use one of two approaches: In the sales comparison approach, the appraiser compares the property with three or four similar houses that have sold in the area. These houses are called comparable, or comps. In the cost approach, the appraiser estimates the cost to replace the home and any permanent structures on the property. 	
the property's appraised value matches the loan amount, then the lender will issue a formitment Letter.	
he Commitment Letter serves as final approval of your mortgage loan and states the terms f the approval. Once you receive and accept this, you are ensured the financing needed to omplete the purchase of the house.	
lome Inspection	
Once you have made an offer to purchase the home and have signed the contract, your next tep should be to get the home inspected, preferably by a professional. Some states require censing for home inspectors, and some do not. The buyer is responsible for hiring and paying for the home inspection.	
Vithin a few days after the inspection is complete, you will receive a written report, which mould include observations on the current condition of the: Plumbing/HVAC/electrical systems. Doors and windows. Attic insulation. Ventilation. Appliances. Roof. Foundation.	

Virtual Million Dollar Sailor: Home Buying

Presenter Content

Producer Notes

SLIDE 20: THE CLOSING





Instructor Note

Ask learners to list things that can be included in closing costs.



Animated Slide

This slide has animations.

The day you close on your house is the day you officially finalize the transaction. There are a variety of costs associated with closing, which is also referred to as a settlement.

- ▶ The total amount of closing or settlement costs can be anywhere from 3 to 3.5% of the selling price.
- Closing costs can be paid by the buyer, seller, or both, depending on what was negotiated.
- ▶ Whatever you negotiate should be in writing and will become the basis of the sales contract.
 - o If some buyer's costs are shifted to the seller, then the price the buyer pays for the property may increase if the seller wants to recoup those costs.

HUD-1 Settlement Statement

All of the settlement costs will be listed on the HUD-1 Settlement Statement, which you can review at least one day before closing.

Closing Costs

Closing costs can include:

- ▶ Real estate agent commissions.
- Origination fee.
- Lender's title insurance.
- Owner's title insurance.
- Closing attorney fee.
- Document recording fees.
- Points.
- VA funding fee.

Prepaid Costs

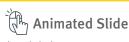
Prepaids are items required by the lender to be paid in advance such as property taxes, homeowners' insurance, and mortgage interest.

The funds are placed in an escrow account to cover mortgage expenses that are typically included in monthly homeownership-related costs. The lender will draw funds from the account to pay bills when they are due.

Presenter Content Producer Notes Lenders are required to provide you with a Closing Disclosure three business days before your scheduled closing. Use these days wisely—now is the time to resolve problems. Before you sign the document, review it completely. If something looks different from what you expected, ask why. SLIDE 21: HOMEOWNERS INSURANCE Some lenders require that you to purchase homeowners' insurance to cover the amount of your mortgage.

SLIDE 22: BASIC COVERAGES





This slide has animations.

When shopping for homeowners' insurance there are some tips to keep in mind:

- Compare coverage, price and customer reviews.
- Be sure you get the right type and amount of coverage.
- ▶ Shop for value, not necessarily a rock-bottom price.
- ▶ Understand the details of the policy you plan to purchase premium, deductible, and types of coverage.

Cost to Rebuild

At a minimum, you need to make sure that the amount of insurance coverage you obtain is enough to cover the cost of rebuilding the house in the event of a catastrophe.

- ▶ The cost of the land is not included in the cost of rebuilding.
- Rebuilding costs are not based on the price you paid for your house. The cost of rebuilding could be more or less than the price you paid or could sell it for today.

Personal Property

- ▶ Most homeowners' insurance policies provide coverage for your personal possessions for approximately 50% to 70% of the amount of insurance you have on the structure or "dwelling".
- ▶ This may not be enough if you own high-value items. To determine how much personal property coverage, you need to conduct a home inventory where you create a detailed list of everything you own and the cost to replace the items if they were stolen or destroyed.

Virtual Million Dollar Sailor: Home Buying	
Presenter Content	Producer Notes
Personal Liability This part of your policy covers you against lawsuits for bodily injury or property damage.	
This part of your policy covers you against lawsuits for bodily injury or property damage you or family members cause to other people.	
▶ It pays for both the cost of defending you in court and for any damages a court rules you to pay.	
 Generally, most homeowners' insurance policies provide a minimum amount of liability insurance, but higher amounts are available. 	
Medical Costs	
➤ Your liability insurance also pays for the medical treatment of those injured in your home or on your property.	
▶ Basic coverage is usually \$1,000 per person for medical payments.	
SLIDE 23: RESOURCES	
Before we end today let's take a few moments to talk about some of the free resources available to you.	
SLIDE 24: LOCAL HOME BUYING RESOURCES	
Local Homebuying Resources Control of the Control	
Animated Slide	
This slide has animations.	
Tell learners about home buying classes and resources available in the area.	
Resources may include:	
► State and local first-time homebuyer programs.	
► Home buying classes.	
▶ Neighborhood data sources.	
The Consumer Financial Protection Bureau (CFPB) website contains tools and resources for nomebuyers.	

Virtual Million Dollar Sailor: Home Buying

Presenter Content

Producer Notes

SLIDE 25: ADDITIONAL SUPPORT





Animated Slide

This slide has animations.

If you would like assistance in determining your financial ability to buy a home or other financial topics, consider talking to a financial professional. There are two types of professions available to you at no cost: Personal Financial Manager (PFM) and Personal Financial Counselor (PFC).

These individuals have a degree and are nationally certified. They can provide you with personal financial counseling and financial education and training, like the session today.

- ▶ To find a PFM at your nearest installation visit the Military OneSource website.
- ▶ To find a PFC check out PFC locator map on the Office of Financial Readiness website. These individuals are available 24/7, 365 days a year.

SUMMARY AND REVIEW - CLOSING THE DEAL **SLIDE 26:**





Instructor Note

Cue the producer to move to the Closing the Deal layout. Click to animate the quiz question, then click again to animate the correct response. The correct answers are also shown, in bold, below.



Activity

Ask learners to provide the answers to the Closing the Deal guiz guestions using the poll pod on screen. Call on learners to answer questions. Move to the next question once the correct answer is received.



Animated Slide

This slide has animations.

- 1. You can expect to pay 3% to 3.5% of the selling price for **closing costs**.
- 2. **Private Mortgage Insurance** protects the lender against default on the loan.
- 3. The **buyer** is responsible for hiring and paying for the home inspection.
- The VA accepts liability on your behalf through the **VA funding fee**.
- 5. Your lender will order an **appraisal** to determine the **market value** of the property.
- Prepaids are items required by the **lender** to be paid in advance such as property taxes and homeowners' insurance.



Producer Note

- 1. Move to Closing the Deal layout
- 2. Return to 9 Presentation Home Buying layout at the end of the activity

 7. Some conventional lenders offer home loans with either a 10% or 20% down payment. 8. Contingencies are clauses that allow you to redraw or get out of the contract if they are not met, such as a home appraisal, inspection, certain repairs, clear title, and HOA requirements. SLIDE 27: FINAL QUESTIONS 	
8. Contingencies are clauses that allow you to redraw or get out of the contract if they are not met, such as a home appraisal, inspection, certain repairs, clear title, and HOA requirements. SLIDE 27: FINAL QUESTIONS Contingency Instructor Note Facilitate the summary slides and turn the class over to the producer. Ask learners if they have any final questions. In review, we covered: What Can You Afford? Lenders and Loans The Homebuying Process Homeowners Insurance Resources	Producer Notes
Section 2 Section 2 Section 3 Sec	
Facilitate the summary slides and turn the class over to the producer. Ask learners if they have any final questions. In review, we covered: What Can You Afford? Lenders and Loans The Homebuying Process Homeowners Insurance Resources	Producer Note Move to Summary layout Conclude training
Ask learners if they have any final questions. In review, we covered: What Can You Afford? Lenders and Loans The Homebuying Process Homeowners Insurance Resources	

Lesson 10: Wealth Building and Planning

for Retirement

Description

This course is expected to take approximately two hours to teach. The learners are presented with information about wealth building and planning for retirement through a series of PowerPoint slides. They will learn the fundamentals of saving and investing, the types of saving and investing accounts, and important considerations for retirement planning, including military retirement plans.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 120 minutes

Materials

- Wealth Building and Planning for Retirement Instructor Guide
- ▶ Wealth Building and Planning for Retirement PowerPoint Presentation
- ► Basic Investing Handout
- Military Retirement System Handout

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

After this course, learners should be able to:

- ▶ Understand the fundamentals of saving and investing.
- Understand various types of savings and investing accounts and identify the use case for each type of account.
- ▶ Understand the factors to consider when planning for retirement.
- ▶ Understand the Legacy and Blended Retirement Systems and potential benefits applicable to their situation.

Course Outline

- 1. Welcome and Introduction (5 minutes)
 - A. Welcome
 - B. Facilitator Introduction
 - C. Agenda
 - D. Activity: What Would You Do with an Extra \$50 per Week?
- 2. Fundamentals of Saving and Investing (15 minutes)
 - A. Saving vs investing
 - B. Types of Savings Accounts
 - i. Savings Deposit Accounts
 - ii. Money Market Savings Accounts
 - iii. Certificates of Deposit (CDs)
- 3. Investing Concepts (15 minutes)
 - A. Activity: Investing Terms
 - B. Compound Interest Overview
 - i. Activity: Calculate Compound Interest
 - C. Types of Investments
 - i. Stocks
 - ii. Bonds
 - iii. Mutual Funds and Exchange-Traded Funds
- 4. Investment Account Types (5 minutes)
 - A. Nonqualified
 - B. Qualified
- 5. Account Types and Financial Goals (10 minutes)
 - A. Proven Negotiating Tips
- 6. Planning for Retirement (20 minutes)
 - A. Types of Retirements Accounts
 - i. Contributions, Withdrawals, and Taxes
 - B. Activity: Estimate Your Retirement Needs
 - C. Sources of Retirement
- 7. Military Retirement Plans (15 minutes)
 - A. Blended Retirement System
 - B. Legacy Retirement System
- 8. Resources (10 minutes)
- 9. Conclusion (5 minutes)

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	Basic Investing Handout
	Military Retirement System Handout
	▶ 10 Presentation Wealth Building and Retirement share pod
	► Chat pod
	 Share one thing you want to do when you retire.
Housekeeping	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Housekeeping
10 Presentation Wealth	▶ Notes pod with dial in information
Building and Retirement	▶ General chat pod
	▶ 10 Presentation Wealth Building and Retirement share pod
	► Attendee pod
	► Reaction tools
Retirement Vision	▶ Notes pod with dial in information
	▶ 10 Presentation Wealth Building and Retirement share pod
	► Attendee pod
	▶ Reaction tools
	▶ L10 SL17 short answer poll pod
	o "If you were to retire tomorrow, what would be your biggest concern?"
	▶ L10 SL17 chat pod
	 "In the chat, name two factors that matter most to you personally, and why."

Virtual Million Dollar Sailor: Wealth Building and Planning for Retirement **Producer Notes Presenter Content**

Classroom Management and Content Lesson 10

SLIDE 1: WELCOME TO WEALTH BUILDING AND PLANNING FOR RETIREMENT



Welcome to today's lesson on wealth building and retirement planning. The purpose of today's course is to equip you with knowledge and tools to make informed decisions about saving, investing, and planning for retirement. Whether you're just starting your military career or nearing retirement, understanding these concepts is crucial for securing your financial future. We'll explore how you can build wealth and prepare for the next chapter of your life.



Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

Presenter Content

Producer Notes

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor



Animated Slide

This slide has animations...

In this lesson we will cover the following topics:

- Fundamentals of Saving and Investing
- ► Types of Accounts and Considerations for Usage
- Planning for Retirement
- Military Retirement Plans



WHAT WOULD YOU DO WITH AN EXTRA \$50 PER WEEK?





Presenter Note

Cue the producer to bring in L10 SL3 WWYD poll.



Activity

Ask learners what they would do with an extra \$50 of income each week. Would they save it, invest it or spend it? Advise learners to answer using the poll. Allow learners time to share their ideas and reasons.

As you can see, we each have our own personal goals and priorities on how we would use the additional income. If you choose to save or invest the \$50, think about how a small, consistent savings habit can grow into significant wealth over time. The habit of regularly saving is as important as the amount being saved because it can help you build financial security. Over time, even small contributions can grow significantly, thanks to compound interest. We'll cover compound interest in detail later in the lesson.



Producer Note

Bring in L10 SL3 WWYD Poll

What would you do with an extra \$50 a week? Save it Invest it Spend it

Presenter Content

Producer Notes

SLIDE 4: SAVING VERSUS INVESTING



You may think saving and investing are the same thing, but they are not. Knowing the differences between them can assist you in making financial decisions that can help you meet your needs and goals. Key differences include time frames, risks, liquidity, and returns.

Time frame means when you expect to need or use the money you are saving or investing. Investment risk is the potential of your money to lose value. Liquidity refers to how quickly you can access your money without penalties and fees. Lastly, return is the potential gain or loss of value. With these terms in mind, let's review the differences.

Saving

- ▶ Refers to the act of accumulating money in an account that has little or no risk of losing value.
- A secure way to accumulate money for short-term goals or expenses.
- ► Funds are easily liquidated, meaning you can withdraw money from the account quickly and without fees or penalties.
- ▶ Rate of return, also called yield, is typically low.

Investing

- ▶ Refers to the process of using money to purchase assets with the potential to increase in value over time.
- ▶ A way to take advantage of compound interest and time to accumulate money for longterm goals.
- Provides the potential to earn greater returns compared to keeping money in safer accounts.
- ▶ Potential for higher returns comes with the risk of losing money invested.
- ► Funds can be liquidated, but it may take some time and there could be associated taxes, fees, and/or penalties.

Presenter Content

Producer Notes

SLIDE 5: TYPES OF SAVINGS ACCOUNTS





Presenter Note

Use pointer tool to highlight specific content being referenced.

When deciding which type of account will meet your saving goals, you want to evaluate the options by considering three primary factors: safety or risk, liquidity, and rate of return or yield.

We will cover three types of savings accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) Share Insurance Fund up to \$250,000 per depositor, per insured bank or credit union, per each account ownership category.

Savings deposit accounts are usually held at banks or credit unions. This is likely the most common type of deposit account used to save money.

- ▶ Risk Generally insured by the FDIC or NCUA Share Insurance Fund.
- Liquidity Funds can be withdrawn at any time.
- ▶ Rate of return Usually pay low interest.

Money market savings accounts are offered by most banks and credit unions.

- Risk Generally insured by the FDIC or NCUA Share Insurance Fund.
- ▶ Liquidity May permit electronic funds transfer and check writing and allow easy access to money but the number of withdrawals per month may be limited.
- ▶ Rate of return Often offer a higher interest rate than savings deposit accounts but a minimum balance requirement may apply; in some cases, the account could stop earning interest or be charged a fee if the balance drops below the minimum.

Certificates of Deposit (CDs) are savings certificates that banks and credit unions may issue. A minimum deposit amount may be required.

- Risk CDs issued by insured banks and credit unions are covered by FDIC or NCUA insurance.
- Liquidity Fixed maturity date often ranging from one month to five years after it is first issued.
- ▶ Rate of return Generally, higher than deposit or money market accounts because the money is inaccessible for a specified time; usually pay a fixed rate of interest until the maturity date, some offer a variable rate; generally the longer the term, the higher the yield; at maturity you receive the amount deposited plus interest; typically pay early withdrawal penalty or may not receive a portion of the interest earned if cashed out before the maturity date.

Presenter Content

Producer Notes







Handout

Refer learners to the Basic Investing handout, which provides more information on each term.



Presenter Note

Ask learners to share the first thing that comes to mind when they see or hear each term. Are they familiar with the term? Can they accurately define the term?



Animated Slide

This slide has animations..

Let's take a few minutes and cover some key investing terms. The world of investing has its own language and understanding these terms will help you make informed decisions about your investments. Think of this section as your foundation so you can feel more confident and prepared to understand how investing works, what the risks are, and how to put your money to work.

Common Investing Terms:

Compound interest: This is the cycle of earning interest on interest or earnings on earnings.

Inflation: The rising cost of goods and services over time.

Equities: Also known as stock, represents ownership in a company, and when you purchase it, you become a shareholder in the company. Companies sell stock to raise money to fund their business. However, the value of the company may change, affecting the stock price.

Bonds: A bond represents a loan made by an investor to a borrower, typically a business or government entity. The borrower promises the debt will be paid back with interest at a specific time.

Mutual funds: A mutual fund is made up of money collected from many investors to purchase investments like cash, bonds, stocks, and other assets. They are operated by professional money managers who allocate the fund's assets and attempt to produce capital gains or income for the fund's investors.

Dollar-cost averaging: This strategy consists of investing a set amount of money on a regular basis, whether the market is moving up or down. It spreads risk over time because when prices are high you buy fewer shares, and when prices are low you buy more shares.

Diversification: In basic terms, this strategy means, "Don't put all of your eggs in one basket." Investing in a wide variety of unrelated investments can reduce risk overall because the rate of return is an average of the return of all choices, not just one investment.

Presenter Content

Producer Notes

SLIDE 7: COMPOUND INTEREST AND INFLATION OVERVIEW



In the previous section, we reviewed the definitions of compound interest and inflation. In this section, we'll see firsthand how they work, and why they are a game changer when it comes to saving, investing, and future purchasing power. Albert Einstein once called compound interest the eighth wonder of the world and for good

reason. It allows your money to grow exponentially over time, essentially making your money work for you. Inflation, on the other hand, shrinks your buying capacity. It is why bread used to cost about \$0.12 in 1950 and now, in 2025, it costs over \$3.

Let's look at an example together.



COMPOUND INTEREST EXAMPLES





Presenter Note

After instruction, cue producer to bring in the L10 SL8 WWYD Poll.



Activity

Advise learners to scan the QR code on the slide to follow along. After discussing the content, ask learners to answer the poll again. Ask learners why they changed their initial poll answer.

Let's demonstrate the power of compound interest with the following example. Recall the activity at the beginning of this course. Let's see how \$50 per week or \$200 per month can grow at two rates of return: 6% and 8%.

6% Example

- ► Contribute \$200 per month for 20 years
- ▶ Interest rate 6%
- Compound it Annually

Result – In 20 years, you will have \$88,285 even though you contributed \$48,000. Your investment has nearly doubled.

8% Example

- ► Contribute \$200 per month for 20 years
- ▶ Interest rate 8%
- ► Compound it Annually

Result – This scenario shows how saving \$200 with an average return of 8% results in an additional \$21,544 over 20 years. In 20 years, you will have \$109,829 even though you contributed \$48,000. Your investment has more than doubled, showing the power of compound interest.



Producer Note

- 1. Paste URL in chat https:// www.investor.gov/financialtools-calculators/calculators/ compound-interestcalculator
- 2. Bring in L10 SL3 WWYD Poll What would you do with an extra \$50 a week? Save it Invest it

Spend it

Presenter Content

Producer Notes

SLIDE 9: SCENARIOS IN ACTION



Producer Note

Paste URL into chat https:// finred.usalearning.gov/ ToolsAndAddRes/Sense



Presenter Note

Ask learners to raise their hands if they have access to an account where they can take advantage of compound interest?



Animated Slide

This slide has animations..

The black line shows the contributions of \$200 per month for 20 years. The blue line shows a 6% rate of return, and the green line shows an 8% rate of return.

Compound interest is most powerful when you maximize the rate of return, contribution amount, and time. But even if you can't change all three, adjusting just one, like increasing your contributions or extending your time horizon can make a big difference in reaching your financial goals. For more information on compound interest, visit the Sen\$e app.

Channel your inner Einstein and get compound interest to work for you!

Remember, Einstein said, "Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it." What does he mean by, "he who doesn't, pays it"?

(Address quick discussion about compound interest and its role in debt, specifically mention revolving credit card debt.)

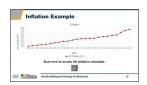
What else can influence your retirement bottom line? (Pause for response.)

Thank you for your responses. Inflation is one of many potential factors that can affect retirement.

Producer Note

Paste URL in Chat https:// www.bls.gov/data/inflation_ calculator.htm

SLIDE 10: INFLATION EXAMPLE



Let's look at a simple example of inflation, based on data from the Bureau of Labor Statistics. The purchasing power of \$100 in January 2000 equates to \$182.71 in January 2024. That means, you needed an additional \$82.71 to buy the same things in 2024 that you could buy for \$100 in 2000.

Now, expand this example to your current living expenses. Try to imagine what you'll need in 30 to 40 years to maintain your lifestyle and spending habits. To make the most of your buying power, you need to overcome inflation. One way to do that is to take advantage of compound interest. Compound interest magnifies your rate of return because it allows your earnings to generate more earnings over time.

Presenter Content

Producer Notes

SLIDE 11: TYPES OF INVESTMENTS





Presenter Note

Ask learners to share types of investments in the chat. What have they heard of? What types of investments do they want to learn more about?

Now that you know some key investing terms, let's dive into three common types of investments. Whether you're looking for steady growth or willing to take on more risk for potentially higher returns, understanding your options is essential for informed decisionmaking. In this section, we'll cover stocks, bonds, and mutual funds, exploring the risks, liquidity, and potential returns of each. While we'll focus on these foundational types, keep in mind that there are many others, like digital assets (such as cryptocurrency and non-fungible tokens), real estate, and precious metals. Let's start with the basics.

SLIDE 12: STOCKS





Animated Slide

Ask learners to share their favorite stock in the chat. Is there a stock they want to invest in?

Another term for stocks is equities. When you purchase stock in a company, you are buying a part of ownership in that company. As the value of the company changes, the value of the stock moves accordingly.

Risk

- ▶ Stock ownership does not guarantee you will make money.
- If the company does poorly and the stock price falls, you may lose some or all of the investment.

Liquidity

You can sell stocks at any time.

Rate of Return

- If a company does well, you may be able to sell stock for a profit.
- Some stocks pay a dividend, which is a periodic distribution of some profits to shareholders.
- ▶ There is no guarantee that your investment will gain value or earnings. Stocks are not insured by the FDIC or NCUA.

Presenter Content

Producer Notes

SLIDE 13: BONDS



When you purchase a bond from an issuer, you are loaning money to a company or government entity in return for being paid interest for their use of your money during a specified time. The timeframe can be from a few months to 30 years. Companies issue bonds to

raise money to support and grow the business. Federal, state, and local governments may issue bonds to fund public works projects or programs.

Risk

- ► Government bonds are considered low risk since they're backed by the full faith and credit of the U.S. government.
- ▶ Municipal bonds are backed by the taxing authority of the underlying municipality.
- ▶ Corporate bonds are higher risk than government bonds because there is a greater level of risk that the company issuing the bond may be unable to make interest payments or repay the principal, resulting in default on the bond.

Liquidity

- ➤ You can sell bonds before their maturity date, but they might sell at a gain or loss, depending on current interest rates and market conditions.
- ▶ The U.S. sells two types of savings bonds: EE and I series. Visit https://treasurydirect.gov/ for more information on when they can be cashed and the impact on interest earnings.

Producer Note

Paste URL into chat https://treasurydirect.gov/

Rate of Return:

- If held to maturity, the issuer guarantees the original purchase amount plus interest.
- ➤ Corporate bonds tend to pay a higher interest rate than government bonds. Companies are more likely to face financial challenges than government entities, so they compensate investors with better returns.

SLIDE 14: INVESTMENT FUNDS



Mutual funds and exchange-traded funds (ETFs) are two types of pooled investment funds, meaning the fund brings together money from many investors to purchase stocks, bonds, or other assets.

Mutual funds are operated by professional money managers with the

goal of achieving specified investment objectives. Mutual fund managers do the following:

- ► Research and pick investments.
- ▶ Make day-to-day decisions aligned with the fund's stated investment objective.
- > Spread risk through diversification by investing in multiple individual investments.

Most ETFs track a particular set of investments, like the S&P 500® index.

The bundle of investments within the fund is called the portfolio. Compared to buying individual stocks, pooled investment funds are diversified with multiple assets, which can lower the risk of loss. You can select a fund that best matches your long-term goals and risk tolerance. A minimum deposit may be required.

Virtual Million Dollar Sailor: Wealth Building and Planning for Retirement **Producer Notes Presenter Content** Risk Considered lower risk than individual stocks because of diversification. Level of risk aligns with the fund's stated objectives. Liquidity ▶ Shares can be sold at any time. **Rate of Return** Rate of return depends on how the positions in the fund perform. ▶ No guarantee of your investment or earnings. Potentially higher returns are associated with higher-risk funds. SLIDE 15: INVESTMENT ACCOUNTS Investment Accounts Now that we have a good understanding of the common types of investments, let's review the types of investment accounts that stocks, bonds, mutual funds, and ETFs can be held in and the fundamentals of how they operate. Investment accounts can be classified as qualified or non-qualified. The key differences between the two are the tax treatment and availability to employees, but there are other differences as well. In a **qualified account**, the money invested receives preferential tax treatment. ▶ Traditional contributions are made with pretax dollars and the earnings grow tax-deferred until withdrawn. Roth contributions are made with after-tax dollars and the earnings are tax-exempt. The IRS limits the amount of money you can invest, determines if or when required minimum distributions (RMDs) apply, and can enforce penalties for early withdrawals with some exceptions. These and other IRS regulations will be discussed in more detail later in the course. An example of a qualified account is the military's Thrift Savings Plan (TSP) that you have access to. In the civilian sector, similar employer-sponsored options include 401(k) or 403(b) plans. In a **non-qualified account**, money invested does not receive preferential tax treatment. Unlimited contributions are made with after-tax money, and you pay taxes on the earnings when you sell. Tax treatment of withdrawals depends on how long you hold the shares (short-term versus long-term capital gain). SLIDE 16: YOUR FINANCIAL GOALS AND ACCOUNT CONSIDERATIONS Just as no two snowflakes are exactly alike, no two wealth building strategies will be alike. Whatever your strategy, align it with your financial goals. Whether your goals are short term, long term, or

somewhere in between, the type of account you choose can help

you achieve your objectives in an efficient manner.

Presenter Content

Producer Notes

Short-term goals and emergency savings

For goals that need to be met within a few months to a few years, you may want to prioritize liquidity and low risk in savings deposit accounts. These accounts are designed to give you easy access to your funds while offering a modest return. Short-term goals like saving for a vacation or a car down payment are a couple of examples.

High-yield savings accounts and money market deposit accounts are good options for emergency funds. Financial experts recommend having three to six months of living expenses saved in an emergency fund. These accounts may offer high interest rates compared to traditional savings accounts and keep your funds easily accessible.

Long-term goals and retirement savings

Long-term financial goals like saving for retirement, higher education, and building wealth may point to the need for investment strategies that focus on growth over an extended period. Consider focusing on accounts that offer higher potential returns over the long term. These types of investment accounts typically come with some level of risk but provide opportunities for substantial growth. Employer-sponsored retirement accounts, like the Thrift Savings Plan, can help you save for retirement whether you serve for few years or a full career. When deciding on the right account type based on your unique financial goals, consider the following:

- ▶ Risk tolerance: Are you comfortable with the potential for loss in exchange for higher returns, or do you prefer investments with a lower potential risk of loss?
- Liquidity: How easily can you access your money when needed?
- ▶ Time horizon: When do you need access to your funds? Remember, short-term goals require more accessible accounts, while long-term goals benefit from accounts that may offer greater growth potential.

Retirement Vision

BUILDING YOUR RETIREMENT VISION SLIDE 17:





Presenter Note

Cue the producer to move to the Retirement Vision layout.



Producer Note

- 1. Shift to the layout titled 10 Retirement Vision
 - L10 SL17 short answer poll pod
 - L10 SL17 chat pod
- 2. Return to the 10 Presentation Wealth Building and Retirement layout after the activity

Presenter Content	Producer Notes
Activity Learners will identify and discuss key factors they need to consider when developing a retirement plan such as family factors and expenses. Direct learners to the short answer poll pod and ask them to provide ONE poll response that answers the question, "If you were to retire tomorrow, what would be your biggest concern?"	
Then, ask learners to use the chat pod to identify two factors that matter most to them, personally, and why. Ask learners if they were surprised or hadn't thought of a retirement consideration. Highlight that time is the most powerful asset when saving for retirement. Encourage learners to act today, no matter how small, to secure their future.	
ot too long ago we discussed setting goals. One key long-term goal is retirement. For this ctivity, I want each of you to imagine planning for retirement starting today.	
sing the short answer poll pod, please tell us what your biggest concern would be if you were retire tomorrow. Only respond once.	
nen, after sharing your biggest concern, please use the chat pod to name two factors that natter most to you personally, and why.	
aise your virtual hand when you're all set. We will review a few key takeaways from your esponses.	
Presenter Note Debrief the activity, sharing key takeaways, highlighting similarities and noting differences. Ask learners if they were surprised or hadn't thought of a retirement consideration. Highlight that time is the most powerful asset when saving for retirement. Encourage learners to act today, no matter how small, to secure their future.	
LIDE 18: EMPLOYER SPONSORED RETIREMENT PLANS	
Planning for retirement is one of the most important financial steps you'll take in your lifetime and knowing what plans you have access to is a crucial part of that process. There are many factors that contribute to your planning, not only how much you expect to eed but also what you want to use that money for. In this section of the course, we'll cover ommon retirement accounts and benefits.	
etirement accounts are designed to help you build and preserve wealth for your later years by ffering tax advantages and structured ways to save. The key is to start early. We will discuss the wo basic types of retirement accounts: employer retirement plans and individual retirement ecounts. Each has its own rules and contribution limits, withdrawals, and taxation. The IRS etermines these requirements, and they may change yearly; visit https://www.irs.gov for more formation. In this section, we'll cover the details of employer retirement plans so you can hake informed decisions and make the most of your retirement savings.	

Presenter Content	Producer Notes
mployer retirement plans are offered through employers, such as 401(k)s for civilian employers nd the Thrift Savings Plan (TSP) for certain government workers including military personnel. hese plans are classified as "defined contribution plans" because the amount contributed is efined by the employee. Employers may make pretax contributions to an eligible employee's raditional account, usually by matching up to a specific percentage of the employee's ontribution.	
nnual contributions:	
The IRS sets limits and may change them yearly; visit https://www.irs.gov/ for more on annual contribution limits.	
 Contributions are not mandatory, and the employee can control how much they contribute, up to the IRS' limit. 	
Contributions can be Traditional (pretax) or Roth (after-tax) if the employer allows it.	
Catch-up contributions are available starting at age 50, up to the IRS' limit.	
Vithdrawals:	
ules vary based on Traditional or Roth 401(k) accounts.	
Traditional account:	
 Earnings and dollars contributed on a pretax basis are subject to tax when withdrawn. Withdrawals before age 59½ may be subject to a 10% federal penalty. 	
o IRS RMDs begin at age 73.	
Roth account:	
 Qualified withdrawals are tax-free if the account has been open for at least five years and it was opened before the age of 59½. 	
 Early withdrawals of earnings before age 59½ may be subject to a 10% federal penalty and ordinary income taxes. 	
o The IRS does not require minimum distributions.	
ortability:	
fter you leave an employer, you have options on what to do with your account. You can:	
. Leave it with your previous employer and continue to manage it, but you cannot make contributions.	
. Move it to your new employer's retirement plan, if eligible.	
. Roll it to an Individual Retirement Account (IRA).	
. Cash it out; taxes and penalties may apply.	

Presenter Content

Producer Notes

SLIDE 19:



TAX TREATMENT OPTIONS





Activity

Present each tax treatment option to learners. Learners will guess if the option belongs under Traditional or Roth. Learners will respond with red x for Traditional green check for Roth.



Animated Slide

This slide has animations...

One of the choices you may make is the tax treatment of the contributions you make to your retirement account. In this activity, we will review the tax treatment options for Traditional and Roth accounts. Let's discuss which features belong under each tax treatment category. Give me a green check if you think the option belongs under Roth and red x if you think the option falls under Traditional

SLIDE 20: THRIFT SAVINGS PLAN



The TSP is the military's defined contribution plan and is like a civilian 401(k). It follows the same rules as other employer-sponsored retirement plans that we discussed previously. Traditional or Roth contributions, or a combination of both, can be made and invested in a variety of mutual funds. Go to the TSP website at www.tsp.gov for more information.

Annual contributions:

- ▶ The TSP is subject to the IRS' annual contribution limit for employer-sponsored plans, and they may be changed each year.
- ► Contributions can go to a Traditional or Roth account or a combination of both. We will cover tax treatment options next.
- ▶ Your service makes an automatic contribution to your TSP account equal to 1% of your basic pay after 60 days of service and continues this contribution monthly until you leave service or reach 26 years of service.
- ▶ You are eligible to receive matching service contributions up to 4% (for a total of 5% when combined with the 1% service automatic contributions) of basic pay until you leave service or reach 26 years of service.
- ▶ Automatic and matching contributions are deposited into your Traditional TSP account.

Withdrawals:

Similar to other employer sponsored plans, you have options when you take withdrawals, depending on whether you have a Traditional or Roth TSP account. Since the TSP is a qualified, employer-sponsored plan, the same withdrawal rules apply that were covered a few minutes ago.

Virtual Million Dollar Sailor: Wealth Building and Planning for Retirement **Presenter Content Producer Notes** Portability: You have options on what to do with your TSP account when you leave the military. You will not be able to make contributions, but you can change your investment mix and transfer eligible money into your account. To continue accumulating funds for retirement, you may have access to a civilian employer-sponsored plan like a 401(k) or contribute to an IRA. You may be able to roll these different accounts into your TSP. You can also roll your TSP balance into another employer-sponsored plan if the plan permits it. **National Guard and Reserve Considerations:** If you contribute to more than one employer-sponsored plan, such as TSP (civilian and military), or TSP and a civilian employer-sponsored plan, your total combined contribution cannot exceed the IRS annual contribution limit. SLIDE 21: TSP – INVESTMENT OPTIONS **Producer Note** Your TSP account can be invested in a variety of mutual funds. We'll TSP - Investment Options Paste URL into chat https:// cover high-level details now. Visit www.tsp.gov and select "Fund www.tsp.gov/ options" then "Investment options" for comprehensive information. ▶ Individual TSP funds – The TSP has five fund options, the "G," "F," "C," "S," and "I" Funds. The funds offer broad market diversification including U.S. government securities, bonds, and stocks. The holdings inside these funds track the market index aligned with the same objective. You can choose the right mix for you based on your personal risk tolerance. ▶ Lifecycle funds – Currently there are 11 lifecycle, or "L," funds to choose from. Each fund is a diversified mix of the five individual TSP funds. They're professionally managed and are based on when you expect you will need for money in retirement, called the target date. As the target date approaches, the expected risk goes down. ▶ Mutual fund window – The mutual fund window is available for those who want more flexibility when it comes to investment options. To qualify, an account must have a minimum balance of \$40,000, the initial transfer of \$10,000 must be made to purchase mutual funds, and the initial transfer can be no more than 25% of the account's total balance. Additional fees and expenses may apply, including administrative, maintenance, and trade fees as well as fees and expenses associated with specific mutual funds. SLIDE 22: ACCESSING YOUR TSP **myPay and Direct Access:** To start, stop, or change contributions Accessing your TSP to your TSP, log into myPay at https://mypay.dfas.mil/. For Coast Guard, log into Direct Access at https://hcm.direct-access.uscq. mil. Review and update the percentage you are contributing, type of contribution (Traditional or Roth), and type of pay (basic, special, bonus, or incentive). Also, verify and update your address. The TSP uses your address listed in your pay system to send you account information. Please note, you must go to the TSP section of myPay to change your TSP address.

Partned income to a spousal IRA, up to the annual contribution limit. Consider an IRA as another vay to save. If you have maxed out your TSP or if you are a member of the National Guard or deserve and have maxed out your civilian employer-sponsored plan, remember you can save more for the future in an IRA. Visit www.irs.gov for details. Fraditional Individual Retirement Account (IRA) We covered tax treatment options earlier in the course, generally the same rules apply mere. A Traditional IRA offers immediate tax advantages. When certain qualifications are met, contributions are tax-deductible, which means you don't pay taxes on the money you contribute, thus reducing current federal income taxes. Withdrawals in retirement are taxed as ordinary income. You must have earned income to contribute, and it must be held in your name. Refer to irs.gov for specific rules regarding qualified withdrawals and tax treatment. Roth IRA With a Roth IRA, you contribute after-tax dollars, so there is no immediate tax benefit. However,	you'll need to visit https://www.tsp.gov and log into My Account. You can also download the official TSP app from your app store. On both platforms, you can view your portfolio, manage your investments, change your future allocations, and designate or update beneficiaries. If you have misplaced or lost your account number or password, you may be able to retrieve your account information online. Visit https://www.tsp.gov/access-your-account/ for instructions. Be sure to verify and update your mailing address in myPay or Direct Access, if necessary. **SELIDE 23: TYPES OF INDIVIDUAL RETIREMENT ACCOUNTS** Another way to save for retirement is to contribute to an IRA. This is separate from an employer-sponsored retirement plan, like the TSP, and an IRA has different contribution and withdrawal rules. Contributions limits are lower than an employer-sponsored plan. For those in the class who are married, your spouse can also contribute armed income to a spousal IRA, up to the annual contribution limit. Consider an IRA as another way to save. If you have maxed out your TSP or if you are a member of the National Guard or esserve and have maxed out your civilian employer-sponsored plan, remember you can save once for the future in an IRA. Visit www.irs.gov for details. **Producer Note Paste URL into chat https://www.irs.gov for details. **raditional Individual Retirement Account (IRA) **We covered tax treatment options earlier in the course, generally the same rules apply ener. A Traditional IRA offers immediate tax advantages. When certain qualifications are ener, contribute, thus reducing current federal income taxes. Withdrawals in retirement are taxed so ordinary income. You must have earned income to contribute, and it must be held in your ame. Refer to irs.gov for specific rules regarding qualified withdrawals and tax treatment.	you'll need to visit https://www.tsp.gov and log into My Account. You can also download the official TSP app from your app store. On both platforms, you can view your portfolio, manage your investments, change your future allocations, and designate or update beneficiaries. If you have misplaced or lost your account number or password, you may be able to retrieve your account information online. Visit https://www.tsp.gov/access-your-account information online. Visit https://www.tsp.gov/access-your-account/ is a parallel https://www.tsp.gov/access-your-account/ is a parallel <a href="https://www.tsp.gov/access-your-acc</th><th>you'll need to visit https://www.tsp.gov and log into My Account. You can also download the official TSP app from your app store. On both platforms, you can view your portfolio, manage your investments, change your future allocations, and designate or update beneficiaries. If you have misplaced or lost your account number or password, you may be able to retrieve your account information online. Visit https://www.tsp.gov/access-your-account/ for instructions. Be sure to verify and update your mailing address in myPay or Direct Access, if necessary.		
Another way to save for retirement is to contribute to an IRA. This is separate from an employer-sponsored retirement plan, like the TSP, and an IRA has different contribution and withdrawal rules. Contributions limits are lower than an employer-sponsored plan. For those in the class who are married, your spouse can also contribute arrived income to a spousal IRA, up to the annual contribution limit. Consider an IRA as another ray to save. If you have maxed out your TSP or if you are a member of the National Guard or reserve and have maxed out your civilian employer-sponsored plan, remember you can save more for the future in an IRA. Visit www.irs.gov for details. **raditional Individual Retirement Account (IRA) **/e covered tax treatment options earlier in the course, generally the same rules apply gene. A Traditional IRA offers immediate tax advantages. When certain qualifications are need, contribute, thus reducing current federal income taxes. Withdrawals in retirement are taxed as ordinary income. You must have earned income to contribute, and it must be held in your rame. Refer to irs.gov for specific rules regarding qualified withdrawals and tax treatment. **Oth IRA** Another way to save for retirement plan, like the TSP, and an IRA has different contribution in withdrawal rules. Contribute on IRA as another those in the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute to entire. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who are married, your spouse can also contribute. Particular the class who	Another way to save for retirement is to contribute to an IRA. This is separate from an employer-sponsored retirement plan, like the TSP, and an IRA has different contribution and withdrawal rules. Contributions limits are lower than an employer-sponsored plan. For those in the class who are married, your spouse can also contribute arned income to a spousal IRA, up to the annual contribution limit. Consider an IRA as another ray to save. If you have maxed out your TSP or if you are a member of the National Guard or eserve and have maxed out your civilian employer-sponsored plan, remember you can save more for the future in an IRA. Visit www.irs.gov for details. **raditional Individual Retirement Account (IRA) **//e covered tax treatment options earlier in the course, generally the same rules apply ere. A Traditional IRA offers immediate tax advantages. When certain qualifications are east, contributions are tax-deductible, which means you don't pay taxes on the money you contribute, thus reducing current federal income taxes. Withdrawals in retirement are taxed is ordinary income. You must have earned income to contribute, and it must be held in your arme. Refer to irs.gov for specific rules regarding qualified withdrawals and tax treatment. **Ooth IRA** Ith a Roth IRA, you contribute after-tax dollars, so there is no immediate tax benefit. However, ualified withdrawals in retirement are tax-free, including both contributions and earnings. This especially advantageous if you expect to be in a higher tax bracket during retirement.	Another way to save for retirement is to contribute to an IRA. This is separate from an employer-sponsored retirement plan, like the TSP, and an IRA has different contribution and withdrawal rules. Contributions limits are lower than an employer-sponsored plan. 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	ne annual contribution and withdrawal rules for Roth IRAs are the same as Traditional IRAs.	ne annual contribution and withdrawal rules for Roth IRAs are the same as Traditional IRAs.	lified withdrawals in retirement are tax-free, including both contributions and earnings. This	• • • • • • • • • • • • • • • • • • •
ne annual contribution and withdrawal rules for Roth IRAs are the same as Traditional IRAs.			annual contribution and withdrawal rules for Roth IRAs are the same as Traditional IRAs.	

Presenter Content

Producer Notes

SLIDE 24: SOURCES OF RETIREMENT INCOME





Presenter Note

Ask learners to brainstorm sources of income for retirement. What do they expect their sources of income to be? What sources do they want to learn more about?



Animated Slide

After sufficient time for learner responses, click to animate slide content.

The previous activity helped you understand how to plan for retirement using your personal goals and values. You can see that planning for retirement isn't just about saving money, it's about creating a vision for the lifestyle you want in retirement. Now, let's turn our attention to income sources that are available to help support your retirement. When planning for retirement, it's important to identify all the potential sources of income that will support your lifestyle in your later years. Three main places your retirement income might come from are: Social Security, pensions, and savings and investments. By understanding the various income streams, you can better estimate how much money you'll have available each year and plan accordingly. Let's go over the three common sources of retirement income.

- Social Security: This is a federal program that provides monthly income to retired workers based on their earnings history. It's funded through Social Security taxes withheld from our paychecks, plus an equal amount paid in by our employers. Eligibility requirements are subject to Congressional action, so as you get older, check when benefits will be available for you. Social Security is one of the most common sources of income for retirees in the United States. However, it is usually not enough to fully fund your retirement, so it's important to supplement it with other sources of income. Learn more about retirement benefits at https://www.ssa.gov/retirement. You can get an estimate based on your earnings history by creating an account and logging in at https://www.ssa.gov/prepare/ plan-retirement.
- ▶ **Pension plans**: These employer-sponsored retirement plans are also called "definedbenefit" plans. Your employer provides a fixed monthly benefit based on your salary and years of service. Pensions are becoming less common in the private sector but are still a significant source of income for many public sector employees, including the military. Service members may be eligible for a pension under the Legacy Retirement System or the BRS. Benefits vary under each system, and we will discuss the different features of each system in the next section.
- ▶ **Savings and investment income**: Distributions from employer defined-contribution plans like the TSP or 401(k) and income from taxable accounts that generate earnings from stock dividends, interest from bonds, or capital gains, can provide a steady stream of income in retirement. You have the most control over this leg of the stool. Start saving today for a stable and reliable financial foundation for your retirement years.



Producer Note

Paste URL into chat https:// www.ssa.gov/retirement

Presenter Content

Producer Notes

SLIDE 25: MILITARY RETIREMENT OVERVIEW



The military offers retirement benefits, including the Thrift Savings Plan (TSP) and a pension if you complete a qualifying term of service. The exact benefit you'll receive from each of these programs depends on whether you're covered under the Blended Retirement System (BRS) or the Legacy "High 3" Retirement System.



Presenter Note

Ask learners to raise their hand if they are covered under the BRS of the Legacy Retirement System. If it doesn't apply, skip the section on Legacy components.

SLIDE 26: BLENDED RETIREMENT SYSTEM





Handout

Refer learners to the Military Retirement Handout for additional information.

Let's examine the components of the BRS. This retirement plan was implemented on Jan. 1, 2018, and automatically covers Service members who entered on or after that day. Some Service members who joined before Jan. 1, 2018, had the choice to opt-in to the BRS. Depending on when you joined, your individual contribution default level may differ. The primary takeaway is that the BRS offers more flexibility in retirement planning for Service members at every stage of their career. The BRS components include a defined benefit or pension, defined contributions (individual, automatic, and matching), a Lump-sum Option at retirement, and Continuation Pay. Let's cover each component:

- ► Defined benefit calculation: The formula for the BRS pension calculation is **Average of highest 36 months of base pay x 2.0% x Years of service**
- ▶ Eligibility: Service members are eligible for a pension after completing 20 years of qualifying active-duty service.
- ► COLA adjustments: Pensions are adjusted for inflation through the COLA, ensuring the purchasing power of your benefit is maintained over time.
- ▶ TSP: Automatic and Matching contributions are a key advantage of the BRS.
 - After 60 days of service, your service automatically contributes the equivalent of 1% of your base pay to your TSP account, regardless of whether you contribute or not.
 - Under the BRS, you may receive up to 4% of your basic pay in service-matching contributions at the beginning of your 25th month of service.
 - The contribution level you are automatically enrolled in may differ, depending on when you joined the military. For most of you, it will be 5%. You can choose to change your contribution amount at any time.

Virtual Million Dollar Sailor: Wealth Building and Planning for Retirement **Producer Notes Presenter Content** ▶ Continuation Pay: This is a one-time mid-career payment in exchange for additional service; like a civilian bonus. Continuation Pay is typically offered between seven and no more than 12 years of service. Each service determines their pay-rate multiplier and timing annually based on their needs. Lump-sum Option: Upon retirement, you can elect to receive a portion of your retirement pay in the form of a lump-sum payment equal to 25% or 50% of the present value of your future retirement pay up front. In exchange, your monthly retirement pay will be reduced until you reach the Social Security full retirement age, which is 67 for most people. The Legacy System offers a pension, but no automatic or matching TSP contributions. The BRS offers a pension paired with automatic and matching TSP contributions, a Lump Sum Option, and Continuation Pay. Understanding the components of the system you are covered under can help you plan for your long-term financial future. SLIDE 27: LEGACY SYSTEM OVERVIEW Legacy System Overview 2.5% x 🙀 x 🐻

Presenter Note

If covered under Legacy doesn't apply to learners, skip to the next slide.

Let's discuss the Legacy Retirement System.

The **Legacy Retirement System**, often referred to as the "High-3" system, covers those who entered service before Jan. 1, 2018, and Service members who did not opt in to the BRS. It offers a pension based on years of service and average pay at the end of one's military career. Major features include:

- ▶ Retirement pay calculation: The defined benefit formula is based on your highest 36 months of base pay and total years of service –Average of highest 36 months of base pay x 2.5% x Years of service
- ▶ Eligibility: Minimum of 20 years of qualifying service

SLIDE 28: SURVIVOR BENEFIT PLAN



The SBP is a program to consider when planning for retirement, especially if you retire after 20 or more years of military service. It is a Department of Defense program that provides monthly payments to eligible beneficiaries of Service members who die in the line of duty

and eligible beneficiaries of military retirees who elect and pay for SBP coverage. When serving on Active or Reserve/Guard duty, Service members are automatically covered at no cost to the member. If retirees choose to participate in SBP, a monthly premium is deducted from retired pay. Learn more at https://militarypay.defense.gov/benefits/survivor-benefit-program/.



Producer Note

Paste URL into chat

https://militarypay.defense. gov/benefits/survivor-benefitprogram/

Presenter Content

Producer Notes

SLIDE 29: ADDITIONAL SUPPORT AND ASSISTANCE



Building wealth and planning for retirement may seem like distant goals, but the choices you make now can have a big impact later. It takes the right tools and knowledge to achieve long-term financial goals and the content from today's course can help you get started.

Know that support is available to you along your financial journey to build wealth and save for retirement. Military financial resources include:

- ▶ Personal Financial Managers, Personal Financial Counselors, or Financial Readiness Program Specialists at your local military and family support center.
- Command/Unit Financial Specialist (for Navy, Marine Corps, and Coast Guard.)
- Installation legal office.
- Military aid and relief societies.

SLIDE 30: CONCLUSION





Presenter Note

Ask learners to share their biggest takeaway from this lesson. What steps will they take to start and or continue building wealth?

Facilitate the summary slides and turn the class over to the producer.

We explored the key components of wealth building and retirement planning. We started with the fundamentals of saving and investing, highlighting the differences between the two. We also discussed types of savings and investing accounts and how to choose the right account based on financial goals.

Next, we focused on retirement planning. This section of the course described types of accounts, discussed strategies to estimate your needs, reviewed sources of income, and covered military retirement.

Taking small steps now can help you build wealth and save for the future. Based on what you have learned today, take an active role as you plan and define your short and long-term financial goals. With careful planning and a commitment to financial discipline, you can achieve your wealth-building and retirement goals.

Follow up with your financial resources if you need additional information or support.

Does anyone have any final questions about the information we covered today?

Thank you for your participation!



Producer Note

 Move to 11 Presentation Navy MDS Resources and Closing layout

Lesson 11: A Million Dollars' Worth of

Resources

Description

This closing module serves as the capstone to the two-day Million Dollar Sailor course. It reviews key concepts learned in each module in conjunction with resources that can assist Sailors and their families in enhancing their overall quality of life through personal financial growth and fitness, improving overall operational readiness and performance, and enhancing retention.

Module Preparation

Virtual MDS is a supplement to the face-to-face MDS course. Review the material and practice delivering the content ahead of time so that you feel comfortable covering the material in your own words. Review the standardized face-to-face curriculum instructor guide available on DoD's FINRED Learning Resource Library virtual portal for background research and planning.

Module Length: 90 minutes

Materials

- ► A Million Dollars' Worth of Resources Instructor Guide
- ▶ A Million Dollars' Worth of Resources PowerPoint Presentation

Due to shift in virtual platforms to house Financial Readiness material, please check with your appropriate program service lead or program manager for the last material repository.

Learning Objectives

Upon completion of this lesson, learners should be able to:

- ▶ Identify various financial resources.
- Assess and contrast course impact on overall personal financial literacy knowledge.

Course Outline

- 1. Million Dollars' Worth of Resources (5 minutes)
- 2. Fleet and Family Support Center (5 minutes)
- 3. Navy Resources (5 minutes)
- 4. Virtual Resources (5 minutes)
- 5. Additional Resources (5 minutes)
- 6. Activity Resources (20 minutes)
- 7. Activity Gauge Your Financial Knowledge (20 minutes)
- 8. Class Survey (5 minutes)
- 9. Graduation and Closing (20 minutes)

Classroom Layout

Layout Name	Components
Lobby	▶ Notes pod with dial in information
	▶ Welcome chat pod
	▶ Video pod
	▶ Downloads
	▶ 11 A Million Dollars' Worth of Resources Presentation share pod
Housekeeping	▶ Notes pod with dial in information
	▶ Welcome chat pod
	► Housekeeping
11 Presentation A	▶ Notes pod with dial in information
Million Dollars' Worth of	► General chat pod
Resources	▶ 11 Presentation share pod
	► Attendee pod
	▶ Reaction Tools
Million Dollar Resources	Notes pod with dial in information
	▶ L11 SL16 chat pods (layered)
	Financial counseling
	Emergency financial relief
	Entertainment
	Deployment support
	Family support
	▶ 11 Presentation Wealth Building and Retirement A Million Dollars' Worth of Resources share pod
	► Attendee pod
	▶ Reaction Tools
Quiz Layout: Gauge Your	▶ Notes pod with dial in information
Financial Knowledge	► General chat pod
	► Attendee pod
	► Reaction Tools
	► ACTIVITY: Adobe quiz pod – Gauge Your Financial Knowledge
(Optional) Field Trip	▶ Notes pod with dial in information
Layout	▶ General chat pod
	► Screenshare pod
	► Attendee pod
	▶ Reaction Tools

Virtual Million Dollar Sailor: A Million Dollars' Worth of Resources **Producer Notes Presenter Content Classroom Management and Content** Lesson 11

SLIDE 1: A MILLION DOLLARS' WORTH OF RESOURCES





Presenter Note

Gain learner attention and interest:

- Share a short story about the lesson topic.
- Share a surprising fact about the lesson's topic.
- Ask learners to write down one thing they hope to learn from attending the training today.



New Presenter

Introduce yourself by providing:

- · Your name.
- · Your experience with the lesson topic, financial counseling experience, and/or professional/educational background.



Presenter Note

Read the disclaimer to the group.

Disclaimer: The information presented in this lesson does not constitute legal, tax, investment, financial, or other advice. This lesson is intended as an informational resource to assist you in identifying or exploring resources and options for managing your personal financial situation.

You have tirelessly worked for your money, often placing your life on the line for the security and freedom of this country. You deserve the right to experience financial freedom.

Throughout this Million Dollar Sailor training, we have explored several invaluable resources that can aid you in starting or staying on the path to that dream. This module serves as a brief review of the available services, illustrating how each can support you on your journey to becoming a Million Dollar Sailor.

This course is not merely about providing "seven easy steps to financial freedom" and wishing you well as you go. These "Sources of Help" serve as powerful support, guiding you not just in times of financial trouble but also empowering you to pave a path toward lasting financial freedom and security.

In this module, we will delve into valuable Navy-specific resources. Even if you aren't near a Navy installation, there's no need for concern. Many other military branches, including joint installations, offer similar financial resources that can significantly benefit you. Take advantage of these opportunities!

Presenter Content

Producer Notes

SLIDE 2: AGENDA





Presenter Note

Instructors are required to align each module's objectives, learning activities, and materials with the overarching Million Dollar Sailor concept, as well as with the MDS financial pyramid model. It is important for instructors to clearly present and discuss the placement of the upcoming module within the financial pyramid, thereby reinforcing the fundamental goals of the Million Dollar Sailor course.



Presenter Note

Ask learners to raise their hand if they have used any of the Family Service Center services. Follow up to ask which service or program they used, and if they found it helpful.

Refer students to your local Family Service Center schedule while discussing the locally provided services. If learners ask about virtual options, refer them to the Virtual Work and Family Life Program for accessibility. Explain that details will be shared before the end of your time together.

Finances impact us not only in terms of money but also significantly affect our physical and mental well-being. Throughout this course, think about your own experiences, both positive and negative, related to managing your personal finances.

The Fleet and Family Support Center (FFSC) in your area offers a wide range of services designed to enhance your overall well-being, extending beyond just financial assistance. Our centers can help address various issues and concerns that Service members and their families face. Whether you are moving to a new location, expecting a baby, returning from deployment, or just need someone to talk to, the FFSC has professionally trained staff available to assist you or direct you to the appropriate resources.

SLIDE 3: NAVY RESOURCES





Producer Note

- 1. Clear statuses
- 2. Remind learners to unmute



Presenter Note

Ask learners if they can think of any other free financial resources available to them at Navy installations and to share verbally or in the chat.



Animated Slide

This slide has animations..

Virtual Million Dollar Sailor: A Million Dollars' Worth of Resources **Producer Notes Presenter Content** On most Navy installations, the sources of financial assistance do not stop at the Fleet and Family Support Center. You and your family can also utilize these free resources. ▶ Command Financial Specialist (CFS): Functions as the command's principal advisor on policies and matters related to personal financial management. Navy, Marine Corps, and Coast Guard commands have an embedded CFS team that provides basic personal financial management education, counseling, financial information, and referral to individual members. Navy Legal Offices: In today's complex legal landscape, our military community faces unique challenges, including a heightened risk of scams. Don't let these difficulties overwhelm you. Whether you're reviewing a car contract, signing an apartment lease, drafting a will, or seeking help after falling victim to a scam, Navy Legal is your trusted resource for all legal needs, big or small. Turn to Navy Legal for the guidance and support you deserve. Navy and Marine Corps Relief Society (NMCRS): Provides financial, educational, and other assistance to members of the United States Naval Services, their families, and survivors. The NMCRS's mission is to help people in need get through difficult times. On-installation Financial Institution: The Department of Defense (DoD) requires on-base financial institutions to provide free financial counseling and education services to DoD personnel. These services should cover basic financial topics, such as budgeting, credit use, and savings. **Field Trip Layout (Optional)** SLIDE 4: VIRTUAL RESOURCES **Producer Note** Virtual Resources 1. (Optional) If presenter cues you to do so, move to Field Trip layout 2. Return to 11 Presentation A Million Dollars' Worth of Resources layout at the end Presenter Note of the screen share Use pointer tool to highlight specific slide content being referenced. Cue producer to share Virtual Work and Family Life service booking link when relevant. (Optional Field Trip) You may display resource websites and ask participants to view these sites utilizing their smartphones or computers. If you would like to display a website in real-time, cue the producer to move to the Field Trip layout. Be mindful of adjusting activity timing later, as needed. Not every military installation has the services you need or at a time that best fits your schedule. Help, however, is only a "click" away. In addition to the resources on the screen, many organizations offer virtual-based services. You can be constantly bombarded with commercials, pop-ups, texts, and emails from organizations that you are not familiar with. Remember our discussion on consumer awareness; you must be cautious before contacting these services. Your nearest Family Service Center Personal Financial Manager, Command Financial Specialist, Base Legal Service Office, and Navy-Marine Corps Relief Society are here to help. If you have any reservations about a business or organization, you have a team of experts who will ensure they are authorized and vetted.

Virtual Million Dollar Sailor: A Million Dollars' Worth of Resources **Producer Notes Presenter Content** ▶ Military OneSource — https://www.militaryonesource.mil Military OneSource provides, at no cost, information, resources, and support for activeduty, National Guard, and reserve Service members, their families, and survivors. Services include help with relocation, tax support, financial planning, health and wellness coaching, as well as confidential non-medical counseling and specialty consultations for spouse employment, education, adoption, elder care, special needs and much more. ► Federal Trade Commission (FTC) — https://www.ftc.gov The FTC enforces federal consumer protection laws that prevent fraud, deception and unfair business practices. Whether combating telemarketing fraud, Internet scams or pricefixing schemes, the FTC's mission is to protect consumers and promote competition. ▶ Defense Finance and Accounting Service (DFAS) — https://www.dfas.mil DFAS is responsible for paying military personnel, retirees, and civilian employees, as well as vendors and contractors. DFAS also provides financial and accounting information to DoD decision-makers. ► MyNavyHR — https://www.mynavyhr.navy.mil/ MyNavyHR provides a range of services to Navy personnel, including career management, casualty assistance, corrections and programs, culture and resilience support, distribution management, exceptional family member support, access to the MyNavy Career Center, and assistance with religious accommodations; essentially encompassing all aspects of a Sailor's career and personal well-being within the Navy. Producer Note Virtual Navy FFSC Work and Family Life Services (vWFL) — https://ffr.cnic.navy.mil/ Paste URL into chat In addition to in-person services at Navy Fleet and Family Support Centers (FFSCs) the https://outlook.office36 5.com/book/VirtualWork vWFL program offers online training workshops, mobile training delivery, and one-on-one andFamilyLife11Consult consultations supporting commands, Sailors, and their families, especially in geographically <u>ationBookingPage</u> isolated and remote locations. @zeiders.com/ SLIDE 5: ADDITIONAL RESOURCES Presenter Note Services differ depending on the installation and type of service provided. The presentation and discussion can be adjusted to include additional local services or organizations. Please note that not all dot.org or non-profit organizations are authorized. For the validity of any resources, consult your local Navy legal office and the staff of the Commander, Navy Installations Command Personal Financial Management Program through the Navy Regional Work and Family Life Program Manager. Navy Morale, Welfare, and Recreation (MWR): The Navy MWR program offers eligible Service members and families a wide variety of recreational opportunities, including sports

and fitness activities, travel and lodging discounts, special event tickets, child and youth

programs, libraries and much more.

Presenter Content

Producer Notes

- ▶ United Services Organization (USO): The USO is a nonprofit, charitable corporation chartered by Congress that operates at or near military installations across the United States and worldwide, including in combat zones. It also has centers located in most major US airports. The USO's programs and services keep military members connected with their families, home, and country through the challenges of military life: deployment, transition, illness, injury, or wounded or fallen.
- ▶ Military Commissaries and Exchanges: Shop tax-free for goods and services at militaryexclusive prices, and enjoy online shopping, hiring preferences, scholastic rewards for military kids, sweepstakes, and more.
- ▶ Military Child Development and Youth Centers: Provides on-installation affordable quality childcare. Military Child Care in Your Neighborhood (MCCYN) is a fee assistance program for eligible families who cannot access military-operated childcare due to distance or waitlists. With fee assistance, a portion of childcare costs is paid to offset the cost of community-based care.
- Navy Chaplain Corps: The Chaplain Corps focuses on enhancing the spiritual readiness of Service members and their families to help them navigate the challenges of military life. Most military installations offer youth summer camps, confidential emotional and financial counseling, as well as retreats through the Chaplains Religious Enrichment Development Operation (CREDO) program.

Million Dollar Resources Layout

MILLION DOLLAR RESOURCES SLIDE 6:





Presenter Note

Cue the producer to move to the Million Dollar Resources layout.



Producer Note

- 1. Shift to the layout titled Million Dollar Resources
 - Layered chat pods, stacked in order of use
- 2. Hide the chat pod as the conversation progresses
 - Financial counseling
 - Emergency financial relief
 - Entertainment
 - Deployment support
 - Family support
 - Nonmedical counseling
 - Legal
- 3. Return to the 11 Presentation A Million Dollars' Worth of Resources lavout after completing the activity

Producer Notes Presenter Content



Activity

Participants will categorize these resources and engage in collaborative discussions about their applications. By organizing the resources visually, participants can create mental associations, making remembering and accessing them in real-life situations easier.

Advise learners that they will brainstorm together to generate a list of resources for each listed need/ category.

This activity enhances participants' understanding and memory recall of available Navy and Department of Defense (DoD) resources.



Presenter Note

Follow the steps outlined below to complete this activity.

Process:

- Prompt students with one "need/category" at a time:
 - Financial counseling
 - o Emergency financial relief
 - Entertainment
 - Legal services
 - o Federal and state agencies
- Ask students to provide applicable resources in the corresponding chat:
 - o Display Slide 6, Million Dollar Resources, which includes a list of resources.
 - FFSC: PFM program, Transition Assistance program, Deployment Readiness Support, Relocation Assistance, Emergency Family Assistance, Family Advocacy Program, 1:1 nonmedical counseling.
 - CFS program: peer financial counseling and education support within the command.
 - NMCRS: Interest-free emergency loans, budgeting counseling.
 - Chaplain services: counseling on personal and family matters, including financial stress.
 - **Legal assistance office:** Consumer protection, financial liability advice, estate planning.
 - Morale, Welfare and Recreation (MWR): provides recreational activities, sports and other services to support morale and wellbeing.
 - Military OneSource: Comprehensive support for military families, including financial resources and counseling.
 - United Services Organization (USO): Offers support services, entertainment, and resources for Service members
 - Federal and state agencies.
 - Local base resources: Additional support services available on individual bases
- · Discussion, Wrap-up and Reflection:
 - o After learners respond to a need/category:
 - Debrief the chat with learners.
 - Cue the producer to move to the next chat pod.
 - Repeat the chat response, debrief, and producer cue for all five chat pods.
 - o Summarize the key resources in each category, highlighting practical ways they can be utilized. Ask participants the following questions:
 - Follow up to ask learners to raise their hand if they have used any of the resources, and for a couple of volunteers to share their experiences.
 - How can these resources be applied in real life situations?
 - Why is it important to know about them?

SLIDE 7: "GAUGE YOUR FINANCIAL KNOWLEDGE – WEALTH MANAGEMENT





Activity

This quiz-based activity allows participants to demonstrate their growth and understanding regarding financial topics. This activity and debrief should take no longer than 15 minutes.

Learners will revisit a series of descriptors and choose the best financial concept match. The matching quiz is based on the lesson's standardized IG and slide content. Each correct answer and talking point will be presented as the instructor reveals the answers and engages learners in a review discussion about financial concepts throughout the slide progression. As the instructor moves through the presentation, these topics align with the three key levels of financial knowledge outlined in the MDS course: Wealth Management, Wealth Protection, and Wealth Building.

By reflecting on the learners' previous responses, the instructor can assess the overall impact of the course on each learner's financial literacy knowledge.

This comparison not only showcases the learners' growth and understanding but also assists instructors in refining their teaching strategies for future courses.

This next activity might seem familiar. In a moment, you will complete a review quiz to check your financial knowledge as a result of this course. This quiz is identical to the one you completed in Lesson 1. There are ten questions. Read each description and select the best-matched topic. Let's make it a friendly competition again – the person to complete the quiz first with the most correct answers gets bragging rights. After, we will review the correct answers as a group.

Do not begin the quiz until I say, "Go."

Quiz Layout - Gauge Your Financial Knowledge



Presenter Note

After technical instructions are shared, tell learners they can begin and monitor completion results as they come in. When all learners complete the quiz, announce the winner and continue with the content progressing through the concepts.

Give me a green check if you're ready to begin. Ok, go!



Producer Note

- 1. Ensure the Adobe quiz is ready
- 2. Explain how to complete the quiz
- 3. Set a 5-minute countdown timer
- Start the countdown timer and open the quiz on presenter's cue
- 5. Clear statuses
- 6. Return to Lesson 11 presentation layout at the end of activity
 For platforms that do not have this feature, you may present your questions in a chat pod for a group activity.

Presenter Content

Producer Notes

GAUGE YOUR FINANCIAL KNOWLEDGE – WEALTH MANAGEMENT





Presenter Note

When debriefing the answers, use questions to facilitate discussion. Allow learners to respond and share their thoughts on wealth management, wealth protection and wealth building. Keep track of the time to stay on target with the course duration.



Animated Slide

This slide has animations..

Over the new few slides, reflect and contrast what you knew before and now after the course. Feel free to share how attending this course improved, had no effect, or altered your understanding of these essential financial concepts.

Wealth management topics include:

Spending Plan: A spending plan, or budget, tracks income and expenses, helping allocate funds for essentials, savings, and discretionary spending to effectively manage money and reach financial goals.

Manage Debt: Understanding and controlling debt levels, including credit cards and loans, through debt management techniques like prioritizing high-interest debt and timely payments to maintain financial stability.

Control Spending: Mindfully managing expenses by distinguishing between wants and needs, setting spending limits, and avoiding unnecessary purchases to support financial goals.

Establish Financial Goals: Setting specific, measurable, realistic, and timely financial goals (SMART), such as saving for emergencies or retirement, to create a roadmap for financial management.

SLIDE 8: GAUGE YOUR FINANCIAL KNOWLEDGE – WEALTH PROTECTION





Animated Slide

This slide has animations...

Wealth protection topics include:

Insurance Needs: Assessing coverage needs (health, auto, life) to protect against potential risks and aligning insurance choices with personal and financial circumstances.

Presenter Content	Producer Notes
Build Savings: Creating a financial cushion through savings for emergencies, future goals, or unexpected expenses, reinforcing financial security.	
Consumer Awareness: Making informed purchasing decisions, understanding product value, recognizing marketing tactics, and being aware of consumer rights to make wise spending choices.	
Manage Credit: Responsible use and maintenance of credit accounts, such as monitoring credit scores, timely payments, and low balances, which support favorable terms for future loans.	
SLIDE 9: GAUGE YOUR FINANCIAL KNOWLEDGE — WEALTH BUILDING Activity - Gauge Your Financial Knowledge (cont.) With hidder - Osporichand - Ospo	
Animated Slide	
This slide has animations	
Wealth building topics include:	
Hard Assets: Tangible investments like real estate, precious metals, or collectibles can appreciate over time but require careful management and are subject to market fluctuations.	
Compound Interest: Interest that accumulates on both the initial principal and previous interest, significantly increasing savings or investments over time.	
Retirement Planning (TSP, Roth vs. Traditional): Saving and investing through options like the Thrift Savings Plan (TSP), Roth IRAs, and Traditional IRAs, each with unique tax advantages, to ensure financial stability in retirement.	
Stocks and Bonds: Investment vehicles representing ownership (stocks) or lending (bonds), balancing growth potential and risk in a portfolio for long-term financial goals.	
SLIDE 10: GAUGE YOUR FINANCIAL KNOWLEDGE (CONT.) Activity - Gauge Your Financial Knowledge (cont.) Activity - Gauge Your Financial Knowledge (cont.) Activity - Gauge Your Financial Knowledge (cont.)	
Animated Slide	
This slide has animations	

Presenter Content

Producer Notes



Presenter Note

Summarize the three concepts or provide examples of topics that did not receive any responses from the learners. Reinforce to learners that the MDS course was designed to build on these three principles to support their financial fitness.

It is essential to reflect on these areas to identify potential gaps in understanding or engagement. Furthermore, remind the learners that the MDS course is structured around the financial pyramid. This framework guides participants from foundational principles at the base, where essential knowledge and skills are developed, to more advanced concepts at the peak, where they can integrate and apply their learning to complex financial scenarios.

SLIDE 11: TOUCHPOINTS AND FEAPS (USMC)





Presenter Note

Ask learners to raise their hands if they now have a better understanding of Touchpoints.

We covered various financial topics, starting with financial literacy Touchpoints and FEAP requirements. Although we didn't delve deeply into each milestone, we highlighted their vital importance along with the valuable tools and information that can help you make smarter financial decisions to achieve your goals.

SLIDE 12: CLASS SURVEYS





Producer Note

Insert survey link into chat pod https://usnavy.gov1. gualtrics.com/jfe/form/ SV 26nncWMTNjpMu2y



Presenter Note

Provide the producer with current survey link and/or QR code. Inform students about the link they can use to access the post-course survey.

Completion of MDS virtual surveys is voluntary. This survey evaluates content and the overall course process. MDS virtual surveys do not replace or impede a locally generated survey that assesses the instructors, site facilities, and communication process.

Presenter Content

Producer Notes

SLIDE 13: GRADUATION AND CLOSING





Presenter Note

Cue producer to reveal L11 SL13 Final Reflection chat pod. Ask learners to share their biggest takeaway from the Million Dollar Sailor course. Debrief responses and wrap up below.

At the conclusion of this slide, thank participants for coming, answer any final questions, provide any contact information for needed follow-up, and provide instructions on how to access course completion certificates. Remind CFS candidates to present a copy of their MDS course completion certificate when registering for the 3-day CFS course.

Facilitate the summary slides, encourage learners to complete the final reflection. Then, turn the class over to the producer.

At the conclusion of the course, please remember that completed student data cards are sent to the appropriate program headquarters for the respective military services. Navy locations will enter the student data in the CeTARS platform. This ensures that military attendees receive credit for their coursework. Due to privacy policies, it is important to secure completed forms according to both service and local guidelines. Be sure to refer to the hosting site's regulations for the retention and destruction of these completed forms.

Becoming a millionaire is not as simple as following "three easy steps" or relying on luck. It takes time and discipline. However, with the right strategies, along with patience and determination, achieving millionaire status is within your reach.

As we conclude this Million Dollar Sailor course, I want to take a moment to reflect on what we have learned together. We've covered essential concepts, explored various financial strategies, and developed skills that will empower you to make informed decisions. Remember, financial literacy is not just about numbers; it's about understanding your goals and making choices that will help you achieve financial freedom.

I encourage you to continue your journey in finance, whether by furthering your education, seeking advice from professionals, or applying what you've learned in your personal and professional life. Keep questioning, keep learning, and most importantly, act!

Thank you all for your participation, engagement, and enthusiasm. I wish you all the best in your financial endeavors!

Producer Note

Reveal L11 SL13 Final Reflection chat with question: "What is your biggest takeaway from this Million Dollar Sailor course?"