

# Deployment Diagnosis:

## How to Keep Finances Healthy on the Homefront

By Rich Strickler



Just as getting a flu shot can help protect you from becoming sick during winter, giving your household finances a check-up now can help your family get ready for their next deployment.

Unlike cold and flu season, there is no deployment season – orders can come at any time. Once a spouse deploys, the other has to decide how to best manage their money during a stressful time. But with a good dose of planning, spouses on the homefront can keep their finances healthy. These four tips can help keep some common deployment money maladies at bay:

### 1. AVOID THE SILENT PARTNER SYNDROME

It's common for one spouse to be the family's money CEO, giving the other spouse information on a need-to-know basis. But that can be a prescription for trouble during deployment. The best way to protect yourself from a potential financial disaster is for both spouses to have regular money check-ups.

During these "money dates," go over the monthly budget, how much debt you owe, and what funds you have for emergencies. Sign up for online banking services or automatic payment plans to help make sure all bills get paid on time. A single late credit card payment can result in a big interest rate jump, resulting in higher payments at a time when money can be tight.

### 2. DON'T SUFFER FROM JOINT ACCOUNT DEFICIENCY

Check to be sure that you're listed as a joint account holder on your spouse's credit card, banking, and investment accounts. This way, you'll be authorized to make changes to the accounts when needed, without your spouse's signature. Remember, if your spouse is deployed, you'll need more than your marriage license to manage all aspects of your family's finances.

Also, contact your local JAG office to create or update a durable power of attorney. This allows you to manage legal matters, such as refinancing your home. At the same time, ensure your estate plan and life insurance policies are up-to-date.

### 3. ACT NOW TO CURE DEPLOYMENT BUDGET BLUES

Some reservist and National Guard families find their budgets are tighter during a deployment because of the difference in civilian and military salaries, so for them it can pay to take advantage of the Servicemembers Civil Relief Act. The Act provides assistance to reservist and military members to help deal with pre-mobilization debt, such as reduced interest rates on credit cards, mortgages, and auto loans.

Some banks and insurers offer additional services, such as:

- Full rebates on credit card or mortgage interest incurred during deployment.
- The ability to defer mortgage payments until after deployment.
- Reduced auto insurance rates for cars that will be stored.

All of these discounts and benefits could save you hundreds of dollars each month, so it pays to contact your financial institutions to take advantage of these programs. Some even offer a special

deployment assistance team to help ensure you're getting all the services to which you're entitled.

### 4. BEAT THE BACK-BURNER SAVING BUG

It's tempting to put saving money on hold during a deployment, but time is the biggest asset you have when it comes to growing your savings. If your credit card debt is under control, begin saving an emergency fund in a savings or money market account. Try to save at least three months of living expenses, so you can use cash to pay for life's emergencies instead of turning to credit.

Then, start contributing to a retirement savings plan, such as a Roth IRA or the government's Thrift Savings Plan (TSP). Set up automatic withdrawals from each paycheck to make saving easier. An investment of just \$20 a month at 8 percent interest over a 30-year span will end up being almost \$30,000!

By actively monitoring your family's financial vital signs now, you'll be better prepared to treat any money matters that arise while your spouse is deployed.



*Rich Strickler is a Deployment Assistance Program Manager with USAA. He also served 30 years in the U.S. Navy.*

## Enlisting a Trusted Helper

A deployment can derail the financial plans of even the most prepared military families. A fee-only credentialed financial advisor can help you iron out the wrinkles by helping you:

- Create a budget.
- Develop a plan to reduce debt.
- Select the right kind of life, disability, and property insurance, in the right amounts.
- Make informed tax planning decisions.

Visit [www.usaa.com](http://www.usaa.com) for more information.

## Free Deployment Guide for Military Families

USAA's Family Reference Guide to Deployment offers additional tips and checklists. Topics include information and advice on:

- Managing a household and family by keeping a list of repair facilities on-hand or prioritizing domestic tasks.
- Helping children cope by explaining the purpose behind the separation or posting a map with the deployment location.
- Planning for emergencies by keeping important papers accessible.
- Staying in touch and maintaining healthy communication through e-mail or pre-paid calling cards.

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