



Guard Your Finances

Step-by-Step Instructions:

1. Ask for two volunteers to participate in a demonstration. Invite them to come to the front of the room.
2. Give each volunteer five \$1 bills and explain that the money represents the family's current monthly budget. It includes both the civilian employment wages and the money earned from the National Guard. Have the volunteers hold the money up for all to see in one hand.
3. Now give one volunteer three additional \$1 bills. The extra money is because the guard member was just called to active duty for a deployment. Because of his/her rank, the number of years in the military and additional military pay benefits, the monthly income just increased significantly. Have the volunteer hold it up in a separate hand for all to see — so as to not combine it with their other \$5.
4. Ask, "What will you do with this extra money?" Encourage the volunteer to dream big and list several items the family would like or may need. The answer could range from buying new items on a shopping spree or even a new car to renovating the home or adding to their savings and paying off debt.
5. Turn to the other volunteer and ask him/her to give you \$2 of the initial \$5. Explain that this guard member also was just called up for a deployment. But in this case the member is a lower rank or has fewer years in the military. The active duty income compared to the civilian job and combined National Guard pay is significantly decreased, even with other military pay benefits that come with deployment service.

Group Size: All

Time Needed: 30 minutes

Goal: To equip participants with the financial skills and tools to prepare for National Guard life and the income adjustments during deployment

Audience: National Guard couples, service members (without the family member) or spouses (without the service member) during any phase the deployment cycle

Special Considerations: Facilitators read *Get to Know the National Guard* and *National Guard Top Ten* to re-familiarize themselves with the financial challenges of guard members and families

Resources Needed:

- ✓ 15 - \$1 bills (real or play money)
- ✓ One copy for each participant of the budget worksheets (preferably double-sided)
- ✓ Pens/pencils for each participant
- ✓ One copy for each participant of a current military pay table (available at www.dfas.mil - see "Allowances," "Incentives and Special Pays," and "Drill Pay")

6. Ask “What monthly expenses do you currently have that you are willing to (or will need to) cut out?” (Accept a couple of answers, but don’t be too surprised if they struggle to come up with many. Most people often fail to think about how they can cut expenses.)
7. Explain that these are two very possible scenarios that can happen to a guard family’s finances. Many soldiers and airmen make more income while on active duty. Many make much less. The service members and families who receive less income while on active duty orders tend to be in a tough spot during the deployment. Those who make more might get too comfortable on a new budget or make significant purchases that require continued monthly payments that they cannot maintain when the service member returns from deployment and again receives his civilian pay. Others may experience an abrupt change in their financial situation because of the loss of a civilian job because of the deployment. In any of these situations, a lack of proper planning can result in devastating financial changes after explaining these scenarios. Invite the volunteers to return to their seats.
8. Provide participants with a copy of the budget worksheet and direct their attention to the sheet titled *Non-Active Duty Budget Worksheet* and the copy of the military pay table. Explain that this is a very simple but common approach to managing finances. There are much more advanced budgeting systems that might suit their family better, but the main idea is to account for all income and expenses. Explain also that the tool is designed to help them budget while they are not on active duty orders. Give them time to start filling out the information they know, especially the income portions. (The military pay table can help them determine their National Guard pay.) Emphasize that there may be some information that they don’t have with them, but the important part is to record their monthly income amounts as closely as possible. The remainder of the worksheet can be filled out at home as they may need more time to consult with other family members or to reference bank information.
9. Now have the participants turn to the *Active Duty Budget Worksheet*. Explain that the main differences in these worksheets are in the *Income* section. Using the military pay table, participants can list the expected income if the National Guard member were to be placed on long-term active duty orders (deployment is one example). There are a number of additional pays and allowances available when a guard member is on active duty orders. Point out a few things to consider:
 - a. While guard members are on active duty, they will no longer receive their regular drill pay.
 - b. Often while on active duty, additional pay and allowances might be available, such as Family Separation Allowance, Combat Zone Tax Exclusion, Hazardous Duty Pay, and so on. Encourage them to reference the military pay table to determine these amounts.
 - c. Most of their expenses will remain the same. However, it is possible that they will not have to pay for health insurance while on active duty orders.
10. Give them some time to start filling out the information they know and encourage them to complete the form at home. Emphasize that at the very least participants should be sure and record their monthly income amounts as close as possible.
11. When sufficient time has elapsed, draw the attention of the group to the front of the room. Ask if anyone is willing to share some insights they had during this activity. Is there anything that surprised them in thinking through their finances? Are there any preparations that households are currently making to get ready for deployment? (Some comments may include that they discovered they would have a higher or lower income if the National Guard member were deployed.)

Process:

Point out that the goal of this exercise was to help the group determine how National Guard life affects their finances. Explain that financial issues can be among the most significant strains on a marriage and family and that taking steps early to plan for financial ups and downs can have a large payoff.

Conclude:

Encourage the group members to continue to work on their worksheets, another budgeting system or access community resources to help them think through their current and future financial strategies. Let them know that it might take some time and trial and error before they are completely comfortable with their own budget. Budgets can be a work in progress and need tweaking as finances change. Point out that the National Guard has many resources and people available to them to assist with financial counseling and budgeting.