



Wealth Manager-Military personnel seek budget, saving advice

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- * Starting salary for enlisted personnel is \$37,439
- * Budgeting, saving can be tough - adviser
- * Finances can affect security clearance, discharge

By Clare Baldwin

NEW YORK, April 15 (Reuters) - Members of the U.S. armed forces increasingly have what other people do not: a job. For financial advisers, that means a large group of people with a regular paycheck who can make a financial plan -- and perhaps stick to it.

"To build a financial plan and continue to craft it year after year after year works very nicely with this audience. They don't have a big job risk," said Scott Spiker, chief executive of Fort Worth, Texas-based financial advisory firm First Command, whose core market is military personnel.

"They're not going to go from making \$50,000 to \$500,000 in a year and then back down to zero," he said.

The U.S. military had 1.4 million active-duty members at the end of February, according to the Department of Defense, up slightly from the end of January.

While service members can typically count on a job, they do not exactly get rich. Starting pay for enlisted personnel is \$37,439. That figure includes a housing and food allowance but excludes special pay, bonuses, health care and retirement pay.

An enlisted man's pay rises to \$45,227 after four years of service, the Defense Department said.

Spiker said the transparency of basic pay and benefits can help an adviser.

"We know exactly how much you're paid. We know what your next promotion will be. We know how much that next promotion will be. We know entirely what your benefits are and where your gaps are in coverage on the insurance side or deficiencies on the investment side," he said.

THE ISSUES

Despite steady employment, military personnel often struggle with their finances, said Trysha Upton, a financial adviser who is married to a U.S. Marine.

Upton, a former social worker, went through a FINRA Investor Education Foundation program that provides financial training to military spouses. She now volunteers to provide emergency financial advice for the Navy-Marine Corps Relief Society, offers private financial counseling, and is working toward accreditation as a Certified Financial Planner.

Upton says that beyond counseling on financial emergencies -- a broken-down car, rent money, money to fly home for a funeral -- she spends most of her time talking to service members about budgeting, saving and retirement.

"This is probably the most money they have ever made. They are offered loans and they start buying stuff," she said.

Frequent moves can also complicate financial planning for service members.

The moves may make it difficult to maintain a relationship with a single adviser or purchase a house, a common way for people to build equity.

Deployments to places like Iraq and Afghanistan can also mean advisers may not be able to reach their clients.

"You should probably make sure you're not investing in investments that need day-to-day decision making or even week-to-week decision making," said FINRA Investor Education Foundation President John Gannon.

Even non-combat deployments -- sea duty, for example -- can make it difficult to reach a client, he said.

ADVICE, PLEASE

The Defense Department provides service members with an array of financial classes, counseling and websites, and stresses the importance of "financial readiness."

Service personnel with significant debts or who file for bankruptcy can lose their security clearances or even be discharged if certain conditions are not met.

Investing extra pay from combat duty and retirement planning are also big issues.

"Somebody coming back from (combat) deployment may have saved up a sizable amount of money that could be invested," said Gannon. (Reporting by Clare Baldwin in New York; additional reporting by Andrea Shalal-Esa in Washington; editing by John Wallace)

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