

# MONEY MATTERS 2023: UL SYSTEM FINANCIAL WELLNESS SERIES

SESSION #10:

## FINANCIAL PLANNING FOR VETERANS



**JULY 18, 2023**



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*<http://business.louisiana.edu/financeispersonal>*



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**B.I. Moody III College of  
Business Administration**

# OWNING YOUR FINANCIAL FUTURE

ADULTS RETURNING TO  
FINISH A DEGREE:  
FINANCIAL & OTHER  
CONCERNS

JUNE 6, 2023

FINANCIAL PLANNING  
FOR GRADUATE STUDENTS

JUNE 7, 2023

FINANCIAL & TAX  
PLANNING FOR  
INTERNATIONAL  
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JUNE 8, 2023

THE FINANCIAL ASPECTS  
OF YOUR SIDE-  
HUSTLE #1 – PLANNING,  
STRATEGIES, LEGAL,  
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PLANNING: MAKING  
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FINANCIAL & PERSONAL  
ISSUES

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BUILDING SAVINGS  
ACCOUNTS & EMERGENCY  
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JULY 18, 2023 \*\*\*

FINANCIAL PLANNING  
WHEN RETIREMENT IS  
GETTING CLOSE  
(5-7 YEARS OUT)

JULY 19, 2023 \*\*\*

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PROFITABILITY,  
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FOR THE FUN STUFF:  
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NAVIGATING THE  
IMPACTS OF INFLATION &  
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AUGUST 2, 2023

FINANCIAL  
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VETERANS

July 18, 2023

MOST SESSIONS ARE FROM 12:00-1:00PM  
\*\*\* SESSIONS ON JULY 18, 19 ARE FROM 3:00-4:00PM.

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# WHY IS FINANCIAL PLANNING SO IMPORTANT FOR VETERANS?

## LET'S BEGIN WITH 3 BIG REASONS:

- 1. You have more unique benefits and cash flow streams than most civilians.*
- 2. You may not have had to worry as much about money while in active service...so things may be new to you.*
- 3. Transitioning from active duty to civilian is not always an easy transition. And we never want money issues to add to those challenges (or to become your biggest challenges).*



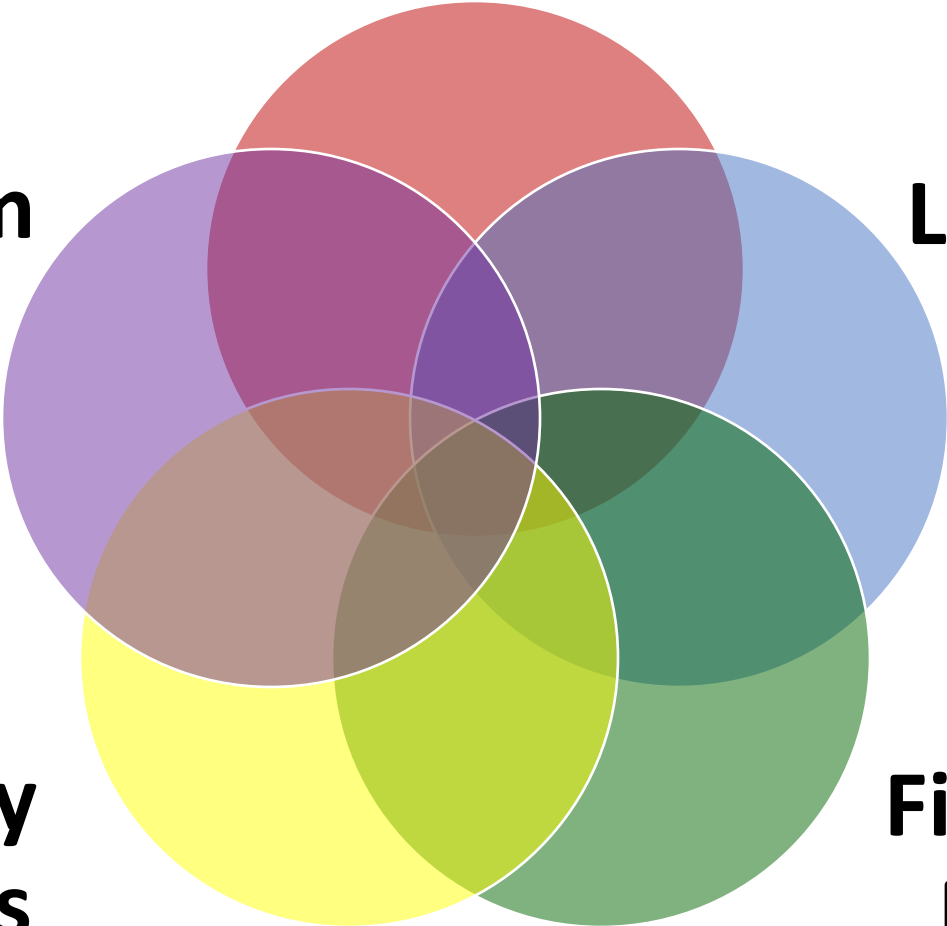
# Happiness

**Short-Term  
Goals**

**Long-Term  
Goals**

**Family  
Needs**

**Financial  
Needs**



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# 3 OPENING MORALS

***Personal Finance is...personal.***

***It's about you and not about anyone else.***

***You have to make it about you and your goals.***



## 3 OPENING MORALS

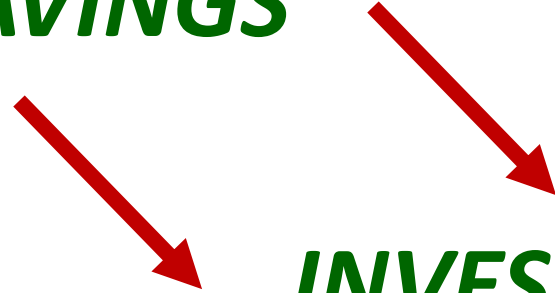
*Because personal finance is personal, it is virtually impossible for me to give you any specific advice.*

*However, there is one word of advice that applies to 99% of people working on their finances:*

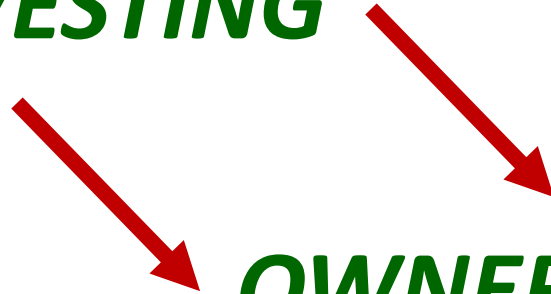
**SAVE**



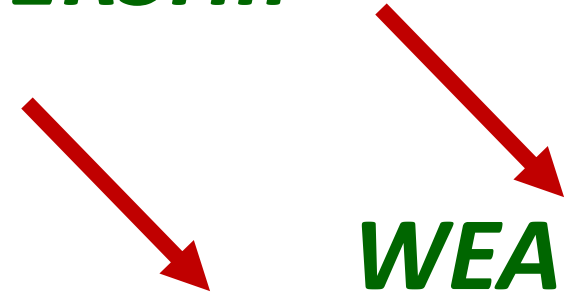
***SAVINGS***



***INVESTING***



***OWNERSHIP***



***WEALTH***





## 3 OPENING MORALS

*Financial Planning for Veterans...is 90% the same as Financial Planning for Civilians.*

*That 10% difference relates to unique opportunities and unique words of caution.*

*We will touch on both the 90% and the 10% today.*



# What Are Your Values, Dreams & Goals?

Education

Career

Family

# What Is Your Current Situation?

Education

Career

Family

Financial

# Create a Personal Financial Plan for You:

Investing

Budgeting

Debt Management

Taxes

Insurance

Retirement

Education

Family

Business Planning

Philanthropy

Estate Planning



**TODAY**

**THE NEXT 6 MONTHS**

**THE NEXT 12 MONTHS**

**2 YEARS AFTER GRADUATION**

**3 YEARS AFTER GRADUATION**

**ONCE EVERY 3 MONTHS:  
TRACK EVERY PENNY  
THAT YOU SPEND &  
TRACK EVERY PENNY  
THAT YOU EARN**

**IN THE NEXT 3 MONTHS:  
IDENTIFY WAYS TO  
DECREASE YOUR  
DISCRETIONARY  
SPENDING BY 25%**

**IN THE NEXT 6 MONTHS:  
MAKE A PLAN TO  
MANAGE – AND PAY OFF  
– YOUR DEBT**

**IN THE NEXT 6-12  
MONTHS:  
OPEN MULTIPLE  
SAVINGS ACCOUNTS, 1  
FOR EACH GOAL**

**IN THE NEXT 12 MONTHS,  
OPEN AN IRA OR ROTH IRA**

**WITHIN THE NEXT 2 YEARS :  
HAVE AN “EMERGENCY  
FUND” ACCOUNT, WITH 3-6  
MONTHS OF NON-  
DISCRETIONARY EXPENSES**

**WITHIN 3 YEARS OF  
GRADUATION:  
ELIMINATE ALL OF YOUR BAD  
DEBT.**



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**IN THE NEXT 6 MONTHS:**

**IDENTIFY ALL OF YOUR MILITARY BENEFITS – Such as money for education, insurance benefits and discounts, preferred rates on mortgages, car loans and credit cards.**

**THE U.S. DEPARTMENT OF VETERANS AFFAIRS IS PROBABLY THE FIRST PLACE TO CONTACT...AND THEY CAN PUT IN YOU TOUCH WITH OTHER ORGANIZATIONS, AS NECESSARY.**

**ALWAYS GO THROUGH OFFICIAL ORGANIZATIONS.**

**YOU HAVE UNIQUE BENEFITS...WHICH MEANS YOU CAN BECOME A UNIQUE TARGET FOR SCAMS OR OTHER SCHEMES.**



**Whenever anyone calls you, texts you or sends you an email telling you about all of the amazing benefits you are eligible for...be suspicious.**

**Official organizations may send you a letter or even an email. But do not click on those emails. And do not give out any personal information to solicitors over the phone.**

**Always do your own research and go directly to the official websites before providing any personal information.**



# THE 3 FINANCIAL PLANNING PRIORITIES

PRIORITY 1	PRIORITY 2	PRIORITY 3
<b>Risk Management of Personal, Property &amp; Liability Risks</b>	<b>Short-Term Savings &amp; Investments and Debt Management</b>	<b>Long-Term Savings &amp; Investment</b>
<i>Evaluate the need for and quality of personal insurance.</i>	<i>Evaluate the adequacy of:</i>	<i>Evaluate the adequacy of progress towards:</i>
<ol style="list-style-type: none"> <li>1. Life Insurance</li> <li>2. Health insurance</li> <li>3. Disability insurance</li> <li>4. Long-Term Care insurance</li> <li>5. Property Insurance                             <ul style="list-style-type: none"> <li>➤ Homeowner's Insurance</li> <li>➤ Auto Insurance</li> <li>➤ Other property insurance</li> </ul> </li> <li>6. Liability insurance</li> </ol>	<ol style="list-style-type: none"> <li>1. Your emergency fund.</li> <li>2. The proportion of income spent on housing</li> <li>3. The proportion of income spent on housing and other-than-housing debts</li> </ol>	<ol style="list-style-type: none"> <li>1. Your retirement goals.                             <ul style="list-style-type: none"> <li>➤ Your savings rate</li> <li>➤ Investment assets</li> </ul> </li> <li>2. Your education funding goals for Jack, Jill &amp; Jane</li> <li>3. Any large purchase goals</li> <li>4. Any legacy goals</li> </ol>



# 10 FINANCIAL PLANNING TIPS

## #1

Prepare a reasonable and thorough budget.

This begins with identifying all of your expenses – both non-discretionary and discretionary.

Analyze your budget and think about values, behaviors, goals.  
Think about how you can reduce the expenses in your budget.



# 10 FINANCIAL PLANNING TIPS

#2

Prepare an inventory of all financial and other benefits available to you.

Education – GI Bill

Health Care – VA Medical Benefits, SSDI, Tricare

Loan Benefits – VA Home Loan Programs

Life Insurance – Servicemembers' Group Life Insurance

Retirement – Several different pension and defined contribution plans





# 10 FINANCIAL PLANNING TIPS

#3

Make sure you have all of the health insurance you need and you are eligible for.

The VA may provide the best coverage for you and your family...but it may not. You may need private coverage, that may come with government discounts. Do your research. Do NOT assume that you only have 1 choice or that that 1 choice is best for you.



# 10 FINANCIAL PLANNING TIPS

## #4

If you have a hobby, side-hustle or active business, make sure you create a legal business entity.

Creating an LLC – limited liability company – or a corporation will take you about 2 hours and between \$200 and \$500 (depending on your industry)...but that effort will save you from enormous potential liability in the future.



# 10 FINANCIAL PLANNING TIPS

#5

Prepare a last will and testament.

Prepare a living will (for medical decisions during life).

Either of the above will start at about \$300 with an online service, and could go as high as \$2000 with a local attorney. But the peace of mind can be priceless.

Make sure you have beneficiaries identified for all your benefits, policies and accounts.



# 10 FINANCIAL PLANNING TIPS

#6

Check your credit report.

Check your credit score.

Your credit history has probably not been as smooth and consistent as most civilians. This may confuse the credit agencies...and this may result in lower credit scores than you deserve.

Or, maybe you have earned a low credit score. That's fine. Now just begin the process of improving your credit score so that your budget will not be held hostage by high interest rates in the future.

The key to improving your credit score is to make all payments on time. After that, the score will improve naturally.



# 10 FINANCIAL PLANNING TIPS

#7

Be patient.

And do your research.

All of the benefits you have earned do come with a small cost:  
paperwork and bureaucracy.

It can be extremely frustrating to navigate the system and to learn what you are entitled to and what you need to do to get your benefits. Let's assume that this bureaucracy is in place to protect you from frauds. Be patient, take your time and be diligent.



# 10 FINANCIAL PLANNING TIPS

#8

Consider saving for retirement on your own.

While you do have unique benefits that most civilians do not have, some of these benefits can have relatively low payout promises...payments that may not be enough to support you and your family in the future.

If you have the means, you should be able to contribute to a tax-preferred thrift savings plan (like a 401(k)) or other defined contribution plan with the VA. You can also certainly have an Individual Retirement Account or Roth IRA on your own.



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# 10 FINANCIAL PLANNING TIPS

#9

Understand your tax responsibilities and obligations.

Because your income sources and streams may be more diverse than most civilians, your tax responsibilities will be more complex.



# 10 FINANCIAL PLANNING TIPS

## #9

### Understand your tax responsibilities and obligations.

Some of your income might be tax-free at both the state and federal levels. You might even get property and vehicle tax benefits. Retirement pay is probably taxable (at the federal level, possibly at the state level). Disability benefits are probably tax free. Life insurance proceeds are probably tax-free.

Note that this gets complex very quickly, given the different benefits.

Also note that how long you served may make this even more complex very quickly. Also note that the tax rules are different for active-duty military...so do not assume that the tax processes are the same for active-duty and for veterans.

Spending \$300 to spend a few hours with a tax accountant or consultant to fully understand your situation may be \$300 well-spent.





# 10 FINANCIAL PLANNING TIPS

#10

Never stop investing in yourself.

You have access to education benefits – use them!

You have access to discounted home and business loans – use them.

While you were active duty, the military invested in you - to serve the military's needs and purposes. You made our country better. And the military probably made you better in many ways. Now that you are a veteran, the military system is not going to be looking out for you nearly as much. The investment opportunities may exist, but you have to go get them.

Now go make your post-active duty life better in the same way that you made our country better during your active service.



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# 10 FINANCIAL PLANNING TIPS

## #11 – BONUS!

Never lose connections with your military community.

Few people have deeper connections and more shared experiences than veterans. Your military sisters and brothers have been through what you have been through.

Use them for your life support system.

Use them for your financial planning support system.

Use them for friendship.



# 3 FINAL PIECES OF ADVICE

## 1. DO YOUR RESEARCH

(because nobody else is going to do it for you).

## 2. PROTECT YOURSELF, YOUR FAMILY & YOUR BENEFITS

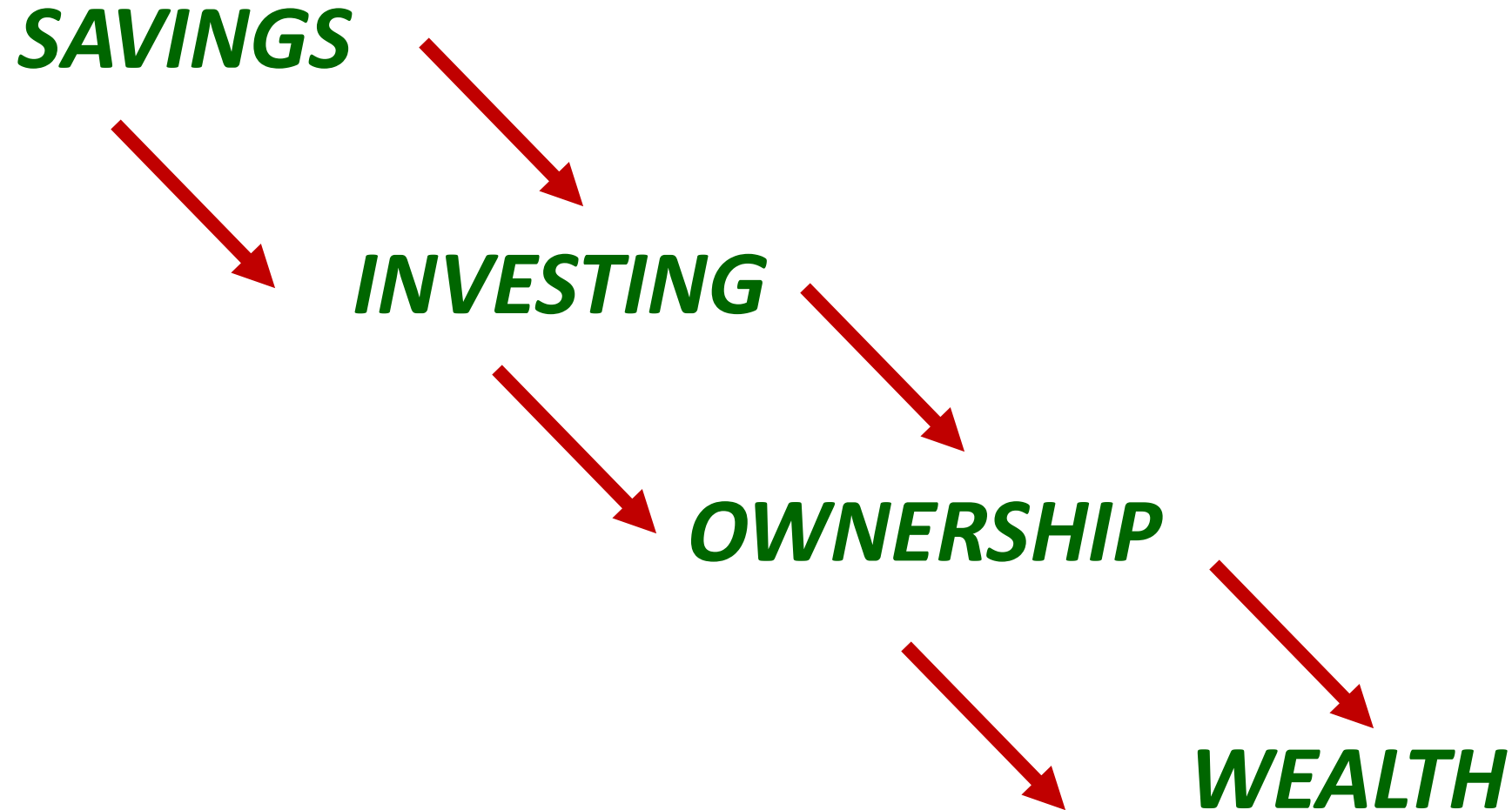
(because many scam artists would love to take what you have)

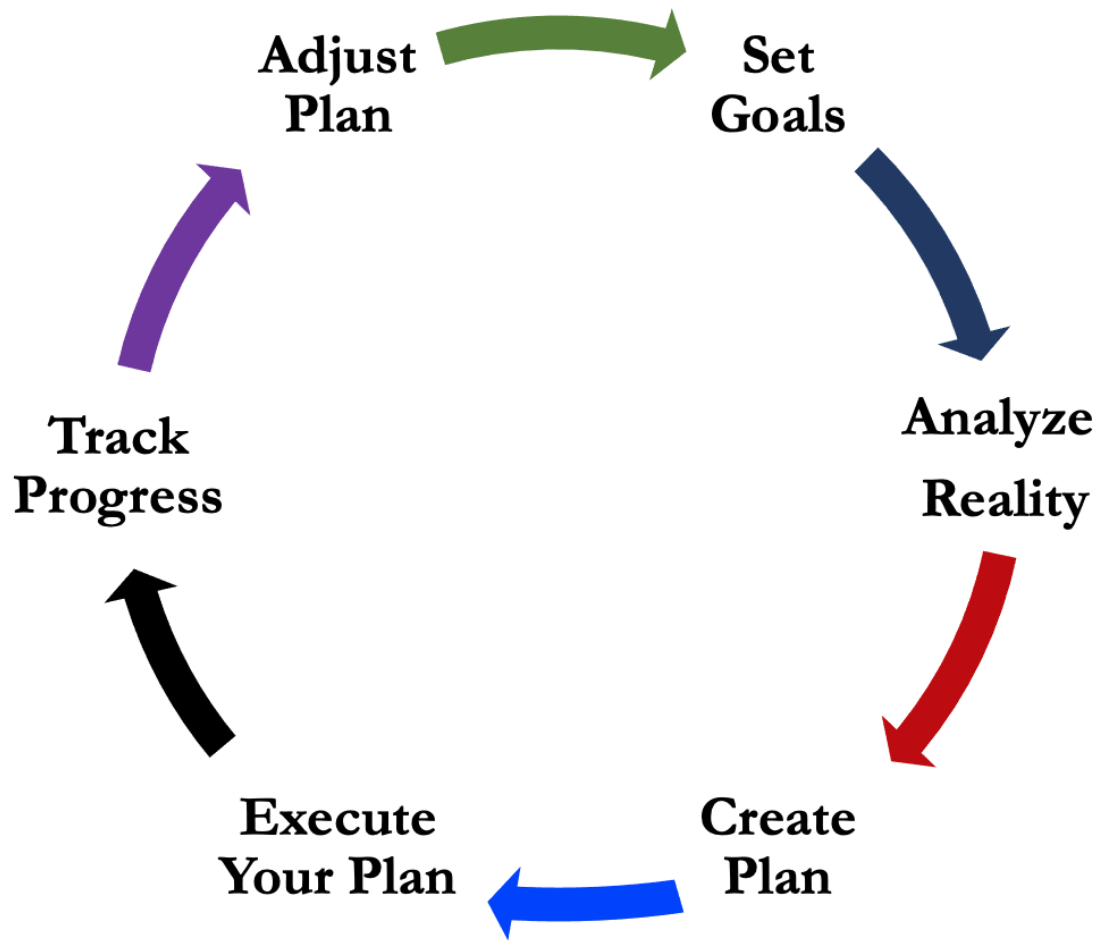
## 3. NEVER STOP GROWING, ADVANCING & INVESTING IN YOURSELF

(because you know how to do this better than anyone)



# A Few Opening Morals





1. **Set your goals.** What do you want to achieve in life? What financial goals will make this happen?
2. **Analyze your reality.** What is your situation? What is your income? What are your expenses? When can you achieve your goals?
3. **Create your plan.** Focus on the short-term – the next 3-6 months – and the long-term – the next 1, 2, 5 and 10 years.
4. **Execute your plan.** Work to decrease your expenses. and to pay off debt. Work to increase your income and your savings.
5. **Track your progress.** How are you doing? Are you ahead of your goals? Are you behind your goals?
6. **Adjust your plan** to reflect your progress, your new reality and any new goals.
7. **Repeat. Revise. Enjoy.**

# Financial Wellness

*A goal without a plan is just a dream.*

*Wealth is largely the result of habit.*

*The most difficult thing is the decision to act; the rest is mere tenacity.*

*It takes as much energy to plan as it does to wish.*

*You cannot escape the responsibility of tomorrow by avoiding it today.*



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**ABOVE ALL...**

**THANK YOU FOR YOUR SERVICE  
THANK YOU FOR YOUR SACRIFICE  
THANK YOU FOR BEING YOU**



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