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# *Family*

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**VOTE\$**

*Count!*



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# Your **VOTES\$** Count!

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Election season is upon the nation, and career military voters identify pay and benefits as the top issues of concern for them in the midterm elections.

The First Command Financial Behaviors Index reveals that 88 percent of voters in career military families identify changes to military retirement and other benefits as extremely or very important in choosing who gets their vote in November. This compares to 46 percent of general population voters.

Other top concerns relate to defense spending, with 80 percent of military voters indicating that changes to the Department of Defense budget—specifically those that could potentially impact their military benefits, compensation, and career—are an extremely or very important election issue; defense spending in general was identified as important by three-quarters of military voters. Both issues were identified as important by roughly half of general population voters.

"Career service members and their families face many challenges in their financial lives," explains Scott Spiker, chairman and chief executive of First Command Financial Services, Inc., a financial planning firm that specializes in coaching military families on achieving financial security. "They have dealt with multiple combat deployments since 9/11 and the uncertainties generated by military spending cuts. Financial stress on service member families is further compounded by frequent relocations that limit opportunities for building home equity and securing meaningful employment for spouses."

First Command launched the Financial Behaviors Index in early 2008 to help career military families—defined as commissioned officers and NCOs in pay grades E-5 and above with household incomes of at least \$50,000—and other middle-class Americans increase their

feelings of financial security in the face of economic uncertainties. "Ten years later, this independent research initiative continues to reveal that saving and investing, paying off debt and engaging in other positive financial behaviors can bolster feelings of hope and excitement in the present as well as build a strong foundation for the future," Spiker notes.

Changes to military retirement and other benefits consistently rank as the top concerns among military families, with retirement pay, basic pay, and health care benefits for dependents and retirees as the most important issues. The new Blended Retirement System (BRS) was enacted into law this year, and this is having a huge impact on the way military families plan for retirement.

"One of the most significant changes to military retirement benefits in 70 years has become reality for military families—and it's transforming the way service members think about and plan for their lifetime financial security," Spiker points out. "The BRS represents a major shift in military retirement planning, one that features a 20 percent cut in the traditional guaranteed pension. That cut pays for a new defined contribution program that includes automatic and matching Thrift Savings Plan contributions, mid-career continuation pay and a lump sum buyout option. The program applies to all new service members who have started since Jan. 1.

"Military members with 12 years or less of service on Dec. 31, 2017, are eligible to opt-in to the new program during 2018," Spiker continues. "But they must make the opt-in decision by the end of this year, and our monthly surveys on BRS reveal that it's not a decision they take lightly: 73 percent of eligible military families say they are likely to consult a financial advisor for help making the opt-in decision."

Nine out of 10 military survey respondents and eight out of 10 civilian respondents say they plan to vote in the midterm elections.