



Managing Money After the Military

1-Hour Virtual Course

CONSUMER EDUCATION AND TRAINING SERVICES (CENTS)

Class Agenda

- ▶ Overview
- ▶ What is CENTS?
- ▶ Why This Matters
- ▶ Traps to Avoid
- ▶ Mindsets to Take On
- ▶ Budgeting Fundamentals
- ▶ Why Saving Matters
- ▶ Goal-Setting Activity
- ▶ Q&A

Overview

- ▶ This is the “crawl” phase in a crawl, walk, run journey
- ▶ We’ll cover the fundamentals: budgeting, saving, and goal-setting
- ▶ No question is too small or basic
- ▶ You’ll leave with the tools to build a budget, track spending, start saving, and set financial goals

What is Consumer Education and Training Services (CENTS)?

- ▶ Seattle-based nonprofit founded in 1995
- ▶ Co-founded by a federal bankruptcy judge and financial professionals
- ▶ Provides free, independent financial education and legal resources
- ▶ Serves seniors, students, cancer patients, justice-involved individuals — and now veterans
- ▶ Focused on practical tools, not financial products
- ▶ This program is supported by the American College of Bankruptcy Foundation.

Why This Matters



Financial stress
is common



Impacts
health,
relationships,
and stability



Income is your
foundation—
budgeting builds
the rest



Budgeting is
not about guilt,
it's about
balance



Goal: Use a
budget to
plan, not
restrict

Budgeting Basics: Traps to Avoid

“I’ll make
more
money
later, so it’s
fine now”



Trap: Assuming future income will solve current financial problems



Reality: While earning potential may grow, so will your responsibilities. Planning based on uncertain future income can lead to avoidable debt and instability.



Future wages can be inconsistent, especially early on. Budget based on today’s income. The goal here is money balance.



Trap: Believing that time alone will fix financial problems



Reality: Hoping without action delays real solutions and can worsen problems. Time rarely fixes financial issues without a plan.



The military provided a support net (house, meals, healthcare, etc.), but financial issues won't resolve themselves. You need a proactive plan.

"Everything will work out eventually"

“I deserve
this, even if I
can't afford
it”



Trap: Using emotional reasoning to justify unnecessary spending.



Reality: You can honor your service without sacrificing financial stability. Rewarding yourself is valid, but it must fit your budget.



Transition can feel like a time to “catch up” on missed comforts. But delayed gratification now can give you more freedom later.



Trap: Treating credit as income or a backup plan.



Reality: Credit is a tool, not a solution. Relying on it creates high-interest debt and long-term stress.



Building even a small savings buffer is more sustainable than relying on your credit for primary spending.

Relying on
credit for
emergencies
or wants

Underestimating the cost of small, repeated expenses



Trap: Ignoring how minor purchases can add up over time.



Reality: \$5 here and \$12 there can quietly consume hundreds per month. Without tracking, these expenses eat into your financial goals.



Frequent, low-cost spending choices can add up fast. Examples include subscriptions, coffee, parking, and fast food.

Examples of small, but costly, expenses



Daily coffee at \$4
(\$1,460 per year)



Fast-food lunch twice a
week at \$8 (\$830 per
year)



Three streaming
subscriptions at \$10 each
per month (\$360 per year)



Mobile-app micro-
purchases averaging
\$5 per week (\$260 per
year)



Unused gym membership,
\$35 per month (\$420 per
year)



Trap: Letting outside expectations dictate what you “should” own or spend.



Reality: Social media and advertising are designed to make you feel behind. Keeping up often means falling into debt.



Don't let pressure to “look successful” undermine your progress. Build a financial life based on your own values.

Letting
advertising
and lifestyle
pressure set
your
spending

- ▶ Average consumer is exposed to **about 4,000 – 10,000 advertisements per day** (Siteefy, 2024).
- ▶ **33 percent of adults worldwide** say ads help them decide what to buy, rising to **51 percent for Gen Z** (YouGov, 2023).
- ▶ U.S. shoppers still spend **roughly \$1,812 a year on impulse buys**, contributing to **about \$71 billion in impulse purchases reported for 2022** (Capital One Shopping Research, 2025).



Budgeting Basics: Mindsets to Take On

Remember, this is aspirational

Make
decisions
based on
your current
income and
needs



Mindset: Budget with what you have today—not what you hope to earn.



Why it matters: Real financial progress starts with honest numbers. Planning with today's paycheck keeps spending realistic and sustainable



Civilian pay structures, taxes, and costs can be unpredictable at first. Ground your choices in what's known.



Trap: Believing that time alone will fix financial problems



Reality: Hoping without action delays real solutions and can worsen problems. Time rarely fixes financial issues without a plan.



The military provided a support net (house, meals, healthcare, etc.), but financial issues won't resolve themselves. You need a proactive plan.

"Everything will work out eventually"

Small,
steady
progress
beats big
promises



Mindset: You don't need to fix everything overnight. Start where you are and build



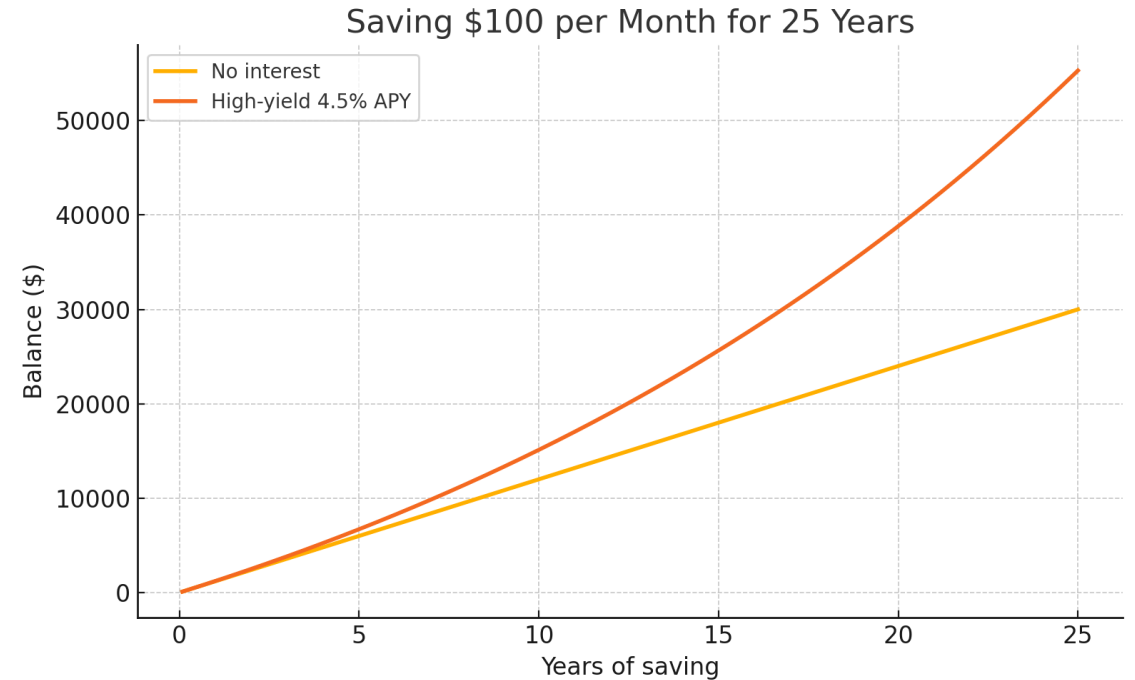
Why it matters: One savings deposit. One paid-off bill. One avoided impulse buy. These are all wins.



Like service in the military, skills are built through repetition and discipline. Your financial growth works the same way.

Saving three dollars a day

- ▶ Contribution: \$100 each month for 25 years (300 monthly deposits)
- ▶ No interest ("mattress money"): **\$30,000 total** principal saved
- ▶ High-yield savings at a 4.5 percent APY, compounded monthly*: **≈ \$55,000** ending balance





Mindset: A budget isn't just saying no, but also about choosing where to say yes.



Why it matters: When used right, a budget helps you meet goals faster. It's not about shame or restriction, but about clarity and control.



Budgeting supports *your* success. Use it to your advantage.

Budgeting is
a tool, not a
punishment

Focus on long-term freedom, not short-term comfort



Mindset: A little sacrifice now can unlock a lot of freedom later.



Reality: Choosing not to spend today means more options tomorrow. Financial freedom gives you choices.



It's difficult to change your spending habits but try to make realistic choices when you make short-term spending decisions.



Mindset: Financial challenges are common, especially after military service.



Why it matters: Shame or silence leads to worse outcomes. Asking questions and learning builds resilience.



Transition is. You're not falling behind, but learning, like the rest of us.

You're not
alone.
Everyone is
figuring this
out.

Budgeting Basics: The Fundamentals



**KNOW YOUR
INCOME.**



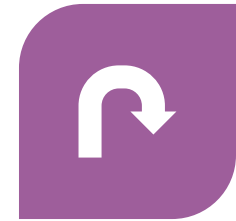
**IDENTIFY YOUR
EXPENSES.**



**BALANCE THE
BUDGET. MAKE IT
SUSTAINABLE.**



**DETERMINE YOUR
SPENDING
PERCENTAGES**



**TRACK YOUR
SPENDING**

Know Your Income

- ▶ **What to do.** Understand your monthly take-home pay after taxes, insurance, and any deductions.
- ▶ **Why it matters.** Military pay is often consistent and comes with built-in benefits. In civilian life, income can be more variable, especially with hourly work or multiple sources of income. You need to know what actually lands in your bank account.
- ▶ Know your *net* income. Don't plan your budget off your "paper" or gross salary.

Pay stub (hourly)

SMITH AND COMPANY, INC. 123 West Street Smalltown, CA 98765				
EMPLOYEE Johnson, Bob	SOCIAL SECURITY NO. XXX-XX-6789	PAY RATE 18.00 regular 27.00 overtime	PAY PERIOD 1/7/XX to 1/13/XX	
EARNINGS	HOURS	AMOUNT	DEDUCTIONS	AMOUNT
Regular	40.00	720.00	Federal W/H	60.45
Overtime	2.00	54.00	FICA	47.99
			Medicare	11.22
			CA State W/H	10.04
			CA State DI	6.19
			401k	77.40
GROSS EARNINGS:		774.00		
TOTAL DEDUCTED:		213.29		
NET EARNINGS:		560.71		
SICK LEAVE: 24.00 HOURS AVAILABLE				

Identify Your Expenses

- ▶ **What to do.** Make a full list of your recurring and occasional expenses. Everything from rent and food to subscriptions and gas
- ▶ **Why it matters.** You can't manage your money if you don't know where it's going. Never budget based on guesses over facts.
- ▶ There are many mobile apps that can assist in expense tracking. They can be very useful in budgeting but be wary that some of them have costs. (EveryDollar, Rocket Money, YNAB, etc.)

Amount (\$)	Budget Category (Drop-down)	Category (Needs/Savings/Wants)
84	Dining Out	Wants
62	Dining Out	Wants
54	Dining Out	Wants
100	Entertainment	Wants
50	Entertainment	Wants
420	Groceries	Needs
125	Insurance	Needs
25	Insurance	Needs
350	Loan Payment	Needs
40	Miscellaneous	Needs
410	Miscellaneous	Needs
45	Miscellaneous	Wants
60	Miscellaneous	Wants
120	Miscellaneous	Wants
100	Other Fixed	Needs
2600	Rent / Mortgage	Needs
16	Subscriptions	Wants
28	Subscriptions	Wants
31	Subscriptions	Wants
25	Subscriptions	Wants
99	Transportation	Needs
61	Transportation	Needs
124	Utilities	Needs
80	Utilities	Needs
50	Utilities	Needs

Expense Tracker Example

Date	Description	Amount	Category	Needs/ Savings/ Wants
20-Jul	Dining out – Thai restaurant	84	Dining Out	Wants
6-Jul	Dining out – Sushi restaurant	62	Dining Out	Wants
7-Jul	Doordash/Uber Eats - fast food	54	Dining Out	Wants
27-Jul	Impulse tech gadget	100	Entertainment	Wants

Balance the Budget & Make It Sustainable

- ▶ **What to do.** Design your budget to reflect your real life.
- ▶ **Why it matters.** A strict, unrealistic budget will collapse. One that fits your lifestyle is more likely to stick and can always improve over time.
- ▶ Don't view budgeting as a temporary "diet," but as a lifestyle change. Small, achievable goals over time can add up for long-term financial health.

Financial Goals



Reduce eating out to once a week



Cancel unused subscriptions



Pay \$100/month toward credit card debt

Put 10% of paycheck in emergency savings

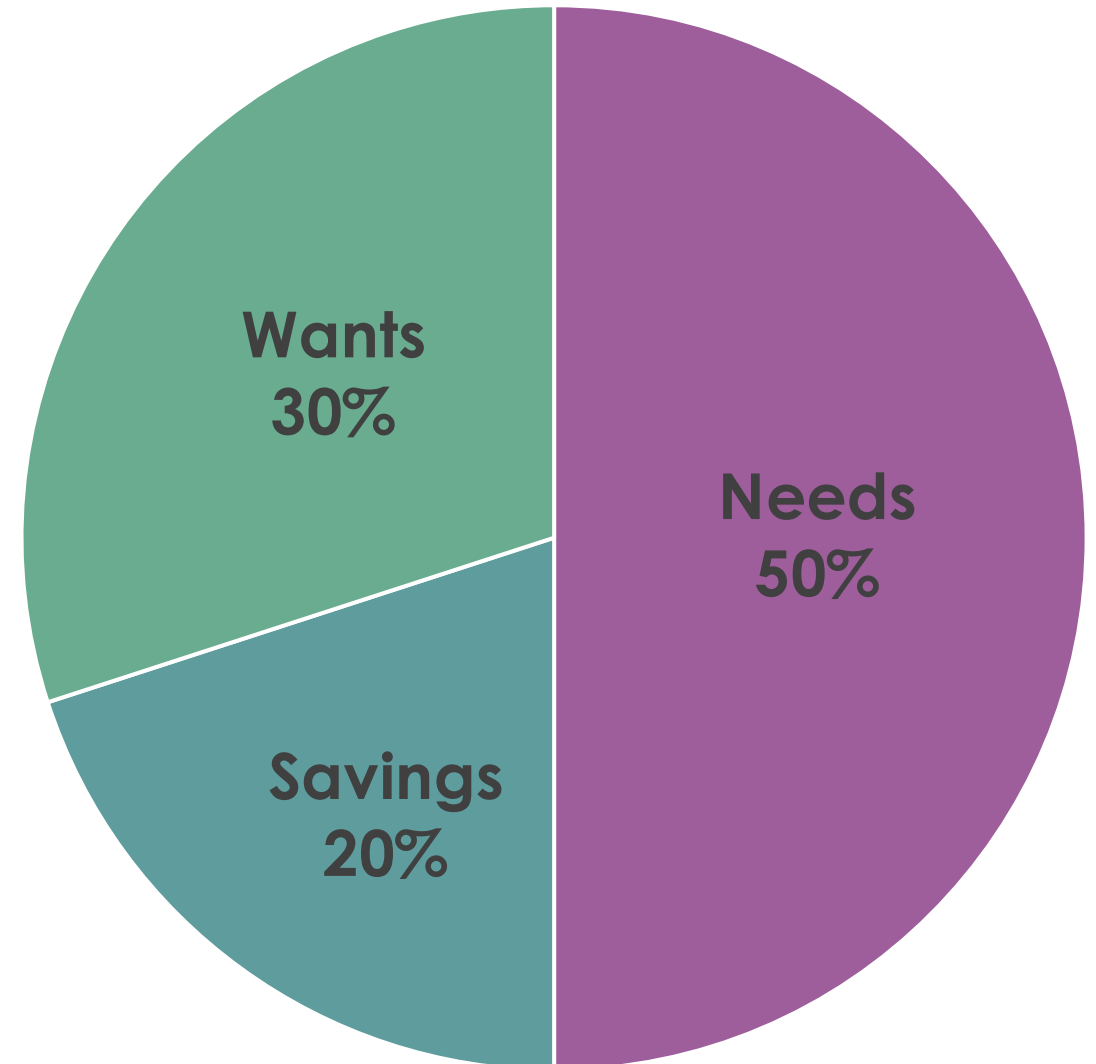
Sample Budget (\$65k/yr before taxes)

<u>Income Sources</u>	Planned (\$)	Actual (\$)	Notes
Salary / Wages	3800	3800	Est. net after taxes
VA Benefits	500	500	Disability
Other Income	0	0	
Total Income	4300	4300	
<u>Fixed Expenses</u>	Planned (\$)	Actual (\$)	Notes (Need or Want?)
Rent / Mortgage	2600	2600	Fixed rent; need
Utilities	200	254	Electric, internet, water, sewage; need
Insurance	150	150	Auto & renter insurance; need
Loan Payments	350	350	Car loan; need
Other Fixed	100	100	Cell phone; need
Total Fixed Expenses	3400	3454	
<u>Variable Expenses</u>	Planned (\$)	Actual (\$)	Notes (Need or Want?)
Food / Groceries / Dining Out	400	620	Over budget from eating out; need & want
Transportation / Gas	100	160	Gas money from trip to parents'; need & want
Entertainment	100	150	\$50 extra for movie night; want
Subscriptions	100	100	5 streaming subscriptions; want
Miscellaneous	50	675	Car repair; medical copay; new clothes; want & need
Total Variable Expenses	750	1705	
<u>Savings Goals</u>	Target (\$)	Actual Saved (\$)	Notes
Emergency Fund	50	0	Not enough for savings
Retirement / TSP / 401(k)	100	0	
Education Savings	0	0	
Other Savings	0	0	
Total Savings	150	0	
Monthly Surplus / Shortfall	\$ -	\$ (859.00)	How do I balance this?

Determine Your Spending Percentages

- ▶ **What to do.** Sort your spending into three easy buckets:
 - ▶ **Needs:** Housing, food, transportation, etc.
 - ▶ **Savings:** Emergency, retirement, goals, etc.
 - ▶ **Wants:** Dining out, streaming, hobbies, etc.
- ▶ **Why it matters.** Simplifying helps you focus and prioritize. It's not about perfection, but about clarity and control.

Expenses



Track Your Spending

- ▶ **What to do.** Once your budget is set, monitor your spending habits over time. Use an app, a notebook, or a spreadsheet.
- ▶ **Why it matters.** This is how you stay on track and track leaks and surprises. You'll also see progress over time, which builds confidence.
- ▶ Tracking your spending gives you control over your finances, especially if you're adjusting to civilian pay schedules, housing costs, or unexpected expenses.



Don't Overlook Your Benefits

- ▶ **What to know.** Veterans often qualify for benefits that can make a big difference, like VA home loans, education programs, or VA healthcare
- ▶ **What to do.** Use resources like VA.gov, state and county-based veterans service offices, and your local veteran service officer (VSO) to identify and apply for eligible programs.
- ▶ These benefits are part of your earned income, so don't leave them unused.



Benefit	Monthly Amount
VA Disability 10 %	\$175.51
VA Disability 20 %	\$346.95
VA Disability 30 %	\$537.42
VA Disability 40 %	\$774.16
VA Disability 50 %	\$1102.04
VA Disability 60 %	\$1395.93
VA Disability 70 %	\$1759.19
VA Disability 80 %	\$2044.89
VA Disability 90 %	\$2297.96
VA Disability 100 %	\$3831.30
Post-9/11 GI Bill Housing Allowance (Pierce County; E-5)	\$2430.00

Veteran Benefits as Income

Why Saving Matters



47% of Americans cannot cover a \$400 emergency



You can start small, but you should build the habit



Target savings: 10-20% of income



Helps prevent financial crises and adds flexibility

There Are Different Levels of Savings

Emergency/ Security Savings

- For unexpected costs like car repairs or job loss
- Start building a small base, (e.g. \$500)
 - Build to 1-3 months of expenses

Goal-Based Savings

- For short-term needs like moving, school or travel
- Set a timeline and save monthly
 - This is likely secondary to your emergency savings

Retirement Savings

- Long-term savings through Individual Retirement Accounts, Thrift Savings Plan, or 401 (k)s
- Start early - small amounts grow over time

Why an Emergency Fund?

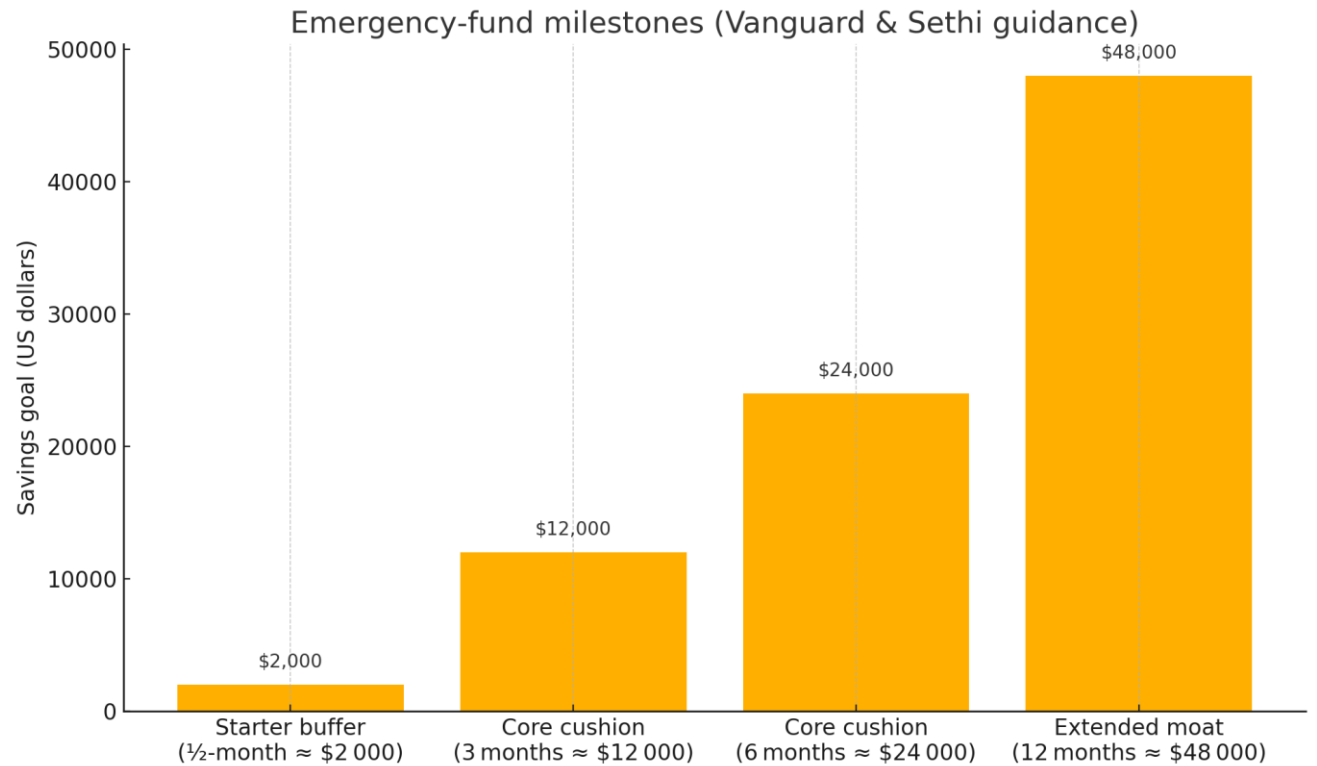
- ▶ Emergency Savings is “one of the single best predictors of financial well-being.” (*Roll, Center for Social Development, Washington Univ.*)
- ▶ A starter cushion of \$2,000 or half a month’s expenses covers the most common shocks (car repair, medical bill) and keeps you off high-interest credit cards.
- ▶ Even \$250 - \$750 meaningfully lowers the odds of missing a utility payment or facing eviction for lower-income households. (*Carns, The New York Times, 2025*)



How much is enough?

- ▶ **Starter buffer** – the \$2,000 (or half-month) cushion recommended to handle the most common unexpected bills.
- ▶ **Core cushion (3–6 months)** – The full emergency-fund range to cover a typical job-search window.
- ▶ **Extended “moat” (12 months)** – the more conservative target suggested in case of a deeper recession or prolonged job market stress.

(Vanguard research via Costa, CFP)



Funding & Storing Your Cushion



▶ Finding the cash

- ▶ Trim discretionary spending (dine-out frequency, travel, subscription pauses).
- ▶ Redirect windfalls (tax refunds, bonuses, etc.) straight into savings.
- ▶ Temporarily scale back extra mortgage or 401(k) contributions (but keep the employer match).

▶ Automate the habit

- ▶ Schedule transfers from checking into a separate high-yield savings account (many banks pay $\approx 3 - 4\%$).
- ▶ Keep funds accessible but out of sight to avoid impulse spending.

Goal-Setting Activity

- ▶ It is easier to budget and plan when you have a goal.
- ▶ Pick one financial habit to change. Choose your first step and set a timeline.
- ▶ Example: *I will reduce eating out to once a week—no more than four times next month.*
- ▶ Share in the chat (optional).



Please fill out the Survey!

- ▶ Thank you for your participation
- ▶ Please complete the survey at the link in the chat. It really helps us improve the class!

Q&A

- ▶ Open discussion and questions
- ▶ Preview upcoming classes
- ▶ Resources
 - ▶ Budgeting Sheet
 - ▶ Expense Tracker
 - ▶ Veteran Resource Guide
- ▶ Thank you for participating!

References

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