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## Army Community Service Division (ACS)



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## ARMY EMERGENCY RELIEF





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## TERMINAL LEARNING OBJECTIVE

- Action:** Demonstrate a knowledge of the Army Emergency Relief (AER) program
- Condition:** Given information about emergency assistance and scholarship programs in a classroom setting.
- Standard:** Accurately relate the basic requirements to obtain emergency financial assistance from AER.



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## AER

### Army Emergency Relief

- **History**
- **Private Organization**
- **Interest-free Loans/Grants**



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## Who Does AER Help?

- **Active Duty Service Members, Married, Single and their dependents.**
- **Retirees and their dependents.**



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## CATEGORIES OF AUTHORIZED ASSISTANCE

- **Emergency Travel**
- **Essential POV**
- **Food**
- **Non receipt of Pay / Loss of Funds**
- **Rent / Utilities**
- **Medical, Dental, and Hospital expenses**
- **Clothing**
- **Fire or other Disasters**



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## CATEGORIES OF UNAUTHORIZED ASSISTANCE

- **Ordinary Leave/ Vacation**
- **Travel of Non-command sponsored Dependents**
- **Help purchase, rent or lease a vehicle**
- **Divorces / Marriages**
- **Help liquidation or consolidation debts**
- **Pay Fines or Legal Expenses**



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## Army Emergency Relief (AER)

- **Application Process**
  - **DA 1103**
  - **Signed by Commander or 1SG**
  - **Supporting documentation**
- **Commander's Referral Program**





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## **AER EDUCATION PROGRAM**

- **Spouse Education Assistance Program (SEAP)**
- **Major General James Ursano Scholarship Fund**
  - dependent children



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## **HOW THE SOLDIER CAN HELP**

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- **Ensure spouses know about AER, especially prior to deployments.**
- **Ensure spouses are given a power of attorney for emergency use.**
- **Remind soldiers about AER when they have financial emergencies.**

# AER'S APPROACH TO ASSISTING SOLDIERS

**The soldier is our most important resource**

**We EXIST to serve the SOLDIER**

**If we err, we err in favor of the  
SOLDIER**





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## Army Community Service Division (ACS) Financial Readiness Program



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## Financial Readiness Program Agenda

- Programs and Services Available
- Personal Finance Objectives
- Rewards and Opportunities
- Type of Money Manager
- Retirement Savings Programs
- Ways to Spend Money Wisely
- Credit and Credit Reports
- Identity Theft



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## Additional Financial Aid Programs

- WIC (Women, Infants & Children) 476-3790; Bldg 221
  - Certain qualifications for women
  - Children up to 5 years old
- FSSA (Family Subsistence Supplemental Allowance)
  - Two criteria used to establish FSSA eligibility:
    - household size and total household income
  - Both Overseas Housing Allowances (OHA) and Utility/Recurring maintenance/miscellaneous Allowance count as income
- Food Vouchers
  - \$6.00 per person per day for a maximum of three days
  - Used in Commissary for fresh fruits, meats, consumable grocery items
  - Bring LES when applying for vouchers; vouchers are not loans



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## Planning For Future PCS/ETS

- Deposits for apartments & utilities
- Temporary living costs
- Vacations en route
- Existing bills still have to be paid
- America shops 24/7
- New expenses – school, job, wardrobe



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## Financial Readiness Training for First Term Soldiers

- First Permanent Duty Station (PDS)
- MyArmyLifeToo.com
- Computer Based Training (CBT)
- Print Your Certificate
- No Class on Friday!





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## Financial Classes

Held at ACS, Bldg. 322, Vilseck

- Checking Account Maintenance
  - 1<sup>st</sup> Wednesday, 1300 – 1600
- Money Management and Budgeting
  - 3<sup>rd</sup> Wednesday, 1300 – 1530



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## What Financial Readiness is About:

- SETTING GOALS AND A PERSONAL BUDGET
- RECOGNIZING SIGNS OF FINANCIAL TROUBLE
- CONTROLLING YOUR FINANCES

Problems with:

- MILITARY PAY, ALLOWANCES AND BENEFITS, TALK WITH S1/FINANCE OFFICE

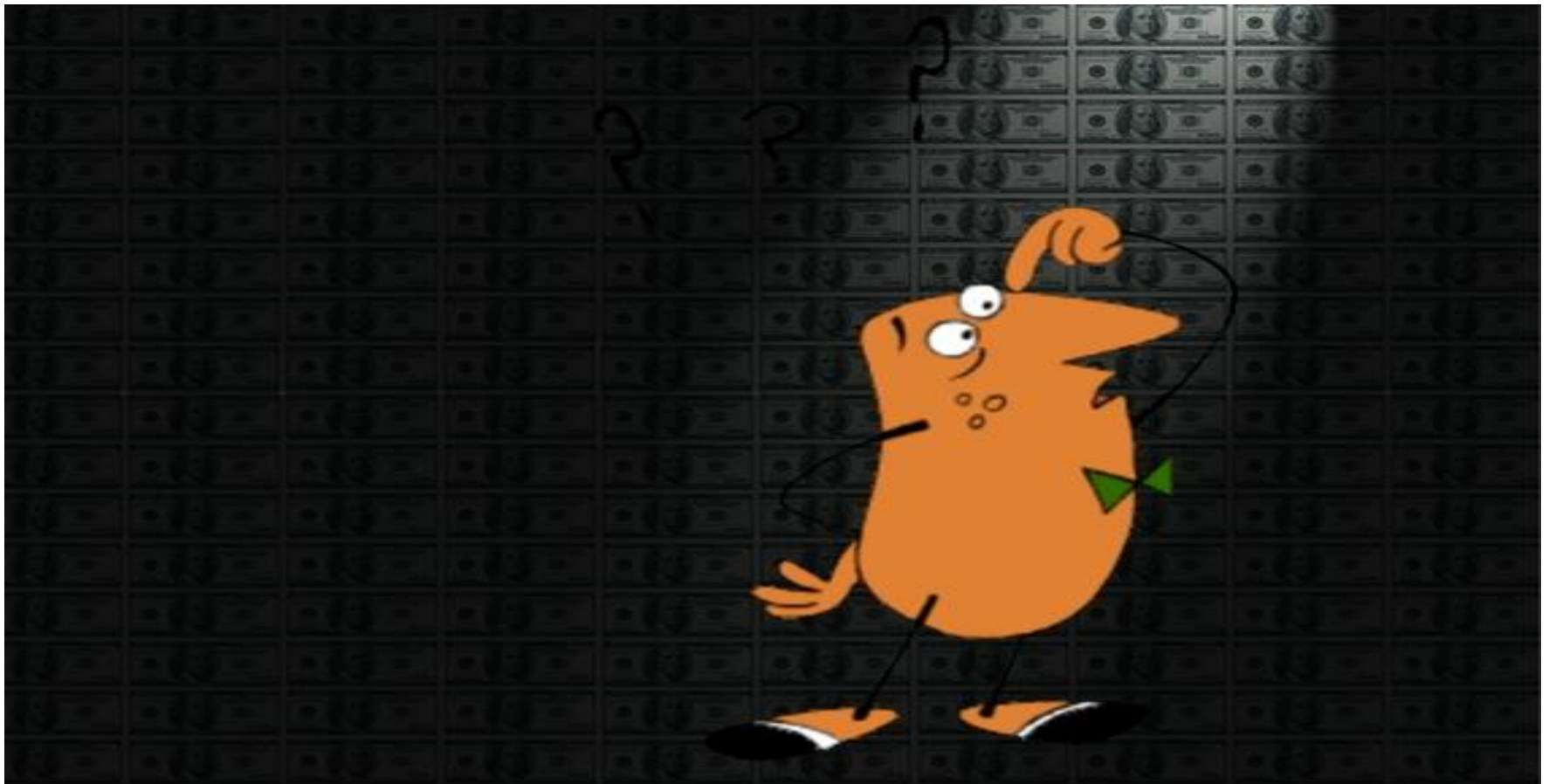




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## How Do You Rate As A Money Manager?

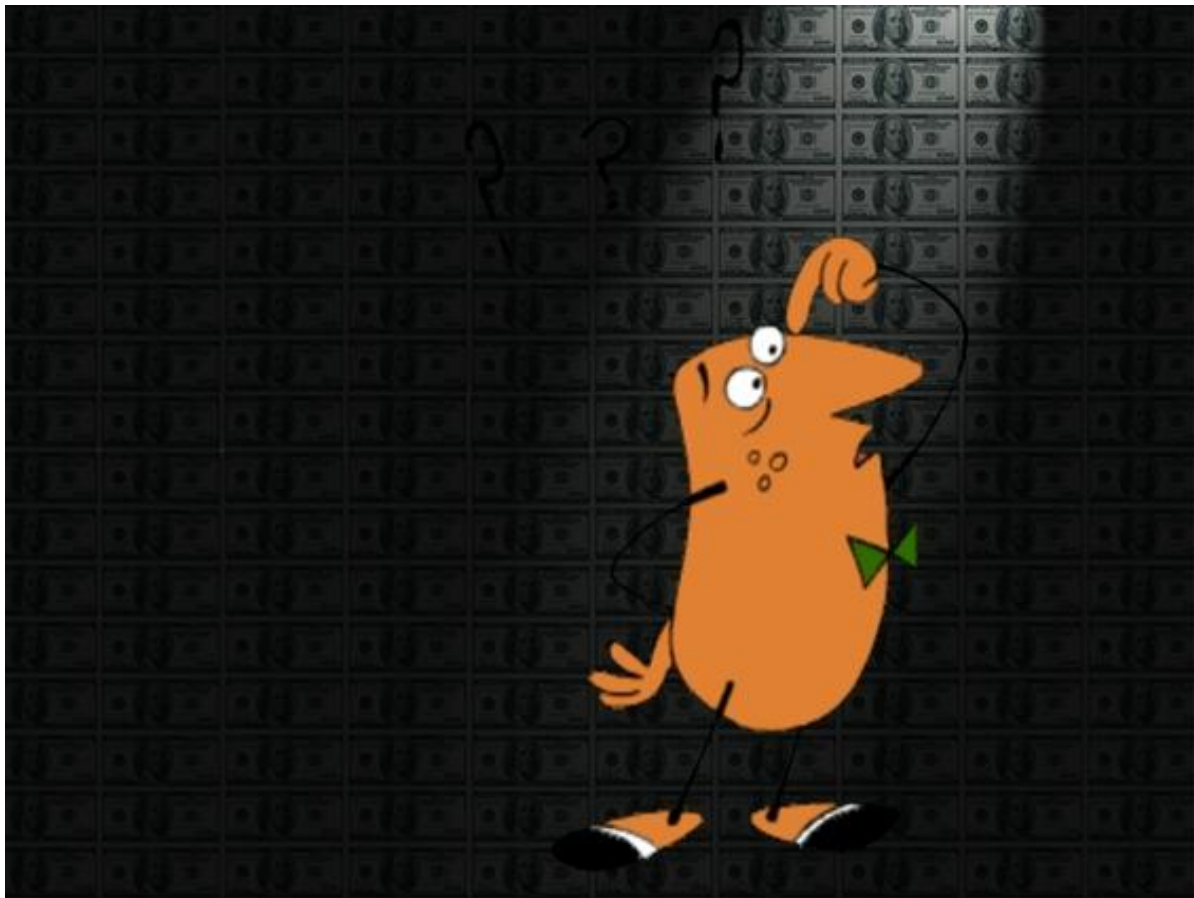




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## How Do You Rate As A Money Manager?



SCORING:

A=1

B=3

C=5

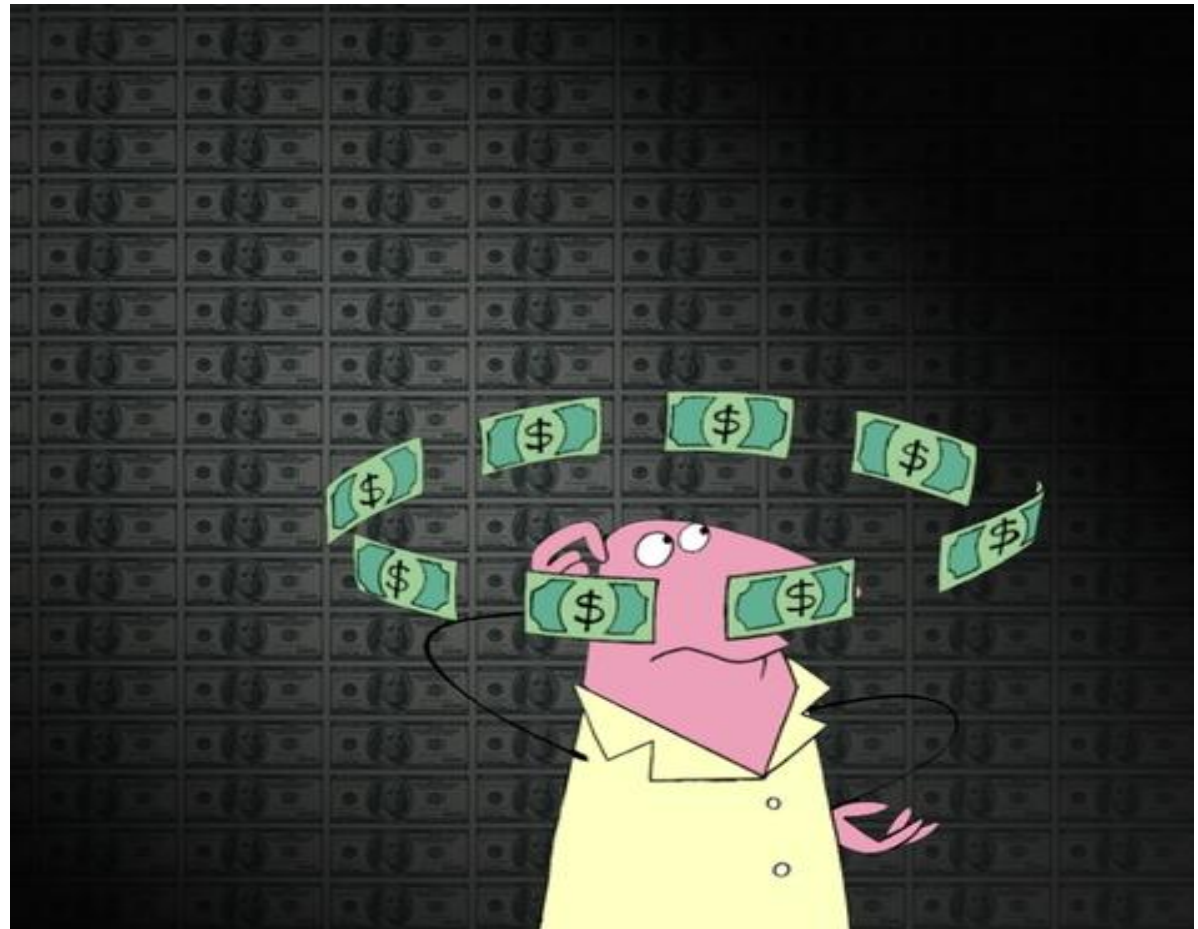


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## Total Score

- OVER 110  
SPENDTHRIFT
- 70-110  
BALANCED
- BELOW 70  
CONSERVATIVE





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## Be In Control of Your Life

**DEFINE WHAT IS REASONABLE.  
KNOW WHAT IS EXCESS.**



**YOUR LIFE,  
YOUR DECISION,  
YOU ARE IN CHARGE!**



**PLAN FOR THE FUTURE  
BEGINNING NOW**



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# GOALS!

“If you aim at nothing, you’ll hit it every time!”

- Author Unknown



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## Thrift Savings Program - TSP

- Government-Sponsored Retirement Plan
- Pre-tax Contributions
- No Matching Funds
- 5 Mutual Funds Options
- 1 Lifestyle Fund
  - (combination of all 5 mutual fund options)
- Can contribute to both TSP and IRAs





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## Planning For Future Retirement



### Questions about IRAs

- What is an IRA?  
(Individual Retirement Account)
- Who can have an IRA?
- What can be in an IRA?
  - Stocks • Mutual Funds
  - Bonds
  - Almost anything
- What is the most you can put into an IRA?
- What is the least you can put into an IRA



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## Time Value of Money

### Assumptions:

\$4,000 Annual Investment

Earn 9% Rate of Return

■ Investor 1 - Age 20

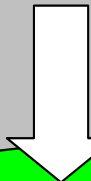
■ Investor 2 - Age 30

Investor 1 Stops  
Investor 2 Starts

Investor 2 Invests Thru Age 65

\$1,562,952

\$1,029,504



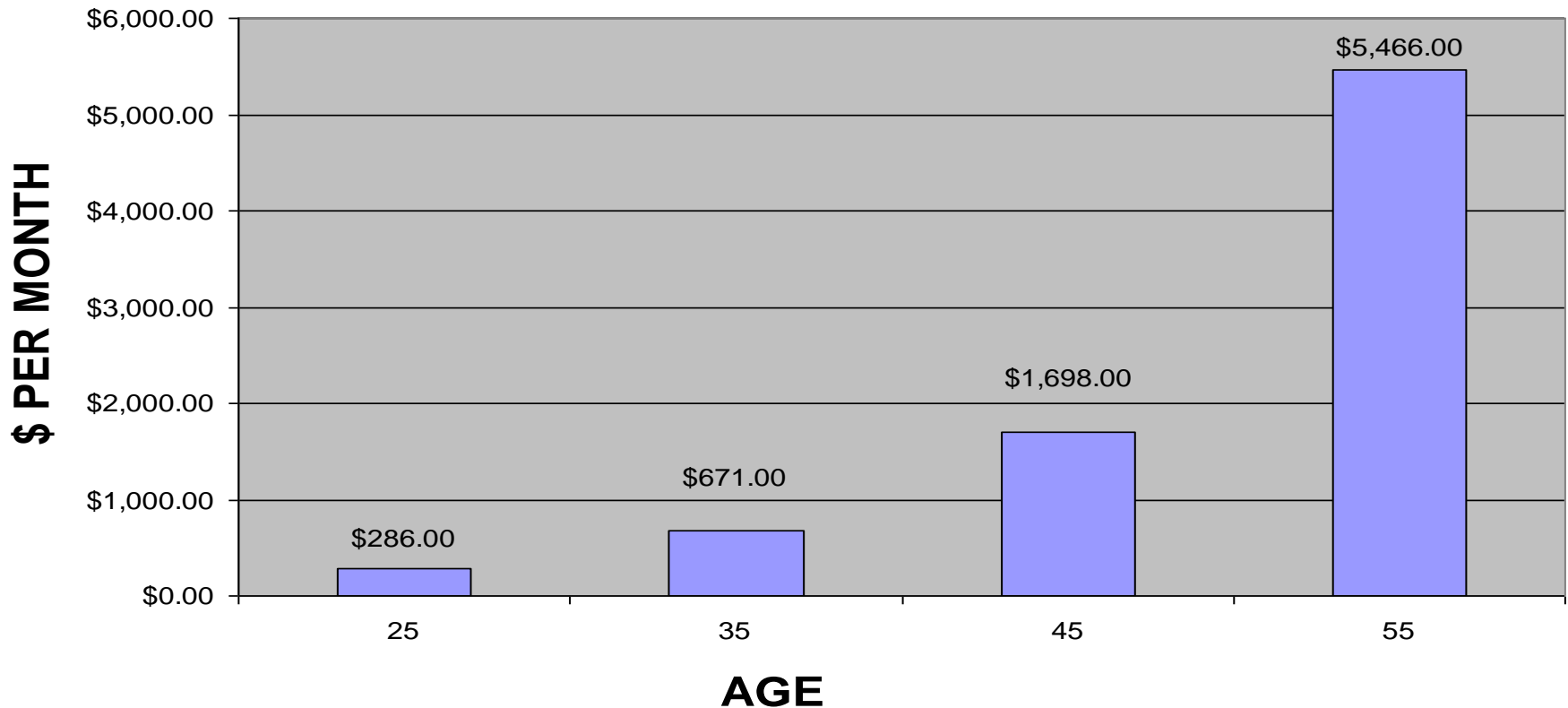


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## The Cost of Waiting

### How to Make a Million Dollars





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## CSB/REDUX Retirement Program

- CSB (Career Status Bonus) \$30,000 bonus at 15<sup>th</sup> year of service; agree to complete a twenty-year active duty career
- REDUX determines retirement income; the longer one's active duty career, the higher the pay percentage



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# BREAK



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## Give Us Your Ideas on How to Spend Money Wisely





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## Local Consumer Issues



- 19% VAT (G-539 RB-227)
- TIPPING
- INSURANCE
  - RENTER'S AND AUTO
- TRAVEL
- PHONES/CELL PHONES
- THINK BEFORE YOU BUY
- USE COUPONS
  - STORE COUPONS
  - FUEL CARD/COUPONS



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## HOUSING CRISIS

- **DoD Homeowners' Assistance Program**
- **Home Affordable Refinance Program (HARP)**
- **Home Affordable Modification Program (HAMP)**
- **FHA – HAMP**
- **SEE YOUR FINANCIAL COUNSELORS!**





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LOANS:

STICKER PRICE: \$8,000

MONTHLY PAYMENT:

**\$258.14**

**\$239.52**



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## LOANS:

STICKER PRICE: \$8,000

MONTHLY PAYMENT: **\$258.14**

10% USED CAR LOAN

TERM: 36 MONTHS

TOTAL COST: \$9,292.95

MONTHLY PAYMENT: **\$239.52**

26% USED CAR LOAN

TERM: 60 MONTHS

TOTAL COST: \$14,371.43

DIFFERENCE: \$5,078.48



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## Be Aware of Loan Rates and Terms

- Annual Percentage Rate (APR)
  - 24% contract rate could = more than 31% APR
- Prepayment Penalties
- Additional Charges



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## Gambling And Bad Habits

**THE PROBLEM IS EXCESS!**

**KNOW YOUR BUDGET AND PRIORITIES.**

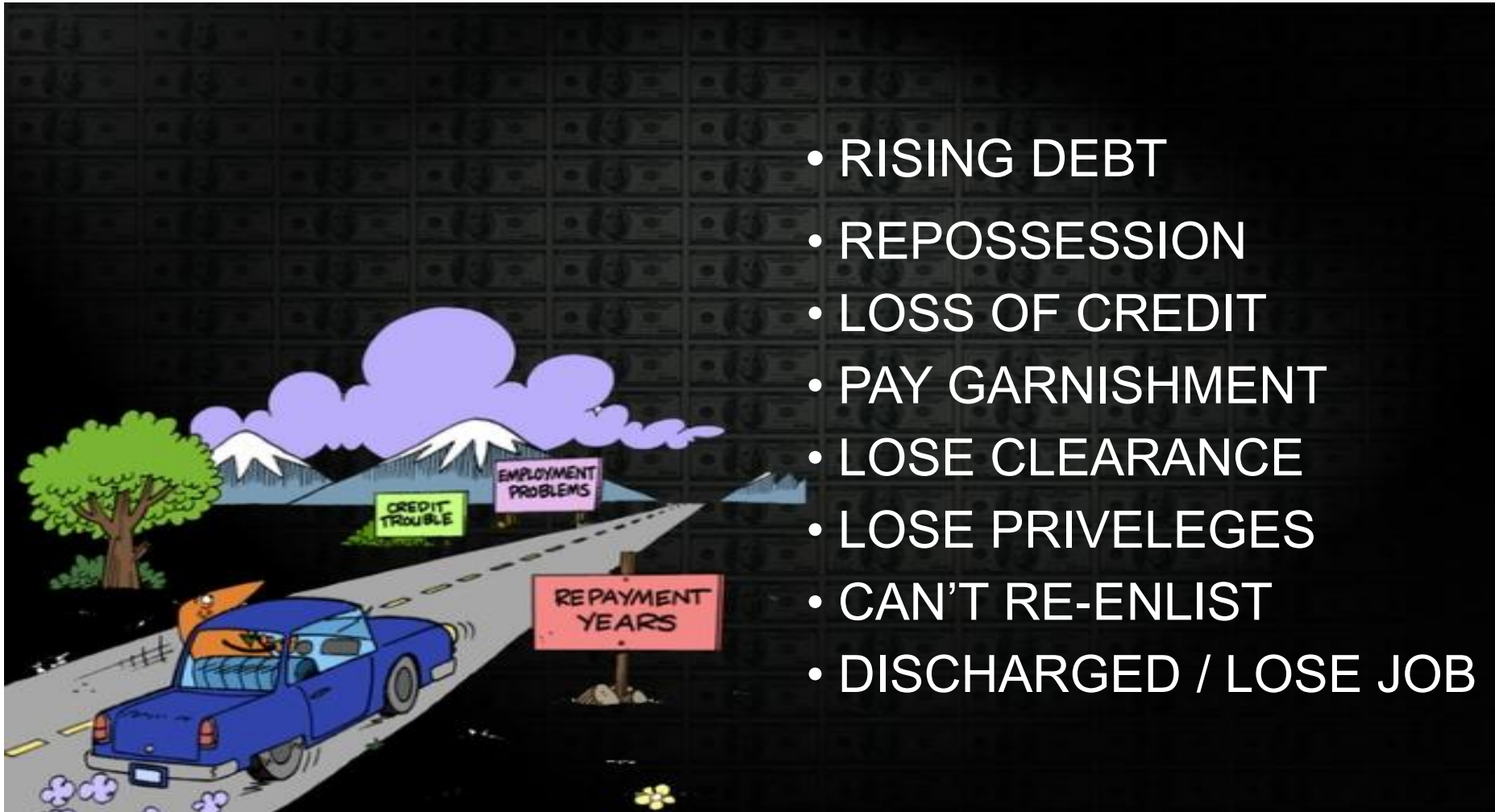




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## Potential Problems



- RISING DEBT
- REPOSSESSION
- LOSS OF CREDIT
- PAY GARNISHMENT
- LOSE CLEARANCE
- LOSE PRIVILEGES
- CAN'T RE-ENLIST
- DISCHARGED / LOSE JOB



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## How To Decide If You're In Trouble...



- OVERDRAFTS / NSF's
- LATE PAYMENTS ON CREDIT CARDS
- COLLECTION AGENCY LETTERS
- REPOSSESSIONS
- GARNISHED WAGES



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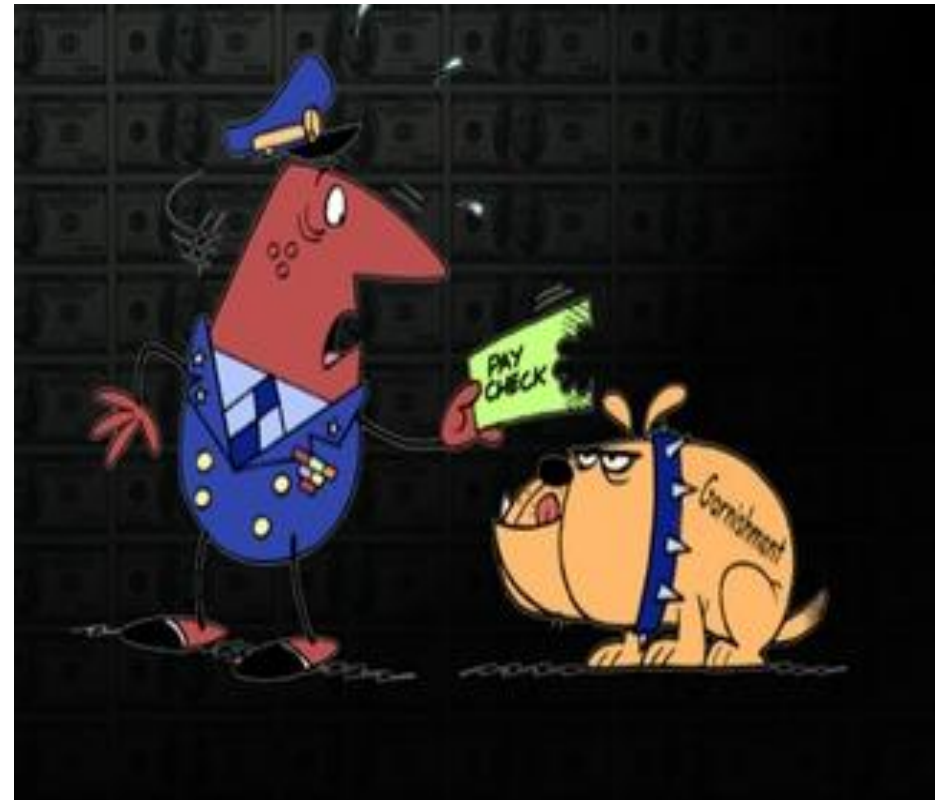


## Garnishments

**25% GARNISHMENT LIMIT IS ONLY FOR CONSUMER DEBT.**

NOT LIMITED TO 25%:

- Family Support Payments
- AAFES Account Charges and Bad Checks
- Repayment of Previous Overpayments
- Taxes and IRS Debts





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## I'm In Trouble; Now What???

- SET PRIORITIES AND MAKE A NEW BUDGET
- TALK TO YOUR CREDITORS  
(Servicemembers Civil Relief Act  
a.k.a. Soldiers and Sailors Civil Relief Act)
- DON'T ADD TO DEBT
- CONSIDER BANKRUPTCY ONLY AS A LAST RESORT
- TALK WITH A FINANCIAL COUNSELOR







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## Using Credit Wisely



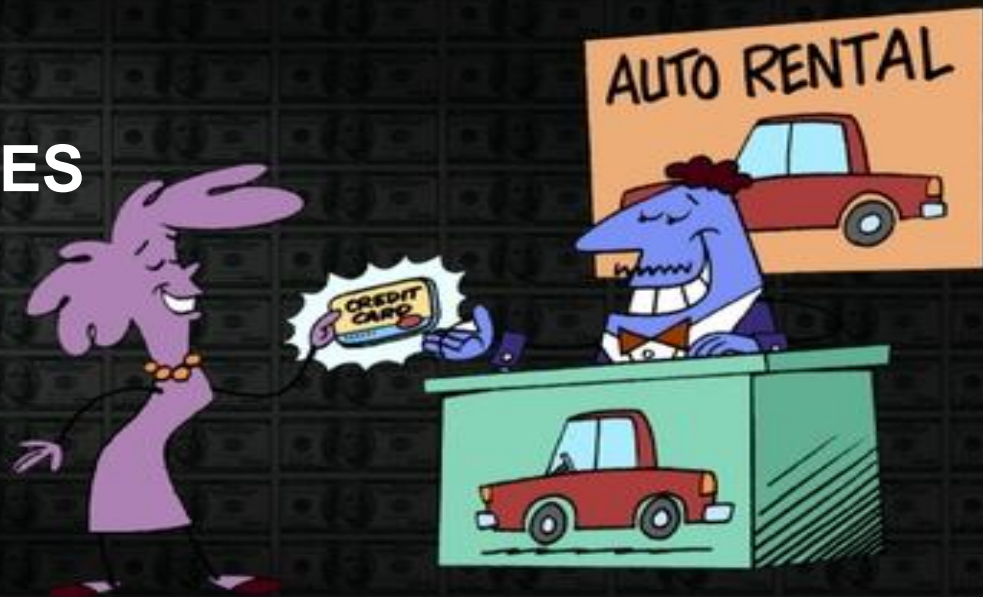


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## Uses of Credit Cards

- CONVENIENCE & SAFETY
- RESERVATIONS
- EMERGENCIES
- LARGE PURCHASES



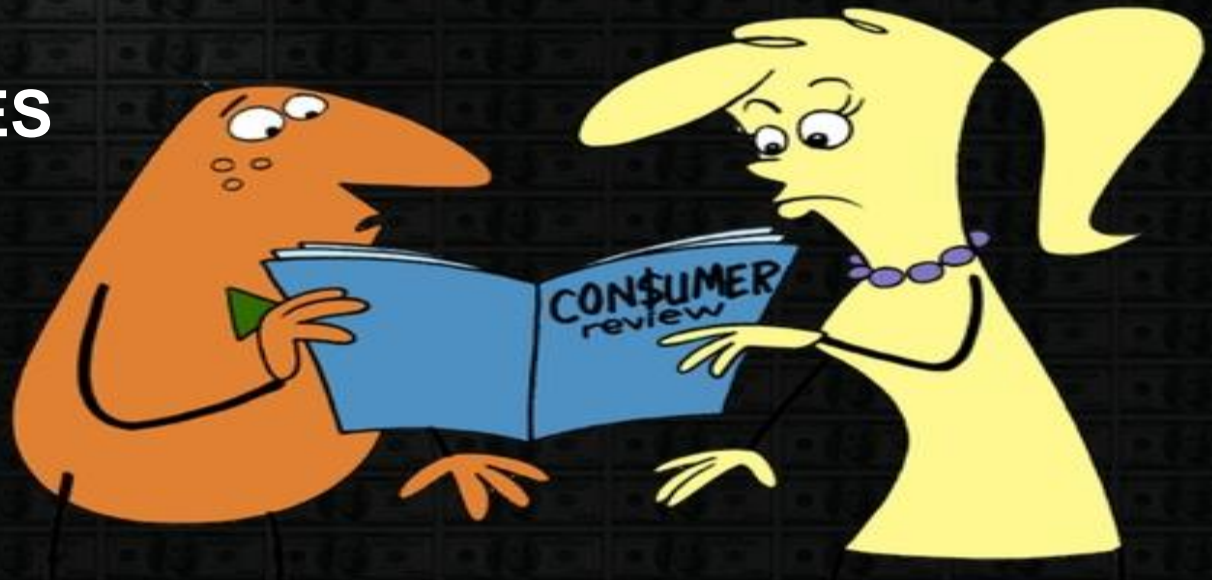


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## Basic Terms To Know

- **A.P.R. – ANNUAL PERCENTAGE RATE**
- **GRACE PERIOD**
- **OVER-LIMIT FEES**
- **LATE FEES**





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## Credit Card Liability

### YOU HAVE THE RIGHT TO CHALLENGE A CHARGE IF:

- The charge was unauthorized
- You do not receive the merchandise
- You receive unsatisfactory merchandise

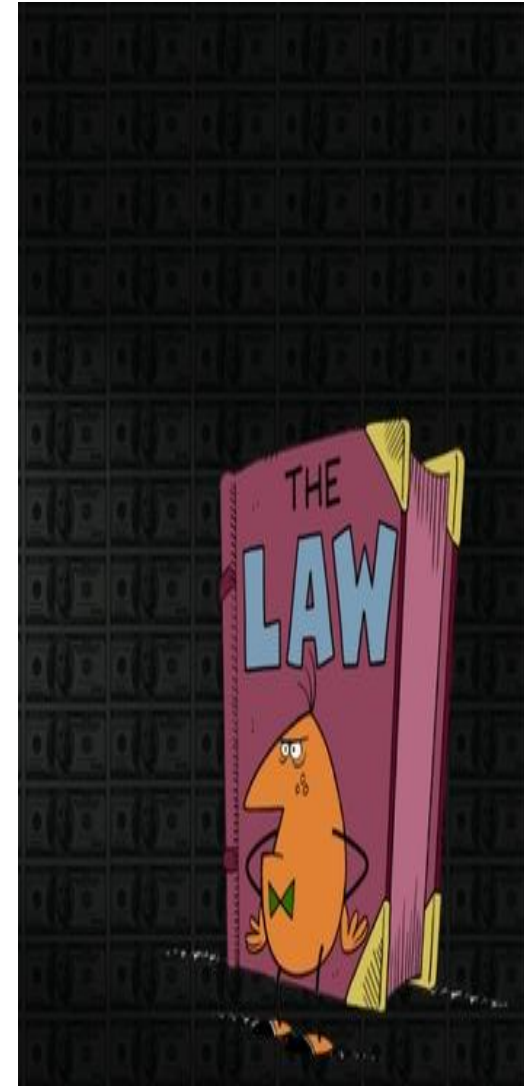
### REPORT LOST OR STOLEN CREDIT CARDS TO LIMIT LIABILITY

Report within 2 working days

= \$0 LIABILITY

After 2 business days

= MAX LIABILITY IS \$50





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## The Downside of Credit

**BUY NOW — PAY LATER AND OVERSPEND!!!**





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## In Debt Forever

**INITIAL AMOUNT CHARGED \$5,000 @18%**

**TOTAL PAY OFF @ 2% MINIMUM PAYMENT  
472 MONTHS — (ALMOST 40 YEARS)**

**TOTAL INTEREST PAID: \$13,397**

**TOTAL PAY OFF @ \$100 EVERY MONTH  
94 MONTHS — (ALMOST 8 YEARS)**

**TOTAL INTEREST PAID: \$4,311**





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Have Separate  
Credit Accounts





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## Effects of Bad Credit

DIFFICULT TO:

- OBTAIN FUTURE CREDIT
- RENT AN APARTMENT
- SECURE A HOME LOAN
- OBTAIN A SECURITY CLEARANCE
- LAND A NEW JOB OR PROMOTION





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## Cleaning Up Bad Credit





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## What To Avoid

- “MILITARY” LENDING INSTITUTIONS
- EASY FINANCING
- SECOND CHANCE FINANCING
- “THE STRIP”





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## How Do You Handle Credit?

YES or NO

- I KNOW WHERE ALL OF MY CREDIT AND DEBIT CARDS ARE RIGHT NOW.



- I HAVE REVIEWED A COPY OF MY CREDIT REPORT IN THE PAST YEAR.



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## Credit Reports

**Once you have your credit report(s):**

**If you cannot read it properly,**

**If you believe some item is not yours,**

**If you have a debt you want to pay off,**

**COME SEE US!**



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## Identity Theft

- **A real and growing problem.**
- **In 2005 there were 8.3 million victims**
- **70% perpetrators were known by the victims**
- **ID Theft costs everyone \$\$\$**
- **Anyone can be a victim, not just the rich!**



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## Avoiding ID Theft

- **Deter**
- **Detect**
- **Defend**



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## Other Financial Classes

Available for scheduling through ACS by Training NCOs, FRGs, FRLs, and groups:

- Home Buying Basics
- Dumping Debt During Deployment
- Using Credit Wisely
- Insurance – enough but not too much
- Consumer Scams and Getting Help
- Investing Classes:
  - Saving versus Investing
  - Understanding Mutual Funds
  - Finding Your Fund with Morningstar