

# PREVENTION IN ACTION

## FINANCIAL MANAGEMENT

### FINANCIAL MANAGERS AIM TO PREVENT COVID-19 FROM AFFECTING FINANCIAL HEALTH

As the COVID-19 public health crisis continues, people across the globe are experiencing significant financial shock.

Negative changes to the family budget can feel devastating. Fortunately, there are resources that are specifically dedicated to helping the military community.

The [Personal Financial Managers](#) (PFM) aboard all installations continue to market financial services. Command Financial Specialists (CFS) assigned to the major commands and subordinate units also can assist in the issues Service members face.

As an added measure during the COVID crisis, installations have exercised more flexibility within the Personal Finance Management Program by providing virtual classes and virtual counseling to better service clients.

Depending on the circumstances, clients can be connected with relief organizations such as the Navy & Marine Corps Relief Society to receive emergency financial assistance with interest-free loans, grants, or a combination of loans and grants. Most loans and grants are limited based upon their criteria and/or are for one-time financial needs such as rent and utilities.

#### Developing household budgets

Installation PFMs assist clients with prioritizing their current bills (critical to the household financial infrastructure) and understanding their credit reports. Clients receive guidance on contacting their creditors about waiving interest charges, adjusting due dates, and/or temporarily suspending payments without interest for a specified period.

PFMs emphasize to Service Members that they should always pay bills on time, pay the minimum monthly payments each month, and pay more than the minimum when possible (even if it is one dollar more). This



will reduce the amount of interest and the overall balance over time.

#### Dealing with loss of income

Many households do not have a spending plan that accounts for emergencies such as a family member losing a job.

PFMs make these family members aware of potential unemployment benefits and how they work in that state. Unemployment benefits typically replace approximately 45 percent of lost income. Some states are allowing people who cannot work for a variety of virus-related reasons to apply for benefits.

The crisis is a reminder of why it is so important for households to maintain an emergency fund.

Some of the most common financial challenges the PFMs are currently providing guidance on are:

- Difficulty paying bills and managing other financial obligations
- How to communicate with lenders, loan servicers, and other creditors
- Challenges paying the mortgage
- Challenges paying student loans
- Challenges paying credit cards

- Working with financial institutions
- Working with debt collectors
- Understanding credit reports and protecting credit ratings
- Loss of spousal income

#### FINANCIAL MANAGEMENT CLASSES

Check your installation's [Marine Corps Community Services website](#) for upcoming course dates. Some are being offered virtually.

##### Personal Finance Management Program

Investing Basics  
 Developing a Spending Plan  
 Car Buying  
 Home Buying  
 Budget  
 Introduction to Investing  
 Thrift Savings Plan  
 Credit and Debt  
 Retirement Planning/Survivor Benefit Plan

##### Navy-Marine Corps Relief Society

Budget for Baby

##### Family Advocacy Program

Married and Loving It (financial guidelines)

## BUNDLE OF JOY COMES WITH NEW FINANCIAL RESPONSIBILITIES

Middle-income parents (including many Service members), on average, will spend about \$284,570 by the time a child turns 18, according to the Department of Agriculture.

The cost of childcare varies widely and depends on where you live. The same holds true for education costs. The good news is that each additional child costs less as economies of scale kick in.

Having a child during a global pandemic probably looks a lot different than what you had initially imagined, but all of the unforeseen joys and challenges experienced by parents before COVID-19 are still happening.

For those who like checklists, this [guide](#) provides a list with instructions on how to complete actions such as DEERS and Tricare registration along with information and resource links on financial planning, transferring educational benefits, and many other additional resources.

### Stay Fit, Financially

Sticking with a budget after having a baby can be challenging. If you don't already have one, now is the time to establish a budget to allocate money and keep track of the additional and reoccurring expenses that can quickly add up with a child.

Request a meeting in person or virtually with your command financial specialist (CFS) or installation [personal financial manager](#) for assistance.

Buying used items or borrowing baby gear and clothing will significantly reduce your expenses. Look locally in your community and online for items that parents are usually more than happy to get out of their house and pass along.

### Stay Fit, Physically

Drink plenty of water, 8 ounces following every nursing session if you're breastfeeding, to help you stay hydrated.

Get outside and walk at least once a day (weather-permitting) with your baby in a stroller or backpack. It's good exercise and a great way to feel more connected with the outdoors and your neighborhood.

Semper Fit offers [online workouts](#) but make



**Capt Julia O'Brien, a command financial specialist, gave birth to a daughter in May, a couple months into the COVID-19 pandemic.**

sure to go at your own pace and follow your health care provider's recommendations.

### Stay Fit, Emotionally

If you are feeling isolated while being stuck at home without family close by, know that it's very common to feel lonely. To combat this, not only can daily walks help, but you also should make regular virtual dates with friends and family.

Online platforms can help you stay engaged with loved ones and while they might not be able to make a meal or do the dishes in person, they may be able to send you some support virtually.

Make connections locally with other Marine Corps families through [L.I.N.K.S.](#), which is offered by Marine Corps Family Team Building.

Get support locally through the [New Parent Support Program](#), a professional team of social workers, counselors, and registered nurses who provide education and support to Marine families who are expecting a baby or

raising children 5 years old or younger.

### Ask for help when needed

Knowing that the pandemic and required social distancing is especially challenging, don't hesitate to ask for help and support from your family, friends, other moms, healthcare professionals, and resources available in your community.

### Seek financial guidance

The installation's PFM and your CFS can help with financial issues and concerns as you navigate through parenthood. Here are other financial resources:

- [Financial calculators](#), which include living wage and mortgage calculators
- The Office of Financial Readiness' financial literacy [website](#)
- How to Avoid Fraud [videos](#) by the Securities and Exchange Commission
- National Consumers League's [site](#) with
- information on scams and fraud prevention
- Federal Trade Commission [site](#) with info on spotting imposter scams
- Investor Protection Trust [site](#)

It can be difficult to understand the titles of financial professionals. Use this [tool](#) to decode the letters that can follow a financial professional's name. You can also see whether the issuing organization requires continuing education, takes complaints, or has a way to confirm who holds the credential.

### Explore COVID-19 resources

- Marine Corps COVID-19 [resources](#)
- Office of Financial Readiness COVID-19 [resources](#)

### Family Care Plans

Are Family Care Plans important? Yes. Not only is there a Marine Corps Order ([1740.13D](#)) that requires a plan, but having one ensures Marines have considered contingencies in the event that they are unavailable due to deployment or incapacitation. Check out this training video on how to develop a plan: [youtube.com/watch?v=KE038uQO7NM&feature=youtu.be](https://www.youtube.com/watch?v=KE038uQO7NM&feature=youtu.be), or check with your installation's [Family Team Building](#) office about local training options for yourself and your unit.

**FINANCIAL ISSUES CAN BE STRESSFUL FOR MARINES**

Have you ever known a Marine experiencing a great degree of stress related to finances? Maybe it was a Marine in your command, a peer, or perhaps even yourself. Also, keep in mind that money is one of three things that significant others argue about the most.

Let's try to break the experience down and then examine options from a prevention perspective.

Do you believe Marines "collect" stressful experiences? It's important to consider the things that may lead to higher levels of stress and the impact. Some people say we are a combination of all our life experiences.

On this graphic, you'll see the Stress Combo:

- Life experience: Marines bring the stress they've experienced before the Corps (including childhood positive and negative experiences).
- Common stressors: Marines face everyday challenges (some are work-related, personal, financial or legal troubles, relationship issues, etc.).
- Deployment or operational experiences: These experiences can weigh on Marines and include any Orange Zone stressors. Imagine how that that Stress



Combo or stress load can be expanded with the stressors of a garrison environment.

One garrison environment factor that greatly impacts some Marines is finances. Marines may face stress from financial issues that occurred in the family while they were deployed, from having "too much" money from hazardous pay or bonuses that confuse them in making sound financial decisions, or just have poor money management skills.

Stress is actually more likely to manifest in garrison than in theater due to circumstances just like this.\*

The wear and tear of this stress may make a Marine or family member at higher risk for Orange Zone stress.

Marines who encounter this type of garrison stress ultimately can begin to experience poor job

performance, relationship breakdowns, misconduct, or mental health issues.

Wouldn't it be great if we could notice signs of negative outcomes to **PREVENT** incidents from occurring? If you could take a different course of action for yourself or your Marines, would you?

Health and well-being cannot be viewed from one perspective, and it can't be viewed exclusively from financial readiness. It is imperative to understand that combat and operational stress, substance abuse, child and domestic abuse, and suicide risk are all interrelated and have impacts on health and well-being and are often connected in some way to financial readiness.

Prevention steps Marines can take to be more financially prepared include, but are not

limited to:

- Take advantage of coaching, education, and counseling from the [Personal Financial Management Program](#) for yourself and your Marines.
- Improve intimate partner relationship discussions about money by taking Married and Loving It (available from [Family Advocacy Program](#) prevention and education specialists.
- Seek counseling from the [Community Counseling Center](#) to further examine behaviors and thoughts about money and purchases

Leaders at all levels (to include self-leadership) should promote financial responsibility and sound financial planning to prevent and address stress associated with finances.

Operational Stress Control and Readiness Generation III (OSCAR) training can help strengthen your Marines for the stressors they face, including financial, and train them to provide peer to peer support. For more information, reach out to your unit's COSC representative, an OSCAR team member, or your Regional Training Coordinator (RTC).

**October is NDEAM**

"Increasing Access and Opportunity" is the 2020 theme for October's annual observance of National Disability Employment Awareness Month (NDEAM).

This year is the nation's 75th observance of [NDEAM](#), which is administered by the Department of Labor.

**ABOUT THE NEWSLETTER**

The United States Marine Corps' Marine & Family Programs Division publishes Prevention in Action.

**The contents are for informational purposes only.**

The content is not intended to be a substitute for professional financial advice, medical advice, diagnosis, or treatment.

Email [christine.heit@usmc.mil](mailto:christine.heit@usmc.mil) to suggest topics

or ask questions. November's newsletter will focus on leadership, and December's topic will be total fitness.

*To access hot links in newsletter: right click on link, copy link location, and paste link into a new browser window.*

**WAYS TO SPEND YOUR LEISURE TIME WITHOUT SPENDING LOTS OF MONEY**

Semper Fit and Recreation offers a wide range of programs and services that not only support you holistically but also keep your budget healthy. Many of Semper Fit and Recreation’s programs and services are offered for free or a nominal fee and are readily accessible on-base. These include:

**Outdoor Recreation Equipment**

Want to try a new sport but don’t have the cash to rent or buy the equipment? Visit the equipment checkout center.

Get geared up to try camping, kayaking, canoeing, and biking in the spring, summer, and fall. Come back in the winter for snow boards and ski rentals

**Parks, Picnic Areas, and Pavilions**

Many bases offer walking/running trails, park areas, and playgrounds. Immerse yourself in the serenity of your local park or get your blood flowing with a hike in a national park.

Active Duty Service members and their dependents can pick up a [free annual pass](#) to the National Parks and Federal Recreational Lands. Pack your picnic basket and find a spot where you can enjoy the fall foliage.

**Sports**

Sports competitions are available free of charge at many installations. Check with your local athletic director for sports schedules for unit events, leagues, and tournaments.

**Recreation Centers**

Pick from a range of free entertainment options and relaxation spaces at local recreation centers: Wi-Fi enabled

computer areas, table and video gaming areas, mini-theater/television lounges, quiet reading areas, and outdoor social areas.

Multi-purpose rooms are available for reservation.

Snack/vending machines or food and beverage areas are also available.

**Health Promotion**

Enhance your fitness by learning about nutrition and healthy eating, weight management, and healthy sleep habits.

Staff can also help you learn about injury prevention, sexual health, and prevention and management of chronic diseases.

Want to kick your tobacco habit? Semper Fit staff can help.

Most classes and events are free of charge to active duty Service members.

**Fitness Centers**

Fitness centers are fully equipped with cardio and strength training equipment and are free to use. Basketball and racquetball courts are available for pick-up games.

Register for group exercise or personal training for free or a small fee.

**Auto Skills Centers**

Short- or long-term auto projects and repairs can be done at a fraction of what they would cost at an off-base shop.

Change your oil, rotate your tires, and replace brakes for the cost of the parts and stall fees.

They have all the tools you need — including lifts — and expert staff to troubleshoot or help with your car project.



**Camping and RV Parks**

Once you’ve checked out the equipment from Outdoor Recreation, make your way to one of our Camping and RV parks.

Beautiful weather and breathtaking sites around the country are waiting to be discovered.

**Information, Tickets, and Tours**

Get discounted tickets to tourist attractions and special events.

Purchase tickets to local and national attractions, including dinner shows, harbor cruises, one-day island tours, skiing trips, whale-watching cruises, sporting events, popular theme parks like Busch Gardens and Sea World,

and local movie theaters.

See our price list for current rates.

**Movie Theaters**

See recent releases on base for prices that are typically lower than in-town theaters.

Snacks are available at reduced prices.

**Bowling Centers**

Visit an on-base center to enjoy bowling for a lower cost than bowling at an off-base center.

Have fun with family and friends and see who can get the most pins—or the least.

## WHAT YOU NEED TO KNOW ABOUT THE PAYROLL TAX DEFERRAL

**BLUF:** Your paycheck is likely going to be bigger for the months of September through December 2020, due to a payroll tax **deferral ordered** by the president.

### What are Payroll Taxes?

Payroll taxes are federal, state, and local taxes withheld from an employee's paycheck by the employer. These taxes consist of income taxes, unemployment taxes, and deductions for Federal Insurance Contributions Act (FICA) taxes, which consists of Social Security (OASDI – Old-Age, Survivors, and Disability Insurance) and Medicare (HI – Hospital Insurance) taxes.

The current tax rate for Social Security is 6.2 percent for the employer and 6.2 percent for the employee, or 12.4 percent total. The current tax rate for Medicare is 1.45 percent for the employer and 1.45 percent for the employee, or 2.9 percent total. Combined, the FICA tax rate is 15.3 percent of the employee's wages.

### Which Payroll Tax is Deferred?

Specifically, the temporary change will defer the withholding of the 6.2 percent OASDI taxes for all eligible employees. Those with gross wages of \$4,000 or more per biweekly pay period (or the equivalent amount with respect to other pay periods) are not eligible for this tax deferral.

When implemented, the 6.2 percent OASDI

tax deferral will be effective from 1 Sept. 2020 until 31 Dec. 2020. There is no provision to opt out of the deferral.

### How will the deferral affect employees?

Simply stated, this short-term loan will need to be repaid in full and is not an increase in take-home pay. Unless Congress passes COVID-19 legislation to forgive the payroll taxes that are due, you likely will be expected to pay that money back from January through April 2021. You can imagine that this could be a hefty and unplanned bill.

You will be getting calls from sales people soon with "payroll tax saving strategies and scams." Take heed and extreme caution.

### Simple, effective ideas

- Set aside the additional amount each pay period in a separate savings account and then use that money to pay back your taxes when they come due. A bonus is that you can keep the interest earned on the money. If you don't have the money readily available, by some estimates, you will have to double your regular payroll tax rate during the first four months of 2021. Additionally, it is possible that if you do not pay it back in full, you will then have to pay interest and penalties.
- An easier route is to just save the 6.2

### Deferral Period

Payroll taxes will be deferred from September through December. Unless Congress passes COVID-19 legislation to forgive the payroll taxes that are due, you likely will be expected to pay that money back from January through April 2021.

percent OASDI tax each paycheck, or check your latest August paycheck to see how much Social Security (OASDI) tax is usually deducted from your earnings to know how much to set aside.

### Need Help?

Please contact your installation's [Personal Financial Management Program](#) (PFMP) for help.

### Tax Note

The PFMP does not prepare taxes. Personal Financial Management Specialists and Command Financial Specialists provide product-free and commercial-free education to help Marines make informed financial decisions.

### Additional information

For more information, see:

- [Defense Finance and Accounting Service](#)
- [Presidential Memorandum](#)

## PRACTICE SELF-CARE

Welcome to Practice Self-care, which focuses on self-care techniques that Service members, civilians, veterans, and families find helpful. This month includes free and/or low cost techniques that can help reduce stress and promote overall wellness.

### Greg Cates, Chaplain, Marine & Family Programs Division

**What:** Playing sports and watching a movie

**How it helps:** Playing sports takes your mind off of the stresses of the day because you have to concentrate on what is going on in the game. It could be the next batter, the next point, or the next play. Physical activity also releases endorphins which naturally relieve stress.

Watching a movie allows you to escape for a little while, especially after a long day. The movie may cause some stress when you know the young lady should definitely not go down to the basement at 0200 to investigate the noise, or the guy should watch where he is running and not trip over a fallen branch while being chased by zombies, but I personally think it is good stress. Pick a movie you would like, grab some buttered popcorn, and tell people you're vegging on the couch for your health.

### John Hartmann, Family Readiness Services Section Head, Marine & Family Programs Division

**What:** Bike riding and woodworking

**How it helps:** Riding my bike (solo or with my family) and woodworking forces my brain to focus on the activity at hand and turns the other parts of my brain "off" for a while. This allows the brain to relax and I can return to work fresh and with renewed vigor.

