

Knowing the Facts for Military Families



Financial well-being is defined as the “state of being wherein [a family] can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life.”¹



A recent Department of Defense research report² on military families and financial stress highlights the importance of effective management of family financial resources. When management of financial resources is not done well, financial stress and distress can result for military families.

Stressors for Military Families

Military families are a special subgroup of all families because their experiences of financial stress occur within the specific context of military service and culture.

All families have life stressors that can increase financial stress, such as:

- getting married
- having children
- caring for elderly relatives
- unexpected medical expenses

Service members and their families also face unique stressors, such as:

- relocations
- deployment
- reintegration
- separation

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This product is the result of a partnership funded by the Department of Defense between the Office of Military Community and Family Policy and the USDA's National Institute of Food and Agriculture through a grant/cooperative agreement with The University of Minnesota.



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Implications for Professionals working with Military Families

It is important to reduce financial stress of military families through increasing access to buffers and developing skills and behaviors that will enable better coping and improve their general functioning. Strategies include:

Develop an awareness of signs of potential stress

- **Be mindful** when families avoid talking about finances, use high-interest credit cards, unaware of credit score, or overdrawn checking account
- **Assess the gap** between families' responsibilities and their resources
- **Increase support** during times that are potentially high-stress (e.g., marriage, birth of a child, relocation, deployment, reintegration, etc.).

Increase protective factors

- **Encourage** the development of financial behaviors that reduce financial stress (e.g. use of detailed budgets, prioritizing spending, monitoring regular expenses).
- **Foster** open and regular communication about finances among family members.
- **Support** the development of positive personality traits such as persistence and goal-orientation.



Encourage families to use resources

- **Offer** materials that urge discussion of finances and financial management (e.g., pamphlets, books, or online forums and/ or modules).
- **Provide** options for families at different stages of finance literacy and management.
- **Look** at financial management resources for both civilian and military populations.

¹Consumer Financial Protection Bureau. (2015). *Financial well-being : The goal of financial education*. Retrieved from http://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf

²Gunty, A., Richmond, A., Davis, L., Williams, R., Mikal, J., Sherman, M. ... Borden, L. M. (2016) *Military Families and Financial Stress*. Prepared for the Department of Defense's Office of Family Policy as a part of the University of Minnesota's REACH Program, Supporting Military Families through Research and Outreach.

³Wheaton, B., & Montazer, S. (1999). *Stressors, stress, and distress. A Handbook for the Study of Mental Health: Social Contexts, Theories, and Systems*. http://doi.org/10.1007/978-94-007-4276-5_25

See the full report regarding Military Families and Financial stress online. This report includes an in-depth discussion of the financial stressors military families may face as well as example programs that target positive financial behaviors. <https://reachmilitaryfamilies.umn.edu/research/document/10105>

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