

A financial roadmap for veterans entering civilian life

The transition from military to civilian life brings countless adjustments. It also marks a good time to review how you're taking charge of your financial future. Veteran Saves Week is Nov. 4–7 and an opportunity to focus on building financial confidence and creating a solid foundation for your new chapter.

Now in its second year, Veteran Saves Week centers around one core message: No matter where you are on your financial journey, small steps can lead to lasting change. Here are a few tips to help:

Understand the financial shift. If you've recently reentered civilian life, it's important to identify any gaps between your income and expenses. Such gaps often come from the loss of military allowances, such as the Basic Allowance for Housing and Basic Allowance for Subsistence. You may also lose commissary and exchange privileges, where groceries and goods were purchased tax free.

Health benefits represent another shift. While you received health care through TRICARE on active duty, you might be eligible for TRICARE for Life and Veterans Administration benefits, but you may still need to supplement this coverage with a group health care plan from your employer or purchase it independently.

Build a budget. Getting a clear picture of your finances helps you make informed decisions. Look at your monthly income, expenses and savings to understand your starting point.

One strategy you may find useful is the 50/30/20 rule. With this, you divide your monthly take-home pay into three parts: 50% for needs like housing, utilities, food and insurance, 30% for wants and 20% for savings and debt repayment.

Take essential financial steps. Your monthly budget should include building

an emergency fund, paying down high-rate debt and saving for retirement. It may help to use budgeting apps that categorize expenses and identify areas where you can cut back when necessary.

Building an emergency fund becomes even more crucial during transition. Aim for three to six months of cash savings to provide a safety net for living expenses while you establish your civilian career.

Don't overlook the available retirement planning tools. Even if you will have a pension, you might consider putting money into an IRA, or a 401k if one is available to you through a new employer, or into stocks and bonds to keep building toward your long-term goals. It's also important to obtain a current Social Security statement, since active-duty military members pay FICA taxes.

Leverage available resources. There are transition support programs through the military and the U.S. Department of Veterans Affairs, which also offer debt relief programs and financial counseling services.

Consider connecting with a financial advisor who understands the unique challenges veterans face during and after transition. They can help you create a strategy that maximizes your benefits and helps position you for long-term success.

Move forward with confidence. As Veteran Saves Week reminds us, small steps lead to lasting change. Your service has prepared you to overcome challenges — financial planning is just another mission you're equipped to complete successfully.

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