

Talking to Service Members About Creating a Spending Plan

Help service members understand why having a spending plan — and actually following it — is one of the first steps to financial stability.

Spending plans help service members gain control of how they spend their money by mapping their expenses — both fixed and variable — against their income. By understanding where their money is going, service members can work to reduce their expenses, if necessary, and ensure they're spending and saving in a way that aligns with their goals.

Five steps to creating a spending plan:

1. **Establish goals**
2. **Determine income**
3. **Identify expenses**
4. **Calculate the balance**
(Net income – total expenses = balance)
5. **Adjust and track**

How to Start the Conversation

- “Have you ever tried following a monthly spending plan?”
- “What strategies do you use to track your monthly expenses?”
- “Do you know how much money you bring in each month?”
- “What are some ways you could cut back on expenses?”
- “What are your financial goals for the future?”
- “How often do you review your spending habits?”
- “I’ve learned a lot about my spending habits over the years — here’s what works for me...”

Resources

- The Office of Financial Readiness
<https://finred.usalearning.gov/>
- “Creating a Spending Plan”
<https://www.youtube.com/watch?v=KjagYOobZRY>
- “Ease Military Transitions Through Financial Planning”
<https://finred.usalearning.gov/Planning/EaseTransitions>
- “What’s Your Spending Personality?”
<https://finred.usalearning.gov/money/SpendingPersonalities>

Personal financial managers and counselors can help continue the conversation. Share this contact information for your local PFM or PFC:



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