

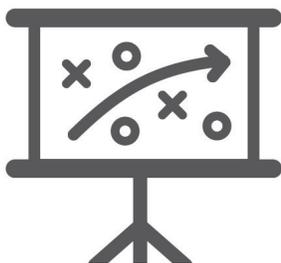


The Ultimate Guide to  
**LIFE-HACKING  
YOUR PERSONAL  
FINANCES**



# ARMY FAMILY

## YOUR MONEY, YOUR FUTURE



Sometimes it might feel like there's a secret decoder needed to understand the language of finances. Many people may feel so daunted that they don't make the changes necessary to get their financial plans on track and make steps toward reaching their goals. Creating a balance between how much you save and how much you spend can be difficult, but it's not impossible when you have a few tricks or "life-hacks" in your pocket. Here are tips to help you tackle the secret science behind credit scores, retirement accounts, insurance, and saving and investing.

### CREDIT SCORES

There's plenty of advertising about the importance of credit scores and "knowing your number," but just how important are credit scores? They are important, as they impact areas of your life like security clearances, rent, employment, insurance rates, and access to loans and reasonable interest rates. Many fall prey to credit score myths like having to carry a balance on your credit card, but these only get in the way of improving your financial appearance. But the good news is that with a little work, credit scores can be managed.

Life-Hack: 65% of your score based on timely payments and what you owe, so working to make payments that diminish what you owe will improve your credit score over time.

### SAVING & INVESTING

From piggy banks to teenage allowances, we've been aware of the importance of saving to reach your goals and financial stability for most of our lives. With busy routines and unpredictability in military life, it can seem difficult to figure out how and where to put money away for future use.

- Start small, aiming to put just 15% of your gross pay into a savings account
- Set up an emergency fund to prevent having to rely on credit cards or your primary income to cover the cost of unexpected expenses.
- Set up automatic investment payments or deposits into your savings account. Whether it's \$20 a pay cycle or \$200, set a number and let technology do the work for you.

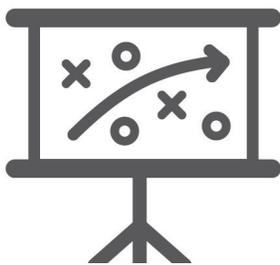
Life Hack: Save the "easiest" money when you can. What's easy money? The money you're not spending or factoring into a budget, which could include Annual CoE, Time in Service pay, and promotions.

### RETIREMENT ACCOUNTS

Whether retirement's headlights are in the distance are racing right toward you, it's always good to have an eye on your savings. Retirement accounts are a great way to build a financial cushion that allows you to maintain your current lifestyle and expenses.

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Many employers make it even easier to save by offering to match the amount you put in to your account each pay cycle- this is free money that should never be passed up! Additionally, there are even tax advantages to making contributions to a Traditional and Roth IRAs.

Life-Hack: Roth TSP/IRA is fantastic way to put your retirement savings on “auto-pilot.” Set up an automatic contribution cycle to help build your target retirement fund.

### INSURANCE

There is a lot of fine print involved with getting insurance to cover the different areas of your life, and knowing how much or what you need can feel overwhelming. You just know that you need it. But experts say that continually re-evaluating your insurance coverage around life events or change of circumstances will help you make sure you’re paying for what you need and getting personalized coverage that fits your needs and lifestyle. Be sure to keep legal documents and pay attention to the details on life, health, auto, homeowners, renters and liability coverage to find out hidden benefits and guard yourself against hidden penalties or fees.

Life-Hack: Use life events (baby, marriage, separation, retirement, home purchase, etc.) as opportunities to explore all of your insurance options.

### RESOURCES

[USAA Educational Foundation](#)

[Financial Readiness Score](#)

[USAA Community](#)

[IRS Publication 3, Armed Forces’ Tax Guide](#)

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## THANKS FOR JOINING US.

Feel free to email us with any questions at [pbarron@ausa.org](mailto:pbarron@ausa.org). If we can’t help, we’ll find someone who will! Become an AUSA member for additional resources and support. Learn more at [ausa.org/membership](http://ausa.org/membership).



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