



NAVY FAMILY SERVICE CENTERS IN HAMPTON ROADS, VIRGINIA

Command Financial Specialist CHRONICLE

SPRING 1998

PLEASE
PASS
QUICKLY,
TIME
SENSITIVE

CO/OIC _____
XO _____
CMC _____
CFS _____

REPRODUCTION OF THIS PUBLICATION IN WHOLE OR IN PART IS AUTHORIZED AND ENCOURAGED. FOR POD NOTES SEND SUGGESTIONS TO YOUR NFSC.

Advanced CFS Training

A new program, Advanced Command Financial Specialist Training (ACFS), is being tested at NFSC Norfolk. The four-and-a-half day course is designed to provide qualified CFSs with advanced skills in training, counseling, and program development. This program was developed in response to consistent requests by CFSs for more detailed training and recent research suggestions.

Course requirements include:

- Command endorsement of ACFS attendance.
- A successfully completed case study administered at the NFSC by the FEs Unit Staff prior to the course.
- Successful completion of the 4.5 day ACFS course offered at the NFSC.

• Observation of NFSC's Skills for Living classes (Checking Account Management, Car Buying Strategies, Savings and Investments).

• CO's confirmation letter.

Completion of the course will qualify participants to provide in-depth counseling and referral and to conduct command-level training on seven core Personal Financial Management topics.

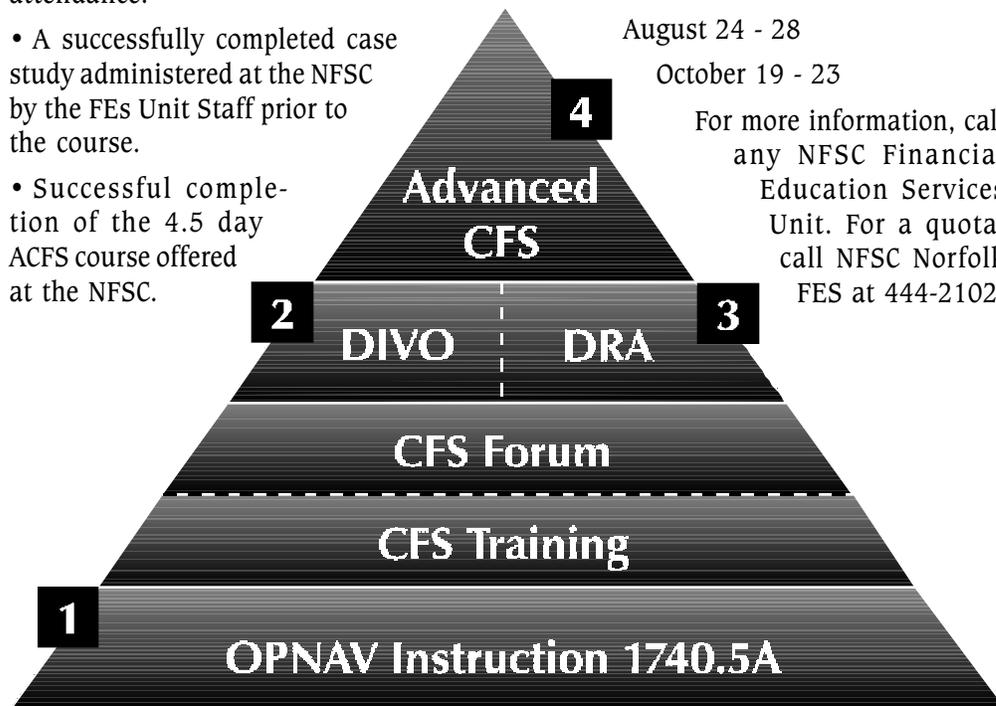
Scheduled training dates for 1998 are:

April 20 - 24

August 24 - 28

October 19 - 23

For more information, call any NFSC Financial Education Services Unit. For a quota, call NFSC Norfolk FES at 444-2102.



- 1** Soon to be released: Personal Financial Management Program Instruction
- 2** Division Officers' Financial Leadership Seminar (DIVOFLS)
- 3** Deckplate Resource Awareness Training (for 1st Class)
- 4** Advanced CFS (CFS Mentoring Program)

Investment Options

Top 10 Definitions

CFS Forum

Benefits of PFE

Financial Readiness in the Deployment Cycle

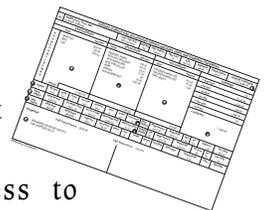
For Your Information

Toolbox

1998 Pay Changes

Now is the time to talk to your DK about recent changes to pay under the new DJMS system. You may want to ask about the following topics:

- BAH
- BAH diff
- VHA offset (eliminated)
- Indebtedness to the government
- Split pay options
- Direct deposit requirements



TOOLBOX

“The Bare Necessities”: A CFS Resource

Navy-Marine Corps Relief Society can provide financial assistance when service families cannot meet the basic needs of life: rent/mortgage, utilities, food, medical/dental bills, funeral expenses, emergency transportation, and car repairs. NMCRS generally cannot provide assistance for credit card or loan payments, telephone bills, and cable bills.

Note: When in doubt, please call and set up an appointment for the service member. Even if NMCRS doesn't provide a check, they can direct the service member to other resources.

Hampton Roads Office 423-8830
 Little Creek Branch 464-9364
 Oceana Office 425-5756
 Portsmouth Branch 399-1675
 Yorktown Office 887-5016

Debt Management Counseling at NMCRS

Debt Management Counseling appointments are now available at Naval Station Norfolk. A financial counselor from CCCS will be seeing clients every Friday beginning 6 February 1998. Navy-Marine Corps Relief Society, Hampton Roads Auxiliary is sponsoring this program.

The CFS must call to schedule the appointment and request that the service member be seen at NMCRS. Call 625-2227 or 622-7017, extension 112 or 115 for appointments. Call 423-8830 for more information.

“Tools” Wanted

The themes for the next issue of the *CFS Chronicle* are counseling and legal issues. If there is information you would like to see included or topics you would like addressed, please call your local Financial Educator by May 15.

CFS Forum: Did You Miss Us?

Were you unable to attend a CFS Forum earlier this year? Here is what we talked about:

January: TRICARE

Changes in the TRICARE system and the differences between TRICARE Standard, TRICARE Extra, and TRICARE Prime. Call Healthcare Benefits Advisor, Jenise Watkins at 314-6235.

February: Pay and Allowances

Changes in the pay system including BAH, BAS, and advance leave usage.

March: Credit and Bankruptcy

Causes and effects of Chapters 7 and 13, and military fallout.

If you have questions or need other information about these topics, call your local NFSC Financial Education Services Unit. Remember—mark your calendar.

Expand Your Skills at CFS Forum

Join us for CFS Forum each month and expand your skills as a CFS. Each month a different topic is discussed and participants have an opportunity to ask questions to the experts. Here is a schedule for the remainder of 1998:

CFS Forum: Call for times

DATE	LOCATION	TOPIC
APR 28	Norfolk	Marketing (Part 2)
MAY 26	Norfolk	Investments
JUN 30	Norfolk	Rip-Offs: Garman
JUL 1	Newport News	TBD
JUL 7	Oceana	TBD
JUL 28	Norfolk	Counseling
AUG 25	Norfolk	Legal Issues
SEP 29	Norfolk	Fin. Fair Planning
OCT 27	Norfolk	Financial Fair
NOV 24	Norfolk	Strategic Planning
DEC 15	Norfolk	TBD

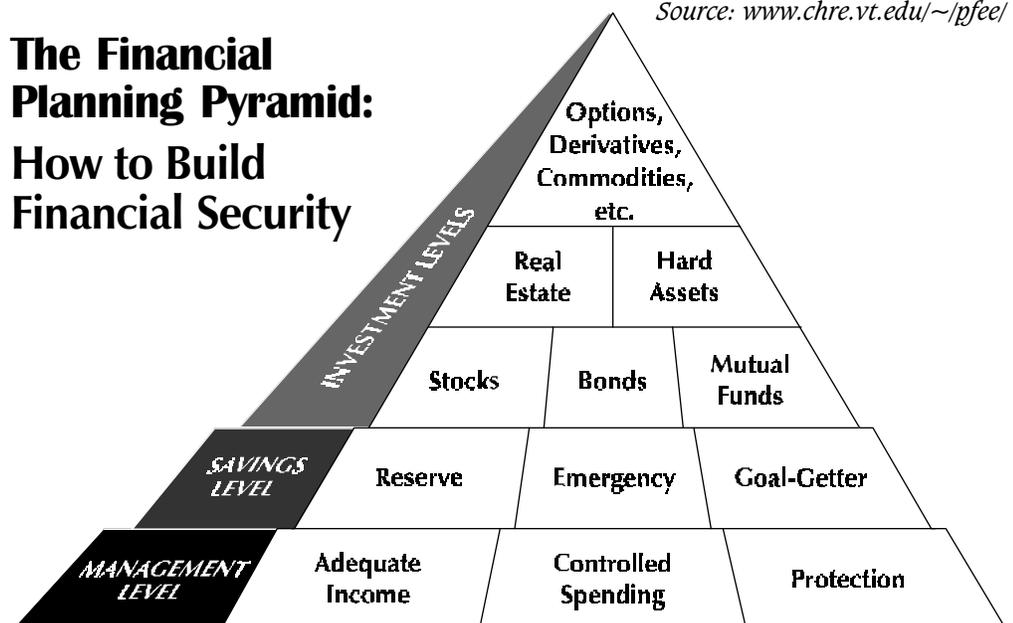
The Benefits of Personal Financial Education

Have you ever wondered whether financial education really works? A growing body of evidence indicates that education is a powerful tool for stimulating personal savings. A recent study by the National Bureau of Economic Research indicated that high school level instruction in personal finance has long-term behavioral effects of changing rates of saving and increasing net worth. The study findings reveal:

- Savings rates increased 1.5 percentage points for those who received instruction compared to those who did not.
- The increase in savings rates occurred within five years from the time courses were mandated in schools.
- Fifteen to 20 years after high school, wealth was greater by one year of earnings for those who received instruction compared to those who did not.

Source: www.chre.vt.edu/~jpfef/

The Financial Planning Pyramid: How to Build Financial Security



Future Value of \$25 Deposited Monthly

People always say they don't have the money to invest. How much pocket change do *you* have daily? Saved over a period of 30 days, it could amount to \$25 a month for investing.

Note: Savings deposit made at beginning of each month with interest compounded monthly. For investment vehicles to take you to your goal, consult Kiplinger's Personal Finance or other financial resources.

Future Value of \$25 Deposited Monthly			
YEAR	5%	8%	15%
1	\$308	\$313	\$325
2	632	653	703
3	973	1,020	1,142
5	1,707	1,849	2,242
10	3,898	4,604	6,966
20	10,319	14,824	37,899

© 1992, 1994, 1997 Eastern Michigan University National Institute for Consumer Education

Financial Readiness: Planning Programs Over the Deployment Cycle

Commanders report that personal finance is one of two top issues for first tour service members. The other is housing. They also report that these issues have a direct relationship with operational readiness (Pentagon 1st Term Study 1993). In support of deploying units and in coordination with the Deployment Services Unit at NFSC Norfolk, the *Financial Cycle of Deployment*, a financial training time line, has been developed to guide the deploying CFS. The cycle is in three sections: Financial Readiness Training, Pre-Deployment Programs, and Financial Recovery (Post-Deployment).

Financial readiness is an ongoing concern for deploying commands. Upon return from a deployment, crew members will need "Financial Recovery" programs designed to ease their return to life ashore. While in home port, strengthen your CFS program with "Financial Readiness" programming. Before deploying again make sure to schedule programs with the Deployment Unit at your local NFSC. Wondering which programs to use during the different phases of the deployment cycle? Consult the "Deployment Time Line," then call your local NFSC Financial Educator.

Financial Cycle of Deployment: Know Your Deployment Training Windows

STAGE	FINANCIAL READINESS	PRE-DEPLOYMENT	DEPLOYMENT	FINANCIAL RECOVERY/ POST-DEPLOYMENT
POC	Financial educators	Deployment specialists	CFS/Return and Reunion Teams	Financial educators
FOCUS	Financial planning/ Preventive education	Emotional/financial checklists/concepts	GMTs/Returning programs	GMTs
TIME FRAME	20 to 12 weeks before deployment	12 to 6 weeks before deployment	During deployment	1 to 6 weeks after return
PROGRAMS	<ul style="list-style-type: none"> Developing Your Spending Plan Checking Account Management Art of Money Management Division Officers Financial Leadership Seminar CFS Training Deckplate Resource Awareness Financial Readiness Training (Couples/Singles) 	<ul style="list-style-type: none"> Pre-Deployment (Couples) Pre-Deployment (Singles) Parent/Child Pre-Deployment (See your NFSC command representative to schedule) 	<ul style="list-style-type: none"> Financial GMTs Money Management Car Buying Strategies 	<ul style="list-style-type: none"> Savings and Investments Buyer Beware Financial Education Indoc

FOR YOUR INFORMATION

Overseas Corner

A great idea from ATCS Shelter, VF32: While deployed, encourage your service members to follow the stock market. Have them "invest" imaginary money in the stocks of their choice and watch the results. By the time they get back they will have learned a new financial skill.

Are You Getting Ripped Off at ATMs?

The average person withdraws money 72 times a year with an average amount of \$87 and ends up paying fees of \$155. Banks are defending the fees on the grounds that they need to cover the costs of installing and servicing cash machines in "off-site" locations. Critics feel that banks are taking an easy chance to charge money because most of the surcharge goes directly to profit.

Source: (May 4, 1997) The New York Times, Sec 3, pg. 1, 10, 11.

(Note: Most military credit unions offer *no cost* ATM service at branches and outlets.)

Cutting Costs: Medicine

Looking for ways to cut medical costs? Remind your service members that military clinics provide over the counter drugs at no cost.

MFETF Program Schedule

The Military Financial Education Task Force is a chance for CFSs to network with financial educators in Hampton Roads. Meetings are held the second Thursday of every other month, 1000 - 1200. Call (757) 444-2102 for information. Upcoming programs include:

April 9 - Fair Credit Reporting Act
June 11 - Housing Issues

New Financial Education Staff

Little Creek Mary Spear
Oceana Tina Foltyniewicz
Natalie Lohrenz
Norfolk Marian Rakestraw
Rick Bererra

INVESTMENT OPTIONS

	7 YIELD RANGE IN RECENT YEARS	8 FINANCIAL RISK	9 INFLATION HEDGE	10 LIQUIDITY
1 STOCKS Common Preferred	0-20% 5-9%	Medium to High	Good	High
2 BONDS Municipal Corporate High Quality Junk Bonds	3-10% 6-11% 8-14%	Low to Medium Low to Medium High	None	Varies: Immediate to 30 Years
3 MUTUAL FUNDS (Money market, fund stocks, bonds)	0-16%	Low to High: Depends on skill of manager and fund objectives	Good	High
4 REAL ESTATE (Home, rental unit, commercial property)	0-20%	Medium to High	Good	Low
5 COLLECTIBLES (Art, antiques, precious metals, gems)	Few collections yield profits	High	Varies	Low to Moderate
6 FUTURES CONTRACTS	0-30%	High	Good	High

TOP 10 DEFINITIONS

- 1 **Stocks:** Shares of ownership in the assets, earnings, and future direction of a corporate form of business.
- 2 **Bond:** An interest-bearing negotiable certificate of long-term debt issued by corporations and governments.
- 3 **Mutual Fund:** An investment company that combines the funds of investors who have purchased shares of ownership in the investment company and invests those monies in a diversified portfolio of securities issued by other corporations or governments.
- 4 **Real Estate:** Property consisting of land and all its permanently attached structures and accompanying rights and privileges, such as crops and mineral rights.
- 5 **Collectibles:** Cultural artifacts that have value because of beauty, age, scarcity, or popularity.
- 6 **Futures contract:** A marketable contract that requires the delivery of a specific amount of a commodity at a certain future date.
- 7 **Yield:** The profitability of an investment described as a percentage over a certain time period, usually a year.
- 8 **Risk:** The uncertainty that the yield will deviate from what is expected.
- 9 **Inflation:** A condition of across-the-board increases in the prices of goods and services.
- 10 **Liquidity:** The speed and ease with which an asset can be converted to cash.

Source: *Personal Finance, 3rd Edition. Garman/Forgue*

Navy Family Service Centers in Hampton Roads, Virginia

NFSC Little Creek
1450 D Street
Norfolk, VA 23521-2231
464-7563

NFSC Norfolk
7928 14th Street, Suite 102
Norfolk, VA 23505-1219
444-2102

NFSC Northwest
1320 Northwest Blvd., Suite 100
Chesapeake, VA 23322-4094
421-8770

NFSC Oceana
1896 Laser Road, Suite 120
Virginia Beach, VA 23460-2281
433-2912

NFSC Dam Neck
FCTCL Dam Neck
488 Sparrow Street, Suite 126-127
Virginia Beach, VA 23461
433-7150

NFSC Yorktown/Newport News
PO Drawer 160
Yorktown, VA 23691-0160
887-4606/688-NAVY

DEPARTMENT OF THE NAVY

Navy Family Service Centers
of Hampton Roads, Virginia

Official Business

RETURN SERVICE REQUESTED