

CEO COMMENTARY:

Service members need greater access to professional financial guidance

By Scott Spiker, Chairman/CEO of First Command Financial Services, Inc.



Professional financial guidance can play a vital role in shaping the retirement plans of career service members. The challenge is providing them with access to that guidance.

Our consumer surveys and decades of experience serving career military families consistently reveal that those who work with a financial advisor are significantly more likely to contribute to retirement accounts – and contribute more dollars – than families who don't work with an advisor. Those are exactly the types of proactive financial behaviors that will help military families make the most of the new Blended Retirement System (BRS).

Three out of five career military families say they are extremely or very likely to consult a financial advisor for help in making BRS-related decisions. And yet, many continue to report that they do not currently work with a financial advisor. What is holding them back? In a word: Access —specifically, access to effective financial education and training that highlights the benefits of financial coaching and that is delivered by expert financial advisory firms.

Our military service members have significantly less access to professional financial guidance than their civilian peers do. Their options are limited by rules and regulations that benefit a limited number of financial industry providers by effectively shutting the door on the vast majority of their competitors.

That's an unfortunate situation as we know that the majority of military families want professional help with decisions related to the BRS. For instance, our market surveys reveal that three out of five career service member families say they are extremely or very likely to consult a Financial Advisor for help with the opt-in decision.

We recommend improving the program for financial education and training for service members on the BRS. And that education and training should highlight the benefits of working with a personal financial coach. The education/training program should include professional financial advisory firms, and DoD should lift the restriction against their conducting these sorts of education/training sessions on base.

DoD should encourage participation in MWR/MCCS sponsorship activities by:

- Ensuring that off-base financial institutions are permitted to engage in corporate sponsorship of MWR and MCCS programs and activities to the same extent as other corporate sponsors, to include on-base financial institutions; and
- Ensuring that, under any sponsorship agreements providing for off-base financial institutions' sponsorship of MWR/MCCS programs and activities, the sponsoring organization may

advertise its products and services offered even though the products and services may also be offered by an on-base financial institution, bank, credit union and thrift institution

These are practical changes that can make a real difference. The people who protect us deserve to have access to the financial counsel and products that are available to every other American. With BRS set to go into effect in January, now is the time to implement a strategy that will reward our military families for their service by helping them develop the disciplined financial behaviors necessary for executing a successful retirement savings plan.

Starting with effective financial education and training, this strategy should offer service members on-installation instruction by expert financial advisory firms and extol the benefits of the type of financial coaching that is already helping many career military families in their long-term pursuit of financial security.



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