

MOVEMENT  
— MILITARY —

# MASTER YOUR MONEY

Win the battle for financial freedom.



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Movement



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# INTRODUCTION

## **ATTENTION:**

We want to be the first to congratulate you for taking steps toward achieving financial freedom.

This booklet gets right to the point of great money management. We highlight the areas and skills that can make the most difference. So settle in, read this through and get ready to make some positive changes in your life.

We're rooting for you!

# PART 1: MONEY MONEY MONEY

## I. LOVE IT OR HATE IT

Do you love money, or do you hate it? Too often – unfortunately – people dealing with debt perform balancing acts with bills every month. That can saddle them with a low credit score for years on end.

We get it. But we also know that those who are in control of their finances, rather than being controlled by it, are able to live more freely.

Freedom is what we're after. Freedom from bill payment headaches. From zero balance stomach aches. From sleepless nights, tossing and turning over climbing credit card fees. We want to help you view money in a way where you're in control of it, not vice-versa.

## II. RESIST THE MODERN MINDSET

When was the last time you wanted something you couldn't afford because you spent all your money on a big purchase – or a lot of little ones – that now you could care less about?

The battle between saving and splurging is nothing new, but the acceptance of living on credit seems to be a modern mentality that only worsens over time. Besides, the stress of debt usually steals whatever joy might have come from whatever you purchased with it.

Our challenge for you is to break free from this modern mentality on money.

**Saving before is always better than owing after.**

## III. FOCUS ON THE FUTURE

Let's be real – money is a tool for accomplishing great things.

Instead of viewing money as a use-it-or-lose-it ticket to what makes you feel good now, try to see those dollars as something worth saving and using for something greater, later.

Stay in control. Tell consumer culture to hit the road. Be generous when you can. Use the money you have left after making loan payments, credit card payments or any of life's many other expenses, toward far more rewarding causes.

Use your profit to change lives – including your own.

# PART 2: MONEY AND RELATIONSHIPS

## I. FOR BETTER OR FOR WORSE

Old-timer newspaper columnist Earl Wilson said it best. “This would be a much better world if more married couples were as deeply in love as they are in debt.”

Hypothetically, combined resources can be used to achieve great things in a relationship. The reality is that talking about money isn't sexy.

When partners have different spending styles, resentment can start sneaking into the relationship. You can change the narrative. Money should support a healthy relationship, not outshine it. Remember these tips if you ever need a push in the right direction.

### **Communication is key**

Many couples start off on the right foot by making budgets, calculating expenses and tracking spending. Then, life happens. Spending starts to slip and stress builds. But don't let it get out of control. It can feel awkward, but regularly talking about your finances needs to be a priority. It's not a one-and-done deal.

### **Teamwork makes the dream work**

It's okay if one individual prefers to take the lead on finances while the other is happy to take a backseat. This arrangement works for many couples, but both of you should have a sense of ownership of your finances.

The team approach helps alleviate pressure on your relationship when times get tough, resulting in mutual enjoyment when goals are met during good times.

### **In it for the long haul**

Creating a household where you have financial stability and freedom will not happen overnight. It takes discipline, patience, forgiveness and grace. With a lot of communication and teamwork, money matters won't matter so much.

## II. PARTY OF ONE

With relationships and families comes increased expenses. As a single-income earner, you're only spending for one (yay!). You don't have to worry about taking on a spouse's debt. You have full control of your finances because you're the only one taking money out of your account.

Depending on how you spend your money, that could be good or bad. Plus, you can't count on a dual-income - staying ahead of expenses depends on you.



# PART 3: BUILD-A-BUDGET

## I. CRUNCH THE NUMBERS

Confusing wants versus needs is an easy way to perform a vanishing act on your savings. It's time for a budget. But instead of spreadsheets and spending limits, think of a budget as a simple compare and contrast. Here's how to do it:

### **1. Calculate how much money you bring in each month.**

This is the total of your household's monthly income. Be sure to include salaries plus any extra earnings such as tax free combat pay and any freelance work you may do.

### **2. Calculate how much it costs to supply your needs.**

These are the regular bills. The stuff you absolutely can't live without. Food, shelter, clothing, insurance, transportation and retirement savings are the typical expenses here.

### **3. Decide how you're going to allocate the remaining income.**

This is the fun part of a budget: the wants. And you get to decide if the extra \$100 will go for that new pair of jeans or a night out.

### **HINT:**

Focus on getting rid of the debt. You'll have so much more money for the long-term wants if you can eliminate bills now.

For example, if you're currently in the military and like most college grads, have some student loan debt, the government may repay a portion or all of your student loans. That way, you can start regularly contributing to an emergency savings fund.

**Here are a few free online resources you can use to stay in control of your spending.**

### **Mint**

The most well-known of the online budgeting apps, Mint has comprehensive services at no cost. Users can link multiple financial accounts to the service, which then tracks and categorizes spending. It includes a payment tracker with bill reminders, and its calculators allow people to see how their decisions may impact progress toward goals.

### **SoFi Relay**

With this app, you can link accounts, review balances and set spending targets – you can even view spending by category. The app also provides access to credit scores and users are entitled to a complimentary call with an in-house financial planner.

### **Goodbudget**

This savvy budgeting software is intended for those who like the idea of an envelope cash management system but don't want the hassle of carrying physical envelopes.

### **Personal Capital**

Not just for budgeting, this app automatically tracks and categorizes spending and allows users to review investments and manage retirement accounts.

### **Albert**

Designed with millennials and zoomers in mind, this is a great resource for those who are new to the world of personal finance.

**Can't decide? Pen and paper, envelopes or an excel spreadsheet will always do the job.**

## II. FIND THE BALANCE

*Spend, spend, spend* and you'll be feeling the stress of living paycheck to paycheck.

*Save, save, save* and you'll never get to enjoy the fruits of your hard work.

### So what is the right approach to saving money?

The trick is finding the balance between knowing when to save and say “no” to spending, and when to say “yes” and let your hair down every once in a while.

### HINT:

Pay increases for cost of living (COLA), time in service, and promotions are amazing chances to increase the amount you save.

## THINGS YOU SHOULD BE SAVING FOR

<b>EMERGENCY SAVINGS</b>	<b>LIFESTYLE SAVINGS</b>	<b>LONG-TERM SAVINGS</b>	<b>TRANSITION OUT OF SERVICE</b>
<p>Prepare for the unexpected. Car repairs. Medical bills. A broken A/C in the heat of summer.</p> <p>Don't let the unpredictable pose a threat to your financial health. Research suggests \$1,000 saved for emergencies is a smart place to start.</p>	<p>The fun stuff. Vacations. New clothes. A big night out. A wedding.</p> <p>Maybe you have lifestyle goals like a beach house or a super-awesome pair of jet skis. Don't rely on credit cards. Come up with a system of saving to make it happen. Lifestyle saving is regularly setting money aside for future wants and needs.</p>	<p>Someday you may not be able to work due to age, health or retirement. Saving now to prevent undue burden on family later is kind — and smart.</p> <p>Participate in your Thrift Savings Plan 401(k) plan. Invest in the right insurance. Get advice from a professional on how to grow your savings long-term.</p>	<p>You may choose to retire from military life and pursue a new career in the civilian field one day.</p> <p>There are plenty of amazing job opportunities for military veterans, but it may take some time to find the right fit.</p> <p>Make sure you have a financial cushion to help you float through this transition.</p>

### III. HEALTHY HABITS

Need help creating healthy money habits? Are your finances looking a little under the weather? Don't worry - the doctor is in. As you read through these tips, make note of which ones you're already doing (great job!) and which ones you might want to start.

<p><b>PLAN, PLAN, PLAN</b></p> <p>Don't only track your spending - be intentional about where you need it to go! Take inventory of your situation. Decide where you'd like to be. Make a plan.</p>	<p><b>THE SNOWBALL METHOD</b></p> <p>The fastest way to get rid of debts is to pay them off, smallest to largest. Change your behavior, free up your income and make progress towards savings goals.</p>	<p><b>STICK TO THE LIST</b></p> <p>Go into the grocery store knowing exactly what you need for meals and snacks. Grabbing yummy things here and there can seriously add up - and bust your budget!</p>
<p><b>PAY IN CASH</b></p> <p>Let's be honest. You can swipe that card all day and not notice anything wrong until you check your account. Get a grip (literally) on your spending by physically feeling the cash leave your hands every time you make a purchase.</p>	<p><b>CUT THE CORD ON CABLE</b></p> <p>Cable is crazy expensive. The good news is - there are other ways to watch your favorite shows. Do your research and sign up for network apps or a streaming service you'll actually use! (Or you can even share an account with a friend!)</p>	<p><b>HIT UNSUBSCRIBE</b></p> <p>Netflix. Hulu. Amazon Prime. That gym membership you haven't used in months. Jelly of the month. Whatever you aren't using on the regular needs to go. Besides, you can always re-subscribe, that is, if it fits into your new budget.</p>

<p><b>SPEND EXTRA INCOME WISELY</b></p> <p>If a little extra money comes your way, it can be tempting to reward yourself. Resist that urge! If you're still dealing with debt, you'd be wise to put that money towards paying it down. Or, boost your emergency fund!</p>	<p><b>REDUCE ENERGY USE</b></p> <p>You don't need to be a handyman to save money on your utility bill. Wash your clothes in cold, tap water. Make the switch to LED lightbulbs. Take shorter showers. You've got this!</p>	<p><b>TRY A SPENDING FREEZE</b></p> <p>It's kind of like a game. See how long you can go without spending on nonessential items. A few days? A week? A month? You'd be surprised how much you can save by using what you already have!</p>
<p><b>AUTO-TRANSFER SAVINGS</b></p> <p>Save money without having to lift a finger! Just set your bank account to auto-transfer funds into an account you won't touch and BOOM! Easy savings.</p>	<p><b>SAVE FOR RETIREMENT</b></p> <p>Not saving for retirement is like throwing away free money – especially with the tax benefits and dollar for dollar contributions that come with your Thrift Savings Plan.</p> <p>Don't wait 'till it's too late; start now!</p>	<p><b>TAKE ADVANTAGE OF MILITARY DISCOUNTS</b></p> <p>Restaurants, repair shops, insurance, retail stores, and almost any other business you can think of will probably offer discounts as a way to say "thank you for your service".</p>
<p><b>STACK CASH ON DEPLOYMENT</b></p> <p>Deployment can be a great opportunity to cut monthly expenses and boost your savings.</p> <p>Save money on rent, eating out, and put extra pay increases for cost of living (COLA), time in service, promotions and tax-free combat pay into a high interest savings account.</p>	<p><b>MASTER THE BASICS</b></p> <p>These are the no-brainers. Pay your bills on time. Spend less than you make. Pay down your debt. Have emergency savings.</p>	

# PART 4: DEALING WITH DEBT

## I. MASTER YOUR DEBT

Every purchase you make with credit is essentially an IOU.

**Don't worry. Borrowing doesn't have to ruin your life.** Debt doesn't get people into trouble; how they deal with it does. When you think about it, the real problem with debt isn't that you owe money, it's how long you go before repaying it. This is especially true with loans and credit that accumulate interest over time. The longer the loan is outstanding, the more interest you're obligated to repay.

So how do you make sure taking out a loan isn't going to completely demolish your finances? By borrowing responsibly.

First, you have to understand how credit works.

When you use credit, you're agreeing to pay a lot more than the current price tag. You're promising the lender that you'll pay back the original price plus whatever interest has accumulated in the time it takes for you to get it completely paid off.

Price + interest = \$\$\$

A responsible borrower knows what that total will be. Not only that, they know what it's going to take to deal with that debt, be it sacrificing a vacation, living on a tight budget for a few years or trading in a gas guzzler for something far more efficient. They've got a plan.

### **Be the person with a plan.**

If you're borrowing responsibly, then you'll have a solid plan for repayment. And if you aren't willing to put some effort into a good plan, then you probably don't need whatever it is you're about to purchase. What does such a plan look like?

### **1. Know what you owe.**

A few thousand here, a couple hundred there... If you don't know who you owe and the exact amount you owe them, this is a good place to start. Knowing all the details is the first step to mastering your debt.

### **2. Put it on paper.**

Make goals for how and when you're going to pay off each lender, but don't stop there. Write them down (where you'll see them) as a regular reminder for yourself and share your goals with family and friends to hold you accountable.

### **3. Follow a monthly budget.**

Figure out where your money is going each month with a detailed budget. Then, decide which wants you're going to eliminate and put toward debt instead.

### **4. Refuse to take on more debt.**

If you've already got a pile of debt to pay off, refuse to add any more to the scenario until it's all paid off. If this is unrealistic, at least hold off on taking on any more debt until you've made budgeting a habit and reached some of your goals.

### **5. Master your money smarts.**

Continue to educate yourself on financial wellness and debt repayment.

## **II. GOOD DEBT VS. BAD DEBT**

We may have just finished talking about how painful bad debt can be, but it's not ALL doom and gloom. Some debt is beneficial, especially the kind that creates value or produces wealth for you in the long run, such as student loans, business loans and home loans.

Compare that with "bad" debt sources like cars, clothes and credit cards, which cost lots of money, have tons of interest and lose value as soon as you wear or drive them.

### **What makes a debt good?**

The value.

For example, when you pay down a mortgage on your home, you're pouring money into an asset that, ideally, will go up in value over time (also called "appreciation"). Debt on a home decreases as you make payments while its value increases. That's what we call "winning."

Also, you don't have to sell your home to get some value out of it sooner. After a few years of payments, you'll be able to use the equity—or the value you've paid off—for other investments such as starting a small business, taking out a personal loan or emergency capital should something happen to your primary stream of income.

### **Can mortgage debt be bad?**

Yep. One of the worst things you can do as a homeowner is taking on a mortgage that's way above your means to pay for it or way above the realistic value of the property. That leaves you with a long-term debt that, should you fail to pay it off, results in you defaulting on your loan and potentially losing your home to foreclosure.

Another potentially bad move: Using the equity in your home to take out loans you can't repay. If you're unable to make those payments, you can pretty much kiss your house goodbye.

### **III. UNDERSTANDING CREDIT**

If we had to guess, thinking about your credit report isn't part of everyday life. You probably don't drive to work wondering if your credit score has risen lately, or get inspired to run a credit check while grocery shopping, or contemplate FICO 740 every time you take your dog for a walk.

#### **But then you decide to buy a house.**

And all of a sudden, your credit score is important, and it's all you can think about.

Essentially, a credit report is an estimate of how good you are with any credit you've already used. Lenders, banks and credit agencies want to know if you'll use their loan wisely, if you're good at paying off a debt or if you tend to miss payments.

You wonder: How exactly is my credit score calculated, anyway? We'd love to tell you.

#### **Presenting... the big three of credit reporting.**

The three largest national consumer credit reporting agencies are Equifax, TransUnion and Experian. Each agency uses a specific formula to calculate where you're at on a scale of about 300-850.

#### **Your credit score takes into account:**

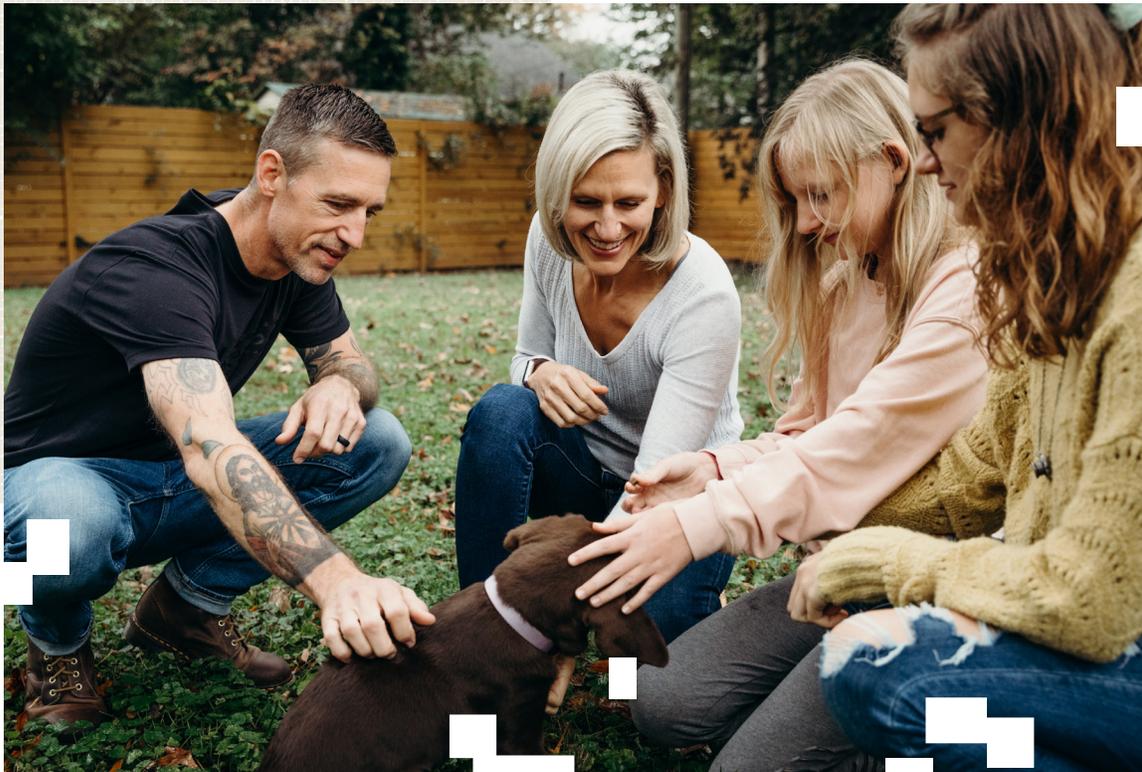
- How many lines of credit you have open, including mortgage loans, auto loans, credit cards and store credit. Even if you're not using an account, just having it is enough to be included in your overall score.
- How much credit you're using in your open accounts.
- Late bill payments or delinquent accounts.
- Previous loans or debts.
- Any prior strikes against a loan or debt you had, such as foreclosure, short sale, lien, collection or bankruptcy.

So while your credit score doesn't need to consume you before you decide to make a big investment like buying a home, it does need to be on the radar. A regular (i.e., annual)

credit check can help you keep your score high, give you time to fix any errors or make up for a season of negative hits before you need your score to get a loan.

**Improve your credit score with these tips.**

1. Get your credit card debt to only 30% of your credit limit.
2. Check your credit report annually with [annualcreditreport.com](https://annualcreditreport.com).
3. Address any mistakes on your credit report by disputing the error with the credit reporting agency immediately.



# CONCLUSION

## **CONGRATULATIONS! YOU'VE ACCOMPLISHED THE MISSION.**

We hope you came away with a fresh perspective on managing your savings, a renewed sense of hope for financial freedom and some great ideas to help you get past debt and free up your hard-earned cash.

Way to take ownership for your life and finances. Keep pushing forward.

The financial and personal freedom that you've fought so hard to preserve for others is within reach. Take action on the tips and suggestions that apply to your life and you'll be well on your way to owning your own piece of America and preserving a legacy for your family.





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