

Financial Readiness: Military Transition

2017



San Diego Financial Literacy Center

San Diego, CA

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San Diego Financial Literacy Center- Boost for our Heroes

Impact Study on Military Financial Readiness for Transition: FY 2016/2017 ©

EXECUTIVE SUMMARY

This study will summarize findings and provide analysis for the period between January 2016 and November 2017. We will also discuss methodologies and showcase opportunities to further improvement of financial capability among our service members and their families.

Having received a Memorandum of Understanding (MOU) from the Department of Defense in August of 2016; the SDFLC was able to increase bandwidth and opportunities for education and empowerment of our military personnel. Through an intensive review of our partnerships and platforms and with the guidance of our Board of Advisors and key active and retired personnel from throughout San Diego County; the priority of programming began to take a turn.

While not losing focus of the needs of our active duty personnel and their families, the SDFLC made a conscious effort to become more involved in the veteran and transition support space as evidenced by their collaborative efforts to help launch a military entrepreneurship program for transitioning personnel and spouses as well as through continued support of the Office of Military & Veteran Affairs with the County of San Diego by serving both locations of the Military and Veteran Resource Centers.

Utilizing our partner ValorUSA; the SDFLC adopted the Lifecents assessment tool. Combined with our survey software and other methodologies, we were able to secure information and data from a wide variety of respondents. We conducted a comparative analysis of both quantitative and qualitative data to develop the contents of this study and present it as a private non-profit organization not affiliated with or financially supported by any federal or state entity.

The outcomes of this study are unique to the experience of the SDFLC staff, volunteers, board members and partners and reflect our experiences and examinations of materials and data. We have made our best effort to provide clear, concise and competent information and measure it against well referenced studies, surveys and publicly obtained information to bring to the forefront what we feel are steps conducive to better serve our transitioning military personnel and creating a more robust platform around financial readiness and capability. Overall we feel that transitioning is a front and center topic for our military leaders and the community. We also feel that the narrative should include military service member transition and military family transition, with attention paid to the spouse and children. And finally, we are interested in furthering the discussion of how to customize transition and lengthen the process to let each service member / military family build their transition plan rather than having a cookie cutter “boxed” plan that is provided to everyone.

OUR MISSION

The mission of the San Diego Financial Literacy Center is *to educate and empower individuals and families enhancing their financial IQ.*

THE PROGRAM

The SDFLC military financial education program, *Boostfor our Heroes*, is a comprehensive platform designed to help facilitate basic to intricate financial knowledge. Through our unique understanding of behavioral economics, we are able to customize our curriculum and focus on the "why" and not the "how". Understanding the fundamentals and building blocks of financial capability is the first step on the financial journey and plan that we encourage members of our military community to undertake so that they may increase their awareness around financial literacy.

Our *Boostfor our Heroes* program is available to all active, transitioning, and veteran members of the military and their families. We strive to be an asset to existing resources on installation and throughout the community and wish to provide continuing and additional education. Working directly with our partners, we can be a direct referral source for all things financial. With myriad strategic partnerships across multiple arenas that number over 250, we have the unique ability to act not only as an information portal, but also as a conduit to services ensuring that the needs of each constituent are met. This program is important because our organization believes deeply in supporting the ongoing mission of our Armed Forces and too often, their needs are far greater than what one person or organization can handle. We are proud to be a complimentary resource for our military personnel and their families and look forward to a strong future as a financial readiness resource in San Diego County and beyond. Since the inception of the program over four years ago, our goal was to have an impact on our military community and act as the next evolution of education for our military personnel. Through our interactive workshops and seminars, combined with our confidential one-on-one consultation, we have had the privilege of working with thousands of active, transitioning, and veteran members of our military.

Offering our education in a collaborative and non-duplicative manner, the SDFLC is proud to partner with a myriad of agencies in San Diego County, including but not limited to:

- *Navy Marine Corp Relief Society (NMCRS)*
- *Zero8Hundred*
- *USO San Diego*
- *Fleet & Family Support Centers (FFSC)*
- *Operation Homefront*
- *211 / Courage to Call*
- *Veterans Village of San Diego*
- *E4 Evolution*
- *Support the Enlisted Project (STEP)*
- *Lincoln Military Housing*
- *Travis Manion Foundation*
- *Valor USA*
- *and many more*

The SDFLC is also a proud member of the San Diego Military Family Collaborative (SDMFC), the Vet's Community Collaborative (VCC) and UniteUs. These relationships have allowed us to identify, focus, and educate towards what we consider the cornerstones of financial readiness for transition and high levels of financial acumen and capability: personal finance, education, employment, and housing.

Our Data & Demographics

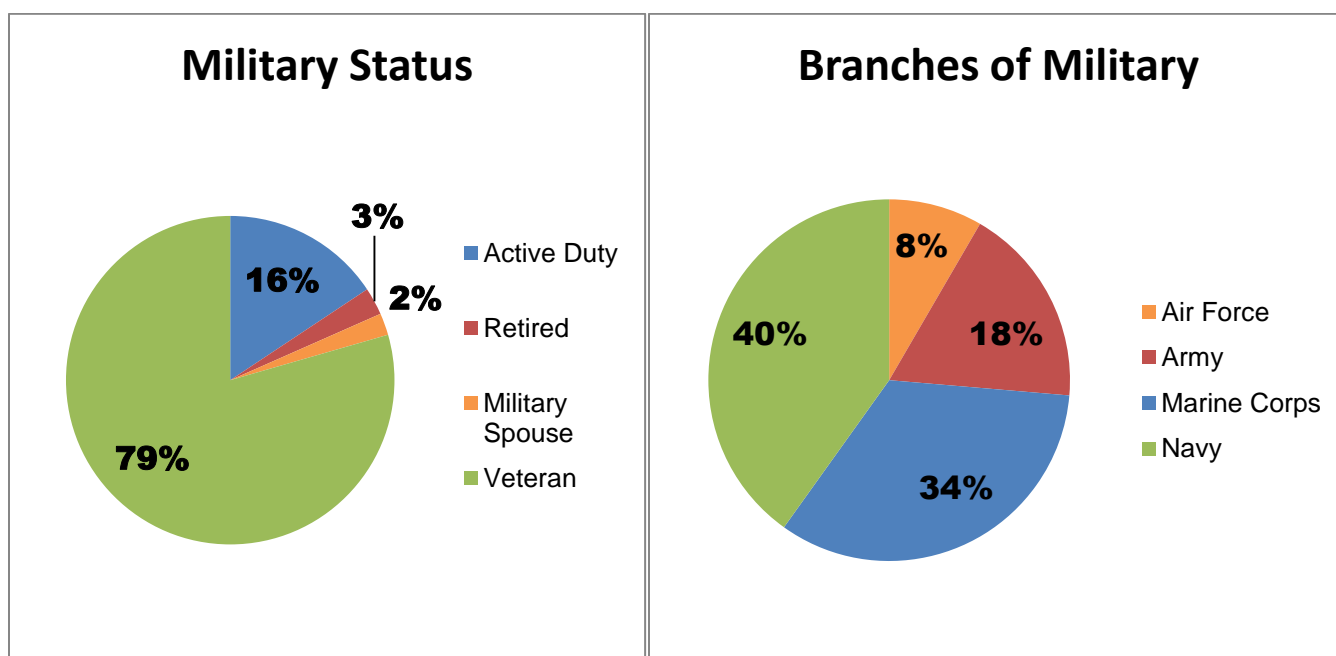
The San Diego Financial Literacy Center conducts financial education presentations throughout San Diego County. At the conclusion of each presentation, constituents are handed an optional survey and asked to answer demographic questions such as age group, ethnicity, gender, and location. With this data, SDFLC is able to build a financial profile for various regions throughout San Diego County, including our military constituents.

Overall, SDFLC has surveyed 3,247 individuals through a specially designed survey that gauges personal knowledge of financial topics. Since 2016 a total of 2,205 military individuals were surveyed and provided us critical data that has afforded us the ability to collaborate and communicate with our partners to create robust and comprehensive educational and support opportunities around financial capability.

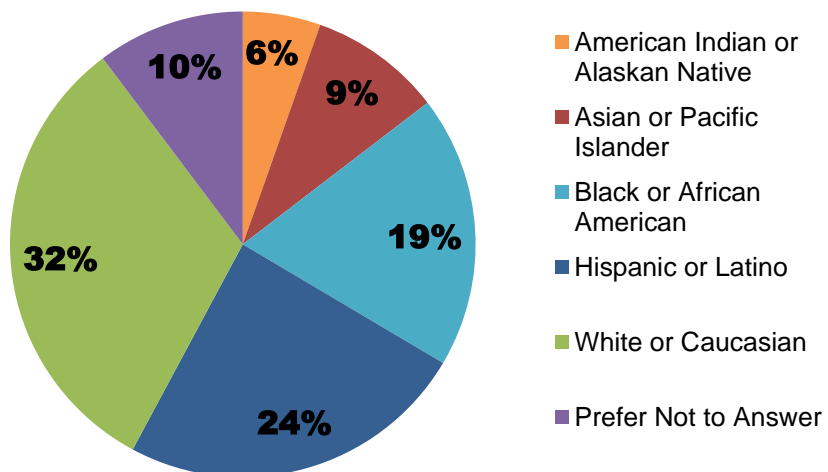
Lifecents (added in mid-2016) is an online education and assessment platform that gauges three key financial indicators of an individual's well-being through a variety of question and answer modules. These indicators are; knowledge of various financial topics, current financial behaviors, and level of confidence. There are currently 391 users registered and tracked.

Our data was derived from our survey console and from our assessment package. While a majority of our data was pulled from veterans, we did pull data from retirees, active duty (junior enlisted, nco and officer) as well as military spouses. We understand the subsets within each category, but for the purpose of this study we pooled the veterans together regardless of their separation rank.

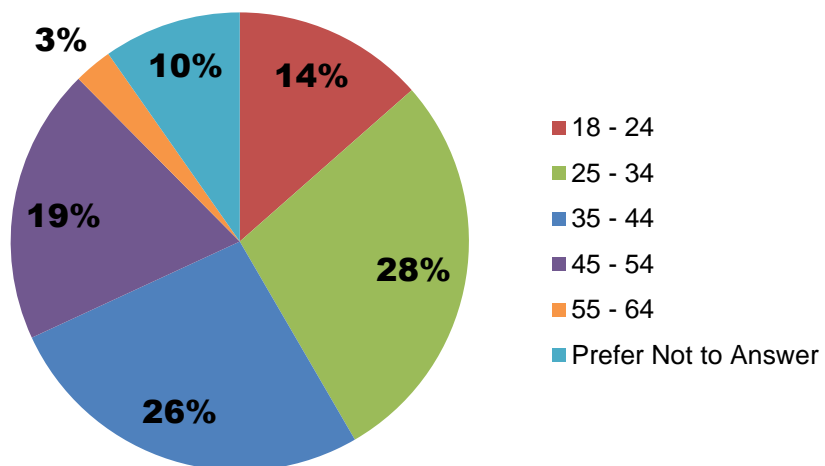
Nearly 75% of our respondents and constituents were serving or served in the Navy or Marine Corps. Almost 60% were non-white/Caucasian and almost 70% were under the age of 44. There was a split of 65% Male to 35% Female.



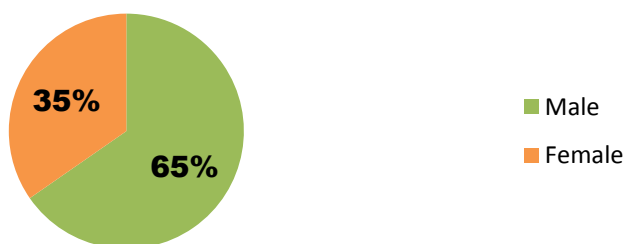
Ethnicity



Age Groups



Gender



Our Event and Education Highlights

- Relationship, Parenting, and Marriage Expo at *MCAS Miramar*
- National Guard MP Company Yellow Ribbon Event
- Veteran Cancer Survivor Event at *VA La Jolla*
- FUNancial Family Carnival
- Lincoln Military Housing Dinner and a Class Series (four nights, eight workshops)
- Financial Life Skills Program for homeless veterans at Interfaith Services
- Financial Transition Program (Life Skills) for *Naval Consolidated Brig Miramar {NCBM}*
- VA Home Loan Workshops with *Operation Homefront, San Diego Mesa College and CSUSM Veteran Centers*
- Financial Assessment Programs with *Wounded Warrior Homes*
- Employment Programs
- *Boost for our Heroes* Golf Classic



SDFLC in the Community via Boost for our Heroes

Starting on 1 January 2016 and through 30 November 2017, the SDFLC conducted:

89 *Boost for our Heroes* education and outreach events- reaching **8,413** constituents. SDFLC staff and volunteers conducted **417** one-on-one consults- focusing on development of budgets, spending plans, credit analysis, debt management, and future planning. We were able to provide **\$24,000** in financial assistance to military families that had experienced a hardship and committed to future sound financial practices.

The SDFLC averages reaching out and educating **384** members of our military personnel each month.



KPI's & Findings: Personal Finance

Throughout San Diego and the United States; financial literacy and capability have become buzzworthy topics. As our population increases it has become apparent that the education around personal finance has dwindled. No longer are schools mandated to teach the topic and as the paradigm around savings has swung towards spending and using credit; we find ourselves in an enigma, wrapped in a riddle with a little bit of confusion attached. 60 years ago, the use of credit cards was considered taboo (May, 2016) and as of the writing of this study, the amount of credit card debt and student loan debt exceeded 2 trillion dollars combined in the United States (Donachie, 2017).

The San Diego Financial Literacy Center is one of myriad resources that support our military personnel and the community at large. Our military installations that include Navy Region Southwest and Marine Corp Installations West as well as Coast Guard Sector San Diego and National Guard elements; provide ample resources and support for our military personnel in the financial realm. Nevertheless the needs of our personnel and their families are far greater than what one person or organization can handle.

In a recent survey conducted on Naval Base San Diego, junior enlisted personnel suggested that they would rather use an “off-installation” resource for finance education and assistance and another study identified that nearly 31% of military personnel learn personal finance while in the military. Almost 80% have said they would benefit from additional advice and input from financial professionals (NFCC: National Foundation for Credit Counseling, 2014).

When service members transition out of the military they are leaving a regimented arena that has helped them develop skills, behaviors and values (Zogas, 2017). Often lost is that some personnel lack the “soft skills” necessary to excel in the personal finance arena with a constantly changing paradigm, predatory lending culture and misinformation. More focus and a better link on the basic needs will help our military families grow and sustain financially with the ability to identify financial weaknesses much earlier and work to prevent mistakes rather than react to them.

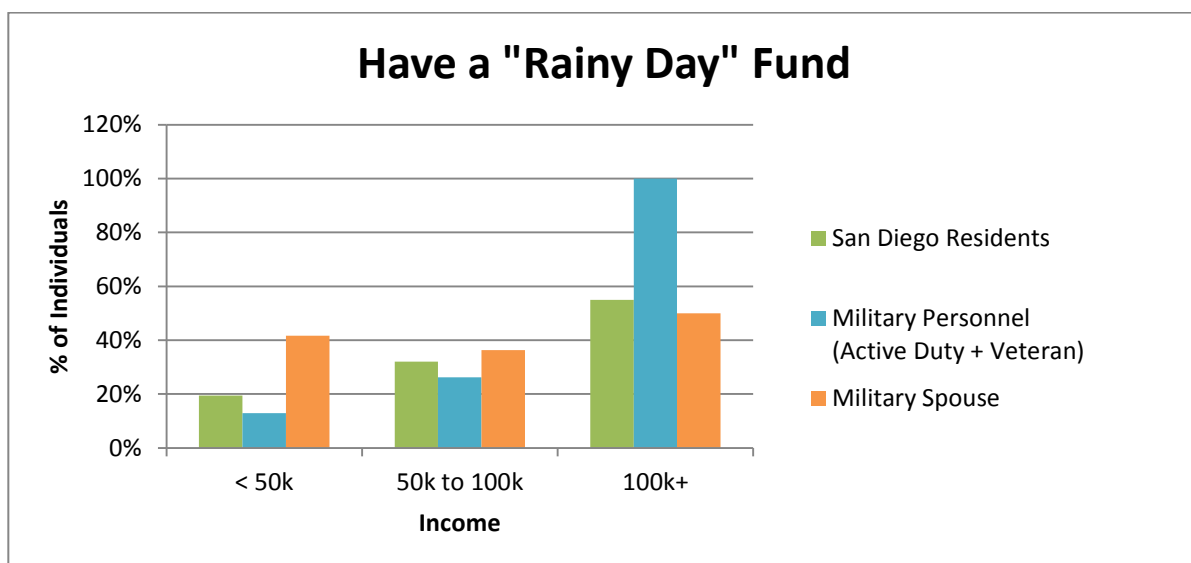
According to a recent National FINRA Foundation Capability Study (Skimmyhorm, 2017)

- 54% have a “rainy day” fund and 43% do not and it mirrors rank:
 - E1-E9 52% have fund / Officers 69% have a fund
- 29% of military personnel that make <25k a year spend more than they make
- 21% that make between 25k and 75k spend more than they make
- 13% that make more than 75k spend more than they make.

Our research and findings suggest a direct correlation between savings and income.

Every transition is different. The ability to build a custom plan for a service member and their family can help to assuage some of the fears and questions that are likely to arise. One of the key components to a successful transition is having enough capital and money saved to incur any delay in employment or to offset lost wages.

Our data has found that in San Diego “rainy day” funds are tougher to come by for lower earners and cause a high level of stress. A big component to the financial stress has to do with the higher cost of living in San Diego compared to other military locations throughout the United States (Expatistan, 2017).



The key to a successful transition is planning. One resource offered is the Transition GPS (TGPS) class. A comprehensive five day workshop, TGPS is a key component to the education and planning portion provided to our military personnel but may be limited by its brevity and proximity to separation (Zogas, 2017). Part of the personal finance planning for transition includes budget/spending/savings plan development, understanding credit profile and expense tracking. Our data suggests a mixed bag between active and veteran personnel which could be a focus of future educational opportunities.

Counties	Q1 Yes	Q1 No	Q2 Yes	Q2 No	Q3 Yes	Q3 No	Q4 Yes	Q4 No	Q5 Yes	Q5 No	Q6 Yes	Q6 No
Average	32%	68%	29%	71%	21%	79%	47%	53%	34%	66%	46%	54%
Active Duty	66%	34%	66%	34%	59%	41%	80%	20%	80%	20%	72%	28%
Veteran	77%	23%	71%	29%	29%	71%	44%	56%	59%	41%	43%	57%

List of Questions

Q1 - Have you checked your credit report in the last year?
Q2 - Do you know your credit score?
Q3 - Do you know your debt to income ratio?
Q4 - Do you have a budget?
Q5 - Do you track your expenses?
Q6 - Do you have a savings plan?



Highlights

Veterans are the **MOST** likely to check their credit.
Active Duty Members are **LEAST** likely to check their credit.

Veterans are **MOST** likely to know their credit score.
Active Duty Members are **LEAST** likely to know their credit score.

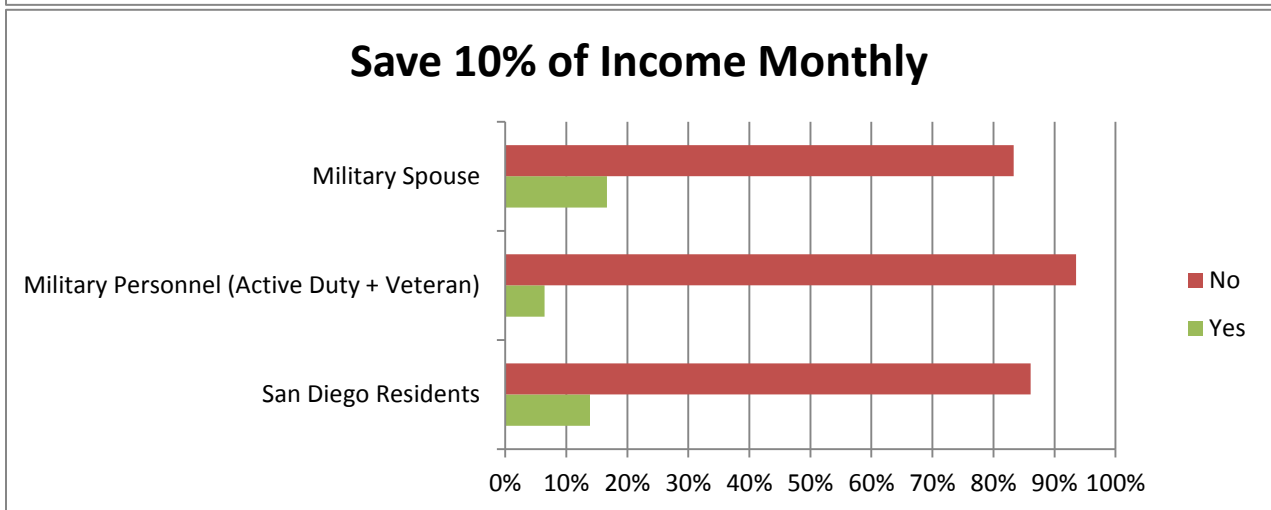
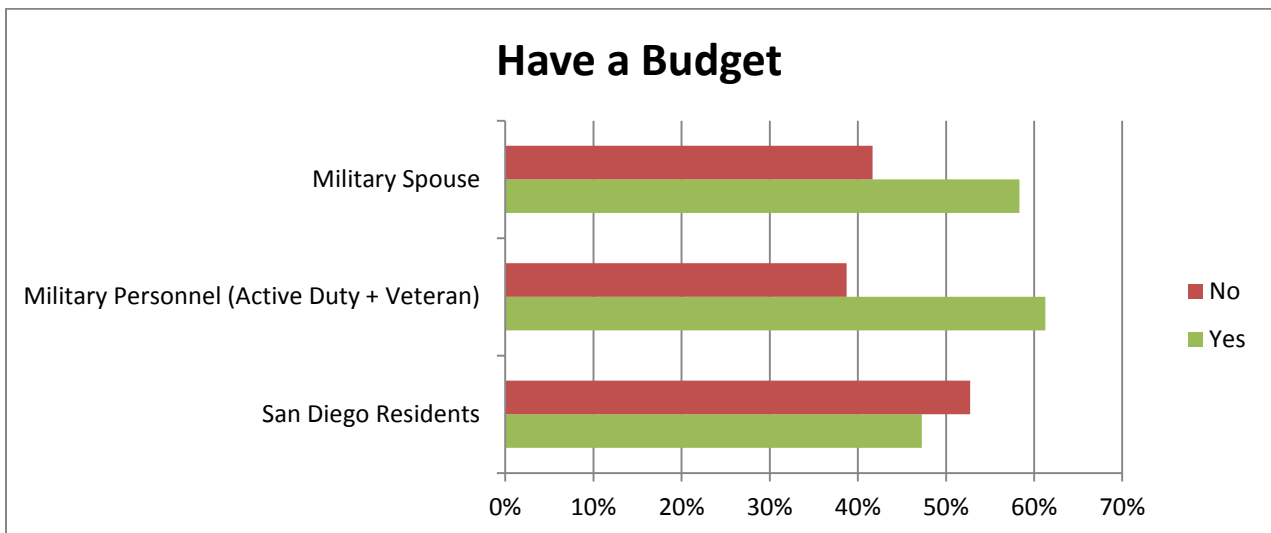
Active Duty Members are **MOST** likely to know their debt to income ratio.
Veterans are **LEAST** likely to know their debt to income ratio.

Active Duty Members are **MOST** likely to budget.
Veterans are **LEAST** likely to budget.

Active Duty Members are **MOST** likely to track their expenses.
Veterans are **LEAST** likely to track their expenses.

Active Duty Members are **MOST** likely to have a savings plan.
Veterans are **LEAST** likely to have a savings plan.

Further analysis shows that our military commands and the support agencies do a tremendous job of encouraging strong personal finance practices. The takeaway is that increased non-duplicative collaboration among military and civilian agencies may help drive these numbers up and move efforts into the preventative forum. Our data shows that the SDFLC military constituents do a better job than SDFLC civilian constituents in the development and use of a budget, checking credit reports and scores but still exhibit financial habits and tendencies that need to be addressed around savings and credit.



- Individuals who have checked their credit report in the past 12 months

- General San Diego Population
- Active Duty
- Military Spouses

- Individuals who have checked their credit score in the past 12 months

- General San Diego Population
- Active Duty
- Military Spouses

Health Risk Factor Summary

IQ, Habits, and Mindset are the three key indicators of an individual's financial health. Use this module to determine where your users fall in the risk spectrum.



Overall data from Lifecents Assessment Jan 16 - Nov 17

While our data shows good financial practices, there is still work to be done as our data around credit shows that compared to national data, numbers in San Diego skew higher. When asked why credit card use was so prevalent; top responses include cost of living, lack of cash flow and unexpected expense.

- 92 % of service members surveyed used credit cards in the last 12 months
- Average number of credit cards in use by personnel in San Diego is 5.5 with the extreme being 27
- 56 % have more than 5 cards
- 90 % carry balances month to month
- Average credit card debt is \$11,223 with a high of over \$33,000

Comparative Data from NFCC and Blue Star Families

- 80% of service members surveyed used credit cards in the last 12 months
- Average number of credits cards in use by military personnel is 3
- 20% have more than 5 credit cards
- 60% carry balances month to month
- Average credit card debt is \$10,000

As we continue to work together to create a formidable team of resources to assist our military personnel in the development of strong financial habits; it is important to focus on the transition/future as much as focusing on the present. The present is where we find many financial issues occurring.

Financial problems were widespread among young enlisted personnel and they are more prone to serious problems paying bills. These problems do not cease to exist during and after transition and diminish quality of life for our military personnel and their families. Enlisted personnel and officers' alike find that financial readiness impacts mission readiness as the stress may diminish job performance and can lead to loss of security clearance, loss of promotion or end careers (Fay, 2016). If the troubles are not remedied via the array of financial classes and counseling offered while active; they can lead to unstable home life and an inability to secure employment or housing during transition (Do Phuong & Buddin, 2002) and cause issues such as homelessness, divorce and assault as a veteran (Balslem, Christensen, Tuepker, & Kansagara, 2011).

The SDFLC works with thousands of military personnel each year, many of whom are living paycheck to paycheck and earn less than the prevailing wage of San Diego County, which is \$72,000¹. The goal of our platform is to assist our military personnel on their path to financial stability. Working to break cycles of financial mismanagement and providing outcomes including access to opportunities, dispelling myths about personal finance, empowering them to take control of their transition from a financial perspective and developing a plan that can be modified to meet their needs is vital. Personal finance is just one of the four pillars of a successful transition and along with our partners we feel that San Diego is well ahead of the curve of addressing the needs of its service members. Working to keep our transitioning personnel in San Diego to live and work is paramount and a strong financial transition plan will help accomplish this goal.

KPI's & Findings: Employment

The SDFLC considers sustainable employment; the ability to obtain, retain and grow into, a key feature of the transition plan. Currently, according to the Census Bureau, veterans make up 7.6% of the US population. As a group, veterans tend to be older, and 91.6% are men. Veterans are less likely to have a bachelor's degree and have a median income of \$38,334 (Culbertson, 2016). Despite a record-low annual unemployment rate of 5.1 percent for post-9/11 veterans in 2016, according to the U.S. Bureau of Labor Statistics, experts say the data can paint a misleading picture of veterans in the job market – many of whom, struggle with being underemployed. From a business perspective, veterans have leadership skills and other tremendous assets, but they've not necessarily been trained in how to translate those skills into the job market (Gross, 2017).

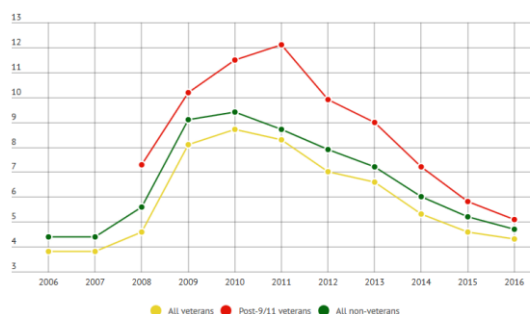
According to Blue Star Families Military Family Lifestyle Survey, 60% of veterans report that adjusting to civilian life was difficult and SDFLC data mirrors that figure and suggests that under or unemployment is a top stressor. Between 2014 and 2016, 65-80% of veterans surveyed left the military without a job and expected to find meaningful employment, yet the data reports that

- 53% of veterans report it took longer than expected to find employment
- 20% six months to a year
- 17% over a year

¹ Data provided by San Diego Military Advisory Council www.sdmac.org

Veteran unemployment rates

Despite a record-low annual unemployment rate of 5.1 percent for post-9/11 veterans in 2016 and a consistent drop from 12.1 percent since 2011, according to the Bureau of Labor Statistics, experts say the data can paint a misleading picture of veterans in the job market.



Source: Bureau of Labor Statistics
Credit: Ken Chamberlain

Younger veterans observe that the military does an extremely effective job of training them to operate within the military but a poor job of reversing that training and preparing them for civilian life (Zogas, 2017). When beginning a job search, an important step is to conduct a strengths and abilities assessment and pathway assessment. Our partners at EDMIN have a platform that accomplishes this goal by allowing a constituent to think about the attributes employers need and how they correlate with military experience and how to gain the knowledge needed to gain this employment. This process would help create best practices while increasing awareness of roles in priority sectors in San Diego and around the country, potentially opening doors to unknown opportunity and strengths including entrepreneurship. This should run in correlation with the creation of a certificate program that takes into account work done while on active duty to help jumpstart the employment process during the transition phase – enhancing basic needs and understanding of skill sets.

Increasing the awareness of sustainable employment should be paramount and the awareness should include both white collar and blue collar opportunities as the latter is experiencing growth impediments due to talent shortages with 61% of leaders in the trade industries feeling that a lack of labor will impact competitiveness and growth (Regional Council, 2016). According to the San Diego Workforce Partnership, employers in San Diego who are in the Advanced Manufacturing Sector report that out of the top 8 occupations in the Advanced Manufacturing Sector seven are experiencing growth with an average hourly rate of \$29 per hour or roughly \$60k per year. (San Diego Workforce Partnership, 2017).

KEY ADVANCED MANUFACTURING OCCUPATIONS IN SAN DIEGO COUNTY, 2016

OCCUPATIONS	TYPICAL ENTRY-LEVEL EDUCATION	2016 JOBS IN INDUSTRY	2013-2016 IN-INDUSTRY CHANGE	MEDIAN HOURLY EARNINGS
Assemblers and Fabricators	High school diploma or equivalent	10,168	8%	\$12.54
Software Developers	Bachelor's degree	8,628	15%	\$52.22
Electrical or Civil Engineers	Bachelor's degree	6,292	11%	\$49.03
Metal and Plastic Workers (incl. Machines)	High school diploma or equivalent	5,996	10%	\$26.48
General and Operations Managers	Bachelor's degree	3,732	5%	\$50.27
Inspectors, Testers, Sorters, Samplers and Weighers	High school diploma or equivalent	3,399	-8%	\$19.56
Food Processing Workers	No formal educational credentials	1,946	4%	\$10.72
Laborers and Freight, Stock and Materials Movers	No formal educational credentials	1,657	8%	\$11.65

Another key component to employment is entrepreneurship. For many years, military veterans have become entrepreneurs at a much higher rate than non-veterans. Indeed, a shocking 49% of World War II veterans went on to own or operate their own businesses, according to a study from Syracuse University (Rockefeller, 2016). With the largest concentration of post 9/11 veterans here in San Diego, it is only fitting that we continue the conversation of entrepreneurship and focus on the newest “vetrepreneur”. Some of the data shared by our future Service 2 CEO entrepreneurs as to why they wanted to start their own business mirrors that of the Blue Star Families Survey and the FINRA Capability Study:

- Sudden loss of income / financial hardship
- Difficultly finding a job after separation
- Desire to become and stay debt free

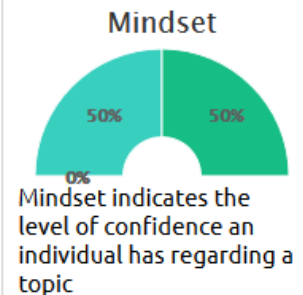
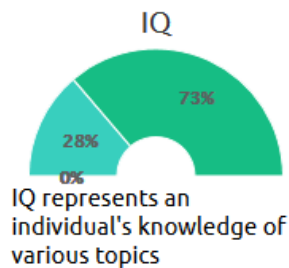
Our “vetrepreneurs” exhibited stronger financial habits compared to non-entrepreneurs but still had a few habits that were concerning:

- 35.71% had no emergency fund
- 35.71% have multiple credit cards in use
- 42.86% didn’t have a budget

Our goal is to continue working with our military entrepreneurs to increase their financial acumen and turn their financial weaknesses into strengths and overall we found that the IQ, Habits and Mindset of our entrepreneur constituents were somewhat higher.

Health Risk Factor Summary

IQ, Habits, and Mindset are the three key indicators of an individual's financial health. Use this module to determine where your users fall in the risk spectrum.



	IQ	Habits	Mindset
Good Standing	72.5%	33.33%	50%
Low Risk	27.5%	41.67%	50%
Moderate Risk	0%	25%	0%
High Risk	0%	0%	0%

Service 2 CEO assessment

Employment and spouse employment was also found to be a key factor is a positive transition experience. With the push to hire veterans throughout not only San Diego but the United States, it is important for businesses to seek out veterans, transitioning personnel and spouses and provide opportunities sooner rather than later (IVMF, 2017). There are resources available on installation and throughout the communities that need help increasing awareness about their capabilities. They support our military personnel with services that range from resume writing, interviewing techniques to preparation for job placement. There are also myriad resources on installation for which we need to increase awareness. One of the issues we have heard is that in order to actively engage all of these resources are very time consuming and not a one-stop shop. With thousands of personnel transitioning annually it is imperative that we work collaboratively to assist our personnel is not only obtaining sustainable employment but also preparing to do so in not only priority sectors here in San Diego and across the United States but also in the trades and via entrepreneurship.

Veterans Leaving the Military (2003 - 2019)	
Active Duty Separations and Reserve Losses	
2003	275,000
2004	298,000
2005	274,000
2006	262,000
2007	269,000
2008	251,000
2009	248,000
2010	240,000
2011	244,000
2012	267,000
2013	271,000
2014	245,000
2015 - 2019 (per year, enlisted and officer, est.)	230,000 - 245,000
Estimated 2003 - 2019	4.3 million*

The SDFLC has been privileged enough to assist agencies such as Onward to Opportunity and the Naval Consolidated Brig in their financial transition classes. Assisting personnel on their path to financial stability is a key part of our mission. However, the one aspect that we have struggled with and that we have found very important to our service members is cost of living comparisons. We suggest providing some type of tool that can assist our service members to adequately determine what type of wage/employment is sustainable for their future choice of residence.

Aside from the website Expatistan, The Council for Community and Economic Research is one such resource, albeit a paid resource, that can also provide detailed information on cost of living and better direct the pathway of our personnel as they transition. Combined with assessment modeling and a firm financial transition plan; this data would provide concrete information on the next steps of transition and help our service members choose the path that is best for themselves and/or their family. Here are four quick steps to consider when transitioning. Combined with resources around personal finance, education and housing; these can work as part of your overall transition planning to help achieve success.

1. Look for the work that interests you.
2. Determine your crossover skills and talents.
3. Refocus your resume to emphasize your talents and the skills that apply to your new target.
4. Set short and long term goals and objectives for your career transition, and stick to them.

Transition Program Process



Courtesy Cesar Nadar, CEO X Corp Solutions

KPI's & Findings: Education

Education is the 3rd component of the SDFLC's four pillars of financial readiness. Education comes in many forms and may be quantified via degrees, certificates, on-the-job training and practical experience. For this study, we will focus on the traditional educational experience per the current narrative while also discussing some of the challenges being encountered nationwide as well as here in San Diego.

For nearly 70 years veterans have used the GI Bill to assist in their transition with more than 1 million beneficiaries using or have used the benefit post 9/11. Two storylines have evolved: 1) student veterans have a high dropout rate, and 2) high student veteran postsecondary completion rates (Cate, 2014).

Many veteran students who have transitioned into the educational space can be categorized as non-traditional: delayed enrollment, part-time enrollment, financial independence, full-time employed while enrolled, having dependents, single parent, non-standard high school diploma. Additionally, veterans may also face disabled status from TBI or PTS and may have more difficulty in succeeding, concentrating or ameliorating to the new environment which may provide a reason for the askew numbers. Veterans who have suffered trauma in particular have trouble adjusting to campus life and have difficulty sleeping and concentrating (Pittalwala, 2017). They said this puts student-veterans at higher risk for dropping out of institutions that fail to provide them with support (Marcus, 2017). Some of the conclusions of this study are:

- Many student veterans struggle to relate with the civilian world and their student peers.
- Many struggle to successfully juggle the demands and expectations of marriage and parenthood, employment, and education.
- Events or situations on campus that trigger memories related to combat further complicate the ability of veterans to integrate into the classroom and achieve academic success.

An a ha moment that many researchers as well as we here at the SDFLC uncovered was even though veterans received GI benefits – full tuition, monthly housing stipends, and textbook money – it was not enough. They struggled to get by. Consequently, many sought full- or part-time employment, which made it challenging to make it to class, complete homework assignments, and study for tests. We feel this is a direct correlation to a substandard amount of savings achieved while on active duty and therein lays an opportunity for further collaboration on how to have a more positive impact (Pittalwala, 2017). We have also found that many personnel who are transitioning and attending college may now be considered a typical student (Hess, 2011).

Who's a "Typical" College Student?

Of the 17.6 million undergrads now enrolled in higher education:

43% attend two-year institutions

37% are enrolled part-time

32% are working full-time

25% are over the age of 30

Only 15% attend four-year colleges and live on campus

Some interesting KPI data from national sources:

- Nationally 51.7% earned a degree or certificate, still lower than non-veterans at 59% (Zoroya, 2014)
- Among other findings, about 80% of the veterans chose public schools (Zoroya, 2014)
- Some 21% were women, in contrast with females making up only 15% of the military (Zoroya, 2014)
- About one in four veterans who enrolled were age 25-29 (Zoroya, 2014).
- 31.3% used GI Bill for vocation (Cate, 2014)
- 35.8% used GI Bill associates (Cate, 2014)
- 20.8% used GI Bill advanced (Cate, 2014)
 - Business, Public Service, Health, Science, Engineering were the top fields of endeavor
- Nearly 88% of 1st year students using GI Bill drop out (Cate, 2014)
 - suggest poor outcomes, but empirically not true because using only VA data, not DoE data

In San Diego at San Diego State University, spring 2016 saw 1,050 military students enrolled out of 30,385 or about 3.5% of total student population. Graduation rates saw 260 graduates with an 80.5% continuation rate year over year. Overall, nearly 75% of all veterans at San Diego State graduate within four years; nearly double the national average. When asked why, a veteran student mentioned the support they received from the on-campus Veterans Center (Marcus, 2017); a resource that many of our institutions have in place and are working to grow. The California State University systems has made transformational changes since the passage of the post 9/11 GI Bill and the evidence clearly shows that a functional support system that mirrors military service (mentors, leaders, friends, and resources) and eschews isolation is a reason for success (Marcos, 2017) A great opportunity lies ahead of our community to make sure these assets are supported with the type of on-going and wrap-around needs during the transition phase.

In the San Diego Community College Districts, enrollment numbers for spring 2017 were:

		Spring 2017 Unduplicated Head Count
San Diego CCD		
	Military (Active Duty, Active Reserve, National Guard)	550
	Veteran	2,578
	Total	3,125

In all of San Diego County, which includes Grossmont CCD, Mira Costa CCD, Palomar CCD, San Diego CCD and Southwestern CCD; a Total of 8,009 military and veteran personnel were registered. However, among community colleges, a *Hechinger Report* review of the federal data suggests an average of only 15 percent of full-time students receiving GI Bill money graduated with a two-year degree in 2014, the most recent period for which the figure is available. That includes those who took three years to do it—a particular problem for the other 85 percent, considering GI Bill benefits cover a maximum of 36 cumulative months in college, which should be enough for a bachelor's degree but leaves little margin for error. The proportion attending part-time that graduated within three years was 7 percent. The data for San Diego Mesa College was especially interesting, and when compared nationally raises an interesting question, what is going on in the community colleges and how do we either submit or receive better data and what can we do to raise numbers and/or prevent wasting the benefit? Below, see some of the data from community colleges experiencing graduation challenges.

Graduating Veterans

Community colleges with 100 or more GI Bill recipients eligible to graduate, and the proportion who actually did

Name	Number of Veterans	Number eligible to graduate in 2014	Percentage of veterans who graduated ▼	Percentage of all students who graduated
Austin Community College District	3,016	187	0	7
Central Texas College Main Campus	5,006	244	0	11
College of Southern Nevada	1,446	102	0	9
San Antonio College	2,648	122	0	9
San Jacinto Community College	1,198	140	0	15
Thomas Nelson Community College	1,165	100	0	16
Fayetteville Technical Community College	2,754	165	1%	7
San Diego Mesa College	1,315	100	1%	21

Number of veterans includes only those receiving GI Bill benefits. Graduation rate is for 2014, the most current available.

Veterans also often have to fight with colleges to have their military training and experience converted into academic credit. If they can't, they risk running out of GI Bill money before they earn degrees, forcing them to choose between giving up and paying out of their own pockets (Marcus, 2017). If we are to reduce the waste it is important to ensure transferability and future opportunities.

As a population, enlisted service members are younger than officers and many do not have college degrees, with 52% of enlisted personnel being under 25 years of age and only 4.5% holding a degree. And although higher education is a logical path to post military employment, it may also cause unexpected frustrations and the feeling of "starting over" (Zogas, 2017) which many of our SDFLC constituents state is a non-starter as they need to generate income. Higher education will increase the chances of a well-paying job, but there is no guarantee that a degree leads to sustainable employment leaving our service members searching for part-time work or abandoning their degree altogether to search another path (Park, 2013). It is incumbent on the transitioning service member / student, the military and our institutions of higher learning to be honest with each other to ensure the pathways are consistent with the needs of the service member and not be perfunctory in assessing the needs of each. We suggest using the EDMIN / Journeys assessment tool.

For years, the narrative growing up in America has been to graduate high school, go to college, graduate then get a job. Many of our enlisted personnel didn't follow that path. Instead they became part of the all-volunteer force and spent anywhere from 4 to 20 years serving their country. Still, the narrative remains the same, albeit slight modified for military service. Go to the military, go to college, graduate then get a job. Let's try to change the narrative and truly work to help our service members succeed in the transition phase.

Alpha Path: Military Service, Assessment, Education, Graduation, Employment

Bravo Path: Military Service, Assessment, Employment in Vocational Program with continuing education

Charlie Path: Military Service, Assessment, Join Reserves or Guard, Education and/or Vocation

The SDFLC is committed to finding the right path of educational transition for each of its constituents and remains steadfast in support of all of its partners in higher education and the trades/vocations. We are constantly partnering strategically with organizations like BIOCOM to increase the awareness around STEM education while simultaneously working with Economic Development Corporations to increase awareness around open jobs in the blue collar sector; then identifying opportunities in each pathway. As part of any transition we encourage a sound education plan as well. We are resolute in ensuring that transitioning is as painless as possible and want our service members to explore every option available and do so with concrete data and knowledge, because knowledge is power.

Education planning	Make sure you understand your education benefits that can help you pay for college or vocational training. Consider transferring Post-9/11 GI Bill benefits to dependents. While you're still on active duty, take tests that can help you earn college credit or a license or certification, and find out whether any of your military training may be substituted for college credit.
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KPI's & Findings: Housing

There is a marked difference between buying a home and affording a home. As the housing market in San Diego continues to balloon with prices well above the national average (Molnar, 2017), it is important to work with our transitioning personnel on appropriate housing options. A trend we at the SDFLC have noticed is rooted in simple economics; moving out of the county or state in order to afford sustainable housing, yet more than half have expressed a desire to stay in San Diego (Thomas Jefferson School of Law, 2017). Nevertheless, across the United States cost increases are being realized and it's important for the transitioning service member to compare their needs and costs to where they want to live and work.

S&P CoreLogic Case-Shiller Indices for August 2017

Yearly increases by city

Seattle 13.2 percent

Las Vegas 8.6 percent

San Diego 7.8 percent

Denver 7.2 percent

Detroit 7.2 percent

Portland 7.2 percent

Dallas 7.1 percent

Boston 6.9 percent

Charlotte 6.8 percent

Tampa 6.8 percent

Los Angeles 6.1 percent

San Francisco 6.1 percent

Phoenix 5.8 percent

Minneapolis 5.6 percent

Atlanta 5.4 percent

Miami 4.9 percent

Cleveland 4.4 percent

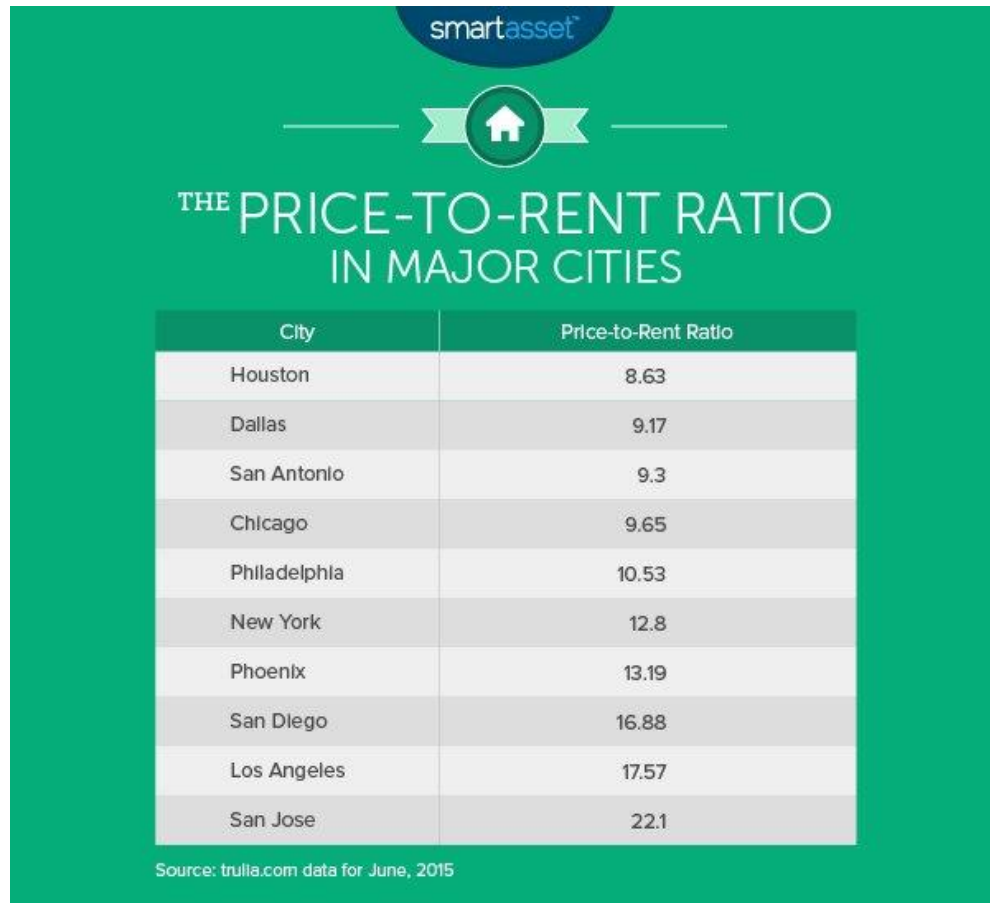
New York 4.4 percent

Chicago 3.7 percent

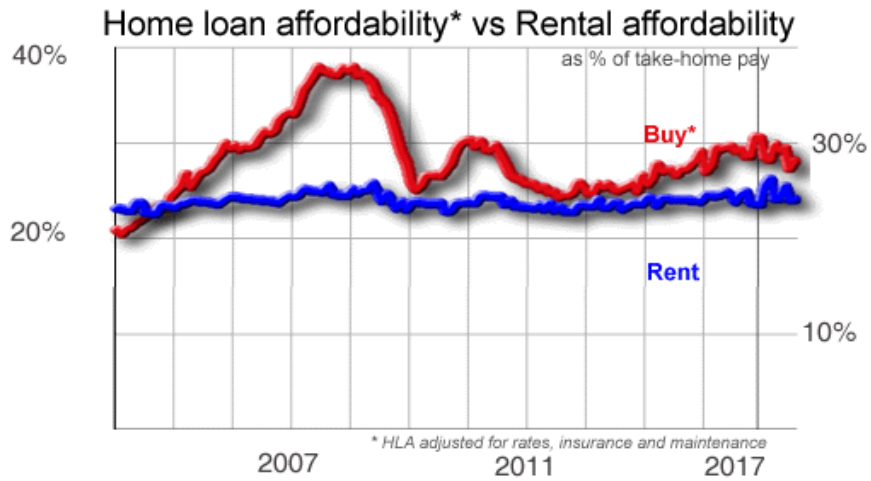
Washington D.C. 3.4 percent

Annual Percentage Increase in Housing Costs

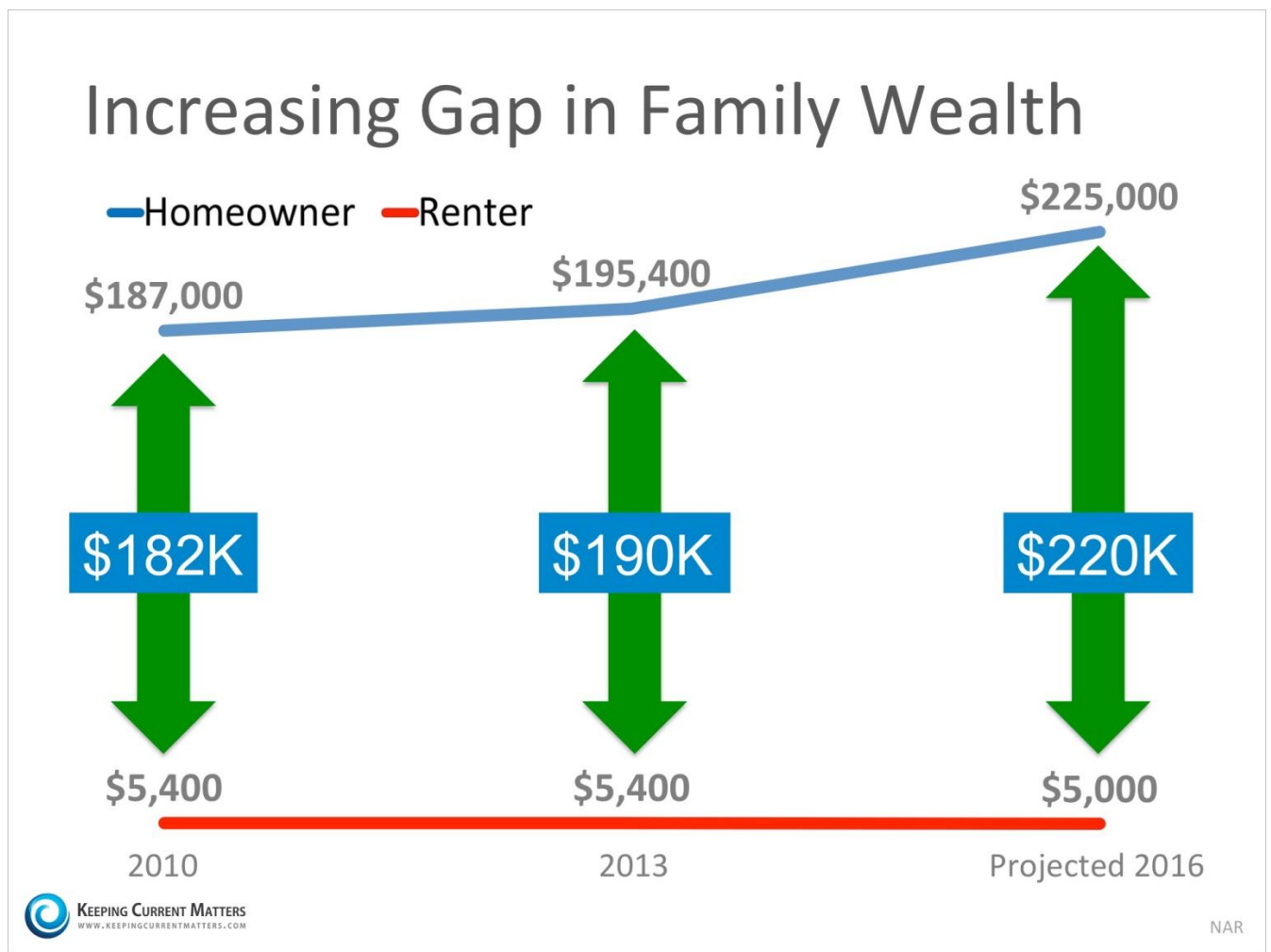
Over the past two years we have experienced many active, transitioning and veteran constituents who are struggling with increasing rents. With the average rent in San Diego for a 3 bedroom domicile around \$2,700 (Rent Cafe, 2017); we have partnered with several organizations to further education on the VA Home Loan Benefit. A key cog in affording a home is the ability to save money that can be used to cover the ancillary costs associated with ownership. As the fiscal responsibility of ownership shifts away from the landlord it is imperative to have a fund to handle these contingencies. We have found that over half of transitioning personnel are unaware of the myriad costs associated with home ownership and often times rely on credit cards or loans from financial institutions to handle basic maintenance.



Moreover, about 25% of transitioning and veteran personnel have concerns with not only affording a home/mortgage but also in covering basic household needs (NFCC: National Foundation for Credit Counseling, 2014). We feel it is important for our transitioning personnel to be adequately educated on the benefits of home ownership but also on the perils of home ownership. Allowing the service member to determine a rent vs. buy scenario empowers them to make smarter financial decisions for themselves and their families.



Conversely, we have also found that those personnel that have adequately prepared for the transition and are able to afford a home are able to exponentially increase their net worth. The average net worth of a homeowner is \$225,500 vs \$5,000 for a renter; a 45 x increase (Federal Reserve, 2016).



Developing collaborative partnerships with organizations such as Lincoln Military Housing is a key component of our ongoing education around housing. Many transitioning personnel will also need to start planning for college/future savings, retirement and also become debt free. Comparative data from national surveys and SDFLC surveys on similar ideology:

- 37% of service members are more worried today than a year ago (National)
- 41% in San Diego
- 31% of service member are concerned about unexpected expenses (National)
- 52% in San Diego – direct correlation to the cost of living we feel
- 22% worried about being able to make debt payments on time (National)
- 63% in San Diego – another correlation to cost of living.

With such stark contrast in the latter of the figures, we feel it is important to offer home buying education regularly and often. Through our partnerships with the Office of Military and Veteran Affairs and others; we plan to increase the frequency of this platform to further educate our transitioning service members on best practices and proper planning for home buying. As the fourth corner of a stable financial foundation, homeownership or stable housing is vital to a successful transition. Avoiding the stress of having to make decisions about paying bills, affording utilities and/or groceries is all part of the overall transition planning process and just as important as personal finance, employment and education.

OTHER METRO AREAS ARE MUCH CHEAPER THAN SAN DIEGO*

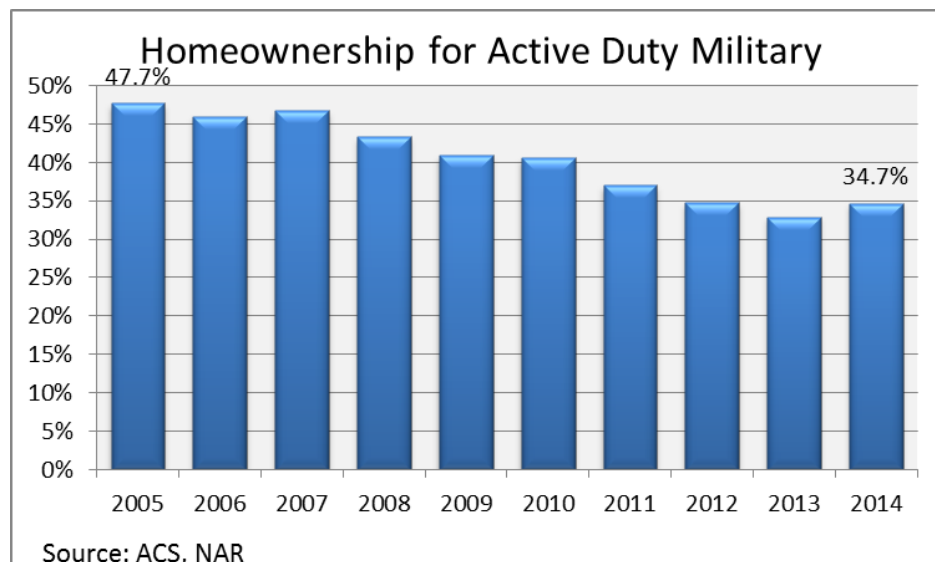
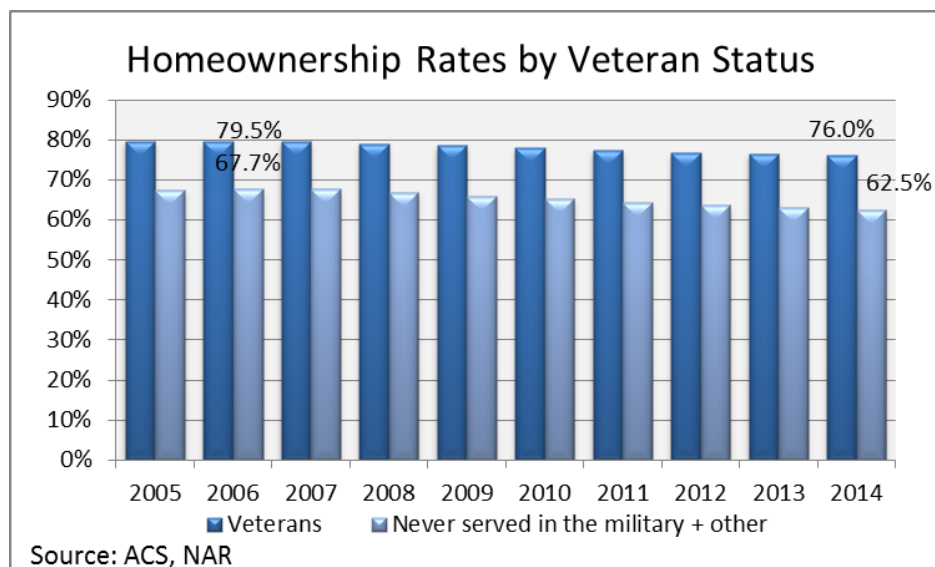
	Cost of living compared to San Diego	Housing prices compared to San Diego
Dallas	-36%	-73%
Denver	-21%	-40%
Phoenix	-37%	-72%
Minneapolis	-25%	-55%
Las Vegas	-34%	-70%
Boise	-31%	-61%
Chicago	-24%	-51%

*Assuming \$64,000 annual income

Source: Sperling's Best Places

Statistics show homeownership by veterans outpacing that of civilians and homeownership of active duty at historically low levels. We were unable to identify any correlating features but we also know that when in doubt, follow these seven steps:

1. Recognize the buying is a long-term commitment
2. Ask yourself the affordability question before you buy
3. Don't rush into the purchase
4. Focus on what you can afford and where
5. Maximize Tax Benefits
6. Build a move-in fund
7. When in doubt, rent



2018 SDFLC Signature Events

February: Financial Opportunity Clinic, Central San Diego

March: Financial Opportunity Clinic, San Diego Mesa College

SDFLC Education Luncheon & Boost for Our Heroes Presentation

April: Financial Opportunity Clinic, North County

May: Financial Opportunity Clinic

June: SDFLC Education Luncheon & Boost for Our Heroes Presentation

August: Financial Opportunity Clinic, East County

5th Annual Boost for Our Heroes Golf Classic

September: Financial Opportunity Clinic

SDFLC Education Luncheon & Boost for Our Heroes Presentation

October: Financial Opportunity Clinic, Central San Diego

December: Financial Opportunity Clinic

SDFLC Education Luncheon & Boost for Our Hero Presentation

About the Authors



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Chase is the Director of Community Outreach for the San Diego Financial Literacy Center. In this role, he serves as the organization's liaison to high schools, colleges, associations, local businesses, and the armed services community. He focuses on financial wellness, education, and awareness, and he oversees educational content, working with partners and officials to further the mission.

He earned a 1999 Emmy Award for the Padres 1998 season biography: "A Season of Heroes." Chase serves on the foundation board of Stone Ranch Elementary and on the San Diego Mesa College of Business Advisory Board. He lives with his wife, Keri and children, Clayton and Avery in 4S Ranch and received his bachelor's degree (BA) in communications from the University of San Francisco.



Brad Pagano

Brad is the Managing Director of the San Diego Financial Literacy Center. He is responsible for the development of the strategic partnership program, the administration of the corporate social responsibility (CSR) platform, as well as the oversight of development, events, external affairs and fiduciary outcomes.

He is a board member of the California Jumpstart Coalition and is a member of the San Diego Bowl Games Association and the Old Mission Beach Athletic Club. He received a bachelor's degree in International Relations from the University of Delaware, is a Certified Personal Finance Counselor and holds an MBA from Southern New Hampshire University. He lives in University City with his wife Sara and daughter Emma.



Felipe Arevalo

Felipe Arevalo is the Community Outreach Coordinator for the San Diego Financial Literacy Center. In this role, he serves as the organization's outreach event organizer, volunteer coordinator, presenter, social media and website upkeep and head Certified Personal Finance Counselor. He dedicates his time to providing financial education and awareness to military, youth and San Diego's low to moderate income populations through presentations and one on one consultations.

Prior to working for the San Diego Financial Literacy Center Felipe worked for four years for the AVID program in the Grossmont Union High School District. Working with youth has given him a unique way to connect when presenting to the younger demographics. He lives in Spring Valley with his wife Sarah and son Barrington. He has a bachelor's degree in Business Administration, Management from San Diego State University.



Christopher Dy

Christopher Dy is the Data Specialist for the San Diego Financial Literacy Center. He conducts all the analysis on surveys, social media metrics, and assists with any creative problem SDFLC may face.

He graduated from San Diego State with a bachelor's degree in Business Administration, Management with an emphasis in Entrepreneurship. He is applying his education by noticing the similarities between helping people and running a business. He recognizes the growing need to provide financial education and awareness in San Diego and aims to make a difference.

HOW YOU CAN HELP

As a private nonprofit, the SDFLC relies solely on the generosity of its community partners, corporate partners and individual donors to support our programming with both financial and pro-bono support. In order to provide the clear, customized, confidential and comprehensive platforms it is imperative that we continue to grow our reach and increase awareness about the challenges our constituents are facing in the realm of financial literacy and capability.

We value the myriad relationships that help us work towards our goals and accomplish our mission each day. Through the invaluable partnerships with our educational, military, corporate and nonprofit communities as well as our volunteers and generous and dedicated donors; the SDFLC is positioned to be a leader in the financial literacy arena for years to come.

We value the feedback from our friends, supporters, volunteers, and business alliances, and SDFLC will continue to grow and modify their strategies to provide resources, programs, and opportunities for our constituents to become and stay financially fit. Through contributions of time (building curriculum), talent (conducting workshops), and treasure (charitable donations), our partners are helping us build America's Finest Financially Literate City here in San Diego and helping us turn the tide across the state, region and country in the battle to increase our financial acumen one constituent at a time.

The SDFLC is licensed to conduct education and debt management in 47 states and works throughout California providing face to face to education. We have developed national partnerships and strategic relationships in order to expand our curriculum and expertise to other communities that are impacting our youth, military and low-income persons.

Our involvement with the California Jumpstart Coalition is vital to the long-term success of the program and is invaluable in providing advocacy and knowledge around financial literacy.

If you or someone you know has the ability to help the SDFLC this year or in the coming years, please visit our website at <http://www.sdfc.org/help-sdfc/> to learn more about our partnership, volunteer and donor opportunities.



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