

# Military Family Financial Readiness Report

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May 2024

# About Armed Forces Bank

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Founded in 1907 as Army National Bank and headquartered in Fort Leavenworth, Kansas, Armed Forces Bank as it was later rebranded is proudly serving active-duty, veterans, retirees, DOD, civilians, and their families in all 50 states and around the world for more than 115 years.

Armed Forces Bank has more than \$1.3 billion in assets and is a wholly owned subsidiary of Dickinson Financial Corporation, a unique \$3.9 billion banking franchise that serves clients nationwide through its retail and military banking subsidiaries. Armed Forces Bank's sister bank is Academy Bank, a retail bank in Kansas, Missouri, Colorado and Arizona.

We are with our clients through every stage of life, from active to retired, enlisted or officer. Our values align with theirs. Because **This is who we are.**

**Purpose:** As a family-owned bank, our mission is to provide a superior banking experience through fast, easy, and personal service that is welcoming to all.

**Vision:** Serving those who serve.

**Mission:** Providing the highest quality of service to those who have served, are serving, or are related to someone who serves because they deserve the best we have to offer. We will be the best we can every single day and live the values of respect, duty, loyalty, service, integrity, and commitment in everything we do.

**Values:** With approximately 75% of our team being affiliated with the military in some way, we express through our own service our appreciation for the uniqueness that comes with the military way of life.

# Introduction

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Military families face unique financial challenges due to the nature of their service, including frequent relocations, deployment, and potential changes in income. Understanding their attitudes toward financial readiness is crucial for providing tailored support and services.

This white paper delves into the attitudes and challenges surrounding financial readiness within military families. Based on comprehensive survey data, it examines the prevalent financial products, the importance of homeownership, challenges faced with current financial products or services, confidence levels post-military service, preferred resources for financial insight, and the impact of military experience on financial habits. The paper concludes with a focus on the values of financial stability and security within the military community.

## **Demographics & Methodology**

The survey was fielded online in April 2024 with more than 200 active participants. It was a condition of the survey that respondents must be connected to military life. The most common respondents were veterans (26.23%), followed by retired military (23.77%), and active duty (16.80%).

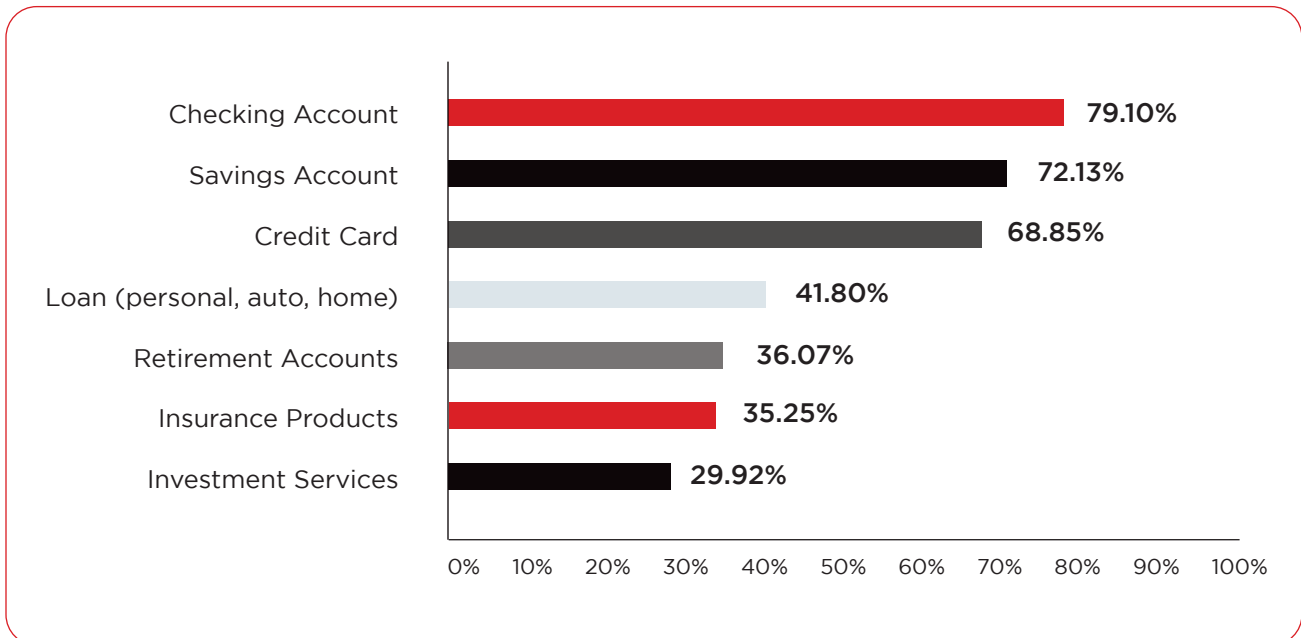
# Financial Product Usage

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The most commonly used financial products among military families include checking accounts, savings accounts, and credit cards. Retirement accounts, insurance products, and investment services are less common, indicating potential areas for improvement in financial planning and wealth-building strategies

## What financial products are you currently using? Select all that apply.

Answered: 244



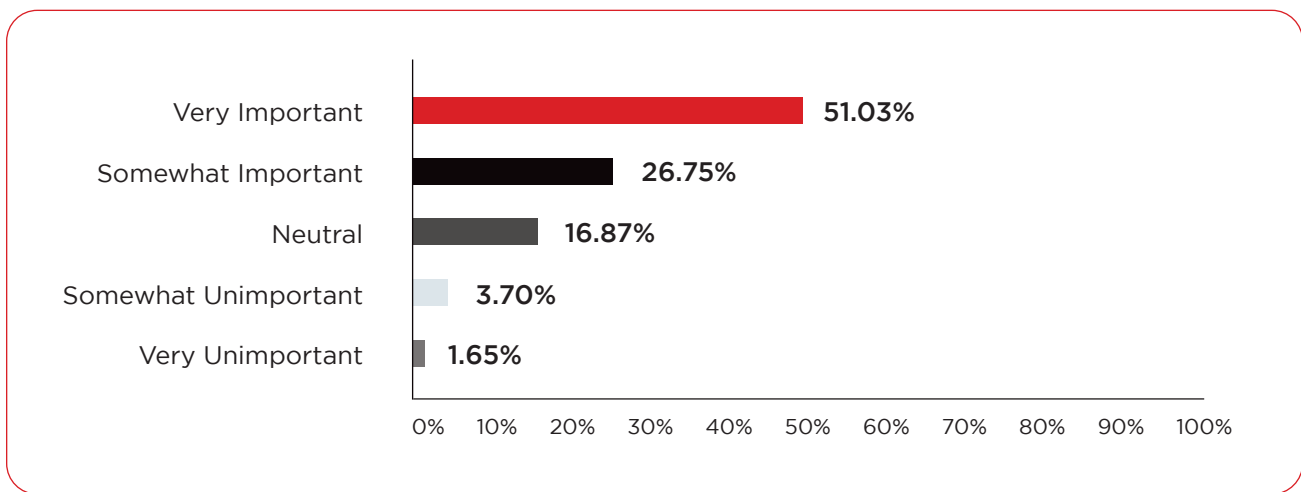
# Importance of Homeownership

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Homeownership holds significant importance for military families, mirroring broader sentiments in the United States. Surveys consistently show that homeownership is perceived as a crucial aspect of the American Dream, highlighting its symbolic and financial significance.

## How important is it to you to own a home?

Answered: 243



A study conducted by the National Association of Realtors (NAR) in 2021 found that nine out of 10 Americans believe that owning a home is a good financial decision. While this statistic doesn't directly address the importance of homeownership, it underscores the positive perception of homeownership's financial benefits, which aligns with the belief in its overall importance. Despite this importance and the benefits offered by the Veterans Benefits Administration, only six percent of the more than 21 million veterans and service members in the U.S. today have used their benefit.

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“It’s hard for military families to decide to buy or rent because they move so frequently, – my role as a loan officer and military spouse is to provide education and support to help clients make the right choice for them.”

**Melanie Aguto**

Senior Loan Officer at Armed Forces Bank  
& Top 50 Scotsman Guide VA Lender

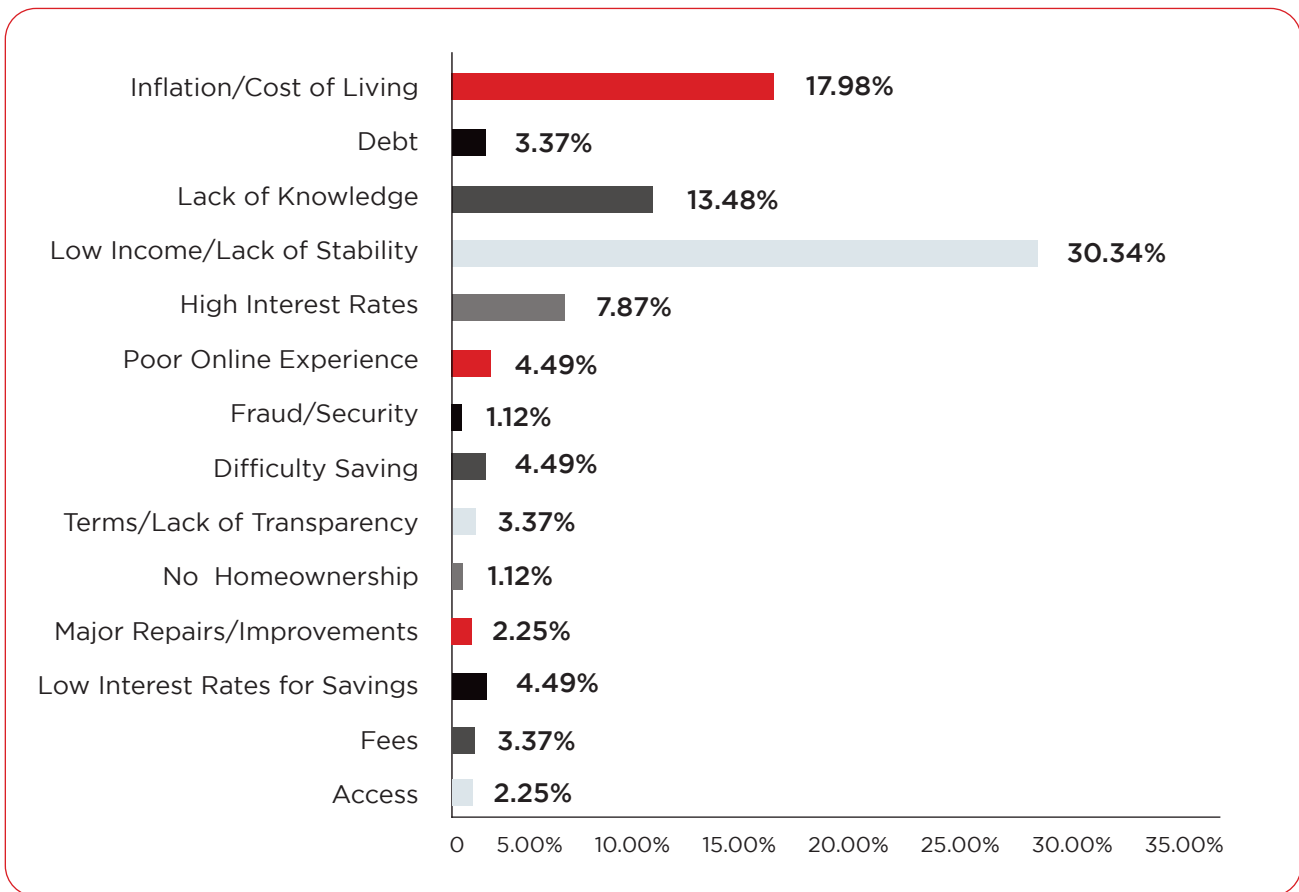
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# Challenges Faced

Military families encounter various external and internal challenges in managing their finances. External factors such as inflation, economic fluctuations, and high interest rates pose macro-level challenges. At the bank level, issues like poor online experiences and lack of transparency contribute to dissatisfaction. Internally, low income, debt, lack of knowledge, and unexpected expenses present significant hurdles.

## What are the primary challenges you face with your current financial products or services?

Answered: 212



These challenges lead to persistent difficulties in saving for military families. According to a [2021 survey by the Military Family Advisory Network](#), half (51.2%) stated that they have had trouble saving money over the past two years, and more than half (57%) have experienced financial emergencies in the past. There is a critical need to find new ways to empower these families to secure their financial futures.

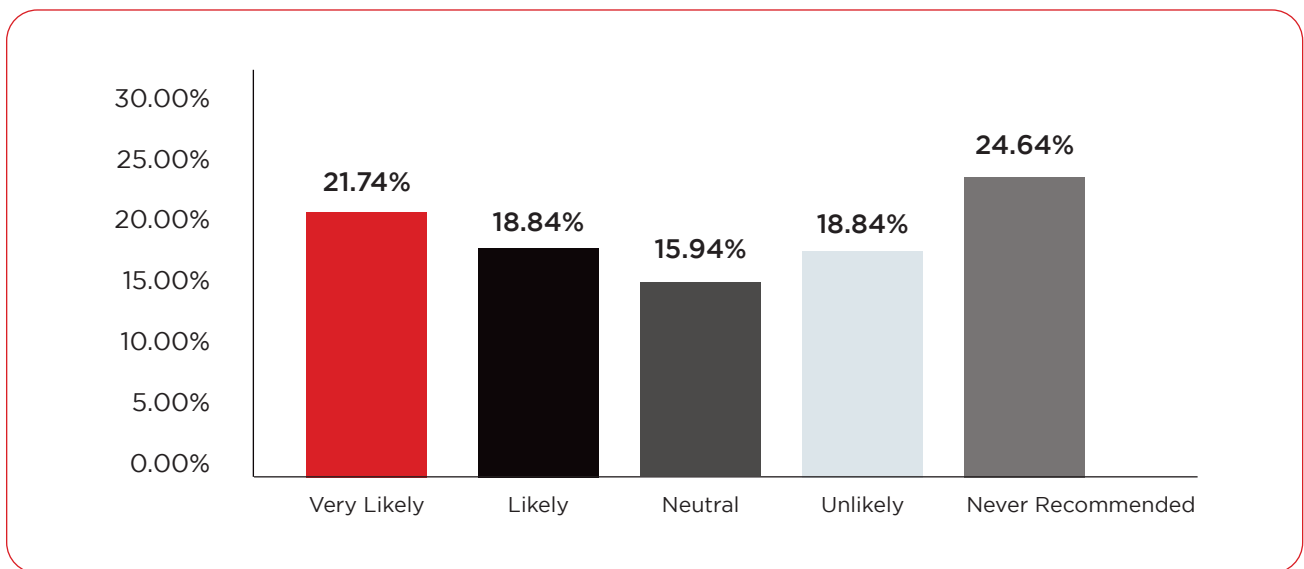
## Provider Satisfaction & Preferred Resources

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A notable proportion of military members are dissatisfied with their current financial providers, indicating unmet needs. This is in contrast to eight in 10 Americans who report that they are “very satisfied” or “satisfied” with their primary bank in a survey conducted by Morning Consult on behalf of the American Bankers Association.

### How likely would you be to recommend your current financial provider and why?

Answered: 210



That disconnect may explain why, when seeking financial insight, family and friends are the primary sources for these respondents, followed by financial advisors, bankers, and media.

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“Such a friendly competent staff who greets you when you walk thru the door. They put forth a very calming approach and make you very comfortable... Of course, I realize that any business connected to our Military is better than average because of their association with the military.”

**Armed Forces Bank Client**

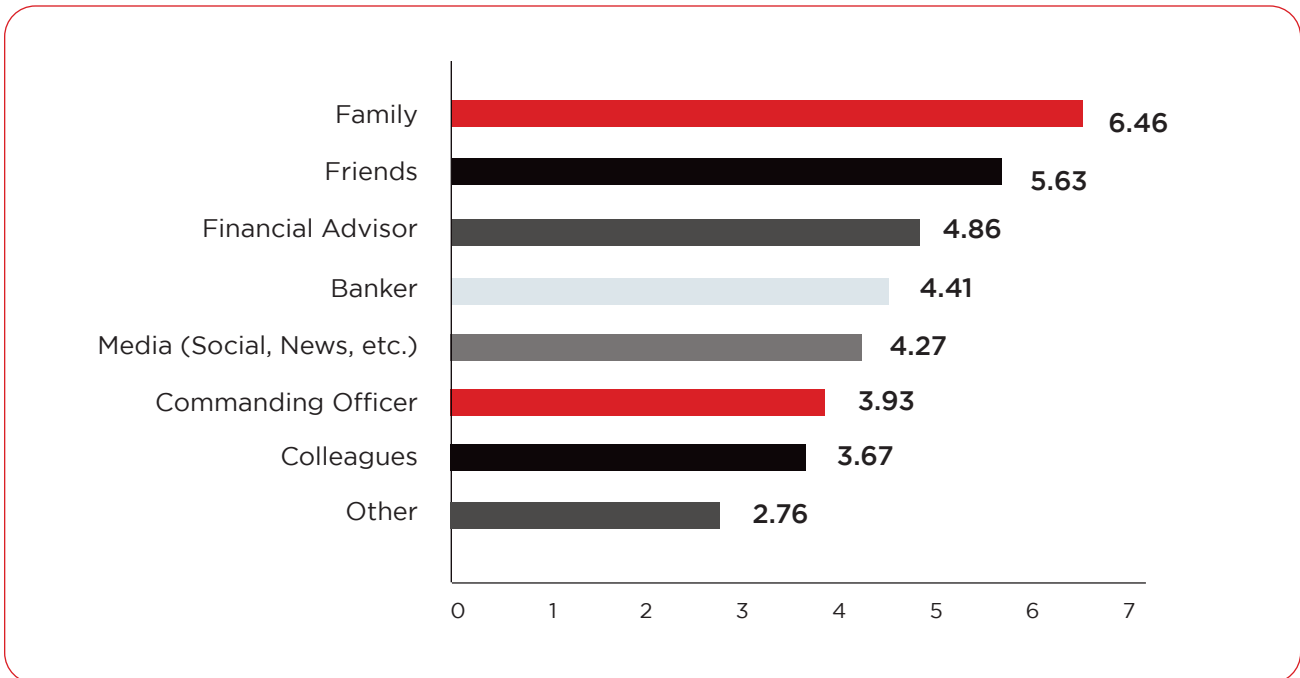
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# Provider Satisfaction & Preferred Resources

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**Please rank who influences your financial decisions from most to least.**

Answered: 244



Respondents consider the most important aspects of a banking service low fees and customer service. It's closely followed by online banking convenience and interest rates. These results are consistent with other surveys including [The Motley Fool Ascent's 2024 Digital Banking Trends and Consumer Priorities](#) survey, where security and fraud protection, quality customer service, mobile and online access, and low fees rank as the top four factors that determine bank choice.

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“Being a member of the military community, it’s easier to deal with Armed Forces Bank. I think that AFB understands the complex problems/issues that military members may have”

**Armed Forces Bank Client**

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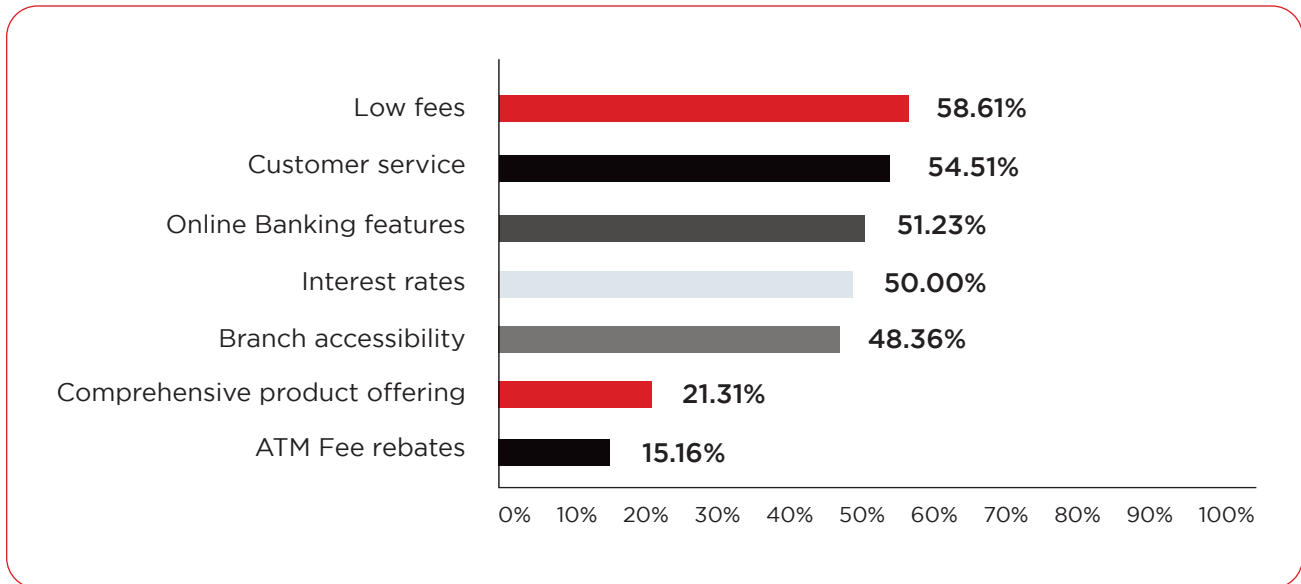


# Provider Satisfaction & Preferred Resources

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**What aspect of a banking service are most important to you?  
Select all that apply.**

Answered: 244



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“We offer financial products that are easy to understand. Financial readiness means having peace of mind that your checking account has no monthly service charge and no minimum balance requirement. Financial readiness means having the financial freedom to access and move money seamlessly. Our commitment is to provide exceptional service from bankers that understand the military lifestyle.”

**Tom Mclean**  
Military Regional Executive

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# Impact of Military Experience on Financial Habits

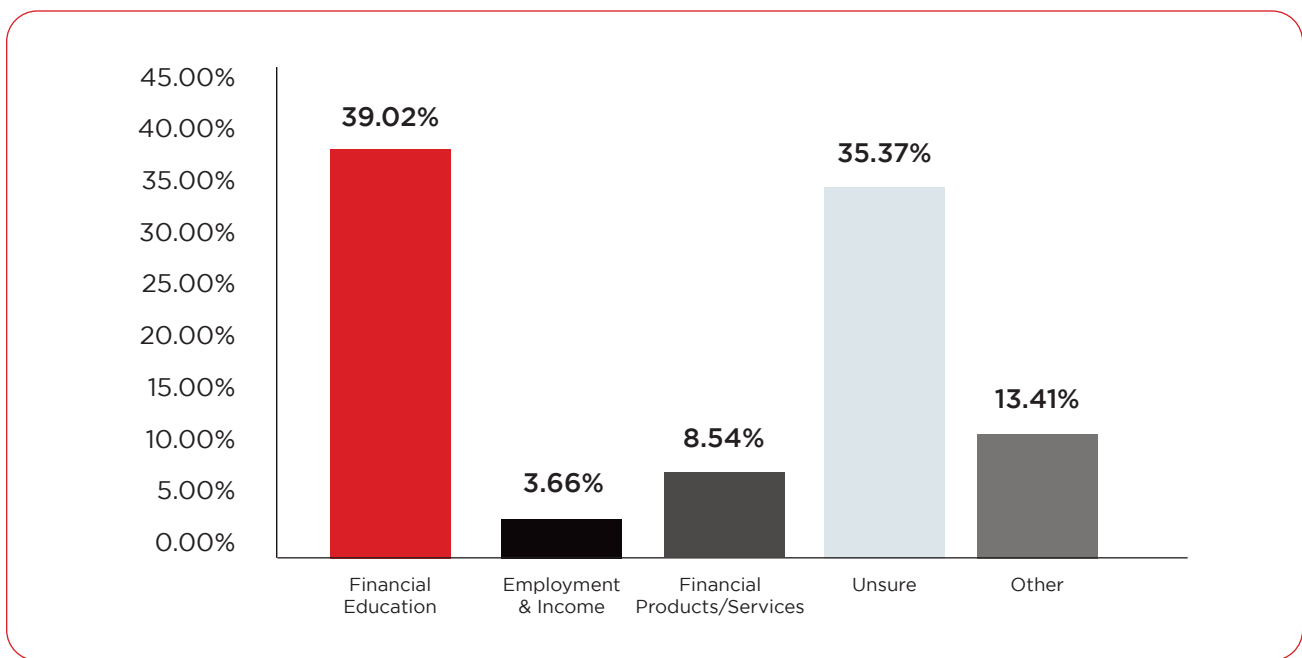
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While most respondents (41.05%) view their military experience positively, citing benefits such as discipline and preparation, a significant minority (27.37%) attribute negative influences, such as a scarcity mindset or being stuck in low-paying careers, to their service.

Regardless of positive or negative perceptions of the impact of military experience, less than a quarter of respondents feel very prepared regarding financial readiness post-military service, with concerns ranging from job security to access to resources. Financial education emerges as the most sought-after resource for preparing for the future.

## What resources or assistance would you find most helpful in preparing for your financial future?

Answered: 185



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“We take pride in giving back to the community with a focus on meeting the needs of our veterans, active-duty service members and their families. We actively seek out opportunities to make a difference in the areas of food insecurity, improving mental health, veteran homelessness, and affordable access to emergency funds. We have a long history of supporting the military community because this is who we are.”

**Paul Holewinski**  
Chief Executive Officer

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# Impact of Military Experience on Financial Habits

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## What factors contribute most to your confidence or lack thereof in your financial future post-military service?

Answered: 198

### Financial Literacy & Planning

- Lack of financial education and knowledge about managing money.
- Concerns about not having a financial plan or savings for the future.
- Uncertainty about how income will change and if it will support family needs.

### Employment & Income

- Job security and availability of employment opportunities.
- Low pay, inflation, and concerns about financial stability.
- Difficulty finding work or obtaining a well-paying job post-military service.

### Government Support & Benefits

- Dependence on government assistance and benefits for financial security.
- Perception of government's ability to provide help and resources.

### Economic Factors

- Overall economy, including inflation, rising living costs, and economic uncertainty.
- Impact of political factors, such as changes in leadership (e.g., Biden presidency).

### Personal Circumstances & Experience

- Individual experiences with military service and its influence on financial habits.
- Past financial struggles or lack of resources affecting confidence in the future.
- Learning from others' experiences and observations of financial challenges.

### Access to Resources & Information

- Availability of financial resources, including savings, GI bill, & military-specific services.
- Importance of having a good job and stable housing situation for financial confidence.
- Need for clear information and guidance on financial matters post-military service.

### Uncertainty & Lack of Clarity

- Uncertainty about the future, including job prospects, income stability, & financial planning.
- Lack of clarity regarding available options for financial assistance and support

Overall, financial stability and security are highly valued by former or current military members, providing them with peace of mind, freedom from worry, and the ability to take care of themselves and their families. Retirement comfort and future planning are also significant considerations for many.

# Conclusion

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Financial stability and security are paramount for military families, providing peace of mind and the ability to support themselves and their loved ones. Addressing the challenges faced and providing targeted resources, particularly financial education, can significantly improve the financial well-being of military members and their families.

In summary, understanding and addressing the financial needs and challenges of military families is essential for supporting their overall well-being and ensuring a smooth transition to civilian life.