

# VETERANS

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## Financial Preparedness

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# REPORT 2019



LEGIONNAIRE  
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TRUST

FOR

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The American Legion



## Objectives and Methodology

### Study objectives

The *Veterans Financial Preparedness Report 2019* is the first quantitative study of U.S. veteran military families examining the unique financial planning needs, concerns, attitudes and behaviors of this community. The study is designed to provide benchmarks and insights that U.S. military families (both veteran and active-duty) can use as a tool in their own financial planning, particularly when planning for the unexpected and for retirement.

### Study methodology

The report is the result of a national email survey sent to veterans in 2019. Respondents were aged 26-79. Results were analyzed in the aggregate and by age, gender, years served, and military branch, among other factors. Survey data collected through Qualtrics®. Total sample of N=1,507. Results analyzed at a 95% confidence interval; +/- 2.52% margin of error.

### Study sponsorship

This report is brought to you by the ***Legionnaire Insurance Trust for the Departments of The American Legion.***



Founded in 1965, the non-profit *Legionnaire Insurance Trust* is comprised of 50 Departments of The American Legion representing some 1.5 million members.

We're inspired by the community of veterans still serving in America.

For over 50 years, the *Legionnaire Insurance Trust* has been delivering peace of mind and financial support for veterans, their families and the Departments of The American Legion.

We craft benefit programs that help veterans protect what they value most and have returned nearly \$90 million to the Departments of The American Legion for programs in communities across the nation.

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### ***The American Legion is organized into 55 departments,***

with one operating in each of the 50 states, the District of Columbia, Puerto Rico, France, Mexico and the Philippines.

Each department of The American Legion serves Legion members through individual posts in that state, and each post serves their community through the sponsorship of wholesome programs, mentoring youth and community service projects.

The Departments of  
The American Legion



As a result of the LEGION Act (Let Everyone Get Involved In Opportunities for National Service Act) passed in 2019, Congress expanded the current membership eligibility period to cover Dec. 7, 1941 to the present, and includes current war campaigns.

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## Introduction

**When servicemembers leave the U.S. Armed Forces, how prepared are they to achieve their personal financial goals?** This first-ever study of veterans' financial fitness is designed to answer that question and take a critical look at the complex factors that come into play for veterans' financial planning.

The *Veterans Financial Preparedness Report 2019* was prepared by the **Legionnaire Insurance Trust for the Departments of The American Legion** in celebration of the Legion's 100th anniversary. The goal of the report was to use the data gathered to provide meaningful financial benchmarks and practical insights to help veteran families increase their knowledge and confidence in preparing for a secure retirement.

For this report, the Legionnaire Insurance Trust worked with global market research firm Mintel to survey 1,507 veterans of a wide range of ages from across branches of the U.S. Armed Forces, ranks, civilian occupations, employment status and familial status to understand the personal financial pictures of veteran families.

### **Key take-away**

When it comes to financial preparedness, personal responsibility is at the heart of veterans' success. We found that those who take charge of their finances through personal education, saving early and working with a financial advisor are in a position of confidence about the financial futures of their families. Of particular importance, the U.S. Armed Forces, veterans' organizations and other nonprofits stand ready to help provide a solid foundation of financial preparedness.

**Special thanks** go to the **1,507 veterans** who took the time to give back to the veteran community by participating in this survey and to **Chief Warrant Officer of the Army Reserve Russell Simmons, MBA, CERTIFIED FINANCIAL PLANNER™** who donated his time and expertise.



**J. Christopher Burke, FLMI**

Administrator, Legionnaire Insurance  
Trust Insurance Program

# U.S. MILITARY VETERANS: Respondent profile

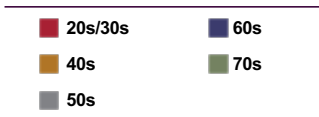
Base: 1,507

This report includes responses from 1,507 veterans of the U.S. Armed Forces, representing the largest branches of the military and a wide range of ages, lengths of service, ranks, education and civilian careers.

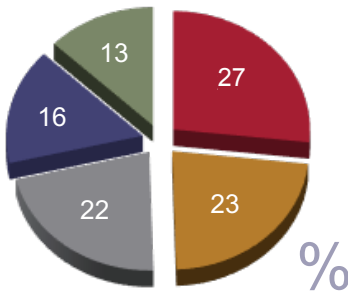
Note: Numbers may not add to 100% due to rounding.

## Personal background

### AGE



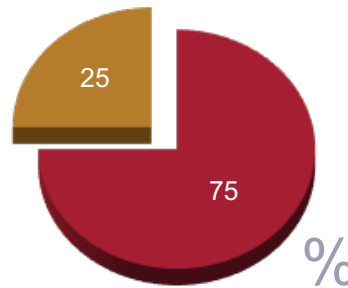
Base: 1,507 (Total)



### GENDER



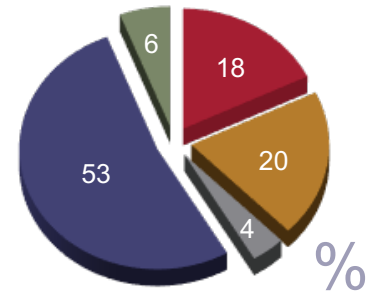
Base: 1,507 (Total)



### MARITAL STATUS



Base: 1,507 (Total)



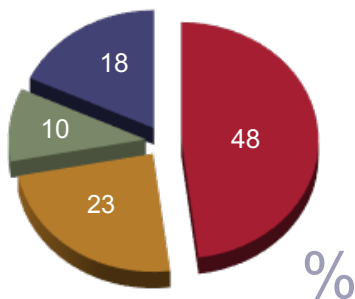
\*Female survey respondents represented a larger percentage than in the national veteran community due to oversampling.

## Military service

### BRANCH OF THE ARMED FORCES



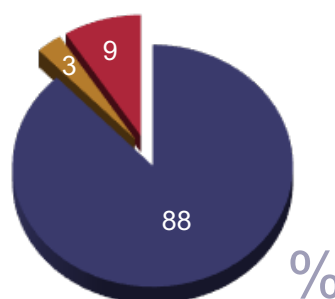
Base: 1,507 (Total)



### RANK



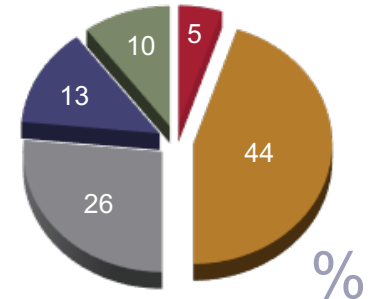
Base: 1,507 (Total)



### YEARS OF SERVICE



Base: 1,507 (Total)



# U.S. MILITARY VETERANS: Respondent profile (continued)

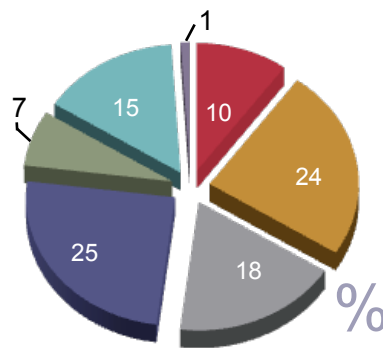
Base: 1,507

## Civilian education and employment

### HIGHEST LEVEL OF CIVILIAN EDUCATION

- Advanced degree
- Vocational/trade school
- Bachelor's degree
- HS diploma or GED
- Associate's degree
- Some high school
- Some college

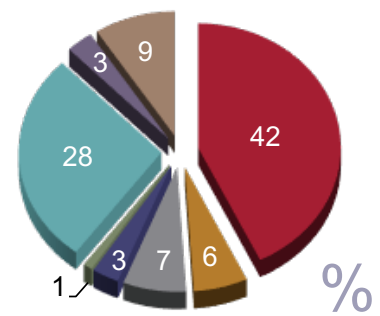
Base: 1,507 (Total)



### EMPLOYMENT STATUS

- Employed (Full Time)
- Student
- Employed (Part Time)
- Retired
- Self-Employed
- Unemployed
- Homemaker
- Disabled

Base: 1,507 (Total)



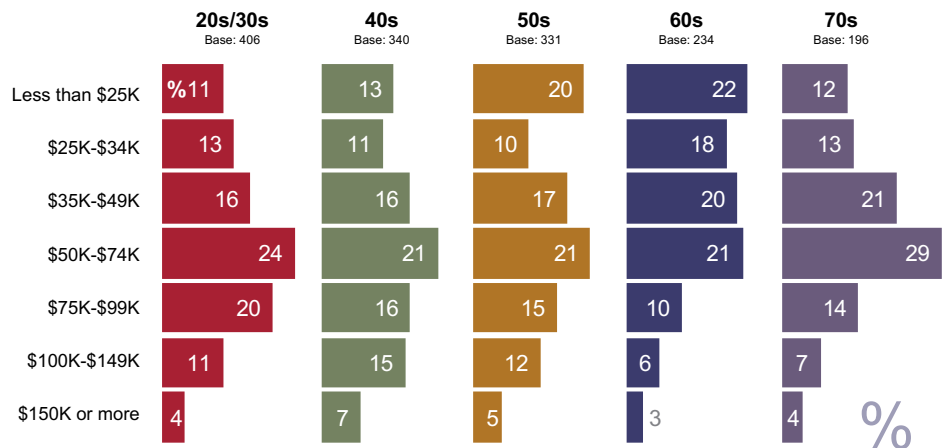
## Household income

Veterans come from a variety of circumstances when it comes to their background, family situation, education and civilian career, which is reflected in their household income.

### 2019 VETERAN HOUSEHOLD INCOME BY AGE BAND

Research showed veterans are most often employed in the following industries:

Construction and mining, manufacturing, retail, transportation and warehousing, information/data systems, hotel/foodservice, government, and skilled trades.



The mean household income amount for all veterans surveyed was approximately **\$64,400**.

## KEY FINDINGS: Personal finances

### Top financial concerns

Regardless of age, gender or household income, the **No. 1 financial concern for veterans is having enough money for a comfortable retirement**, followed closely by being able to fund long-term health care expenses, meeting financial obligations each month, having enough insurance and paying off debt.

For about one-third of veterans, funding college expenses for their children or grandchildren and/or financially providing for elderly parents adds additional dimension to their personal financial concerns.

### Knowledge of personal finances

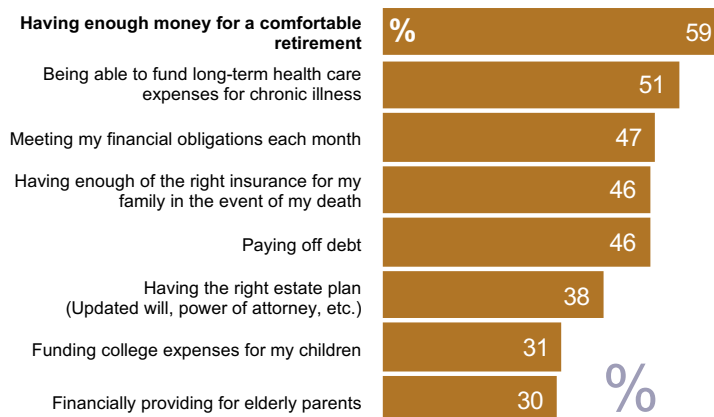
While veterans can feel very or somewhat knowledgeable at any age, there is a direct correlation between how knowledgeable a veteran feels and how they are faring on their retirement journey.

When asked if they thought veterans have unique or more complicated retirement planning needs, about one-half say yes. Those who considered themselves knowledgeable were also more likely to say retirement planning is different for U.S. veteran families.

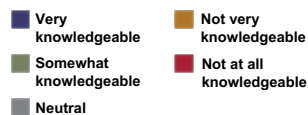
### TOP FINANCIAL CONCERNS OF U. S. VETERANS

#### Very concerned or somewhat concerned

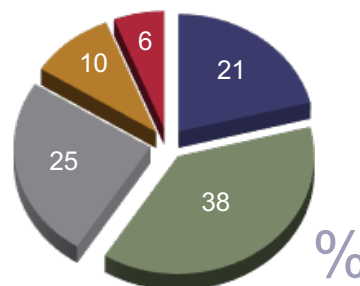
Base: 1,507 (Total)



### KNOWLEDGE OF PERSONAL FINANCES



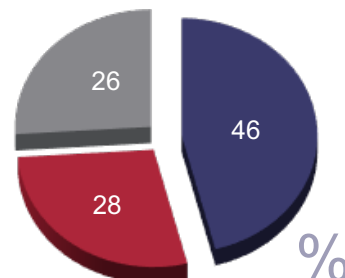
Base: 1,507 (Total)



### DO VETERANS HAVE UNIQUE OR MORE COMPLICATED PERSONAL FINANCES?



Base: 1,507 (Total)



## KEY FINDINGS: Personal finances (continued)

### Financial education in the military

For the past 20 years, the military has increased the availability of financial literacy education opportunities and resources on installations as a way to help servicemembers gain confidence and build knowledge.

Research shows that younger veterans took advantage of many of the education opportunities. For older veterans, such education was not available during their service.

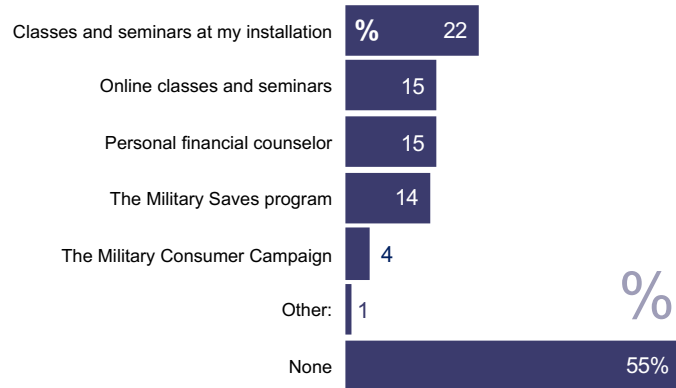
### Use of financial advisor

While less than one-third of veterans work with a professional financial advisor for their personal financial and retirement planning matters, those who do are overwhelmingly satisfied with this decision.

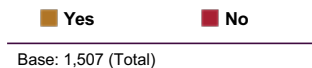
Among those who choose not to work with an advisor, the main reasons are related to a belief that they don't need one. 20% say they would rather do it themselves.

### MILITARY-SPONSORED FINANCIAL LITERACY EDUCATION AND OPPORTUNITIES

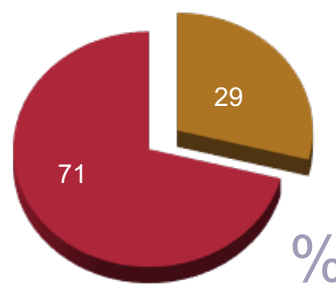
Base: 1,507 (Total)



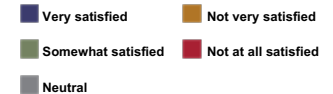
### WORK WITH FINANCIAL ADVISOR



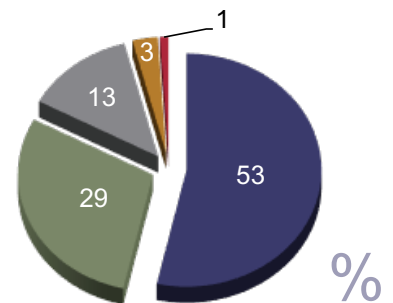
Base: 1,507 (Total)



### SATISFACTION WITH ADVISOR

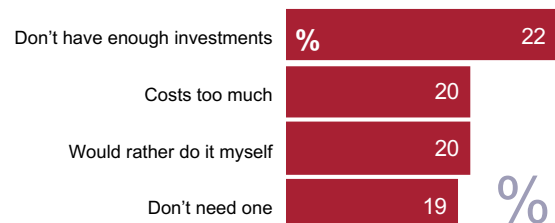


Base: 434 (Use financial advisor)



### MAIN REASON FOR NOT WORKING WITH AN ADVISOR

Base: 1,073 (Don't use financial advisor)



## KEY FINDINGS: Retirement & Savings

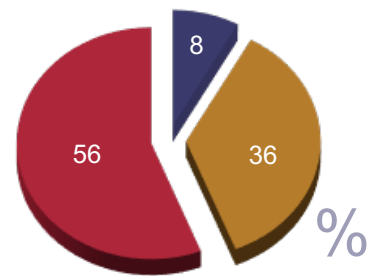
### Retirement plan status

Importantly, when asked how they would describe the overall status of their financial picture for retirement, **more than one-half (56%) of U.S. veterans consider themselves behind where they need to be.**

### STATUS OF RETIREMENT PLANS

■ Ahead   ■ Behind  
■ On track

Base: 1,093 (Excludes "Retired")

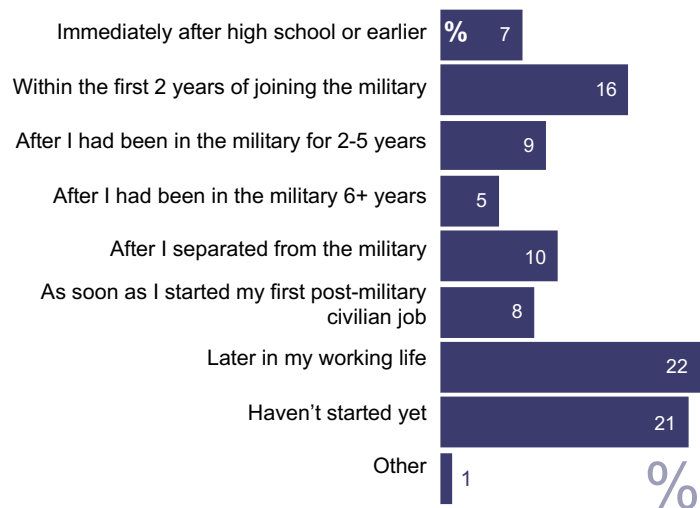


### When started saving

More than 20% of veterans haven't started saving for retirement yet, and 22% didn't start saving until later in their working life.

### WHEN STARTED SAVING FOR RETIREMENT

Base: 1,507 (Total)





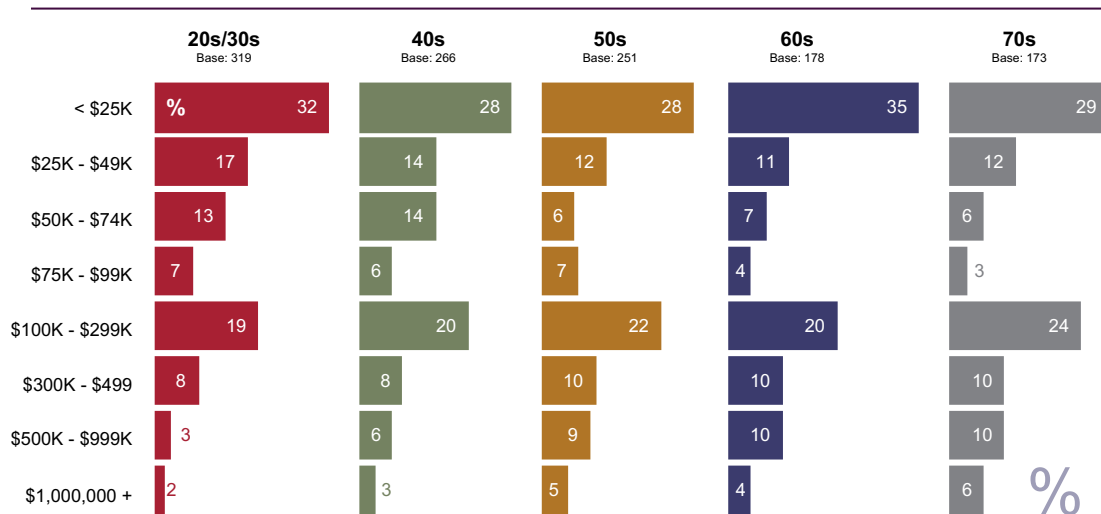
## KEY FINDINGS: Retirement & Savings (continued)

### Value of retirement portfolio

Veterans shared the approximate value of their total current financial portfolio for retirement, including TSP investments, and other civilian investments, such as 401k and IRA.

Pensions, whether military or civilian, are not included.

### 2019 VETERAN RETIREMENT PORTFOLIO VALUE

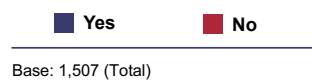


The mean portfolio value for all veterans surveyed was approximately **\$188,000**.

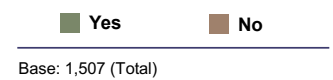
### Military and civilian pensions

Since most veterans in the survey served fewer than 20 years prior to separating from the military, only 30% of veterans receive or expect to receive a military pension. 39% receive or expect to receive a pension from their civilian employer.

#### MILITARY PENSION



#### CIVILIAN PENSION

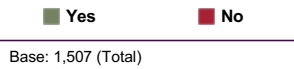


## KEY FINDINGS: Retirement & Savings (continued)

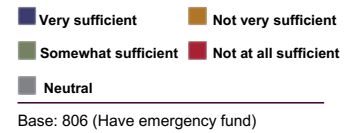
### Personal savings

More than one-half of veteran military families have a liquid emergency savings fund (a special fund set aside and accessible exclusively for emergencies), and most of those families feel the amount in their fund is sufficient.

#### EMERGENCY FUND IN PLACE

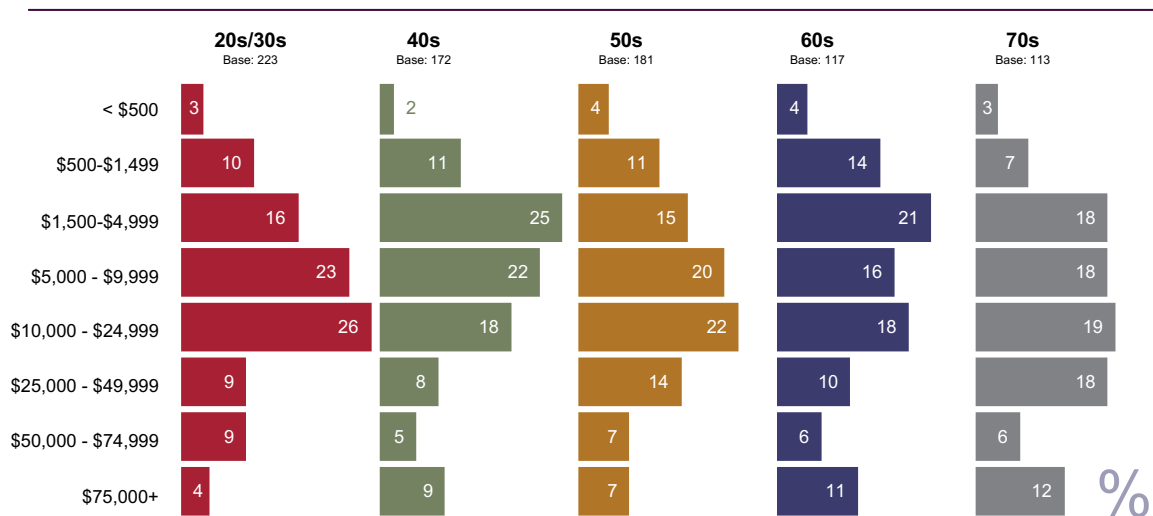


#### HOW SUFFICIENT ARE YOUR EMERGENCY SAVINGS?



Younger veterans are significantly more likely to keep more money in their emergency fund savings account.

#### EMERGENCY FUND AMOUNT



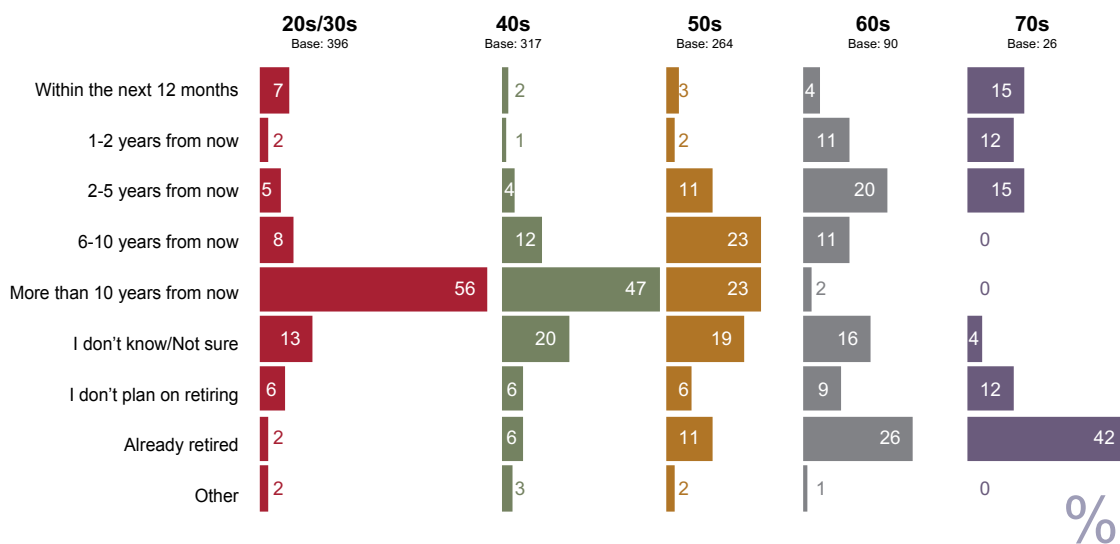
The mean emergency fund amount for all veterans surveyed was approximately **\$21,200**.

## KEY FINDINGS: Retirement & Savings (continued)

### Retirement timing

More than one-half of veterans say they plan to retire more than 10 years from now, they're not sure or they don't plan on retiring.

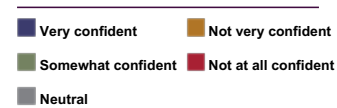
#### WHEN VETERANS PLAN TO RETIRE



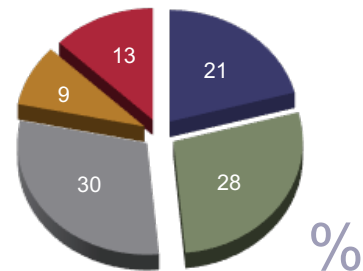
### Veteran retirees' confidence

Nearly one-half of military veterans who have already retired are very or somewhat confident that their savings will last throughout their retirement. Retired veterans who are knowledgeable about personal finances are more than twice as likely to say they are confident their savings will last.

#### RETIRES' CONFIDENCE THEIR SAVINGS WILL LAST



Base: 414 (Retirees)



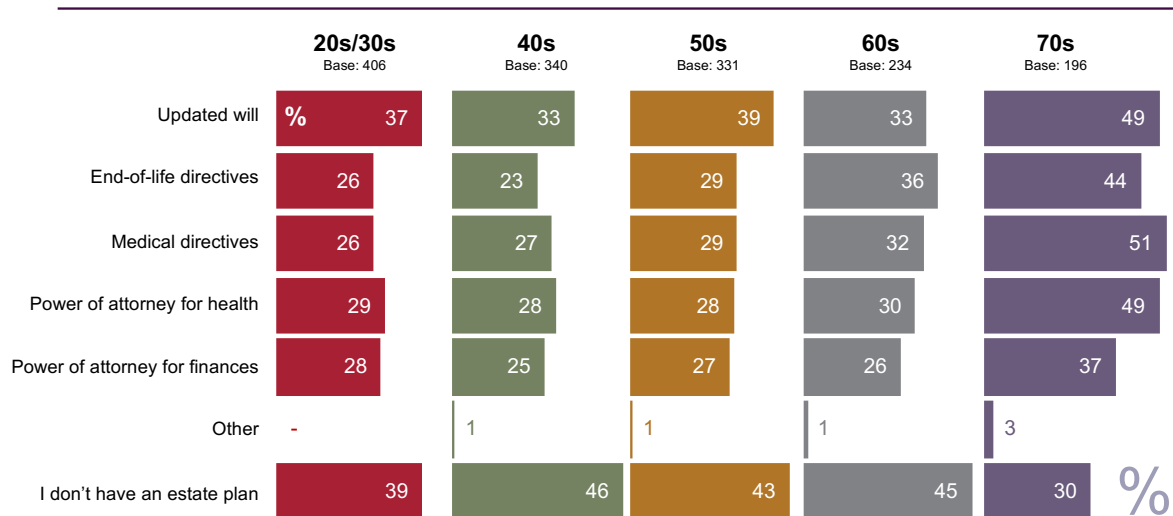
## KEY FINDINGS: Retirement & Savings (continued)

### Estate plans

Most veterans have not planned for their end-of-life estate needs. Only 37% have a current will in place, and fewer than one-third have medical or end-of-life directives or powers of attorney.

**Overall, 41% of veterans do not have a single estate plan in place.**

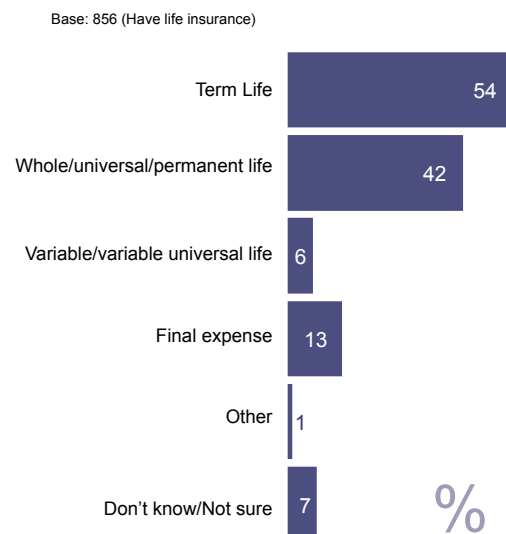
#### ESTATE PLANS



### Insurance protection

**57% of veterans carry life insurance, and most policies are term life or whole/universal permanent life insurance.**

#### TYPES OF LIFE INSURANCE





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## 5 ATTRIBUTES

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# of Financially Prepared Military Veteran Families



Traits that can serve members of the U.S. Armed Forces well during their time in the military can also give veterans a great advantage in financial preparedness.

Research from the *Veterans Financial Preparedness Report 2019* indicates that veteran families who take an active responsibility in charting their course toward financial health are generally in a stronger position to weather the unexpected situations life throws their way and achieve the retirement they have been working toward.







**Meet CERTIFIED FINANCIAL PLANNER™**  
**RUSSELL SIMMONS**

Chief Warrant Officer Russell Simmons, MBA, CFP® donated his time and expertise in providing financial advice for this Report.

Simmons joined the military in 2002 and is a combat veteran who served three deployments in support of Operation Iraqi Freedom and Operation Enduring Freedom. He currently serves in the Army Reserve in addition to his civilian job as regional manager in the Planning and Portfolio Group at Charles Schwab, where he creates financial plans, customized portfolios and wealth management solutions for clients.

“ *After I returned from my second deployment, I was at a wedding. A little kid said he heard I was in the military, and he asked if I had been scared.*

*My answer was that I went through lots of training and preparation, so I was ready for what might happen,*

*We need to prepare like this with our finances so we can achieve success.* ”

## Sharing a passion for veterans’ financial preparedness.

***“Just as servicemembers get a periodic health assessment to ensure medical and dental readiness in the military, I think everyone needs a periodic financial assessment to help ensure they can meet their financial goals and are prepared for retirement.”*** says Simmons.

That’s advice he is passionate about sharing.

***“I made it a goal to help others. It’s my natural inclination, passion and life’s desire. I’ve been helping people with financial planning for a long time and want to continue serving military personnel in this way.”***

Simmons helps veterans through a variety of volunteer work. In addition to his role as co-chair of the Schwab Military Veterans Network, which helps veterans transition to civilian jobs and transfer skills they learned in the military, he partners with nonprofits to provide pro bono financial literacy classes and financial planning to active-duty and veteran servicemembers.

## The attributes

For veterans of all ages, the No. 1 personal financial concern is having enough money for retirement, followed by funding their long-term care expenses.

Still, 56% of U.S. veterans say they are behind where they need to be to feel financially prepared for retirement.

By analyzing the personal financial attitudes and behaviors of those veterans who say they are on-track or ahead of schedule for retirement, we identified 5 attributes that financially prepared military families share.

This report explains these attributes and provides insights about becoming more financially prepared:

1. They are knowledgeable about personal finances
2. They started saving early
3. They revisit their financial plans frequently
4. They work with a professional financial advisor for expert advice
5. They protect their family with an emergency fund and life insurance

## Veterans share what they've learned

When the 1,507 veterans who participated in this survey were asked if they had personal financial advice for military families just starting out, they offered a wealth of insights. Some of their top advice is included throughout the following pages of this report.



### VETERANS' ADVICE

***“Take advantage of all the programs that the military offers.”***

***“As much as you think you need to do, in reality, it's probably way more. Use any and every opportunity and resource you can access or utilize.”***

***“You must approach your finances from various angles to be effective.”***

***“Make your life easier in the future by preparing for your future.”***

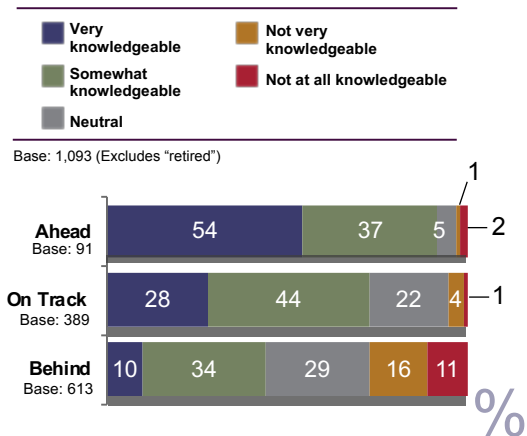
# 1. They are knowledgeable about personal finances.

A key part of how veterans take responsibility for their financial health is ensuring they have a firm knowledge base when it comes to personal finances.

In fact, the research found that veterans' status for retirement appears strongly tied to their financial knowledge.

The vast majority of veterans who say they are ahead of schedule for retirement consider themselves to be somewhat or very knowledgeable about personal finances, including retirement planning, investments and insurance. On the flip side, a majority of those who say they are not very or not at all knowledgeable about personal finances also say they're behind on saving for retirement.

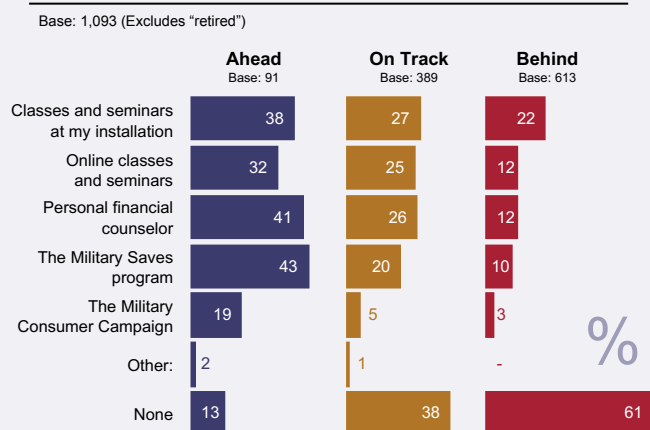
## KNOWLEDGE OF PERSONAL FINANCES



## Military plays important role in foundational financial literacy

The research indicated that veterans who took advantage of educational opportunities during their service are in better shape for retirement. Those veterans who consider themselves ahead are nearly twice as likely to have participated in military-sponsored financial literacy education and opportunities when they were active-duty.

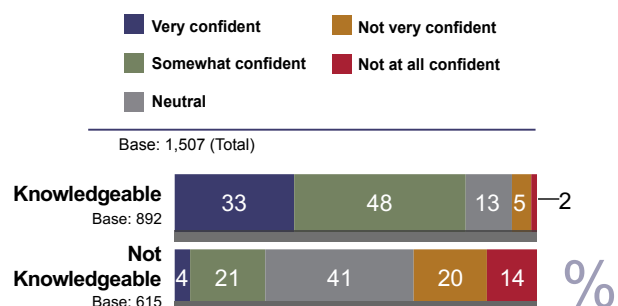
## PARTICIPATED IN MILITARY FINANCIAL LITERACY OPPORTUNITIES



## Knowledge translates to confidence

The vast majority of veterans who say they are financially knowledgeable also say they feel confident that they are making the best financial decisions for their families.

## FINANCIAL CONFIDENCE





## EXPERT'S TAKE

### Use Your Resources

*“There are a vast amount of financial planning resources available to veterans. It’s just a matter of asking,”* says Simmons.

Simmons says many resources available to the general public can be helpful, but **“servicemembers have unique needs and there are a variety of resources available from the military and nonprofits that serve military personnel and can help address those unique needs.”**

Simmons urges those who are active-duty to take advantage of military-sponsored resources, including the Post-9/11 GI Bill, Military OneSource, the United Service Organizations (USO), personal financial counselors and other specific efforts at your installation. He says he has benefited from many of these services as a servicemember.

For veterans, Simmons recommends checking out resources offered through the U.S. Department of Veterans Affairs and nonprofits. In particular, he encourages veterans to participate in a [Financial Planning Association Pro Bono Day](#) or free activities offered through the [Foundation for Financial Planning](#). The financial advisors who volunteer in these programs can help veterans—even those who are behind—make plans for reaching a strong financial footing.



## VETERANS' ADVICE

### Build Your Financial Knowledge

*“Do your own research. Ensure that every decision you make is as well-informed as possible.”*

*“Ask questions if you’re unsure of what you’re doing, [and] ask for help.”*

*“Take in all the knowledge the military is putting out for you. I passed up a lot of information they were giving, and my retirement could look a lot better.”*

*“Listen to and learn from every military pension presentation. So much value is given that I learned from them and continue to use what I learned.”*

*“Educate yourself and your family. Start now, ask questions and be prepared. Invest in you, invest in your family.”*

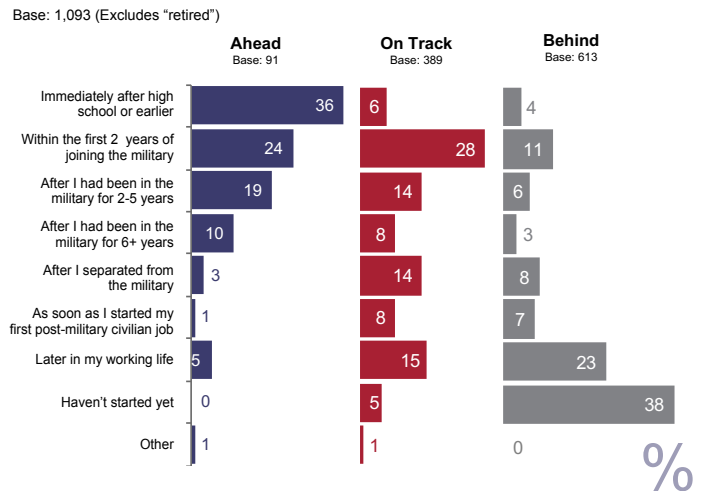
## 2. They started saving early.

The earlier veterans started saving, the more likely they are to be in a strong financial position.

Veterans who consider themselves ahead or on-track for retirement are more likely to have started saving **immediately after high school or within the first 2 years of joining the military**. 38% of those who say they are behind haven't started saving yet.

Saving early is increasingly common among younger veterans, reflecting their greater access to personal financial education and opportunities.

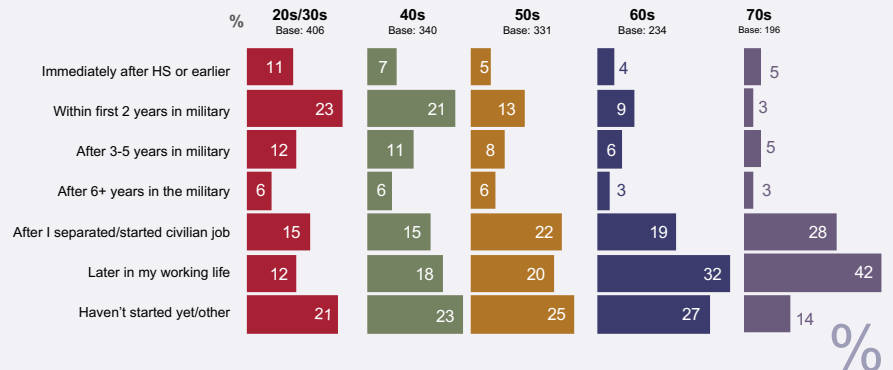
### WHEN STARTED SAVING FOR RETIREMENT



Veterans are increasingly likely to have started saving after high school or within the first 2 years of military service:

- 34% of veterans in their 20s and 30s
- 28% of veterans in their 40s
- 18% of veterans in their 50s
- 13% of veterans in their 60s
- 8% of veterans in their 70s

### WHEN STARTED SAVING FOR RETIREMENT BY AGE BAND



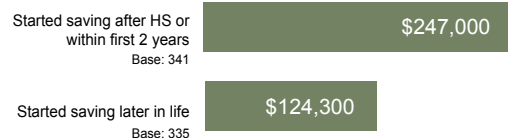
### An early start at saving can lead to a stronger portfolio

The advantage of saving early generally can be seen in the value of veterans' retirement portfolios, thanks to both the years of contributions to their savings and the factor of compounding, which increases the value of one's contributions with each passing year.

For example, the mean portfolio amount of veterans who started saving immediately after high school or within the first 2 years of joining the military is approximately \$247,000. For veterans who started saving later in life, the mean portfolio amount is approximately \$124,300.

Importantly, more than 20% of veterans overall have not yet started saving for their retirement.

### MEAN PORTFOLIO VALUE







## EXPERT'S TAKE

### How much and when you should save

The exact amount veterans should save for retirement will depend on their unique goals, says Simmons. ***"You generally have fewer costs when you transition to retirement, unless you plan to spend a lot on activities like travel."***

As a general estimate for how much you should have saved for retirement, Simmons recommends calculating how much you plan to spend each year and then multiplying that number by 25. Another way to think about it is that you need to have a sustainable withdrawal rate from your retirement portfolio. You typically don't want to withdraw more than 4% of your savings each year.

Simmons says the main factors veterans need to consider are the types of income they will receive in retirement, including pensions, social security, disability pay, and retirement savings through defined benefit or defined contribution accounts.

If you're behind in saving, Simmons says to take heart. ***"It is never too late to start saving. The sooner you take action, the better. There are instruments in place to help, even if you feel like you started later in life than you wanted to, including "catch-up" instruments for those who are older than 50. A financial advisor can help you identify those opportunities and help you take control of your financial future – no matter your age."***



## VETERANS' ADVICE

### Don't put off saving

***"The key to a successful retirement is to start saving with the first paycheck."***

***"Save often, and save hard. Life comes at you fast sometimes."***

***"Save as much as you can in your productive years, and wisely invest to prepare for the future."***

***"You can't start too soon. The longer you wait, the more time and money you'll cost yourself."***

***"If you start saving and investing earlier in life, you will earn exponentially more."***

***"You get old quicker than you think!"***

### 3. They understand the importance of frequent planning for the future.

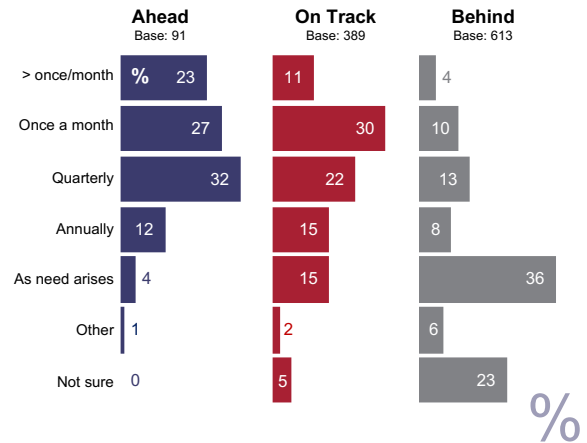
As important as it is to start saving for retirement early, financially prepared veterans also understand that successful retirement planning is a continuous process.

Veterans who are on track or ahead of schedule for retirement are much more likely to revisit important financial planning matters quarterly or more often. Those who are behind tend to work on their personal finances only as the need arises.

Is this time sufficient? 75% of veterans who are ahead and 52% of those who are on-track feel confident that the frequency they spend on retirement planning is sufficient. By contrast, only 12% of those who are behind feel the time they spend on their retirement planning is sufficient.

#### TIME SPENT ON RETIREMENT PLANNING

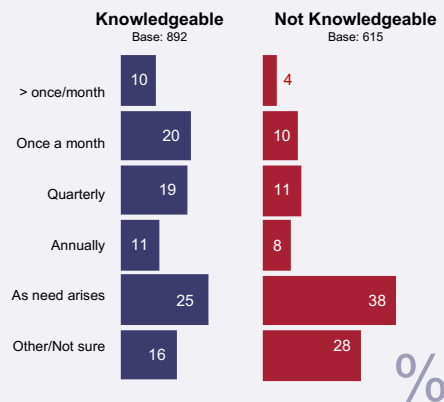
Base: 1,093 (Excludes "retired")



#### Knowledgeable veterans plan more often

Veterans who say they are knowledgeable about personal finances revisit their retirement plans more frequently.

#### KNOWLEDGE AND RETIREMENT PLANNING



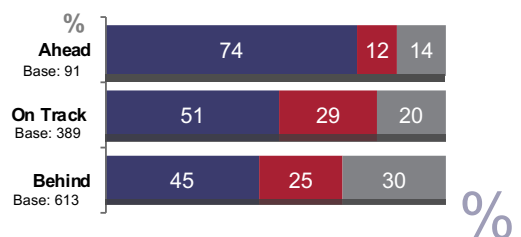
#### They plan for their unique circumstances

Veterans who are financially ahead for retirement are more likely to say that veteran families have a unique or more complicated personal financial picture. As they frequently work on and adjust their retirement plans, they are able to keep them tailored to their individual situations and goals.

#### DO VETERANS HAVE UNIQUE FINANCIAL NEEDS?

■ Yes ■ No ■ Not sure/Don't know

Base: 1,507





## EXPERT'S TAKE

### Regularly revisit your financial plan for success

*“Being knowledgeable is a great first step, but taking action can be challenging. A financial plan can help you identify your goals and how to start becoming financially successful.”*

The first step in creating a financial plan is establishing your goals—painting the picture of where you’re trying to go, says Simmons. **“You don’t need to have a lot of money to create a financial plan. A plan helps you assess your financial situation, income needs during retirement, and how you can achieve your goals. It can also help you identify needs for insurance and estate planning to protect you and your family.”**

Simmons says Schwab clients who get professional help and stick to their financial plans have an average return three times greater than those who don’t get help.

A key part of a successful financial plan is regularly updating it to reflect your current situation.

**“After you’ve created your financial plan, you should revisit your goals for retirement at least annually. You should also revisit your plan if you’ve had a major life change, such as separation from the military, birth of a child, marriage, divorce, or death of a loved one. Life events are more important to your financial plan than age. But it’s important to remember that you are never too old or too young to establish a plan.”**



## VETERANS’ ADVICE

### Start planning now

**“Plan, plan some more, and keep up-to-date planning. Research like your life/livelihood depends on it—because it does!”**

**“Don’t wait to start planning for the future. The earlier you start saving and thinking ahead, the better prepared you’ll be.”**

**“It is quite important to have a financial plan in place today to adequately cover your retirement when that day finally arrives. There is nothing more frustrating when you have not planned for retirement and you no longer have a choice between continuing to work or retire.”**

**“Plan ahead. Do your homework, and get help.”**

**“Do not wait to start investing in your retirement. It’s cheaper to start early.”**

## 4. They work with a professional financial advisor for expert advice.

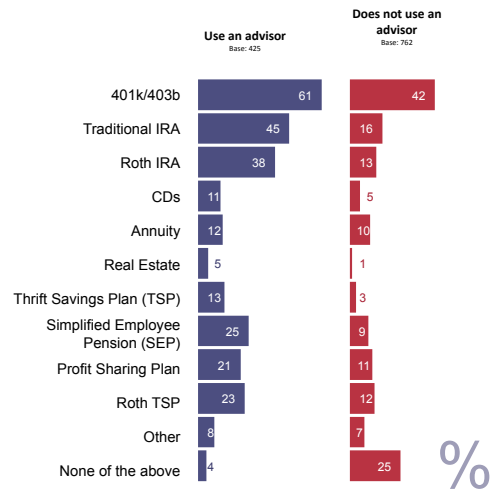
Three-quarters of veterans who say they are ahead of schedule for retirement work with a professional financial advisor, compared to 29% of veterans overall and just 13% of those who say they are behind in their plans for a secure retirement.

Younger veterans are significantly more likely to work with a financial advisor than veterans who are over 50.

### RETIREMENT SAVINGS INSTRUMENTS

(Military and civilian pensions not included)

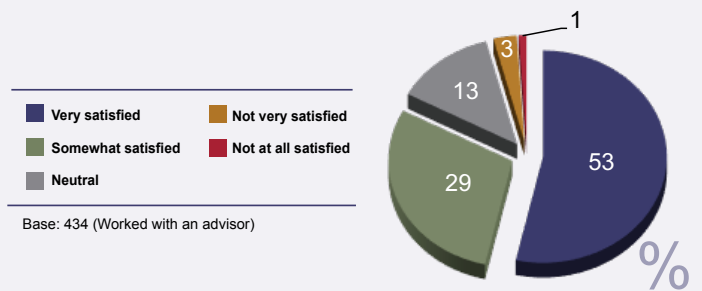
(Retired veterans not included)



The majority of veterans (82%) who work with a financial advisor say they are satisfied or very satisfied with them.

When veterans who don't work with a financial advisor were asked why not, they were likely to say they don't have enough investments, don't need one or would rather handle their financial planning themselves.

### HOW SATISFIED WITH ADVISOR?

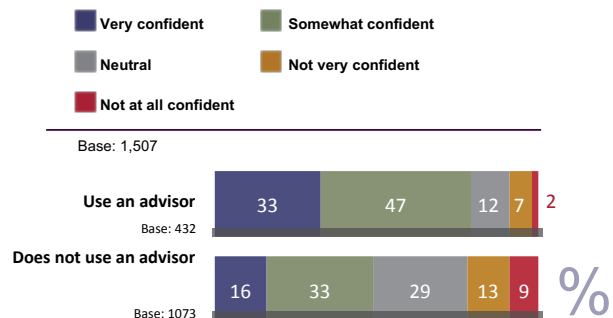


### Using a financial advisor boosts confidence

Research showed that veterans who work with a professional advisor have saved more money and have more diversity in their investments.

Working with a financial advisor also can remove doubt from decision-making and bring peace of mind. 79% of those who use a financial advisor say they are confident they are making the best financial decisions for their family.

### FINANCIAL CONFIDENCE





## EXPERT'S TAKE

### Financial knowledge and an advisor go hand-in-hand

Simmons says building your financial knowledge and working with an expert should not be mutually exclusive—having both can put veterans in a strong financial position.

*“Financial planners can help you navigate the specifics of your situation and life circumstances. They can help you set retirement goals, identify potential risks, and determine insurance and estate planning needs so you can take ownership of your financial future,”* he says.

*“A financial advisor should know their clients and understand the benefits available to veterans, but you should also do your own research based on your particular needs and situation. A financial plan is not one-size-fits-all. Share your situation and goals with your advisor so they can determine what is appropriate and tailor your financial plan to your individual needs.”*

*“Many people believe they need to have a lot of money to get help from an expert,”* Simmons says. *“But even if you are struggling financially, a professional can help you make a plan for your financial health.”*



## VETERANS' ADVICE

### Partner with an expert

*“Find someone you can trust, and talk about what you're wanting from life. Get a plan in action to start saving now.”*

*“Reach out to experts to help you with decisions.”*

*“Contact a financial advisor and make plans to be smart with your money.”*

*“Talk with someone at the beginning that can help you understand what you can and need to do with your individual financial situation.”*

*“I wish I had started working with a Certified Financial Advisor earlier in my career.”*

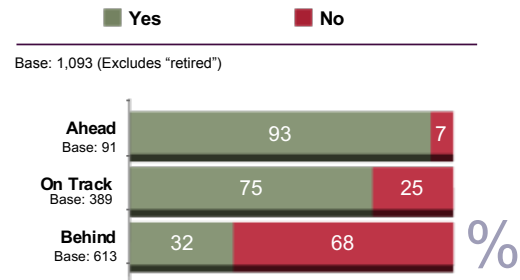


## 5. They protect themselves and their families with an emergency fund and life insurance.

Financially prepared veterans go beyond saving and planning for retirement—they also safeguard their future by preparing for the unexpected.

Emergency funds are a priority. All but a fraction (93%) of veterans who say they are ahead of schedule for retirement have an emergency fund, compared to just 32% of those who are behind.

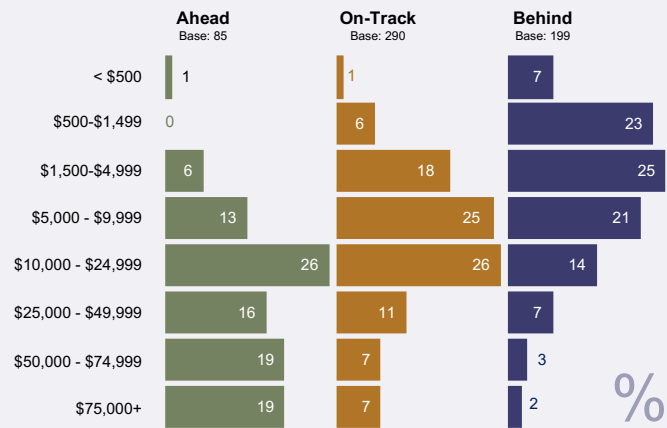
### EMERGENCY FUND



### Financially prepared veterans keep upwards of \$10,000 in emergency savings

Veterans who are ahead aim to have enough in their funds to get through unexpected situations without dipping into their retirement portfolios, with 80% keeping upwards of \$10,000 in their emergency funds. Those who say they are behind are more likely to have a much smaller amount and say they feel their fund is not very sufficient or not at all sufficient.

### EMERGENCY FUND AMOUNT BY RETIREMENT STATUS



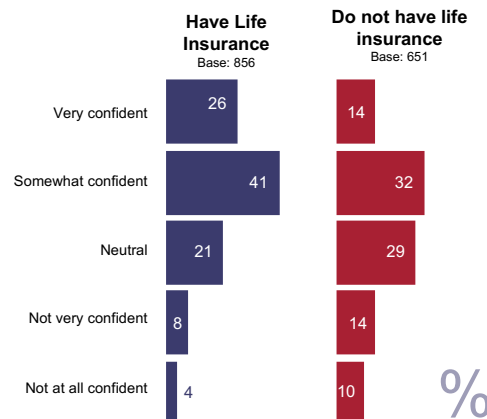
The mean amount of veterans' emergency funds is approximately \$21,200.

### Life insurance is a key component of financial preparedness

Veterans who are ahead also have an eye toward protecting their families at the end of life. Life insurance is a key component of these plans.

Those who have life insurance tend to be more confident that they are making the best personal financial decisions for themselves and their family.

### LIFE INSURANCE AND FINANCIAL CONFIDENCE





## EXPERT'S TAKE

### How much protection you will need

All veterans need to make sure they are prepared for the unexpected, but just how much protection you need depends on your unique situation.

***“Life insurance is an important component of your emergency protection, especially if you have a spouse or children who are dependent on you,”*** says Simmons. ***“Term, whole, universal and permanent life insurance policies are popular choices, but there are a lot of different options. You need coverage that supports your specific family needs. A financial advisor or insurance agent can help you explore your options.”***

An emergency savings fund is another critical component to protect your family. If your family only has one income, you should aim to have 6 months' worth of expenses in your fund. It needs to be enough to cover such essentials as your mortgage or rent, daycare costs, car loans, utilities, food, and incidentals, says Simmons. If your family has two incomes, your fund could be closer to 3 months' worth of expenses.

For veterans who have medical concerns, you should put enough in your emergency fund to cover those costs. Simmons cautions that veterans who are transitioning out of the military may find it can take some time to get back-pay, coverage of medical issues or payment for pending claims for a disability. These veterans should try to have more of a cushion in their emergency funds to avoid going into debt.



## VETERANS' ADVICE

### Be prepared for the unexpected

***“Sometimes life chooses for us to become disabled before our time, and if you expect the unexpected ..., then you may be more prepared.”***

***“Life insurance is a top priority.”***

***“Do not let your life insurance lapse after your separation [from the military].”***

***“Start an emergency fund—most health plans require you to pay co-pays for medication, deductible, co-pays for medical services. Review other types of coverages yearly: fire, flood and personal contents.”***

***“Plan ahead for catastrophic illnesses.”***



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