

BUDGETING

Creating a budget is a process that will evolve as your financial needs change over time.

Track Spending for a Month

The first step in creating a budget is to examine your spending habits. Keep track of everything you spend for at least a month. You may be surprised to find that you can still have fun while making the smallest of adjustments.

Live Within Your Means

Spending within your means allows you to make the most of your money. This ensures you have money to pay for important expenses. Use cash or a debit card for daily purchases and avoid impulse spending.

Eliminate Credit Card Debt

Credit cards can be helpful tools but buying now and paying later adds up quickly. Paying your credit card bills off monthly helps you avoid interest charges. It also helps build a strong credit history. Make a plan today to tackle your debt.

SAVING

Saving money is the key to responsible money management and making it a habit will net results.

Pay Yourself First

This simple concept is the powerhouse behind building your savings. You may be inclined to pay your bills first, your groceries second and put whatever is leftover in savings. A better way is to prioritize your financial well-being by having an amount automatically transferred into a savings account (or 401k) every time you get paid. You won't miss money you don't see.

Create an Emergency Saving Account

Start saving, no matter how small the amount. Emergency savings can be used for unplanned bills that aren't a part of your routine monthly expenses. The minimum recommended amount for an emergency savings is \$500, but that might not be enough. Some financial experts suggest saving as much as six months of income to cover living expenses in case an emergency prevents you or your spouse from working. That may seem like a daunting goal but establishing positive financial behaviors gets easier with repetition. You can increase your savings as you decrease your debt. You should begin saving for an emergency fund as you pay down your debt. Deposit your re-enlistment bonuses or deployment pay into a saving or money market account to increase your emergency fund.

MILITARY FINANCIAL PROTECTIONS

There are two major laws – the [Military Lending Act \(MLA\)](#) and the [Servicemembers Civil Relief Act \(SCRA\)](#) – that help protect the finances and ease the financial stress of active-duty servicemembers and their families. The differences between the MLA and the SCRA are: The MLA only covers loans taken out while on active duty, while the SCRA provides a different set of protections for obligations entered into prior to when a servicemember joins active duty. Read about these two laws in the [Financial Frontlines Resource Guide](#).



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