



Financial First Aid Kit

1. **An Emergency Savings Account** - This account is not an investment account, it doesn't include IRAs, retirement accounts or CDs. Its purpose is not growth, but safety. These are funds that are accessed in the event of spouse unemployment, emergency home repairs, or unexpected auto repair bills. Save three months of living expenses for dual income households or six months for a single income family.
2. **Life Insurance** - For everyone - parents and kids. For military members, the best buy is still SGLI, or Servicemember's Group Life Insurance. Members are automatically insured for the maximum amount of \$400,000 unless an election is filed reducing the insurance by \$50,000 increments or canceling it entirely. You can compare prices at [USAA](#) for the best rates for military members and their families.
3. **A Will** - Make an appointment with the JAG or taking advantage of mobile services that are sometimes offered at military conferences such as Yellow Ribbon. Some companies offer legal services for a will as part of employee benefits. A simple will can be made at Legal Zoom.
4. **A Retirement Account** -A surprising number of military spouses, or reservists do not take advantage of the terrific tax-deferred accounts offered by their employer, which include 401(k) plans. The Thrift Savings Plan ([TSP](#)) is a Federal Government-sponsored retirement savings and investment plan and has great rates with low fees for administering the account It's part of the new [Blended Retirement System](#) that is currently in place.
5. **A Good Credit Rating** - Build a good FICO, or credit score, in three steps: pay more than your minimum payment (even if it's only \$5/month more), pay a day early rather than a day late (set up automatic payments) & never let your available credit fall to less than 30% of the total credit available (for example, \$2000 on a \$6000 credit line.) Each year, get a free copy of your credit report by going to [Annual Credit Report](#) or go into the base's Family Support Center where they can also run a free copy of your report and check your score.
6. **A College Fund for Those Babies!** -Select a college savings account that has low fees, a good selection of investments, plus a tax break. One of the many options is a Qualified State Tuition Plan, also known as 529 Plans. Be sure to [research](#) your state of record and their plans. These contributions will be tax-deferred and could even be tax-deductible from your state income tax if you are a resident of that state (check with your tax specialist).