



Military Veterans and Customized Financial Planning

According to the most recent data from the U.S. Census, there are over 18 million military veterans in the United States. More than nine million of these veterans are served by the Department of Veterans Affairs (VA).

Ironically, serving your country sometimes brings tough economic times to you and your family. And while the VA can offer some wonderful programs—like the Aid and Attendance benefits and Household allowances—the VA does not offer financial planning.

Before we examine where a veteran should turn for financial advice, let's explore where they shouldn't turn.

Nothing is Free

Discount brokers, online brokers and fund companies offer mutual funds and discounted commissions on trading stocks and bonds. Generally speaking, they all make it easier for you to take an active part in your investments, but they should not be the source of advice and information.

For the most part, these are online, do-it-yourself operations that offer a variety of financial products. If you are already confident in your skill at choosing stocks and funds, and have an appropriate asset allocation strategy for your needs, these might be a good place to start. What these outlets don't offer is independent advice on how their investments can help you achieve your financial goals.

If you call a representative at ABC Fund Company, the odds are that they will recommend one of their own funds to you. After all, these reps are motivated to sell them.

Be aware that their products can range from the exceptional to the less than stellar—but how do you know which ones to buy? Even if you choose the right products, how do you know how much to buy? While their fees may be lower than some of the alternatives, the company's representatives cannot give you objective advice because they are driven to increase sales and commissions.

The Talking Heads

Many financial celebrities, like Dave Ramsey, hand out advice for an audience of millions that rarely applies to a real person. Instead of following their one-size-fits-all rules, you should make decisions based on your own situation.

This is not to say that you should disregard the advice that Ramsey or any other financial guru offers. You just need to take their advice with a grain of salt. Here's why: Your circumstances are probably very different from the person the guru is advising. A single difference between you and that person—age or income level for example—can make the advice inaccurate.

Where to Turn: Financial Advisors

A financial plan needs to take into account every aspect of your life, not just your investments. A financial advisor will consider your entire financial picture.

Financial advisors essentially come in one of two types:

1. Commission-based, which means they earn money based on your investments and planning choices
2. Fee-only, which means they work for a flat rate or a percent of your assets and earn nothing extra based on your decisions.

A financial advisor will ask you very specific questions about your service, your current financial situation and your goals, including:

- Where did you serve?
- Which branch?
- For how long?
- Were you wounded?
- What was your rank?
- Are you receiving VA benefits now?
- Are you aware of various VA benefits?

These questions will be interspersed with others like:

- Do you want to save for retirement or a child's college education?
- Retire earlier or later?
- Sell or buy a retirement home?
- Are you risk-averse?
- Do you plan to work in retirement?

Planning for Veterans Is Different

That one big question: "Did you serve your country?" will lead to dozens of other questions and inform your planning roadmap.

Every financial situation is unique and requires personalized advice. And this is especially true for veterans. Because of certain VA benefits, unique insurance needs, debt management and retirement income strategies, veterans require specific planning strategies.

Professional financial advice that serves you and your goals is what you deserve.

Thank you for your service.