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**FINRA INVESTOR EDUCATION FOUNDATION  
MILITARY SPOUSE SURVEY**

*REPORT OF RESEARCH FINDINGS  
PREPARED BY*

**APPLIED RESEARCH & CONSULTING LLC**

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## INTRODUCTION

In the Fall of 2007, FINRA Investor Education Foundation conducted a survey of U.S. military spouses on the subject of finance, saving, and investing.

The questionnaire was designed by the Foundation, in collaboration with the National Military Family Association (NMFA) and Applied Research & Consulting (ARC). The survey was administered online by NMFA, which recruited its members to participate. ARC tabulated the response data.

To qualify for the survey, respondents had to be spouses of current members of the U.S. Uniformed Services, they had to either be the primary financial decision-maker in their household or share financial decision-making responsibility, and neither they nor their immediate family members could be employed by an investment broker or adviser, an insurance broker, a consultant to a financial services firm, or a market research company.

Interviews took place from November 1 through November 28, 2007. A total of 1,508 qualified respondents participated in the survey.

## DEMOGRAPHICS

Of the 1,508 survey respondents, 110 (representing 7% of the total sample) did not provide answers to the demographics questions at the end of the questionnaire. The percentages reported in this section are based on the 1,398 respondents who did answer the demographics questions. [Note: percentages may not total to 100% due to rounding.]

Respondents were asked to specify their spouse's component of the U.S. Uniformed Services. Approximately four out of five specified Army, Navy, Air Force, or Marines. The distribution of answers was as follows:

- 38% Army
- 15% Navy
- 13% Air Force
- 13% Marine Corps
- 10% Army National Guard
- 4% Army Reserve
- 2% Air National Guard
- 2% Coast Guard
- 2% Navy Reserve
- 1% Air Force Reserve
- < 1% Other (Coast Guard Reserve, NOAA)

Among Guard and Reserve respondents, 57% said that their spouse had been activated in the last five years.

The breakdown of respondents' spouses' pay grade was as follows:

- 18% E1-E4
- 38% E5-E6
- 2% W1-W5
- 10% O1-O3
- 12% O4-O6
- 1% O7 or above
- 19% did not answer

As expected, nearly all of the survey respondents (99%) indicated that they were female. Only 1% of respondents indicated that they were male.

More than three fourths of respondents indicated that they were in their twenties or thirties. The breakdown of respondents by age was as follows:

- 3% were 20 or younger
- 36% were between 21 and 29
- 41% were between 30 and 39
- 17% were between 40 and 49
- 3% were between 50 and 59
- <1% were over 59

Respondents were given a list of race and ethnicity categories, and asked to select all that they felt described them best. Only 3% of respondents selected more than one answer:

- 75% White or Caucasian
- 9% Black or African-American
- 9% Hispanic or Latino/Latina
- 3% Asian or Pacific Islander
- 2% Native American
- 1% Other
- 4% indicated that they preferred not to say

More than half of respondents said they worked outside of the home:

- 32% said they worked full-time outside of the home
- 22% said they worked part-time outside of the home
- 46% said they did not work outside of the home

Over 40% of respondents indicated that they were college graduates:

- Less than 1% said that they had not completed high school
- 10% said that high school graduation was the last year of education they completed
- 47% said that they had had some college
- 29% said they were college graduates with no post-graduate education
- 14% said they had at least some post-graduate education

A majority of respondents indicated that their household income fell between \$25,000 and \$75,000 per year:

- 6% said their household income was less than \$25,000
- 38% indicated household income between \$25,000 and \$50,000
- 24% between \$50,000 and \$75,000
- 15% between \$75,000 and \$100,000
- 7% between \$100,000 and \$150,000
- 1% between \$150,000 and \$200,000
- < 1% indicated more than \$200,000

99% of respondents said they have access to a computer with Internet connectivity at home. Only 1% said that they did not.



## RESEARCH FINDINGS

### Investment Experience

To qualify for the survey, all respondents had to play a role in financial decision-making in their households:

- 21% of respondents were primary financial decision-makers for their households.
- 79% shared financial decision-making responsibility for their households.

Respondents were asked to specify which kinds of accounts their families currently own:

- 100% said their family owned a checking account
- 92% owned a savings account
- 30% owned a money market deposit account
- 16% owned certificates of deposit (CDs)

Respondents were asked to specify the types of financial institutions at which they and their spouse had at least one account. Very few indicated that they had an account at a brokerage firm:

- 80% said they had an account at a bank
- 36% specified credit union (other than Defense)
- 35% specified defense credit union
- 30% specified insurance company
- 26% specified mutual fund company
- 8% specified brokerage firm
- 1% said they did not know

Respondents were asked if their family had any types of tax-deferred accounts. The TSP was the most common response, although fewer than half of respondents said they had a TSP account:

- 43% had a TSP account
- 35% had an IRA
- 29% had a 401(k)
- 8% had a 529 plan
- 4% had a 403(b)
- 21% had none of the above
- 10% did not know what type of tax-deferred accounts their family had

Respondents were asked to indicate other types of investments their family currently held. Servicemembers Group Life Insurance (SGLI) was the most common response:

- 67% said they held SGLI
- 50% held Family member SGLI
- 42% held a life insurance policy other than SGLI or Family SGLI
- 35% held securities, such as stocks, bonds, or mutual funds
- 29% owned real estate
- 4% held annuities
- 3% owned a company or family business
- 9% said they owned none of the above and 6% didn't know

Respondents were asked what kinds of investment transactions they or their spouses had conducted, either personally or through a broker, within the past two years:

- 87% had deposited money into a savings account at a bank or credit union
- 40% had contributed to the TSP
- 31% had contributed to a 401(k), 403(b), 457, or other tax-deferred retirement plan
- 20% had purchased a life insurance policy other than SGLI or Family SGLI
- 19% had purchased or sold shares of a mutual fund or a systematic investment plan
- 16% had purchased or sold individual shares of stock
- 13% had purchased a certificate of deposit
- 8% had purchased or sold individual bonds
- 1% had purchased or sold an annuity
- 7% had not conducted any of these types of transactions

Respondents were asked what kinds of financing transactions they or their spouses had conducted within the past two years:

- 30% had exceeded the limit on a credit card
- 7% had used the services of a pay-day lender
- 7% had borrowed money through a car title loan
- 5% had purchased a home with an adjustable rate mortgage
- 5% had purchased a home with an interest-only mortgage
- 4% had entered into a rent-to-own transaction
- 57% had not conducted any of these types of transactions

## Financial Confidence, Deployment Experience, Habits, and Attitudes

Nearly all respondents said they feel at least somewhat confident about managing their finances:

- 40% are very confident
- 54% are somewhat confident
- 6% are not at all confident

When asked whether their confidence has increased over the past five years, most say it has:

- 79% answered Yes
- 16% answered No
- 5% answered Not Sure

84% of respondents said that their spouse has been deployed in the past five years. Those respondents were asked to choose one of a group of statements that best describes how they manage their family's finances when their spouses are deployed:

- 24% chose "I handle all the day-to-day aspect of finances, such as budgeting and paying bills, and make all major financial decisions, such as significant purchases or investments, without consulting my spouse."
- 75% chose "I handle most of the day-to-day finances, such as budgeting and paying bills, but I wait to consult with my spouse before making any major financial decisions, such as significant purchases or investments."
- 1% chose "My spouse handles all the finances even when deployed."

Those who said they handled all or most of the day-to-day finances when their spouses were deployed were asked which resources they turn to for help in managing finances:

- 35% said they turned to family and friends
- 13% said they turned to financial professionals, such as accountants and stockbrokers
- 3% said they turned to the installation Personal Financial Manager (PFM) or Command Financial Specialist (CFS)
- 58% did not select any of those three choices

Those whose spouses had been deployed over the past five years were asked what impact the deployment had on their confidence in managing their families' finances. More said that the deployment made them more confident than said it made them less confident, but half said it made little or no difference in their confidence:

- 18% said the deployment made them much more confident
- 16% said it made them somewhat more confident
- 50% said they felt little to no change
- 11% said it made them somewhat less confident
- 3% said it made them much less confident
- 1% did not answer the question

Those whose spouses had been deployed over the past five years were asked what kinds of extra expenses their families incur:

- 75% said they incurred increased postal expense
- 56% said additional telephone/e-mail expense
- 42% said additional travel expense
- 30% said additional cost of hiring someone to do yard work
- 29% said additional child care expense
- 27% said additional cost of hiring someone to do odd jobs around the house
- 22% said lost wages due to quitting or reducing hours
- 15% said they incurred other types of additional expenses

All respondents were asked to describe their current financial condition. Over one third say that have difficulty paying bills, at least occasionally:

- 17% said they were very comfortable and secure
- 45% said they were able to make ends meet without much difficulty
- 28% said they occasionally have difficulty paying bills
- 8% said they usually have difficulty paying bills
- 2% did not answer

Respondents were asked to describe their current saving or investing habits. Roughly a quarter say they put aside money rarely or not at all:

- 27% said they have a set amount deducted from each paycheck
- 17% said they put aside money regularly, without fail, every month
- 12% said they put aside money regularly, most months
- 19% said they put aside money occasionally
- 14% said they put aside money rarely
- 10% said they do not put aside money at all.
- 2% did not answer.

Respondents who said they put money aside, even if only rarely, were asked about their primary reasons for saving or investing. Building an emergency fund and saving for retirement were the most frequently specified reasons:

- 49% said to build an emergency fund
- 47% said to save for retirement
- 31% said to pay for college expenses
- 23% said to buy a house
- 23% said to become financially independent
- 20% said to take a vacation or travel
- 18% said to pay off a personal loan or line of credit
- 12% said to cover unexpected expenses related to an upcoming PCS move
- 9% said to provide inheritance for children
- 7% said to provide guaranteed income for a spouse
- 7% said to buy a car

- 4% said other

Respondents were asked if they thought their household could save a little bit more each week. More than half said that they thought they could:

- 56% answered Yes
- 17% answered No
- 25% answered Maybe
- 2% did not respond

Those who answered 'Yes' or 'Maybe' were asked how much more they thought their household could afford to save each week. Most of them said they could boost their weekly savings by \$20 a week or more:

- 4% said \$5 a week or less
- 10% said \$6 to \$10
- 20% said \$11 to \$20
- 52% said more than \$20
- 13% said they didn't know or weren't sure

All respondents were asked if they had heard of the Thrift Savings Plan. 76% said that they had. Among those who had heard of the TSP:

- 53% said their spouse contributed to it
- 41% said their spouse did not contribute
- 7% said they didn't know

Roughly half (48%) of respondents said that they have a mortgage.

Respondents were asked to specify their three largest recurring monthly expense categories, other than mortgage payments or rent:

- 70% selected car payments
- 62% selected groceries
- 49% selected utilities, such as electricity, oil and gas
- 24% selected transportation
- 22% selected education
- 14% selected child care
- 5% selected entertainment
- 5% selected home repairs and upkeep
- 4% selected health care and medicine
- 3% selected clothing
- 2% selected furnishings, furniture, and appliances
- 2% selected financial assistance to family

Respondents were asked to estimate the total consumer debt for their household, excluding mortgages:

- 11% said they had \$1,000 or less of consumer debt
- 23% said they had between \$1,000 and \$10,000 of consumer debt

- 55% said they had more than \$10,000 of consumer debt
- 7% preferred not to say, 2% did not know, and 3% did not answer

Four fifths of respondents indicated that they and their spouse combined had five or fewer credit cards:

- 6% said they had zero credit cards
- 75% had 1-5
- 12% had 6-10
- 3% had 11 or more
- 1% did not know
- 3% did not answer

An overwhelming majority (87%) of respondents said that they had personally reviewed their credit report. Of those who had reviewed their report, 65% said that they knew their credit score. When these respondents were asked to indicate their credit score, by selecting from a list of score ranges, the distribution of responses was as follows:

- 34% said their credit score was between 720 and 850
- 15% said 700-719
- 11% said 675-699
- 11% said 620-674
- 7% said 560-619
- 6% said 500-559
- 4% said below 500
- 1% admitted that they did not know
- 12% preferred not to say

Four out of five respondents (80%) said that they regularly read account statements from financial institutions, such as banks, brokerage firms, and insurance companies. 17% said that they do not.

Only 2% of respondents (28 out of 1,508) said that they use NASD's or FINRA's BrokerCheck to check out the background of investment professionals.

However, 21% said that they check to determine if their investments are registered with the U.S. Securities and Exchange Commission.

### Special Financial Considerations of Military Families

Respondents were asked to specify their current housing situation:

- 41% said that they owned their own home
- 24% said they rented on the local economy
- 14% said they lived in privatized military housing
- 13% said they lived in government quarters
- 3% said they lived with extended family or friends
- 3% said they had some other housing situation
- 4% did not answer

Those who did not live in government quarters or privatized military housing were asked if their decision to rent or purchase was based in part upon a lack of quarters availability? 27% answered Yes.

78% of respondents said that they received a housing allowance (i.e., BAH or OHA). Those respondents who received an allowance were asked to estimate what percentage of their rent and utilities the allowance covered:

- 28% said it covered 100% of their costs
- 16% said it covered 90%
- 17% said it covered 80%
- 12% said it covered 70%
- 6% said it covered 60%
- 11% said it covered 50% or less
- 1% said they didn't know

Respondents were asked if they or their spouse had received certain specific financial benefits over the past five years, as a result of military service:

- 67% said they had received family separation allowance
- 59% received combat pay
- 29% received an enlistment or re-enlistment bonus
- 22% received specialty or skill pay (e.g., flight, sea, language, etc.)
- 4% said they had received some other form of special pay
- 13% said none of the above or that they had not received any special pay
- 5% did not know or weren't sure

Those who had received special pay (other than enlistment bonuses) were asked what they did with the extra money coming in each pay period (multiple answers were allowed):

- 46% used it to pay down the balance on a credit card or consumer loan
- 36% used it to pay for additional expenses incurred because of deployment
- 23% put it aside in a savings or investment account for a long-term savings goal (e.g., a house, a child's education, or retirement)
- 22% put it aside in a savings or investment account for a short-term savings goal (e.g., a vacation or a major purchase)
- 21% used it to purchase consumer goods (e.g., furniture, clothing, jewelry)
- 11% said they used it for some other purpose
- 9% used it to buy or lease a new car
- 4% used it to pay down the principal on a mortgage
- 3% said they did not know or weren't sure

Those who had received enlistment or re-enlistment bonuses were asked what they did with the bonus money:

- 53% used it to pay down the balance on a credit card or consumer loan
- 29% used it to purchase consumer goods (e.g., furniture, clothing, jewelry)
- 22% put it aside in a savings or investment account for a long-term savings goal (e.g., a house, a child's education, or retirement)
- 21% put it aside in a savings or investment account for a short-term savings goal (e.g., a vacation or a major purchase)
- 18% used it to buy or lease a new car
- 14% said they used it for some other purpose
- 12% used it to pay for additional expenses incurred because of deployment
- 5% used it to pay down the principal on a mortgage
- 4% said they did not know or weren't sure

8% of respondents said that, in the past five years, their spouses had been wounded or severely injured as a result of military service.

### Sources of Financial Information

Respondents were asked which sources of information they personally find useful when making financial decisions (multiple responses were allowed):

- 44% said they found friends, colleagues, or family members useful
- 24% said financial planner
- 20% said the media (e.g., TV, radio, newspapers, magazines, online news sources and financial websites)
- 9% said tax preparer
- 7% said a teller or other personnel at a bank or credit union
- 7% said accountant
- 3% said insurance agent
- 3% said installation personal financial manager (PFM) or command financial specialist (CFS)
- 3% said lawyer
- 3% said stockbroker
- 2% said industry regulators (e.g., FINRA, SEC, state securities regulators)
- 1% said investor clubs or investor membership organizations
- 28% said none of the above

Respondents were asked if they had heard of certain organizations:

- 31% had heard of the SEC
- 19% had heard of NASD
- 11% had heard of the Military Spouse Fellowship for the Accredited Financial Counselor Program
- 5% had heard of SaveAndInvest.org
- 4% had heard of FINRA
- 54% had not heard of any of the above

Respondents were given a list of information sources and asked to indicate which of them they had actually used in the past year to become more knowledgeable about managing their money:

- 41% had used Internet or online services
- 37% had used newsletters, magazines, or books
- 24% had used financial services brochures
- 21% had used newspapers
- 20% had used individual access to a broker, financial adviser or other financial professional
- 20% had used television or radio programs
- 10% had used seminars or group meetings
- 8% had used computer software
- 6% had used independent study courses
- 4% had used CDs or videos

- 3% had used SaveAndInvest.org
- 25% had used none of the above

Respondents were given a list of military-focused general publications and websites and asked to indicate which they had read or visited in the past year:

- 58% selected Military OneSource
- 58% selected Military.com
- 50% selected National Military Family Association
- 34% selected Military Times
- 28% selected installation newspapers
- 18% selected Stars & Stripes
- 14% selected the DoD Military Homefront website
- 9% selected military association publications/websites
- 7% selected none of the above

Respondents were given a list of military-focused television and radio networks and asked to indicate which they had tuned into in the past year:

- 12% selected Armed Forces Television
- 9% selected the Pentagon Channel
- 7% selected Commander Access Channel or installation-specific channels
- 5% selected Armed Forces Radio
- 73% selected none of the above

Respondents were given a list of military-focused resources and asked to indicate which they had used in the past year to learn more about managing their finances:

- 48% selected USAA
- 18% selected Military OneSource
- 9% selected Military tax assistance program or tax preparer service
- 7% selected Military Money
- 6% selected Military Personal Readiness or Personal Financial Management Program
- 5% selected First Command Financial Planning
- 5% selected Military Family Center
- 4% selected Defense related credit union (any branch)
- 3% selected Military Relief or Aid Society
- 3% selected Military Families: Money& Mobility
- 2% selected SaveAndInvest.org
- 1% selected MilitarySaves (Consumer Federation of America)
- 1% selected Better Business Bureau's Military Line
- 1% selected FDIC's Money Smart
- 1% selected NASD Military Financial Education Campaign
- 6 respondents (less than 1%) selected FINRA Military Financial Education Campaign
- 5 respondents (less than 1%) selected The Money Club (Women's Institute for Financial Education)
- No respondents selected Military Sentinel

- 32% selected none of the above

Respondents were asked if they would be interested in free, non-commercial resources to help them learn more about how to manage their money with confidence, if they were made available to them:

- 63% of those responding answered Yes
- 14% answered No
- 23% said they were not sure

Respondents were given a list of methods for learning more about managing finances or accessing information or tools, and asked with of them would work best for them (multiple responses were allowed):

- 50% selected a website aimed at military spouses
- 46% selected one-on-one consultation with a financial professional
- 31% selected a brochure aimed at military spouses
- 20% selected a small group gathering (events with 50 or fewer attendees)
- 18% selected an e-learning game
- 18% selected a “webinar” or online seminar
- 13% selected a financial fair or expo on-base
- 9% selected a television program
- 6% selected a website aimed at the general public
- 5% selected a financial fair or expo off-base
- 3% selected a brochure aimed at the general public
- 3% selected a radio program
- 3% selected a large group gathering (events with 50 or more attendees)
- 9% selected none of the above

Respondents were asked what, if anything, would prevent them from attending a free financial seminar or other financial education event held during working hours (9 a.m. to 5 p.m.):

- 46% said concern that the seminar was designed to sell them something
- 39% said they would have to take time off from their jobs
- 37% said they would have to arrange for child care
- 7% said, if the event was held on-base, that it would be difficult to get on-base
- 3% said, if the event was held on-base, they do not like to attend events on-base
- 1% said that their supervisors don’t allow them to attend such events
- 12% said none of the above

Respondents were asked what, if anything, would prevent them from attending a free financial seminar or other financial education event held after working hours (6 p.m. to 10 p.m.) or on the weekend:

- 43% said concern that the seminar was designed to sell them something
- 41% said they would have to arrange for child care
- 26% said that they do not like to take time away from family at those times
- 7% said they would have to take time off from their jobs
- 6% said, if the event was held on-base, that it would be difficult to get on-base

- 2% said, if the event was held on-base, they do not like to attend events on-base
- 17% said none of the above

## CONCLUSIONS

Military spouses who are members of NMFA tend to be active savers, and many of them are investors:

- Most have at least one kind of retirement account, with the TSP being the most common kind.
- More than half say they put aside money regularly.
- One third own stocks, bonds, or mutual funds.

More than half of military spouses believe that their family could save a little bit more each week. About half of those who think so say they should be able to boost their savings by \$20 per week or more.

Most military spouses are confident about managing their finances and their confidence has been growing over the past five years. However, more than a third report at least occasional difficulty paying bills.

Family and friends are spouses' preferred resource for financial advice.

- Spouses are more likely to turn to family and friends during deployment than to financial professionals.
- They are more likely to find friends, colleagues, and family members useful sources than any type of media or financial professional.

Five out of six say their spouse has been deployed in the past five years and that the deployment led to extra expenses, especially communications expenses, travel expenses, and labor expenses.

Other than mortgage payments and rent, the biggest monthly expense categories for military spouses tend to be car payments, groceries, and utilities.

Nearly half of military spouses have a mortgage. On top of that, most have at least \$10,000 in consumer debt, and 30% had exceeded a credit card limit within the past two years.

When military families receive special pay or bonuses, their most common use of the additional funds is to pay down consumer debt.

- Family separation allowances and combat pay are also frequently used to defray additional expenses caused by deployment.
- Enlistment bonuses are more likely to be spent on major consumer purchases.

SaveAndInvest.org is currently known by only a very small minority of military spouses, but the idea behind the website is very appealing:

- 63% say they would be interested in a free, non-commercial resource to help them learn more about how to manage their money with confidence.

- They are much more interested in resources (a website especially) aimed specifically at military spouses, rather than the general public.