2019 MILITARY SAVES SAVER SURVEY

RESULTS & FINDINGS

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MILITARY AMERICA Save$

START SMALL. THINK BIG.

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ABOUT MILITARY SAVES

Military Saves, a component of America Saves, seeks to motivate, support, and encourage military families to save money, reduce debt, and build wealth.

The research-based campaign coordinated by the non-profit Consumer Federation of America (CFA) uses the principles of behavioral economics and social marketing to change behavior.

Military Saves encourages the entire military community to take the Military Saves pledge and for organizations to promote savings year-round, and especially during Military Saves Month in April. Military Saves also works with government agencies, defense credit unions, military banks, and non-profit organizations to promote savings and debt reduction.

ABOUT THE RESEARCHER

Steve Holt has been working with Military Saves since 2008. He and his Chicago-based firm, HoltSolutions, consult with a wide range of organizations nationwide to address poverty and financial insecurity.

He is a graduate of Harvard Law School; he has worked as a public official, agency director, lobbyist, and program evaluator. His areas of focus include the Earned Income Tax Credit and other tax-based income supports, the VITA program, and strategies to promote personal savings.

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SURVEY SUPPORTERS

This survey would not be possible without the generous donations from the following supporters:

SURVEY METHODOLOGY

| Year	2019	2017	2016	2015	2014	2013	2012
Respondents	1,125	859	945	549	629	853	276

Military Saves periodically asks members of the military community about their savings goals, the tools and methods they use to save money, their perceptions of their success as savers, the resources they rely on, and other topics that can help Military Saves focus its programming and continually improve.

With the exception of 2018, the Military Saves Saver Survey has been administered annually since 2012. Until this year, the survey had been distributed just to those who had taken the Military Saves Pledge. In 2019 Military Saves surveyed the wider military community for the first time by distributing the Military Saves Saver Survey through a broad range of partner organizations. Military Saves incentivized participation: those completing the survey had the opportunity to enter a daily raffle for a $100 check plus a grand prize raffle for a $500 check. The broader outreach resulted in the most responses ever and respondents were fully engaged with the survey, with 95% of them answering all of the 18 to 22 questions (some responses generated additional questions), taking on average about 5 minutes to finish.

DEMOGRAPHIC INFORMATION

RESPONDENTS
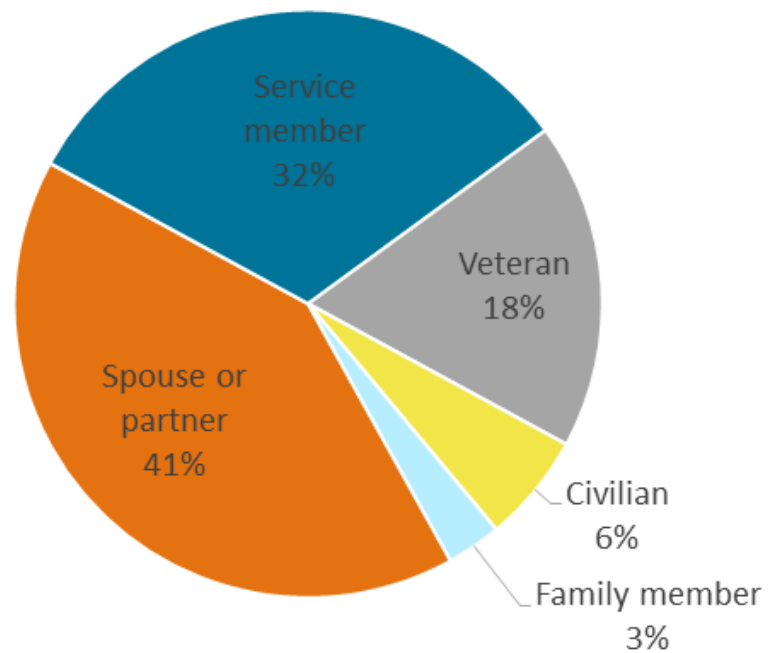
Half of the respondents were members of the military (with almost three-quarters of those being active duty), and most of the other respondents were the spouse or partner of a military member.

DEMOGRAPHIC INFORMATION (CONTINUED)

BRANCH OF SERVICE

The largest number (over one-third) of respondents were associated with the Army, but all branches were represented.
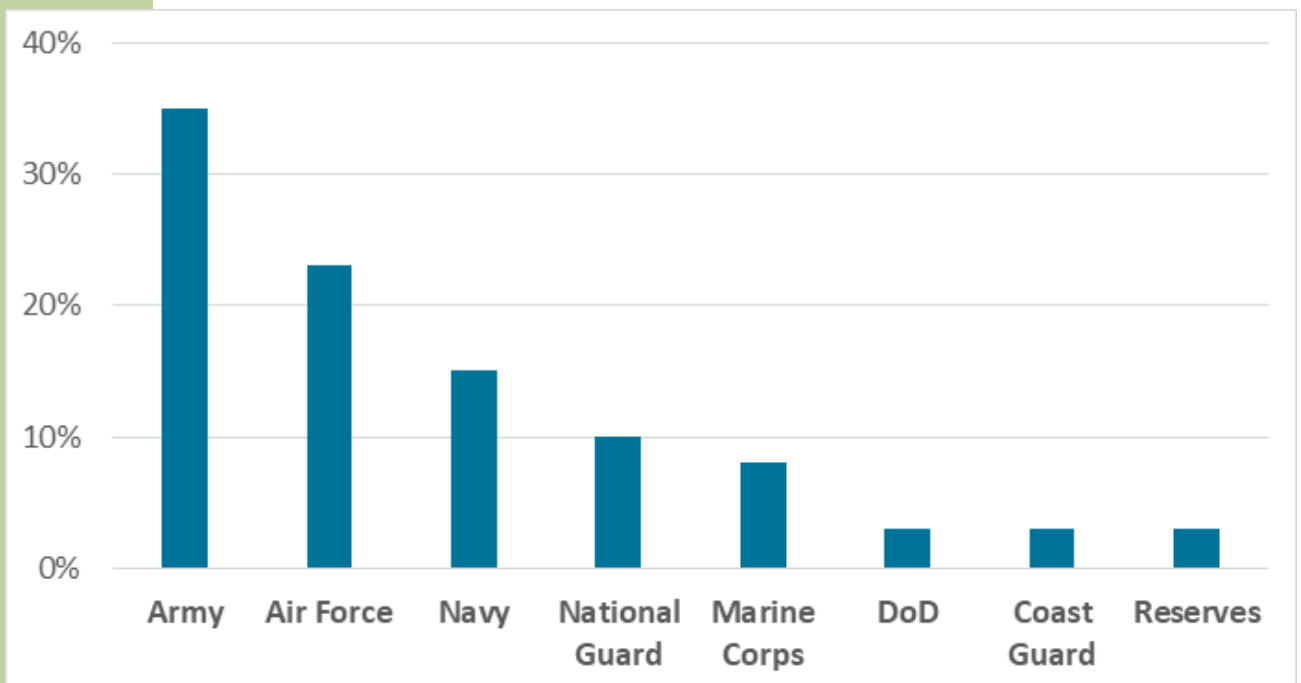
DEMOGRAPHIC INFORMATION (CONTINUED)

RESPONDENTS BY RANK

The survey asked respondents to identify the highest military rank achieved. Over 40% were junior enlisted personnel, and another 16% were junior officers.
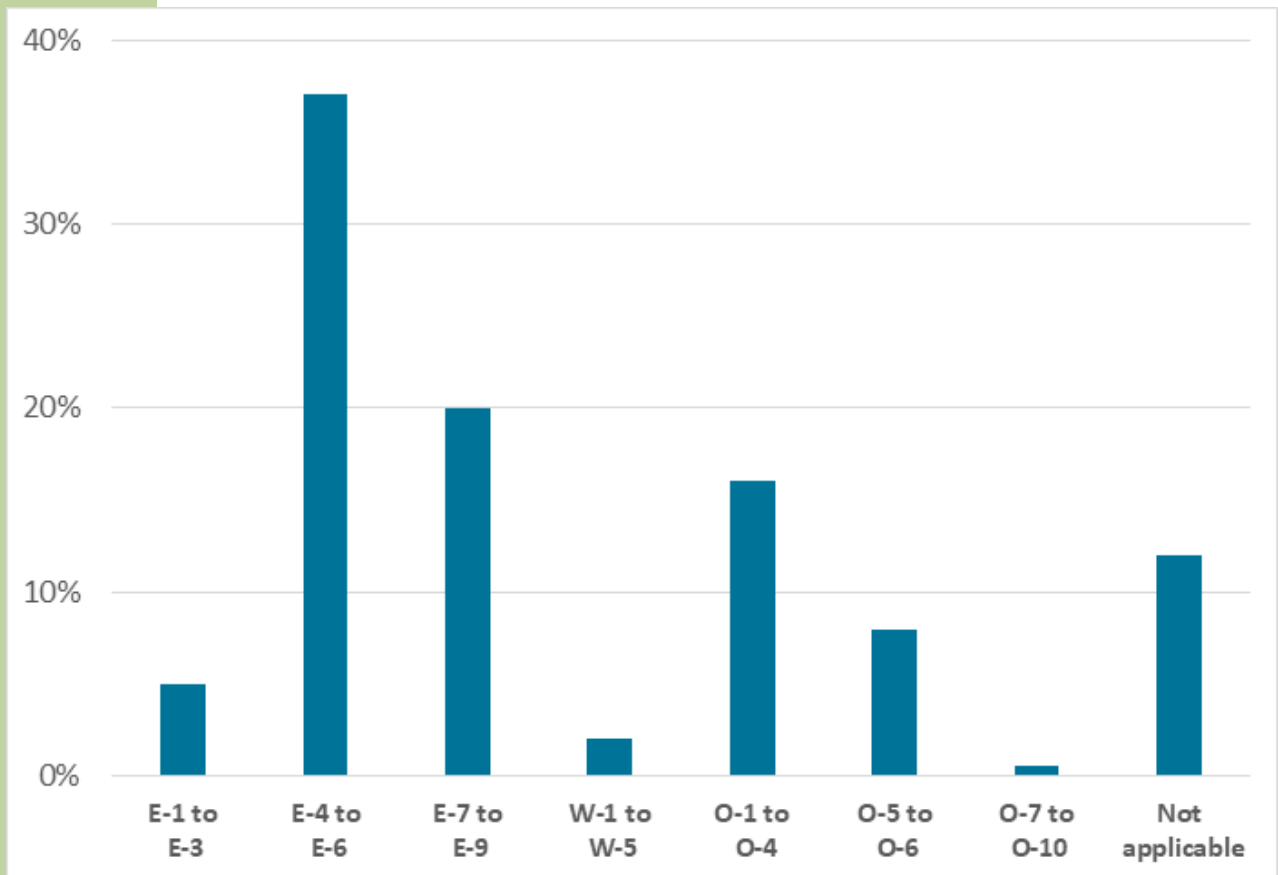
DEMOGRAPHIC INFORMATION (CONTINUED)

CREDIT SCORE

300 – 579	6%
580 – 669	14%
670 – 739	21%
740 – 799	28%
800 – 850	26%
Do not know	5%

The survey asked respondents to indicate the range best describing their credit score. Almost all were able to identify their score, and 57% said their score was 740 or higher.

SAVINGS GOALS & METHODS

COMPARISON OF SAVINGS GOALS

The survey asked respondents to identify their current most important savings goal, offering 17 choices, including 3 types of debt repayment (student loan, medical, and credit card or other debt); *almost a quarter of respondents selected one of the debt repayment goals* (with most choosing credit card/other). This was followed closely by retirement as a primary savings goal.

Looking at past surveys, these two categories have always been chosen the most often, though relative to each other debt repayment has become more prevalent. Emergency fund and homeownership were the other goals selected by at least 1 out of 10 respondents.

	2019	2017	2016	2015	2014
Debt repayment	24%	22%	20%	20%	19%
Retirement	22%	23%	25%	32%	30%
Emergency fund	12%	14%	12%	10%	10%
Homeownership	10%	8%	11%	8%	7%
Investment savings	6%	7%	5%	7%	6%
Transition to civilian life	4%	7%	4%	6%	5%

SAVINGS GOALS & METHODS (CONTINUED)

SAVINGS GOALS BY RANK
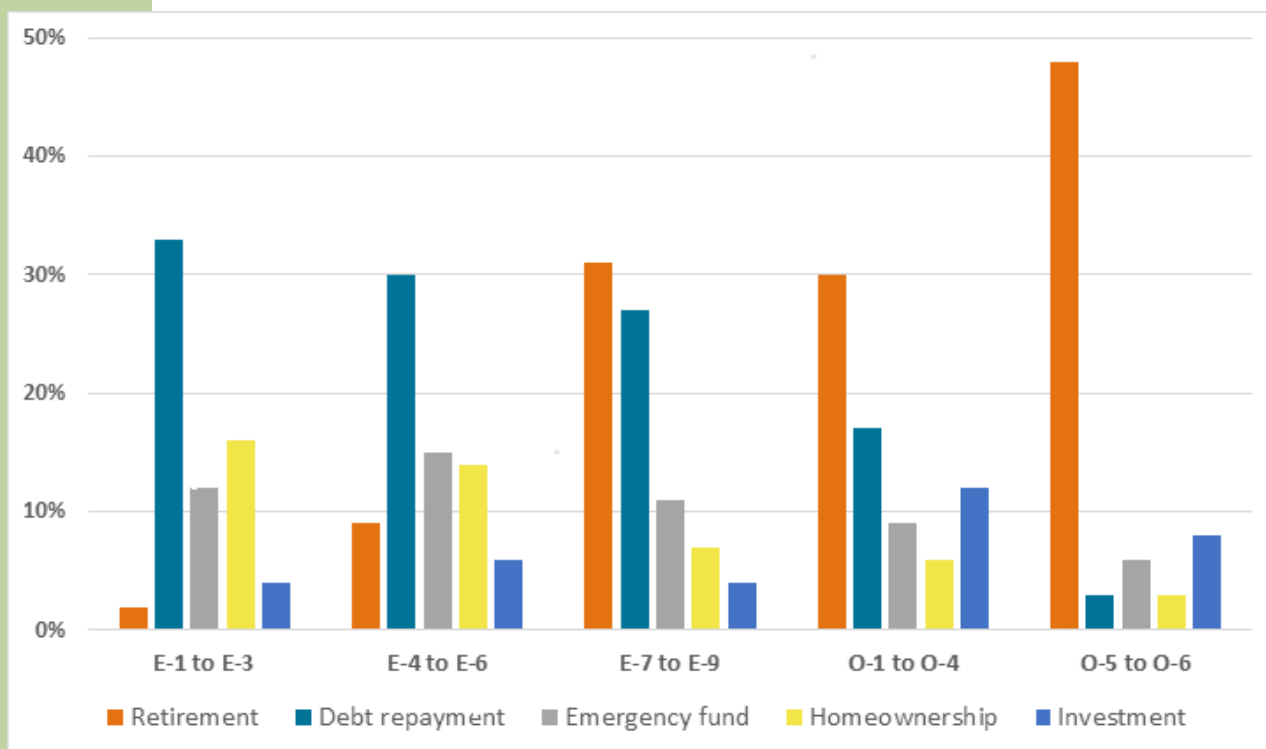
The primary savings goal varied by pay rank, with enlisted personnel being more likely to focus on debt repayment, and officers and senior enlisted much more likely to be emphasizing retirement.

E-1 to E-3 respondents were much more likely than those at higher pay ranks to be saving primarily for a car or other vehicle (almost 1 out of 8 of them selected that response).

SAVINGS GOALS & METHODS (CONTINUED)

SAVINGS GOALS BY CREDIT SCORE
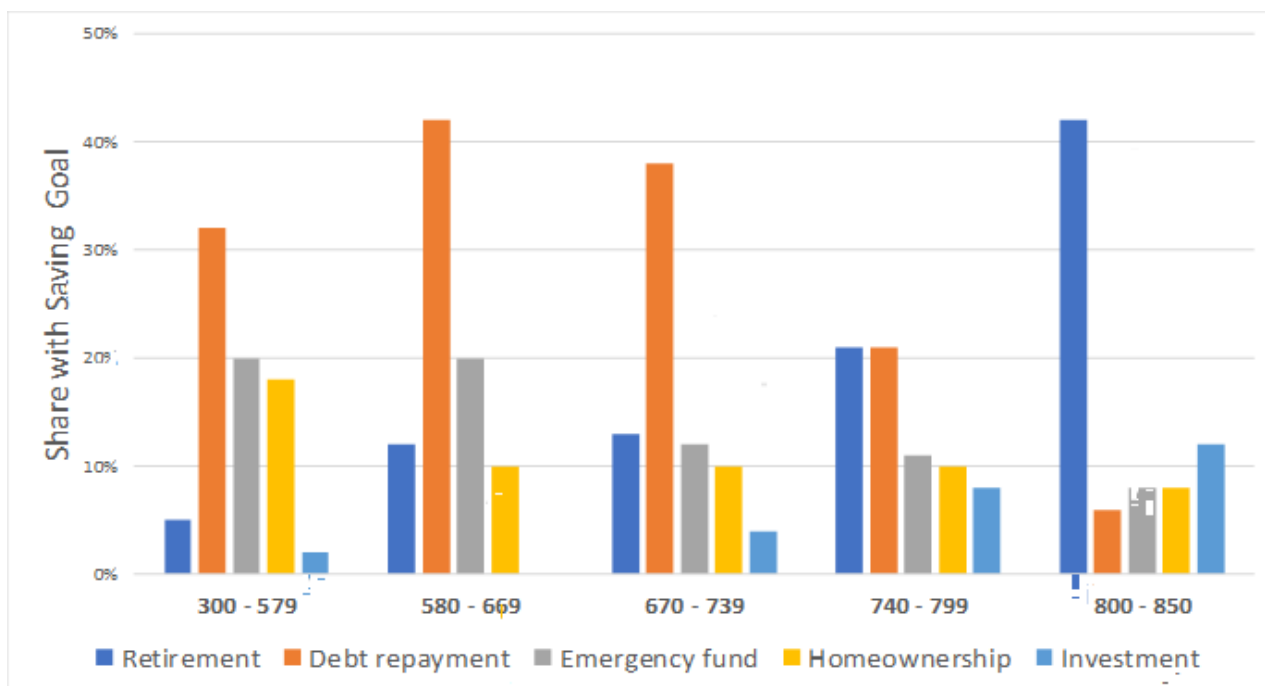
Respondents reporting lower credit scores were much more likely to have debt repayment or emergency fund as a primary savings goal. Those reporting higher scores were more focused on retirement, with over 40% of those with the highest scores having retirement as the primary savings goal and over 10% selecting investment.

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SAVINGS GOALS & METHODS (CONTINUED)

SAVINGS TOOLS

The survey asked which of 15 mechanisms they had used to save in the past year. Respondents could choose multiple answers.

Over two-thirds had used a savings account at a bank or credit union, and 39% identified having saved in a checking account. Over a third had reduced debt by making extra payments. The other 3 of the 6 most frequently selected options were long-term or retirement savings tools.

Most Frequently Reported	
Bank or credit union savings account	69%
Thrift Savings Plan (TSP)	54%
Checking account	39%
401(k)	38%
Extra payments on debt	37%
IRA (traditional or Roth)	37%

SAVINGS GOALS & METHODS (CONTINUED)

SAVINGS TOOLS BY SAVINGS GOAL

It makes sense that how one saves is affected by one's saving goals. Survey respondents focused on retirement or investment savings were much more likely to have used the Thrift Savings Plan or an IRA. On the other hand, use of a savings account or saving in a checking account was not significantly affected by the respondent's primary savings goal.

Bar chart legend: Savings account, TSP, Checking account, 401(k), Extra debt payment, IRAs. Categories: Retirement, Debt repayment, Emergency fund, Homeownership, Investment.
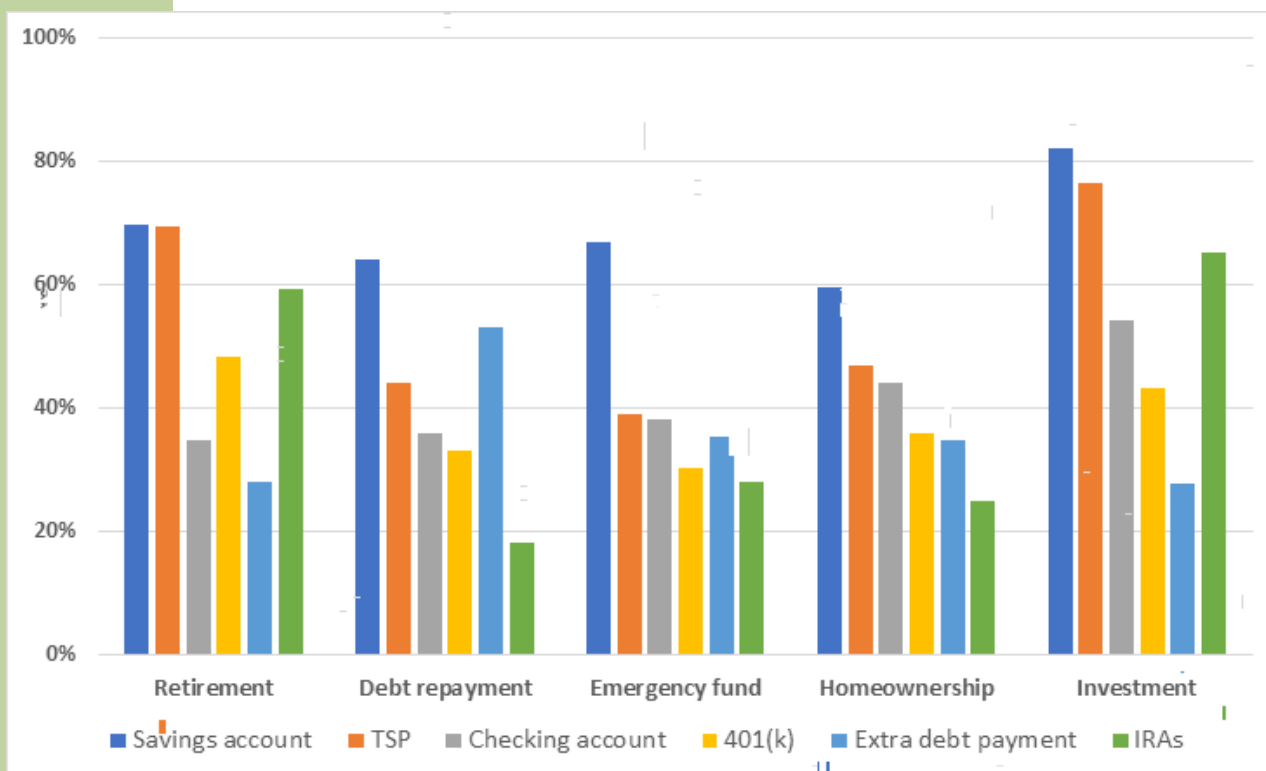
AUTOMATIC SAVING

Manual only (putting money aside when able)	33%
Automatic only (deductions or transfers)	39%
Both manual & automatic	30%

The survey asked respondents whether they like to save automatically (through methods like payroll deduction or allotment) or preferred to move money into savings on their own. A small number of respondents (4%) indicated they had never been able to save. Among the others, there was a fairly even breakdown among those saving only automatically, only manually, and those saving in both ways.

Among those who elect to save automatically, nearly half have regularly scheduled withdrawals from an account at a financial institution

AUTOMATIC SAVING (CONTINUED)

Transfer out of bank or credit union account	48%
Payroll deduction	34%
Military allotment	28%

The survey asked those who said they do not save automatically the most important reason why they do not. These respondents were about equally divided between those saying they usually do not have the money and those who do not like automatic activity involving their accounts or paychecks.

Among those who typed in their own reason, the most frequent response was the unpredictability of their financial situation.

Don't usually have the money to save	41%
Don't like things happening automatically	38%
Volatility of income and/or expenses	6%

FINANCIAL INFORMATION & EDUCATION

ONLINE SOURCES OF FINANCIAL INFORMATION

TSP.gov	53%
My bank or credit union website	42%
MilitarySaves.org	35%
Other websites	34%
Social media (Facebook, Twitter, etc.)	21%

The survey identified 9 online sources of information and asked respondents which of them are helpful for meeting savings goals (13% selected "not much out there that's helpful"). *Over half chose the Thrift Savings Plan website*, and several indicated their financial institution website; *over a third said the Military Saves website was a helpful source of savings information*.

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FINANCIAL INFORMATION & EDUCATION (CONTINUED)

OTHER SOURCES OF FINANCIAL INFORMATION

	2019	*2016*	*2015*
Banks or credit unions	49%	44%	36%
Family and friends	38%	41%	32%
Personal Financial Manager or family readiness program	31%	15%	14%
Non-profit / education organizations	19%	n/a	n/a
Military peers	17%	19%	n/a
Military chain of command	5%	9%	n/a
Military relief society	4%	5%	3%

The survey also identified 7 other potential sources of information about savings and asked which of them are helpful for meeting savings goals. Just under half selected banks or credit unions, and personal networks were also relatively popular. *The share electing military Personal Financial Manager or family readiness programs was significantly higher than in past years.* Almost a fifth of respondents said none of the given options were helpful (24% had said this in the 2016 survey).

FINANCIAL INFORMATION & EDUCATION (CONTINUED)

PREFERRED METHOD OF RECEIVING INFORMATION

The survey asked respondents to select their preferred means of receiving information or tips about saving, and over half selected either in-person conversation or e-mail communications. Phone calls, texts, and online chat were the least popular primary means of contact.

|	
Speaking with someone face-to-face	30%
E-mails	24%
Blog content	12%
Printed material (brochures, etc.)	12%
Social media (Facebook, Twitter, Instagram, etc.)	11%
Text message	6%
Speaking with someone over the phone	3%
Speaking with someone through chat	2%

SAVINGS DATA

CHALLENGES TO SAVING

	2019	2017
Unexpected expenses	57%	45%
Buy things do not need	37%	26%
Too much debt	33%	n/a
Not making enough money	31%	30%
Too many bills	24%	24%
Income is too unpredictable	11%	7%
Deployment / military life transitions	6%	19%
Do not have the right tools	4%	4%

The survey asked respondents to select (from a list) the challenges they face when it comes to saving money. The *most common challenge by far was unexpected expenses* (and this was consistent with responses from the most recent Military Saves Saver Survey).

SAVINGS DATA (CONTINUED)
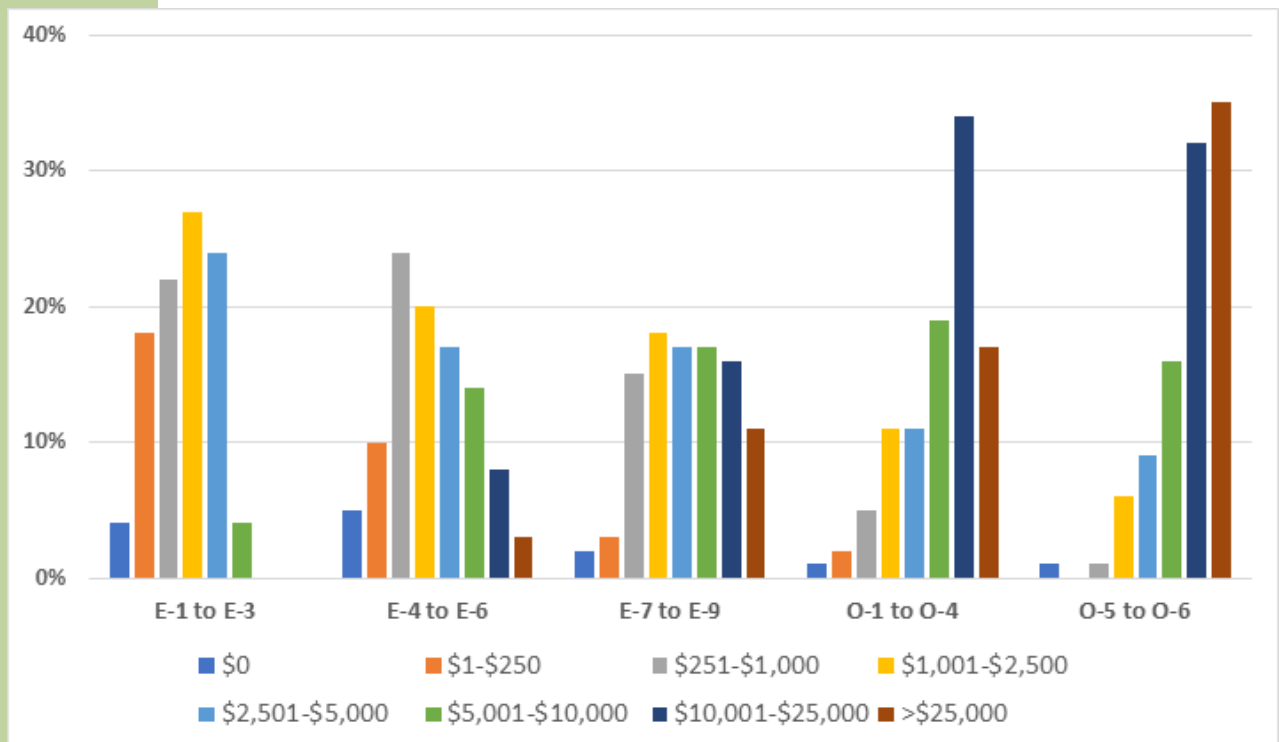
AMOUNT SAVED THIS YEAR
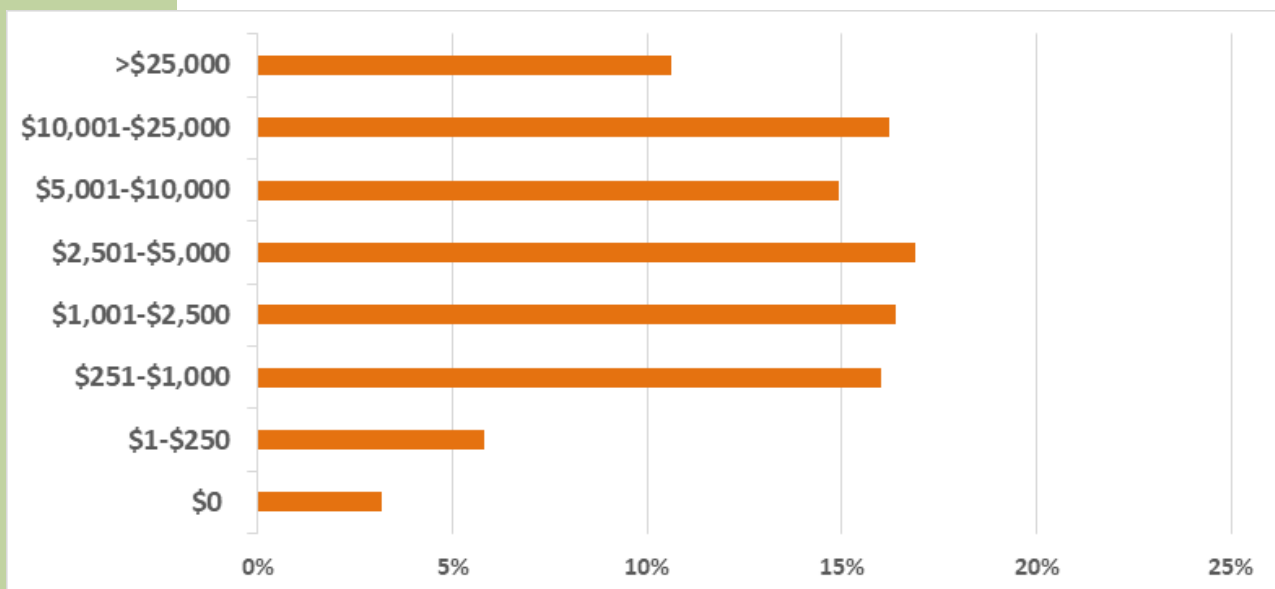
The survey asked respondents for their best guess of how much they have been able to save toward their goals in 2019. The results indicate a wide range of saving activity.

NOTE: the share of respondents indicating they had saved large amounts may to some extent represent a misreading of the question (with answers reflecting total amount saved rather than a figure for just 2019). The share reporting no or little savings is probably underrepresented due to selection bias: those who have been unable to save were probably less likely to respond to the survey.
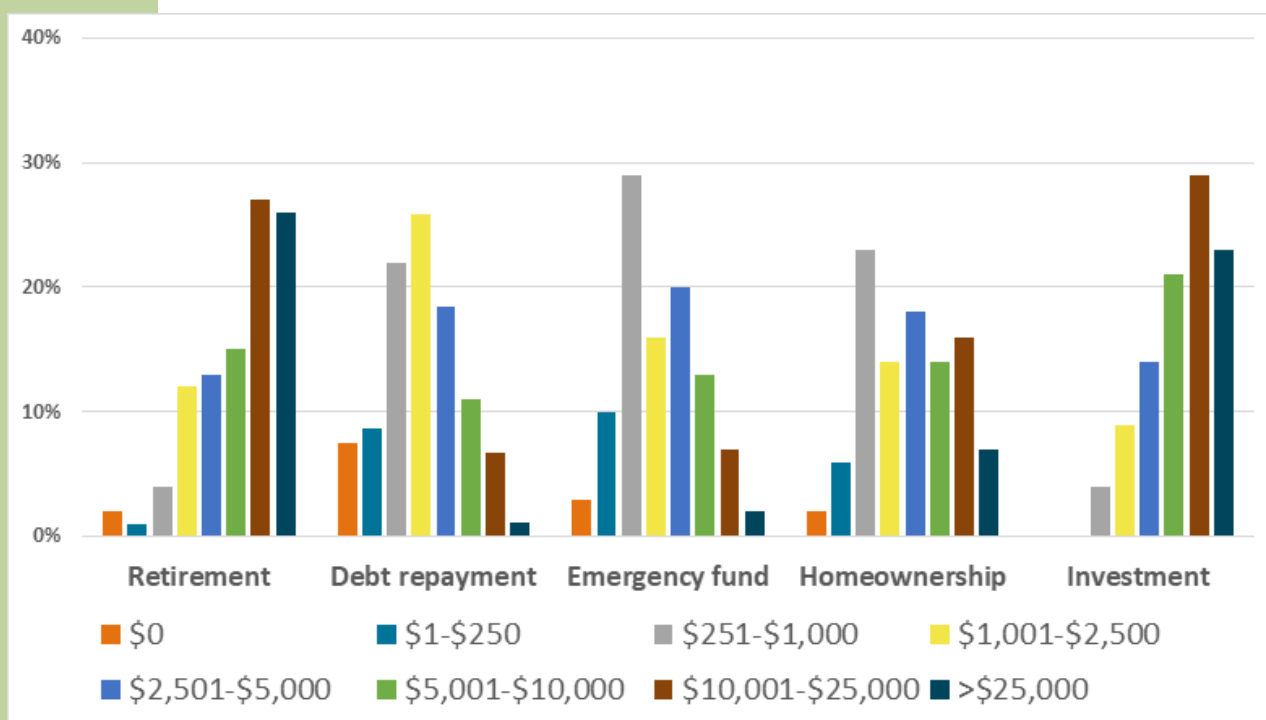
SAVINGS DATA (CONTINUED)

AMOUNT SAVED RANK

As would be expected, the reported amounts saved this year varied considerably by pay rank: junior enlisted personnel have saved less, and those at higher ranks have saved more.

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SAVINGS DATA (CONTINUED)

AMOUNT SAVED BY MOST IMPORTANT SAVINGS GOAL

The survey results showed some relationship between the respondents' primary savings goals and the reported amounts saved this year. Those focused on retirement or investment savings have been the biggest savers; this reflects (at least in part) that those in the more senior pay grades were more likely to report having these goals. Those targeting debt repayment were the most likely to report having saved $0; this may reflect some confusion about counting extra payments on debt as savings. Both those saving for an emergency fund and those saving for homeownership most frequently reported having saved $251 to $1,000 this year, but large swathes of those respondents had also saved substantially more.

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SAVINGS DATA (CONTINUED)

RETIREMENT SAVINGS

The survey asked multiple questions related to retirement and long-term savings. Over 9 out of 10 respondents said they were not currently retired; *87% of them reported having taken one or more of 8 actions related to setting up for retirement*.

These respondents were also asked if they were in the Blended Retirement System (BRS); 25% said it did not apply to them, 12% did not know, and 19% of the remainder said they were in BRS. This latter group was then asked what best describes how they contribute to the Thrift Savings Plan (TSP), and *most (83%) said they contribute at least 5% of pay to TSP to get the full government match*.

|	
Contributed to accounts	68%
Set up accounts	48%
Kept updated on my accounts	40%
Increased my contributions	39%
Reviewed material from my retirement program	30%
Qualified for military pension	22%
Contacted a financial advisor	21%
Contacted my installation's Financial Readiness program	7%

SAVINGS DATA (CONTINUED)

HOW SAVERS SEE THEMSELVES

The survey included two questions configured as sliders: respondents answered by moving a pointer along a horizontal bar registering responses on a 1 to 10 scale.

The first of these questions asked "How do you rate your success as a saver?", with the left end of the scale labeled "not at all successful" and the right end labeled "very successful". The responses were disproportionately positive, with an average score of 6.38 and a median score of 7 (a score of 5 would represent a neutral response).

As would be expected, the self-assessment of savings success was highly correlated with both the reported amount of savings this year and the self-reported credit score.
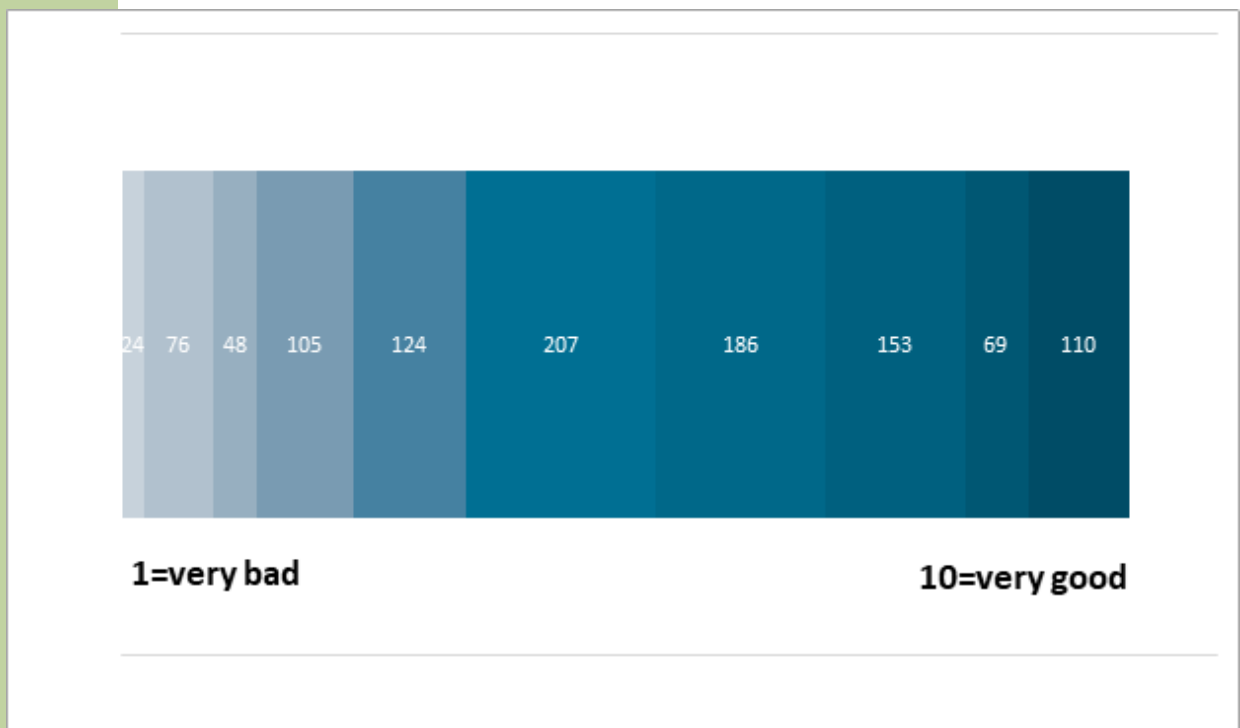

| 18 | 73 | 53 | 79 | 118 | 197 | 207 | 162 | 76 | 119 |
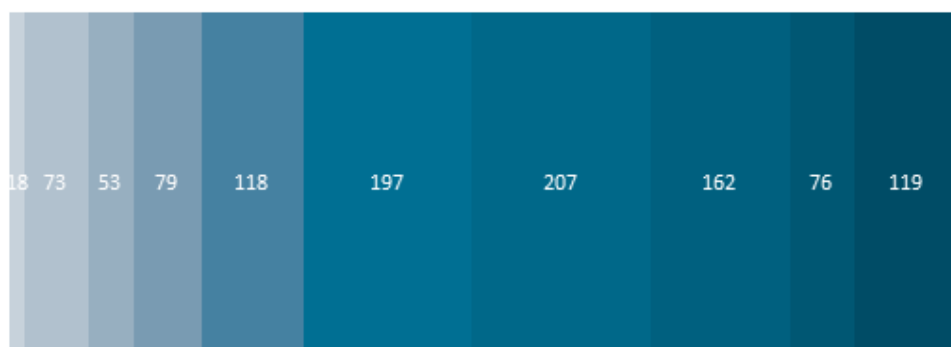
1=not at all successful   10=very successful

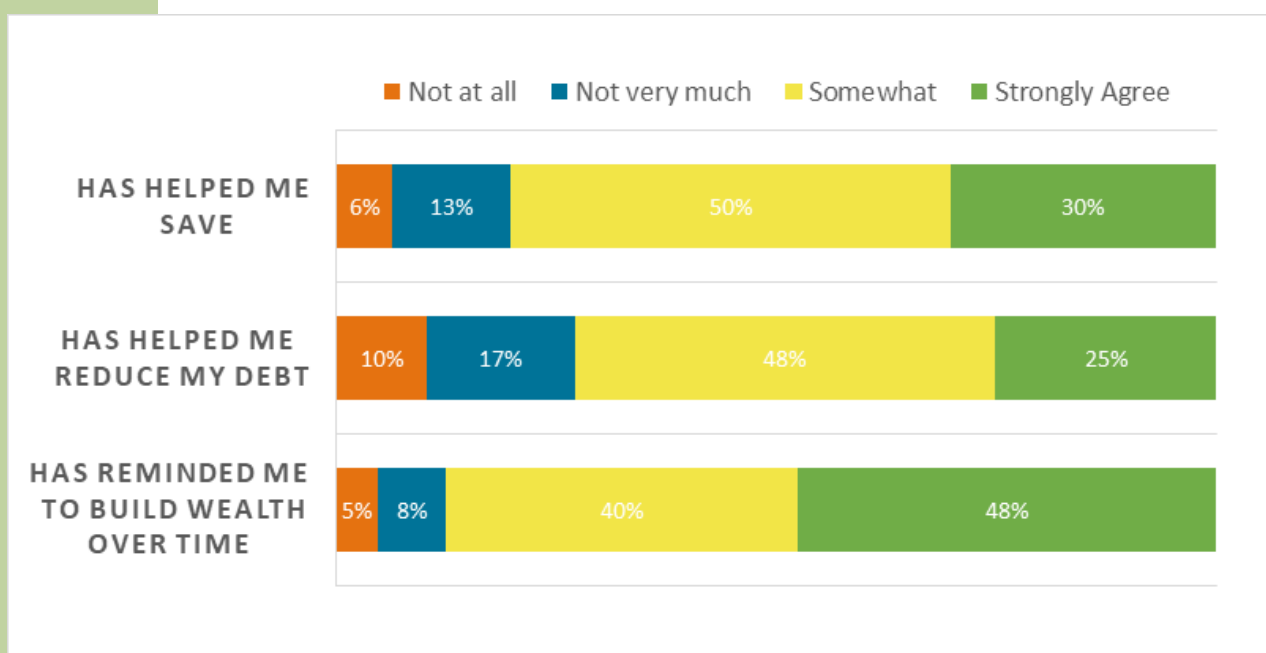# SAVINGS DATA (CONTINUED)

HOW SAVERS FEEL ABOUT THEIR SITUATION

The second slider question asked "How do you feel about your current financial situation overall?", with the left end of the scale labeled "very bad" and the right end labeled "very good". The responses were just slightly less positive than those for the savings success question; the average score was 6.22 and a median score was 6 (5 being neutral).

This self-assessment of financial health was also highly correlated with both the self-reported credit score and the reported amount of savings this year.

MILITARY SAVES PROGRAM FEEDBACK

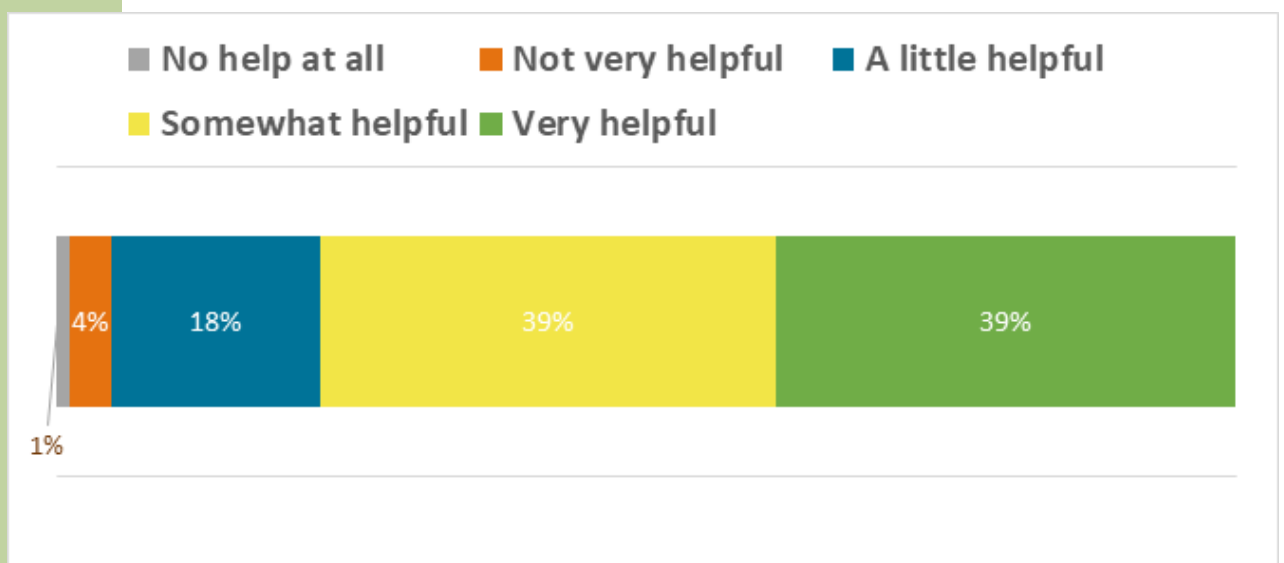## HOW THE PLEDGE HELPS SAVERS MEET FINANCIAL GOALS

The survey asked respondents whether they had taken the Military Saves Pledge, and 49% said they recalled having done so. These respondents were then asked to indicate whether the Pledge had helped them meet the 3 intended objectives related to savings, debt reduction, and wealth building. The responses were overwhelmingly positive and **88% of respondents said that the pledge has reminded them to build wealth over time..**

	Not at all	Not very much	Somewhat	Strongly Agree
HAS HELPED ME SAVE	6%	13%	50%	30%
HAS HELPED ME REDUCE MY DEBT	10%	17%	48%	25%
HAS REMINDED ME TO BUILD WEALTH OVER TIME	5%	8%	40%	48%

MILITARY SAVES PROGRAM FEEDBACK (CONTINUED)

HELPFULNESS OF THE MILITARY SAVES PROGRAM

Finally, those who recalled having taken the Military Saves Pledge were asked to assess the helpfulness of the Military Saves Program, and the responses were again overwhelmingly positive, with *over 75% saying Military Saves was somewhat or very helpful.*

Legend: No help at all, Not very helpful, A little helpful, Somewhat helpful, Very helpful

No help at all	Not very helpful	A little helpful	Somewhat helpful	Very helpful
1%	4%	18%	39%	39%

CONCLUSION

WHAT THESE RESULTS MEAN & A WAY FORWARD

The 2019 Military Saves Saver Survey was the largest program survey conducted to date and was the most ambitious in scope: not only did the organization seek to survey those who have taken the Pledge, but it also sought feedback from the wider military community.

The results were by and large encouraging. Respondents are saving for their goals, both automatically and manually. Of those who have not yet retired, 68% have contributed to their retirement accounts, and 83% of those who indicated that they were in the new Blended Retirement System (BRS) said that they were contributing at least 5% to get the government match.

The majority of respondents felt confident in their ability to save and felt good about their financial situation. Of those who took the Military Saves Pledge, 80% said it has helped them to save.

Not all the news was positive, however; respondents said they still had significant hurtles to overcome when it comes to saving. The biggest challenge was unexpected expenses followed by buying unnecessary things and debt repayment. Nearly a quarter of respondents listed debt repayment as their number one savings goal.

There is still plenty of work to do. Beginning in 2020, the entire month of April will be dedicated to **Military Saves Month** and will help focus attention on the financial readiness of the military community and the significant financial challenges military families continue to face.

Military Saves will be emphasizing the benefits of automatic saving throughout the year, emphasizing how it is eminently possible to *Start Small, Think Big.*

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