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2025 Military Personal Finance Year in Review

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Event Materials

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Continuing Education

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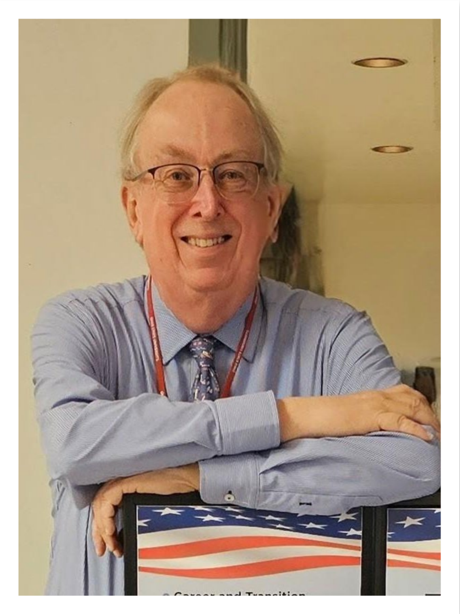
This material is based upon work supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, and the Office of Military Family Readiness Policy, U.S. Department of Defense under Award Number 2023-48770-41333.

Today's Presenters



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Personal Financial Manager
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Learning Objectives

1. Summarize significant personal finance research findings published in 2025 and their relevance to military families.
2. Identify key legislation, policy updates, and military-specific events that influenced financial readiness in 2025.
3. Prepare for upcoming changes in 2026 that may affect the work of service providers serving military populations.

2025 Research & Reports

Putting Research Into Practice

Photo by Pixels Hunter/Adobe Stock

Ten Years of Review Webinars

Key Finding	Implication for Service Providers
Recurring finance themes	Use history as part of financial education
Trends like inflation, housing costs, debt, fraud, and sports betting are shaping family finances	Incorporate both ongoing and emerging risks into client counseling
History highlights the need for flexibility	Teach clients adaptable planning strategies that anticipate uncertainty

Huff, N., O'Neill, B., Gillen, M., & Jowers, K. (2025, July). Looking back to plan ahead: A thematic analysis of a decade of personal finance year-in-review webinars. *Journal of Personal Finance, 24*(1), 96-107.

Service Members' Couple Finances

Key Finding	Implication for Service Providers
Financial anxiety lowers relationship satisfaction	Provide tools and strategies to lower stress and mitigate financial anxiety
Shared decision-making enhances relationship outcomes	Include joint financial education and exercises for couples
Agreement on spending buffers anxiety impact	Build consensus around spending priorities

Peterson, C., O'Neal, C. W., & Lucier-Greer, M. (2025) Service members' couple finances: An examination of financial anxiety, financial decision-making, and agreement on spending and relationship outcomes. *Journal of Family and Economic Issues 46*(2):545-557. DOI:10.1007/s10834-025-10043-x

Family Financial Socialization

Key Finding	Implication for Service Providers
Many “sometimes” had the skills to apply financial knowledge effectively (3.0/5)	Practice applying financial skills in real-world scenarios (budgeting, debt repayment, retirement planning)
More family financial socialization was linked to stronger financial capabilities	Ask about early money lessons when working with clients to understand their baseline financial socialization
Men and women reported similar levels of family financial socialization	Focus on individual experience and confidence levels

O’Neal, C. W., Lucier-Greer, M., & Okamoto, R. M. (2025) Family financial socialization and financial capabilities of the U.S. military service members: Do demographics matter? *Journal of Financial Counseling and Planning, 36*(1), 123-137. https://doi.org/10.1891/JFCP-2023-0104

The 14th Quadrennial Review of Military Compensation

Key Finding	Implication for Service Providers
The military compensation package is strongly competitive with civilian labor market.	Provide resources to Service members on compensation, to include how the Department determines pay and allowances, and differences between Regular Military Compensation and individualized compensation.
Reducing pay volatility and variability will benefit Service members and the Department.	Encourage Service members to regularly review their LES and to seek assistance with questions about pay changes.
Targeted non-cash compensation may offer better returns on investment for Service members and military families.	Provide appropriate resources to Service members about non-cash compensation, such as retirement savings options, support for childcare or employment programs.

U.S. Department of Defense (DOD). (2025) *The 14th Quadrennial Review of Military Compensation.* https://militarypay.defense.gov/References/QRMC/

Active Duty Military Spouse Survey

Key Finding	Implication for Service Providers
60% are financially comfortable, well-being scores higher than national average	Even “comfortable” families may need support planning
74% live off base and in the community	Navigating variables in civilian economy and strengthen connections to local resources and support networks
Employment strains and financial implications	Offer holistic financial support such as targeted resources for spouses and job placement support

Office of People Analytics. (2025, May) *2024 Survey of active duty spouses.* https://download.militaryonesource.mil/12038/MOS/Presentations/2024-active-duty-spouse-survey-key-findings.pdf

Financial Literacy and Preparedness Survey

Key Finding	Implication for Service Providers
Service members are prioritizing emergency savings	Reinforce positive savings behaviors, build on the foundation, balance short and long term savings,
Rising debt and expenses cited for worsening financial conditions	Highlights need for debt management strategies, credit buy now, pay later, and high-interest debt
Service members spend less than their income	Planning to absorb financial shocks and changes in cost of living

U.S. Department of Defense. (2025). Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces - Results from the 2023 Status of Forces Survey. https://finred.usalearning.gov/assets/downloads/FINRED-2025-FinancialLiteracy-R.pdf

Auto Lending to Servicemembers (CFPB)

Key Finding	Implication for Service Providers
Servicemembers borrow more and put less down	Encourage right-sizing loans and strengthening down-payments
Servicemembers pay higher APRs and take longer loan terms	Highlight long-term cost impact and guide clients toward more affordable terms
Servicemembers pay more for add-on products	Review add-ons for necessity and help clients avoid unnecessary cost.

CFPB. (2025, January 29). CFPB finds servicemembers pay more in auto lending market.
https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-servicemembers-pay-more-in-auto-lending-market/

Photo by Polarpx/Adobe Stock

Insights from the Field

Share your answers with us in the chat pod!

Looking back at the past year, what stands out to you as the **most significant financial event impacting military families?**

Photo by olga_demina/Adobe Stock

Remember to select ***'Everyone'*** when using the chat pod!

Basic Life Skills

- Lack of knowledge of basic life skills (furniture, cooking, transportation)
- Navy: Junior personnel moving off ships
- Curriculum being developed
- Costs associated with a move off base

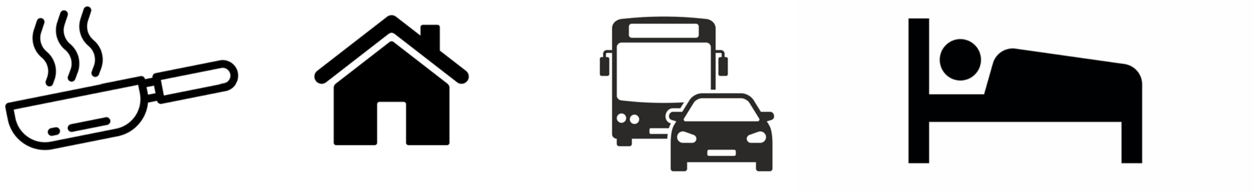


Photo by Janis Abolins and Nijat/Adobe Stock

Command Financial Specialist

- New CFS curriculum released October 2025
- Required by Navy, Marine, Coast Guard
- Completion of both required:
  - Million Dollar Sailer (2 days)
  - Command Financial Specialist (3 days)

Source: https://ffr.cnic.navy.mil/Family-Readiness/Fleet-And-Family-Support-Program/Work-and-Family-Life/Personal-Finances/Command-Financial-Specialists-Training-Schedules/

Addressing Misinformation

- Being proactive
- Common Military Training
- Don’t believe everything on social media

Photo by Nizamu/Adobe Stock

How have you been able to get **dependents/spouses involved** in the work that you do?

What has been successful?

Share your answer in the chat pod.

Photo by 和正 住原/Adobe Stock

Student Loans

- Student loans delinquencies impact credit reports
- SAVE plan
- New Repayment Assistance Plan (RAP)
- Student Loans - what to do when they don't deal with them and it is impacting their credit.

Photo by Karen Roach/Adobe Stock

Mortgages

- Cost of Living increases
- Being upside down on a home
- Interest rates

Photo by Husnain/Adobe Stock

Buy Now, Pay Later (BNPL)

- Increase use of BNPL
- Increased variety of items being paid for by BNPL
- Impacting security clearances

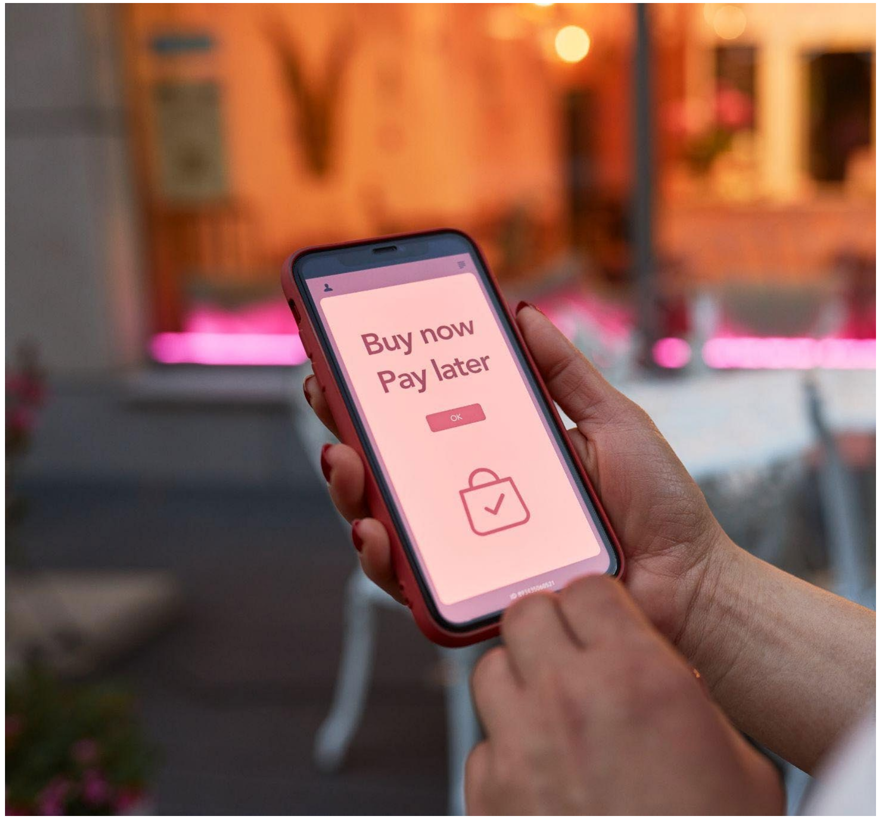


Photo by Przemek Klos/Adobe Stock

Photo by leafart/Adobe Stock

2025 Government Legislation and Policies

Non Federal Entities and Commercial Solicitation Financial Education and Disclosures

- Businesses that market financial products near or on base - insurance, commercial sales, car dealers, financial education
- DoDI 1344.07 Personal Commercial Solicitation on DoD Installations

Photo by B-design/Adobe Stock

Section 541 of 2025 NDAA

- Financial readiness training requirements
  - Arrival at a new duty station for E-6 and below, and O-3 and below
  - No longer required upon promotion
- DoD Instruction 1322.34 “Financial Readiness of Service Members”

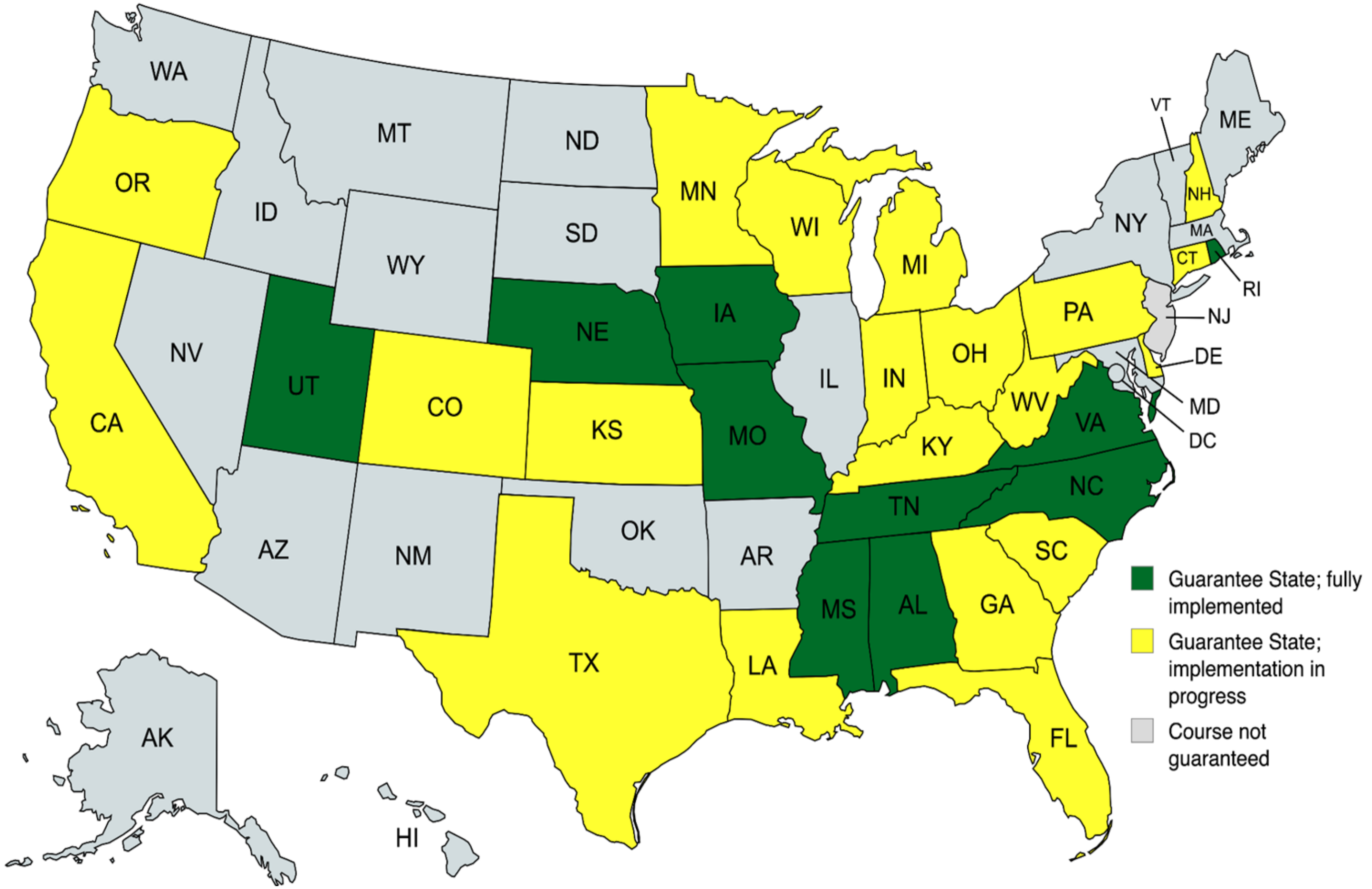
Photo by Staff Sgt. Sean Moriarty/dvids

Financial Education Mandates

30 states require high-school students to take a stand-alone course in financial education prior to graduation.

Delaware, Kentucky, Texas, and Colorado were the most recent states to pass legislation.

Source: NGPF and NEFE (2025)



Map created using MapChart.net

State Taxation of Military Retirement

Photo by tanaonte/Adobe Stock

One Big Beautiful Bill Act

- No tax on tips
- No tax on overtime
- Expiring clean energy credits
    - Clean vehicle credits expire September 30, 2025
    - Home energy credits expire December 31, 2025
- No tax on car loan interest
- Enhancement of Adoption Credit

IRS. (2025, November). *One, Big, Beautiful Bill provisions.* https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions

Trump Accounts

- New type of Individual Retirement Account (IRA) for eligible children born January 1, 2025 - December 31, 2028
- The Working Families Tax Cuts
- One-time $1,000 pilot program contribution
- Visit https://trumpaccounts.gov/ for more information

Photo by Senior Airman Demi M. Ebert/ dvids

IRS. (2025, December 2). Treasury, IRS issue guidance on Trump Accounts established under the Working Families Tax Cuts; notice announces upcoming regulations. https://www.irs.gov/newsroom/treasury-irs-issue-guidance-on-trump-accounts-established-under-the-working-families-tax-cuts-notice-announces-upcoming-regulations

2025 Military Personal Finance Events

Photo by zinkevych / Adobe Stock

Military Compensation

- 4.5% basic pay raise effective January 1, 2025
- Additional 10% increase for junior enlisted personnel in pay grades E-1 through E-4 on April 1, 2025
- Basic Needs Allowance increase to 200% in May 2025
- $1,776 Warrior Dividend

By ronstik / Adobe Stock

Servicemembers Group Life Insurance (SGLI)
Premiums Lowered

- July 1, 2025: Servicemembers Group Life Insurance (SGLI) lowered rates by one cent from $0.06 to $0.05 per $1,000 of coverage
- $500,000 will drop from $30 to $25 per month
- +$1 for Traumatic Injury Protection (TSGLI)
- Family Servicemembers' Group Life Insurance (FSGLI)

Lapse in Appropriations

- Began October 1, 2025
- For service members
- For service providers
- Continuing Resolution January 2026

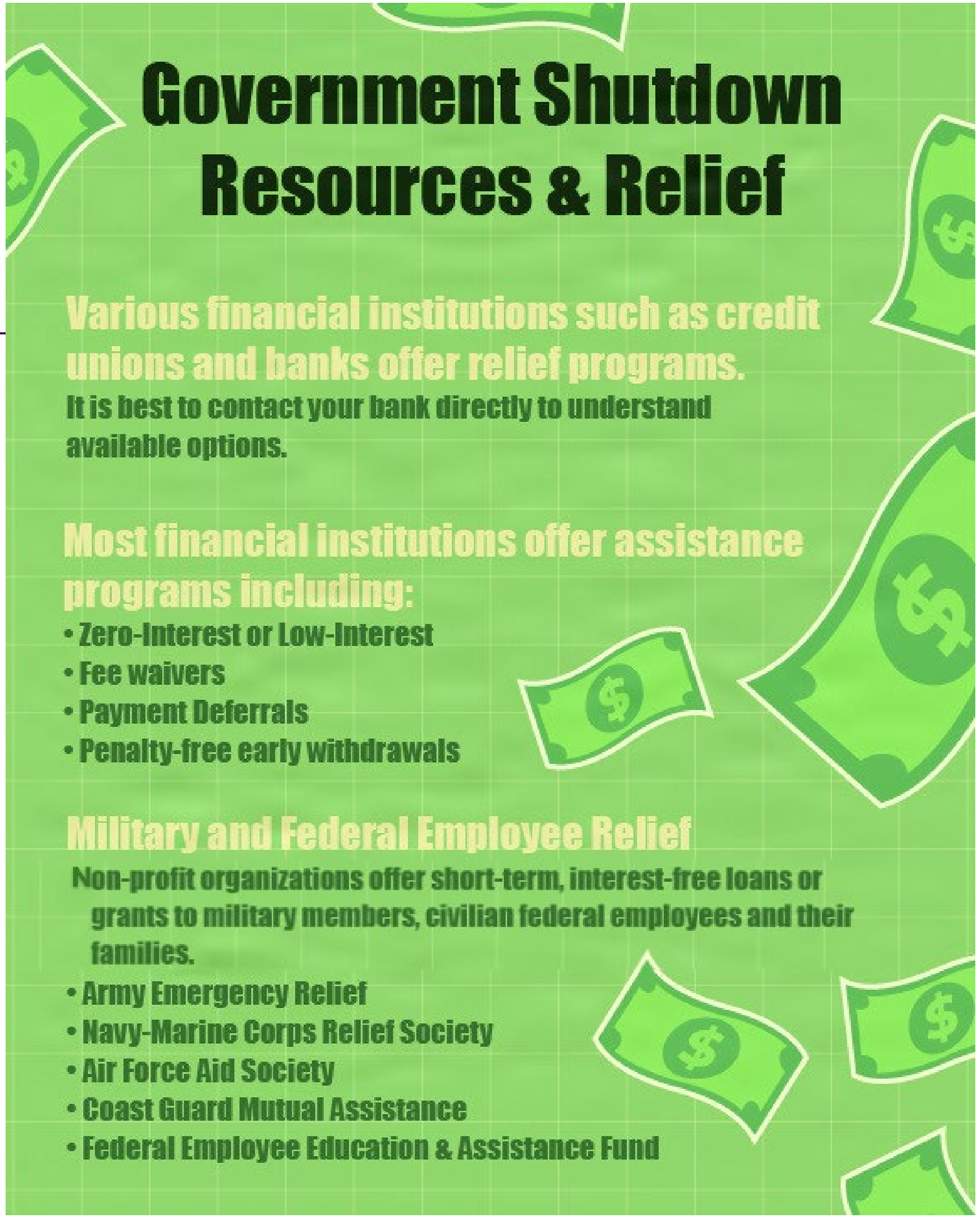
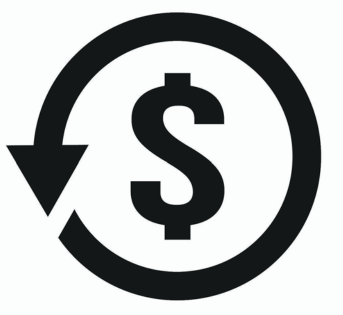


Photo by Lance Cpl. Sorayma Garcia/ dvids

Permanent Change of Station (PCS) Reimbursement

- **130% increase** in the reimbursement rate for personally procured moves through September 30, 2025



By Arif Arisandi/ Adobe Stock

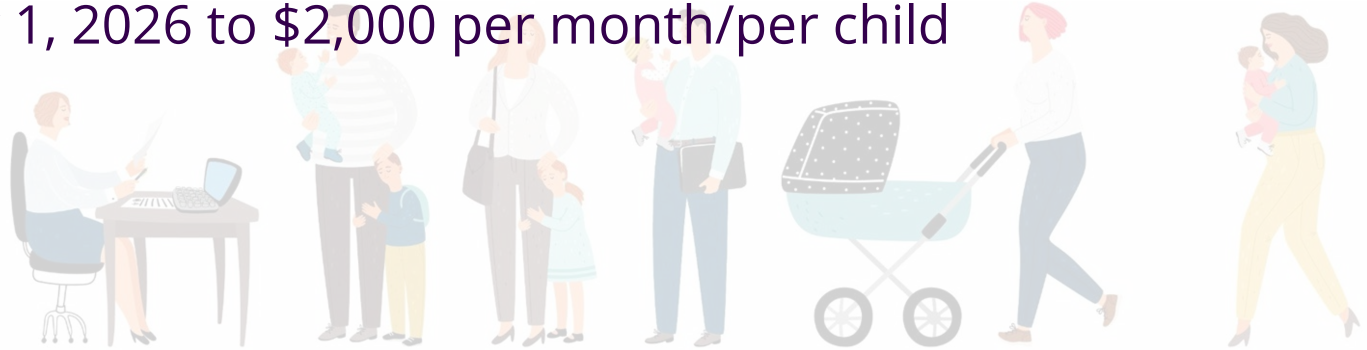
Additional Updates

- L Funds: L2025 merged into L Income (July 2025) and addition of L2075 (June 2025)
- Consumer Protection
  - JWB Real Estate Management (June 2025)
  - FirstCash, Inc settlement (July 2025)
- Last penny struck on November 12, 2025

By Jose Gil / Adobe Stock

Child Care Expansion Initiative

- Expands access to affordable, quality child care
- Builds partnerships with community providers
- Reduces waitlists in high-demand areas
- Child and Youth Program
  - Staffing & Compensation Model redesign
  - School year 2025-2026 Fee Policy implemented November 1, 2025
- Fee assistance increasing January 1, 2026 to $2,000 per month/per child



Lopez, C. T. (2025, June 10) *DOD launches child care expansion initiative, provides more options to military families.* https://www.war.gov/News/News-Stories/Article/Article/4212503/dod-launches-child-care-expansion-initiative-provides-more-options-to-military/

Flexible Spending Accounts (FSAs)

- Dependent Care and Health Care FSA
- Special enrollment period in March 2025
- Open enrollment (NOV-DEC 2025)
- Qualifying Life Events

Photo by AliFuat / Adobe Stock

2026 Personal Finance Changes

Photo by Luis Echeverri Urrea/Adobe Stock

Thrift Savings Plan (TSP) Updates

- Roth in-plan conversions coming to the TSP in January 2026
- TSP limits for 2026
  - Elective deferral limit: **$24,500**
  - Annual additions limit: **$72,000**
  - Catch-up limit: **$8,000**
  - Higher catch-up limit for ages 60-63: **$11,250**

Source: https://www.tsp.gov/making-contributions/contribution-limits/

Tax Inflation Adjustments

Standard Deduction

Tax Year	Single; Married Filing Separately	Married Filing Jointly; Surviving Spouses	Heads of Households
2025	$15,750	$31,500	$23,625
2026	$16,100	$32,200	$24,150

Marginal Rates

Tax Rate	Single Taxpayers with incomes:	For Married Taxpayers filing Jointly with incomes:
37%	$640,600+	$768,700+
35%	$256,225 - $640,599	$512,450 - $768,699
32%	$201,775 - $256,224	$403,550 - $512,449
24%	$105,700 - $201,774	$211,400 - $403, 549
22%	$50,400 - $105,699	$100,800 - $211,399
12%	$12,401 - $50,399	$24,801 - $100,799
10%	$1 - $12,400	$1 - $24,800

National Defense Authorization Act for Fiscal Year 2026

- Basic Allowance for Housing (BAH) Rates
- Basic Allowance for Subsistence (BAS) Rates
- Educational campaign on military compensation

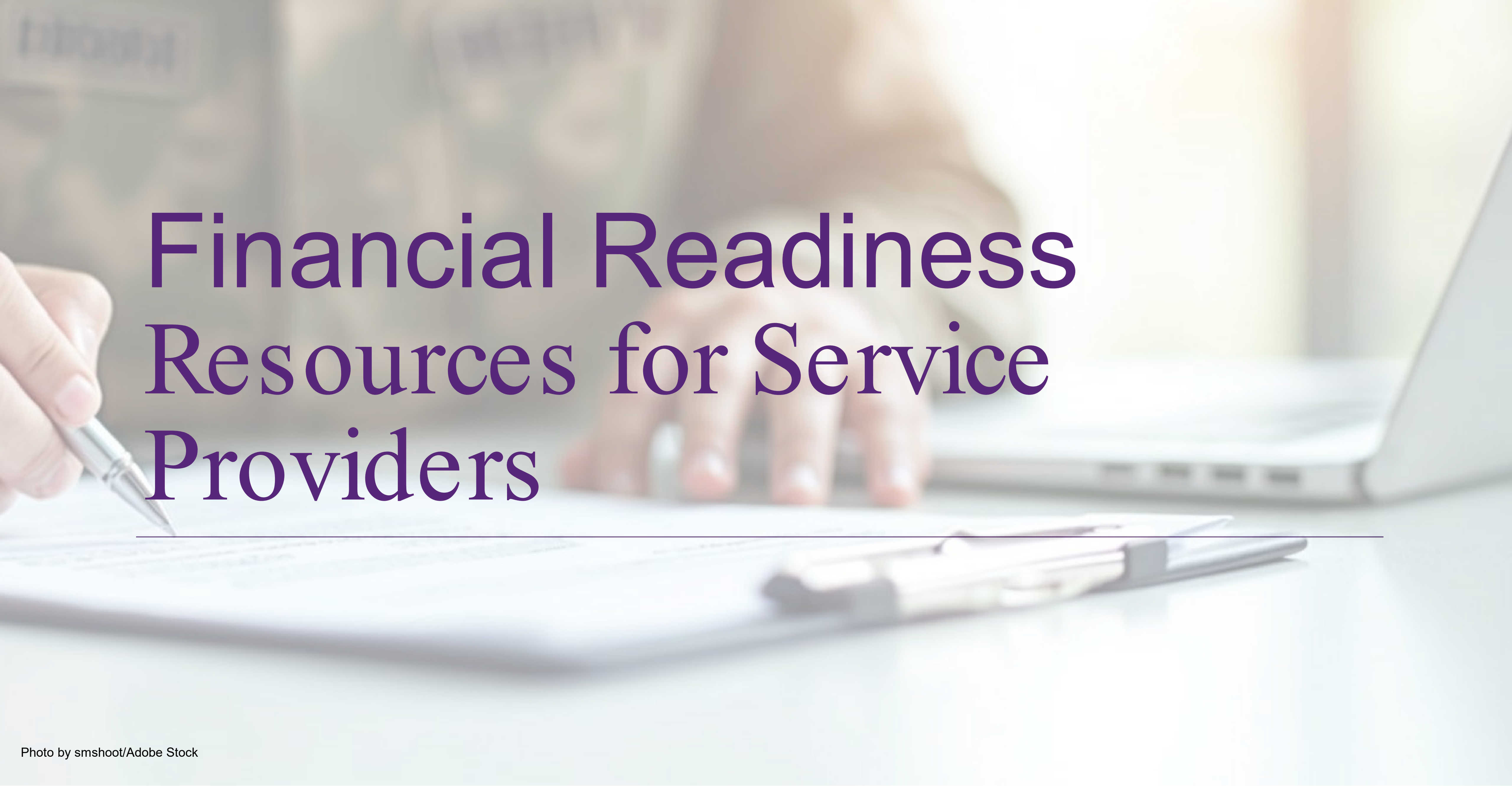
Scan code
to access
BAH Lookup Tool

Share your answers with us in the chat pod!

Which 2026 update do you think will **generate the most questions?**

Photo by Sgt. Bernabe Lopez/dvidshub.net

Remember to select ***'Everyone'*** when using the chat pod!



Financial Readiness Resources for Service Providers

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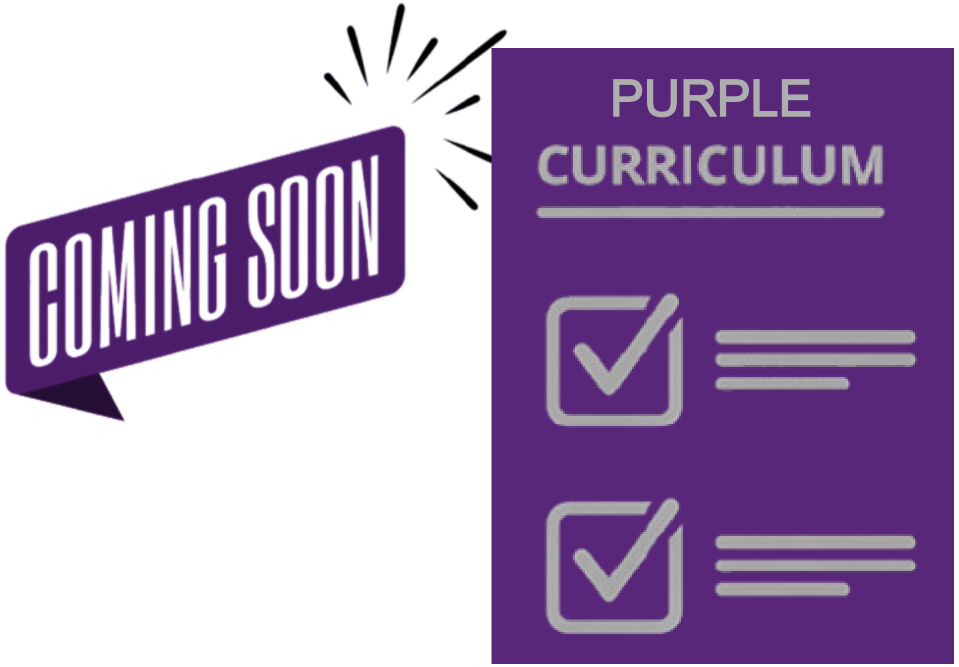
Common Military Training

Access in the Learning Resource Library:
https://militarypay.defense.gov/lrl/



Department of Defense's Office of Military Compensation and Financial Readiness (MC&FR)

Learning Resource Library (LRL)

- Personal Financial Counselor Program Guide (April 2025)
- PFC Approved Curriculum
- Program Support Materials

Visit https://militarypay.defense.gov/lrl/ to access the Learning Resource Library

Financial Readiness ePublication

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Your Military Money: Financially Secure, Mission Ready

Published by the Department of Defense (DoD) Office of Financial Readiness (FINRED), this monthly eNewsletter equips Service members, financial service providers and military spouses with the knowledge and resources to thrive.

- Service members and spouses will learn to maximize military benefits, build a strong financial foundation, protect assets and navigate family finances.
- Financial service providers will gain timely updates, access training opportunities and receive valuable insights to enhance their service to military families.

Download the Nutrition Readiness Toolkit

https://www.militaryonesource.mil/leaders-service-providers/food-finances-housing/

Fact sheets covering:

- Healthy eating on a budget
- Financial management
- Financial benefits for service members

Supporting Military Spouses

- Addressing spouse unemployment through key support programs:
  - Military Spouse Employment Partnership
  - Spouse Education and Career Opportunities program
  - My Career Advancement Account Scholarship program
- Memo about spouses working overseas (January 2025)

  → Read the OneOp blog, "*Why Everyone's Talking About SOFAs (And No, Not the Furniture Kind)*"
- MilSpouse Money Mission

Military Spouse Income Taxation Under SCRA

2003	Earned income was taxed in the residence or domicile where it was earned.
2009	**Military Spouse Residency Relief Act (MSRRA)** Earned income was taxed where military spouse maintains domicile - not where income was earned - when solely to be with Service member in compliance with Service member's orders.
2018	**Veterans Benefit and Transition Act (VBTA)** Earned income tax was taxed where military spouse maintains domicile OR in Service member's domicile when solely to be with member in compliance with Service member's orders.
2022	**Veterans Auto and Education Improvement Act** Earned income may be taxed in Service member's state of domicile or residence, in the military spouse's state of legal residency or domicile, OR in the state where Service member's permanent duty station is located, when solely to be with Service member in compliance with Service member's orders.

Download a PDF of the Timeline of Changes

2026 DOW Financial Readiness Virtual Training Symposium

FINANCIAL READINESS

SAVE THE DATE

May 1-29, 2026

We hope you can join us

The Symposium will take place on the Joint Knowledge Online (JKO) Virtual Classroom (VCLASS) platform.

Advanced training sessions provide an opportunity for credentialed financial counselors to earn continuing education units (CEUs).

A formal invitation with detailed access information will arrive on or around April 1, 2026, from the Department of War (DOW) Office of Military Compensation and Financial Readiness (MC&FR).

For registration, you will need to provide your **JKO profile email address** and **VCLASS user ID number.**

Questions

On-Demand OneOp Programming

Military Spouse Residency, Relocations, and Tax Considerations

Learn about SCRA updates regarding spouse residency for taxes, tax considerations when moving and the impact of domicile in divorce.

Leveraging PowerPay: An Extension Tool for Debt Management

Learn how to use a free online Extension tool to create debt payoff profiles with your clients.

2025 Tax Updates: What Service Providers Need to Know

Identify tax updates, Combat Zone Exclusions and the types of taxable pay and allowances.

Building Recovery Capital with Military Families

Explore the connection between financial stress, employment and substance use and resources for promoting recovery.

Understanding Financial Uncertainty & Military Suicide Risk

Identify the connection between financial stress and suicide risk. Find assessment and resources for crisis intervention.

Flexible Spending Accounts: Tools for Service Members

Learn how to help service members enroll and manage FSAs, Qualifying Life Events and explore case scenarios.

Launching Leaders: Preparing Military-Connected Teens for Adulthood

Identify practical strategies for supporting emerging adults with financial/career preparedness & 4-H resources.

FinTech: Navigating Regulations and Risks in Financial Counseling

Explore risks, scams, and AI in financial technology. Learn about the crypto task force and SEC regulations.

Financial Readiness Resources

Visit the FINRED at https://finred.usalearning.gov/ for original, reliable and up-to-date financial information you can count on.

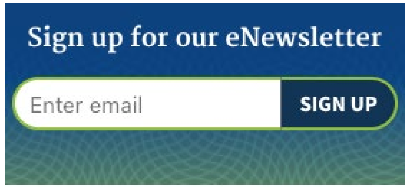
SCAN ME

Use the Personal Financial Counselor Locator Map to find:

- Free financial counselors both CONUS and OCONUS
- Financial literacy education, training, and resources

Discover MilSpouse Money Mission resources including:

- Money Ready curriculum
- MilLife Milestones
- Videos, blogs, and more



Sign up for our eNewsletter designed for Service members and spouses and service providers at: https://finred.usalearning.gov/eNews-subscriber

MilitaryINSTALLATIONS connects you to local programs, services and resources: https://installations.militaryonesource.mil/

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MilSpouse Money Mission: https://www.milspousemoneymission.org

Scan to visit
finred.usalearning.gov

Upcoming Event

2026 Tax Updates: What Service Providers Need to Know

February 3, 2026, at 11 am EST - 12:30 pm EST

Join OneOp and Ms. Susan Mitchell, Executive Director, Armed Forces Tax Council, as she shares insights into key military tax-related provisions and 2026 tax updates to strengthen your support of military families during tax season and beyond.

Continuing education credit will be available for this session!

https://oneop.org/learn/160122/

Continuing Education

This webinar has been approved for 1.5 continuing education (CE) credits from the following organizations:

- American Association for Family and Consumer Sciences
- Association for Financial Counseling & Planning Education
- National Council on Family Relations
- The Center for Financial Certifications (FinCert.org)
- Certificate of attendance

Evaluation Link

Go to the event page for the evaluation and post-test link.

Continuing Education

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