

Military veterans turn to financial planning as a way to give back

Veterans bestow on others the financial lessons they've received during their time in the military

By Greg Iacurci | November 10, 2015 - 5:49 pm EST

One question posed to Didi Dorsett on a military base in Okinawa, Japan, completely changed her life: "What do you do with your money?"

Ms. Dorsett was only 22 years old at the time and on her first assignment in the Navy when an older colleague asked her that question. Upon hearing her response — all of Ms. Dorsett's money was going into a checking account — the colleague promptly brought her to see a local fee-only financial planner.

Ms. Dorsett, who served 20 years in the military as a Naval intelligence officer, has kept the one-page financial plan drawn up during that consultation all these years. It now hangs framed on the wall of her financial planning office.

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"It kind of inspires me, and I hope as I get new clients I can share that with them," said Ms. Dorsett, who started in September as an associate financial planner at Safe Harbor Financial Advisors, a small, veteran-owned practice. "[A financial plan] doesn't have to be complicated to be successful."

Rob Aeschbach, owner of The Military Financial Planner, started his firm a little over a year ago, specializing in financial planning for active military members across the Army, Marines, Navy and Air Force.

Mr. Aeschbach retired from the military a few years ago, after a stint in the Marines from 1990 to 2002 and one in the Army Reserve from 2007 to 2012, having taken off some time in between to be a stay-at-home dad with his two sons. He retired from the Marine Corps with the rank of major.

His wife is currently a captain in the Navy, and the family has been stationed in Norfolk, Va., home to the largest naval station in the world, for the past 2 1/2 years.

"I focus on active military members because I know the pay system really well and I feel I can provide them the most value because of that," Mr. Aeschbach said.

Many of Mr. Aeschbach's consultations happen remotely, via Google Hangouts, as he meets virtually with military members serving both across the U.S. and around the world.

There are some aspects to active-duty members' finances that warrant special consideration, Mr. Aeschbach said. Even though they receive regular paychecks, payments can fluctuate from one month to another due to deployment or other travel, for example.

Housing, travel and sustenance allowances, which sit on top of base pay, can change depending on where a military member lives.

For example, a housing allowance might decrease if a soldier moves from San Diego to Jacksonville, Fla., Mr. Aeschbach explained.

Therefore, discussing the need for an emergency fund and saving for unexpected things is a common topic of discussion for Mr. Aeschbach during client meetings, especially ones with younger enlistees.

He encourages clients to save in the federal Thrift Savings Plan (TSP), the largest defined contribution plan in the country which boasts extremely low fees, and advises against buying a house due to frequent moves, which could lead to the serial buying and selling of homes or potentially becoming a “long-distance landlord.” Mr. Aeschbach even practices what he preaches – he's 47 years old and rents rather than owns.

“The whole idea is to help people form good habits and do the best they can,” he said.

Paul Murphy, managing director at Spire Investment Partners, gives back to veterans by helping usher them into the financial services industry, as advisers or in a different capacity.

Mr. Murphy, who spent about 10 years in the Air Force – followed by seven-year stints at both Merrill Lynch and Morgan Stanley before joining Spire – is a board member of the [Wall Street Warfighters Foundation](#), which helps to facilitate placement of combat veterans in financial services positions.

As part of that, Spire sponsors veterans as they work toward getting the appropriate licenses to work in the industry, typically Series 7 and 65, and facilitates any regulatory testing required to receive the licenses, Mr. Murphy said. In order to get the licenses, an individual must be sponsored by a Finra member firm such as Spire.

Working with veterans to achieve these goals helps them to transition to a civilian lifestyle, Mr. Murphy said.

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