**HOW TO FUND YOUR FUTURE.**

Serving Armed Forces personnel are reasonably financially secure, the nature of military life is such that while serving one does not experience the same financial challenges as civilians. Money can require less day-to-day management, especially for single personnel. However, Service Leaving Tigers in the transition from an Army career to civilian life can find themselves lacking Financial Awareness; some, particularly younger Service Leavers, can be financially naïve. Many Armed Forces personnel leave with no experience of planning and managing their finances, and an unrealistic idea of the costs of everyday civilian life. These factors, which sometimes work in combination, mean that some Service Leavers often find themselves in financial difficulties.

Many join the Army from the family home. While serving, accommodation is provided, and the (subsidised) rent, as well as all associated costs, deducted from pay at source. Most can regard their pay as disposable income and budgeting is minimal. The consequence is that many Service Leavers have little experience of planning or managing their finances, and little idea of the cost of civilian housing, utilities and other expenses. This can lead to real difficulties for some Service Leavers, which could be avoided if more were done to prepare Veterans for this aspect of Civvy Street.

*“As a squaddie, you don’t need to worry about your money. You’re getting three meals a day, no rent or anything. So, when I first got paid [after I left], I was just going out and getting drunk. The hardest thing was budgeting my money.”*

However, the Armed Forces do an excellent job preparing Veterans to start their businesses of their own and run them effectively. Veterans have learnt a lot of skills vital to being a successful entrepreneur, such as:

* Leadership;
* Teamwork;
* Discipline;
* Perseverance;
* Dedication;
* Preparation;
* Adaptability.

Many entrepreneurs have limited success or fail because they lack these
skills. But life in the Army does not provide a sound basis in Commercial Awareness. Veteran Tigers transiting into Civvy Street know very little about business fundamentals, such as:

* Business Finance;
* Accounting;
* Commercial Law;
* Corporate Tax;
* Contract Law;
* Business Development, Sales, and Marketing;
* Equity/Debt Funding.

The good news is that all of this can be learned. It is probably harder to be a business expert and learn leadership than the other way around.

Commercial Awareness is to understand how a company works and what makes it function.

Financial Awareness is an essential component of life in Civvy Street. It goes hand in hand with Commercial Awareness and understanding it will carry the Service Leaver in transition. Whether it is for your personal life or starting a business:

* Understand the financial consequences of running an enterprise;
* Get to grips with accounting fundamentals;
* Know what makes a profit;
* Manage cash;
* Be prepared to use a financial budget as part of your planning;
* Learn how to evaluate opportunities financially;
* Establish measures for the performance of your personal and business finances.

 *“I used to live like a King for two weeks and a Pauper for two weeks—we’d go out spending everything, then run out of money. But we would always still have a roof over our head and meals provided, so it didn’t matter.”*

Some Service personnel are less interested in financial issues before resettlement. The point of discharge is an expensive moment for the Service Leaver, as landlords require deposit payments and many utility providers require upfront fees or deposits too. The cost of living in the civilian world is higher, and looking for work can take longer than anticipated. Sometimes there are costs for further training.

 *“Financial Awareness and management are particular issues Service Leavers struggle with; they have had everything provided for them and can spend any money they earn but then tell them they need to pay rent, council tax and need to budget and they find it difficult.”*

Without some financial planning, it is easy to disappear into debt under the waves of economic demands, typically with knock-on consequences for family or relationships.

A good transition is one that enables Service Leaving Tigers to be sufficiently resilient to adapt successfully to civilian life, both now and in the future. This resilience includes financial, psychological, and emotional resilience, and encompasses the Veteran and immediate family.