

Military Financial Education: DOD Should Improve Oversight to Ensure Trainings Effectively Support Service Members

GAO-25-107666 (Accessible Version)

Q&A Report to the Committee on Armed Services, House of Representatives

April 8, 2025

Why This Matters

As of January 1, 2018, all new military personnel are automatically enrolled in the Blended Retirement System (BRS). Under BRS, service members receive employer contributions to a personal Thrift Savings Plan (TSP) account—a retirement savings and investment plan similar to a 401(k) plan offered by a private sector employer. After retiring from military service, they may also receive an annuity—regular monthly payments for life based on military earnings and years of service. The Department of Defense (DOD) reported that as of December 31, 2023, BRS participant TSP accounts had a total value of approximately \$28 billion.

DOD also implemented a new financial readiness training program for service members. The training must be provided at certain points in a service member's career, such as initial entry, promotion, and pre- and post-deployment. The training covers a range of topics, including retirement. In a 2024 report to Congress, DOD noted the importance of this training, describing ongoing financial education as vital for force readiness.

In 2019, we reported on the steps DOD had taken to help service members understand BRS and to educate service members on saving for retirement (GAO-19-631). That report included two recommendations, now implemented, for DOD to evaluate the results of financial literacy training assessments and provide disclosures that describe key parts of BRS. We have also previously reported on the financial challenges some service members face, such as affording housing. In reports published as recently as 2024, we have made recommendations to DOD to address some of these concerns.

House Report 118-529 contains a provision for us to review how DOD and the military services have implemented financial readiness training and assessed the financial security of service members, as it relates to BRS. We are providing information on BRS, how DOD's financial readiness training efforts compare to best practices for promoting financial education, and how DOD measures the financial security of service members.

Key Takeaways

- DOD, through the military services, provides financial education training throughout a service member's time in the military, including information on retirement. Service members also have access to other financial education

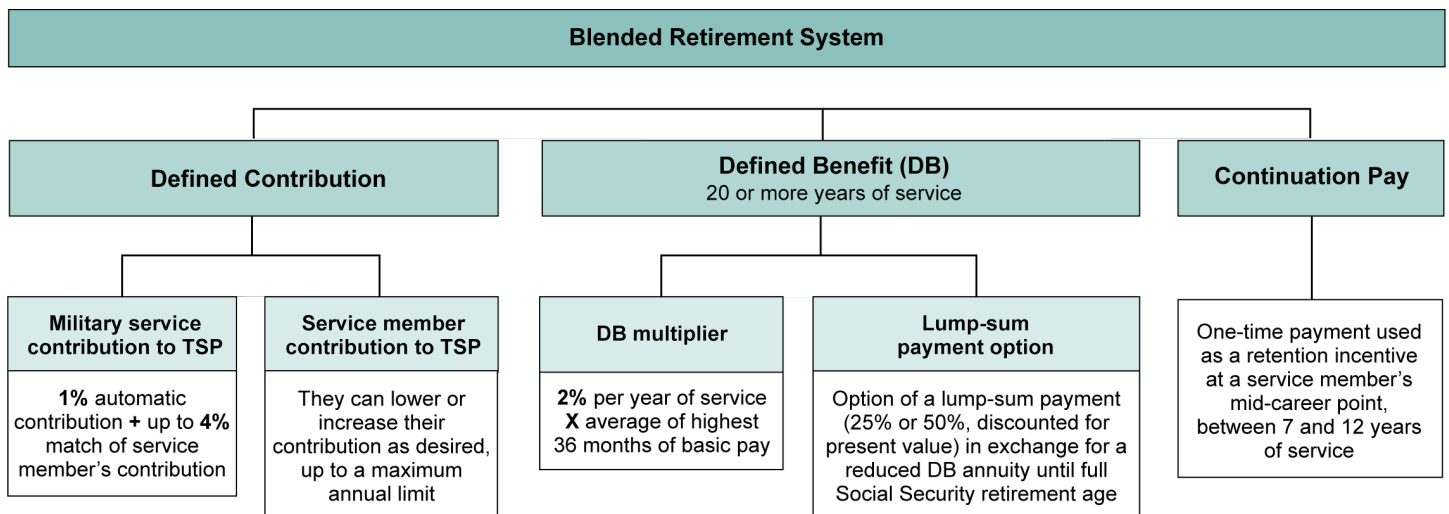
resources provided by DOD and the military services, including financial counseling, mobile apps, and websites.

- DOD officials do not know the extent to which service members complete some of the required financial readiness training because the military services face challenges accurately tracking training completion. While DOD has taken steps to gather more information from the services regarding tracking, data from the services show that DOD does not receive the standardized, complete information it needs to provide oversight. In addition, officials from the military services said some service members do not complete financial education training, but DOD officials have not identified why service members do not take the trainings or addressed the issue.
- To evaluate their financial education efforts, the military services use surveys and other methods. DOD currently has a multi-year research study underway to identify standardized metrics and measures of effectiveness for its financial education efforts across the military services. However, DOD has not established a timeline to select and implement these measures once the study is complete.
- We recommend DOD take additional steps to help ensure that military services track service members' completion of financial education training and that DOD take steps to identify and address causes of non-compliance with training requirements. We also recommend that DOD establish timelines for selecting and implementing any standardized performance measures needed to evaluate its financial education efforts. DOD concurred with our recommendations.

What is BRS?

BRS is the retirement system for service members who entered the military on or after January 1, 2018, or who opted into the system.¹ BRS was created by the National Defense Authorization Act (NDAA) for Fiscal Year 2016.² It consists of a defined benefit annuity and defined contributions from the military services and service members.³ In addition, as part of BRS, service members can receive a one-time continuation payment as a retention incentive at the service member's mid-career point (see fig. 1).⁴

Figure 1: General Components of the Blended Retirement System



Source: GAO presentation of Department of Defense information. | GAO-25-107666

Accessible Data for Figure 1: General Components of the Blended Retirement System

Blended Retirement System

Defined Contribution (one of two)	Defined Contribution (two of two)	Defined Benefit (DB) (one of two)	Defined Benefit (DB) (two of two)	Continuation Pay
Military service contribution to TSP: 1% automatic contribution + up to 4% match of service member's contribution	Service member contribution to TSP: They can lower or increase their contribution as desired, up to a maximum annual limit	DB multiplier: 2% per year of service X average of highest 36 months of basic pay	Lump-sum payment option: Option of a lump-sum payment (25% or 50%, discounted for present value) in exchange for a reduced DB annuity until full Social Security retirement age	One-time payment used as a retention incentive at a service member's mid-career point, between 7 and 12 years of service

Source: GAO presentation of Department of Defense information. | GAO-25-107666

Note: The military retirement systems prior to BRS traditionally offered a DB annuity after 20 years of service, providing regular monthly payments for life based on military earnings and years of service. BRS added the employer contribution to the Thrift Savings Plan (TSP), continuation pay, and the lump-sum payment option, while decreasing the DB multiplier.

What trainings and resources do DOD and the military services provide to support the financial education of service members?

DOD and the military services provide training, counseling, websites, mobile apps, and written resources on a variety of financial topics, including BRS.

Trainings. The military services, with oversight from DOD, provide financial readiness common military training.⁵ This training covers specific learning objectives at key milestones—which we refer to as training points—that are outlined in law.⁶ DOD policy specifies common military training requirements for service members. Nine training points include information specific to retirement (see table 1).

Table 1: Department of Defense (DOD) Financial Readiness Common Military Training Points That Address Retirement-Specific Learning Objectives

DOD's Retirement-Specific Learning Objectives

Training points for financial readiness common military training that address retirement-specific learning objectives ^a	Comprehend the components of the service member's military retirement system, and the importance of preparing for retirement	Understand and be able to manage a Thrift Savings Plan account
Initial entry training	yes	
First duty station		yes
Promotion		yes
Vesting in Thrift Savings Plan	yes	yes
Entitlement to continuation pay	yes	
Major life events ^b	yes	
Leadership training	yes	
Pre- and post-deployment		yes
Transition ^c	yes	yes

Source: DOD Instruction 1322.34: Financial Readiness of Service Members. | GAO-25-107666

Note: Other learning objectives may address concepts relevant to retirement but do not specifically mention retirement in the objective.

^aPermanent change of station is another training point. It does not address the learning objectives included in this table.

^bMajor life events include marriage, divorce, birth of a first child, and disabling sickness or conditions.

*Transition refers to separation from service, transition between active and reserve components, or retirement.

DOD and the military services can also provide financial education trainings outside of the financial readiness common military training. For example, an additional retirement-related training on lump-sum pay may be required.

Financial counseling. The military services are required to provide financial counseling upon request.⁷ According to DOD policy, counseling must be provided through personnel qualified to provide factual, unbiased information that helps service members and spouses develop skills and strategies to meet financial goals. Personal financial managers (overseen by the military services) and personal financial counselors (overseen by DOD) provide financial counseling to service members who request it. The Navy and Marine Corps have command financial specialists who are trained uniformed personnel within commands, according to Navy and Marine Corps officials. In addition, Military OneSource is an online and phone resource through which service members have 24/7 access to assistance from a financial counselor.

Websites. Service members and their families can access financial information, including information on BRS, through DOD and service-specific websites. The DOD financial readiness website, <https://finred.usalearning.gov>, serves as a central source for service members, spouses, service providers, and others to access a collection of educational information and resources, according to DOD documentation (see fig. 2).

Figure 2: Screenshot of Department of Defense’s Financial Readiness Website



Source: Department of Defense. | GAO-25-107666

Mobile apps. Service members and their families also have access to DOD mobile apps. For example, according to DOD, the Sen\$e app is a DOD-wide resource that provides personalized financial education and tips for service members and their families. In addition, sailors can use the MyNavy Financial Literacy app to complete trainings. Navy officials said the MyNavy Family app has a family financial planning section that includes information on BRS.

Written resources. DOD and the military services summarize retirement information through a variety of written resources. For example, DOD has a two-page information sheet on the option to take a lump-sum payment when a service member retires from the military. DOD also has a one-page flyer showing

how saving a small amount each month can grow to tens of thousands of dollars through compound interest (see fig. 3).

Figure 3: Department of Defense Retirement Information Flyer

Save With a Movie Matinee and Walk the Red Carpet to Retirement

Movie night can be quite the production when you add costs for a sitter, popcorn and sodas. Instead, make it a family affair: take the kids for a matinee showing, avoid the need for a babysitter and dine out at lunch prices. Then invest the cash and create more wealth for retirement.

Lower your monthly movie budget ...

... invest that amount in your retirement fund ...

\$74
TOTAL SAVINGS FOR A FAMILY OF FOUR CHOOSING MATINEE OVER EVENING SHOW AND LUNCH OVER DINNER, TWICE PER MONTH.

\$74 MONTHLY
COMPOUNDED BY 6% ASSUMED ANNUAL RATE OF RETURN
... and watch the performance of your savings over time.

a month
... for five years **\$5,105**
... for 10 years **\$11,837**
... for 20 years **\$32,903**

*Number chosen to demonstrate general earning potential.

If you're under the Blended Retirement System, you'll get an automatic 1% Department of Defense contribution and up to 4% DoD matching funds.

Take charge of your future and create more wealth for your retirement.

Locate an accredited personal financial manager or counselor near you:
<https://installations.militaryonesource.mil/>

Visit the Thrift Savings Plan website:
<https://www.tsp.gov>

Visit our website:
<https://finred.usalearning.gov>

Follow @DoDFINRED:
f t i r M

Source: Department of Defense. | GAO-25-107666

What are the completion rates for the financial readiness common military training?

DOD officials do not know the extent to which service members complete some of the financial readiness common military training points because the military services face challenges accurately tracking training completion. According to DOD and military service officials, these challenges stem from the number of training points, the irregular frequency of some of the training points, and limitations with administrative systems, including a lag in real-time data. For example, some training points only occur at certain life or career events, and their timing will be dependent on service members' circumstances. The irregular frequency of some of these training points can make them difficult to track, according to DOD officials.

The military services have taken steps to increase the accuracy of their data on training completion. For example, the Air Force is finalizing an interface between computer systems to prevent a lag in real-time data. According to Navy officials, the Navy upgraded its tracking system in 2023 to allow it to identify when a service member hits a milestone that requires training and the completion of that training. Officials from both the Marine Corps and Navy noted that planned electronic system improvements in fiscal year 2027 should increase the accuracy of their tracking.

While these upgrades have or will address some electronic tracking issues, they do not fully address problems identified by officials from the military services. For example, multiple military services rely on service members reporting the completion of a training to their superiors, who then input the completion into the tracking system. Officials from one military service pointed out that service members may not provide this information to their superior or their superior may not enter it into the data system. Officials from another military service noted that some service members take training when they do not need to, due to financial educators not having a list of all service members required to take trainings.

DOD has taken steps to increase its oversight of the training completion data. In fiscal year 2023, DOD modified its annual reporting requirement to standardize data collection on training completion to obtain comparable information across the military services. DOD officials stated they took these actions based on their review of fiscal year 2022 annual reports provided by the military services, in which they found low reported rates of training completion. The officials said the modifications included additional explanatory data so they could better understand potential data tracking limitations or errors. As of November 2024, DOD is formalizing these reporting modifications by updating its policies.

However, the fiscal year 2025 reports from the military services demonstrate that these oversight efforts did not adequately provide DOD with all of the information it needs to provide oversight. For example, in their fiscal year 2025 reports, the military services did not always provide the requested completion data or provide standardized information. See the text box for the differences in how fiscal year 2024 data were reported for two training points about BRS topics.

Recorded Training Completion Data Reported by Military Service for Fiscal Year 2024 Vesting in Thrift Savings Plan (TSP) and Entitlement to Continuation Pay Training Points

Vesting in TSP

- **Military Service #1:** “During the period 1 Jun 23 – 30 May 24, 13,974 members completed training, 16,074 members are non-compliant.”
- **Military Service #2:** “Total Training Completion within [data system] as of 18 June 2024: 5,966 out of 78,682”
- **Military Service #3:** “Thus far in FY 2024 (as of 1 June)...Vesting in TSP 3,239”
- **Military Service #4:** “data not currently available”

Entitlement to Continuation Pay

- **Military Service #1:** “From 1 Jun 23 – 30 May 24, 28,354 personnel received notification of continuation pay eligibility”
- **Military Service #2:** “Total Training Completion within [data system] as of 18 June 2024: 1,513 out of 24,416”
- **Military Service #3:** “Thus far in FY 2024 (as of June 1)...Entitlement to Continuation Pay 2,939”
- **Military Service #4:** For FY23, 4,252 Continuation Pay [training point] completions have been entered in [data system].

Source: Fiscal Year 2025 Financial Readiness Program Annual Plans from the Air Force, Army, Navy, and Marine Corps
| GAO-25-107666

In addition, some service members do not complete financial readiness common military training, according to officials from the military services. Officials from all of the military services said that some service members may not complete training due to reasons such as inadequate motivation and competing priorities. For example, officials from one military service said there were no consequences if someone does not take a financial readiness training, which can affect the motivation of service members to take such trainings. Officials from another military service said that the desire to attend training dropped after the initial opt-in period for BRS in 2018. Officials from three of the military services noted that service members' workloads may not leave time for completing the training.

According to officials, the military services have taken steps to increase training compliance, such as educating superiors on the importance of training, but DOD has not taken steps to identify and address the causes of non-completion across the military services. DOD officials said that tracking issues hamper their ability to identify the extent of training non-completion. They said they would need to wait for tracking issues to be addressed to know whether service members are taking the trainings. However, both inaccurate tracking and non-completion are known issues that can be concurrently addressed.

DOD policy states that DOD must oversee compliance with policy requirements for the financial readiness common military training.⁸ In addition, according to guidelines for assessing strategic training efforts, agencies should improve administrative systems to ensure collection of relevant and reliable data and have control mechanisms to ensure that all employees receive appropriate training.⁹

By taking additional steps to ensure the military services modify administrative systems to improve tracking of training completion, DOD would have more accurate data to assess where there are gaps in training completion. Further, identifying causes of training noncompletion across the military services would better position DOD to ensure compliance with required training. DOD's oversight of training completion is vital to ensuring that service members receive valuable information to help them and their families be financially secure during and after their service.

What are DOD's and the military services' processes for updating the financial readiness common military training?

Generally, the military services develop and update financial readiness common military training based on learning objectives developed by DOD. The military services have flexibility in developing and delivering training programs. DOD requires that the military services provide annual reports that describe their plans for meeting financial readiness requirements set forth in law and DOD policy.

In their reports for fiscal year 2025, all of the military services described recent or planned efforts to update financial readiness training. These updates occur in response to feedback on courses, to correct outdated information, or to address service-specific needs, according to military service officials and reports. For example, in November 2023, the Navy updated financial readiness common military training content to place additional focus on debt reduction strategies in response to feedback that it is an area of concern for its service members. The Marine Corps updates trainings on an ongoing basis to reflect changes to benefits.

DOD is responsible for updating the course administered to new service members during initial entry training—BRS New Accessions—and the transition

course for service members leaving the military. According to DOD officials, they are refreshing the BRS New Accessions course and expect the new course to launch in Spring 2025. DOD officials said they will update the course by looking at current DOD policy and collecting feedback from instructors from each military service.

What are examples of DOD’s financial education efforts that correspond to best practices to promote financial education?

DOD officials said they use the U.S. Financial Literacy and Education Commission’s eight best practices for promoting financial education to guide their efforts.¹⁰ For example, DOD’s curriculum evaluation rubric incorporates relevant best practices that must be met for a new training to be approved. See table 2 for examples of DOD’s and the military services’ efforts that we identified as corresponding to each best practice.

Table 2: Examples of Department of Defense’s (DOD) and the Military Services’ Financial Education Efforts as They Relate to U.S. Financial Literacy and Education Commission Best Practices for Promoting Financial Education

Best practice	Examples of DOD’s and the military services’ efforts
Know the individuals and families to be served and tailor information to individual circumstances.	Financial readiness common military training is tailored by each service to the needs of its service members.
Provide actionable, relevant, and timely information.	<ul style="list-style-type: none"> • Trainings are offered in various ways, including in-person and online. Information such as new contribution limits are added when needed. • Service members receive emails from DOD regarding increasing retirement savings when receiving a time-in-service salary increase.
Improve key financial skills.	<ul style="list-style-type: none"> • Annual survey knowledge checks show service members’ knowledge of financial topics. • The Air Force, Army, and Navy conduct post-training knowledge checks.
Build on motivation.	<ul style="list-style-type: none"> • Trainings occur at major life events (e.g., marriage, first child). • Various resources, such as information sheets on different aspects of the retirement system, have hyperlinks to additional information.
Make it easy to make good decisions and follow through.	Service members are automatically enrolled to contribute 5 percent of their basic pay into their Thrift Savings Plan account.
Raise standards for financial educators.	<ul style="list-style-type: none"> • DOD policy sets expectations for the level of expertise required for financial counselors and other financial educators, including training requirements. • The Financial Readiness Learning Resource Library is a single repository of approximately 500 pieces of approved financial readiness curriculum products for educators.
Provide ongoing support.	DOD provides access to virtual and in-person financial counseling.
Evaluate for impact and develop a culture of continuous improvement.	<ul style="list-style-type: none"> • DOD and the military services review data on service member retirement savings. • The Army, Navy, and the Air Force request feedback on trainings. • DOD has a multi-year research study underway to identify performance measures for the financial readiness trainings.

Sources: DOD documents, interviews with DOD officials and officials from the Air Force, Army, Marine Corps, and Navy, and U.S. Financial Literacy and Education Commission, *U.S. National Strategy for Financial Literacy*, (2020). | GAO-25-107666

Note: We identified efforts that correspond to each best practice, but we did not assess the quality of the efforts reported in the table. This is not an exhaustive list. DOD reported to Congress on how it believed it was meeting these best practices in 2023—see Department of Defense, *Report to the Committees on Armed Services of the Senate and the House of Representatives: Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces, Results from the 2022 Status of Forces Survey*, (December 2023).

What steps have DOD and the military services taken to evaluate their financial education efforts?

DOD is working to create standardized performance measures, and the military services use surveys and other methods to evaluate their financial education efforts. DOD has been in the process of developing standardized performance measures to evaluate its financial education efforts since 2023. In our 2019 report, we recommended that DOD evaluate the results of its financial literacy training assessments to determine gaps in service members' financial literacy.¹¹ We closed that recommendation as implemented in 2023 based, in part, on an ongoing DOD study to identify standardized performance measures for its financial education efforts.

DOD currently has a multi-year research study underway to identify standardized metrics and measures of effectiveness for its financial education efforts. The purpose of phase 1 of the study (completed in October 2024) was to survey existing academic research on measuring the effectiveness of financial literacy education. During phase 1, the academic research team found no educational community consensus on how to evaluate training effectiveness and no authoritative guidance on measures to adopt. During phase 2, DOD plans to work with the research team to determine how to better use data that is already collected and determine whether additional data could be collected. DOD officials said that research-informed indicators can help DOD provide justification to collect data from service members to be aggregated, tracked, and analyzed over time to help measure effectiveness.

According to DOD officials, DOD intends to determine what, if any, standardized measures of effectiveness are needed and establish a timeline for implementation once the study is complete. Though DOD plans for phase 2 of the study to be completed in spring 2025, it has not established timelines for selecting or, if needed, implementing the performance measures based on this work. According to standards for internal control, management should define objectives in specific terms, including defining the time frames for achievement.¹² Establishing timelines for selecting and implementing standardized performance measures would better position DOD to ensure it is adequately measuring the quality of its financial education efforts. Having such information would help DOD either confirm that service members are receiving the information they need or help DOD determine how training materials and other resources can be improved.

In addition to this study, DOD officials stated they are engaging in discussions with their federal interagency partners from the U.S. Financial Literacy and Education Commission to discuss evaluation of financial literacy education. For example, DOD officials stated that they have met with researchers from the Department of the Treasury and Consumer Financial Protection Bureau—the agencies that head the Commission—to inform DOD's approach.

The military services each have their own methods for evaluating the effectiveness of their financial education efforts and describe them in annual reports to DOD. For example, in their fiscal year 2025 reports, all the military services mentioned using surveys, such as the Status of Forces survey, to assess the effectiveness of their efforts and the financial needs of their service

members. The Status of Forces survey asks service members to report on their financial well-being, challenges, and financial literacy.¹³ Two of the survey questions focus on BRS and test service members' knowledge of the matching contribution rate and whether income tax could impact the value of a lump-sum payment of retirement pay. Other ways some of the military services evaluate their programs include course surveys, site visits where they collect feedback, and evaluation studies.

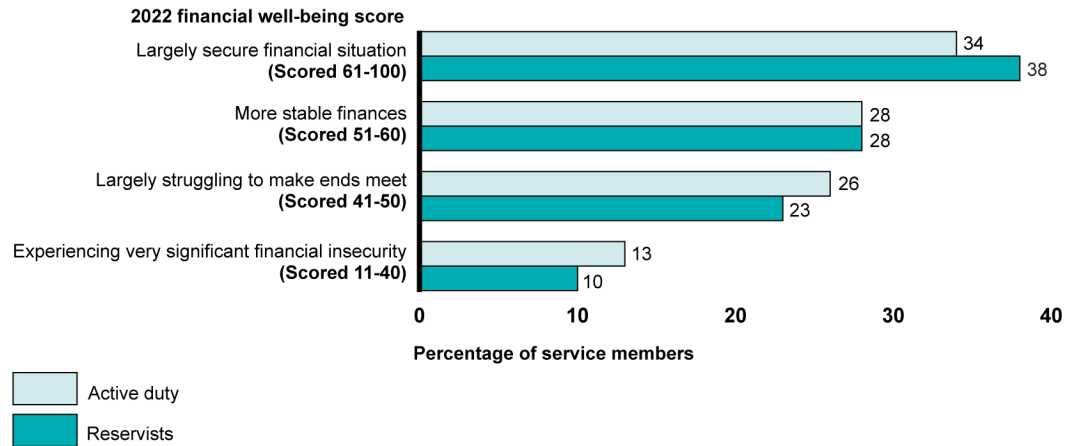
How does DOD measure the financial security of service members and their families?

DOD measures the financial security of service members and their families through its Status of Forces survey and by reviewing the funds service members will have for retirement. Based on information from the Consumer Financial Protection Bureau, we define financial security as being achieved when a person can fully meet current, ongoing, and future financial obligations.¹⁴

Status of Forces and other surveys

The Status of Forces survey includes questions that help DOD assess the financial security of service members and their families. For example, the survey includes questions taken from a financial well-being scale developed by the Consumer Financial Protection Bureau. The tool quantifies financial well-being, which includes financial security, on a scale of 0 to 100 based on answers from five questions.¹⁵ See figure 4 for excerpts of these results.¹⁶

Figure 4: Financial Well-Being Scale Score for Active-Duty and Reservist Service Members, Based on Answers from the Status of Forces Survey (2022)



Source: Department of Defense, *Report to the Committees on Armed Services of the Senate and the House of Representatives: Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces, Results from the 2022 Status of Forces Survey*, (December 2023). Consumer Financial Protection Bureau, *Financial Well-Being in America*, (September 2017). | GAO-25-107666

Accessible Data for Figure 4: Financial Well-Being Scale Score for Active-Duty and Reservist Service Members, Based on Answers from the Status of Forces Survey (2022)

2022 financial well-being score	Percentage of service members: Active duty	Percentage of service members: Reservists
Largely secure financial situation: (Scored 61-100)	34	36
More stable finances: (Scored 51-60)	28	28
Largely struggling to make ends meet: (Scored 41-50)	26	23
Experiencing very significant financial insecurity: (Scored 11-40)	13	10

Source: Department of Defense, Report to the Committees on Armed Services of the Senate and the House of Representatives: Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces, Results from the 2022 Status of Forces Survey, (December 2023). Consumer Financial Protection Bureau, Financial Well-Being in America, (September 2017). | GAO-25-107666

Note: All estimates presented from this survey have a margin of error no greater than plus or minus 2 percent, according to DOD officials. These numbers do not add to 100, as provided in the cited DOD report.

In 2021, DOD’s biennial survey of active-duty spouses included the same financial well-being scale. Spouses had an average score of 58 in 2021, higher than the average score of 55 for active-duty service members in 2022.¹⁷

The Status of Forces survey also includes questions about service members’ overall financial condition.¹⁸ DOD’s report on the survey provides results over time. For example, the majority of active-duty service members reported being financially comfortable in 2022. However, the percent of active-duty service members reporting being financially comfortable decreased from 2020 levels across all pay grades and military services. In its report, DOD noted that this decline was consistent with declines in overall financial well-being in the U.S. population.

The survey also asks about specific financial management challenges experienced by members in the past 12 months, such as needing to borrow money to pay bills or failing to make a car payment. For example, according to DOD’s report on the 2022 survey, 4 percent of active-duty service members and 5 percent of reservists used a charitable organization’s food pantry or food bank. Ten percent of active-duty service members and 11 percent of reservists had to take money out of a retirement fund or investment to pay living expenses. Overall, 35 percent of active-duty service members and reservists reported one or more financial challenges in the past 12 months, according to DOD’s report.¹⁹

Reviewing retirement resources

Officials from DOD and the military services said they review service member actions related to TSP accounts or election of the lump-sum payment. According to a DOD report, the amount of money service members have available for retirement helps DOD determine whether service members are financially literate and ready for deployment.²⁰ DOD officials also stated they are considering how to use the retirement savings data to measure the effectiveness of its financial education efforts.

TSP savings. Officials from DOD and the military services said they review various statistics related to service member TSP savings, such as contribution rates or aggregate savings. DOD officials said they receive quarterly reports from the Federal Retirement Thrift Investment Board, the agency that administers the TSP. According to data provided by DOD, 84 percent of BRS participants elected to contribute enough (5 percent) to their TSP account to receive the full matching contribution, as of December 2024. Ninety-six percent of BRS participants in the

military services elected to contribute some amount of their basic pay to their TSP, as of December 2024.²¹

Defined benefit annuity. DOD officials said that they monitor whether staff are eligible for a lump-sum payment from their monthly annuity and whether they elect this option. Currently, a small percentage of eligible individuals have elected the lump sum, according to DOD officials, and they expect that trend to continue. Whether annuity-eligible service members elect to receive a lump-sum payment affects their future financial security. According to a DOD fact sheet, a lifetime of full annuity payments is worth more than receiving a lump-sum payment and reduced annuity payments. The fact sheet also notes that a lump-sum payment could offset disability compensation from the Department of Veterans Affairs.

Conclusions

Saving and investing for retirement can help service members become financially secure. DOD surveys show that some service members and their families are struggling to make ends meet, with some reporting that they are experiencing very significant financial insecurity. This can lead to actions such as making early withdrawals from retirement accounts that can be financially damaging in the long run. DOD and the military services provide service members with trainings and resources to help them make informed financial decisions, including decisions about retirement.

However, DOD could increase its understanding of the reach and effectiveness of its financial education efforts. Issues with administrative systems hinder the military services' abilities to track completion of training by service members. Further, officials from the military services said that some service members are not taking the trainings. DOD has not taken steps to identify or address service members training non-completion because of tracking issues, although both are known issues that could be addressed concurrently. In addition, DOD has not established timelines for selecting and implementing standardized performance measures to evaluate its financial education efforts.

Improving tracking of training completion, identifying and addressing causes of non-completion, and creating timelines for performance measure decisions would help DOD ensure that all service members receive needed information to help them achieve financial security.

Recommendations for Executive Actions

We are making the following three recommendations to DOD:

The Secretary of Defense should take additional steps to ensure the military services modify administrative systems to increase the accuracy of tracking service member completion of the financial readiness common military training. (Recommendation 1)

The Secretary of Defense should ensure the military services identify and address causes of financial readiness common military training non-completion. (Recommendation 2)

The Secretary of Defense should establish a timeline for determining which standardized performance measures, if any, are needed to measure the effectiveness of DOD's financial education efforts. If any performance measures are selected, DOD should also establish a timeline to implement those measures. (Recommendation 3)

Agency Comments

We provided a draft of this report to DOD for review and comment. In its written comments, reproduced in appendix I, DOD concurred with our recommendations.

How GAO Did This Study

We reviewed documents and websites from DOD and the military services related to financial readiness education and BRS. We also interviewed DOD officials and officials from the Air Force, Army, Marine Corps, and Navy. Space Force was considered part of the Air Force for the purposes of this review because according to DOD officials it uses the same materials and resources as the Air Force. We reviewed military services under the purview of DOD.

We compared the information we gathered to DOD policies, best practices for financial literacy and education developed by the U.S. Financial Literacy and Education Commission, guidelines for assessing strategic training efforts, and standards for internal control.²² We reviewed DOD's efforts based on the existence of relevant resources, policies, and data. We did not evaluate the quality of DOD's efforts or the military services'. To examine the TSP contribution data and financial well-being data, we received written responses to questions from knowledgeable officials and reviewed relevant documentation. We determined the data were reliable for the purposes of reporting on DOD's efforts to measure the financial security of service members.

We conducted this performance audit from July 2024 to April 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
United States House of Representatives

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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Appendix I: Comments from Department of Defense



MANPOWER AND
RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
1500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-1500

MAR 14 2025

Ms. Tranchau (Kris) Nguyen
Director, Education, Workforce, and Income Security
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Nguyen,

Enclosed is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report GAO-25-107666, "MILITARY FINANCIAL EDUCATION: DOD Should Improve Oversight to Ensure Trainings Effectively Support Service Members," dated February 24, 2025 (GAO Code 107666). My point of contact is Mr. Ronald T. Garner, who can be reached at ronald.t.garner.civ@mail.mil and (703) 693-1059.

Sincerely,

A handwritten signature in blue ink that reads "Tim Dill".

Tim Dill
Performing the Duties of the Assistant Secretary
of Defense for Manpower and Reserve
Affairs

Enclosure:
As stated

GAO DRAFT REPORT DATED FEBRUARY 24, 2025
GAO-25-107666 (GAO CODE 107666)

**“MILITARY FINANCIAL EDUCATION: DOD SHOULD IMPROVE OVERSIGHT TO
ENSURE TRAININGS EFFECTIVELY SUPPORT SERVICE MEMBERS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION 1: The Secretary of Defense should take additional steps to ensure the military services modify administrative systems to increase the accuracy of tracking service member completion of the financial readiness common military training.

DoD RESPONSE: Concur. The Services have multiple competing needs for system modification and update resources, of which financial literacy training is one. DoD will work with the Services to establish timelines for modifying administrative systems to increase the accuracy of tracking Service member completion of the financial readiness common military training and hold the Services accountable to those timelines through existing annual updates to OUSD (P&R).

RECOMMENDATION 2: The Secretary of Defense should ensure the military services identify and address causes of financial readiness common military training non-completion.

DoD RESPONSE: Concur. DoD will work with the Services to identify and address causes of financial readiness common military training non-completion.

RECOMMENDATION 3: The Secretary of Defense should establish a timeline for determining which standardized performance measures, if any, are needed to measure the effectiveness of DOD’s financial education efforts. If any performance measures are selected, DOD should also establish a timeline to implement those measures.

DoD RESPONSE: Concur. Within the next six months, the DoD will evaluate performance measures to determine which, if any, are needed. If any performance measures are found to be necessary, DoD will also establish a timeline to implement those measures.

Accessible Text for Appendix I: Comments from Department of Defense

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Tim Dill
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GAO DRAFT REPORT DATED FEBRUARY 24, 2025 GAO-25-107666 (GAO CODE 107666)

"MILITARY FINANCIAL EDUCATION: DOD SHOULD IMPROVE OVERSIGHT TO ENSURE TRAININGS EFFECTIVELY SUPPORT SERVICE MEMBERS"

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATION

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DoD RESPONSE: Concur. Within the next six months, the DoD will evaluate performance measures to determine which, if any, are needed. If any performance measures are found to be necessary, DoD will also establish a timeline to implement those measure

Endnotes

¹Active-duty service members with fewer than 12 years of service as of December 31, 2017, were eligible to enroll in BRS until December 31, 2018. The decision to opt into BRS or remain in a legacy retirement system was irrevocable.

²Pub. L. No. 114-92, div. A, tit. VI, §§ 631-635, 129 Stat. 726, 842-52 (2015).

³The legacy retirement systems had a defined benefit and an option for service members to contribute to TSP. BRS added the employer contribution to TSP and the lump-sum payment option, while decreasing the annuity multiplier. The annuity is generally available to service members retiring with at least 20 years of service.

⁴Service members who accept the continuation pay incur an additional service obligation.

⁵DOD, *DOD Instruction 1322.21 Common Military Training*, (February 20, 2020).

⁶10 U.S.C. § 992(a)(2).

⁷10 U.S.C. § 992(b).

⁸DOD, *DOD Instruction 1322.34 Financial Readiness of Service Members*, (November 5, 2021).

⁹GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

¹⁰The U.S. Financial Literacy and Education Commission sets a strategic direction for policy, education, practice, research, and coordination so that all Americans make informed financial decisions. U.S. Financial Literacy and Education Commission, *U.S. National Strategy for Financial Literacy*, (2020).

¹¹GAO, *Military Pensions: Servicemembers Need Better Information to Support Retirement Savings Decisions*, [GAO-19-631](#) (Washington, D.C.: Sept. 19, 2019).

¹²GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

¹³DOD is required to conduct and include in the status of forces survey an annual survey on “the status of the financial literacy and preparedness of members of the armed forces.” 10 U.S.C. § 992(d).

¹⁴The Bureau, in a 2017 report, defined financial well-being as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future and is able to make choices that allow them to enjoy life.” The Bureau further stated that financial well-being had two themes: security and freedom of choice. We established our definition by identifying the parts of financial well-being that relate to financial security. Consumer Financial Protection Bureau, *Financial Well-Being in America*, (September 2017).

¹⁵The questions ask a service member to rate how well three statements describe them or their situation, from completely to not at all. The three statements are: “(1) Because of my money situation, I feel like I will never have the things I want in life. (2) I am just getting by financially. (3) I am concerned that the money I have or will save won’t last.” The remaining two questions ask a service member to state how often a statement applies to you, using a five-point scale ranging from always to never. The two statements are: “(1) I have money left over at the end of the month. (2) My finances control my life.”

¹⁶DOD and the military services provide the results of this survey in an annual report to Congress. DOD provided the latest report in December 2023 using results from the 2022 Status of Forces survey. See Department of Defense, *Report to the Committees on Armed Services of the Senate and the House of Representatives, Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces, Results from the 2022 Status of Forces Survey*, (December 2023).

¹⁷The margin of error for the financial well-being score of active-duty spouses is plus or minus 0.33, according to DOD officials.

¹⁸We have also previously reported on the financial challenges some service members face. For example, see GAO, *Military Housing: DOD Should Address Critical Supply and Affordability Challenges for Service Members*, [GAO-25-106208](#) (Washington, D.C.: Oct. 30, 2024), GAO, *Military Personnel: DOD Needs More Complete Data on Active-Duty Servicemembers’ Use of Food Assistance Programs*, [GAO-16-561](#) (Washington, D.C.: July 15, 2016), and GAO, *Military Personnel: More DOD Actions Needed to Address Servicemembers’ Personal Financial Management Issues*, [GAO-05-348](#) (Washington, D.C.: Apr. 26, 2005).

¹⁹All estimates presented from this survey have a margin of error no greater than plus or minus 2 percent, according to DOD officials.

²⁰Department of Defense, *Report to the Committee on Armed Services of the House of Representatives, Assessing Implementation of the Blended Retirement System*, (May 2024).

²¹According to its Annual Report to Congress, the Federal Retirement Thrift Investment Board reported that almost 96 percent of civilian federal employees covered by the Federal Employee Retirement System contributed to a TSP account in 2023.

²²U.S. Financial Literacy and Education Commission, *U.S. National Strategy*. [GAO-04-546G](#).