



# Financial Well-Being and Post-Deployment Adjustment among Iraq and Afghanistan War Veterans

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### RESEARCH HIGHLIGHTS:

- The purpose of this study is to understand how finances and mental health impact Iraq and Afghanistan war veterans' readjustment into society. This study is important because many service members struggle with finances and have difficulty adjusting to being home upon their return.
- Findings reveal that poor mental health is associated with financial difficulties. There is a correlation between difficulty readjusting and poor money management, regardless of income.
- This study has several practical and policy implications including increasing and tailoring financial literacy to veterans while also promoting "meaningful employment" for returning veterans as a means of reducing financial difficulties and poor post-deployment adjustment.

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### ABSTRACT:

"Research has yet to examine the relationship between financial well-being and community reintegration of veterans. To address this, we analyzed data from n=1,388 Iraq and Afghanistan War Era Veterans who completed a national survey on post-deployment adjustment. The results indicated that probable major depressive disorder, posttraumatic stress disorder, and traumatic brain injury were associated with financial difficulties. However, regardless of diagnosis, veterans who reported having money to cover basic needs were significantly less likely to have post-deployment adjustment problems such as criminal arrest, homelessness, substance abuse, suicidal behavior, and aggression. Statistical analyses also indicated that poor money management (e.g. incurring significant debt or writing bad checks) was related to maladjustment, even among veterans at higher income levels. Given these findings, efforts aimed at enhancing financial literacy and promoting meaningful employment may have promise to enhance outcomes and improve quality of life among returning veterans."

## Implications

### FOR PRACTICE

Veterans, particularly those with low income, would strongly benefit from enrollment in financial literacy courses, as this study indicates a positive correlation between financial health, mental health, and positive readjustment experiences. Likewise, financial literacy training and its correlated health benefits could also reduce stress within households, as money-management issues are a significant factor in causing or contributing to marital distress. Additional benefits of strong financial health (conferred by financial training and positive money saving and spending skills) are increased self-worth and self-esteem, as veterans not under financial distress are more likely to view themselves and their roles in society and family in a positive light. Conversely, veterans suffering through a difficult transition or associated mental health challenges may benefit from psychological counseling which could contribute to more successful financial management and financial health by adding stability to their lives.

### FOR POLICY

Currently, the VA offers many services to veterans, including access to home loans and advice on how to be financially responsible. The VA might incorporate additional services to veterans and their families, such as online money management courses. Currently, the DoD advises service members on fiscal responsibility through their 2-year Military Saves Program which helps them learn how to save and invest money, as well as encouraging service members to participate in the Thrift Savings Plan to help plan for retirement. In addition to these initiatives, the DoD might implement initiatives geared towards helping junior service members with very low income be financially stable. The VA and policymakers might work together to form initiatives to assist low income veterans with meeting basic needs, such as clothing and housing. Policymakers might designate funding for research on the relationship between trauma related to combat and post-deployment adjustment and implement programs accordingly. Policymakers could designate additional funding to educational interventions that will increase financial literacy and employment in addition to the current clinical interventions on mental instability related to deployment.

### FOR FUTURE RESEARCH

Future researchers should expand this study by using longitudinal data to pick up long term effects of post-deployment and financial well-being on readjustment into society. A limitation of this study is that the data was cross-sectional which prevented the researchers from determining the causal link between post-deployment adjustment and financial problems. Future researchers should continue this research with data sets that will determine the causal link between financial problems and post-deployment adjustment. Future studies are needed on the relationship between debt incurred during deployment, post-deployment adjustment, and financial problems. Another limitation of this study is that the sample might not be racially/ethnically representative of Iraq and Afghanistan War veterans. Similarly, this sample was somewhat small which could have prevented the researchers from detecting some differences in veteran populations. Future researchers should use a larger and more racially/ethnically diverse sample. A limitation of this study is that it relied on self-reporting. Future studies are needed to examine how civilian employment and VA disability compensation effect post-deployment adjustment. Future researchers should examine the severity and characteristics of Traumatic Brain Injury (TBI) and financial well-being in veterans. Future researchers should continue to study the relationship between mental instability, financial problems, and post-deployment adjustment.

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