

Financially Fully Mission Capable for the Long-Term? A Strategic Look at Military Retirement

Jeff S. Bredthauer**
University of Nebraska at Omaha

William W. Jennings
United States Air Force Academy

Thomas C. O'Malley
United States Air Force Academy

Brian C. Payne
University of Nebraska at Omaha

ABSTRACT

The Department of Defense (DoD) spends immense amounts of time and effort ensuring that the U.S. military is mission ready. The most recent decade-plus at war notwithstanding, the U.S. military is historically a force with a day-to-day job consisting of drills, training, and preparation—all with the hope that our nation never forces us to use this training in direct conflict. The purpose of this paper is not to address battlefield readiness; rather the focus of this paper is much narrower: to help the reader assess whether they are mission-ready from an individualized and strategic financial perspective. As many have experienced, if our personal matters are in order, then we can focus more acutely on our mission. Thus, this article focuses on military personnel and extends the fully-mission capable (FMC) concept to their personal financial lives. Specifically, we create a retirement pay multiple (RPM) to assist military servicemembers, at any point in their career, with determining whether they are on track to retire with their desired living standard.

JEL categories: G11, G51, J26, J32

Keywords: Financial Planning, Military Personnel, Fully-Mission Capable¹

¹ **Corresponding author: Jeff S. Bredthauer, College of Business Administration, University of Nebraska Omaha, 6708 Pine Street, Omaha, NE 68106, USA. E-mail: jbredthauer@unomaha.edu