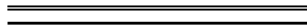


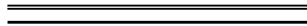
**The Bill Blackwood
Law Enforcement Management Institute of Texas**



**Financial Management and Debt Reduction Training for
Law Enforcement in Texas**



**A Leadership White Paper
Submitted in Partial Fulfillment
Required for Graduation from the
Leadership Command College**



**By
Mark A. Stallo, Ph.D.**

**Dallas Police Department
Dallas, Texas
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ABSTRACT

Law enforcement officers in Texas should be trained and counseled in financial health and well-being. Employees need help in making wise financial decisions that they would generally not make without proper advice (Eccles, Ward, Goldsmith, & Aarsal, 2013). This includes training officers in debt reduction as well as planning for the future. This training should be sponsored by the various law enforcement agencies throughout Texas. Law enforcement personnel should be paid to attend these classes. This action is necessary to reduce the stress caused by debt and an unsure financial future. The argument would be that financial stress influences psychological stability and marital risk (Curran, Totenhagen, & Serido, 2010). Finding areas where personal stress can be overcome are important for the well-being of law enforcement. Additional education can help to reduce stress and encourage the officers to make better decisions and do a better job of serving their constituents (Woody, 2006). The thesis in this paper will explore why law enforcement agencies should provide financial management and debt reduction training to assist officers in reducing stress and planning for the future. This type of training can be achieved through local financial institutions, investment companies and through adopting debt reduction strategies that have been developed by a number of companies both for profit and not for profit. The goal is to convince police administrators that this type of education will strengthen their workforce and improve the moral of their employees. The purpose of the training is to develop an officer who is fit, has reduced stress, and will have a better personal and professional life.

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INTRODUCTION

Across the State of Texas, many police officers are struggling with personal debt, which can cause emotional problems and may affect their judgment. Among these problems are stress with paying the bills, getting enough sleep, and dealing with a challenging job. These officers are working numerous extra hours to make their bills and keep food on the table. In addition, many officers are concerned about sending their children to college, buying a home, and preparing for retirement. The accumulation of debt is a symptom of not planning for the future. The attitude of having everything now is a lack of patience which contributes to their debt problems. Law enforcement officers have other symptoms associated with not planning, which includes a failure to save for vacation, sick or compensatory time to use for an emergency or a vacation. Many of these officers are young and have not had the benefit of someone teaching them how to better plan for the future. However, there are many educational programs available to prepare them in their personal lives, which could lead to a better professional life.

While there are many professionals available to educate these officers, they need direction from a more mature peer could be the key to better planning. These peers can be of any rank. The officer may need to be reminded that they are working too hard at extra jobs, buying too many toys and not planning for a family emergency. The peer can encourage the officer to attend a program that would benefit them in better preparing for their future by reducing debt and finding a better way of financing items that they wish to accumulate. This can include consolidating debt, finding the best investment vehicle and developing a budget. Among these types of programs is

one called “Financial Peace” (<http://www.daveramsey.com/fpu>). Although there are many types of financial training classes available, this provides a good overview of the type of plan that is needed for officers to make wiser financial decisions. The program lays out a series of steps “Baby Steps,” so the officer can achieve his goals one step at a time (<http://www.daveramsey.com/fpu>). There are also programs available to teach the officers how to save money through an IRA, Roth IRA, 401K, and 457 Plans. Sometimes there are community programs available that are free to attend through churches and civic organizations. In addition, they need to understand the rules of when these funds will become available without penalty (www.Fidelity.com). There are also pension funds, banks and credit unions that provide training in the benefits of saving for the future.

This type of training would benefit the officer as well as the agency that has employed them. As a result, the agency needs to take an active role in creating and maintaining this type of training. This would include providing a place to conduct the training and to pay the officer to attend this in-service training. The department should assign a group of individuals to explore all available debt management classes, retirement savings and general financial emergency planning. The cost of providing this training would be inexpensive and could benefit the employee, the employee’s family, and the citizens they serve. This is a win-win program for communities across Texas.

This position is being taken because debt has negatively affected many officers across the state. In addition, the DPD, led by Deputy Chief Vernon Hale and his management team at the south central patrol station explored and developed debt reduction classes. These classes encourage officers to reduce their debt, make better

decisions, help them to understand how they can save for the future and subsequently reduce their stress. These classes are being held at Dallas Police Facilities and the officer's salary is being paid. The attendees have had many positive comments and appreciate the fact that the DPD cares enough about their future to hold such classes. According to officer's comments, the city will benefit by keeping good officers who were considering moving to jobs with better pay and benefits. The officers are encouraging their friends to attend the class and they feel they are valued as an employee. These classes encourage interaction between officers and non-sworn who attend the class. They confide in each other and create a bond to seek a remedy for the burden of debt that each of them have developed.

In addition to the training provided by Deputy Chief Hale and his leadership team, the City of Dallas also supports training provided by the Dallas Police and Fire Pension Fund. The officers attend classes on financial planning, preparation for retirement and getting started in savings for the future Dallas Police and Fire Pension (<http://dpfp.org/>). These classes are one day long and are provided at the pension offices and the attendees are paid to attend. Officers are exposed to disability insurance, social security benefits, retirement benefits, savings plans and other important documents that are needed to prepare for their future. The attendees are able to bring their spouses and make contacts with various professionals to receive further advice and guidance in financially planning for the future. This thesis will explore why law enforcement agencies should provide financial management and debt reduction training to assist officers in reducing stress and planning for the future. This should be provided on duty and with pay at a department facility.

POSITION

This paper has taken the position that police officers in Texas should receive training on debt management and financial planning because this will help to make them better employees. Additional education can help to reduce stress and encourage the officers to make better decisions and do a better job of serving their constituents (Woody, 2006). This training should include how to prepare for the future as well as reducing debt and following a plan which will solve this problem in the long term. In addition, this training can help to make officers more responsible and help with making better decisions both personally and professionally. Financial planning is related to specific outcomes and it is necessary to have good advice to achieve these goals (Valentine, 2013). Financial training should be conducted on a paid basis and a training site should be provided for the employees. The recommendation does not include specific programs or the method of training. Each department can make this choice and explore a number of options that are available for them. However, it is recommended that police departments create a committee to explore what is best for their employees. In addition, they should determine the types of training that are readily available for them in their area and determine cost and availability. They might find that there are programs available online or at the local bank or credit union. The committee should examine options that are available in their community.

The second position is that financial planning and debt reduction training help to develop better employees. This training will go beyond planning with money and will enable officers to make better family and professional decisions such as saving sick and vacation time to deal with a personal matter that develops in their life. Employees need

help in making wise financial decisions that they would generally not make without proper advice (Eccles, Ward, Goldsmith, & Arsal, 2013). Furthermore, training may be more successful in an organization, if the officer's employer takes a personal interest in the program. Mentoring and providing structure such as a training site and pay while attending the class is necessary. The training should continue to add to the culture of the department. Officers should be reminded by their supervisors how important it is to keep their financial matters and planning in order. Over time, the culture of the police department should incorporate good financial decision mentoring for police officers throughout the state. Planning for the future is an important part of success. This process has begun at the DPD and can be used by other departments to help encourage their officers to become more responsible with their finances. The officers have been extremely positive after the first two classes which have included over 200 sworn and non-sworn personnel.

COUNTER POSITION

There will be administrators who oppose this position for a number of reasons. As a result, the following counter positions will be addressed. The first counter position will be that Texas Commission on Law Enforcement (TCOLE) does not require officers to have this training and it would cost the department money that can be budgeted for more important issues (TCOLE, n.d.). These administrators will say that officers can seek this type of training on their own and that it is not the responsibility of the department to fix their personal problems. Money and time will always be needed to address required changes in laws made by Texas state legislators. Police executives might state that there is no reason to develop training that does not appear to be law

enforcement related. These types of leaders would be traditional administrators and would not embrace training that would benefit an officer in their personal lives.

However, the more progressive the leader, the more likely they will see this training as a benefit.

Although police departments are required to provide new training to their personnel on the two year TCOLE cycle there should be ample time to develop their personnel. This additional training may have tremendous benefits compared to the costs of implementing a training program. Many police departments across Texas have elective training which has been developed to help the officer do a better job in delivering service. This type of training can relieve officers from the stress that is caused from carrying a great deal of debt or not properly planning for the future (<http://www.daveramsey.com/fpu>). These consequences should be enough to encourage administrators to explore and implement programs to help their officers become stronger and more prepared in dealing with the stress of working in law enforcement. According to (Hershey, Jacobs-Lawson, McArdle, & Hamagami, 2008, p. 26), "Analyses revealed substantial support for the role of psychological factors in the retirement planning process." The benefits of providing this training exceed the cost of paying for the training and the officer's time.

The second argument would be that an officer's personal life should be separated from work and that if they need help with finances they should seek help off duty. The department should not be concerned with an officer's lack of planning or issues surrounding their marriage that occur as a result of financial instability. Officers should be responsible for solving their problems and the police department will be

responsible for policing the community they serve. This position takes a hard line on what police departments should be providing to develop their employees.

The argument would be that financial stress influences psychological stability and marital risk (Curran, Totenhagen, & Serido, 2010). In addition, "The elevated level of stress can lead to the LEOs experiencing burnout, alcoholism and substance abuse, marital discord, depression, suicide, and a host of other personal problems" (Woody, 2006, p. 95). With these kinds of consequences facing officers on a regular basis, police departments should be very interested in reducing any possible stress. This reduction in stress is in everyone's best interest.

Another important issue that officers face is their relationship with their children. Being under financial stress does not improve that relationship. According to McConnell, Breitzkreuz, & Savage (2011), "The relationship between socio-economic status and child difficulties was mediated by financial hardship and parenting stress. Higher levels of parental social support were associated with lower levels of parenting stress, ineffective parenting and child difficulties" (p. 679). A good relationship with children is important in reducing stress and it will certainly help an officer to become better at problem solving and more compassionate if they are under less financial stress. Although it is true that debt management and financial planning are the responsibility of the individual officer it is likely that the department would benefit from providing this development for their officers. Training may enable officers to focus more on their mission and solve problems within their community.

RECOMMENDATION

The recommendation of this paper is that law enforcement agencies should provide financial management and debt reduction training so that officers can reduce stress and better plan for the future. This training should provide support from administrators and be provided on duty and with pay. The purpose of the training is to develop an officer who is fit, has reduced stress and will have a better personal and professional life. This training has many positive effects. The officer will have less stress at work as well as at home. Stress reduction should help them to have more empathy for the citizens they serve and to help them become better problem solvers. In addition, this training should affirm with the officer that their employer cares about their well-being and is interested in providing additional benefits to retain them long-term. A healthy officer, whether physical or emotionally, is in the best interest of everyone they work for, work with or serve. Research showed that a reduction in debt and planning for the future can reduce stress for officers and their families (McConnell et al., 2010). In order for one to become financially successful they need to implement good financial planning over time (Conneely, 2010). It is important to get this process started as soon as possible. Starting training when officers are young and throughout their careers is essential for their well-being. Officers and their families will greatly benefit from this type of training at a small cost to their organization. Organizations spend a great deal of money training officers how to do their job, how to interpret the law and how best to use their discretion. It only makes sense that they invest in their financial future.

Similar plans have been implemented at the DPD where the Dallas Police and Fire Pension Fund provides both preparation for retirement and financial planning which

includes savings plans, social security, insurance and other issues that are pertinent for a successful retirement. This training provides the police and fire employees at all ranks with an overview of all of the considerations that are available for them to help them in their retirement years. This training is provided to employees on a bi-yearly basis.

The other program that helps with mentoring on preparing for the future and reducing debt was created at the Dallas Police Department South Central Patrol Stations under the leadership of Deputy Chief Vernon Hale. Chief Hale worked with his lieutenants and sergeants to help identify officers who needed help in reducing debt and taking back control of their life (<http://www.daveramsey.com/fpu>). This program began by mentoring the officers and determining what actions they were taking that got them into the financial mess that they are finding themselves. This was followed up by examining the various debt reduction and wealth building programs that were available for the officers. Once the supervisors at the south central division completed their analysis they decided to choose the Dave Ramsey Financial Peace Program (<http://www.daveramsey.com/fpu>).

Although the Dave Ramsey Financial Peace Program is generally covered over a number of weeks, Chief Hale worked out an agreement with the Ramsey Corporation to provide a three day comprehensive program that could be delivered via video over a three day period. It was recommended that the participants purchase some material to help with the process. There have been a few classes held at the Dallas Police Academy and at the south central patrol station. There have been approximately 200 employees both sworn and non-sworn who have attended the program and have

provided some anonymous positive anecdotal information upon completion of the class. The comments ranged from a number of attendees providing gratitude that the Dallas Police Department would pay them a salary to go to such a class, fifteen comments stating that the class should be required for all DPD officers and a number of attendees stating that they would stay at the police department rather than apply elsewhere for higher pay. Attendees anonymously stated in their class comments that this was the "Best DPD class ever (20 years of classes): "I wish this class would have been taught in the academy and I feel like my life has been lifted and the financial... has been lifted."

These statements should encourage administrators to get excited and committed to the development of similar training. This training will demonstrate to their employees their care, concern and commitment to the employees. As a result, it is suggested that a policy be put into place to help these officers overcome their debt burden and plan for the future. Police departments across Texas can partner with private organizations to develop and implement this type of training. This action will be the best course for the officers and citizens they serve. As the field of law enforcement moves forward there will need to changes in order to become more progressive. Programs like financial planning and debt reduction classes can be beneficial.

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