



## Coast Guard Flag Voice 28

### CG MUTUAL ASSISTANCE

On the eve of this year's Coast Guard Mutual Assistance (CGMA) fund raising campaign, this Flag Voice will focus on this critical "safety net" for our people.

From 1990 through 1998, CGMA has provided more than \$44M in assistance to Team Coast Guard. 1998 was our biggest year with more than \$6M given out. Most importantly, Coast Guard Mutual Assistance provides the help where it's needed most. Our junior enlisted members (E-5 and below) and their families receive 65% of the total assistance. And the help is truly for all Team CG. For example, last year our civilian employees received more than a half million dollars in financial assistance and as well as our retired members. Currently, CGMA is providing more than one-half million dollars of assistance per month!

However, there continues to be a wide-spread misunderstanding of the quality and variety of Coast Guard Mutual Assistance (CGMA) programs, and especially the financial "health" of the fund. I often hear a comment similar to: "why should I donate to CG Mutual Assistance because they have tons of money they don't use." Nothing can be farther from the truth.

Currently, we have approximately \$14M net assets and liabilities which might seem like a rather substantial financial fund. With the major expansion of assistance programs (especially educational) over the last few years, there is now more than \$4M outstanding in loans in the hands of Team Coast members. This figure has grown more than 90% since 1990, and continues to increase. This is quite remarkable given that the Coast Guard is about 10% smaller now. There has been a concerted effort to get out more money in the hands of our people - active duty, reserve and retired military members, civilian employees and Auxiliarists. Contributions make up more than 70% of CGMA's income (about \$750K per year). The remaining 30% is from investment income. Deduct from that about \$600K in grants (personal and educational) made in 1998 and upwards of \$200K in loans canceled as not collectable, you can see that we can easily experience a negative cash flow -- hence every dollar contributed is of utmost importance. The only way CGMA has been able to meet the increased demand and expanded programs is through solid investment income with a healthy portion of its assets in the stock market. And recent times indicates that you can't count on the market on making you a profit in the short term. If we had a lot more money coming in through the "front door" by way of contributions, we could free up considerably more money for our members by further expanding our programs. In fact, we've had to "dip" into our investment base to fund the increased demands on assistance. That is not a growth strategy!

Our "bread and butter" assistance includes the emergency loan program (sudden financial crisis,

emergency travel, pay problems), general assistance program (funeral expenses, travel problems, major car repairs, financial counseling), medical assistance program (large, unexpected medical or dental bills) and housing assistance program (home purchase assistance, certain closing costs, rental assistance, security & utility deposits, certain fees for mobile homes).

A number of education grant and loan programs have been made available through CGMA, some fairly recently, to benefit members and their dependents. In particular, Education Grants (dependent children and spouses of military members), Admiral Roland Student Loan Program (two types of loans: Federal Stafford Student and Federal Parent Loans for Undergraduate Students (PLUS) for all Team CG and their families), Active Duty Supplemental Education Grants (ADSEG) and Vocational and Technical Training Loans.

## WE NEED YOUR HELP!

CGMA was able to be there in times of need, including Hurricane Georges, because of past contributions from our members. However, as our members' financial needs have increased dramatically in recent years, including a 15% increase during 1998, our contributions for the same period have dropped. As a result, our combined annual contributions and returns on investment have not kept pace with program costs and the increasing needs of our members. During the last two years CGMA has reduced its investment account to fund these deficits. It is essential that all of us understand what CGMA does and the need for generous donations.

The 1999 CGMA Campaign will run from 01 March 99 to 30 April 99. The goal of the campaign is to ensure every active duty member, civilian employee and reservist receives a campaign brochure, a Contribution/Allotment Authorization (CAA) form, a bookmark and is afforded a fully informed opportunity to contribute to CGMA. Our Retired Coast Guard members and Auxiliary members are also being given the opportunity to help CGMA by simultaneous, but separate fund-raising campaigns.

I ask every Active Duty member, Civilian employee and Reservist, Retiree, and Auxiliarist to please join me in supporting CGMA through generous contributions. I especially ask every leader and supervisor to take a personal, proactive effort towards ensuring a comprehensive and successful 1999 CGMA fund-raising campaign. It is only through increased contributions, starting with the 1999 Fund Raising Campaign, that CGMA will be able to continue its record level of assistance to the entire Coast Guard Family. I thank you in advance!

Any questions concerning these programs, please check with your local Mutual Assistance Representative, or call CGMA directly at (202) 267-2557 or 1-800-881-2462.

CGMA is truly "Coast Guard People Helping Coast Guard People!"

Regards, FL Ames

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