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**Money**

## A soldier's story: Financial rehab

**A mortar shell in Iraq shattered Ivan Castro's eyesight and maybe his military career. Now he's on a new mission: making sure he's got enough money to live on.**

By [George Mannes](#), Money Magazine senior writer  
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(Money Magazine) -- In October 2006, after seven weeks as a patient at National Naval Medical Center in Bethesda, Md. - four of them in intensive care - 1st Lieut. Ivan Castro was still in bad shape. The month before, he'd been hit by mortar fire during combat in Iraq, shrapnel ripping through his body, causing multiple injuries that had left him near death.

During his stay in the hospital, Castro had lost 40 pounds. He could walk only about 10 steps before collapsing into a wheelchair. Worse still, the explosion had blown out one of his eyes and badly damaged the other. He was blind. Permanently.

Lying in his bed, Castro overheard a doctor and nurse talking about their recent run in the Marine Corps Marathon, a 26.2-mile race held annually in the Washington, D.C. area. Impulsively he set what seemed to be an outrageous goal. In one year, Castro promised himself, he would run the marathon. "I'm going to show everybody this is not going to take me down," Castro, 40, recalls telling himself. "This won't put me out of the fight."



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Castro's can-do optimism in the face of grim situations had served him well in numerous combat zones. Now he needed it at home. Up until the attack, he'd had his future mapped out. He planned to spend 30 years on active duty, then retire on an officer's pension. He would make extra money buying homes and renting them out. And he'd build a dream house for himself, his wife Evelyn, 34, and the kids they would have together.

### Shattered plans

The mortar fire shattered those plans. Since the explosion, recovering has become his full-time job - months of physical rehabilitation and instruction in coping with blindness, interspersed with additional surgeries to repair his body. He's had to come to terms with losing not only his vision but also his independence and possibly his livelihood. He can no longer get himself to such routine destinations as the gym or the barbershop, much less lead soldiers into battle.

And there are financial strains: Evelyn quit her job to help Ivan recover, while Ivan worries about what will happen to his income if the Army discharges him for medical reasons.

Their story is being repeated, with variations on the theme, in military households across the country. Ivan Castro is just one of more than 13,000 members of the armed services so severely wounded in post-9/11 conflicts that they couldn't immediately return to active duty. More than 5,500 have suffered traumatic brain injuries. Hundreds have had limbs amputated or, like Castro, lost their eyesight. All face a terrifyingly uncertain future.

"They have to figure out from this moment on what they want their life to look like - what they want their career to be, what they want for their family," says Cary Carbonaro, a certified financial planner who has worked with injured soldiers. "That's tough for anyone, but really rough if you're also struggling with a disability."

Unfortunately, what Castro yearns for most may be out of reach. "I just want to live a normal life again, have people treat me normally and continue doing the work I really love," he says. He adds, "If the Army would let me, I'd stay in 50 years."

### A short break from school

When castro enlisted in 1990, he didn't think he'd stay in the Army long. A senior at the University of Puerto Rico, Castro found himself losing interest in his studies and decided to take a short break from school. (At age 12 the Hoboken, N.J. native had moved to the island with his mom, who was divorced from his dad.)

He was deployed almost immediately as an infantryman in the Gulf War and later served in the Balkan conflicts of the 1990s. He quickly learned he loved the camaraderie of Army life - plus the adrenaline rush. "I love shooting and blowing through doors and walls and doing tasks that you think, 'Man, can we do this? Oh, yeah, we can!'" He applied to join the Army Special Forces, earning his Green Beret in 2000. "I was always looking for a challenge," says Castro. "Always looking for excitement."

Married in 1990, he and his wife had one child, Ivan Eduardo, in 1993, before they divorced in 1997. (Castro gets to spend time with his son, who lives with his ex-wife in Virginia, about once a month and helps support him financially.) He met Evelyn while on vacation two years later, and they married in 2001. The following year they bought a three-bedroom \$98,000 house in Raeford, N.C., near Fort Bragg, where Castro was based.

The couple lived comfortably enough on Ivan's \$50,000-a-year income. Evelyn attended grad school to get a master's degree in speech pathology while Ivan was away for months at a time, training in the jungles of Central America or conducting drug-war exercises in Colombia. Between deployments they'd travel, relying on Evelyn's earnings from a part-time job teaching English as a second language - about \$10,000 a year - for "fun money."

Their income grew as the years passed. Once Evelyn got her degree in 2004, she landed a job as a public school speech pathologist that paid \$40,000. Ivan went to night school to finish his B.A. - a prerequisite for Officer Candidate School. He graduated in 2004 as a second lieutenant, which raised his pay to about \$70,000 a year.

The couple's goals were clear: Evelyn aspired to one day open a private speech pathology clinic. Ivan wanted to stay in the military for at least 10 more years and manage rental properties as a sideline. (He started in 2006 by purchasing the house next door for \$124,000.) And once Ivan returned from Iraq - he was deployed in July 2006 - they'd start having kids.

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On Sept. 2, 2006, those dreams collapsed. Castro was leading a team of snipers on a rooftop in Yusufiyah, 20 miles southwest of Baghdad, when a mortar shell landed five feet away. "All I remember," he says, "was the flash and the boom."

Two soldiers were killed instantly. Shrapnel chewed up the left side of Castro's body, breaking his nose. It shredded his right cheekbone, blew out his right eye and lodged in his left. His upper left arm broke, the bone sticking out of his flesh. Both of his lungs collapsed. The top half of his right index finger - his trigger finger - was blown off.

After he was evacuated from Iraq, U.S. surgeons removed the shrapnel from his body but then found an aneurysm in a neck artery - one of several conditions that threatened his life. "There were a lot of scary moments," says Evelyn.

To be with Ivan while he recuperated, Evelyn quit her job. She plastered the walls of his room at Naval Medical with old snapshots of her husband, forcing Ivan's doctors and nurses to look at the pictures. "And I would tell them, 'Look, this is my husband. It's not this that you see here with all these tubes and stuff,'" she says defiantly. "I wanted them to care."

She and Ivan desperately held on to hopes that he would regain his sight. But doctors told them that scarring in his remaining eye made that impossible. "The part that hurt the most was hearing Evelyn cry," says Ivan. "I thought, How is it that I did this to her? That I ended up blind and a burden?"

#### Wounded warrior insurance

One thing the Castros did not have to worry about was money. The Army continued to pay Ivan's salary, as well as his medical expenses and related costs; stipends covered lodging and meals for Evelyn, even laundry. In addition, he qualified for about \$23,000 a year in disability benefits from Social Security.

They also had a plumped-up financial cushion to fall back on if needed: \$100,000 from an armed services program known as wounded warrior insurance. The policy compensates soldiers for combat injuries based on a grisly payout scale: Lose hearing in one ear and you get \$25,000; lose a hand and get \$50,000. Blindness qualifies for the maximum payout.

In late 2006, Castro was finally discharged from the hospital. But the arduous recovery process is far from over. Every month or so, Evelyn drives Ivan six hours from their home in North Carolina to Naval Medical in Maryland for checkups, additional surgeries and follow-up procedures like fittings for a prosthetic eye. For several weeks at a time, he attends blind rehab at a VA hospital in Augusta, Ga., spending eight hours a day on activities such as learning to read braille and to navigate with a cane.

When the surgeries and rehab are over - in a few months, perhaps - the Army will decide whether he can stay in the military or must be discharged. Castro passionately wants to stay. "I've been doing this for 18 years," he says. "Why would I give it up and start from scratch?" While the odds are against a blind soldier remaining in the army, it's not unheard of; one other officer blinded in Iraq is staying on as a military instructor. Castro isn't clear on what he would do, but he's eager for more than busywork. "I want to be productive, and I want to enjoy it," he says.

### High financial stakes

There's a lot at stake financially too. If Castro stays in the Army for at least two more years, he'll qualify for a standard military pension, which will continue to rise for each additional year he serves. At the 20-year mark, for instance, he'd be entitled to nearly \$87,000 a year, which includes \$54,000 in veterans' disability benefits; after 24 years he'd receive at least \$94,000.

But if he's discharged, he'll instead get about \$74,000 - veterans' benefits plus special combat-related compensation. He'd also have to find a new career. "I'm hoping I could work as a military contractor," he says. "But if that doesn't happen, I don't know what I'd do."

As Ivan and Evelyn wait to find out what his future with the Army will be, he works furiously at getting back in shape. When he's home, every weekday he goes to the gym for weight training. Running partners - fellow servicemen or their spouses - take him out for laps. He takes 60-mile trips with a local cycling club, riding a tandem bike with a sighted partner in front. "I want to show the medical board what I can do, not what I can't do," says Castro. "I want to show them that physically I'm there - in better shape than some guys on active duty."

On the morning of Oct. 28, 2007, Castro got a chance to show just what he can do. It's the day of the 32nd annual Marine Corps Marathon and, 10 minutes before the main start, he takes off with the wheelchair entrants. In his left hand is a black shoelace tied in a loop; holding on to the same shoelace is his running partner Lynn Salgado. She guides him, tugging on the shoelace to nudge him one way or the other and calling out features of the course; behind Castro runs another friend, Amy Moyes, spreading her arms protectively to shield him from other runners. Less than 4 and one half hours later Castro runs up the last hill and finishes, placing in the top half of male runners.

As with so many other challenges he has met, he couldn't have finished the marathon without sometimes unfathomable reserves of inner strength and drive. But that's no longer enough. Now Castro can't get anywhere without a little help.

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To assist the Castros in preparing for what lies ahead, Money Magazine arranged a meeting with Gary T. Ward, a certified financial planner in Brentwood, Tenn. and a veteran of the Special Forces. His suggestions:

### Develop a plan B

The couple have put thinking about the future on hold until Ivan learns whether he can stay in the Army. But that wait-and-see approach could prove costly if he ends up being discharged, since it's likely to take him some time to find another job.

Start exploring other work options now, Ward advises - just in case. For instance, Ivan can get career advice through the Army's [wounded warrior program](#) and should start networking with other injured vets about career opportunities. And now that Ivan is much better, Ward also urges Evelyn to return to work as soon as possible to bring additional income into the household.

### Deploy the settlement money

Many soldiers who receive a wounded warrior payout end up blowing the money. To their credit, the Castros haven't made that mistake; they put their \$100,000 into a money-market account, recently paying around 3%, and haven't touched it.

But Ward urges the couple to make that money work harder. Given the financial uncertainty they face, he suggests they designate \$50,000, or enough to cover six months of living expenses, as their emergency fund, putting the cash in a moneymarket fund and CDs maturing over two years; that should nab close to an extra percentage point in interest.

Ward advises splitting what's left between stock funds for growth and bond funds for income - a conservative mix that makes sense in case the Castros need to tap this money over the next decade to help pay for college for Ivan's son or meet other expenses.

### Stay on top of the rules

There is a lot of change going on in benefits and programs for wounded soldiers, partly in response to public outcry over their treatment. It's tough to keep abreast of it all; the Castros, for example, didn't know that a law passed in January will provide Ivan with \$26,000 in special compensation, on top of his veterans' benefits, if he's discharged before he qualifies for a pension. That extra money will make the transition to civilian life much easier.

For help making informed choices, the couple can turn to military service and veterans groups such as the [Military Officers Association of America](#) and the [Blinded Veterans Association](#).

### Save more for retirement

Even if Ivan does get his pension, Ward says the amount won't be nearly enough for a comfortable retirement. To build a bigger nest egg, he thinks, Ivan should reallocate his conservatively invested military retirement account, bumping the percentage in stocks up to 85% from 60%.

When Evelyn starts working again, she should also set aside 10% of her salary in her employer's plan. Longer term they may add to their retirement kitty by selling their rental property. But Ward says to hold off for now because of the slumping housing market.

**By mid-March, much is still uncertain for the couple**, but they have some good news. Evelyn has gotten a job as a speech pathologist at an Army hospital paying \$67,000 a year and has already signed up for her new employer's retirement plan. Meanwhile, Ivan has had yet another operation, this one to replace an implant for his right cheekbone.

"I'm tired of going to the hospital, tired of blind rehab," he admits. "I just want to put all this behind me." Toward that end, he's set another ambitious goal: On April 21, Castro will run the Boston Marathon.

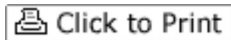
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