



A Savings Plan: Getting Back on Board

If you're living paycheck to paycheck, you're in a sinking boat. You can row as fast and as hard as you can, but the truth of the matter is that you're going nowhere but under. You aren't alone, though. A growing number of Americans are falling into this trap—we're spending every cent we earn and wondering why we can't seem to get ahead.

The easiest lifejacket to put on in this situation is a simple savings plan—you need a little bit of a cushion. Maintaining a savings plan of some sort can help ease the stress of living paycheck to paycheck. **First**, it will keep you from spending every dollar that you earn, and that truth alone will ease your feelings of a financial crisis. **Second**, saving regularly will give you a reserve to fall back on if you suddenly find yourself in a financial bind, and once you have saved the recommended three months' expenses, you can begin investing your savings elsewhere—in mutual funds, stocks, or bonds—which can help you save for retirement.

Starting the savings process can be difficult because it forces you to live on less than what you have been accustomed to, but the truth of the matter is that you need a budget, and you need to stick to it. **You can create a very simple budget by considering your income and the percentage of that amount that you would like to save—5 to ten percent for starters.** Then, force yourself to adjust to the lower income.

Promising yourself that you'll start saving might not be enough. There will always be something you would rather buy with that ten percent, so the best way to start saving is to have a percentage of your income automatically deducted from your paycheck. Utilize your company's 401(k) plan, or sign up for an automatic investment plan, which allows a mutual fund to deduct a certain amount of money from your checking account each month.

Budgeting and saving is an important first step in financial planning. **Your friendly Kemper professionals** can help you with all of your financial planning needs. **Contact us today** with any questions you might have about your financial future! We can help!