

Planning For A Bright Financial Future

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October is Financial Planning Month, and a great opportunity to examine how we're preparing ourselves for a prosperous future.

MADISON - October is "Financial Planning Month," and last week we recognized "Save for Retirement Week" and "Get Smart about Credit Day". But every day is a good day to think about how we plan for our financial future. We should be committed to financial wellness year-round, but that also comes with a need to advocate for progressive policies aimed at improving the financial lives of all of our citizens.

The general rule for saving is to have 3 to 6 months of wages saved up for an emergency. The benefits of having an emergency fund alleviates financial stress and provides families with a little bit of breathing room to make important job decisions if laid off or while being unable to work. However, for those of us who live paycheck-to-paycheck that's easier said than done.

Budgeting is critical. Each hard-earned dollar should have a purpose. Sometimes it's for rent or the mortgage payment and sometimes it's for our future retirement. Tracking how much we spend on food, gas, utilities and other essential personal expenses gives us a better

understanding of the value of a dollar.

But some elements of our society are keyed towards taking advantage of consumers. During my time in the State Assembly back in 2009, I worked on bills to prevent payday lenders from taking advantage of consumers and introduced legislation to keep credit card companies away from students on campus.

Having personal savings can help us avoid predatory lenders too. Payday lenders, auto title loans and credit cards shouldn't be part of our "emergency plan." Students, the elderly and low-wage earners can be susceptible to predatory lenders, scams and fraud. Having a better understanding of our personal finances and creating savings is a good defense against falling prey to these lending practices.

Not everyone has the income security to fall back on and the ability to set aside money for a "rainy day fund." Wages are stagnant for most Americans, but livable wages for everyone holding a job is a good start. Neither the federal nor state minimum wage has kept up with inflation or the rapid pace of change in the world.



In a column I wrote 4 years ago, I cited census data that on average, the top 10% of earners make about 9 times more than the bottom 90%. Now, according to the census, that number has grown to almost 13.5% -- a big step in the wrong direction.

Bankruptcies are too high, and not because families don't plan well. The leading cause of bankruptcy is an unexpected health crisis. Health insurance, if a family can afford it, doesn't always cover everything. Not only do health care costs affect our finances, but our ability to

work is also affected with health-related problems. Too often, an unexpected health crisis can set a family back so far they never recover financially.

It's well-documented our healthcare system is broken and we are behind the rest of the developed world. We desperately need to convert our healthcare model to a national health system that doesn't leave people behind. Even Medicare needs improvement, but Medicare for ALL is the answer.

Each of us are stewards of our personal financial future. The unexpected should always be expected and our personal savings should reflect it. Policymakers are responsible for making an economy that works for us – decreasing health care costs, increasing living wages and curbing predatory lenders is what each of should expect from our leaders in Madison and Washington.

We all need to work together to help everyone become financially independent. We can't overlook those among us who are far too often forgotten. Maybe part of our planning as society should include advocating for a system that works for everyone so nobody gets left behind. As Paul Wellstone used to say, "We all do better when we all do better."

Senator Smith represents District 31 in the Wisconsin State Senate. The 31st Senate District includes all of Buffalo, Pepin and Trempealeau counties and portions of Pierce, Dunn, Eau Claire, Jackson and St. Croix counties.

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