

Financial Wellness Update



March 2020



"I've just worked out that the money we saved for a rainy day would now last us for a rainy one hour and twenty minutes!"

Now's the time!

You still have time to contribute to your Traditional or Roth IRA for 2019!

Make sure to update your contribution by April 15, 2020. The Maximum for 2019 is \$6,000 (\$7,000 if you are age 50 or older).



Why You Need an Emergency Fund

In life, surprise expenses are bound to happen. If you had an unexpected emergency expense of \$400, would you be able to pay for it? If your answer is, "No," you're not alone. Forty-four percent of Americans said they would have difficulty with an emergency expense of \$400.¹ Furthermore, 140 million Americans have little or no savings at all.²

With an emergency fund in your back pocket you will have the funds to pay for the little emergencies that pop up in life. Such emergencies are:

- Job loss
- Medical or dental emergencies
- Unexpected home repairs
- Car troubles
- Unplanned travel expenses

Start your emergency fund with \$1,000. Then make a goal to save three to six months' worth of expenses. That way you'll be prepared for the curve balls life throws your way. Try cutting back on unneeded purchases, such as lattes on the way to work or going out to lunch, and put that money towards your emergency fund.

Having that extra stash of cash also keeps your stress level down and keeps you from making poor financial decisions such as taking out a loan or borrowing from your retirement plan.

¹ Fed Reserve Report on the Economic Well-Being of U.S. Households in 2015. May 2016.

² CFED Study

Questions about saving for a rainy day? Contact **Greg Tedone** or **Chris Hoffarth**.

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