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HIGH INCOMES DON'T STRETCH AS FAR AS THEY USED TO: HERE'S HOW TO FIX THAT WITHOUT EARNING MORE

While the average annual salary in the U.S. is about \$64,500, even those on higher incomes can still feel like they're struggling. Earning more isn't the answer - managing what you earn is.



By: Ron Tallou - May 4, 2026

It's easy to assume that earning more money will solve all of life's financial problems. It's logical: If the income increases, the financial pressure should subside.

But, for many of us, the opposite happens. The paychecks are bigger, yet the feeling that you're still behind hasn't gone away.

Hitting a long-term salary goal can lead to a flood of thoughts and emotions including, "This still doesn't feel like enough."

What often gets overlooked is that income alone doesn't determine how financially secure you feel. Two people can earn the same salary and have different financial experiences. The deciding factor usually comes down to how that income is managed, spent and structured over time.

Why do you feel like you're behind?

In most cases, lifestyle is where the gap begins to form. As income starts to increase, spending usually follows suit. Earning a higher salary can often lead to higher fixed expenses, such as a more expensive apartment or a newer car, or increased daily spending.

Although more money is coming in, increased spending is diminishing what's left after necessities and bills.

The shift isn't always dramatic. Small upgrades such as dining out more often,

taking more weekend trips, even prioritizing convenience can become routine. As time progresses, those habits can shift what feels normal, making it harder to identify where the extra money is going.

For many Americans, earning more money can also come with the feeling of needing to catch up. This can range from aggressively paying down debt to covering prior financial gaps, which can absorb additional funds before they can be saved or invested.

Additionally, the cost of living has increased significantly. Since 2020, household expenses have increased 25%, according to a report from Boston College. Food and transportation costs are up 30%.

Consequently, higher incomes don't stretch as far as they once did. For a proportion of Americans, what used to feel like a comfortable salary now feels like it's just covering just enough to survive.

When all of these factors compound, it's easy to see why earning more doesn't always translate to feeling financially secure. While it may feel like a tough situation to navigate, the solution isn't necessarily earning even more, but changing how the income is being used.

Remove the guesswork

Prioritizing savings before doing anything else is one of the most effective strategies to begin creating financial stability.

Allocating a fixed percentage of income,

whether it's 2% or 6%, builds consistency regardless of how much is earned.

Rather than saving what's left over at the end of each month, which can vary, saving a fixed amount biweekly or monthly soon becomes a built in part of your financial routine.

For those who earn more than the average annual salary, the issue usually isn't income, it's structure.

According to Forbes Advisor, using data from the Bureau of Labor Statistics, the average annual salary in America is \$64,505. For someone earning well above that amount, the expectation is that financial stress should go away.

However, without a clear framework for managing that money, the additional income can be spent just as fast as it's earned.

The key to making meaningful change starts with a shift in mindset: Pay yourself first. Treat every savings or investment contribution as your first expense, rather than something that happens after everything else is paid. Doing this removes the guesswork, ensuring saving doesn't become dependent on what's left over at the end of the month.

Earning more money is a great accomplishment. It can create more opportunity, but it does not guarantee financial stability. Making real progress comes down to how that extra money is managed over time.

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