

## Tips to Wisely Spend Stimulus Money

Whether you are planning for additional stimulus money to come or still collecting on previous payments, you may wonder just how to use it. Here are tips and suggestions on how to stretch your stimulus check(s) as far as possible.



### Address Immediate Needs

First and foremost, address immediate needs before anything else. This includes grocery, essential supplies, bills, rent or mortgage. However, do some homework to see if many jurisdictions, utility companies and even financial institutions are offering relief due to the pandemic. The eviction moratorium has been extended until March 31.

### Pay Taxes

It's tax season, and unlike last year, the IRS will not postpone tax filings again. The good news is that stimulus checks will not be taxed, according to the IRS. The bad news for some is that unemployment benefits will be taxed. If you don't need to use your stimulus check immediately, using it to pay any potential taxes may help in the long run.



### Knock down debt

If you do not need your stimulus for immediate needs, you could use it to secure your financial future – and that means paying off debt. Consider making a large payment on your credit card or loan. The less interest you pay, the more funds you'll have available in the future.

### Save for another rainy day

We've all had many rainy days since the start of the Pandemic. The Pandemic has shown to millions the importance of an emergency fund. Emergency savings should be equal to the amount of money spent on expenses for three to six months. This may seem impossible for many living paycheck to paycheck but any part of the stimulus check can be a good starting point. And, if you accessed or exhausted your emergency fund in this past year, the stimulus check can help get you back on track.



### Help those less fortunate

If you find yourself receiving a stimulus check and may not necessarily need the funds, consider donating to individuals and organizations who have been hit hard in your community. Local food banks and shelters always need help.

### Invest in your child's future

A part of the relief package may provide additional money per child. If your family is already financially comfortable, there's a way to make use of that money to help your children's future, such as a 529 plan.



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