Ways to spend your stimulus check

Source: Kelly May, senior extension associate for family finance and resource management

You may have gotten or soon will be receiving a stimulus check that is the result of the American Rescue Plan Act. These $1,400 payments are meant to help offset the financial hardships for individuals and families caused by the COVID-19 pandemic. Carefully consider what to do with this money before spending it. Here are some ideas to help you get the most from your stimulus check.

1. Take care of the basics. If you have lost your job or have been laid off as a result of COVID-19, you may be struggling to take care of your basic needs, such as food, medicine and utilities. This money is intended to help you do that. If you are struggling, spend it on those items.
2. Get up to date on your bills. If you have fallen behind on your debts, you can use the stimulus as a chance to get caught up on those payments. Make sure you prioritize your debts in order of the most urgent payments.
3. Build an emergency fund. If you are able to meet all of your debt obligations and provide for your family’s basic needs, consider saving the money in an emergency fund. Just because you do not need the money right now does not mean that you will never need it in the future. An emergency fund can help you cover those unexpected expenses, such as car repairs or major appliance purchases, as they occur down the road.
4. Spend it wisely. If you decide to spend your stimulus check, make sure your purchase is a wise one, such as a home improvement, which could increase the value of your home or job training or education that can help increase your income in the future.
5. Invest it. Make your stimulus money grow for your family’s future by investing it. There are many different types of investments you can consider, including 529 college saving plans, traditional and Roth IRAs, certificates of deposit, stocks, bonds etc. You can find out more about these investment options online or by contacting your banker or financial advisor.

More information on family financial education topics is available by contacting the (COUNTY NAME) office of the University of Kentucky Cooperative Extension Service.

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