

## Ways to Use Your

# RAISE

(or other additional income)

Lifestyle creep—also known as lifestyle inflation—is the tendency to increase your spending as your income increases. Don't let your next raise, bonus or extra source of income disappear into your monthly spending-use it to help your savings grow!

## **BEFORE YOU BEGIN**



## Your pay increase may be less than you expect

**GIVE IT SOME TIME** 

after taxes and deductions-verify the amount you have to work with on your next paycheck



**REVISE YOUR BUDGET** 

assess whether or not your budget accurately translates your life goals into financial ones

A pay increase is the perfect opportunity to

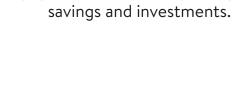




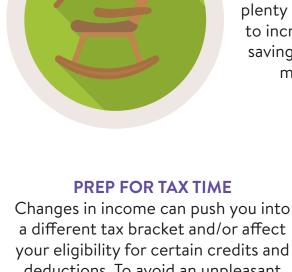
### It only takes one unexpected expense to derail your budget. Use a raise or

PUMP UP YOUR EMERGENCY FUND

bonus to give you peace of mind by padding out your emergency savings. Aim to have three to six months' worth of expenses set aside.



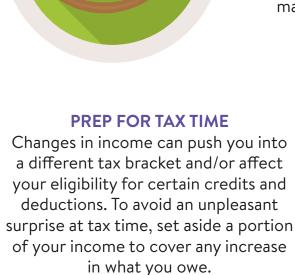
limits the amount of money you can put toward your life goals. After your emergency fund, high-interest debt repayment should take priority over



### to increase your monthly retirement savings—especially if your employer

**BOOST YOUR RETIREMENT SAVINGS** Putting additional income toward your retirement goals gives your money plenty of time to grow. Use your raise

matches your contribution.





DONATE TO A WORTHY CAUSE Studies suggest that spending money on others makes us happier than spending money on ourselves. As a bonus, charitable contributions made to qualified organizations may be deducted from your taxes. Win-win!

TREAT YOURSELF (WISELY) Celebrate a raise or bonus without sabotaging your financial goals.

a difference in your daily life. Hint: the best upgrades don't always have the highest price tag!

It's a Money Thing is a registered trademark of Currency Marketing

Instead of a one-off luxury purchase, choose thoughtful upgrades that make





Sources: BusinessInsider.com, IRS, MoneyCrashers.com, PsychologyToday.com