



**DIVISION OF AGRICULTURE**  
**RESEARCH & EXTENSION**  
*University of Arkansas System*

## **Make the Most of The Economic Impact Payment**

Many Americans are set to receive money from the government in the form of an economic impact payment. Plan now to use this money wisely - pay bills, pay down debt, and save for emergencies.

**Build savings.** An emergency savings fund is more important now than ever. Most personal finance experts recommend an emergency fund with enough to cover at least 2 months and up to 6 months of expenses. An emergency savings fund is your best protection in times of economic uncertainty.

**Pay bills.** Prioritize bills that are most critical. Some households may need the additional income to meet basic needs. Missing payments on installment loans, like a mortgage or car note, may lead to foreclosure or repossession. Check with your lender to see if payments can be deferred without penalty. Student loans may also be deferred. Late and missing payments can lower your credit score, making future credit more expensive and more difficult to obtain.

**Pay down debt.** Credit cards are high interest debt. Paying off credit card debt can free more money in your future budget and save money on interest. If you are still struggling to make even the minimum payment, contact the credit card company to ask if you can arrange an easier payoff plan.

Economic impact payments will be distributed as checks or direct deposits. The amount is based on income as shown on your 2018 and/or 2019 tax filing information. If you have not filed for the last two years, there is still time to file for 2019. More details about the stimulus check as available from IRS: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

The amount of the benefit will vary depending on your income and family size. Adults with annual income up to \$75,000 will receive \$1,200, plus another \$500 per child. Benefits will be distributed by check or direct deposit. This online calculator will tell you what your COVID-19 stimulus benefit will be:

<https://www.washingtonpost.com/graphics/business/coronavirus-stimulus-check-calculator/>

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