

Budgeting when income is uncertain

Part 3

Presented by My Secure Advantage

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[Vivian] Welcome everyone to today's webinar presentation, Budgeting When Income is Uncertain. It has definitely been a very challenging few weeks for many of us across the United States, but hopefully in this week's conversation, we're [going to] talk about just some tips, ideas, and just what could help you pull through because we keep hearing new information, we don't know what's goin' on and we're all just like what is goin' on here? And so we have a great panel today that's [going to] share some great insight. First, I want to introduce myself. My name is Vivian Perez, I'm one of the Money Coaches with MSA. I've been working with the company for several years now but I've been in the industry for close to a decade and pretty much I love helping people get from where they are to ideally where they [want to] be which is those tools, the practical things that could help them move forward. Now, joining me, I have Tess and Tess is, like she's the wonder woman when it comes to taxes so I'm really excited to have her here. Tess, are you on?

[Tess] Yes, I am. Good morning everyone. Good morning Vivian, thank you. And good morning Tiffany and--

[Tiffany] Good morning.

[Tess] To you all out there, hope you're doing well. My name is Tess Filice. I am a certified tax preparer. My background is in banking, retirement, taxes, investments, and I do also college planning as well as divorce planning. And I love to educate and guide and help you with your financial decisions. And I have Tiffany Willis next.

[Tiffany] All Right. Thank you so much Tess, good to see you, good to see Vivian. My name is Tiffany Willis. I'm a financial wellness specialist for My Secure Advantage. My job is to travel annually to the different employer sites that we have and talk about our financial wellness programs as well as explore different financial topics. I started working in the financial industry in 2001 in the Federal Funds Market and then I taught college level economics and personal finance for 11 years before becoming an MSA Money Coach. I really hope that once this quarantine is over, I can get back on the road and hopefully meet some of you in person, but until then we will be doing these weekly Friday webinars with updated content each week. So we really do encourage you to come on back each Friday. We use your input and your survey questions and feedback to update our content every week, so please feel free to let us know what you think and we will always update that and give you new webinars every week. A couple of housekeeping items to get to before we get started today. If you have a question, you can type it into the chat. We're going to reserve some of the time today to do some Q and A that will be answered by all three of us, so if you have time, go ahead and type that question in. Now it is really difficult to answer every single question. We have a lot of people attending this webinar and it's offered to many different employers, so if it's the case that your question was not answered, please feel free to go to mysecureadvantage.com we have a COVID-19 banner there that you can click on and on there we compile the most frequently asked questions and we also include our answers. So if your question is not answered here it very well may be answered there. Also too, when you register for new webinars you can type in your question and we are trying to make sure we handle as many questions as we possibly can. Another housekeeping item that we want to make sure that you get is that if you have missed any part of today's webinar, you're going to get a copy of this recording within the next 24 hours. So if there's anything you miss, it's going to be sent to you by email and you can listen to it at your own leisure. Also, the most important thing for us is that you let us know what you need, so as you close out this webinar, you're going to receive a survey and that survey is going to ask for your feedback. Please know that we look at that very diligently and we use that content for the next week's webinar, so let us know your opinion does matter to us. We use that weekly to update, so please feel free to fill out that survey and let us know what you need. Now for quality of audio, we're going to close down our webcams so that we can preserve the quality of this webinar. We will come back on so that you can see our faces, but we'll get right into the webinar with the agenda. All right, and I'm going to throw it back to Vivian.

[Vivian] Thank you, Tiffany. Thank you so much for that. And so jumping into today's agenda, what we're [going to] cover today is we're [going to] cover some program updates, actually Tess is going to help us with a lot of them. We're [going to] talk about how to create a no frills budget, like really focusing on the essentials and what that looks like and then we're going to jump into what the plan is like what should we do moving forward with all the information that we get today. So Tess, tell us a little bit about what's been going on as far as the program updates?

[Tess] All right. So for the stimulus updates, as you probably have already heard some of your friends, your family members that they have already gotten their stimulus check in their bank account, some people were surprised by it, which is a very welcome surprise. But for people who have not received theirs, luckily the IRS had provided a tracker online at the [irs.gov](https://www.irs.gov) website. You could check your payment status as well as your payment type. If you're going to get it as a direct deposit or if you're going to get it in the mail. For those people who did not have a bank account information on their tax returns when they filed 2018 and 2019 tax returns... okay, you could update your bank information through that website. Be patient with the websites, it's sometimes runs a slow and also you do have to give your information, your 2018 or 2019 information. It will ask you for your adjusted gross income, if you got a refund or if you owed and if so, how much and then you can put in your bank account information. For those people who don't want to provide their bank information, you will get a check instead in the mail at the last known address. The 2018 or 2019 tax return information. For the non-filers, those that are not required to file income tax because their income was too low or below the standard deduction, you are qualified to get the stimulus check and you probably will get that in the mail. The first round of checks will be mailed. The latest information was April the 24th, and they will keep mailing this through the weeks to come. So just be patient with it but you can check online to see the status of your stimulus money. Anyone who are not required to file income tax, let's say, your only source of income is social security, you are not required to file income tax. The IRS already knows about you so they will mail, oh, I'm sorry, they're going to deposit your stimulus check or money in your bank account where you normally have or receive your social security. So if you get your social security benefit by mail, that's how you're going to get your stimulus check. If you get your social security directly deposited to your bank account, then it will get deposited to your bank account. So the stimulus check, a lot of confusion as going on where people are confused whether they're going to have to pay back this stimulus check. The answer is no, you do not have to pay it back. You do not have to include it in your tax return. It is not taxable income. For those people who let's say had qualified for 2018 and 2019 but did not qualify for, I'm sorry, did not qualify for the stimulus check, but your 2020 income is less then you may get the stimulus check and that will all be built into your tax software next year I am certain or on the tax form. Let's go ahead and check to see who are the people that do qualify for this stimulus check. And that would be on the next slide. So for the people who would qualify, if you are a US citizen or Resident aliens, you file income tax and you are making the, and you're below a certain income level, you will get the full \$1,200. And if you're married, filing jointly, the full \$2,400 and we'll go over that income eligibility and a little bit. For tax filers who I have tax ID numbers or a non-legal resident, unfortunately you do not qualify. But if for 2020, your status changed and you filed income tax, you may be able to qualify. For taxpayers, young adults who are no longer claimed as a dependent by their parents, you can qualify for the stimulus check provided that you are below a certain threshold and you will get a prorated amount if you are, let's go ahead and go over that. For single people, if your income is below 75,000, you will get the full 1200. If your income is between 75,090-99,000, it is prorated. For married filing jointly, if your income is below 150,000, then you will get the full 2,400. If between one 150 and 198,000, it will be prorated. And if you make more than that, unfortunately you do not qualify for the stimulus check. For the dependents, parents who claimed children under

the age of 16, okay, I know it says here under the age of 17. Unfortunately, I could explain that in a little bit, but if child is 16 under for that year, the parents will get \$500 per dependent. If a child is over the age of 17 at the time of filing you do not get the \$500 per child stimulus check. And so next, let's see here. So unto you Tiffany.

[Tiffany] Yes.

[Tess] Yes.

[Tiffany] Thank you so much, Tess. Tess is a wonderful tax expert. I enjoy talking to her every time, I had mentioned last week, every time I'm in office, I come in and I talk to her and she helps me with this right here, Relieving Financial Uncertainty. Financial uncertainty can come in many different forms. And with this COVID-19 crisis, I mean, even personally I would say, I would lie to you if I said this isn't extremely stressful. One of our goals with MSA is to relieve financial stress one employee at a time through the process of money coaching. So we wanted to come up with a couple of tips to kind of help get you through this time and this process of dealing with this crisis. One thing to note is that this will not last forever. At some point, this being in survival mode and quarantine and maybe the changes to your finances that will eventually end. And so what we're going through is temporary. And I always used to tell clients on the phone it was helpful to hear that you have survived 100% of your bad financial days and you will survive whatever this is as well. So please know that this survival mode is temporary. Another thing is be clear on your resources. A lot of times when it comes to a crisis, we like to write down our bills and we may stress out about our expenses, but on the other hand, do we really sit down and write down all of the income resources that are available to us? It could be a 401k loan, it could be that we have unemployment coming in. It could be that we maybe take a withdraw from our retirement plan. It could be a personal loan, it could be a tax refund that we haven't filed for yet, but it's important to write down all of those different resources that are available to you so that if expenses do become too much, you can go back to that list and say, "Oh, I can pull from here. "Oh, I forgot about this." It helps to keep things rather organized and that's helpful in a time of chaos. I would also tell you to be open to new income opportunities. A couple of weeks ago we had another one of our great financial coaches, Barbara Quan on our webinar and she shared with our group there a list of different employers that are hiring during this time of crisis. Now, I would tell you, please balance your health and your safety along with making more income. I wouldn't want you to get ill or anything, but there are employers that are hiring essential workers. I know there's a grocery store five minutes from my house and it was low on baggers. So my son started bagging the groceries and they offered him a job on the spot. And I said I'd rather pay somebody to help him through algebra. That's another income opportunity. I have been with my age third grader and my ninth grader for the past couple of weeks and we needed some help with tutoring. So that could be another income opportunity, especially for teachers Face Timing and Skyping to help kids get through their harder subjects. So there's plenty of income opportunities still to be earned during this crisis. Also do not forget the power of networking and the sense of community. That's what we like to do at MSA. I would really say that we do that not only with our clients but among us as employees. We really are a family here and that sense of networking and community I think comes across in our phone calls with our clients. We're not the only ones going through this and especially being quarantined it's easy to just kind of let the stress get to you 'cause there's not a lot of outlet, but do know that you're not the only one. It could be that someone that you FaceTime is going through the same thing or it could be a family member going through the same thing. So please use that sense of community and networking. Also too, a lot of times we forget that our employer most likely has an employee assistance program that offers not only the financial coaching, but they could offer psychological help as well as other types of help. So utilize those resources if you haven't utilized them yet. It's important to put all of the tools in the

toolbox for this crisis. So utilize your employee assistance programs as well. And we would hope that you create a budget to help reduce stress, not create more stress for you. So whether that's money coaching, whether it's using that sense of community, whether it's getting other people involved, use your budget to help decrease stress. And one of my favorite people that I like to talk to about the budget is Vivian. So I'm [going to] throw it back to her to tell us how to develop a no frills budget.

[Vivian] Yeah, so such good points, Tiff. I mean, we really don't realize the opportunities that are out there, especially if we're not looking. But those are some great ideas that I was like, "Ooh, I should take some note of those myself." But definitely there's some resources out there and if you weren't able to catch that webinar that we did, 'cause I was actually on that webinar with Barbara where we talked about the National Retail Federation and their website and how they have basically, different opportunities with retail jobs that are available right now. But if you didn't get a chance to hear that, it's available now on our website. So if you go to the mysecureadvantage.com website, all of our playbacks are there. So feel free to, when you have some downtime to jump on the website to see what you missed out on the last conversations, where we talk about the National Retail Federation on that prior webinar that we did a couple of weeks ago. So, yeah, so let's talk about the no frills essential budget. So in this time, I mean, a lot of times people are not really thinking about a budget 'cause they're just thinking about getting through week by week. But essentially, if you could have these numbers in your face to kind of just show you what you're working with, it's so much easier to help you to get through over the upcoming weeks. So we say that, one of the first things that one must do is write down the expenses, like literally on a piece of paper or use a spreadsheet. I personally, you could call me a little old school, but I like to write things down still. There's something about the paper and pen, like I don't know. But nonetheless, write down those expenses. Use real numbers and if you don't know what the real numbers are, look back at your statements. So look back at the last couple of months, take a look and see where has the money been going. Once you can kind of assess that, then you can start looking at what do I need to cut back on? Like, what have I been spending on that I really don't need right now? I think this is, Tiffany, and I talked about this last week, that this is really a good time to almost like spring clean your finances. So really kind of take a look of where has the money been going and is it even necessary, right? So use those real numbers to kind of give you a gauge of what's been going on so you can adjust your budget so it could meet today's needs and then calculate everything. Take a look at, are you getting unemployment benefit income right now? Are you still bringing in income through work? Maybe they just lowered your hours? Or are there other sources of income that are coming in that maybe typically you wouldn't have. You want to have all of that combined so you could see what you're actually bringing in, okay. And then another thing to think about is stopping your automated payments. And it's more about just having a little bit more control because the fact is we don't know how long this is going to last. So if you can sit here and either talk to those creditors and create some type of game plan with them to either defer payments or just stop the automated payments just temporarily, then that would be a good thing as well to help you just tighten up the budget, okay. So we're [going to] show you a little bit more in detail on this next slide that shows you like what an actual no frills budget looks like. And so when we call it a no frills, it's really because it's bare bone, as focused as it can be on the necessities, okay. So typically the regular budget looks like what's on the left side of the screen. So the essentials, the debt payments, the discretionary, and then you have your savings and investments, right? So you're kind of distributing your income along those different expenses. Now, no frills budget, what that looks like, it's more that you're focusing on the essential and then you have to really look at your, 'cause every situation is personal. For one families essentially may look a certain way for another family essentials will look a totally different

way. So you have to look at your own situation to take a look at like what is it that I need? Like no, I can't cut this out at all kind of expense that you have to then focus on those things and then sit here and save as much as you can. The focus is to sit here and have as much liquid cash as possible, right. As you see here, there's nothing in the discretionary box and there's nothing in the "investments" and even the debt payments, a lot of it is more about doing the minimum that you can so you could sit here and focus on having more liquid cash. Okay, so that's what the no frills budget looks like. And of course, like I mentioned, every family is different, so you have to just tweak things as what you feel is best for you and your family. But the biggest thing is that if you don't have an emergency fund right now, you definitely want to take this time out to start setting as much or that kind of savings aside, liquid, nothing that's in the stock market to sit here and just build up something to fall back on. So important in times that we will call crisis. So that's what you're looking at when it comes to a no frills budget. So Tiffany is going to jump in and let us know just what to avoid when it comes to financial traps. Tiff, are you still on?

[Tiff] Oh, thank you. I'm on, someone unfortunately had muted me. So sorry about that. But thank you so much Vivian. Yes, *Avoiding the Financial Traps*. We are Money Coaches, but we are not perfect. And I would be the first one of the many coaches to admit to you that I have seen the ads and the emails of employers that are really struggling to bring up revenue. So I'm seeing a lot of discounts plus free shipping and the great American takeout. And it's tough because like I said in my introduction, I used to teach economics. So I know that consumption drives the economy and it can be tough to balance that. I do want to help the economy, but I've also got to help myself. So how do we look at avoiding those financial traps of the sales and of the discounts? And ultimately, let's just be honest here, it feels like Christmas when a box shows up at my door, now I have an office, I hide it in there so my husband doesn't see it and then I open it and I'm like, "Tada, look what we got." So that can seem enticing but I think one thing to think about is, especially with a crisis like this, we're not sure of the impact and when it's going to end. And in that case we would want you as Money Coaches like Vivian was saying, is to protect yourself. And like Vivian was saying, also liquidity is so key. So really think about where can that money be best serve. Am I happy with what I purchased or would that best be served building up my emergency funds if there's not another stimulus or could it be paying down debt? Less debt gives you more discretionary income for you to work with. I think any type of crisis, whether it's personal or whether it's outside of your control always shows you where your financial weak spots are and I would really hope that in this time you've been able to assess that and see is it that you need more emergency funds? Do we need to pay off debt and utilizing the resources to do that. Now, if it's the case that we know you're not [going to] get your spending down to zero, we've got to buy groceries and we've got to buy goods and services to survive, but it's important to be strategic about it. So if you've got some cash back rewards on a credit card, maybe you can put it on that and pay the balance in full is key so that you don't give that right back in interest to the credit card company, but then you can at least get 1% or 2% or whatever your credit card offers as cash back. Another thing is there's a lot of cashback apps. Unfortunately we don't have the time to make specific recommendations or go through everyone, but it might be a time to look into some good cash back apps that are available to you that you can maybe click the receipt and it gives you a credit and you can use that. So be strategic if you are spending money. We also have to be cognizant of is that spending, is it strategic, is it paying me something back? Especially during a time of crisis, we want you to be able to be proactive. And speaking of proactive measures, we want you to be able to prepare for the next storm. Now, this is the tough thing because I don't want to predict another storm, but I can tell you personally, in the last three years I've had a ton of storms, personal things that are outside of my control and I think it's important to always assess each time, what do I want to make sure I carry forward with me? How do I make sure that my household is not taken under by this storm? And so we've got some tips here to prepare yourself for whatever the next thing may be. Like I said before, every crisis shows the financial weak spots. So is it that you need to commit to three to six months of emergency savings and how can that be employed? I think that's where our Money Coaches do come in great, handy 'cause they have all types of tips of how to save, whether it be automatic contributions, changing different allocations. They do a really good job with that. So that helps you to prepare for the next storm because like I said, or Vivian, actually said, liquidity is key during times of crisis. As I said before, less debt means

more discretionary income and during times of crisis you may need to reallocate and the less debt that you have, the more you can reallocate to what you need at the time. Now for those people who say, you know what, I've got my savings, I've got my three to six months worth of emergency expenses. Maybe then I have more, I'm out of debt. I don't have any student loans. I don't have any credit card debt. I'm pretty okay financially, so then what do I do? Well, the market was also volatile, if you're an investor. And remember, you may not have personal investments, but if you have a 401k or if you have a retirement plan, you are an investor. So this would be a good time for those people to also examine, how did you feel about that market volatility? What was your investments? Were they in line with your risk tolerance? Had you become unbalanced? Is it time to reassess and is it time to do a rebalance? We have a webinar at 12:00 PM Pacific Standard time with our manager, Mike Hackett and Mike Constance in which they talk about how to operate in volatile markets. I would really encourage that group to go to that webinar and get those tips. It also could be that, stocks are on sale, the market has been volatile and stocks are lower than they were before, so maybe you could take this time to increase retirement contributions and catch up. But I really think for any crisis, there's always something that every group in different terms in financial terms that everyone can do. So I would encourage you, whatever it is, find what your weak spot is and then decide this is how I'm going to proactively go into the future so that I'm not caught off guard again. All righty, so I'm [going to] throw it to Vivian and we're going to wrap up and start to get into your Q and A.

[Vivian] Yeah, that was so good Tiffany and yeah, I mean definitely a good time. We were just talking about that little while ago, just good time to invest if you're able to for sure. And even for me, I'm going to catch that next webinar at 12 noon so I can to get some additional tips and things, but you [want to] think about your action plan moving forward. So based off of what Tess shared in regards to the stimulus checks and how much income you're going to have coming in. A good action plan to know what's going to happen with that income that you have extra coming in in addition to the income that you currently, have access to, what's going to be your action plan now? Right, we definitely encourage to continue to come to these weekly webinars just so you could get more information over the next couple of weeks and then create that wellness plan. Whether you do that on your own or if you utilize the Money Coach through your EAP or through your program that could help you to kind of assess like, what's most important to you right now? Is it really looking at maybe having more emergency funds or is it more looking into what can I invest in or what would be some good ideas to make my money grow more? Whatever that looks like but think about what are the next steps? Okay, 'cause then from there, now you can use this time to actually have a breakthrough. I always say, and I think I said it last week too, that breakdowns always lead to breakthroughs. So let this be an opportunity to sit here and let you know what you need most so you can start rebuilding and putting yourself back into a good spot.

[Tiffany] Okay, great. And as we are wrapping up here, this is kind of last housekeeping items. The best thing you can do is get started with working with a Money Coach. Like I said, as you can tell, we are all very comfortable with each other. As friends and as Money Coaches. We would encourage you to get connected with us as well. Two ways you can do that, if you are utilizing it through your Employee Assistance Program, you can call your Employee Assistance Program, get a referral and they will shoot you right over to us. And you be able to set up appointment with a coach that specializes in that area. If you have access to the My Secure Advantage benefit directly, you can just go online and make an appointment or give us a call to set up an appointment with a coach. We are still working 100% capacity. Everybody's working from home now and so we are totally available to take your calls all day. And a wrap up here, we do have, like I mentioned before, we use all of your feedback and all of your questions to create our webinar for next week. So that is where this week's content came from. We will have another webinar next Friday on the 24th on budgeting and investing. It will be at 9:00 AM Pacific Standard time and noon Pacific Standard time. So we would encourage you to come in and go to those webinars at well. It won't be on the same content, so you'll get new updated content each week. And we work really hard at that during the week to make sure that you get that updated content. Okay, and again, if you miss something, please know that you're going to get a recording of this webinar in your email within the next 24 hours so that you can listen to it at your leisure. We also do post the webinars on the website, My Secure Advantage, the playback is there along with our frequently asked questions, so please feel free to visit our website and for those of you who have registered today, look to your email, you'll be getting a recording of this webinar. Don't forget your opinion does matter to us. So fill out that survey. We're going to use it to create new content for next week. Also, we hopefully are trying our best to make sure everybody's questions are answered so you might hear from us directly, but we want to make sure that your needs are met, especially during this time of crisis. So let's get to the Q and A. That's the funnest part, right, Vivian?

[Vivian] Oh yeah. It must be because we have Tess and she's so amazing at what she does, so we definitely [want to] take advantage that we have her on the call.

[Tiffany] Right.

[Tess] Well, I did see some questions, live questions and so while we have a lot of people, I apologize, I did some coughing there. I didn't, I'll have to mute myself. But anyhow, we have a live question here. If someone is at a different location, will USPS forwarding the stimulus check to the current address? If you had placed a move, when you had moved to the post that you had moved and you notified them of your mailing address or your new mailing address, then it should get to you. I didn't see any stipulation that the stimulus checks cannot be forwarded to the new address. But if you can please go online to see what address or if you're going to actually get your stimulus money via your bank information instead. But if you have not updated your address for 2018 and 2019 tax returns, then please fill out that form 8822 or go online to on the irs.gov website. Do you want to take on a question Tiffany or Vivian?

[Vivian] One thing that I wanted to say too is that with the Q and A's is that if it's like investment questions and really personal questions, we won't be unfortunately able to answer those. Typically, if you have something that's really personal, we would encourage you to call a Money Coach to talk about your specific situation. But everything else we can definitely jump into. So let's take a look here and see what questions are available.

[Tess] Okay.

[Vivian] We have a list here.

[Tess] Yeah.

[Tiffany] Yeah.

[Vivian] Okay. The question here is, is it better to transfer balances from one credit card to another where there are lower interest rate? Does it affect your credit score? Considering too that there's so much going on with debts as far as ability to pay them off and options, it definitely would be a good time to take a look and see if there's an option to sit here and consolidate some of your debt. So, depending on what your current credit score is, especially if you have a score in the high six hundreds and higher, you can get a good interest rate on loans right now that you can utilize to then shift all the debt from the credit cards because typically credit cards have higher interest rates and move that over into a lower interest rated loan and it actually affects you in a positive way. A lot of times when you free up all those balances on the credit card, now that becomes where your card has low utilization, no utilization. So that actually has a positive impact on your credit score. So you definitely want to take advantage of this time, especially if you're doing some of that kind of spring financial cleaning to take a look at what are your balances on your cards. And I always say too, like if you have, not such high balances, take a look at a zero interest credit card or use that to move it over to. Typically, I suggest that if you have a balance of 10,000 or higher in credit cards to then consolidate to a loan so that you have a little bit more time to pay it off. But if you have low balances on your cards and you want to consolidate, look at zero balance transfer cards right now to see if you can shift those balances over, but you definitely want to get always the lowest rate possible so you can pay as much as you can to principal and ultimately pay off your debt a lot faster.

[Tiffany] Yeah, yeah, absolutely. Getting debt out of the way I think is something so crucial going forward. As we kind of go through this and don't know when it may end having liquidity and access to cash is so important. So thank you for that, Vivian. I have a question from Camille. It says, fortunately I am still working, however, I am looking for advice on repaying student loans. I know Federal Loan Payments are not required until September, but should I still be making payments if I can? We would say to that, Camille, yes, now that student loan payments are in a forbearance period until September 30th. Your payments now are going to principal because no interest is accruing on your Federal Student Loans. So if you still can, we would say make payments. But I would say also with anything, and this is with all of our questions, look at your overall financial picture. I know you said that you are still working, but sometimes it could be the case that there may be a pay cut. So I would also ask, are you still making the same income and do you have the same expenses given this crisis? And what is the status of emergency funds? So if everything else is intact, the income is staying the same, the expenses are relatively stable and you still have the, you got emergency funds and you still have the ability to make those student loan payments. Making those payments now can really put a good dent into your debt. So you might want to consider if you can do that. But again, put it in context of everything else. I wouldn't want you to make student loan payments and have a pay cut later and not have an emergency fund. So put it in context of the overall financial picture.

[Tess] Right, there's a question here on this stimulus check again. What about, it's a live question. What about people who live off of non-taxable income and do not file taxes? So if they're not receiving social security or SSDI. So people who do not file, first and foremost the priority are the tax filers for 2018 and 2019. If you are not required to file income tax because your income is too low below the standard deduction, then of course you're not required to file income tax. But you can go in to the irs.gov website and apply for the stimulus check. It will be evaluated by the IRS if you are eligible for the stimulus check. And I saw another question here on, is there a chart for the prorated amount for salaries between 75,090-99,000? I personally have not seen an actual chart, but rather there's calculators out there, where you put in your adjusted gross income and how you file, what is your filing status and your dependence and it will tell you what your refund is going to be. But I could tell you, I could give you a quick example how to actually calculate it. So let us say an individual person makes, a single tax filer make 75,100, okay. So what will happen is because you are above the \$75,000 threshold, you will deduct \$5 for every \$100 you're above 75,000. So in my example, if you make 75,100 instead of you getting \$1,200 you will get 1,195. If you make \$76,000, there's ten one hundreds in thousand so you would get 100×5 . So that's \$50 that you will get less on your stimulus check.

[Tiffany] Good question.

[Vivian] I see a question here from Deborah. It says, where do you start if you have less income, you have debt and you have no safety net. So this actually goes back to a bit of what I was sharing in regards to the no frills budget to really look at what are those necessities that you have and those expenses. How can you basically cut out as much of that fat in the budget per se? To then see what you can work with to save as much as you can. And when it comes to the debt, there's a couple of options. There's either A, looking at just doing the minimum payment just to kind of make sure that your credit score doesn't go down. If you feel like, you know what, I don't really, I'm not really paying too much attention to the credit score just because I'm not [going to] be purchasing anything anytime soon. It's worth looking into some of the different debt programs that are out there. There is credit counseling, which can be a good option. And credit counseling, ultimately what's happening is that you're working with a non-profit organization and you're basically working with them so that they can negotiate the interest rates on the actual debt that you have. And basically you will make a monthly payment to that nonprofit organization, typically within a three to five year timeframe, and they'll close those cards and you would then basically be paid off in that timeframe. So that could be a good opportunity if you feel like you're not really moving forward with your debt or you feel like you're kind of running in circles with the debt and you're not really concerned about your credit score. There's also debt settlement, debt settlement hits your credit score a little bit harder. But it's somewhat of a similar concept where you're working with an organization but in this sense you're working with a for profit organization and a lot of times what they ask you to do is to basically default on that debt so that then they can negotiate the actual amount that you're going to pay. And so depending on the company, sometimes it's 30 to 50 cents on the dollar that they negotiate. You then sit here and pay the for profit organization and they typically tackle on their price on top of that. But that's another option that you could sit here and work with a third party per se so that you can then start working on the debt. So it really depends on, I think where your importance is around your credit score as well as, if you want to work more on the safety net and having that discretion or that kind of an emergency fund, then you can then focus on those necessities and then every little extra that you have that you start building up your savings account. So it really depends but having that no frills budget and just really looking at like what am I working with could be super helpful. And I will say too like just to talk to a coach a little bit more so that they can help you look over those numbers and help you really to create a good game plan. Because I can say but so much, but I really need to see the numbers myself to kind of give you better guidance. But those are a couple of things just to give you some ideas of what can help you right now, but definitely focus on the necessities and boosting up the savings and whether that's doing the minimum payment on the credit card debt or the debt just so that you can have it covered or entering into some type of third party debt program could be probably helpful as well.

[Tiffany] Yeah, and I agree with Vivian, like she said, I think that that's where that no frills budget that we talked about earlier in this webinar could really come into play. I think something that we haven't really discussed and probably do more so on our calls is, I think it's really important to organize and develop your highest financial priorities so that you give yourself some type of vision somewhere that you're going financially so that you know what to focus on. Because there was a lot of times, especially during crisis, things can be so up in the air. And if I have a focus and if I know what my highest financial priority is, whether it would be increasing my income, paying down debt or building up my emergency fund, I would categorize that to what's most important to you during this crisis. So categorizing that and making sure that you label what your highest financial priority is. Hopefully you'll talk to a coach with that and they can help you. But I think that that's important for all of us because those priorities are going to touch every single part of our finances, whether it's roll my retirement fund or get out of debt or build my emergencies. I've got to be willing to recognize this is my highest priority and these are the steps to get me there.

[Tess] All right, Tiffany, thank you for that. I have a live question here. Is it true that those who owed taxes in 2018 and or 2019 will need to provide their direct deposit account information on IRS site in order to receive their stimulus check? The answer to that is yes. If you want the direct deposit, then you need to provide your bank routing information and the account number. However, if you do not want to do that, you have basically the option to just basically wait and wait for that check in the mail. So it's going to take a while. So if want it faster, go in there and provide your bank information. If you can wait, then it will just be in the mail. I want to cover this quickly also, again, it's on the stimulus question. If you have already received a check for 2018 tax return and you now have another child would an additional \$500 to be available when I file 2019 tax return. So if the stimulus check has already been sent out to you because the IRS only had your 2018 information, that's fine. However, when you do file your 2019 tax return and you do show you have another child, then you will get that additional dollar amount. As long as it's still within that basically, you're still within that income eligibility requirement that you are within that threshold or under the threshold.

[Tiffany] Yeah, thank you for that Tess. I see a question here that asks, when do you use a credit card versus using, I think that's a debit card. Like we said in the webinar, I think it's important to be strategic. And the simplest answer to this is use the credit card when you can pay the balance off in full. Credit card rates even though the Fed has lowered rates, credit card rates can be pretty high. So you want to make sure that you pay within the grace period and that you're not accruing that interest. So if you can be strategic and it gives you some cash back and you can pay it off in full every month, then that may be a way to use the credit card. But if debt is an issue and you're doing something like snowballing or debt avalanche where you're trying to pay down cards one at a time, then the best thing for you to do is actually look at probably using your debit card and keeping your credit card payment program on track.

[Vivian] Good. And I see a quick question here from David. What are good credit card consolidation loan options we can look up? Well, there's a couple of websites that you can definitely utilize that we always encourage people to use, which is Credit Karma because it's a free site and a lot of times under their recommendations, based off of your credit score, they'll tell you what you can actually qualify for, which I think is a neat tool. So what happens is that right next to the loan option it'll tell you either red, yellow or green, whether you can qualify for that loan or not. So it prevents you from wasting your time and just applying at different lenders and kind of getting declined all the time. This one could tell you you have really good approval odds or you have fair approval odds. And fair would be yellow, good would be green or you wouldn't approve would be red. And so that's a really good tool as far as where you can look it up. The other a website that is very popular that people can search all types of rates is vaankrate.com. So V-A-A-N-K R as in Robert A-T-E.com. So both of those are really quick websites that you can look up for consolidation loan options.

[Tess] All right, another stimulus check question. Can a dependent who lives in California who is 21 and with a baby get a stimulus check even if they don't work? The answer to that is yes, again, even if you do not file your income tax and let's say you are getting some kind of governmental assistance, the IRS already knows about you and if you'd normally get your benefit by mail, then you get it by mail, the stimulus check by mail. If you normally get it through a direct deposit, then the IRS will deposit it into your account.

[Tiffany] Yeah, thank you for that Tess. A lot of stimulus check questions.

[Tess] Yes.

[Tiffany] We're looking forward to it. And it's tough because like we were talking about before this webinar, the IRS has launched that website in which you can track your payment, but it can be hard to get in there sometimes. So I would tell everyone, practice patience. This was done very quickly and it's hard sometimes for systems to catch up. So we all have to kind of bring our patients with us. I know I've gone on the IRS website myself and looked and they couldn't determine it. So we all have to kind of bring our patience to the table there too.

[Tess] Right.

[Tiffany] Yeah.

[Tess] Okay, I have one more question on stimulus.

[Tiffany] Uh-huh.

[Tess] Okay, is stimulus eligibility for a parent who is not eligible for a stimulus based on earnings, but do they still get the \$500 per eligible child? The question is slightly confusing, but I believe the question is, if you are claiming a parent as a dependent. Unfortunately will not qualify for the \$500 additional amount for a stimulus check. That's because the adult is already being claimed by a taxpayer and therefore not be eligible, okay.

[Tiffany] And does the dependent have to be under a certain age, Tess?

[Tess] Yes, the child has to be 16 and under in order to get the \$500, additional dollar amount.

[Tiffany] Okay.

[Vivian] Got it. Well, I see a question here too. In regards to the automated payments that I talked about, it was from Alice. She just wanted to know why stopping automated payments would be a positive step. So basically, and this is really more for people that have limited income, right? So the idea is to say here, you don't want all the automated payments coming now at the same time, that could cause you to get into a default with your account where you have no penalties and things like that. So if you could sit here and first kind of take a look at that no frills budget and see like what your main expenses are. Then from there you can take a look at what you can cut out, kind of tweak your budget enough to a point where you could sit here and maximize your money for more of the essentials and saving. If you could sit here and have a conversation with the creditor to say here either defer payments or to have some type of communication with them to see if they can work with you. This will be more of a situation for limited income. If you're still working and nothing has really changed for you as far as income. Do you want to stay with what you're doing as far as keeping that automated payment so that you can just knock out the debt as quickly as possible. So I should have clarified that a little bit more that the no frills, especially for people that have limited income, that would be the idea is to just focus on the necessities and utilizing as much as you can for those savings and things that are important to you. So depending on what that looks like. But even for some of us that are still at home, like I know that I'm not going out and spending money on eating out and these different things we've been eating at home pretty much. We're not even ordering out. I don't think we even trust anything at this point, but I'm utilizing that extra money to save and invest and do other things, so. It really depends on your household situation, if you will. But what do you girls think about that?

[Tiffany] Well, I think that a lot of times, I'm a big fan of automatic payments myself. But I think sometimes, we set them up during times in our life where things are really stable and we've made a budget and we set up automatic payments and something changes with our income. And so that same automatic payment situation doesn't apply to this new circumstance.

[Vivian] Right.

[Tiffany] And so now I've got to adjust and I think that that, that is also a reason to really go back and review those automatic payments because I'd use those numbers based off of a different time and a different financial position in my life. So if financial position changes, then I need to reevaluate. So, and it also leaves some more room. Sometimes those automatic payments are higher than the minimum 'cause you were engaged in maybe it's debt snowballing program. So being able to say, okay, well now I've got a change in income, maybe I go down to the minimum and make that automatic so that I don't have any late payments. But it would also give me more room to spend in discretionary income to kind of make up for what balances out as a pay cut potentially.

[Tess] Yeah, the other thing, if's not already mentioned. If you normally have your mortgage paid on the first week of the month, and now with the income change, you might not get paid until the 10th of the month. If that debit order goes through, now you have non-sufficient fund fees which could be as much as \$30-35. So you want to make those manual adjustments.

[Tiffany] One minute away.

[Tess] Well okay, we'll have to just wait, all right.

[Vivian] Yes, so if we didn't get to your questions, we apologize 'cause we definitely got a lot of questions this morning, but reach out to your HR, to your EAP, make sure that you connect with one of the Money Coaches so that you can get that question answered. And thank you for joining us today and we hope that you join us next week because we're going to continue the conversation. Stay well and stay healthy. Thanks.

[Tess] Yes, bye everyone, take care.

[Tiffany] Bye, bye.

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