

How to Save on Inconsistent Income



Date/time to schedule: Thursday, Dec. 6 @ 11:10 a.m.

Preheader Text: How freelancers can be financially free...

Facebook Share Text: Working as a freelancer or contractor is becoming more and more common. While there are some definite benefits to that workstyle, there are also a few financial challenges that “employees” don’t have to deal with. See what they are and how to overcome them... #iowacreditunions

Body Copy:

Although freelancing has a number of benefits, including flexible hours, the freedom to work from home (in your pajamas if you feel like it), no commute and being your own “boss,” this type of vocation does have its downsides.

One of them is learning how to survive financially on an inconsistent income. In a recent *mint.com* article, contributing writer Jackie Lam offers freelancers 7 tips to help stay on track financially, even when income comes in fits and bursts.

1) Keep a robust rainy-day fund

The general rule of thumb is three to six months of living expenses. When you have to deal with peaks and valleys in your cash flow, you’ll want to keep as big a rainy-day fund as possible. Aim to have at least six months of living expenses, more if you can swing it.

Besides an emergency fund, having a buffer fund to get you through any gaps in income will help you pay your bills on time. Aim to keep about one month of living expenses in your savings account. That way, you can transfer money directly to your checking account and access money if possible.

2) Save for estimated taxes

If you’re not paying Uncle Sam every quarter for estimated taxes, you may be left owing a lump sum at the end of the tax year, or you may incur late penalties. To avoid this, sock away each paycheck toward estimated taxes.

3) Save when you get paid

Research says “set and forget” money management is the best way to achieve your financial goals. However, it’s tough when your income fluctuates wildly. One easy way to avoid this is to set up an automatic saving withdrawal for the times when you do have extra money.

A good practice is to use auto transfer to withdraw a percentage of your paycheck, versus a fixed amount, meaning money will only be taken out if you have money. For instance, instead of committing to \$500 each paycheck, set up an auto transfer of 10 percent of each paycheck.

4) Total up your income

Map out your projected income for the year and do a 12-month cash flow to see what your actual peaks and valleys in income are. To figure this out, track how much you've made on average in the last three months, or the last six months. If you've been freelancing for more than a year, you can base your yearly income from last year's. Although it's not a perfect science, it gives you something to work from.

Additionally, research indicates looking at your income on an annual basis will help you make decisions for your future. For example, instead of thinking about yourself as making \$15 an hour, think about yourself as making \$30,000 a year. This annualized number makes saving a little bit for retirement feel more in reach.

5) Anchor yourself on your lowest paycheck

When your income fluctuates from paycheck to paycheck, depending on how many sources of income you have, try basing your budget on your lowest paycheck. It may be tempting to tell yourself you make \$600 a week, but if you're only making that every other week, you'll end up overspending. However, when you anchor yourself on your lowest paycheck, you'll feel better. Plus, all the additional money that comes in on good weeks will feel like a bonus.

6) Make the most of "extra paychecks"

If you work a bunch of side hustles and get paid every Friday or every other Friday, there are two months of the year where you get an "extra paycheck." While tempting, avoid spending this money on today's wants. Instead, spend it on tomorrow's needs. Put the extra money toward paying off your credit card, going to the dentist or into your car repair fund.

7) Contribute to savings annually

If you're having a hard time making contributions regularly, try to do so every few months or once a year. Put money toward savings, retirement and other long-term goals on your flush months. Or opt to contribute to a retirement account once a year instead of every month so you know exactly how much you can afford to put away.

[Click here to read the full article.](#)

3 Ways Direct Deposit Helps You Save



Date/time to schedule: Saturday, Dec. 22 @ 2:30 p.m.

Preheader Text: Make it easier to save & get paid!

Facebook Share Text: You love getting paid, right? And you love it when things are easy, right? Then you'll love direct deposit. It's fast, easy & will even help you save money! #winning #iowacreditunions

Body Copy:

Direct deposit of your payments is simple to set up, easy and convenient to use, and a very secure way to manage paychecks and other payments.

How does it work? Direct deposit funds are automatically, electronically deposited into your account. Rather than dealing with paper checks, income tax returns or Social Security payments, which can be lost or stolen, direct deposit is fast and worry-free.

In addition to being convenient & easy, as contributing writer Myriam Digiovanni points out in a recent *cuinsight.com* article, direct deposit can also help you save money.

1) No monthly maintenance fees

Many financial institutions will waive monthly checking account fees when you use direct deposit for your paycheck. According to GoBankingRates.com average monthly maintenance fees at some financial institutions can run as high as \$12. (*But not at your credit union, of course!*)

2) Get Paid Sooner

Getting paid via direct deposit isn't just easier, it's faster! Rather than printing a paper check, direct deposit travels to your account electronically and will often times arrive a day or more earlier. If you're currently living check-to-check, chances are you're paying late fees on some of your bills – direct deposit may help you pay all your bills on time and avoid those fees!

3) Free your mind

It's hard to follow the sound advice of paying yourself first to build up savings. Let's face it, either an unexpected expense pops up or you forget to transfer the funds. Direct deposit can solve this problem; you can set it up to automatically deposit a set amount into your savings account from each paycheck and the rest into your checking account. The next time you get a raise, adjust your direct deposit so your extra pay goes into a savings or retirement account.

Contact us for more information about direct deposit or to get direct deposit set-up to your credit union accounts.

[Click here to read the full article.](#)

How to Prevent & Spot Child Identity Theft



Date/time to schedule: Thursday, Dec. 27 @ 1:30 p.m.

Preheader Text: It's more common than you may think.

Facebook Share Text: Many parents don't even know child ID theft is a "thing." Unfortunately, it's a growing problem, but here are some ways to prevent it & some signs to watch for.

Body Copy:

Unfortunately, the crime of child identity theft is on the rise. More and more often, thieves are using minors' social security numbers to open bank or credit card accounts, apply for loans, apply for a driver's license, buy a home or car, apply for government benefits, and even receive medical care.

In a recent *moneycrashers.com* article, contributing writer Amy Livingston highlights 6 tips to help parents avoid having their child fall victim identity theft, and shares warning signs that your child may have been victimized.

How to avoid falling victim

1) Check for a credit report

If you're concerned about child identity theft, the first thing to do is find out if your child has a credit report. In theory, a child shouldn't have a credit file because you only have one if you've applied for credit – something children are too young to do. Therefore, a credit report exists in your child's name, it's most likely because an identity thief has created one.

To check your child's credit status, contact each of the three credit bureaus – Equifax, Experian, and TransUnion – and ask for a manual search of your child's file. The bureaus can check for files with your child's name and SSN, as well as files with the SSN only. However, before they do this, they'll probably require several documents to prove that you're the child's parent. You may have to provide copies of your child's birth certificate and Social Security card, your own driver's license or other legal ID, and proof of address.

2) Protect your child's personal information

- **Don't share your child's SSN** — If you have to fill out a form that requests your child's SSN, don't automatically fill it in. Ask the person who gave you the form if you can leave this space blank, use some other sort of number for identification, or write only the last four digits of your child's SSN.
- **Keep documents locked up** — Find a safe place to store any documents that contain your child's personal information, such as birth certificates or tax returns.
- **Use a shredder** — If you no longer need one of these documents, make sure you shred it before disposing of it.

- **Don't carry sensitive documents** — Don't routinely carry any document containing your child's SSN, such as a passport or Social Security card, in your wallet, purse, or car.

3) Be aware of risks

It's especially important to be on the alert for child identity theft after an event that puts your child's information at risk. These can include a home break-in, losing your wallet, a data breach or even hosting risky relatives in your home.

4) Work with your child's school

Many schools keep a student directory containing information such as students' names, dates of birth, contact information and photos. This information is often available to other students and their families or even to the general public. To protect your kids, you need to know what information your school collects and what it does to keep that information safe.

- **Know your rights** — The Family Educational Rights and Privacy Act (FERPA) is a federal law that protects the privacy of students' school records. Under FERPA, you have the right to inspect your child's records, request corrections if anything is wrong, and opt out of having your child's information shared with third parties, including other families. Another law, the Protection of Pupil Rights Amendment (PPRA), requires schools to get your consent before your children take part in any survey or evaluation funded by the U.S. Department of Education (DOE) that could reveal personal information about your family.
- **Know your school's policies** — Ask your school what information it keeps in its student directory and who has access to it. Also, learn about where the school stores its records and what it does to keep them secure.
- **Check out after-school programs** — If your child is involved in any programs that take place at the school but aren't officially sponsored by it, such as music or sports, check out those programs separately. Some of them have websites that include children's names and photos. Read the privacy policies of the organizations that sponsor these activities to find out how they can use and share your child's information.

5) Consider a credit freeze

One way to protect your kids from identity theft is to freeze their credit reports. Since minors can't use credit anyway, this shouldn't cause them any inconvenience, and it will ensure that thieves can't borrow money using their names.

Setting up a credit freeze for your child is a little more complicated than doing it for yourself. You have to mail in a form to each of the three credit bureaus, along with copies of various documents to prove your child's identity and your own. You can find a complete list of the required documents, along with the address to mail them to, on the Equifax, Experian, and TransUnion websites.

Warning Signs of ID Theft

Child identity theft is often hard to detect since children don't usually have accounts in their names that you can monitor for suspicious activity. However, there are a number of red flags that can alert parents that someone is misusing their child's personal information:

- Having your child turned down for government benefits, such as Medicaid, because these benefits are already being paid out to an account with your child's Social Security Number
- Receiving a notice from the IRS that your child owes income taxes
- Receiving a credit card bill in your child's name
- Getting a call from a debt collector about a debt your child supposedly owes
- Being notified that your child has unpaid traffic or parking tickets

- Having your child summoned for jury duty

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