

## 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

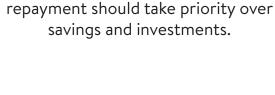




## to derail your budget. Use a raise or bonus to give you peace of mind by

PUMP UP YOUR EMERGENCY FUND It only takes one unexpected expense

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

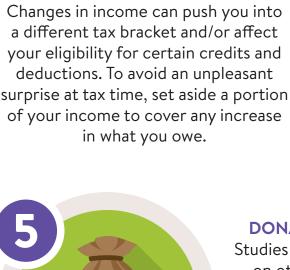


### Putting additional income toward your retirement goals gives your money plenty of time to grow. Use your raise

to increase your monthly retirement

**BOOST YOUR RETIREMENT SAVINGS** 

savings—especially if your employer matches your contribution.



## **DONATE TO A WORTHY CAUSE** Studies suggest that spending money on others makes us happier than

bonus, charitable contributions made to qualified organizations may be deducted from your taxes. Win-win!

spending money on ourselves. As a

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

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





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