



4 smart things to do with your 3rd stimulus check if you don't need the money

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Legislation authorizing a third round of stimulus checks has been signed into law by President Joe Biden, and the \$1,400 checks could start hitting bank accounts as soon as this weekend.



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- **If you're expecting a third stimulus check but don't need the money, consider saving or donating it.**
- **Giving your stimulus check to a person or cause could give them a much-needed boost.**
- **Or, use the \$1,400 to build your savings, retirement fund, or emergency fund for another day.**

Since the start of the pandemic, many Americans have received \$1,800 total in stimulus checks. While the money offered needed relief for many people struggling financially, others who have been able to work through the pandemic felt the extra cash could be better used elsewhere.

During the first two rounds of stimulus checks, people got creative with ways they could use this sudden cash to help others and build wealth. With the third and largest stimulus check soon to be delivered, here are a few ideas for how to use your check to give yourself or others a much-needed boost.

1. Donate your check to a person or organization that's been

affected by the pandemic

If you're doing well financially, passing along your stimulus check to others could be a great way to spread the money around.

Writer Elizabeth Aldrich found herself in this situation during the first round of \$1,200 stimulus checks almost a year ago, and wrote for Insider about her decision to donate the check to pandemic relief funds, mutual aid organizations, other freelancers, and small businesses.

"Rather than donating to a massive organization, I decided that I would rather find ways to donate my stimulus check that directly impact smaller communities that I'm a part of," she wrote. "This includes not only the communities I live in, but other communities that are struggling right now: artists and creators, freelancers, and small business owners."

Though she considered investing it at the start, she ultimately felt donating it would be a better move. "I can afford to use my stimulus check to help others who are currently in a less fortunate position," she wrote.

2. Splurge on items that you may not otherwise — especially on things that support small businesses

Small businesses and restaurants have been hit hard by the pandemic, and writer Erin Greenawald felt compelled to use her check to support them.

Since she had a full emergency fund and was still making ends meet, she wanted to do something more with the money. "I also knew that just saving the money was kind of beside the point of a check that was sent to all of us to help *stimulate* the economy by spending it. And I did want to find a way to support people who could really use that inflow of cash," Greenawald wrote for Insider.

She used the money at local businesses to do things she wouldn't normally do — she commissioned a piece from an artist, and bought gift cards from locally-owned restaurants. She also donated part of her check, and invested a small portion.

3. Saving the money to build up an emergency fund

At the beginning of the pandemic when the first stimulus check was announced, writer Cheryl Lock planned to pay off debt and spend the \$1,200, despite losing about 30% of her income due to the pandemic. But, as her work continued to slow and income thinned, she used the cash to bulk up her emergency fund instead.

"We were left with the most non-glamorous — and smartest — option. Savings," she wrote for Insider. "When the stimulus money was deposited into our checking account, I immediately transferred all of it over to our emergency savings." While it wasn't her original plan, it was necessary.

For anyone without a full emergency fund, the stimulus check could be a good opportunity to increase that safety net against uncertainty. Financial planners generally recommend keeping three to six months' worth of expenses at hand in a savings account — and more might also help you feel more secure.

4. Investing it for the future and retirement

Writer Alexis Rhiannon decided to invest part of her first stimulus check through her Roth IRA, even though the markets were up and down.

"Since I'm a young investor, with decades ahead of me until retirement, I'm

planning on investing half of my stimulus check directly into the market," she wrote for Insider. Despite the ups and downs, she knew that money would have plenty of time to recover from potential drops over the years.

Since she made her 2019 IRA contributions in a lump sum, investing it all when markets were up (instead of slowly over the year to even out ups and downs), she felt compelled to invest the extra cash. "I'd not only missed out on rock-bottom share prices by a few short weeks, but also had no additional cash on hand to flush into the market, as so many financial experts were recommending," she wrote.

It's a decision that she thinks will benefit her in the future, no matter what happens in the markets.

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