

# What could you do with your stimulus check?

Congress' most recent pandemic-response law includes another round of stimulus checks. This time, to be eligible for the \$1,400 stimulus, individuals must generally have an adjusted gross income (AGI) below \$75,000, or below \$150,000 for married couples filing jointly.<sup>1</sup>

As the global pandemic continues to cause uncertainty for many, it may feel overwhelming to think about the all ways you could use your stimulus check. Below are some options to consider to help you decide whether to pay for current essential expenses, pay down debt, or save a little more for future needs.



## Pay current essential expenses

If you have immediate essential expenses (e.g. food, rent/mortgage, car payment, etc.) or unexpected bills due to COVID-19, consider using it for those short-term needs and avoid tapping into your savings.

## Pay down debt

If you don't need the cash for current expenses but you are paying monthly interest on a credit card balance, consider paying down as much as you can after paying your essential expenses.

## Save it

If you don't need the cash right now but believe you might in the near future, consider depositing into a checking or savings account that you can access immediately if and when an emergency arises.

If you don't think you will need the cash in the short term, consider saving for the long term.

## Are you currently using a credit card to manage your expenses?

If you think you may need to rely on your credit card to cover expenses at any point, it's important to note that credit limits could be decreased during times of crisis, impacting the amount available to you.

<sup>1</sup> Eligibility is based on AGI from the 2019 tax year, or 2020 for those who have already filed their 2020 taxes.

The Internal Revenue Service (IRS) defines Adjusted Gross Income (AGI) as gross income minus adjustments to income. Gross income includes your wages, dividends, capital gains, business income, retirement distributions as well as other income. Adjustments to Income include such items as Educator expenses, Student loan interest, Alimony payments or contributions to a retirement account.

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