

Let's Talk About...

What to Do When Money Comes Your Way

Perhaps it's a wedding gift from your family. It might be your annual bonus or tax refund. Maybe you received an inheritance from a long-lost uncle. However it arrives, a sizable amount of money gives you an opportunity to jump ahead in your financial plan. Instead of looking at it as extra cash to spend, consider these options instead:

Pay Off High-Interest Debt

Start by tackling debt with high interest rates, like credit card balances or personal loans. The sooner you pay off high-interest debt, the more money you save on interest payments. It's one of the best things you can do to improve your financial situation.

Top Off Your Emergency Fund

If you don't already have an emergency fund, use your new money to start one. It's best to have three to six months' worth of living expenses in a separate, easily accessible account for unexpected financial challenges. Experts suggest using a high-yield savings or money market account. [Read more about emergency funds.](#)

Save It for Retirement

Your new money can move you ahead on your retirement savings plan. Simply log onto NetBenefits and increase your contribution rate for a few paychecks until you've contributed an amount equal to the gift or bonus you've received. Keep in mind that in 2024, the IRS allows you to contribute up to \$23,000 to a traditional or Roth 401(k) plan, plus an additional \$7,500 if you are age 50 or older.

You can also contribute to a Roth IRA. In 2024, the IRS allows you to contribute up to \$7,000 to a Roth IRA (or \$8,000 if you are age 50 or older).

Boost Your Savings

If you already have an emergency fund and are on track with your retirement savings, boost your other savings goals, like saving for your child's college fund, buying a new car, or taking a dream vacation.

Donate to Charity

If you're passionate about giving back to your community or supporting a cause, consider donating a portion of your lump sum to a charitable organization. It can feel good to make a difference, and some donations can be deducted from your taxes. Halliburton will also match 10% of your donations to eligible charities, which means your donation can go even further to helping a cause you care about. [Read more about the matching program.](#)

Treat Yourself

A healthy financial life balances saving and spending. It's okay to use part of your money to treat yourself to something fun or indulgent as long as your finances are in good shape.

Financial Fads and How to Spot Them

Financial fads can look enticing and sound promising, especially if you have some new money burning a hole in your pocket. For example, during the dotcom bubble of the late 1990s, investments in internet-based companies were all the rage. Nowadays, social media especially seems to be bursting with the next "sure thing." Often these new strategies and schemes are too good to be true. Look for these common qualities to spot a financial fad.

They are risky. They often involve speculative investments or unusual, "newly discovered" strategies that expose you to unnecessary risk and significant potential losses.

They often rely on market timing, attempting to predict short-term market movements for quick profits. Accurately and consistently timing the market is incredibly difficult, even for experienced investors. Short-term capital gains tax is yet another reason to stay away from short-term investing and trying to time the market.

They prey on investors' emotions, promising the happiness of quick wealth and tapping into the fear of missing out (FOMO) on the latest, most lucrative investments and strategies.

They operate in unregulated or loosely regulated spaces to make it easier to hide fraud and scams.

Despite what the latest financial fad may promise, lasting financial success is built on long-term planning and widely accepted investment strategies.

With so many factors to consider, we encourage you to work with a financial advisor or tax professional to decide what works best for you. Halliburton's 401(k) Plan includes complimentary one-on-one help from a Fidelity Workplace Planning Consultant. Call [\(800\) 603-4015](tel:8006034015) to get started or [make an appointment here.](#)

Read more

[The Ascent: "What to Do \(and What Not to Do\) When You Come Into a Large Sum of Money"](#)

[Business Insider: "3 Smart Ways to Use Your Tax Refund"](#)

[Investopedia: "Managing Large Amounts of Sudden Wealth"](#)

[Fidelity: "What to Do with \\$5000"](#)

[Investopedia: "Investing Fads: What They Are, How They Work"](#)

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