

Quick Money

Even with careful budgeting, a person might find herself in need of quick money. Perhaps a paycheck isn't arriving in time to cover unexpected costs, or perhaps a person has been laid off. Of course, no amount of "quick money" and budgeting can account for problems with addiction. But let's discuss options available for "quick money".

The Ideal:

The ideal situation is that you carefully track your spending, and make sure you don't spend more than you make. You save some each month to help cover emergencies (because emergencies always happen!). You anticipate extra spending by looking forward and planning for upcoming extra needs (such as Christmas gifts). When times are tight, you cut back on spending so you don't incur additional debt. This situation requires thought and self-discipline. It is hard, but it is freeing and life-giving. Freedom does not mean spending money anytime for any amount. Freedom means not being harassed by debt-collectors, and not losing sleep about money problems. But we know that sometimes, life happens, and we need quick help. If family isn't available to help, here are some options that people turn to for money.

If you've needed quick money in the past, how did you get it?

Bad Quick Money Options:

Have you used any of these quick money options?

Obviously, you should avoid all illegal quick money options, but below are two bad but legal quick money options.

Payday Loans: These loans are easily accessible and are heavily marketed to people who struggle making ends meet. They generally have upfront loan fees and very high interest rates on existing loans. The annualized rates on loans can be upwards of 400 percent, which means it takes even more from your next paycheck. And the quick turnaround required for repayment can create problems with meeting monthly budgeted needs. This "quick help" can create dependence. If a person receives a payday loan once, they might go back for another and another, and a dangerous cycle emerges where the next paycheck is entirely used up in payday loans. Payday loans are a BAD quick money option.

Title Loans: Auto Title Loans are a form of predatory lending. Once you own your car free and clear, you can get a loan based on a percentage of the value of your car. You would provide the title of your car to a title loan company (basically the ownership of your car) and would get a certain amount of money, often 25-50% of the car value. Title loans often range from \$100-\$5,000. If you fail to make payments on the loan, they will take your car.

Better Options for Quick Money:

Small loans from banks or credit unions: "In most cases, it's best to **avoid payday loans at all costs**. If you need financial help, investigate other sources first. Some credit unions and banks have begun to offer a similar service of small loans but at much lower interest rates. The interest rates usually compare to a credit card rate, at around twenty percent."

(<https://www.thebalance.com/what-is-a-payday-loan-2386228>) The downside to these loans is that they usually take longer and are harder to get. But they are legal and offer "reasonable" interest rates. If you apply and are turned down from one bank, try another one. Banks or credit union loans are much better options, if you can get one. They take planning and time but are safe options for *somewhat* quick money.

Credit Cards: Everyone is familiar with quick money through credit cards. Most people don't find it difficult to get a credit card but remember to shop around for a good interest rate. Initially, if you have a bad credit score, you may only be offered high interest rates (20%+). However, if you budget and are careful to make monthly payments, you will be able to improve your credit score and can switch to a credit card that has a lower interest rate. You can often borrow on your credit card, but then you have to be disciplined to pay it back. Credit cards can be a quick, easy way to access quick money when needed.

Pawn shopsSelling plasma**Best Options for Quick Money:**

Get a second job. Find quick, easy jobs that you can do on the side. Work hard.

Spend less. This doesn't actually provide you with additional money, but it lessens the money that leaves your pocketbook.

Find employers that pay more frequently, to ease your cashflow. Or find employers who offer DailyPay, which can help a person access money from their already earned wages easily and quickly. "DailyPay's mission is to give employees their first step toward financial security. DailyPay is the pioneer in providing employees real-time access to earned wages across a wide range of industries." Ask your future employer if they use DailyPay. Here is more information on this service (and there are probably additional similar services):

"How does DailyPay work? For each active work hour, you build an available balance. Transfer these earnings instantly at any time.

How much does it cost? DailyPay's flat transfer fee is the lowest in the market, starting at \$1.25.

What happens on payday? You receive your full paycheck and any transfers are then deducted automatically. There's nothing to pay back, nothing to do differently." (DailyPay.com)

One of the challenges can be getting paid often enough and quickly enough to help you manage your financial challenges, especially initially.

When interviewing for a job, some good questions to ask would be:

- What is the pay period in working? (Every two weeks? Twice a month? Weekly?)
- When would I get my check?
- What is the policy for allowing advances when I'm getting established?
- Do you participate in "DailyPay" or something similar?