



Take10 to Prep Now for Summer's Freeze
 (Addressing 9, 10, 11 Month Employee Pay Schedules)
Hack #1

Challenge: North Carolina teachers are paid over 10 months instead of 12. This poses a financial challenge during the *long summer break*— last paycheck **May 26**, next paycheck **August 26**. This **3 month** interruption in pay, combined with inflation and the tendency to spend more during extended time off, makes planning for the annual summer financial “freeze” crucial. As Ben Franklin wisely put it, “If you fail to plan, you are planning to fail.”

Solution: Establish a reasonable savings plan, find summer employment, or both.

Plan 1: Budget (Summer Savings Account)

- **Method A (Based on Anticipated Spending)¹:** Estimate your total summer spending, divide that amount by 10, and deduct that amount from each of your 10 paychecks.
 - *Example:* \$9,500 anticipated spending / 10 months = \$950 deduction per paycheck. ●
- **Method B (Creating 12 Equal Paychecks)²:** Calculate your total *net* (after taxes and deductions) annual pay over 10 months, and then divide it by 12 to determine your new net monthly draw. The difference is the amount to save from each 10-month paycheck.
 - *Example:* \$3,650 net monthly pay x 10 months = \$36,500 annual net pay. \$36,500 / 12 months = \$3,041.67 equal monthly pay. The deduction is \$608.33 (3,650-3,041.67).
- **Recommendation:** **Automate the deduction process** and route the funds to **a separate** high-yield savings account (HYSA) or a dedicated account like the SECU’s “Summer Cash Account.” ● See **Hack #6** in *Take10* portal.

Plan 2: Work

- Earn income during the summer, e.g. teach summer school, run/work camps, bartend, teach online courses, life guard, house sit, baby sit, Uber/Lift, Door Dash, mow grass, etc.
- See *Take10* for **Side Hustles Hack #22** in the *Take10 for Financial Fitness* website.

Plan 3: Combination of Both

- Use a mix of saving and working.
- Set aside a portion of your regular paychecks (the budget plan) and *supplement* with *irregular income*: e.g. bonuses, extra duty pay, coaching checks, stipends, or supplements.
- Deposit all irregular pay directly into your summer HYSA.
 - Reserve balance on all “cash” back on Credit Card(s) for distribution as your June “paycheck.”

¹**Summer Savings Method A:** Based on anticipated summer *spending*.

Anticipated Summer Spending	Divide by 10	Deduct from monthly paycheck
\$9,500	9,500/10 = \$950	\$950

²**Summer Savings Plan B:** *Creating 12 equal, net paychecks* for the entire year.

Net Monthly Pay	Multiply by 10	Divide by 12	Multiply by 2	Divide by 10.
\$3,650	\$36,500	\$3,041.67	\$6,083.33	\$608.33

So Prep Now for Summer's Freeze! [Winter is coming](#), each summer for North Carolina educators. Plan for it!

Please consider sharing in the [Take10 for 1% Better](#) forum your approach to this relatively new challenge (as of 2022) to teacher pay in NC. If you have comments/questions regarding what approach might best serve your needs, share those as well in the forum, or reach out directly to your [Take10 Team](#)... we are happy to help.

Chief Ambassador, [Take10 for Financial Fitness](#)
David



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