

Income volatility is when your income is inconsistent. It is when a household income changes by 25% or more. Income volatility is very common in the United States, especially in the rural communities, partly because of the number of farmers that live there.

Job loss is one reason for income volatility. If a factory closes unexpectedly, workers may struggle to make ends meet until they can find another job. Seasonal workers, like teachers and construction workers, may have to deal with difference earning throughout the year. In my community, farmers also experience income volatility. Poor weather or the drop of crop prices impacts a farmer's income. Cool temperatures, too much rain, or droughts could prevent the crops from growing properly and would change the harvest amount, impacting income. Cattle catching a disease could lead to losing livestock which would also affect a farmer's income.

While every year 34%, or one-third, of Americans experience income volatility, there are ways to prepare for a change of income. Setting aside a little money every week can help to build up an emergency fund to use

when an unexpected change in income occurs. For expected times of less income, a second job might be an answer. Cutting costs could also help. Shopping sales or eliminating unnecessary expenses, like eating out, can also help. Simply making a plan for these times can make them easier to deal with.

Although not obvious, teens also can experience income volatility. During the summer months, their income could spike because there are more places hiring teens. Mowing lawns and lifeguarding are two examples of seasonal jobs for teens. When school resumes teens see a decrease in their income because their schedule fills up with classes, homework, and activities. I am a teen that experiences income volatility. I prepare by taking as many jobs during the summer months as I can. I grow a garden and then I sell my produce at the farmer's market. I plan for the months I will not be able to make as much money by putting most of my earnings in my savings account and then take it out when needed. I think preparing and planning like this will help me if I have income volatility as an adult.