

TIP SHEET: FINANCIAL PLANNING DURING ECONOMIC CRISIS

The recent COVID-19 outbreak has forced many businesses and events to temporarily close or postpone service, leaving many without work and feeling financially stressed. During times of financial stress, having the resources around you to help you cope with and manage your stress, anxiety and other mental health concerns are of key importance.

One way to help you find a sense of calm is by having a secure financial plan that works with your current situation while also keeping in mind your overall financial goals. Below are some ways you can plan your finances during times of financial stress.

BUDGETING

With the potential for extended down time, creating a budget can help you ease feelings of excess stress and anxiety. Focus on these areas when cutting back your expenses:

- Only buy the essentials, such as food and water. Unnecessary spending on 'luxuries' should be a lower priority until you are able to find financial stability.
- Cut back on things such as streaming services, monthly subscriptions and other forms of entertainment and media that require reoccurring fees.
- Set aside some of your finances as a designated "emergency savings" to help with unforeseen expenses or needs.
- Speak with your utility providers and other services and see if there are options for alternative payment arrangements.

WATCH YOUR DEBT

During times of financial instability or a lack of funds, many may be tempted to utilize lines of credit while believing that payment plans can help spread out purchase. However, doing so can leave you in a worse position than you started. Instead of increasing your credit spending, focus on paying off portions of your debt when able and give yourself a fallback in case you need to use that credit in the future for emergency funds.

LOOK INTO GOVERNMENT PROGRAMS

There are programs available through the government to help you find some financial stability during times of uncertainty. Things such as unemployment insurance can be useful for those worrying about where their next paycheck may be coming from.

No matter the cause of your financial stress, it is always best to work with a financial professional to make key decisions that will impact you and your loved ones.