

Budgeting in Uncertain Times

The current global pandemic is impacting every aspect of people's lives, and for many, that includes finances. Taking a close look at your personal finances and making a plan can help alleviate some of the stress around the impact of COVID-19. Budgeting for the current pandemic has many of the same basic steps you would take if you were creating a budget at any other time.

Take a moment to look at your current finances. The first step is to figure out your starting point. Take note of what you have in savings and your current income. If your job or your partner's job may be at risk, even if you are still working currently, it is a good idea to familiarize yourself with your state's unemployment benefits. If you are not working while in quarantine, this will give you a good idea of what your adjusted income will be.

What are you spending? The second step is to figure out what your expenses are. Include all regular expenses, like rent or mortgage payments, utilities, car payments, credit card or student loan debt, and food. Less common expenses, such as fun budget items like eating out and other purchases for personal entertainment, should also be noted. Be mindful of how much you usually allot for these expenses and any changes you feel that you can make to these amounts.

Prioritize! Looking at the list of expenses that you have just created, determine what are the most important items on the list. Basic needs, like food and housing, are at the top of the priority list. The greatest cuts to your budget will be to areas that are *wants* and not *needs*. Some items, like Federal student loans, can be moved lower on the priority list than they would be normally, as interest rates have currently been waived.

Additionally, most utility companies are not shutting off services for nonpayment during the pandemic. Interest rates may continue to accrue during this time on utilities, so it is best to continue to pay utilities if possible. Be sure that you are speaking with your creditors at this time to determine what their response to COVID-19 will be and if you will have any flexibility with these bills.

Locate assistance resources. Congress is currently working out what additional aid will be offered to individuals impacted by COVID-19. Communities are already working together to provide food assistance for those in need. Keep in mind that financial assistance is always a limited resource. A good starting place when trying to locate financial assistance programs is by calling 211 or going online at <https://www.unitedway.org/our-impact/featured-programs/2-1-1>.

Who's hiring? Even though most businesses are closed at this time, a few essential services remain open. Delivery services and grocery stores are seeing more demand for their services than ever before. These places may be hiring additional staff to meet the demand. If you are healthy and able to do the work needed, these may be options to supplement your income during this time.

Save where you can. Even if your income will not be impacted by the current pandemic, it's a good idea to create a budget and create a savings plan. That way you'll be prepared for other possible disruptions in the future.

Remember this is temporary. COVID-19 will have a lasting impact on society, but things will eventually return to normal. Small business will reopen. Stock markets will rebound. The economy will recover. Continue to pay down debt where you can, even if payments are waived. This can help prevent trouble later when regular payments begin again.

Sources

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