

Managing Your Finances During the COVID-19 Pandemic

The COVID-19 pandemic is not only causing fear and uncertainty about our health, but our livelihood as well. Many wonder “What happens to me and my family if my employer has to lay off people or my hours are cut?”

Now more than ever, it’s important to keep track of your expenses to make sure you’re not spending more than you make or increasing your credit card debt. If you feel like you live paycheck to paycheck, then now is definitely time to take a hard look at your expenses, see where you can make adjustments, and take firm control.

To get control, you need to know exactly what you’re dealing with – how much money is coming in each month and how much is going out. To get a clear picture, create a budget. There are many free apps and online templates you can choose from. Many of them provide visual images, like pie charts, that help you see how big of a chunk each expense is taking from your take-home pay.

A budget will tell you if you’re setting aside enough money for the essentials (rent, utilities, food) and how much is being eaten up by non-essentials (like concerts, eating out, cable, or gym membership). If money is tight, cancel non-essential subscription services temporarily. You can always restart them when things get better. The silver lining of this pandemic is that since most of us are practicing social distancing to minimize contagion, you may already be saving money by not going out.

If your credit card debt is high, see if any of your existing cards are offering low interest rates on balance transfers. NorState’s Visa Credit Card has a low rate compared to other national brands. Transfer the balance from the highest card to NorState’s lower interest card and pay more than the minimum whenever possible. Also, until you have paid off the debt, only use your credit card for emergencies.

Another important task is to beef up your emergency savings or start an emergency savings account if you haven’t done so. Ideally, you want to save at least 3 months of your take-home pay. You can start with as little as \$5 a week. Simply save \$5 consistently each week and when you think you can add a little more, increase your deposit. To make this easier, set up an automatic transfer from your checking account. It’s easy to do on our website www.norstatefcu.org... but if you need help, just contact us at nfcu@norstatefcu.org or give us a call at 1-800-804-7555.

We are also offering our members who have been financially affected by COVID-19 different options to assist you in your time of need. Know that NorState FCU is always by your side and we will do everything in our power to help you get through this crisis.