

# 5 STRATEGIES FOR MANAGING FINANCES IN UNCERTAIN TIMES

Even in ordinary times, managing finances is challenging. Since the pandemic, financial stressors have only been magnified. Job insecurity and increasing expenses are just two of many issues confronting American families.



During uncertain times, it's crucial to focus on basic financial strategies:

## #1 CREATE A BUDGET

Around 31% of people said they didn't budget because: "I don't have much income."<sup>1</sup> But especially when your income is low, a budget gives you better control over your money.

### HOW A BUDGET HELPS:

- Track your money
- Identify fixed versus optional costs
- Enable savings for emergencies
- Clarify your financial picture



Online budgeting tools are a great place to start. Set aside time each week to review your budget and assess your habits.

## #2 BUILD SAVINGS



### Pre-pandemic:

Only 4 in 10 (41%) U.S. adults have savings to cover a \$1,000 emergency.<sup>2</sup>



### Post-outbreak:

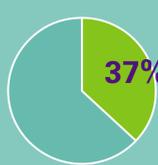
15% of Americans (around 46 million people) have depleted their emergency savings.<sup>3</sup>

### HOW TO BUILD AN EMERGENCY FUND:

- Set an automatic deduction to your savings account from each paycheck
- Start with just \$5-10 dollars



## #3 MANAGE DEBT



37% of Americans consider debt a top cause of financial anxiety.<sup>4</sup>



### HOW TO HANDLE DEBT:

- Make a list of debts and respective interest rates
- Contact creditors to negotiate rates and payment schedules
- Pay off highest interest rate debt first
- Pay more than the minimum when possible

## #4 MAINTAIN CREDIT

Keeping your credit score up is vital to be able to borrow for a car or home.



### HOW TO MAINTAIN YOUR CREDIT SCORE:

- Pay credit card bills on time
- Reduce available credit used to 30%



## #5 MEET WITH A FINANCIAL PLANNER

If you've been going it alone when it comes to your finances, consider consulting a personal financial planner.

### HOW THEY CAN HELP:

- Create a workable budget
- Enhance your savings
- Manage debt
- Increase your credit
- Plan for retirement



Due to unclear federal regulations regarding providing financial advice, it's important to choose an advisor you can trust. Members from the National Association of Personal Financial Advisors (NAPFA) are all Fee-Only financial planners who are fiduciaries — meaning they put their clients' interests ahead of their own.

Consumers impacted by the pandemic can find pro bono advisors on NAPFA's website or work with an accredited financial coach.

FIND A FEE-ONLY, FIDUCIARY ADVISOR USING NAPFA'S FIND AN ADVISOR TOOL.



1 - <https://www.debt.com/research/best-way-to-budget-2019/>  
2 - <https://www.bankrate.com/banking/savings/financial-security-january-2020/>  
3 - <https://www.surveymonkey.com/curiosity/cnbc-invest-in-you-august-2020/>  
4 - <https://time.com/nextadvisor/banking/coronavirus-financial-anxiety/>