

The Virgin Islands Consortium

Sponsored | How to Manage Your Finances During Times of Emergency

Community Center / **Published On November 03, 2020 10:56 AM /**

Staff Consortium **November 03, 2020**



During the coronavirus pandemic we cannot let our guard down in terms of safeguarding our physical, emotional, and financial health.

We have been in a pandemic emergency for several months and it's time to review the family financial plan that we have put in place to see what has worked and what must improve. Finanzas en Tus Manos, Popular's financial education program, shares some best practices on managing money during times of emergency.

Review your insurance

Read the conditions on your insurance policies' contracts, paying attention to the coverage provided by your health plan. If you have questions, call your insurance provider or agent to review the details of your coverage and the items, deductibles and copays that come out of your pocket.

Rationalize your purchases

Buying products can create a sense of security to counter feelings of uncertainty. However, that apparent sense of security can lead us to buy compulsively or fueled by panic, a strategy that we must avoid.

It is important to review your existing supplies so that you buy the essentials. Make sure you have supplies for an adequate period, according to your income.

Check your budget

How has the balance between your income and expenses been during the pandemic? Were you able to cover your expenses? This is a good time to categorize your expenses, dividing them between "necessary" and "optional", and make adjustments in your budget.

Only essential expenses should fall in the "necessary" category. What about those that you deemed as "optional"? Exclude them from next month's budget. So now, what would the balance between income and expenses be like next month?

There is no such thing as "small" savings

Be mindful of your savings. Those coins we put in a piggy bank become important when they add up and help you buy a medication or food. For people who live paycheck to paycheck, with just enough to cover their expenses, there is an opportunity to learn to save, starting with getting the most out of every penny when making a purchase. It's time to set a savings goal. There is no such thing as "small" savings; the important thing is to create discipline and maintain a pattern of saving some of your money.

There are some people who rely on their long-term savings and do not have an emergency fund. Be careful when considering withdrawing some of the money you've accumulated in your retirement fund. Think about all the years it's taken you to save for retirement, especially if your retirement is just around the corner. Analyze how long it will take for you to recover the money you withdrew ahead of time, as this could result in you having to postpone your estimated retirement date.

It is possible that you may have had contingency savings, but maybe you were forced to use them during this pandemic. It is important that you establish a plan to replenish your emergency fund in the near future. This way you avoid dipping into your long-term savings later on.

During this pandemic, every household member can contribute to the family savings plan in various ways. Take this opportunity to educate the younger family members about money management and the importance of saving. For more information, go [here](#).

