

# How to manage your finances during times of emergency

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On the verge of the highest infection during the COVID-19 pandemic, we cannot let our guard down, both health-related and financially. We have no precise projection of how long this emergency will last. Finance At Your Fingertips, the Popular financial education program, shares some practices regarding money management in times of emergency.

Review the family financial plan you set two years ago and analyze how it has worked out and where it can be improved.

## Review your insurance

Verify the insurance conditions of your policies, paying particular attention to your health plan's coverage. If you have any concerns, contact your provider to look at your coverage and the items or deductibles you must pay out of pocket.

## Rationalize your purchases

Buying products may generate a sense of security to counteract uncertainty, but that apparent sense of security could lead us to buy compulsively or panickily, which should be avoided.

According to your income, review your supplies and only buy what is essential.

## Review your budget

During the pandemic, how has your balance of income and expenses been? Did you have enough to cover your expenses? This is a good time to classify your expenses as either necessary or optional and adjust your budget.

Identify as necessary only the essential expenses. Check as optional everything else that is not necessary. Exclude those expenses checked as optional from your next month's budget and consider only what is needed. And now, how does the balance stand between income and expenses for next month?

## No such thing as a small saving

Look after your savings. Those pennies we save today are important to complete the purchase of some medicine or food. For those who live from paycheck to paycheck, with just enough to cover expenses, there is an opportunity to learn to save, beginning with getting the most from each penny when making purchasing and expense decisions. It is a good time to establish a saving goal. There is no such thing as a small saving; the important thing is to be disciplined and save continuously.

Some people accumulate their savings for the long term and do not count on a fund for emergencies. Be careful when considering withdrawing part of your accumulation in your retirement fund. Take into consideration the time you have been saving for retirement, especially if you are close to retirement, and analyze how long it will take to recover what you withdraw prematurely. This might result in having to postpone the date you planned for retirement.

Those who have accumulated savings for contingencies, apart from medium- and long-term savings, should plan to replace those funds in the near future. This way, they prevent using their long-term savings later.

During the pandemic, everyone in the home can contribute to the family plan differently. Take advantage of this opportunity to educate the younger ones about managing money and the importance of saving. For additional information, access [www.popular.com/en/finance-at-your-fingertips/](http://www.popular.com/en/finance-at-your-fingertips/).

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