

# Weathering COVID-19: financial resilience

142nd Fighter Wing Public Affairs

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PORTLAND, Ore.--With the outbreak of coronavirus or COVID-19, it's safe to say that we're living in uncertain times. As the days pass, more and more schools and businesses are closing their doors in an effort to lessen opportunities for viral transmission. As a result of these efforts, many people are either working from home or have been laid off indefinitely.



If you feel that you're in a precarious financial situation, you're not alone. In this article, Mr. George Katsinis, a personal finance counselor for Oregon National Guard members and their families, shares some actions you can take to stay ahead of the curve in times of crisis and uncertainty.

### Take care of yourself and your family first

In times of crisis, it's important to focus on absolute needs first. As you evaluate your expenses keep in mind what is absolutely necessary for day-to-day survival and what is not. Basic needs come down to food, shelter, clothing, transportation, and utilities. Everything else is extra.

Katsinis says that in times like these, debt takes a back seat to basic needs. Having an open line of communication with debtors and creditors is vitally important if you're unable to meet the minimum requirements for payment.

If you can't pay your credit card or car payment, you have options. Communicate with your creditor, explain the situation. Sometimes creditors will work out a suspension of payment for a prescribed length of time. You can also work to negotiate a lower minimum payment for a time.

If you can afford to pay some but not all of your bill, it's always better to pay something rather than nothing. And if you can't afford to pay your bill, life goes on. Remember that your first priority is making sure you and your family are taken care of.

### Let long-term investments ride

Now is not the time to panic about your long-term investments, says Katsinis. As many businesses are taking a hit during this crisis, causing the market to drop, now is not the time to get out and sell.

"If you sell now, you guarantee your losses," says Katsinis. "If you leave that money and let it ride, at some point, the U.S. economy and market will tip back up."

## Establish a rainy day fund

The first step to crisis planning is to develop some kind of emergency fund. Like your grandma's rainy day fund, having some money set aside is extremely important because sooner or later it's going to rain.

"Bad things happen to really good people," says Katsinis. "An emergency fund is helpful to level out the pain that might be associated with that rainy day."

Ideally, the goal for an emergency fund should be enough to sustain yourself and your family for three to six months with variations in comfort level, stability of employment, regularity of expenses, and the amount of gap money available, that is, how much money is left after expenses are paid.

Katsinis says that even if you don't have the recommended amount set aside, having \$500 instead of nothing in a savings account is a win. That \$500 can help buy groceries, pay the power bill, and put fuel in the car when you're not working. Emergency funds level out the bad stuff!

Even if you're in a situation where you're struggling to pay the bills, try to find five or ten dollars to put into savings each month. Taking small steps is better than standing still, so save what you can.

"Right now is not the time to go luxury spending," says Katsinis. "Now is the time to save everything you can because we're uncertain about how long this current crisis is going to last."

## Be flexible

Know that life and finances are wildly unpredictable. Be prepared to adjust your spending, saving and investing habits as life changes.

"I appreciate the military mindset that believes we are all the first responders. First responders find a way to improvise..., adapt..., and overcome," says Katsinis. "spending plans are not carved in stone. Adjust your plan to fit your circumstances. DO NOT PANIC!"

Mr. Katsinis is available seven days/week to provide counseling on a variety of financial topics. He can be reached by phone at 503-459-6446 or by email [PFC1.OR.NG@Zeiders.com](mailto:PFC1.OR.NG@Zeiders.com)