

# Emergency Budgeting during Covid-19

When situations arise or your life is turned upside down, it is normal that finances may be difficult along the way. It may be a great idea to have an Emergency Budget in place for these times.

An **Emergency Budget** is unlike all other budgets, it requires immediate attention to put a lot of spending on hold except for the bare essentials. This is a time where many expenses need to be stopped, paused, or most definitely reduced. (i.e. entertainment, eating out, subscriptions, etc.).

## Step 1: Assess and organize your current situation

- a) Know your numbers and get yourself organized. Have relevant financial paperwork, contact numbers and information close-at-hand. Click [here](#) for a Financial Records Form to start today.
- b) Gather and list your financial information. If you do not have a current budget, a template is available [here](#) on page 2.

## Step 2: Explore available benefits & relief options

- a) The Government of Canada is implementing [Canada Emergency Response Benefit \(CERB\)](#) to help people facing hardship who do not otherwise qualify for Employment Insurance (EI) or from employer if they are using the 75% wage subsidy and your income is reduced.
- b) There is increased support for families through [Canada Child Benefit \(CCB\) and Goods & Service Tax \(GST\)](#).
- c) [Canada Revenue](#): Extra time is being allowed to file taxes (deferred to Jun 1, 2020). Also, allows any new income tax balances or instalments, deferred until after August 31, 2020 .
- d) Canadian Banks have agreed to manage deferments on an individual basis for up to 6 months. You should also be aware that many other lenders are willing to work with you on an individual basis to waive payments or create a payment plan. Contact your bank or lender directly to investigate options.
- e) Municipalities have options for property tax payments. Follow city websites for updates.
- f) [Canada Student Loan](#) have a six-month interest-free moratorium on the repayment.

### Step 3: Calculate your current/projected income

- a) Add all income sources. Try and project to the best of your abilities your net earnings (net is the amount deposited in your bank). Add all working income and pension income like CPP, OAS, GIS, CCTB, ODSP and WSIB, which are normally the same every month. Do not count overtime or bonuses as that should never be used for basic needs.
- b) Note: [Employment Insurance](#) (EI) is roughly 55% of your weekly earnings, up to a maximum of \$573 per week. Read more [here](#) on how calculation is determined.

### Step 4: Determine essential expenses

In times of emergency, you need to take a hard look at **All** unnecessary spending:

- a) By reviewing your budget, begin to review **ALL** areas of spending to consider what can be either cut or trimmed. Consider your basic survival needs and determine everything that is not considered essential to life. *(It is recommended that you sit with your significant other to evaluate your immediate needs & areas of spending that can be reduced.)*
- b) If you cannot recall all your expenses, go online or ask your bank to print out a few months of statements from your chequings account. This should provide you an outlook of your bills and spending.

**Things to consider when starting...** (Shelter, food, basic clothing and subscriptions)

- ✓ Look for areas to lower monthly fixed costs: mortgage deferral options, property tax payment extension, loans and credit card payments, interest only payments, etc
- ✓ Call loans, credit cards to see if you had any payment insurance for times like this.
- ✓ Make a meal plan and stick to it. Cut coupons or use phone apps to save on cost. Start eating the things in your house that have been sitting in your freezer or cupboards for a long time.
- ✓ Try and reduce usage of household utilities; shower every other day instead of daily if possible. Shut lights off when not in use. Use washer, dryer, dishwasher when rates are lower to save on hydro.
- ✓ Pause unnecessary subscriptions or entertainment packages like Netflix or Spotify.

### Step 5: Balance the emergency budget

- a) Take the projected income in an emergency and subtract your essential expenses.
- b) If things are not balanced, start over and prioritize again until it is balanced.
- c) It normally takes a few times to find a realistic and workable budget in times of emergency. Therefore, do not get discouraged. Contact Financial Fitness for support to develop if necessary.
- d) It could take months to get comfortable with the new budget. Just keep on working on it and stay focused that it is temporary.

## RESOURCE LINKS & INFORMATION

**KEEP UPDATED & INFORMED ON COVID-19 FINANCIAL RESOURCES BY FOLLOWING TRUSTED & CREDIBLE NEWS SITES. Information is changing day by day with new announcements.**

### Canada's COVID-19 economic response plan

- ✓ [https://www.canada.ca/en/departement-finance/economic-response-plan/covid19-individuals.html#canada\\_student\\_loans](https://www.canada.ca/en/departement-finance/economic-response-plan/covid19-individuals.html#canada_student_loans)
- ✓ <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-benefits-credits-support-payments.html#new>
- ✓ <https://www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra.html>
- ✓ <https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/benefit-amount.html>
- ✓ <https://www.canada.ca/en/departement-finance/news/2020/03/introduces-canada-emergency-response-benefit-to-help-workers-and-businesses>.
- ✓ <https://www.canada.ca/en/departement-finance/economic-response-plan.html>

### City of Windsor: Link to relief measures COVID-19 state of emergency

- ✓ <https://www.citywindsor.ca/residents/emergencyandcrimeprevention/Emergency-Preparedness/Disease-Outbreak/Pages/Coronavirus-COVID-19-Update-on-City-of-Windsor-Services.aspx>

### City of Sarnia relief measures - COVID 19

- ✓ <https://www.sarnia.ca/media-releases/financial-relief-initiatives-in-light-of-covid-19-emergency>

**Contact Financial Fitness for a FREE telephone appointment.**

**1-877-777-9218**

Click [here](#) for additional service info.