



Centrale Bank van Curaçao and Sint Maarten

Keep hold of your finances during the corona crisis



Those who have less income due to the coronavirus, may have to face financial problems. It helps to keep a good overview and act swiftly on the new situation. This plan of action can be helpful in determining your financial position and how you can adapt.

Step 1..... **Make an overview of all your monthly income and expenses.**

It is important to obtain a quick insight in your financial position, and to know if you are able to pay all your bills in time. Create an Excel sheet for an overview of all your current or future monthly income and expenses. This provides a good insight into your situation and identifies the required actions. A budget example is available on the website of the CBCS.

Step 2..... **Look for ways to save money fast.**

Are there expenses that you can reduce in short term? Living expenses, such as rent, mortgage, and taxes, are fixed costs that cannot be reduced easily. There are, however, other expenses we can control, such as:

- Groceries. Limit your visits to the supermarket so you will be less tempted to buy more than you need. Pay attention to brands - the cheaper brands are often placed on the lower shelves. Also, look for discounts.
- Subscriptions. Identify your subscription payments and see if you can cancel those you don't really need, for example, streaming services.
- Utilities. Use your water and electricity efficiently and make your kids aware of this, so they too can help to save on utilities.

Another thing you can do, is to postpone big purchases and be mindful when buying new clothes and shopping online.

Step 3..... **Look a few months ahead**

So you now have an overview of your monthly income and expenses. Now you can try to look a few months ahead, because some months are more expensive than others. For instance, insurance premiums, motor vehicle tax, and back-to-school purchases and expenses. Make sure your monthly budget allows the expenses you'll have to make in time.

Step 4..... **Look for solutions for possible payment issues**

If you expect short-term payment issues, such as mortgage or rent, or loan payment, look for ways to solve these issues, for example:

- Do you have savings deposits that can temporarily be put on hold?
- Do you have a buffer on a savings account that you can use as back up?

Step 5..... **Make a timely postponement request**

If you are not able to pay your bills in time and, as a consequence, expect payment arrears, don't just sit and wait but take action. By doing nothing, you risk penalties, causing the problem to worsen. Get in contact with the relevant organizations by sending them an email, in which you explain your situation and ask for a payment arrangement.

