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Credit union experts share ways to adapt to financial change

Over this past month, many households have lost income, with hundreds of thousands applying for unemployment in Kansas and Missouri. Credit unions in our region are working to support the needs of their members and communities, whether that's one-on-one financial counseling, small-dollar/low-interest loans, skip-a-pay promotions and more.

Credit union experts note that planning is key to navigating times of financial change. If your household has lost at least one source of income, you should consider prioritizing your expenses.

Budgeting with less income

"Allocate the funds that you do have to your most important expenses, such as housing, utilities, food and transportation," advises Jennifer Remes, marketing analyst and certified educator in personal finance at Arsenal Credit Union (Arnold, MO). She adds to keep spending low and save as much as possible in case of unexpected expenses.

Ozark Federal Credit Union's (Poplar Bluff, MO) business development specialist, Davine Conover, explains that households should make the most of every resource by meal planning, conserving electricity and so on. "Everyone does their part to ensure that nothing is wasted. They should also reduce entertainment expenses—bored is not an excuse for spending money."

Tips for adapting to financial change



Prioritize bills & expenses
Allocate funds to the most important expenses: housing, food, utilities, medicine and transportation.



Review auto-pay & memberships
For more control over your funds, freeze auto-pay and cut down on subscription-based expenses: gyms, cable, meal kits, etc.



Reach out to lenders & creditors
Contact organizations you may have difficulty repaying. Many will be able to make new payment plans or extend loans.



Create a new budget
After prioritizing expenses and memberships, take a second look at your budget. Tools, like Mint.com, simplify creating a budget.




Temporary tactics for challenging times

Short-term changes in financial habits can also help, especially if you anticipate returning to work as soon as shelter-in-place orders are lifted. Davine notes that this may be a good time to reevaluate your spending habits.

Kyle Hudson, Edison Credit Union's (Kansas City, MO) vice president of marketing, suggests reaching out to financial institutions you have loans with to "see if they can be extended or some agreement of payment made. This will keep you somewhat on track without falling far behind."

Several experts suggested reviewing what you have on auto-pay and subscription-based expenses.

"Review the expenses you have set up for auto-pay," says Chris Wolgamott, director of financial education for Meritrust Credit Union (Wichita, KS). "In an emergency, you want to remove auto-pay from as many things as possible so you can choose when things get paid."

TelComm Credit Union's (Springfield, MO) CXO, Lori Johnson, recommends cutting down on subscription-based bills like the gym, cable, magazines, cell phones, internet and meal delivery kits, and keeping only the most essential services. She adds that people should consider stopping contributions to Christmas club or travel accounts.

"Do not raid your retirement accounts or take out a 401K loan," warns Lori.

Tools to make budgeting easier

It can be difficult to get started on a budget. Luckily, you can simplify the process by using online tools like [this calculator](#), Mint.com and others.

"Mint.com is an Intuit product and it is the one I recommend most often," says Jennifer. "It is a very robust solution and includes an app."

Chris seconds Mint.com and recommends Every Dollar, Quicken and YNAB.

Many credit unions also offer one-on-one financial counseling, financial education resources and more.

What to do with your stimulus payment

As stimulus payments start to be issued, these credit union experts advise that you remember your budget before spending it.

"Prioritize where those funds need to go BEFORE doing anything with them," says Lori. "Shelter, food and medicine should be the top priorities right now."

Chris agrees, and also says to save some funds for next month.

"Plan out how you are going to spend it before you actually do," he says. "You can do anything with this money to help your overall situation for the next 2-3 months."

Many credit unions have created resources that enrich the financial lives of their members and those in their communities.

"We created a [series of webinars](#) and podcasts to assist our community in career building, resumes, customer service, budgeting, mentoring and starting a small business," says Davine. They share these resources on social media and with local agencies.

Merittrust Credit Union also shares personal finance tips and advice online through its website and social media accounts. Chris added that the credit union offers free financial counseling for members.

Need advice or not sure what to do? Check in with your credit union to see how they can help you. Not a member? [Find one near you](#).
