

# BLOG: HELP YOUR CUSTOMERS SETTLE INTO A REDUCED INCOME



## Help your customers settle into a reduced income

As a finance or mortgage broker, your customers rely on you for financial information regarding their loans. Some of your customers may be experiencing a reduced income due to the COVID-19 crisis. How can you help them? Here are some practical suggestions you can share with them, written as a blog for you to repurpose as your own.

### **BLOG: Coronavirus and surviving on a reduced income**

Feeling the financial impact of COVID-19? No money to spare? You're not alone. Many Australians are currently experiencing unemployment or reduced income as a result of the coronavirus global pandemic. Thankfully, Australia seems to be in a better position than many countries and our economic hit will potentially be less severe and quicker to recover than first predicted back in March/early April. This doesn't change the fact though that for many Aussies, the household budget is squeezed. The only way to survive on a reduced income is to either a) increase said income, or b) reduce spending.

Here are some ways you can overhaul your household budget through this crisis.

### **Ways to increase your reduced income**

- **Government stimulus payments**

The Federal Government is offering various payments to support Australian citizens through this difficult time. Support payments include:

- o Coronavirus Supplement
- o Economic Support Payment
- o JobSeeker and JobKeeper Payments

Read more up to date information about Government's coronavirus economic-support payments [here](#).

- **Access your super**

Depending on your situation, you may be able to access some of your superannuation early. There is an application process, and you can view eligibility criteria at the ATO's website. Talk to your superannuation fund or financial adviser to determine whether this is the right option for you before you apply.

- **Access your emergency fund**

If you've been putting money away for a rainy day, and have been financially affected by COVID-19, well, it's storming. It can be difficult to see your hard-earned savings deplete, but this is exactly the kind of emergency you were saving for. Maintain your good spending and saving habits as best you can throughout this period.

- **Find new employment**

If retrenched, do all that you can to make yourself attractive and available to employers. Refresh your CV and LinkedIn account, set yourself up for job alerts, enquire within your network about available jobs, list yourself with recruitment agencies within your field, and submit your CV and a tailored cover letter as an EOI to the companies you aspire to work for. Be proactive. Your next employer can't find you if they don't know you exist.

## **Ways to reduce your spending**

- **Talk to broker about your mortgage and finance loans**

Can you reduce interest on your credit card? Can you refinance or restructure your loans? Do you have access to cash in a redraw facility or offset account? Can you reduce your repayments to the minimum amount required? Is a mortgage repayment pause worth the long-term pain?

- **Talk to your energy and phone companies**

Many utility providers are offering reprieve for customers experiencing financial hardship. Look at your phone and energy company's website for details, or enquire about which options you might be eligible for.

- **Enquire about rent relief**

If you rent, talk to your property manager or landlord for potential rent relief.

- **Investigate options to reduce school fees**

If you send your children to a private school, speak to your school about options for fee relief. They may offer options to extend due dates, offer discounts or bursaries to those experiencing financial hardship, or accept skilled services in place of terms fees.

- **Trim the fat from your expenditure**

There's no time like a crisis to refresh your budget. Account for big spends but also little spends – that's usually where you'll find some quick wins. 'Non-essential' spends like coffees, takeaway, clothing, streaming services and other subscriptions are usually pretty easy to cut in the short-term. If you're not sure what you spend on these items, spend two weeks noting down where every cent is spent, from parking to coffees to car washes. Keep in mind this isn't forever; you can resume your pre-coronavirus budget once your income has returned. Australians with unaffected incomes will keep the economy moving in this space until you can re-join them.

- **Re-build your budget**

Map out your new budget for the next 3-6 months, so you are able to live lean no matter what coronavirus next throws at you. This may involve reducing regular costs such as grocery bills, by meal-planning for a full week to reduce waste and extend your dollars.

If you require urgent assistance to make ends meet, talk with me your broker, or phone the free National Debt Helpline on 1800 007 007.