

## Financial New Year's resolutions in times of pandemic and woe

PHOENIX – Although many are eager to put 2020 behind them, the usual new year optimism may be subdued because of the pandemic. Even so, the start of 2021 is a perfect opportunity to refocus personal finances after an unprecedented year.

“While additional government aid may come at some point in the new year, it remains uncertain,” said Michael Sullivan, a personal financial consultant with [Take Charge America](#), a national nonprofit credit and student loan counseling agency. “That’s why, as with all new year’s resolutions, it’s important to establish realistic, actionable financial goals that will set you up for success.”

Sullivan shares five steps to meet financial goals in 2021:

•**Reassess budget:** Start the new year by reevaluating your income, expenses and general spending habits. Is it time to reallocate funds to new line items? Can you save by canceling subscriptions or renegotiating bills? Reassess your budget to ensure your money is working for you

rather than against you.

•**Find side income:** Despite pandemic challenges, there are numerous ways to earn extra cash including part-time or gig work, though you’ll have to gauge any pandemic-related risks with any in-person options. Gig options include TaskRabbit, where you get paid to perform any number of tasks or chores, as well as other well-known services like Lyft or DoorDash. For contactless options try selling gently used items on Craigslist, Facebook Marketplace, eBay or Etsy.

•**(Finally) overcome credit card debt:** Taking a new look at your budget and income opportunities can free up more money to allocate toward credit card balances. You can also call your creditors directly to see if you qualify for hardship plans, which may offer relief with fees or interest rates. For an action plan and personalized guidance, you can try a free credit counseling session with a nonprofit organization.

•**Reevaluate student**

**loans:** Payments on federal student loans will resume in February after forbearance was extended to Jan. 31. If you’re unable to afford your payments, contact your servicer to discuss options. You also can visit [Studentaid.gov](#) to apply for an Income-Driven Repayment plan. Non-profit student loan counseling agencies also can provide assistance.

•**Rebuild emergency fund:** In 2021, aim to rebuild your emergency fund, which likely took a hit in 2020. Start by making small cuts in monthly spending and divert those funds to your savings. Throughout the year, set aside any extra cash you receive, like holiday or birthday gifts. Set up any gig work or part-time job earnings to be automatically deposited into your emergency fund. Use the same approach if you’re entitled to a tax refund to give a boost to your savings. Aim to save three to six months’ worth of expenses in your emergency fund.

For more financial tips and guidance, check out [Take Charge America’s Financial Education Center](#).

