

Your Monthly Money

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Spring Clean Your Finances for Financial Literacy Month

Organization is key as Americans work to recover during the economic downturn.

April is National Financial Literacy Month, a month dedicated to raising awareness about the importance of financial literacy. National Financial Literacy Month—renamed by the Biden administration as “National Financial Capability Month”—runs from April 1st to April 30th.

A positive financial outlook for 2023

The last three years have been some of the most challenging for American households in decades. Yet after traversing through the pandemic and record high inflation, the latest Conference Board consumer confidence index suggests consumers are seemingly positive, despite the current 7.1% inflation coupled with record high levels of debt and personal savings at an all-time low.

In 2022, with most government relief programs ended or ending soon, a survey from Bankrate found that most people felt negative about their financial situation. Of the 2,450 adults polled, only 32% had a positive financial outlook, while 26% believe their financial situation would get even worse.

However, consumers are looking beyond their present financial ailments.

With a confidence index of 108.3 in December, which marks the highest level since the previous April, workers are thinking positively and seeking improved household finances in the new year. Almost 50% are actively seeking a promotion or raise, while 32.1% want to find a higher-paying job. This surge in confidence stems from individuals prioritizing saving in the new year. Almost 4 in 10 believe the new year will be financially successful for them, in large part due to putting more into savings.

Getting organized to successfully navigate the coming year

Many experts are concerned that the government’s efforts to sustain our economy may only be delaying financial crises for many American households.

Here are three tips for getting organized this spring to maintain financial stability throughout the rest of the year and beyond:

1. Take complete stock of where your finances stand now

Couple organizes their finances for Financial Literacy Month

The first step in organizing your finances for spring is to take stock of where you stand. Revisit your budget—or if you don’t have a budget, take some time to make one.

You should also take time to review all your debts, bills, and obligations. You want to know exactly:

How much you owe on each account

What's current and what's past due

How far past due bills and how much will you need to catch up

2. Take advantage of any government assistance while it's available

It's important to stay updated on when federal protections and relief programs will expire. This list can help you get started:

Income taxes are due on April 18, 2023.

The Federal student loan payment pause has been extended until the U.S. Department of Education is permitted to implement the debt relief program or the litigation is resolved. If the program has not been implemented and the litigation is not resolved by June 30, 2023, payments will resume 60 days thereafter. Borrowers will be notified before payments start again.

The Emergency Rental Assistance Program, which can help you and your family catch up and stay current on rent and utility payments, ended on September 30, 2022. On January 5, 2023, the U.S. Treasury published an updated version of the ERA1 Closeout Resource.

This information was provided to be used as a resource by ERA1 grantees for the closeout of the Emergency Rental Assistance awards. The document contains pertinent details regarding grantees' compliance with the ERA1 award terms and conditions which were accepted in connection with their funding. Grantees are advised to watch the ERA Guidance page on the Treasury's website for more information.

Homeowner assistance fund (HAF), a federal program that provides billions of dollars to states to help their residents catch up with their mortgage payments, has officially launched. Homeowners that faced housing insecurity as a result of the pandemic can apply now.

The program is still open for a majority of the states; it is closed in Florida and Alaska. The program is suspended or accepting waitlist applications in Alabama, Mississippi, New York, Oregon, and Puerto Rico.

On January 13, 2023, the U.S. Treasury published updates to the Homeowner Assistance Fund Reporting FAQ. These updates provided guidance on reporting on homeowners that submitted and subsequently withdrew an application, the definition of Application Not Completed Within Program Timeframe, and duplicate applications.

Be aware that these protections may be extended, but don't count on further extensions or additional government assistance. Be proactive so you can get the financial assistance you need while it's available.

3. Build financial literacy so you're better equipped to maintain stability

KOFE offers financial education resources that can help you get started. We also have resources that can help you plan for major life events—both those that are expected and the unexpected. Finally, whether you're ahead or behind, take steps to eliminate any credit card debt that you may be carrying. According to our financial outlook survey, people with over \$2,500 are less likely to have an emergency fund. Don't let debt hold you back from building your financial safety net. Set a debt reduction plan or talk to a KOFE-certified credit counselor to find solutions that can help you pay off credit card debt faster.

