



E-NEWSLETTER

SAVING MONEY IN A RECESSION



From retailers on the streets to employees of corporate organisations, no one can deny that the Nigerian economy of today is in recession. Market prices have been on the rise and so is the incident of job losses.

Despite the challenges that come along with economic slump, saving money is non-negotiable if you want to stay financially safe at all times and there are certain steps you can take towards achieving this.

Pay off your debts

Debts easily get out of hand during recessions because day-to-day expenses become more difficult and how long the recession will last is uncertain. It is thus advisable to pay off your debts and focus on managing what you have. The fact that slight changes in external factors easily influence your capacity to repay is another reason to pay off loans early in recessions.

Avoid taking new loans



You cannot be certain what means of cutting cost your employers will implement. Salary reduction or lay off will hinder your capacity to repay existing loans let alone new ones. As a general rule, never apply for a loan because you can no longer meet up with luxuries you have become accustomed to or for mundane ceremonies. Such loans are considered unproductive and are frowned at, even outside recessions.

Diversify your stream of income

Again, economic recession is synonymous with job losses. Endeavour to seek new opportunities where you can earn additional income. You can invest in sales of Fast Moving Consumer Goods (FMCG) for quick returns or partner with family and friends to set up small business outlets. For the long term, consider buying into stocks that are lagging behind now but sure of picking up when economic boom returns.



Shop for new service providers

Recessions push service providers to make all kinds of promises to attract new customers. These include slashing prices and offering free services. Review your current list of providers to select those that minimise your costs.

Review your budget

DATE	EXPENSES	PAYMENT METHOD

A recession provides the perfect time to review your recurring expenses since you are able to observe unnecessary spending easily. Limit your needs to fundamental ones only. And if your savings cannot the financial shock, consider postponing leisure costs such as vacations.