



## FRIENDSHIP SHAPES FINANCIAL CHOICES

BY ROBIN HENAGER

It is likely some of your relationships feel strained from this past year with the pandemic. It has been difficult not being able to see our friends and our family during such an unusual time. Many people have done what they can to stay in touch via video conferencing and small outdoor gatherings. My husband and I have also made some intentional friendship decisions that have economic consequences.

Our good friend and colleague owns a local restaurant down the main street from our home. We frequent his restaurant for take-out food to help his business and honor his friendship. Our next-door neighbor's catering business suffered at first but has done well with take-out orders from friends. We are now also ordering from her once a week.

Reflecting on each of our responses to the pandemic, on a larger scale, I wonder how we can best support our communities. A local nonprofit organization has been raising money specifically to purchase sizeable take-out orders from local restaurants to give away to people in need of a hot meal. This helps both the restaurant and community members at large. Small donations from a lot of people can make a difference for an organization like this in any community.

What can you do in your community? Reach out to the local chamber of commerce for a list of local charities or ideas for where you can contribute. There are certainly many places where we can help fill the gap.

If you are not sure you have the extra finances to do something, take a look at your budget, track your expenses for a month (write down everything that you spend), and see if any expenses can be eliminated or decreased. Also, think about what you may have been spending this time last year that you are unable to spend under quarantine. If you live in a state with restaurant restrictions, you may be spending less money eating out and could decide to repurpose that money. Perhaps you have been shopping for clothing less now; if we have no place to go and we are working from home, there seems little reason to buy new clothes. Any expenses you may have spent on clothing could easily go toward a nonprofit organization helping people in need during the pandemic.

It is always a good idea to have a balance between spending, saving, and giving. Generally, it is advised to spend no more than about 80 percent of one's net

income. This would leave either 20 percent to save or 10 percent to save and 10 percent to give.

One important outcome of the pandemic experience has been the renewed awareness of the need for emergency funds. Make sure you have an emergency fund of at least \$1,000; then you can continue to build that while being free to give back to your community. The long-term goal for an emergency fund should be three to six months of expenses. Aim for that to take care of yourself and your family, but give yourself some margin so that you can feel good about making a difference in the lives of your friends and your community.



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