

# Ways to Beat Inflation

Inflation is the decrease in how much you can buy with the same amount of money over time. This decrease in purchasing power is a result of rising prices.

Inflation can make personal finances more difficult to manage. As prices increase, people who previously had disposable income will find their budgets getting tighter and will have less flexibility with their spending. The most effective way to manage finances during high levels of inflation is to create a strict budget and eliminate as much discretionary spending as possible. After that, there are some small steps you can take to blunt inflation's impact. Here are a few suggestions:

**Buy used, or borrow.** Instead of patronizing department stores, shop at secondhand or thrift stores for lower prices. If you're used to buying books, borrow from the library or ask friends if you can exchange books with them.

**Cook at home.** Dining out is a big discretionary spend for many of us. Plan to eat at home instead. While prices at the grocery store may also be rising, cooking at home will still be less expensive than dining out.

**Unplug.** Now is a good time to assess your digital subscriptions. Do you really need Netflix, Hulu and Amazon Prime Video? Choose a favorite and cut the cord on the rest. The same goes for music streaming services.

**If you plan to travel, travel at off times.** Northern Europe in February may not be the ideal situation but it will be far less expensive, and less crowded, than in August. And you can still enjoy the castles, cathedrals and other wonders.

**Drive less.** Gas is often a bellwether for rising prices. Instead of driving, take public transportation, or ride your bike. You'll save money and get exercise at the same time.

**Go bank shopping.** When central banking systems like the U.S. Federal Reserve or the European Central Bank increase interest rates, banks often respond by increasing the interest rates on their savings accounts and other products. Compare the rates on your savings and checking accounts and shop around for better ones.

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