

5 Practical Strategies for Handling This Record-Breaking Inflation

Unless you have been living under a rock, you know we are dealing with some pretty big inflation in the U.S. right now.

And according to the Bureau of Labor Statistics' latest CPI report, the stuff we buy every day is 8.6% more expensive than it was 12 months ago. Within that average, some items have seen a tremendous price increase in the last year:

- Gasoline is up 48%.
- Food is up 11%.
- Cars are up over 12%.
- Electricity is up 11%.

If your personal finances feel tighter, you aren't crazy; they probably are. And many suspect inflation rates may continue to go even higher in the months to come.

While we can't control inflation, it makes sense to focus on the things that we can control so we can make it less bad.

With that, here are five practical strategies to handle high inflation:

up on items you regularly use. Buying items that you know you will use in the year(s) to come (at today's prices) is one of the simplest ways to fight back. Think of it like this. If food prices continue to rise and are 11% higher a year from now, then any foods you buy now with a long shelf life will be like buying at an 11% discount from 2023 prices. So if you have a deep freezer or a large pantry, you can easily stock up at today's prices rather than the prices of three, six or 12 months from now.

And if you combine this strategy with buying on sale items (i.e., buying ground beef during a 20% off sale) you can amplify your savings.

Think about all the items you regularly and consistently use and consider stocking up if possible. This could be any type of food with a decent shelf life like pasta, canned goods, rice or other pre-packaged items. But also consider all the household items you consistently use like soaps, shampoos, toothpaste, batteries or even toilet paper (just in case there is a repeat of 2020).

2. Know exactly where your money is going. This should go without saying, but I'll say it anyway. If you don't know exactly how much you are spending on food, household items and entertainment each month, then you are probably spending more than you realize.

This is why it is so important to know and pay attention to where you are spending. When you know exactly how much you are spending on X each month, you can quickly and easily identify problem spots and then fix them.

One common problem spot is unused subscriptions. According to Chase, 71% of Americans waste over \$600/year on subscription services they aren't even using. This doesn't even account for subscriptions they aren't aware of.

3. Store less in savings accounts. Yes, saving money is still good advice for times like these. But with average savings rates still below 1% and an inflation rate of 8+%, it is important to consider where you are putting your money. You would never sign up for a savings account that had a negative 7% interest rate, right? Well, that is essentially what is happening in our savings accounts right now (i.e. $\sim 1\%$ savings rate $- \sim 8\%$ avg inflation rate $= \sim 7\%$). Sure, your actual savings balance isn't being reduced by 7% each year, but your spending power (how far your dollars go) is being reduced by

about an average of 7% at the moment.

While having some cash set aside for emergencies is still a good idea in an inflationary environment like we are in today, you definitely don't want too much cash sitting in a savings account.

Instead, consider TIPS or I-Bonds which are government-backed bonds that keep pace with inflation. For example, at the time of this writing you can buy a series I Bond that is currently paying % which is 10 times more than even the best savings account rate right now.

4. Reduce your fuel expense. It's no secret that gas prices are painfully high right now. So, focusing a little effort on reducing your fuel usage can have a big impact for active drivers. One of the best gas saving tips is to stop driving aggressively. Automotive company Edmunds did a study that revealed that just eliminating aggressive driving reduced fuel consumption by an average of 31%.

That's like reducing your price per gallon from \$ to \$. With a 31% reduction, the savings can quickly add up.

According to Edmunds, "If you slowed your 0-to-60-mph acceleration time down from your current 10 seconds to a more normal city pace of 15 seconds, you'll feel the savings immediately." Additionally, using an app like GasBuddy you can find the cheapest gas stations in your area. A quick search using the app revealed a 30-cents-per-gallon difference between two nearby gas stations. So next time you have to fill up the tank, a tool like this can help save you a good bit of money.

5. Remember that God is still on the throne. The truth that we must never forget in times like these is that God is still on the throne, and even though our earthly economy may be shaken, God's economy is as strong as ever.

He is still our source, so even if our salary isn't keeping pace with inflation, God is the one who is responsible for taking care of our needs—and He will always do a better job than you and I ever could.

And when I find myself in the position of fearfully clinging to the money draining in my account, or frustrated with the prices of gas and groceries, I always sense Him gently reminding me that He is my source and my trust needs to be in Him.

And we are at our best when we remember that Philippians 4:19 has always been and will always be true: "My God shall supply all your need according to His riches in glory by Christ Jesus."

Do yourself a favor and write this down and meditate on it day and night until peace comes.

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