



5 WAYS TO FIGHT inflation

Tina Anim | Financial Resource Program Manager

Rising prices in the last few years and the current economic situation have caused many people to deplete their savings. Here are 5 tips to help stall or stop you from dipping into your savings.

1. IF YOU HAVE NO SAVINGS, START SMALL AND START NOW

Financial experts recommend setting aside at least 6 months of expenses for emergencies. That can seem huge for someone with no savings at all. The best thing to do in such a situation is to get into the mindset of saving and commit to being consistent. The goal is to **make it a habit**, even if it's as little as \$5 per week or \$20 per paycheck. One of the easiest ways to do this is to automate your savings. Don't stress about the number; just start from somewhere!

2. IF YOU HAVE AN EMERGENCY FUND, DO ONE OF TWO THINGS

1) **Evaluate your expenses** and see where you can free up some cash. Can you cancel unused subscriptions, re-negotiate insurance rates, or change how you shop for groceries? This will free up some money and prevent you from dipping into your savings.

2) If cutting down on expenses is not an option, especially because you are already working with a bare-bones budget, then **consider adjusting your regular savings** downwards for the time being. Think of it as your "spending and savings plan," as the two go hand in hand. Try this for a while to see if it helps and adjust accordingly. The key is being specific and intentional about your savings and spending habits.

3. SEEK OUT ADDITIONAL SOURCES OF INCOME

Finding other ways to make more money could help protect your savings as prices continue to rise. Look for easy ways to **make some extra cash**, like selling unused items and gadgets or monetizing your hobbies. Join the gig economy by taking on a side hustle. There are many opportunities these days to make some extra income.

4. IF YOU ARE CARRYING LARGE UNSECURED DEBT, TACKLE IT NOW

It is much more costly to carry unsecured debt, especially credit card debt. The average person is paying more on the same amount of debt than they were two years ago. This is extra money that could be set aside into savings! **Contact your creditors directly** and ask for help if you are struggling with debt. Many creditors have internal hardship programs that can reduce or postpone payments for a set amount of time. If dealing directly with creditors is too scary, seek the help of a certified financial counselor through a non-profit like The Village Financial Resource Center.

5. YOU DON'T HAVE TO GO IT ALONE!

It's hard to predict how long periods of inflation will last. However, having a plan and an expert to guide you through it can reduce stress about the future and the impact on your finances and lifestyle. A Financial Counselor can **help you set priorities and financial goals** and encourage you as you weather the storm. Financial counseling is available to you through your EAP using your household sessions. Village Financial Counselors can be reached by phone, online or in person.