

Gear'd Up

Third Quarter 2022 Newsletter

Beat Inflation with these Strategies



Inflation can make the act of saving seem like a more challenging option than usual, even though savings is a major contributor to your financial well-being. Fortunately, the initial steps in countering inflation are to acknowledge that it exists, that it is affecting your finances in a very real way, and that some extra effort is required to overcome it.

The following suggestions will help strengthen your own savings against the eroding effects of inflation.

1. Plan accordingly

Even though inflation doesn't affect all products and services equally (for example, in any given year, college tuition rates may rise more steeply than airline ticket rates), it's almost certain that, in general, the same things will cost more in the future than they do today. Adjust your savings goals and err on the generous side in order to reflect that change.

2. Review your savings rates

When you first started a savings account, you may not have been paying too much attention to what the best interest rates were at the time. Take a look at your savings and see if there's any opportunity to consolidate your savings into an account with a higher return. (Note: Although the minimal rates on savings account products are usually not enough to counter inflation, taking the time to re-evaluate your savings products is a good practice that can often save you money.)

3. Invest your savings

Inflation is one of the biggest motivating forces for investing your savings. The ultimate goal is to find a rate of return that is higher than the corresponding rate of inflation (and the taxes you'll owe on that investment income) over that same period of time. Stocks, bonds, mutual funds and treasury securities are all potential investment vehicles for your savings. Ask your parents for more information around ways you could start investing.



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