



## Inflation Fighting Tips for 2022

By now, we are all aware that just about everything costs more now than it did a year ago. In fact, the Labor Department just released the latest consumer price index data, which revealed that the rate of U.S. inflation rose again in January 2022 to 7.5%. This is a 40-year high that many economists say shows no sign of cooling off. Some inflation is normal in any given year, but the past year's inflation has continued to rise followed by rapidly increasing prices of goods and services. Probably my greatest inflation fear is that it has the potential to drive consumers into debt. This holds especially true if you do not have emergency savings to fall back on.

Banking 101 tells me that two things are necessary to deal with inflation: boost income and cut back on spending. Here are some inflation-fighting tips to lead you into battle!

- 1. Make a budget for the year.** This is the first place to start, you can't create a financial pathway and a savings plan without knowing and controlling your expenses. A budget is the framework of planning. Carefully consider any major purchases this year as it may be best to postpone big expenses like home renovations or new vehicle purchases.
- 2. Cut back on spending.** Groceries and gas are essential needs so look to things that are not needs, such as entertainment, dining out, and streaming services. But remember, never cut back on retirement saving that is employer matched.
- 3. Stay ahead of food costs.** Curbside pick-up is a terrific way to save time and put an end to impulse buying. It is also easier to compare prices when you shop online, easier to buy in bulk, and an effective way to stay ahead of shortages.
- 4. Boost your income with a side job.** It is simple to look around and find help wanted signs—this is an opportunity to pick up some evening or weekend work.
- 5. If you are thinking of buying a home, do it now.** It is likely that interest rates will continue to rise so do some rate shopping. New data signals the chaos of the 2021 housing market is giving way to a more normal buying environment. The gap between buyers' demand and the market's supply is slowly closing. And it is also worth checking current mortgage rates as you may still be able to reduce your monthly payment by refinancing.

6. **Pay it forward.** Everyone is hurting these days. I have always believed we can make the world a better place by paying it forward however we can. You never know when your kindness will change someone's life, including your own.

Inflation is not going away any time soon so do what you can to keep up with rising costs. Come in to visit with us if we can help you prepare a budget or review your expenses to determine if this is the appropriate time to make a large purchase. We will be happy to help you start a savings plan and review mortgage loan rates for a new home purchase or refinance. All of us here at Anahuac National Bank are here to help guide you through 2022. We appreciate your continued loyalty.

