

BUDGETING

Budgeting Tips to Help You Beat Inflation

By [Miriam Caldwell](#) | Updated on December 5, 2021

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You've probably heard the term [inflation](#). But do you know how it affects your finances?

In short, inflation is when the cost of things goes up. (Alternately, deflation is when costs go down.) Inflation can affect items that you buy on a regular basis, such as [food](#) and gas, but it can affect nearly every purchase that you make.

There are both long and short-term effects of inflation. While inflation can have an adverse effect on your financial future, it can also make it difficult to meet your financial obligations right now. That's why it's important to have steps in place to deal with inflation so you don't end up busting your budget, or worse, relying on credit cards and accumulating debt.

Follow these five steps to deal with inflation and keep your budget intact.

Get on a Budget

One of the best ways to beat inflation is to [follow a budget](#) or spending plan. This will ensure that you are watching what you spend, and are only

Be sure to have set budget line items for things inflation might affect, such as clothing, food, gas, and housing. Allocate your money at the beginning of the month, and then stick to the spending limits you have set.

You can be flexible by adjusting the spending amounts between [budget categories](#) but resist the urge to dip into your emergency fund or retirement savings. Your budget will help you determine your spending priorities, which can help you decide what items are the most important for you to spend money on – and which to skip.

Look for Cheaper Alternatives or Try New Stores

You can try to beat inflation by becoming creative in your purchases. You can look to alternate resources to meet some of your usual expenses. You can try less expensive or store brand foods, cleaning products, and hair products. You may discover that there isn't a huge difference in the quality or taste.

You can also try using coupons or [shopping at bulk stores](#) to help your money stretch a little bit farther each month. You may also want to switch to a [less expensive grocery](#) store, or cutting eating out altogether to help save some cash. You may also use an option like shopping at a food co-op or doing container gardening so you can reduce your food bill.

Cut Unnecessary Expenses

If inflation seems to be overwhelming your budget, consider cutting out unnecessary expenses. You can work out at the gym of your apartment complex and cancel your gym membership. You may be able to stretch the length of time between hair appointments by a week or two. Or save on gas by taking advantage of public transportation a few times a week. You can carpool, as well.

Other small sacrifices can help you deal with inflation, as well. Try cutting back on your daily coffee habit, or make your own at home and bring it to work in a travel mug. Don't buy extra treats at the grocery store, or skip the second glass of wine when out with friends.

Look for Free Alternatives

You can save money and beat inflation while still having fun by exploring free and cheap things to do in your area. You can take advantage of any museums that offer free admission or free concerts in your area.

Your friends may also be trying to save money, so you may choose to stay in and rent a movie instead of going out to one. Instead of eating out, you may have a night where you cook for each other or host a potluck dinner.

Remember Your Priorities

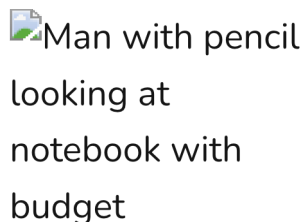
cards, accumulating debt that you'll have to deal with later.

Continue to save and [invest your money](#), especially for retirement. You do not have control over economic conditions, but you do have control over your spending and saving habits. The same advice will help you during times of deflation.

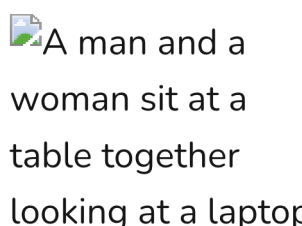
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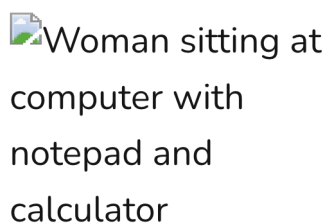
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