

The Money Balloon: Inflation

What is inflation? Inflation is an economic phenomenon where the general price level of goods and services in an economy rises over time. It reduces the purchasing power of money, making it more difficult to save for the future. The impact of inflation on personal savings is particularly concerning because it can erode the value of your savings over time.

Tips to build resilience during inflation

There are ways to protect your finances and continue putting money into your bank account during times of inflation.

If you are worried that you may be overspending or missing out on discounts ...

\$ REDUCE EXPENSES

Reducing your expenses is another way to continuously put money back into your account. By cutting back on or reconsidering some expenses that you deem unnecessary, you can free up more money to save for the future. For example: Make your lunch a few days out of the week, as opposed to buying lunch every day. Create a budget and stick to it, avoid impulse purchases, and reduce your overall spending. In doing so, you can build a savings cushion that can help protect your finances from the impact of inflation.



If you are concerned about how little you can put away into savings ...

\$ FIND A FINANCIAL COACH OR MONEY MENTOR

The EAP program is here to help you and your household members along the journey of life—no situation is too big or too small. Services include telephonic goal-oriented coaching, counseling, online programs and digital tools. All services are confidential and can be accessed over the phone at 1-800-327-5048 or online, [EAP](#).

If you anticipate a big purchase or are ready to start investing in more assets ...

\$ SAVE SOME MONEY NOW & PLAN FOR LATER OPTIONS

The Cook County Deferred Compensation Retirement Plan can help boost your retirement



income and only requires a \$25 minimum payroll deduction per pay period. Depending on your savings goals, you could put away up to \$20,500 for retirement. Contact a Retirement Specialist today! Call 1-855-457-2665 or visit the Cook County Deferred Compensation Plan website.

Automatic savings plans can be an effective way to continuously put money into your savings account. These plans are set up to automatically transfer a fixed amount of money from your checking account to your savings account on a regular basis, such as weekly or monthly. The automatic transfer will help you save money without even thinking about it, and it will prevent you from spending it on other things. Additionally, these plans can be adjusted according to your budget and financial goals.



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If you're ready to consider ownership and long-term investments ...

\$ REAL ESTATE

Real estate is another asset class that can be a good hedge against inflation. According to a study by the National Bureau of Economic Research, real estate values have historically kept pace with inflation, with some markets even outpacing inflation by a significant margin. This is because real estate is a tangible asset that is in limited supply, which can help drive up prices in response to inflation.

How to talk money during turbulent times

Are you in need of a planning session with your financial advisor, a curious conversation with a neighbor or friend, or a heart-to-heart with a family member about money? Now is the time!

Consider choosing one area or strategy from the list that feels relevant for you, identify who you'd like to speak to and schedule the best time to speak with them. Use this article and your own research as talking points to the conversation, and commit to one measurable action for the month. Also remember, the **Magellan EAP** offers financial tools and resources that might be beneficial. After all, financial health plays a critical role in achieving holistically balanced wellness.

According to research on overall health during financially turbulent times, individuals who had strong financial practices tended to have reduced stress levels, better mental health and better quality of sleep. Research shows that people with financial tools — such as a budget, healthy savings or filing system for receipts — are more likely to be prepared for turbulent economic times.

Now that's peace of mind and money!

