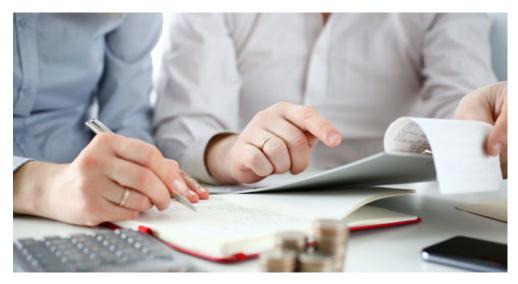


## Fourth Quarter 2021

## **Living With Inflation**

Like it or not, inflation is with us. It may be transitory, but more and more, inflation looks like a multi-year companion. And when it comes to the cost of living, what goes up rarely comes down again. The trick is to learn how to live with inflation without having it destroy your lifestyle.

Living with inflation starts with the one word almost everyone dislikes – BUDGET. Even if you think you have plenty of funds to withstand the impact of inflation on your life, unless you run the numbers, you are just guessing.



To plan for inflation, particularly if you are retired or nearing retirement, you need to know how much income or potential income you have; how much is currently spent on essential costs, such as utilities, insurance, mortgage, taxes, etc.; what you might need in the future; where you can generate additional funds to pay essential costs, and where you might be able to economize. To grasp the impact of inflation, it's helpful to know how these numbers compare to a year ago.

Where do you find the information you need? Bank statements and credit cards will provide the bulk of the data. Many credit card companies provide end-of-year summaries showing where you spent your money, as do some banks. It's going to take some time to pull everything together, but the better the information, the better your understanding of where your money comes from and goes. Estimates are always better than nothing, but you might be surprised to find out what the actual numbers are.

In addition to helping you look for ways to live with inflation, putting together a budget gives you a sense of control over your finances – which can lower your stress and worries. And, your budget gives your financial advisor a way to help you understand your options.

## SIMPLIFIED HOUSEHOLD BUDGET FORM

INCOME	<b>2021</b> Monthly Income	2020 Monthly Income	Potential Changes Monthly Change
Employment			
Retirement Accounts			
Dividends/Investment Income			
Rental/Passive Income			
Pensions/Social Security			
Other Misc. Income			
Less estimated income taxes	()	()	()
TOTAL FUNDS AVAILABLE FOR SPENDING			

	2021	2020	
	Monthly	Monthly	Potential
EXPENSES	Expenses	Expenses	Changes
GIVING			
SAVING			
HOUSING			
Mortgage/Rent			
Repairs/Maintenance			
Insurance			
HOA Dues			
Real Estate Taxes			
UTILITIES			
Electricity			
Water			
Gas			
Phone			
Trash			
Cable/Internet			
Food			
TRANSPORTATION			
Car Payment(s)			
Gas & Oil			
Repairs & Tires			
Car Insurance			
CLOTHING			
PERSONAL			
Credit Card Payments/ Outstanding Balances			
Disability Insurance			
Health Insurance			
Life Insurance			
Club Dues/Expenses			
Child Care/Caretaker			
Entertainment			
OTHER MISC. EXPENSES			
TOTAL MONTHLY EXPENSES			

Once you have at least a preliminary outline of where you are with respect to your income versus expenses, you should have a pretty good idea of how inflation is affecting you and could impact your future. If you are comfortable with the numbers and your ability to live with inflation, you now have a reason to feel that way.

If the numbers make you nervous, call and set an appointment to go over your financial situation with us. An outside viewpoint can be invaluable. Given the information you now have, combined with our awareness of your investment portfolio, we can help look at your options and possible solutions.

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