



**With the rising inflation, Australians are looking for ways to reduce daily expenses and increase their income.**

## How to deal with rising inflation

Between March 2021-22, inflation in Australia rose by 5.1%. Meanwhile, wages only rose by 2.4%<sup>1</sup>. With the bare essentials becoming – well, expensive, it's not surprising that many people are looking for new ways to save money or increase their income.

The good news is there are steps you can take—and actions to avoid—that can help you navigate this period of high inflation, for however long it lasts.

*Here are some of the best ways to manage rising inflation:*

### 1. Continue investing

Investing a portion of your income is one way you can keep up with, or even outpace, inflation.

While rising interest rates or falling share-markets may cause many people to second guess themselves when making investment decisions, it's important to stay focused on your long-term goals and avoid being influenced by short-term market volatility.

Having a diversified investment plan—money invested across many asset classes and in many industries—may help to cushion you from major sharemarket falls.

### 2. Find ways to reduce your expenses

#### ***Everyday bills***

Shopping around for the best deals on your home loan, electricity and insurance, can end up saving you hundreds of dollars over the long-term.

You may also want to consider cutting down on subscriptions or memberships you don't use, and make sure you're getting all the concessions you're entitled to such as rebates and pensioner discounts.

## **Home loans**

Official interest rates are predicted to continue rising throughout the year, so if you have a home loan that isn't on a fixed interest rate, you'll need to factor in increased repayments to your budget.

## **Electricity**

Consider using some of these energy saving tips:

- Check out government and council rebates to reduce your energy bill
- Switch to energy efficient lightbulbs
- Consider installing solar panels: while costly initially, this can save thousands of dollars over the long-term
- Water savings: install a water efficient showerhead and only run the dishwasher on a full load
- Only heat and cool the rooms you're using and use a timer
- Unplug unused electronics
- Hang-dry your laundry rather than using a dryer

## **Groceries**

While food might be a necessary expense, there are ways to save without compromising quality.

Meal planning is a simple way to get better at grocery shopping to reduce wasting food. You could also consider finding recipes that use the same ingredients as you're more likely to use up an entire bag of vegetables or a fresh bunch of coriander.

You may also want to consider growing your own vegetables.

## **Petrol**

While we can't control global oil prices, you can plan clever ways to reduce costs.

- Request to work from home a few days a week
- Ride your bike to work and get the benefit of a good workout
- Use public transport – if you live in a city or town with a decent public transportation system, this alternative is a great option to cut down on commuting costs
- Carpool – if you have colleagues who live in the same area, you could split the driving between you.



### *3. Consider ways to increase your income*

*Although there isn't always a quick or easy way to increase your income, there are options for earning extra cash to cover more immediate expenses.*

*Passive income is a great way to earn money with little effort. This could include things like buying an investment property, investing in shares, bonds or fixed-income, starting a business on the side or even creating your own social media content.*

*You can also find an extra source of income outside of your 9-to-5 job by:*

- renting out a room or parking space*
- pet sitting*
- dog walking*
- online tutoring*
- or driving for a rideshare service.*

*Lastly, while it may not be easy to increase your pay overnight, you could consider ways to use your job performance and rising inflation to get a promotion or salary increase.*

**Source: Insignia Financial**

**If you would like to discuss or have any questions, please  
contact our office on 07 4192 8900**