Surviving inflation

When inflation happens, your dollar will buy less tomorrow than it did today. Today's high rate of inflation might be due to a combination of forces. For example, historically low interest rates and COVID-19 relief funds paid out by the US government may have triggered increases in consumer demand for goods and services. Supply-chain disruptions related to the pandemic resulted in shortages of certain goods. The war in Ukraine has contributed to rising fuel costs.

Whatever the cause or causes, inflation might have you concerned about your financial well-being. Here are things you can do to protect your bottom line.

Review your spending

Take a good look at where your money's going, differentiating between needs and wants. Try to identify expenses you can do without either for the time being or for good. Are there things that are adding little or no value to your life or for which you can find less costly alternatives? For example, are you paying monthly for any subscription-based streaming services that you're not using regularly? And what if you were to make your own coffee at home each morning instead of buying it at a coffeehouse?

A household budget can help you get a handle on your spending. You can start by using the Home Budget calculator on your EY Navigate™ website or app.

Pay down debt

As part of your spending review, look for opportunities to free up cash that you could use to lower your debt. Start by targeting any balances you're carrying from month to month on credit cards. Inflation can trigger increases in variable interest rates charged on debts like credit card balances. Reducing the amount of interest you pay puts more money in your pocket.

Your EY Navigate website and mobile app offer "Reduce your debt" as one of several financial goals you can pursue by reading articles and using online EY calculators.

Pension Boards-United Church of Christ provides access to financial planning through Ernst & Young LLP (EY) at **no cost to you.**

Contact EY today

- Call an EY planner at **+1 877-927-1047**
- Log into **pbucc.eynavigate.com**

Building a better working world

continued

Build emergency savings

Start building an emergency savings fund if you don't already have one. If you ever run into a situation like high medical bills, a job loss or the need to make costly repairs to your home or car, an emergency fund can keep you from having to pile on debt just to stay financially afloat.

Try to accumulate enough emergency savings to cover three to six months of necessary living expenses. Keep your fund in a liquid and stable account that will allow you to access your cash quickly and easily if and when the need arises. For example, a money market account at a bank or a money market mutual fund can be good places to keep your rainy-day reserve.

On your EY Navigate website or app, look for the option to "Plan for the unexpected." To get a personalized estimate of the amount of emergency savings you need, use the Emergency Savings calculator on the website or app.

Consider a diversified portfolio

A diversified portfolio designed to accomplish a long-term goal should include an allocation to stocks for their long-term growth potential and history of increasing purchasing power over time. Be sure to work with an EY planner to choose a mix of investments that balances your need for growth with your comfort level with the inevitable ups and downs of the financial markets.

Talk with a professional

Speaking with a professional who understands the current economic environment can help you feel confident about your finances. As a Pension Boards-United Church of Christ member, you have access to an EY financial planner at **no cost to you**.

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