

Living Well with Inflation

What is Inflation?

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Disclaimer

This presentation series should not be construed as legal or financial advice. If professional assistance is required, the services of a competent professional should be sought.

Disclaimer

Today's presentation is education, not advice.

Can You Relate to This?



Inflation is up 9.1% since May 2021!

This is the biggest increase in 40 years!

On average, that is an extra \$500 - \$700 per month to maintain the same standard of living.

What is Inflation?



Inflation is the decline of purchasing power of a given currency over time.

As a currency loses value, prices rise and it buys fewer goods and services. This loss of purchasing power impacts the general cost of living for the common public which ultimately leads to a deceleration in economic growth.

Source: Next Gen Personal Finance

Examples of Inflation?

Effects of Inflation Over Time

ITEM	1980	1990	2000	2010	2020	2030
Postage stamp	\$.16	\$.25	\$.33	\$.44	\$.55	?
Loaf of bread	\$.51	\$.70	\$.92	\$1.36	\$2.47	?
Gasoline (1 gal)	\$.97	\$1.35	\$1.58	\$2.86	\$2.55	?
Automobile	\$6,900	\$16,180	\$18,775	\$27,500	\$37,851	?
House (median new home)	\$64,000	\$122,900	\$165,200	\$198,400	\$280,600	?

Source: Next Gen Personal Finance

Examples of Inflation?

MEETING DATE	RATE CHANGE	TARGET RANGE
March 15-16, 2022	+25 basis points	0.25-0.5 percent
May 3-4, 2022	+50 basis points	0.75-1 percent
June 14-15, 2022	+75 basis points	1.50-1.75 percent
July 26-27, 2022	+75 basis points	2.25-2.5 percent
Sept. 20-21, 2022	+75 basis points	3-3.25 percent

Source: Fed's board of governors

Examples of Inflation?

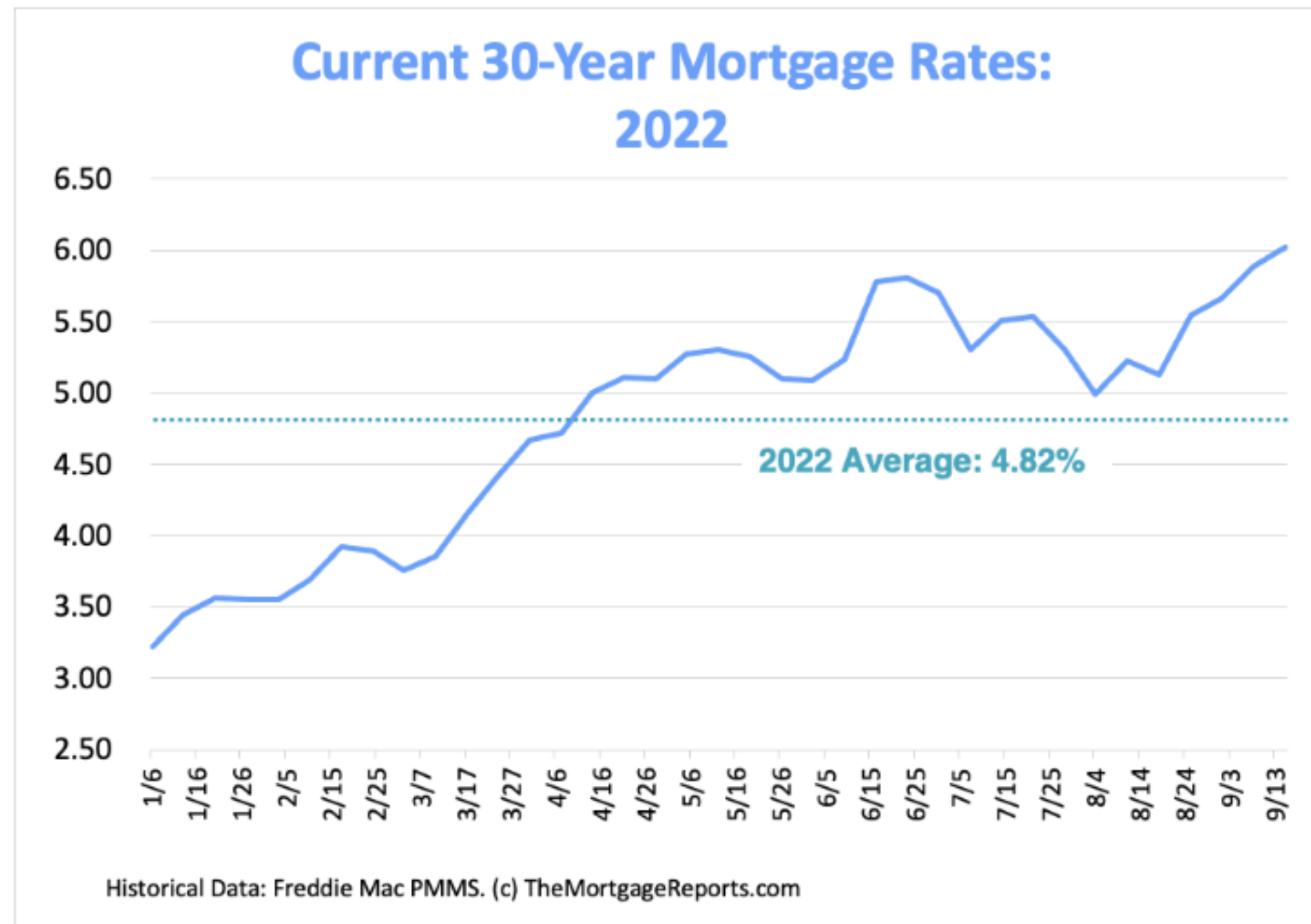
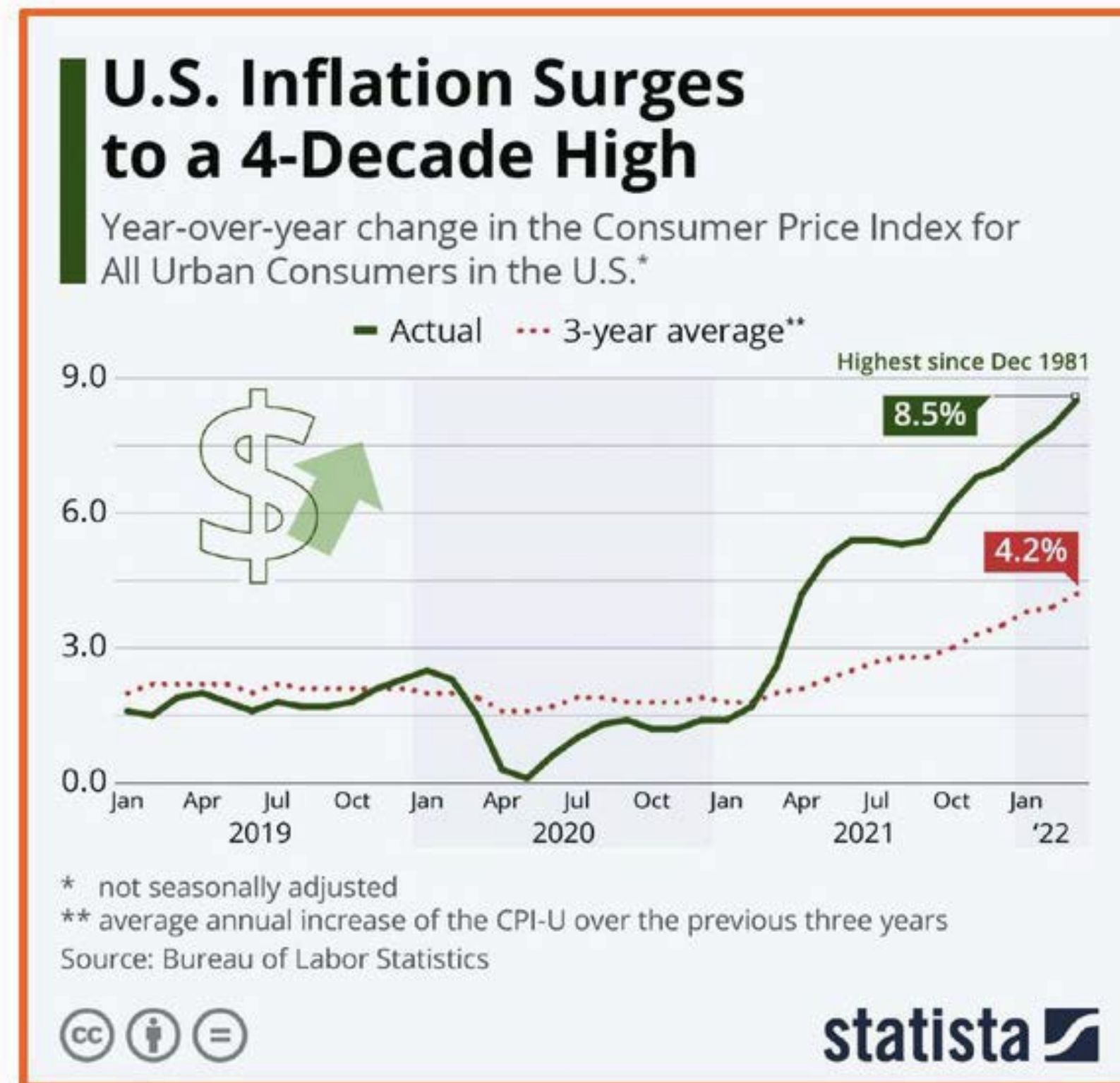
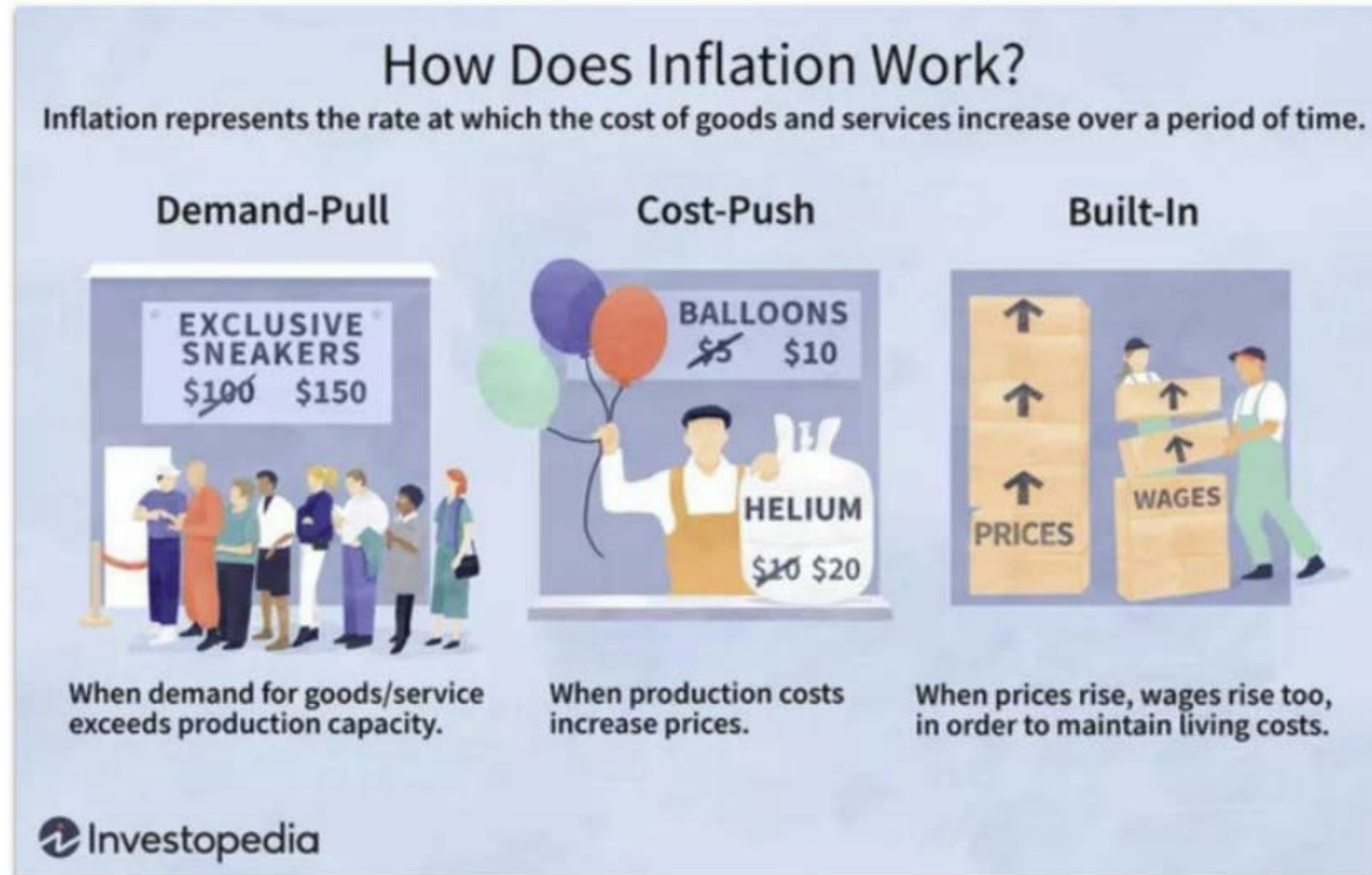


Chart represents weekly averages for a 30-year fixed-rate mortgage. Average for 2022 as of September 16, 2022. Source: Freddie Mac

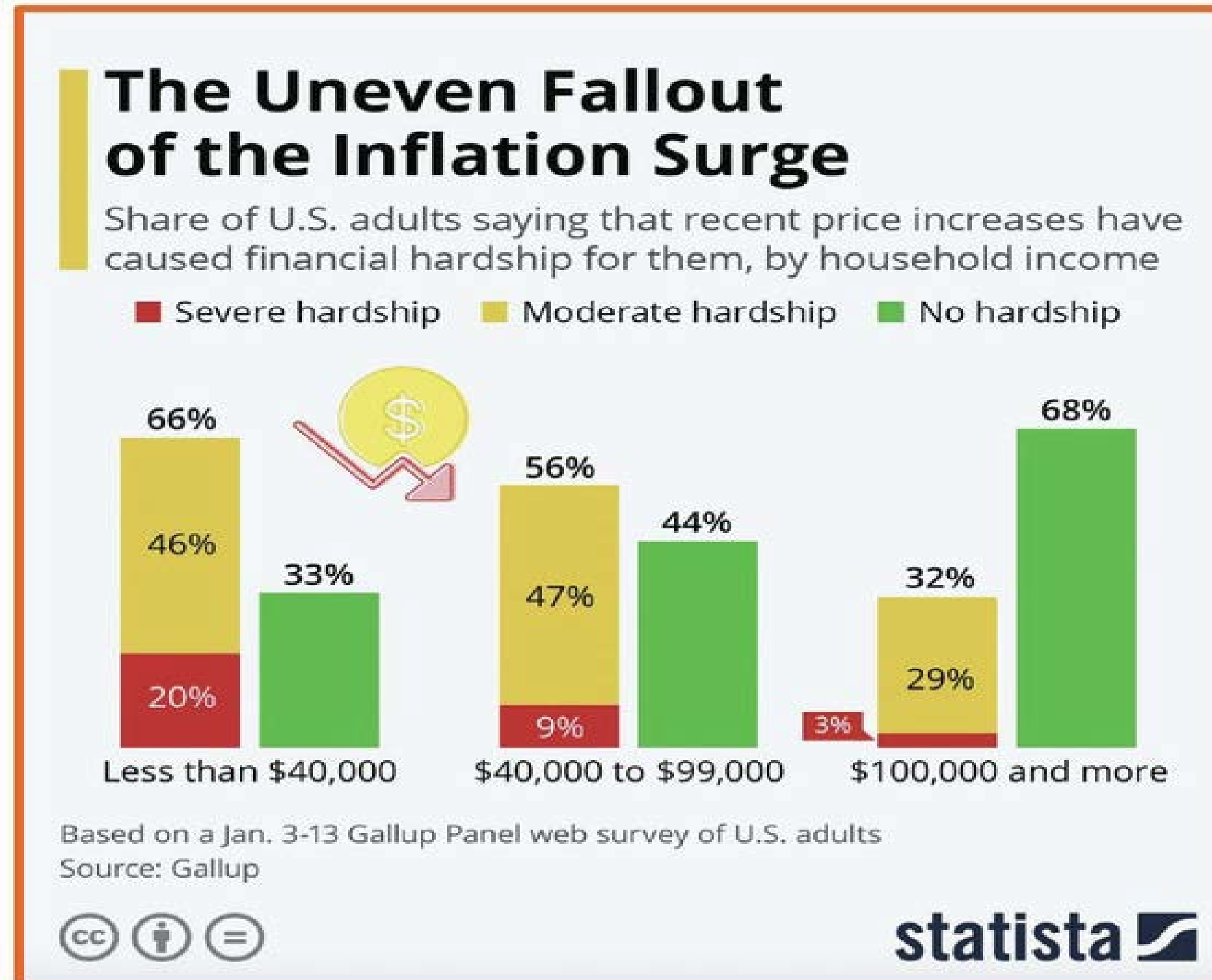
Examples of Inflation?



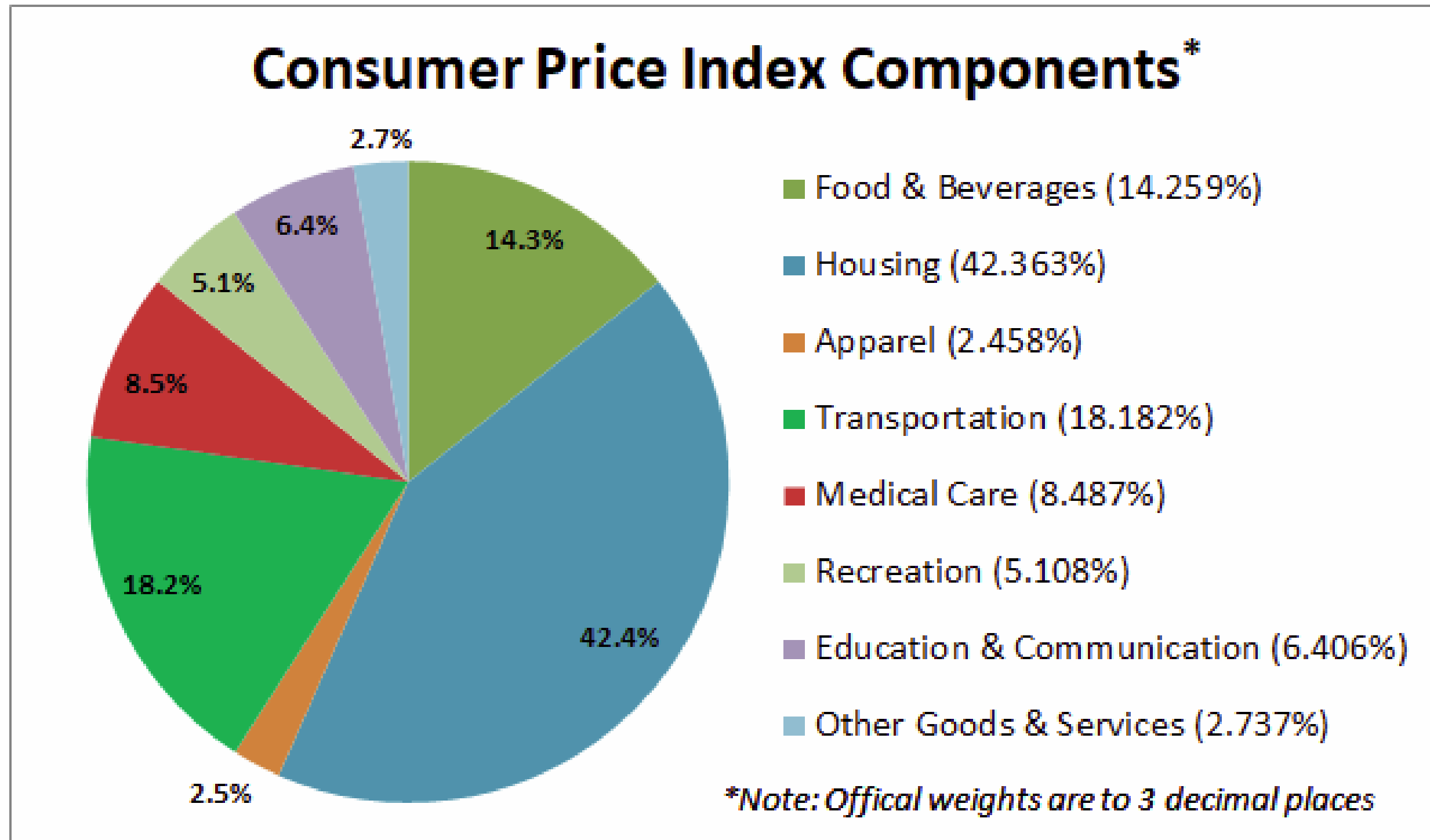
What Causes Inflation?



Effects of Inflation by Income



Personal Inflation Rate Higher



Source: BLS; The most recent annual reweighting was in December 2021

What Can We Do About Inflation?

Over this series, we will discuss practical ways we can live well with inflation. We hope you will join us for all 4 sessions. Some of the topics we'll cover are:

Building resilience

How to save more money

Save money on essentials like food and clothing

Save money on utilities, insurance, travel

Identifying spending leaks

How to pay off debt – credit cards, auto loans, etc.

Finding resources for assistance

Where to invest to counteract the increased inflation

Focusing on family and what matters most

Questions?





Thank you!

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NEXTUP!

Building Resilience to Thrive &
Grow in Inflationary Times