



## **101 Practical Tips for Managing Your Money During Periods of High Inflation**

The resurgence of high inflation has challenged the financial wellbeing of families across the country. As it results in higher prices for food, fuel and much more, it also reduces the value of money over the long-term. It is important people understand the risks inflation poses and, the steps they can take to protect their financial wellbeing.

The following tips cover topics ranging from personal budgeting, food, fuel tax, and much more. It offers a range of approaches that can be taken to mitigate the impact of high inflation, protect the value of money and making money go further.

## Personal budgeting:

1. **Get your financial bearings.** The most critical step you can take today is to get your financial bearings. As inflation erodes the value of money, it is important to have a detailed understanding on what income your household receives, and the outgoings required to keep the household operating. As you record and track your income and expenses, you also need to check where you may be able to improve on either. So, do not just record the information, question it. Can you increase income into the household? Or can you reduce expenses by seeking out better value?
2. **Keep in close contact with your lender** – Now that the European Central Bank has begun a rate increasing cycle, it will be important to manage rising mortgage costs, especially where the rate of interest is variable. If rising monthly repayments present a financial difficulty, it is important you communicate this to your lender as soon as possible. All mortgage lenders operating in the Irish market are required to assist customers facing financial difficulty.
3. **Protect your personal credit report** – your personal credit report is extremely valuable; ensure you can make payments on loans that are reported to the Central Credit Register. Therefore, it is so important to remain in contact with your lenders. Doing so will also protect your ability to access credit, if needed, in the future.
4. **Avoid loan fees, penalties.** This is extremely important. For example, on debt such as credit cards and other loans, payments made after the 'Due Date' can incur late fees and penalties. This will erode your financial situation at a time you need to preserve cash.
5. **Consider new debt responsibly.** Taking on new debt has its purpose but work out in advance exactly how much you really need to borrow. Also, ask yourself if you are borrowing for a necessity or a luxury, if the latter, question whether you can do without it at this time.
6. **Start (and grow) a rainy-day cash reserve.** This can appear to be a difficult ask during this period of high inflation, but you may be surprised at where you can identify sources of extra income including those presented throughout this article.
7. **Use a Household Budgeting Planner to make cashflow visible.** Everyone is impacted by high inflation. Use a budget planner to help you make your household finances visible. This will help you to question spending at a time you may need to really stretch your money.

## Using your money wisely

8. **Question the value of extended warranties.** Often, a new product already comes with a 90-day or 1-year warranty (when most "faulty" things will break, anyway). Extended warranties are extremely profitable for those selling them as many people may never actually need or use them.

9. **Use up those gift certificates** – gift certificates, like cash lose their buying power when inflation rises. So, make sure you use them as soon as you can.
10. **Become a 'laggard'** - Don't rush out each time just to be the first with the latest technology...wait a few weeks, or months. Prices can often drop...and a benefit is that software bugs get sorted...so you could have a better product for less cost.
11. **Switch to public transport!** With petrol and diesel costs soaring, driving has become expensive. At the same time, public transport costs have been reduced significantly. To keep your transport costs under control, consider public transport where possible.
12. **Make-it-yourself** – there has been a significant increase in the number of home delivery services of ready-made-food in recent years. This is a financial luxury that pushes up the cost of eating. Remember, you can eliminate a lot of cost here by adopting a make-it-yourself approach.
13. **Grow-it-yourself.** It can be easy to grow herbs, vegetables, and other simple foods, even if you have a small space. Grow bags can be an ideal way to develop a simple hobby, access fresh produce and connect with nature. Not only can this have a positive financial outcome, but it can also contribute to a positive sense of wellbeing too.
14. **Manage waste costs.** Your household waste collection provider may offer a range of different charges for general waste (higher) and recycling (lower). Here, it is important to manage what you dispose and how you dispose. For example, if you are disposing food that is still usable, this may result in unnecessary waste removal charges. Or if you are not separating general waste and recycling correctly, you may be overpaying...and even risking penalties from your waste collection provider.

## Food

15. **Prepare a list** - Smart shopping is the key to reducing food waste. While there can be many tempting and competitively priced multi-pack food discounts, keep in mind that in Ireland, families throw out about €700 worth of food each year. So, consider your finances...and the environment and only buy what you really need!
16. **Learn to understand expiration dates** - “Best before” and “Use by” are just two of the many confusing terms companies use on food items to alert us when a product will go stale or go off.
17. **Store food correctly** - Improper storage leads to a massive amount of food waste. Many people are unsure how to store fruits and vegetables, which can lead to premature ripening and, eventually, rotten produce. For instance, it is recommended to avoid refrigerating potatoes, tomatoes, garlic, cucumbers, and onions.

18. **Remember, food is not a modelling agency** - In a world of social media profiles, the quest for 'perfection' is ever-present. In fact, this trend has leaked its way into the food world, especially when it comes to fruit and vegetables. So-called "ugly" fruits and vegetables get passed up for produce that is more pleasing to the eye... producers have even been adjusting their packaging to suit consumer demands. But "ugly" fruit and vegetables are as nutritious as the picture-perfect versions. Be brave and do your bit to reduce food waste by choosing slightly 'imperfect' produce or better yet, direct from the farmer at the many farmers markets and roadside stands that populate the country during season.
19. **Organise and manage your fridge** - When it comes to managing your money, we always advise on keeping your money visible. By this, we mean carrying out an examination of your income and expenses, the same approach should be applied to your fridge. Clear it of clutter. This is a simple yet effective way of viewing which foods you have currently and what you really need to buy. In fact, why not apply the tactic that supermarkets apply and use the FIFO method (first-in-first-out). Of course, you can also rotate the foods to be used next by using the 'use by' dates also.
20. **Compost where you can** - Composting leftover food is a beneficial way to reuse food scraps, turning food waste into energy for plants. While not everyone has room for an outdoor composting system, there is a wide range of countertop composting systems that make this practice easy and accessible for everyone, even those with limited space. An outdoor composter may work well for someone with a large garden, while a countertop composter is best for city dwellers with houseplants or small herb gardens. Plus, composting will help reduce your household waste removal charges.
21. **Use leftovers** – While we may all enjoy a dinner made from fresh produce, leftovers used for the next day's lunch can be just as enjoyable. You should even extend this to dining out and ask to take-away any unused food that can be safely transported back home.
22. **Make green shoots from tea leaves and coffee grinds** - If you cannot fathom getting ready for your day without a hot cup of tea or coffee, chances are you generate a lot of tea leaves or coffee grounds. Interestingly, these often-overlooked leftovers have many uses including in gardening and composting. Plus, by not adding them to general waste, you will automatically be reducing your household waste charges since a lot of providers impose a specific waste lift charge.
23. **Less waist for less waste** - Ireland has an obesity problem that is getting worse. While this is a slight departure from the specific food waste reduction issue, it

still forms part of a healthy mind, body and environment approach we like to advocate for at MoneyWhizz. Making sure your portion sizes stay within a healthy range does not just help keep your weight down, it will also help you enjoy the benefits in the long run.

24. **Freeze it** - Freezing food is one of the easiest ways to preserve food. Plus, the range of food items that freeze well is extensive. For example, greens that are a bit too soft to be used in your favourite salad can be put in freezer-safe bags or containers and used later in smoothies and other recipes. During season, if you have favourite fruits, or pick them or even grow them, most can be preserved by freezing.

## Energy use

25. **Conduct a Building Energy Rating (BER)**. Do not race out to make your home more energy efficient if you do not know that it really needs it. Conduct a BER first, identify where your easiest and most fixable problems are, fix those first and then move on to taking care of larger items.
26. **Use LED bulbs** – these use less electricity and with rising electricity costs, less for them (electric company) really is more (money) for you.
27. **Do not block a ‘natural heater’** – maximise the amount of daylight your room receives as this can warm up a house. Also, keep in mind that net curtains will reduce the amount of sunlight a room receives.
28. **Position furniture** to minimise heat distribution loss. Couches positioned near radiators can absorb a lot of heat and prevent it from reaching the rest of a room.
29. **Avoid dirt build-up on windows** – it is estimated dirt build-up can reduce natural light performance by 10% and even more! A simple window cleaning can increase natural light and heating benefits.
30. **Keep an eye on your thermostat**. Lowering your thermostat by just 1°C will reduce your energy costs by a similar amount. With energy inflation surging, every cent counts and a few degrees in house heat settings should not feel too different from the usual settings.
31. **Prevent heat loss at windows** - much of the heat loss from a house occurs through the windows. Sometimes older windows may have cracked or damaged seals and handles which can be repaired or replaced for little cost. Also, keep curtains closed at night and try ensuring they do not block the radiators as this can redirect heat outwards to the window instead of inwards to the room.
32. **Close room doors** - heat just the rooms you are using. No point wasting hard-earned money heating rooms you (or others) will not be using. If you have a room that is used infrequently, you may want to reduce the radiator heat setting.

33. **Switch appliances off at night**...at the switch and do not leave them on standby. Some estimates say this will save you up to 20% of your appliances' energy use.
34. **Make better use of the timers** on your immersion or boiler so you can control when the heating comes on and goes off. This means you have heating and hot water when and where you want it.

## Tax

35. **Claiming Tax Relief** – if you have paid for a range of medical expenses during the last 4 years, you may be entitled to tax relief on up to 20% of the cost. Many people living in Ireland do not fully reclaim what is rightfully theirs. You can reclaim through your myAccount at Revenue.
36. **Reclaiming overpayment of income tax** – whether Ireland experiences a mild recession in 2022, for anyone that experiences a loss of income during the year, it may be possible they have some income tax refund entitlements. Check with Revenue for full details.
37. **Not adjusting tax after getting married** - For those that get married or enter a civil partnership, it is important they notify Revenue of the change. They will continue to be taxed as two single people in the first year and may be entitled to a refund **if it turns out there was an overpayment of tax**.
38. **Benefit-in-Kind** - Your employer might pay medical insurance to an approved insurer for you or your dependents as a benefit-in-kind. If so, you can claim tax relief from Revenue for the premiums paid.
39. **Not claiming for flat rate expenses** – Flat-rate expenses have been around for a long time and there are ongoing discussions about reform but for now, the existing reliefs are maintained. The expenses relief is for employees. It is tax back compensation for expenses certain employees are paying, for example for buying and laundering their own uniforms (like nurses, shop assistant, hotel and hospital staff, pilot, steward, physiotherapist, pharmacist, optician etc.) or buying tools (like carpenter, plumber, motor mechanic etc.).
40. **Claim back DIRT** – Now that interest rates are on the increase, some savings accounts may see a rise in the rate of interest paid on those accounts. If so, for someone (or their spouse) that turns age 65 and are within certain income limits, there is Deposit Interest Retention Tax (D.I.R.T.) exemptions on interest income earned on deposits. If you paid D.I.R.T., you could be due a refund.
41. **Staying at home – claim the tax credit** - A Home Carer Tax Credit is a tax credit given to married couples or civil partners (who are jointly assessed for tax) where

one spouse or civil partner works in the home caring for a dependent person. Presently, the maximum credit is worth €1,600.

42. **Work-from-home-relief** – As many people now work on a hybrid basis, there is increased tax-relief available on gas and electricity use beginning in 2022 with a lower rate for previous years. Remember, you have four years to submit your work-from-home tax relief claim.
43. **Rent-a-Room Relief** - If you have let a room in your home during the last 4 years, the income you receive may be exempt from tax. The annual exemption for the relief is €14,000 and you can claim for up to 4 years in arrears.
44. **Tax relief on education expenses** - The maximum amount of **fees** (including the Student Contribution) that can qualify for **tax relief** is €7,000 per person per course. Full-time student: There is no **tax relief** on the first €3,000 spent on **tuition fees** (including the Student Contribution) for the current academic year.

## Insurance

45. **Pay single premium** as opposed to monthly. This applies to car insurance, home insurance as well as some other insurance costs – you could save 5% or more!
46. **Review 'Sum Insured' on your home contents cover** – Contents insurance covers clothing, personal effects, valuables, and money possessions you would take if you were moving house, or anything that is not a fixed feature of your home. For this, you want to make sure you are insured.
47. **Review replacement costs – replacement cost** refers to the **cost** to rebuild your home on its existing site, to build to the same quality and using the same materials. Make sure you have the right level of cover. This is important as the general costs associated with property have risen significantly in recent years. So, while it might result in a slightly higher premium costs, the long-term benefit is that the appropriate level of cover is in place in the event of a claim.
48. **An old favourite - quit smoking and slash your Life protection costs** - if you have quit smoking for more than 12 months remember to update your Life protection cover details with your provider. Policyholders could generate savings of 10% or more.
49. **Car Hire Excess Cover**–Now that people are travelling again, one area of insurance that is often overlooked is car hire. A car hire excess policy is designed to offer additional protection when hiring a car. Policies can be less expensive than those offered by car hire firms.
50. **Drug payment scheme**. Under the Drugs Payment Scheme (DPS) an individual or family will pay no more than €80 each calendar month for approved prescribed drugs and medicines and rental of certain medical equipment. If you do not have a medical card and you pay more than €80 a month, you should apply.

51. **Tax Saver Car Insurance Discount** – Some car insurance companies may offer a discount if driver uses public transport to work (TaxSaver). Savings can be as high as 20%.
52. **Insure yourself against financial ruin.** Health is your greatest asset, without it, you cannot work. Protect it and insure against ill-health. Medical bills can add up quickly and is one of the biggest causes of severe financial difficulty.
53. **Higher deductible / excess.** Consider a higher high excess (also called a 'deductible') on some insurance policies (or sum insured for protection policies) if you are finding it difficult to pay the annual premium. This can be one way to maintaining essential cover through a period of high inflation. Remember, you can always change this later if your circumstances change. Check with your insurance / protection provider to ensure you are fully informed.
54. **Prepare for the unthinkable**—Examine whether you have enough life protection in place to replace at least five years of your salary, ten years if you have children or significant debts.
55. **Do not be over-insured.** If you are single and have no dependants, examine whether you could be over-insured if you have several existing policies presently. Talk to a financial adviser for guidance.
56. **Consider the cost of insurance before you buy a car.** Typically, the more expensive your car, the higher your insurance cost will be. Take this into account when buying.
57. **Bundle** – check out if there are any premium discounts for buying car insurance and home insurance from the same provider. Many typically offer multi-policy discounts.

## **Investing (to grow money)**

58. **Learn about risk and use it to grow your money** – investment risk is essential to maximising your chances to beating inflation. So, learn about ways to diversify your investments while simultaneously maximising investment growth potential. There are many excellent investment funds that can provide a channel to helping you achieve this.
59. **Do your own investment homework.** Picking stocks can be extremely risky...do your research and do not 'follow the crowd.' Using a 'herd mentality' is not an investment strategy.
60. **Plan for losses** – if you cannot afford to lose money with investments then you should not be investing.
61. **Be smart and do not be greedy** – if your stocks or investments are doing well, sell some and take your profit. If your stocks or investments are doing badly – sell before losses increase. Over time, cashing in on your gains and limiting your losses should help generate a positive return.
62. **Minimise investment management fees.** This is especially important when making long-term investments. Fees can significantly reduce the overall rate of

return for the individual investor. There are a growing number of investment channels and 'platforms' that support this in a very cost-effective way.

63. **Do not rely on past performance.** Just because a stock has performed well in the past is no guarantee it will continue to do so. This is more important than ever. As inflation remains high and central banks are prone to increasing interest rates even more, many companies that sell their shares to the public will be under pressure to generate profits. Companies that fail to do so may see their share prices fall.
64. **Learn to read financial statements and key performance indicators** so that you are better prepared to make informed investment decisions. This includes a Profit & Loss statement, Cashflow and Balance Sheet.
65. **Think long-term** – stocks are high risk and historically, they have also been high reward but as inflation has taken off in recent months, this has suddenly changed. So, invest after you have done your homework and with money that you will not need in the short to medium term. Typically, you should be planning for investment timeframes of 3 years or more.
66. **Match your age with your investment strategy** – a good rule of thumb is to hold stocks when you are younger and migrate to bonds (and cash) as you get closer to retirement age. Stocks are higher risk; bonds are normally lower risk. Of course, if investing is totally confusing to you, invest in a professional financial adviser.
67. **Diversify** - Question investing more than 10% of your portfolio in any one company... even if you feel it is a "sure thing". Of course, if you are investing via a company occupational pension scheme or Personal Retirement Savings Account (PRSA), diversification will be managed automatically. This is the same if you use other managed funds that manage and diversify the investment risk automatically.
68. **Maximise the power of compound interest** – the younger you begin saving and investing, the better off you will be. Keep in mind that compound interest works better with time.
69. **Understand it before you part with your money** - If you do not understand how an investment works, then do not part with your money. As mentioned above, research first, buy later but exercise caution. There is a lot of great investment information available in the public domain now. However, there are also a lot of publicity-seeking investment 'guru's' that will have their own agenda...which may not include your financial wellbeing.
70. **Seek professional help** – they can really provide a high level of support – but make sure you understand their costs (and follow the rules listed).
71. **Always sign-up** - many companies offer employees access to Occupational Pension Schemes. Where available, sign-up!
72. **Use an AVC** – if you are signed up to a company-sponsored Occupational Pension Scheme and you are not taking advantage of the maximum level of tax-relief you could, use an Additional Voluntary Contribution to close the gap.

73. **Make a Will.** Nobody likes the thought of dying but if you have family, a Will takes a lot of the legal and financial hassle out of sorting your affairs later, it can also avoid an estate becoming entangled in a protracted legal process which can prove extremely costly for beneficiaries.

## Homeownership

74. **Take a DIY course** and learn to make modest home repairs yourself – it can save you a bundle! In fact, there are many excellent online tutorials.
75. **Be selective when purchasing DIY tools** - Keep equipment purchases to a minimum, to get your home DIY skills up to scratch, you just need the basics to begin with: a hammer, screwdriver set, paintbrushes, duct tape, a vice-grip and measuring tape.
76. **Clean out gutters annually** – leaves, moss and dirt can build up in gutters over time. This can cause blockages and lead to water damage so run an old paintbrush through them once a year.
77. **Bathrooms and kitchens.** If you plan to spend, these are the rooms where a little investment can add the most value in case you ever plan to sell.
78. **Use a surveyor when you buy a house** – they can really give you a heads up on potential and expensive problems that may arise, but which are not apparent when you do that walk-through.

## Borrowing

79. **Refinance.** With mortgage costs on the increase, it should be possible for many mortgage holders to switch to another provider for better value. This is because of rising property values where the loan-to-value ratios have improved significantly in recent years. Use the financial comparison calculators on the Competition & Consumer Protection Commission website to compare options.
80. **Understand repayments.** Calculate the monthly repayment amount, repayment period and borrowing cost before taking out a loan. Work out a monthly budget and list out all the income and expense items. Consider your ability to repay the loan.
81. **Compare the borrowing cost** of different loan products based on the Annualised Percentage Rate (APR), this is the actual cost of a loan!
82. **Select an appropriate type of loan** – regulated moneylenders are permitted to charge up to 200% APR for short-term loans making them one of the most expensive in the country. There are many more less expensive options in the market.
83. **Reduce and eliminate high-cost loans** – credit card debt is expensive. However, it may be possible to switch an existing balance for better value to another provider. Some lenders will also support customers to switch to a term loan, which can reduce the cost of credit significantly.

84. **Understand what ‘minimum payments’ really mean** – on credit card balances, you can repay the balance in full, or you can make a ‘minimum payment’ also. In the case of the minimum payment, keep in mind that while it can be financially convenient, it means that you will end up paying a lot more interest as a result.

## **Saving**

85. **Set a savings goal**– Ideally, one should strive to save 3-6 months day-to-day living expenses for any emergency. But even saving €1,000 can make a significant difference to the financial wellbeing of a family. If you can save €11 per day for 90 days, this will put €1,000 into your rainy-day fund. If inflation is crimping your ability to save, then adjust your daily goal or timeframe.
86. **Pay off high interest debts before you start saving.** Earning 0% or .5% in your savings account is not going to do much good if a recurring credit card balance is costing you 17% per month. Pay off the high interest debt first. You will be far better off eventually. Read more about using both the Avalanche and Snowball techniques on [www.moneywhizz.org](http://www.moneywhizz.org)

## **Back to school**

87. **Identify re-use items!** A few days before you begin buying items, conduct a full check of all what may be re-usable (clothes, books, and accessories). While it may not be many, especially when it comes to books, it is still a worthwhile exercise if it results in a lower spend. Additionally, it will also help you double-check your shopping list.
88. **Exchange with family or friends** - Have you ever considered an exchange plan with friends and family? You may find that while you cannot recycle some of last year's books and clothes yourself; you may find that you have a friend or family member (or relative) with which you could exchange.
89. **Buy only what you absolutely needed** - This is where having a list comes into play. These concepts (planning, inventory-take, budgeting) are not new concepts, it's just that some people stopped using them. Now that inflation has returned vigorously, it is time to put some time-honoured practices into play. Again, if your list is well planned and you stick with it, remaining within budget should be an easy affair.
90. **School Insurance** - This is a nice little insurance programme for students and covers a lot of medical bills. It could save you a bundle when it comes to doctor visits and any medicine costs. The cost of an annual student plan can be as little as €20 but check with your school if they offer the programme.
91. **Back to School Clothing and Footwear Allowance** - The **Back-to-School** Clothing and Footwear Allowance is available to qualifying parents to help towards the

costs of clothing and footwear. Full details are available on [www.welfare.ie](http://www.welfare.ie) or on [www.citizensinformation.ie](http://www.citizensinformation.ie).

92. **Look for bargains year-round** –Do not wait until the new school year is upon you to search for back-to-school bargains; keep looking all year! This way, you should be in a better position to budget.
93. **Use the opportunity to tutor your children about money and budgeting.**  
Back-to-school shopping provides an excellent opportunity to teach your children money management skills. Use the time to start a discussion about saving, planning, and spending to teach children how money works.

## Phone costs

94. **Do not fall for the shiny new phone** - some phone service providers still offer a new phone as part of their 'bundle' offer. However, it means you can end up paying much more for it than necessary when the cost of the phone calls and data use are all factored in. Do not fall for it! Do your homework in advance, identify how much data you need and if you really need that 'free' phone that you will end up paying for regardless.
95. **Shop the market** – Make sure you fully research all service providers. While this will require an investment of time on your part, it means that you can identify which provider has the best package to suit your needs and budget.
96. **Know your Plan:** Understand exactly how many talk-time minutes you are entitled to under the plan. If you go over, it can really cost you a bundle.

## Career and Education

97. **Keep learning:** Keep increasing your value. If you are currently working from home (or not working), look for ways to increase your own personal value. Use online resources to up-skill. Learn to master an everyday task or skill. Learn how to problem-solve. If you have spare time, take a course. Learn DIY and do home repairs...it all adds up so never stop learning.
98. **Consider technical colleges and evening classes.** There are many ways to continue education and not everyone is ready for full-time college at 18 or 19. It really is never too late to begin.
99. **Take a cookery class** – learn to make your own meals and cut out the cost of eating out or ordering out.
100. **Use the 50:30:20 rule to get your financial bearings.** So, for any take home pay, use 50% for household 'needs', 30% for 'wants' – which should include in the main, items that are nice to have but something without which you can live. The final 20% is for savings and this can include money saved towards a pension (PRSA, AVC and Occupational Pension Scheme) or paying off a mortgage or saving towards a future savings goal.
101. **Remember, it is your money...**you work hard to earn it. Make sure you protect it and make it work for you!

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