

INVESTMENT STRATEGIES

Incorporating Inflation into Financial Planning

Rising inflation erodes purchasing power over time. This resource provides practical tactics across three key areas to help protect your financial plan.

Tactics for Managing Debt: Pay down or consolidate debt at lower rates; lock in rates when inflation shows signs of rising (mortgage, credit cards, line of credit).

Tactics for Contingencies: Review life insurance and critical illness coverage for higher cost of living. Consider segregated funds that provide deposit guarantees and may lock in growth.

Tactics for Managing Cash Flow: Review discretionary spending. Reduce entertainment costs and defer non-essential purchases.

Investment Considerations:

- Investing vs. Saving - Take on appropriate risk to preserve and grow investments over a long horizon
- Diversify - A properly diversified portfolio manages inflation risk across asset classes
- Dollar Cost Averaging - Invest the same amount at regular intervals to reduce timing risk
- Adjust, Adapt, Amend - Build flexibility into your financial plan to respond to inflationary pressures