



5 Tips To Survive *(and thrive)* In A Recession

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Ok. Unless you have been living under a rock, you know we are dealing with some pretty big inflation in the U.S. right now.

And according to the Bureau of Labor Statistics latest CPI report, the stuff we buy every day is 8.6% more expensive than it was 12 months ago. Within that average, some items have seen a tremendous average price increase in the last year:

- Gasoline is up 48%.
- Food is up 11%.
- Cars are up over 12%.
- Electricity is up 11%.

So if your personal finances feel tighter, you aren't crazy; they probably are. While we can't control the economy, it makes sense to focus on the things that we can control so we can make it less bad.

So with that, here are 5 practical strategies to survive and thrive during a recession.

1. Stock up on items you regularly use

Buying items that you know you will use in the year(s) to come (at today's prices) is one of the simplest ways to fight back against inflation.

Think of it like this. If food prices continue to rise and are 11% higher a year from now, then any food you buy now with a long-shelf life will be like buying at an 11% discount from next year's prices. So if you have a deep freezer or a large pantry, you can easily stock up at today's prices rather than the prices of 3, 6, or 12 months from now.

And if you combine this strategy with buying on sale items (i.e., buying ground beef during a 20% off sale), you can amplify your savings.

So think about all the items you regularly and consistently use and consider stocking up if possible. This could be any type of food with a decent shelf life like pasta, canned goods, rice, or other pre-packaged items.

But also consider all the household items you consistently use like soaps, shampoos, toothpaste, batteries, or even toilet paper (just in case there is a repeat of 2020).





2. Know exactly where your money is going

If you don't know exactly how much you are spending on food, household items, and entertainment each month, then you are probably spending more than you realize.

This is why it is so important to know and pay attention to where you are spending. When you know exactly how much you are spending on X each month, you can quickly and easily identify problem spots and then fix them.

One common problem spot is unused subscriptions. According to Chase 71% of Americans waste over \$600/year on subscription services they aren't even using. This doesn't even account for subscriptions they aren't aware of.

Our [Real Money Method Course](#) is designed to help you do just this. It helps you not only identify exactly where every dollar is going, but also set up an incredibly simple system to manage the day-to-day with your money so you can have some leftover each month.

3. Reduce your fuel expense

It's no secret that gas-prices are painfully high right now. So focusing a little energy on reducing your fuel usage can have a big impact for active drivers.

One of the best gas saving tips is to stop driving aggressively. Automotive company Edmunds did a study that revealed that just eliminating aggressive driving reduced fuel consumption by an average of 31%.

That's like reducing your price per gallon from \$4.50 to \$3.10. With a 31% reduction, the savings can quickly add up.

According to Edmunds, "If you slowed your 0-to-60-mph acceleration time down from your current 10 seconds to a more normal city pace of 15 seconds, you'll feel the savings immediately."





4. Store less in savings accounts

Yes, saving money is incredibly important during times like these. But with average savings rates around 1% and an inflation rate of 8+%, it is important to consider where you are putting your money.

You would never sign up for a savings account that had a negative 7% interest rate - right? Well, that is essentially what is happening in our savings accounts right now (i.e. ~1% savings rate - ~8% avg inflation rate = ~7%). Sure, your actual savings balance isn't being reduced by 7% each year, but your spending power (how far your dollars go) is being reduced by about an average of 7% at the moment.

While having some cash set aside for emergencies is still a good idea in an inflationary environment like we are in today, you definitely don't want too much cash sitting in a savings account.

Instead, consider TIPS or I-Bonds which are government-backed bonds that keep pace with inflation. For example, at the time of this writing you can buy a series I Bond that is currently paying 9.62% which is 10 times more than even the best savings account rate right now.

(For more on all this check out our [10x Investing course](#))

5. Remember that God is still on the throne

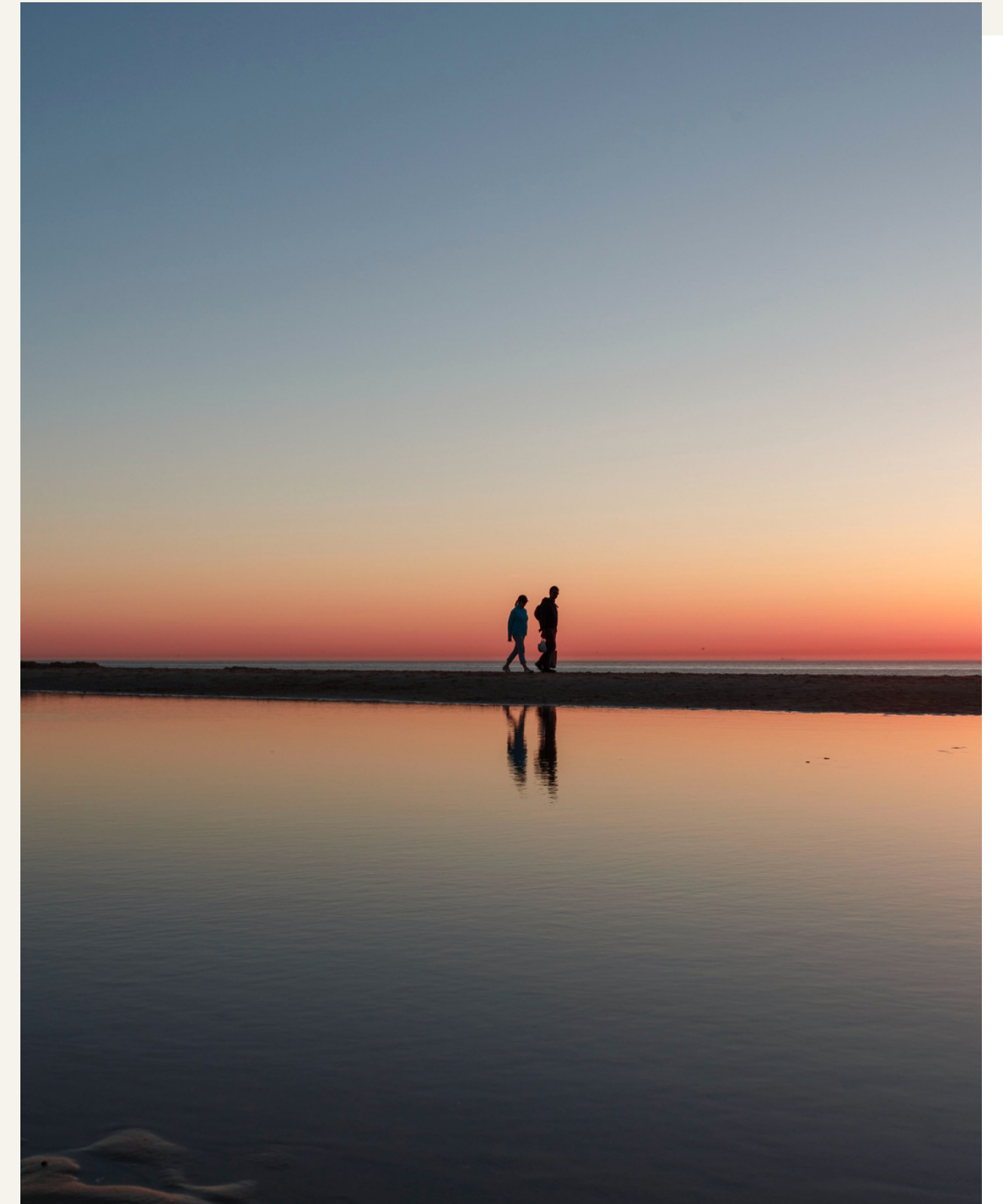
The truth that we must never forget in times like these is that God is still on the throne, and even though our earthly economy may be shaken, God's economy is as strong as ever.

He is still our source, so even if our salary isn't keeping pace with inflation, God is the one who is responsible for taking care of our needs - and He will always do a better job than you and I ever could.

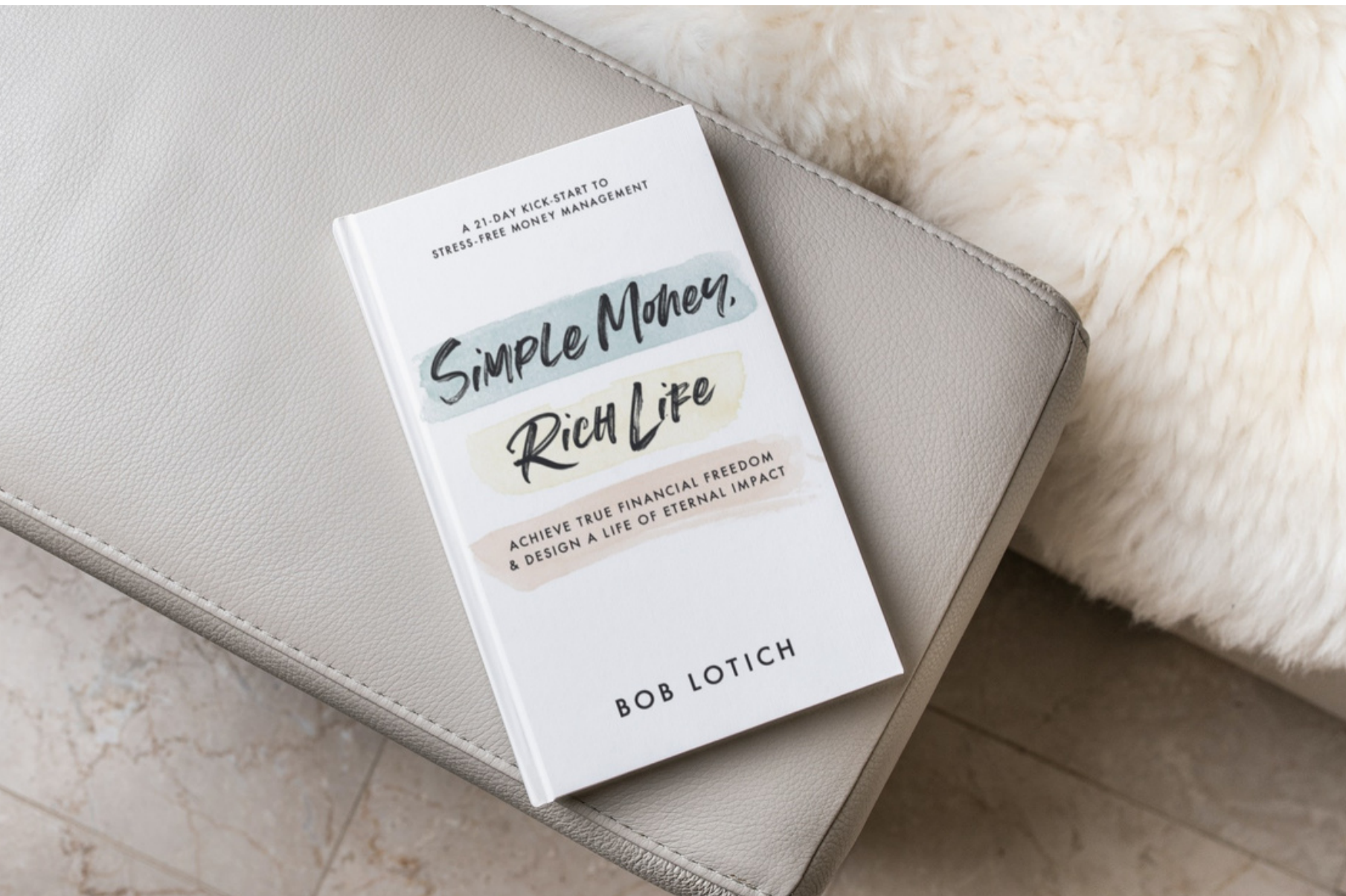
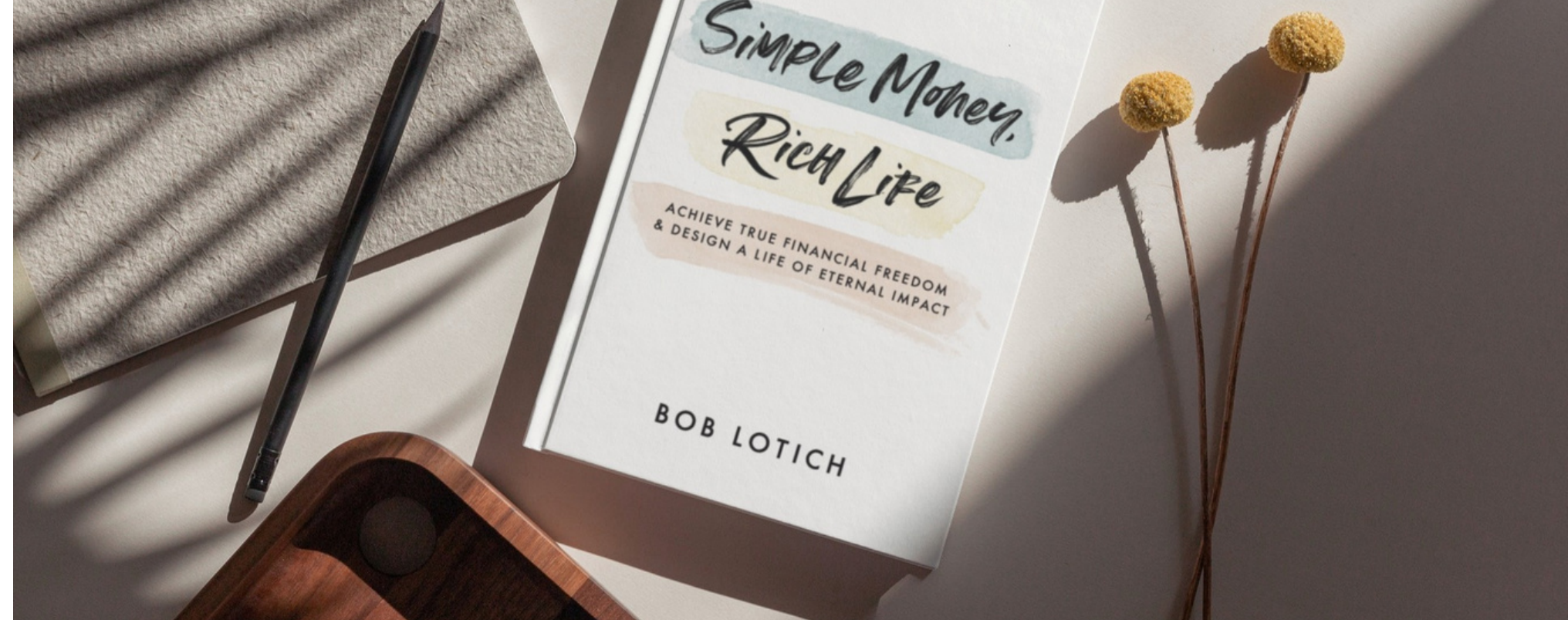
And when I find myself in the position of fearfully clinging to the money draining in my account, or frustrated with the prices of gas and groceries, I always sense Him gently reminding me that He is my source and my trust needs to be in Him.

And we are at our best when we remember that Phillipians 4:19 has always been and will always be true: "My God shall supply all your need according to His riches in glory by Christ Jesus."

So, do yourself a favor and write this down and meditate on it day and night until peace comes.



Next Steps:



I hope you got some useful ideas in this guide. If you want to take things to the next level, I recommend grabbing a copy of my best-selling book [Simple Money, Rich Life](#).

It lays out the 4-part formula we followed (that you can copy) to go from being completely broke and unprepared financially, to paying off over \$400k of debt, earning more, doing work we love, and even reaching a personal goal of giving away \$1 million by age 40.

Regardless of where you are on your financial journey, know you aren't alone. Linda and I are praying for you!

Your friend and coach,
Bob Lotich