

Lifestyle Inflation. 11 Ways to Beat It

Is lifestyle inflation ruining your financial goals? It starts with something positive. A pay raise. A new side hustle is taking off. Suddenly, there's more money in the bank.

But in that case, why does it feel like you aren't getting anywhere with finances? Maybe, despite the income increase, you look at your budget every month to find that you're out of money far too quickly, and you aren't sure why.

The answer is lifestyle inflation. I'll talk about what it is, why you don't want it, and how to beat it with these 11 ideas.

What is Meant by Lifestyle Creep?

First of all, lifestyle creep and lifestyle inflation are the same thing and can be used interchangeably. But what is it?

It means that as your income increases, your spending increases right along with it. Suddenly, things that used to be luxuries are part of your daily life and are now considered necessities.

It may start innocently enough. You tell yourself you can afford to grab a fancy cup of coffee once a week now that you make more. But soon, it's an everyday habit costing you \$100.00 a week. This is just one example, though.

When this happens, you've fallen prey to lifestyle creep. It makes saving a challenge.

You won't feel like you have any more money than before, even though you make more, because all of it is going back towards your new, shiny lifestyle.

The negatives of lifestyle inflation are things like overspending, lack of financial planning, feeling like you don't have enough money, and confusion due to all of these factors. But you aren't stuck – you can change things!

How Do You Reverse Lifestyle Creep?

It's time to face the truth. No one is spending your money for you, after all.

Somewhere along the way of higher pay rates, things that are actually wants became confused with needs. Before you can fix this issue, be honest with yourself.

What is a want? What is a need? If you aren't sure, let's take a look at this list:

Needs	Wants
Groceries	Streaming services for TV
Rent or mortgage payment	Grocery delivery
Electricity and utilities	A nice car
Transportation	A larger house
Basic clothing	Designer shoes



Some things are obviously not necessities, but others could be much easier to integrate into your lifestyle without realizing it, like TV streaming subscriptions. Ask if you need it to survive or is it just something that seems fun or new?

Does Lifestyle Creep Affect You?

Maybe you think lifestyle inflation is a problem for you, but you aren't sure. How can you tell?

Are you still living paycheck to paycheck despite increases in earnings?

When you start to make more money, your first thought might be excitement that you could save or invest more.

But what if that doesn't happen, and you are still living paycheck to

