



What if Inflation Never Drops in 2022? Learn These 10 Ways to Make Life Less Expensive

Description

Remember when we used to call our heavy inflationary period “transitory?” Well, it’s been almost a year since high inflation became the centre of the media’s attention, and, by the looks of it, it’s not going away anytime soon. Unless the Bank of Canada can work some magic — don’t count on an interest rate hike making a difference — we could be having the *same* discussion this time next year.

So, how can you save money if inflation never lets up in 2022? Here are 10 key ways you can make life under inflation less expensive.

1. Slash your grocery bill

By now, it’s no secret: inflation has hit grocery stores the hardest. According to Canada’s Food Price Report, restaurant meals, dairy, vegetables, and bakery items will increase between 5% and 8% before the end of 2022, with the average family spending about \$1,000 more on food.

But here’s a big find: the same report claims that products about to expire will be discounted by about 25% to 50% in 2022. Furthermore, those with vegetarian and vegan diets will spend less than those who consume more meat. Couple these two facts with some crafty cooking (cook foods about to expire, then freeze them), and you could save on groceries.

2. Cut monthly subscriptions

Take a look at your recurring expenses. Do you *really* need three news memberships and four video streaming subscriptions? This month, let’s cut the excess from your subscriptions. You can also re-enroll when your budget is less tight.

3. Use cash-back apps

If you're not earning cash back, whether through an app on your phone or through a website, now is the time to start. In fact, you might be able to outpace inflation with the right cash-back strategy: 5% back on groceries, for instance, could help you earn back what inflation takes away.

4. Double-dip with cash-back credit cards

But don't stop at cash-back apps. With a cash-back credit card, you can earn *double* the rewards: both cash back through your apps and through your credit card. Check out [Canada's best cash-back cards](#) to get started.

5. Open a new credit card and earn a welcome bonus

Speaking of [cash-back credit cards](#), 2022 might be the best year to earn a welcome bonus. These bonuses can be super lucrative — some can be \$400 — and you can typically apply the bonus as a statement credit or transfer it into your chequing account.

6. Use loyalty programs

Loyalty programs are another way to double-dip. Many retailers will allow you to earn cash back on your loyalty card, then use a cash back or rewards card to cover the purchase. In this way, you'll earn double the rewards in one transaction.

7. Stop driving

Gas is another expense that's rising dramatically across Canada. If you want to save on gas, perhaps the best way is to — yep — hang up your keys and stop driving. Of course, you can always carpool with your colleagues or use an app, like Poparide, to find people who are going in the same direction as you.

8. Learn gas-efficient driving techniques

If you *can't* stop driving, then maybe you can learn how to drive more efficiently. For one, avoid high speeds and frequent acceleration (the most fuel-efficient speed is between 50 and 80 km per hour). Likewise, avoid unnecessary idling, as idling is extremely fuel adverse. Be sure your tires are properly inflated and remove unnecessary weight from your car (such as unused bike and luggage racks).

9. Pick up a side hustle

If you can't cut your spending, then perhaps a side hustle can help you manage it. You might even want to engage in passive income, using dividends from stocks or renting out a room in your house, to help you make up the difference.

10. Stop paying credit card interest

Finally, now might be the best time to pay off your credit card debts. I understand this might not be easy for Canadians who are living paycheque to paycheque, especially those who struggled to pay off their debt before inflation and now struggle even more. But just know — you do have options.

One is to take out a [balance-transfer credit card](#), one with a low introductory APR. The low APR period, usually six months to a year, helps you pay less in interest. Even if you can't pay off the entire balance before the promotion ends (though this is preferably if you can), you can cut your interest payments significantly, helping free up your budget for other essential expenses.

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