How to Manage Your Financial Plan **When Everything Costs More**

IMA Private Wealth

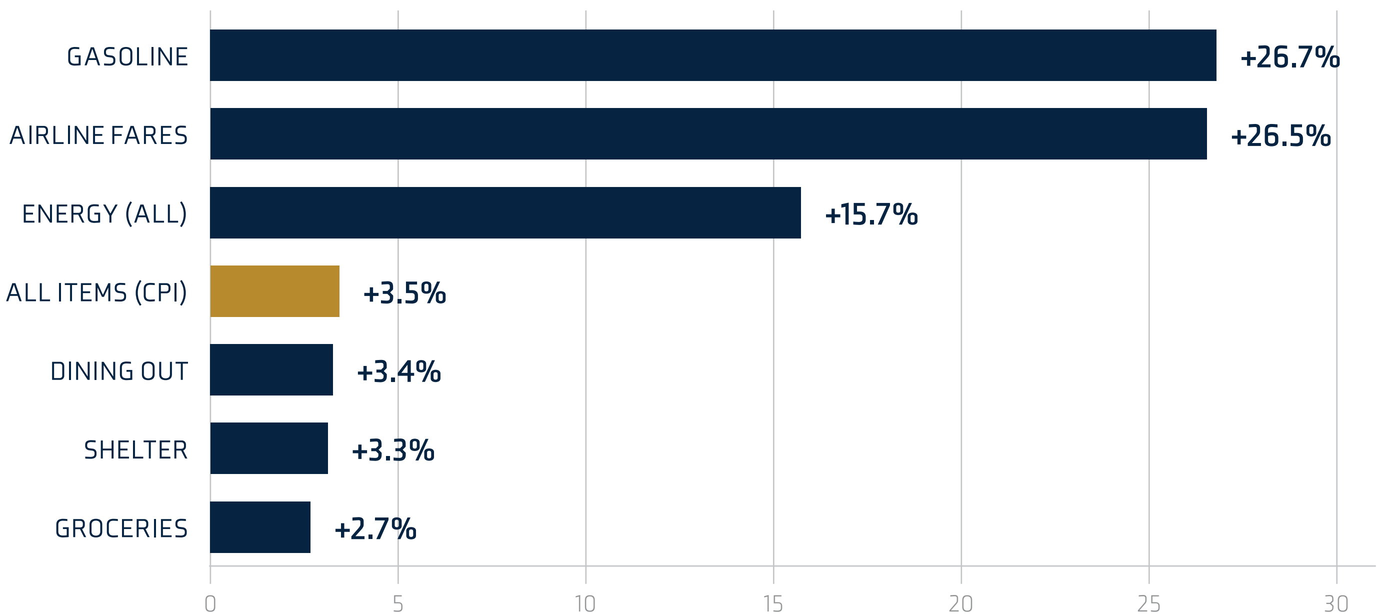
Inflation, tariffs, energy costs, and high interest rates. These aren't just scary headlines — they have lasting impact on household budgets.

Here's how to keep your long-term plan on track.

Prices are no longer climbing the way they were, yet the cost of everyday life hasn't come back down. Instead, it's reset higher and largely stayed there. From groceries and housing to energy and the cost of borrowing, households are spending more on nearly everything, and that pressure adds up in ways that are easy to underestimate. When more of each paycheck goes to covering day-to-day expenses, less is left to save and invest. Left unmanaged, a higher-cost environment can push people to lean on debt, draw down cash reserves, or pause the very contributions that keep a plan on track. These pressures are manageable with a clear strategy. Here are five things worth discussing with your IMA advisor.

THE COST OF EVERYDAY LIFE HAS RESET HIGHER

Consumer prices, 12-month change by category



Source: U.S. Bureau of Labor Statistics (CPI, June 2026); Freddie Mac PMMS (7/30/2026); U.S. Bureau of Economic Analysis

3.5%
OVERALL INFLATION (12 MONTHS)

6.66%
30-YEAR FIXED MORTGAGE

3.0%
PERSONAL SAVING RATE (AVG. SINCE 1959: 8.4%)

1. RECOGNIZE THE NEW BASELINE

Build your plan and budget around today's cost of living, not the lower price levels many households remember from a few years ago. Just as important, understand your household's personal inflation rate. Not every household experiences inflation the same way. Spending patterns, life stage, geographic location, travel habits, health care needs, and family responsibilities can all affect how rising costs show up in daily life. A retiree with meaningful travel and health care expenses may feel inflation differently than a family with children at home or a household with higher housing and transportation costs. Reviewing where your own expenses have changed can help determine whether your spending, savings, and withdrawal assumptions still fit.

2. RECALIBRATE YOUR CASH & LIQUIDITY NEEDS

Higher costs raise the baseline amount of cash many households spend each month, so the reserve that felt appropriate a few years ago may now be too low. At the same time, cash should still be managed intentionally. Money market yields and short-term rates can shift quickly, and after inflation, the real return on idle cash may be lower than expected. The goal is to hold enough liquidity to comfortably cover near-term needs and unexpected expenses, while ensuring excess cash is positioned appropriately based on your goals, tax situation, and time horizon.

3. REVISIT YOUR INCOME PLAN & TAX ASSUMPTIONS

Rising expenses can affect more than the household budget. For retirees, business owners, and high-income families, higher spending needs may require larger portfolio withdrawals, higher taxable income, or different timing around distributions. While some tax brackets and deductions are indexed for inflation, not every tax threshold adjusts the same way, and some, such as the net investment income tax, are not indexed at all. Households whose expenses are rising faster than the national average may also see their tax picture change as income needs increase. Reviewing cash flow needs alongside tax projections can help reduce surprises and keep spending decisions aligned with the broader plan.

4. LET DIVERSIFICATION DO THE HEAVY LIFTING

A higher-cost environment rewards portfolios spread across assets that respond differently to inflation and interest rates. Thoughtful diversification may help you pursue your goals while cushioning the impact of single market or sector downturn.

5. ANCHOR DECISIONS TO YOUR LONG-TERM GOALS

Headlines change daily but your financial goals should be forward-looking for years or even decades. Often the greatest risk isn't a difficult market, it's reacting to short-term noise in ways that pull a sound long-term plan off course.

TALK WITH YOUR IMA PRIVATE WEALTH ADVISOR

Your IMA Private Wealth Advisor is a trusted partner to help you plan for your future. Schedule time to review your portfolio, your liquidity needs, and your long-term financial goals.

Visit us at *imaprivatewealth.com* or contact us by calling 316.266.6574 or 877.305.1864 (toll-free).

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