

# HOW TO | AVOID THE DREADED LIFESTYLE CREEP



The more money you make, the tougher it can be to avoid “lifestyle creep.” This term refers to the insidious way we spend more as we make more.

As your income goes up, you allow your spending to rise right along with it. Suddenly, despite making more than you ever have, you’re still stuck living paycheck to paycheck. Here are some ways to avoid lifestyle creep and the negative impact it can have on your finances.

## **STAY VIGILANT**

When you don’t have much money, you’re basically forced to keep a close eye on it. If you start making more money, it can be tempting to think “Oh, well, no need to monitor my budget anymore.” Don’t make that mistake. Keep detailed notes on spending/saving just like you always have. That way if your spending does increase, you’ll notice it right away and cut it back.

## **BUMP IT UP**

As your salary increases, so should your savings. As USA Today suggests, set up auto deposits into retirement, savings and emergency fund accounts and increase those amounts every time you earn more.

## **MAKE SPACE**

You’re earning more money, so you’ve earned some additional fun, too. Make sure you’re spending mindfully by carving out some space for indulgences within your budget. This will help keep spontaneous purchases to a minimum.

## **DON’T MIND THEM**

Social media apps are all fun and games until they cause you to spend more than you should. It’s tempting to see your friend’s amazing vacation pictures and want to book a flight right away. Remember, social media is a glamorized, distorted version of reality. Fight the temptation to “keep up with the Joneses” by understanding that all those fancy purchases come with bills.



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