

## Time, Value and Your Experience

How much was a candy bar when you were a kid? How much was your first house? What did your first car cost? Inflation is constant and it requires effort to remain relevant to its impact.

Inflation flows like a steady stream. You will notice the smooth, rounded stones if you study a creek bed. The stones took many years to get smooth textures. Inflation works in a similar manner to the cost of living.

There are occasionally seasons of rapid inflation like what we experienced between 2021 through 2023 when the compounded rate was more than 5.5%. Keep in mind the highest inflation rate prior to 2021 we experienced for more than a decade was 3.2% in 2011. Prior to 2021 the US government could inflate the value of our money with little or no notice to the population.

But the 5.5% jolt brought attention to inflation to those with the least discretionary cash flow. The young and the old felt the pressure of inflation most significantly.

But here is an inflationary principle I find difficult to wrap my mind around.

When you bring time, value and experience into the thought process, it is difficult to know what a thing should cost if you don't buy it very often. I like a Kit-Kat Bar occasionally. Candy bars were about 10 cents in 1972. My experts just informed me the current price is about \$1.97. My inflation calculator suggests the 10 cent Kit-Kat should cost about \$0.75 today rather than the \$1.97 the local retailer wants. Either way it is a big change in cost.

Take the candy bar analogy to my first used car in 1979. It was a sweet blue Ford Torino. It set me back \$750. It was in great shape for that price. The same \$750 would

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## Q2 is the Goal for the Role

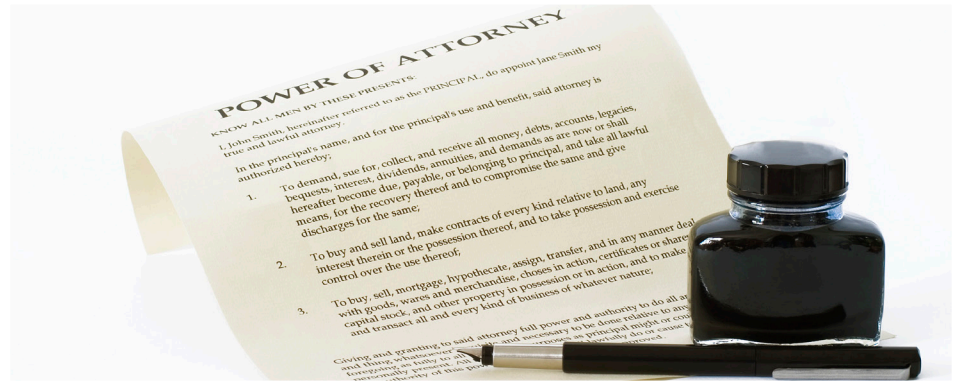


Keith Tyner

I am known as the worst texter on the planet. One time I told one of my kids I would accomplish something during Q2, meaning the second quarter of the year. However, none of my kids was ever involved

variation to this logic. Although this sounds cute and humorous, it is no help to the ones responsible for the ultimate healthcare situations and associated decisions.

Take time and consider for your own situation the two Qs of life, specifically the end of life. Is the quality of life equal to or more important than the quantity of life near your death? The decisions



with corporate speak, and they had no idea what I was talking about.

You might feel like my kids when you work with your estate planning attorney about all the documents, roles and responsibilities. I want to drill down a common estate planning document and specifically the responsibilities with the key role.

The healthcare power of attorney is a document that defines who can act on behalf of a sick or dying person. It is common for people to name their closest, responsible family member to act in this role. What is uncommon is to prepare that person for the responsibility. Some responsibilities are much easier on paper.

Have you ever heard someone say, "I don't want to go to a nursing home, just take me out to the woods and let me die" or maybe some

makers for someone struggling near the end are frequently torn by the tightrope of quality vs. quantity. There is no perfect answer, but understanding your preference can help remove a burden from their thoughts now and into the future.

The website FiveWishes.Org offers a workbook to sort through intricacies of those final decisions. Thinking through your ultimate desires and then communicating them to your loved ones can help ease the difficulty of that time in all of our lives.

The winter is a great time to finalize some of those thoughts as we are all inside more than we care to be this season and we can complete some critical, but non-urgent tasks. Give us a call if we can cheer you on with this endeavor!

## Now What?

Suppose you just finished school and began your first job. Now what? How much should you save? How much should you spend? Where should you live? What furniture should you buy? What streaming services should you use? What should I think about the income I am receiving?

Adulting is a term that suggests the responsibility of taking on the responsibilities of life. More and more families seem to allow a

*Cell phone services market family plans which make weaning the younger generation as pleasant as firing your internet company.*

phase in approach to this season of life by supplementing the younger generation's cash flow through carrying some expenses on their behalf.

The government encourages health insurance companies to allow children to stay on their parent's policies until they reach the age of 26. Cell phone services market family plans which make weaning

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be worth \$3,240 today and I'm not confident I would get as nice of a car for that price as I did then.

Finally, we bought our first house in 1992. We built it with a basement and paid \$132,000 for it. Zillow shows an estimated value of that house of \$448,000. I can't imagine paying that much for that house.

The moving cost of inflation and how it impacts the day-to-day aspect of life is fascinating. I've found expressing my shock at the cost of an item in public settings is a sure fire way to let those in my presence know I am the old guy in the group!

the younger generation as pleasant as firing your internet company. The old school days of the parents having a financial foot in the graduate's back are a bit antiquated.

I suggest the following welcome to adulting suggestions if you recently graduated!

- Review your paycheck and determine your after-tax monthly income.
- Make a list of adult expenses and estimate the monthly cost of what they are in your area. (Include the ones your parents are still covering for you.)
- Subtract your expenses from your after-tax income to know your monthly savings.
- Keep some of your savings. • If there is no savings – STOP!!! (You are going in the wrong direction)
  - Ask a knowledgeable friend for help. Or consider a Dave Ramsey course.
- Set aside the monthly amounts your parents are paying for adult expenses for the future. Those are going to show up in your math and this will prepare you for that day.
- Consider ways to lower your monthly expenses and increase your income.
- Become more knowledgeable about one expense quarterly. For example, set an appointment with your car insurance company to better understand the difference between one deductible level compared to another.
- Keep a tally of your savings monthly to compare your progress this year.

This is an on-ramp to elevating your financial skills. Let us know how you progress on this outline, and we'll offer more insight in the near future.

## Up Your Average

Up your average is Gimbal's weekly podcast. We record it live most weeks, but on occasion our schedules force us to record it.

The podcast is available on YouTube, Apple Podcasts and Spotify.

I believe the content is some of the most insightful available. I realize I'm biased but give it a listen and decide for yourself. For example, our January 20, 2025 edition is an interview with acclaimed author, Mitch Anthony.

Mitch offers some incredible wisdom for life and retirement that you'll hear in few other places. One of our goals is to make the time profitable for you and any of your friends or family who check it out.

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