

## The Quiet Squeeze: Higher Costs, Harder Choices

### Managing Your Money

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Because once we become accustomed to a certain lifestyle – the conveniences, the comforts, even the small luxuries – it’s incredibly hard to step backwards. It’s not just financial, it’s emotional.

In many ways, it’s similar to trying to lose weight. We all understand the formula: consume less, move more. But knowing what to do and actually doing it are two very different things. Cutting out the foods we enjoy, even when we know it’s the right decision, takes discipline, consistency, and often discomfort. Financial change works the same way.

A few years ago, one of my clients, a successful business owner, went through a profound personal loss when his wife passed away. In the months that followed, his focus understandably shifted away from his work, and his income began to decline. At first, the impact wasn’t obvious. But over time, the cracks began to show. He had built a comfortable life for his family, one where they didn’t need to track expenses closely. There were vacations, flexibility, and a sense of financial ease. At that crossroads, many people would have turned to debt to maintain that lifestyle. He didn’t.

Instead, he made a series of very difficult decisions. While he worked to rebuild his business, he sold his car and replaced it with a more modest one. Dining out became rare. Vacations were put on hold. He became intentional about spending, shopping sales, and cutting back where he could. And eventually, he made the hardest decision of all, he sold his home and downsized.

None of this was easy. In fact, much of it was deeply uncomfortable. But what followed was something he hadn’t expected: a significant reduction in stress. A simpler, more manageable life. And ultimately, a sense of control during a time when so much felt uncertain.

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create space – for stability, clarity, and even peace.

Today, many households are facing a different kind of pressure, but the underlying challenge is similar. We are living in a time where it is arguably harder than ever to live below our means. Previous generations often operated with *that principle as a default*. Today, constant exposure to lifestyle upgrades, social media, and easy access to credit has shifted expectations. What used to feel like a luxury can quickly start to feel like a necessity. Cutting back can feel harder than it should.

If it feels like everything is getting more expensive right now, it’s because it is, and we’re all living it in real time. We’ve just come through a significant inflationary period following the pandemic. While inflation has cooled somewhat, that doesn’t mean prices are coming down, it simply means they’re rising more slowly, as I explained in my September 2025 article ‘Inflation Is Cooling — What they say versus what you feel’.

Now, we’re facing a new wave of potential pressure. Rising gas prices may be just the beginning, particularly if tensions in the Middle East persist or escalate. Energy costs tend to move first, but they rarely move alone. Add in ongoing geopolitical uncertainty and still-fragile supply chains, and the risk is that higher costs begin to spread again. These forces don’t stay contained, they ripple outward, gradually influencing the cost of living across nearly every area of our lives. The challenge is that while expenses are rising steadily, income rarely keeps pace at the same rate.

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The pressure shows up differently depending on income and lifestyle. For some, higher gas and grocery bills may require immediate, meaningful cutbacks. For others, the impact is more subtle, filling the tank or dining out may not change, but there may be a pause before booking a luxury trip, upgrading flights to first class, or making larger discretionary purchases.

The common thread, regardless of income level, is that everyone reaches a point where rising costs begin to influence decisions. When faced with this kind of squeeze, people typically have three options: 1-Reduce spending. 2-Reduce savings. 3-Increase debt.

The third option is often the easiest in the short term, and the most damaging in the long term. The second can quietly derail future goals. Which leaves the first: cutting back. And that’s where things get difficult.

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So when costs rise, it’s not just about adjusting numbers, it’s about recalibrating expectations. That’s not easy. And it’s important to acknowledge that. If you’re feeling the pressure, you’re not alone. You’re navigating a challenging environment that requires thoughtful decisions.

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**Start with clarity.** Take a close look at your financial goals. What matters most over the long term? What are you working toward? Once those are clear, it becomes simpler, though not necessarily easier, to make decisions that align with them.

Then, **look at your spending with honesty**, not judgment. Where can you make adjustments that are sustainable? Not extreme cuts that won’t last, but intentional changes that move you in the right direction.

And if you need a starting point, we’ve created a simple budgeting tool on our website to help guide you through this process. It’s designed to give you a clear picture of where your money is going and where you might have flexibility. Because in times like these, awareness is power.

Most importantly, be patient with yourself. Change, whether financial or personal, is rarely comfortable. But just like with health, the benefits often come from the decisions that are hardest to make in the moment. And sometimes, as my client discovered, what initially feels like giving something up can quietly become the foundation for something better.

**Note:** For more tips and insights on managing your wealth, follow me on my Facebook page **Ephtimios MacNeil Wealth**.

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