

Moneyomics Financial Challenge

#1 - Your Personal Inflation Rate

Welcome to the first financial challenge here on Moneyomics!

I'm going to explain how to determine your own personal inflation rate without having to create a budget - detailed or otherwise.

It has nothing to do with the consumer price index (CPI). The CPI is for the Federal Reserve to use to make policy decisions for the U.S. economy, not for you to make financial decisions for your household.

This worksheet will allow you to determine your personal inflation rate from month to month, quarter to quarter, and year to year.

Here is how to track your personal inflation rate using the Moneyomics method:

1. First of all, you'll need to gather your most recent checking account statements. The more statements you have available, the better.
2. Once you have them in front of you or pulled up on your computer screen, you'll want to find the total withdrawn for the month on each one under the withdrawal summary. Write that number down.
3. You may have transfers between various accounts, so simply subtract those transfers from the monthly withdrawal amount.
4. Determine the quarterly and yearly averages.
5. Find the most recent amount for a given month, quarter, or year, and divide it by the previous one.
6. Then, subtract 1 from the result, and multiply it by 100.
7. That gives you the rate.
8. Now that you know your various personal inflation rates, you can compare the increases or decreases from one period to the next to see how they change over time.

My Personal Inflation Rate

Year 1			
Month	Amount	Monthly Amount Change	Monthly Percentage Change
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total			
Average			
Q1 Average			
Q2 Average		Q Change	
Q3 Average		Q Change	
Q4 Average		Q Change	

Year 2			
Month	Amount	Monthly Amount Change	Monthly Percentage Change
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total			
Average			
Q1 Average		Q Change	
Q2 Average		Q Change	
Q3 Average		Q Change	
Q4 Average		Q Change	
Total Yearly Change			
Total Average Change			

Year 3			
Month	Amount	Monthly Amount Change	Monthly Percentage Change
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Total			
Average			
Q1 Average		Q Change	
Q2 Average		Q Change	
Q3 Average		Q Change	
Q4 Average		Q Change	
Total Yearly Change			
Total Average Change			