

## Inflation and its effect on the livelihood of middle-class families

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**Afnan Islam; Account Manager at a private Company with Tk 75,000 salary**

For Afnan Islam, residing in Mirpur, earning money that puts her in the higher middle-class status, is in a better position financially, as her husband also works as a freelance graphics designer. She has two children — a daughter and son aged 8 and 10 respectively — who attend good schools in Dhaka, and thanks to both her and her husband's income, she didn't have to resort to cutting down on food consumption, but maintaining her current

lifestyle meant she had to cut other expenses that seem like luxury now.

"It's true that compared to other people, I am in a better position, as both our incomes help us to pay the bills, including house rent and our children's education expenses, while also maintaining our food habits. But that means we hardly have any money left for anything else, be it for entertainment or lifestyle needs," said Afnan, while reflecting on her current financial state.

People like Afnan who earns better than most people tend to have better resources to tackle any crisis, as they have more financial security. However,

it can be difficult for higher middle-class people to get by just on necessities, as their lifestyle has afforded them to enjoy certain luxuries that bring about more convenience.

"Before, I could take a CNG ride every now and then from my Gulshan office. Now, bus is the only option for me to save money for necessary expenses. Before the crisis, I loved going to theme parks, or watching a movie at the theatre on weekends with my family. I haven't been to shopping for anything I like in ages and mostly buy from online stores that sell cheaper items. I even had to cancel my cable and Netflix subscriptions, and took an internet

package with less speed because it saves money," said Afnan, when asked where she is struggling.

Living in Dhaka has never been easy, with all the challenges that come with it, but with the recent cost of living crisis, it is now more difficult than ever just to survive in Dhaka. Our middle class continues to suffer and until the situation gets better, they will have to do the one thing that they are known for, being resiliently adaptive to any challenge life throws at them.

**By Feda Al Hossain**  
**Photo: Sazzad Ibne Sayed**  
**Model: Nasira Mansoor**



## Smart financial decisions to take during tough times

The year has brought about new global changes that our country must now face, which will in turn impact our personal and financial management. This article will explore some possible ways to better manage financial woes in 2023. Be advised as the opinions expressed here are that of the writer, therefore adhering to these is left up to the reader's discretion.

· Prepare a personal budget. This helps you to stay in control of expenses and income, allowing you to have a better idea of where to spend less and thereby save.

**If you have bills or debts, please start paying them off so that it does not hamper your finances in the long run. In the case of debts, if it's related to credit cards it would be very prudent to clear this debt as much as possible. Setting up automatic transfers can help you achieve that. You would be left with residual funds after the automatic debt servicing of the credit card takes place, therefore less to spend.**

· Just setting up a financial budget does not help unless we are reviewing and adjusting the income and expenses accordingly.

· Try to build up an emergency fund for at least six months, this will give you some peace of mind in case of a dire situation, or if you are an employer, allow you to continue paying salaries.

· Spend on actual needs and not wants. One of the primary ways to do it would be exploring expenses you could do without, such as expensive trips to the parlour, gym membership, trips, etc.

· Try to invest 10-15 per cent of your

income in savings schemes and real estate. Other avenues of investment can be explored as well. Banks are currently offering good rates on their saving schemes and developers are also trying to attract buyers with special deals.

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· To avoid financial pitfalls, continuously educate yourself on financial matters. Most dailies have financial sections which will enlighten you on how our economy is doing. Also, an online course on the topic will help.

· In today's world, we incur a lot of expenses entailing different kinds of bills. This year would be a good idea to delve into looking closely at the different rates our credit card companies, internet companies, insurance companies, and mortgage companies are offering. Insist on revisiting with the companies/institutions to get better rates for better savings.

Economic policies of course will dictate our lives in 2023 but we can better manage our finances in the foreseeable future by adopting the ways discussed in this article.

**By Tahia Khalil**  
**Photo: Sazzad Ibne Sayed**  
**The writer is the Managing Director, Connect Consulting Ltd**

