

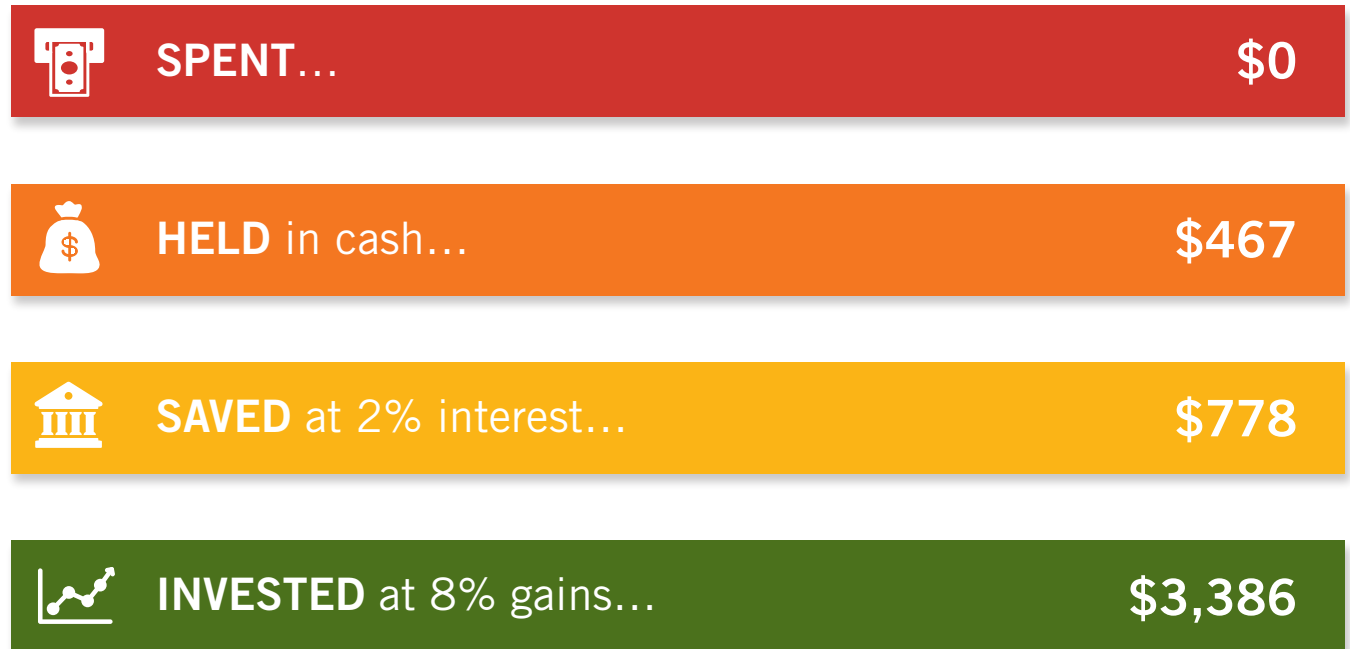
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Personal finance is all about decisions.

What to buy, how much to save, which investments to choose—each comes with trade-offs, especially regarding time. With every dollar, we can consume now or we can consume later, but we can't do both.

If anything, we need to be clear-eyed about these trade-offs, particularly the unavoidable impact of inflation, which erodes our purchasing power. When saving for future consumption, we sometimes forget that \$1 today will buy less in the years to come.

There's no "right" answer to the question of balancing current spending, saving "safely," or taking market risk to outpace inflation. As the graphic shows, however, which path we choose has long-term consequences for our financial status.



...after 25 years, with 3% cost inflation, is worth...

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