

Expert reveals how Aussies can outsmart stubborn inflation

As global unrest threatens to prolong inflation pain for Australian families, finance expert Andrew Baxter revealed his top tips for weathering the storm.

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/EINPresswire.com/ -- As global unrest threatens to prolong the inflation pain for Australian families, personal finance and investment expert Andrew Baxter has revealed his top tips for weathering the persistent storm.

Baxter, the founder of Australia's top financial and trading education platform, Australian Investment Education, says there are many ways for people to protect their savings and investments.

"It's absolutely vital to have assets that can at least keep pace with inflation," Baxter said.

"This requires allocating funds into real assets like property, commodities and equities that tend to maintain value during inflationary periods."

Baxter says real estate typically performs well because inflation often coincides with a robust economy.

In the stock market, some companies perform better than others. Those that can easily pass on price increases to customers, such as road toll operators who adjust tolls based on the



Finance and investment expert Andrew Baxter



Andrew Baxter teaching through his company, Australian Investment Education

Consumer Price Index (CPI), are somewhat shielded from inflation risk.

On the other hand, companies that compete primarily on price, rather than product quality or differentiation, may face challenges.

Baxter, who built a personal fortune in investment management, said holding large amounts of cash can feel like a safe bet, but usually isn't wise.

"Cash savings lose purchasing power over time when inflation is high," he explained.

"You may be earning 5% bank interest, but if inflation is at 7% then you're actually 2% worse off.

"Investments like fixed-interest bonds can be poor choices for the same reason.

"These lock you into a specific return over a set period, and if inflation rises, the fixed return doesn't change. As a result, the real return after accounting for inflation diminishes."

Key tips:

Property can provide an inflation hedge as values and rents tend to rise. Focus on appreciating locations.

Commodity prices often track inflationary trends. Gain exposure through futures, ETFs or resource stocks.

Seek equities with pricing power - strong brands and loyal customers allow easier price hikes.

Infrastructure assets like toll roads benefit directly from contracted CPI price rises.

Avoid cash and fixed income. Their nominal returns fail to match inflation's impact on real purchasing power.

About Andrew:

Andrew Baxter is an investment advisor, educator and commentator who is recognised as one of Australia's leading experts on trading education, wealth creation and money mindsets.

Andrew is the founder of Australia's top financial and trading education platform, Australian Investment Education.

He has spoken alongside some of the world's leading names, including Robert Kiyosaki, Anthony Robbins, Sir Richard Branson and Tony Blair.

Andrew is renowned for his ability to translate complex finance into simple, everyday, easy-to-follow processes.

View Andrew's media kit.

Find out more at andrewbaxter.com.au and get more insights at moneyandinvesting.com.au.

Andrew Baxter is available for comment and content contributions.

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