

# Financial Wisdom

November 2026

# How to Beat Lifestyle Creep

You just got the promotion. The official email hit your inbox, the new salary has been confirmed, and suddenly, you are doing mental math. *If I make $500 more a month, I can totally afford that nicer apartment, right? And maybe I will upgrade my gym membership. Oh, and I definitely deserve nice sushi tonight to celebrate.* Stop right there. Take a deep breath. You are standing on the precipice of a financial trap as old as time: **lifestyle creep**. If you are not careful, it can completely neutralize your hard-earned raise and leave you wondering where all your extra cash went.

**The Invisible Money Eater** - What exactly is lifestyle creep? It is the almost magical phenomenon where your expenses rise to perfectly match your new, higher income. You start making more money, but somehow, you still have the exact same amount left over at the end of the month.

It happens subtly. Lifestyle creep usually is not about running out to buy a brand-new sports car. It is swapping your homemade drip coffee for a $7 artisanal latte. It is opting for an Uber because you are "making good money now" instead of taking the bus. It is adding three more streaming subscriptions because they are "only $10 a month." Before you know it, your shiny new raise has completely vanished into a black hole of convenience and takeout.

**Finding the Balance** - So, what is the right move? Do you lean entirely into the "Treat Yourself" mentality and blow your new paycheck? Or do you "Play It Safe," pretending the raise never happened and hoarding every penny like a financial doomsday prepper?

The answer is finding a realistic middle ground. You worked incredibly hard for that money, so you should absolutely enjoy it. But you also owe it to your future self to build lasting wealth. You cannot simply inflate your lifestyle without putting strict guardrails in place.

**How to Beat the Creep** - Here is exactly how you can enjoy the perks of your promotion without accidentally spending it all on lifestyle bloat.

- **Implement the 50/50 Split:** When that raise hits, do not allocate 100% of it to your daily spending. Split the difference. **Take 50% of your new, after-tax raise and immediately redirect it toward your financial goals** – whether that is boosting your emergency fund, investing, or paying down high-interest debt. Take the other 50% and guilt-freely upgrade your life. If your take-home pay increases by $400 a month, save $200 and enjoy the other $200.
- **Automate, Automate, Automate:** If the extra money sits in your main checking account, you will spend it. It is human nature. The best defense against lifestyle creep is to automate your savings before you ever see the cash. Set up an automatic transfer to your savings or investment accounts for the morning after payday. Out of sight, out of mind.
- **Audit Purchases:** Ask yourself if subscriptions truly bring joy.

Celebrate your raise, but always stay hyper vigilant!

## Need help with your financial strategy? Contact our office!




**Brian Pritchard, CFP, CLU, CHS**

**B.M. Pritchard Financial Advisors Inc.**

**Ph: 403.532.1555 - https://www.pritchardfinancial.ca - info@pritchardfinancial.ca**

Copyright © 2026 Financial Wisdom All rights reserved. (2026-11)