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Inflation and Instrumentation: The Connection Between Money and Music

If life were a movie, whenever inflation is mentioned, the audience would hear a stinger in a minor key that plays the classic suspenseful Bum-Bum-BUM! Like music scales, inflation is cyclical, and its pattern rises and falls over time. While composing a song, it is essential to consider music theory, as this concept shows patterns that have stood the test of time. Learning basic methodology helps composers plan orchestrations that accomplish their goals. Using a major key can amaze an audience, a slow rhythm can lull a child to sleep, and a chord can create complete contentment. A well-informed musician is equipped to make meaningful music. The same can be said for framing future finances - analyzing past inflation rates provides insight into what is likely to come.

Prices and cost of living have steadily increased in the same pattern as an arpeggio - rising and falling within the given movement, this broken chord ends an octave higher than it started. A substantial difference between arpeggios and inflation is the time units associated with their length; a measure or two will last mere seconds, while inflation rates are measured in months and years. But their patterns are similar and have a long history to inform them. Just as musicians will change their tone when the music must be stressed, inflation rates will move drastically with changing economic conditions. Like the assault of the ear-piercing dissonant orchestra, the pandemic caused a marked increase in inflation that has made many equally squirm. So it is even more important to employ our knowledge of historical data regarding inflation to minimize the impact of inflationary cycles on personal portfolios. Inflation rates change the cost of living - rising rates mean the price of goods and services increases, and falling rates mean the price of goods and services shrinks. Just like a composer may not always have the time or creativity to write music, the amount of money an investor can spend fluctuates with the

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economy. But just as musicians are struck with ideas for a magnum opus, intelligent investors seize opportunities during unique periods and create their financial masterpieces.

Conductors bring their perspective to each symphony based on their experience and strengths, and the same steps must be made for financial planning with inflation. Inflation will affect purchasing power, income, and savings differently based on family life, education, career selection, race, gender, and socioeconomic status. Artists work to highlight their strengths and shore up their weaknesses. Investors must analyze their assets, savings, and liabilities to determine what is best to do with one's money. But just as the best musicians practice each day to improve their skills, mastery of investing comes with long-term planning. Investing during economic downtimes is an opportune moment to fund and expand one's long-term wealth. Adapting to grow capital during inflationary times requires the same skillset as mastering an instrument: knowledge and discipline over time. Anyone who can improve their investment acumen is destined to slay the dragon of inflation over time.