rates and expected more of the same. That's going to stop.

Trump's proposals for tax cuts and infrastructure spending could signal more inflation. Those policies add to the national debt which is 77% of GDP and with more debt, comes more inflation And when inflation hits, interest rate hikes could come more aggressively.

So, what's inflation? Movie tickets were how much growing up? Depending on when you grew up they are different…they were like 5 bucks when I was young. Now they are way more expensive! THAT's inflation.
In 1970 milk was $1.15, fast forward 40 years 'and milk is now $3.50 gallon It's paying more money for the same thing. Same milk, more money.

Is inflation bad? No. If everything raised at the same time – income and prices, we would be cool but it doesn't.
Extreme inflation is bad. Let's say you want a business loan. You go to a bank and you can't get one because the rate is so high and you have to save more to cover your bum during retirement because you don't know how much you are going to get. Inflation reduces the amount each dollar can buy. Normal inflation is a good thing. The government controls inflation with control of the money supply; how much we are printing. And they do that with interest rates. Specifically, the Fed controls the money supply. How much are we gonna give out the money we print for? When you hear "cheap money," it means the fed has let us run around buying stuff like drunken sailors because interest rates are near zero. This is like mama reigning in the kids. "Cheap money" and spending too much isn't a good thing.

This effects everything. A quarter point isn't going to change your life dramatically. But as it hikes up, it will.
Mortgages- adjustable rates will increase so you have to adjust your household budget. 30 year fixed rate are near record lows around 3.5%
Car loans- not much different, on a 25k loan it's 3 bucks a month.
Credit cards – will start to hike up, look at paying down higher interest rate stuff and zero balance transfer take advantage, they won't be around forever
Student loans-federal student loans are fixed, private loans might move but gradually
Savings – higher interest rates are good for savings…you were getting nothing, now you might start seeing a little more than nothing. Higher interest rates are good for lender and not borrower. If you put money in the bank, you are essentially a "lender" by giving your money to the bank in exchange for interest.

Look for Nicole Lapin's new book "Boss Bitch" to be released March 2017.

