3 Financial Planning Questions with Higher Gas Prices

May 29, 2026

The national average price of a gallon of gasoline has climbed above $4.50, up nearly 50% since the start of the U.S.-Iran conflict in late February. The cause is a global oil supply disruption. Approximately 20% of the world's oil moves through the Strait of Hormuz, a shipping route in the Middle East, and traffic remains significantly below pre-conflict levels. Crude prices have risen as oil supply shrinks, and the price at the pump has followed. The pressure extends beyond the gas pump, with diesel costs feeding into the price of goods moved by truck. The cost increase is starting to work its way into household budgets as inflation pressures build.

Headlines like these tend to generate predictions about where prices go next. Predictions are interesting but rarely actionable. The more useful response is to turn the moment into a short list of questions worth answering. Three are worth discussing now.

1. Where is the gas price increase being absorbed in your monthly budget?

A household with two cars is paying roughly $1,200 to $1,800 more per year on fuel than it was earlier this year. The increase is absorbed somewhere, and in most households, it lands in one of two places: the amount being saved each month, or the amount being withdrawn from the investment portfolio. Neither is an incorrect answer, but both are worth being intentional about rather than letting them adjust by default. The practical question is whether the current absorption is the right one or whether a modest adjustment, such as deferring a purchase or temporarily reducing savings, makes more sense. In most cases, the financial plan accommodates the change without revision. The value is in making the choice deliberately.

2. Does the current retirement income plan still comfortably cover spending?

For retired households, the question is narrower: is this year's spending tracking the plan, or running ahead of it? A temporary period of elevated fuel and grocery costs usually falls inside the margin a retirement plan is built with, but that's worth confirming rather than assuming. The check is straightforward: compare actual spending over the past several months against what the plan assumed for the year and look at whether the gap is closing on its own as prices stabilize or widening as higher costs work into more categories. Surfacing the answer early is what makes any response, if one is needed, a small one rather than a large one.

3. Does a stretch of higher inflation change the long-term plan?

Usually not. The inflation assumption inside a financial plan is a long-run average rather than a forecast of any single year. A stretch of 4% inflation, even one that lasts several quarters, doesn't meaningfully change a long-run average measured over decades. The plan is designed

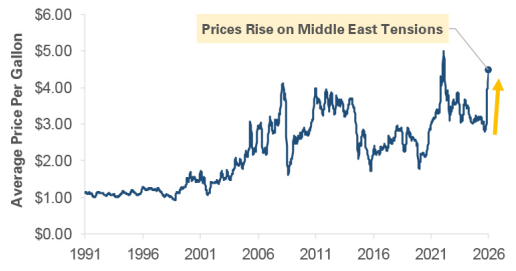
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to absorb this kind of variation without needing to be rewritten. For clients approaching retirement, the relevant check is whether the savings target they are working toward still matches the life they are planning for. For clients earlier in the saving years, it is a reminder that the cost of the future is not a fixed number, which is why the plan is reviewed and updated over time rather than set once.

The Bottom Line

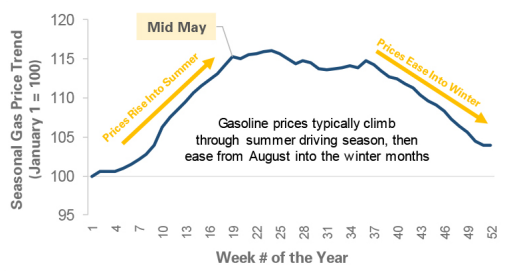
These questions are part of the regular planning review cycle, and an environment like this one is a normal input into the work as it happens. The price at the pump is a useful reminder that the cost of living isn't a fixed number, but it's a small input into a plan built around a much longer time horizon. The plan operates on a longer time horizon than any single price moves, which is the reason it can absorb a moment like this one without needing to react to it.

Figure 1 – Gasoline Prices Rise to the Highest Level Since 2022



Source: U.S. Energy Information Administration (EIA). Average price per gallon for regular U.S. gasoline. Time Period: May 1991 to May 2026. Latest available data as of 5/13/2026.

Figure 2 – Seasonal Data Suggests High Prices Until the Fall



Source: U.S EIA. Data represents the average seasonal trend of gasoline prices from May 1991 through May 2026. All prices are indexed to 100 as of January 1st of each calendar year to illustrate relative percentage changes. Data as of 5/13/2026.

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