



'Tis the Season

Not to over\$pend

Planned spending is a great way to prevent financial stress in the new year!

Six Ways to Stay Out of the Red

- 1. Set limits: Decide how much to spend on gifts.** As a rule of thumb, 1.5 percent of your yearly gross income is a workable figure for holiday gift giving. For example: \$20,000 income = \$300. But only give up to the amount you are comfortable spending without feeling strapped.
- 2. List who you need to purchase gifts for and set the amount you will spend on each person.** Only spend up to the designated amount per person unless you find you have money left over from under-spending on someone else on your list. You might try putting the money in envelopes with each person's name; this way you'll know when you've reached your limit. Don't *borrow* from another envelope unless you have already purchased that person's gift.
- 3. Make a list of the gift(s) you wish to purchase for each person and possible alternatives.** Include the estimated price and make sure you take the list with you when you shop. Estimate what you can afford to spend for each gift. Because actual purchases may vary, allow a 10-15% margin. You can look online, at newspaper advertisements and catalogues to get an idea of where to shop and what the gifts should cost.
- 4. Stick to your list** to ensure that you do not overspend.
- 5. Bring only the amount of money you need or can afford to spend when shopping.**
- 6. Keep track of what you are spending.** Each time you purchase a gift, write down the price you paid. If you are using a credit card, make sure you keep a record of how much you spent on each gift and subtract it from the total amount you agreed to spend.



\$10 Holidays

There are advantages to spending only \$10 on each holiday gift; however, you will have to plan your spending instead of using the helter-skelter approach. The bonus is when January and February arrive, you will not be overwhelmed with enormous bills that add up to more than your budget can bear. Although this may be hard to do, it will give you an opportunity to use your time and your talents rather than using your money.

Stretch Your Gift Dollars

- ◆ Handmade ornaments or other craft items.
- ◆ Start giving family treasures.
- ◆ Magazine subscriptions.
- ◆ Gift certificates for your time or your talents.
- ◆ Nostalgic items from yard sales and flea markets.
- ◆ Green Thumb Special: arrange gardening items in a watering can.
- ◆ Mail Bag: fill a bag with stamps, postcards, stationery, pens, an address book and address labels.
- ◆ Beverage Bonanza: a decorative tin with hot chocolate, spiced tea and/or coffee.
- ◆ The Misplaced Box: fill a plastic tackle box with easy-to-lose items. Include tape, pins, needles, thread, pencils, nail file, scissors, tape measure, etc. Decorate the outside of the box.
- ◆ The Bath Basket: pretty wicker basket with bubble bath, lotion, scented soaps, loofa or sponge, headrest, etc.
- ◆ Emergency Kit: put a flashlight, candles, matches, batteries, duct tape, glue, fuses, etc., inside a decorated toolbox.
- ◆ Office Organizer: calendar, paper clips, stapler, staple remover, pens, sticky notes, pads of paper, etc.; stored in a decorated box or tray.

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Spending Planner

Estimated Cost

Actual Cost

Holiday entertainment

Decorations

Holiday cards, stamps, gift wrap, etc

Charitable donations

Tips

Other:

Other:



Gift List

Who

What

Estimated Cost

Actual Cost



10 Tips to Better Holiday Spending

1. Establish an overall spending limit for the entire holiday (gifts, parties cards, etc); be willing to make tradeoffs.
2. Plan ahead for what you are going to buy and stick to your list.
3. Shop around before you spend.
4. Keep track of spending and charging—try the phone app, Santa’s Bag to help you.
5. Stick to one or two credit cards, if any.
6. Beware of “buy now, pay later” offers; only charge what you can afford if you did pay it now.
7. Suggest your family participate in a *pick-a-name* gift exchange.
8. Don’t use your credit card to pay for group meals out, even if it is Dutch treat.
9. Consider making or baking a gift instead of holiday tipping for service providers.

Keep holiday spending under control to help make the holidays joyous and bring a happier, less stressful New Year.

