

## Holiday Budgeting



It's hard to believe the holiday season is upon us but the time is here. As soon as the last piece of Halloween

candy is handed out, thoughts turn to St. Nicholas with a little bit of turkey and stuffing in the mix. While budgeting is always important, it's even more so from now through the end of the year when presents abound and sales seem endless. Below are tips for holiday budgeting to ensure you enjoy this wonderful time of year but are also responsible in your spending.

### **Make a List and Check It Twice**

Instead of blindly buying gifts as you see things that catch your eye, take 20 minutes to write down every person for whom you'll need to get a gift. Don't forget important people like teachers, dog walker, cleaning team, plus the office gift exchange. A gift, whether store bought or home made, is a meaningful expression of appreciation for those in your life you wish to thank.

### **It's Not Only Gifts**

Holiday spending is not just about buying gifts, although that is most likely a large chunk of it. Your budget also needs to account for Thanksgiving and/or Christmas travel, the cost of groceries for large family meals you host or other gatherings where you bring food or drinks, decorations, end-of-year charitable giving, greeting cards, wrapping supplies, holiday-related apparel and other non-gift expenses.

### **Allot Your Spending**

Each person should be allocated a "no-more-than" amount for a gift. While it's helpful if you have an idea what to get each person, the more important part is that you don't overspend. There will be sales—and therefore temptation—galore so it's key to have some parameters for each person. Don't buy something you wouldn't otherwise just because it's on sale.

### **Always Price Check**

The internet is a great resource during holiday shopping. Stores are especially competitive during the holidays so it's always smart to ask if they'll price match other stores,

even online prices, which are often less than in-store prices. When you find something you plan to buy, do a quick Google search to see if it's less elsewhere. It's also a good idea to be on the mailing list for stores you frequent as they'll usually send special holiday coupons. Don't forget to search the internet for coupon codes if you're buying online.

### **Make Your Own Gifts**

Homemade presents are a perfect way to save money while creating something memorable. While these gifts might not work for everyone on your list, they're certainly good options for some. Delicious cookies and a homemade card for your kids' teachers or a framed family photo for grandparents are much more valuable than a shirt someone likes but doesn't need.

### **Gift Cards**

Although they are less personal, gift cards can be a good solution for the hard-to-shop-for people in your life. These include in-store cards, as well as debit cards that you can obtain from your local bank. Be sure to check the fees. Most in-store cards have no fees (to encourage use) while bank cards may have issuance fees, depending on the benefits of your checking account product.

### **Ship Early or Pay the Price**

If you have presents to send out-of-town family members or need to ship gifts because you're unable to pack them, do this as soon as possible. Be it the United States Post Office, UPS or FedEx, rates go up drastically once December hits. While it might seem like several weeks before Christmas will be plenty of time, you can easily spend hundreds more on shipping if you delay. And that will easily break the most carefully planned budget. If you buy online, consider having items wrapped and shipped directly to the recipient by the vendor.

### **Keep Track of Spending**

You won't know how much you've spent unless you meticulously track it. Keep receipts and enter them in your budget as you go, plus reconcile credit card payments each week. Experts recommend trying "the envelope trick," which means you use cash as much as

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possible to ensure you stay on budget. When the envelope is empty, you're done buying presents. If you use credit cards for convenience, make sure to pay them in total at the end of the month so you're not stuck with interest payments that didn't factor into your budget.

### **Holidays Aren't About Things**

At the end of the day, remember that the holidays are about spending time with family, friends and other loved ones. While presents are fun, this time of year is about making memories and not collecting material possessions.

The holidays can—and should—be one of the most joyous times of the year. Don't let over-spending and the resulting debt create unnecessary stress. You want to start the New Year on a clean slate, not struggling to pay your holiday bills that start pouring in.