

## Keeping Your Holiday Budget in Check

Holidays can be overwhelming, stressful and tough on your finances. Between gifts, decorations and entertainment, costs can add up very quickly and result in a significant amount of debt. Proper financial planning is essential to organizing your budget, keeping stress under control and reducing unnecessary spending.

### Holiday Budget

Creating a holiday budget is necessary in order to set clear expectations for upcoming expenses. To avoid financial strain, it is important to approach any situation with a plan. Although it is difficult to account for holidays throughout the year, a holiday budget can be a great tool to assist you. To get started, follow these steps:

**Step 1:** Review last year's holiday expenses. Make a note of the types of expenses your money went towards.

**Step 2:** Create a budget that includes gifts, food and decorations. Add other categories as you see fit. Set limitations on how much you can spend this year based on your current financial situation and remember to be realistic about what you can afford.

**Step 3:** Create a detailed plan for how you will ensure that you follow the budget. For most people, this can be tricky. It is normal to have limited financial resources to work with, so it is important to identify any expenses that can be given up to allow for additional saving. Consider cutting back on non-essential expenses, selling unwanted items for extra cash, or getting a seasonal or a part-time job to increase income.

**Step 4:** Implement and execute your plan. Once you know how much you need to save to achieve your holiday spending goal, divide that number by 12. Then, open a savings account and set this amount aside each month.

### Gifts on a Budget

There is an entire marketing industry that pressures consumers to purchase large, expensive gifts to show affection for their loved ones. However, the focus of a holiday should not be to spend money; rather, it should be about spending time with family, celebrating traditions, enjoying time off from work and participating in various activities.

Brainstorm low-cost ways to spend time together like volunteering or making homemade gifts and decorations for your loved ones and others. When shopping, keep in mind that what matters most is the thought and care put into a gift, not the size and cost of it.

Consider the following tips to help you follow your budget:

- Always give only what you can afford
- Plan for the holiday early
- Avoid impulse buys by considering all options before making a purchase
- Bring a copy of your budget with you when shopping for quick and easy reference
- Set spending limitations and ensure your spending stays within them
- Use cash instead of credit cards
- Avoid payday loans
- Create homemade gifts and baskets to reduce spending
- Re-gift if appropriate and possible