

Holiday Spending Under Control



In today's tough economic times, many people may worry about how to keep their finances under control this holiday season. It's easy to get caught up with gifts, dinners and parties, and before you know it, spending can get out of control. So what's the best way to have a modest and sensible holiday season?

Make a Budget

One of the best things you can do to keep your holiday spending under control is to keep a holiday budget. By figuring out how much you can afford and setting a limit on what you want to spend, you can more easily keep yourself in line.

Here are some general tips for preparing your budget this season:

- *Take a look at last year.* Figure out how much you spent during the last holiday season. Don't just look at gifts—think about food, cards, and even decorations. Was the amount you spent reasonable or excessive? You can use that as a starting point to make this year's budget.
- *Make a list.* Making a list can help you know about how much money you're planning to spend. Using your list to keep track of your purchases can help you adjust more easily if you overspend.
- *Stick to your limits.* Once you have your budget, you'll know how much you can afford. It's no good if you don't stick to it! You may want to consider only using cash to make sure you don't overspend.
- *Avoid impulse buys.* Don't let the store displays tempt you. It may be okay to make some impulse decisions, but buying too many unplanned gifts can throw off your budget.
- *Get creative.* Consider making your own gifts.¹ Not only can this make your gifts unique and meaningful, but it may also save you some money.
- *Make a savings plan.* Many people don't give a thought to holiday shopping until the last minute. Try to plan your holiday budget well in advance. Then, set aside some money each month so you don't feel as big of a financial strain when the holidays hit.
- *Do your research.* Be on the lookout for sales, and do some comparison shopping before making purchases. Or, check out the internet to see if you can find some good deals online.

Prevent Giving Too Much

When it comes to gifts, a common concern for parents can be giving their children *too* much. This is known as *overindulgence*. Parents who overindulge their children may feel like they have to keep up with what other kids are getting. Or, they may not want to let their children down.

What's wrong with giving too much?

It's only natural to want to give your children everything you can. After all, one of the greatest joys of being a parent is seeing your child happy. But children who get everything they ask for often have a hard time learning the art of appreciation.

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Take some time to think about the values you want to teach your child. What do you think you are teaching them if you overindulge them? And think about *your* reasoning for overindulging your child. Are you buying things that *you* want them to have, or the things they truly want? Or are you giving material things as a substitute for family connection?

How do I know if I'm giving my child too much?

A child who is getting too much may throw a fit in the middle of opening presents, or may reject a gift that isn't good enough or isn't what they asked for.

Here are a few suggestions on what you can do to avoid giving your kids too much.

- *Set limits on the number of gifts*
- *Set a spending limit – and stick to it*
- *Take turns opening presents*
- *Create new rituals or traditions and focus on giving rather than receiving*

Whatever you choose to do, it's important to let your children know why you're doing it. If they understand your reason, they're more likely to willingly participate.²

The Reason for the Season

The most important thing about the holidays isn't getting or buying material gifts – it's about sharing. Your loved ones are more likely to remember and cherish the traditions and the time you spend together more than the gifts they get. And remember – the best gifts come from your heart, not your wallet.

References:

1. Chatzky, Jean. (2008). *Holiday Spending: Keep credit cheerful and in check*. Retrieved September 18, 2008 from: http://www.practicalmoneyskills.com/english/at_home/jean/?topic=11
2. Sheridan, Martha. (2006). *Check overindulgence off your kids' wish lists this season*. Retrieved October 13, 2008 from: http://www.dallasnews.com/sharedcontent/dws/spe/holidays/stories/kidgift_1201liv.ART.Dallas.Edition1.a28.html

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