

# DISCOVERING *Your Best Self*

YOUR WEEKLY COMMUNICATION

## Make a List, Check it Twice – Ways to Keep Holiday Spending Under Control

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As the year comes to a close, spending in most households heads up – on holiday gifts, entertainment, and – depending where you live – on already-high energy costs.

It's easy to lose control; so, make a plan now to minimize debt while putting money where it absolutely needs to go.

**Put your current finances under a microscope:** Call it a gift from you to you. If you're trying to get your finances in order, plan a visit now with a financial advisor such as a CERTIFIED FINANCIAL PLANNER™ professional. This meeting should extend beyond your holiday spending to setting goals for saving, investing, and extinguishing debt, as well as setting financial goals for the future. At the meeting you can also examine your spending patterns and the emotional drivers behind many of our financial decisions. It will start the New Year out a whole new way.

**Create a holiday budget:** Obviously if you have credit card debt now, you don't want to elevate those numbers. Set a spending number you will not exceed and start setting aside cash in an account to cover it. When should you make the budget? As early in the year as possible, but if you haven't started shopping yet, figure out how much money you can realistically set aside and stay as close to that number as you can.

**Avoid the binge:** Staying on a financial diet can be tough. Permit yourself to stray a bit, but commit to avoiding ANY unplanned purchase above a certain threshold, such as \$25.

**Revamp your gift policy for all the adults on your list:** Does everyone on your gift list over the age of 21 really need a present? The answer is as individual as your family and friends, but if you think it might be welcome, make a suggestion for a gift drawing, a budget limit, a moratorium on gifts, or some other alternative where you trade off gifts for quality time. For instance, you might agree to take each other out to dinner during the New Year or find some other fun way to spend time together. You could help a friend or family member with a household project that could save them money. In any case, you'll save money and gas wandering around the mall wondering what to buy, and personal time might be more enjoyable in the long run anyway.

**Go debit:** Debit cards wearing a bankcard logo are typically welcome at most stores where credit cards are accepted.

This way, you pay cash without carrying cash. If you don't have such a card, you can probably get one from your bank to replace your traditional ATM card, but remember to tell them to limit your buying power to the cash balance in your account.

**Start your shopping list for next year:** With your budget figure in mind, start jotting down items when your kids or other friends and family members mention something they want. If it's something you know they'll definitely want, keep an eye peeled for that item on sale before the holiday craziness begins. Granted, you might see an item at deep discount when the holiday season officially begins, but you won't need to burn gasoline or fight your way into parking lots and through crowds to get it, which may be worth the whole difference in price.

**Price gifts online then compare by phone:** Whether you plan to shop online is a separate issue, but browsing online can be a very good idea. "Shop-bot" websites like mySimon.com or cheapuncle.com can help you determine general price ranges for gifts you need that are sold online. Once you have those ranges, get on the phone and determine whether you can buy the same items more affordably at retailers close to home – again, save gas whenever possible.

**Don't forget the coupons:** Coupons aren't just in newspapers or direct mail anymore. If you know particular stores where you'll shop, get on their e-mail lists – you'll start getting coupons and news of specials on a regular basis. Also, if you do shop online, sites like BradsDeals.com and CouponCabin.com have promotional codes that you can type in for discounts before you hit the "total" button on an order.

**Don't forget taxes, shipping, or fine print when shopping online:** Online prices might look like a great deal until you realize you may be spending another 20 percent of the gift's price to get it to your house or the recipient. Also, read product descriptions very carefully to make sure what you're buying contains all the features of the item that you could buy at the store. At the same time, if there is a legal opportunity to avoid paying sales tax, watch for that.

**Allocate spending for charity:** You can either make charity a separate item in your annual budget or part of your holiday budget, but if there are specific charities you want to support by year-end, it's a good idea to decide on those amounts before the holiday shopping season gets underway. This way, you'll support the organizations you wish to without going outside your budget. Also, don't forget to check with your employer to see if they'll match your contribution and consider gifts of appreciated stocks rather than cash if it fits your charitable goals and tax situation.



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