

YOUR MONEY GUIDE



Surviving the Holiday Season

The holiday season is approaching, which means that an increase in spending is on the horizon for us all. Not only will gifts hit your budget, but food expenses, travel and utility bills may also climb over the next two months.

In 2023, the NRF reported that American households may expect to spend \$875 on the holidays, and a similar survey from Lending Tree showed that 34% of Americans went into holiday debt during the same time of year. In addition, a proprietary CNET survey found that during 2024 72% of shoppers are making financial sacrifices to make their budgets work. The holidays are a popular time of year to increase our debt or overspend to make the season brighter than our wallets can bear.

As a financial counselor, I've seen the damage that holiday credit card charges can have on the entire year. Then when the new year rolls around, consumers who have used credit cards for holiday shopping, spending the new year paying off debt instead of focusing on growing assets or saving money towards exciting milestones and goals.

If you're looking to afford the holiday season without breaking the bank, here are five tips you can use to prepare now.

Have an Honest Conversation with Your Loved Ones

Having a transparent financial conversation with family can be triggering and uncomfortable. However, if you need to approach the holidays with a budget, being upfront about expectations surrounding gift giving with your loved ones is an important step to take and can alleviate overspending for the holidays. Here is a simple script you might use when speaking with family. Change to best fit to your comfort level:

"Hey, family! We wanted to jump ahead of this before anyone started shopping! The [insert family name] family has decided not to buy gifts for Christmas for anyone outside of our home. We were hoping in sending this message, it would help alleviate some of the stress others might be feeling about holiday spending. If you choose to buy gifts for our children, we kindly ask you to skip on the toys, they have plenty, we ask you to stick to books instead. We'd love to establish that the adult's presence is the present for each other this year. Please let us know what you think! Looking forward to this holiday season with you all!"



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Make a Separate Holiday Gift Budget

The most straightforward way to prepare for the holidays is to save up money at the beginning of the year until the holiday season begins in a separate savings account. If you're like the average American and expect to spend \$900 this holiday season, setting aside \$150 to \$300 for three to six months to help pay for your holiday transactions will alleviate New Year debt. By saving small increments within the six to three months, you won't panic when statements arrive in January. Slow and steady saving wins the race.



Focus on Experiences Over Stuff

Often, material things purchased in big box stores end up in landfills, sometimes just a short time after the holiday season ends. Gifting a physical object is more culturally common, but you can always opt out of gifting material items and choose to prioritize gifting collective experiences instead.

Examples of collective experiences can be a family vacation, the aquarium or zoo, outdoor adventures or excursions, a theater performance, a movie theater date or a concert. When you gift experiences, you gift the most precious, non-renewable resource we have: time. You're also creating memories with the people you cherish the most.

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Put a Cap on Gifts

Keep spending manageable by putting a limit on the amount of money you spend on gifts. Set a spending limit for each adult, focus on giving gifts only to kids, draw names to reduce the number of people you shop for or even try a no-gift gathering this year.

You can also create a theme for your gifts. For example, each year my partner and I give one book to each adult family member. By doing this, everyone knows what to expect and we don't have to scramble to find a unique gift for each adult.

Elevate Your Homemade Gifts

Handmade gifts don't have to be low-quality projects that will see the trash within a couple of weeks. You can make a thoughtful and elevated homemade gift with a few ingredients, a printer and time. A few of my favorite homemade gifts are vanilla extract, limoncello, candles, soap and jam.

You can also gift homemade desserts, ornaments or rebound books if you have those skills. Think outside of the box and remember that it's the heart behind the project that truly counts.



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