

MANAGING IN TOUGH TIMES

FAMILY FINANCIAL MANAGEMENT

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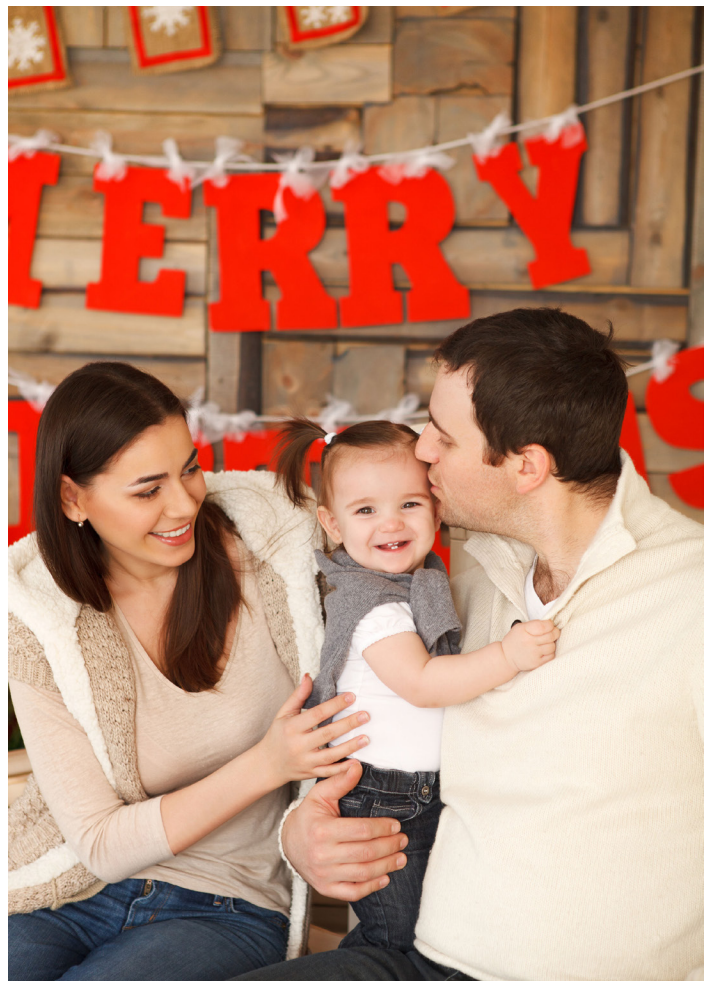
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THIS MONTH'S TOPIC: Beating the Holiday Financial Blues

Holidays are often an exciting time of the year. Spending time with family, taking a break from work, and celebrating family traditions are enjoyable activities. However, the holidays can also represent added stress due to the crunch on your wallet. It's challenging trying to look forward to a holiday while worrying about how to pay for it. Have you ever stressed about how to provide a fun experience for your children or grandchildren without breaking the bank? Decorations, gifts, and food expenses add up quickly.

When thinking about expensive holidays, people often think of Christmas. However, many other holidays can be expensive as well. For example, Halloween is the third most expensive holiday, after Christmas and Valentine's Day. Although Halloween does not involve large gifts or family events, the costs of costumes, candy, and decorations can require big

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spending. To avoid this financial strain, it is important to plan for holiday expenses throughout the year, and to adopt new, lower-cost traditions.

Develop a budget for upcoming holidays

One way to reduce impulsive spending is to develop a budget that includes clear expectations for travel, food, entertainment, and gift-giving expenses.

- Make a list of everyone who will receive a gift as well as all items that will cost money during the holiday season. Some items often forgotten include gasoline, babysitter fees, eating at restaurants more often, and so on.
- Some people enjoy giving gifts to non-family members, but they are often forgotten when making a budget. These people include teachers, babysitters, hair stylists, etc. Consider handwritten notes expressing thanks or appreciation rather than buying gifts, when possible, to reduce your spending costs.
- Divide your budget into necessary items (needs) and luxuries (wants). For example, gasoline is a needed expense for traveling, eating out at restaurants while on the road is an extra expense that can be avoided if needed. Dividing your list will help you save for all necessary expenses and you might even have enough extra money left over for a luxury item.
- As part of your budget, determine how you will pay for each item. Paying with cash will help avoid unexpected spending. Paying with a credit card without keeping track of spending may be tempting, but don't forget the bill that will have to be paid. If paying with layaway, look out for hidden fees and be sure to budget for any interest added.
- Once a budget is made, it can still be hard to follow. In-store sales are tempting, but making impulsive purchases, no matter how small, can add up quickly. Carry a copy of your budget with you, and be sure to follow it while in stores.
- Plan your shopping trips ahead of time by reviewing store ads for upcoming sales. This step

will lower costs while also helping to reduce impulsive decisions while in the store.

It can be helpful to budget for holidays that occur together. Several holidays occur during October, November, and December, leaving little time for financial recovery. Combining holiday expenses for all three holidays together can ensure that you are not caught off guard.

Re-use and make decorations

Another important step to reduce costs is to save and re-use decorations from year to year. Also, you can often make decorations at a lower cost than buying them in a store.

- Make homemade decorations from household items, such as string, cotton balls, or popsicle sticks. For example, popcorn or cranberries can be strung together to decorate a Christmas tree. You can also decorate using items from the backyard (such as pinecones or flower clippings) or local farmer's markets (such as hay bales).
- Reusable plates, cups, and utensils are perfect examples of items that never lose their value and utility from holiday to holiday.
- Save used gift bags, wrapping paper, tissue paper, bows, and ribbon to be reused each year. Gift cards can even be transformed into gift tags.

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