

Control Holiday Spending to Reduce Stress



A major source of end-of-the-year stress can be traced directly to holiday financial costs. According to David Henson, the founder of Wealth Management Network, Americans rack up 50 to 60 percent of all their credit card debt during the holiday season. This year, more than ever, it is imperative to control spending in order not to add to your stress level.

- Start well in advance of the holidays to create a written plan for holiday spending. Include travel and entertainment expenses, decorations, postage, extra food and wrapping paper as well as the cost of gifts. Set a spending limit, and let your family know you will be celebrating modestly this season. The best gift you can give your family is financial security.
- Don't count on money you don't have. Never base your holiday budget on an expected raise or anticipated bonus. They may never materialize. Avoid "buy now, pay later" offers; if you can't afford it now, how can you be sure you will be able to pay for it six months from now? Don't forget, if you miss the deadline, stiff interest charges are applied from the day of purchase.
- Get your family to buy into your holiday budget. Discuss trimming the gift list by giving "family" gifts rather than individual ones or organizing a gift exchange to reduce the number of purchases. Put a ceiling on the price of gifts. Suggest donating to a charity or adopting a family through civic or religious groups and buying practical items which the recipients truly need.
- Use cash, rather than credit, as financial advisors suggest. If you are sure you can pay off your credit card bills in full, select just one or two credit cards to use in order to track the balances carefully.
- Be patient and shop for the best values. Discount stores and online auctions may offer very personalized and appreciated gifts. Save time and money by ordering from reputable catalogs and secure online providers, especially those which offer free shipping. Start early, so you don't purchase an expensive item out of desperation.
- Consider creative gifts of time. Arrange an afternoon when you can spend a few hours with friends to relax and enjoy each others' company rather than exchanging gifts. Instead of a purchased gift for a relative, assemble a gift basket of homemade cookies or jelly, or put together a coupon book offering a car wash, a visit to a museum, and a walk in the woods. Give a gift of memories by filling an attractive jar with slips of colored paper on which you have written memories you have shared with the recipient. Thoughtfulness will always trump extravagance!

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