News Release

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Make a Plan for Holiday Spending

Holidays can be stressful because of the amount of money spent on gifts, decorations, cards, special events, food, and travel. If you want to reduce your holiday stress; if you don’t want to be paying for the 2013 holiday until spring or summer of 2014, develop a holiday budget now.

Make a list of all your holiday spending categories and estimate those expenses. Decide how much money will be available for holiday spending. Next to each category, decide on a spending limit.

A large portion of holiday spending is usually gifts. Make a list of gift recipients - relatives and close friends, as well as gifts you customarily give teachers, neighbors, or others close to your family. Also include year-end tips for newspaper carriers, babysitters, housecleaners, hairdressers and other service providers. If you frequently make charitable donations at the end of the year, include those too.

Add up gift spending. You can simplify your holiday budget by assigning a dollar amount, rather than a certain gift to each recipient. Shop with a list to resist impulse buying. Advertising increases during the holiday season and stores offer expanded inventories. Be sure to shop with your list and consider paying in cash. Using cash can help you avoid splurges, as well as costly fees or interest from debit cards, credit cards, layaway, or store financing.

Use credit cards only when necessary and don’t charge more than you can pay off in one or two billing cycles. If you plan to do your holiday shopping with a credit card, consider using only one credit card and keeping a running tally of your expenditures. Keeping track of purchases as you make them, can help you stay within your budget. Using multiple credit cards for holiday purchases makes it easy to lose track.

Shop for short periods of time. All-day marathons can wear you down and may lead to over-spending or poor decisions. Consider Online Shopping. Online shopping can be

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less time consuming and may help your holiday season seem less stressful. It is easier and faster to do some comparison-shopping online and there are likely to be many coupons and shipping deals available. Online shopping can also help you avoid frantic, last minute binge shopping. Be certain you understand refund policies and don’t forget to include shipping charges in your budget.

Track your spending throughout the season. Keep a running total of your purchases so you can track how closely you are following your spending plan. When you work from a budget, your holidays can be far more carefree. Ultimately, you will be able to focus on joy and fun at the holidays, rather than worrying about the bills that come tumbling in afterward when you overspend. Sticking to your holiday budget will ensure you can give gifts and enjoy all aspects of the holidays without depleting your emergency funds or going into credit card debt.

Visit http://extension.umd.edu/washington-county/money/news-articles and click on holiday spending for a copy of the Holiday Budget Worksheet so you can start NOW to plan for your holiday spending.

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