

# Plan now to help control holiday costs

**We have promised ourselves that this year, we won't spend so much money during the holidays. But we may have a hard time keeping that pledge. Any ideas?**

Many consumers are trying to cut back on holiday spending this year; most analysts predict sales during the Christmas shopping season to be flat or slightly lower than last year. But you're right — there's a difference between thinking about spending less and actually doing it.

The first thing to do is actually make a budget. If you don't know how much you want to spend, you'll have no idea how you're doing. Make a list of the gifts you plan to buy and all the extra expenses — for special dinners and parties, holiday baking and decorating, postage for sending gifts or cards, and travel, entertainment or charitable giving, and estimate how much you want to budget for those items.

Then take a look at your savings or assets — the money you have set aside for holiday spending, and any cash gifts or bonuses you are certain you'll be getting. If your assets don't match your anticipated expenses, you'll either have to cut back on spending, go into debt, or both. If you do plan to spend more than you have on hand, be sure the amount is something you can pay off in one or two months.

Reducing spending might be easier than you think. Instead of buying gifts for everyone in your family, consider drawing names instead. For holiday meals and parties, have a potluck instead of preparing everything yourself.



When you're ready to start shopping, be sure to do so wisely. Here are a few tips:

- The "envelope method" works well for many people. For each person, family, or event, place the amount of money you plan to spend for that expense in an envelope. When the money is gone, you've finished shopping for that particular category.

- Be sure to do comparison shopping. Before you buy, get three different prices at different stores or over the Internet. You may be surprised at how much you'll save.

- Track credit card spending closely. It might help to keep a sticky note on the card and jot down the amount every time you charge something. Tally up the expenses every evening to make sure you're staying on track.

When you're out and about, be cautious about signing up for store credit cards in order to get a discount. Signing up for too many will negatively affect your credit score. Even if you never use the card again, you could be seen as a credit risk because you have lots of available credit and could pick up a lot of debt quickly.

Once you get through the holiday season, you may want to brush up on your personal finance skills. Ohio State University Extension offers a six-part study-at-home course, *Manage Your Money*, covering everything from tracking expenses to organizing important financial records. The course is available free at <http://ohioline.osu.edu/mym/index.html>.

*Family Fundamentals* is a monthly column on family issues. It is a service of Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to *Family Fundamentals*, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or [filipic.3@cfaes.osu.edu](mailto:filipic.3@cfaes.osu.edu).



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**Dear Subscriber:** This column was reviewed by Cora French-Robinson, Ohio State University Extension educator in Family and Consumer Sciences.

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