

Enjoy Holidays without Overspending

As we enter into another holiday season, the pressures and stress of holiday spending are magnified even further by the tough economic times we are facing. These simple suggestions may help with displaying your continued generosity without sacrificing your financial wellbeing.

We also want to remind you of Corporate Care Works (CCW), our Employee Assistance Program, as a free and confidential resource that can further assist you in prioritizing, and making a plan to manage your stress and concerns about finances in addition to a wide array of other issues impacting you personally and professionally. CCWs 24-hour Help Line can be reached by calling: 1-800-327-9757. You can also check out our EAP online services for further resources: <http://www.corporatecareworks.com>

Shopping Tips

If you want to save money, this is the time to make your resolutions -- not after the New Year.

1. **Cut your gift list.** The easiest way to reduce how much you spend during the holidays is to exchange gifts with fewer people than you have in the past. Be honest: Aren't there a few people on your list that you question year after year? Make this the year you put an end to it. You might even talk to those people in advance and agree that, in the name of saving money and reducing stress, you won't exchange gifts but will get together to do something you both enjoy -- such as taking a stroll around the lake on Christmas afternoon.
2. **Find alternatives to purchased gifts.** Maybe stopping cold turkey on a gift-exchange with certain people doesn't feel right. But you don't have to go overboard, and you certainly aren't obligated to *buy* a gift. Granted, it's a natural temptation, especially when you're bombarded by relentless advertising telling you that the expense of a gift is the measure of the feeling behind it. But try being creative with alternatives: homemade treats, a coupon for your services such as babysitting, pre-addressed and stamped envelopes so an older person can easily keep in touch, a family photo, or a tax-deductible contribution to a charity are all thoughtful gifts sure to be appreciated.
3. **Make a budget.** Once you've figured out who you want to buy gifts for, you will do yourself a huge favor by determining your overall budget and having a general idea of how much you want -- and can afford -- to spend for each person. This will help you avoid the temptations and frustrations of last-minute impulse buying.
4. **Spend within your budget.** Having a budget will be about as useful as melted ice on a hot day if you don't stick to it. This takes tremendous discipline, and you may want to enlist help. Shopping with someone who can provide the voice of reason is the best way to keep from overspending.
5. **Get started early.** Good deals are often available before the official holiday shopping season starts. Prices are usually lower, you have more time to take advantage of mail order bargains, and you can find some great deals on models that are being phased out toward the end of the year.

6. **Look for good gifts that are also good buys.** Learn about the features and options available on a particular product, especially expensive items such as cameras, video equipment, sporting goods, stereos, and computers. Get specific product numbers before you shop around so you're not comparing apples to oranges. Read up on different makes and models so you won't be swayed by the more costly recommendations of zealous (and commission-hungry) salespeople.
7. **Once you've narrowed the field, look for bargains.** Studies have shown major price variations -- often 50% or more -- in the same area for identical products, especially audio-video and computer equipment. Don't assume that prices are always lower in catalogs or on television shopping channels, no matter what their ads claim.
8. **Know the store's return policies before you buy.** If what you thought was a perfect gift for Aunt Bertha turns out to be a duplicate or doesn't fit (her body or her tastes), you'll want the store to allow Bertha to return the item for a refund, credit, or exchange. Because sales help is often transient during the holiday season, and temporary employees may not be fully informed of store policies, ask the clerk to write the refund policy on the receipt if it's not printed there. You'll need to hold onto the receipt anyway in case you want to return the gift.
9. **Avoid buying unnecessary warranties.** Many consumer products come with warranties, especially audio-video equipment and appliances. But remember that some credit card companies double the length of the warranty on anything purchased with their card. Resist the pressure to buy an extended warranty or service contract for most products. They often duplicate the product's existing warranty and rarely are worth the extra cost. Consumer Reports, however, does suggest that you consider extended warranties for laptops and some types of TVs: LCD, plasma flat panels, and some rear-projection TVs.
10. **Keep records of all your purchases.** To make sure you stay on track -- and so you won't be surprised by gigantic credit card bills after the New Year -- keep all sales receipts. Receipts will also come in handy when monitoring your credit card statements.

When the Bills Come

Once you've spent the money and the bills arrive, you can still make your holiday dollars go further by paying your bills as quickly as possible. Credit cards generally require 2 to 3% of your current balance each month as a minimum payment. For a \$1,000 balance, that's \$25. But if you pay \$25 a month at the average interest rate of 18%, you'll be burdened by this year's holiday purchases for the next five years! And you'll end up paying hundreds of dollars in interest on that \$1,000.

The best way to avoid these charges is to pay by cash, check, or debit card, not credit card. Admittedly, however, that's not always possible. The next best thing is to pay off your entire credit card bill when it comes. But not everyone has a spare \$1,000 lying around after the holidays. Even so, if you can pay \$90 a month instead of \$25, you'll pay off your balance within the year and save more than \$400 in interest.

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EAP 24-HOUR HELPLINE: (904) 296-9436 or (800) 327-9757