



## Tip of the Month November 2018

### Holiday Spending

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As we move into the holiday season, many face temptations to spend beyond their means – including our clients. Over the last holiday season, [the average American added \\$1,054 to their total debt](#), a 5 percent increase since the previous season. Studies show that [we face as many as 5,000 advertisements a day](#). This is not to mention the extra barrage around the holidays.

What to do? We can choose to be reactive during a high-pressure time and suffer the consequences, or take a proactive approach. See the difference:

### Reactive approach

- Charge and pay later: this can lead to overspending and cause credit trouble if circumstances change.
- Become overextended: over-spending may require skimping on necessities, such as food and housing costs.
- Feeling overwhelmed, guilty or ashamed: from spending too much, or too little.
- Unconscious spending: if you don't have a plan, you could spend much more than you want to.
- Unrealistic expectations: are people really expecting this much of you?
- Victim of scam or extortion: feelings of desperation can affect otherwise good judgment.

### Proactive tips

- Make a shopping list and stick to it.
- Establish a "mini budget" to strategize and meet gift-buying goals.
- Shop and compare. Do the research.
- Have a savings account to pay for gifts. This is what some call a Christmas Club account.
- Talk with family about watching spending and gift ideas that are less expensive, yet meaningful.
- Try alternative gifts. Example: if you play a musical instrument, create a gift certificate offering free lessons.
- A holiday potluck meal can spread the cost and still be a fun social gathering.
- Remember H.A.L.T.: don't spend when Hurt/Hungry, Angry, Lonely or Tired.
- Meet with a financial coach to develop your strategy. I like this one!

Financial issues have become the number one stressor in our country. Holiday spending can add to that stress. Whether we are ultimately proactive or reactive, help is available. A conversation with a financial coach is available. If eligible, legal services may also help. Remember the old adage "an ounce of prevention or a pound of cure"? I recommend setting realistic holiday spending goals and establishing a spending plan. Reduce the stress!

Happy Holidays!