

Make plan, be firm to curb holiday spending

Every year, I spend more money than I want to during the holidays. Can you suggest ways to help me not go overboard this year?

Sure. But all the tips and guidance in the world won't help unless you make a firm commitment to yourself that this year will be different. Just as with any change to long-held habits (think "I'm going to lose weight" or "I'm going to quit smoking"), it will take energy, determination and focus. It won't just happen simply because you want it to happen.

With that in mind, here's some advice:

- Estimate what you want to spend overall.
- Then list categories of what you plan to purchase. Include everything holiday-related: gifts (how many and who you're buying for); decorations; travel or other outings; extra groceries for baking or special meals; and gift wrap, cards and postage. Include an "other" category to estimate unanticipated expenses. And unless you already have them budgeted, it would be a good idea to include any end-of-year charitable donations in the total.
- Estimate how much you will spend in each category, and compare it to what you want to spend overall.
- Once you add everything up, you may need to adjust your expectations in some categories. Do you have to buy gifts for everyone on your list? Can you suggest a round-robin gift exchange with family or friends? Could you realistically cut back in other areas? On the other hand, is it possible (and reasonable) to increase your overall budget? When you look at the cold, hard numbers in front of you, you might decide that this is the year to cut back so you don't end up with large credit card bills in January.



But then, as a next step, you could begin in 2013 to set aside a certain amount of money with each paycheck so you can spend more next year without going into debt.

- Decide how you will keep track of your expenses. Some people prefer an old-fashioned pen and paper. Others think setting up a computer spreadsheet is more efficient. Either way, be sure to jot down every holiday-related expense and tally it up at the end of the day. That way, you can see how you're doing on spending in each category and overall.

- When you're about to start shopping, have a plan. Read ads and do some online searching to look for the best deals. And know what you want to buy (even if it's just a general "gift for Aunt Mildred") before you enter a store, and don't let yourself be distracted by the great-looking displays of unrelated items.

- Some financial experts suggest leaving your credit cards at home and instead paying with cash or check. It seems that people tend to spend more freely when using credit cards.

- If it's within your budget, plan to do some after-Christmas shopping to catch great sales on holiday items for next year.

You can find more guidance at <http://www.extension.org>, where Ohio State University Extension and other members of the nation's Cooperative Extension System offers a wealth of information on many topics, including personal finances. Just go to the site and search for "holiday spending."

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@osu.edu.



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**For the month of
November 2012**

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Dear Subscriber: This column was reviewed by Patricia Brinkman, family and consumer sciences educator with Ohio State University Extension.

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