



EFA EMPLOYEE & FAMILY RESOURCES

# 6 Ways to Manage Financial Stress During the Holidays

The holiday season is a time for sharing, celebration, and gratitude. For many, however, the holidays represent something different: a time of financial stress. This time of year is often filled with pressure to buy expensive gifts and to spend money on costs associated with social gatherings. By planning, you can avoid the post-holiday financial hangover.



## **1** Check your credit score

While this seems like an unlikely place to begin your holiday shopping, it is found that shoppers who are motivated to maintain or improve their credit score are less likely to charge purchases or open new credit lines while holiday shopping. Understand your financial health before racking up credit on gifts.

## **2** Set a per-person budget

Create an overall holiday spending budget before you begin shopping for gifts. From your total holiday spending budget, break that number down even more to have a per-person budget. The more organized and detailed your budget is, the less likely you will overspend. Once you've hit that dollar amount, stop shopping for that person.







### **3** Scope out purchases in advance

Avoid impulse buys that may be out of your budget by browsing different items before purchasing the actual gift. If you are an online shopper, use your favorite store's website shopping cart to save potential gift options without checking out. As an added bonus, some retailers will email coupons to those who have left a full cart on their site, making a future purchase less expensive.



### **4** Pick one day to shop with a list

Complete a shopping list and try to accomplish your holiday shopping all in one day. Don't venture out without a list of specific items to buy for each recipient. Plan your shopping trip ahead of time, including what stores you plan to shop at and what you are going to purchase. You will save on gas driving to your shopping destinations, and will better stick to your determined budget.

## 5 Have a plan for credit usage

Is your holiday spending budget bigger than the money you can currently access? If you have budgeted to spend \$500 on the holidays and are putting away \$100 a week towards your holiday budget, you might not have the physical cash to spend till the end of December. In that case, look into credit cards, personal loans or other lines of credit. Be cautious to not take on more debt than you can afford to repay in a reasonable amount of time.



## 6 Forgo store-bought gifts

One of the best ways to avoid being financially stressed during the holidays is to skip expensive store-bought gifts altogether. It's the thought that counts! Homemade gifts are not only easier on your wallet, they are usually more heartfelt and well received.

