

County of Riverside Employee Assistance Services

Avoid Seasonal Splurging This Holiday Season

Texas CPAs Give Five Tips for Managing Holiday Spending
By Texas Society of Certified Public Accountants

Just as holiday feasting can ruin your waistline, over-enthusiastic holiday spending can bust your budget. According to the Texas Society of Certified Public Accountants, the best way to take the stress out of holiday buying and post-holiday “paying up” is to map out your spending strategy in advance.

1. Review Last Year’s Holiday Expenses

This will give you a good perspective on how much you actually spend as opposed to what you think you do. Review your records — credit card bills, checkbook register and receipts — to get a rough idea. Include everything — not just gifts, but also the money you spent for decorating, entertaining, special clothing, and travel. Don’t forget the interest, if any, that you paid on credit card debt.

2. Prepare an Overall Holiday Budget

To avoid post-holiday spending remorse, determine a realistic budget and stick to it. A spending plan will help you meet your family’s holiday needs without going overboard. Try to think creatively about ways to reduce your costs.

3. Set Realistic Spending Limits

Make a gift list. Decide how much you want — and can afford — to spend on each person. When you add up your costs, if the total is more than you budgeted, look for ways to scale down. Make some gifts instead of buying them or consider drawing names rather than getting presents for everyone. Give a gift of service, such as baby-sitting for a couple with young children or some gardening work for a senior. Bring your gift list with you whenever you go shopping and check it often to be sure you stay within your limits.

4. Avoid Using Credit Cards

Paying in cash is a good way to reduce spending because people think more carefully when paying with cash. If you’re concerned about your money being lost or stolen, a debit card is a good alternative.

If you must buy on credit, try this: Put your credit card in a checkbook register and enter the amount of every purchase, just as if you were writing a check. Keeping a running tally of your mounting balance should deter you from overspending. Be sure to use a low-interest credit card. You’ll save a bundle if you pay off your balance at 7.7 percent a year, rather than 18 percent. Make every effort to pay off your balance as quickly as possible — even if it means making post-holiday adjustments to your regular budget.

5. Consider Christmas Club Accounts for Next Year

Christmas Club accounts may sound old-fashioned, but they are actually an effective way to prepare for holiday spending. Each week, you deposit a set amount in an account and, come October, you receive a check, just in time for holiday shopping. If you carefully track all your spending this year, you will have a good idea of your needs for next year. Divide that number by 12 to determine your monthly savings. If your bank doesn’t offer holiday accounts, you can set up your own in a separate savings or checking account.

Even careful spenders can find themselves faced with paying off holiday bills well into the new year. CPAs say by planning ahead and carefully budgeting, you can make the holiday season and its aftermath more enjoyable.

Additional personal finance information is available online from the Texas Society of Certified Public Accountants at www.ValueYourMoney.org.

Employee Assistance Services Office Locations: Toll Free: 888.829.8999

Riverside: 3600 Lime St., Bldg.1, Ste. 111, Riverside, CA 92501
Desert: 68-625 Perez Rd., Ste. 10-A, Cathedral City, CA 92234

Phone: (909) 778-3970
Phone: (760) 328-6863