

Holiday savings tips

Whether you're shopping for gifts, food or decorations, spending during the holidays can cause added stress. However, some careful planning and a little creativity can help you enjoy the festivities without financial fears. So, make a shopping list and 'check it twice' with these holiday savings tips.

Planning ahead

The best way to manage your spending this holiday season is by planning ahead so you don't get caught with unexpected bills when the festivities are over.

- **Develop a financial plan.** Experts recommend spending no more than 1.5 percent of your household annual income on holiday gifts and entertainment. Creating a budget before the busy season hits means your spending process will go smoother, and you will have ample time to pay bills.
- **Look back.** Review your spending from the past few years to help you allocate funds as well identify some areas where you can to save.
- **Put it on paper.** Write out everyone on your gift list and decide how much you want to spend on each person. Add costs for additional items such as cards, postage, gift-wrapping, meals, parties, travel, etc. and adjust accordingly to stay within your budget.
- **Stock up ahead of time.** Start adding a few holiday staples to each week's grocery list right now. This lets you take advantage of sale prices. You can also schedule your holiday groceries to arrive at your door long before you need them. By ordering in advance, you can avoid a last-minute grocery store shopping spree.
- **Save in advance.** After this holiday season ends, mark your calendar to start saving money long before next year's begins. Research suggests saving as early as the summer beforehand.

Savvy alternatives

If you want to enjoy more and worry less about spending, check out these ideas to help you do both. It doesn't take a lot of money to make the holidays enjoyable - just a lot of creativity and fun.

- **Draw names & create a spending cap.** This is an excellent way to ensure everyone receives a gift but only needs to buy one.
- **Host a white elephant exchange.** Ask everyone to "shop what they've got" and bring an amusing, impractical gift. The goal is to entertain partygoers rather than to gain a genuinely valuable or highly sought-after item.
- **Get creative.** Handmade gifts can be a special treat, and they save you money. Bake cookies, create a photo album, knit a blanket or scarf or compile favorite tunes into a music playlist.
- **Decorate with flair.** Don't get caught up in the over-priced decorations of the holidays. Instead, look around your yard for tree branches, holly, acorns, leaves and lots of other items that make festive decor. A bag of cranberries and popcorn create an old-fashioned holiday trim. Pour Epsom salt "snow" in clear containers and tie with ribbon.

The holiday toolkit



While you shop

Having a shopping strategy before you make any purchases will help you find the best deals and buy only what you need. Follow these tips while you shop to resist impulse buying.

- **Start early.** When buying big-ticket items such as electronics, appliances or bicycles, start price comparisons early to snag the best deals. With holiday travel, set alerts for flights months ahead of time.
- **Shop online.** The ability to compare prices from the convenience of home is an excellent way to stay within budget. Online shopping can also make it easier to resist making impulse purchases.
- **Use coupons.** Search online for coupons to almost any store. Print them out and use them or use coupons online. You can find coupons by store name, brand or other detail.
- **Limit credit usage.** If you intend to shop with a credit card, have a plan to pay the balance to avoid costly interest charges. Consider using cards that offer extra incentives such as cash back or frequent flyer miles.
- **Visit discount stores.** Major retailers may offer convenience and a wider selection, but shopping at discount stores will make your wallet happy. If you're looking for clothes or books, you can try secondhand shops for used items that come at steep discounts.
- **Make a list.** Shop with a list to avoid buying extra items.

Saving on activities

A last-minute ice-skating adventure is plenty of fun, but does it fit into your holiday budget? Pick and choose which activities you want to enjoy and figure out how much you can spend on each.

- **Enjoy free and inexpensive holiday activities.** Check out your local community calendar for free holiday activities and performances such as a tree lighting or parade. Snuggle up with the family and watch a classic holiday movie or pull out your best board games and celebrate with a game night.
- **Travel wisely.** Compare flights and look for deals well in advance. If travel doesn't fit in your budget this year, opt to stay home instead. As many learned during the pandemic, celebrating from home still allows you to enjoy old traditions and create new ones with loved ones.
- **Reuse decorations.** Rather than buying new holiday décor for your living space, store decorations and use them year after year.
- **Try a potluck.** Potlucks can bring friends and family together over a shared love of food, and it means one person doesn't have to spend on the whole meal.

Saving, spending smart and planning for the holidays will let you relax and enjoy this magical time of year.

Source: <https://www.practicalmoneyskills.ca/personalfinance/savingspending/budgeting/holiday.php>

The holiday toolkit

