

# Budgeting Your Holidays

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## Rule #1: Create a Budget Ahead of Time



- Start NOW!
- Be sure to include not only gifts, but hosting/entertainment, party clothes, travel, cards & postage, decorations, etc.
- If you're still paying off *last year's* credit card bills, take a lesson!



## Rule #2: Make a List



- Decide how much you're going to spend on each person on your list
- Determining factors:
  - Size of your family
  - Your finances
  - Traditions & values
- Check it twice...stick to the spirit of the season!



## Rule #3: Do Your Research



- Save on gas...use the Internet!
  - Comparison shop from the comfort of your home
  - Even if you don't purchase online, you can see what different stores are charging for the same item
  - You can save a lot of time and \$\$\$



## Rule #4: Use Credit Cards Wisely

- Pay off your balance as soon as you can
- Use cards with a low annual percentage rate (APR)
  - Some companies offer 6 months to a year of 0% APR!
- Beware the store credit card!
  - The interest rates can be upwards of 20%



## **Rule #5: Teach Kids the Value of a Dollar**



- Talk to your kids or grandkids about financial problems you may be having
  - The more they understand why you have to cut back, the less disappointed they will be if they don't get that expensive gift (hopefully!)
- You may also want to pool resources with other family members to ease the pressure



## Rule #6: Invest Monetary Gifts Wisely



- If you receive money as a gift, think about investing it – do some research for the best options
- If you give money as a gift, keep in mind the age of the person receiving it
  - The younger the person, the less you may want to give them
  - Use the opportunity to teach [the child] about saving for the future



## Rule #7: Look to the Future



- Budgeting isn't just a smart thing to do around the holidays...it's an everyday thing!
- Make paying off credit card debt and saving for retirement top priorities
- You may also want to set up a money market fund just for holidays and special occasions



## More Tips



- Divide and Conquer
  - Break your wish list down into **Needs, Wants,** and **Extras**
    - *Needs* are things you'll definitely spend money on, such as gifts
    - *Wants* are things you don't absolutely need, but would really make the holiday nice
    - *Extras* are things that you definitely don't need, but one or two would be great (if possible)



## More Tips



- Be specific!
  - Assign a specific \$\$ amount to as many items as possible: gifts, food, clothes, decorations.
- Be decisive!
  - Once you've finalized your budget, stick with it!
- Be realistic!
  - Only you know what you can comfortably afford. Don't deny yourself *all* the "fun" stuff, just don't go crazy!



## More Tips



- Think about “gifts from the heart”
  - Homemade gifts
  - Charitable donations
- Use handcrafted decorations
  - Make it a family tradition/project
- Don’t get stressed
  - The important part is being with your family



HAPPY

HOLIDAY

SPENDING