

Seven Ways to Budget for a Stress-Free Holiday Season

For all their parties, family time, and mirth, the holidays can be a financially complicated season. There are presents to buy and family gatherings to plan, which can cause great strain on your bank account. But with a little proactivity, you can plan your holiday expenses in a way that feels not stress-inducing but empowering. As COVID continues to affect our economy and personal budgeting, try these seven tips this December so that you can try to enjoy the holiday season instead of worrying about it.

1. Make a List of Holiday Expenses

To know how much you'll spend, you have to map out what you actually plan on buying. Who gets what gifts, and what do you estimate each one will cost? On top of that, don't forget additional expenses: wrapping paper, packages, or shipping costs if gifts will be travelling. It might help if you rank these gifts—perhaps categorize them by "have to buy," "maybe will buy," and "will only buy if there's extra money." This will help you strategize when it comes to making purchases.

2. Set a Spending Limit

This may seem like the simplest step in your holiday budgeting, but it takes more planning than just slapping a number on your expense limit. First, you should set a hopeful limit (what you aim to spend) and then a top limit (what number you cannot afford to go

over). To end up with a value, take into account what you have left after paying your bills, mortgage, and other fees and then seeing, within that surplus, what you are willing to spend. If you are able, don't forget to budget some money for yourself—this is the holidays, and you should treat yourself somehow!

3. Divide Your Budget

After setting a spending limit, you'll need to divide your budget accordingly. What purchases take precedence, and who will you be spending more on? If you have people who you frequently give gifts to and receive gifts from, it might help to track in a document what those gifts are so you know approximately what to spend on that person in return. Knowing that value will help you better plan your purchases.

4. Make a Shopping List

And make it personal! Yes, when working on a budget there may be limitations in store. But there are also a number of homemade gifts that are on the cheaper side and show a lot of love. Home-cooked jams, handmade cards, and homemade crafts go a long way. As you prepare to make and wrap gifts, ready your shopping list, and browse around to see who has deals and where you can get the best bang for your buck.



5. Avoid Paying for Gifts on a Credit Card if Possible

Credit cards can be a tempting way to purchase holiday gifts. They're quick and easy, but as such can also be financially dangerous. It's not uncommon for consumers to get too into the holiday spirit and wind up buying more than they can pay for, which is why each of the above tips are very important so consumers can plan ahead and only buy what they need and can afford.

6. Watch for Sales

The holiday season can be a pricier time, but digging around for sales is always worth the effort. A simple Google search can help, as can using Honey, a free website that aggregates discount codes. You should

also spend some time combing through your inbox. How many emails do you get a day for some new item on sale or a discount at your favorite store? Take advantage of those offerings, and expand your reach by chatting with friends: what sales are they seeing and how can those be of help?

7. Track Your Purchases

Tracking your purchases is a key way to ensure that you are getting your money's worth. In Excel or Google Sheets, have a few columns set up: the cost of the present, who it is for, when it is expected to be delivered, and if it was indeed delivered. In either of those documents, you will quickly be able to tally your prices and keep track of gifts delivered and received.

First Hope Bank helps make the holiday season bright by working with customers on their budgeting and expenses. Set up an account today or learn more about us by getting in touch—as a trusted community bank, we tailor our services to your needs. Happy holidays!



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