

► Holiday Giving

Be Generous, Yet Frugal



Buying presents, visiting family, hosting holiday dinners and parties—we spend more money in the three months before New Year's than the rest of the year.

It is easy to use credit cards during the holidays. However, this can lead to debt issues that may last many months after the holidays.

A great way to manage your holiday expenses is to use cash for as many purchases as possible.

Shopping Tips

These tips can help you save money while still letting you share during the holidays.

Start early. Make a list. This will help you know how many gifts you need to buy. Start watching for good deals before the holiday shopping season begins. You'd be surprised on the kind of deals you can find. If you make your list early in the year, then you can start shopping earlier as well.

Cut the gift list. Exchange gifts with fewer people. Instead, plan an activity with a friend you both enjoy—take a stroll to enjoy the holiday lights or visit over coffee and desert instead of a big meal. Or, a group of friends can draw names and have a gift exchange party. Then you only have to buy one gift.

Find alternatives to purchased gifts. Be creative! Homemade treats and gifts, babysitting coupons, pre-addressed and stamped envelopes so an older person can easily keep in touch, a family photo, or a tax-deductible contribution to a charity are thoughtful gifts sure to be appreciated.

Make a budget and stick to it. Know how much you can afford to spend ahead of time. This helps avoid temptations and frustrations of last-minute impulse buying. Sticking to your budget is not always easy and may require some discipline. Shop with someone who will help keep you from overspending.

Look for gifts that are also good bargains. Learn about the features and options available on a particular product, especially expensive items, before you buy. Do not assume prices are always lower in catalogs or on television shopping channels, no matter what the ads claim. Also, keep in mind there are usually great deals on models that are being phased out at the end of the year.

Know return policies before you buy. If your “perfect” gift for Aunt Susan turns out to be a duplicate or doesn't fit (her body or tastes), you will want her to be able to exchange the item for a refund, credit, or exchange. Ask the sales clerk to write the refund policy on the receipt if it's not already there. Hang onto the receipt in case you want to return the gift.

Avoid unnecessary warranties. Extended warranties or service contracts often duplicate the existing warranty and are not worth the extra cost. Consumer Reports suggests considering extended warranties for laptops and some types of TVs [LCD, plasma flat panels, and some rear-projections].

Keep records of all purchases. To stay on track, keep all sales receipts. Receipts will come in handy when monitoring your credit card statements and comparing to your budget.

Stretching Your Money

If you used your credit cards to buy gifts, you can avoid high interest charges by paying off your entire bill when it arrives.

But not everyone has spare cash lying around after the holidays. If you are able to make more than the minimum payment, you'll pay off your balance sooner and save money in interest. Remember, credit cards generally require 2 to 3 percent of your current balance each month as a minimum payment.

Finally, if you get in over your head, contact a debt or credit counseling agency. A good debt counselor can get creditors to stop collection efforts and help you create a budget and repayment plan that you can stick to.

Your EAP also can assist you in connecting with appropriate financial advisors.

If you or someone you know is having a problem, contact your EAP—help is available!



For further information, please call your EAP:

1.800.272.3626

Callers with TTY equipment, please call:
1.800.338.2039

Online Services: www.mhnetep.com

