

Money Matters: Be smart at the holidays

By Rick Gross

For many of us, the holiday season is a time of joy and rest. However, planning for the season's festivities can feel hectic and create financial stress. According to the Consumer Reports National Research Center, top holiday stressors for Americans include gift shopping, crowds and long lines, traveling and taking on some level of debt.



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So how can you give generously but not go overboard on your budget? Here are five ways to keep your cash outlays in check while still having a fun and memorable holiday season:

1. Set a budget

One way to keep tabs on what you spend during the season is to set a limit and try to stick with it. Start by looking at what you spent last year and use that as a baseline for this season. Did you spend more or stay on budget? While gifts and travel may be the first items that come to mind, also consider what you'll spend on food, decorations, charitable giving and traditions, such as sending holiday cards.

2. Use your credit card wisely

Gifts, travel and festive meals can add up. If you are going

to charge expenses over the holidays, try to spend at a level that enables you to pay the bill when it arrives. Otherwise you're "borrowing" the money by using your credit card and slowly paying down the debt you've accumulated with high interest costs. If you have multiple credit cards, think about using one for holiday purchases that will give you cash back for savings or airline miles for an additional perk.

3. Focus on more than the price tag

Most of us would appreciate a smaller but more meaningful gift over something expensive that we will likely regift. One way to do this is to give experiences that create memories. For example, consider bringing your family to a holiday play or making reservations for a special dinner you can enjoy together. If you have a large family that tends to give gifts to each other, you could suggest drawing names to make the process a bit less demanding on everyone.

4. Shop carefully

Getting a head start on gift buying usually results in savings. It gives you time to explore options and compare prices from different retailers. Planning ahead can also help you avoid expensive costs for rush shipping. If you're an online shopper, consider sending gifts directly to the recipient's home so you won't have to ship the gift a second time. If you prefer to shop at the mall, look up each item online while waiting in line to checkout. Many stores have a price-match policy, so it's worth your time to do your research.

5. Consider an alternative to a pricey party

If you typically host a seasonal bash for a bunch of friends, consider another option – inviting that group to volunteer together instead. Contact your favorite charity or search volunteer sites such as All For Good (allforgood.org) to find opportunities that would allow your group to spend time

together without the big cost. If festive parties help you get in the spirit, put a spin on tradition by asking guests to bring their favorite holiday dish or suggesting a round-robin dinner. With either option you'll enjoy the party without the big price tag.

If you feel like you've overspent in the past, look at this holiday season as an opportunity to be creative as you find ways to have fun while keeping your spending in line.

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