

Budget Now, Relax Later

Can it really be that time of year already? Time to make a holiday budget!

Many of us are facing the reality that yes, it's nearly the end of the year and yes, this year the holidays are quickly approaching. Budgeting is almost always a good idea, but a holiday budget sometimes has an extra dash of stress added to it, so let's explore a method to reduce some of that stress now, before the season is in full swing.



Create and stick to a holiday budget

For some of us, creating a holiday budget is about as much fun as putting up outdoor holiday lights in the rain. It can be one of the more challenging tasks of the season. Put the effort in now though, and 1) you'll quickly feel more organized 2) you'll thank yourself in December for sticking to your budget and 3) you'll thank yourself in January because you'll be able to open your credit card statement without fear. Because you've got a plan and you're being proactive about it, you'll probably be less stressed overall this season.

Good: Stress Reducers

- ✓ Having a spending plan for gifts
- ✓ Having a well-thought-out plan for all holiday spending
- ✓ Having a few good ideas that you've jotted down
- ✓ Have "within budget plan B's" for when the unexpected arise







Not So Good: Stress Inducers

- ✓ No plan
- ✓ Waiting until the day before the holiday to do your shopping and missing the overnight shipping window at your favorite store
- ✓ Saying "I'll get to the holiday budget tomorrow" over and over

Here's how to get started:

Spend 15 minutes thinking about/talking with your family about what you are likely to be doing or not doing this holiday season. This includes what you will (or will not) be attending, and what a good holiday realistically would look like to you and your family this year. Find a notebook and jot down a few of your ideas. Set boundaries now and communicate them, so as to not overschedule, overspend, or over commit.

Now that you are getting warmed up, let's take it a step further. What are the things you're likely to spend money on this year? These are the most common holiday expenses, although not all of them may be as relevant this year.

-  Gifts
-  Food and Drinks
-  Decorations, both inside and outside
-  Cards, gift wrap
-  Travel
-  Charities/donation

Remember to jot down your ideas in the same notebook that you used before.

Determine what your budget will be based on a realistic estimate about what you can afford. Do this first. Don't wait until you've completed your spending plan or spreadsheet. This process works a lot better if you have a sense of how much you can spend before you start creating lists. If you do it the other way around, your final tally is likely to exceed the amount you can realistically spend. This pretty much defeats the purpose of creating a plan. If you know how much you have to spend upfront, your approach will be based on the figure that **you've** set.

Make sure you involve the right people when you're creating your plan.

Try using a [planner](#) to help.

Now set your plan aside for a couple of days. You might find yourself thinking about it from time to time, and you and your family members may get some fresh ideas about how to stay within the budget you've set.

Review your plan. You may have a couple of ideas about changes. See how they affect your overall budget. You may be tweaking it several times before coming up with a final plan.

Holiday Budget Planner				HOLIDAY BUDGET		\$750.00	
				ACTUAL SPENT		\$820.00	
				DIFFERENCE (over/under budget)		(\$70.00)	
Gifts				Holiday Meals			
Item	Budget	Actual	Difference	Item	Budget	Actual	Difference
Friends	\$200.00	\$475.00	✓ \$275.00	Decorations			✓ \$2.00
Co-workers			✓ \$0.00	Liquor			✓ \$0.00
Teachers, nannies, babysitters, etc.			✓ \$0.00	Decorations			✓ \$0.00
Charitable donations			✓ \$0.00	Other (add in last column of this row to add row)			✓ \$0.00
Other (add in last column of this row to add row)			✓ \$0.00	Total	\$0.00	\$0.00	✓ \$0.00
Total	\$750.00	\$820.00	✓ -\$70.00				
Packaging				Entertainment			
Item	Budget	Actual	Difference	Item	Budget	Actual	Difference
Gift wrap			✓ \$0.00	Party help (bartender, caterer, cleaners, etc.)			✓ \$0.00
Tags			✓ \$0.00	Decorations			✓ \$0.00
Supplies (ribbon, tape, etc.)			✓ \$0.00	Food and beverages			✓ \$0.00
Boxes			✓ \$0.00	Clothing			✓ \$0.00
Postage			✓ \$0.00	Tickets			✓ \$0.00
Other (add in last column of this row to add row)			✓ \$0.00	Dinner out			✓ \$0.00
Total	\$0.00	\$0.00	✓ \$0.00	Other (add in last column of this row to add row)			✓ \$0.00
				Total	\$0.00	\$0.00	✓ \$0.00
Travel				Miscellaneous			
Item	Budget	Actual	Difference	Item	Budget	Actual	Difference
Airfare			✓ \$2.00	Holiday photos			✓ \$0.00
Lodging			✓ \$0.00	Gift			✓ \$0.00

Put your plan into action. Whether you shop online or in person at a retail location, take a copy of your plan with you. This will help you keep on track. If your plan involves multiple family members making purchases, check in with each other to help keep everyone on track. Make sure to update it as you go along. Balance those “a few dollars over plan” purchases with others that cost less than you expected – this helps to keep you on track. Remember to keep your notes and a copy of your plan so you can use it as a guide next year. It will probably cut down on your planning time next year since you’ve done the hard work this year.

Make some quick notes on what worked well and what you’d change next year. A year can be a long time to try to remember details, so a few notes made now can be a real advantage when you look at this next year.

Finally, sit back, relax, and congratulate yourself (and your family) for a job well done!

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Call us- we're here to help **800.448.8326**