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Why we overspend during the holidays



Black Friday has company! It's now preceded by **Gray Thursday** and followed by **Cyber Monday**, and you can bet that deals will be popping up all day Saturday and Sunday, as well.

Oh, goody: More ways to spend money we might not actually have.

A combination of factors conspires to loosen our wallets each November and December. Holiday carols and images of Old St. Nick in the stores. Family traditions that seem to get more expensive every year. That annoying cousin who talks about how much he spent on his wife and kids. Endless ads that trumpet the Best. Sale. Ever.

Underneath it all, maybe, is the fear that if you don't do the holidays right then no one will love you.

What drives a lot of our behavior is “a sense that there's something wrong with us, that we're not good enough,” according to psychotherapist Kate Levinson, author of “Emotional Currency: A Woman's Guide to Building a Healthy Relationship With Money.”

“To make us feel good about ourselves, we do what good people do: They give a lot of gifts to other people,” Levinson said.

Personal and commercial expectations are formidable, but they can be vanquished. Figure out why you're feeling pressured to overspend, and you're less likely to do so.

Why We Overspend on the Holidays

Fear of Missing Out?

An obvious trigger is the glitter and promise of holiday ads. Those hoodies are a steal! Seriously, just \$2.99 for last summer's hit family film? Can you believe the price on this laptop?

It's no wonder so many people used to stand in line (or even camp out) for a shot at super-low prices. Some still do, although online shopping has made it less likely that you'll get trampled to death by crowds intent on snaring cheap big-screen televisions.

Ads use triggering language, too, such as “doorbusters” and “lightning deals.” They promise gift cards or other freebies to the first couple hundred shoppers, or note that certain deals are limited to stock on hand.

In other words: Hurry up or you'll miss out!

Other Holiday Triggers

Between Thanksgiving and Dec. 24 you're likely to hear the phrase “the perfect gift” a whole bunch of times. Although it's generally part of someone's ad campaign, you might find yourself saying, “oh, that would be perfect for...”

Choose the wrong gift and there's the possibility of disappointing someone. (Bonus bummer points if it's a child or grandchild.) Pick the right present, though, and you're a holiday hero.

Or maybe your problem is that you don't know when to stop giving. Suppose your budget is \$20 per person but you see something that costs \$24.99. Well, what's another \$5 for the perfect gift?

“When you do that multiple times with multiple gifts, you get in trouble,” Levinson said.

A Losing Game

Sometimes we're keeping up with Joneses, either real or imagined, especially regarding our children. According to certified financial planner Donna Skeels Cygan, we don't want to "deprive" them or set them apart from their peers — whether we can afford it or not.

"It's become perfectly acceptable to have a big credit card bill that you carry from month to month," said Cygan, author of "The Joy of Financial Security: The Art and Science of Becoming Happier, Managing Your Money Wisely, and Creating a Secure Financial Future."

No kids? You might stress out about whether your gift-giving stacks up against that of a friend or colleague — or worse, a relative. If those extended family get-togethers are all about showing off the quantity/quality of presents, you might worry about being judged.

This game is not only unseemly, it's unwinnable. An overindulged child (or partner!) develops an increasing sense of entitlement. You'll work harder each year to top the previous Christmas haul, probably paying more than you can afford for things that might not even matter after a day or two.

Be the change you want to see in the world, whether that's avoiding Black Friday altogether or making all your gifts by hand. Buy with intention and don't spend more than you can afford. There's nothing wrong with wanting to give, but there's plenty wrong with going into debt to do so.

<http://www.cbsnews.com/media/why-we-overspend-on-the-holidays/>