

How to deal with holiday spending hangover



If, like many Americans, you've overspent in your pursuit of the perfect holiday and now the bills are rolling in, there are steps you can take to ease the pain, financial adviser Donna Skeels Cygan says.

"If you've overindulged financially, this isn't a hangover you can simply sleep off," said Cygan, author of "The Joy of Financial Security."

Here, she shares some strategies to help alleviate the symptoms of your current financial hangover — and prevent a new one from developing in the future:

- First, stop the bleeding and curtail all unnecessary spending. "Avoid malls, shopping centers, and your favorite retail websites in the weeks to come. ... Chances are, you won't be able to resist the great deals if you put yourself in temptation's way."
- Get real about what you really spent. "Look through your receipts and/or bank account records and include all holiday-related expenditures — not just gifts and decorations, but also food, clothing, travel costs, etc. Often, there's a disconnect between what we think we spent and what we actually spent."
- Identify your holiday spending temptations. Common culprits include last-minute shopping, being seduced by sales, keeping up with the Joneses and impulse buys. Knowing why you slip up can help prevent doing it again.
- Recoup what you can. Did you buy anything during the holiday shopping frenzy that you can return? Maybe you bought two new cocktail dresses and wore only one, or maybe you bought gifts that you never ended up giving.
- Make a payoff plan. Is there a way to work more or items you can sell? If you expect a tax refund, do your taxes early. "This might mean cutting entertainment expenses or working part-time, and should certainly involve tackling the largest interest rates first."

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