

Decking the Halls Without Breaking the Bank: 10 Ways to Cut Costs While Having a Truly Joyful Holiday Season

*By Donna Skeels 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* (Sage Future Press, 2013, ISBN: 978-0-989-77844-2, \$24.95, www.joyoffinancialsecurity.com)*

You know “stuff” isn’t what makes the holiday season truly fulfilling. Yet each year, despite your best intentions, you end up shopping too much, rushing too much, stressing too much...and savoring the moment too little. Here, financial adviser Donna Skeels Cygan offers 10 suggestions to help you maximize your joy by making small, deliberate changes in the way you spend (or don’t spend) your money this holiday season:

Set a budget for gift-giving. By the time we reach adulthood, Cygan says, most of us have learned that giving and receiving unneeded gifts is an enormous waste of money. (“Many clients have told me they do well all year and then lose control during the holidays because of gift-buying expectations,” she shares.) Consider the following cost-cutting strategies:

- Sit down (perhaps with your spouse) at the beginning of the season and develop a holiday budget. Don’t rely on how much you spent last year to come up with this year’s numbers—figure out what is truly comfortable for your family, even if it means you won’t be spending as much as you have in the past. In particular, Cygan says you should put a specific dollar amount on how much you want to spend on gifts. Having firm parameters will help you resist the urge to add “just one more” gift to the pile—a particular temptation for parents!
- Draw names for extended family members. Instead of buying eight gifts for eight aunts, uncles, and cousins, this system allows you to buy only one gift for the person whose name you drew, saving you time and money. (Of course, you can continue to buy gifts for your children and parents.)
- If you explain to friends and family that you’d like to stick to a budget and suggest that you all place a prearranged limit on gift expenditures, odds are good that most people will respond with enthusiasm and relief! For instance, you might set a maximum of \$25 per person or a limit of \$200 for all gifts combined.

Replace gifts with experiences. Cygan insists experiences are much more memorable and fulfilling than “stuff.” Instead of participating in a gift exchange, you and your loved ones might:

- Spend a morning baking cookies together. After baking, the cookies can be packaged with holiday ribbons, providing the added benefit that everyone goes home with several types of cookies to enjoy or give as gifts.

- Together with family or friends, choose a local charity or “adopt” a family that is less fortunate. Spend a half-day shopping for food and/or gifts, then wrap them and deliver them. Neuroscience research has shown that reward centers light up in the brain when we give to charity. In essence, doing good feels good.
- Volunteer at a soup kitchen, hospital, nursing home, or homeless shelter. Giving your time to others who are less fortunate will help you to focus on gratitude.
- Organize a lunch or dinner together—either at an affordable restaurant or as a potluck at someone’s home.
- Take a drive to look at holiday decorations, attend a concert, or visit a museum or nearby town. Get creative as you plan your experiences.

Make a list and check it twice. Jumping into your modern-day sleigh and heading to the mall without an idea of what you want to buy and where you want to buy it is a recipe for overspending. There are just too many “shiny objects” that can catch your eye! That’s why Cygan suggests making a list of the people you want to buy for and brainstorming specific gifts you’d like to find for each individual. With your list in hand, you’ll be less likely to become sidetracked by all of the attractive store displays.

Leave your credit card at home. Commit to using cash when you visit retail stores. Why? Studies have shown that we spend about 15 percent more when we use a credit card rather than cash. It’s easy to justify spending “just” a little more when you know that you won’t receive a bill for several more weeks. But when you have to count out and hand over cold, hard cash, you’ll probably find yourself making much wiser spending decisions.

Do your shopping early. If possible, Cygan recommends doing your shopping during off-peak hours, as early in the season as you can. The less you have to fight the crowds, the easier it will be to find everything on your list—and the less stressed you’ll be. Try to finish your shopping before Thanksgiving. Retailers often have great sales in early November. This frees up Thanksgiving and December for enjoying the holidays, rather than frantically shopping for last-minute gifts. (And let’s face it—when time is short, your willingness to pay more increases.)

Browse some virtual shelves. Many online retailers offer attractive discounts that are difficult to find in brick-and-mortar stores, and some even offer free shipping. If you like a certain retailer, sign up on their website so you will receive emails regarding sales, discounts, and coupons. Again, just be sure to shop early so that the items you want are in stock, and so that you don’t have to pay for rush shipping.

Understand that value often has nothing to do with price. Of course you want recipients to like, use, and value the gifts you give them. That’s why we’re tempted to go all out and purchase expensive items—they’re certain to make a big impression! But Cygan reminds us that the most memorable, treasured gifts often don’t come with big price tags. For instance, Grandma might proudly hang framed artwork by your kids in her home and admire it for years to come.

Remember the reason for the season. Regardless of your spiritual beliefs, the holidays are most fulfilling when you focus on your family, your spirituality, and your values. The hustle and bustle and materialism often serve to interfere with the true meaning of the holidays. Don't let them. Together with your family, make a conscious decision to focus on quality time together. (Remember, it's okay to politely say "no" to things that have a negative impact on your time or money during the holidays.)

Start some new, affordable traditions that reflect your family's values. For instance, you may decide that during December you want to cook evening meals from different cultures or different religions. Perhaps you want to announce to your family that you'll set aside several hours of each weekend day for rest and relaxation. "The Spanish and Italians take a siesta every day, and the concept of the Sabbath in many religions would be a wise addition to our hectic routines—especially during the holidays!" comments Cygan.

Celebrate your success. Celebrate the positive financial changes you've made by planning a special treat for yourself sometime after the holidays. This celebration can be as simple as sharing a champagne toast with your spouse or blocking out some "me time." When you recognize that you are moving forward toward financial security and greater happiness, you'll be motivated to keep up the good work in 2015. And it will truly be a happy new year!

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