

7 tips for enjoying a financially stress free Christmas



It can be hard to manage and keep track of your expenses when Christmas is creeping closer and closer and we are all trying to juggle end of year parties and get-togethers with family and friends.

Here is a seven step plan to help manage your finances over Christmas so the start of 2017 can be stress-free.

1. Start planning your Christmas early

Write out a list of all your family and friends of whom you plan to give a gift to at least 2 months before Christmas. Set aside 2 separate days on a weekend or during the week to do your shopping. Try your best to ensure this is done at least 4 weeks before Christmas. This gives you enough time to plan for other events and avoid the mad rush on Christmas Eve.

2. Create a budget

Determine how much money you can afford for your Christmas budget and carefully allocate figures to your list. Add any other expenses you can think of to your budget. This will give you an idea on the total of your budget. Follow your budget as close as possible as this will help make your planning for Christmas less stressful and give you that little extra money to spend during your Christmas break.

3. Be sensible with presents

Secret Santa is a great way to avoid buying everyone in the family a present if money is tight. Suggest a dollar amount for each present to make it reasonable for everyone. Another good way to save money over Christmas is to use your reward points to help pay for presents. Christmas is the perfect time to cash in your points.

4. Eat, drink, party...and save

Hosting parties throughout December right through to New Year's Eve means entertaining overdrive! To avoid emptying out all your pockets, ask everyone to bring a plate of food and their own drinks to help save on costs. As a bonus, this saves hours of preparation too.

5. Cheap and cheerful

Everyone loves to soak up the Christmas spirit with fancy ornaments and baubles around the house and on Christmas trees. There's no need to spend a lot on these decorations as even the cheaper ones still look nice. Try Kmart, Target or even The Reject Shop to pay half the price. We promise no one will know the difference!

6. Be wise with your credit card

It is always a good idea to review your credit card before you go ahead and spend all your Christmas shopping on it. The Australian average credit card debt currently stands at \$4,300 per cardholder. If the interest rate is between 15% and 20%, the annual interest bill could reach \$700¹. Look out for good card deals if you do plan to use your credit card this Christmas.

7. Why not spend your holiday at home

There are many beautiful destinations in Australia that families choose to go to for their Christmas holidays but this often comes at a high price. Why not holiday in your own home by planning fun activities at your local beach or park? If you do choose to go away, plan far in advance and keep a look out for great accommodation deals that could potentially be half the price of the original cost.

Christmas is a wonderful time of year to spend with family and friends, so it is important to budget and plan so you can avoid that horrible Christmas debt hanging over your shoulders.

¹ ASIC MoneySmart credit card debt clock, 7 November, 2016

Source: Capstone Financial Planning

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