

**The 12 Tips of Christmas**

**(how to reduce the financial burden)**

Christmas is a time of year that many of us look forward to. A time where we can catch up with our family, friends and loved ones. But Christmas, being consumer driven, can also come with a financial expectation and burden.

We’ve pulled together the following tips that might help reduce the pressure this year, allowing you to concentrate more on the important things during the festive break… eating, drinking, and being very merry.

1. **Set a budget for your Christmas spending**

First, draw up a budget for your Christmas spending – not just presents, but the additional spending on food, drink and socialising. Embed this Christmas element of your budget within the rest of the household budget, so that you can manage the overall effect Christmas spending has on your finances over several months. Try not to allow yourself to be pressurised – even by your children or close family – into spending more than you can really afford.

1. **Don't plan the perfect Christmas – first work out what you can afford**

Before you start planning, consider this: many list every lusted-for item, gifts for all, and a corking meal, then only afterwards consider: "How will I pay for it?" That's a recipe for ending up broke. Instead, calculate your budget (see this free [Budget Planner](https://www.moneysavingexpert.com/banking/budget-planning/)), and ask: "What can I afford to spend?" Christmas is one day – don't ruin the whole of the next year for it.

1. **Develop a gift-giving philosophy.**

Normally, our first suggestion in every instance of life is to budget. And we’ll get there. But before you budget, our very first Christmas tip is this: You’ve got to create your Christmas gift-giving philosophy. What does giving mean to you? Is it about finding the perfect presents? Do you hope to impress others with how much you spend on them? Or do you feel obligated to buy for people? These motivations (and others like them) can really shape how you view the season. Be honest with yourself and think about *why* you’re buying presents before you think about how you’re going to pay for them all.

1. **Make a list – and check it twice**

Christmas shopping on impulse is dangerous. So, make an old-fashioned shopping list and stick to it. Remember, shops spend a fortune on targeting your spending impulses – a list helps you beat them. Even if you're shopping on the high street, remember to benchmark the prices using shopbots first.

1. **Buy a cheap turkey – and don't forget to downshift**

With an "It's Christmas! We need the best!" battle cry, everyone raids the supermarket shelves. Yet don't assume you'll prefer higher-brand goods. A TV show held a blind taste-test party for nurses at a hospital with champers, turkeys and more. They preferred the lower-brand goods (or couldn't tell the difference) 62% of the time. So, don't be a retail snob. Taste with your tongue, not by looking at the packaging. And buy what's right for you, not the shop. The [Downshift Challenge](https://www.moneysavingexpert.com/shopping/downshift-challenge/) guide will help you to see if you can cut everyday costs by £1,000s.

1. **Cash in “Christmas Club” accounts and loyalty cards**

You can also finance your spending by cashing in the balance held in a “Christmas Club” account – built up during the year to spread the burden of the Christmas spend. Maybe you also have credits on your store loyalty cards. These don’t earn you any interest, so cash them in to help finance your Christmas spending.

1. **Shop around and look for deals**

When it comes to shopping, further good rules apply. Shop around and look for deals – many retailers are discounting their prices even as the festive season gets underway and there are good deals to be had. Fashion retailers have had a difficult few month, as the warm autumn has hit spending on clothing designed for autumn and winter – many are discounting prices to get customers through the door. Additionally, media stories have highlighted the fierce competition between the supermarkets, providing opportunities to secure your Christmas shopping at bargain prices.

1. **Give vouchers to use in the sales**

Be prepared to give shopping vouchers or credits as a part of your Christmas presents – Christmas is always followed by the sales period (with some retailers starting their sales on Boxing Day). Used after Christmas, these gifts will be able to buy their recipients more than prior to Christmas. You may even want to snap up the bargains in the sales to prepare for next Christmas too!

1. **Keep a running total**

Keep a close check on your spending – maybe by compiling the running total on your mobile phone or tablet. The bills will come in after Christmas as surely as night follows day, but you’ll be better placed to manage them, if you know what the bottom line of your spend amounts to on each card.

1. **Hold on to your receipts**

As ever, keep your receipts in case presents need to be exchanged or refunded – and for those items you send to your friends, put in a gift receipt to enable them to return the goods, if needed.

1. **Say no to random gift exchanges.**

Put an end to the white elephant or junk-for-junk gift exchanges at your work, small group or book club. Christmas is expensive enough without these social pressures. Be kind, but just say no (thank you).

1. **Agree not to buy Christmas presents this year**

It sounds corny, but it's true: your friends or family really care about you, they won't mind skipping the gifts this year (or any other year, for that matter!).

Finally, once Christmas is out of the way, you might like to join the award-winning free online course “[Managing My Money](https://www.futurelearn.com/courses/managing-my-money?utm_source=FL_blog&utm_medium=blog&utm_campaign=FL_blog).” It starts on 5 January and lasts eight weeks.

Supported by True Potential LLP, they’ll cover all the key aspects of personal financial management, including budgeting. And it’ll give you the skills to manage the financial consequences of next Christmas even more effectively!

**We hope that these tips, and good financial planning, will help you enjoy not only the festive season’s celebrations, but the New Year too.**

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