

### **Avoid the Holiday Spending Hangover**

Simple planning can make the holiday season more care-free and enjoyable when you know you're in control of your budget. To help consumers spend within their means and enjoy a financially happy New Year, The American Bankers Association has offered up the following tips this year:

**Develop a budget.** Before you start shopping, develop a realistic budget. Consider your income, subtract your normal monthly expenses, and then add any savings to whatever cash is left over. If you need to use your credit card, think about what you can afford to pay back in January. Don't forget costs beyond gifts, like postage, gift wrap, decorations, greeting cards, food, travel and charitable contributions.

**Make a list and check it twice.** Keep your gift list limited to family and close friends, noting how much you want to spend on each.

**Spend carefully.** Avoid shopping while rushed or under pressure, which can lead to overspending. Make sure to comparison shop online first, or download an "app" that lets you compare prices before you buy anything in a store. Before you head to the cashier (or online "checkout"), make sure your purchase is within the budget you set.

**Avoid traps.** Finding a spectacular sale on something you've been wanting can easily throw you off course. Stay strong and stick to your budget. And don't apply for store credit cards you don't need just to get a one-time discount.

**Use credit wisely.** Limit the use of credit for holiday spending. If you must use credit, use only one card, preferably the one with the lowest interest rate, and leave the rest at home. Pick a date when you can pay off your holiday credit card bills, and commit to paying off the balance by that time. Be sure to check statements for unauthorized charges and report them immediately.

**Save your receipts.** Not only will you need them for possible returns, you'll need them to keep track of what you've spent and to compare with your credit card statement. Knowing how much you spent will help you plan for next year, too.

**Be creative.** Consider simple, hand-made gifts instead of store-bought ones. Send greeting cards or handwritten notes of appreciation for those outside of your list. Home-baked goods, simple crafts or hand-made gift certificates for your time or talents are often less expensive and more appreciated than what you would buy at a mall or big-box store.

GBA is committed to helping consumers responsibly handle credit and save for the future. If you don't have one already, make it a New Year's resolution to open a holiday savings account for next year.