

Tips for Holiday Spending: Avoiding Holiday Debt

Holiday gifts, travel, and celebrations can lead to major debt long after the holidays, but taking steps to plan before the holidays can help ensure you don't start the New Year off on the wrong foot. To be prepared, it's important to have a holiday spending plan before you start shopping. Budgeting can help you take control, even when the pressure to spend is everywhere.

Debt accumulated during the holidays can stick around, well into the New Year. Americans spend an average of \$1,054 during the holidays. Only half plan to pay it off in 3 months or less. Of the remaining half, 29% said they will need 5 months or more. To avoid holiday debt, here are a few smart shopping and saving tips.

- **Start Early.** It's important to save throughout the year for anticipated holiday expenses to avoid falling into debt.
- **Create a Holiday Budget.** Figure out how much you can afford to spend this holiday season. Consider what flexible spending, (eating out, personal shopping, etc.) you can cut for now to put toward holiday spending.
- **Make your List.** Create a list of all the people you will need to buy gifts for this year and choose an amount to spend on each person ahead of time.
- **Choose Thoughtful Gifts.** Spending a lot on holiday gifts isn't necessary. Take some time to consider your gift giving, personal gifts tend to mean more and can be less expensive.
- **Use Cash, Not Credit.** Try to commit to using only cash or a debit card to help prevent overspending.



For more financial planning information on topics such as; budgeting, saving money on groceries, and debt reduction, please contact Traci Dixon, Community and Rural Development Agent at traci_dixon@ncsu.edu or contact our office at (252) 459-9810.