

Managing Holiday Financial Stress

Because this article will land in your mailboxes on Black Friday, traditionally one of the biggest shopping days of the year, I can officially say that the winter holiday season has begun, filled with food, family, friends and fun. Unfortunately, the holidays can bring on some extra stresses and one of the big stresses during the winter holidays is financial stress. This week I'll share some tips by K-State personal financial planning specialist Elizabeth Kiss.

Kiss says that as celebrations are planned, it is important to consider the mental and financial stresses of the holiday season.

"One way to approach holidays is managing our time, energy and money," Kiss said. "Things to think about are what's important to us as individuals and what is it that our family most enjoys about the holidays and really focus on those things, which for many families, is being together."

Food

Kiss said food is a large part of the holiday budget, including traditional meals such as turkey on Thanksgiving as well as serving food during parties or open houses, baking and eating out.

"Some things that people don't think about when budgeting is the family pictures or having your home cleaned by a service, or getting the carpet cleaned this time of year," Kiss said. "Also adding in services you get on a regular basis, (such as) your hair person or your nail person. This is a time of year when we often make a charitable donation, (which is) another thing to think about in terms of your holiday budget."

Kiss added that holiday decorations -- such as plates, napkins and wrapping paper -- are important to budget in, but urges consumers to be cautious of the environmental impact of excessive paper products.

"I think we sometimes have unrealistic expectations of the holidays, and that can not only be stressful from a financial standpoint, but a mental standpoint as well," Kiss said.

She adds: "The perfectionism and high standards that we place on ourselves, especially when it comes to food, can be draining. It is more about being together and less about all of the decorations, all of those things being perfect."

Activities and routines

Kiss said there is a need to keep a normal routine between celebrations, especially for children.

"This is a lot of stimulation for children, and they may be eating differently -- maybe more sweets than usual -- so keeping mealtimes at a regular time and keeping bedtime fairly regular is important," Kiss said. "Also consider how much they can handle in terms of events and stimulation, what they're interested in doing or what they most enjoy."

Keeping children physically active helps them stay engaged. Being outdoors or in an indoor atmosphere where it's okay for kids to run around can help, she added.

Board games and outdoor activities don't cost a lot of money, she said.

Gifts

"I think having a (shopping) list and having a conversation with your family members about what isn't appropriate for the dollar amount can be really helpful (in saving money)," Kiss said

Kiss recommends making lists for all gifts and browsing before purchasing to be able to take advantage of good prices and not overspending or not following a plan.

“Research has reported already that more than half of shoppers have already started gift shopping so they can recognize the deals, and so they spread (expenses) out a little bit in their budget,” Kiss said.

Different financing plans are popular this year, Kiss said, and, “I think we need to understand what the repayment expectations are. It may mean that you make one payment in six months or you will be making payments along the way.”

“So, you really must understand the terms and conditions when they say zero percent interest for six months or 12 months or 18 months, because you don't pay interest, but you still have to pay for the gift,” she said.

Kiss suggests paying more upfront and financing less to minimize debt in January; pay cash when available. Keeping receipts and minimizing credit card use can help shoppers stick to a budget.

“Have conversations with your co-worker groups about how you would like to celebrate as a group, and maybe not everyone wants to do the gift giving. Maybe people would like to have a potluck or a cookie exchange, go out for dessert, or go out after work,” Kiss said. “Just enjoy the time together.”

She also advocates for shopping locally and supporting the community.

“Make the holidays what you want the holidays to be and be comfortable with what you decide. Try and keep that stress level -- both mentally and financially -- as low as possible,” Kiss said.