

HOLIDAY GIFT-GIVING: SO MUCH FUN TO GIVE...NOT SO MUCH FUN PAYING THE BILLS

It is so easy to get caught up in the Holiday season....the festivities, the lights, the food!! And then, of course, there's the egg nog...all of which makes it just a little easier to say, "What the heck," and buy this or that (or both this and that) for a loved one, all because of the excitement that come at the end of the year.

Then each January, millions of Americans begin to feel the pain (and regret) of their holiday extravagance as the credit card bills start rolling in. And each of those same Americans wonder, "How can I avoid this next time?" Some folks make an infamous New Year's resolution to prepare for the coming holiday season. But preparation translates to budgeting, and the question of how to create a holiday budget has been a longstanding and seemingly daunting task for most people. Here are some easy-to-follow ideas on how to keep your purse strings tight and still let your generosity and appreciation show!

LONG-TERM IDEAS

Only for those with the willpower and constancy to carry out a plan for 12 months...

Christmas Club – Almost every bank in the nation has a Christmas Club. The idea is that each month you deposit a certain amount, usually around \$50, and when the account matures in November, you will have that amount of savings plus a menial amount of interest to boot. However, should you withdraw the money before the designated maturity date, please note that you will incur a penalty. If your company offers direct deposit, and you think a Christmas Club might be something you are interested in, talk to your Human Resource Director about depositing a portion of your paycheck automatically into your Christmas Club account...it'll make the path to holiday wealth a little easier....

Year-Round Shopping – If you are someone who frequents flea markets, fairs, and discount stores or if you troll the bargain basement websites, then make a list of those on whom you will want to bestow a gift come Christmastime, and keep it in your wallet. That way, when you see an amazing vase on sale for a steal, buy it and cross Aunt Mae off your list. Just think – if you buy a gift in March, you don't have to think about it again for another nine months...and you skip the crowds. The hard part here is keeping it a secret for nine months!

The Birthday Rule – This concept stems from the idea that it is not necessary to buy someone a present for the holidays, just because it's socially expected. Everyone has a birthday, and odds are, you don't have too many friends and family with identical birthdays. So shower your loved ones with affection, attention and, of course, great trinkets on their birthday....then when the Holidays roll around, you can make due with getting them a great card. An even better idea is to take many rolls of pictures or even roll some videotape on the birthday celebration, and throw together a handmade gift of a photo card commemorating the joyous birthday event, or compile a short video that they can keep forever. The bottom line is that this way, your friends and family get the lavish individual attention they deserve, and you get to spread out your splurges.

The Bonus Check – Another rule for budgeting comes from the grand tradition of a bonus from your boss at the end of the year. Granted, many companies are backing off of the bonus concept due to the dismal economy, but if you are one of the lucky ones who can expect a bonus, the guideline is to use the forthcoming bonus as your limit. If you are expecting a \$750 bonus, you will be left with approximately \$500 after taxes. Use this (post-tax) money only - and hopefully, less - to take care of your Christmas list. Your regular household budget won't take a huge holiday hit. How can you be sure you're getting a bonus, and if so, how can you guess how much it is, you ask? Well, most companies that typically award performance bonuses, will usually tell their staff around September or October if they plan on giving or suspending bonuses that year. When in doubt, ask your boss...

LAST MINUTE SHOPPERS

For members of the incorrigible gang who run out to the mall on December 24th in the hopes of finding that perfect memento...

Secret Snowflake – If you have a large group of friends, it can get extremely costly to make sure each member has a stocking stuffer. Why not get together and do a nice, old-fashioned Secret Snowflake. Put everyone's name in a hat, and each pick one. The person you choose is your Secret Snowflake. Devise a group budget of no more than \$25, or so, and now all you have to do is buy one gift for that one person. Try to personalize it - it's always nicer that way – and breathe easy knowing you have drastically cut down your holiday shopping. Another option is to do a grab bag, where everyone buys a gift (again at a set budget) and during one of the many holiday gatherings, a grab bag is conducted. Here, all the gifts go in a bag and each member literally dips into the bag to pick out their gift. By the way, trading is allowed!

One Gift Per Family – If you have a large family and an extended family and a family of friends, you know how hard it is to cover all bases. How about designating one gift per family unit? If you have four siblings, who are all married with kids, not to mention your parents who are divorced and remarried, plus your friend Sara who married your other friend Bob, that's a lot of individual presents to buy – and that's a lot of money. Instead, get one present for your sister and her husband and kids, one present for your dad and stepmom (and her child from a previous marriage), one present for Sara and Bob, etc. Your nieces and nephews and cousins will understand. Hint: Try to make the gifts something that the whole family can enjoy, such as DVDs, cookware, candles or bath accessories. They will love you for it!

Party – One way to give everyone you love a great memory is to give a great party! Spend the money you normally would on gifts by throwing a holiday bash instead! This could take place before Christmas or for the New Year. Make sure to have great food, interesting drinks and festive decorations. Then surprise everyone by making a toast somewhere in the middle of the bash, telling all of your guests how much you care about them. In fact, why not use this opportunity to single out your friends and share with everyone why they are close to your heart. Memories last a lifetime!!

Gift Certificates – Gift Certificates are a great way to manage your finances while allowing your loved ones to pick out their own version of the perfect present. You can personalize a gift certificate by picking stores that cater to your loved ones' interests – have a friend who loves the outdoors? Have a cousin who is into the latest fashion trend? Is your mom obsessed with beauty products? There's a store for everything, and almost all of them offer gift certificates. SO set a limit and buy a gift certificate - even if it is only for a few dollars, it will make it easier for your friends to buy something they will love!

WORK IDEAS

You see your co-workers more than you see your spouse or children. Feel obligated to get them something for the holidays? Make it a group offering and save those dollars for your real family...

Baked goods – Make a batch of cookies, brownies or even a sweet bread. You can do this in one night for minimal "dough", and as soon as you lay it out in the break room at work, you will be an instant hero. Be sure to post a creatively decorated note with the sweets saying "Happy Holidays" and don't forget to write your name in large letters so they know from whom the bounty came.

Cards – Simply give each co-worker a holiday card. Personalize your message and you are good to go. You can even put a little more love in it and make a card for each co-worker (if you work for a large company, just focus on your department...). Remember – it's the thought that counts. Hint: Be sensitive to workplace diversity, and do not give a card specific to Christmas, Hanukkah or Kwanzaa – just make it a nice Happy Holidays and Great New Year type of card. This will make sure everyone's happy!

Bowl of Candy – Put a bowl of candy on your desk and send an office-wide email letting everyone know it is there. You can also decorate the bowl with ribbons and bows as well as a big note full of well wishes from you. Then watch everyone flock to your desk. This would also be a great time to tell each person how much you enjoyed working with them this last year.

Secret Snowflake – Secret Snowflake is also very popular in offices. See description above and suggest it to your HR Director. S/He can coordinate an official Secret Snowflake event, possibly at your office holiday party!

KIDS

These little rascals can be the hardest to please – they are under a lot of pressure from their peers, plus they are highly influenced by the targeted ads on TV around the holidays. They all want everything, and you want to give it to them, so what do you do...?

One Trendy Gift – Every year there is a “Tickle Me Elmo” or a “Beanie Baby” or a “Furbie.” Allow each child one trendy gift, and call it quits after that. They will have the satisfaction of getting the hot gift that everyone wants and you will get to see their faces light up. Hey – you’re only young once!

Kid’s Choice – Let your kid make the choice what his or her present is. Explain that Santa needs to know if they would prefer that video game they asked for or the action figure they wanted. This way, you can gauge what they really want and they have the opportunity to learn how to make decisions and set priorities. Also, if a trendy item is part of the equation, then they can also re-evaluate the importance of that item all on their own. Life is full of lessons.

Video Sets – There are some great children’s videos out there that are both entertaining and educational. If you get a set of these, and wrap them individually, it will look like a bunch of presents...This is a great inexpensive gift that they can use for a long, long time, and then pass down to younger siblings or cousins.

Most of all, remember this...it really IS the thought that counts. No one is under any obligation to give anything other than kindness all year long. Hopefully, any gifts you give are for those to whom you are closest, and for that matter, anyone who cares about you will not want you to go into debt just to fulfill a supposed gift-giving obligation. Be honest with yourself and your loved ones and do not ignore your limits.

In fact, one final gift which is appropriate for everyone and can mean the most is to write down for each individual on your list what you would give them if money was no object....A Wish List! Think hard about the other person’s tastes and interest and personalize your ideas. This can wind up being the best gift of all!