

Daily Union Article

Saturday, December 2, 2017

Title: Holiday Spending 2017

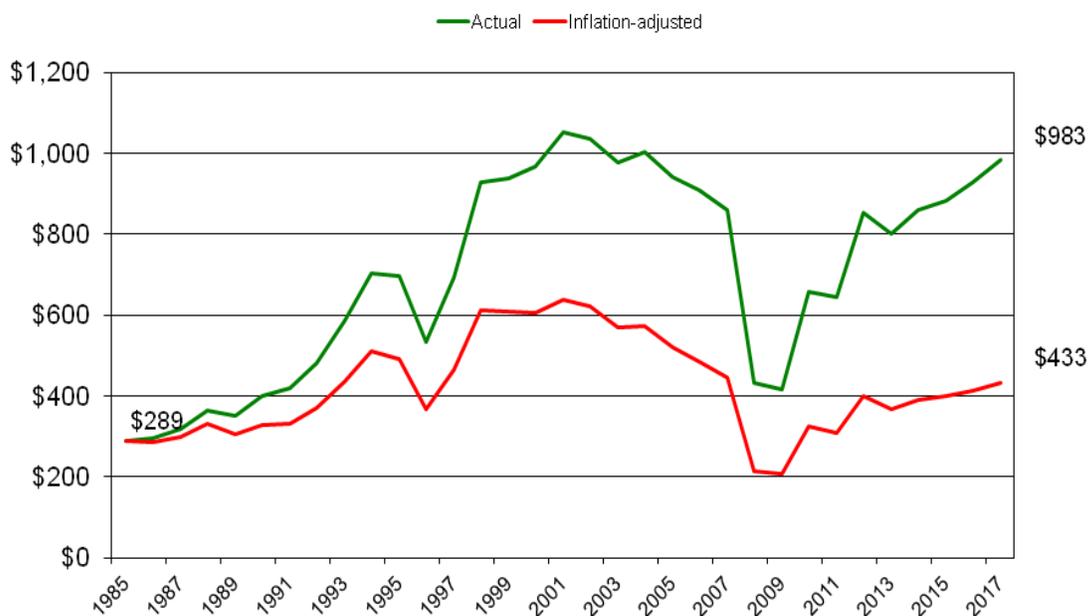
In a recent radio program, I shared that 61% of Americans will use online services to purchase their holiday gifts this year according to a poll taken by the American Research Group, Inc.

The poll is broken down into several categories based on how purchases will be made – internet, catalog orders, using product sales, and timing of purchase.

This same poll shares that shoppers from around the country report they plan to spend an average of \$983 for gifts this season across all areas – an increase of \$54 over last year's average.

Those making purchases from a catalog will spend an average of \$1,451 while those who are waiting for sales will spend an average of \$812 and those who say they will pay full price for the gifts they plan to purchase will spend an average of \$1,518. Check out the U.S holiday spending trends in the attached graph generated by the American Research Group, Inc.

Average Planned Spending on Christmas Gifts
1985-2017



My personal household budget would implode if I spent \$1,518 for gifts during the month of December alone. Even the \$812 would be a struggle! However, because I plan for my purchases throughout the year, I ease the financial burden.

Whether you are a planner or procrastinator, there are some tips to help you manage the financial strain that often accompanies the holiday gift-buying season.

First, recognize that keeping your pocket book on a financial “diet” is as difficult as it is to remain on a portion-controlled healthy diet during the holidays. You will find it very helpful to make a list of people you plan to purchase a gift for, assign a spending cap to each person, and be intentional about sticking with the names and figures on the list. Often times the lures of promotional ads and television commercials draw us in to making purchases we hadn’t planned on or spending more than we intended. After all – that’s the purpose behind the advertisements! Make a habit of thinking twice before you swipe and don’t let the ad campaigns sway your purchasing decisions.

Avoid impulse credit card swiping! Even though you may get rewards or cash back on your purchases, if you haven’t saved enough money for the gifts in the first place, putting your purchases on plastic produces a negative cash flow. You can spread out your credit card purchases by charging over two different billing cycles, but you still need to pay the balance off when each statement arrives.

If you struggle with impulse purchasing, leave your plastic at home. The act of writing a check requires you to think about the balance you have in your account as well as giving you time to reconsider if the purchase is part of your financial “diet” for this holiday season.

Saving your credit card information on the common websites you use for purchasing is a double-edge sword. On one hand, entering your password that those websites require add an extra layer of protection against cybercriminals. Additionally, these sites often keep track of your trends in spending – the type of things you buy, the time of day you make your purchases, and the amount you typically spend in any one spending session, to name a few. When someone else tries to make purchases on your account that don’t gel with your spending habits, it puts up a red flag to the company. On the other hand, when you already have all your credit card information stored on their website, it may be too easy to check out before you’ve really been able to consider the necessity of your purchase.

Be carefully to avoid “add-ons”. Typically you will see ads that promote and second identical or related item you can get for half price if you buy the first item at full price. Another ploy is to buy two and get the third one free. More is not always better, especially if you didn’t budget for it. The temptation to add-on to your purchase is a common human tendency and that is what marketers rely on!

Shop early and intentionally. When you wait until the last minute you are more likely to overspend and often purchase gifts that aren't really a good fit for the person you are giving them to. Don't fall into this trap. Instead, set a goal for when you plan to make your final purchase and stick to it. I used to make Thanksgiving my deadline, but with three boys, work, and school I simply can't find the time! However, my modified goal is now the 7th of December. I will have all my purchases made and that gives me a couple of weeks to sneak my wrapping around the curiosity of snoopy boys!

When you shop early, you tend to shop more thoughtfully and can better control your spending. This also allows you to relax and enjoy the holiday season, not just the holiday itself.

For more information on working with a personal spending and saving plan, contact me at the Geary County K-State Research and Extension office at 785-238-4161. Until next time, keep living resourcefully!