

5 Holiday Spending Mistakes to Avoid

The holidays are just around the corner, which means it's time to enjoy vacations, catch up with family and friends, and eat great food. While the holidays are about quality time and making memories, it's easy to get caught up with spending money. Here are five holiday mistakes to avoid this year so you can enjoy the season with your finances intact:



1. **You're shopping without a budget or list.**

It's incredibly kind to get each of your relatives, colleagues, and in-laws thoughtful presents and cards to show them your appreciation, but your wallet might be crying for help after your first few purchases. One of the biggest financial mistakes you can make during the holidays is shopping without a spending plan. When you're shopping for loved ones, you're imagining how happy they'll be when they receive your gift. But remember, financial responsibilities don't go on vacation during the holidays. Create a budget for your holiday spending. Once you know how much you can afford to spend, create a list that fits your budget. This way, you'll be able to purchase the items you plan for and know for sure that you didn't bust your budget.

2. **You're volunteering your home, food, and car to everyone.** If you're the person that always offers food, transportation, and lodging to everyone, you might want to try a new approach this year. It's thoughtful to go the extra mile during the holidays, but don't stretch yourself or your pockets too thin. Consider splitting the responsibilities with your friends and family. You might not think you're overspending by being so accommodating, but the more people there are in your home, the more likely you are to receive a high utility bill at the end of the month. You can suggest hosting a potluck style gathering this year. At a minimum, you'll save money on food and drinks. If you need napkins or disposable utensils and plates, you can make one guest responsible for those items as well.

If you have a ton of relatives who need to be picked up from the airport or train station, see if you can rope in other family members to help with pick-ups and drop-offs. This will help you save on gas, time, and energy. Splitting responsibilities will help you enjoy the holidays without being completely stressed out.

3. **You're shopping too late.** So you've created your list and a tight budget, that's great! Don't wait until the last minute to actually make your purchases. By then, sales may be over and supplies will be limited. Start your shopping early so you can snag deals while they're still available.

4. **You're relying on your credit cards.** Do your best NOT to rely on your credit cards during the holidays. If you can't afford to buy it now, don't create a bill for yourself later. Once the holidays are over, you'll be faced with a potential mountain of debt that you've built. Enjoy the holidays in a way that doesn't destroy your finances. This year, make it a goal to spend quality time.

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- 5. You're trying to keep up with the Joneses.** Don't make the holidays a competition about who can wear the most expensive clothes, buy the flashiest gifts, or serve the swankiest dinner. Make the holidays about creating lasting memories and enjoying time with your loved ones, or simply yourself.