

# Preparing Your Finances for the Holidays

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With the holiday season fast approaching and inflation rates remaining high, spending can get out of control quickly.

Large family meals, decorations, and gifts are common costs throughout the months of November and December. These things can be expensive and spending can snowball out of hand if you aren't careful. There are some things you can do to reduce overspending while still enjoying those beloved holiday traditions.



Establishing and following a budget is essential to achieving personal financial goals. Before you begin buying gifts, make a list of all your essential holiday-related expenses. Be very specific and include extra expenses like stamps and wrapping paper. These small things might seem insignificant but can quickly add up. Decide how much money you are willing to spend on travel. Setting a budget in advance will help you figure out how much money you can devote to each type of expense.

Use credit cards only if you can manage the extra debt. It's easy to overspend when physical cash is not leaving your wallet. Don't get carried away and max out your available credit. Take note of all current debt before you go shopping. Set a hard limit on the amount of credit you will use throughout the season and stick to it. Spending more than you can realistically pay back is a dangerous financial decision that can leave you paying extra for months to follow.

Set aside small, affordable amounts now to prepare for extra holiday spending. Not only is this a good hack to pad your savings for this time of year, but it is also a great way to build a healthy, lifelong savings habit. Setting aside as few as \$5 per day can accumulate to \$1,820 a year. That amount could cover your holiday expenses next year or help pay off current debts! Travel is another item that can be costly. If you have to travel in the upcoming months, plan in advance. Airlines, train stations, hotels, and others in the travel industry tend to charge higher rates this time of year due to higher demand.

Look for alternative ways to share the seasonal cheer with others. Nothing says "I love you" quite like a homemade gift. If you aren't necessarily crafty, try making your own gift cards or sharing your favorite baked goods. The spirit of giving is not dependent on the ability to spend lots on the newest gadget. Giving the gift of homemade items or your time can be much more meaningful than something purchased at a store.

Although it can be hard not to get sucked into the holiday spending cycle, a bit of preparation will help you be financially savvy. If one of your New Year's resolutions is to get a handle on your finances, starting now will propel you into your new goal and set you up for future success. For more information, contact Cassidy Lutz at [celutz@ksu.edu](mailto:celutz@ksu.edu) or by calling 620-625-8620.