

Tips for Holiday Shopping on a Budget

A recent study indicated that the average amount of money people spend on holiday presents is approximately \$1,000. So what can a person do when they have gifts to buy and nowhere near that much money to spend? Here are some ideas for creating a holiday spending budget, and a few tips you can use to save money while still giving thoughtful presents.

Making a Holiday Budget

Here are the steps you can follow to make a holiday spending budget:

- Write down how much money you can afford to spend on gifts.
- List the names of all the people for whom you want to buy gifts.
- Next to each name, write down how much money you would like to spend on their gift.
- Add up the amount of money you put next to each name.
- Look at the total and compare it to the number you wrote at the top of the page.

If the number is more than what you can spend, alter the amounts you allocate to each person. Make sure you bring your list with you when you go shopping. After you buy a gift, write down its cost on your list and see where your finances stand. If the gift was more than you planned you need to make up for it by spending less on other gifts.

You have several options if the gift costs less than you planned:

- You can spend a little more money on gifts for some of the other people on your list.
- You can get the person something extra in addition to the gift you bought.
- You can keep the leftover money for a rainy day.

Gift Exchange or Group Gifts

Gift exchange traditions, like "Secret Santa" or "White Elephant" are when members of a group are randomly assigned a person to whom they give a gift. The identity of the gift-giver often remains a secret.

With this approach, you just have to shop for one individual which can cut down on your holiday spending. Additionally, these types of gift exchanges usually include a spending limit which can help you stick to your holiday budget.

A group gift is a great way to get something for everybody in one fell swoop. Consider getting your friends or family a gift certificate to the movies or a restaurant, or take them out for an evening and pick up the tab. You can also buy something for a common area in your home that everybody can enjoy.

Family Spending Limit

With a family spending limit, everyone agrees on a set amount of money to spend on gifts for each person. The limit could be \$5, \$10 or \$20 depending on the number of members of the family and individual circumstances. Do not go over this limit, as your "generosity" could be viewed as you trying to show people up by giving more than others.

Shop Early or Late

Some stores will raise the prices of their goods a few days before the holiday season to take advantage of people who waited until the last minute to do their shopping. Go ahead and buy an item if you see it on sale. You will save a few dollars and it will be one less present you will need to buy down the line.

Is there somebody on your gift list who might be out of town during the holidays? If so, maybe you can wait to buy their present until after the holidays, allowing you to take advantage of the sales and post-holiday prices at the stores. Some families wait until late in the season to exchange gifts, allowing everybody the opportunity to save money by shopping the post-holiday sales for gifts.

Handmade Gifts

If you are short on money, consider giving a gift made up of your time and hard work. Consider gifting something handmade like sweets, knitted scarves or photographs. Handmade gifts usually have more sentimental value and often cost less than something store-bought.

For your loved ones, the time, effort and thought you put into making a gift is more important than the cost of a present you buy.

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