

How To Take the Stress Out of Holiday Spending



By Gabrielle Olya

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Although the holidays are a joyful time, they can also be a stressful time — especially from a financial standpoint. A recent Ellevest survey found that 38% of women are anxious about upcoming holiday expenses, which can include gifts for friends, family and kids, travel costs and hosting expenses. But with the proper planning, a lot of this stress can be alleviated. In today's "Financially Savvy Female" (<https://www.gobankingrates.com/the-financially-savvy-female/>) column, we're chatting with financial experts who share their best tips for taking the anxiety out of holiday spending.

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Create a Holiday Shopping Budget

Knowing exactly how much you can afford to spend over the holidays and making a detailed plan for how you can spend these funds can help reduce holiday-spending-related stress.

“The first step is to identify the resources available for upcoming holiday spending — how much can you spend based on what you have,” said Marianne Rodriguez, director and wealth advisor at Round Table Wealth Management (<https://roundtablewealth.com/>). “If future inflows are being taken into consideration, like a year-end bonus, ensure to account for them realistically.”

Once you know what you have available, the second step is to set a budget.

“In order to make this task less cumbersome, break your spending goals into buckets,” Rodriguez said. “For example, gifts, travel, lodging, holiday dinners, etc. And each of these can be broken down further. For instance, if you have a ‘gifts’ category, you can divide it into family gifts and friend gifts and prioritize from there. If your budget is finite — which it should be — you will have to compromise at some point. Having your spending goals outlined in order of priority will avoid unnecessary stress and alleviate the guilty feeling that you are leaving something (or someone) out.”

Start Shopping Early

One of the biggest stressors that comes along with shopping for the holidays is worrying that your gifts will not arrive on time — and this may be even more of a concern than usual this year.

“One effect of the global pandemic has been a disruption in the supply chain for many goods ranging from cars to furniture to electronics. This means shortages and backorders of items that you might want to buy as gifts,” said Jill Fopiano, CEO of O’Brien Wealth Partners (<https://www.obrienwp.com/>) in Boston.

“Couple this with slower shipping and you risk finding yourself with missing packages for the holidays. This season the key is to start shopping early and build in extra time for arrival. If you begin with this mindset, your stress level should be lower if delays happen.”

Spread Out Your Spending

Instead of making purchases all at once, buy items as they go on sale.

“Whether you are shopping in person or online, you can take advantage of sales here and there if you make a gift list in advance and pick up items periodically throughout the fall,” Fopiano said. “Just make sure you keep track of what you have bought for whom — otherwise you risk overspending by last-minute buying

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and breaking your budget.”

Look for Ways To Save on Holiday Costs

You’ll worry less about overspending if you make a conscious effort to cut back on seasonal expenses.

“Consider limiting the number of presents you give to each person or giving homemade gifts,” said Leslie Tayne, founder and head attorney at the debt solutions law firm Tayne Law Group (<https://attorney-newyork.com/>). “You can also host potluck holiday meals, so you don’t have to pay for the entire feast on your own.”

Give Gift Cards

Giving gift cards as holiday gifts can help ensure that you don’t go over budget. Plus, gift cards are the most-requested gift of 2021, according to a recent report by Blackhawk.

“Gift cards, especially ones that are flexible and can be used at more than one retailer, are better options than ever this year,” said Bobbi Rebell, CFP, personal finance expert at Tally (<https://www.meettally.com/>). “You can easily stick to the dollar amount you wanted to spend, and you avoid having a gift not arrive on time because of all the supply chain issues.”

Do All of Your Holiday Shopping With a Debit Card

If you’re serious about not taking on debt, make all of your purchases with cash or debit.

“Using a debit card is a good option because you only spend what you have in your account,” Rebell said. “Credit cards come with high interest rates and late fees.”

Give Yourself Some Wiggle Room

Since you know your spending during the holidays will likely be higher than usual, see where you can temporarily cut back on costs during this time.

“Look for ways to cut down your normal monthly expenses to create more wiggle room,” Rebell said. “Do the easy things that we often just don’t bother to do — pause monthly subscriptions through the end of the year, negotiate your bills for things like internet, cable and car insurance, and cook at home instead of eating out.”

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About the Author



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Gabrielle joined GOBankingRates in 2017 and brings with her a decade of experience in the journalism industry. Before joining the team, she was a staff writer-reporter for People Magazine and People.com. Her work has also appeared on E! Online, Us Weekly, Patch, Sweetie High and Discover Los Angeles, and she has been featured on “Good Morning America” as a celebrity news expert.