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Sticking to a Holiday Shopping Budget

The holidays can be a stressful time of year. Add in a tight budget and the stress is magnified. It's important to establish a holiday budget and develop ways to stay on track.

The holidays are a time known for over indulging. It's critical to make sure that your holiday spending meets the reality of your monthly budget. Your first step in making sure you don't overspend this year is to determine how much you saved for your holiday expenses. This money should not be taken from your emergency savings. Holiday shopping is not an emergency. It should come from money specifically set aside for the holidays. If you have adequately saved, make your list, check it twice and determine your spending budget for each individual on your list.

If your holiday savings is not enough to cover everyone on your list, it's time to edit your list. Remove anyone you don't regularly spend time with. Evaluate the adults on the list to determine if any of their gifts should be eliminated in favor of children. If you have grandchildren or great-grandchildren, consider skipping gifts for their parents and only buying for the children.

Don't feel like it's necessary to give a gift to everyone who gives you one. Instead of giving traditional presents, maybe this is the year to make gifts for friends and family. Consider baked goods or think outside the box, like a jar of homemade spaghetti sauce or homemade vanilla extract.

Always remember it's the thought behind the gift that's important, not its cost. If family and friends don't understand that, then they're probably not worth your gift anyway.

Tips

Sometimes, the best part of Thanksgiving is the leftovers. What do you do though when you're sick of turkey, stuffing and mashed potatoes? Here are some tips to creatively stretch your leftovers:

- If you have a significant amount of turkey leftover and you don't think you'll eat it for leftovers, portion it into baggies and freeze it immediately after the meal. Use it in place of chicken in casseroles or soup.
- Spice up turkey with different flavorings...try turkey tacos or barbeque turkey sandwiches.
- Try a layered Thanksgiving Leftovers Casserole. Start with the stuffing on the bottom, mix the turkey with leftover vegetables and mayo to make it creamy, top with leftover mashed potatoes mixed with shredded cheese. Bake at 375 for 40 minutes for a quick and different leftover meal.
- Consider turning the turkey carcass into homemade stock. Place the carcass in a stock pot with four quarts of water, some carrots, celery, onion and herbs. Cover and simmer for one and a half hours. Strain the liquid and freeze for up to three months.



Q: Should I apply for a credit card to receive a store discount?

A: Applying for credit you don't need is never a good idea, even if it means a discount on purchases. There are several downsides to applying for credit.

Each credit application submitted represents a hard inquiry on your credit report, even if you are denied the credit card. Each application also lowers your credit score by five to ten points. If you apply for five credit cards in one shopping trip, you could see your score go down by 25-50 points. A dramatic decrease to your score and a dramatic increase in credit card applications could cost you more money in the long run.

So when is it appropriate to apply for new credit? Only apply for new credit that you absolutely need. If you typically carry a balance on your credit cards, some suggest it's a good idea to have three credit cards and spread the charges among the cards to help your credit utilization rate. However, the best rule of thumb is to only charge what you can afford to pay off each month.

When shopping for a credit card, consider applying for cards that will provide the most incentives for their use. For instance, cards that offer cash back or airline miles or points that can be redeemed for gift cards or cash.

It's important to remember that credit is a tool. It is not income. Use credit to show future lenders that you are responsible and able to pay your bills and pay them on time. When using credit responsibly you will be rewarded with lower interest rates and better terms on future loans, credit cards or mortgages.

Holiday Shopping Tips and Tricks

It's November, which means the holiday shopping season is upon us. If you're not careful, you might still be paying for this year's holiday shopping next year. Last year, consumers spent 42 billion dollars on holiday shopping. Individually, consumers spent approximately \$800 on the holidays.

The best way to shop for the holidays is to plan. Ideally, you've spent the last year setting aside money for your holiday expenses. If you've been saving \$100 a month, you have about \$1,100 by now, which should be enough to check everyone off your holiday list. If you haven't been setting aside money, consider the following tips and tricks to keep from going into debt this holiday shopping season.

If possible, find a way to infuse some extra cash into your holiday shopping budget. Maybe you have a few things in storage you can sell or try to pick up some side work. If you're handy around the house, looking for side work is simple. Take on a couple small jobs that won't be expensive to complete and use your profit towards your holiday shopping. Other ideas for side work include house or office cleaning, painting, or making and selling inexpensive crafts.

Try to set a budget for your holiday spending. Know how much you can afford to spend and make it happen. Don't put yourself into debt on a gift that probably won't be remembered by this time next year.

Plan ahead for small gifts, like those you buy for teachers, daycare workers or other service providers. Often, these can sneak up on you and may end up being costly. If you tend to buy gift cards, start purchasing them once a week, so you're not hit with the big expense all at one time.

Shop with a detailed list. Carefully consider who you are shopping for, what you hope to purchase and how much you are willing to spend. If possible, do some advanced

scouting and know what store has the best deals on items you plan on purchasing.

Use your smart phone to help with comparison shopping. Retail Me Not will let you know what coupon codes are available. The Shop Savvy Barcode Scanner app allows you scan the barcode on the item you're interested in and it will tell you if that's the best price you can get.

If you're shopping online, shop early to avoid paying extra for shipping. Also, know how shipping works for the online shopping site you use. In some cases the more you spend, shipping is free. If you're making multiple purchases, do it at one time to reduce the shipping charges.

Know your store reward programs. Often times, stores will reward you for shopping with cash back or store credit. Take advantage of these offers to get more bang for your buck.

Do yourself a favor for next year and keep track of your expenses. Keep your receipts from all holiday related purchases, which includes food, gifts, decorations, and other supplies. Total up how much you spent and make it your New Year's resolution to save that much for next year's holiday shopping.

<i>Holiday Facts and Figures</i>
Estimated average spending per person = \$805.65
Spending on family members will total \$462.95
46% of shopping (buying and browsing) will be done online
21% of smartphone owners will use their device to purchase gifts or holiday merchandise

Source: National Retail Federation

Resources

www.annualcreditreport.com

www.ftc.gov

www.advantageccs.org

www.onlinebudgetadvisor.com

The Advantage Challenge

Advantage CCS challenges you to...make a holiday budget and stick to it. Get serious this year about not going into debt over the holidays. Commit to a cash only Christmas with no carry over into January. If you can't afford it, don't buy it. Tell your family and friends you need to cut back this year. Let us know how you did. Share your holiday budget results with hmurray@advantageccs.org. Be sure to include some tips!



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