

Consumers may have noticed that retailers are already tempting us to spend for the holidays. As major spending holidays like Halloween and Christmas come and go, the opportunities to spend – spend – spend will be around every corner and in every storefront. But you have a choice – now is time to start planning ahead to avoid going into debt for holiday spending.



1. Make your list and check it twice. Develop a list for your upcoming holiday, and be as honest about the dollar amount as possible. Include any costs for gift-giving to family, friends, and colleagues, travel, food, or entertainment that might be associated. Do you give a little extra tip to your babysitter, hair stylist, or favorite barista? We often forget to include these gifts in our budgets, so be sure to add them, too.
2. Prioritize and negotiate. What do you need to make it a happy and successful holiday? Divvy up your list into needs versus wants. You need to pay for travel to your holiday destination, but maybe you can pack some food from the pantry rather than buying a meal along the way. The goal here isn't necessarily to shorten the length of your list (although doing so will help, too), but rather to negotiate the dollar amounts for your list down.
3. Tally it up and set your savings goal. Add up the sum total of your holiday list, and don't be shy about negotiating it down some more. Once you're at a number (and a list) that is both realistic and manageable, take that final amount and set it as your savings goal for the season. Those who make a commitment to themselves and their family to save usually save more than those who don't. Take the America Saves Pledge to make your commitment real and gain monthly advice and support along the way.
4. Make it automatic. Every time you cross an item off the spending plan, set up a transfer from your checking account into a savings account. This isn't necessarily something that you can set on autopilot, but rather can establish as an automatic habit. Starting this process as early as possible can also help you to renegotiate your spending plan if you find that you are having a hard time matching.

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