

The 12 steps of Christmas budgeting

It's that time of year again, when the evenings draw early, there's frost in the air and glittery ads are on the telly. Yes, Christmas is coming.... If the thought of Christmas makes you shiver when you think of how much it's going to cost, then take a breath and a moment to think. It is easy to get caught up in the festive feelings, but if you don't want to have the January blues, then take some time now to plan your spending and Christmas budget. Remember, if you are the person that keeps track of the money in your household, you deserve a Christmas too – make it one that's free of stress and worry about debt.

The 12 steps of Christmas

1. **Make a list of what you need to buy for Christmas.** Divide it into gifts, food, clothes and socialising. Use our Christmas planner to help.
2. **Prioritise** – if you have a limited amount of money to spend, what could you cut from the list? Work your way through, numbering items in order of importance.
3. **Research the options.** Where can you buy these items and how much do they cost. Check online and in stores for the best price. Keep an eye on local ads in the paper, websites, Apps and price comparison websites in Ireland for the best deals.
4. **Add up the list.** Is it a very large figure? If so, look at each individual item again to see how you can reduce the cost.
5. **Think of other ways to spread the Christmas cheer** – maybe suggest a 'Secret Santa' to family and friends or use your hobbies and interests to make homemade decorations, gifts and baked goods.
6. **How many weeks from now until Christmas?** Divide the total cost for your Christmas spending by the number of weeks. This is what you have to save or put aside each week.
7. **If you have been able to put aside some euro over the year to meet the cost of Christmas, well done.** Will it be enough to cover the costs you planned for or do you need to save a bit more over the coming weeks?
8. **If you have not been able to put aside any money, or if what you have saved is not enough, then you have a choice;** either you cut the money you intend to spend again, until your savings can cover it, or you may decide to borrow.
9. **Try not to build your plans on the basis of a bonus or overtime payment.** Only include income that you are absolutely certain you will get before the Christmas holiday.
10. **Shop smartly**
 - Keep to your list and don't be tempted by sales or special offers on other items
 - Black Friday and Cyber Monday have become popular days for instore or online sales – but sales often continue in your local shops up to and after December 8th.
 - Check delivery times for items bought online and the return or exchange policy
 - Keep all receipts together – you may also need to create a folder in your Inbox to save all emailed receipts
 - Pay with cash where possible and avoid putting purchases on stores cards, credit cards or paying by instalment – they cost you more in the long run
 - Check out the terms and conditions on any items you purchase through finance or 'flex-rent' arrangements
 - Join Christmas saving clubs or save cash-back vouchers from supermarkets to put towards Christmas food shopping
 - Remember the shops only close for one or two days over Christmas, so there is no need for the big shop. Buy small amounts of non-perishable items each week to add to the Christmas treats.
11. **If you really believe borrowing is your only option, then consider these points;**
 - Only borrow what you truly need and not one cent more
 - Try to make sure you can pay back this loan before the middle of next year, if at all possible, otherwise it makes it difficult to save for next Christmas
 - Find out what the weekly or monthly repayments are going to be and see how this will affect your budget – can you afford that amount and still pay your regular bills and expenses?

- When looking for a loan, try to get the best value you can. Generally, loans from a moneylender will cost you much more than a loan from your local Credit Union or bank. Using a credit card is also a very expensive way of borrowing money.
- Remember to read the terms and conditions of any credit application and make sure you understand what you are agreeing to. Get advice before you sign if you are uncertain.
- Contact MABS before borrowing to see what options are available to you.
- Before you borrow, look again at your list – is it worth it? Are you sure this is what you and your family need?

12. Cutting the cloth

When we struggle all year round, with little cash to spare, we often feel we need to take a break at Christmas – we want our children and loved ones to have the best. But that doesn't always mean spending a fortune – particularly a fortune you don't have. Think about the clothes, food and gifts you are buying – are they really needed? Talk to your extended family and friends and see how they feel about exchanging gifts and what other options you may have. Are there other ways to celebrate this occasion and maybe taking the time to be with those you love is all that is needed. Above all try not to over burden yourself with debt and make sure the Christmas period is one you will enjoy and look back fondly on.

Happy Christmas from MABS

Christmas Planner				
	Priority	Amount to Spend - First Estimate	Amount to Spend - Second Estimate	Amount to Spend - Third Estimate
Gifts				
Clothes				
Socialising				
Food				
Total Cost				
Too Much? Yes/No				
Weekly Savings Goal (Total Cost/number of weeks until Christmas)				



The Money Advice and Budgeting Service has helpful information, budget sheets and sample letters available online at www.mabs.ie. Advice and information is also available by calling the MABS Helpline 0761 07 2000 (Monday – Friday 9.00 am to 8.00 pm.) and from over 60 offices nationwide.

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