



Debt “don’ts” for the holiday season

Holiday spending will approach \$1,000 per person this year, with much of it going right on a credit card. Unless paid off right away, credit card debt is like quicksand. Assuming \$1000 on a card with a 16% interest rate and \$25 monthly payments, this year’s gifts would take almost 5 years to pay off. Ouch. Here are some seasonal spending sins to avoid:

Winging it – As any general will tell you, it's important to go into a battle with a plan. Take the time to set a budget you can afford, map out and prioritize your spending, and stick to the plan. Avoid using your credit card for more than you can comfortably pay off in the next month or two.

Forgetting to factor in the incidentals – Many folks equate holiday spending with gift buying and forget to plan for seasonal extras, such as entertaining, decorations, and travel costs. Include all holiday related expenses when setting your budget.

Robbing Peter to pay Paul – Avoid playing "cash flow" tricks by bumping regular bills to redirect money to holiday spending. Find ways to cut back on your monthly discretionary spending instead.

Starting too late – A late start can add to stress. Plus, procrastinating shoppers have less choice, pay more in shipping, and often wind up paying more due to last-minute pressure. Research and compare prices online and off, and buy early.

Falling for hype – Retailers have a lot of tricks to entice you. Don’t let sales sway you from your budget. Focus less on the idea of a bargain and more on the idea of the debt it could create.



Maxing out credit cards – Putting too much on your credit cards can have unintended consequences. Lingering debt factors in to your credit score. This can translate to less favorable rates on a mortgage, a new car loan, or even insurance rates.

Overlooking the best things in life – There's a lot of truth to the old saying that the best things in life are free. The real meaning of the holidays can be found in family, friends, and time spent together. Instead of focusing on costly commercial gifts, consider homemade gifts, practical gifts, special favors, or gifts of time that will create memories.

Other low-cost ways to enjoy the holiday season:

- Spread joy through random acts of kindness.
- Stick to regular eating, sleeping and exercise routines to be at your best.
- Practice tolerance and patience. Give people the benefit of the doubt.
- Forgive and forget. The holidays are a great time to free yourself from the burden of old resentments, quarrels and grudges.

Remember, if you or a family member faces financial difficulties or seasonal stress, you can log in to your Member site for solutions or call your MAP 24-7 for help, support and tools!