

Tis the season to budget

Even in tough financial times, don't let that nasty four-letter word DEBT ruin your festive season.

In the lead up to Christmas, many peoples' budgets and savings can be ruined by spending sprees of yuletide proportions. However, with a little bit of thought and planning, it is possible to be jolly this Christmas and New Year period without putting a strain on your budget.

Be credit card wise

While credit cards are convenient and addictive over the Christmas period, they can quickly undo a well-planned budget.

Think about using your credit card for everyday spending but be careful to make monthly payments before the due date. If you're not going to be able to pay off your card before interest is charged, stop and think whether you really need the item you're about to buy. Don't be tempted to spend beyond your means.

Better manage your debt by combining your credit cards so you only have one or two. This means you won't be paying several account keeping fees, transaction fees or interest across several cards.

Avoid cash advances from your credit card. Interest on these are usually charged straight away as opposed to having a waiting period.

It also pays to shop around for a credit card. There are many providers in the market offering excellent rates. Also, some providers offer zero interest on balance transfers for the first few months if you sign up for their card and move your existing debt over.

Shop on a shoestring

The hardest part to keeping a Christmas budget looking merry, is avoiding the season's shopping craziness.

When it comes to gift giving, write a list of the people you'd like to buy for and put a price limit next to each name. If it adds up to too much, review the limits you set.

Consider a "Kris Kringle" arrangement where each member in your family or group of workmates or friends agrees to draw a name out of a hat and only buys a present for that person. Don't forget to set a price limit so that no one goes overboard.

Use the Internet to shop for Christmas. Online auction sites mean that everyone can be their own online auctioneer. More often than not you can find an item you want for a fraction of the price.

If you need new clothes for the party season, remember these two words: factory outlets. Factory outlet shopping can save you hundreds of dollars. Many of the clothes are simply a season out of date, may have an imperfection or the item just didn't sell in the stores. Ask friends and family for vouchers this Christmas, then take them to the after Christmas clearance sales. You'll get more bang for your buck and you'll get what you want rather than another pair of socks.

Post Christmas sales are a chance to pick up some real bargains, especially on big ticket items. But go prepared and be armed with a list of the items you actually need to avoid unnecessary purchases.

Celebrate without the splurge

Just because you are trying to save some money in the lead up to Christmas, it doesn't mean you have to be a scrooge at all the end of year parties.

If you are going out to celebrate at a restaurant, check to see if it offers a BYO option. The mark-up on wines in restaurants is usually one of the largest costs you pay when going out for dinner. By bringing your own bottle, you could save between \$10 and \$20 a bottle, but first make sure the corkage fee isn't too extravagant.

By joining a wine club, dining club or buying an entertainment booklet, you can often find many discounts or vouchers that offer free and cheap deals. Also, buying wine for your Christmas dinner through a club means you can stock up on what you need for the party as well as get rewards for the more you buy.

Cheap deals are usually on offer on certain nights of the week. And if you are in the festive spirit and are going out for a few drinks, you can save some money by going during 'Happy Hour'.

Take your lunch to work between now and Christmas and see how much you'll save. People who buy lunch every day at work, at an average cost of \$7 a day, spend \$1,680 each year – that's a lot of Christmas presents!

Consider the spirit of giving

There are many people who are not as fortunate through the year and Christmas is the perfect time to help those not as lucky as you.

Most donations to registered charities are tax deductible and this can then be subtracted from your pre tax income at tax time.

Like most things, if you don't carefully plan your festive season expenses, you will end up with a major headache when the fun of Christmas is over and your summer holiday is a distant memory.

If you have any questions re budgeting or would like one of our free CA Budget Planners please do not hesitate to contact the friendly team at CA Financial Services Group on (02) 9955 7288 or email info@cafinancialservices.com.au

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