

Holiday budget tips for you and your kids

The holiday season can be tough on children and adults alike. Toy manufacturers and retail outlets start their advertising campaigns early, and kids are increasingly bombarded with dozens of advertisements for the latest and greatest toys or gadgets they “absolutely *must* have”. Kids then begin their own campaigns with their parents. “Everyone will have this...” or “I’ll die if I don’t have that....” or the tried and tested, “Please, please, please, please.”



While most parents will assess their children’s requests and buy wisely and appropriately, they too can fall prey to the pressures of the season. Each Canadian spends on average almost **\$1,200** every holiday season. That’s not a problem if we’ve budgeted for our purchases, but most of us don’t. In fact, **20 percent** of Canadians say they are not sure how they will pay for the season!

However, with a little planning, we don’t have to start the New Year in debt. We can also use the season to teach our children some worthwhile financial lessons. For example:

- **Make a list.** List each person/family member you need to buy gifts for. Next to each name write the maximum amount you’re willing to spend. Have your child do the same for his friends and siblings. If your list is too long, consider:
 - Asking family and friends if they’d like to draw names and give one gift per person.
 - Asking friends if you can both just buy for each other’s children.
 - Buying family, rather than individual, gifts.
- **Set a holiday budget.** Look at how much you can spend this year without having to rely on credit. Include expenses such as gift wrapping, entertaining and charitable donations. Have your child do the same for their friends and siblings.
- **Set expectations with children.** Younger children often have unrealistic expectations. Let them know how much you intend to spend this year and what they can expect.
- **Give homemade gifts.** Make gifts for teachers, friends, co-workers and neighbours. Bake cookies, knit sweaters, or make them gift baskets. Your children will enjoy helping, while learning that you don’t have to spend a lot of money to show your love and appreciation.
- **Use cash whenever possible.** Only use a credit card if you know you can pay it off right away. If shopping with children, stop buying when your money runs out.
- **Allow time for comparison shopping.** With your child, shop around to get the best price. Make it a fun learning experience by having your child keep notes on what store charges for each item, then deciding where the best bargain can be found.
- **Take the “I” out of the holiday season.** A great way to teach small children social responsibility (and the true meaning of the holidays) and allow older kids to explore different causes, is to make a family donation to a charity. Ask your children what charity they would like the family to “adopt” and why. Then have everybody give a certain amount to the cause.

Planning for the New Year

Reduce financial stress next year by planning now. Put a small amount into a savings account every week – even \$5 a week will result in a tidy sum of about \$250 come next December. Put \$25 a week away and you’ll have \$1,300 by the time the holidays roll around again.

Encourage your children to save a percentage of their weekly allowance. The exercise will establish a lifetime habit of saving.

It's also a good idea to shop for gifts throughout the year. This way you take advantage of great sales and avoid the holiday rush! If you need more financial advice, your Employee and Family Assistance Program (EFAP) is there to help. There are many ways to make the holiday season less stressful and more enjoyable!