



A weekly question/answer column

With The Holidays Fast Approaching, How Can I Keep From Overspending?

Barbara Rowe answers:*

For retailers, who take in at least 25 percent of their revenue during the year-end holidays, cash register bells are already jingling merrily. For consumers, it can be the overspending season. We get caught up in our need to express love, appreciation and friendship at this time of year, and money in reality is low. But sooner or later those holiday bills will come due. People who use credit and buy those big-ticket items right now can get a big surprise in February and March when they have to start making those installment payments.

By employing better spending habits, however, consumers can help eliminate overspending by not charging with plastic this holiday season. Here are some useful spending tips and ideas for capturing the magic of this time of year without paying for it well into next spring.

- First and foremost, create a list of family and friends with whom you exchange gifts. Write a dollar figure beside each name, gift ideas if you have them, and alternative choices. Establish a total spending limit and start looking for bargains early. If you need to shrink your gift list, begin by talking with those with whom you regularly exchange gifts. Suggest not exchanging presents or mutually observe much lower dollar-limits.
- Separate your shopping trips from your spending trips. Shopping is for comparing price, quality and value. Spending trips are for purchasing. Don't take your credit cards or checkbook on shopping trips.
- Wait for sales. Watch the advertising and sale flyers for items you intend to purchase. Sometimes shopping later in the season will allow you to take advantage of clearance sales. If holiday sales are sluggish this year, discount and clearance sales will appear before the Thanksgiving turkey is cold.
- Whenever possible, pay in cash or by check. Credit card users often say they had no idea how much they spent on the holidays until the bills arrive in January or February. If you use credit, try to consolidate holiday purchases on one card and keep track as you go along. It's also a good idea to figure in the interest you will pay. When you look at that, you realize you might be able to afford a more expensive gift if you pay in cash.
- Consider gifts that don't cost a lot of out-of-pocket money. Giving a card to a young family which entitles them to emergency baby-sitting time, for example, will result in savings for both families. A bi-monthly sight-seeing outing, gardening help or housecleaning and car washes for grandparents are useful and often much needed.
- Make more gifts at home. A freshly baked loaf of bread, cookies, jar of jam, pot of spring bulbs, snack mix, dry herbs, smoked fish or pickles are always appreciated. Also, a collage of photographs, a tape recording of family history, needlework, a poem, or

collection of your favorite recipes can be appreciated gifts.

- At office parties and other functions where you might be asked to provide a gift, suggest that instead of gifts, people bring canned food for the homeless or disadvantaged.
- Gift wrapping can become costly, but is easy to economize. Give a card with a photo of a large gift; use the newspaper's comics pages, magazines, grocery and shopping bags as gift wrap, use shoe laces, reusable cloth ribbons, cotton cording or wool yarn to tie packages.
- Above all, have a plan and stick to it. If you stay with your holiday spending game plan, you won't go broke and end up spending all of 2001 paying for the holidays of 2000.

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