

Holiday Spending Strategies

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The holiday season is a time for connection and giving, but it can also be costly. According to PwC Canada's 2019 Holiday Outlook report¹, Canadians spent an average of \$1593 on holiday shopping last year. As this year's present buying season begins, here are some helpful tips that could help you avoid overspending and taking on consumer debt that could follow you into the new year.

Create an informed budget

Understanding what you spent last year can help you create a realistic budget to guide your spending this year. Don't forget to factor in other holiday spending items such as groceries, holiday cards, postage stamps, shipping, taxes, decorations, gift wrap and travel. Making a list of what you need to buy can also help you avoid expensive, last-minute purchases.

Stick to that budget

As your holiday shopping season unfolds, keep track of how much you're spending and on what. Try to avoid unplanned purchases above a certain threshold to stay within your budget.

Know where the money is coming from

Do you have money set aside, or are you expecting a year-end bonus? If not, could you take on a second job, sell some things that you no longer need or raise the extra funds elsewhere? Before you start shopping, it's important to know where your money is coming from, or you may find yourself using credit to make your purchases.

Use reward points

If you've been saving your rewards points from credit or customer loyalty cards, this could be a very budget-friendly way to do some shopping this year.

Shop deals

As the holidays approach, merchants will start competing for your business. Make a list, sign up for alerts, check for coupons and watch for the sales to begin. There are many opportunities to save if you know where and when to look.

Start your shopping for next year

With your budget figure in mind, make a list of things to buy for next year and watch for post-holiday sales. Finding bargains months in advance could empower your budget strategy for next year.

Give without spending

The gift of time is invaluable. Baking, movie or game nights, spending time outside and volunteering together are experiences that can make a holiday more memorable than a present, especially when it costs you money that you can't afford to spend.

You could also consider a gift for yourself that could keep on giving for your entire future. Sitting down with a financial advisor to discuss strategies for saving, investing and reducing debt could position you for financial fitness in 2021 and beyond. It could also give you valuable insight into spending patterns and the emotional drivers behind your financial decisions.

Financial well-being is the ultimate gift, and it can all [begin with a simple conversation](#) [1].

Sources:

¹. 2019. PwC Canada. "2019 Canadian holiday outlook". <https://www.pwc.com/ca/en/industries/retail-consumer/2019-holiday-outlook-canadian-insights.html> [2]

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