Setting and Sticking to a Holiday Budget

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Decide how much you can spend before you shop. Then keep a running total so you can enjoy giving without carrying a holiday balance into January.

Set one limit for the whole season

Start with the money available after regular bills and other commitments. Include gifts, travel, meals, shipping, and wrapping. If your total is $500 and meals and travel will cost $150, you have $350 left for gifts and other extras. Decide what that amount needs to cover before assigning a limit to each person [1–3].

Write down who you're buying for

Make a simple list with each person's name, a gift idea, and a spending limit. If you're buying for the grandkids, ask their parents what the kids would actually use or enjoy and whether anyone else is already buying it. If several adults want to give something bigger, consider pooling what you already planned to spend. Agree on family gift limits before anyone shops.

Keep a running balance

Record what you spend as you go, including online orders. Check how much remains before each shopping trip. If one gift goes over its limit, decide where you'll spend less before making the purchase. If you use a credit card, stick to an amount you can pay off in full. When you've reached your limit, give yourself permission to be done [1, 3–4].

Choose a gift that shows you were listening

Think about what the person has mentioned lately. A book by an author they love, a favorite recipe written out by hand, or a morning together may mean more to them than another package under the tree. Buying more gifts doesn't mean more love.

Sources and further reading

[1] Federal Trade Commission. FTC's Tips for Happy Holiday Shopping

[2] Federal Trade Commission. Happy Holidays! Shopping Tips from the FTC

[3] Consumer Financial Protection Bureau. Three Ways to Enjoy the Holidays Without Going Into Debt

[4] Consumer Financial Protection Bureau. Consumer Tips for Managing Spending