



FOR IMMEDIATE RELEASE

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Holiday Shopping Tips – The First Gift is for YOU

December 4, 2019 (Sacramento, CA) - Thanksgiving marks the kick off of the holiday season. From food to beverages, parties to gift giving, it is easy to join in the excitement. It is also easy to lose sight of one's financial responsibilities and goals, often with the best of intentions at heart. Understanding how to manage your money during this time is critical to reaching financial stability and surviving the holidays with your budget intact.

Step #1 – The first gift on your list should be a gift to yourself

Before you spend one dollar online or go to the mall, you should decide how much money you can afford to spend on the holidays. If you have a budget in place, confirm how much you have allowed for discretionary spending on things you want to buy as opposed to things you need. If you are going rogue and have no budget in place, use the 50/30/20 Rule to figure out the total amount of money you have available to spend on gifts, food, special events, parties and meals.

The 50/30/20 rule is a budgeting system. It calls for 50% of your take home income to go towards your needs. This includes housing expenses, food, transportation, child care, etc. and 30% of your take home income to go toward things you want, like travel, restaurants, entertainment, and most certainly holiday spending. Finally, it calls for 20% of your take home income to serve your financial goals. This includes debt reduction, cash savings, and investments.

By taking time to identify a specific dollar amount for your holiday spending today, you will give yourself the gift of freedom from excessive holiday debt as you ring in the new year.

Step #2 – Make a list and check it twice

Even the most famous of gift givers makes his list and checks it twice. You can make a list too. Your list should include the names of everyone on your holiday shopping list, the dinners you plan to serve, the gift exchanges you enter at work, the parties you host and attend. Once you complete your list, allocate a specific dollar amount for each expense. Do not forget expenses associated with certain holiday traditions such as filling shoes for Kris Kringle, advent calendars, Elf on a Shelf, stocking stuffers and the gifts associated with the eight days of Hanukkah.

Step #3 – Stick to the plan

A budget and a list are worthless if you do not follow the plan. Online shopping makes sticking to a gift budget very simple. As you search for items, check the box offered on most retail sites that corresponds to the amount you plan to spend for that particular person or on that particular gift. If you have budgeted for a \$30 gift, do not search the site for items that cost \$100. Also, if you want to save even more money, watch for sales and if you shop online, limit your visits to only the sale pages of the site.

Step #4 – Start new traditions, strike a balance

As your children mature, so do their wish lists. The number of items and the cost of the items they place on their holiday gift list can become overwhelming. But resist the tendency to fulfill their every wish. They are also victims of elaborate ad campaigns and society in general. As the song so aptly tells us, “you can’t always get what you want; but ... you might find you get what you need.” These lyrics carry a good lesson. No one, including the children in your life, should expect to receive every gift on their list. Do your best to strike a balance between gifts they need and gifts they want and if necessary, cut back both in number and cost per gift.

Step #5 – Set expectations

Everyone likes a surprise. It’s one of the reasons this holiday season can be so magical. But it is important to set your own expectations for the holidays as well as the expectations of your family members. Ask your children to identify two gifts they would like to receive, not twenty. Don’t allow children to circle every toy in the catalogue without explaining they will not actually receive every toy they circle. Television advertising does not help. We have all seen the car commercials featuring a beautiful vehicle in the driveway with a huge red bow around it. These kinds of images, at best, highlight the tremendous disparity in income among us, and at worst, exemplify irresponsible spending during the holiday season.

Also, take this time to think about the financial situation of others. If one member of your family is going through a difficult time, set the expectations of the entire family with regard to gift limits, contributions of food to the holiday pot luck and the limitations some may have on their financial ability to participate in the celebrations.

Enjoy the Season

Remember, the number of days between Thanksgiving and New Year’s are fleeting. Avoid the temptation to spend money you don’t have, enjoy spending money you do have, avoid credit card debt you cannot pay off in full on January 1st and above all, enjoy this time of year! For additional information about personal finances visit <http://financialliteracy.rocks/>.

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