

TUESDAY

Why budgeting at Christmas is liberating

Freeing yourself from old buying habits can reward you with a joy-filled celebration, writes financial educator Alvin Hall

Christmas is what I like to call a ‘high-emotional’ holiday. Each of us approaches this time and its associated rituals with different memories, expectations, nostalgia and ideas about what will make it not just satisfying, but truly joyful and special.

Emotions and money are always a complicated mix, often with more than a hint of nostalgia-related irrationality for added measure. This is especially true when spending is being used as the primary means of expressing and evoking love, caring and appreciation in others and in ourselves. Many think and feel that it is unfair, even mean, to put a price limit on this expression.

‘Do you set a budget for what you’ll spend on Christmas?’ I asked three friends with whom I was having lunch recently. This question



can make people feel more than a little uncomfortable. The reason: budgeting is often felt to be negative and stingy.

One friend replied: ‘Limiting what I can spend would make me feel constrained, as if I were not being magnanimous, which is what Christmas is all about.’ This friend associates what she spends with the amount of pleasure and satisfaction that others will have.

Another friend said: ‘On one day, I go to the store and fill my trolley with the food for Christmas. Then on another day, I’ll fill my trolley with the drinks. I don’t know the prices of the things I buy. I just pile them into the trolley.’

This friend wants Christmas to be a carefree time for herself and her family because the joy the gifts, food, drink and other items will give her family is priceless.

‘Have you ever thought that budgeting could make you more creative about Christmas?’ I asked. Their quizzical looks told me this was not what they were expecting me to say. They thought I’d chastise them for their unmonitored spending. Instead, I wanted to offer an alternative point of view – inspired, in part, by the third friend’s comment in response to my budgeting question. She said that when she was a struggling artist with young children, she had to budget. She knew (and still knows) the price of each item in her trolley. So she felt confident

that she could create a joy-filled Christmas celebration on a budget — ‘if she had to’.

I grew up in a household where ‘if’ was not an option. My parents spent inventively within their financial means. Still, my memories of my childhood Christmases are heartwarming, without a sense of deprivation. Santa would bring each of us – there were seven – one gift (something we really wanted

OVERCOME EMOTIONAL SPENDING

Five strategies that work

Rethink gift-giving by setting a maximum amount you’ll pay then try to buy them at lower prices.

You could even limit gifts to children only.

Don’t feel the need to spend equal amounts on people.

Set a food budget and be firm about staying within those limits.

Treat yourself, but make it for accomplishing something significant, not just because you feel you deserve it.

Think of something fun you can do that is free, but still make you happy, such as events outdoors.

that our mother could afford) and one or two articles of clothing – for school or church. My mother or grandmother would also make each of us our favourite cake.

At its core, this list prompts you to prioritise what those elements are that make Christmas special. It makes you think creatively, instead of falling back on old habits and patterns of yesteryear. You’ll find this self-empowering because you’re freeing yourself from financial tyranny of nostalgia.

With a little over one month left until Christmas, make a pledge

to yourself – and to your finances. Prioritise those that are core to what Christmas means to you. Say to yourself: I will not let nostalgia affect my Christmas spending this year and carry over into 2019!

My hope is that this pledge helps you get the right emotional perspective on it all, prioritise your spending and keep your finances in the proper balance that best suits you.