

Heavenly Holidays Can Lead to Credit Card Hell

By G. DeWayne McAnally, CFP

Do you start each New Year in Holiday Debt? By the time these credit cards are paid off, it will be the holiday celebration and gift giving season again. Here we go again. The same old redundant cycle of the Christmas Past. We all like to be good gift givers. The good book says it is better to give than to receive. However, how can we save for the future, when we keep paying for the past?

Gifting, as with any endeavor where money is involved, can be improved with Financial Planning.

First, we find that budgeting always helps. How much can we spend this gifting season and still keep all our normal commitments. Don't neglect those investment dollars for your future. Once you have come up with a good holiday budget number, decrease it by ten percent. Now, we have our budget and we can move to the second step.

For the second step, make a list of our usual gifting suspects. After making our list and checking it twice, we review it one more time. This time we ask, "Why is this person on my list?" Is it someone I feel good about gifting to? Am I doing it because I feel obligated or am I doing it just because I have done it year after year? After asking these questions, the list will be much shorter.

It's the thought that counts is not just a saying, it's the truth. Put some real thought into the wants and likes of each person on the list. A thoughtful gift doesn't need to be expensive. When I was a kid I loved Christmas. However, I had two aunts that gave me the same gifts every year. One aunt gave me a fruitcake and one a cheap pair of argyle socks. Now, what kid wants a fruitcake and argyle socks. However, I was raised well and I always pretended to be grateful. My older brother had a girl friend that each year gave me a pack of baseball cards and a pack of football cards. They were not expensive, but they meant a great deal to me. I didn't have to pretend to be grateful. She put thought into her gift. I was really upset when my brother broke up with her.

Good memories are always excellent gifts. If you know the person well enough, perhaps you can think of an item that will remind them of the past and bring a smile to their face. When I was 10 to 12 years old, my parents had a classic yellow Cadillac. Oh, how I loved that car. Not only was it cool, it had every bell and whistle you could think of. A few years ago my brother gave me a detailed die-cast model of that classic yellow Cadillac. It wasn't expensive, but you would have a hard time giving me a gift I cherished more. That Cadillac still deserves a place of prominence in my collectible room at home. When memories are involved, one of the places such treasures may be found is an "antique" store or second hand store.

Gifts of interests can mean so much. Someone that loves to cook would much rather receive a collection of unique recipes on 3x5 cards in a small box than another china ornament for which they have no room. A newlywed couple starting not only their life, but their financial life together might appreciate a simple, financial, how to book. One good choice is "The Richest Man in Babylon". Again more thought allows gifts that are personal and appreciated, but not expensive.

Read other articles that will suggest homemade gifts such as cooked goods or arts and crafts. These articles will bring to mind many thoughtful gifts that a credit card won't be needed for.

I hope this article has given you some ideas how you can give gifts that will be appreciated. However the main idea I hope you take from this article is how important it is to start the New Year with a clean slate. There will be a peace of mind, starting 2012 with no holiday debt.