

Keeping Tabs on Financial Wellness During the Holidays



By **DJ Enga**, Manager, Final Wellness Services / EAP Consultant at AllOne Health

Thanksgiving is the start of a busy holiday season, which often includes weeks of celebrations—and stresses. People are routinely reminded to take care of their physical and mental health this time of year. However, it's also important to keep tabs on your financial health.

Your financial health refers to your overall financial situation, which includes your ability to manage day-to-day expenses, plan for your future, and overcome unexpected financial challenges. The expenses related to the holidays can take a toll on your financial wellness, which can then impact other facets of health and life.

A recent **Bankrate survey** reported that nearly half of U.S. adults say financial concerns are negatively impacting their mental health, leading to anxiety, stress, loss of sleep, depression, and other health concerns.

Maintaining financial health during the holiday season can be a challenge with the extra spending on gifts, travel, and festivities. Here are some practical tips to help manage your holiday spending without jeopardizing your financial well-being:

1. Create a Holiday Budget

- **Set a spending limit:** Decide how much you can afford to spend on gifts, travel, food,

decorations, and entertainment, and stick to it.

- **Track expenses:** Keep track of all holiday-related purchases to avoid overspending. Many banking apps have budgeting tools, or you can use apps like Mint or YNAB.

2. Make a List and Prioritize

- **List who you're buying for:** Identify the people you want to give gifts to and assign a spending limit for each.
- **Prioritize spending:** Focus on the most important gifts first and scale back on less important purchases if needed. Consider doing Secret Santa to reduce the number of gifts.

3. Shop Early and Look for Deals

- **Start early:** Spreading out purchases over a few months can lessen the financial burden.
- **Take advantage of sales:** Shop during Black Friday, Cyber Monday, or other pre-holiday sales. Use apps or browser extensions like Honey or Rakuten to find discounts and cashback offers.

4. Use Cash or Debit to Avoid Debt

- **Limit credit card use:** Avoid high-interest debt by using cash or a debit card instead of a credit card. If you use credit, aim to pay the balance in full each month.
- **Set up a holiday savings fund:** If you can, start saving for next year's holiday season by setting aside a little each month. This helps prevent reliance on credit cards.

5. Give Thoughtful, Low-Cost Gifts

- **DIY gifts:** Handmade gifts or experiences (like offering to babysit or cooking a meal) can be just as meaningful and less expensive than store-bought items.
- **Consider group gifts:** For large families or friend groups, contribute to a group gift to save on individual spending.

6. Limit Non-Essential Spending

- **Cut back on other expenses:** Leading up to the holidays, limit discretionary spending on things like dining out, entertainment, and impulse buys to make room in your budget for holiday costs.
- **Focus on free or low-cost experiences:** Attend free local holiday events or plan activities like movie nights or potluck dinners instead of costly outings.

7. Avoid Last-Minute Shopping

- **Prevent panic buying:** Shopping in a rush can lead to overspending or settling for more expensive options. Planning ahead helps you find better deals and make more intentional purchases.

8. Plan for Travel Expenses

- **Book early:** If you're traveling, book flights or accommodations as early as possible to get better rates.
- **Look for alternatives:** Consider staying with family or friends instead of paying for hotels or driving instead of flying if possible.

9. Use Rewards and Points

- **Leverage credit card points:** If you've accumulated credit card rewards points, consider redeeming them for gifts, travel, or holiday expenses.
- **Use loyalty programs:** Many stores offer loyalty programs or discounts for frequent shoppers. Take advantage of these to save on purchases.

10. Set Realistic Expectations

- **Communicate with family and friends:** If finances are tight, let loved ones know you're cutting back this year. They'll likely understand, and it can relieve the pressure to overspend.
- **Manage expectations:** Keep in mind that the holiday season is about spending time with loved ones rather than buying expensive gifts.

11. Plan for Post-Holiday Expenses

- **Account for bills and other obligations:** Make sure you've set aside money for your usual bills, rent, and other obligations before spending on holiday extras.
- **Save for the new year:** January can come with its own expenses (e.g., back-to-school, gym memberships, etc.), so try to leave some room in your budget for these post-holiday costs.

With thoughtful planning, you can enjoy the holidays without compromising your financial health.

If you would like additional guidance and support, reach out to your Assistance Program for a financial consultation referral. These sessions are personalized to meet your needs—whether it's budgeting, buying a home, paying off debt, resolving general tax questions, preventing identity theft, or saving for retirement or tuition.

Services are free confidential, and available to you and your family members. You can access them 24/7 by visiting [Member Support](#).