

Avoid Seasonal Splurging This Year

Hearing more swipes from credit cards than the ringing of silver bells this holiday season? Virginia CPAs offer five smart spending tips so you'll have a ho-ho holiday instead of a ho-hum holiday spending hangover.

1. Review last year's holiday expenses.

Look at your records — credit card bills, checkbook register and receipts — to get a rough idea. Don't forget about the money you spent for decorating, entertaining, special clothing and travel.

2. Prepare an overall holiday budget.

A spending plan will help you meet your family's holiday needs without going overboard. Think creatively about ways to reduce your costs.

3. Set realistic spending limits.

Make a gift list — and check it twice. Bring your list with you whenever you go shopping and check it to be sure you stay within your limits.

4. Avoid using credit cards.

Paying in cash is a good way to reduce spending — it can help you to think more carefully about what you are buying. If you're concerned about your money being lost or stolen, a debit card is a good alternative. If you must buy on credit, put your credit card in a checkbook register and enter the amount of every purchase, just as if you were writing a check. Keeping a running tally of your mounting balance should deter you from overspending.

5. Consider Christmas Club accounts for next year.

Christmas Club accounts may sound old-fashioned, but they are actually an effective way to prepare for holiday spending. Each week, you deposit a set amount in an account and, come October, you receive a check, just in time for holiday shopping. If you carefully track all your spending this year, you will have a good idea of your needs for next year. Divide that number by 12 to determine your monthly savings. If your bank doesn't offer holiday accounts, you can set up your own in a separate savings or checking account.

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