

## Leader Handout: Gift Giving on a Budget

### Introduction

Holidays are definitely the time for giving and spending! As the holiday season approaches, do you find yourself looking forward to the festivities, but concerned about the impact on your wallet? For many, holidays are also a season for taking on too much debt.

You are not alone, and it doesn't need to be that way if you develop a game plan ahead of time. By doing some planning now, you can simplify your gift giving. There are many ideas for smarter spending, or not spending, at holiday time. Find the ways that make sense for you and avoid paying holiday expenses months after the event.

We will discuss 15 ways to enjoy this time of year and keep spending in check. As the lesson leader, try to discuss at least 1-2 strategies from each category below.

#### 1. Set limits.

- Set a spending target and aim to stay under target. This will help relieve the stress of being broke after the holidays. Here are some tips to use when setting limits:
  - Make a budget of how much you want to spend and who you want to spend on. Have family conversations about limiting the number of gifts or limiting their cost. Establish the dollar amount per gift and stick to it.
  - Who said you had to give everyone an individual gift? Purchase one gift for an entire family or group instead of each individual per family. This option may save money, as well as time, searching out gifts for each person.
  - Complete your shopping in only one or two trips. Limiting the number of trips will also limit the amount of money you spend. Shop local if possible.
  - Use cash as much as possible. Limit the use of credit cards since they make it very easy to spend more than planned. Some stores have brought back layaway plans. Layaway helps you get the gift when you see the sale and then spread out the payments over a certain period. You must pay in full before you can pick up the item.
  - If you are scared that you will overspend, use gift cards. Purchase a gift card with the amount that you have allotted yourself to spend. Once the gift card is used up, don't allow yourself to get another.
  - Watch for sales, coupons and discount codes for gifts, holiday decorations and food items. Many free shopping apps can assist in getting the latest deals. Check your phone's app store for Flipp and RetailMeNot to help you find deals at the stores you shop. Also, for stores that price match, you can challenge the stores to price match when you can.

- Buy items early when you see them on sale if your spending plan allows. Or take advantage of year-end sales for gift purchases that can wait until after the holiday. This may be particularly helpful for saving money on big ticket items.

## **2. Agree on a gift challenge.**

- Discuss this idea well in advance of the holidays with those whom you regularly exchange gifts, but make it fun. You might suggest handmade items only, gifts under \$10, one gift for a whole family, limiting shopping to consignment or thrift store finds or picking a theme such as useful or consumable items only.
- Stay focused and try not to get carried away. One of the best examples for those with kids and grandkids are only giving, "Something you Want, Something you Need, Something to Wear, Something to Read." You can give these and a few extra stocking stuffers.

## **3. Food.**

- Consumable items are very popular during the holidays. The recipients may enjoy the product themselves or share it with others when entertaining. Consider special breads, beverages, fruit baskets, snack items, regional favorites, and gourmet coffees and teas.

## **4. Made by you.**

- Homemade gifts are a great way to personalize a gift without breaking your budget. In fact, if you're on a really strict budget or you just have a ton of people on your list, then homemade gifts might be the route you need to take to keep that budget low!
- Consider making a bulk amount of whatever type of project you decide to do. Make your own food specialty. Knit a scarf. Handcraft an item. Create an annual holiday ornament. Give a framed photo. Tap into one of your talents and run with it!
  - Search Pinterest + YouTube for DIYs to learn more. Whether you focus on cooking, painting, crafting, sewing, photography, or a talent you haven't yet discovered...don't be afraid to get your hands dirty + learn something new in the name of saving money!

## **5. Hobby-related gift, gift certificates.**

- Consider the recipient's hobbies and interests. Are there gardeners, chefs, woodworkers, knitters, readers and gamers on your list? Gift accordingly by providing them with the tools or materials to do what they enjoy.

## **6. Individuals Kits.**

- Try putting together a personalized kit to reflect the interest of the person you are gifting to. The kits may be as elaborate or as simple as your budget and time allows. Here are a few ideas:

- Baking Kit – Mixing Bowl, cookbook, measuring spoons, packaged pudding and mixes
- Fix-it Kit – Basic screwdrivers, a hammer and wrenches, wood scraps, paint, duct tape and other tools.
- Book Kit – Fill a canvas bag with book marks, notebooks, pens, pencils, and books the person you are gifting to likes to read.
- Craft/Art Kit – Paint, glitter, markers, crayons, construction paper, and other art supplies.
- Adventure Kit – This kit encourages outdoor adventure. You can include items such as binoculars, journals, maps, tree and animal identification books.
- Movie Night - Bottle of Soda, Popcorn, Candy, DVD or Redbox Gift Card
- Spa Kit - Bubble Bath, Lotion, Face Mask, Candle, Wine Glass
- Nail Kit - Nail Polish, Foot Scrub, Lotion, Nail Tools, Fuzzy Socks
- Snack Kit - Several different kinds of Candy + Snacks all together
- Coffee or Hot Chocolate Kit - Coffee Cup or Mug, Individual Coffee Package or Hot Chocolate Mix, Mints, Marshmallows
- Candy Bar Bouquet - Several Candy Bars (mini or full size) taped to craft sticks gathered into a Jar, Mug, or Basket

**7. Go green.**

- Think environmental as you give. Find locally grown plants, flowers, and dried wreaths. Another option might be to purchase colorful washable napkins, placemats, dishcloths, reusable bags, and lunch bags with individual containers for sandwiches and snacks.

**8. Purchase the same type of gift for everyone (Buy in Bulk).**

- Shop stores such as Costco's and Sam's Club to find items offered in bulk. There are some great gifts that you can get that everyone can use. Here are a few gift ideas: umbrellas, scarfs, journals, board games, puzzles, nice pens, throws, books, or flashlights and batteries.

**9. Recipe Book.**

- You could make up a recipe book with family favorites or provide a blank recipe book for the great cooks in your life.

**10. Give the gift of time.**

- Offer your time and abilities. You can create coupons related to your skills. Perhaps it is cooking a favorite meal, snow shoveling, home repair or an oil change, mending, guitar lessons and so on. Volunteer an hour of your time at a local charity in honor of a friend.

**11. Share your thoughts.**

- It's the thought that counts. Some might even say that expressing appreciation and love is the whole point of the holidays, and who doesn't appreciate being appreciated? Write a note letting the person know how great they are, why you appreciate them, sharing a special memory they would enjoy.
- 12. Create a special memory.**
- Make memories instead of giving gifts. Look in newspapers or online for special events this holiday that are free or low cost. Instead of purchasing gifts, make a date with your family and friends to enjoy an event together and get together for desserts and coffee.
- 13. Give or Take Donations**
- Make donations in lieu of gifts. Rather than buy ten gifts for every person or family, find a charity they are passionate about and make a donation on behalf of the individual(s). You can give to the greater good and still save over what you would pay for individual gifts.
  - If your family does gift swaps, instead of the gift exchanges where everyone may or may not end up with something useful, have everybody bring something to donate to a local organization. You can also adopt a family together (just search "adopt a family for the holidays" and all kinds of national and local charities pop up) and have each person bring one of the items that the family has requested.
- 14. Save Money on Giftwrapping**
- Wrapping paper, bows and ribbon add up quickly, and are money spent on items that will just end up in the trash a few moments after the gifts are open. Shop at the dollar store for wrapping needs, where you can get more than enough paper for just a few bucks. Another economical and green option is to save cartoons from the newspaper, or use decorative store bags. (Mindy, our educator in Wabash used to use the red and white target bags to wrap all her Christmas gifts).
- 15. Just Don't Give Gifts This Year**
- We saved this tip for last, because the thought of not giving gifts at the holidays can be quite difficult. Perhaps this year you exit the holidays without debt and the guilt that comes with it. It's not easy to buck tradition and learn to practice gift giving on a budget. But you can start by letting go of these old ideas.
  - Tell your friends and family that you don't need anything from them and that you are giving love this season. Ask them to please respect your request to not exchange gifts this year. Tell them that you are just fine financially and determined to stay that way by following a budget. Chances are pretty good at least some of your friends and family could also benefit financially from not giving you a gift this year.

## Conclusion

You can do it. I can do it. We can resist the urge to spend the money we don't have this holiday season. We can let go of the idea that we have to give things to show our appreciation. We can remember that just because something is on sale doesn't mean we can afford it. We can be vocal and proud of sticking to our budget. We can focus on what really matters. We can head into the New Year with no additional credit card debt and with enough money to pay our bills.

Good luck!

***If someone wants additional resources, please share with them [Managing Holiday Expenses: How to Reduce Spending to Decrease Financial Stress \(Publication by University of Kentucky Cooperative Extension\)](#). This publication gives great tips on not just Christmas, but several other big spending holidays.***

***Here is the link, but I included a hardcopy in the folder for this lesson.***

<http://www2.ca.uky.edu/agcomm/pubs/FCS5/FCS5462/FCS5462.pdf>

## Resources

<http://extension.udel.edu/blog/gift-giving-on-a-budget/>

[https://www.canr.msu.edu/news/creative\\_gift\\_ideas](https://www.canr.msu.edu/news/creative_gift_ideas)

<https://extension.umn.edu/spending-and-saving/holiday-spending>

<https://www.policygenius.com/blog/gift-giving-on-a-budget/>

<https://www.moneyunder30.com/christmas-on-a-budget>

<https://www.asunnysideuplife.com/blog/giving-gifts-for-christmas-on-a-budget>

## Gift Giving on a Budget

Holidays are definitely a time for giving and spending. However, there are many ideas for smarter spending, to avoid paying for the holiday expenses after the event. Here are 15 ways you can enjoy this special time of year and keep spending in check:

- 1. Set limits.** Set a spending target and aim to stay under target.
- 2. Agree on a gift challenge.** For those you exchange gifts with, decide on a theme and set amount.
- 3. Food.** Consumable items are very popular during the holidays. The recipients may enjoy the product themselves or share it with others when entertaining.
- 4. Made by you.** Homemade gifts are a great way to personalize a gift without breaking the budget.
- 5. Hobby-related gift or gift certificates.** Consider the recipient's hobbies and interests and gift accordingly.
- 6. Individuals Kits.** Try putting together a personalized kit to reflect the interest of the person you are gifting to.
- 7. Go green.** Think environmental as you give.
- 8. Purchase the same type of gift for everyone.** Some stores such as Costco's and Sam's Club offer items in bulk. There are some great gifts you can give that everyone can use.
- 9. Recipe Book.** You could make up a recipe book with family favorites or provide a blank recipe book for the great cooks in your life.
- 10. Give The Gift of Time.** Offer your time and abilities.
- 11. Share Your Thoughts.** It's the thought that counts. Write a note expressing your appreciation.
- 12. Create a special memory.** Make memories instead of giving gifts. Look in newspapers or online for special events this holiday that are free or low cost.
- 13. Give or Take Donations.** Make a donation in lieu of giving a gift, or take donations for a local organization or family, instead of receiving gifts.
- 14. Save Money on Gift Wrapping.** Wrapping paper, bows and ribbon add up quickly, and are money spent on items that will end up in the trash. Use newspapers or decorative store bags.
- 15. Just Don't Give Gifts This Year.** Sounds crazy, but it's okay to step away from traditions. By not giving, you exit the holiday season without debt and the guilt that comes with it.

Resources:

- <http://extension.udel.edu/blog/gift-giving-on-a-budget/>
- [https://www.canr.msu.edu/news/creative\\_gift\\_ideas](https://www.canr.msu.edu/news/creative_gift_ideas)
- <https://extension.umn.edu/spending-and-saving/holiday-spending>
- <https://www.policygenius.com/blog/gift-giving-on-a-budget/>
- <https://www.moneyunder30.com/christmas-on-a-budget>
- <https://www.asunnysideuplife.com/blog/giving-gifts-for-christmas-on-a-budget>



# Managing Holiday Expenses: How to Reduce Spending to Decrease Financial Stress

*Jennifer Hunter and Laura Frey, Family Sciences*



Holidays are often an exciting time of the year. Spending time with family, enjoying time off work, and celebrating with family traditions are enjoyable activities. However, the holidays also can represent added stress due to the crunch on your wallet. Decorations, gifts, and food expenses add up quickly.

When thinking about expensive holidays, people often think of Christmas, however other holidays can be expensive as well. For example, Halloween is the third most expensive holiday, after Christmas and Valentine's Day. Although Halloween does not involve large gifts or family events, the costs of costumes, candy, and decorations can require big spending. To avoid the financial strain of the holidays, it is important to plan for holiday expenses throughout the year and adopt new, lower-cost traditions.

## Develop a Budget for Upcoming Holidays

One way to reduce impulsive spending is to develop a budget that includes clear expectations for travel, food, entertainment, and gift-giving expenses.

- First, review what you did for the holidays last year. Think about to whom you gave gifts: Was there anyone you forgot? Think about the challenges you faced: Did you use your credit card too much? Did you spend more than you expected? Also consider what worked well for your family: Did you draw names with family members to split the cost of buying gifts for everyone? Looking at previous years can help you plan for the upcoming year, especially with holidays and celebrations.
- Make a list of everyone who will receive a gift as well as all items that will cost money during the holiday season. Some items often forgotten include gasoline, babysitter fees, and eating at restaurants more often.
- Some people enjoy giving gifts to non-family members, but they are often forgotten when making a budget. These people include teachers, babysitters, hair stylists, etc. Consider writing handwritten notes expressing thanks or appreciation rather than buying gifts when possible to reduce your spending costs.
- Divide your list of expenses into necessary items (needs) and extra opportunities (wants). For example, gasoline is a needed expense for traveling, but eating at restaurants while on the road is an extra expense that could be avoided if necessary. Dividing your list of expenses into needs and wants will help you save for all necessary expenses and provide a list of ideas in case extra money is left over.
- It can be helpful to budget for holidays that occur together. Several winter holidays occur so close together that it can leave little time for separate budgeting. Combining holiday expenses for all three holidays together can make sure that you are not caught off guard.



*Consider making purchases throughout the year and storing the items until they are needed. Waiting until the last minute often causes us to make poor decisions that exceed our budget.*

- As part of your budget, determine how you will pay for each item. Paying with cash will help avoid unexpected spending. Paying with a credit card without keeping track of spending may cause you to forget purchases for which you'll have to pay later. If paying with layaway, look out for hidden fees and be sure to budget for any interest added.
- Once a budget is made, it can still be hard to follow. In-store sales are tempting, but making impulsive purchases, no matter how small, can add up quickly. Carry a copy of your budget and shopping list with you, and be sure to follow it while in stores.
- Plan your shopping trips ahead of time by reviewing store ads for upcoming sales. This step will lower costs while also helping to reduce impulsive decisions while in the store. However, keep in mind that not all coupons will help you save money. It can be tempting to buy an item simply because you have a coupon or the item is on sale. Make sure the item is a useful purchase.
- Consider making purchases throughout the year and storing the items until they are needed. Waiting until the last minute often causes us to make poor decisions that exceed our budget.

### **Reuse and Make Decorations**

Another important step to reduce costs is to save and reuse decorations from year to year. Also, you can often make decorations at a lower cost than buying them in a store.

- Make homemade decorations from household items, such as string, cotton balls, or Popsicle sticks. For example, popcorn or cranberries can be strung together to decorate a Christmas tree. You can also decorate using items from the backyard (such as pinecones or flower clippings) or local farmer's markets (such as hay bales) which are often sold at a lower price.
- Consider reusable plates, cups, and utensils each year so that you do not have to purchase these items every holiday throughout the year. Try to purchase generic ones that can be used for all holidays.
- Save previously used gift bags, wrapping paper, tissue paper, bows, and ribbon for the next year. Gift cards can be repurposed into gift tags. You can also use leftover string or yarn from other projects to decorate gifts.

### **Tips for Specific Holidays**

#### *Easter*

- Make homemade dyed eggs with vinegar and food coloring (rather than buying a kit) as a fun activity for the kids.
- Save plastic eggs to be used year to year. Eggs can be filled with small candies, inexpensive toys, or small coins and hidden for children to find. If you have small children in your Easter egg hunt, be certain that the items are age appropriate.
- If your children put out an Easter basket, purchase a basket that can be reused each year. Another option is to purchase a gift to use as a basket that can also be used as toy (such as a bonnet, sand pail and shovel, storage container to store toys, or lunch box). To fill the basket, check for sales on treats. Instead of candy, think about healthier options such as fruit snacks, or visit dollar stores for small toys.

#### *Halloween*

- Shop consignment or thrift stores for costumes before the holiday. You can also be creative by looking for items that can be turned into a costume. Also, keep an eye out for costume sales rather than buying a costume at full price.
- Save costumes worn by older children for younger siblings to wear years later. Store costumes in a clean, dry place to maintain shape and condition from year to year.
- If you choose not to save costumes, consider selling your used costumes from previous years at consignment shops. Some of these shops offer buying discounts to customers which can also help you find lower-cost costumes.
- Be creative to create your own costume from your closets or relative's closets. Let your child brainstorm ideas with you to help make the activity more fun. You can also search online for creative, homemade costume ideas.
- Consider sewing costumes from purchased patterns using inexpensive or remnant fabric.
- Search local ads for sales on Halloween candy. Remember to buy only what you will need, so that leftover candy is not wasted. You can also buy small amounts of candy early in the time leading up to the holiday to help spread the cost over several weeks.

## Thanksgiving

- Cooking an entire Thanksgiving meal on your own can be expensive. Considering having a potluck with friends and family to avoid cooking or paying for the entire meal yourself.
- Plan for meals ahead of time to take advantage of coupons and grocery deals. Coupons and advertisements about upcoming sales can be found online and in local newspapers.
- Using in-season produce for recipes can often reduce food costs. For example, sweet potatoes and fall squash are often on sale during the Thanksgiving season.
- Reduce travel expenses by visiting out-of-town families for one holiday during the winter season (such as just Thanksgiving or only Christmas, rather than both holidays).

## Christmas and Hanukkah

- When making a budget, decide what you will spend on each person before going shopping. If possible, talk with family members and friends to set a spending limit that everyone can spend on each gift.
- Winter holidays often cost the most money, and several parents use this time to purchase more expensive gifts. Many expensive gifts, such as electronics, can also be purchased with warranties that cost extra money. Be careful when purchasing these warranties. Do not assume that they are worth the added cost. Think about how often you will use the item, the age of the person who will be using it, and the situations in which it will be used, to determine if the warranty is a smart purchase.
- Considering setting up new holiday traditions that cost less. For example, some families or friend groups use “Secret Santa,” where each person draws a name randomly so that everyone receives a gift and each person only buys one gift.
- If you will be mailing items, be sure to check the variety of mailing and postage options before selecting a method. For example, the U.S. Postal Service offers boxes that ship at a flat rate regardless of the weight. However, these boxes may not be appropriate if your item is larger yet lightweight. Compare options, keeping in mind how far the item is to be shipped and whether the item is fragile.

- Consider spending time together rather than gift-giving. Other ideas include a nice dinner out or playing games as a group.

## Birthdays/Anniversaries/Mother’s or Father’s Day

- Consider family activities rather than gift giving. Nonmaterial gifts (such as outdoor picnics, nice meal cooked at home, family walk, tickets to a community play) can be just as meaningful and possibly more special than buying gifts.



## Memorial Day/Fourth of July/Labor Day

- Check your local grocery store for sales before deciding what to make for the event. Grocery stores often have sales on certain types of meat—often whole chickens, hot dogs, or ground beef—around the summer holidays.
  - Consider buying meat in large portions that you can cut up yourself. For example, you could buy a roast and cut steaks from it yourself. You could also buy ground beef, adding spices and shaping it into patties yourself, rather than buying pre-made hamburger patties.
  - Have a potluck rather than cooking the entire meal yourself. Each friend or family member could bring a side item or a dessert while you provide the main course.
- No matter what the holiday may be, there are simple ways to save money while still providing an enjoyable family experience. Include friends, family members, and children in planning creative ways to celebrate together. Thinking ahead will help reduce costs and prevent the stress that comes from overspending. With a little effort, you can still provide an exciting experience for your loved ones.

*Nonmaterial gifts (such as outdoor picnics, nice meal cooked at home, family walk, tickets to a community play) can be just as meaningful and possibly more special than buying gifts.*

## References

- Consumer Federation of America. *Consumers Plan to Spend More this Holiday Season, According to the 13<sup>th</sup> Annual CFA-CUNA Holiday Spending Survey*. Accessed October 28, 2014, at: <http://www.consumerfed.org/news/615-consumers-plan-to-spend-more-this-holiday-season-according-to-13th-annual-cfa-cuna-holiday-spending-survey>.
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