

Don't leave your Christmas planning until last minute



With only 25 days until Christmas, it's time to plan for those extra festive season costs. Getting financially organised now can reap benefits not just for now, but well into the future.

Australians are planning to spend over \$11 billion on Christmas presents this year, according to recent [research](#) from the Australian Retailers Association (ARA) and Roy Morgan. The ARA – Roy Morgan Snap SMS survey shows that gift buyers plan to spend \$726 on average, with the most popular gifts being toys, jigsaw puzzles and boardgames. With the added festive season costs of gift giving, general indulgence, travel and spoiling those you love, those first few weeks of the New Year can be quite tough, financially. No matter your shopping style, whether it's the mad dash to the shops on the 23rd December, or buying items regularly throughout the year, it's easy to lose control of your budget, especially if you didn't set a planned budget to start with.

With four weeks to go, it's your time to get a rock solid plan organised so you can enjoy the things you love to do during the holidays, and avoid any post-Christmas spend remorse.

Here's our 5 Christmas financial tips from our team of experienced financial planners to help make Christmas about a time of family and celebration, rather than that of financial worry.

Christmas spending

You don't have to restrict yourself from having fun to make conscious money decisions that can benefit you later on.

1. Look back at last year

A quick review over previous years' bank statements or any budgeting tools or apps you may use can help you figure out what you generally spend in the weeks or months leading into Christmas.

This is your starting point when working out how much extra cash you will need to save this year and see where you can cut costs.

Make a note of what you spent the most money on, whether that's extra special gifts for the family or specialist tasty treats for your Christmas day feasts. Break this down into categories so you can work out where your hard-earned money is most likely to go and assess where you might find some initial savings.

With some Australian state borders still closed at the time of writing this article, many Australian families may not be able to travel interstate to holiday or visit loved ones like they had planned, so may decide to stay at home or holiday within their own state to make up for last year's missed Christmas. Whatever your travel plans may be, it's important to set budget for the key costs you'll incur, monitor any spend through your journey, and identify areas for which you could cut back on.

2. Start the savings plan early

Christmas may well be still weeks away, but it always comes around sooner than you think. So, the sooner you start to prepare and the better position you will be in to make the most of your favourite festive season.

Make a decision about how much cash you would be able to put aside each week until December 25, on top of your current outgoings and savings.

Always be realistic with this amount: if you know you can't say no to after work Christmas drinks, then make sure you save for this. It may seem like just \$20 or \$50 here and there but that quickly adds up and without accounting for the additional spend, you could find yourself financially struggling later.

So if you haven't already, make sure you are putting away a bit each week into your Christmas pot. Most banks offer sub-accounts, so you can easily set up a Christmas account, and transfer funds weekly into it.

3. Keep the Christmas spending separate

Now you have assessed your spending habits and made a plan with an amount to start saving every week, make sure your Christmas pot is separate from both your day-to-day spending account and your savings account.

This will help you keep track of exactly how much extra you have to spend, how much you have spent so far, and encourage you to make conscious financial decisions with the money you have for Christmas.

Saving a percentage of your incomings each week or month is always a good habit to have, and while the 50-30-20 rule is always a good method to go by (50% for needs, 30%

for wants and 20% for savings or paying off debt), Christmas spending will need an extra push to make sure you can have all the fun you'd like over the Christmas period without worrying about the bills in the new year.

It's also important to note that you need to be prepared to have less disposable income during the weeks and months leading up to December, it's time to save – this may seem a sacrifice at the time but is worth preserving your finances for the new year and to ensure you have a good time over the festive season.

4. Cut your losses

It's been a difficult year (and a half) for most and you may find that your Christmas budget is a little tighter than previous years, especially if you or someone you know has taken a hard financial hit from COVID-19. The ARA Survey as well as other buyer surveys show that we are a generous nation. However, it is important to reflect on previous year's spending and ask yourself, was this money well spent? Do you really need to buy that bit of extra food for that just in case moment or will it end up as food waste?

Whilst lots of aspects of Christmas spending will bring us great joy, it's important to really consider the wellbeing impact of your spending both in the short and the long-term.

Remember to think about what expenses you would be willing to give up, such as buying gifts for every family member, including the Auntie you don't see, or new outfits for every occasion. If you can't afford to budget a new dress into your spending then don't, as you will feel this financial struggle when the next round of bills come in.

To help keep your online shopping in check, including Christmas spending sprees, you can always download our [free budget planner](#) to track your income, spending and expenses.

5. Spread Out the Costs

Where possible, buy some of your items early so December doesn't take a bigger hit, or purchase while the items are on special. The Boxing Day sales can be a good time to get your hands on some discounted new Christmas decorations that you can use next year and into the future.

Some supermarkets allow shoppers to order their Christmas shopping as early as October, with Woolworths already displaying their [Christmas collection on their website](#), so you can spread out the grocery costs over a period of time.

Financial planning doesn't and shouldn't just occur at Christmas time. If you, or someone you know would like to organise their long-term financial and retirement plans, Fiducian Financial Services has a [nation-wide network of Financial Planners](#) who are experienced and passionate about helping Australians achieve their dreams. [Book an obligation free consultation](#) to get your dream started.

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