

Stock the stockings, but don't break the bank.

Planning for Christmas can be a nightmare and then when you work out how much it costs, it's time to go and have a lie down! For many, the cost of Christmas can spiral out of control and it's all too easy to take on extra debt. So here are some simple steps you can take to try and make it through the festive season financially unscathed, or at least no worse than you were before.

PLAN...it doesn't have to be complicated, it's having one that's important. What are you doing over the festive season? Are you traveling to visit family, taking a vacation or staying at home entertaining family and friends? It doesn't matter what you are doing, you'll have some extra costs. Maybe you only have to buy a few presents or maybe you have to buy a lot. For the party animal, consider the costs of a night out with friends. Save money on hotels or taxi fares by taking it in turns to be the designated driver. The costs of drinking and driving are more than any of us can afford!

BUDGET - Know your spending limit and prepare a simple budget. Make a list of all your expected costs. Where does your money come from? Are you spending money that you have saved already or do you plan to use a credit card or store credit? You may need to set a spending cap or a borrowing cap, or a combination of the two. If you are planning to fund Christmas with credit and store cards, make sure you know exactly when the bills will be due, how much you expect them to be and how much you will be able to pay.

STICK to your budget – I know, this is the *really* hard part. To make it easier always take a shopping list with you. Start with all the things you really need, before buying the things you want. If you're a parent, then you are probably used to having your budget challenged by your children. Involve them in the Christmas budget process and encourage them to have their own. Have a family contest to see who can spend the least this year.

REVISE your budget – What if something unexpected comes up? The car breaks down or just as you are planning how to roast your 40lb turkey, the oven stops working. Take time to add in these extra costs and work out if you can still do or buy everything you wanted, or if you need to change your plans a little or a lot. Perhaps the family will have to wait a while for the new 'whatever', but it's better than finding yourself in a post-Christmas financial hole.

Watch out for 'Buy now, pay later' deals. They can be a good option, but you need to be sure that you can pay them in full when they are due. Bank charges can mount up fast so try not to go over your free transaction limit. Only take cash out from your bank, to avoid unwelcome ATM fees. Finally, it's never a good idea to use credit, if your plan is to only make the minimum payments. Set fixed amounts and pay off your debt as quickly as possible. That's all there is to it, off you go and enjoy a stress free and hopefully debt free Christmas. If you are a budgeting genius and actually manage to save money, don't forget to put it in your Tax Free Savings Account and you'll be ahead of the game for next year.