Your Employee Assistance Program is a support service that can help you take the first step toward change.

# Make smart spending a reality



The holiday season doesn't have to wreak financial havoc – not if you're a smart spender.

Smart spending is not about scrimping and saving and doing without. It's about investing your money and time into things that improve the quality of your life throughout the year.

**Smart spending**
Financial planners divide our expenses into two categories: needs and wants. Our needs are things we require – clothes, housing, food, etc. Wants are basically the fun stuff – the latest electronics, a bigger home or more shoes.

Often what we think we need are in fact wants and once the thrill of the purchase has worn off, they don't make us any happier.

The key to smart spending is to free up money for those wants that truly enhance our happiness by accumulating experiences, not things: vacations, having fun with family and friends, nights out with our spouse or giving to charity.

**Tips to become a smarter spender**
It's tough to be a smart spender during the holiday season, but here are few ideas to create wonderful memories without breaking the bank:

- **Allow time to comparison shop and get the best price.**
- **Set a holiday budget and stick to it.** Look at how much you can spend without having to rely on credit. Include expenses such as gift-wrapping, entertaining and charity.
- **Use cash whenever possible.** Only use a credit card if you have the money to pay it off right away**.** And speaking of credit cards, shop around for the best interest rates and rewards.
- **Plan for next year.**Open a holiday savings account and make monthly contributions to it, so that when the holidays roll around next year, you'll have money in the bank to cover expenses. You can start with as much or as little as you can.

You can increase those monthly contributions by finding ways to reduce the costs of your wants. True, giving up your daily low-fat cappuccino or cable TV may sting for a while, but you'll save hundreds of dollars a year that can be redirected to something you really want – like visiting your parents for the holidays.

For more ideas on how to make smart spending a reality, **contact us**.

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