

7 Bad Spending Habits to Avoid This Holiday Season

Amid the bustling holiday season, the American Bankers Association has identified seven habits that shoppers should avoid to minimize their holiday spending debt.

“The holiday season is an exciting and inspiring time of the year that promotes giving, but spending within your means is the best gift you can give yourself,” said Corey Carlisle, executive director of the ABA Foundation. “Managing a realistic budget and developing a shopping list that compliments it will help you start the new year with a clean financial slate.”

Steering clear of these bad spending habits will help you begin the new year fiscally fit:

- **Forgetting to plan ahead.** Before you start shopping, develop a realistic budget. Consider your income, subtract your normal monthly expenses and then add any savings to whatever cash is left over. If you need to use your credit card, think about what you can afford to pay back in January.
- **Losing track of other costs.** Don't forget costs beyond gifts, like postage, gift wrap, decorations, greeting cards, food, travel and charitable contributions.
- **Winging it.** Make a list and check it twice. Keep your gift list limited to family and close friends, noting how much you want to spend on each.
- **Waiting until the last minute to shop.** Avoid shopping while rushed or under pressure, which can lead to overspending. Make sure to comparison shop online first, or download an app that lets you compare prices before you buy anything in a store. Before you head to the cashier (or online checkout), make sure your purchase is within the budget you set.
- **Shopping impulsively.** Finding a spectacular sale on something you've been wanting can easily throw you off course. Stay strong and stick to your budget. And don't apply for store credit cards you don't need just to get a one-time discount.
- **Using credit recklessly.** Limit the use of credit for holiday spending. If you must use credit, use only one card—preferably the one with the lowest interest rate—and leave the rest at home. Pick a date when you can pay off your holiday credit card bills, and commit to paying off the balance by that time. Be sure to check statements for unauthorized charges and report them immediately.
- **Throwing away your receipts.** Not only will you need them for possible returns, you'll need them to keep track of what you've spent and to compare with your credit card statement. Knowing how much you spent will help you plan for next year, too.

Carlisle noted that banks are committed to helping consumers manage credit responsibly and save



for the future.

“Banks offer all kinds of solutions for consumers to plan ahead for expenses they may incur during the holiday season,” said Carlisle. “Sub-savings accounts allow consumers to save in increments throughout the year, and many mobile account apps offered by banks feature budgeting resources that help people track their spending.”