



Invest in You:
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7 tips to avoid overspending and going into debt this holiday season

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 **Beth Braverman**

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Here's why shoppers may not spend as much as last year

Thanksgiving may still be a few weeks away, but for millions of Americans, the holiday shopping rush has already begun. While it's exciting to pick out and present gifts to your loved ones, it can also be a budget-straining experience, or even one that lands the spender dealing with debt well into the new year (or longer).

And while Americans are prepared to play Santa this year, they're also keeping an eye on their pocketbook. According to the most recent





spend more on the holidays this year.



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The survey, conducted Oct. 21–25, examined the money attitudes of 2,776 Americans age 18 and up nationwide.

It revealed that more than half of older Americans, age 55 and up, plan to spend even more than younger age groups.



Twenty/20

Consumers plan to spend, on average, \$825 on gifts this year (up from \$776 last year), [according to NerdWallet](#). The study also found that 41 million Americans are still paying off holiday credit card debt from last year.

It is possible to get your holiday shopping done without spending more than you want or ending up in credit card debt. Follow these tips to get started:

1. Create a holiday shopping budget and stick to it.

Look carefully at your [overall savings and budget](#) to see how much money you can allocate to holiday purchases this year. Then make a list of everything you need to buy, including not only gifts but also food, decorations or travel that you might need to purchase this time of year.

You can assign an individual budget to each item on your list. If you find that you don't have enough money in your holiday budget to cover everything on the list, consider cutting back on some expenses this month — or picking up a seasonal side hustle — to free up cash to cover the difference.



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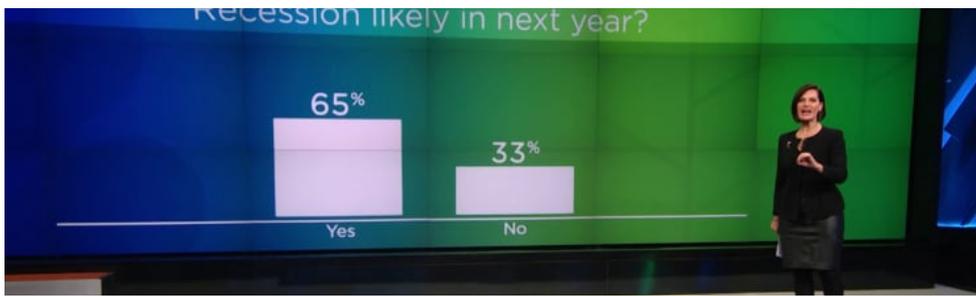
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Survey: Americans cutting back on spending ahead of holiday season

2. Be smart about credit cards.

Using credit cards to [earn rewards or cash back](#) for holiday purchases can save you money, but only if you're able to pay off the balance on your cards each month. The interest that you'll have to pay on interest if you carry a balance will far outweigh the value of the rewards. Store cards, in particular, carry extremely high balances, so they're not always the great deal that cashiers make them out to be when you're checking out.

"A lot of people still have credit card debt that they're paying off from holiday shopping last year," says WalletHub analyst Jill Gonzalez. "You don't want to be one of those people."

3. Hold off on self-purchases.

[Half of shoppers](#) plan to buy something for themselves this holiday season, but resisting the urge can give you some more wiggle room to hit your budget. Instead, wait until the holidays are over. Then you may be able to satisfy the need by using a newly received gift card, and you'll get to take advantage of post-season sales.



VIDEO 01:47

Purchases most likely to leave you with buyer's remorse

4. Be strategic about what you buy and when.

Some shoppers like to check everything off their list on high-profile shopping days like Black Friday and Cyber Monday. While you will find good deals those days for things like electronics, apparel and beauty products, you'll get even better prices on items like toys and outerwear if you wait until later in December, says Trae Bodge, a [shopping expert](#) who specializes in smart shopping, personal finance, parenting and retail.

5. Play the gift card game.

Bodge also recommends using discounted gift cards to save even more on your purchases. You can purchase discounted gifts cards at sites like GiftCardGranny or CardPool, or via your credit card shopping portal, then use them to make an in-store purchase. You will automatically save on whatever you buy.

"If you couple a 15% off gift card with a 40% off coupon, that's a really big savings," she says. "You can also give a discounted gift card to someone else, and the recipient will never know that you bought it for a lower price."

6. Keep your receipts so you can get refunds.

The number of credit cards that offer price-drop protection has declined in recent years, WalleteHub's Gonzalez says, but it's worth checking whether your credit card still offers this service. If not, you can still keep an eye on the price of large purchases to see if they go on sale after you've bought them. If so, bring your receipt to the retailer and they may refund you the difference.

For online purchases, the app Paribus will do the legwork for you, scanning your email for receipts and requesting a refund on your behalf when prices go down.

7. Above all, don't overgive.

The spirit of generosity during the holidays can be contagious, but you really don't have to purchase presents for everyone you know, or spend as much as others do on gifts. Instead, consider creating homemade gifts for those close to you or asking a large group of friends or family members if they'd be interested in a gift swap rather than exchanging individual gifts as they've done in the past.

"If your family tradition is making you go broke, it's not a good tradition," Bodge says.

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Disclosure: NBCUniversal and Comcast Ventures are investors in [Acorns](#).



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