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## Tips for managing your Christmas spending

Christmas often puts families under increased financial pressure but careful planning can help reduce the stress, according to Retirement Commissioner Diana Crossan.

“Celebrating Christmas generally means spending money on top of the usual household bills. It can be an expensive and worrying time for many which is why we have developed tips to help people keep costs under control.

“A good start is to work out how much you can realistically afford to spend this Christmas. Use this figure to develop a budget. This will probably involve prioritising spending and setting limits in some areas.

“If you’re going to use a credit card, work out how much you can afford to pay off each month in the New Year. If a credit card is too much of a temptation to overspend, leave it at home.”

Diana Crossan also suggests considering putting purchases on lay-by rather than credit to avoid paying interest, checking out all the fees on any finance deals, shopping around for a better deal or asking for a discount.

“Shopping with a list is a useful way of keeping to a budget, and you may want to consider having an agreement with family and friends on how much to spend on each person.

“Getting organised early for Christmas is also helpful so that you can avoid rushed last minute shopping that might blow your budget.”

For those who do get into financial difficulty, the Retirement Commission suggests talking to the bank about options for managing the debt. This may include using a loan, at a lower interest rate, to pay off your credit cards.

To help plan and manage your money through the festive season use the budget, credit card and hire purchase calculators on [sorted.org.nz](http://sorted.org.nz)

**Note:** Please find below tips for keeping costs under control this Christmas

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## Keeping costs under control this Christmas

- **Take control of your spending by setting yourself a budget**  
Work out how much money you can realistically afford to spend this Christmas.
- **Know your credit card**  
Credit cards differ in the number of interest-free days they offer and the fees and interest rates they charge, so find these out before you go shopping.
- **Review your credit card limit**  
If you think you might reach your limit this Christmas and will have trouble paying it back, consider reducing your credit card limit now.
- **Avoid temptation**  
If you can't resist the temptation to spend more than you can afford, leave your credit card at home.
- **Know the full cost of what you are buying**  
Always check out all the fees before signing any finance deal. This includes interest and any additional fees or charges.
- **Use lay-by rather than credit**  
If you don't have the money to pay now, ask if lay-by could be an option rather than credit. This way you don't pay interest.
- **Shop around**  
If you don't have to use the finance or lay-by offered by a shop, you might be able to shop around for a better deal or ask for a discount.
- **If you're in trouble, talk to your bank**  
If your credit card is getting out of control, talk to your bank about options for managing your credit card debt.
- **Use the Sorted calculators**  
Use the budget, credit card and hire purchase calculators on [sorted.org.nz](http://sorted.org.nz) to help keep costs under control this Christmas.

*Source: [sorted.org.nz](http://sorted.org.nz)*