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Budget for the holiday

MAKE PLANS: ADVICE TO AVOID FESTIVE SEASON OVERSPENDING

Get your partner and kids involved to prevent a dreaded 'Januworry'.

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PREVENT PRICEY PRESENTS. Presents are a big expense for most. Consider 'needs' versus 'wants' when gifting over the holidays. Picture: Shutterstock

After a tough year, the December break is a chance for most to let loose and have fun with family and friends, away from daily stress and routine.

With the rising cost of living, the negative outlook for the SA economy and the lingering effect of Covid, South Africans are being forced to tighten the purse strings. Here are some practical tips to avoid a dreaded "Januworry".

1. Let's start with setting an actual budget! A bit of planning ahead might keep you from blowing your savings and going into debt. If you have a partner or spouse, spend some time discussing the plans for the holiday. Set a budget per category: fuel or travelling costs, Christmas presents, bonuses for helpers, groceries and dining out, tithing or charitable donations. Actually setting it out on paper or a spreadsheet and discussing this with your partner can make sure everyone's expectations are managed for the holiday. Decide who is covering what expense. Categorise your expenses: transportation, entertainment, food, and miscellaneous, leaving some room for unexpected or spontaneous spending.

2. Plan certain days where you will be "self-catering" and the days you will be eating at a restaurant. Setting a limit per meal per family would adjust expectations as to how many times you can go to a restaurant. Take into consideration extra groceries needed for any special meals. Also check your freezer if there is any meat you can take along. If you are holidaying in a big group, assign meals per couple or family – it spreads the responsibility for the shopping, cooking and clean-up and everyone gets a turn to rest.

3. If you have children and you are planning on a beach holiday, you will be spending money on ice creams, cold drinks, chips, you name it. Get the kids involved in budgeting – allocate an amount in cash that they can manage safely for these extras. Buying some of these items in bulk such as drinks and snacks and then packing your own cooler box on outings can reduce unnecessary spending.

4. Moving on to a big expense for most: gifting. Consider "needs" versus "wants" when gifting. Instead of expensive toys in which interest will fade quickly, consider an activity that can form part of your holiday outings and then exchanging small gifts. If celebrating in a big group, look into doing a "Secret Santa" with a set budget, where the adults only need to then buy one present – this cuts down time in malls and spending. Or declare this year "gift-free".

5. If you receive a 13th check or a bonus, save a percentage for long-term savings goals (as difficult as that might be) or pay off debt and then transfer some of it to a savings pocket or similar account for back-to-school expenses and the end of January stretch.

6. On a more important note: make sure you have a will in place before you head out on holiday. Ensure that someone, who is not travelling with you, knows where it is held and who to contact if the worst were to happen. Also set up all emergency contacts on your and your partner's phone: medical emergency details, insurance contact numbers, security company details, and bank contact details in case of lost cards.

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