

8 December 2009

Plan your Christmas spending and have a Happy New Year!

Retirement Commissioner Diana Crossan is urging New Zealanders to hold fast to the money management strategies they have put in place over the past year as we go into the Christmas shopping season.

“The recession has prompted many people to focus on their financial situation and take better control of their spending. Christmas shopping presents a major threat to that focus as many families feel pressured to spend beyond their budget.

“The consequences of that make for a very unpleasant shock in January when the bills come in or when there’s not enough money left for essentials,” said Diana Crossan.

“It’s understandable that people probably want to forget about the belt-tightening and splash out a bit for Christmas, but I am urging a careful approach by making a budget of what you can afford and sticking to it.”

Another trap to be avoided at Christmas time is the additional costs incurred for different methods of paying for goods. There’s a Christmas spendometer on sorted.org.nz to help people work out the full costs if, for example, they are paying on a credit card compared to cash.

“Buying a \$199 pair of earrings might cost \$206 if put on a credit card for three months. If you put the same purchase on hire purchase for a year the total cost could go up to \$407.

“It is best to avoid forms of payments that are going to add to the overall costs. The spendometer can help you work out just how much extra you might be paying.

“One of the best things people can do at this time of year is plan. That means work out how much you want to spend, make a list, and start early,” said Diana Crossan

Five Christmas Shopping Tips

1. Set a budget.
2. Make a shopping list that matches the budget and stick to it.
3. Try something different like homemade gifts, or only buying presents for the children.
4. Shop around especially if buying large items.
5. Start now, if you haven’t already. Last minute shopping is a recipe for blowing the budget.

You can order Sorted's free budgeting booklet at sorted.org.nz/ordering or by calling 0800 SORT MONEY (0800 767 866).

<http://www.sorted.org.nz/xmas-spendometer/>

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