



Have a happy, debt free Christmas

MARIA TURNBULL, A SALVATION ARMY MONEYCARE FINANCIAL COUNSELLOR, GIVES SOME ADVICE ON KEEPING YOUR FESTIVE SPENDING UNDER CONTROL.

CHRISTMAS CAN BRING extra financial pressures. Spending can spiral out of control quickly, resulting in debt.

Planning to be debt-free takes discipline, but there are strategies you can use to ease the pressures over the festive season.

Work out what you can afford to spend and create a spending plan

Map out what you would like to spend and adjust your spending to fit. There are some free downloadable apps that can be used as budgeting and planning tools for smart phones and similar devices.

Credit debt

If you use credit cards, where possible pay these debts quickly. Plan for the debt and consider carefully a repayment plan that addresses it. Think about using an alternative to credit cards such as lay-by, debit card or cash.

Hamper packages—what to be aware of

Hampers sold online or on television are ongoing contracts and can add up to be more costly than if you bought the items individually. Contracts always come with terms and conditions in the fine print, and unwary consumers may find themselves in a difficult position with some of these kinds of contracts. A default on a contract through the year can also attract fees and charges.

Consider creating your own hampers throughout the year.

Hampers for Christmas: Make a list of items that you would like in a Christmas hamper and purchase one or two

items a week or fortnight to create your own hamper to use the following Christmas.

Hampers as presents: Make items throughout the year to go into personalised hampers for family and friends, such as home-made jams and pickles or children's pictures laminated or framed in inexpensive frames from op shops—gifts are often more treasured if they are made especially for someone.

Other ideas to reduce costs are contributing to a joint present or giving a 'non-material' gift such as assisting with housework or washing a car.

Start planning for Christmas next year in January

Inquire at your bank or credit union about a Christmas club account or similar. Alternatively, nominate an amount every pay period, save it and don't touch it. For example, \$10 a fortnight equals about \$260 over a year. Look out for account-keeping fees, though, that can eat away at the closing balance.

Start looking for gifts earlier during the year and look around for bargains, but remember 'buy now pay later' schemes usually have some hidden fees and charges associated with them. Interest-free periods sound good to start with but may create repayment challenges at a later time.

If debt becomes a problem, then responding sooner rather than later may avoid unnecessary worry and concerns. A financial counsellor can assist when you become aware of concerns.

Coming up next month: Payday Lending. What you need to know.