

Financial expert reveals how to budget for the holidays

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Boy, how time flies when the economy is in the toilet.

With Black Friday upon us, the tension of the holiday shopping season is here — and consumers with low confidence and retailers with low expectations will soon begin limping into the happiest time of the year.

But it doesn't have to be that way, said Lou Scatigna, a financial planner, radio host and author of *The Financial Physician* (www.thefinancialphysician.com).

"The holidays can either be the happiest time of the year or the most stressful time of the year," Scatigna said. "The truth is, it can be easier. We all have high expectations for ourselves when the holidays come around, but by simply taking a step back to look at our situations realistically, we can actually plan a joyous holiday without taking ourselves to the poorhouse to do it."

His ideas on holiday budget planning can help save consumers grief:

- Honestly evaluate your current financial situation and determine how much you can spend without going into significant debt

- Decide the maximum amount of spending that will be done on credit cards

- Discuss with your children that during tough times, holiday expenses will be lower than when are good.

- Start shopping now. This will give you the time to search for sales and bargains, many retailers have already discounted prices: Another reason to start now is you will wind up using more cash and less credit cards because your spreading your buying over 16 weeks instead of 3 or 4.

- Use the internet. Great bargains can be found because online stores don't have the traditional brick and mortar overhead of retail stores. Also, it helps you beat the crowds, the parking and the long checkout lines.

- Instead of buying 3 or 4 expensive gifts, buy a larger number of inexpensive ones.

- Start a holiday club bank account so next year you will have the cash saved.

- Restrict gift buying to your immediate family. Those nieces, nephews, Aunts and Uncles can add up, I'm sure they will understand, because they are likely doing the same thing.

"By simply expecting less of ourselves — and teaching our families to accept

those limitations — not only are we teaching them valuable lessons about how to manage money, but we are also reducing the stress of the season so everyone can enjoy themselves," Scatigna added. "Because, at the end of the day, holiday presents are just things. The time we spend with our families during the holidays, however, is the true gift of the season."



