

## **Plan for a Soulful Balanced and Financially Sane Holiday Season using our gift to you -- Karen McCall's MoneyMinder Holiday Planner**

By Sheryl Kosovski, JCFS Financial Counselor, with excerpts from Karen McCall's MoneyMinder Holiday Planner

For many people the holiday season is a mad rush of spending too much time, too much energy, and too much money. We start the holidays with dread and end them in debt-and it's no wonder, for months, we are bombarded with advertisements and peer pressure to buy more, spend more, and do more.

*What happened to connecting with people we love? Celebrating the joy of being alive? The simple pleasures of giving? In order to make sure we enjoy the holidays we need a plan including how we want to feel and the experiences we want to have.*

Having a plan for the holidays means understanding and being clear about your expectations, and coming up with a balanced approach to spending your time, energy and your money. We'll start by imagining what the perfect holiday might look and feel like from both a financial and an emotional viewpoint. Then we will plan out how you're going to achieve the goal of having a more balanced, meaningful and debt- free holiday season.

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### **6 Steps to the Holiday of your Dreams**

#### **Step 1: Examine Your History**

The first step in creating a good holiday plan is to take a look at how you've felt about the holidays the last several years. This will help you determine where changes may need to be made, not only in your finances but in your whole approach to the season. If you'd like you can do this planning with your family and together create a new way to experience the joy of the season.

Think about the way you've felt before, during and after the holidays in the past. Think about your spending, the activities you and your loved ones shared, how you were relating to family and friends, if you liked the way you handled gift giving, travel, decorating and preparing food.

I can tell you for myself, I am a very giving person and I tend to go overboard at this time of year. I have in the past spent way too much on gift giving, stressing myself out about finding the perfect gifts for my friends and family. Often this would lead to adding to my own mounting debt and regrets later. I would also volunteer my home for family meals and then spent days cooking, cleaning and decorating. Although I enjoyed the idea of having a beautiful family event I sometimes was annoyed that I was the only one doing all the work. But I never said anything at the time. Now I know to ask for the help I need.

There are other memories of the holidays that were pure joy. When I lived in the country in Michigan my neighbors and I would have a progressive New Year's Eve Dinner. We would cross country ski from one home to the other, each home serving another course of the meal. It was magical being out in the

night, feeling the coolness of the winter's eve, sometimes seeing hundreds of stars reflecting off of the snow and then going in to a neighbor's warm home with so many friends to bring in the New Year with.

Write down a few words that describe the way you've felt the last several years.

Have you felt:

- Exhausted?
- Disappointed?
- Joyous?
- Grateful?
- Guilty?
- Fulfilled?

Take some time now to think about what your holidays were like when you were a child.

Think about:

- Traditions your family followed from year to year
- People you enjoyed visiting
- Songs you loved
- Smells you liked
- Special foods you only got to eat during the holidays
- A gift you loved giving
- A gift you loved getting
- Include your worst holiday memories, times your expectations were shattered, People who disappointed you with their behaviors

The next step is to think about how your experiences from the past have influenced your current behavior and feelings during the holidays. Are you spending a lot on your children's gifts because your parents couldn't afford the things you wanted when you were a child or maybe like me you remember a great activity that you really enjoyed and now are choosing to do that with your present family and friends? Are you doing things today because of some of your good or bad memories? Are you trying to make up for past hurts or perhaps trying to fulfill an unrealistic expectation left over from your childhood?

## **Step 2: Picture Success**

OK, now for the fun part. It's time to think about what is really important to you and plan out the perfect holiday season. This may not look anything like holidays you've had in the past. Envisioning the perfect holiday means giving yourself permission to really consider what's important and meaningful to you. This may be the year to let go of *"That's the way we've always done it"* thinking. Think about what celebrating the real spirit of the holidays means to you. Remember that the best and most meaningful

gifts often come in no package at all, showing your friends and family how much you love and cherish them, helping someone who is less able than you, giving of yourself and accepting gifts from others.

As you think about your future ideal holiday, you may also want to imagine the following scenarios:

- Getting through the holidays without spending too much time, energy or money
- Feeling rested and rejuvenated as you head into the New Year
- Creating memories that you have made with friends, family, acquaintances and even strangers

Now it's time for you to close your eyes and imagine a wonderful holiday. Imagine the sights, sounds, smells, tastes, feelings and experiences that you want to share with those you care about. Open your eyes and write down this vision in as much detail as possible. This will then be the beginning of your plan for this year.

### **Step 3: Create Your Holiday Spending Plan**

Now that you've envisioned a positive, new holiday, it's time to make a spending plan that will help you meet your goal. It's not a budget. It's a vision-based plan based on what you want and what you need this year for the holidays, and it's the heart of the attached Money Minder Holiday Planner.

You'll start by entering all the categories that describe the things you want and need to spend money on this holiday season.

1. Open your MoneyMinder Holiday Planner in Excel. You will see a Holiday Plan worksheet that starts with a number of expense categories, starting with CELEBRATIONS. Other categories follow in alphabetical order down the left hand rows of the worksheet-i.e., DECORATIONS, GIFTS and TRAVEL & VACATIONS.
2. Under each category are sub-categories. The CELEBRATIONS category, for example, starts with the subcategories FOOD and SPIRITS. These subcategories are customizable. You may add or delete subcategories to fit your holiday plans. If for example, you don't intend to travel this holiday season, you may choose to delete AIRFARE and LODGING from the TRAVEL & VACATIONS category or simply leave those rows blank. If, on the other hand, you want to give gifts to 12 different family members, enter each of their names in the GIFTS-FAMILY category. You'll end up with a worksheet personalized to fit your holiday vision.

Now let's think through the dollar amount you'd like to spend on each of your subcategories. Don't worry, just yet, if you have enough money to cover these expenses. Just think through what you'd like to be able to spend. Look back at the vision you created of the ideal holiday, and use this as your guide for what's important to you this year.

3. If you think you would like to spend \$50 on a menorah, enter \$50.00 in the HOLIDAY PLAN column. If you plan on throwing a party for thousands of dollars, enter those thousands in the HOLIDAY PLAN column. The amounts you enter will automatically appear in the ADJUSTED PLAN column.

4. When you get down to the gift-giving sections, slow down for a moment. As you think about each of the people you'd like to honor with a gift try to think about what those people mean to you and how you can best show them how you feel. Choosing a great gift is often not about spending a lot of money, but about capturing a feeling.
5. Resist the temptation to adjust any numbers yet, even if you see your totals going sky-high definitely don't erase any numbers. Remember that the goal is to capture your wants and needs-your holiday vision.

This is not a budgeting process. It's more akin to a dreaming process.

OK! You should now have a worksheet filled in with all the expenses you expect to have this holiday season, and each of those expenses should have dollar amounts attached to them. Now it's time to consider how much money you have available to pay for these expenses.

6. Scroll down to the end of the left side of the worksheet, to the category called HOLIDAY FUNDS. This is where you can designate where your holiday funding is going to come from:
  - a. Checking
  - b. Savings
  - c. A holiday bonus
  - d. A holiday savings account

I recommend finding a way to pay for your holiday expenses that does not depend on using a credit card. Using credit can be so tempting- and it can result in a holiday hangover when the bills and the interest payments come due. If you decide to use your credit card do so in a planned way that doesn't result in a nasty surprise. Determine how much money you are going to allow yourself to borrow in advance after looking at how long it will take you to pay the debt off.

7. For each category of holiday funding, enter the amounts that will come from each source in the HOLIDAY PLAN column. The amounts you enter will automatically appear in the ADJUSTED PLAN column.

You should now have a worksheet that lists all your planned holiday expenses and your holiday funding. Now you're ready to see how the whole thing balances out. Review it one more time to make sure it includes all the spending you plan for decorating, food, travel and other things you will need in addition to the gifts you intend on buying.

#### **Step 4: Balance the Books**

The goal for a solid spending plan is to make sure that the funds you have designated for holiday spending will cover the expenses you've planned. Normally, this process requires a lot of time and calculation. The MoneyMinder® Holiday Planner makes this step easier than it's ever been before.

1. To find out how your plan balances out, click on the Summary tab in the lower left corner of the screen. In the "Will This Plan Work?" box, you will find your answer.

2. If the number in the Difference row is a positive number, then: YES! You've made a list, checked it twice, and found that you do, indeed, have enough money to cover all of your holiday expenses. Congratulations! There's no doubt that you will have a very happy holiday.

3. If the number in the Difference row is shaded in yellow and negative, then NO! The numbers don't add up. You don't have sufficient money to do everything you'd like to do this holiday season. Congratulations! You've just saved yourself the pain of piling up debt. Good news – you can still have a wonderful holiday by following a process we call – ADJUSTING.

Adjusting helps you find a way to meet the needs that are important to you for less or no money. Adjusting is exactly what it sounds like – a kind of give and take. Resist the temptation to go in and eliminate things that are part of your vision. I bet that you can find far more creative solutions that will let you have the holiday you dreamed about.

4. First, decide if you're going to earn more or spend less. If you're going to earn more, do you have enough time and energy to spend on the activity? Make sure you're not going to exhaust yourself.

5. If you're going to spend less, start by going back through your plan from top to bottom. Look at each of your expenses to see where you can make adjustments. Consider small adjustments in many categories rather than eliminating one category altogether. I have often found that taking a little bit off many categories and spreading the adjustments throughout the plan can make a substantial difference in having a balanced plan.

6. When you make an adjustment, enter a minus sign before the number in the adjustment column. This will be how much money you are not going to spending of your initial planned allocated amount. It's very important not to go back and erase the beginning plan. By showing your adjustments, you're teaching yourself how to make hard decisions and good choices. You're becoming a better spender.

Here are some other tips for exploring the possibilities for adjustments:

- a. Look at your list and identify which things you really need – versus which things you simply want.
- b. Focus on your needs. Ask yourself: is there another way I can meet those needs for less or no money?
- c. Adjust your plan accordingly. I urge you to use the Adjustment columns whenever you make a change to your plan so that you can see your plan evolve. This is an important step in your financial education. If you are going to lower the expenses for candles from, say, \$50 to \$10, you can leave the original \$50 you entered in the Holiday Plan column and simply enter minus - \$40 in the Adjustment column. The new totals will automatically appear in your Summary, as well.
- d. Still short? Can you think of a way to bring in some extra holiday cash?

- e. Keep coming back to the balance box to see how you're doing. Keep adjusting until you find a balance between the things you need and what you can afford.
- f. If you still need to make some changes, remember to consider things that cost little or no money but still convey the meaning you want. Your presence can be as precious as any present.

Here are some other fun ideas that may help you capture the spirit of the holidays for little or no cash:

- a. Offer to watch the children of busy parents while they spend some special time as a couple.
- b. Plan a scavenger hunt or game night with another family.
- c. Set aside time to make handmade wrapping paper from brown paper grocery bags and paint or stamps.
- d. Create new ways to celebrate. For example a friend of my daughters who celebrates Hanukkah describes how she got sucked into a gift giving frenzy that wasn't even part of their traditional religious celebration. Hanukkah turned into an ordeal of giving big gifts on all eight nights. One year, the family simply decided to do it another way. They focused more on the rituals like candle lighting, and came up with a plan to celebrate a different ritual on each of the eight nights.

Here's what they were:

1. Appreciation Night, where everyone takes turns sharing what they appreciate about each other
2. Big Gift Night, where each person receives one big gift
3. Little Gift Night, where each person receives one little gift
4. Gifts From the Heart Night: where friends are invited over for a special craft project. They draw names, bring out paper, glitter and glue, and make handmade cards for the person whose name they drew. All the cards are then hidden, and there is a massive treasure hunt.
5. Book Night, where the family reads a book together.
6. Game Night, where the board games come out and competition is fierce.
7. Charity Night (Tzadaka): where money that has been saved all year in a special jar is used to buy food for the food bank. The family shops together and delivers the food items together.
8. Make a meal together night: everyone works in the kitchen together to make a great meal.

Other Ideas:

- a. Encourage the children in your life to make things for the people they love. They can make a card or a picture book, a bookmark or a collection of recipes. Two children I know made their mother a book of poems that were typed out in the shape of things the mother loved – a teapot, a bathtub and an ice cream cone.
- b. Send e-card greetings. They're free!
- c. Get together with another family or several families to make a charitable contribution to a cause you believe in.

- d. Make a “wish box” filled with wishes you have for that person. Include pictures and trinkets that represent the wishes-come true.
- e. Give something from your existing possessions. A sweater to a friend who mentioned she loves it.
- f. Start a simple ritual: For New Year’s each year we write up what we didn’t like about the current year and then burn them in the fireplace. Then we spend some time writing our wishes for the New Year.
- g. Enjoy serving others: Maybe your gift is simply showing up to help the host set the table and decorate the house the day before your holiday meal or agreeing to go shopping for someone who has trouble getting around.

### **Step 5: Plan How to Spend Your Time and Energy**

Minding your money doesn’t begin and end with finances. How you spend your time and energy is part of the whole equation. The goal is to plan things out so that you’re not going into debt on any of those levels, you’re not depleting yourself, and you don’t spend more than you have. In other words, you’re taking care of yourself first.

We’re going to go through the same planning process we just did with finances, but this time we’re going to do it with time and energy. We’ll be plotting out these resources on the MoneyMinder® Holiday Planner calendars.

1. Open the MoneyMinder® Holiday Planner. Click on the Calendar Nov tab on the lower left margin of the screen. This will bring up a calendar for the month of November.
2. There is room on each day to enter the holiday activities you want to do this holiday season. Consider writing down the following:
  - a. Parties you want to throw
  - b. Parties you want to attend
  - c. People you’d like to visit
  - d. Service you’d like to give others
  - e. Cookies you’d like to bake
  - f. Feasts you want to make
  - g. Stores where you like to shop
  - h. Religious services that satisfy your soul
  - i. Time for yourself – a walk through the forest preserves, a walk on the beach or a long massage
3. When you’ve planned out your activities for November, click on the Calendar Dec tab and do the same for the month of December.

4. Now look at these two months of activities and ask yourself if the number of hours you plan to spend seems reasonable. If you find you have more events than time available, don't fool yourself into believing that "somehow you'll get it all done."

5. Adjust activities until your time and energy are in balance. Consider which holiday traditions you want to keep and which you are willing to let go.

6. If it works with the people you'll be spending time with this holiday season, bring them into the conversation. What are their holiday priorities? Which activities can they do without?

7. When you feel that your holiday activities are in balance, you may want to plug them into your current calendar.

### **Step 6: Track Your Expenses**

Now that you have created a balanced plan, it's time to put the MoneyMinder® Holiday Planner to work!

1. The worksheet includes a place for you to record all the money you spend either by check, cash or credit card. There is a column for every day of the months of November, December and early January.

2. Enter your daily expenditure totals in the columns designated for each date. These appear on the right-hand side of the worksheet, with the headlines 11-01 (November 1), 11-02 (November 2), etc.

3. As you enter your expenditures, keep checking the Plan Total and Remainder columns on the far right-hand side of the worksheet, which you can view by scrolling to the right-hand edge of the worksheet. When you have reached the maximum allocation for any given category, congratulate yourself on a job well done. You followed your plan for that category and are on your way to the joyful holiday you dreamed about.

4. If you find yourself going over in the Remainder column, make an adjustment in the Adjustment column so that the total there is zero. If you planned on spending \$200 on your friend John, for example, and you spent \$250 instead, the Remainder column will show (- \$50). At this point, you should scroll back to John and in the Adjustment column, add to the total you are spending on John. In this example, you would add \$50. Once you've made that adjustment, the Remainder column will go to zero.

5. Once you make an adjustment, check the Summary to see if your plan still works.



## **Now Enjoy the Holidays!**

As the holidays draw near, many people start to panic that they haven't done enough. They rush out at the last minute to buy extra gifts or additional food – and you know what it's like out there: parking spots are hard to find, stress is in the air, and everyone you meet is rushed and often unpleasant. The plan you worked hard to create starts to unravel.

If you feel yourself starting to panic in this way, or you feel the urge to pile onto what you've planned, try to take a moment to stop and remind yourself how much you've already done. Perhaps you might pause and ponder one of the following positive statements to help get back in balance:

- I am confident in the plans I've made.
- I am in control of my spending.
- I will maintain balance throughout the holiday season.
- I am excited about meeting the goals I have set for myself.
- I have done enough.
- I am looking forward to enjoying my holiday vision of success.

Now all that's left is to get a good night's sleep and to enjoy the magic and joy of the holidays. You deserve it!

Happy Holidays!