

WEEK TWO

Gift-Giving

This week, you can

- Determine who gets a gift this year
- Get many creative and affordable gift ideas
- Save money when you go out to shop

JOHNNY, WHY DID YOU DITCH CLASS today? demands his concerned mother. “Because all my friends did, Mom,” replies Johnny. “Well, tell me this, young man, would you jump off a bridge if all your friends suggested that?!” We’ve all heard a version of this exchange as we were growing up. I’d like to suggest that just because you have friends, family members, or coworkers who are spending lavishly and going into debt this holiday season, you don’t have to follow suit. Nor do you have to feel guilty or explain yourself. It’s never prudent to compromise what is best for your long-term financial health in an attempt to keep the peace or make others happy.

Won’t you feel proud over the next two months when your credit card bills reflect your growing fiscal acumen? If you have a card that accrues points or miles, you can pay off in full the purchases you’ve made

and enjoy your perks. You might even have accrued enough points during the past year to acquire some items you can give as gifts or cash. Make your credit card work for you.

CREATING A GIFT-GIVING BUDGET

When creating a holiday gift budget, the first thing you need to do is decide who will be on your gift list this year. Open your financial notebook to a new page and make your list. Start with mom and dad and end with your postal carrier. Put down every possibility. It’s easier to go back and eliminate than to realize on December 23 that you left some key people off the list. Using Excel makes this process a snap.

Write the names in a column on the left side. Next to each person make a notation



WALSH'S INITIAL GIFT BUDGET		WALSH'S REVISED GIFT BUDGET	
<i>Recipient</i>	<i>Gift Amount</i>	<i>Recipient</i>	<i>Gift Amount</i>
Don (husband)	\$75.00	Karen (adult child)	\$45.00
Marsha (wife)	\$75.00	Jane (adult child)	\$45.00
Karen (adult child)	\$50.00	Howard (adult child)	\$45.00
Jane (adult child)	\$50.00	Mom	\$30.00
Howard (adult child)	\$50.00	Dad	\$30.00
Mom	\$35.00	Aunt Marie	\$25.00
Dad	\$35.00	Uncle Joe	\$25.00
Aunt Marie	\$25.00	Cousin Jamie	\$25.00
Uncle Joe	\$25.00	Homeroom teacher	\$15.00
Cousin Jamie	\$25.00	Mr. Douglas (boss)	\$15.00
Homeroom teacher	\$35.00	Total	\$300.00
Postman	\$15.00		
Mr. Douglas (boss)	\$40.00		
Total	\$535.00		

of the amount of money you would like to spend. You know what's coming, right? Add those figures and see if you can afford having all these good folks on your holiday gift list.

Suppose Don and Marsha Walsh have determined that a comfortable gift budget is \$300, and gifts will be purchased for thirteen people. Take a look at their initial gift budget.

For the Walsh's, as in the most common scenario, the total far exceeds the amount in the budget. The first step is to go back over the list and see where you can reduce the amount. This calculation might just bring the wish list in line with the budget.

If you are concerned about your family's expectations, make your plan known. Try something along these lines: "I'm trying to better organize my finances, so this year I've started saving to buy a house (to contribute to my retirement, to eliminate debt, and so on). In keeping with this new goal, this holiday I've had to institute financial boundaries and will be reducing the amount I spend on gifts this year. I hope you will support me in achieving my goal." Don't be surprised if they not only support you but want to join you.

The Walsh's reduced the gift amounts for the children and Mom and Dad by \$5 each; their family was all on board with the



WALSH'S GIFT LIST		
<i>Recipient</i>	<i>Gift Amount</i>	<i>Gift</i>
Karen (adult child)	\$45.00	Book of movie passes and gift certificate for the concession stand
Jane (adult child)	\$45.00	Membership at the local museum
Howard (adult child)	\$45.00	Video game
Mom	\$30.00	Gift certificate for a class at the local community college
Dad	\$30.00	Subscription for golf magazine
Aunt Marie	\$25.00	Fabric for a new project
Uncle Joe	\$25.00	Corncob pipe
Cousin Jamie	\$25.00	Passport holder for her trip abroad this summer
Homeroom teacher	\$15.00	Scented candle
Mr. Douglas (boss)	\$15.00	Donation to a charity such as Habitat for Humanity
Total	\$300.00	

new fiscal program. Marsha's boss will receive a card with a certificate inside, indicating that she has made a contribution in his name to charity.

If reducing the amount you plan to spend per gift still doesn't bring your list in line with your budget, it's time to eliminate some folks. You can still send them a beautiful card with a heartfelt note of thanks. In the example, the Walsh's decided to cut the postman from the list. In addition, Don and Marsha decided that they won't buy each other presents. Instead, they will celebrate Valentine's Day with a gift. See the new list, which is now in line with the \$300 budget.

Do you already have a gift in mind for anyone on your list? Uncle Charlie, for example, collects hand-carved corncob pipes, so his gift is a no-brainer. As you make these notations in your gift list, like Don and Marsha's, be sure the money you have allotted for this person is the correct amount for the gift you have in mind.

You can also put in a separate list the folks who can receive a simple thank-you note in their holiday card in lieu of a gift. If you're handy with a computer and love to take photos, you might consider making a digital scrapbook of highlights from the year. You can send this to the folks for whom you can't afford a gift. This will be

especially appreciated if you have children or perhaps took a special trip this year. Investigate the possibilities at sites like www.snapfish.com, www.shutterfly.com, or www.kodakgallery.com.

BUYING INEXPENSIVE BUT THOUGHTFUL GIFTS

The rest of the people on your list are the ones for whom you need to get creative. I'm going to bet that in years past you stumbled exhausted through the mall on December 24 looking for anything that would be a remote possibility. You were so tired you didn't even look at the price. You just handed over your credit card, crossed the name off your list, and then moved on to the next name. Those days are over. Come December 24 this year, you can sit with a cup of hot chocolate and embrace how good it feels to be the King or Queen of Early Shopping.

Here are some more suggestions to inspire you.

Does the person in question have any hobbies, such as golf or scrapbooking? If you know nothing about the particulars of this hobby, research what a person who pursues this hobby will appreciate. And remember magazines are devoted to all types of hobbies. Does your friend or relative have a subscription? Is there a store devoted to their passion? Give a gift certificate.

Has your friend or loved one been dreaming about a special vacation? Find a coffee

table book with beautiful images and lots of useful information about the area in question. Every time they look at it, they will think of you.

Call your local community college and ask for a brochure of spring classes. Find something that would be of interest for one of the people on your list. Give them a surprise enrollment. It's never too late for Aunt Tilly to learn how to dance or for Uncle George to learn the basics of a computer. These classes usually last several weeks and are inexpensive. Your recipient will be thanking you all spring.

Is someone on your list taking a trip soon? Arrange to have some champagne sent to the room. Or perhaps your friend is off on a cruise to Alaska and you both live in Los Angeles. Pick up a warm muffler, hat, or gloves. Odds are that they don't have these items in their wardrobe.

Do any of the recipients support a particular charity? Make a donation in their honor. Some charities will give you a certificate showing the recipient how your donation was used. This is perfect for the friend or family member who has everything. Think outside the gift box.

Are new parents on your list? I bet they'd like a quiet dinner at a local restaurant more than another baby blanket. Give them a gift certificate to their favorite neighborhood haunt. Or get them some tickets to a show. If you kick in your time as the evening's baby sitter, they might write you into their will! What other services could you offer as a gift? If Cousin Izzy is having

a hard time paying the bills, perhaps give her the gift of shoveling the snow from her driveway or mowing her lawn for a month. Make a list of the skills and talents you have that could brighten someone's day. Then revisit your list with this in mind.

Anyone who makes scrapbooks knows how sweet this gift is because it equally represents the gifts of time and creativity in addition to the photos. Your gift doesn't have to honor your present. Find an image of a relative from her youth or perhaps one of a late parent, and create a memento that can be framed. Investigate the possibilities at www.creativememories.com or go to one of their retail stores.

Kids today are wired. They want iPods, iTunes selections, video games, Wii games, and such. But you don't have to feed the frenzy. Consider things you played with as a child: a big magnifying glass, a bag of seashells, a fistful of foreign coins, a hunk of clay. None of these should cost more than a few dollars. Think, too, of giving gifts of your time. For example, collect pine cones and paint them green and red and string them together with curly ribbon. Take your child to the local museum; many large cities have museums devoted just to children. Awaken their creativity and show them that there is an interesting life beyond electronic gadgets.

What about investing in Mother Nature to honor someone you love? In many communities and some countries, you can plant a tree in honor of someone. This is

good for your friend or relative and equally good for planet earth! Check with your Chamber of Commerce or the mayor's office for guidance in your area.

Record your family history. Very often the story of our families and even those of our friendships goes undocumented. Why not use a digital recorder this holiday and ask your family to tell their story? How did the couples in your family meet? Where were they educated? How did your parents learn about parenting? What do they know now that they wish they had known before you and your siblings arrived on the scene? Wouldn't this be a great gift for your loved ones to have? If you make the recording now, you'll be set when it comes to celebrating this year. We record events, but we rarely record the story behind the festivities.

You can find wonderful charities with on-line sites that accept your donation and enable you to print a certificate. The amount of the donation is private. Some charities offer special benefits for a specific donation amounts. For example, you can buy a stove for a woman in the Sudan, shoes for an Afghan girl, or feed for a horse for a month. You can match the charity to the interests of the recipient. Begin your research at www.thehungersite.com. In fact, you can sign up to click each day at the site. The vendors who advertise donate money for every click the site receives. While there, you can investigate helping additional sites who assist other groups in need such as breast cancer research and illiteracy.

A word about making homemade gifts. If you are known for your cookies, hand-knit sweaters, or scented candles, you can certainly please people with these treasures. Before you decide to go that route, however, be sure you factor in how many items you need to make, the cost of the supplies, and—this is the big one—how much time it will take you to accomplish your goal. It might make more sense to buy some gifts and use your time to make extra money this holiday season. Run the numbers, and let them direct your energies this holiday season.



It happens to all of us. We receive a gift that has clearly been purchased with great thought and presented with love and all we can think is: “What were you thinking?” What’s a person to do? The first order of business is to be gracious. Express your thanks in person and later with a note. It’s permissible to pass this gift on to someone who would actually appreciate it, provided she does not know the person who gave you the item in the first place. You don’t want Cousin Betty showing up at a family gathering wearing the scarf her mother gave you for Christmas! If re-gifting feels uncomfortable to you, give the gift to a charity. Someone should enjoy it.

SHOPPING SMART

Believe it or not, you have finished the hard part. You have your list and your

ideas. Instead of making shopping a chore, why not make it fun? Have hot chocolate to celebrate the purchase of the last gift, ask your best friend to accompany you, or have your photo taken on Santa’s lap.

This year, try shopping online to save you time. You might be able to knock off your gift shopping duties in one afternoon without leaving home. Factor in the cost of ribbon, gift wrap, gift tags, cards, gas, or transportation money and the value of your time and see if it doesn’t behoove you to have the online retailer gift wrap your item.

Some good ideas come with a caveat. Please don’t get caught up in the ease of online shopping and use your credit card with abandon. Be sure you have your budget in mind and are deducting the items as you go along. Remember that you can put items in your online shopping cart and make the purchase later, after a twenty-four-hour cooling-off period to be sure you’re making the right decision. If you do go overboard, whittle away at another expense until you’re once again in the black.

If you do have to schlep to the mall or elsewhere, be sure you have your shopping list before you leave home. Know which stores are most likely to have the items you want to purchase. Don’t backtrack to the same stores on different days. Be geographically intelligent and go to each area just once. You save gas, time, and energy—all of which translate into dollars saved.

Use cash wherever and whenever you can this holiday. It's easy to "cheat" and go over your per-person limit or charge a few extra items. According to columnist Erin Burt at Kiplinger's, using only cash makes your budget a reality. "When you shop with cash, you're more aware of how much you spend and how much you have left because you can touch it. And once the money's gone, it's gone." Keep your holiday budget in an envelope. After each purchase, slip the receipt into the envelope and record the amount spent on the front of the envelope. Keep a running tally; otherwise you will have a rude awakening at some point and have to whip out your credit card. I'd like to see it get dusty in your wallet this season from lack of use!

Watch the newspaper for sales and don't forget to subscribe to the newsletters from your favorite retailers. You'll be receiving coupons and insider info on secret sales all year long. Allow me to offer a caution about sales and coupons. These can be money savers for the things you need, but if you don't need the item and can't use it as a gift, it isn't a deal. It's a space waster in your home and a money thief.

Remember to save your receipts to make returns and exchanges easier. When you receive your purchase receipt, ask the salesperson for a gift receipt. This allows the recipient to return or exchange the gift without knowing the price you paid.

If you have gifts that need to be mailed, get to the post office early. You have to factor in the value of your time when you are de-

termining whether to have the store wrap and send your gift or if you should do it.

Here's another reason to shop online: The vendor can mail your gift for you. Many department stores and some vendors such as Amazon have specials. If you spend a certain amount (at Amazon it's only \$25), your shipping is free. You're saving money and time, which are precious commodities all year long.

When the holiday season ends, keep a fresh gift list on Excel or in the back of your financial notebook. Then purchase gifts and collect ideas all year long. Make it a perennial pursuit rather than the exhausting, anxiety-provoking one.



If you need money this season and have extra time, retail stores in your area are very likely looking for temporary help over the holidays, especially on weekends, when most people shop. If you don't work in retail at your regular job, it could be educational and fun to do something different for a few weeks.

IT'S ALWAYS THE SEASON

This week may mark your first adventure in holiday shopping with a plan. If you approach this with an open mind, I think you will find it not only makes economic sense but is fun. I listen a little more carefully to conversations now that I shop with a plan. I'm always looking for gift ideas

because birthdays, weddings, and graduations happen throughout the year, and I don't want to blow my budget on anyone's gift! Have fun this week and remember to listen all year long.