

WORK & WEALTH

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10 Smart Shopping Rules to Save Money

Get great gifts while you cut costs—and still have a merry holiday

BY SHERYL NANCE-NASH

Rolanda Pyle, a social worker in New York City, usually shops year-round for Christmas gifts, including sports memorabilia and tickets to Knicks basketball games or Broadway shows. But this year, finances have caused her to tighten her purse strings. "I'll probably give CDs or books—do something," says Pyle. "I feel good when I'm able to give and bless someone's life."

Tough times call for fresh tactics. Curtailing spending during these holidays is a must. In a recent Yahoo! Finance Holiday Spending Survey, nearly a third of people said they planned to spend less on all gifts. Last year Americans said they were going to spend on average about \$859, compared with \$907 in 2006, according to the American Research Group, Inc. So while you're getting wrapped up in the holiday spirit, here are ten smart rules to help you get your Santa on and still be able to dance debt-free into the New Year.

1. CRUNCH THE NUMBERS

Work out how much money you actually have that you can spend, taking into account your usual expenses, advises Stacy Francis, founder of Savvy Ladies, a nonprofit dedicated to empowering women through financial education. That amount shouldn't exceed what you can pay for in cash—or erase from your credit card balance in a month or two, max. Once you know how much you can afford, create a budget that includes not just gifts, but all holiday-related expenses: traveling, purchasing festive outfits for a swanky soiree, entertaining, gift wrapping, and decorating. You get the picture.

2. PRIORITIZE YOUR LIST

As much as you would love to give to everyone, forget it. Keep the focus on your immediate family, sister girls and folks like your babysitter. And think dollar-store gift bags, which come with a tag to write a message. For the rest, express yourself with inexpensive |

Penny-PINCHER'S CORNER

From buying gifts off-season to baking your favorite cookies, fudge or fruitcake to taking advantage of "family and friends" shopping days, you can stretch your hard-earned dollars in numerous ways. Here are some savvy shopping tips to live by

COMPILED BY ANGELA P. MOORE-THORPE

THE BUDGET FASHIONISTA

"Choose a theme, and buy in bulk—leather gloves or slippers—for everybody. Then put your Christmas money on a bank gift card to shop, and when it's gone, shopping is done."

—Kathryn Finney, New York City

THE UNBUNDLER

"Buy gift collections and split them up. For example, I always purchase votive gift sets and separate them to give as individual hostess gifts. Also, every year my girlfriends and I have a holiday party. The hostess changes every year, and we gift only the hostess. That way you only buy one friend a great gift."

—K. Daniel, Redpiggifts.com

THE EARLY BIRDS

"Purchase gifts early. I like shopping in the summer. I try to buy during the 'Christmas in July' sales."

—Michelle King, Phoenix

"Get your gifts throughout the year. That way you will save money and won't feel the sting of buying many gifts at one time. Check the Salvation Army, Goodwill and consignment stores for items. Some of the things are in good condition."

—Harrine Freeman, Washington, D.C.

THE COUPON COLLECTOR

"I mainly use my department store credit cards for Christmas shopping so I can use the discount coupons that they mail you. Sometimes I get \$25-off coupons for credit card purchases of \$100. I take advantage of them. I also cut out discount coupons in the newspaper. [Most important,] I make sure I can pay the credit cards off at the end of the month when I get the bill."

—Leslie Parker, Burke, Virginia



Great gifts at a bargain will make everyone smile.

cards. If you need to maintain relationships with a few major clients, Bevolyn Williams-Harold, a freelance writer in White Plains, New York, has a model that keeps her name in the front section of clients' Rolodexes: "I order client gifts before December 1 so they get them well before the holiday rush. I include a note thanking them for their business and telling them how much I look forward to a fruitful relationship in the coming year."

3. CURB IMPULSES

Buying the right present will give you something priceless: peace of mind. "Think about what your friends and family would like to receive. It's their gift," says Robyn Freedman Spizman, author of *The GIFTionary...An A-Z Reference Guide for Solving Your Gift-Giving Dilemmas* (St. Martin's Press). Create a gift list and say no to everything else. With contemplation, you're more likely to find the right present at the right price. Impulse buys can be more expensive and a bad fit, too. That \$50 sweater might not get worn. Figure out how much each item will cost, and be sure to stay within your means. For a budgeting worksheet, check out Betterbudgeting.com/freeworksheets/christmasgiftlist.htm.

4. TRACK SPENDING

Shopping with an accountability partner will help you stay on course. Keep every receipt and add them up as you go along to maintain spending control.

"If you overspend on a particular gift, make adjustments to how much you spend on others so the total amount remains on target," suggests April Lewis-Parks, a spokesperson for Consolidated Credit Counseling Services, Inc., in Fort Lauderdale, Florida. For help, turn to the company's Holiday Survival Guide, Consolidatedcredit.org/debt-learning-center/booklets/holiday-budgeting.pdf, and fill out the Holiday Budget Expenses worksheet at Womens-finance.com/worksheets/holidaybudgetexpenses.shtml. Another tip for maintaining control: Use prepaid credit cards. You have a set spending limit and that's that.

5. SAVE WHILE YOU SPEND

"Gifts always end up costing more than you expect, and it can sometimes be hard to save while checking everyone off your holiday list," says Julie Morgenstern, author of *When Organizing Isn't Enough: SHED Your Stuff, Change Your Life* (Simon & Schuster). Check out special programs such as Bank of America's Keep the Change. Every time you use your check card, the purchase is automatically rounded up to the next dollar, and the difference is transferred from your checking to your savings account. Bank of America will contribute up to \$250, says Morgenstern.

Try to purchase items in bulk—they'll usually be discounted—and break sets apart. A collection of eight dessert plates and coffee mugs can be separated into two gifts, suggests Kimberly Danger, a family-savings expert who gives advice at Uniroyal.com/moremileageforyourmoney. Seek buy-one-get-one-free deals too.

Give group presents, like gift certificates for meals, or partner with a relative or friend, set spending limits, and give together. And don't forget to take advantage of 50-to-75-percent-off sales after Christmas for next year.

6. DIG UP DEALS ONLINE

With high gas prices, shopping online never looked smarter. Many retailers, like Macy's, Target and Kohl's, offer free shipping deals online. Log on to >