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Psychometrics
team member:

Ricardo Silva
Software
Developer



Better Managing Your Holiday Finances

The holidays can be an expensive time of year:

Many shoppers plan to
spend at least \$500
each holiday season.

76% of these shoppers
will **go beyond their
budget** by an average
of \$263.

Almost 2/3 of adults
feel pressure to spend
more than they would
like (or than they have).

Half of adults feel like
the holidays is an
acceptable reason to
go into debt.

This year, my Christmas resolution is to
not overspend during the holidays!

While the holiday sales are great for getting the most out of your holiday budget (there's the first piece of advice), those credit card bills can stack up surprisingly fast. Here's some advice on how to prevent overspending during the holidays.



RECEIPT

Is 30% off actually a good deal?

When you see something on sale, it brings a sense of scarcity that invokes competition (or fear of missing out) and the temptation to "capitalize before someone else does". However, there are many price tracking apps that you can use to look at the price history of items. Sometimes, the item is actually cheaper at other times of the year, so save this purchase for another time. Use the same app to track the price and wait for a lower price at a different time of the year.

Remember: You're not saving 30%, you're spending 70% that you may not have otherwise.

TOTAL: _____

RECEIPT

Money is more abstract than ever.

A cash-only diet makes spending limits much more visible: Once there's nothing left in your wallet, you can't continue spending. However, it's easy to bypass those tangible limits using credit cards or electronic payments (online shopping or paying with your phone). While convenient, these mediums turn money into an abstract concept that shields us from feeling the "pain of paying", and it becomes easier to overspend.

TOTAL: _____

RECEIPT

Do your shopping earlier in the day.

We have a limited reserve of willpower, and start to become impulsive as we deplete these resources. Shopping earlier in the day ensures that you have more willpower available (and helps you avoid crowds).

TOTAL: _____

RECEIPT

When doing in-store shopping, be wary of the effect that holiday music can have.

In a 2019 study, 42% of respondents use holiday music as their biggest reminder that it's time to engage in holiday shopping, while 33% of respondents stated that they stay longer in stores depending on the music being played in the store. 80% of respondents said that holiday music improves their shopping experience. These combined senses of urgency, exposure, enjoyment and the general emotional connection to holiday music can drive spending behaviours. Between 40% and 80% of purchases are impulse buys, so ask yourself: Do I actually need this?

TOTAL: _____

References

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