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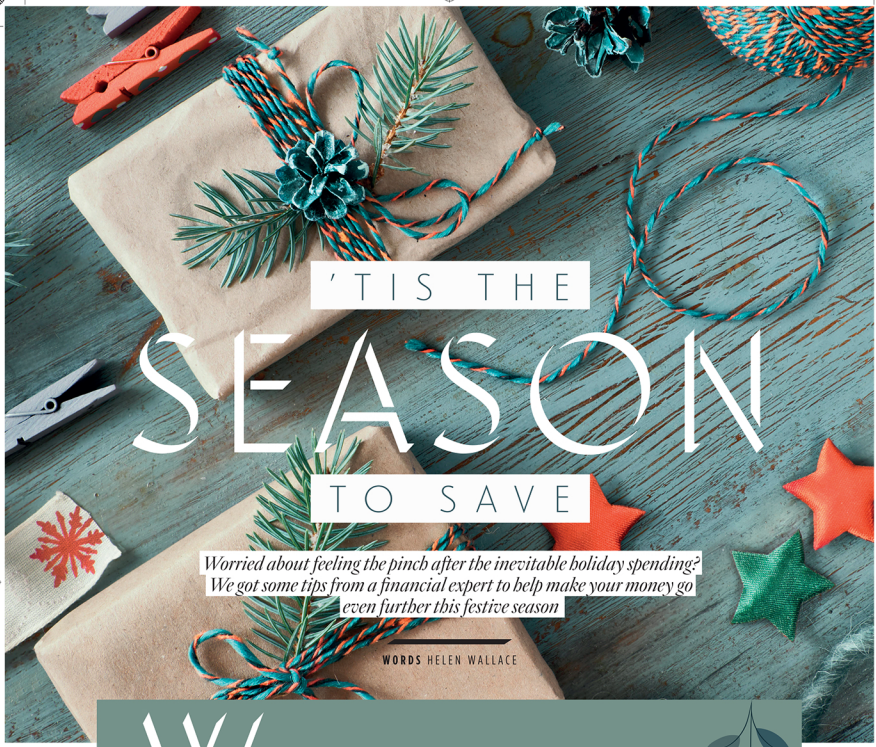

'TIS THE SEASON TO SAVE

Worried about feeling the pinch after the inevitable holiday spending? We got some tips from a financial expert to help make your money go even further this festive season

WORDS HELEN WALLACE

Whether you thought it flew by or dragged along, we have reached the end of 2021! While we are not out of the woods yet as far as the coronavirus is concerned – and a fourth wave was predicted to occur just after the end-of-year holidays – the vaccine rollout has meant that more people will be able to enjoy low-risk gatherings to ring in the new year.

With all the festivities also comes plenty of spending. You might feel keen to treat your loved ones – or yourself – after living through such a tumultuous time in human history, but if you don't keep your swiping in check then you could be starting next year off with a mound of debt.

Seasonal Spending

According to data compiled by Statistics SA ahead of the 2020 festive season, South Africans were predicted to spend an average of R5 673 during this period, injecting more than R210 billion into the national economy. This was despite three million people losing their jobs due to the COVID-19 pandemic.

While the economy, and individuals, are still struggling to regain stability, this past year was, for the most part, a less traumatic and more lucrative one, with many people returning to their jobs as we start to get the virus under control. With spirits somewhat higher and more freedom of movement, it's highly likely that many will be spending even more over the 2021/22 festive season to make up for last year's socially distant celebrations.

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Before you go all out this party season, it's important to consider your financial standing and money goals. 'Take a good look at your financial situation and decide upfront what you can afford to spend this season, or for each activity,' advises Sonja Linde, certified financial planner and owner of InSync Financial Services. 'If you are already in debt and trying to get out, you need to be even more careful during this time. You wouldn't want to see the previous months of hard savings and reducing debt wiped out over the space of a couple of days or weeks!'

So what should you do to ensure that you get the most out of your holiday festivities without starting the new year with new debt? These are Sonja's top five tips:

1 Consider Future Expenses Now

We all know that a new year always comes with extra expenses, so it's important to keep them in mind before spending all your hard-earned cash on your upcoming holiday celebrations. 'Plan for those upcoming costs, such as school expenses or general increases, now,' says Sonja. 'Try to stash away some extra funds where possible so that you can use it to cover stationery, school uniforms and inflation next month.'

2 Make a Plan – and a List

Planning ahead is a great way to ensure that you are prepared for the holiday season and the expenses it'll likely bring with it. 'Create a budget and decide what you can afford to spend,' explains Sonja. 'And when you go to the shops, make a list beforehand and stick to it. It's easy to become distracted when the malls are full and you have a December bonus burning a hole in your pocket!'

3 Embrace Selling and Swapping

With the holidays comes some time off, giving you ample time to do some sifting and sorting. 'While clearing out your house or garage, you might stumble on things that can be sold using online marketplaces,' says Sonja. 'This can help to bring in some extra cash over this expensive period.' Swapping gently-used items in good condition with friends could also be a way of acquiring gifts without having to spend your entire paycheque.

4 Get Creative with Entertainment

Whether you are trying to keep kids or adults entertained during the holidays, South Africa is not short of things to do. Some of them are costly, but others are totally free. 'Try to think of as many free activities to enjoy in your area, such as beaches or hiking trails,' says Sonja. 'We live in a beautiful country with so much on offer that is priceless, in every sense of the word!'

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Details on page 62.

5 Use Your Bonus Wisely

Everyone gets excited when they see that their bonus has landed in their bank account. It's important to practise restraint rather than go on a spending spree – even if it does feel deserved! 'Use your December bonus wisely,' advises Sonja. 'Pay off some debt, put funds away for January expenses, and try save some of it to ensure that you don't struggle to make ends meet in the new year.'

PHOTOGRAPHY: ALAMY, PEXELS