



6 Wise Ways to Tackle Holiday Debts

From Christmas parties, decorations, and gifting to New Year's celebrations... For many, the most wonderful time of the year can turn out to be the most expensive time of the year. If you feel the same way, you may be looking for some room to breathe. Here are 6 of our best tips to help you control your debt and welcome the new year with financial confidence.

1. Assess your financial situation.

Before tackling your debt, you first need to know your financial situation. Start by making a list with your monthly budget, including your income, expenses, and savings. This list should include your debt, minimum payments, due dates, and interest rates.

2. Set goals and decide on a payment strategy.

Set goals to pay off your debt. This should be achievable and include a realistic timeline. Think about what you can pay each month. You may have to cut back on some of your spending, look for additional sources of income, or adjust the timeline to meet your goals. The first and most important step to meeting your goal is making sure to pay your monthly payments on time. If possible, pay more than the minimum payments.

3. Consolidate high-interest debt with loans with lower interest rates.

Taking out a loan with lower interest rates is another way to quickly control debt with high interest, such as credit card debt. One of the best borrowing options to manage holiday expenses we recommend is

credit union's personal loans. Around the holiday season, local credit unions often offer holiday loan specials with low APRs. To get you an idea, here is what [Lampco's Holiday Loan Special](#) looks like. It features a maximum loan amount of \$5,000 with APR as low as 7% and easy payment options.

4. Start saving for next year's holiday expenses.

If you know you have large Holiday expenses each year, having savings dedicated to the season, in advance, will help you keep your debt down. For example, if you put away \$50 each month dedicated to Holiday spending now, you will have \$500 to use by the Holiday season next year, whether it is for traveling, gift shopping, or hosting dinners.

5. Use tax returns and holiday bonuses to your advantage.

When you receive tax returns or holiday bonuses, don't consider them as free money to spend. Instead, use them to pay down debt or to build savings.

6. Improve your spending habits.

Get in the habit of proactively tracking your monthly and annual budgets. Look for areas with unnecessary spending where you can cut back. Consider recycling last year's Christmas decorations and making DIY gifts at home! And lastly, make it your priority not to spend money you don't have.