

The Mirror

Don't let Christmas ruin your finances

60% of Brits are worried that

they may not be able to afford Christmas this year, according to a survey by MoneySupermarket. That's up from 45% of Brits at the same point two years ago. If you're one of the worriers, we've put together some tips to

help you sleep at night.



1 Save up for Christmas

The best way to pay for the cost of Christmas is to start saving for the following year on Boxing Day! If you save a small amount of money each month, you will hopefully have enough money

by December to cover your Christmas costs. Even better, if you paid your monthly sum into a regular savings account, you could earn interest on your cash.

The problem with regular saver accounts is that you normally need to save every month for at least a year before you can get the best interest rates. So if you're already thinking about saving for Christmas 2012, a regular saver account is a great idea. But if you're more

concerned about Christmas 2011, they're not a practical option.

That said, it's not too late to try and save some cash for Christmas this year, and you could still earn some interest by putting your savings in an instant access account.

2 Budget, budget, budget

You might be thinking: this is all very well but I just don't have the money to put in a savings account between now

and Christmas. That's a very valid point. It's not easy to find extra cash in the middle of an economic crisis. The best solution I can offer is to budget. Try to prepare a budget for the next six weeks and eliminate any non-essential spending. If you do that, you may be able to find some extra cash for Christmas.

If you want to make the most of your Christmas savings, it makes sense to prepare a budget for Christmas too. If you plan ahead and calculate exactly what you need to buy, you'll be less likely to waste money on things that you don't actually need. It also makes sense to set some priorities. Do you need to buy presents for every member

of your family? Or could you just buy presents for the kids?



3 Spread out the cost

Another idea is to delay the day you have to pay the full cost of your Christmas spending. The best way to do this is to get a 0% on purchases credit card. These cards basically enable you to borrow money without paying any interest. It's also really important to understand that you can't do this every year. One day your debt will have to be paid off, and it's much harder to pay off the debt when your

0% deal has expired. Also, don't assume that you'll definitely be able to get one of these cards. If your credit rating is less than perfect, the credit card companies may not want to give you a 0% card.

4 Shop around and get cash back

You can also cut your Christmas costs by shopping around online and see who is offering the best price. And if you're

shopping online, don't forget to use sites that return some cash to you. If you're lucky, you may be able to get as much as 5% of your spending back on some purchases.

