

## Carol Topp's Plan for a Debt-Free Christmas

Carol Topp ([CarolToppCPA.com](http://CarolToppCPA.com)) is a Certified Public Accountant, author and personal finance teacher. She was influenced to unplug her Christmas machine 18 years ago after reading a book titled *Unplug the Christmas Machine* by Jo Robinson and Jean Staeheli. She shares her plan for having a debt-free Christmas.



Evaluate your spending motives. Some people give expensive gifts to give a false impression of their financial status. Others give extravagant gifts because they fear rejection or believe it shows love. Ask yourself: Why am I giving this person a gift? The worst answers are “because I always have” or “they expect it.”

Remind yourself, your spouse and your children that Christmas is **NOT** about cards, trees, cookies, Santa Claus, gifts, carols, etc. It is about *Jesus*. Discuss how you really acknowledge Jesus during His season. Consider eliminating anything that does not honor Him.

Give yourself permission to break old habits and discover new traditions.

Go back to the era when Christmas gifts were small, personal items such as watch chains or hair combs as in *The Gift of the Magi* by O. Henry. Read the story here: [http://www.auburn.edu/~vestmon/Gift\\_of\\_the\\_Magi.html](http://www.auburn.edu/~vestmon/Gift_of_the_Magi.html)

Read *Skipping Christmas* by John Grisham. (The book is much funnier than the movie!). Believe that it is OK to break traditions, fight neighborhood peer-pressure and doing something different this year!

Eliminate the expense of buying and mailing Christmas cards. Send a Christmas letter by email or print your own cards from this site: <http://www.suite101.com/content/free-online-christmas-cards-a36225>

Eliminate or greatly reduce Christmas baking. This will save time, money and gym fees in January! I quit baking Christmas cookies several years ago. I now bake a less-fattening Christmas bread from my grandmother's native country of Finland called pulla. I will bake cookies only if I know they will be given to someone else or taken to a party within one day of baking. I keep less than one dozen for my family.

Don't kid yourself that homemade cards or gifts are less expensive. They cost in time, frustration, supplies, etc.

Play Santa and check your list, check it twice, and then eliminate names from your gift list. Cut some people off your list this year, or combine gifts and buy one gift for a couple or entire family.

Do **not** feel obligated to give a gift to a friend just because they gave you a gift.

Shop with cash and leave the credit cards at home. Studies have shown that we spend up to 20% more when we use debit or credit cards instead of cash.

Create a spending plan for your gift giving. Plan what you will spend per person and stick to it. Don't be distracted by sales or eye-catching displays.

Name	Gift	Cost

Create a spending plan for other aspects of Christmas and then stick to it. Buy a small tree, send fewer cards, bake fewer cookies if you need to to stay debt-free.

Christmas Activity	Cost
Tree	
Cards	
Parties	
Baking	
Plays, shows, movies, etc	
Decorations	
Travel (gas, hotel, meals, etc)	
Other:	

Start early or at least earlier. Put aside a sum every month to pay for Christmas in advance. To determine how much that sum needs to be, look at your Christmas Spending Plans (both for gifts and other Christmas spending) or what you spent last year. Divide the total by 12 and set aside that amount every month.

