

Christmas is a time when spending can easily get out of control. Even if you haven't been extravagant, it takes a lot of planning and budgeting to avoid the January Christmas debt hangover. Christmas should be about spending time with your loved ones not the stress and expense of buying the right gifts.

**The ideal approach to Christmas budgeting is to plan as early as you can so that you know who you will be buying gifts for, you can get the best deals and spread the cost.**


Plan to save monthly for Christmas as well as birthdays and anniversaries. Thinking of these events in advance enables you to carefully consider what you can afford and how much you need to save each month in order to achieve this.

Chances are your best childhood Christmas memories aren't about beautifully co-ordinated table settings, expensive gifts or luxury food. For many, it's the build-up that we enjoy the most including creating memories with loved ones. You don't have to spend lots of money to make Christmas special.

So how many days is it until Christmas? Click [here](#) for a simple tool that enables you to calculate what you want to spend on various Christmas things and subtract what you have got saved to highlight the gap in your finances that you need to fill.







## To help make your Christmas this year more affordable, here are some ideas on how you may be able to spend less:

### Check your finances

Check what you have coming in and going out. Have a look through your expenditure and work out how much you have left after your bills. This will show you how much you can afford to spend.

### Make a list...and stick to it!

Write a list of everyone you would like to buy for and allocate a budget for each person. Having a list will keep your spending in check and make sure you don't get carried away.

Keep your finances in mind and use them to create your overall Christmas budget. Knowing how much you can afford will help you keep on track with your spending.



### Don't panic buy or overspend

Every year, people panic buy especially on Black Friday, Cyber Monday and the week prior to Christmas Day. Keep checking your list and only spend what you had planned.

### Think different about who you are buying for

Consider not giving gifts this Christmas to your wider family and friends and just buy for your immediate family. Another idea might be to do a Secret Santa so that you are only buying one gift for a group of friends or family rather than one for each and a budget can be agreed upfront. Or agree just to buy for the children.

### Make some space

If you've got young children, you will need to make space for the new toys, so think ahead and maybe make some money by selling some things they no longer play with on Facebook market place, eBay, or Gumtree. You could even help out other families by giving to charities or toy banks.



### Buy more meaningful presents or make your own

We've all received unwanted gifts in the past. By buying less but more meaningful presents you could not only help reduce your overspending this Christmas but also help the environment with less items going to landfill.

### Think back to January 2020:

- How much food did you either throw or give away?
- Did you have large credit or store card bills?
- How many gifts included drinks, sweets and chocolates?
- When will you finish paying for Christmas?
- Did you use your overdraft?

**Fast forward to January 2021, will the situation be different?** If you feel it's too late for Christmas 2020, plan ahead now to ensure you aren't in the same situation in January 2022.

January is the usually the month when you understand just how much Christmas has cost you. Every year, thousands of us dread the credit card bills arriving and this is when the financial hangover from Christmas become reality. This is to be expected, as Christmas is the most expensive time of the year, with many people using their credit cards and overdrafts to pay for the festivities. This is something we all dread, so why not think about it now and stop January being the month we all fear.

Do your financial detox now, before your Christmas spending really begins, you will then know how much you can spend rather than going into debt and trying to recover in the first half of 2021.

For anyone who did a financial detox at the start of 2020, now is the time to review what went well and what didn't, are you where you wanted to be financially? Learn from this and update the original plan you made for 2021.

**A financial detox is a way to reduce or stop your unwanted spending habits. Detoxing financially should help you ascertain what your needs and wants are, reduce your debts and understand exactly where your money is going. Here are some ways to financially detox:**



## Plan

Plan your year with a detailed calendar. Highlight when and what you will be doing, and estimate the costs. This will give you an idea of where you need to budget and limit your spending. Also remember that you will need to save extra to cover some additional or emergency expenses, like school trips or new car tyres.



outgoings (such as food and transport) from your non-essential ones, it'll also allow you to see how much you can afford to set aside each month towards paying off any credit card debt, putting aside for Christmas and saving for your long term aspirations.



## Budget

If you don't already have a budget start one now by clicking [here](#). Besides daily household costs, your budget should include entertainment, clothes, holidays, gifts and emergency expenses. Use this budget to guide you through each month and year.

Creating a personal budget is the easiest way to make savings. Not only will it separate your essential





## Debt

The first step is to work out how much you owe. If you've got more going out than you have coming in, you should work out how much you can afford to pay. The one thing you should not do is ignore any debts you may have. It's better to face the problem than to worry about it.

Not all debts are the same. Whilst it's important to pay off any personal loans or credit card bills you might have, you should always pay off your priority debts first. These include debts such as rent, energy bills or mortgage payments. Once these have been paid you can look at paying any credit card bills.



## Get help if needed

If you are concerned about debt, there is nothing wrong with asking for help. We've teamed up with **PayPlan**, one of the UK's leading free debt advice providers, who offer free and confidential advice to anyone in serious financial difficulties. They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

It might seem like the last thing in the world you want to do, but opening up and talking to someone about your debts can feel like a weight off your shoulders. Sometimes it can be harder to do this with a friend or

family member, which is why we want you to know that a friendly, understanding helpline team are always available for a confidential chat about your finances, click [here](#) for more information. If you'd prefer you can always get help online using the debt help online tool by clicking [here](#).

## Where to cut back

Cut back and make savings where you can. Consider whether you can do without television subscriptions and look for better deals on your utilities. You may be able to make savings by switching energy or broadband suppliers. If you haven't changed gas and electricity suppliers in the last year, checking if you could make any savings, click [here](#) for more details. If you don't already have a water meter, it may be worth checking if installing one could save you money.

It may be worth looking if you can reduce the cost of your general insurance, just be mindful of any charges you may be charged. Switching to Police Mutual Car insurance click [here](#) and Home Insurance click [here](#) could save you money and we will pay cancellation fees up to the value of £125 from your existing insurer.



## Check your Standing Orders and Direct Debits

There may be some you no longer need or are paying for twice, like tv subscriptions or mobile phone insurance. It's worth checking these regularly and stop any you no longer need. Ensure you don't accidentally stop any important payments like your mortgage.

## Credit cards and Store cards

If you only pay the minimum on a credit or store card it will take several years to clear it, as the balance outstanding will only reduce by a small amount each month.

By setting up a standing order to pay an amount you can afford above the minimum payment then the debt will be cleared in a much shorter time. Paying more reduces the repayment period and the interest charged.



## Cut down your online spending

Many of us spend more online than we do from shops, this has been even higher during the coronavirus lockdown.

It is so easy to make a few clicks and within a few minutes you've ordered several items, maybe without thinking do you need this item or before doing the proper research needed for the purchase.

## Spend in the right places

A financial detox doesn't mean that you can't spend on anything other than the essentials, just spend on the things that you need with the occasional treat

## Review

Look at your budget regularly and track what and how you have spent. This will give you an idea of where and what you need to cut back on and what you need to focus on.

**We hope you and your loved ones  
have a wonderful Christmas and a  
Happy New Year!**

## Police Mutual Services

Worrying about money can be extremely stressful and may lead to mental health conditions. Police Mutual are here to help. We want to break down the stigma surrounding debt and get people talking about money.

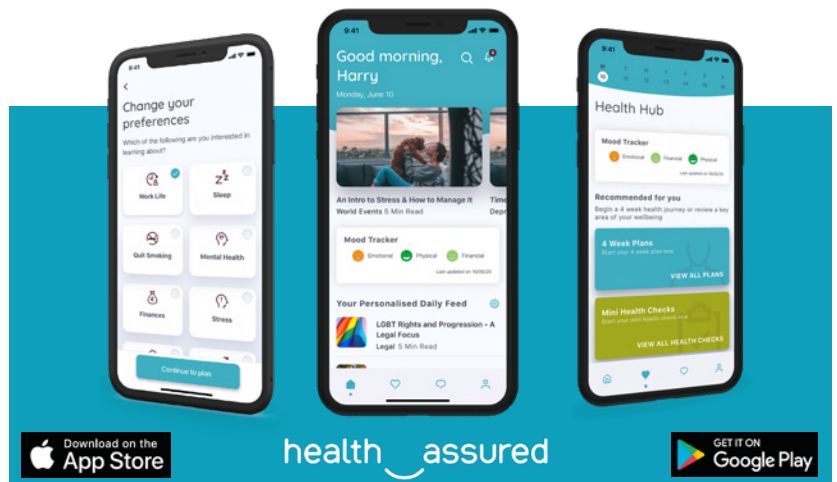
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They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

Get free and confidential help to combat your debt, call **PayPlan\*** on 0800 197 8433.

Our **Care Line** Service provided by Health Assured can offer advice and information, helping with a range of concerns including physical or mental health issues, coping with bereavement and legal concerns. Take a look at the e-portal or download the APP.

**Health & Wellbeing e-portal:** <https://healthassured.eap.co.uk/>  
**Username:** [policemutual](#) **Password:** [careline](#)



Download the **Health Assured App** and register today - your code is **MHA107477**

**For more information on how Police Mutual are supporting you during the coronavirus pandemic click [here](#).**

**Call us 01543 441630**  
**Visit [policemutual.co.uk](https://policemutual.co.uk)**

**We're open from**  
**9am - 5pm Mon - Fri**

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