The holidays are on the way, and most of us are getting ready for the idea that we are once again going to go off the rails on our budget. With just a little planning and some action on your behalf, you can live within your Christmas budget.

First, you need to make a plan. Include everything you foresee spending money on during the holidays — gifts, wrapping paper, charitable donations, entertaining, and travel. Be sure to include gifts for family friends, and co-workers.

Talk to your family about Christmas plans. If you are going to be short of money this year, consider drawing names, forgoing gifts or even just preparing gifts for the children on your list. If everyone is in on the plan, it is less likely that anyone will be surprised, offended or hurt.

Look for economies. Maybe you can make some gifts, but be sure to include the cost of raw materials in the planning. That jar of jelly comes at a cost of jars, sugar, fruits and even the cost of electricity to prepare it. I love to make my Christmas presents, but sometimes I spend as much on the raw materials as buying a gift. But on the plus side, the quality of gift I give is way above what I could buy for the same money.

Now it is time to make sense of the budget. You know how much you need, now how much do you have to make this season joyful? Make an estimate of what it costs to fill the list. You may have to do a little more economizing at this point. What can you cut or do at a lower cost to reduce costs? Prioritize the list to cover the most important items.

Take stock of what you already have. Gift wrap left from last year? How about some presents you squirreled back from those after-Christmas sales? Or do you have some stray gifts around that someone else might like? Regifting is not a sin, if someone else would enjoy it more than you would.
Think about free gifts. I have a friend who gave cherished family glassware and dishes for Christmas presents. The best part of the gift was that she told them where the heirloom came from and who it originally belonged to. The story was the real gift. Her family appreciated that far above any small gift she could have purchased for them.

If you have trouble controlling your buying when you are in the store, consider techniques that help you keep spending in check. Don’t put gifts on the credit cards, only spend what you have cash money to cover. Consider using an envelope system. Write a name or a spending category (donations, entertaining, etc.) on the envelope with the money inside that you have planned for that item. Spend exclusively from the envelope, not from your checking account or credit card. When the money is gone, you are done. If you only put your budget dollars in there, you will not overspend.

Cut out unnecessary items. Make a pact to spend money on only those things that you enjoy and cherish during the holidays. Don’t feel obligated to host that open house you always do or attend a holiday soiree if it isn’t your favorite thing. Your family might enjoy a quiet day home with an old movie and hot chocolate more than that expensive production. Do only what brings you joy.

This year make sure you stay within your budget and enjoy all your favorite activities as the holiday season rolls around.

Roxie Rodgers Dinstel is associate director of Cooperative Extension Service, a part of the University of Alaska Fairbanks, working in cooperation with the U.S. Department of Agriculture. Questions or column requests can be e-mailed to her at rrdinstel@alaska.edu or by calling 907-474-7201.