

Effectively manage your money at Christmas time



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Introduction

At Christmas time we all spend like there's no tomorrow. Even if we already have debt problems, it's very difficult not to splurge over the course of the festive season.

In 2007 UK Christmas spenders were estimated to splash out £53billion (3)

The cost of presents, food and entertainment on top of the usual loans, bills and mortgage payments all add up to an incredible amount. It has been reported that in Britain we spend a massive £620 each on average over the festive season (1).

The Department of Work and Pensions reported in 2008 that more than half of people in the UK (55%) spend more than they can afford over Christmas (2).

Prices continue to climb

Additionally, in 2008, looking at the prospect of a recession, almost everything is escalating to a price level that beggars belief whilst job cuts are becoming more likely. So if you're already struggling with debt at Baines and Ernst we understand you may be worried at the prospect of forking out huge amounts of cash for the yearly celebration. We know you'll be looking to make Christmas cost less.

It takes an average 2.6 months to pay off Christmas credit card debt which leads many Britons into severe debt problems every year (4).

Reducing Christmas spending with Baines and Ernst

If you're struggling for cheap ideas for the midwinter extravaganza that will reduce the chance of future debt problems, take a gander at the following list of ideas from Baines and Ernst for cutting the cost of Christmas.

More than four million people were still paying off their debts from Christmas 2007, in April 2008 (5).

Christmas secret Santas

It can get expensive when you start buying gifts for the extended family as well as your nearest and dearest. So don't do it. Put everyone's name in a hat and draw names. This also works because it allows you to put thought into and buy one

decent and very special present for a family member. Get something really useful that they'll appreciate, rather than buying shoddy gifts or novelties that no one ever uses.

Share the Christmas dinner

Cooking Christmas dinner can turn into an epic, so do a deal – you'll bring the stuffing if Auntie Maureen provides the potatoes. Get the entire family involved in cooking the Christmas dinner. Not only will it cost less, it'll take the weight off your shoulders.



Get onto a supermarket point saving system – loyalty programme

These free cards allow you to build up points which can be cashed in for gifts or Christmas food. Don't forget your cards as they go further than you may think and the weekly shop is a necessity where you can gain many points:

Some point collecting schemes include:

- Advantage cards in shops such as chemists - every time you pick up a prescription or invest in necessities for your bathroom or first aid cabinet you can add to your hoard of points.
- Club card points at certain supermarkets – depending on the store these can be cashed in for days out, restaurants, shopping, gifts, etc. These are particularly useful when they're cashed in at Christmas-time for presents and food.

Let your Christmas dinner revolve around what's on offer

Cash in coupons at Christmas just like your mum used to do and shop around for the best deals. But don't buy things just because they look nice. Do you really need eight bowls of mixed nuts just because they look pretty? The beauty of the Christmas meal is that you know it's coming so you have plenty of time to prepare and search for bargains.

Don't hoard food for the "long Christmas shutdown"

Most shops only close for two days maximum so you won't starve because the supermarkets are shut. Be sensible. You'll probably have enough turkey to feed the five thousand anyway. Curry it, sandwich it, fillet, BBQ and boil it...you only eat it once a year, why not make it last.

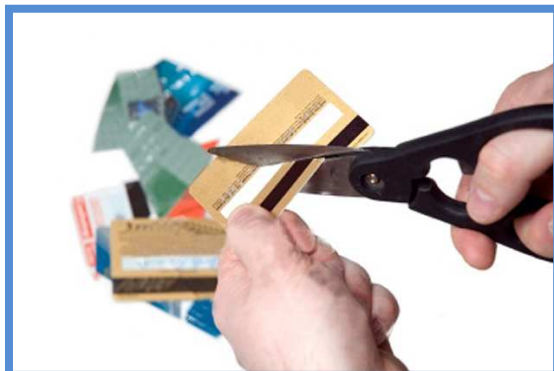
There are almost 16million store cards in circulation, with the total amount owed standing at £2.1billion (6).

Spread the cost throughout the year (or at least the autumn/winter months)

Buying a little every week or month makes it easier to budget meaning your finances are less likely to take a serious hit in the long run.

Don't spend what you don't have

This is a simple but effective rule. So many people buy what they can't afford using borrowed money from credit cards and loans which makes interest charges mount. Don't let this happen. It only gets you further into debt.

Looking to rid yourself of debt problems?

If you're looking to eliminate your money worries, seek bespoke debt management services from Baines and Ernst to find out which scheme will work best to suit your circumstances.

Baines and Ernst's debt services include:

- [IVAs / Trust Deeds](#)
- [Debt Management Plans](#)
- [Bankruptcy advice](#)

These debt help schemes cater for different needs and levels of debt. Debt management plans are tailored to help you pay back what you can afford each month to alleviate debt problems in an informal way.

The IVA is tailored for individuals in more than £15,000 worth of debt and with two or more creditors. This debt help solution, once agreed, forms a legally binding agreement, stopping more interest and charges being added to the bill and preventing contact from your creditors. This solution can help solve debt problems in as little as five years – without you declaring yourself bankrupt.

We offer bankruptcy advice because at Baines and Ernst we know this should only be used as the final option. We've already helped thousands who thought bankruptcy was their only option with our debt management plans and IVAs. However, for those who have to go through bankruptcy, we provide a 24hour service and helpline to support you in the whole process.

Contact Baines and Ernst for debt help and advice

Call Baines and Ernst's dedicated expert advisers on 0800 096 1331 or visit

www.bainesandernst.co.uk and take our free Debt Test. *

*Calls may be recorded and monitored.

Sources

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