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EXPERT COMMENT: Six ways to avoid a festive financial hangover

[Jane Brown](#), Graduate Tutor (Lecturer and PhD candidate) at Northumbria University, writes about Black Friday and managing finances over the festive period.

The shopping frenzy of Black Friday and Cyber Monday are the starting gun for many to the annual ritual of excessive spending over the Christmas period. The average Black Friday consumer is expected to spend £203 on the day this year, [double last year's figure](#).

Christmas is expensive; in 2015, the average UK household spent a considerable £800 on Christmas, [with 75% of that allocated to gifts](#). Similar figures, or higher, [are anticipated this year](#), despite shoppers' concerns about the overall UK economy.

Meanwhile, the average UK adult currently has [£3,737 of consumer credit debt](#), and 44% of UK adults have savings [amounting to less than £100](#). Considering these figures, a surge in high cost credit borrowing by UK consumers is expected as families stretch themselves to their financial limits to afford Christmas.

Pressure to overspend

Last year, a quarter of Britons [felt pressure to overspend at Christmas](#). Pressure from children was the greatest factor, closely followed by Black Friday and similar promotions which make people feel like they would otherwise be missing out on a bargain.

Parents often fondly remember their own Christmas experiences, which they

try to emulate (or better) for their own children. Some parents also feel pressure to out-do their previous Christmas efforts leading to an unattainable cycle of more: more presents, more food, more alcohol, more merriment – all of which results in more spending. Combined with a layering of festive imagery from the [obligatory Christmas TV adverts](#), and the pressure rapidly mounts.

The more perceptive will also notice an increase in money lending adverts; helpfully offering “easy” money, but skimming over the high repayment costs. This can encourage taking expensive credit to pay for the extravagance of Christmas.

As part of my PhD research, I have been exploring consumers’ experiences of high cost credit. I’ve found that parents in particular find Christmas a tricky time of year. They tend to take higher amounts of credit, but pay less attention to the repayment conditions, particularly APR rates. The findings indicate that nearly everyone who overstretched their finances subsequently regretted their decisions to take high cost credit. Almost half of the parents I interviewed were paying off their Christmas spending into the following August or September. Parents often said they could have spent less on “meaningless gifts” that children soon discarded and more time engaging with their children on a personal level.

A key issue is the convenience of buying online. With a couple of clicks, and without really looking at your bank account, you can shop to your heart’s content. Retailers know this. Last year, 60% of Black Friday sales [were made online](#). Cashing in on this detail, Amazon has announced a “helpful” sales extension that will drag out Black Friday sales [for a staggering 12 days](#). Yet who does this really benefit – parents looking to grab a bargain, or retailers looking to cash in by lengthening the festive season?

Retailers are businesses. They want to capitalise on aspirations to create a perfect Christmas, luring you into their stores and websites with attractive deals. As such, the pressure to spend money has never been greater. Black Friday may signal the start of Christmas shopping, but be realistic: are the excesses of Christmas worth months of frugal living in 2017?

Here are six ways you can better manage your spending.

1. Make a budget: Recognise how much you can, or want to actually spend,

and stick to it. If you do need to borrow money, give yourself enough time to look for the best repayment plans.

2. Make a list: Plan the gifts, food, decorations, and whatever else you would like to purchase for Christmas. Then look for the best deal.

3. Say no to impulse buys: If you haven't planned to buy it, do you really need it? You still have to pay for it, even if something appears to be a bargain. If you struggle with this, sleep on it before buying. This gives you time to think about it, and research the best price.

4. Beware of marketing ploys: Be aware of retailer tricks. For example, online purchases over certain amounts often offer free delivery. Do not be tempted to buy more, just for free delivery. The business of retailers is to get you to buy their goods. Your business is to look after your money.

5. Buy thoughtfully: Meaningless gifts are one of the biggest culprits of debt accumulation. Last year, the most unwanted presents [included selfie sticks and workout DVDs](#). A sensible approach is to ask people what they would like. Children can make a list for Santa. And remember, young children do not always value highly priced items. They are often more excited by the packaging and colourful wrapping paper.

6. Have fun, but think longer-term: Christmas is a celebration. Enjoy yourself, and enjoy making those around you happy. But this celebration should not impact your finances for months and months afterwards.

This article was originally published in The Conversation. [Read the original article.](#)

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