

on the 12th day

the Christmas budget challenge



introduction

Christmas is for most people a deeply attractive time of year. It offers time off work, a focus for celebration and leisure. The appeal to family, story and tradition resonates deeply with many (while being painful for some ¹). For Christians, Christmas it is an absolutely central aspect of faith, the celebration of the incarnation, God born as one of us, dwelling with us.

We should not be embarrassed either by the season or the celebration. The biblical provision of Sabbath rest and seasonal festivals is a reminder that there is nothing pagan in recognising a rhythm of work and rest, of toil and celebration, of individual responsibility and community life. If work is the is akin to the circulation of blood in the body rest and celebration are the several pulse points by which we regulate work and establish a healthy rhythm and a purpose for that work.

The tension is that Christmas is also deeply attractive to the retail industry and serves as the primary focus of a consumer culture. APACS, the UK payments association reported that spending on plastic in December 2008 reached £32.3 billion. It is important to note that a third of this money, £10.8bn was spent on credit.²

On the 12th day of Christmas our true love may well have brought us twelve drummers drumming but the postman was also getting ready to bring us credit card bills and banks statements which for millions would spell anxiety and debt. This Stewardship information paper briefly reviews the cost of Christmas and challenges you to prepare a Christmas budget. The aim is not to kill but to release the joy of Christmas by increasing our sense of control over Christmas spending and to minimise the anxiety around overspending and debt that can diminish our celebrations.

the cost of Christmas

One of the advantages of credit is that it smoothes out costs over a period of time. But this must be set against the increasing cost of credit as time goes by. Research from Sainsbury's Finance in January 2009 suggested that only 56% of people expected to clear their Christmas borrowing within one month, borrowing that for many (although not all) may reasonably be expected to be interest free credit. Nearly 5 million people (12%) estimate that repaying borrowing will take 2-3 months, 1.8m people (4%) estimate it will take 4-6 months, 924,000 (2%) 7-12 months. In fact over 9million people (22%) simply do not know long it will take them to pay off their Christmas debts.

Credit also brings the temptation to spend more than we can afford. When this is mixed with the cultural pressures to spend at Christmas the result is a potent cocktail of indebtedness and money anxiety for

¹ Moneysupermarket.com research suggests that one in three people over 55 dread the festive season while Age Concern report that loneliness along with poor health, money worries and isolation at Christmas can be so overwhelming that they can trigger depression.

² Statistics are courtesy of Credit Action (www.creditaction.org.uk)



millions. Although the credit crunch was in full swing at Christmas 2008 a third of Britons spent more than they had done in 2007. 41% planned to spend less at Christmas but just 28% of us actually managed this.

Research from moneysupermarket.com suggested that in the run up to Christmas 2009 nearly half of consumers were worried about paying for the festive season. Just one third of adults expected to have saved up enough to pay for Christmas meaning that for most of us credit cards, overdrafts and other borrowing would take up the slack.

taking the Christmas challenge

It is estimated that just a third of us prepare any kind of Christmas budget. Last minute panic buying and the pressure to buy expensive gifts are the top two stress-building factors and they hit household finances hard. Yet a budget is the single most important step we can take to regaining and staying in financial control. So try the Christmas challenge and prepare a Christmas budget.

- Firstly, imagine you are a 'nuclear' family - mum, dad and two children. First, quickly guess the *total extra spending* you think the whole family will make over Christmas and New Year and make a note of it.
- Secondly, compare this figure with the estimates of average spending for Christmas 2008 from Deloitte: a total of *£856 additional spending*. Such figures are of course a very rough estimate indeed.³ But they should at least make us pause to consider whether we are in fact considerably underestimating the actual cost of Christmas in our own household.
- Thirdly, now think of your own household, the people who celebrate Christmas with you or for whom you purchase Christmas gifts etc. Again, make an educated guess at the *total extra spending* you think your household will make over Christmas and New Year and make a note of it.
- Finally, test your best guess by using the blank budget at the end of this paper work out a Christmas budget for your the whole family. You may be fairly accurate especially if you do work towards a rough budget. If you don't, you are much more likely to be surprised, even shocked at the difference!

conclusion

Christmas is a time for giving and it is right that this is so, not least for Christians. Our giving is about being caught up in the giving of God who has given the greatest gift of all in Jesus. But to give properly we must know how to receive ourselves. (Philippians 4:11).

Kahlil Gibran comments, '*generosity is giving more than you can, and pride is taking less than you need.*' We rightly want to give at Christmas, to celebrate and enjoy. For this to be real our generosity to self and to others needs to be related to our income. The tool which helps release giving and receiving is a budget.

³ The Deloitte figures are made up as follows: food and drink: £170; gifts: £359; socialising: £126; cards and postage £53; tree and decorations: £64; travel: £84;

Christmas budget planner

Food & Drink	Budget Amount
Family	£
Entertaining family & friends	£
Treats e.g. Nuts, chocolate	£
Wine/Spirits	£
Beer	£
Non-alcoholic	£

Presents	Budget Amount
Spouse/Partner	£
Boy/Girlfriend	£
Mum/Dad/In-laws	£
Brothers/Sisters	£
Children	£

Going out / Work outings	Budget Amount
Clothes	£
Drinks after work	£
Meals/Takeaways/Parties	£
Panto/Theatre/Cinema	£
Children's outings/grotto	£

Staying In	Budget Amount
Videos/DVDs	£
Video Games	£
Family Games	£

Cards and Decorations	Budget Amount
Cards	£
Stamps	£
Wrapping paper	£
Christmas Tree	£
Decorations	£
Lights	
Crackers	
Holly/Flowers	

Travel/Visits/Holidays	Budget Amount
Rail fares	£
Petrol	£
Hire cars	£
Flights/holiday	£
Hotel/B&B	£

Other	Budget Amount
Giving/Charity gifts	£
Postman/dustbin men etc	£
January Sales!	£
	£
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TOTAL	£
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