

## canberra times: q&a

### **Q 1: Every Christmas seems to be a blow out in spending. Do you have any suggestions for making your money go further?**

S.H., Richardson

A 1: Regarding gifts, the best Christmas suggestion I have for you is to consider giving Gift Vouchers instead of actual presents. While the downside is that it is perhaps a little impersonal – and sometimes the gift voucher is never used - there are certainly some advantages of this approach which include:

1. ensuring that you stick to a pre planned budget (ie \$40 per immediate family member, \$20 per extended family member),
2. ensuring that the recipient will actually receive / purchase something they do want (most of us have been in the position of having to settle for something at the last available moment which we HOPE the recipient will like), and
3. allow the recipient to take advantage of the post Christmas sales which will stretch each dollar you spend further. This is particularly so if you purchase a voucher that covers a whole shopping mall instead of a specific shop to keep lots of options open to the recipient.

Other suggestions include:

1. make a clear list of people you want to purchase a gift for and possible gift suggestions. This will assist in keeping you focused on your task and budget and prevent impulsive purchases.
2. start your shopping early (ie end of financial year sales in June and July) as you may find that you can purchase your gifts at bargain prices during the year.
3. cash in some “frequent flyer” or “reward” points for gifts or gift vouchers.
4. make some of your gifts (like your famous rum balls or paint a picture).
5. wrap your presents in newspaper or get the kids involved in hand painting butchers paper, rather than purchasing gift wrapping paper.
6. If you are entertaining guests for pre Christmas drinks or even Christmas lunch, it does not hurt to ask guests to contribute to the event by bringing some drinks and a plate of food. Most people are happy to share the load to support a social get together!

For those of you frustrated with consumerism, unable to find a present for that family member who has everything or wants nothing, or you are particularly keen to spread the Christmas spirit, then there are some terrific charity options for you to consider. For example, through Oxfam you can buy a chicken for a family in Laos for \$10, provide a goat to a family in Mozambique for \$39, start a vegetable garden for a community in South Africa for \$52, provide a Cambodian school clean drinking water for \$98, provide a Sri Lankan community a water well for \$135 or buy a family in need a calf for \$189, to name a few of many options. Even without the general tax deductibility of these donations, these alternatives certainly get you thinking about value when it comes to giving a gift.

q&a

## canberra times: q&a

Phil Thompson is a certified financial planner and authorized representative of Rise Financial Pty Ltd (ABN 86350987645), AFSL 311718, an Approved Financial Planning Association Professional Practice. Answers should be used as a general guide only and professional advice should be sought before making investment decisions.

Send your financial questions to [phil@risefinancial.com.au](mailto:phil@risefinancial.com.au)