

## Saving Money After New Years

The hectic holiday season has passed, and those bills from vacations and presents have started rolling in. It's important to pay off holiday debt as quickly as possible, so here are some tips for helping your finances recover now that the New Year has started:

### **Pay off your credit cards**

Many families rely on credit cards to cover increased expenses during November and December. However, those miniature loans come with high interest rates that make your total bill go up fast. The most important strategy to keep your balance in check is making more than the minimum payment on your card each month. For example, that \$300 television you bought on Black Friday will end up costing \$379 if you only pay your \$10 minimum payment (assuming the national average interest rate of 16%). Plus, it will take you 38 months to pay off! If you used credit cards to cover expenses during the holidays, make the largest payments you can afford until your balance is \$0.

### **Switch gyms**

If you have multiple gyms in your area, consider switching now to take advantage of steep discounts designed to encourage New Year's Resolution memberships. Be sure to read the fine print, though; you need to make sure you won't be locked into a long-term contract if the rates will rise sharply in a few months.

### **Return unwanted gifts**

Gift receipts are handy for duplicate or unwanted gifts, but if you can get cash instead of store credit for those receipts, be sure to save it. Even if the receipt is only good for store credit, don't spend it right away. Wait until you need something from that particular retailer and then redeem the gift card or credit receipt. Be sure to read the fine print on any gift cards, too. Some have expiration dates or carry reduced value after a specified amount of time.

### **Stick to your budget**

Most importantly, stick to your budget until the holiday bills are paid off. Simple switches like eating in (versus dining out), renting movies (versus going to the theater), and brewing your own coffee in the morning (versus a stop at the coffee shop) can save you upwards of \$100 before Valentine's Day. Overspending is common during the holidays, but it doesn't have to ruin your New Year.



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