

From Wishlist to Wallet – Holiday Budgeting Starts Now!



As the holiday season approaches, many Canadians are thinking about gifts, travel and celebrations. But while the season is all about joy and connection, it's also a time when spending can easily get ahead of us.

According to [PwC Canada's 2025 holiday outlook](#), Canadians plan to spend an average of \$1,675 on gifts, travel and entertainment this holiday season. While this is a 10% decrease from last year, it represents a 2% increase from 2023 spending intentions.

With the economy in flux and shifting priorities in the mix, Canadians will be making hard choices about where to spend their money. Given the situation, now is the time to start planning your holiday budget – if you haven't already. By getting ahead of the numbers, you'll avoid post-holiday stress and align your spending with what truly matters.

Here are 7 ways to get your finances ready for the holidays:

Assess Your Current Financial Reality

The holidays happen every year, but many of us avoid thinking about money. Facing reality can sometimes be painful and our first reaction might be to put our head in the sand. Acknowledging any potential issues up front is the first step to addressing them.

Set a realistic spending limit. [Experts recommend allocating 1.5% of your annual income for holiday expenses](#). If your budget feels tight, prioritize essential items such as gifts over discretionary items such as decorations.

Look at the Motivation Behind Your Spending

The holidays can bring a lot of pressure to keep up with the Joneses. Take a deep dive and examine the motivation behind your spending to be sure it comes from the right place. Are there insecurities motivating you – or is it the thrill of the hunt? There's nothing wrong with spending money, but what counts is your connection and relationship to that person. Try to shift your mindset. What gifts and experiences would be truly meaningful to your loved ones that won't lead to debt?

Start a Holiday Savings Account

Once you have an idea of what the holiday season will cost, consider setting up a holiday savings account and start early. How much do you need to save each week to support your holiday spending needs? Spend time now to find a realistic budget that matches your values and shopping goals.

A contribution of even \$20 a week can put you ahead for next year's activities. To find additional funds for the holidays, consider looking into a side gig. Put your money to work for you and consider a high interest account to boost savings.

Get Creative

The holidays aren't about how much you spend. It's not a competition. There are many creative ways to cut down on holiday expenses. Consider a Secret Santa gift exchange. Follow online communities and message boards to find the best deals. If you think you might dip into your savings account too soon, consider using the money to buy gift cards in advance. This way, you won't be tempted to spend the money elsewhere. If you're crafty, consider "do it yourself" gifts. Who doesn't appreciate cookies during the holidays or homemade jams with decorated mason jars?

Experiences such as babysitting or offering home-cooked meals are also great ways to cut down on costs and be creative.

Get Organized!

Sometimes when shopping in advance, we forget we already bought a gift for someone on our list. This leads to overspending that can be prevented through organized tracking. Once you make a purchase, write down the details as well as the location the gift will be stored. Don't forget to keep the list (and gift) in a place that can be easily found!

Categorize Your Spending

Make a list of holiday spending categories such as travel, gifts, decorations and entertaining. Set realistic category limits. Refer to last year's spending or use the latest national spending averages. In a cost-conscious year, you might prioritize some

categories over others. Where possible, use debit versus credit cards to minimize risk and budget burnout. Build a 10% buffer into your budget for unexpected surprises. Flexibility allows you to manage last-minute changes without stress.

Consider In-House Workshops

Look at the possibility of offering budgeting workshops or financial wellness tips to employees or clients. Support employees with flexible holiday schedules and spending guidance. Accountants can use the season to reinforce year-end tax planning and charitable giving strategies. Financial advisors should encourage clients to review last year's spending and set realistic limits.

The holiday season should be about more than just spending - it should be about making memories, connecting with loved ones, and enjoying meaningful moments. With a thoughtful and well-planned out budget, early preparation and value-driven choices, you can make every dollar count without having to enter the new year in a state of perpetual regret. So, start planning now, spend wisely, and don't forget to have fun. You'll enter the holidays confident that not only have you given generously but also safeguarded your financial peace of mind!