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## Managing Financial Stress During the Holidays

**NIS**  
National Insurance Services

The holiday season is often considered a time of joy, generosity and togetherness. But for many Americans, it also brings a heavy dose of financial stress. Between gift-giving, travel, festive meals and social obligations, the pressure to spend can quickly spiral out of control. As the holiday season approaches, it's more important than ever to understand the roots of financial stress and adopt effective strategies to manage it.

This article explores the impact of financial stress and practical strategies to help alleviate such issues during the holiday season.

### Causes of Holiday Financial Stress

Holiday spending can easily get out of hand. From Black Friday deals to last-minute gift purchases, the season encourages impulsive buying and emotional spending. Social expectations, family traditions and the desire to create magical moments often lead people to stretch their budgets beyond comfort.

According to a recent survey conducted by Talker Research and commissioned by Current, 69% of Americans say the holiday season is the most financially stressful time of the year. Over half (54%) are "dreading" the holidays due to financial concerns, and 58% say the stress detracts from the joy of the season. Many are responding by cutting back: 36% are capping gift budgets, 14% are going gift-free and 21% are skipping a big, expensive holiday meal.

### Impacts of Financial Stress

Financial stress can have impacts on the following:

- **Physical health**—When you're constantly worried about money, your body can enter a heightened state of stress. This can lead to sleep disturbances, such as insomnia or restless nights, which in turn affect energy levels and mood. Headaches, muscle tension and digestive issues are also common physical symptoms. Over time, chronic stress can weaken the immune system, making individuals more susceptible to seasonal illnesses, such as colds and the flu.
- **Mental health**—The mental toll of financial stress is often underestimated. During the holidays, the pressure to meet expectations, whether self-imposed or societal, can lead to heightened anxiety and even depression. People may feel overwhelmed by budgeting, shopping and planning, especially if they're already struggling financially. This stress can impair cognitive functions, such as concentration and decision-making, making it more challenging to manage daily responsibilities or fully enjoy the season. For some, the mental load becomes so heavy that it leads to burnout, where even small tasks feel insurmountable.
- **Emotional well-being**—Financial stress can stir up a complex mix of feelings, such as guilt and shame, especially when individuals feel they can't provide the kind of holiday experience they believe their loved ones deserve. This can be particularly painful for parents who want to fulfill their children's holiday wishes but are constrained by tight budgets. Frustration and irritability often surface when financial limitations clash with holiday expectations, leading to emotional outbursts or withdrawal.
- **Relationships**—Financial stress can significantly impact relationships. Couples may argue over holiday spending priorities, especially if they have different financial habits or expectations. Family tensions can arise when there are disagreements about gift exchanges, travel plans or shared expenses. These conflicts can strain even the closest relationships, turning what should be a time of connection into a period of discord.

- **Personal finances**—The most direct consequence of holiday-related financial stress is the impact on personal finances. Many people overspend during the holidays, relying on credit cards or loans to cover costs, which can lead to significant debt. Essential expenses may be sacrificed to accommodate holiday spending, creating a precarious financial situation. For some, the financial fallout from the holidays can take months to resolve, affecting their ability to save, invest or meet other financial goals.

## What You Can Do

In response to rising financial pressures, many Americans are rethinking how they celebrate the holidays. According to the Talker Research survey, 76% of respondents are actively changing their holiday plans to save money.

The following strategies can help manage financial stress during the holidays:

- **Create a holiday budget.** A spending plan can help you allocate funds for gifts, travel, food and entertainment, ensuring you stay within your means. Start by listing all anticipated expenses and categorizing them by priority. Then, assign a realistic dollar amount to each category based on your current financial situation. This approach not only prevents overspending but also gives you a sense of control and clarity. Many financial experts recommend using budgeting apps or spreadsheets to track expenses in real time. By planning ahead, you can avoid the shock of post-holiday bills and enjoy the season with greater peace of mind. For specific guidance, consult with a certified financial advisor.
- **Manage gifting anxiety.** Gift giving is often the most significant source of holiday stress, but it doesn't have to be. Instead of buying for everyone, consider organizing a gift exchange or setting spending limits within your family or friend group. Homemade gifts, such as baked goods, crafts or personalized coupons for services (like babysitting or home-cooked meals), can be just as meaningful as store-bought items. Experience-based gifts, such as a shared outing or a virtual class, can also create lasting memories without straining your budget.
- **Be creative with celebrations.** Holiday traditions don't have to be expensive to be special. Potluck dinners, DIY decorations and free community events can offer festive fun at a fraction of the cost. Consider hosting a movie night with holiday classics, organizing a cookie exchange or volunteering together as a family. These activities foster connection and joy without the financial burden. By focusing on shared experiences rather than lavish spending, you can create a holiday atmosphere that's rich in spirit and light on stress.
- **Avoid impulse spending.** Impulse purchases are a major contributor to holiday debt. To combat this, shop with a list and stick to it. Avoid browsing online or in stores without a clear purpose, as this often leads to unplanned spending. If a sale tempts you, pause and ask yourself whether the item is truly needed or just appealing in the moment. Some people find success by setting a 24-hour rule—waiting a day before making any nonessential purchase. These small habits can make a big difference in keeping your finances on track during the holidays.

## Conclusion

With thoughtful planning and a shift toward meaningful experiences, it's entirely possible to enjoy the holidays without sacrificing your financial peace. If stress levels become overwhelming, consider consulting a financial advisor for further guidance.

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