

Achieving Holiday Happiness & Avoiding the Financial Traps

It's the holiday season once again and in these current times, they come fast and furious. The holidays can be a very stressful time and for many quite depressing. We are haunted and taunted by those impossible to replicate perfect families and images of retail therapy. This is especially intimidating to parents operating in an environment of one sided reciprocity.

You feel defenseless and feel the need to allow those images to permeate your brain into believing that by giving your loved ones what they want, it will create that fantasy of perfection and excitement that retailers have emblazoned within your psyche. We get so caught up in the art of spending that we lose sight of what's important. So much so that we are willing to get into debt for it.

The question you must ask yourself is who is working for whom? Are you in control of your money and finances or is it controlling you? The power of control is in your hands. Are you in a love affair or a bad romance? What I mean by that is...in a love affair, you love yourself enough to say no to impulse purchase and are willing to make sacrifices now to have a future. In a bad romance, you succumb to the pressures of society that says you need to have that new car with the big red bow on it in front of the perfect house with the perfect family. For the average person, totally unrealistic. Life is full of ups, downs and arounds. When that crisis occurs, and it will, do you want to be able to go to your emergency savings to cover those expenses or dip into your retirement account which may result in taxes and penalties?

My advice, don't spend what you don't have. If you can't pay cash for it, don't get it. At the end of the day when it's time to pay the piper, you don't want to be at the mercy of your creditors banging on the door saying –“ Mastercard please let me in, you Discover that you don't need a Visa and even though you're an American, there's no express way out of debt” (Liddell, 2004).

To help you through this season, consider a shift in your view of gift giving and having a stress-free season by implementing one or a few of these tips.

1. Create an overall budget for the season including friends, co-workers and family. Allocate a maximum limit for each person.
2. Do something different such as baking something special for a friend. Make them a craft. Buy them a book that will uplift and enrich their lives.
3. Volunteer your time. It will bless those less fortunate than you and you'll be amazed with the positive energy and fulfillment you'll get from the experience.
4. Forgive someone and reach out to that person even if it's been 30 years. It may seem an unsurmountable feat but allow yourself to be free and transparent and let the love flow in and through you.
5. Re-connect or visit a long-lost friend or family member. It will do wonders for your spirits and attitude.

6. Instead of buying tons of gifts for your young kids and grandkids, invest in their future by opening a college savings account for them. Depending on the plan and the state you reside in, you may receive a tax benefit.
7. Add additional funds into your employer sponsored retirement plan if you have not contributed the maximum for the year. The maximum elective deferral contribution for 2017 is \$18,000 with an additional \$6,000 catch up contribution for participants over 50. The elective limit is the salary deferral you put in and does not include any matching contributions from your employer. Thus, the maximum overall contribution is \$54,000 for participants under 50 and \$60,000 for those over 50.
8. Fund a Roth IRA account if you qualify, the maximum contribution for 2017 is \$5,500 for those under 50. If you're over 50 you get an additional \$1,000 for a max of \$6,500.

Lastly, take some time for you, even if it's five minutes. Start your day with some positive affirmations and allow the good vibes to flow. As you move through the season, don't allow those fabricated subliminal messages to invade your brainwaves and de-rail your spending. Most and best of all, invest in you, the returns are PRICELESS!

Happy Holidays!

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