

## FINANCIAL SECURITY PLANNING SERVICES, INC.<sup>SM</sup>



### Market Update & Budgeting for the Holidays

November 4, 2022

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**Don't forget to set your clocks back an hour this  
Saturday night, November 5th!**



Brad McMillan, Commonwealth's Chief Investment Officer, recaps the market and economic news for October. It was a good month for the markets after a difficult September. The Dow and S&P showed strong gains, and developed markets did well. The rebound was driven by the prospect of a slowdown in future rate increases. On the economic front, job growth remained solid, driving increases in personal income and spending. But with the upcoming midterm elections and the possibility of surprises from the Fed, are there risks ahead? Tune-in to find out.

Insights from our CIO

Market Thoughts  
November 2022



## Budgeting for The Holiday Season

As the winter gifting holidays approach, current economic conditions might cause you to be more cautious than usual about how much you spend on friends and family this year. If rising costs, a declining stock market, and high interest rates are making you take a second look at your capacity for spending this holiday season, use these tips as a guide to stretch your dollar a little more and help your spirit of giving thrive.

**Write a budget.** The headlines and discussions around the pain at the pump might have created a perception that the additional cost would majorly prohibit consumers from spending on other necessities or luxuries, like holiday gifts. Instead of letting the headlines guide your budget, write out an actual breakdown of your income and expenses to see what you can afford.

**Pay with cash.** Inflation is making it more difficult to afford necessary goods and services, so Americans are increasingly relying on credit cards. But interest rates are also going up. So, unless you pay off your balance in full, you'll ultimately be spending way more on your holiday gifts than the sticker price. To keep your spending in check, and to avoid tacking interest payments on to the cost of your purchases, pay with cash—or be sure you can pay off your entire credit card balance. While using a debit card is an alternative option, be warned that this method puts you at greater risk for cybercrime. If your account number is somehow stolen, it's much easier for a scammer to quickly access your money, and there are fewer consumer protections with a debit card than there are with a credit card.

**Shop sales.** During the Covid-19 pandemic, many industries were affected by delays or cancellations in product deliveries from overseas. Now that production and transport have mostly resumed, stores have been saddled with excess inventory that they need to clear from their shelves and storage facilities so they can make room for new products. The result? Sharp price slashing. Keep an eye out for sales, coupon codes, and free shipping perks before making a purchase, especially at big box stores.

Overstocked products will also find their way to off-price retailers as larger stores sell off their excess and delayed shipments that arrived late. You'll likely see products and brand names—and possibly new discounts—in these types of stores that you've never encountered there before. If you're looking for a specific gift, compare that item at various retailers to make sure you're getting the best deal available.

**Buy off-season.** While most people are focusing on pumpkin spice and sweater season, stores are hoping to get rid of whatever swimsuits, beach towels, and pool floats they still have in stock. If you can suspend your summer mindset for a few more weeks, you could score significant deals on gear for next year. Remember this tip at the end of winter, too, when prices of cold-weather attire are similarly slashed.

Holiday products may be causing stores the same issues as seasonal products. If Halloween, Thanksgiving, or Christmas inventory was delayed last year, stores had to hold these items for months until those holidays came around again this year. So, if you're seeing those products in stores early, there's a good chance they might be on sale or show up at an off-price retailer.

**Support small businesses.** If you have a bit of wiggle room in your budget, purchasing gifts from a small business just might help keep that company in the black during a tough year. Inflation has boosted operational and material costs, causing many small businesses to raise their prices or cut their staff. Buying small helps stimulate the local economy and keep jobs in your community. While the state of the economy might not be ideal for holiday gifting, be assured that there are ways to use current economic conditions to your advantage—and spread some holiday cheer and generosity to everyone on your list.

My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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