

Your Employee and Family Assistance Program is a support service that can help you take the first step toward change.

Easing financial pressures after the holiday season

The excess of the holiday season—the parties, the food, the shopping—has finally ended. It's time to sit back, relax and enjoy the peace and quite January brings. But the ominous stack of credit card bills piling up, unopened, on the table before you makes you feel anything but tranquil—putting a lump in your throat and tying your stomach up in knots. While you may be tempted to ignore this financial holiday hangover, there are several steps you can take to ease the financial pressure and ensure the rest of the year is filled with fiscal comfort and joy.

Take charge of the charges. While it may be tempting to simply ignore debts and hope for a miracle, denying your financial dues will only add to your stress. Face financial demons head-on: sit down, open your bills—matching statement transactions with receipts—and assess the situation. Directly and honestly dealing with your debt load gives you a sense of control and helps to ease anxiety.

Create a budget. Carefully assess how much you can put towards paying your debts each month. Look for ways to reduce the money you're currently spending: cut back on eating out and brown-bag your lunch, find free alternatives to expensive nights out and skip the costly cappuccinos on work breaks.

Be strategic. Pay the largest sums on the credit card with the highest interest rate and pay at least the minimum on lower interest cards. Many credit card companies offer you the option of consolidating other credit card debts onto one card at a much lower interest rate. Take advantage but be careful: if you're late or miss a payment, the interest immediately inflates to the standard rate.

Pay much, pay quickly. You don't need to be an accountant to know that the longer you take to pay debts off, the more interest you'll shell out. But many people fail to realize that it could take 18 to 20 years to pay off a large credit card debt by paying only the minimum monthly balance. Consolidate your debts through a lower interest rate line-of-credit if possible and always pay more than the minimum due.

Get financial advice. If you're feeling in over your head with your debt load, then it may be time to seek support from a financial expert. He or she can assess the situation, help you draw up a clear and realistic plan to manage your money and free yourself from debt.

Start planning for next year now. The more prepared you are for the next holiday season, the less likely you are to overspend and suffer from another financial hangover. Open a holiday savings account and funnel a small sum of money to it weekly to go towards next year's spending. Make holiday shopping a year-round event: pick up gifts when they go on sale, even if it's in the middle of the summer. Doing so will help you avoid December-panic impulse shopping which often leads to overspending.

Though it's tempting to go into "debt denial," handling the post-holiday financial crunch sooner rather than later, will help you take control of your situation and even avoid some of the same dreaded financial headaches next year.

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