

How to Keep Grandkid Spending in Check This Christmas



One holiday gifting method advises giving children a want, need, wear and read.

Many grandparents spend much of the year saving up so that they can shower their grandkids with gifts at Christmas. This may be easy when you're no longer actively parenting and still working full time. But if you need to cut back on spending when you retire, it can be more difficult to spend lavishly on your grandchildren. And as your family grows larger, you can no longer spend as much money per grandchild.

Sticking to a budget when shopping for your children and grandchildren can be difficult. One popular gift-giving method has popped up in recent years that may make it easier. This gifting strategy is a jingle that goes: one thing they want; one thing they need; one thing to wear; and one thing to read.

As more millennial parents look to cut back on the amount of stuff their kids receive, this little saying is becoming popular for parents. And it may just be your ticket to cutting back on holiday spending on the grandkids without feeling like a Scrooge. Using a rule of thumb like this one lets you give a variety of gifts, keeps grandkids from getting overwhelmed with toys and may help you cut back on your holiday spending. If you'd like, you can even shorten the list to one thing they want and one thing they need.

How it works in real life. In practice, you could still shell out lots of cash buying these four things. But if your goal is to spend more reasonably on each grandchild, set a limit on the total amount you will pay. Then, you're free to spread that spending out in different ways between your grandkids.

For instance, let's say your 4-year-old grandchild loves all things sparkly and pink. You could put more of her holiday budget in the "something to wear" bucket, and splurge on a twirly dress with glitter everywhere. Then, purchase her a small toy, an affordable picture book and a package of frilly-but-practical socks.

On the other hand, your 10-year-old grandson might prefer expensive Lego kits, but doesn't care much about clothes. Put more of his budget into a new Lego set, and then buy him a \$5 superhero tee-shirt, a comic book and a contribution to his 529 college savings account.

Talk about it first. If you already have a tradition of spending extravagantly on your grandkids and giving them everything on their "want" list, you may need to have a conversation with the parents and perhaps the kids, depending on how old your grandkids are. Well before the holidays, explain your new gift-giving rule of thumb, and start gathering ideas from mom, dad and the kids.

Letting kids have a say in what they want and need and what they like to wear and read can make this a fun new holiday tradition instead of a drag. Of course, be sure to get input from the parents on what the kids need. And double check the sizing for clothes shortly before the holidays, since kids can quickly shoot from one size to another.

Stick to it. Even if you have conversations ahead of time and plan this approach well, switching to a new tradition at the holidays can be tough for everyone involved. But don't give up. Set a budget for each grandchild, and get creative with finding good bargains. Soon, you'll find that you're an expert at sniffing out just what your grandkids want, need, wear and read while also sticking to your holiday budget.

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