

Budgeting Tips to Manage Christmas Spending

LONDON, UNITED KINGDOM, December 22, 2025 /EINPresswire.com/ -- As the average UK household prepares to spend more than £740 on gifts, food, and decorations, rising living costs are expected to influence Christmas spending decisions for many families this year.

"Christmas is the time of family, fun and generosity, but these days, the cost of it can really take away from that," says [Gemma Bird](#), [MandM](#) ambassador.

"Recently, I've noticed an increase in the number of people sharing tips to save money on social media. It's proof that you can be generous with yourself and others on a limited budget."

In response to financial pressures, a growing number of households are taking a more considered approach to festive spending. From budgeting and shopping strategies to low-cost alternatives, the following ideas highlight practical ways to reduce costs while maintaining seasonal traditions.



Money Mum, Gemma Bird, Shares Christmas Money-Saving Hacks

1. Start with a Christmas budget

Although it may seem obvious, many households do not set a dedicated Christmas budget. Establishing an overall spending limit and dividing it into categories such as gifts, food, and social events can help provide structure.

"There's no one-size-fits-all approach," says Gemma Bird. "A family of four will spend more on food than a couple without children, so the best approach is to tailor your budget to your household."

“An easy way to do this is with a spreadsheet or try banking or budgeting apps to split money into pots for each category.”

2. Sign up for bank switches or cashback schemes

Several major banks currently offer cash incentives of up to £200 for customers who meet switching criteria. These bonuses can contribute toward festive costs.

For those not seeking a new bank account, cashback apps and websites offer the opportunity to earn money back on everyday purchases, allowing savings to build gradually.

3. Always check for discount codes

Discount codes remain a common way to reduce spending. Searching online before completing a purchase may uncover available offers. In addition, some brands provide discounts to new newsletter subscribers, often in the form of a percentage reduction or a fixed amount off a minimum spend.

4. Use loyalty points for the Christmas food shop

Supermarket loyalty schemes can generate vouchers that often go unused.

“A lot of people don’t realise how much they’ve earned because when supermarkets talk about member card benefits, they focus on the immediate discount at the point of purchase,” says Gemma Bird. “You can usually find out how much you have in vouchers on the company’s website or by asking in store.”

Saving these vouchers ahead of December can help offset seasonal food price increases.

5. Reuse and reimagine wrapping paper

Gift wrapping costs can be reduced by reusing materials already available at home. Fabric wraps made from scarves or tea towels can be reused and become part of the gift itself. Brown paper decorated with simple designs and finished with string or twine offers another low-cost option, as does reusing saved wrapping paper from previous years.

6. Start food shopping early and buy over time

Gradually purchasing non-perishable festive items in the weeks leading up to December can help spread costs. Items such as cranberry sauce, mince pies, and chocolates are commonly added to weekly shops. By the start of the festive period, much of the pantry may already be stocked, reducing the impact of one large expense.

7. Shop off-price retailers

Off-price retailers provide access to branded products at reduced prices throughout the year.

“Some people just love certain brands, maybe they love the styles or quality or just the brand itself. Off-price retailers are the place to go for those gifts,” says Gemma Bird.

“MandM lets you shop premium brands for up to 65% less all-year round. Adidas, Nike, Calvin Klein, Levi’s – you name it.”

8. Try DIY decorations

Homemade decorations offer a low-cost and environmentally conscious alternative to shop-bought options. Popular ideas include dried orange garlands, wreaths made from foraged greenery, and refreshed baubles using simple craft materials. These activities can also be shared with family or friends.

9. Make homemade Christmas crackers

Traditional Christmas crackers often contain novelty items with limited use. Making crackers at home allows for more personalised contents and reduced waste. Materials typically include card, paper tubes, snaps, ribbon, and small treats or jokes. Kits are also available for those seeking a simpler option.

10. Try a family Secret Santa

Some families reduce costs by switching to a Secret Santa format, setting a spending limit and drawing names. This approach reduces the total number of gifts purchased while keeping gift-giving traditions intact, particularly in larger families.

11. Embrace the four-gift rule for children

An increasing number of parents are adopting the four-gift rule, which focuses on gifting something wanted, something needed, something to wear, and something to read. Allocating a budget to each category can help manage costs and reduce excess.

“People are realising that a thoughtful, budget-friendly Christmas often feels more special than one where you’ve overspent,” says Gemma Bird. “It brings the focus back to quality time together with fun family activities and carefully considered, meaningful gifts.”

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