

FTC Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Division of Consumer & Business Education

Holiday Shopping, Circa 2008: Tips from the Federal Trade Commission

If you've ever heard the advice, "*Never go to the grocery store without a list or when you're hungry,*" chances are you know why: you're likely to buy more than you need and spend more, too. The same advice applies when you're shopping for the holidays. Whether you're shopping at the mall, online, or by phone or mail, the Federal Trade Commission (FTC), the nation's consumer protection agency, says that a little planning and know-how can help you deliver a holiday season that's on budget and maybe even a little less stressful.

Getting Started

By making a shopping list, creating — and sticking to — a realistic budget, and looking for good values, you may be able to avoid the headache that could come with post-holiday debt.

List the people you plan to buy gifts for, the type of gifts you plan to buy, and how much you plan to spend. Include the cost of cash gifts, holiday travel, extra food, wrappings, decorations, greeting cards, and postage. If it relates to the holiday season and it costs money, add it to your budget.

Shopping the Holiday Sale Ads

How do you decide if the deal is real? Here are some tips to help you get the most for your money.

- **Shop around.** A "sale" price isn't always the "best" price. Some merchants may offer a sale price on the item you want for a limited time; other merchants may offer items at a discount everyday.
- **Read sale ads carefully.** Some ads may say "quantities limited," "no rain checks," or "not available at all stores." Before you step out the door, call to make sure the item you want is in stock.
- **Consider your time and travel costs.** If an item is on sale, but the store is across town, include your time and the costs of transportation and parking in the price.
- **Look for price-matching policies.** Some merchants will match, or even beat, a competitor's prices.
- **Go online.** Check out websites that compare prices. If you decide to buy from an online merchant, keep shipping costs and delivery time in mind.
- **Carefully consider bargain offers** that are based on purchases of additional merchandise. For example, "Buy One, Get One Free" or "Free Gift with Purchase." If you don't really want or need the item, it's not a deal.
- **Clip coupons.** Coupons are useful when they save you money on what you're already planning to buy. Check coupons for any restrictions. For example, do expiration dates apply, or do you have to spend a certain amount before you can use the coupon? Some retailers will accept expired coupons, and even coupons from their competitors. Check with the retailer before you leave home to learn their policy.
- **Ask about sale adjustments.** If you buy an item at regular price and it goes on sale the next week, can you get a credit or refund for the discounted amount?

Staying on Track

Regardless of how you pay for your purchases, remember to:

- **Keep track of your spending.** Incidental and impulse purchases add up. Jot down what you spend after every purchase.
- **Save your receipts.** You need them for returns and exchanges. Check credit and debit card sales and return receipts against your monthly bills and statements, and report any problems to the credit card issuer promptly.
- **Ask for gift receipts.** Many retailers offer gift receipts that code the price. That way, if the recipient returns the item, they'll get the same value even if the item has been discounted further.
- **Ask about refund and return policies.** Many merchants may have different refund and return policies for sale items. For example, clearance merchandise may be on final sale, meaning no refunds or exchanges.
- **Keep good records.** Whether you're ordering by mail, phone, or online, it's important to keep detailed information about the transaction, including your order number, shipping costs and dates, warranties, and refund and return policies. Some online merchants do not process returns at their retail locations.
- **Ship early.** If you're sending gifts to out-of-towners, factor in extra time for shipping. If you wait until the last minute, you may pay a hefty price for express or overnight shipping.
- **Keep an eye on your wallet.** Don't flash cash. Keep an eye on your credit or debit card during transactions, and get them back as quickly as possible. If your cards are lost or stolen, report the loss or theft immediately to the card issuers.

Layaway Programs

If you're not keen on paying with plastic and don't have the cash on hand, you may want to ask about a layaway program. Layaway purchase plans are designed for customers who want to buy merchandise without using credit or paying the full price immediately.

Layaways are not credit purchases. When you buy an item on credit, you take the merchandise home with you. When you use layaway, you typically make a deposit — usually a percentage of the purchase price — and pay over time until you have paid for the item in full. In exchange, the retailer holds the merchandise for you.

To avoid problems, get the store's layaway policy in writing. It should include:

- **the terms of the layaway plan:** how much time you have to pay for the merchandise; when your payments are due; the minimum payment required; and possible charges, like a service fee, for using the plan. Find out if there is a fee or a penalty for missed or late payments: Will your contract be cancelled? Will the merchandise be returned to the sales floor?
- **the refund policy:** If you decide you don't want the merchandise after you've made some or all the payments, you may expect a refund. But retailers' policies may differ: Some give you all your money back; others may charge a non-refundable service fee; and still others may offer a store credit for the amount you paid.

For More Information

To learn more about money management and shopping wisely, visit **ftc.gov** and **www.MyMoney.gov**, the U.S. government's portal to financial education.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit **ftc.gov** or call toll-free, **1-877-FTC-HELP** (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters consumer complaints into the Consumer Sentinel Network, a secure online database and investigative tool used by hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.