Mr. James Dillingham ('Young Jim') and his wife, Della, are a couple living in a modest apartment. They have only two possessions between them in which they take pride: Della's beautiful long, flowing hair, almost to her knees, and Jim's shiny gold watch, which had belonged to his [father](http://en.wikipedia.org/wiki/Father) and [grandfather](http://en.wikipedia.org/wiki/Grandfather).

On [Christmas Eve](http://en.wikipedia.org/wiki/Christmas_Eve), with only $1.87 in hand, and desperate to find a gift for Jim, Della sells her hair for $20, and eventually finds a[platinum](http://en.wikipedia.org/wiki/Platinum) fob chain for Jim's watch for $21. She found the perfect gift at last and runs home and begins to prepare dinner, with 87 cents left.

When Jim comes home, he looks at Della with a strange expression. Della then admits to Jim that she sold her hair to buy him his present. Jim gives Della her present – an assortment of expensive hair accessories (referred to as “The Combs”), useless now that her hair is short. Della then shows Jim the chain she bought for him, to which Jim says he sold his watch to get the money to buy her combs. Although Jim and Della are now left with gifts that neither one can use, they realize how far they are willing to go to show their love for each other, and how priceless their love really is.

The story ends with the narrator comparing the pair's mutually sacrificial gifts of love with those of the [Biblical Magi](http://en.wikipedia.org/wiki/Biblical_Magi):

The magi, as you know, were wise men – wonderfully wise men – who brought gifts to the new-born [King of the Jews](http://en.wikipedia.org/wiki/Jesus) in the manger. They invented the art of giving Christmas presents. Being wise, their gifts were no doubt wise ones, possibly bearing the privilege of exchange in case of duplication. And here I have lamely related to you the uneventful chronicle of two foolish children in a flat who most unwisely sacrificed for each other the greatest treasures of their house. But in a last word to the wise of these days let it be said that of all who give gifts these two were the wisest. Of all who give and receive gifts, such as they are wisest. Everywhere they are wisest. They are the Magi.