

Financially Speaking

With Trisha Arndt, CFP®

Millionaire Travel on a Budget – Enjoying Your Stay

I was really excited a couple of weeks ago when someone approached me at Miller's to tell me how much they enjoyed my last column on travel planning. And, not only did she like my last column but she had a couple of suggestions for things to include in this one. It turns out that she had just returned from a trip to what I consider one of the most beautiful places in the world (and where I spent my honeymoon) – Alaska.

Traditionally places like Alaska have been considered travel destinations only for people of a certain age. While some of that may be attributed to the type of things people enjoy doing on vacation, I think in great part people shy away from places that are more distant because they assume that it would be too expensive to go there. Well, as I say often, where there's a will there is a way and vacations to even some of the most "expensive" locations like London can be taken on a budget.

One of the most important aspects of visiting a new place to me is deciding where to stay. Most major destinations today will have accommodations ranging from dorm like hostels (great for the budget but I need my own bathroom) to fabulously personal Bed and Breakfasts to full service hotels. My personal choice tends to be the apartment hotel. I like the facilities typically associated with a hotel but really enjoy the flexibility to cook a meal or wash a load of clothes (which allows me to pack light). Best of all, I find that apartment hotels are generally in that mid level price range which is my comfort zone.

A major mistake that many make is to try to save money on the hotel by staying in a remote location. The problem is that you spend all the money you saved on either gas/parking or cab fares. Not to mention the time you waste. A good solution I've found is to stay in a place slightly out of the loop but right next to mass transit like a subway or bus stop. If the spot your going doesn't have a good transit system or it isn't safe to use it then save yourself the headache and pay the extra money to stay in a good location.

People tend to spend a lot of money on food while vacationing but you don't have to spend a fortune to test out the cuisine. I've developed a habit of eating lunch out at a nice local restaurant when traveling. The lunch prices are generally significantly less and you can get into places that are often full for dinner. You can couple that with less formal breakfast and dinners or, if you're staying at a place with a kitchen, you can cook your own. That way you get the best of both worlds without the price tag.

When visiting attractions ask for discounts and use coupons. You never know what you can save. When in Virginia this summer someone mentioned to me a coupon for Bush Gardens at the local Arby's. We stopped and picked up a placemat with a coupon and literally saved over \$50 for our two minutes of time. Foreign countries often offer special pricing for nonresidents so check out the attraction website before you go (sometimes the tickets must be purchased in advance to qualify).

Keeping in touch while you are away from home has gotten easier and less expensive over the years. To my mind the best way is email. You can sign up for a free email account with a provider like hotmail that can be accessed anywhere and keep in touch with a bunch of people all at once. Internet access at hotels can be costly so look for internet cafes or check the local library – they'll often let you go on-line for free.

There are extra considerations when traveling abroad.

The novice traveler will make two major mistakes before even leaving the airport. First, they'll exchange cash at the exchange booth situated so enticingly near the baggage claim. Exchange rates fluctuate regularly but just like gas prices the exchange rate varies from location to location. And like gas prices those "convenient" kiosks charge a premium for the location.

Many travelers will exchange all of their money immediately and often they bring more than they plan to spend just to be careful. That means that they'll have to exchange money back to dollars when they leave. And guess what? The exchange rate is even worse to exchange back.

So how do I suggest paying for things in foreign lands?

First of all, credit cards are king. Your major credit cards (mastercard and visa) are accepted pretty much worldwide and as a general rule are going to give you some of the best exchange rates. Plus you have the added bonus of some of the protections that credit cards can give you if you run into trouble receiving the services you paid for, etc. When I travel I use credit card for almost everything (and of course I'm using my airline mileage accruing card while I'm at it).

For the cash that you will need I recommend using an ATM. Like credit cards, debit cards associated with visa or mastercard or accepted fairly universally and I've never had trouble finding an ATM. There will be one located in every major airport so bypass the exchange booth and hit the ATM.

A couple of words of caution though. It is important to notify both your credit card and debit card company ahead of time if you will be using them on a trip so that your purchases don't flag a fraud alert. Also be aware that some cards now charge up to a 3% premium on transactions that require currency conversion. Make sure you know the rules of your card before you go.

So if you have a desire to travel take your time, do the research and get out there. There's a whole world waiting to explore.

Trisha Arndt, CFP[®], is president of Wealth Strategies of Wisconsin Ltd, 535 Half Mile Road, Ste 5B, Verona, 848-2400. Securities and Investment Advisory Services offered through Commonwealth Financial Network, member FINRA/SIPC, a registered investment adviser. Wealth Strategies of Wisconsin Ltd and Commonwealth Financial Network are separate and unrelated entities.