

Summer is a popular time to take off on a vacation. The more you plan ahead of time, the more likely you'll be able to enjoy yourself while you're gone and return home without lingering financial concerns in your wake.

ON THE ROAD AGAIN

Planning a trip? Consider adding these money management steps to your list before you go.

Overview

Planning an upcoming trip? You're not alone — nearly 85% of Americans are making travel plans for this summer.¹ But before you hit the road, there's a host of things to do: Arrange care for the pets. Pack. Buy toiletries and other necessities. The list goes on.

Your pre-travel checklist might also contain money-related tasks. Here's a look at some of the financial items to add to your list and help make sure your vacation is the relaxing and entertaining trip of a lifetime.

Set Your Budget

It can be tempting to spend, spend, spend when you're on a special trip. Keep overspending in check with a pre-determined budget, especially for things like meals, activities and souvenirs. With a little research and pre-planning, you can find out typical costs for your destination and plan your trip accordingly.

Automate Your Bills

Who wants to worry about bills during a vacation? Set up automatic payments for recurring bills that are due while you're away, especially if you're going on an extended trip. Consider pre-paying bills if auto-pay options aren't available.

Check Your Credit Cards

Some credit card companies encourage you to inform them ahead of time if you're planning to travel, especially if you're leaving the country. That's because many companies have systems in place to automatically trigger a fraud alert for unusually large charges or purchases outside your usual stomping grounds. And you don't want to be denied if you're trying to buy yourself (or your kids) a souvenir from the trip!



Most credit cards have a chip that is encrypted and deemed safe for use anywhere. But if you have a magnetic-stripe card, some foreign merchants may not be able to accept it, especially at self-service payment kiosks. You might want to request a chip-enabled card from your issuing company before your trip.²

It's also a good idea to use a credit card that doesn't charge a foreign transaction fee to convert the local currency to U.S. dollars. Some merchants will ask if you want them to convert that fee at the point of purchase to help you determine how much you're paying in U.S. dollars. (This is called a Dynamic Currency Conversion or DCC fee.) It's usually a good idea to turn down this service, as the point-of-purchase fee is typically more than what credit cards charge. If you use a card with no foreign transaction fees and decline the DCC service, you won't have to pay a currency conversion fee. Keep in mind, however, that you will have to pay whatever the charge converts to in U.S. dollars when you get the credit card bill.³

Visit the Bank

Traveler's checks may not be as popular as they once were, especially since credit cards are more widely accepted. But most banks still offer them, especially for people headed out of the country. Traveler's checks act like cash, but banks provide security for lost or stolen checks.⁴ If you prefer to purchase items in cash and avoid using credit, you might want to head to the bank for some traveler's checks.

For international trips, you might check with your bank to see about exchanging for foreign currency before you leave. Plan to do this a couple of weeks before your trip, since bank branches don't tend to keep every foreign currency on hand. Some banks will even allow you to order the currency and have it shipped directly to your home. Picking up foreign currencies stateside will help you avoid paying a high service fee at foreign banks.

If you need more cash while abroad, pay attention to the conversion fees charged. These fees are usually less at banks than at more conveniently located places, such as airport kiosks. You may be able to get even lower rates if your bank has branches or a partnership with a financial institution in the country you're visiting.

Help Protect Yourself — and Your Accounts

Even the best-laid plans sometimes get waylaid. When they do, trip insurance can help recoup some losses due to an unexpected health crisis, lost luggage or natural disasters. And while you're checking on your credit card's travel features, you may want to set up alerts to be notified of any unusual activity. (This is a good practice to have even when you're home!)



Final Thoughts

Although the tips above have to do with money, none of them involve investing — which is a key service most financial advisors offer. Yet what we do is so much bigger than investing. It's more about helping people pursue their dreams and goals, and travel is a big part of that for many people, especially retirees. In fact, 60% of people say they dream of traveling more after retiring.⁵ We want to help make those trips enjoyable, because it's one of the things you work, save and invest for all year long.

¹ Eric Jones. *The Vacationer*. April 1, 2024. "Summer Travel Survey & Trends 2023 - Nearly 85% to Travel, 42% to Travel More than Last Summer, More than 54% to Fly on a Plane, 100 Million to Road Trip Over 250 Miles." <https://thevacationer.com/summer-travel-survey-2023/>. Accessed April 2, 2024.

² Rick Steves. *Rick Steves' Europe*. "Using Credit Cards in Europe." <https://www.ricksteves.com/travel-tips/money/chip-pin-cards>. Accessed April 2, 2024.

³ Jacqueline DeMarco and Poonkulali Thangavelu. *Bankrate.com*. Oct. 20, 2023. "A guide to foreign transaction fees." <https://www.bankrate.com/finance/credit-cards/a-guide-to-foreign-transaction-fees/>. Accessed April 2, 2024.

⁴ Julia Kagan. *Investopedia*. March 24, 2024. "Traveler's Check: What It Is, How It's Used, Where to Buy." <https://www.investopedia.com/terms/t/travelerscheck.asp>. Accessed April 2, 2024.

⁵ Rebecca Rosenberg. *Investopedia*. March 25, 2024. "Want to Travel the World in Retirement? Here's How." <https://www.investopedia.com/traveling-during-retirement-7564945>. Accessed April 2, 2024.

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