

Spending Plans for Vacations

Although we want to present our family with a fun vacation, it can take a lot of planning and creativity to do it on budget. MOSAIC Credit Counsellors have these suggestions.

- Sit down with your family and talk about what you want to do for your vacation. This is a great way to teach children about budgeting. Investigate the costs and see what you can afford. Then you can set a goal and a target date.
- Remember to include in the cost all of the expenses that go along with the holiday plans - clothing, car maintenance, spending money, transportation, accommodation, meals, entrance fees, sight-seeing costs.
- As with any discretionary expense, don't go into debt for vacation travel. When you go into debt, you rely on future income to pay for your holiday. The job market today is so unpredictable that you don't want that looming over your head. In addition, your holiday becomes more expensive with the interest you pay on the loan. And, you'll have a better vacation because, mentally, you'll know you're not coming home with a debt to pay.
- Do your homework. Use the Internet to find your best prices. If you are flexible and can wait to the last minute, you can take advantage of some terrific deals. If you can travel at non-peak times, you also will receive better air travel rates.
- Share your holiday with another family. The cottage rental split in half is a lot more affordable. If you're traveling as a couple, consider going with another couple and splitting the automobile expenses.
- Don't be pressured into competing with friends and neighbours over vacation planning. Your children do not need to go to Disneyworld. They need to have their basic needs met. Vacations are about recharging – an expensive vacation is not the only answer. There are a number of inexpensive ways to enjoy the summer holidays - go camping, rent an RV, swap houses with family or friends in another city. There are also great programs and camps for kids in the city that are not costly. Buy a summer family pass at a local outdoor pool. Day trips can also be an exciting adventure for the kids - visit the parks, go to the zoo, spend a day at the beach, attend a sporting event.
- Plan for the long term. Don't just look at the coming year. Set long-range goals that include paying off your house, contributing to your RRSPs, as well as your future holiday plans. It also can be easier to save for that trip to Florida over five years than one year.
- Recognize that there are different stages in life. What stage you're in will shape your holiday plans. You may be better able to afford an expensive holiday after the kids are gone and the mortgage is paid.

