

Budgeting for Your Long-Awaited Summer Vacation



While winter weather in Canada has its challenges, a relaxing summer vacation may be the pot of gold at the end of the frozen rainbow.

With today's rising fuel costs and high inflation, it might seem like you'll actually need a pot of gold to pay for your vacation, but that doesn't have to be the case. With some pre-planning, your long-awaited reprieve can be fun and relaxing without having to break the bank.

5 tips for your vacation budget

1. Create a vacation spending plan. Everyone has different personal and financial circumstances, so you'll need to think about where you'd like to go for vacation and what you're willing and able to spend. Calculating the cost involves factors like your destination, length of stay, travel and transportation expenses (both the roundtrip and during your vacation), lodging accommodations, food, attractions, entertainment, activities, etc. Also consider if you'll need to board your pets or pay someone to maintain your home while you're away. These can add to your overall vacation expenses.

2. Create a savings plan. Once you've estimated your costs, decide how you'll pay for it. Putting aside a pre-determined amount of money on a regular basis can help ease the final tally.

Examining your usual spending habits is another way to save up before you head off to your destination. For instance, in anticipation of your trip, try to cook more and dine out less. You may also try substituting walking or public transit for driving whenever possible.

Speak to your advisor if you would like to incorporate vacations into your overall financial strategy. He or she may help you budget and save so you can achieve your vacation goals while still having money to meet your ongoing expenses and grow your wealth for the future.

3. Find ways to trim expenses. There are many ways to reduce your vacation spending such as choosing a less expensive destination and/or cheaper accommodations, going for fewer days, modifying your activities, dining more economically and shopping less. A day at a national park during the summer can be just as fulfilling as time spent at an amusement park – and at a much lower cost!

Where possible, use coupons and other trip-related discounts. Also, don't forget if you're visiting another country, you should consider converting your currency while still at home – if you wait until you reach your destination, you may have to pay more.

4. Be flexible when booking your trip. Generally, if you commit to booking (and paying for) your vacation well in advance, you'll be rewarded with a competitive price. The opposite strategy may also work in your favour: a last minute trip provider may offer a large discount just to fill seats on the plane or rooms at the hotel. It helps if you're flexible about mode of transportation, departure and arrival times, or even destination.

While travelling off-season is typically cheaper (e.g., Florida in September), even the days of the week may affect your costs. If booking online, comparison shopping is easy and may uncover the best deals.

5. Opt for a "staycation." Have you ever thought about exploring your own city through the eyes of a tourist? A staycation should be planned like any other trip so it maximizes your leisure time. Be sure to take photos and videos – your own home town likely has many attractions! If you're unsure what to do, visit your local tourism office (or go online), see what they recommend and choose the venues or activities that appeal most to your family. Having fun and spending time with your loved ones doesn't necessarily mean you need to board a plane. This way, you'll save money, which can help you reduce debt, invest or save for future use.

Finally, check if your province offers staycation incentives. For example, the [Ontario Staycation Tax Credit for 2022](#) is a temporary credit that encourages Ontarians to explore their province. This credit aims to keep vacation dollars closer to home while supporting the tourism and hospitality industries devastated by the pandemic.

To learn more about how your investment plan can accommodate a vacation budget, please contact us today.

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