



## Creative ways to save for a family vacation

(Based on an article that originally appeared in Manulife *Solutions* magazine)

If you spend a lot of time reading or thinking about how you need to start saving for your retirement, the idea of spending money on a family holiday may seem like an irresponsible use of your income.

We all know that family holidays are when long-lasting memories are made, and one day you'll probably wish you'd taken more of them. So how can you reconcile saving with family getaways?

### MAKE SAVING A FAMILY AFFAIR

One good way to save for a holiday is to establish a separate savings vehicle for that purpose and contribute to it regularly. A short-term, high-interest product – such as a high-yield bank account – may be your best bet. Decide on a monthly amount you can afford to contribute, and watch your savings grow.

If you have older children and want them to help save for a family vacation, come up with ways in which they can help 'earn' their part in the trip.

For example, teenagers can earn a 'credit' towards the vacation by skipping popcorn at the movies. Younger children can earn credits for cleaning up toys. This is a great way to combine saving for a holiday with teaching your children about money management and budgeting.

### PLAN A LESS EXPENSIVE VACATION

#### Think outside the suitcase.

Holidays don't have to be expensive, says Ann Douglas, the author of more than a dozen parenting books, including *Family Finance: The Essential Guide for Canadian Parents*. Not every holiday has to last an entire week to be a memorable event in your family's history. Instead, she says, consider taking mini-vacations.



Noting that longer holidays can be difficult to schedule and ever harder to pay for, Douglas has suggested that two- or three-day getaways can more easily be fit into jam-packed schedules and tight budgets. A sense of adventure is the key to thinking “outside the suitcase”.

You may also get a better deal on a holiday by booking it online. If you participate in an airline rewards program and you have enough points for a free ticket or two, this will cut down on costs significantly. If your holiday schedule is flexible, consider taking advantage of ‘last-minute’ packages at steep discounts.

A more creative option may be to plan a vacation in a country where costs will be extremely low once you get there, whether because of currency exchange or because the cost of living is low. For example, it’s expensive to travel to destinations in Asia from Canada, but you can eat, sleep, shop and visit tourist attractions on a low budget once you’ve arrived in some of those countries.

Of course, your children may have other vacation ideas that will surprise you. Get out your atlas and start planning!

