

Get financially fit for your next holiday

By [Ernest Zamisa](#)

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Although Statistics South Africa reported a decline of 72.9% in overall income generated in the tourism industry for January 2021, prominent local bookings agency LekkeSlaap actually noted a significant increase in local bookings in the months that followed.



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This indicates that South Africans are seeing the light at the end of the pandemic tunnel and are ready to pack their bags, gather their family together and finally head off on a well-deserved staycation.

The big Covid-19 third wave, which was predicted to hit South Africa in the weeks after long Easter weekend and school holidays, has seen an increase in the rate of new infections reported over the last week.

There are predictions that with the winter season on the horizon, would-be holiday-goers may need to reconsider their immediate travel plans.

While the pandemic and the associated lockdown and travel restrictions are giving people the time to save and budget appropriately for their next holiday, they still need to remain cautious.

With an economy still reeling from the impact of the 'new normal', the cost of embarking on this much-needed getaway should be taken into account - as the additional, often overlooked holiday expenses, tend to take many holiday-goers by surprise.

Holidays are somewhat expensive, there's no getting around it. However, for many individuals, coming home with a maxed-out credit card that takes the next year to pay off can really spoil the whole experience. But with proper planning, the expense can be mitigated and budgeted for, with the right foresight and discipline.

In addition, consumers can draw lessons from challenges like Covid-19 such as the importance of proper budgeting and saving for future rainy days.

Understand all costs involved and budget accordingly

When it comes to any financial planning, it pays to be realistic about what people are going to spend at every turn. A holiday is filled with expenses. It's not just travel, accommodation and sightseeing. There are many small costs that can rack up quickly and it's those unforeseen expenses that need to be accounted for in their holiday planning.

It is advisable for individuals to create an exhaustive list of all the potential expenses, including line items like fuel, tolls, food (including meals and all pit stops along the way), emergency medical funds, travel insurance, entertainment, shopping, entry fees for sightseeing and other local attractions as well as souvenirs, gifting and shopping expenses that may come up.

Start planning way in advance

Of course, sometimes we can't predict when we will require that much-needed break, but we can guarantee that we are going to need a holiday sometime in the next year. With the economy and personal financial situations being what they are, it is prudent that consumers start planning their 2021 spring/summer getaway now.

If you do that, you will have a veritable buffet of accommodation options at more affordable rates. Not only that, but flights are going to be as reasonable as they will ever be.

People should set up a separate savings account and start putting aside a set amount each payday. Before booking, if they crunch the numbers they will work out if the trip they have planned is affordable or not.

Cash in on your rewards programme

In these financially frugal times, it is prudent for all would-be travellers to tap into every financial avenue they can and then squeeze that sponge for all its worth. They are multiple rewards programmes out there. Consumers will have accumulated points to spare and the upcoming holiday would be the perfect place to cash in.

Momentum Multiply premier members, for example, can get up to 30% off flights through their airline partners as well as car rental. If that cost comes to say R10,000 then simply tapping into their rewards programme will result in a savings of R3,000.

Pay off your credit card debt

While it may sound counterintuitive to save cash by spending money, most people simply don't realise how much credit card repayments are crippling their month-on-month budget. The quicker they can pay off their credit card, the more money they will free up to save for a holiday.

Over time, a slimmer debt load loosens the belt on discretionary budget, freeing up more funds for luxuries like vacations – even if it simply allows consumers to dip into their credit card again without sweating too much.

However, individuals shouldn't overstep their boundaries. If they can, they should rather wait and save instead of going

deeper into debt. A holiday is nice, but it should not ruin long-term financial goals and people need to keep their financial journey to success in mind. When in doubt, seek the advice of a financial adviser.

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