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YOU COULD USE A VACATION...*BUT CAN YOU AFFORD IT?*

Financial planning often involves evaluating those necessities and luxuries of life known as current expenses, and determining whether dollars spent today could be better used tomorrow for a rainy day fund, children's education, or even retirement. Every spending decision we make, no matter how seemingly (in)significant, has a financial consequence that represents an "opportunity cost" for later in life. Many people cannot start that day without a piping hot mug of expensive Joe; others watch every cable movie and can't imagine going back to basic programming. Just remember, the \$3.50 morning coffee and \$10 monthly movie package add up over time and represent a tidy sum that will not be available five, 10, 20 years down the road. We may wish we had those dollars back (plus interest) when we become victims of an unexpected work downsizing, our kids pick a private college over the public university, or we get ready to ride off into retirement sunset. Take the time to prioritize these "luxuries" and think about what you may be giving up tomorrow by continuing to spend those dollars today.

Vacations represent one planning area where we may be able to cut some expenses. Many of us save all year to afford these vacations and still worry about the associated costs the entire time we are gone. Don't fret...a few simple planning tips can help our vacation dollars go a long way.

Drive not Fly...

In most cases, the cost of a family vacation can be dramatically reduced by driving instead of flying (even with today's gasoline costs). Driving also represents a great way to see other parts of the country with periodic stops to certain landmarks along the way. Be prepared for some family bonding and plenty of "are we there yet?" from those backseat drivers.

Discount Hotels...

While luxury resorts and five star hotels look great in brochures and websites, all we really need is a comfortable bed, a swimming pool, and perhaps a few other activities for the kids. Don't pay extra for that unused gym, that informative concierge, the high-priced bar, the valet parking, or even the prime location.

Stay with Family and Friends Whenever Possible...

Hotel expenses can certainly add up quickly, particularly when vacations last a week or more. For those vacations that involve holidays with family and friends, daily visits are often cut short because of trips back and forth to the hotel. When friends and family members offer extra rooms, couches, and showers, don't be shy about taking advantage.

Scope Out All Discounts...

Internet specials, online booking, frequent flyer programs, Saturday stayovers...all of these discounts can add up. Don't forget to look into memberships (AAA, AARP, American Express) and corporate accounts set up through employers and trade associations. Additionally, most airlines promote last minute specials based on seat availability for those flexible travelers.

Monitor Incidental (Excessive) Spending ...

Careful packing can eliminate the need to purchase toothpaste and razors from the hotel gift shop. Avoid "lunching" at the airport restaurants and last minute book purchases at those terminal

stores. Daily excursions can be fun, but why bother when kids enjoy the hotel swimming pool, city zoo, and (free) museums just as much? Have family or friends make those airports drop-offs and pickups (and reciprocate) to avoid the pricy garage. Those same friends can feed the pets to save on boarding expenses. Finally, no one really wants those “witty” T-shirts or snow globes that represent impulse purchases at the airport stores.

So start planning your next vacation now and let your financial advisor help you with these and other planning ideas so you can enjoy (and afford) those new memories that last a lifetime. For more information.