

9 Inventive Ways to Save for a Family Vacation

Bring your travel dreams closer to fruition with these simple belt-tightening tips.

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Nothing beats a vacation down south, but touring a Florida theme park or relaxing in the Caribbean can cost a pretty penny. The average Canadian family spends about \$2,600 on March getaways, according to a recent survey by CIBC. Chances are, the piggy-bank approach won't help you sock away that much cash. Here are nine tips that will.

1. Use cash for day-to-day purchases

Credit and debit cards are a licence to spend. So stow the plastic and use cash for your walking-around money. Having a finite supply of dollars will force you to think about every purchase and help you cut back on unnecessary spending.

2. Set up a virtual money jar

If you don't feel comfortable carrying cash, create what **Liisa Tatem, a chartered accountant and member of Money Coaches Canada**, calls a virtual "money jar." Set up a dedicated bank account for everyday expenses and link it to a debit card. At the beginning of every month, transfer a set amount of money into the account. That way, you'll still be able to use your plastic, but there will be a cap on how much you can spend.

3. Don't be afraid to buy used

You pay a premium for being the first to own something. That's why savvy savers often buy used. Online classified ads in particular are great places to

find deals on everything from cars to kitchen tables. Because children outgrow clothes quickly, Tatem recommends buying them second-hand to avoid spending “horrendous” amounts on outfits at major retailers.

4. Be careful buying in bulk

Studies from the University of Arizona and Cornell University show people end up throwing away a lot of the food they buy in bulk, dashing their chances of saving money. The key, experts say, is thinking long and hard before you buy that 10-kilo tub of mayonnaise.

5. Watch where you eat

Restaurant meals “add up so quickly,” says Tatem. If you spend \$50 a week on restaurants, over the course of a year that will set you back \$2,600. So, if you want to save, try eating more at home. When you go grocery shopping, you can save money by buying food that’s in season and cutting back on meat, which can be much more expensive than veggie-based alternatives.

6. Open a dedicated vacation account

Many would-be travellers put the money they’ve earmarked for vacation into their chequing account. Unfortunately, that makes it easy to dip into your holiday nest egg when you need some extra cash. To avoid doing that, open a dedicated vacation account and, barring an emergency, keep your hands out of the cookie jar.

7. Tap into technology

Your smartphone can be a powerful ally in the battle to save money. The Internet is brimming with apps that will help collect coupons, find garage sales and track your spending.

8. Develop a budget

More than 50 per cent of Canadians reportedly don't have a budget, which is a recipe for overspending. "If people don't have a budget, they don't have any sense of how much they're spending," says Tatem. That's why experts recommend creating a detailed financial plan and sitting down every few weeks to make sure you're sticking to it.

9. Protect savings from emergency expenses

Even the best-laid savings plans can be undone by a medical or dental emergency. Without insurance, you might be forced to dip into your vacation account to pay for, say, an emergency root canal. So help keep your holiday money safe with insurance coverage that protects your whole family.