

HOW CAN YOU AFFORD TO TRAVEL?



If you are thinking about getting away for a bit, taking the kids on holiday, or going on that travel adventure you've always dreamed about, you may be considering your financial options. Travel finance is a huge topic and the considerations change depending on the type of trip that you are setting out on, and the ways in which you want to finance it. Here are some of the main options:

Savings

When you ask about people's savings goals, most of the time they say they want to save for a holiday. This is particularly true for people with young families as the financial demands are much tighter on new families with rapidly changing circumstances than it is for those families which are more settled.

There is no 'typical cost of a holiday', simply because the types of holidays that people can go on are getting more and more diverse, but it is possible to plan your savings depending on the type of holiday that you want to go on. Take a weekend break for a family of four at the UK sea side. On a tight budget and booking travel and accommodation in advance, this could cost as little as £150. Go abroad, and your costs obviously increase. Most families pay around £700-900 for their family holidays in a sunny resort.

Savings are great if you have the ability to save again quickly or have bad credit but you might want to think twice if you are entering a time of financial instability, like career or house change.

Loans

Travel finance is often secured by taking out a small loan from your bank or building society. The amount you can borrow varies depending on the type or types of account you hold with your institution, as well as your financial health before the loan application. If you have a good history of paying things back on time, not going into your overdraft, and having a regular income, you probably won't find you have trouble securing a loan.

If you get a better idea about the type of information the bank will be looking at when it considers you for a loan, why not take a look at your credit report? Credit reports are used by lending institutions to assess your financial health. You can sign up for a 30 day trial which includes your current credit report at Credit Expert if you [click here](#). If your credit has suffered in the past, this website will also give you information on how to get your credit health back up to scratch.

Credit Cards

Credit cards can give you the ability to borrow anything from £100 to £10,000 for a holiday, depending on your pre-existing financial health. The money is available quickly and easily and repayments are flexible, if you meet certain conditions.

The problem, however, is that many people take out credit cards when in reality they cannot afford the repayments. These are similar situations to loans but the consequences of not paying back a credit card on time can thrust you into years, if not decades, of debt. Worse, large credit card debts can result in bankruptcy.

For more information, why not check out this [BBC Radio programme on holiday finance?](#)

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