How to Plan Your Dream Vacation Without Ignoring Your Financial Goals

The winter months have a way of making us all wish we were somewhere else. But if you're planning a vacation, there are ways to do it without ignoring your financial goals. Some ideas:

Weigh the value of driving vs. flying: With energy prices where they are, driving vacations aren't necessarily the cheapest alternative. If you haven't measured the gas mileage lately on your car, do so after your next fill-up and see what it would really cost you to drive to your desired destination – and don't forget wear and tear on the car (roughly 10 to 20 cents per mile), meals or hotels on the road. If you plan significantly ahead of time, traveling by air might not only get you there faster – but cheaper. At the same time, if you fly and need a rental car, don't forget to figure in that cost.

Plan online: Calling hotels and airlines to make reservations will not only put you on hold, they're also likely to cost you more money. If you're not a regular user of the Internet, you should know that airlines and hotels particularly have migrated more of their deals for rooms and meals to their Web sites because visitors can complete the whole reservation process themselves. That saves airlines, hotels and rental car companies considerable labor cost.

Go for the package deal: Online travel sites make it easy to combine hotel, airfare and rental car at a cheaper rate. And remember the days and times that are typically cheaper to fly – Tuesdays, Wednesdays and Saturdays if you're willing to fly early in the morning or late in the evening.

Know when to use travel agents: A good travel agent can be a great money saver, particularly for lengthy or complex trips. It's OK to compare prices yourself, but consult a travel agent if you are going to remote destinations – they'll know the territory, and if you have to make changes, they might be able to help you do so without paying a lot of extra money. Also, don't forget to check currency rates.

Check your telecommunications options: We're not going to do an overview of cell phone technology here, but if you're planning an overseas trip, it's best to check with your wireless company first. Ask if your phone will work overseas and what the potential costs will be for roaming charges, which can quickly skyrocket. Also, you might go online to see if your overseas airport rents cell phones at a daily or weekly charge.

Check on car insurance: We've all heard how buying rental car insurance is a bad deal, but not so fast. For domestic trips, double check whether your own car insurance policy is likely to pick up the bill if you have an accident.

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For overseas trips, check with your rental agencies as well as your credit card company to see what insurance options you have. Don't think only in terms of accidents. Think about blown transmissions in small towns with only one mechanic who doesn't speak English. Also, if you're driving to Canada or Latin America in your own car, be very sure you have adequate coverage required in every country. You might have to buy supplemental coverage.

Consider travel insurance: There is insurance coverage available for travelers who face sudden cancellations as well as medical needs. Trip cancellation can reimburse you for non-refundable costs in the event of things like an illness for you or a family member that causes you to cancel your trip. Look into what your current health insurance covers at your destination, so that you can understand your risk exposure and weigh it against the cost of supplemental insurance. It's important to realize that health insurance issues crop up on domestic trips as well as those overseas – for instance, your health insurer may not cover claims in other parts of the country. Always check. Also, if you're on a business trip, make sure your company health plan will cover you in an emergency.

Prevent theft at home and abroad: Photocopy your driver's license and passports and keep the originals with your valuables in the hotel safe. Also, don't forget to hold your mail and pay all your bills before leaving town.

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Top Ways You Can Prevent Identity Theft

Identity theft is a topic that doesn't stand still because new ways to steal your personal information—and access your money and credit—crop up every day. Keep in mind that the companies keeping your information don't always have to notify you if it has been stolen. Here are some basic ways to keep your information safe.

Beware the "Phishermen:" Phishing is a process by which scam artists try and get you to divulge your Social Security Number, your account numbers, address or other personal information under the guise of a legitimate company you may already be doing business with. It's most common over the Internet, but there's no reason why a phishing request couldn't come via direct mail or over the phone. They'll get your attention by saying there's a problem with your account. Anytime anyone asks you for personal information, check with the company to make sure the request is real. And always save the evidence – it may help put the con artists in jail.

Check your transactions daily: If you download your credit card and bank account information daily into a bookkeeping program – from secure sites, of course – you can immediately spot irregularities. Check them against any paper receipts and statements to make amounts are correct.

Protect your mail: If you're not there to pick up the mail when it arrives every day, then consider a locked mailbox. And never have checks mailed to your residence – pick them up at the bank instead.

Watch your passwords: If the only username and passwords you can remember are your e-mail address and your dog's name, then it's either time for memory tricks or creating a list of passwords you use to Internet sites you regularly visit. Keep any password records at home in a safe place. Change your passwords often, and never click the box that allows you to store passwords or credit card information online.

Get your credit report once a year: By law, you're entitled to free copies of your credit report from each of the three major credit rating agencies – TransUnion, Experian and Equifax. (Available at www.annualcreditreport.com.) Don't get them all at once – stagger them a few months apart so you can see if erroneous data appears throughout the year. Also, if you are on active duty with the military, you can place an active duty alert on your credit reports to help minimize the risk of identity theft while you are deployed. Active duty alerts are in effect on your report for one year – if your deployment lasts longer, you can place another alert on your credit report.

Think twice about I.D. theft insurance: Some companies also offer identity theft insurance that will cover lost pay if you have to straighten out your credit, but realize they will not do the dirty job of restoring your credit – that's up to you.

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And since many of the companies selling this insurance are already affiliated with the credit industry, that's good reason for pause. Also, check your home or renter's insurance policy to see if they provide I.D. theft coverage.

Watch that wireless: If you have wireless service on your laptop, try not to store any financial data on that machine. Scammers who use their wireless access to hack into your data can steal that data electronically. Also, you face the added risk from terrestrial thieves who might want to steal your laptop from a public place. Lastly, when you get rid of that laptop – or any computer – remove every file before you dispose of it.

Stick with a known ATM: Some of those independent ATMs you see in convenience stores, restaurants and bars may be collecting your data for illegal use. Use ATMs at established banks.

Buy a shredder: Or at least be willing to cut up all envelopes, direct-mail credit applications and receipts that you would typically throw away.

What if theft still happens? One of the best resources for a step-by-step guide to fighting identity theft is the Federal Trade Commission and its Web site, www.ftc.gov. The FTC provides a complete listing of contacts and procedures for getting to the bottom of identity theft before the event goes from being serious to devastating.

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Financial Planning for Newlyweds – and Those Marrying Again

As Valentine's Day approaches, our thoughts turn to love – and money. Not to put a damper on one of the most romantic days of the year, but if everyone who explored the institution of marriage explored their feelings about money first, the divorce rate in this country might not be so high.

There's a very understandable reason money is so tough to talk about – it's the touchiest of all subjects. The ability to deal effectively with money is a reflection of so many things – personal discipline and goals, family background and past mistakes. It's often easier to discuss the unpleasant moments in one's relationship history than money issues. It is always wise to consult a financial planner to help couples with their financial future once they have made full disclosure of money issues.

Here are some basic questions that should be answered before couples tie the knot:

Is there debt? And if so, how much? The first money conversation should take place at a table with both sides showing their savings, investments and debt figures – all of it. Both should start the process of talking about how that debt should be paid off – by the person who accrued it, or by both potential spouses. Couples also need to decide how they will handle debt going forward – jointly or separately.

Are there investments? If so, how will they be handled once the couple is married? Will they be held after the marriage in joint tenancy, and what will the process be to affect that? From a tax perspective, does it make sense to do anything specific with those assets before the wedding? And after the wedding –assuming debt is being dealt with – how will you maximize those investments?

Where will we live? Many couples live together before marriage and stay right where they are. But the question of where you live shouldn't pertain only to right now – couples need to discuss where they want to live 2-5 years from now, particularly if they're going to have a family. And that means they'll have to understand how to afford it. Generally, total house payments, including taxes and insurance, shouldn't exceed 25 percent of any couple's take-home pay.

How will we handle the money? Couples need to understand how they'll share accounts and pay bills. The most common option is to create one joint account. Others work with three accounts – one joint and then one for each individual.

What about insurance? Life, health, home, and disability – all insurance that couples have separately needs to be reviewed and consolidated to make sure they have enough coverage for their new life.

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What about estate issues? Marriages require wills and exact directives on who will get what – particularly when children from first marriages are involved. No matter how young the couple, there should be consideration of health directives as well.

Is there a budget? Budgeting is a good exercise before the wedding because it sets specific goals for the big things – a house, kids, education and other big-ticket items. If the couple has to pay for their own wedding, a budget can determine whether a more modest ceremony might be appropriate.

What about retirement? Retirement discussions go beyond money. Couples should decide how they want to live in retirement, whether they'll continue to work and what will happen if one or both get sick. This is where a financial planner can help the most – on such distant goals.

What about tax status? It makes sense for couples to consider their tax status before they marry – a tax expert is the best adviser to tell you how to file after reviewing your finances.

Does there need to be a prenuptial agreement? At the end of prenuptial planning is an important decision – should there be a prenuptial agreement? Some couples believe that a prenup indicates they don't have faith in their relationship, but if one spouse has more debt than the other or runs a business, such an agreement may make sense if only to limit the liability of the other spouse. These days, prenups aren't just for rich people anymore. They can set the ground rules for a much healthier financial future.

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