

## 7. Finance and budgeting

Careful budgeting and financial management will help you make the most of the money you have. You will also need to think about how you will manage your money and keep it safe on your travels, and what you would have to do if you needed extra money in an emergency.

As part of the planning process it is important to research costs carefully as your budget will often dictate what you can do with your trip. It will make your planning much easier to put together a structured budget on a spreadsheet before you go and also keep account of what you're spending your money on while you're away. An example budget can be found below to help you do this.

If you need/want to raise more money, be aware that it can be hard work! Many students take on boring, low-paid jobs in an attempt to fund their gap year. Why not incorporate your need to raise funds into your gap year plans by working abroad instead? There are many resources that can help you with this, including: 'Working holiday Visa' schemes in Australia, New Zealand, and Canada.

### Planning your finances

You can put together your budget in whichever way works best for you, or even request an example budget template such as the one below from the RGS-IBG (contact Charlie on [landl@rgs.org](mailto:landl@rgs.org)). But in order for it to be as useful as possible to you, it should contain the following information:

- Flights (for multiple flights detail the cost of each. For a round-the-world ticket state the overall cost of the ticket)
- Insurance
- Visas
- Passport application/renewal (if applicable)
- Vaccinations and first aid kit
- Equipment and clothing
- Transport costs within each country (detail cost of each journey planned)
- Accommodation (include the name and cost of accommodation and the number of nights staying)
- Daily living expenses (food, activities, entrance fees to places of interest, spending money for miscellaneous items such as toiletries, drinks etc.) for the duration of trip. Many guidebooks give estimations of average daily living costs for individual countries and destinations.
- Any fees charged by provider(s) and/or for projects /activities/ placements
- Any training costs

Always include a sum for the unexpected (sometimes called a contingency fund) in your budget – usually 10-15% of your total budget. The sum will vary for each person.

Remember too, that you will inevitably lose money in exchange rates as you change currency. This will be very hard to factor in to your budget so it is sometimes easier to over-estimate costs to cover this, or be prepared to scoop it out of your contingency money.

Cost cutting ideas include:

- Look carefully at the ticket options for the journeys you hope to make – multi-trip tickets such as a 'round-the-world' flight ticket can help you save money.
- Bank transaction fees can add up over a year - research which banks offer the lowest fees for overseas transactions. In some areas you might consider using pre-pay cards that are credited with money before setting off and can be topped up - usually online as well as over the phone - by the cardholder and family members.

### **Fund-raising advice**

If you are using a Gap provider, they may be able to give you fundraising advice. You can also consult these web sources for advice and information:

- Fund-raising to join an expedition [www.rgs.org/je](http://www.rgs.org/je)
- <http://www.gapyear.com/plan/fundraising/>

### **Money on the move**

- Take a written or electronic copy of your budget with you whilst travelling and refer to it and update it regularly to ensure you don't overspend and run out of money.
- Note the exchange rates between each of your destination currencies and UK pounds sterling, and between destination currencies, so that you get a fair deal if changing money in-country or at a new destination and can budget daily spending whatever currency you are using.
- When obtaining foreign currency, particularly for travel to less-developed countries it's a good idea to ask for the money in smaller denominations, as small shops, taxi drivers and local businesses often won't have enough change to take big notes.
- Speak to your bank about your travel plans (so they don't lock your account if you try and use an ATM overseas) and make sure that you have the contact details of your bank and a 24hour helpline number. Leave your account details in the UK with a parent or guardian and if your card gets stopped, lost, or stolen, get in touch with your bank straight away.
- Always take your money in several different forms (e.g. cash, credit/debit card, traveller's cheques) so that you have different ways of accessing it (some regions may not accept certain bank cards or deal with travellers cheques for example).
- Pre paid cash cards, are a safe alternative to cash and a good way of accessing money abroad. Cash cards can be topped-up before departure. More information about a small selection of cash card options can be found at:  
[www.cashpassport.com](http://www.cashpassport.com)  
[www.statravel.co.uk/cashcard.htm](http://www.statravel.co.uk/cashcard.htm)  
<http://uk.virginmoney.com/virgin/cards/prepaid-cards.jsp?ast=cc-splash-tabs>
- Divide your money and keep it in several different places when travelling – in a security pouch about your person, and several places in your luggage. Try not to carry large sums.
- Keep your record of purchase and cheque numbers for any travellers cheques you have separately – it allows you to get your money back if you lose the cheques.
- For further advice on managing your money and keeping it safe whilst abroad, go to: [www.gov.uk/gap-year-foreign-travel-advice](http://www.gov.uk/gap-year-foreign-travel-advice)

### **Emergency funds**

- Western Union points are a useful way of getting money transferred from the UK in an emergency. Check out the nearest point to where you are staying.
- Note the contact details of any contacts you may have in-country who could help in an emergency.
- It is a good idea to set up an online banking system before you go away, this is something that you can speak to your bank about. It allows you to move money between accounts in one online transaction, and would allow you to have money transferred from your parent/guardian in the UK in an emergency.

### **Exploratory questions to ask yourself:**

- How much money do I need for the length of time I want to travel for and for the activities I want to undertake?
- How will I raise the money?
- Do I need to raise money for any other commitments such as university or for UK costs during my gap year? If so, how much? Do I have any money saved for these already?
- Does the need to raise money dictate when I can leave for my gap experience? Will I need to work for a while first?
- Are there cash machines in the locations I intend to visit? Will my card be accepted in the country or countries I am travelling to? In what form should I take my money (e.g. cash, traveller's cheques, credit card)?

- How will I access money in an emergency such as if my money/cards get stolen? Are there facilities in the countries I am travelling to for emergency access to cash if my money gets stolen or my card fails (e.g. Western Union points)?
- What security precautions do I need to take to safeguard my money whilst travelling?
- How will I budget and keep track of my spending whilst away?

### Example budget template

Below is one example of how to put together a budget sheet but it's important that you use a method that will work best for you.

Phase/dates	Activity	Logistics/explanation of activity or costs	Accomm. Costs	Transport costs	Food costs	Equipment /excursion /other costs	Total cost per phase of trip	Notes
23/09/2014	Fly to India	Met by project rep. Transfer at destination by <u>prebooked</u> taxi to project site	£0.00	£650.00	£5.00	£0.00	£655.00	Open return flight with ##### airline to (city name, destination country). Flight - £630 plus £20 for taxi.
24/09/2014 - 03/12/2014	Internship in Delhi	Accommodation roughly £7 per night. Bus to office roughly £2 per day. Food roughly £5 per day.	£490.00	£140.00	£350.00	£0.00	£980.00	Accomm. address, tel. no. and name of main contact
04/12/2014 - 14/01/2015	Independent travel around India.	Accommodation roughly £7 per night. Food roughly £5 per day. Miscellaneous amount added for tours and activities	£440.00	£200.00	£350.00	£200.00	£1,190.00	Will use ##### website to find accommodation.
15/01/2015	Travel day to get to volunteering project	Sight-seeing and final preparation during day then travel from ##### to ##### by overnight train (takes 8 hrs, leaves at 2000hrs, arrives)	£0.00	£15.00	£5.00	£0.00	£20.00	Travel by ##### train. Main office address and telephone number.
16/01/2016 - 13/02/2015	Volunteering for 'India's Orphans'	Includes accommodation, food and local travel. 4 weeks of volunteering	£0.00	£0.00	£0.00	£800.00	£800.00	Accomm. address, tel. no. and name of main contact
Unknown but during independent travel phase	3 day Elephant Safari with 'Love Elephants'	Costs include tent, food, water, guide and elephant(!)	£0.00	£0.00	£0.00	£300.00	£300.00	Contact numbers for organisation and where you'll meet them.
14/02/2015	Fly back to UK	Get <u>tuk tuk</u> to Delhi airport 3 hours before flight.	£0.00	£2.00	£5.00	£0.00	£7.00	
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							£0.00	
							£0.00	
							£0.00	
<b>Other one-off Costs to think about</b>								
Insurance							£150.00	
Visa							£60.00	
Contingency money							£270.00	
Equipment costs (e.g. rucksack, sleeping bag liner etc)							£200.00	
<b>Total Costs</b>							<b>£4,632.00</b>	