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With a frugal plan, you really can take that dream vacation

By Jerry Hirsch, Los Angeles Times
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YOU have to pay the mortgage, taxes and car payments, and that can leave little for a grand tour of Europe or a fancy cruise. But with discipline and diligence, families can save for that trip of their dreams. Financial advisors say it takes a plan, and the sooner you get started, the sooner you will be on that trip. Here are 10 tips to help make the dream a reality.

1. Make a plan Join a savings club at your bank or credit union, where a set amount is siphoned from each paycheck and sent to a special account that you will use for travel. The money will build up during the year and you won't have to worry about how to pay for the trip.
2. Break that habit It is amazing how quickly small expenditures add up. Just four to five lattes a week amounts to \$1,000 a year. And smoking regularly is far more expensive. Breaking these habits are good for your health and your pocketbook. So before you make that daily trip to the corner coffeehouse, ask yourself if you would rather have a mocha today or a cappuccino in Florence a year from now.
3. Bank that refund If you typically get a tax refund from the federal or state government each year, squirrel that money away in a special vacation account. Depending on the size of your refund, you could find yourself with enough money to take that long-desired Hawaii trip in just a year or two. Augment your savings by depositing consumer rebates and spare change.
4. Pile up credit card miles If you charge expenses, consider using a credit card that awards airline miles or hotel points. But Brent Kessel, a planner at Abacus Wealth Partners, notes that this approach can be tricky. It doesn't make sense to run up your debt to get a free airline ticket, Kessel says. If you are financially disciplined and can pay your card to a zero balance each month, you can rack up the points.
5. Get rid of stuff The Recycler, Craig's List and EBay make it easy to unload things that have value but just clutter your home. Why keep that motorcycle you haven't ridden in two years when it might pay for two tickets to London and a West End show? The digital world has created a virtual garage sale that efficiently matches willing buyers for specific goods with sellers. Clean up your house and use the money for that big tour.
6. Get higher interest Don't risk money you plan to spend on a vacation in the next year or two in the stock market or a speculative investment. But consider putting the funds in a money market account or online bank such as ING or E-Trade Financial that often pay higher interest rates, Kessel said. The difference could be enough to pay for a nice dinner or two in Paris.
7. Know when to book Generally, the earlier you book a trip, the less you will spend. Stewart Chiron, who operates <http://www.cruise-guy.com>, tells people to book early when there is the best choice of cabins at all price points. The best airline fares also tend to sell out first, especially around holidays such as Christmas and Thanksgiving. Jeffrey Spring of the Automobile Club of Southern California suggests looking at a repositioning cruise in which a ship is being moved from Europe to the Caribbean in the late fall or from the Caribbean to Alaska in the late spring.
8. Pick your moments Avoid peak travel periods. Consider skiing in mid-January rather than February. Avoid hot destinations such as Cancun when colleges have their spring breaks. Go to Walt Disney World during the slower winter months. Anytime you can avoid traveling to a destination at a time when there is high demand you will save money.
9. Think contrarian Look for regions that are recovering from storm damage, such as the Mexican Riviera or areas of Southeast Asia, says Spring of the auto club. He says these regions offer significant discounts to lure tourists back to the region to show that they are open for business.
10. Swap your house In "The Holiday," Cameron Diaz and Kate Winslet use <http://www.homeexchange.com> to swap homes in Los Angeles and Britain for several weeks. Such a swap lets vacationers avoid making hotel reservations and allows them to save lodging expenses. HomeExchange.com is a real website that for a \$59.95 annual membership puts home swappers together. HomeLink.org and Intervac.com are two other organizations that do the same. jerry.hirsch@latimes.com