

Finance Club July 12, 2023
Cost Effective Travel Planning

Travel is large component of discretionary spending for retirees. In 2018 the Motley Fool said a couple age 65 spends 11,000\$/ yr. on travel

Can invest in actual travel or travel stocks (cruise NCLH, hotel MAR, airplane DAL, travel consolidators EXPE) or ETF: OOTO, TRVL

Planning Difficulty Level: exponentially increases with # of travelers

Make Bucket List:

Prioritize: by Desire, other factors (war, disease, specific event, etc.)

Safety Research:

Websites: <https://wwwnc.cdc.gov/travel/>

<https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html/>

Categorize: by Weather, Ease/Cost of Travel, number of days required to visit

Determine: preferred travel method: cruise, bus, car, train

type of travel: Independent, guided tour (small group vs. large,) hybrid

method of planning: self planned, travel agent (including Costco, USAA,) travel consolidator (expedia, travelocity, booking or hotels.com, airline website that includes hotel and/or car rental)

Select Type: of cruise: consider fellow passengers, size of ship, inclusions such as drinks or excursions

of hotel: meals/parking/ resort fees, B&B, Air B&B, VRBO

Airline: luggage and seat choice, different categories

Rental car: size, trunk space, # passengers, location within airport

Detailed Research: <https://www.cruisecritic.com/> Can see details about particular ship such as when built or refurbished, # passengers, reviews of each ship, reviews of ports and excursions

Hotels: www.tripadvisor.com

Day Excursions: www.viator.com

Group Tours: www.tourradar.com

How to choose hotels, cruises, airlines, tours: Frequent traveler status, bonus from travel credit card, price/location/inclusive deals

Limitations: Mobility, Time, Price, Interest, Specific food or other concerns (eating and sleeping hours, health (seasickness, fear of heights, fear of flying)

Independent Travel:

Pros:

can select exact preferences

don't have annoying other travelers

can be less expensive

Cons:

a lot of research and time

extra passengers could be fun

don't have advantage of tour guides

Hybrid: local travel agency can make any or all plans without group travel. Opportunity to adjust itinerary, but more expensive than planning it yourself

Group Travel:

Pros:

Someone else helps if plans go awry

Cons:

Many compromises on where to stay and what to do

Little planning time and effort
Eases travel if language or cultural barrier

Irritations from other travelers and/or guide
More expensive

How to Save Money on Travel:

www.thepointsguy.com

www.travelzoo.com

National Organizations: AAA, AARP, Costco, USAA (Member Travel Privileges)

Career connections: Military, teachers, first responders, law enforcement

Family connections: family members with above

Deals: many around major holidays, especially Black Friday, N.B. If pay for a vacation with a deposit and price subsequently goes down, travel agent will usually correct to lower price.

Last minute deals

Travel off season

Take carry-on, don't pay for checked luggage

Frequent flyer/cruise/hotel accounts for free nights/flights/perks

Know credit card perks: car or travel insurance, travel concierge, double points, no foreign transaction fee, free checked baggage on eligible flights, fee credits for TSA or global entry, airport lounge access

Travel consolidators: airline/hotel/car or 2 out of 3 together and save. Can do through many hotels and airlines or through expedia, booking.com, etc. Also have rewards to use on future travel

Sometimes buying separate air tickets for departure and return is cheaper than round trip. Also, can fly one carrier there and another home for even better deals and options. Can research on Google flights: <https://www.google.com/travel/flights>

Sign up for fare alerts for flights, check hotel promotions regularly

Get Go City Pass or tourist Pass for major cities

Groupon or Living Social, local activities or multi-day tours with travel

Promotions from time share or retirement communities

Subscribe to deals e-mails from hotels, cruises, etc.

Travel Investing Examples

ETFs:

Invesco Dynamic Leisure & Entertainment (PEJ) June 15 YTD Daily Total Return: +14.78%
Travel Tech (AWAY) June 15 YTD Daily Total Return: +7.09%
Booking Holdings (BKNG) June 15 YTD Daily Total Return: +29.5%

Online Travel Providers:

Expedia (EXPE) June 15 YTD Daily Price Total Return: +24.3%
Trip Adviser (TRIP) June 15 YTD Daily Total Return: +7.09%
Travelzoo (TZOO) June 15 YTD Daily Total Return: +113%

Cruising:

Carnival (CCL) June 15 YTD Daily Total Return: +93.5%
Royal Caribbean (RCL) June 15 YTD Daily Total Return: +91.6%
Norwegian (NCLH) June 15 YTD Daily Total Return: +57.7%

Airlines:

Southwest Airlines (LUV) June 15 YTD Daily Total Return: +.08%
United Airlines (UAL) June 15 YTD Daily Total Return: +41.5%
Alaska Airlines (ALK) June 15 YTD Daily Total Return: +17.5%

Hotels:

Marriott (MAR) June 15 YTD Daily Total Return: +22.5%
Air BNB (ABNB) June 15 YTD Daily Total Return: +46.4%
Hilton(HLT) June 15 YTD Daily Total Return: +13.8%

Mega Resorts:

Disney (DIS) June 15 YTD Daily Total Return: +6.4%
Ryman Hospitality (RHP) June 15 YTD Daily Total Return: +15.7
Six Flags Entertainment (SIX) June 15 YTD Daily Total Return: +20.9%

Casinos:

Wynn (WYNN) June 15 YTD Daily Total Return: +25.8%
Caesars (CZR) June 15 YTD Daily Total Return: +18.2%
Boyd Gaming (BYD) June 15 YTD Daily Total Return: +27.9%