



Dealing with money before you leave home

Transcript 041

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Linda: Hi, I'm Linda.

Craig: And I'm Craig.

Linda: And this is the Indie Travel Podcast, episode 41. This week we're talking about dealing with money before you leave home, especially if you're leaving home on a long trip.

Craig: And we're coming to you from Malta. We lived here for six months about one and a half years ago, and we're back. We're trying to get out of the snow, to be honest.

Linda: Yeah, and it's a lot nicer here. It's actually been above 20 degrees, which has been lovely.

Craig: Indeed. So, on to dealing with money before you leave home. First of all, our suggestion is to pay off debts. Linda, that sounds too easy.

Linda: It's quite important though. You need to work a bit harder, get rid of all your debts, then it's a lot easier once you're away.

Craig: So, how do you go about it?

Linda: Well, what I'd do is make a list of all your debts, credit card, hire purchase, anything at all, tax, anything. Make a list and then attack it. Deal with it one by one and pay them off.

Craig: Okay, so highest interest rate first?

Linda: Yes, definitely. Probably your credit card if you're not paying it off every month.

Craig: Cool. So, what next?

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- Linda: Well, once you've dealt with your credit card and everything like that, you need to cancel your automatic payments. Or at least put them into an account that has enough money in it to deal with it while you're away.
- Craig: This was a mistake that we made, and we got pinged with quite a few charges. We forgot about one automatic payment, and checking our bank accounts six months after we'd left home, we'd dug ourselves a big hole.
- Linda: Yeah, that was quite a big problem. Another thing you need to do is save some money before you go. You need to have a buffer. Don't put your airline tickets on your credit card, because then you'll be paying that off at really high interest. You need to have some money saved before you go so that you've got a buffer while you're away.
- Craig: Yeah, at least, even if you're flying into work, or travelling into work, you at least want to be able to pay for things like your tickets and your first couple of weeks' accommodation up front.
- Linda: It's worth having a buffer as well. When we first came here to Malta, we didn't get paid for ages. We were working, but we weren't getting paid. We had to dig into our NZ savings. If we didn't have those savings, we would have been really in a bit of trouble.
- Craig: Okay, so now you're looking ready to go. Let's look at some other bits and pieces. First of all, check out bank accounts in the new country. This is if you're moving to a new country, and you want to find out how easy it is to get an account. And some countries, it's not easy at all.
- Linda: The UK is absolutely terrible. We were lucky because our bank in New Zealand would organise a bank account in the UK before we left. Mountains of paperwork, but it got done. Our friends, however, didn't know about this, and they turned up in the UK thinking they'd be able to get a bank account really easily. Not so. In the UK you need to have a bank account to get an address, and you need to have an address to get a bank account. So it's one of those conundrums.

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- Craig:** If you're still using your home bank account, which can be an excellent thing for short and mid-term travel, check out your bank's position in those other countries. What ATMs can you use? Organise internet banking before you go. Tell your bank you're away. And while you're at it, ask them about what charges you're going to incur, for withdrawals. Ask them if you can change your tax bracket on any savings accounts. And give them a list of the countries you'll be in, and when you plan to be there. One of our friends, Michelle, really got done when she arrived in Romania with little cash, and her bank would not let her make a withdrawal in Romania because of problems with fraud there. She was stuffed.
- Linda:** I don't know what she did, I think she had to borrow some money off people. One thing we found was getting the bank to change our tax bracket was really useful. Because we're not resident in New Zealand, they charge us a lower rate of tax on our interest, so we're making a bit more money on the money we do have in New Zealand. Another thing that might be useful for you, is to make a list of the phone numbers of your banks, email it to yourself, and also keep a hard copy. Then, if your wallet is stolen, you'll be able to contact the banks and cancel your cards.
- Craig:** Well, that's us. They're our thoughts for before you leave and kind of entry into the new country, for organising your money before leaving home. First of all, pay off your debts and settle everything you can think of.
- Linda:** Secondly, save. Save some money so that you have some in reserve when you need it.
- Craig:** And thirdly, sort your bank out. They're pretty useless most of the time, but do what you can to be prepared.
- Linda:** Right, well, that's us for this week. Before we go, we'd like to say congratulations to our winner of the Vagabonding book - Alana. Congratulations, Alana.
- Craig:** Yeah, we'll be posting that out to you from Malta, sometime soon.

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Linda: And until next week, travel well.

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