

## Money Matters while Traveling

### **How Much to Take**

Students spend from \$75-600. We suggest about \$300. You'll spend as much as you bring.

### **What Kind to Take**

The best idea is to have a combination of funds at your disposal: cash, travelers' checks, a credit card, and an ATM card. There are good things and problems about each.

- *Cash* usually brings the highest change rates and can be changed anywhere. Yet it's insecure. If someone robs you, you've lost it all.
- *Travelers' checks* are very secure. If you lose them, you can have them replaced. Some places (like the Mexico City airport) will change only American Express travelers' checks. You have to pay a commission to buy them—but it's small (3/4% from Beehive Credit Union). Visa charges no commission on travelers' checks, but it can be trickier to change them—especially in Guatemala. Make sure to get SMALL denominations—nothing over \$20. Smaller is better because you might need just enough money for the last 3-4 days in a country and if you have big checks, you have to cash lots of money. And we're in Belize for only 4-5 days. If you get stuck with \$50 or \$100 travelers' checks, find a friend who will split them with you. That is, you cash one of your checks and the two of you split the money. S/he cashes the next check and you split the money. That way you won't be stuck carrying a lot of currency around town or changing a lot of extra currency when we're ready to leave a country. One final note: make sure to sign your traveler's checks EXACTLY as you sign your passport. In both cases, sign your official name. (Not Becky for Rebecca, etc.)
- *ATMs* are great. They give the best rate your bank can give you. However, machines are not always easy to find, cards lose their magnetism, and not every card works in every machine. Some students spend the entire trip looking for an ATM. Also, debit/ATM cards can charge HUGE fees for international withdrawals. Plus, Visa just added a 1% fee on all international transactions—this is in addition to any bank fees. Beehive Credit Union charges NO fees for foreign transactions; as a BYUI student you are eligible for an account there.
- *Credit cards* are like ATMs in that they'll give you the best exchange rate available. Also, you don't have to pay the bill for a couple of weeks. However, most places don't take credit cards. The only time you'll be able to use them is if you're buying something VERY expensive. Since credit card companies charge a 3-5% commission, the store might charge you extra. Also, the credit card will add on an exchange fee.

### **A Suggestion:**

- *Bring \$60 cash.* Change \$40 to Mexican pesos at the Mexico City airport. Change \$10 at the Guatemalan border and keep \$10 just in case. Money changers in Belize take travelers' checks for the same rate as cash.
- *Bring the rest* of your money in traveler's checks or split your funds between traveler's checks and your ATM/debit card. Or, bring your ATM card and borrow \$150 from your family—put that in travelers' checks and use it as a back up.

### **Using foreign currency**

Just as we wouldn't let people spend their Mexican Pesos in the US, most merchants in MesoAmerica won't accept US Dollars. Paying in dollars will almost always cost more. Current exchange rates are

1 US Dollar = 10.8 Mexican Pesos

1 US Dollar = 2 Belizean Dollars (never changes)

1 US Dollar = 7.5 Guatemalan Quetzales

Learn the money and learn to do quick calculations in your head.

I always think of the Mexican peso as 10 to 1. That is, a 100 peso item is \$10, even though it's more like \$9.5. Don't ask, "How much is this in REAL money?"

### **Where to change money**

**BEST:** You'll get the best rates at banks. Change places (*Casa de Cambio*) CAN be okay, but check carefully. We use change places in Mexico City and Panajachel, but NOT Palenque or San Cristobal. However, sometimes that hour-long wait in the bank isn't worth the \$2 you'd lose changing money somewhere else with a lower rate. Your time is precious.

**WORST:** The worst rates come at the borders—especially if you're changing one foreign currency to another (like Pesos to Quetzales). Hotels are also usually bad. You'll always get the best rate using US dollars to buy foreign currency. Yet if you end up with too many Belizean dollars, the ONLY place to change them back is at the airport. You'll also get a horrible rate for changing foreign currency back to dollars. Unless you have a LOT of foreign currency, you might as well spend it.

### **Small Change**

We think nothing of a \$20 or \$50 bill. But in Guatemala and Mexico, that's a TON. When you exchange US money, ask for small denominations in the local currency. Don't get rid of your change like we do in the US. Save it for when you want to bargain, or for when merchants don't have change (which happens a LOT). Belize isn't so bad.

### **Money Security:**

- Don't go alone to change money or withdraw it from an ATM. Your \$100 will be larger than someone's monthly salary.
- Don't withdraw extremely large amounts from an ATM. Getting a week's worth of cash at one go may save transaction fees, but it also puts you at risk for theft, accidental loss, and even an expensive failed transaction—where the ATM records your withdrawal but doesn't dispense any funds, or not the right amount. Getting this sort of error corrected can be much more difficult in a foreign country than it is at home, and might not be resolved until long after your trip is over—if at all.
- Watch your back at ATMs and banks. If someone is crowding you at an ATM try another location. If someone crowds you at a bank, signal to the bank teller. He or she should be making sure no one crowds you. Count your money before you leave the ATM or bank counter. Put your wad of cash away before you turn away from the teller, not as you're strolling down the street.
- Use your money belt, neck purse, etc. Carry only small change in your pockets—only stuff you're willing to lose. I carry change to give to beggars.