



Finances

How Much Money To Take

The following are sample budgets for several regions, based on student peer advisor travel experience and research in reputable travel guides. Budgets may vary depending on lifestyle, time of year, location, etc, but these samples might help you with the types of expenses you need to consider

- [Sample Student Budget for traveling through Europe \(2009\)](#) [1]
- [Sample Student Budget from Ghana, Africa \(2009\)](#) [2]

How to Carry Money

Tip: *The best way to avoid loss or theft is to keep your valuables in a money belt worn underneath your clothing.*

Cash: Cash is a universally accepted form of payment and will be the most commonly used. You can exchange money at airports or most train stations. Banks generally offer a better exchange rate, but they may also charge a fee. If you decide to get foreign currency ahead of time, we recommend getting no more than \$40-\$60, as it will be more expensive here than in-country.

Credit/Debit Cards: Credit or debit cards are one of the best ways to use funds while traveling abroad. They get the best exchange rate, and ATM machines are usually available 24 hours a day. Debit cards can be more beneficial than credit cards as they can access cash; credit cards may not be accepted everywhere. Visa and Eurocard/Mastercard are widely accepted credit cards.

If using credit/debit cards, here are a few things you should take care of before traveling:

- Notify your bank of where you will be traveling and the dates. Fraud detection systems will cancel your card if it is used in locations that are unusual for you.
- Check to see what types of service charges you will be subject to if you use your card internationally. For example, you could be charged currency-exchange fees, third-party ATM fees, or others, resulting in significant charges.
- Remember that most banks have per-session and/or daily limits to the amount of cash that you can withdraw from an ATM.

Note on Credit Cards: Using a credit card, you can get a cash advance at a bank, although you will be

charged interest continually until you pay back the advance.

Traveler's Checks: [Traveler's checks](#) [3] are prepaid checks that can be exchanged for currency at foreign banks. They have an advantage over cash in that, if they are lost or stolen, the checks are worthless because they require the signature of the check-holder. They can only be cashed during bank business hours.

Traveler's checks can be purchased at any major bank in the US before going overseas. Use them as a last resort as they yield the least favorable exchange rate but are secure and can be returned at any bank for no penalty upon your return.

Tip: *If purchasing traveler's checks, Ann Arbor banks sell them in U.S. dollars or foreign currency for a 1.5% - 2% charge. AAA offers them for no fee to members and at 1% to non-members. Credit Unions charge 1% -1 .5% for members. All brands of check are equally reliable. American Express tends to be the most popular because of its numerous offices (cashing traveler's checks at a branch of the issuing agency avoids fees).*

Personal Checks, Cashier's Checks, and Money Orders: These are not recommended. If you are an American Express card holder, you can cash your personal check at most AmEx offices abroad for no fee (ask AmEx for a list of these offices). Otherwise, personal checks are virtually impossible to cash abroad.

Rates of Exchange

Euros are the common currency of the EU and are accepted in many European countries. However, there are EU countries that do not use the Euro (ex: Britain and Switzerland) and require a currency exchange. Remember that it is less costly to exchange your U.S. dollars directly for foreign currency than to change money twice (e.g. dollars to Euros then Euros to another currency).

Countries that use Euros include: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. For more information on Euros visit [Europa](#) [4].

To find out an exchange rate visit [Xenon](#) [5] or search any major search engine.

How to Exchange Currency

You can exchange money at banks, traveler's check companies, airports, railroad stations, large hotels, some tourist information centers and travel agencies. Offices of traveler's check companies, and banks offer the best rates. Be sure to find out what the fee for the exchange is. Many banks charge a flat service fee for cashing any amount of traveler's checks; others charge a percentage of the amount you exchange. You need your passport with you every time you exchange money. Avoid exchanging money at airports or high-traffic tourist areas, as they often will give you a worse rate.

Source URL: <https://internationalcenter.umich.edu/abroad/swt/travel/finances>

Links

[1] https://internationalcenter.umich.edu/sites/default/files/Sample_Student_Budgets_Europe.pdf

- [2] https://internationalcenter.umich.edu/sites/default/files/Sample_Student_Budgets_Africa.pdf
- [3] https://en.wikipedia.org/wiki/Traveler%27s_cheque
- [4] https://ec.europa.eu/info/business-economy-euro/euro-area_en
- [5] <https://www.xe.com/currencyconverter/>