

As You Travel, Making Money Work for You

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By EMILY BRENNAN

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When the travel blogger Matt Kepnes, a.k.a. Nomadic Matt, set off on a six-and-a-half-year backpacking trip that would take him to a staggering 70 countries, the relative merits of his bank account and credit card were an afterthought, he said. Two years into his journey, he realized he was needlessly racking up bank fees and missing out on free flights, so he sat down and figured out how to manage his personal finances abroad. These tips and others he shares in his new book, “How to Travel the World on \$50 a Day: Travel Cheaper, Longer, Smarter.” Below are edited excerpts from a conversation with Mr. Kepnes on which bank accounts and credit cards help you stick to your budget.

Q. *When you’re traveling for months on end, how do you keep to a daily budget?*

A. Get an estimate of costs for accommodations, food, drink and transportation by reading guidebooks and doing online research, then divide that amount by the number of days you’re away to get a daily budget.

I keep the bulk of my money in a high-yield online savings account to get the maximum benefit; I may only accrue \$100 a year in interest, but that’s a week of living in some parts of the world. Every two weeks, I transfer the amount I budgeted for that time, plus a cushion of about 15 percent, to my checking account.



Matt Kepnes, a.k.a. Nomadic Matt. Lola Akinmade

Q. *Where do you have your bank accounts?*

A. In addition to the bank you use at home — I happen to use Bank of America — I suggest opening a checking account with Charles Schwab Bank to use abroad. It doesn't charge any A.T.M. fees and even reimburses you for fees other banks charge anywhere in the world.

Q. *What about credit cards?*

A. I recommend using one of Capital One's No Hassle Rewards cards while you travel because none of them charge foreign-transaction fees. Neither does Chase Sapphire Preferred. You don't want to pay 3 percent on every transaction; suddenly the cost of your trip has gone up 3 percent.

If you really want to get in on the mileage game, I recommend getting a general rewards card and one that's branded to a specific airline or hotel to use at home. Make sure the rewards card allows you to transfer points to that particular airline or hotel; this way you can add to your miles or hotel rewards.

Q. *Any specific credit cards that you like?*

A. The Starwood Preferred Guest credit card from American Express has such great flexibility. Starwood allows you to transfer points to almost any airline, so I suggest using it with an airline-branded card. You receive 10,000 after your first purchase and an additional 15,000 when you spend \$5,000 in the first six months.

A lot of people get scared over the minimum spending requirement to get rewards. They think, how will I spend \$5,000? What I do is, if I know I have to buy an international plane ticket, I put it on the new card. That gives me a jump-start, and I still have a few months to meet the requirement.

Editors' Note: March 24, 2013

The Q&A column on March 10 with the travel blogger Matt Kepnes, about tips on keeping to a budget while on the road, sought his suggestions on which credit cards to use. One card he recommended was the Starwood Preferred Guest card from American Express. After the article was published, editors learned that Mr. Kepnes has a business deal with a vendor for the card in which he receives a payment every time someone is approved for the card through a link on his Web site. Had editors known of this relationship, they would not have included his suggestion.

In addition, Mr. Kepnes misstated the policy on transaction fees for Chase Sapphire. The Chase Sapphire card does indeed charge a foreign-transaction fee (3 percent); it is the Sapphire Preferred card that does not charge the fee.