# Holiday airfare is rising: What to know if you haven't booked yet

(Courtesy of The Points Guy, Sean Cudahy)

As the leaves change and the temperatures drop, holiday airfare is about to start rising, and fast, experts say. In fact, if you haven't yet started looking at your flight options for Thanksgiving, Christmas or New Year's (and you should if you plan to travel over one of these holidays), you may be surprised at what you find.

Since late summer, the advice has been to book holiday airfare as soon as possible and no later than the middle of October. Well, as of this weekend, we are officially at the month's midpoint, and also now within 40 days of Thanksgiving.

Thanksgiving domestic flights are currently averaging around \$271 round-trip, according to data shared with TPG Saturday by booking site Hopper, which tracks airfare. That's fairly consistent with both 2019 numbers and with what we've seen in recent weeks. But experts warn those prices won't last; in fact, depending on your destination and travel dates, you might already be facing a much loftier price tag.

And fares for Christmas travel are even higher, currently about 40% above 2021 levels for a domestic round-trip flight.

That's not to say any semblance of a good (or at least halfway decent) deal is gone yet, though. While much has been made about the <u>disruptions to air travel over the summer</u>, it's also been a volatile year for airfare, making the price you pay all the more unpredictable.

Costs <u>skyrocketed during the first half of 2022</u> as airlines dealt with a combination of inflation, rising fuel prices and an uneven supply and demand equation as interest in travel roared back to life after two-plus years of disruptions due to the pandemic. Late in the summer, as passengers began to satisfy their pent-up cravings to travel, <u>prices came down a bit</u> — but have generally remained <u>well above those seen in past years.</u>

Even with summer far behind us, the demand is still there. In fact, according to TSA data, Friday, Oct. 14 was the third busiest travel day for passenger traffic we've seen dating back to the start of the pandemic, trailing only the Fridays before the Fourth of July and Labor Day weekends.

The demand is sure to be there for the upcoming holidays as well. For that reason, as the season draws near, experts suggest not waiting any longer to book.

"Airfare almost always goes one direction in the final weeks before travel, and it's not down," Scott Keyes, founder of airfare tracking site <a href="Scott's Cheap Flights">Scott's Cheap Flights</a>, told TPG.

At the same time, we know there are still plenty of travelers out there wanting to get away for Thanksgiving, Christmas and New Year's who still need to book. Here are some tips and advice if you've waited until now to start locking in airfare for the holidays.

# Book holiday flights as soon as possible

What to expect when looking to book Thanksgiving flights

If there are two pieces of somewhat good news when it comes to Thanksgiving airfare, it's that the prices are a lot better than what you'll find for Christmas, and that the prices have actually ticked down ever so slightly in recent weeks.

Still, you won't want to wait, experts say.

While your best bet is to book now, Keyes said, at the very least, you'll want to have your airfare locked in by the start of November, and *certainly* by 21 days out from your planned departure date. Three weeks before Thanksgiving is Nov. 3. and if you're planning to fly the day before the holiday, that would be Nov. 2.

"By the time November rolls around, I would not expect anything even remotely resembling cheap to still be available," Keyes told TPG.

Once Halloween is behind us, Thanksgiving prices will likely rise by as much as \$10 per day, Hopper's lead economist Hayley Berg projects. She further cautions that if you wait until the last minute to book Thanksgiving travel, you'll pay an average of \$450-plus round-trip. That's all the more reason to book sooner rather than later.

# What to expect when looking to book Christmas and New Year's flights

In past years, there's been a mantra that suggests travelers book Thanksgiving flights by Halloween and Christmas flights by Thanksgiving.

There's been a shift in 2022, though. This year, airfare experts recommend you book all of your holiday travel as soon as possible.

Part of the reason to book Christmas flights so early is that prices for the end-of-year holidays are trending far above Thanksgiving levels. Now, like with Thanksgiving, there's been some slightly positive shifting in the last couple of weeks: as of this weekend, Hopper says Christmas domestic round trips are around \$390.

To avoid the very highest prices, keep the '21 days out' rule in mind Keyes mentioned; it applies to Christmas, too; 21 days before Christmas Eve is Dec. 3.

Even waiting until then, though, is a gamble — and one you're unlikely to win, experts warn.

"My advice to travelers now is that if you find flights with a convenient schedule and fares that fit your budget, book them," airline industry analyst Henry Harteveldt told TPG earlier this fall. "Don't try to game the system."

### Can you book holiday flights now and change them later?

When you consider the advice to book all of your holiday trips at the same time this year, it might seem a bit daunting from a budgetary standpoint. Not to mention, sometimes it takes a while for holiday plans to solidify.

It begs the question: If you book now and find a cheaper flight later, can you change your trip? Or, if your plans change, can you cancel your flight? By and large, the answer to both is yes, but with some important caveats to know.

On the four largest U.S. carriers — American, Delta, Southwest and United — you can now change your ticket without paying a change fee. For the most part, if you find a cheaper flight down the road, you can rebook and get airline flight credits for the price difference between the two flights, which you could use on a future trip. You can alternatively opt for a full refund when canceling certain higher-level tickets or when using miles in some programs.

As for this flexibility on American, Delta and United, it generally applies to domestic flights and, in fact, all flights originating in North America, depending on the airline — check your carrier's individual policy if you're looking to change an international flight.

Keep in mind, though, American, Delta and United exclude basic economy tickets from this flexibility — so if you think you might want to make a change later on, you're better off with a regular economy ticket and not a highly restrictive one.

# Is it too late to book holiday flights?

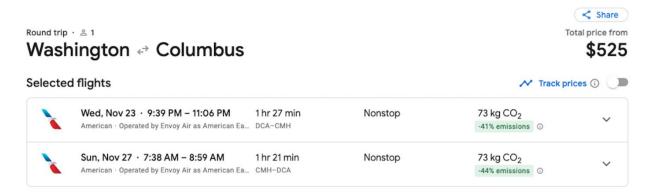
Sure, you might have gotten a better deal if you'd booked your holiday flights in September, but if you're just now starting to check airfare for Thanksgiving, Christmas and New Year's and are finding the prices a bit daunting, here are some tricks and tactics you can try in hopes of saving a lot of money or headaches down the line.

### Be flexible with your travel dates

If you're plugging in your destination and travel dates for the holidays and find prices are exorbitant, see if you can be a bit more flexible. While work, school and life don't always allow for a lot of flexibility, keep in mind when you have fewer requirements for your travel needs, you can capture the best deals.

For example, let's say I'm in Washington, D.C., looking to get to Columbus, Ohio, to visit family for Thanksgiving. Let's also say my schedule is pretty rigid: I have to leave no later than 5:00 p.m. on the Wednesday night before the holiday, I must depart from Ronald Reagan Washington National Airport (DCA), I don't want to return until the Sunday after Thanksgiving but must be back by that night for work the next day. I've now put a lot of "filters" on my travel and I'm not exactly opening up myself to the best deals.

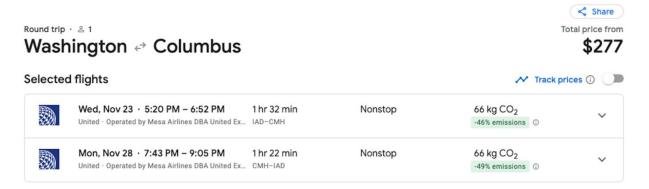
The cheapest itinerary I found that fits all of those parameters goes for \$525 on American Airlines.



### **GOOGLE FLIGHTS**

Let's add a little flexibility to my search. Can I work remotely on the days leading into and/or out of the holiday? Maybe expand my search to include other D.C. airports and a wider range of times? That would certainly help.

Here's a \$277 round-trip departing from Dulles International Airport (IAD) that still departs Wednesday evening, but returns the Monday after the holiday instead of the busy Sunday travel day. That's a savings of about 47%.



# **GOOGLE FLIGHTS**

Obviously, if you need to spend more nights in a hotel because of the longer trip, that can eat up your savings quickly. However, if you are happy to stay with family for a few more days, it could be a way to save some cash and enjoy a longer getaway at the same time.

Opening up your search goes a long way to increasing the odds you find better flight prices.

# Fly on the holiday if you can

If your search still isn't turning up satisfactory prices for the days surrounding the holiday, whether it's Thanksgiving, Christmas or New Year's, one option you might explore is flying early on the holiday itself.

It's not ideal, and we hate to miss precious time with family. However, prices can often be lower for flights on the day itself.

I've also personally found that holiday morning flights can be relatively pleasant, with thinner crowds in the airports compared to the often-chaotic days surrounding the major holidays.

Whether this is a realistic option depends, of course, on your family's particular celebration plans, but it's something to consider if you're not finding any affordable flights immediately before or after the holiday.

#### Consider alternative destinations

Another way to skirt high holiday airfares is to go where the prices are lower. If you have to visit a particular city for the holidays and the prices are high, you don't have a lot of wiggle room.

Consider this: Is there any chance of meeting family in an alternative city instead of traveling to someone's house? Could you <u>pick an alternative vacation destination</u> around Christmas and New Year's? Thinking outside the box can allow you to select airfare based on the best prices, rather than being at the mercy of whatever the prices are to a particular city.

You can <u>use Google Flights to show you airfare prices</u> to places around the country — or the globe — on the dates you want to travel.

# Hold a flight if you're able to

Another option if you've found airfare you like but aren't 100% sure of your plans yet, is to <u>put a hold on</u> it.

This is admittedly getting a little bit harder to do, given some airlines' policy changes, including American Airlines recently announcing it's <u>exploring ending its courtesy holds</u> for cash tickets.

Some airlines will let you put a hold or fare lock on airfare if you find a price and itinerary that will work for your travel needs, but you aren't ready to book just yet. It's one of my favorite ways to allow myself additional time to make up my mind.

On United, you can pay a small fee to lock in airfare — a few dollars will generally get you a few days — after which you can either purchase the trip or have it canceled.

Keep in mind, if the airline doesn't allow you to hold a flight, federal regulations require them to allow you 24 hours to cancel and get a full refund, so it's not a problem if you book your flight and then quickly change your mind.

And once again, if you find a better price later, most airlines will let you cancel and switch to a new trip with no penalty (on domestic trips at least) provided it wasn't a basic economy fare.

# Use Capital One Travel's price protection feature

Another tool you can use if you are shopping for holiday airfare, and have travel credit cards like the <u>Capital One Venture X Rewards Credit Card</u>, is the Capital One <u>price protection feature</u>.

With this, you can leverage Capital One's relationship with Hopper to use the site's airfare algorithms to suggest whether you book now or wait for prices to drop. This can make you eligible for a credit in the event the price unexpectedly drops.

# Don't forget to check award pricing, but tread carefully

Certainly, if you have miles saved up, it's always great to be able to book flights without having to shell out cash.

Just be especially careful around the holidays to vet whether you're getting a good redemption for your hard-earned miles. Sometimes at Thanksgiving, Christmas and New Year's, while the cash prices aren't appealing, the award prices might be even worse. This can be especially true as more airlines shift to revenue-based award pricing models that remove a layer of predictability from what you pay in points and miles.

Resources like <u>TPG's points and miles valuations</u> and <u>awards vs. cash calculator</u> can be a great way to determine whether you're better off using cash or your miles.

Yes, even a poor value redemption can save you a chunk of money. However, keep in mind that you won't have those miles when spring and summer come around and you're looking to book a vacation.

It's still worth checking, though, not only to keep cash in your pocket but also because sometimes there are good premium cabin awards available since there's virtually no business travel during holiday weeks. Additionally, miles can be your fallback plan while you look for something better since many <u>U.S. programs now allow free changes or cancellations</u> on awards, at least up until a certain point.

#### **Bottom line**

If you're thinking of flying for Thanksgiving, Christmas or New Year's, act fast.

You may have waited until the weather got a bit cooler to start planning your holiday travel. However, if you want to avoid the worst fares, booking all of your holiday travel as soon as possible is your best bet in 2022. And don't forget to book those <u>flexible car rentals</u> and <u>hotel reservations</u> if needed while you're at it.