Outlook for Leisure Travel

Cheryl Schutz

D.K. Shifflet & Associates, Ltd.

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In the U.S........

1 Birth every 8 seconds

1 Death every 13 seconds

1 Immigrant every 32 seconds

1 Person *every 12 seconds*

Potential Traveler
Population Statistics Impacting Travel

- Decrease in households with children under 18
- Senior population is growing
- Increase in single person households
- Increase in age of first marriage
- Adult children living at home longer
- Millennials surpass Boomers as largest generation

2010 U.S. Census Data
Increases in adult population expected to continue

Census Projections of the U.S. Adult Population by Age – (millions)
The Generation Divide

Census Projections of the U.S. Adult Population by Age
Older generation travels most
Boomers largest impact on Leisure

Census Projections of the U.S. Adult Population by Age; DKSA PERFORMANCE/monitorSM – 2014 Person-Stays
Leisure travelers still married

Married

Never Married

Not Married Now

DKSA PERFORMANCE/MonitorSM – Leisure Stays
Older Millennials may be more like other generations

<table>
<thead>
<tr>
<th>Generation</th>
<th>18-25</th>
<th>26-33</th>
<th>50-59</th>
<th>60-68</th>
<th>Never Married</th>
<th>Married</th>
<th>Divorced/Widowed/Separated</th>
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</thead>
<tbody>
<tr>
<td>Millennial</td>
<td>69</td>
<td>30</td>
<td>15</td>
<td>15</td>
<td>44</td>
<td>53</td>
<td>29</td>
</tr>
<tr>
<td>Gen X</td>
<td>13</td>
<td>77</td>
<td>79</td>
<td>81</td>
<td>6</td>
<td>77</td>
<td>2</td>
</tr>
<tr>
<td>Boomer</td>
<td>4</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>4</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Silent/GI</td>
<td>2</td>
<td>78</td>
<td>77</td>
<td>81</td>
<td>20</td>
<td>2</td>
<td>20</td>
</tr>
</tbody>
</table>

DKSA PERFORMANCE/Monitor™ – 2014 Person-Stays
Singles increase; Families decrease

- **2 Adults**: 40, 44
- **1 Adult**: 29, 33
- **Adults/Children**: 24, 17
- **3+ Adults**: 7, 6


*DKSA PERFORMANCE/Monitor™ – Leisure Stays*
Older Millennial travel party looks like Gen X

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Includes Children</th>
<th>3+ Adults</th>
<th>Pairs</th>
<th>Singles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial 18-25</td>
<td>7</td>
<td>14</td>
<td>25</td>
<td>37</td>
</tr>
<tr>
<td>Millennial 26-33</td>
<td>11</td>
<td>33</td>
<td>35</td>
<td>42</td>
</tr>
<tr>
<td>Gen X</td>
<td>6</td>
<td>4</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Boomer 50-59</td>
<td>8</td>
<td>7</td>
<td>52</td>
<td>33</td>
</tr>
<tr>
<td>Boomer 60-69</td>
<td>11</td>
<td>7</td>
<td>48</td>
<td>35</td>
</tr>
<tr>
<td>Silent/GI</td>
<td>5</td>
<td>6</td>
<td>56</td>
<td>32</td>
</tr>
</tbody>
</table>

DKSA PERFORMANCE/MonitorSM – 2014 Stays
Vacations and VFR

Visit Friend/Relative: 31%
Other: 14%
Special Event: 12%
Shopping: 5%
Medical Show/Conf.: 4%
Convention/Show/Conf.: 3%
Vacation: 31%
Getaway Weekend: 35%
Overnight Vacation: 35%
Day Leisure: 29%

DKSA PERFORMANCE/SMonitor – 2014 Leisure Person-Stays
Vacations and VFR

Millennial (18-25): 13, 10, 10
Gen X: 14
Boomer: 9, 12, 8
50-59: 11, 12, 7
60-68: 8, 11, 7
Silent/GI: 11

- Other
- Medical
- Special Event
- Visit
- Friend/Relative
- Weekend Getaway
- Overnight Leisure
- Day Leisure

DKSA PERFORMANCE/Monitor™ – 2014 Person-Stays
Hotels on the rise

- **Hotel**: 47 to 46
- **Friend/Relative Home**: 35 to 36
- **Other**: 18 to 15
- **Home/Apt./Condo (not mine)**: 0 to 3

DKSA PERFORMANCE/Monitor™ – Leisure Person-Stays
Millennials stay with Friends/Relatives; others in Hotels

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Hotel</th>
<th>Friend/Relative</th>
<th>Home/Apt./Condo (not mine)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial 18-25</td>
<td>39</td>
<td>44</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Millennial 26-33</td>
<td>35</td>
<td>47</td>
<td>2</td>
<td>15</td>
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<tr>
<td>Millennial 26-33</td>
<td>41</td>
<td>43</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Gen X</td>
<td>50</td>
<td>34</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Boomer 50-59</td>
<td>48</td>
<td>32</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>Boomer 60-68</td>
<td>50</td>
<td>31</td>
<td>3</td>
<td>16</td>
</tr>
<tr>
<td>Silent/GI</td>
<td>47</td>
<td>33</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>Silent/GI</td>
<td>45</td>
<td>35</td>
<td>3</td>
<td>17</td>
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Millennials stay with Friends/Relatives; others in Hotels

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<tr>
<th>Age Group</th>
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</tr>
<tr>
<td>26-33</td>
<td>41</td>
<td>14</td>
<td>3</td>
<td>3</td>
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<tr>
<td>26-33 (2006)</td>
<td>39</td>
<td>14</td>
<td>0</td>
<td>17</td>
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<tr>
<td>Gen X</td>
<td>50</td>
<td>13</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

DKSA PERFORMANCE/MonitorSM – 2014 Person-Stays
Booked With Short Term Rental Company

- 90% Did Not Book in Past 12 Months
- 10% Booked With Short Term Rental Company

- Airbnb: 40%
- VRBO: 32%
- HomeAway: 11%
- Flipkey: 5%
- Other: 11%
Millennials most likely to use Short Term Rentals

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial</td>
<td>13</td>
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<tr>
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Type of Short Term Rental Booked

- Entire residence without owner present: 66.7%
- Room(s) in residence with owner present: 14.7%
- Entire residence with owner present: 10.6%
- Room(s) in residence without owner present: 8.4%
- Other: 8.7%

DKSA PERFORMANCE/Monitor™ – September 2015 - Overnight Leisure
Why Book a Short Term Rental?

- Better priced than alternatives: 63.5%
- More convenient location than...: 34.8%
- Accommodated my entire travel party: 32.3%
- Ability to cook: 29.2%
- Wanted a neighborhood experience: 17.4%
- Just wanted to try it: 13.4%
- Easier environment for children: 9.2%
- Other: 5.2%

DKSA PERFORMANCE/ Monitor™ – September 2015 - Overnight Leisure
Short Term Rentals definitely a consideration

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Next 6 months</th>
<th>Next 12 Months</th>
<th>No Plans/Might Consider</th>
<th>Would not Consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial 18-25</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>43</td>
</tr>
<tr>
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<td>6</td>
<td>5</td>
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<td>3</td>
<td>3</td>
<td>2</td>
<td>62</td>
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DKSA PERFORMANCE/MonitorSM – September 2015 – All Respondents
DKSA Traveler Forecast

DKSA PERFORMANCE/MonitorSM – Person-Stays (millions)
DKSA Spending Forecast

- **2000**: $601 (33% Leisure, 67% Business)
- **2002**: $587 (33% Leisure, 67% Business)
- **2004**: $679 (33% Leisure, 67% Business)
- **2006**: $728 (33% Leisure, 67% Business)
- **2008**: $743 (33% Leisure, 67% Business)
- **2010**: $715 (33% Leisure, 67% Business)
- **2012**: $851 (33% Leisure, 67% Business)
- **2014**: $966 (33% Leisure, 67% Business)
- **2015-F**: $1,028 (33% Leisure, 67% Business)
- **2017-F**: $1,150 (33% Leisure, 67% Business)
- **2019-F**: $1,268 (33% Leisure, 67% Business)

DKSA PERFORMANCE/Monitor℠ – Spending (billions)
Outlook Summary

- Population and travelers will continue to get older
- Boomers continue to drive leisure travel for foreseeable future
- Family travel may stabilize
- Millennial travel driven by older members
- Short term rentals will grow unless regulation has negative impact
- U.S. Leisure travel and spending continue to grow
Thank You

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cschutz@dksa.com