

Travel Price Index (TPI) | October 2023

Overview

Travel prices, reflected by the TPI, increased at a slower pace in October.

- TPI growth slowed to 0.9% year-over-year in October, compared to 4.3% in September, a result of weaker growth in lodging and falling transportation costs.
- On a month-over-month basis, travel prices fell 1.4% versus September – the largest monthly decline since December 2022.
- In comparison, *overall* price inflation (reflected by CPI) was flat on a monthly basis while moderating to 3.2% year-over-year.

Detail

Transport prices have been declining in recent months.

- Motor fuel prices are down 5.6% relative to 2022 and 4.9% lower than September.
- Airfares fell 13.2% year-over-year in October, remaining at 5% below pre-pandemic levels and 24% below the May 2022 peak.

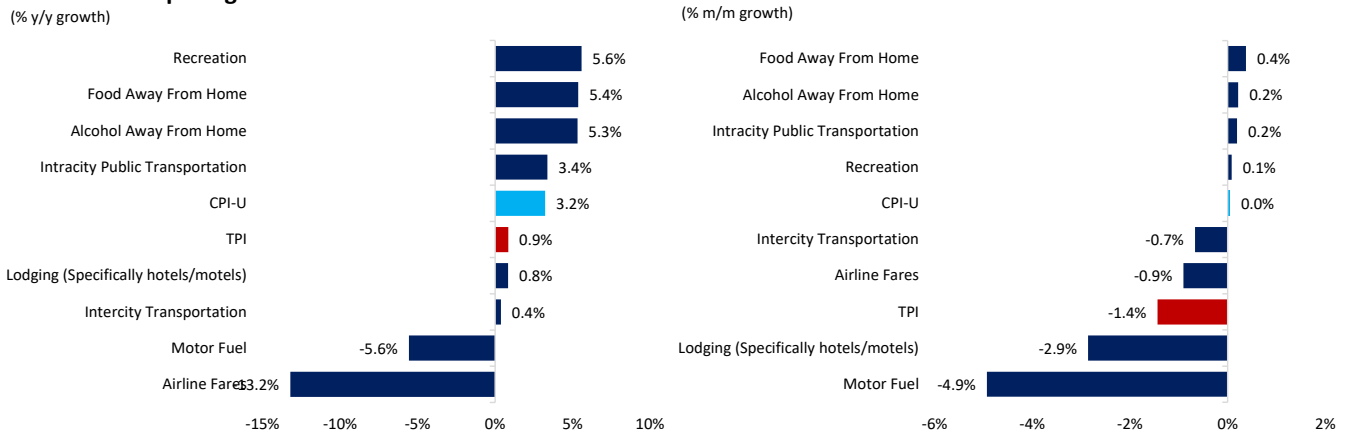
Lodging price growth moderated to 0.8% year-over-year – the weakest since April 2021 – and declined 2.9% relative to the prior month.

Despite weaker year-over year growth than September, **recreation and food & beverage** prices increased the fastest in October, up 5.6% and 5.4% year-over-year, respectively.

TPI Component	Index (seasonally adjusted)			Year-over-year % change	% change compared to 2019	Seasonally adjusted change from preceding month
	Oct	Oct	Oct	Oct	Oct	Oct
	2019	2022	2023	2023/2022	2023/2019	2023
TPI	292.5	345.8	348.7	0.9%	19.2%	-1.4%
Transportation	247.1	317.2	290.8	-8.3%	17.7%	-3.5%
Airline Fares	265.5	289.5	251.3	-13.2%	-5.3%	-0.9%
Motor Fuel	236.1	342.1	323.1	-5.6%	36.9%	-4.9%
Intracity Public Transportation	324.9	333.9	345.2	3.4%	6.2%	0.2%
Intercity Transportation	158.0	164.7	165.4	0.4%	4.7%	-0.7%
Lodging (Specifically hotels/mo	336.4	377.9	381.1	0.8%	13.3%	-2.9%
Recreation	317.7	341.4	360.5	5.6%	13.5%	0.1%
Food and Beverage	289.9	343.4	361.8	5.4%	24.8%	0.4%
Alcohol Away From Home	355.9	403.3	424.7	5.3%	19.3%	0.2%
Food Away From Home	286.8	340.5	358.8	5.4%	25.1%	0.4%
CPI-U	257.3	298.0	307.6	3.2%	19.6%	0.0%

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Travel-related price growth

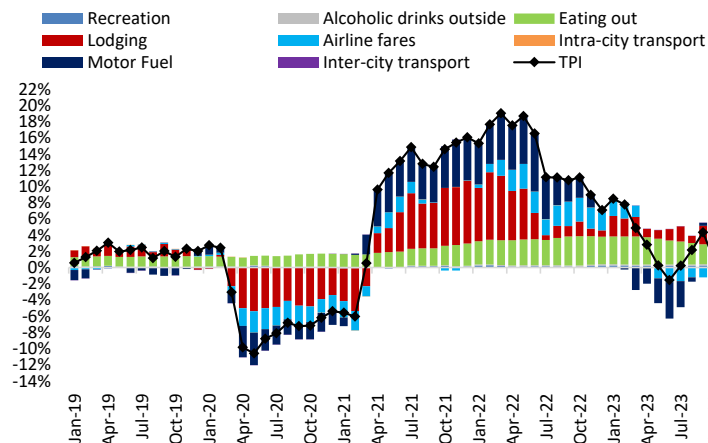


TPI Drivers

The TPI is a weighted index of prices for tourism-related categories. The contribution of each driver to year-over-year TPI growth is based on its individual growth rate, as well as its index weighting.

Travel Price Index

(% contribution to y/y growth)



TPI inflation (black line) has fallen from highs witnessed in 2022, with the help of declining motor fuel prices (dark blue) and airline fares (light blue). Meanwhile, lodging price growth (red) is slowing, as eating out (light green) – the least volatile component of TPI – remains elevated versus pre-pandemic despite falling slightly in recent months. Other price categories, such as alcohol consumption outside the home and recreation, influence TPI growth to a much smaller extent due to smaller weighting.