

## Travel Price Index (TPI) | December 2023

### Overview

Travel prices, reflected by the TPI, accelerated in December.

- TPI growth accelerated to 1.3% year-over-year in December, compared to 0.3% in November, a result of strong price growth in recreation and food & beverage.
- On a month-over-month basis, travel prices increased for the first time in two months – 0.4 % versus November.
- In comparison, *overall* price inflation (reflected by CPI) grew 0.3% on a monthly basis while rising to 3.3% year-over-year.

### Detail

**Food & beverage and recreation** prices rose the fastest in December, both up 5.2% year-over-year. Recreation prices increased 1.6% compared to November, while F&B grew 0.3%.

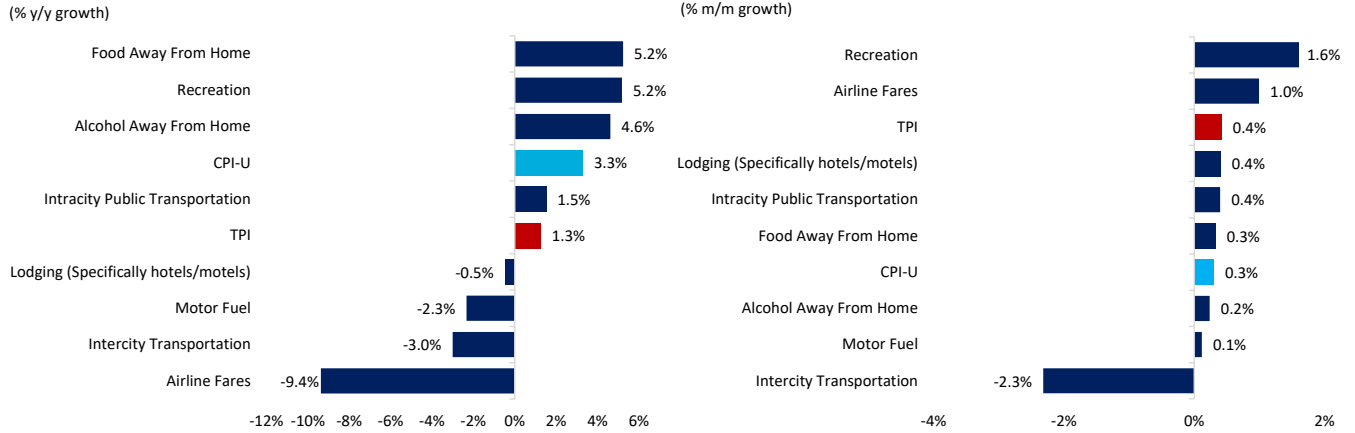
**Transport prices** declined at a slower year-on-year pace in December but increased month-over-month.

- Airfares fell 9.4% year-over-year in December to 3.5% below pre-pandemic levels and 23% lower than the May 2022 peak. Versus the prior month, airfares were 1.0% higher.
- Motor fuel prices were down 2.3% relative to 2022 but 0.1% above November.

**Lodging prices** contracted for the first time since March 2021 at -0.5% year-over-year but increased 0.4% relative to the prior month.

TPI Component	Index (seasonally adjusted)			Year-over-year % change	% change compared to 2019	Seasonally adjusted change from preceding month
	Dec	Dec	Dec	Dec	Dec	Dec
	2019	2022	2023	2023/2022	2023/2019	2023
<b>TPI</b>	<b>291.5</b>	<b>342.5</b>	<b>346.8</b>	<b>1.3%</b>	<b>19.0%</b>	<b>0.4%</b>
<b>Transportation</b>	250.8	295.5	280.6	-5.0%	11.9%	0.4%
Airline Fares	262.0	279.0	252.8	-9.4%	-3.5%	1.0%
Motor Fuel	245.2	311.3	304.1	-2.3%	24.0%	0.1%
Intracity Public Transportation	322.8	340.7	345.9	1.5%	7.2%	0.4%
Intercity Transportation	156.5	163.6	158.7	-3.0%	1.4%	-2.3%
<b>Lodging (Specifically hotels/motels)</b>	<b>326.6</b>	<b>380.2</b>	<b>378.3</b>	<b>-0.5%</b>	<b>15.8%</b>	<b>0.4%</b>
<b>Recreation</b>	<b>320.4</b>	<b>348.8</b>	<b>366.9</b>	<b>5.2%</b>	<b>14.5%</b>	<b>1.6%</b>
<b>Food and Beverage</b>	<b>291.2</b>	<b>346.4</b>	<b>364.5</b>	<b>5.2%</b>	<b>25.2%</b>	<b>0.3%</b>
Alcohol Away From Home	357.7	407.4	426.3	4.6%	19.2%	0.2%
Food Away From Home	288.1	343.6	361.6	5.2%	25.5%	0.3%
<b>CPI-U</b>	<b>258.6</b>	<b>299.0</b>	<b>308.9</b>	<b>3.3%</b>	<b>19.4%</b>	<b>0.3%</b>

**Travel-related price growth**

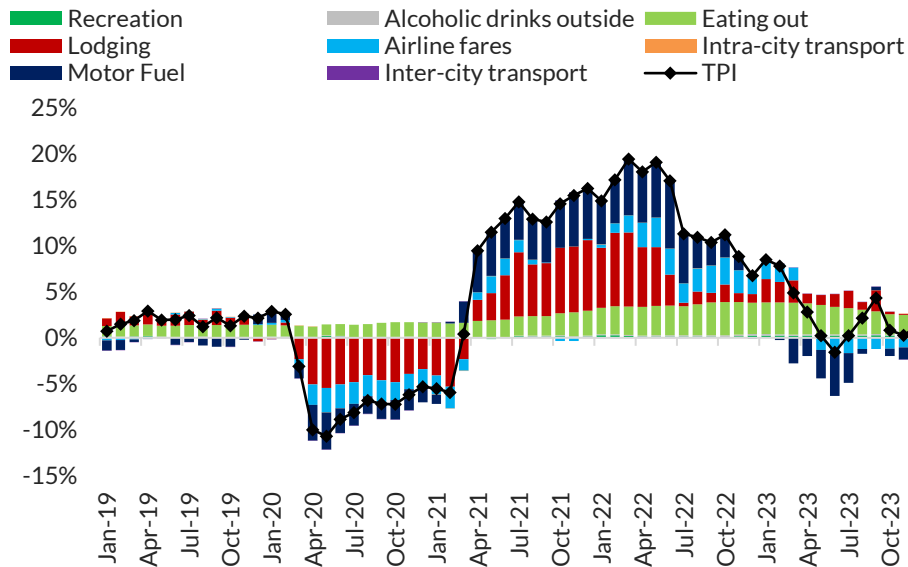


**TPI Drivers**

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) accelerated in December 2023. Eating out (light green) – the least volatile component of TPI – remains elevated versus pre-pandemic despite falling slightly in recent months. While lodging prices (red) contracted, downward pressures of the last few months eased through a slower decline in motor fuel prices (dark blue) and airline fares (light blue). Other price categories, such as alcohol consumption outside the home and recreation, influence TPI growth to a much smaller extent due to smaller weighting.