

U.S. TRAVEL ASSOCIATION®



STATE OF AMERICAN VACATION 2018

PROJECT: TIME OFF

The growth of domestic travel is central to U.S. Travel's overall mission. We support policies to improve travel infrastructure and national parks, among others, and foster programs and research that encourage increased domestic travel.

In the fall of 2018, U.S. Travel folded its domestic leisure-focused Project: Time Off initiative into an expanded public affairs portfolio, enhancing the association's advocacy and research on domestic travel. Analysis that informs and advances this area of focus—including tracking America's vacation usage and its benefits to travelers—is included in U.S. Travel's research and messaging platforms for our members' use and in support of activations such as National Plan for Vacation Day.

INTRODUCTION

America's vacation behavior is changing—and for the better.

The latest *State of American Vacation* results show improvement in America's work culture. While a transformation is not yet at hand, the beginnings of change may be. Employers are showing signs of having more encouraging vacation cultures, and employees are feeling more confident about using the time they earn.

There is still a long way to go, with more than half of Americans leaving vacation time on the table. In analyzing how vacation time was spent, the data shows an unmistakably strong correlation between travel and happiness that forces the question, does the function of the time or the time itself have a greater impact?

METHODOLOGY

The *State of American Vacation* is annual tracking survey of American vacation habits. 2018 is the third year of the report.

GfK conducted an online survey from January 4-23, 2018 with 4,349 American workers, age 18+, who work more than 35 hours a week and receive paid time off from their employer. These data were weighted and scaled.

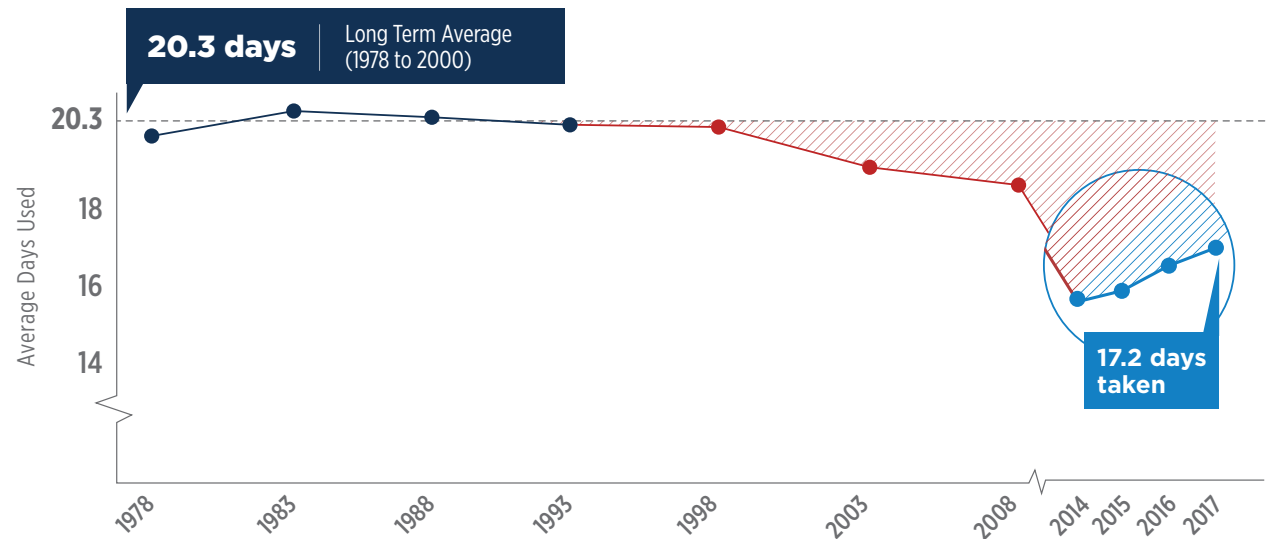
Oxford Economics used the GfK survey results and data from the Bureau of Labor Statistics' (BLS) Current Population Survey to estimate historical levels of vacation activity. A 24-month moving average smoothed short-term fluctuations in the data. Total unused paid time off was projected using Bureau of Economic Analysis (BEA) employment data, adjusted by the share receiving paid time off. The potential economic impact was developed using a per diem spending approach based on data from TNS, U.S. Travel Association, and the BEA Travel and Tourism Satellite Accounts.

DOES THREE MAKE A NEW TREND?

Fewer Americans left vacation time on the table in 2017.

While still a majority, 52 percent of employees reported having unused vacation days at the end of the year, compared to 54 percent in 2016 and 55 percent in 2015.

America's Vacation Trendline



Though a two percent change might seem small, the impact is mighty. Americans used nearly a half-day (.4 days) more of vacation than the previous year. The increase marks the third straight year of increased vacation usage and brings the national average up to 17.2 vacation days taken per employee. It also marks more than a full-day increase since the lowest point in America's vacation usage in 2014, when that number stood at 16.0 days.

The increase in vacation usage from 16.8 to 17.2 days delivered a \$30.7 billion impact to the U.S. economy. It also produced an estimated 217,200 direct and indirect jobs and generated \$8.9 billion in additional income for Americans.

While the numbers are moving in a positive direction, more than half of Americans are still not using all the vacation time they earn. The 52 percent who left vacation on the table accumulated 705 million unused days last year, up from 662 million days the year before.

Though this increase may seem counterintuitive to Americans using more vacation time, it is a function of employees earning more time. The average employee reported earning 23.2 paid time off days, an increase of more than half a day (.6 days) over the previous year.

Of these days, Americans forfeited 212 million days, which is equivalent to \$62.2 billion in lost benefits. That means employees effectively donated an individual average of \$561 in work time to their employer in 2017.

The more than 700 million days that go unused represent a \$255 billion opportunity that the American economy is not capturing. Had Americans used that vacation time, the activity could have generated 1.9 million jobs.



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WORK CHALLENGES REMAIN

The turning trend line is a clear sign that Americans are increasingly realizing the value of their vacation time. Yet challenges remain—particularly when it comes to workplace optics.

Work-related challenges had the most influence on Americans’ ability to vacation. Employees who were concerned that they would appear less dedicated or even replaceable if they took a vacation were dramatically less likely to use all their vacation time (61% leave time unused, compared to 52% overall). Those who felt their workload was too heavy to get away were also more likely than average to have unused vacation time (57% to 52%), as were employees who felt there was a lack of coverage or that no one else could do their job (56% to 52%).

The other barriers had far less influence on vacation behavior. When asked about the barriers to taking time off to travel, unsurprisingly, cost is at the top. However, the respondents who agreed that cost was a barrier take about the same amount of vacation time as average (53% leave time unused, compared to 52% overall). Everyone has a budget—the variable is how large. Where 71 percent of overall respondents said cost was a challenge, that number drops just slightly to 68 percent for Americans with household incomes over \$100,000 annually.

Other top challenges also had little impact on vacation behavior. While children, pets, and the logistical hassles are felt by many Americans, the experience of travel makes overcoming those challenges worth it, as evidenced by their vacation usage being the same or close to average.

Workplace Barriers Harder to Overcome for Taking Vacation

Barriers to Travel	Unused Vacation Days Among Those Who Rank as Top Barrier
Fear Looking Replaceable	61%
My Workload is Too Heavy	56%
Lack of Coverage at Work	56%
My Pet	54%
The Logistical Hassles of Traveling	54%
Concerns About Security and Safety when Traveling	54%
The Cost of Travel	53%
My Child/Children	52%
Being Away From My Regular Routine	52%

Alleviating the barriers in the workplace rests on creating a positive vacation culture. With nearly four-in-ten (38%) employees saying their company culture encouraged vacation, there has been improvement in employees' perception of their company's level of support for vacation (compared to 33% last year).

The companies encouraging vacation may realize it is a competitive advantage. Employees who feel supported in taking vacation are happier with their job, company, relationships, and health, allowing them to bring their best selves to the job when they are on the clock.

The Perks of a Positive Vacation Culture

Happiness with...	Encouraging Culture	Discouraging or Ambivalent Culture
The Company at Which You Work	72%	42%
Your Job	68%	42%
Personal Relationships	79%	72%
Physical Health and Well-being	58%	44%
How Much Vacation Time You Use	77%	51%

Just because a company is not prioritizing vacation time does not mean employees feel the same. Paid vacation (45%) is the second-most important benefit to employees after health care (53%), ahead of retirement plans (38%), flexible work options (25%), bonuses (14%), and sick leave (10%). The ranking does not change for employees who work in cultures that do not encourage vacation usage.



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Creating Certainty Through Communication

Employees are still not getting guidance or encouragement from their employer when it comes to time off. More than six-in-ten (62%) say their company discourages, sends mixed messages, or says nothing about vacation time. That silence contributes to the uncertainty employees have about what their company wants from them when they do go away.

Fully 40 percent of employees say they either are not sure or do not think their company wants them to use all the vacation time they earn. Another 54 percent say they are not sure or do not think their company wants them to talk about their vacation with colleagues when they return.

The disconnect between employees' uncertainty and senior leaders' perspective on time off remains. Executive and senior leaders feel strongly that the company wants them to use all their time off (70%) and that they should talk about their vacation experiences when they return (64%).



62% of employees say their company discourages, sends mixed messages, **or says nothing about vacation time.**

RISE OF THE WORKCATION?

America's demanding work culture has given rise to the idea of a "workcation."

A workcation is not simply spending time working during a vacation. Rather, it is a proactive decision to travel somewhere with the intent to work a regular schedule remotely. For some employees, it is an option that allows them to enjoy a destination without having it count against their vacation time. For others, though, it may be further evidence of work martyrdom. Debate aside, are Americans actually taking workcations? And, more importantly, do they want to?

At first glance, the data says no: only 10 percent of Americans have taken a workcation. Twenty-nine percent of all workers describe the idea as appealing, where 70 percent called the concept unappealing. But the proof may be in the pudding. The 10 percent of employees who reported taking a workcation report a much stronger affinity for the idea, with 55 percent of this experienced group calling it appealing.

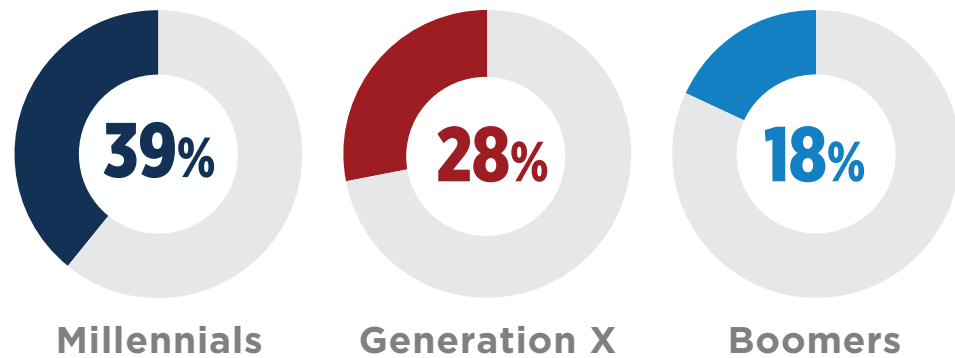
Digging deeper into the numbers shows there may be more to workcations as workplace demographics change. Millennials—and to a lesser extent Generation X—have a much keener interest in the idea of a workcation. Nearly four-in-ten (39%) Millennials say they find the idea of a workcation appealing. From there, interest declines as age rises: 28 percent of Generation X and 18 percent of Boomers feel that a workcation is appealing. Time will tell if Millennials interest signals the start of a trend or just the result of being a hyper-connected generation with fewer vacation days earned.



Workcation:

Traveling somewhere with the intent to **work remotely for all or part of the time you are away.**

Who is Most Interested in Workcations?



The Work Martyr's Travel Guide

The idea of blending work and travel together is one that the American work martyrs can get behind. Employees who are concerned about looking less dedicated or replaceable are far more likely to find workcations appealing than those who do not fear the optics of vacation (37% to 27%).

Of those who feel they have a hard time getting away due to workload, 34 percent say a workcation is an attractive option, compared to just 27 percent of those who say their workload does not make it difficult to take vacation. The situation is similar for those who have a hard time finding coverage while they are out: 34 percent find workcations appealing, compared to 26 percent who say coverage is not difficult.

Work Martyrs' Increased Appeal for Workcations

Barrier	Agree and Want to Take a Workcation	Disagree and Want to Take a Workcation
Fear Looking Less Dedicated or Replaceable	37%	27%
Workload Makes It Difficult to Vacation	34%	26%

The appeal of a workcation is stronger for those employees who stay connected. Those who reported taking a workcation last year are also more likely than average to say that they check in with work frequently or at least occasionally when they are on vacation (75% to 40%). There are some who see the potential positives of a workcation.

“Is the workcation detracting from the vacation you were going to have, or is it enabling the vacation you otherwise wouldn't have had?” questioned Kenneth Matos, senior director of research at the Families and Work Institute, in The Wall Street Journal.

For Americans who are not using much of their earned time off, workcations do have more appeal. Thirty-seven percent of Americans who used little or none of their vacation days said they found the idea of a workcation appealing, compared to 29 percent overall.

Employees who place greater importance on travel also see the value in a workcation. Where 84 percent overall say it is important to travel with their time off, 87 percent of those who find workcations appealing say the same.

Travel has its benefits to the company, according to Kari DePhillips and Kelly Chase, hosts of the podcast [Workationing](#) and serial workcationers. “Traveling has the effect of breaking you out of your routine, and for us, that has helped us in our goals to live more intentionally,” Chase told [Fast Company](#). “When you can’t default to your regular habits, it’s a lot easier to make big changes and focus on your goals.”



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—Kenneth Matos

AMERICA'S TRAVEL DEFICIT



86% of Americans say they **have not seen enough of their own country.**

The tenuous appeal of a workcation may be the result of Americans not satisfying their wanderlust.

Where the average employee is taking 17.2 days of vacation, less than half (47%) of that time—just eight days—is used for travel. Nearly a quarter (23%) said they used none of their time off to travel. It is not for lack of caring. The majority (84%) still say it is important to them that they use their time off to travel.

Millennials use a greater proportion of their days for travel than Generation X or Boomers, but take fewer days than older generations as a result of earning fewer days. The average Millennial takes 14.5 days, 7.1 of which are used to travel. Generation X uses 17.9 days and dedicates 8.2 of those for travel. Boomers take the most days off at 19.8, and spend 9.0 days on travel vacations. It follows that a staggering 86 percent of Americans say they have not seen enough of their own country.

Millennials Fulfilling Their Wanderlust

	Vacation Days Taken	Days Used for Travel	Percentage for Travel
Average	17.2	8	47%
Millennials	14.5	7.1	49%
Generation X	17.9	8.2	46%
Boomers	19.8	9.0	46%

With more than 400 sites, one of the best and most time-honored ways to see the U.S. is its robust system of national parks. But of the 59 national parks in the U.S., only 19% of Americans have seen more than five. More than a quarter (26%) say they have never been to a national park. The majority (54%) say they have visited two or fewer.

THE HAPPINESS IMPERATIVE



22 percentage point gap between mega-travelers and homebodies when it comes to happiness with physical health and well-being.

The nearly half (48%) of Americans who are not using a majority of their vacation for travel are missing out on more than sun and fun.

Americans taking all or most of their vacation days to travel—or mega-travelers—report dramatically higher rates of happiness than those using little to none of their time for travel—or homebodies.

While it may not be surprising that mega-travelers are happier with how they spend their paid time off compared to homebodies (76% to 48%), there are some significant differences that show that travel—not simply taking time off for any purpose—is how to get the greatest benefit out of vacation time.

When it comes to happiness with physical health and well-being, there is a 22 percentage point gap (61% to 39%) between mega-travelers and homebodies. In the era of increasing concern over worker burnout, this finding is a notable takeaway for employees and employers looking for ways to improve well-being.

If concerns over burnout are not enough to get employers to rethink vacation culture, an employee’s happiness with the company and their job is also influenced by how much of their time off is spent traveling. Nearly six-in-ten (59%) mega-travelers report being “very” or “extremely” happy with their company, compared to less than half (46%) of homebodies.

Travelers Feel Greater Happiness

Happiness with...	All or Most (more than 75%)	Some (25% to 75%)	Little to None (less than 25%)
Your Company	59%	56%	46%
Your Job	57%	53%	46%
Personal Relationships	79%	77%	66%
Physical Health and Well-Being	61%	49%	39%
How You Spend Your Paid Time Off	76%	69%	48%

The numbers are similar for employees who report being happy with their job—57 percent of mega-travelers compared to just 46 percent of homebodies.

The employees spending more of their vacation time traveling may also be more successful when they are in the office. More than half (52%) of mega-travelers reported receiving a promotion in the last two years compared to Americans who use some (44%) or little to none (44%) of their time to travel.

Mega-travelers also report a higher likelihood of receiving a raise, bonus, or both than homebodies. Employees use little to none of their vacation time for travel were five percentage points less likely than those who use all or most of their vacation time for travel to report a raise or bonus in the last three years (81% to 86%).



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of receiving a raise, bonus, or both than homebodies.

A WORLD WITHOUT VACATION

What does a life without a break look like?

It is a cautionary tale experienced by nearly a quarter (24%) of Americans who have not taken a vacation in more than a year. Breaking it down further, 12 percent of Americans say it has been three years or more since they last took a trip.

They know they are missing out: 77 percent admit as much. Of those who have gone a year or more without a vacation, 49 percent say they are concerned that they have missed an opportunity to relax and reduce stress. Another 47 percent say they are not experiencing fun, excitement, and adventure. And 40 percent know they are losing opportunities to make memories.

Their vacation-less world gets to the very heart of why Americans want to use time off in the first place. There are countless reasons to travel, but the top of the list is telling about what matters. A decisive 85 percent of Americans report that seeing their child excited about an experience is reason enough to get away. Nearly all Americans say they want the opportunity to relax and reduce stress (82%) and the chance to make memories (81%).

Why You Travel	Total	Why You Travel	Total
To See My Child Excited About the Experience	85%	To Strengthen Your Relationship with a Significant Other	66%
To Relax/Reduce Stress	82%	To Strengthen Bonds with Family and Friends	65%
To Make Memories	81%	To Improve Your Outlook on Life	60%
For Fun, Excitement, and Adventure	78%	To Learn Something New About a Place, Culture, or History	55%
To See or Do Something New	73%	To Continue a Family Tradition	40%
To See More of the World	72%	To Cross Off an Item on Your Bucket List	35%

THE POWER OF PLANNING

There are some Americans, however, who do not fear missing out because they are taking their vacation time. Those who take the time to plan out their vacation time in advance are far more likely than average to use all their earned days off (53% to 43%). Planners are also more likely than non-planners to use all or most of their time off to travel (33% to 18%), whereas non-planners are far more likely than planners to use little or none of their time for travel (44% to 16%). Still, just over half (52%) of Americans say they are proactive in planning out their vacation time.

If Americans need another reason to get out their calendars, planning is an easy way to dramatically boost their personal happiness. Planners are happier than non-planners in every category measured, and were markedly happier with their personal relationships (81% to 68%).

Planners Enjoy Greater Happiness

Happiness with...	Planners	Non-planners
Your Company	57%	50%
Your Job	56%	48%
Personal Relationships	81%	68%
Physical Health and Well-being	56%	43%
How you Spend Your Paid Time Off	76%	53%



52% of Americans say they are **proactive in planning out their vacation time.**

CONCLUSION

All vacation days are not equal.

Travel is the clearest way to achieve the benefits of time off. Yet far too many Americans are using precious few of their vacation days for getting away, leaving an unexplored nation that defies its very founding.

The ripple effects of America's travel deficit are about far more than unrealized days and dollars. They are about missing out on the experiences, moments, and memories that define us. That is an unacceptable outcome—but only if it is allowed to continue.

