

PAID TIME OFF TRENDS IN THE U.S.



In 2018, Americans took 1.8 billion domestic leisure trips, whose \$650 billion in spending supported 5.5 million American jobs—making this thriving segment a critical component of the travel industry and the U.S. economy as a whole.

There is an opportunity to further grow domestic leisure travel, based on paid time off (PTO) and vacation usage trends. **More than half of Americans (55%) are still not using all their paid time off** and those that are using their days, are spending just a portion of them to travel and see the USA. In 2018, American workers **failed to use 768 million days of PTO**—a 9% increase from 2017.

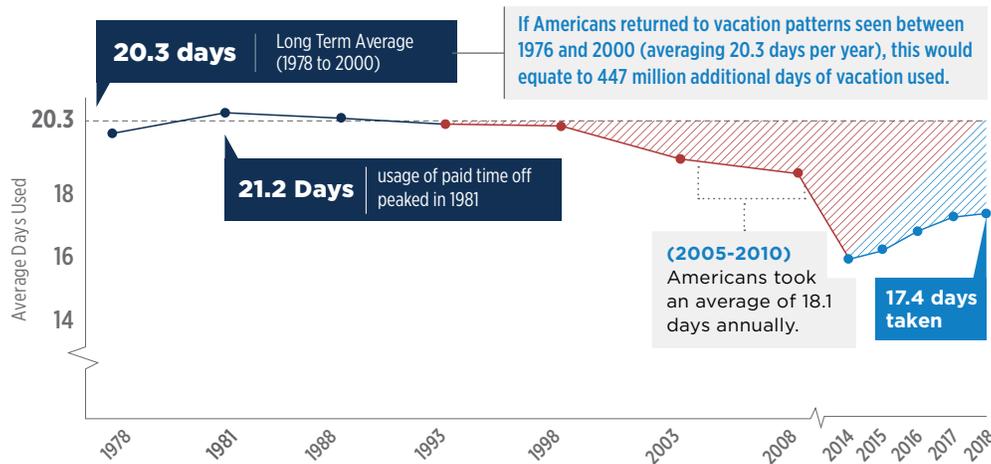
In 2018, Americans took 1.8 billion trips around the U.S.

Yet, they still left 768 million vacation days unused

LOOKING BACK: PTO USAGE IN AMERICA

On the bright side, Americans used an average of **17.4 days of PTO**, a slight increase from the **17.2 days in 2017**, continuing a positive trend that started in 2015. However, there is still room for improvement, especially when compared to prior decades when Americans took up to 20 days off.

AMERICA'S VACATION TREND



USING PAID TIME OFF TO TRAVEL:

Americans used just over half of their paid time off (9 of the 17.4 days) to travel—one day more than in 2017.

If more Americans converted a portion of their time off to travel, **the economic opportunity for the travel industry amounts to \$151.5 billion in additional travel spending, which would create two million American jobs.***

* Excluding Americans who indicated cost is a top barrier to spending their time off to travel.



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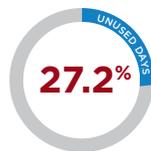


● A TREND ON THE RISE: WORKERS ARE EARNING MORE DAYS BUT ARE USING A LOWER SHARE

As the workforce expands and the share of employees gaining access to PTO increases, more PTO is earned, resulting in a jump in unused days. Additionally, employment in the U.S. is strong and the 2017 tax reform allowed employers to increase their benefit offerings, including paid time off. However, even though workers are taking more PTO, unused days are also increasing.



On average, **employees earned 23.9 days of PTO in 2018, up from 23.2 days in 2017.**



As earned days are increasing faster than paid time off days used, U.S. workers are utilizing a lower share of their total days earned. More than **a quarter (27.2%) of PTO went unused in 2018—up from 25.9% in 2017.**



As the days taken did not keep up with days earned, **55% of Americans reported having unused vacation days—up from 52% the year prior.**



As a result, the average number of unused PTO days **increased to 6.5 days in 2018, up from 6 days in 2017.**



The amount of PTO earned and taken tends to rise with income earned. The highest income earners, those **earning more than \$150,000 annually, took an average of 22.5 days and left only 3.1 days on the table.**



GENERATIONAL TRENDS

- ✓ While older Americans take more time off than younger age groups, millennials use a greater share of their vacation days to travel.
- ✓ Around one-third of baby boomers (35%) and Gen X (31%) reported taking 10-19 days in 2018 compared to only one in five Millennials (21%).



INDUSTRY TRENDS

- ✓ While Americans employed in the information industry (e.g. tech and media) prefer to use their PTO to travel more than Americans employed in other industries, workers in finance and insurance take more vacation days, used a greater share of their vacation days to travel and also they averaged the most vacation days for travel (15.6).
- ✓ Relaxing and reducing stress was a more important benefit of traveling to employees in technology and media while individuals working in the business services or health care industries were more motivated to avoid burnout than Americans employed in other industries.



FAMILY TRENDS

- ✓ Americans with older kids tend to take more time off than those with younger kids.
- ✓ Families with children viewed travel as beneficial to having fun and creating excitement, making memories, strengthening bonds with family and friends and continuing traditions.



GEOGRAPHIC TRENDS

- ✓ Workers in the Midwest took the most vacation days and used a greater share of their vacation days for travel.
- ✓ While the top three reasons to use vacation to travel were consistent across regions, residents of the Northeast (20%) are more likely to consider strengthening bonds with family and friends as most important and residents of the South and West regions prioritized spending time with extended family more than the Northeast and Midwest.

Source: Ipsos and Oxford Economics

Methodology: Ipsos conducted an online survey January 22- February 3rd, 2019 with 1,025 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 Ipsos survey results and data from the Bureau of Labor Statistics (BLS) Current Population Survey to estimate historical levels of vacation activity. 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.