

THE STATE OF
**AMERICAN
VACATION** **2017**



AMERICAN WORK CULTURE MAY BE ON THE VERGE OF MAJOR CHANGE.

For fifteen years, American vacation habits saw unrelenting decline. But results from the latest, most comprehensive survey of American workplace attitudes toward time off shows the tide may be turning—and the trendline headed in a positive direction.

Despite this encouraging sign, taking time off continues to be a challenge in America's always-on work culture. American workers hold fast to the belief that the path to career success requires sacrificing vacation and embracing work martyrdom. But the data is unmistakably clear: planning for and taking time off benefits individual well-being and professional success, business performance, and the broader economy.

America's work culture has a long way to go to rewire its thinking. But for the first time in many years, there is reason to believe that change is possible. If it happens, 2016 may be the year that American work culture began to change.

METHODOLOGY

GfK conducted an online survey from January 26-February 20, 2017 with 7,331 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.

The survey included 2,593 managers who are company decision-makers including 479 senior leaders and 2,083 middle managers. Throughout the report, the data is presented according to the following definitions:

- Non-manager employees: respondents who are not involved in decision-making and do not have managerial responsibilities.
- Middle managers: respondents who have managerial responsibilities, but do not have titles comparable to senior leaders.
- Senior leaders: respondents who are involved in decision-making at their companies and have executive titles (CEO, COO, CFO, CMO, CIO, president, or owner) or hold a title comparable to senior vice president, vice president, director, and managing director.

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 is 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, the U.S. Travel Association, and the BEA Travel and Tourism Satellite Accounts.

SOME GOOD NEWS FOR AMERICA

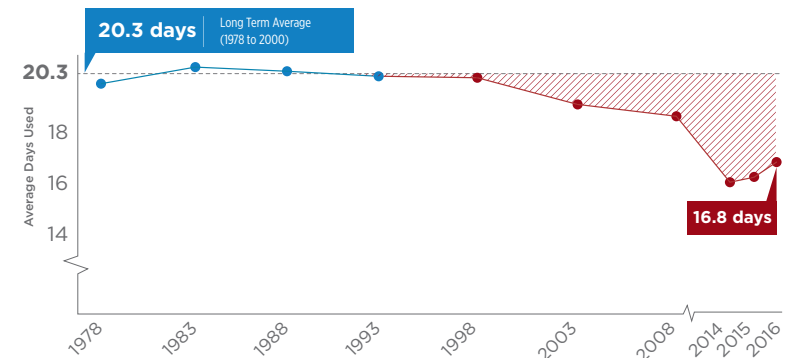
AMERICANS ARE USING MORE VACATION

In 2016, average vacation use climbed to 16.8 days per worker compared to 16.2 days the year before. The more than half-day shift changes the trajectory of America's vacation trendline with the most upward movement seen since vacation usage started its rapid decline in 2000.

The amount of time off earned by employees in 2016 increased by nearly a full day (0.7 days) to 22.6 vacation days. Even with this increase, a slightly smaller percentage of employees (54%) ended 2016 with unused vacation time than the prior year (55%).

Still, 16.8 days is a far cry from the 20.3 day long-term average from 1976 to 2000 and while Americans are using more vacation time, they are also leaving slightly more days unused than before. In 2016, 662 million vacation days were left on the table, four million days more than 2015. The rise in unused days can largely be attributed to employees earning more time off.

America's Vacation Trendline



FORFEITED VACATION DAYS ARE DOWN

While unused days are up slightly, forfeited days—vacation days that cannot be rolled over, banked, or paid out—are down to 206 million forfeited days, an eight percent decrease from 2015. This time has a cost. By forfeiting vacation days, American workers gave up \$66.4 billion in 2016 benefits alone. That means that last year employees effectively donated an average of \$604 in work time to their employer.

CAPITALIZING ON ECONOMIC POTENTIAL

Unused vacation days cost the U.S. economy \$236 billion in 2016, due to lost spending. That spending would have supported 1.8 million American jobs and generated \$70 billion in additional income for American workers. If the 54 percent of workers who left time unused in 2016 took just one more day off, it would drive \$33 billion in economic impact.

The good news: the jump in vacation usage from 16.2 to 16.8 days delivered a \$37 billion impact to the U.S. economy. It also produced an estimated 278,000 direct and indirect jobs and generated \$11 billion in additional income for employees.



By forfeiting 206 million vacation days, Americans gave up \$66.4 billion in 2016 benefits alone.

VACATION in AMERICA 2017 ★ BY THE NUMBERS

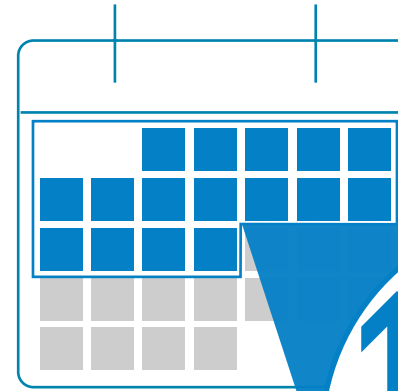


54% of Americans left vacation time on the table.

662 MILLION UNUSED DAYS → **\$236 BILLION** LOST IN TOTAL SPENDING

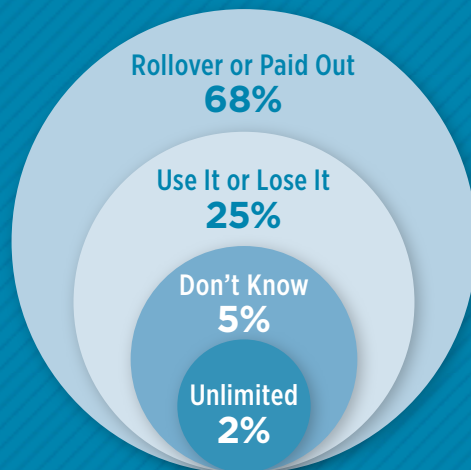
206 MILLION OF THESE DAYS ARE **FORFEITED**, COSTING WORKERS **\$66 BILLION** IN LOST BENEFITS.

America's Vacation Trend

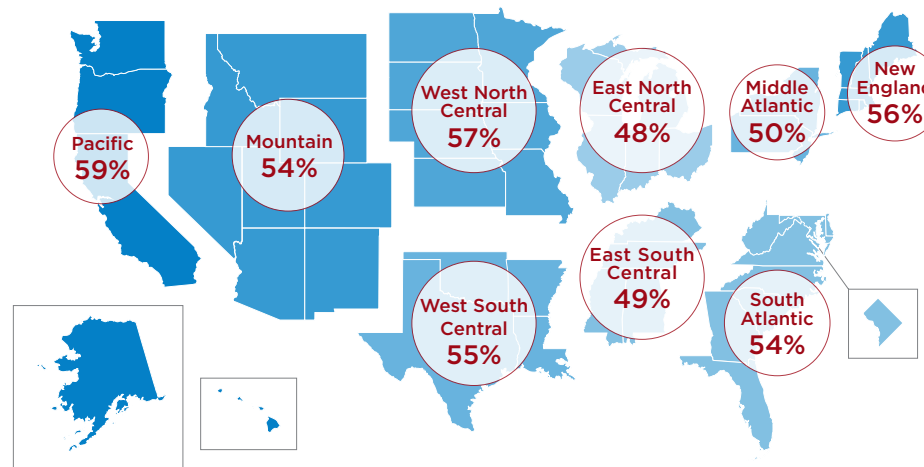


2016
16.8
Vacation Days Used
Up nearly a full day
(.8) since 2014.

Vacation Policies



Unused Vacation Time By Region



Importance of Planning

54% of Americans planned their time off in 2016, up from 49% in 2015.

52% of planners use all their time off compared to **40%** of non-planners.

96% of Americans say that using their paid time off is important to them.

PLANNING INCREASES VACATION USE

The most effective remedy for American workers who want to use more vacation days is better planning.

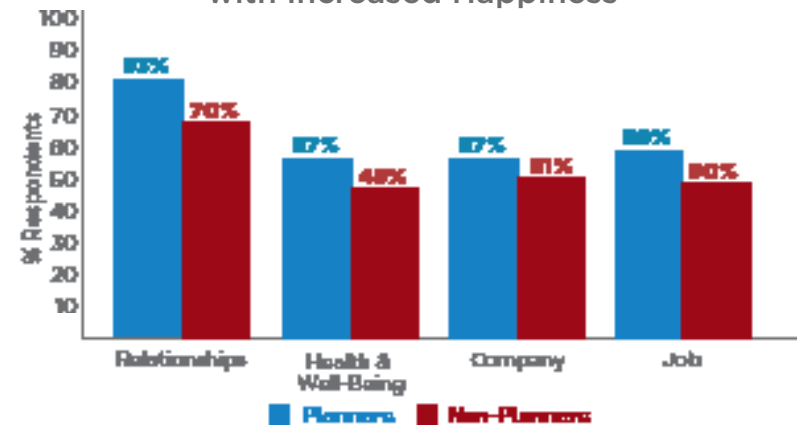
A majority (52%) of workers who say they set aside time each year to plan out their vacation days take all their time off, compared to just 40 percent of non-planners. They also tend to take longer vacations. While three-in-four (75%) planners take a week or more at a time, non-planners take significantly fewer days—zero to three—than planners at once (42% to 18%).

The benefits of planning extend beyond the days spent away from the office. Planners are happier than non-planners in every category measured. Planners report they are “very” or “extremely” happy with their relationships, health and well-being, company, and job.

The increased professional happiness among planners is reinforced by workplace cultures that encourage vacation. Thirty-nine percent of planners say their company’s culture encourages taking time off, versus just 27 percent of non-planners.

Planners also feel more supported at work when they take time off. Nearly half (48%) of planners say their bosses support them when they take vacation, compared to 37 percent of non-planners. Half (50%) of planners say their colleagues support them when they go on vacation, compared to 40 percent of non-planners.

Planning Time Off Associated with Increased Happiness



Planners are more likely to say their company culture encourages taking time off (39% vs. 27%).

REDEFINING SUCCESS

The challenges to taking time off are consistent with previous years’ results, though intensified. Fear of returning to a mountain of work remains the top challenge to taking time off (43%), followed by the feeling that no one else can do the work (34%). The notion that taking time off is harder as you advance in a company moves up to the third-biggest challenge (33%), and the cost of a vacation falls to the fourth-biggest challenge (32%).

Americans are still worried about job security when it comes to taking time off. More than a quarter (26%) say they fear that taking vacation could make them appear less dedicated at work, just under a quarter (23%) say they do not want to be seen as replaceable, and more than a fifth (21%) say they worry they would lose consideration for a raise or promotion.

These fears may be unfounded, but leaders fail to correct the misconception. Two-thirds (66%) of employees feel that their company culture is ambivalent, discouraging, or sends mixed messages about time off, virtually unchanged since 2014. This culture of silence has created a vacuum where negative perceptions thrive.

If workplaces—particularly managers and company leadership—start talking about vacation’s benefits, habits could change for the better. The clear majority of managers agree that vacation improves health and well-being (82%), boosts morale (82%), and alleviates burnout (81%). Managers also believe in the benefits to the company: 78 percent say that vacation improves employees’ focus upon return; 70 percent agree it renews employees’ commitment to their job; and 64 percent feel it makes employees more willing to put in long hours when they are needed.

The Top Barriers to Taking Time Off

	2016	2017
Return to a Mountain of Work	37%	43%
No One Else Can Do the Job	30%	34%
Time Off is Harder with Seniority	28%	33%
Cannot Financially Afford a Vacation	30%	32%
Want to Show Complete Dedication	22%	26%

WORK MARTYRS AREN'T SUCCESSFUL

Despite the virtues of vacation, America is still full of wannabe work martyrs. Thirty-eight percent of employees said they want to be seen as a work martyr by their boss, essentially unchanged from last year (39%). What those nearly four-in-ten employees do not understand is that work martyrdom not only does not help them advance in their careers; it may be hurting them.

These self-proclaimed work martyrs are less likely (79% to 84%) to report receiving a raise or bonus in the last three years than those who do not subscribe to the work martyr myth. When it comes to promotions, they are no more likely to have received a promotion in the last year than the average worker (28% to 28%), showing that the work martyr attitude is not helping anyone get ahead.

Work martyrs do, however, earn more stress. Employees who think it is good to be seen as work martyrs by their boss experience more stress at home (48% to 41%) and at work (73% to 68%) than non-work martyrs.

SURVEY DEFINITION OF WORK MARTYR

Employees who find it difficult or do not take time off because they feel no one else can do their job.



Thirty-nine percent of employees said they want to be seen as a work martyr by their boss.


EMPLOYEES WHO FORFEIT VACATION ARE LOWER PERFORMERS

Employees who forfeit their vacation days do not perform as well as those who use all their time. While they may believe sacrificing vacation time will get them ahead, these employees are less likely than non-forfeitters to have been promoted within the last year (23% to 27%) and to have received a raise or bonus in the last three years (78% to 84%). This is on top of the \$66.4 billion in benefits they lost by forfeiting time last year.

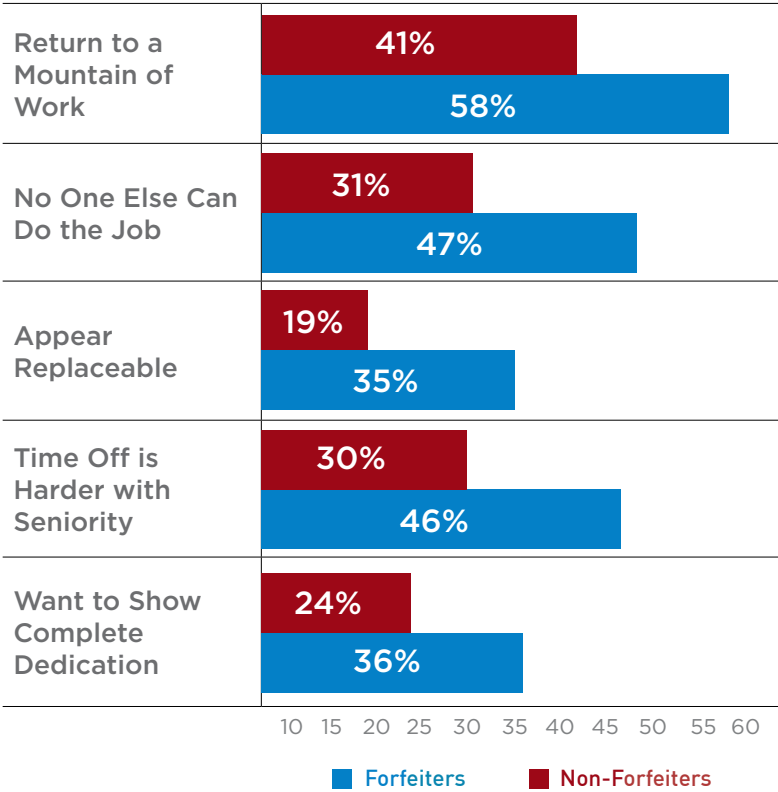
Beyond the individual employee’s economic picture, workers who forfeit vacation days report more problems at work. They are significantly more stressed with work than those who do not forfeit days (74% to 68%). Employees who forfeit time are also more susceptible to the fears that stop employees from taking time off.

Combine those fears with their feelings on company culture and support from colleagues, and it is easy to understand why forfeiters have trouble taking time off. Seventy percent of forfeiters believe that their company culture is negative, sends mixed messages, or is silent about vacation time, compared to 64 percent of those who did not forfeit time. They are also less likely to receive support from their boss (39% to 45%) or their colleagues (42% to 48%) in taking time off.

Just because employees are giving up vacation time does not mean it is not important to them—quite the opposite. More than nine-in-ten (92%) employees who forfeit time say their vacation time is important to them personally.

 **Employees who forfeit time are less likely than non-forfeitters to be promoted or receive a raise or bonus.**

The Barriers to Paid Time Off, Forfeitters vs. Non-Forfeitters



HOW GENDER AND JOB TITLE SHAPE VACATION HABITS

Nearly all (96%) American workers say vacation time is important to them. But despite its universal importance, employees have very different experiences based on their gender and seniority.

THE GENDER DIVIDE

Men were more likely than women to use all their vacation time in 2016, up three percentage points from 2015 to 48 percent. Though women are more likely than men to say vacation time is “extremely” important to them (58% to 49%), it is a statement of idealism, not behavior, as just 44 percent of women used all their vacation time.

High stress, guilt, and workload concerns may be keeping women from using their time off. Women report experiencing more stress than men at home (48% to 40%) and at work (74% to 67%). They are also more likely to say that guilt (25% to 20%) and the mountain of work they would return to (46% to 40%) hold them back from taking time off. Women also worry more than men about vacation making them seem less committed to their job (28% to 25%).



Men were more likely than women to use all their vacation time in 2016.

THE MILLENNIAL WOMEN CONUNDRUM

In previous research, Project: Time Off found that Millennials are the most likely generation to be work martyrs, due in part to entering the workforce in difficult economic times with historic levels of debt and being the first generation to have email as a fixture of their working life from day one. This may explain why 44 percent of Millennials want their boss to view them as a work martyr, far more than the 37 percent of Generation X and the 33 percent of Boomers who agree.

A closer look at Millennials shows a pronounced gender divide. Where 51 percent of Millennial men used all their vacation time in 2016 (up from 44 percent in 2015), just 44 percent of Millennial women did (46 percent did in 2015). Partly because Millennial men are better planners than their counterparts: 57 percent say they set aside time to plan out their vacation for the year, compared to just 49 percent of Millennial women.

Like women and men broadly, Millennial women are more likely than Millennial men to say vacation time is “extremely” important to them (55% to 45%). They are also more fervent believers in the benefits of time off than their male counterparts. Millennial women are more likely to agree that vacation alleviates burnout (85% to 76%), boosts morale (84% to 76%), improves employee focus (82% to 72%), improves health and well-being (84% to 77%), and renews employees’ job commitment (76% to 68%). But Millennial women’s views on company culture and practical anxieties about being out of the office win out over these positive sentiments, ultimately preventing them from taking time off.

Millennial women are more likely to feel that there is a culture of silence around vacation, with 69 percent saying they hear nothing, mixed, or negative messages about taking time off, where 63 percent of Millennial men say the same. Millennial women are also more likely than Millennial men to say that their company culture does not encourage vacation (28% to 22%). Millennial women also feel the fears stopping employees from taking time off more acutely than Millennial men.

The Barriers to Paid Time Off,
Millennial Women vs. Millennial Men

	Millennial Women	Millennial Men
Return to a Mountain of Work	50%	44%
No One Else Can Do the Job	40%	35%
Want to Show Complete Dedication	37%	32%
Feel Guilty	35%	25%
Appear Replaceable	32%	26%



Millennial men are using more of their time off than Millennial women.

Stress is more pervasive for Millennial women. More than half (52%) of Millennial women say they are stressed at home, compared to just 44 percent of Millennial men. At work, the situation is worse, three-out-of-four (75%) Millennial women report experiencing stress, compared to 68 percent of Millennial men.

They also are not as happy. Millennial women are less likely to report that they are “very” or “extremely” happy than their male counterparts with their company (50% to 55%) and their job (50% to 54%). Of the happiness levels presented, a plurality of Millennial women classifies themselves as “somewhat” happy with their company (40%) and their job (37%) where Millennial men were most likely to say that they were “very” happy with their company (40%) and job (39%).

It follows as no surprise that Millennial women want to be work martyrs. Nearly half (46%) of Millennial women say it is a good thing for their boss to see them as a work martyr, more than the 43 percent of Millennial men and 38 percent of overall respondents who agree.

A TALE OF TWO CULTURES

An employee’s view of the company varies based on where they are on the corporate ladder. The data makes it clear that senior leadership and non-managers are not only having different experiences at work, they are effectively not working at the same company.

Leadership sees a rosier picture than non-managers. Half (50%) of senior leaders say their company culture encourages vacation, compared to just 30 percent of non-managers. Senior leaders, compared to non-managers, also believe management (59% to 39%) and their colleagues (61% to 42%) supports them when taking time off.

The stark difference in perception of company vacation culture is reinforced by the messages managers hear. Where six-in-ten (62%) senior leaders say they hear about the value of taking time off, more than half (51%) of non-managers say they never hear about it.



Senior leaders are more likely than non-managers to feel their company culture, management, and colleagues are supportive of taking time off.

But life at the top is not perfect. While senior leaders feel more positively about support around vacation, they also find it harder to take their time off. They are much less likely to use the time they earn, with 61 percent of senior leaders leaving vacation time on the table, compared to 52 percent of non-managers.

Senior leaders are particularly pressured by the barriers of taking time off. More than half (52%) are stopped by workload, 47 percent feel it is harder to take time off at higher levels of the company, and 46 percent feel no one can do the job whiel they are away.

The gap between senior leaders and non-managers demonstrates a communications failure. The conversation at the top needs to reach further into the company, in addition to leadership modeling good behavior. Without both talk and action, the messages that do reach non-managers will feel like lip service.

Looking at employee levels, communication breaks down among middle managers. Caught between the ideals of senior leadership and the practicalities of managing day-to-day operations, middle managers are in a difficult position. They are less likely to believe that company culture is supportive of vacation (38%), a sentiment felt by their direct reports.

Middle managers are more likely to say that they never talk to their direct reports about vacation time than senior leaders (30% to 21%) and admit that company pressure sometimes prevents them from approving time off requests (32% to 24%).

These numbers, while alarming, also present a solution for driving positive change. Senior leaders who make it a priority to encourage middle managers to take their earned time off and support direct reports in using their time off can improve employees' perception of company culture.



Senior leaders are much less likely than non-managers to use their vacation time (61% vs. 52%).
