The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

CTI reading of 51.1 in November 2019 indicates that travel to or within the U.S. grew 2.2% in November 2019 compared to November 2018.

LTI predicts travel growth will moderate through May 2020, a result of softer growth in domestic leisure travel and continued weakness in international inbound travel.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a slightly slower year-over-year rate in November 2019 than in October 2019. Domestic travel grew at a stable rate (2.4%) thanks to solid leisure segment growth (3.4%), while international inbound travel contracted for the seventh month in 2019.

HIGHLIGHTS:

- The Current Travel Index (CTI) has registered at or above the 50 mark for 119 straight months, as the industry nears its 11th consecutive year of expansion.
- The CTI was positive in November, registering 51.1 (indicating 2.2% percent y/y growth). This is slightly lower than the 6-month moving average (2.4%).
- International inbound contracted in November (-0.4%), prolonging the segment’s weakness. The Leading Travel Index (LTI) projects that inbound travel will decline about 0.6% over the next six months compared to the same period in the previous year.
- Domestic leisure travel growth carried its strength into November (3.4%) but receded below its recent 6-month trend (3.6%). The business segment experienced subdued growth (0.4%), on par with its 6-month trend.
- The 6-month LTI reading of 50.7 indicates that total U.S. travel volume is expected to grow by 1.4% through May 2020. Over the same period, domestic travel growth is expected to ease toward 1.6% and international inbound growth will continue to contract (-0.6%).

The Oxford/U.S. Travel Current Travel Index (CTI) measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel Leading Travel Index (LTI) is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.
NOVEMBER TRAVEL TRENDS INDEX (CONT.)

DETAILED RESULTS:

Domestic travel rose 2.4% in November, largely a result of contributions from the leisure segment (3.4%) as the business segment registered only minor gains (0.4%), on par with its 6-month average. Leisure travel growth of 1.6% is expected through the coming six months, about half its current pace. Vacation intentions have remained ahead of last year so far; however, forward-looking booking and search data provide mixed signals. Business travel growth is expected to remain slow through May 2020 (1.2%), though slightly higher than its recent pace.

International inbound travel declined year-over-year in November. With a slight downward revision to October data, this segment has now contracted in five of the past six months. International inbound travel growth through May 2020 (-0.6%) is expected to remain constrained by economic and policy-based factors over the coming months.

This November TTI report is consistent with those of recent months, with domestic travel outperforming international inbound travel. These trends are expected to continue through the first half of 2020, with domestic travel growing, but slowing, and international inbound travel declining slightly. This is also consistent with an outlook for the economic expansion continuing in 2020, albeit at a slightly more moderate pace.

DAVID HUETHER
Senior Vice President, Research

The Oxford/U.S. Travel Current Travel Index (CTI) measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel Leading Travel Index (LTI) is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.
The LTI anticipates that domestic travel will increase approximately 1.6% year-over-year through May 2020, with leisure travel moderating but still contributing slightly more to the expansion than business travel. Consumer confidence and expectations eased gently downward in November, and consumer spending strength is forecast to cool. Business investment continues to moderate due to slow global growth, still-high trade tensions, weaker energy-sector activity, and a strong dollar, together limiting expectations for domestic business travel. As economic momentum eases, ongoing trade conflicts are anticipated to continue to weigh on the domestic travel market and pose additional downside risks through the beginning of 2020.

International inbound travel continued its lackluster 2019, posting its seventh decline out of 11 months in 2019. Looking ahead, the LTI indicates that the international segment weakness is likely to continue and may worsen. Cooling domestic and global momentum, prolonged trade tensions and policy uncertainty remain major risks to international traveler sentiment. Further progress in trade discussions between the U.S. and China, following the phase-one deal agreed upon in mid-December, may ease these downside risks.

Adam Sacks, president of Oxford’s Tourism Economics group says, “Domestic travel growth has continued its positive trajectory, particularly on the leisure front, aided by still-solid macroeconomic fundamentals. Thawing trade tensions—should negotiations proceed to phase two and further—could help lift an otherwise pessimistic outlook on the international front.”

Please note: The Travel Trends Index is based on public and private sector source data which are subjected to revision by the source agency.
METHODOLOGY

The Current Travel Index (CTI) measures monthly travel volumes in the U.S., including both domestic and international inbound travel. A score over 50 indicates an expansion in travel relative to the same month the prior year.

The index measures person trips that involved a hotel stay and/or a flight.

The following methods and sources are used to estimate (1) total travel; (2) international visitations; and (3) domestic travel (which is the residual of total travel minus international visitations):

1. **Total travel (domestic and international):** Total travel is calculated based on hotel stays of domestic and international travelers as well as air travel of domestic travelers. While most international visitors are assumed to stay in hotels, domestic travelers often do not. As such, the domestic travel estimate is further informed by domestic air enplanements to help capture the entire domestic market. STR provides monthly data on hotel room demand, and domestic air passenger enplanements are calculated based on monthly investor relations reports for all major domestic airlines. The research firm TNS provides representative data on U.S. travelers to determine the average length of stay, persons per traveler party, and the proportion of hotel guests who also fly. The CTI encompasses three traveler types on these bases that are shown below with their basic calculation.

   **HOTEL GUESTS & FLYERS**

   \[
   \text{enplanements per trip} \times \frac{\% \text{ of flyers that stay in hotel}}{\text{enplanements}}
   \]

   **HOTEL GUESTS & NON-FLYERS**

   \[
   \frac{\text{occupied rooms} \times \text{people per room}}{\text{length of stay}} \times \frac{\% \text{ of hotel guests that did not fly}}{\text{hotel guests}}
   \]

   **NON-HOTEL GUESTS & FLYERS**

   \[
   \text{enplanements per trip} \times (1 - \frac{\% \text{ of flyers that stay in hotel}}{\text{enplanements}})
   \]

2. **International visits:** The international component of the CTI is based on the Department of Homeland Security’s Advanced Passenger Information System (APIS), which tracks international travel to the U.S., and distinguishes between foreign nationals and U.S. citizens. Visits from Canada are tracked by Statistics Canada and visits from Mexico are tracked by Banco de Mexico. Further analysis of international markets is informed by origin-destination air travel data from OAG, Sabre Market Intelligence aviation passenger data, and IATA Billing Settlement Plan data. Each of these datasets tracks non-resident air travel to the U.S. by country of origin based on unique sources. Official estimated of international visitation to the U.S. (I-94) are released by the U.S. Department of Commerce on approximately a four-month lag. As this data becomes available, historic CTI estimates will be revised.

3. **Domestic travel:** The domestic component of the CTI is measured as the residual of total travel minus international. The domestic leisure travel component is based on STR room demand data that is segmented by type of property and day of the week. A domestic leisure travel proxy has been developed based on the location, type of property, and day of the week of travel. Domestic business travel is measured as the residual of total domestic travel minus domestic leisure travel.

The Leading Travel Index (LTI) measures the likely average pace and direction of U.S. travel volumes over the coming three and six-month periods. A reading over 50 indicates an expansion in travel relative to the same period last year.

The LTI econometric model includes three categories of information that have shown a strong predictive capability of short-term travel trends. High frequency macroeconomic data capture underlying movements in the labor market, exchange rates and company performance. Consumer sentiment data from the Conference Board provide a long-term trend of consumer attitudes that can be tracked with future travel patterns; online search and bookings data provide a window into traveler planning based on data from ADARA and nSight, and data from ARC measures bookings.

<table>
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<tr>
<th>TRAVEL TRENDS INDEX</th>
<th>MEASUREMENT</th>
<th>TRAVEL SEGMENTS</th>
<th>DETAILS</th>
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<tr>
<td><strong>MACROECONOMIC TRENDS</strong></td>
<td>Unemployment rate</td>
<td>Total, international, domestic (leisure)</td>
<td>Share of labor force</td>
</tr>
<tr>
<td></td>
<td>Exchange rates</td>
<td>Total, international</td>
<td>$US market rates, weighted average of inbound markets</td>
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<td></td>
<td>GDP by visitor origin</td>
<td>Total, international, domestic (business &amp; leisure)</td>
<td>Gross output, U.S. and weighted average of inbound markets</td>
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<tr>
<td></td>
<td>Corporate profits</td>
<td>Total, international, domestic (business)</td>
<td>Corporate earnings, U.S. and weighted average of inbound markets</td>
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<td></td>
<td>Personal disposable income</td>
<td>Total, international</td>
<td>Personal income, weighted average of inbound markets</td>
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<tr>
<td><strong>CONSUMER AND BUSINESS SENTIMENT</strong></td>
<td>Consumer travel intentions</td>
<td>Total, domestic (leisure)</td>
<td>Visitor intentions &amp; air visitor intentions</td>
</tr>
<tr>
<td></td>
<td>S&amp;P stock market index</td>
<td>Total, domestic (business)</td>
<td>Stock market index, period average</td>
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<tr>
<td><strong>TRAVEL SEARCH AND BOOKING</strong></td>
<td>ADARA online searches and bookings for future travel</td>
<td>Total, international, domestic (business &amp; leisure)</td>
<td>Domestic/international &amp; business/leisure</td>
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<td></td>
<td>ARC bookings for future travel</td>
<td>Total, domestic</td>
<td>Air travel with 6-month booking windows</td>
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<tr>
<td></td>
<td>nSight online searches and bookings for future hotel stays</td>
<td>Total, domestic, international</td>
<td>Domestic/international forward bookings</td>
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ABOUT THE U.S. TRAVEL ASSOCIATION
The U.S. Travel Association is the national non-profit organization representing all components of the travel industry, which generates $2.5 trillion in total economic output and supports 15.7 million American jobs. U.S. Travel’s mission is to increase travel to and within the United States.

ABOUT OXFORD ECONOMICS
Oxford Economics is one of the world’s foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Its best-of-class global economic and industry models and analytical tools give it an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

DATA CONTRIBUTORS
The U.S. Travel Index project is dependent upon unique datasets to track and predict travel trends. The U.S. Travel Association and Oxford Economics wish to thank the following organizations for their significant contributions:

**ADARA** serves leading travel brands by delivering critical intelligence that drives personalization and relevance throughout the customer’s journey, resulting in more meaningful and profitable relationships. Fueling these insights is ADARA’s data co-op which connects over 200 leading travel brands to create the most comprehensive view of the world’s travelers and their behaviors across brands, channels, and devices. ADARA transforms how their B2C clients leverage consumer insight at every stage—learn, act, measure and modify—to unleash the revenue potential of each individual.

**Airlines Reporting Corporation (ARC)** is a leading technology solutions company providing the U.S.-based travel industry with world-class business products, travel agency accreditation services, process and financial management tools, and powerful data analytics.

**nSight** combines the world’s largest view of consumer shopping data with predictive marketing and revenue management solutions to deliver more guests to your hotel and visitors to your destination.

**STR** is the leading global provider of competitive benchmarking, information services and research to the hotel industry.

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<th>TRAVEL TRENDS INDEX</th>
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<td>-4.0%</td>
<td>-6.0%</td>
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