

Allianz  Partners

13th Annual Vacation Confidence Index

Summer 2021

2021 Vacation Confidence Index Findings | July 26, 2021
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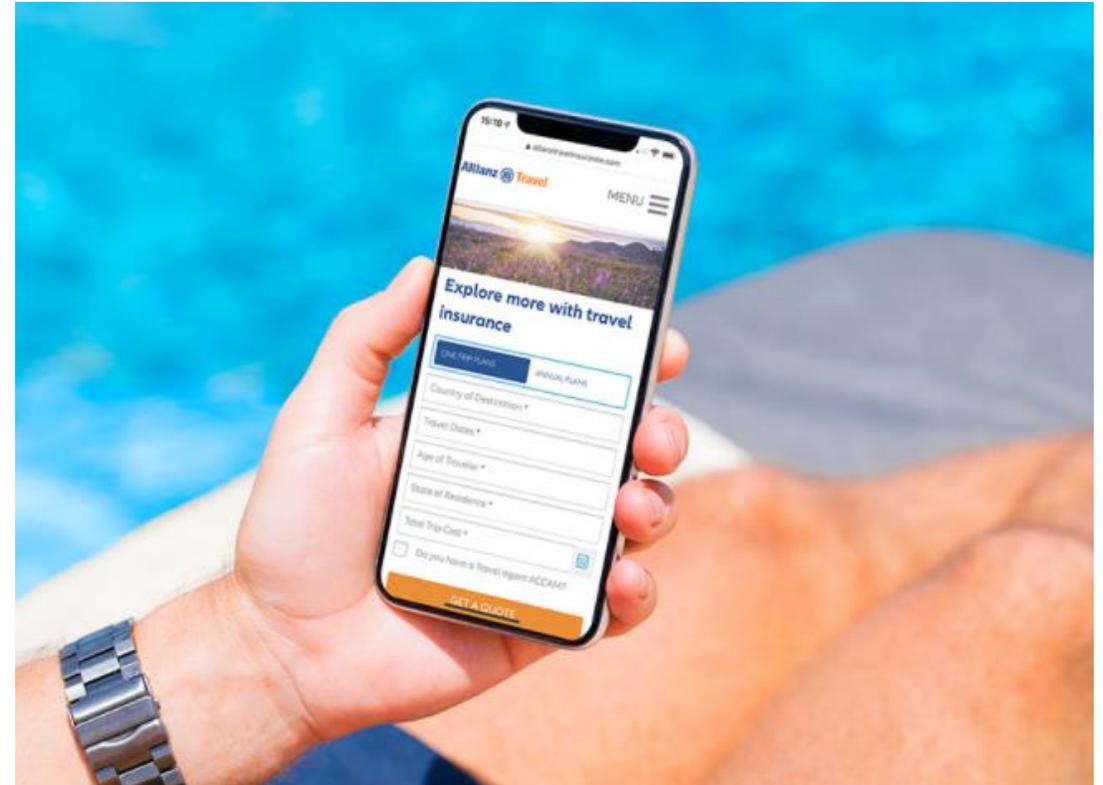


2021 VACATION CONFIDENCE INDEX

Now in its 13th year, the annual Vacation Confidence Index (VCI) survey analyzes how Americans' vacation habits change with data collected by national polling firm Ipsos.

Highly anticipated by media and a barometer for the health of the travel industry, the VCI analyzes:

- How confident Americans are that they'll take a vacation
- How much Americans plan to spend on a vacation
- Changes to average trip length and if Americans are taking multiple trips
- American sentiment around the return of large-scale ticketed events





Survey Methodology

These insights are findings of an Ipsos poll conducted on behalf of Allianz Partners USA. For this survey, a sample of 2,009 Americans aged 18+ was interviewed online from May 24 to 28, 2021.

The precision of Ipsos online polls is measured using a credibility interval. In this case, the results are accurate to within +/-2.5 percentage points, 19 times out of 20, of what the results would have been had all American adults been polled.

Allianz  Partners

13th Annual
Vacation Confidence Index
Americans are ready to travel again

 **Vacation Spend + Confidence**
are at an all-time high

 Americans to Spend
\$153.7 Billion
on Vacation this Summer

For the purposes of this survey, a vacation is defined as a leisure trip of at least a week to a place that is 100 miles or more from home.

Key VCI Findings

Vacation Spend

Summer Vacation Spending Set to Shatter Records in 2021

- Total spend likely to eclipse **\$153 Billion** as Americans intend to spend an average of **\$2,122** on their vacation, up from **\$2,037** in 2019 and **\$1,888** in 2020
- This is only the second time in the history of the survey that average spend crossed the \$2,000 threshold and it's the highest anticipated spend since tracking began in 2010
- Compared to last year, 2021's **\$153 Billion** total spend is a **160%** increase in total spend and a **50%** increase over 2019
- Americans' income levels also affects the average projected spend, per household:
 - Those who earn more than \$100,000 annually anticipate spending \$2,595 this year
 - Americans who earn below \$50,000 a year project to spend \$1,364 this year

Vacation Total Spend



Vacation Average Spend

Americans' Average Vacation Spend 2010–2021

Amounts in Thousands of Dollars per household



2021
Average
\$2,122
spend per
vacationing
household



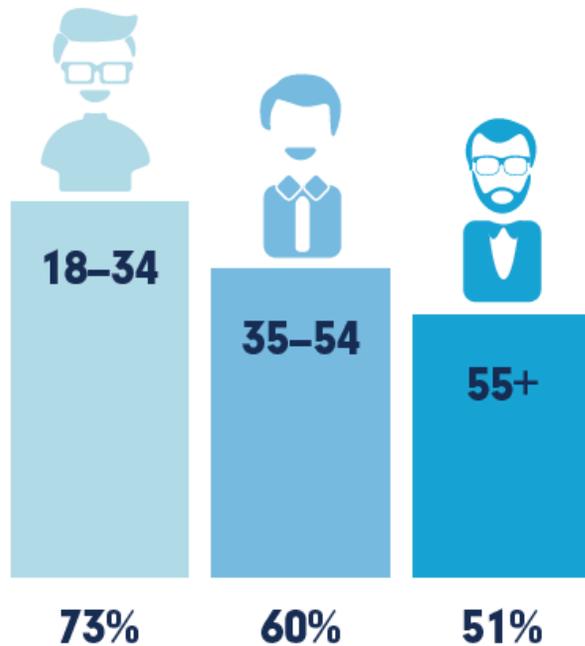
Vacation Confidence

Pent-Up Demand Causes Surge in Summer Vacation Intentions

- **60%** of Americans are confident they'll take a summer vacation, up from **42%** in 2019 and **26%** in 2020
- Confidence changes with seniority -- **younger travelers are the most confident they will take a summer vacation**
 - 73% of Americans 18-34
 - 60% of Americans 35-54
 - 51% of Americans 55+ are confident they will take a summer vacation
- Income also affects summer vacation confidence:
 - 75% of Americans who make more than \$100K are confident
 - 63% of Americans who make \$50-\$100K are confident
 - 42% of Americans who make less than \$50K are confident
- And men (67%) are more confident than women (55%) that they'll take a summer vacation
 - The gender confidence gap has grown – pre-pandemic in 2019, men were only five points more likely to take a summer vacation than women

Vacation Confidence

Confidence in taking summer vacation this year **2021**



Vacation Confidence is at an all-time high

60% Of Americans are confident they will take a summer vacation

67% Of men are confident they'll take a summer vacation vs. 55% women

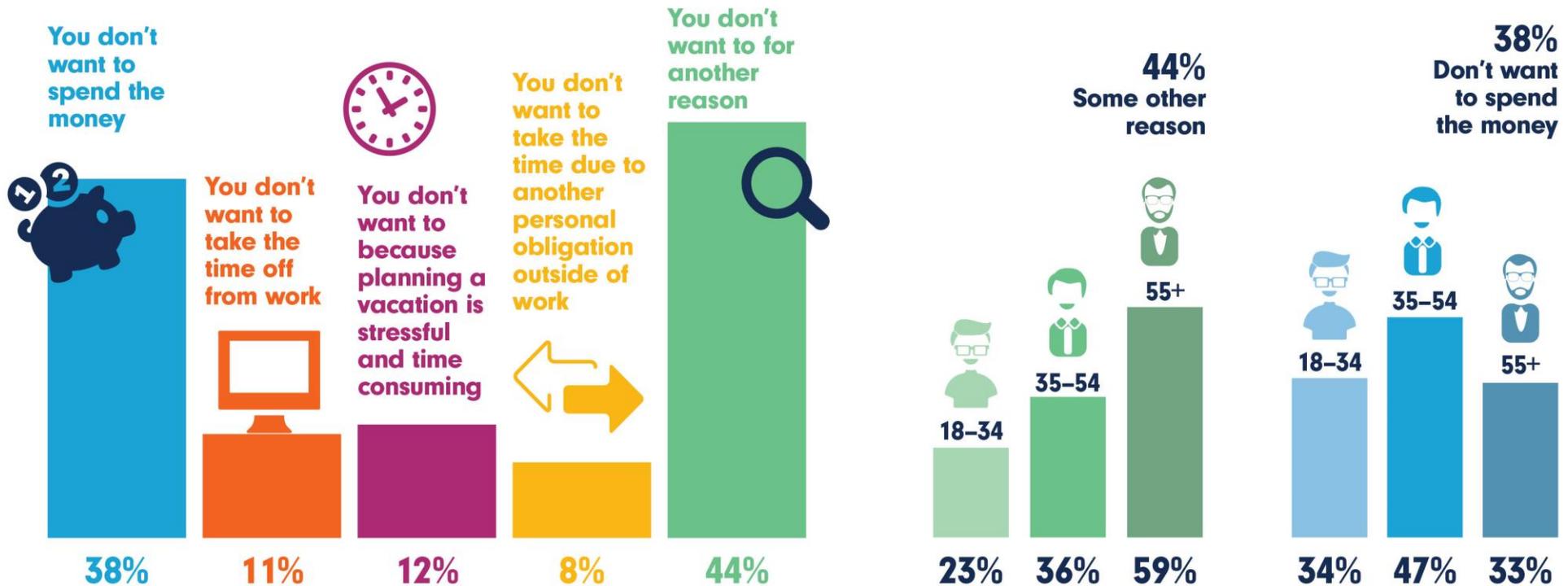
Vacation Confidence

Factors Affecting Confidence

- **29%** of Americans said they were not confident they would take a vacation
- **8%** said they would take a vacation some other time
- **2%** already had taken a summer vacation by the time the survey was conducted
- Top reasons for having low or no confidence about taking a summer vacation include:
 - Money (38%)
 - This is particularly true for 35–54-year-old respondents (47% cited this reason) vs. 18-34 (34%) and 55+ (33%)
 - For another reason (44%)
 - Likely COVID-driven, 59% of Americans 55+ cited this reason vs. 36% 35–54-year-olds and 23% 18–34-year-olds
 - Planning a vacation is stressful or time-consuming (12%)
 - Don't want to take time off work (11%)
 - Another personal obligation outside of work (8%)

Vacation Confidence

Top reasons Americans aren't confident about a summer vacation



Frequency + Length of Trips

'Multi Micro-Cation' Emerges as New Summer Travel Trend

- One in three (**34%**) Americans will take multiple vacations between now and September, favoring shorter trips over the traditional week-long vacation
 - The term **micro-cation** was coined in 2019 and defined as a leisure trip that is four nights or less
- This 'multi micro-cation' trend is popular among 18–34-year-olds: nearly half (**46%**) say they will take multiple trips
- Overall, two in three (**67%**) will travel away from home for at least one night
- Average number of trips is **1.2 vacations**
- Average trip is just **4 nights** away from home; shorter for those who take trips more often
- Among those who take **4 or 5** trips a year, four in ten spend **2 nights** or less away on those trips
- **44%** of Americans are eager to travel and will take the first opportunity they can find to take a vacation
- **51%** of these eager travelers will take multiple trips, with **22%** intending to take **3 or more** trips through September

Frequency + Length of Trips

Multi Micro-Cation a New Trend



Micro-cation: Defined by Allianz Partners as a leisure trip that's fewer than 5 nights.



The "multi micro-cation" trend is popular among 18-34 year old travelers

46% are planning 2+ trips this year



2 in 3 or 67%
Of Americans will travel away from home this summer for at least **1** night



1.2 Vacations:
Average number of trips



4 Nights away:
Average trip length

Half of Americans who are eager to travel are taking multiple trips



For travelers who take **4 or 5** trips a year over **40%** spend just **2** nights (or fewer) away



Ticketed Events

Americans Set the Stage for the Return of Live Entertainment

- A majority (**55%**) of Americans are likely to attend a ticketed concert, festival or event by the end of the year
- **16%** anticipate they will attend three or more events
- Types of events + ticketed transportation Americans are likely to try before the end of the year:
 - **50%** - Fly on a plane or take a train
 - **43%** - Attend a ticketed outdoor concert or festival
 - **39%** - Attend a ticketed indoor concert or festival, performing arts event, etc.
 - **37%** - Attend a ticketed outdoor sporting event
 - **32%** - Attend a ticketed indoor sporting event
- Younger Americans are driving the trend – **60%** of 18–34-year-old respondents would attend an outdoor event, 57% indoors
- Men are more likely than women to attend an event – men plan to attend 1.8, women 1.1
- Top measures that would make attendees feel comfortable: limiting attendees, proof of vaccination, event ticket insurance

Ticketed Events

Americans set the stage for the return of live entertainment



55%

Plan on attending at least one ticketed event by the end of the year



16%

Plan to attend three or more events this year



43%

Said they would attend a ticketed event or festival outdoors before the close of 2021



39%

Indicated they would attend an indoor event before the year is completed



The surge in pro-entertainment interest is driven in part by younger Americans (18 to 34-year-old travelers), with **60%** noting they are likely to attend an **outdoor** event, and **57%** would attend an **indoor** event.



Top measures Americans say would make them feel comfortable to attend a large-scale ticketed event, indoors and outdoors, include:

Indoor Events		Outdoor Events
36%	Limited Numbers: Limiting attendees or providing additional spacing	36%
34%	Vaccination: Attendees showing vaccine proof or if unvaccinated, proof of negative Covid test	30%
31%	Masks: Mandatory mask requirement by event organizer	28%
28%	Ticket Insurance: Having insurance that would refund ticket cost under specific circumstances	25%
27%	Temperature Checks: Checking temperature of employees and guests prior to entering venue	24%
33%	None of the above	33%

Vacation Deficit + Last Trip

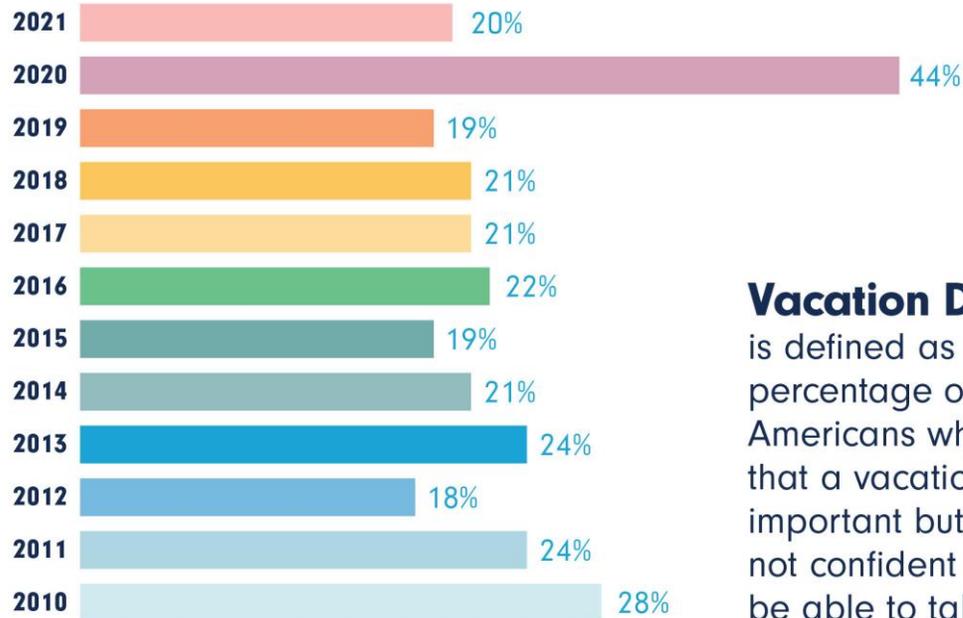
Americans Begin to Make Up for Lost Vacation Time

- The importance of an annual vacation has never been higher – **73%** of Americans say so (versus 64% in 2020, 60% in 2019)
 - 77% of 18–34-year-olds say an annual vacation is important, 79% of 35-54 demographic, 65% of 55+
 - A 'Vacation Deficit' is the percentage who **think** an annual vacation is important but **are not confident** they'll be able to take one
 - 77% say it's important while 20% aren't confident (aka the Vacation Deficit, which was 44% last year)
- In 2021, on average **56%** hadn't vacationed in over a year, up from 51% in 2019
 - 71% of 55+ population hadn't vacationed in that long, versus 39% of 18–34-year-old travelers and 53% of 35-54 demo
 - More than a quarter (**28%**) haven't had a vacation in more than two years, down from 36% in 2019
- Two in ten (**22%**) have taken a vacation in past three months, higher than historic norms (14% in 2017, 21% in 2019)
 - Younger Americans (30% 18-34 vs. 22% 35-54 and 15% 55+), men (26% vs. 19% women) are more likely to have traveled recently

Vacation Deficit + Last Trip

Vacation Deficit & Americans' Time Since Last Week-Long Vacation

Vacation Deficit 2010–2021



Vacation Deficit is defined as the percentage of Americans who think that a vacation is important but are not confident they'll be able to take one.



The importance of an annual vacation has never been higher



73%

Of Americans feel taking an annual vacation is important

More than half of Americans haven't had a vacation in over a year, for more than a quarter (28%) it's been two or more years



56%



22%

Two in 10 have taken a vacation in the last 3 months—with younger travelers 18–34 leading the trend (30%) and men (26%) more likely to have traveled recently vs women (19%)

Sharing Economy

Trust in + Use of Sharing Economy During the Summer Holds Steady

- **54%** of Americans find sharing economy services (such as Airbnb, VRBO, Uber) trustworthy, which is down slightly from 2019 (56%) but up from 44% in 2015 when sharing economy sentiment was first tracked
- Likelihood to use sharing economy services is up slightly at 42% this year (41% in 2019) and increased significantly from 2015 (17%)
- Men are more likely to use sharing economy services this summer – 45% vs. 38% women
- Looking at age demographics:
 - **65%** of 18–34-year-old respondents are likely to use + **69%** are likely to trust sharing economy services
 - **48%** of 35-54 demographic is likely to use, **60%** are likely to trust
 - **19%** of 55+ population is likely to use, **37%** are likely to trust
- And Americans who make more than \$100K annually are more likely (49%) to use them than those who make less than \$50K (33%)

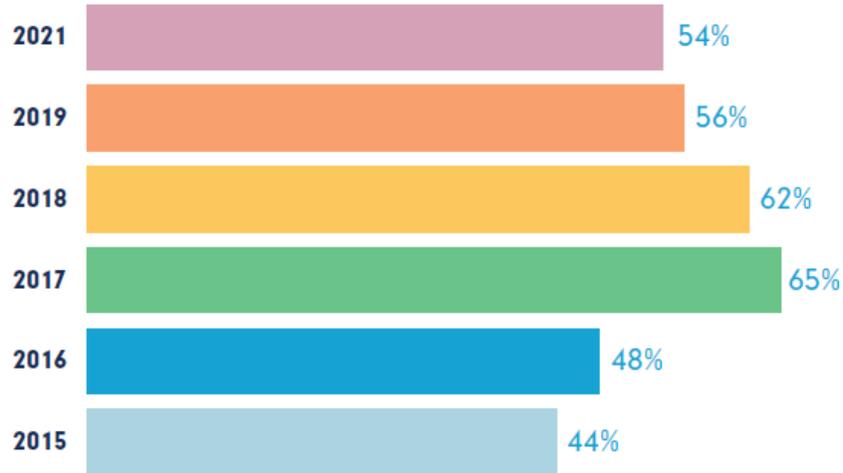
Sharing Economy

Americans Trust in + Use of Sharing Economy Services Over Time



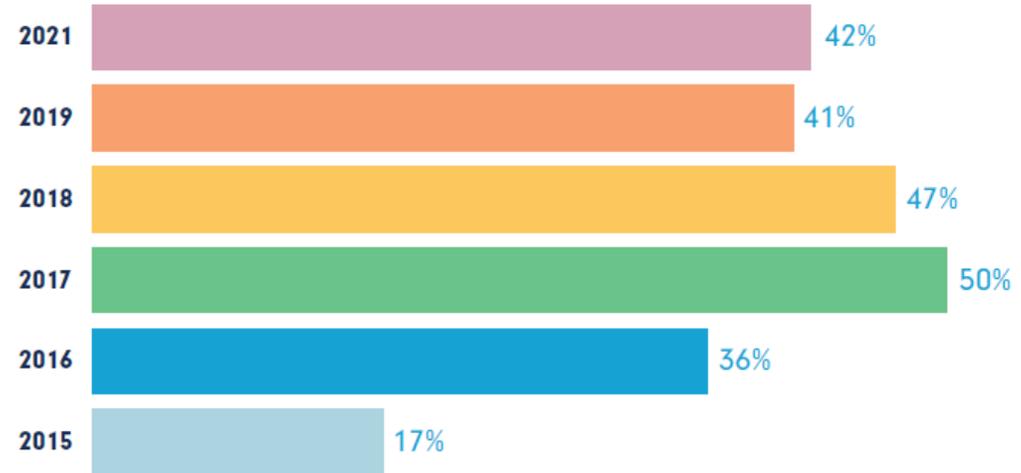
Sharing economy
includes services such as Airbnb, VRBO, Uber, Lyft.

% Trustworthy



To what extent do you trust "sharing economy" services?

% Likely



How likely are you to use a "sharing economy" service?

Allianz Partners

VCI in the News

TRAVEL WEEKLY

AGENT ISSUES

It's the summer of multiple short getaways



Americans are increasingly looking to take more, but shorter vacations this summer, according to travel insurance company Allianz Partners.

Allianz has dubbed the phenomenon the "multi micro-cation" after 34% of Americans said they plan on taking multiple vacations from now through September.

As part of its annual Vacation Confidence Index, Allianz polled 2,000 Americans in May. The company found that 67% plan to travel away from home for at least one night this summer. On average, they planned multiple vacations. Fifty-one percent said they planned to take multiple trips, with 25 percent planning to take three or more summer trips.



"Americans are expected to spend a record amount on summer vacations this year, a report from Allianz says spending is up 160% over last year, obviously because of the lockdown, and 50% more than 2019. In total Americans are expected to spend more than \$153 billion dollars on summer vacations."



Allianz Partners Survey Finds Americans Planning to Spend Much More on Summer Vacations



A new survey finds that Americans are planning to spend more on their summer vacations than ever before. Allianz Partners USA's 13th Vacation Confidence Index estimates Americans' total spend will hit the \$150 billion mark for the first time ever in the index's decade history.

Indeed, after more than a year of Americans shelving travel plans because of the pandemic, the 2021 forecast for summer vacation spending is setting records. Allianz Partners estimates Americans' total spend will hit \$153,700,000,000. This represents a 160 percent increase over the summer vacation spend in locked-down 2020 and even a 50 percent increase over a robust 2019.

This year Americans are planning to spend more on their summer vacations than ever before, with an anticipated average of \$2,122 per vacationing household, the second time the figure has topped since the travel insurance and assistance company began tracking vacationing habits in 2010. Prior to the pandemic in 2019, Allianz found that vacationing Americans planned to spend \$2,037 on summer vacation, which dropped more than 7 percent in 2020 to \$1,888 during an unprecedented summer season as the country faced waves of new COVID-19 infections.

Not surprisingly, with COVID-19 vaccinations now under way, restrictions lessening and mounting pent-up demand, Americans' confidence in a summer vacation is at an all-time high this year: 60 percent say they are confident they will take a vacation (up from 42 percent in 2019 and 25 percent in 2020), which is defined as a leisure trip of at least a week to a place that is 100 miles or more from home.

TRAVEL PULSE
Allianz Predicts Record-Breaking Spending on Summer Travel



Allianz Partners USA has released its 13th annual Vacation Confidence Index, predicting that American travelers will spend a jaw-dropping \$153.7 billion on summer vacation in 2021.

The impressive figure marks a 160 percent increase over last year's pandemic-stricken season and a surprising 50 percent increase over the summer of 2019 long before the COVID-19 crisis came into frame.

Forbes

This Low-Key Travel Medical Assistance Company Could Save Your Life While You're on Vacation



The latest Allianz Vacation Confidence Index suggests travelers remain nervous even as they begin planning more trips. Spending for summer vacations this year will reach \$153 billion, a 160% increase over last year and a 50% increase over 2019. But 44% of those who prefer not to travel say it's because they're still concerned about health and safety. Travel medical assistance companies like SentinelMED can address, but not eliminate, some of those concerns.

TRAVEL+ LEISURE

Americans Are Expected to Spend Even More on Summer Vacations Than They Did in 2019, According to a New Study

"Summer 2021 will be remembered as the summer that Americans finally stopped taking their vacations for granted and eagerly hit the road with a revenge travel budget..."



American tourists are more than ready to get back to summer travel and are expected to spend even more on an upcoming trip than they did in 2019, according to a new study released ahead of the Fourth of July holiday.

U.S. travelers are predicted to spend \$153.7 billion on [summer vacations](#) this year, about 50% more than they spent in 2019, according to insurance company Allianz Partners' Vacation Confidence Index. It's also a nearly 160% increase over what people spent in 2020 when much of the country remained locked down due to the pandemic.

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Thank
You!

