

Allianz  Partners

# 15<sup>th</sup> Annual Vacation Confidence Index

Summer 2023

2023 Vacation Confidence Index Findings | July 19, 2023

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## 2023 VACATION CONFIDENCE INDEX

# Allianz Partners USA's Annual Vacation Confidence Index (VCI) Celebrates 15 years

Survey conducted by



Data analyzed to reveal  
Americans' vacation habits and trends:

- Confidence levels toward taking summer and annual vacations
- How much Americans plan to spend on summer vacation
- Changes to average trip length and average nightly spend
- Americans' plans for large-scale ticketed events
- Emerging travel trends led by young Americans
- Americans' trust in and use of the sharing economy





# Survey Methodology

Survey conducted May 2 to 4, 2023

Sample included 2,010 Americans aged 18+

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

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Index



**Vacation Spend  
+ Confidence**  
are at all-time highs



Americans to Spend  
**\$214 Billion**  
on Vacation this Summer

*Questions? Please add them to the chat feature to be addressed during the Q+A session at the end of today's event.*

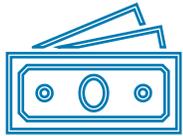
# Key VCI Findings



# Vacation Total Spend

In 2023, summer vacation spending is expected to reach **record-breaking** levels

Americans' total vacation spend forecast to top **\$214.1 Billion**



Spending in 2023 **more than doubles** pre-pandemic levels

## 2010–2023 Americans' Projected Summer Vacation Spend

Amounts in Billions of Dollars



# Vacation Average Spend

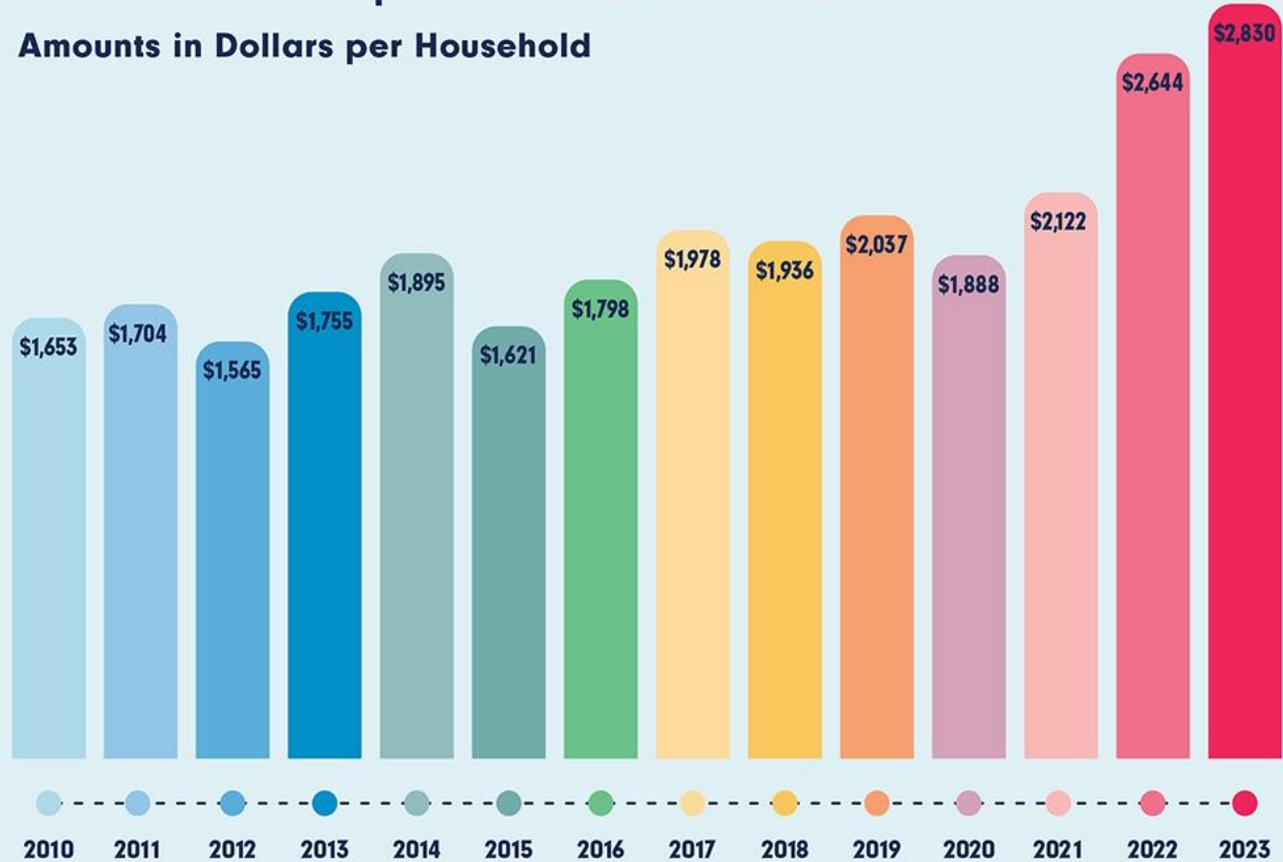


Average intended  
outlay on vacation  
travel is

**\$2,830 per US  
household**

## Americans' Average Vacation Spend 2010–2023

Amounts in Dollars per Household



# Summer Vacation Annual Confidence

**61%** are confident they'll take a summer vacation this year



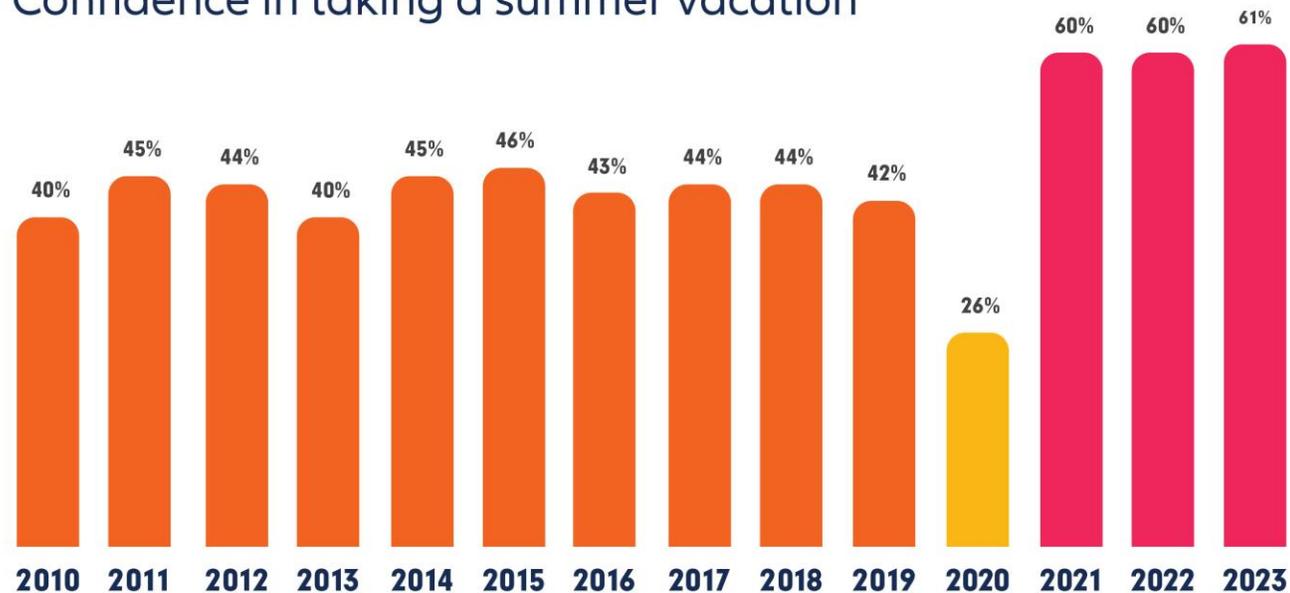
Revenge travel plans fueled the dramatic spike to **60%** and are holding steady in 2023

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Confidence in taking a summer vacation



**Vacation:** Leisure travel of at least **a week** to a destination **100 miles** or more away from home



# Summer Vacation Confidence Trends

Nearly three-quarters (**74%**) of Americans say that an annual summer vacation is important



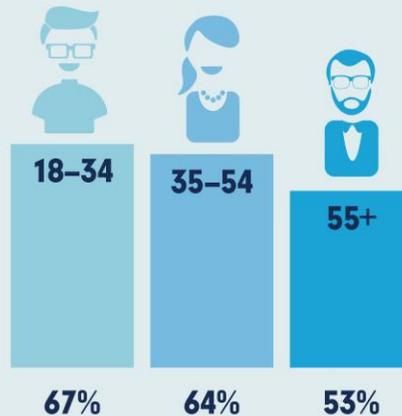
Younger Americans, ages 18-34, are the most confident (**67%**) they will take a summer vacation

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Confidence in taking  
a summer vacation this year **2023**



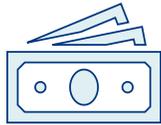
  
**Up 19 points since 2019, vacation confidence remains at record level**

  
**61%** of Americans are confident they will take a summer vacation

  
**65%** of men are confident they'll take a summer vacation vs. 57% women

# Summer Vacation Challenges

**Financial consideration** is the most cited reason a lack of confidence in a summer vacation



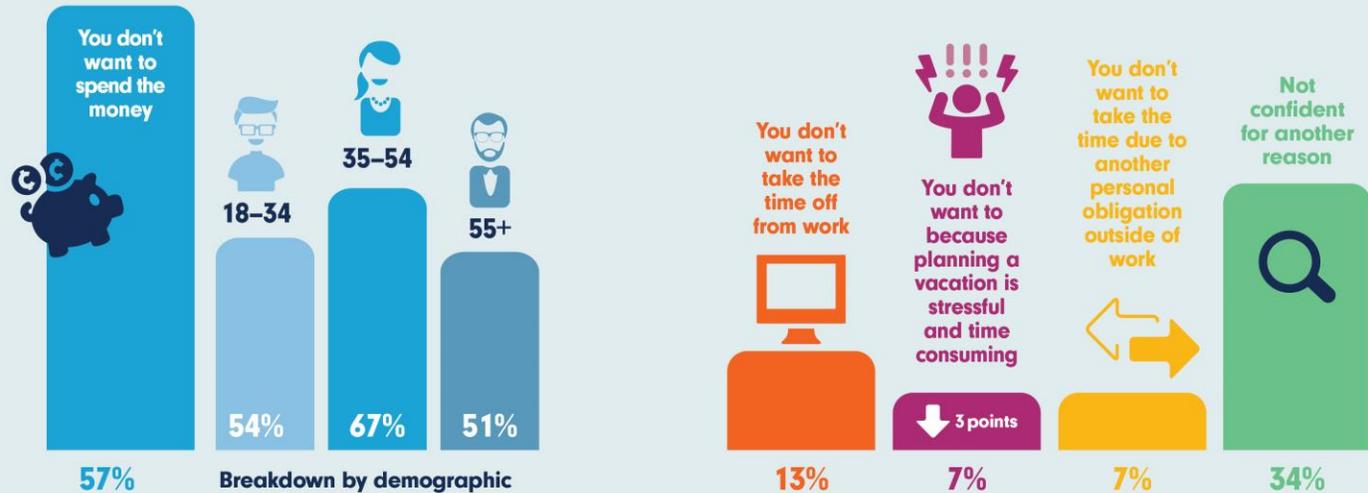
57% of respondents “**did not want to spend the money,**” led by the 35-54 year-old demographic (67%)

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**2023** Top reasons Americans aren't confident about a summer vacation



# New Trend: Pay-cations

3 in 10 Americans will choose to **work remotely** from a vacation destination this year



42% of 18 to 34-year-olds are likely to travel to a vacation destination to work remotely

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## New Travel Trend: **The Pay-cation**

**Pay-cation:** A new *work-from-a-vacation-destination* travel trend.



3 in 10 (31%) 

Americans will take a **pay-cation** this year, a remote work trend supported by flexible remote work policies developed during the pandemic



18-34



35-54



55+



### Among Working Americans

The 18-34 demographic is more likely to work remotely from a vacation destination

# Young American Travel Trends

**54%** of 18-34-year-olds report wellness and self-care as a travel priority this year

**42%** of 18-34-year-olds will embark on a trip alone

**41%** of 18-34-year-olds will opt to include their pets on vacations this year

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**Self-care, solo and pet travel trends** show young Americans are putting themselves first in their travels



**More than half (54%)** of the 18-34 age group are likely to indicate their travels will prioritize **wellness and self-care**

54%	Age 18-34
41%	Age 35-54
13%	Age 55+



**2 in 5 (42%)** younger Americans (18-34) are likely to engage in a **solo travel** experience this year

42%	Age 18-34
31%	Age 35-54
17%	Age 55+

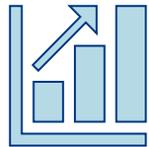


**4 in 10 (41%)** of 18-34 year-olds prefer to include their **pets on vacations**

41%	Age 18-34
36%	Age 35-54
20%	Age 55+

# Summer Trip Length + Spending

Average trip length expected  
to grow to **4.5** nights



Average spend on room nights  
increases up to **30%**

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Travelers splurge on shorter trips

**For vacations less than a week, average  
nightly spend has risen up to 30%**

**Micro-cation:** Defined  
by Allianz Partners USA  
as a leisure trip more  
than 100 miles from  
home that's four or  
fewer nights.

**Up to 30%**

**increase over 2022**

For trips of 3, 4 and 5 nights,  
average nightly spend has risen  
by nearly \$100 per night in 2023



**Anticipated spend  
based on trip length**

- 1 night:** \$622
- 2 nights:** \$775 (average: \$388)
- 3 nights:** \$1,255 (average: \$418)
- 4 nights:** \$1,687 (average: \$422)
- 5 nights:** \$2,227 (average: \$445)

**Nearly 64% of Americans say their  
next trip will be a micro-cation**

 **7 in 10 (72%)**

 of Americans will travel away from  
home this summer for at least 1 night

  
**1.4 Vacations**  
Average number of trips

  
**4.5 Nights away**  
Average trip length

 **2 in 5  
(39%)** Americans are  
taking multiple  
(2+ nights) trips

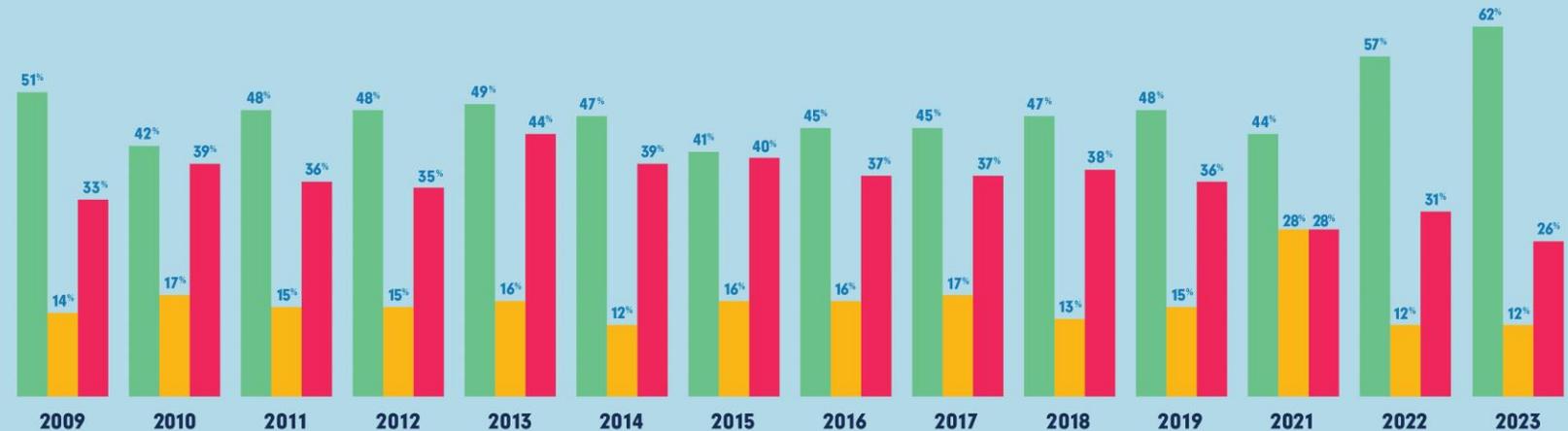
# Time Since Last Vacation

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When Was the Last Time Americans Took a Vacation?



Almost two-thirds  
(62%) of  
Americans have  
taken a vacation  
within the last  
year, up five  
points from 2022

- In the Last Year
- More Than a Year Ago
- More Than Two Years Ago



**Vacation:** Leisure travel of at least **a week** to a destination **100 miles** or more away from home

**62%**  
↑  
5 points

Almost two-thirds of Americans have vacationed in the last year



**23%** Have taken a vacation in the last three months, with younger Americans (18-34) leading the first-to-travel trend (30%)

# Annual Confidence

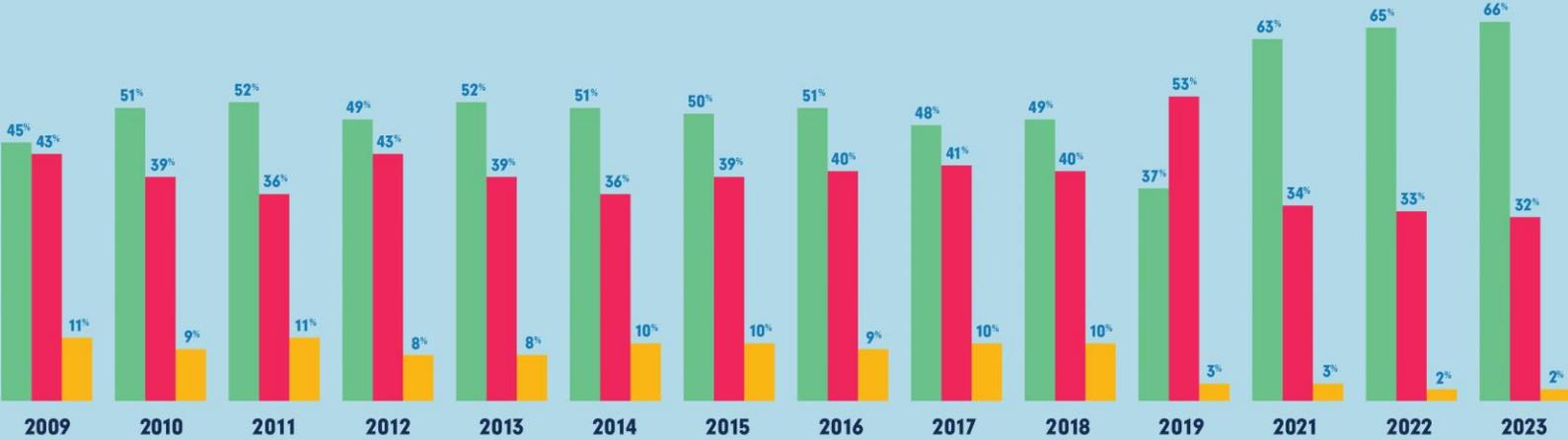
Stated importance (74%) of an annual vacation and the confidence (66%) to vacation in 2023 are both higher than past years

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A New Era of Confident Travelers Emerges With Record High



Confidence in taking an annual vacation sometime in 2023

■ Confident ■ Not Confident ■ Already Taken



# Vacation Deficit

Despite citing the importance of an annual vacation, **2 in 5 Americans (19%)** are not confident they will take one this year

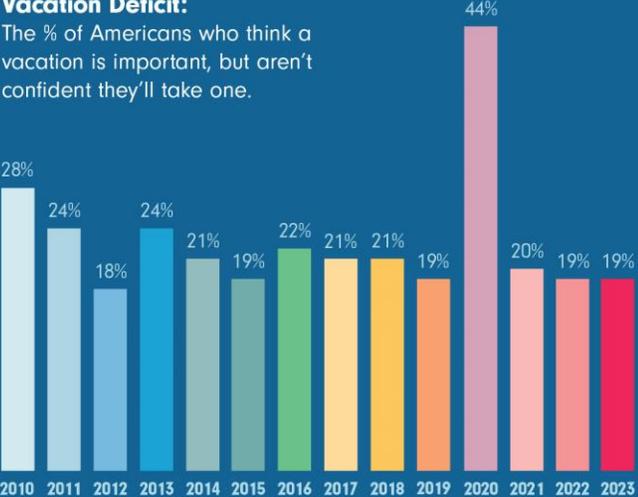
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## Vacation Deficit and the Importance of Taking a Vacation

**Vacation Deficit:**  
The % of Americans who think a vacation is important, but aren't confident they'll take one.



The pandemic heightened the importance of an annual vacation



**74%** ↑ 14 points over 2019  
of Americans think annual vacations are important, a paradigm shift in post-pandemic America

# Sharing Economy

**46%** of Americans are likely to use sharing economy services while away from home this summer, with trust led by the **18-34-year-old** demographic (68%)

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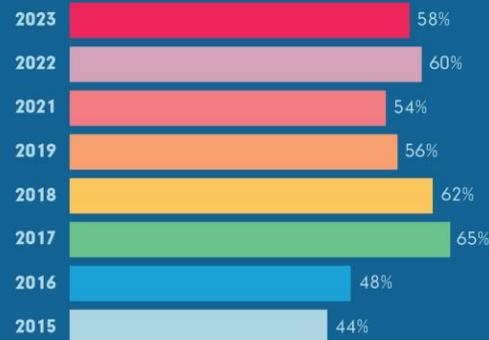


## Americans Trust in & Use of Sharing Economy Services Over Time



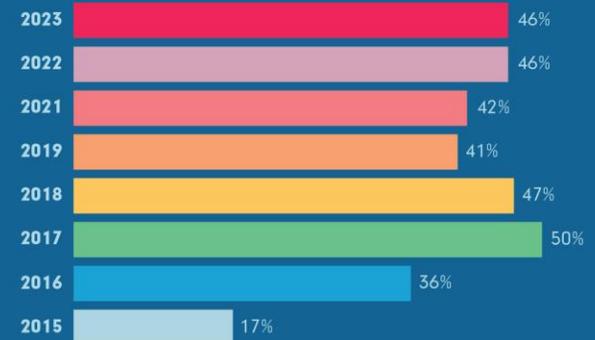
**Sharing economy** includes services such as Airbnb, VRBO, Uber, Lyft.

### % Trustworthy



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

### % Likely



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

# Entertainment

Almost two-thirds (63%) of Americans are likely to attend at least 1 ticketed event this year, with younger Americans' travel plans leading at 78%

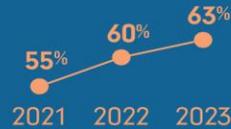


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## Entertainment takes center stage in Americans' travel plans



**63%**  
Plan on attending at least one ticketed event by the end of the year



**20%**  
Plan to attend three or more events this year



**55%**  
Said they would attend a ticketed event or festival before the close of 2023

↑ 3 points



**46%**  
Plan to attend a ticketed sporting event this year



Leading the live entertainment renaissance, **78%** of younger Americans (18-34 years) plan to attend at least one ticketed event this year.



# Allianz Partners

## VCI in the News

# ITIJ

## American spending on summer holidays in 2023 to reach record levels



Allianz Partners USA projects spending to exceed \$200 billion this summer

Travel insurance and assistance Allianz Partners USA has published its 15th Annual Vacation Confidence Index (VCI) for 2023. Americans will spend on summer holidays a record \$200 billion this year, representing a 10 percent increase over 2021. In fact, this figure is an 111 percent increase over 2019.

# INSIDER TRAVEL REPORT

## Allianz Vacation Confidence Index Shows 61 Percent of Americans Planning a Vacation

Americans are taking a no-holds-barred approach to summer vacations this year and prioritizing their PTO days. Allianz Partners USA's 15th Annual Vacation Confidence Index\* reveals that consumer vacation confidence is continuing its three-year trend with 61% of Americans intending to book a summer trip of 100

or more miles away from home for at least a week (up one point from last year, 19 points since 2019). The survey also revealed three-quarters (74%) say that an annual summer vacation is important, up 14 points since 2019. "Since the pandemic, a paradigm shift has occurred in the American consumer's mindset around the importance of taking time off to recharge and the invaluable benefits a vacation offers," said Daniel Durazo, director of external communications at Allianz Partners USA. "This switch has propelled Americans' confidence in taking a vacation to its highest point in our 15-year survey and indicates a new standard



# BUSINESS INSURANCE

If you like piña coladas, getting caught on a Zoom



Working while working on your tan? It happens. Allianz Partners USA's 15th Annual Vacation Confidence Index released Wednesday, has revealed that about 30% of

Americans will choose to work while on vacation in 2023. The new work-while-vacation travel trend, "work-while-vacation," has been encouraged by flexible work policies developed during the pandemic and is especially popular among Millennials. The survey found that 30% of Americans aged 35 to 54, a

# InsideHook

## You Should Take a Longer Trip This Summer

According to a study by the U.S. Travel Association, in 2016 Americans wasted a record-setting 658 million vacation days, capping a 15-year decline in vacation usage. That number increased again (by four million) in 2017, and then again (by another 43 million) the following year.

By 2019, more than 768 million vacation days were going unused, with more than half of Americans finishing the year with unused time. It was once a point of pride. We've all had that one coworker who loved to brag about never being out of office (and, spoiler alert, if you can't pinpoint that coworker, it's probably you). Maybe you still do. Fortunately, a few years and one pandemic later, and it would seem people are finally starting to change their tune. According to this year's 15th Annual Vacation Confidence Index from Allianz Partners USA, Americans are both taking longer vacations (and, not for nothing, spending more on them). As originally reported by Travel Pulse, the poll, which surveyed more than 2,000 American adults, found that the average number of nights spent away this summer is now 4.5, compared to 4.3 last year and 4.1 in 2021. Further, 71% of Americans will travel away from home for at least one night, averaging 1.4 trips away from home altogether this summer, while 39% are planning multiple getaways of two or more nights. The index also revealed a rise in the "micro-cation" — defined as "a leisure trip of four nights or fewer and at least 100 miles away from home" — with two thirds of respondents are planning to take at least one, and a quarter taking multiple.



# TRAVELPULSE

## A New Wave of Confident Travelers Emerges Post-Pandemic

If there's one common motto emerging among Americans this year, perhaps it is this: Travel. At all costs.

It's hard to come away with any other conclusion after looking at the latest Vacation Confidence Index from insurance provider Allianz Partners. (Or after glancing at one's Instagram feed this summer, for that matter.)



Easily the biggest headline-making sound bite from the newly released survey is that more Americans "have already taken a vacation this year than any other time during the survey's history."

To restate, more Americans have taken a vacation this year than any other year since 2009, when Allianz began the survey.

The survey's creators say this reality started during the pandemic around 2020.

Indeed, remember the oh-so-frequent being workaholics and not using the challenge. And we can apparently still be workaholics during the pandemic and its many restrictions, squeezing in an annual vacation.

Here are some of the additional highlights from the survey: Almost two-thirds (62 percent) of Americans have already taken a vacation this year, a five-point increase from last year.

# NEW YORK POST

## From camps to Taylor Swift concerts, Summer 2023 is going to be a family budget-buster



Vacation, you say? Good luck going anywhere this summer. Tickets to Europe are easily \$1,200 per person. A seven-night Disney cruise for a family of four starts at \$6,000 (and that's for an inside cabin). Gas is still high, so a road trip will be double what it was last summer. Overall, Americans are expected to spend over \$214 billion on their summer vacations, according to Allianz Partners. That's a 10% increase over last year and an astonishing 111% increase compared to pre-pandemic spending in 2019. Despite the extreme cost, families are living their best lives right now, at least judging by my friends' Instagram stories. Many are using financing by FinTech through play-now-pay-later companies like Affirm and Uplift. And seemingly without consequences. But there are consequences. Namely, putting yourself in debt. The monthly payments will start coming in just in time for back-to-school shopping. Moreover, most camps must be paid in full prior to the session's start.

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Thank  
You!



# Questions?

