

The 2021 Vacation Confidence Index

A White Paper from Allianz Partners USA

August 2021

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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

EXECUTIVE SUMMARY

The 13th annual Vacation Confidence Index provides an opportunity to look at how Americans' vacation habits have changed over the past decade. The Vacation Confidence Index (VCI) has been conducted each summer since 2010 by national polling firm Ipsos Public Affairs on behalf of Allianz Partners. For the purposes of this study, a vacation is defined as a leisure trip of at least a week to a destination that is 100 miles or more from home.

“Our Vacation Confidence Index has chronicled Americans' vacation habits for more than a decade, but no one could predict the significant shift that the COVID-19 pandemic would cause on the travel industry and Americans' travel behavior,” said Daniel Durazo, director of marketing and communications at Allianz Partners USA. “This year's findings show that after a very difficult year, confidence and interest in taking a vacation is rising, a new trend of ‘multi-microcations’ has emerged, and Americans will be spending more than they ever have before on their ultimate dream vacations.”

2021 VACATION CONFIDENCE INDEX KEY FINDINGS

1. **After more than a year of Americans shelving travel plans, the 2021 forecast for 2021 summer vacation spending is set to break records**, with total spend likely to cross the \$150 billion mark for the first time in the index's decade-long history. This represents a 160% increase over the summer vacation spent in locked-down 2020, and an impressive 50% increase over 2019.
2. **Americans are planning to spend more on their summer vacations than ever before**, with an anticipated household average of \$2,122, which is the second time the figure has topped \$2,000 since the survey's creation in 2010.
3. **With mounting pent-up demand, Americans' confidence in taking a summer vacation is at an all-time high**, with 60% saying they are confident they will take a summer vacation. Younger Americans feel the most hopeful that they'll take a vacation, with 73% of respondents aged 18-34 citing confidence, versus 51% of those in the 55+ population (and 60% for those aged 35-54).
4. **2021 will be the summer of the "multi micro-cation," with one in three (34%) Americans taking multiple vacations between now and September**, favoring short trips over the traditional week-long (or longer) vacation. The trend is particularly popular among 18- to 34-year-old travelers, with nearly half (46%) saying they plan to take two or more trips this year.
5. **Americans are now ready to resume engaging in large-scale entertainment**. More than half of Americans plan on attending at least one ticketed event by the end of the year. The top three most important protocols to make would-be attendees comfortable attending large-scale ticketed events include limiting attendees or providing additional spacing, vaccine verification or negative COVID test and a mandatory mask requirement.
6. **Travelers are making up for lost time and finally taking that long dreamed about vacation**. Americans are more confident than ever that they'll vacation, with six in 10 (63%) confident they'll take a vacation at some point in 2021.
7. **Americans trust in and use of sharing economy holds steady**. When it comes to using companies like Uber, Lyft, Airbnb and VRBO, four in ten Americans say they will use them this summer – with younger Americans 18-34, most likely to use and trust them.

2021 Summer Vacation Spending Reaches an All-Time High

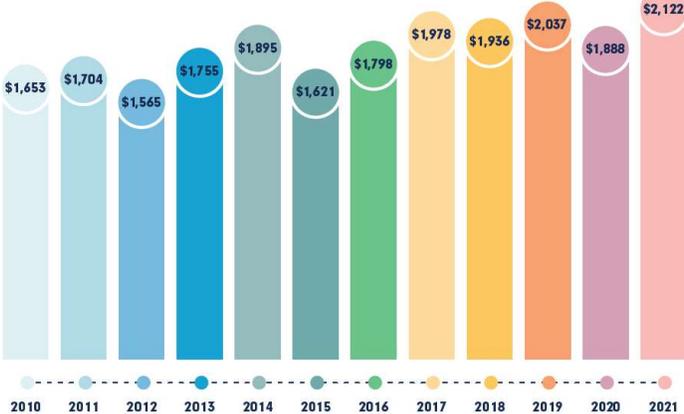
A major travel trend that Allianz’s Vacation Confidence Index analyzes is how much Americans plan to spend on their summer vacation. While many Americans had to put their vacation plans on hold in 2020, Allianz Partners USA’s survey found that Americans’ projected total spend will likely cross the \$150 billion mark for the first time in the index’s decade-long history, amounting to \$153,700,000,000. This represents a 160% increase over the summer vacation spend in locked-down 2020 and an impressive 50% increase over a robust 2019.



In 2021, Americans are planning to spend more on their summer vacations than ever before, with an anticipated average of \$2,122 spend per vacationing household, the second time the figure has topped \$2,000 since the travel insurance and assistance company began tracking vacation 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% in 2020 to \$1,888 during an unprecedented summer season as the country faced waves of new infections.

Americans' Average Vacation Spend 2010-2021

Amounts in Thousands of Dollars per household




2021
Average
\$2,122
spend per
vacationing
household

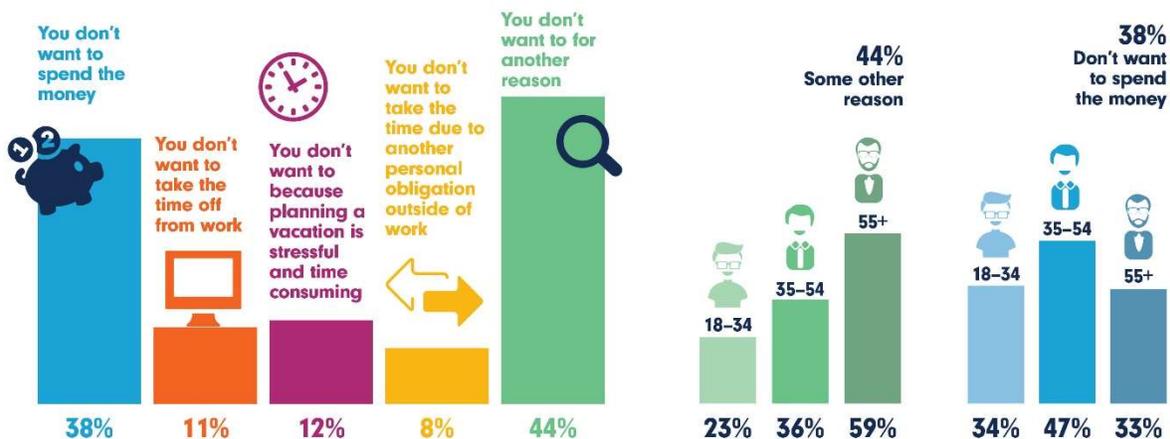


Not surprisingly, with COVID-19 vaccinations now underway, restrictions lessening and mounting pent-up demand, Americans’ confidence in taking a summer vacation is at an all-time high this year: 60% of Americans say they are confident they will take a vacation (up from 42% in 2019 and 26% in 2020), which is defined as a leisure trip of at least a week to a place that is 100 miles or more from home.

Leading the trend: younger Americans feel hopeful they’ll take a vacation, with 73% of respondents aged 18-34 citing confidence, versus 51% of those in the 55+ population (and 60% for those aged 35-54), who may be taking a more cautious approach emerging from the pandemic. Higher income-earning households (75% who make \$100,000+ a year) are also feeling confident, and the survey found men (67%), who have proven more comfortable around COVID-19, are more likely than women (55%) to be confident. The gender confidence gap has grown – pre-pandemic in 2019, men were only five points more likely to take a summer vacation than women.

For Americans who aren’t confident they’ll take a summer vacation (29%, compared to 8% who said they’ll travel at some other time, and 2% who already took a summer vacation at the time of the survey), 38% percent said they didn’t want to spend the money and 44% noted it was due to other reasons, likely COVID-driven and amid increased concerns about health and safety. Other reasons for low or no confidence in a vacation are that it’s too stressful or time-consuming to plan (12%), not wanting to take off from work (11%) and not wanting to take time off due to a personal obligation that’s not work-related (8%).

Top reasons Americans aren’t confident about a summer vacation



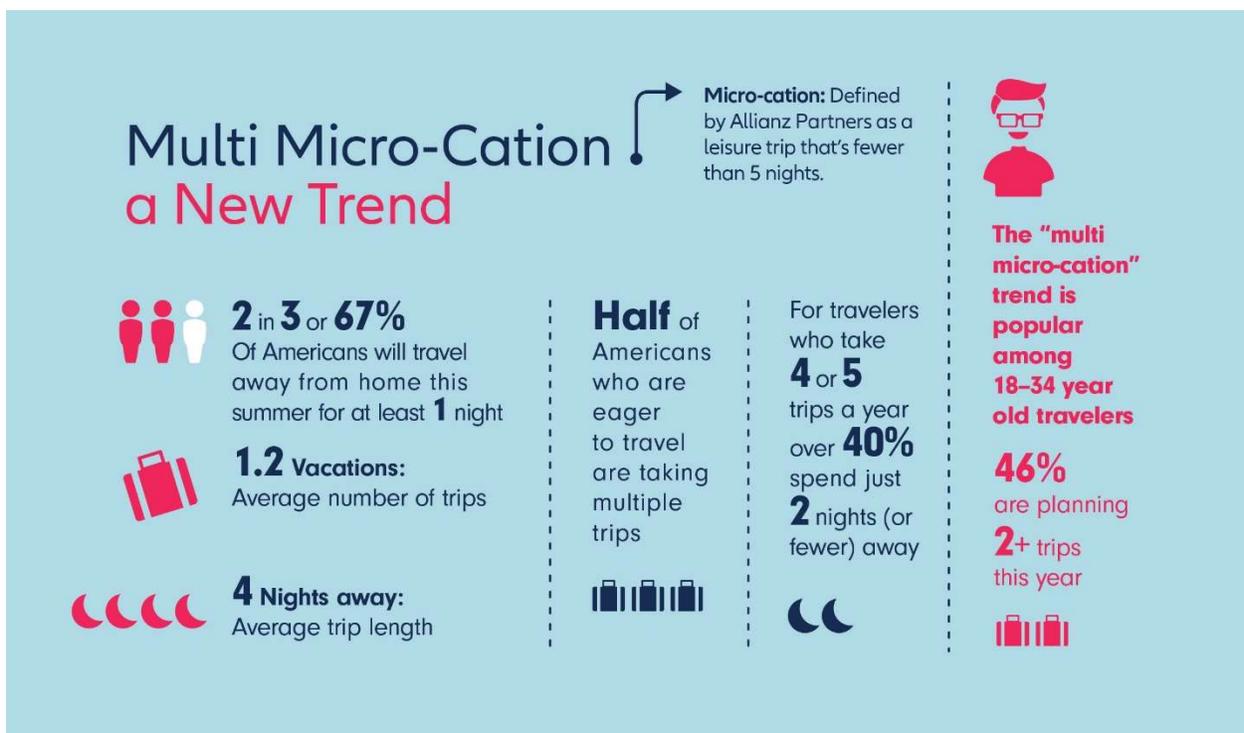
Next, we’ll take a look at the topic of trip length. In 2019, Allianz Partners’ VCI defined the term “micro-cation” as a leisure trip that is fewer than five nights. This year, Allianz coins a new term with the survey’s latest results: the “**multi micro-cation.**”

‘Multi Micro-Cation’ Emerges as Newest Summer Travel Trend

The pandemic has certainly changed the current travel landscape and future travelers have taken to tackling their bucket lists with *multiple* shorter trips. According to this year’s survey, one in three (34%) Americans will take multiple vacations between now and September, favoring shorter trips over the traditional week-long or more vacation.

Two in three (67%) Americans will travel away from home this summer for at least a night, and that the average number of trips is 1.2 vacations, which is defined as a leisure trip at least 100 miles from home. Four in 10 (44%) Americans are eager to travel and will take the first opportunity to take a vacation. In fact, a majority (51%) of these eager travelers will take multiple trips, with 22% intending to take three or more trips this summer.

Four nights away is the average trip length – and the average drops for those who vacation more often. For those who take four or five trips a year, four in 10 (40%) spend just two or fewer nights away from home on those trips. The “multi micro-cation” trend is popular among 18 to 34-year-old travelers, with nearly half of that age group (46%) saying they plan to take two or more trips this year.



As new travel trends emerge after many months of lockdown, Americans are also shifting their perspectives about attending live events including concerts, festivals, performance theater and sporting events. Next, we’ll explore what will make these live entertainment seekers feel more comfortable attending their next event.

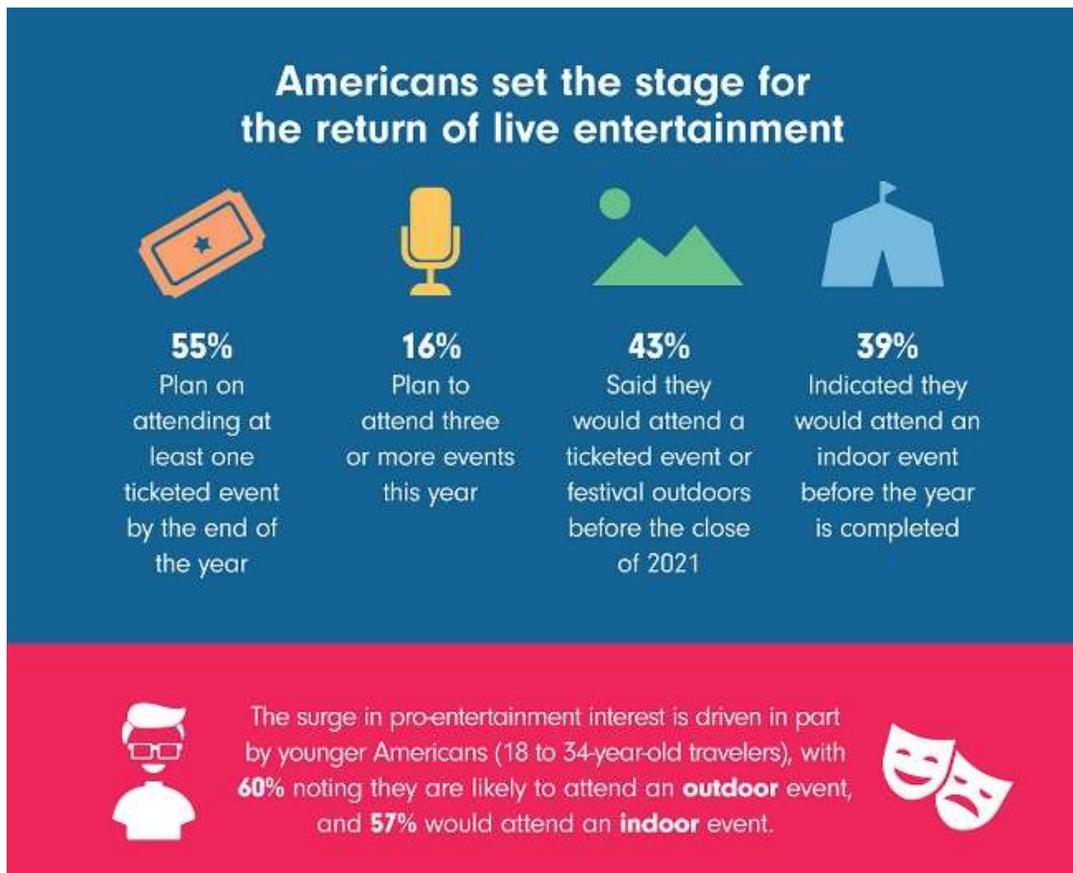
Americans Set the Stage for the Return of Live Entertainment

In 2020, the pandemic brought the curtain down on entertainment across the nation as sports, concerts and other live events were postponed or canceled entirely, but new data shows that Americans are now ready to resume engaging in large-scale entertainment.

More than half of Americans, 55%, plan on attending at least one ticketed event by the end of the year, with 16% of respondents planning on attending three or more events.

Before the close of 2021, 43% of Americans said they will attend a ticketed event or festival outdoors and similarly, four in 10 (39%) respondents 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.

This marks a stark increase from a virtually non-existent large-scale and ticketed event landscape the year prior. In New York City, the mecca of American theater, after more than 15 months in the dark, about three dozen musicals and plays have announced opening dates in 2021. The majority of theaters will reopen after Labor Day; the return of live theater has been a highly anticipated moment in the reopening of New York City since the last performances in March 2020.



When it comes to measures that would make would-be event attendees comfortable, respondents indicated several measures that would give them a higher level of comfort when purchasing tickets for indoor events, including limiting attendees or providing additional spacing for attendees (36%), attendees showing vaccine verification or if unvaccinated, proof of negative COVID test (34%), mandatory mask requirement by event organizer (31%), having event ticket insurance that would refund the cost of tickets (28%) and checking temperature of all employees and guests prior to entering venue (27%).

Meanwhile, ticket sales and distribution companies are providing tools to venues to manage their policies to help keep fans and staff as safe as possible. Additionally, ticket providers have rolled out a variety of features to help venues moderate capacity, including socially distanced seating maps and grouped ticketing packages.



The vaccine has been a game changer and our research suggests the return of consumer confidence in the music, sport and travel sectors could be emphatic following the successful roll out of a vaccine in the months ahead. Americans are more confident than ever they'll attend a live event, and even more confident they'll take a vacation this year. Up next, we'll explore Americans' confidence in taking a vacation at some point in 2021, and how long it's been since their last week-long vacation.

Americans are More Confident Than Ever About a 2021 Vacation

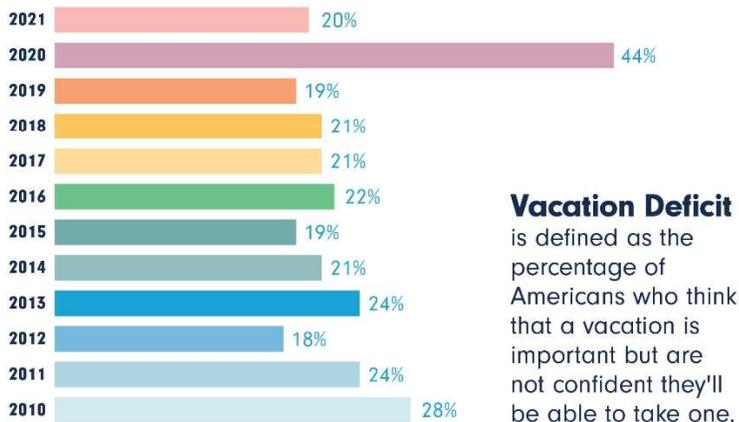
Americans are more confident than ever that they'll vacation sometime in 2021: 63% of Americans are confident they'll take a week-long vacation, up from 37% in 2020 (49% in 2019). The importance of an annual vacation has never been higher, also: 73% of Americans say a vacation is important to them (an increase of 9 percentage points since 2020, 13 since 2019 and up 15 percentage point since 2018).

After a year of lockdown and travel restrictions, the pandemic has triggered an array of emotional, physical and economic issues, and Americans are realizing now more than ever that taking time away from work or the stresses of daily life can give them the break they need to return to their lives refreshed and better equipped to handle whatever comes.

The percentage of Americans who are experiencing a vacation deficit has dropped to 20% this year, compared to 44% in 2020, during the height of the pandemic. A vacation deficit is defined as Americans who think that an annual vacation is important, but who are not confident that they will take one this year.

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

Vacation Deficit 2010–2021



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%)

While the pandemic largely thwarted vacation plans over the last year, the American phenomenon of underutilizing vacation days continues to hold true: according to the survey, more than half (56%) of respondents haven't vacationed in over a year, up five points since 2019 (51%). The survey also revealed that for more than a quarter of Americans, it's been more than two years since their last week-long leisure trip. Additionally, two in 10 (22%) Americans have taken a vacation in past three months.

Allianz Partners Vacation Confidence Index 2021 Americans' Time Since Last Week-Long Vacation				
Year	More Than Two Years Ago	More Than A Year Ago	Four to 12 Months Ago	Past Three Months
2021	28%	28%	22%	22%
2019	36%	15%	27%	21%
2018	38%	13%	29%	18%
2017	37%	17%	31%	14%
2016	37%	16%	30%	15%
2015	40%	16%	25%	16%
2014	39%	12%	28%	19%
2013	44%	16%	25%	14%
2012	35%	15%	28%	21%
2011	36%	15%	29%	19%
2010	39%	17%	23%	19%
2009	33%	14%	24%	27%

Last but not least, we'll look at how Americans' sentiment on sharing economy services has changed over time.

Americans Trust In and Use of Sharing Economy Holds Steady

In 2015, Allianz Partners started looking at Americans’ sentiment on sharing economy services in the travel space, including whether travelers were using companies like Uber, Lyft, Airbnb and VRBO and if they found them trustworthy.

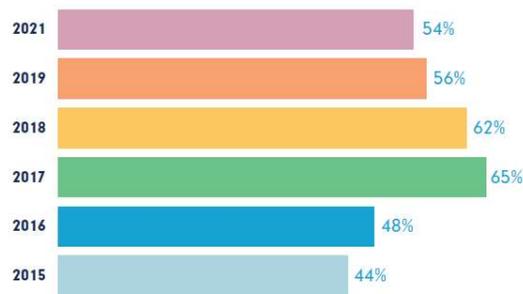
For 2021, 54% of Americans found sharing economy services to be trustworthy, which is down slight from 2019 (56%) but up from 44% in 2015. Likelihood to use sharing economy services is up slightly at 42% this year (41% in 2019) and increased significantly from 2015 (17%).

Americans Trust in + Use of Sharing Economy Services Over Time



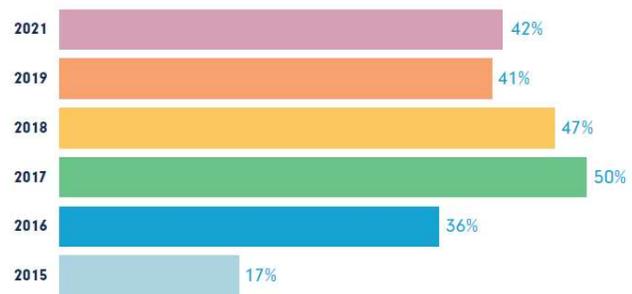
Sharing economy
includes services such as Airbnb, VRBO, Uber, Lyft.

% Trustworthy



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

% Likely



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

Among other highlights from this year’s dive into sharing economy sentiment: men (45%) are more likely to use sharing economy services this summer vs. women (38%) and age plays a factor as well.

The younger demographic, 18–34-year-olds, are most likely to use (65%) and trust (69%) sharing economy services versus 35–54-year-old respondents (48% likely to use, 60% are likely to trust) and the 55+ population (19% likely to use, 37% are likely to trust). And Americans who make more than \$100K annually are more likely (49%) to use sharing economy services than those who make less than \$50K (33%).

METHODOLOGY

Methodology: These 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 from May 24 to 28, 2021 via the Ipsos Online Omnibus. 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. Quota sampling and weighting were employed in order to balance demographics and ensure that the sample's composition reflects that of the actual U.S. population, according to data from the U.S. Census Bureau. Credibility intervals are wider among subsets of the population.

ABOUT ALLIANZ PARTNERS

Allianz Partners (AGA Service Company) is a leading consumer specialty insurance and assistance company with operation centers in 35 countries. In the United States, the company offers Allianz Travel-branded travel protection plans and serves millions of customers each year. In addition to travel insurance, the company offers tuition insurance, event ticket protection, registration protection for endurance events and unique travel assistance services such as international medical assistance and concierge services. The company also serves as an outsource provider for in-bound call center services and claims administration for property and casualty insurers and credit card companies. AGA Service Company is doing business as Allianz Global Assistance Insurance Agency in California (License # 0B01400) and Massachusetts.