



LEO J. SHAPIRO & ASSOCIATES LLC.

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“Destination Families*”

An Island of Optimism During the “Great Recession”

***Families With Kids Traveling by Air and Staying in Hotels**

During the average recession month—the 16 months ending January 2009—one in four households (28%) planned destination travel (air travel and stay at a hotel). Households with children account for 40% of those who are planning destination travel.

The overall percent of consumers planning destination travel during recession months is eight points lower than the 36% of households planning destination travel during the average pre-recession month—the 24 months ending December 2006.

Roughly one quarter (approximately 8,000,000) of those destination travelers bring children with them. As shorthand, we’ve named these consumers “Destination Families.”

Destination Families demonstrate a level of confidence and optimism that defies the generally accepted state of the economy. Destination Families have a much higher propensity than non-travelers with or without children to purchase not only travel but also new cars, housing, appliances and seven other major goods.

For example, during the average month in the 28 months ending January 2009, 10% of destination travelers report they were shopping actively—checking prices, visiting dealers— to buy a new car compared to the only 4% of non-travelers who have no children.

The index reflecting active shopping for the ten major goods covered in the survey ranges from a high of 228 for destination travelers with children to a low of 52 for non-traveler households with no children.

ACTIVE SHOPPING FOR MAJOR GOODS

(Information comes from 12,576 telephone interviews with consumers sampled nationally at the rate of 500 per month October 2006 through January 2009.)

	Destination Travelers		Not Destination Travelers	
	Children "Destination Families"	No Children	Children	No Children
Active Shopping Index (100+ Average)	228	188	91	52
Percent active shopping	100%	100%	100%	100%
New car	11%	9%	6%	4%
Used Car	11%	8%	12%	6%
House	15%	10%	10%	5%
Furniture	19%	13%	12%	6%
Personal Computer	17%	12%	10%	6%
Major Appliance	13%	8%	8%	5%
New Carpeting	6%	5%	3%	2%
TV	14%	11%	9%	6%
Air Travel	58%	55%	4%	4%
Hotel/Motel Stay	50%	47%	11%	7%

Demographically, destination travelers – particularly those with children – are younger, are more affluent, have more education, are more confident about their financial situation.

	Destination Travelers		Not Destination Travelers	
	Children	No Children	Children	No Children
Younger (Mean Age years)	39%	51%	38%	56%
More Affluent (Mean Income \$000)	92%	83%	52%	45%
Have more education (% College grads)	60%	54%	31%	27%
Better financial situation (CBI Index*)	114	105	97	82

*The Consumer Balance Index (CBI) tracks the consumer perception of the balance between their assets and income versus their debt and current spending

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For more information on studies underlying this report,
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