

"HVCB Tourism Industry Update" is a regular briefing of travel news and developments affecting Hawai'i's visitor industry, compiled by the HVCB Market Trends Department.

FOR IMMEDIATE RELEASE

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1. FEATURE

⇒ "Current Economic Conditions" Cited as Primary Reason for Fewer Leisure Trips

An estimated 16 percent of American leisure travelers plan to take fewer trips this year compared to 2007, with "current economic conditions" (19%) cited as the top reason behind their decision, according to Ypartnership's 2008 *National Travel Monitor*SM. In 2007, time poverty issues (i.e. unable to get away from work, less vacation time, and projects to do at home) were the most frequently cited reasons. Although these factors were still cited this year, household budget issues were the primary factors for traveling less in 2008. Other significant factors behind the decision to take fewer trips this year include:

- The high overall cost of leisure travel (12%)
- "Other" things to do with vacation/leisure time than travel (11%)
- The high cost of fuel (9% in 2008 versus 5% in 2007)

Reasons for Taking Fewer Leisure Trips 2008 versus 2007

Reasons	2008	2007
Current economic conditions make it difficult for me to travel	19%	16%
Have projects/things I need to do at home	15%*	22%
Not able to get away from my job/work/less vacation time	12%*	24%
The overall cost of leisure travel is too high	12%	NA
There are other things I'd rather do with my vacation/leisure time than travel	11%	NA
Price of gasoline is too high	9%*	5%
Air travel is too big of a hassle	4%	3%
I believe it is not safe to travel	4%*	1%

* Denotes statistically significant difference from prior year

NA = Not asked in 2007

Source: Ypartnership 2008 National Travel MonitorSM

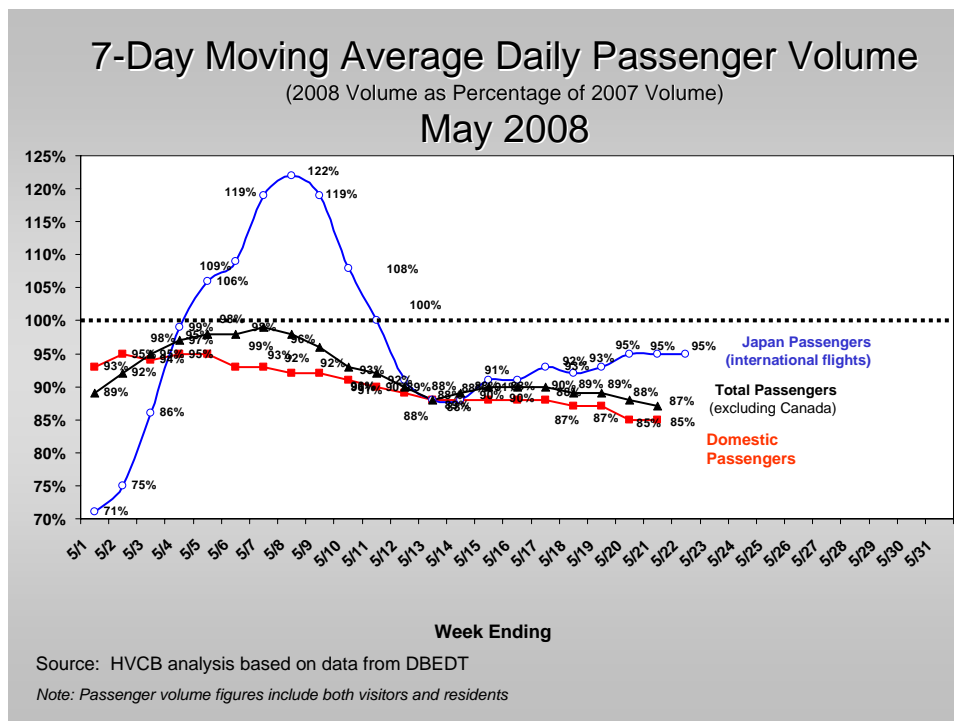
2. HAWAII

CURRENT INDUSTRY DEVELOPMENTS

Domestic Passenger Volume to Hawai'i Down 15 Points From Prior Year Levels for the Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic passenger volume on nonstop flights to Hawai'i was 15 points below prior-year levels for the seven-day period ending May 22, 2008. This drop is due mainly to the reduction in domestic air seat capacity to the state. Total domestic and international (excluding Canada) passenger volume ended the period down 13 points, while nonstop passenger volume from Japan fell five points for the week.

For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>

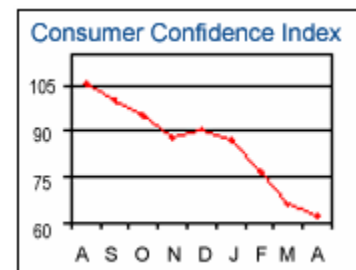


3. NATIONAL / INTERNATIONAL

CONSUMER TRAVEL BEHAVIORS

National Consumer Confidence Declines for Fourth Straight Month

The [National Consumer Confidence](#) Index continued to decline after a sharp drop in March, falling 3.6 points to 62.3 (1985=100) in April (from the prior month reading). The "Present Situation" index dropped 9.9 points to 80.7, while the "Expectations" index remained relatively unchanged at 50.1 (from 49.4 points in March).. Conference Board officials state that the drops in consumer confidence can be attributed in part to unfavorable economic conditions, lackluster business and job conditions, and the rising cost of gasoline. Officials also point out that survey respondents intending to take a vacation over the next six months has fallen to a 30-year low.



Source: Conference Board

➤ Rising Gas Prices Top Americans' Economic Concerns

According to a recent survey¹ conducted on behalf of the Kaiser Family Foundation (a health research organization), 44 percent of respondents cited the rising cost of gasoline as a “serious problem” (reported by [CNN](#)). The cost of gas was the economic worry across all income levels. Other economic concerns included “getting a good-paying job or raise” (29%); “paying for health care and health insurance” (28%); and “difficulty paying rent or mortgage” (19%).

¹The survey of 2,003 adults was conducted between April 3-13, and had a margin of error of +/-3 percentage points.

➤ AAA Projects Marginal Decline in Memorial Day Travel

An estimated 37.9 million Americans are expected to travel 50 miles or more from home this Memorial Day weekend, a decrease of nearly 360,000 travelers (-0.9%) from prior-year levels, according to [AAA](#) and the Travel Industry Association of America (TIA). AAA states that many Americans are affected by record-high gas prices and other personal financial factors. Other results from the national survey of over 2,000 American adults include:

- Air travel is forecasted to be down 0.5 percent this year (to 4.4 million, or 11 percent of all holiday travelers); and motor vehicle travel is projected to be down one percent (to 31.7 million, or 83 percent of all holiday travelers).
- The greatest number of air travelers is expected to come from the West with approximately 1.4 million travelers, followed by the Midwest with 1.2 million travelers; Southeast with 870,000; Northeast with 545,000; and the Great Lakes region with 384,000.
- According to AAA's Leisure Travel Index, airfares during the Memorial Day weekend are on average, eight percent more than last year. However, hotel rates at AAA 3-Diamond hotels are projected to be seven percent lower than prior-year levels (but up nine percent at 2-Diamond hotels).
- Average gas prices across the nation (for self-serve regular) is \$3.78 per gallon, or 68 cents more than last year.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ Air Transport Association: Slight Decline in Summer Air Travel Demand

The Air Transport Association of America (ATA) released its summer forecast which indicates nominal decline in air passengers* traveling between June 1 – August 31. Some 211.5 million passengers are projected to fly this summer, down one percent from the 214.2 million passengers who traveled during the same period last year. ATA expects nationwide load factors to near 85 percent this summer. They cite record-high fuel prices (approaching \$170/barrel), a weakening economy, and air capacity cuts as the main reasons behind the marginal decline.

* Total number of revenue passengers boarding aircraft in scheduled service

We welcome any suggestions or comments that you may have that will help us improve the quality of the Tourism Industry Update. Please feel free to share your ideas:

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