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## Consumer Spending on Traveling for Pleasure

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## Consumer Spending on Traveling for Pleasure

### Abstract

America is a Nation of travelers. In 1997, consumers made over 443 million pleasure trips, an increase of more than 7 percent since 1995, and nearly 23 percent more than in 1990. According to results of the Consumer Expenditure Survey, nearly 41 percent of all consumer units interviewed in 1997 reported some expenditure for non-business travel. Pleasure trips and vacations are a major expenditure for many consumers, and accounted for nearly 7 percent of total quarterly outlays for those who report such expenditures, or almost as much as the average consumer unit spent on food at home.

### Keywords

consumer spending, travel, pleasure, expenditure

### Comments

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## Consumer Spending on Traveling for Pleasure

America is a Nation of travelers. In 1997, consumers made over 443 million pleasure trips, an increase of more than 7 percent since 1995, and nearly 23 percent more than in 1990.<sup>1</sup> According to results of the Consumer Expenditure Survey, nearly 41 percent of all consumer units<sup>2</sup> interviewed in 1997 reported some expenditure for non-business travel. Pleasure trips and vacations are a major expenditure for many consumers, and accounted for nearly 7 percent of total quarterly outlays for those who report such expenditures, or almost as much as the average consumer unit spent on food at home.

It is useful to understand how and when the travel dollar is allocated. For this report, consumer units were interviewed about their travel expenditures in January, April, July, and October of 1997 (the most recent year for which data are currently available). These months are selected due to the recall nature of the interview component of the Consumer Expenditure Survey, from which these data are taken. Each respondent is asked to recall expenditures for the prior 3 months. In this case, families interviewed in January 1997 report expenditures for October, November, and December 1996. Those who are interviewed in February 1997 report expenditures for November and December 1996 and January 1997. Because of this overlap in months, it is not easy to distinguish in which season of the year the expenditures for travel occurred unless the sample is limited to those months selected.

The chart shows that there is a seasonal pattern to expenditures for travel. Not surprisingly, the percentage of consumer units reporting such expenditures peaks in the summer months (July, August, and September). This is a time of year when children are out of school,

and when there is less likelihood that inclement weather will cause travel delays. However, regardless of month interviewed, more than one third to nearly one half of all families report travel expenditures.

**Travel expenditures.** The table shows how the travel budget is allocated, including both average expenditures and budget shares for each season of the year. For comparability, only those who report at least one travel-related expenditure during their interview are included in the sample shown in the table.

Just as the frequency of travel increases during the summer months, so too does the amount spent on travel. At an average of \$776 during this period, expenditures are nearly 28 percent higher than in winter (\$607), the period when average travel expenditures are lowest. They exceed expenditures during the spring (\$692) by over 12 percent.

There is a great deal of variation in the allocation of the travel dollar among the various components of travel. For example, expenditures for food and alcohol vary greatly by season. Average expenditures on these two items on trips in summer exceed expenditures in winter by nearly 30 percent. Similarly, lodging expenditures are much higher in the summer—81 percent higher—than in the winter. This may reflect a seasonal shift in demand for lodging during the summer, in part due to increased travel at this time. Likewise, average enter-

tainment expenditures are higher in summer than any other time of year. It may be that given the weather, more families attend outdoor sports in the summer than in other seasons. (This is supported by the fact that entertainment expenditures in spring are also much higher than those in autumn or winter.)

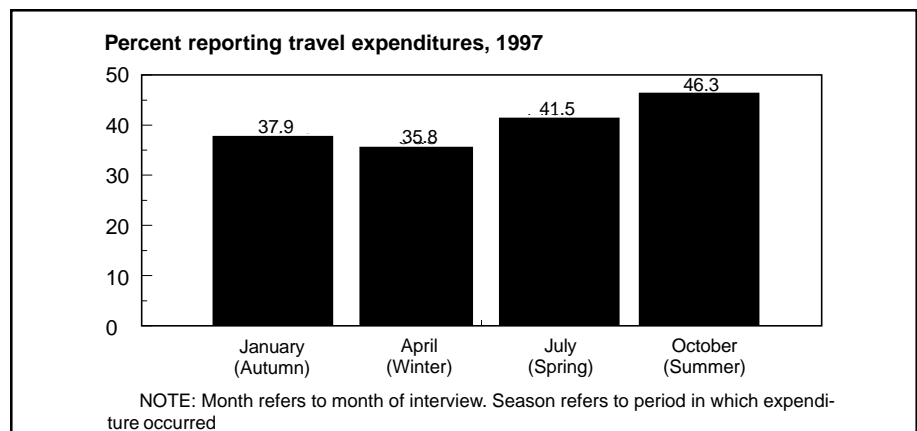
However, not all travel expenditures are consistent with this pattern. For example, expenditures for airfares are 23 percent lower in spring and summer than they are in autumn. Expenditures for gasoline and motor oil on trips rise during this period, so it may be that families are substituting driving for air travel.

**Shares of travel expenditures.** Food and alcohol purchases account for more than 1 in every 4 dollars spent on travel regardless of season. In fact, food alone accounts for more than 25 percent of the travel budget in the summer months. Although food accounts for nearly that amount in the winter and spring months, it accounts for only about \$1 in every \$4.50 spent in the autumn. Alcohol expenditures range only from 2.5 to 3.1 percent of total travel spending, regardless of season.

Likewise, lodging consumed a much larger share of the travel budget (23 percent) in the summer of 1997 than it did in winter of 1996 (16 percent). However, total transportation dropped precipitously as a share of total travel expenditures, accounting for nearly half of all travel expenditures in autumn of 1996, but just

<sup>1</sup> U.S. Bureau of the Census, Statistical Abstract of the United States: 1998 (118<sup>th</sup> edition.) Washington, DC, 1998, table 451.

<sup>2</sup> A consumer unit is comprised of members of a household related by blood, marriage, adoption, or other legal arrangement; a single person living alone or sharing a household with others but who is financially independent; or two or more persons living together who share responsibility for at least two out of three major types of expenses—food, housing, and other expenses.



over one-third of travel expenditures in summer of 1997. This is due to large declines in the share for airfares. Even other local transportation falls from 3 percent to 2 percent of the travel dollar in this period. (Vehicle operations is somewhat volatile, though, dropping from 11.2 percent of total travel expenditures in autumn to 10.7 percent in winter, but rising to 12.5 percent by summer.)

Finally, despite the fact that expenditure levels for entertainment on trips are higher in the spring and summer months than in the autumn and winter months, the share for entertainment ranges only from about 10 to 11 percent of the total travel budget, regardless of the season examined.

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For further information on the data presented here, contact Geoffrey Paulin at (202) 606-6900. For general information about the CE Survey, send e-mail to Vanderheide\_W@bls.gov.

**Average quarterly expenditures for travelers, Consumer Expenditure Survey, 1997**

Item	Month of Interview:				Item	Month of Interview:			
	January (Autumn)	April (Winter)	July (Spring)	October (Summer)		January (Autumn)	April (Winter)	July (Spring)	October (Summer)
Total consumer units reporting travel expenditures .....	39,836,117	38,130,668	43,476,708	48,396,968					
Quarterly outlays .....	\$10,113	\$10,093	\$9,946	\$10,765	Share of travel budget				
Travel expenditures .....	679	607	692	776	Travel expenditures .....	100.0	100.0	100.0	100.0
Food .....	151	150	171	197	Food .....	22.2	24.7	24.7	25.4
Alcohol .....	21	18	17	21	Alcohol .....	3.1	3.0	2.5	2.7
Lodging .....	116	97	142	176	Lodging .....	17.1	16.0	20.5	22.7
Transportation .....	325	274	285	295	Transportation .....	47.9	45.1	41.2	38.0
Airfares .....	195	156	150	150	Airfares .....	28.7	25.7	21.7	19.3
Other fares <sup>1</sup> .....	31	37	45	29	Other fares <sup>1</sup> .....	4.6	6.1	6.5	3.7
Vehicle operations .....	76	65	77	97	Vehicle operations .....	11.2	10.7	11.1	12.5
Vehicle rental .....	19	18	17	28	Vehicle rental .....	2.8	3.0	2.5	3.6
Gas and oil .....	57	47	60	69	Gas and oil .....	8.4	7.7	8.7	8.9
Other transportation <sup>2</sup> .....	23	16	13	19	Other transportation <sup>2</sup> .....	3.4	2.6	1.9	2.4
Entertainment <sup>3</sup> .....	66	68	77	87	Entertainment <sup>3</sup> .....	9.7	11.2	11.1	11.2

<sup>1</sup> Includes intercity bus and train fares and ship fares.

<sup>2</sup> Includes local transportation, parking fees, tolls, etc.

<sup>3</sup> Includes fees for participation sports and for admissions to sporting events and movies; and rentals of campers and other recreational vehicles not included in transportation.

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