



2023 TRAVEL OUTLOOK AND CONSUMER SENTIMENT

TRAVEL SOUTH DAKOTA

South Dakota

2023 CHALLENGES



RECESSION



INFLATION



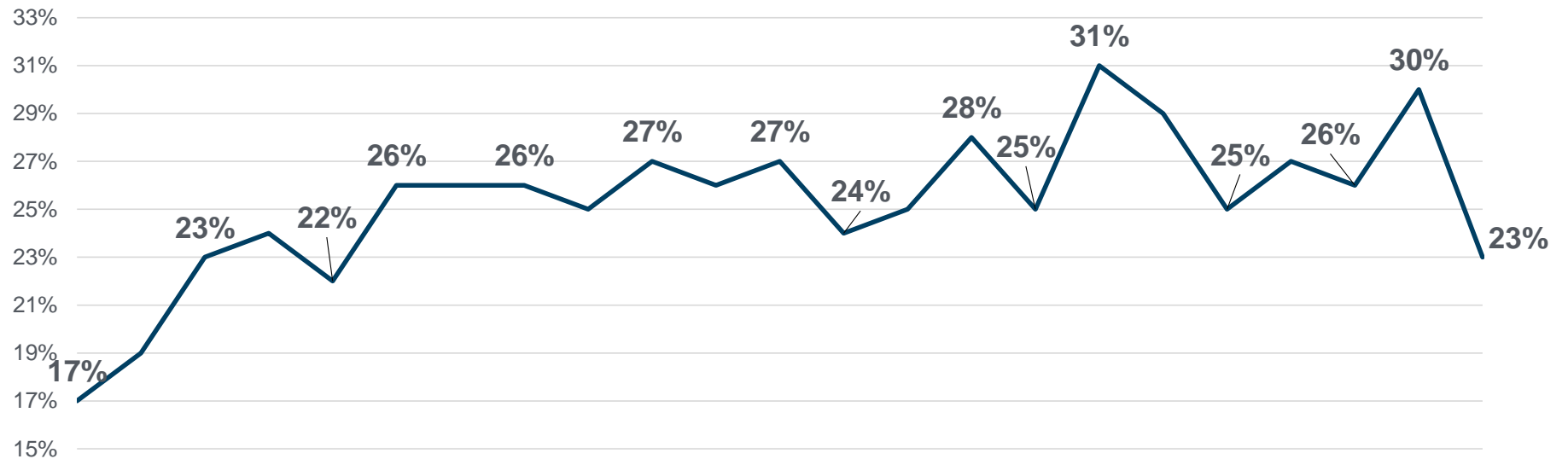
LABOR

A wide-angle photograph of a desert canyon landscape. In the foreground, two hikers are walking along a rocky, light-colored trail. The hiker on the left is wearing a blue shirt and dark shorts, while the hiker on the right is wearing a bright yellow jacket and dark shorts. The canyon walls are composed of layered, light-colored rock formations, with a prominent, sharp rock spire in the center. The sky is a deep blue with some wispy clouds. The overall scene conveys a sense of adventure and outdoor recreation.

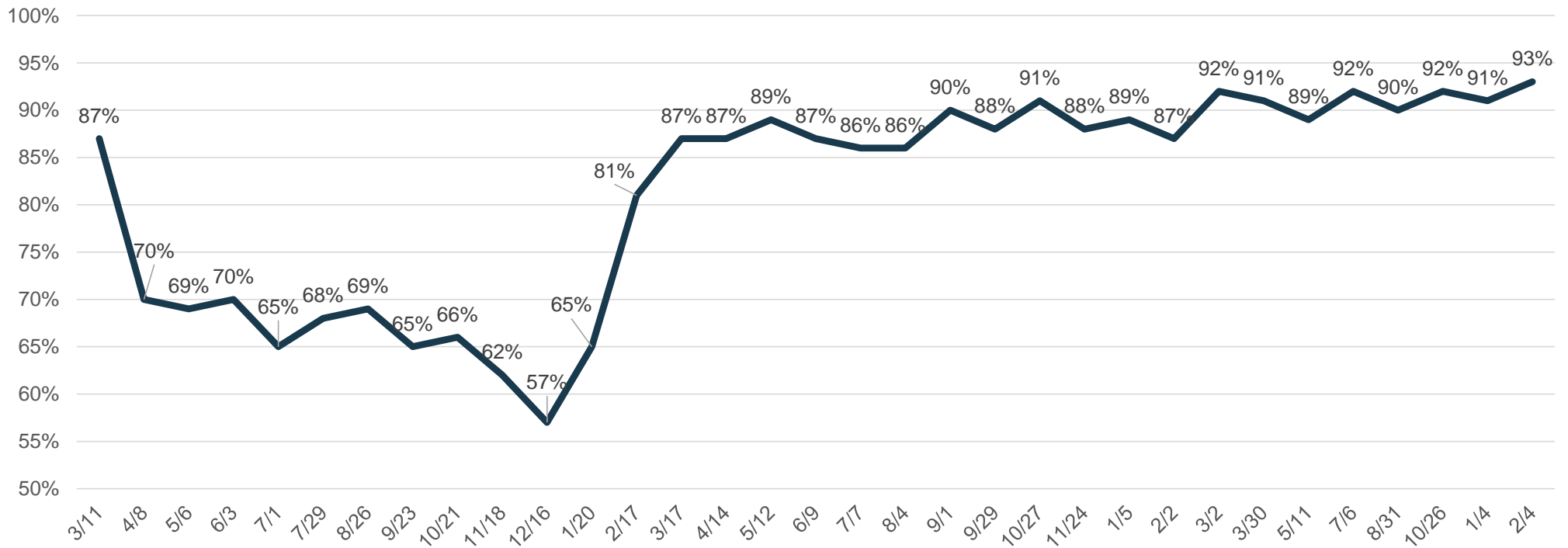
HOW ARE AMERICANS FEELING
ABOUT TRAVEL IN 2023?

PERSONAL FINANCES

PERCENT OF CONSUMERS THAT INDICATED THEIR PERSONAL FINANCIAL SITUATION WOULD GREATLY IMPACT THEIR DECISION TO TRAVEL IN THE NEXT SIX (6) MONTHS



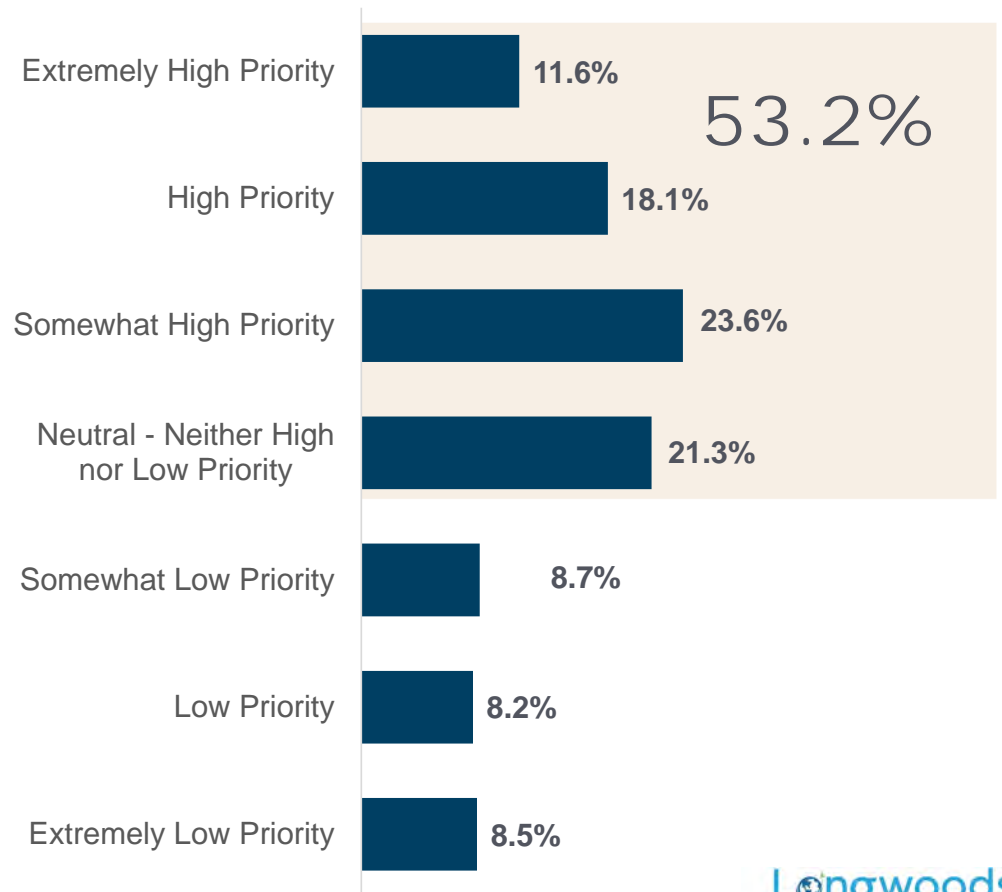
TRAVEL PLANS IN THE NEXT SIX MONTHS





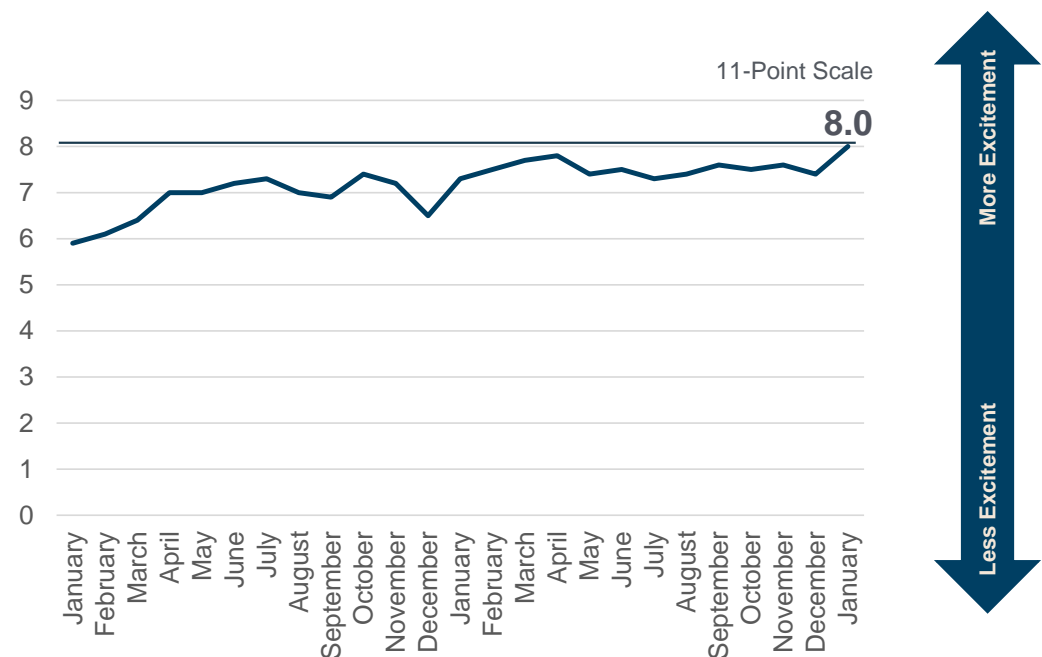
AMERICANS ARE PRIORITIZING SPENDING ON TRAVEL

QUESTION:
THINKING CAREFULLY ABOUT HOW YOU
EXPECT TO SPEND YOUR INCOME IN THE
NEXT THREE MONTHS, USE THE SCALE TO
DESCRIBE YOUR SPENDING PRIORITIES
FOR LEISURE TRAVEL:



EXCITEMENT TO TRAVEL FOR LEISURE REACHED A NEW RECORD THIS MONTH

QUESTION:
WHICH BEST DESCRIBES HOW EXCITED
YOU ARE ABOUT LEISURE TRAVEL IN THE
NEXT TWELVE (12) MONTHS:

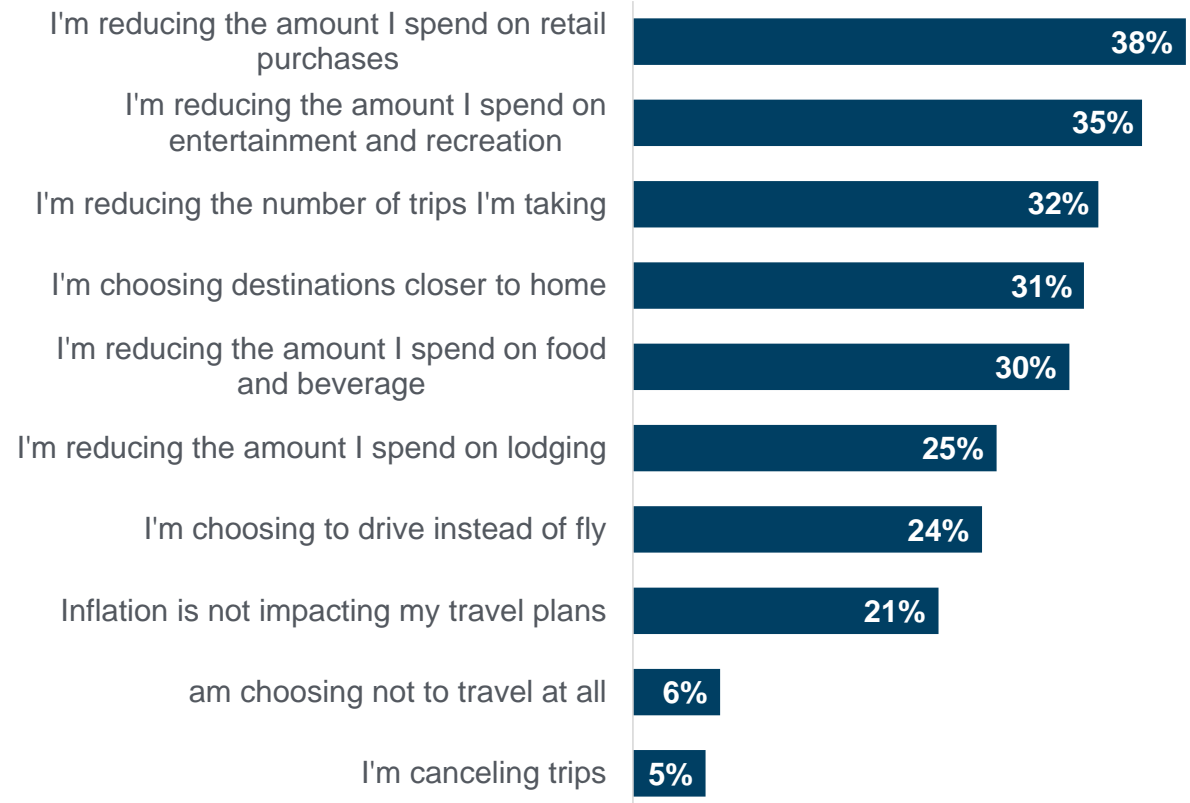




CONSUMERS STILL
PLAN TO TRAVEL
BUT MOST EXPECT
TO REDUCE
SPENDING ON
RETAIL,
ENTERTAINMENT
AND RECREATION



IMPACT OF INFLATION ON TRAVEL PLANS

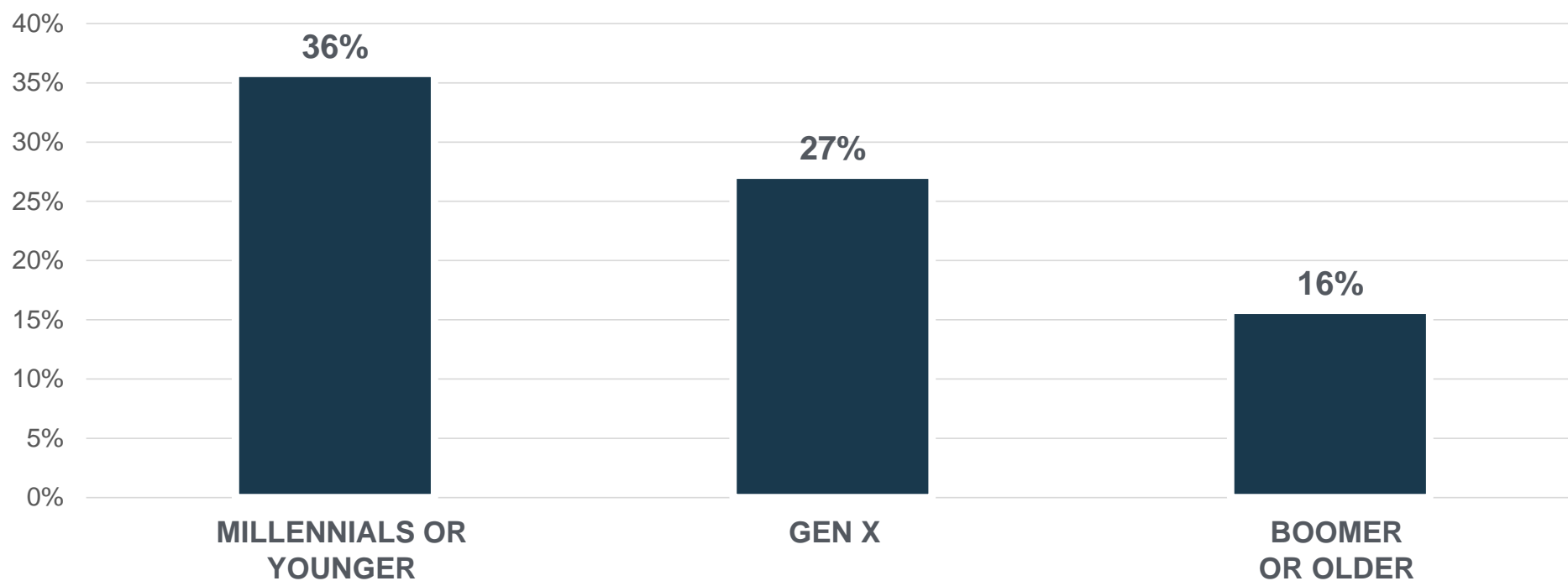




INFLATION IS
HAVING AN
IMPACT ON
YOUNGER
TRAVELERS



TRIP CANCELLATIONS DUE TO INFLATION

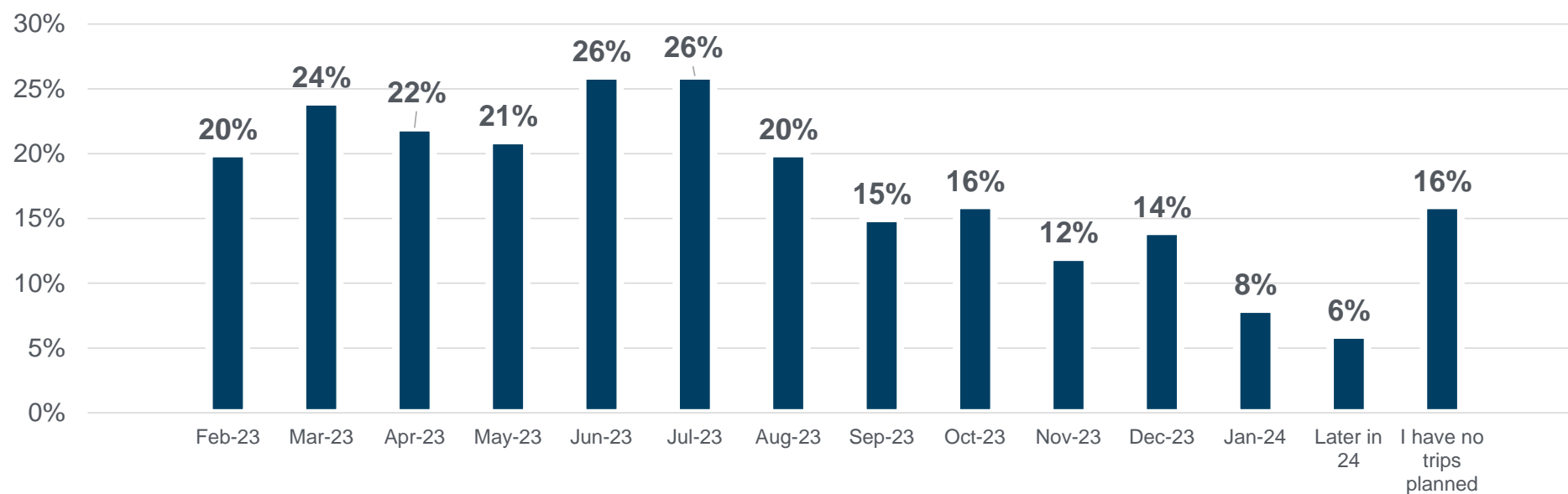




84% OF
AMERICANS HAVE
TENTATIVE
LEISURE TRIPS
PLANNED

FUTURE MONTHS OF TRAVEL

QUESTION: IN WHICH MONTHS DO YOU CURRENTLY HAVE ANY LEISURE TRIPS PLANNED (EVEN IF ONLY TENTATIVELY)?

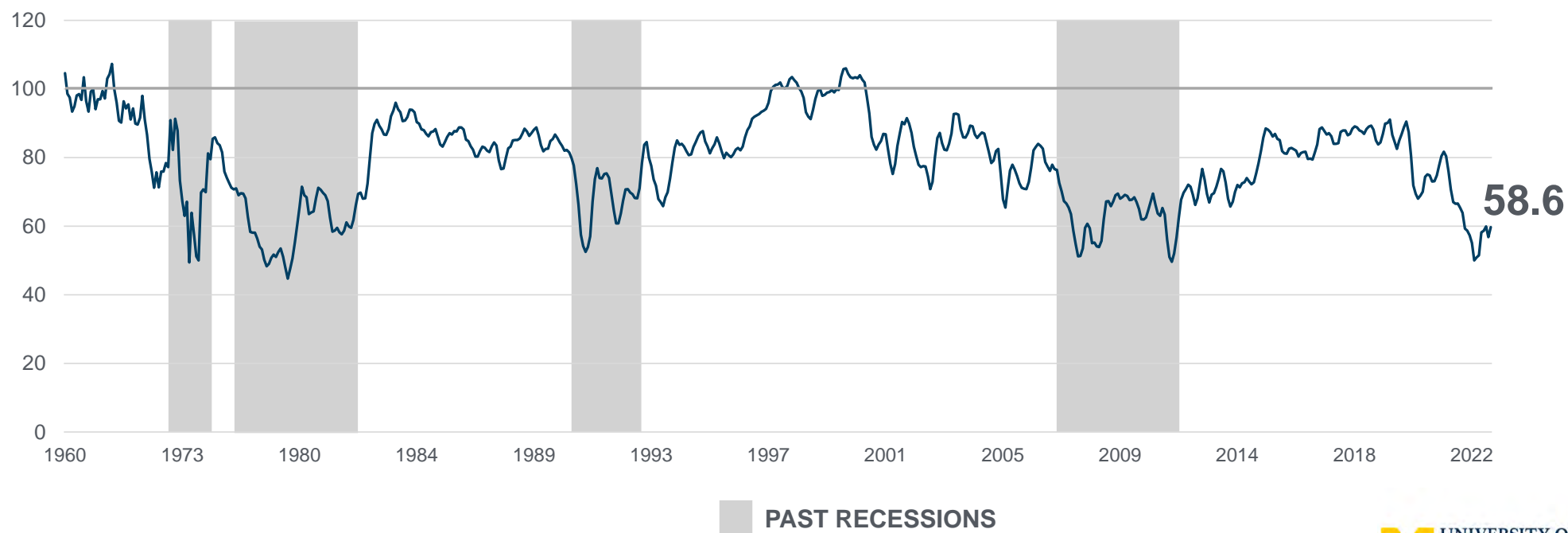


ECONOMIC INDICATORS



CONSUMER SENTIMENT INDEX

OVERALL, CONSUMERS STILL SHOWING SOME CONCERNS ABOUT THE ECONOMY





ECONOMIC OUTLOOK

- ECONOMIC OUTLOOK NOW ASSUMES **A MILD U.S. RECESSION** BEGINNING IN THE SECOND QUARTER OF 2023.
- SOFTENING LABOR MARKETS AND A WEAKER ECONOMIC ENVIRONMENT WILL **SLOW CONSUMER SPENDING**.
- RECESSIONARY IMPACTS ON LEISURE TRAVEL **WILL BE MODEST** COMPARED TO PAST ECONOMIC DOWNTURNS.
- GLOBAL WEAKNESS AND A STRONG U.S. DOLLAR COULD FURTHER **SLOW THE RECOVERY OF INBOUND INTERNATIONAL TRAVEL**.



IN THE U.S., ABOUT
\$1.7 TRILLION IN
EXCESS SAVINGS
REMAINS OF THE \$2.5
TRILLION SAVED
DURING THE INITIAL
YEAR OF THE PANDEMIC.

A GOOD CHUNK OF
THIS WILL BE SPENT
ON TRAVEL.



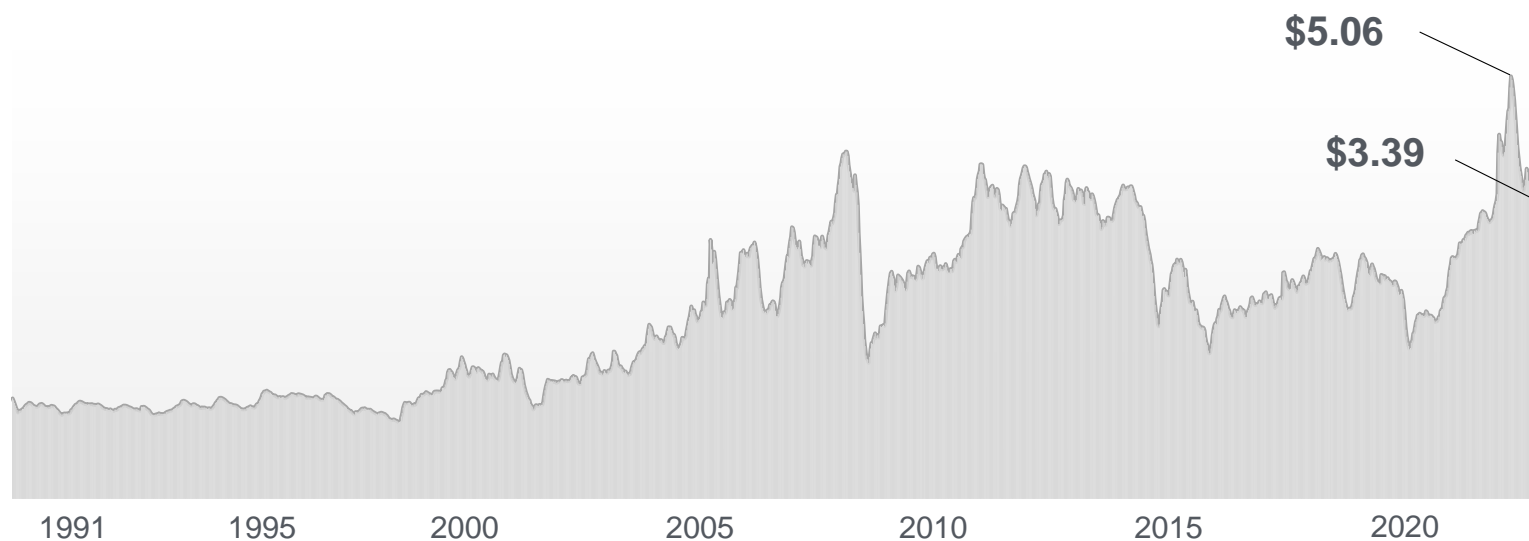
Given the strength of household and corporate balance sheets, my view is that we could see travel react less negatively to a recession than we have seen in past recessions.

Adam Sacks, Tourism Economics



GAS PRICES

GAS PRICES ARE DOWN AFTER REACHING A PEAK IN JUNE OF 2022 AND EIA IS EXPECTING PRICES TO HOLD AROUND \$3.50 FOR 2023



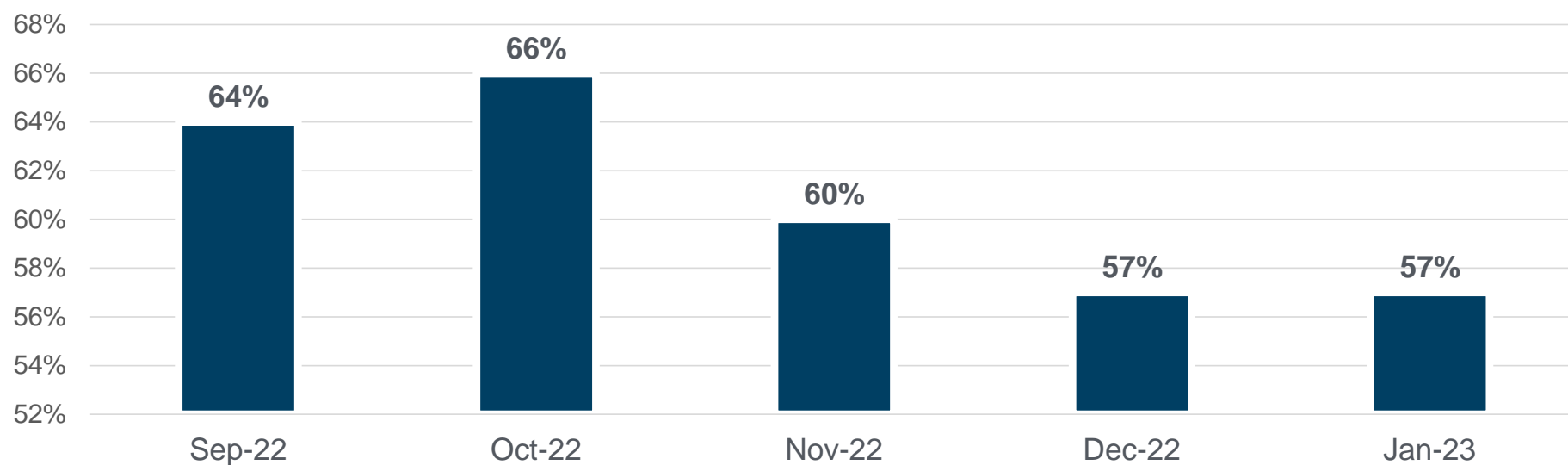


SURPRISINGLY,
CONSUMER
RECESSION
FEARS HAVE
DECLINED



RECESSION FEARS

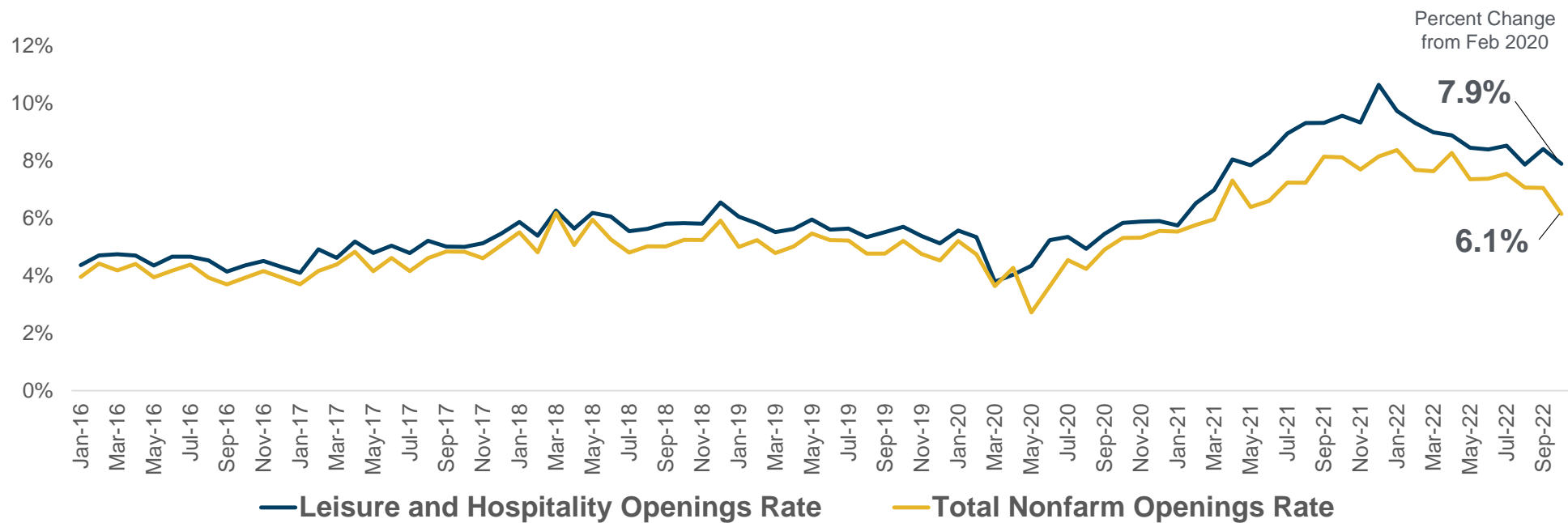
QUESTION: I EXPECT THE UNITED STATES WILL ENTER AN ECONOMIC RECESSION
SOMETIME IN THE NEXT SIX (6) MONTHS:



EMPLOYMENT AND WAGES

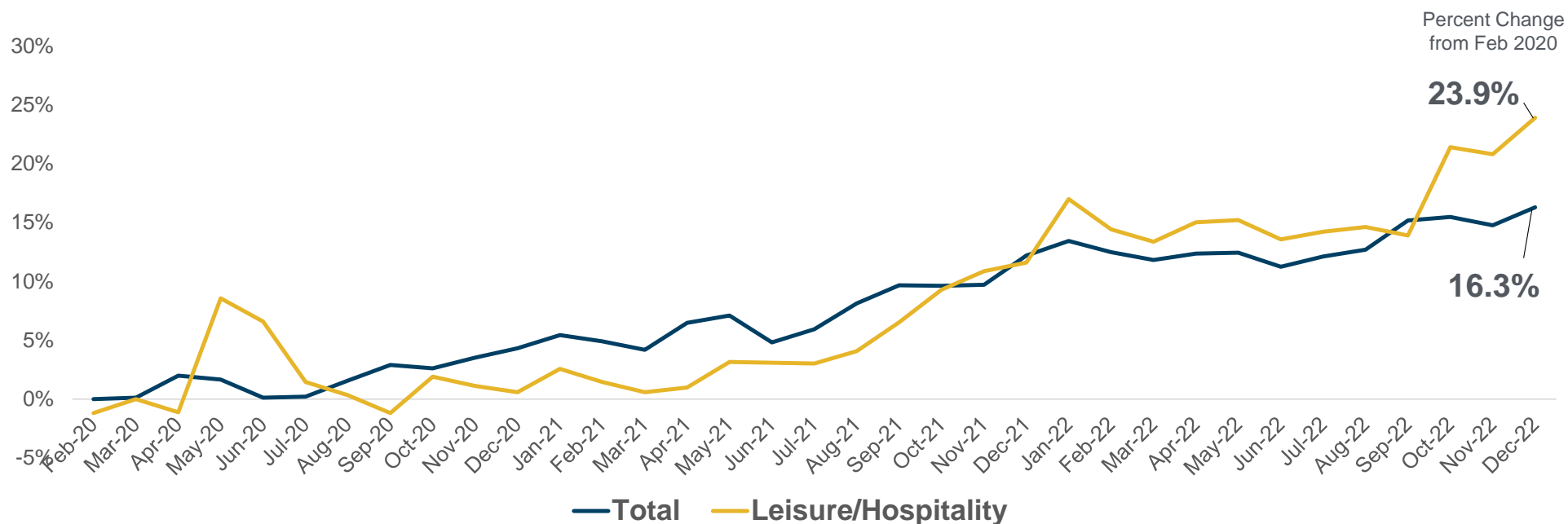
SOUTH DAKOTA JOB OPENING RATE

LEISURE AND HOSPITALITY JOBS OUTPACING OTHER INDUSTRIES FOR JOB OPENINGS

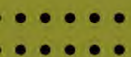


SOUTH DAKOTA AVERAGE HOURLY EARNINGS

LEISURE AND HOSPITALITY OUTPACING OTHER INDUSTRIES FOR WAGES



TRAVEL SECTOR FORECAST



U.S. HOTEL FORECAST

OVERALL, 2023 IS LOOKING TO BE A STRONG YEAR FOR THE HOTEL INDUSTRY

	2020	2021	2022	2023
SUPPLY	-4.0%	5.0%	2.0%	1.1%
OCCUPANCY	-33.4%	-12.7%	-4.9%	-3.3%
DEMAND	-36.0%	37.5%	11.2%	2.8%
ADR	-21.1%	20.8%	19.0%	1.7%
REVPAR	-47.4%	58.2%	29.8%	3.4%
REVPAR V. 2019	-47.4%	-16.8%	7.9%	11.6%





CONTACT US

TRAVEL SOUTH DAKOTA

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THANK YOU!

APPENDIX

DATA AND INSIGHTS PROVIDED BY

