Presentation Notes
The State of the Economy and Travel Decisions
There are numerous economic indicators that are used to define the state of the economy or economic conditions.

Some of these are:
- gross domestic product (GDP) growth rates
- inflation rates
- levels of current account and budget surpluses or deficits
- the unemployment rate and more
The travel and tourism industry is vital to the United States and other countries as it generates trillions of dollars each year.
Travel and tourism businesses depend on the economy as many jobs are affected.
When the economy is bad, businesses do poorly.

This is called a recession.

When the economy is good, businesses do well.

This is called expansion.

What economy do you think we are in now?
The travel and tourism industry is one of the first industries hurt during a recession and one of the last to recover.

When the economy is in recession or is slow, discretionary income is reduced.

People might still travel, but they will stay closer to home, stay at a less expensive hotels or travel by car instead of airplane.
When the economy is good, discretionary money is spent in greater amounts.

Discretionary money is money that is left over after shelter, food and other necessity items are purchased.

People tend to travel, go on vacations and spend money on entertainment.
Can you think of some travel decisions that need to be made?
Travel decisions need to be made for the following products and services:

- Entertainment may include amusement parks, concerts and sporting events
- Food may include venues such as bistro, coffee shops, fast casual, fast food, fine dining
- Gifts include souvenirs for yourself or family and friends.
- Lodging may include bed and breakfast, hotels, motels
- Recreation may include camping, hiking, skiing (any outdoor event)
- Transportation may include airplane, bus, car (rental or personal), cruise ship, train
What makes the world go round?

World Travel and Tourism Council
Recognizing the impressive role tourism plays in world economy. Tourism is an "industry you can bank on"!
https://www.youtube.com/watch?v=yMqHEAufxQY
Let’s Review!

• How do we define state of the economy?
• Why is the state of the economy vital to the travel and tourism industry?
• During a recession, what happens to the economy?
• During a good economy, what happens in the travel and tourism industry?

Answers to the questions can be found within the slide presentation or may vary with class discussion.
Presentation Notes
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References and Resources

Images:
• Shutterstock™ images. Photos obtained with subscription. (Slides 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13)

Textbooks:

Websites:
• U.S. Travel Association
  Economic Research - Understanding the Value of Travel and Tourism
  https://www.ustravel.org/research/economic-research

YouTube™:
• What makes the world go round?
  World Travel and Tourism Council
  Recognizing the impressive role tourism plays in world economy. Tourism is an "industry you can bank on"!
  https://www.youtube.com/watch?v=yMqHEAufxQY