

Presentation Notes

The State of the Economy and Travel Decisions

Slide 1



State of the Economy and
Travel Decisions

Travel and Tourism Management




Presentation Notes

The State of the Economy and Travel Decisions

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Travel and Tourism

- The world's largest industry
- Rapidly growing
- Has a major impact on national economies around the world



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The travel and tourism industry is vital to the United States and other countries as it generates trillions of dollars each year.

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Economic State

Economics of Travel and Tourism

- Recession
- Expansion



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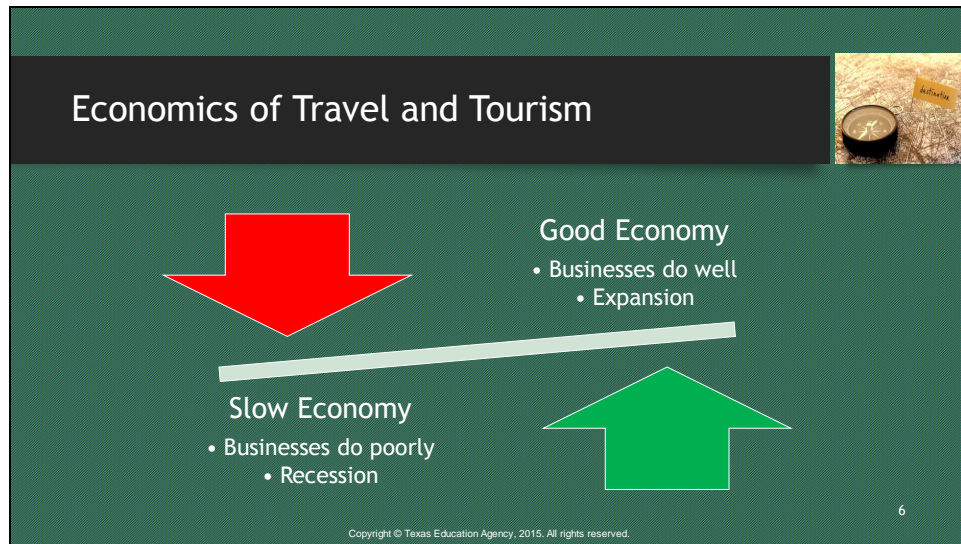
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Travel and tourism businesses depend on the economy as many jobs are affected.

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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?

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Recession

- Economy slows down and does poorly
- People lose jobs
- People have less money for:
 - Eating at restaurants
 - Recreation
 - Travel

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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.

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Expansion

- Economy grows and does well
- People have more money to spend
- People spend on:
 - Eating at restaurants
 - Recreation
 - Travel



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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.

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Decisions in Travel and Tourism

Travel Decisions

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Can you think of some travel decisions that need to be made?

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The slide features a dark green background with a black header bar containing the title "Travel Decisions" in white. Below the header, a list of "Products and Services" is presented in white text. To the right of the list are three images: a collage of travel-related items (airplane, bus, train, suitcase), a magnifying glass over a globe, and a sign with the word "HOTEL" in reverse. A small copyright notice is at the bottom center of the slide.

Travel Decisions

Products and Services

- Entertainment
- Food
- Gifts
- Lodging
- Recreation
- Transportation

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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 bistros, 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

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(image from video)

[What makes the world go round?](#)

(click on link)

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Click on hyperlink to view YouTube™ video:

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>

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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?

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Answers to the questions can be found within the slide presentation or may vary with class discussion.

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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:

- Ninemeier, J. D. & Perdue, J. (2008). *Discovering hospitality and tourism*. Upper Saddle River, NJ: Pearson Education, Inc.
- Reynolds, J. S. (2010). *Hospitality services: Food & lodging*. Tinley Park IL: Goodheart-Wilcox Company.

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- 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!"
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