

Examining Current Industry Trends

CURRENT STATE OF THE ECONOMY AND TRAVEL

After a slow start in the first quarter of the year, economic growth accelerated to 3 percent annualized growth in the second quarter, the fastest quarterly pace in more than two years. Developments so far in the third quarter paint a positive picture overall for the economy. Employment and personal income continue to increase, though at a slightly milder pace than earlier in the year and consumer confidence remains high. Together these factors should buoy consumer spending in the near term; upturns in capital goods shipments signal that businesses are continuing to invest in equipment; and exports of U.S. goods and services are growing. While the recent hurricanes in Texas and Florida will likely have negative impacts in the near term, the overall foundation for the economy remains solid.►

LABOR

Job growth lagged in August, with the economy adding a lower-than-projected 156,000 positions and the unemployment rate ticking up slightly to 4.4 percent.►

CONSUMER CONFIDENCE

The Conference Board Consumer Confidence Index®, which had increased in July, improved further in August.►

CONSUMER SPENDING

Consumer spending increased at a 0.3 percent monthly rate for July, according to the Commerce Department.►

EXPORTS

The U.S. trade deficit remained relatively flat in July, expanding slightly to \$43.7 billion from \$43.5 billion in June, according to the Commerce Department.►

STATE OF BUSINESS

Nonfarm business-sector productivity increased at a 1.5 percent seasonally adjusted annual rate in the second quarter, up from a 0.1 percent growth rate in the first quarter, according to the Labor Department.►

TRAVEL TRENDS INDEX

The latest Travel Trends Index (TTI) offers a substantially more pessimistic assessment of the U.S. travel economy than in months past, after a revised analysis reveals major storm clouds for the inbound international travel market.►