

# 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. ➤