

# FINANCIAL DIFFICULTIES AFFECT AMERICANS' ENTHUSIASM TO TRAVEL



After years of mandatory seclusion due to the Covid-19 pandemic, travelers from all over the world want to resume their projects and itineraries of leisure and vacation. However, despite many Americans stating their desire to travel again, most face financial difficulties and feel they can't afford the high travel costs due to rising inflation.

A recent survey by the American Association of Retired Persons (AARP) found that 81 percent of adults over 50 who plan to travel in 2023 believe it's safe to travel now, compared to the 77 percent recorded on a similar issue in 2021. Moreover, only one in four people perceive COVID-19 as a barrier to travel, compared to half of the respondents who perceived it this way last year.

However, the worry that once focused on the pandemic is being replaced by financial concerns. Cost is the main reason people are limiting their travel these days, being singled out by 52% of American travelers over 50. In addition, 27% say their financial worries, stemming from inflation, are causing them to hesitate to take a vacation. The survey also showed that half of those who expected to travel more last year had to alter their plans due to financial problems.

Those 70 and older are notably changing their travel habits and plan to spend 40% less on travel in 2023 than they had planned for 2022. In addition, they are still the most cautious age group regarding COVID-19.

According to the survey, on average, American adults intended to spend \$8,369 on travel in 2022. However, in 2023 they plan to spend significantly less at \$6,688.

Despite this, most adults (62%) over 50 still plan to take at least one leisure trip in 2023, with most planning between three and four trips per year.

## **Domestic Vs. International Travel in the U.S.**

Finances may be the main reason for swapping the intention to travel internationally for a trip domestically. Domestic road trips are trendy again. 7% more domestic travel will be primarily by car (50%), and respectively 6% fewer domestic trips by air are planned. This year 61% of respondents anticipate domestic-only travel, whereas in 2022, remarkably, 51% anticipated domestic-only travel. About 9% fewer than in 2022 will take an international cruise at just 18%.

Similarly to the past, the most popular domestic destinations for Americans in 2023 are Florida (15%), California (8%), Las Vegas (7%), and Texas (4%).

Europe, on the other hand, remains the most planned international travel destination. In Europe, the most popular destinations are Italy (8%), the U.K. (7%), France (7%), Ireland (4%), and Germany (3%).

## **Nontravelers' Considerations**

Thus, those who definitively expect zero leisure trips in 2023 are not opposed to traveling.

Nevertheless, 61% of 50-plus nontravelers anticipate some mandatory travel in 2023, such as business trips.

Also, most nontravelers remain uncertain whether they will travel for leisure in 2023.

Quite importantly, more nontravelers, a 40% increase, expect to restart traveling in 2024 than a year ago.

Saving for future travel expenses decreased from 42% last year to 33% in 2023. Unlike last year, the money saved by not traveling will likely be used for household bills and debt payments.

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