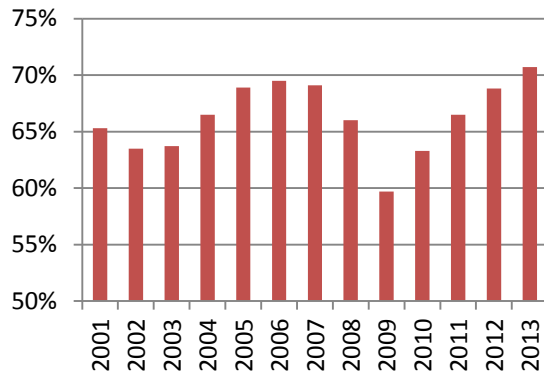


TOURISM INDUSTRY INDICATORS

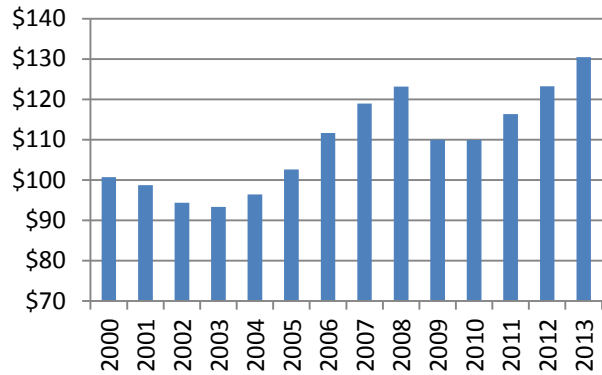
[Link to 'Latest Research' Web Page](#)

Detailed Lodging Tables

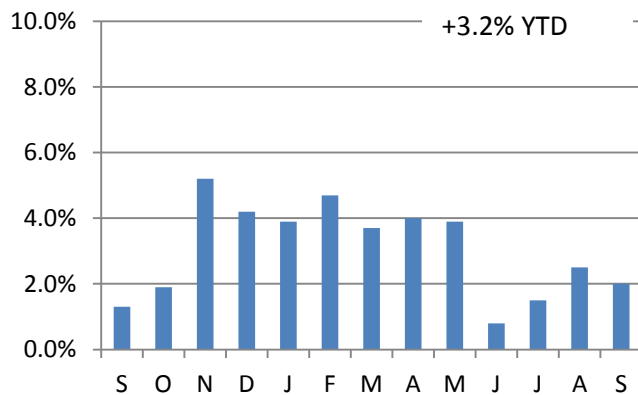
CA Occupancy: 2000-2013



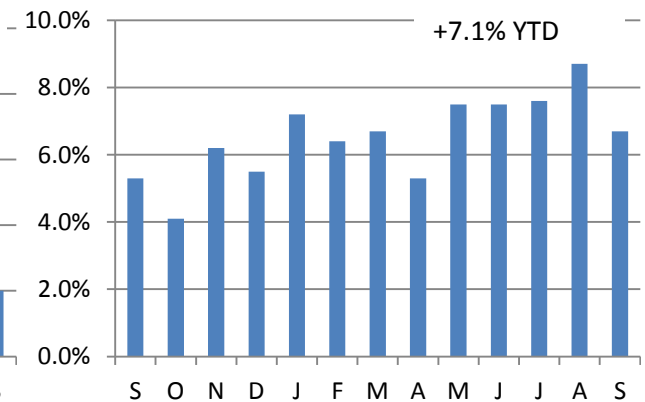
CA ADR: 2000-2013



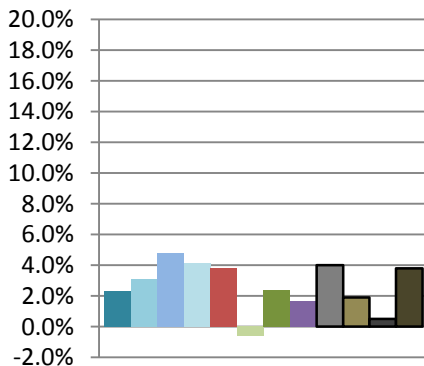
CA Occupancy Yr/Yr Chg: Last 12 Months



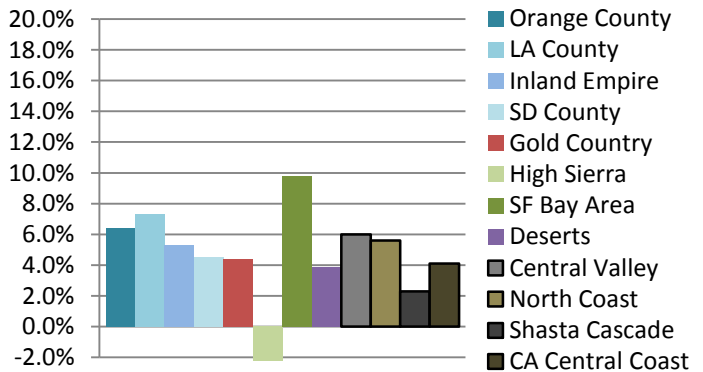
CA ADR Yr/Yr Chg: Last 12 Months



Regional CA Occupancy YTD Chg: September 2014

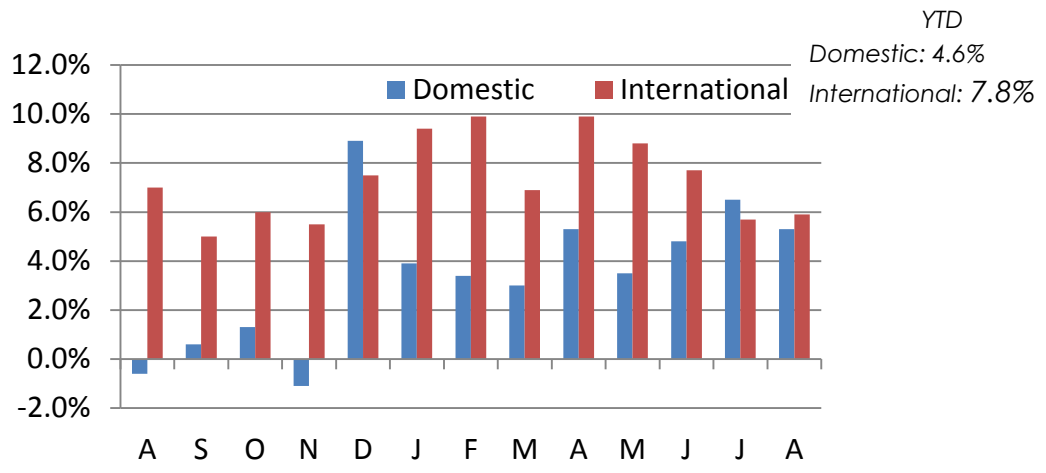


Regional CA ADR YTD Chg: September 2014

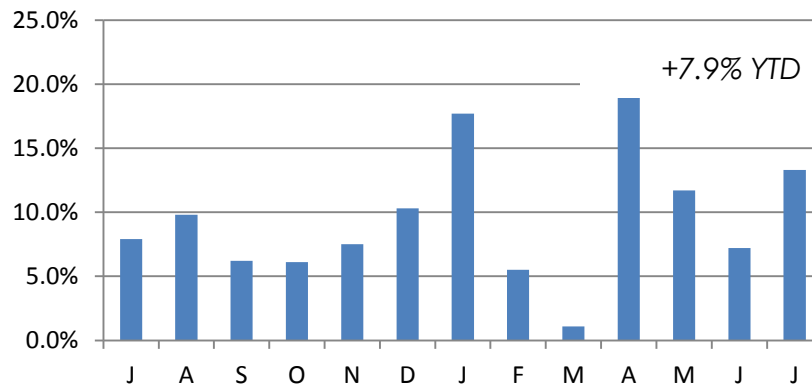


Source: Smith Travel Research

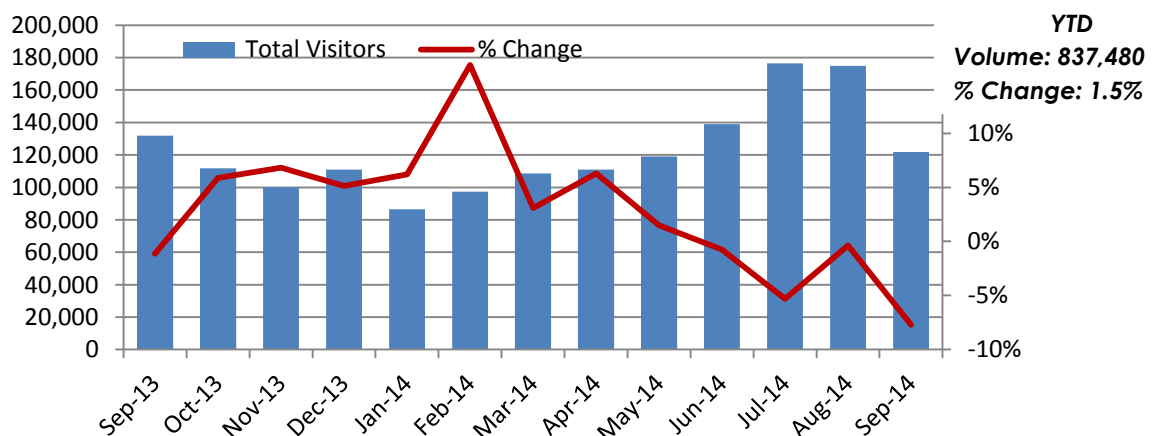
CA Airport Traffic Yr/Yr Chg: Last 12 Months



Overseas Arrivals Yr/Yr Chg: Last 12 Months



California Welcome Centers: Volume and Yr/Yr Change



Note: Total volume is for all open California Welcome Centers; adjusted change is yr/yr comparison of only CWC's open both this and last year.

Sources: Individual CA airports, US Dept. of Commerce, California Welcome Centers

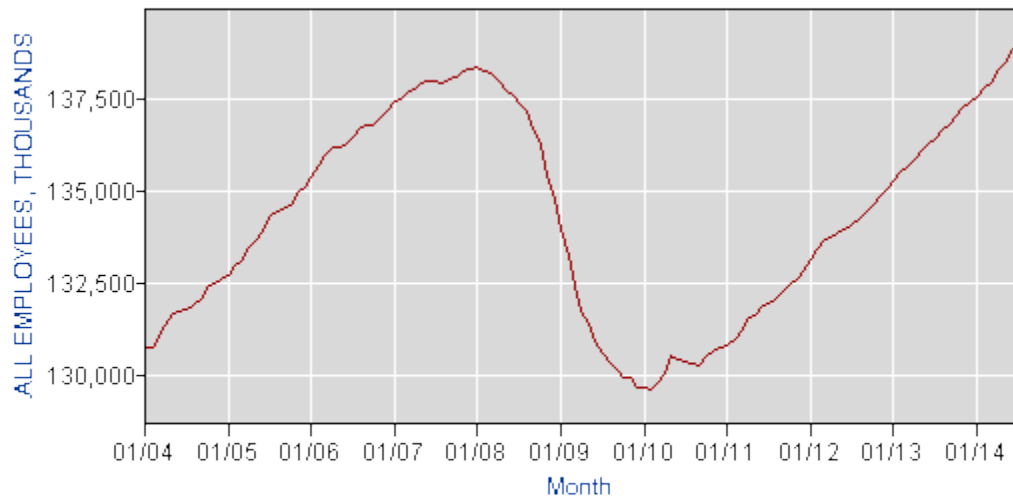
Inbound Air Arrivals and Bookings					
	1 st Quarter* 2014 Arrivals	2 nd Quarter* 2014 Arrivals	3 rd Quarter 2014 Arrivals	4 th Quarter 2014 Bookings	YTD % Change
U.S. (non-resident)					
California	4.3%	2.6%	1.7%	1.8%	1.9%
LAX	7.7%	3.3%	1.5%	2.6%	2.7%
SFO	3.2%	3.7%	2.2%	-1.5%	3.4%
Mexico					
California	-7.6%	17.0%	14.0%	10.0%	5.0%
LAX	-8.7%	11.0%	3.8%	2.9%	-0.8%
SFO	-3.3%	10.0%	22.0%	7.9%	4.8%
Canada					
California	12.0%	9.3%	6.9%	4.8%	9.0%
LAX	14.0%	12.0%	12.0%	6.6%	12.0%
SFO	15.0%	6.7%	5.4%	6.0%	9.5%
China					
California	39.0%	41.0%	22.0%	-1.5%	36.0%
LAX	33.0%	49.0%	16.0%	-1.5%	35.0%
SFO	49.0%	30.0%	32.0%	-3.7%	36.0%
U.K.					
California	0.9%	6.9%	-1.4%	0.3%	2.5%
LAX	-4.1%	6.8%	-1.3%	4.4%	0.1%
SFO	5.3%	4.5%	0.8%	-3.3%	4.8%
Australia					
California	-2.7%	0.8%	-0.6%	6.7%	-1.7%
LAX	-1.9%	2.7%	-0.9%	10.0%	-0.3%
SFO	-8.3%	-10.0%	-14.0%	-15.0%	-9.2%
Japan					
California	5.0%	-0.9%	4.5%	13.0%	2.9%
LAX	1.2%	-2.1%	8.9%	28.0%	3.6%
SFO	-7.4%	-15.0%	-5.2%	-9.1%	-10.0%
Brazil					
California	12.0%	0.3%	21.0%	15.0%	3.6%
LAX	9.2%	2.6%	31.0%	25.0%	5.7%
SFO	9.8%	-5.9%	-5.9%	2.3%	-2.2%

Note: Data are year to year comparisons of inbound passenger arrivals and bookings for future travel from several global distribution systems (GDS providers). Source: Forwardkeys.com

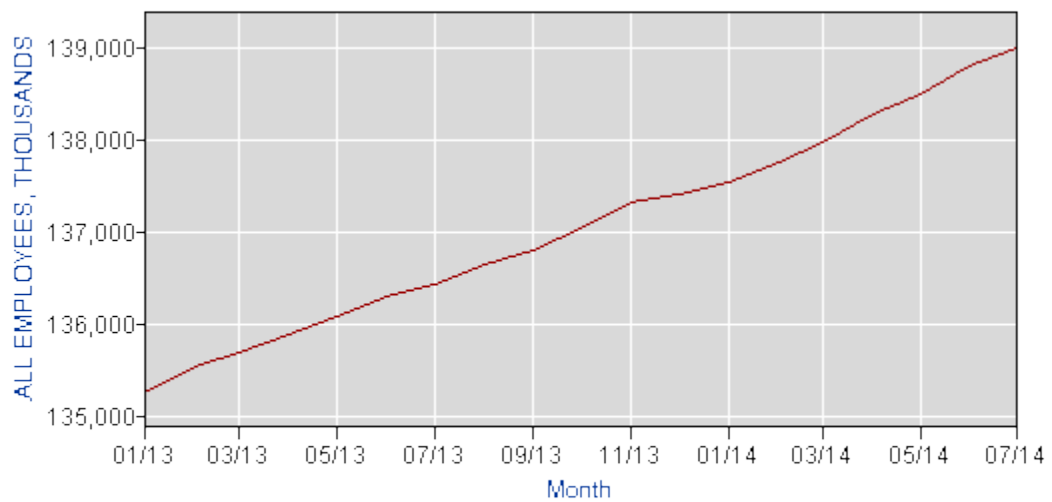
* Easter week fell in the 1st quarter in 2013 (March 31) and 2nd quarter in 2014 (April 20)

ECONOMIC INDICATORS: *DOMESTIC*

US Work Force: 2004-present

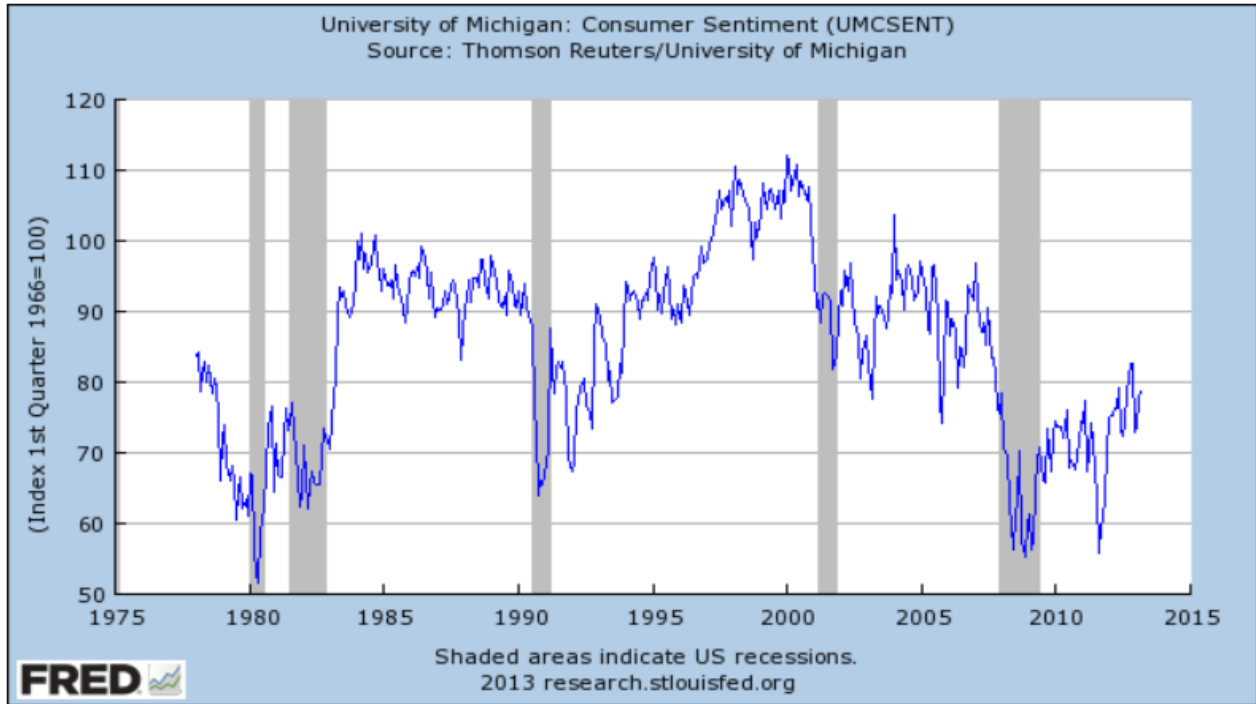


US Work Force: 2013-present

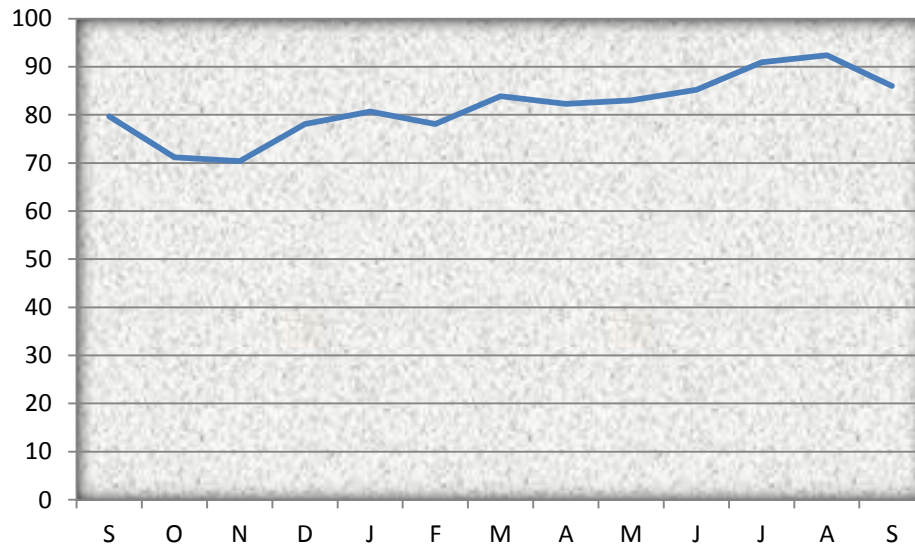


Source: Bureau of Labor Statistics; Survey Research Center

US Consumer Confidence: 1978-present

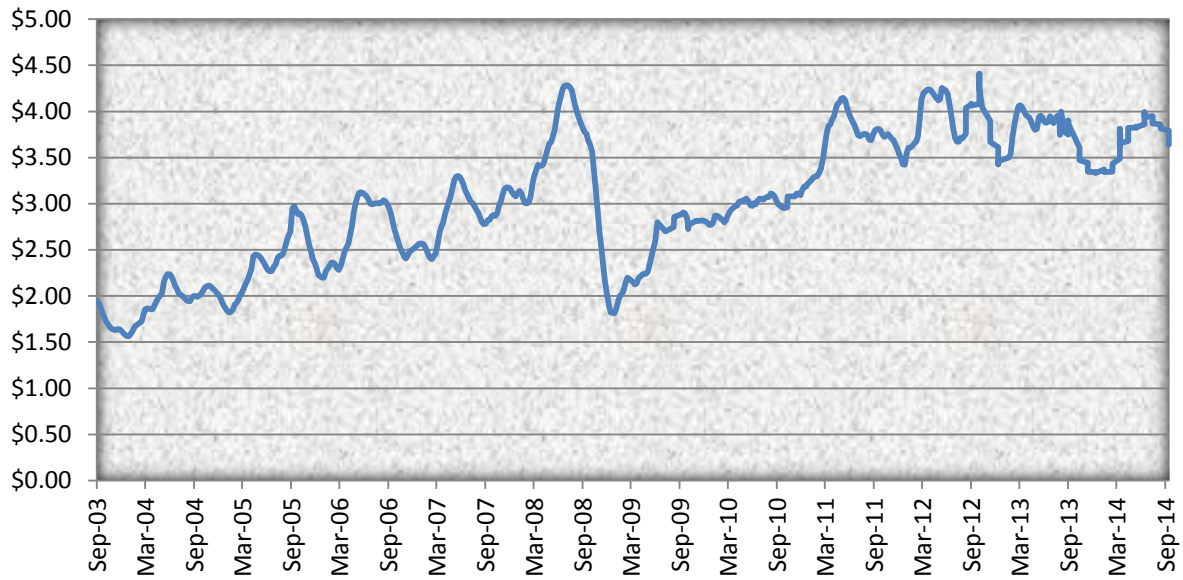


US Consumer Confidence Last 12 Months

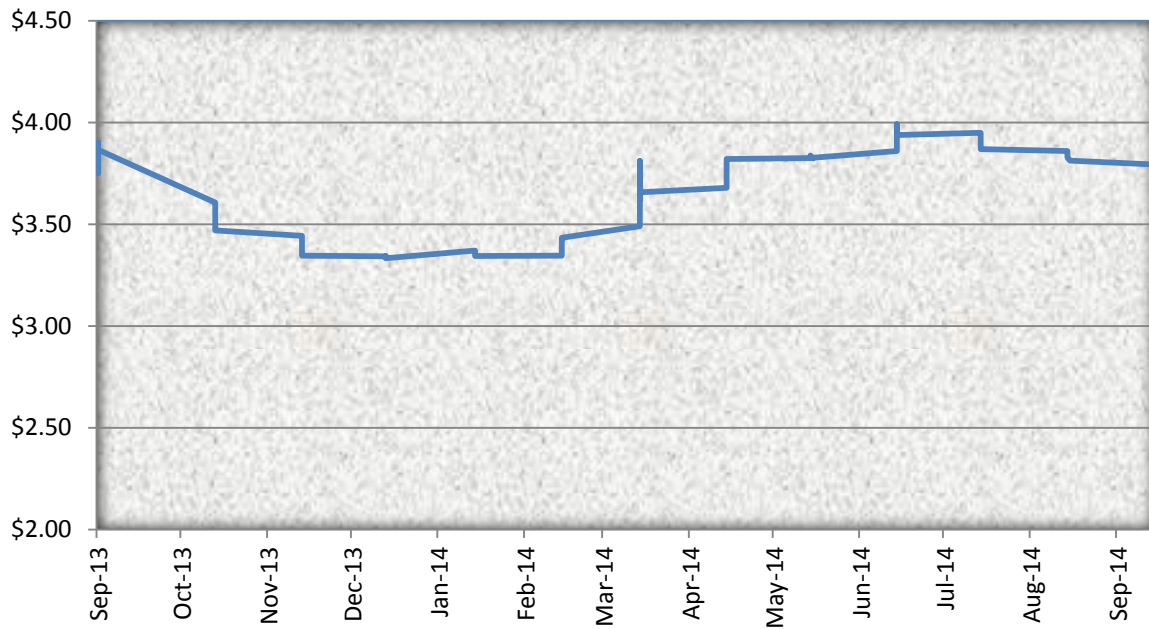


Sources: The Conference Board, University of Michigan

West Coast Gas Prices: 2003-Present

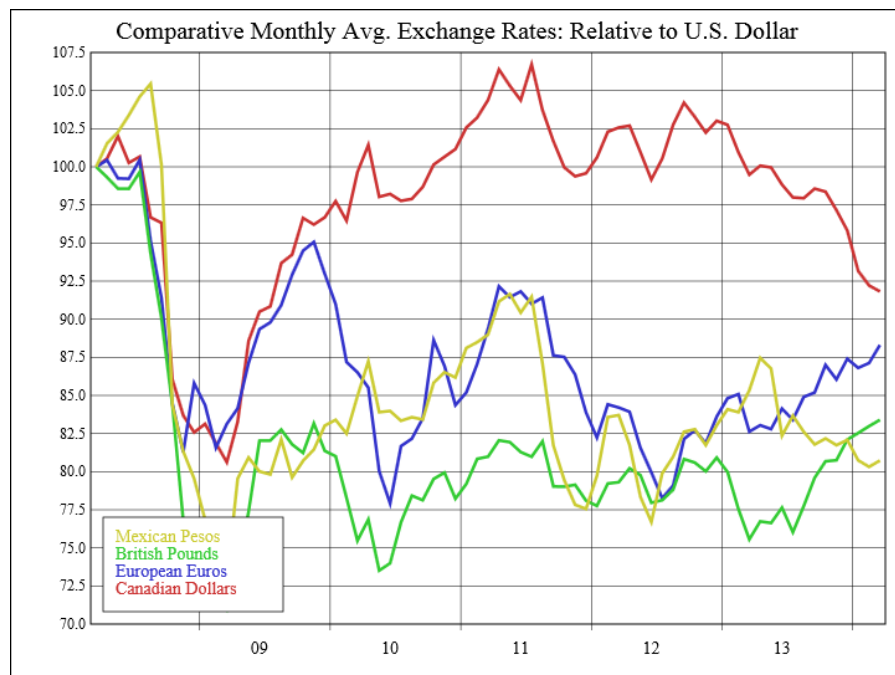
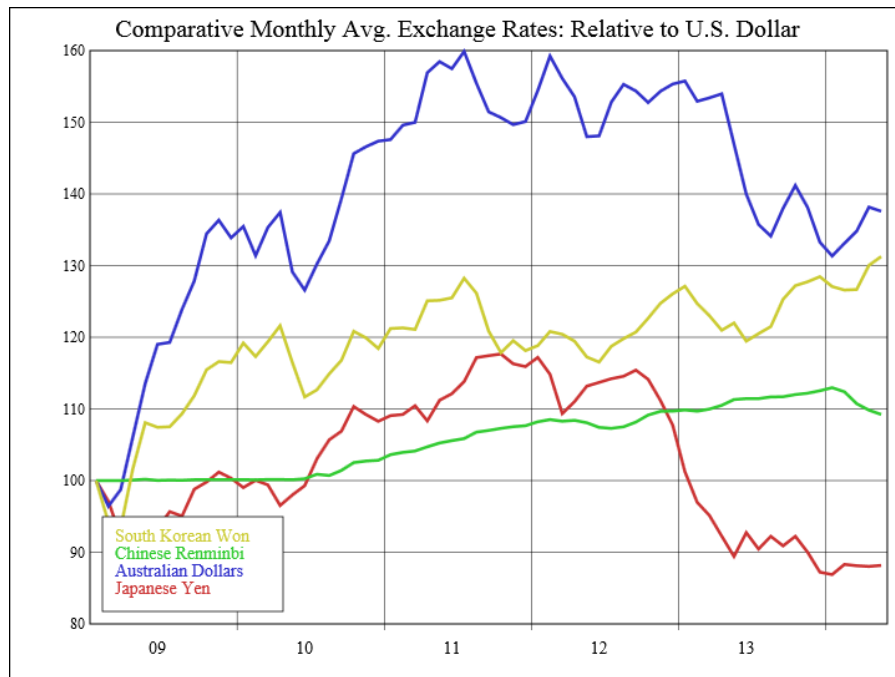


West Coast Gas Prices: Last 12 Months



Source: Energy Information Administration

Exchange Rates
Relative Change Since 2008



Source: Pacific Exchange Rate Service – Prof. Werner Antweiler

FORECAST: INTERNATIONAL

Annual International Leisure Trips to California								
(Annual % change)								
	2010	2011	2012	2013	2014	2015	2016	2017
Total	10.6%	9.0%	2.8%	4.4%	4.4%	4.7%	5.0%	5.2%
China	49.1%	34.8%	24.1%	22.1%	20.6%	17.5%	16.3%	15.9%
India	17.2%	8.7%	8.1%	22.9%	14.0%	6.1%	8.0%	8.2%
Japan	19.3%	5.4%	-2.9%	-4.0%	0.1%	2.3%	3.4%	3.6%
South Korea	40.8%	-0.5%	0.0%	0.5%	1.0%	2.7%	7.3%	7.8%
Australia	33.2%	-2.2%	6.4%	5.9%	4.7%	4.0%	5.1%	4.6%
United Kingdom	3.0%	-3.0%	-3.9%	2.6%	3.4%	2.2%	3.1%	3.1%
Germany	9.3%	3.1%	-0.4%	5.7%	2.8%	1.0%	3.1%	4.3%
France	38.8%	17.0%	-16.7%	4.0%	3.0%	0.7%	0.8%	0.5%
Scandinavia	21.3%	4.5%	15.3%	13.0%	6.8%	1.2%	1.4%	1.9%
South America	20.2%	19.9%	-0.3%	15.1%	10.7%	9.8%	9.1%	8.3%
Canada	10.0%	6.4%	6.9%	1.6%	4.2%	4.8%	4.7%	4.7%
Mexico	5.3%	8.5%	4.7%	3.4%	4.6%	4.8%	4.7%	4.8%
Rest of World	11.8%	-4.9%	-2.6%	6.2%	-0.1%	4.1%	4.2%	4.9%

Source: Tourism Economics. Historical sources: CIC Research, OTTI

Note on volatility of historical data and treatment in forecast: Due to smaller sample sizes and relatively smaller visitor volumes in absolute terms, the historical data of origin markets tends to be more volatile than total visitor volumes.

Note: Forecast is from August, 2014.

Travel/Tourism News & Trends

Millennial Spend Outpaces Boomers, Gen X
Hotel News Now

Data from industry researchers shows millennials are spending more on travel.

Millennials spent 20% more on travel over last year, surpassing the 12% average year-over-year gain of all U.S. households, according to the “2014 Portrait of American travelers,” released by MMGY Global, a travel and hospitality marketing firm. This surge is the largest year-over-year spike in spending since pre-Recession years, according to the report.

The research looked at more than 2,500 people in four generational categories who have traveled within the last 12 months, all of whom had an annual household income of more than \$50,000. The four categories were:

- ☐ Millennials (ages 18 to 35)
- ☐ Gen Xers (ages 36 to 49)
- ☐ Baby Boomers (ages 50 to 68)
- ☐ Matures (ages 69-plus)

Steve Cohen, VP of insights for MMGY, said “the demands millennials have are different from previous generations, and they are spending more money on vacations.”

“They’ve spent the second-most on vacations in the last 12 months among the four generational categories, and they’re looking to spend the second most among the four categories in the next 12 months,” he said. The mature generation took the No. 1 slot in both time frames.

“Everything we see suggests that millennials are traveling more. ... Travel intentions among millennials are up 10%. Compared to the other generational groups, they’re the only ones that are up. Xers are down 6%; boomers are down 1%; matures are down 3%,” Cohen said.

“Millennials are leading the travel resurgence as the economy returns,” he added.

[Full Report](#)

CONSUMER TRENDS/NEWS

[Travel Habits of Americans: Half of the Country Hasn’t Taken a Vacation Day Yet In 2014](#)

Survey shows that almost 51% of Americans hadn’t taken a single vacation day heading into the fall 2014 season. – Skift.com

[Nearly Half of Affluent U.S. Travelers Prefer Agency Websites to OTAs](#)

Half of affluent travelers say that travel service providers’ sites offer the greatest convenience and the best prices. – tnooz.com

[Reviews Increasingly Drive Booking Decisions](#)

Positive online reviews increase conversion rates and allow hoteliers to charge higher rates. But with different customer segments come different booking behaviors. – hotelnewsnow.com

TRAVEL TRENDS/NEWS

[5 Reasons Why You Can’t Ignore Personalization in Travel](#)

Today’s travelers want unique experiences tailored to their priorities and want to take control of their own itineraries. – Skift.com & Amadeus

INTERNATIONAL

[European Holiday Trends: Leaving the Cold Winter Months Behind](#)

Study reveals more Europeans are taking wintertime holidays and travelling in search of the sun, preferring beach holidays to winter sports. – Hospitalitynet.org

[International Visitation to the U.S. Rises in the First Half of 2014](#)

International travel to the U.S. increased each month during the first half of 2014 resulting in a total 34.6 million visitors, a 9% increase from the first six months of 2013. – Skift.com