

# Study: Business travel spending should increase in 2013

By Charisse Jones, USA Today

U.S. companies are expected to spend more on business trips this year, a sign that they may be feeling more optimistic about the economy, a new business travel forecast being released today finds.

A pent-up need to sit face to face with clients, coupled with increased spending on international trips and off-site meetings, is projected to boost overall business travel spending in the U.S. by 4.6 percent this year, to \$266.7 billion, according to a report from the Global Business Travel Association, a group of business-travel and meetings managers.

“At the end of the day, companies need to find ways to grow ... revenues and see their performance increase year over year, and quarter over quarter, ” says Mike McCormick, executive director of the GBTA. “So there’ll be this pressure to make investments and spend on business travel.”

The GBTA estimates that for every \$1 spent on corporate travel, companies on average have seen \$20 in additional profits.

But he says the growth, expected to make its greatest surge in the last half of the year, largely hinges on the outcome of ongoing debates about the federal deficit, corporate tax rates and other economic issues.

“If we don’t see those resolutions happen, we don’t continue to build corporate confidence,” McCormick says, and “we may revert back to the ... anemic growth rate.”

While spending is predicted to be up, the number of business trips is projected to be down 1.1 percent from last year, reflecting the desire by many companies to make the most of their staffers' time on the road.

"Companies, and generally the travelers themselves, are trying to find ways to be more efficient about use of time so that means adding more into a trip," he says. It's "maybe doing multiple stops, to multiple cities in the same itinerary."

GBTA's forecast dovetails with the latest findings of a new survey by the Travel Leaders Group, a corporate travel management company.

Its survey finds that almost 80 percent of the groups' agents who deal primarily with business trips predicted their clients will be on the road as much or more than they were in 2012.

Being economical while on a corporate trip was also the No. 1 priority, according to the survey. In it, 42.1 percent of agents say cost savings was most important to their business travel customers, and 33.7 percent say the most critical issue was cost control.

The survey, taken between Nov. 19 and Dec. 16, polled 335 U.S. agency owners, managers and industry experts who handle a significant amount of business travel.