TIA Marketing Outlook Forum 2007—ODO Marketing Forecast

The Disability Travel Market—Stable and Growing

This paper will show that accessible travel will continue to grow at a pace that is closely related to the expansion of the aging population and greater likelihood of survival after accident, illness or injury. It will also confirm that disability travel is fairly consistent and leaves considerable room for growth, with the latter dependent in part on the industry's own efforts to better serve and reach out to the senior and disability markets.

Assuming that incidence rates by age remain the same, by 2030 nearly 24% of the total U.S. population will be disabled (and over 15% severely disabled). The total disabled population will increase by 30.9 million and the severely disabled population will increase by 21 million, when compared to 1997 (U.S. Census Bureau, 1997 and 2001). Even if the average number of trips per year remains the same among individuals with disabilities, obviously the demand for accessible travel will expand significantly. Given further improvements in accessibility within the industry, we would, however, expect average travel incidence and expenditure to also increase. The future for this market therefore looks bright in our estimation.

In 2002 and 2005, Open Doors Organization (ODO) commissioned Harris Interactive to conduct quantitative studies among US adults with disabilities (aged 18 and older) to identify the general travel habits and patterns of adults with disabilities. The studies were undertaken in response to the growing population of adults with disabilities. In this paper we will focus on three main types of travel/expenditure by the disability travel market—air travel, accommodations and cruising—as these are the most important components of accessible travel. To corroborate our results, we will also reference the Bureau of Transportation Statistics (BTS) 2003 "Freedom to Travel" Survey, the only government research study to date focusing specifically on disability travel.

Until 2002, when Open Doors Organization sponsored its first nationwide study on travel by adults with disabilities, there had never been a major, statistically reliable survey on the US disability travel market. No one could say with any assurance what percentage of adults with disabilities were traveling, how frequently, what modes of public transportation they used or how much they spent. This meant that corporations in the travel industry had no data on which to base investment decisions and thus little incentive to do more than the minimum required under Title III of the Americans with Disabilities Act.

Travel Frequency and Expenditure

The 2002 ODO Study found that 71% of adults with disabilities, or more than 22 million people, travel at least once in a two-year period. Overall, adults with disabilities take about 2 trips every 2 years, or approximately 63 million total trips. While traveling, the typical adult with a disability spends $430, which means travel expenditures among the disability population top $27 billion over the course of 2 years. On an annual basis, adults with disabilities spend approximately $13.6 billion on travel. In 2005, the percentage of adults with disabilities traveling and the number of trips taken remained roughly the same. Sixty-nine percent of adults with disabilities, or more than 21 million people, traveled at least once in the prior two years, again taking 2 trips every 2 years.

These findings are corroborated by the BTS 2003 "Freedom to Travel" Survey which compared travel patterns and frequencies of Americans with and without disabilities. Although one cannot strictly compare their results since ODO excluded children and persons with mental/cognitive disabilities from its samples, both reveal that the majority of Americans with disabilities are making long distance trips. In the BTS survey, 60% of respondents with disabilities traveled within a one-year period, vs. 76% of the non-disabled. By referencing a two-year period in its surveys, ODO explicitly seeks to include that part of the market that travels less frequently but nonetheless does make long distance trips. Respondents taking 1 trip in a 2-year period totaled 11% in 2002 and 12% in 2005. Thus, BTS may have underestimated the size of the disability travel market by 5-6%.

Both the 2002 and 2005 ODO Market Studies and the BTS "Freedom to Travel" Survey showed that the most popular form of travel for people with disabilities, like their non-disabled counterparts, is via personal motor vehicle. They most often drive to vacation and stay with family or friends. This is mainly because of comfort. Not only does a person know what to expect at a friend's or family member's home, but there will also be the proper sensitivity and respect for the individual's disability. Additional disability-related factors may be the prohibitive cost of renting an accessible vehicle at the destination and the ease of taking along adaptive equipment and supplies.

The high level of problems still experienced by air travelers with disabilities may also influence the decision to drive. In the 2005 ODO Study, 84% of air travelers stated that they "encounter obstacles when dealing with airlines," with cramped seating areas and long lines being the top complaints. Four out of five air travelers (82%) also experience obstacles when they are at the airport, the most common being long distances to gates and long lines. More than one in four (27%) mentioned communication-related obstacles in the airports.

However, while these obstacles may be holding back growth, none are likely to reduce the $14 billion per year disability travel market (ODO 2002). Based on the findings of ODO’s two disability market studies, there is reason to believe that this industry will continue to, at a minimum, stay stable. While the travel industry as a whole usually enjoys a healthy 3% increase per year, the disability market has proven to remain somewhat constant in the short-term.

Air Travel

We use air travel as a component for analysis because those who are not driving are primarily flying. In the ODO 2002 and 2005 Studies, 30% (9.4 million) and 31% (9.6 million) of long distance travelers, respectively, had flown over a two-year period, making on average 2 flights each. Among those traveling long distance, 31.5% in the BTS "Freedom to Travel" Survey used a commercial airplane, which equates to 10.2 million air travelers with disabilities per year. Thus, the ODO and BTS estimates on air travel by persons with disabilities are very similar.

The Bureau of Transportation Statistics recently reported that, “U.S. airlines carried 379.5 million scheduled domestic and international passengers on their systems during the first six months of 2007, 2.7 percent more than they did during the same period in 2006,” showing a healthy industry that will certainly grow with the aging of the baby boomers and a solid economy.

According to the Open Doors Organization 2002 and 2005 Studies, people with disabilities account for around $4 billion in revenue per year, close to 4% of airline industry revenues. This should remain stable and possibly see some growth. Our nation’s airports are seeing an increase in numbers of flights and they continue to be physically expanded by local and state governments. These major expansions in capital infrastructure have also included some additional accessible features such as an increase in the number of family restrooms, which make it easier for those requiring personal assistance, and video payphones to allow those who are deaf to more easily communicate by signing instead of typing on a TTY.

As airlines continue to grow, merge and come out of bankruptcy, they are very likely to build accessibility into the way they do business: it’s a natural progression to include everyone. Whether driven by the need to cut costs or raise revenues, airline participation in the annual closed-door symposia held by ODO has increased each year, indicating the desire of both national and regional carriers to better serve this market.

The Air Carrier Access Act, the governing disability legislation of the airline industry, is slated for an update by late 2007 or early 2008. These new regulations, which take account of new assistive technology, will make for easier and more seamless travel. One recent change which has already expanded air travel by persons using medical oxygen is the decision by the FAA to allow use of 2 types of oxygen concentrators onboard US airlines.

Lodging
Hotels are now available in just about every town in the US. There are over 47,000 properties (AHLA 2006 Lodging Industry Profile, properties with 15+ rooms) with over 4,000,000 rooms, of which 3% (120,000) must be accessible under Americans with Disabilities Act (ADA) regulations. Now more than ever it is easier for someone with a disability to find accessible lodging. The quality has been improving from year to year due to a boom in new construction. There are now companies that include certain accessibility standards in their architecture, but there is still a lack of knowledge in design. Some basic components are still missing such as information in alternate formats for the blind, safe shower benches, pool lifts, accessible shuttle buses with ramps and proper placement of simple items such as hair dryers and climate controls.

Accessible interior design is also lagging behind architecture, with functionality suffering as a result. Since only built-in elements are addressed in ADA standards, most hotels put the same furnishings in all rooms, including accessible ones. The result—beds far too high to access from a wheelchair, desks one cannot roll under, and lamp switches and drawer handles that many cannot use. In a recent ODO survey of 65 Chicago hotels, only 17 (26%) had beds that were either adjustable or the proper height in their accessible rooms. Also missing is quality, ongoing staff training and, most importantly, the use of appropriate language.

American Hotel & Lodging Association (AHLA) reports that in 2005-2006 US states spent over $600 million on “development and promotion in the travel and tourism industry.” Millions of this was allocated to attracting senior travelers, many of whom have unreported disabilities. Many baby boomers and seniors who have trouble hearing, seeing or even going up stairs do not identify as having a disability and thus the population numbers affected by disability are always greater than reported. So hotels need to offer extra services like large print information, free wheelchairs and well-equipped accessible rooms.

Going this extra mile could help increase the already $4.2 billion per year spent by people with disabilities on lodging (ODO 2002). Based on AHLA statistics, the $4-billion disability market accounts for almost 4% of industry revenues. The future relationship between disability and the lodging industry will largely be held in the hands of the senior traveler and with those numbers looking good, growth should be around 1%-2% per year.

Cruising
According to the ODO 2002 Study, 12% of adults with disabilities took a cruise over a five-year period. This appears to be somewhat higher than the general population since, according to the Cruise Lines International Association (CLIA), only 8% of the general population took a cruise during the same five-year period (CLIA *2002 Market Profile Study*).

Cruising continues to be an extremely popular form of vacation for people with disabilities. There are a number of reasons for this including the benefit of a contained environment, multiple destinations on one cruise and the new, more pro-active stance by the industry. The recent jump in homeports in the US means that people with disabilities increasingly do not have to fly to get to a cruise. Driving to the port, going directly onto the ship and then visiting multiple locations, while eating at different restaurants and participating in many accessible activities, makes for a very satisfying vacation. Many ships have now begun to go above and beyond the call of duty, making recreational facilities such as bowling, basketball courts and miniature golf courses accessible and adding lifts for pools and Jacuzzis. Accessible rooms now come in all different cabin classes and some cruise lines have even gone so far as to have accessible spas, tender boats and shore excursions.

This industry understands the underlying benefits of this consumer base; it also understands what customer service is all about and that makes up for most shortcomings that stem from the marine environment. It should also be noted that the Supreme Court ruled in 2005 that foreign cruise lines docking in US ports are subject to the ADA and the US Access Board is now working on a set of regulations for the cruise industry. Due out in the next 1-3 years, these new standards will help even out significant differences in accessibility among the cruise lines and eliminate unpleasant surprises for cruisers with disabilities.

Most people with disabilities do not travel alone and the baby boomers are likely to bring family and friends along on a cruise. Not only have the cruise lines themselves taken interest in this market but the wholesalers have even taken notice. One has created a remarkable website with a detailed database that will help a passenger narrow a search down to only those ships that meet their specific accessibility criteria. This helps sort through the hundreds of ships available.

As the 2002 ODO Study showed, the repeat business among travelers with disabilities may be particularly high: 59% of adults with disabilities who had already cruised are likely to cruise again within the next five years. So the industry knows that there is an underserved population out there and they are willing to take some steps in architecture and design as well as staff training and future inclusive corporate policies. The cruise industry is the most likely to benefit from an increase in disability travel. The industry is growing fast as a whole and will continue to put out a product that is inclusive and easy to use. The word of mouth network will work as a great advantage to cruise lines and the travel agencies that represent them.

Conclusion

If nothing else, this paper should have demonstrated that, thanks to the studies referenced, we now know much more about the American disability travel market than we did prior to 2002. Rather than just a problem to be faced, travelers with disabilities now represent a real economic opportunity for the businesses who serve and market to them. Although the old stereotype was that people with disabilities were too poor or incapacitated to travel, in actuality they represent a broad spectrum of wealth and ability. And with the baby boomers growing older, we are likely to see a lively group of seniors who will put a nice mark on the travel industry as they enjoy their golden years. This is the first generation to see long distance travel as a right, if not actual necessity, and who will likely demand to exercise that right whatever their disabilities or health problems.

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