

Reasons Why Travel Advisors Are Industry Essential

**A CALL TO CONGRESS:
PROVIDE TARGETED RELIEF TO TRAVEL AGENTS NOW**

SPONSORED BY AMERICAN SOCIETY OF TRAVEL ADVISORS



It's been more than a year since the pandemic roiled the nation, spurring social distancing, upending small businesses and stunting travel. As headlines about ravaged commercial airlines and empty hotels swirled, Congress worked to provide relief to the travel and hospitality industry. But while the government doled out assistance to airlines, restaurants and other highly-visible sectors, one lesser-known, but no less critical, group went unaccounted for.

The American Society of Travel Advisors (ASTA) is the world's largest association of travel agents (also referred to as advisors), representing 160,000 travel advisors across the country, 98 percent of which are small businesses. The travel agency industry's predominantly small, woman-owned businesses have been disproportionately affected by the pandemic and yet they've been virtually ignored in relief bills to date.

Without immediate financial assistance, many advisors risk going out of business entirely. Congress must provide targeted relief to travel advisors. Here's why:

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01

← TRAVEL AGENCIES ARE AN ECONOMIC LIFELINE FOR THE ENTIRE TOURISM ECOSYSTEM.

Pre-pandemic, travel advisors had experienced five consecutive years of record sales and profits. In 2019, advisors sold \$116.8 billion of travel including: 44 percent of all airline tickets (830,000 tickets per day); 66 percent of cruises and 31 percent of hotel bookings.¹

02

← WITH BORDER CLOSURES AND EVER-SHIFTING REGULATIONS, COVID-19 HAS UPENDED TRADITIONAL TRAVEL.

As of April 2021, roughly 116 countries are completely closed, 113 are partially open, and five are open to U.S. citizens but likely require mandatory testing or quarantines upon arrival.²

03

- ← **GOVERNMENT HEALTH AND SAFETY REGULATIONS, WHILE NECESSARY, HAVE DISPROPORTIONATELY AFFECTED TRAVEL AGENCIES.**

Sixty-three percent of Americans believe that when government restrictions on travel impede travel-related small businesses, it is the government's responsibility to help make these businesses whole.

04

- ← **CONGRESSIONAL ASSISTANCE ACROSS THE TRAVEL AND HOSPITALITY INDUSTRY HAS BEEN GROSSLY UNEVEN TO DATE.**

With several billion dollars provided to hoteliers, airlines and airports, it's no wonder that 62 percent of Americans agree that small travel-reliant businesses have been left out of government relief.

05

- ← **DESPITE THEIR VALUE, TRAVEL AGENCIES ARE SUFFERING IN THE WAKE OF THE PANDEMIC WITH THE MAJORITY EXPECTED TO CLOSE WITHIN THE NEXT 12 MONTHS.**

Even with relief from the CARES Act, travel agencies have laid off 60 percent of their staff and more than 70 percent will shut their doors in six months, threatening the \$7.3 billion in payroll output the industry generates.³



06

- ← **INDUSTRY RECOVERY IS EXPECTED TO TAKE TIME — THESE SMALL BUSINESSES DON'T HAVE THAT.**

Due to the economic model of travel agencies, wherein advisors are only paid once a customer's travel is complete, it will take more than eight months after travel bookings pick back up before agencies see any income.

07

- ← **IN FACT, FIRST-PERSON TESTIMONIALS FROM ASTA MEMBERS INDICATE THAT MAKING UP FOR LOST REVENUE COULD TAKE YEARS.**

Sue Palenik has owned a travel agency in Cranford, New Jersey, since 2009. Her agency had \$1.3 million in travel canceled due to the pandemic and she will not have income for close to 18 months. Sue estimates it will take up to two years before new bookings make up for lost revenue.

08

← THE DEMISE OF THIS BUSINESS SECTOR WOULD PUT MORE THAN 700,000 U.S. JOBS AT RISK.

Based on an economic model from the Bureau of Labor Statistics, travel agencies provide roughly 160,000 jobs. As one of the primary distribution channels for airlines, cruises and hotels, however, they also support more than 700,000 U.S. jobs in the travel sector.

09

← THE ROLE OF THE TRAVEL ADVISOR WILL BE CRITICAL IN THE INCREASINGLY COMPLICATED TRAVEL LANDSCAPE.

According to ASTA's consumer research, 60 percent of travelers recognize that planning and taking a trip in the future will be more complicated. Hence the need for professional travel advice is more critical than ever.

10

← THE STAKES ARE HIGH: TRAVEL ADVISORS WILL STRUGGLE TO SURVIVE WITHOUT TARGETED RELIEF.

Travel agencies are counting on Congress to:

- Pass the SAVE Act (H.R. 2120) to include travel agencies in the Shuttered Venue Operators Grant Program.
- Target additional relief toward the most severely-distressed industries. Prioritize support toward businesses who suffered a 75 percent or more year-over-year revenue loss in 2020.

Statistics in this article are based on ASTA press kit and survey data unless otherwise noted.

¹ ASTA Press Kit. Retrieved from: <https://asta.cms-plus.com/files/MainSite/images/pr/astaPressKit.pdf>

² Travel restrictions by country. Retrieved from: <https://www.kayak.com/travel-restrictions>

³ Lebewit Lily Girma. "85 percent of U.S. Travel Agencies Won't Survive the Year Without Aid, Trade Group Warns." Skift. 2021, February 11. Retrieved from: <https://skift.com/2021/02/11/85-percent-of-u-s-travel-agencies-wont-survive-the-year-without-aid-trade-group-warns/>

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