AAA Thanksgiving 2011 Travel Forecast

Prepared for:

American Automobile Association

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Regional definitions used throughout the report:

East North Central (ENC): IL, IN, MI, OH, WI

East South Central (ESC): AL, KY, MS, TN

Middle Atlantic (MATL): NJ, NY, PA

Mountain (MTN): AZ, CO, ID, MT, NM, NV, UT, WY

New England (NENG): CT, MA, ME, NH, RI, VT

South Atlantic (SATL): DC, DE, FL, GA, MD, NC, SC, VA, WV

West South Central (WSC): AR, LA, OK, TX

West North Central (WNC): IA, KS, MN, MO, ND, NE, SD

Pacific (PAC): AK, CA, HI, OR, WA

Holiday Forecast Methodology: A Brief Overview

The *AAA Thanksgiving 2011 Travel Forecast* combines information from several sources to provide a prospective assessment of likely travel patterns for the upcoming holiday weekend. This report consists of two key components—the actual travel forecast and the holiday traveler profile. The actual travel forecast is based on economic conditions while the holiday traveler profile is developed employing survey data on travel behaviors. This approach provides the most comprehensive and detailed understanding of holiday travel at both the national and regional levels. In addition, the regional travel sections in this report have been enhanced to incorporate information about the state of the local tourism industries throughout the United States.

Actual Travel Forecast

In cooperation with AAA, IHS Global Insight developed an approach to forecast actual domestic travel volumes. The economic variables used to forecast travel for the current holiday are leveraged from IHS Global Insight. These data include macroeconomic drivers such as employment, output, household net worth, asset prices including stock indices, interest rates, housing market indicators, and variables related to travel and tourism, including prices of gasoline, airline travel and hotel stays.

The historical travel volume estimates come from the ongoing travel survey database of D.K. Shifflet & Associates (DKSA), the premier source of U.S. resident travel volume and behavior. DKSA interviews over 50,000 U.S. households per month tracking trip incidence, party composition, traveler behavior, and spending…all after the trips have been taken.

Actual travel is forecasted by person-trips, where a person-trip is defined as a round-trip that involves travel of 50 miles or more away from home. In particular, AAA and IHS Global Insight forecasts total U.S. holiday travel, travel by mode of transportation, and travel by U.S. census region. The *Actual Travel Forecast* presented in this report was prepared the week of October 24.

Holiday Traveler Profile

The Holiday Traveler Profile is a survey of intended travel behaviors related to party composition, travel distances, trip expenditures, and vacation activities conducted by D.K. Shifflet & Associates. The initial survey includes 1,357 households, out of which only the respondents intending to travel during the designated holiday are interviewed in detail about their anticipated trips. For Thanksgiving 2011, 543 respondents were interviewed in detail about their intended trips. The survey was in the field from Monday, October 10 to Friday, October 14, 2011.

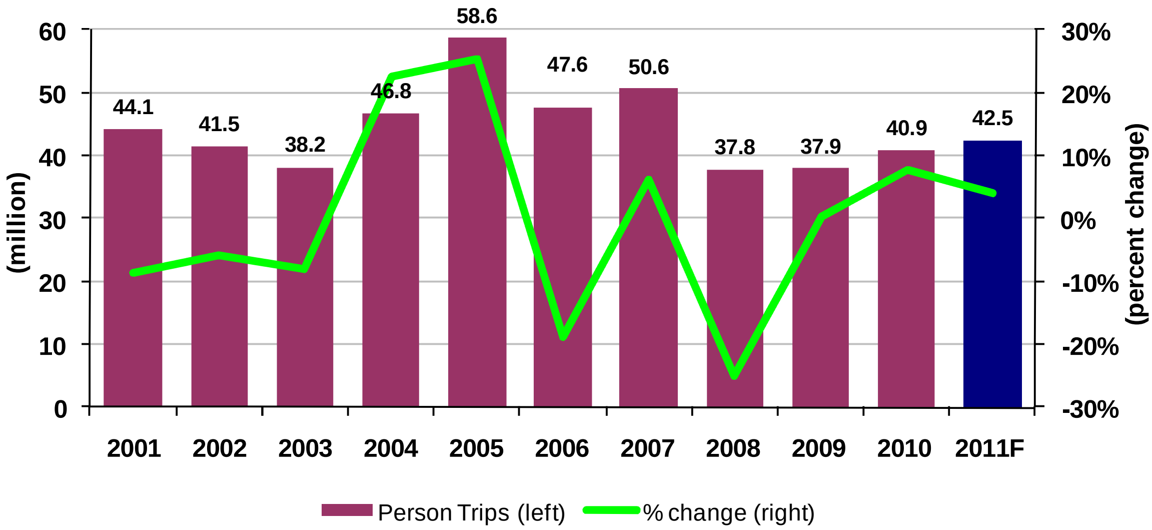
Thanksgiving Holiday Travel Period

For purposes of this forecast the Thanksgiving holiday travel period is defined as trips that include travel of 50 miles or more away from home during the period from Wednesday, November 23 to Sunday, November 27, 2011.

Thanksgiving 2011 Travel Forecast

Thanksgiving travel has remained at a lower-than-average level since the recession-driven decline in 2008. The slow recovery in Thanksgiving travel that started in 2010 is expected to continue with another year of travel growth expected for Thanksgiving 2011. This is the fourth Thanksgiving since the start of the most recent recession and some Americans who may have put off their travel plans over the past few years have a strong intention to travel this year. However, economic uncertainty and financial constraints are still holding back an immediate release for this "pent-up demand" to travel. AAA and IHS Global Insight project 42.5 million travelers will journey at least 50 miles from home this upcoming Thanksgiving holiday. This represents an increase of four percent from the 40.9 million trips that occurred over the holiday period in 2010. This will mark the second year of modest growth since the 25.2 percent decline in 2008.

CHART 1
THANKSGIVING TRAVELERS 2001-2011
TOTAL PERSON-TRIPS*



** 2001-2010 represent actual travel results. 2011 is a forecast.*

The economic recovery continues to come in fits and starts, with sluggish employment and housing markets creating uncertainty for consumers and businesses alike. While the primary economic drivers continue to show improvement from a year ago, the growth levels are not high enough to support a quick return to pre-recession levels of holiday travel and, therefore, the expectation is that the slow but steady climb back from 2008 will continue this Thanksgiving holiday period. With travel volumes still below historical averages, pent-up demand will be a contributing factor to the growth in holiday travel, resulting in more travel than what one might suspect by looking only at the current economic conditions.

Total economic activity, measured as real gross domestic product, is expected to grow by 1.3 percent for the fourth quarter of 2011 compared to the fourth quarter of last year, which is below the level where we might expect a rapid rebound in holiday travel. A similar outlook can be seen in the employment market, where the national unemployment rate is expected to be fourth-tenths of a percentage point below the year-ago level, which is a positive sign, but not enough to spur a significant growth in travel demand. Personal income, real disposable income and consumer spending are all forecast above last year's levels. However, the growth rates of these indicators are weaker than last year, and Americans are expressing uncertainty about the future by way of weaker consumer sentiment and consumer comfort survey results than last year. In particular, household net worth is expected to be 5.6 percent lower in the fourth quarter of this year compared to last year and this will negatively impact travel.

While the economic recovery has been slow to take hold, the U.S. travel industry has been a bit more resilient. According to the Bureau of Economic Analysis (BEA), real spending on travel and tourism increased at an annual rate of 4.3 percent through the first half of the year. These growth rates were higher than GDP growth during these two quarters. Just as the travel industry contracted even more than the general economy during the downturn, we are seeing the industry outperforming the economy during the recovery.

Our survey of intended travelers also supports an increase in travel for this holiday period, as a higher percentage of those surveyed intend to travel in 2011 than seen during 2010. This is consistent with the positioning of Thanksgiving as a holiday that likely is more affected by pent-up demand than other holidays. Additionally, despite an expectation to travel a shorter distance than in 2010, the intending travelers expect to spend more than last year. So, while there does seem to be some uncertainty and pessimism on behalf of the consumer with regards to the overall economy, those who have made the decision to travel seem to feel comfortable about increasing their travel budget.

Thanksgiving is a more sentimental holiday than most, with less of a focus on taking advantage of a long weekend and a much greater emphasis on reconnecting with friends and family. Many college students return home during their break, while some families who have moved away from each other reconvene to spend time together around the dinner table. The economic downturn, and the significant hit it took on the employment market, sent many people home full-time. As the country slowly gets back to work, the impact can be seen in steadily increasing travel volumes. The IHS Global Insight and AAA forecast of a four percent expected increase over 2010 will bring Thanksgiving 2011 travel volume up to 42.5 million. That amounts to a 12.3 percent increase since 2008, nearly half of the 25.2 percent decline in travel volume seen that year. While the climb back from that bottom has been deliberate, this year’s expected travel volume will be just 4.3 percent below the average travel volume of 44.4 million seen in the past ten years, which is much more representative of the true demand for Thanksgiving holiday travel volumes.

Travel by Mode of Transportation

AAA and IHS Global Insight expect that automobile travel will account for approximately 90 percent of total travel this upcoming Thanksgiving holiday period. About 38.2 million Americans are expected to travel by automobile, a forecasted increase of four percent compared to Thanksgiving 2010, and that is right in line with the expected increase in overall travel. Automobile travel is still the preferred choice for travel as it is often more affordable, more convenient, and more flexible.

The price of gasoline can have an impact not only on total holiday travel volume, but also on the preferred mode of travel. However, despite an increase compared to last year, gas prices are not expected to significantly influence travel this Thanksgiving. The national average price of self-serve regular gasoline in October 2011 was about $3.43 per gallon, which is 63 cents higher than the average monthly cost of a gallon last year. The 23 percent increase in gas price from last year will be slightly offset by the recent trend where average gas prices have been on a steady decline since early May, when prices were $0.50 higher. In 2010, gas prices never retreated much from their May peak, with prices at the end of October just $0.10 below the highs seen earlier in the year. While prices are obviously making auto travel more expensive than in 2010, the decline in prices since the spring will help offset this and keep auto travel at a share of total travel that is right in line with 2010.

"Taking a cruise instead of family gathering." Mountain Respondent

Air travel generally accounts for a smaller share of total travel and is projected to make up eight percent of travel this Thanksgiving holiday period, with approximately 3.4 million travelers expected to fly to their destination. However, air travel is projected to grow by just 1.8 percent this Thanksgiving as declining capacity and rising prices will limit growth opportunities in air travel this holiday period. Air travel is more sensitive to economic conditions than automobile travel, with concerns about the generally higher cost of air travel resulting in people either not making the trip at all or taking the trip by automobile or another mode of transportation, such as by train or bus. Air travel as a share of total Thanksgiving travel had been on a slow but steady decline since 2000, but that decline accelerated rapidly during 2008 and 2009, with the 2009 share of travel at just 4.1 percent. Air travel volume and its share doubled in 2010, bringing share of travel by air back to the eight percent range, above which it had remained prior to the 2008 decline.

The airline industy overall is continuing its rebound, but with a greater focus on profitability. Volume is up two percent through July based on the most recent data from the Bureau of Transportation Statistics. However, the average airfare is up over eight percent. The combination of higher prices and lower availability of seats, as well as the sharp bounce-back seen in 2010, will limit air travel growth this holiday period to less than half of total traveler growth.

Other modes of travel (bus, trains, watercraft, multi-modal travel) will make up the remaining two percent of the total person-trips, with just over 900,000 people expected to travel by these modes, 14.7 percent higher than in 2010. Travel via these modes has declined significantly since 2008 and remains well below historical averages, so there is stronger pent-up demand from consumers that travel using these modes. In addition, economic conditions are dictating that those that otherwise might travel by air or automobile are traveling by alternative modes of travel. Therefore, we see this category of travel growing off a very low base of total number of trips as the 900,000 expected travelers will still be less than a third of the volume utilizing this mode in any of the pre-recession years.

CHART 2
DISTRIBUTION OF US 2011 THANKSGIVING TRAVELERS
BY MODE OF TRANSPORTATION

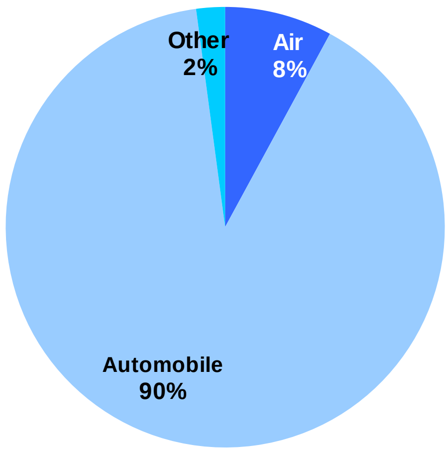
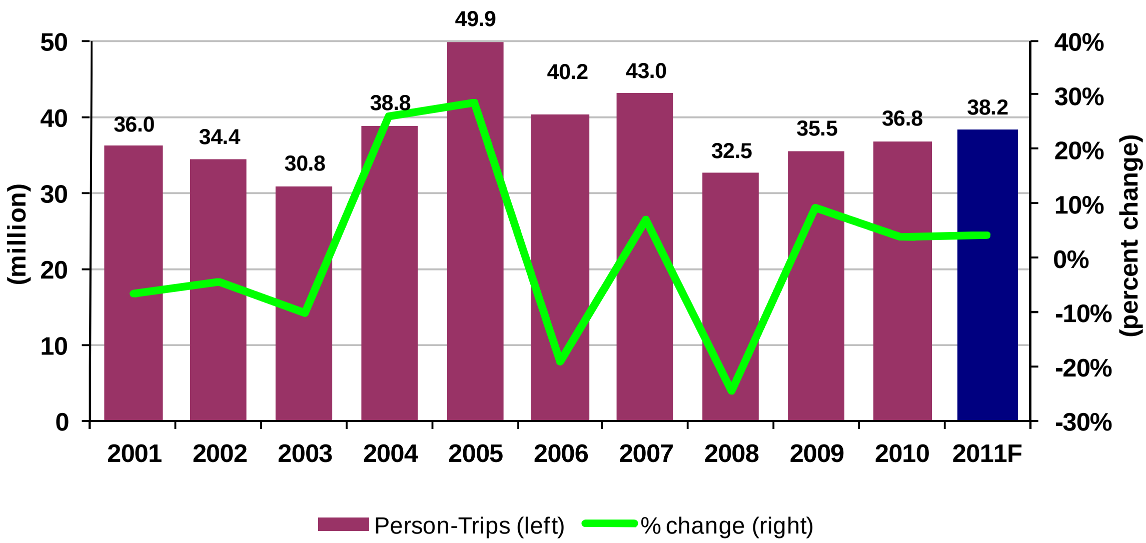
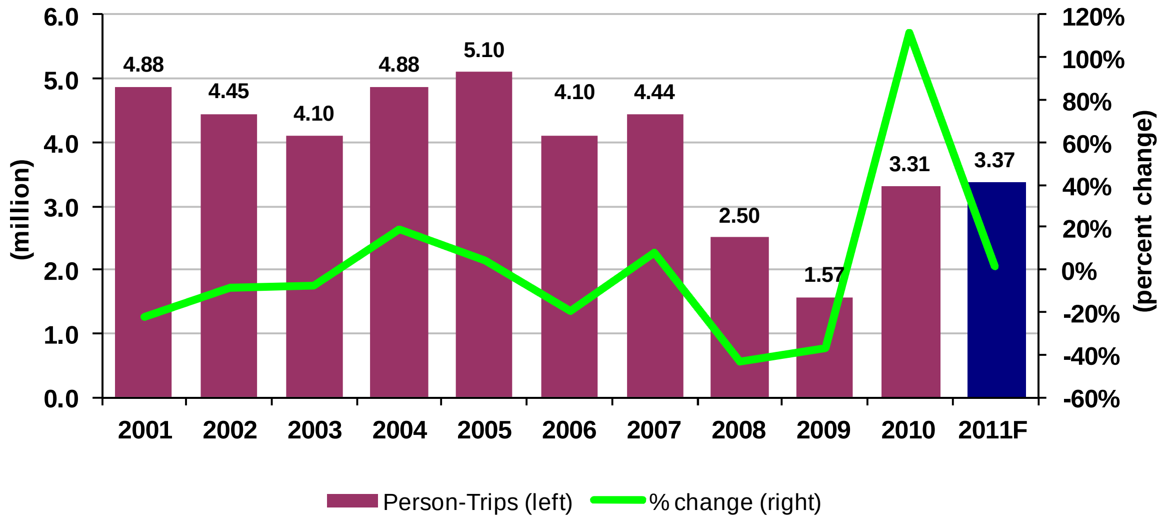


CHART 3
THANKSGIVING TRAVELERS 2001-2011
AUTOMOBILE PERSON-TRIPS*



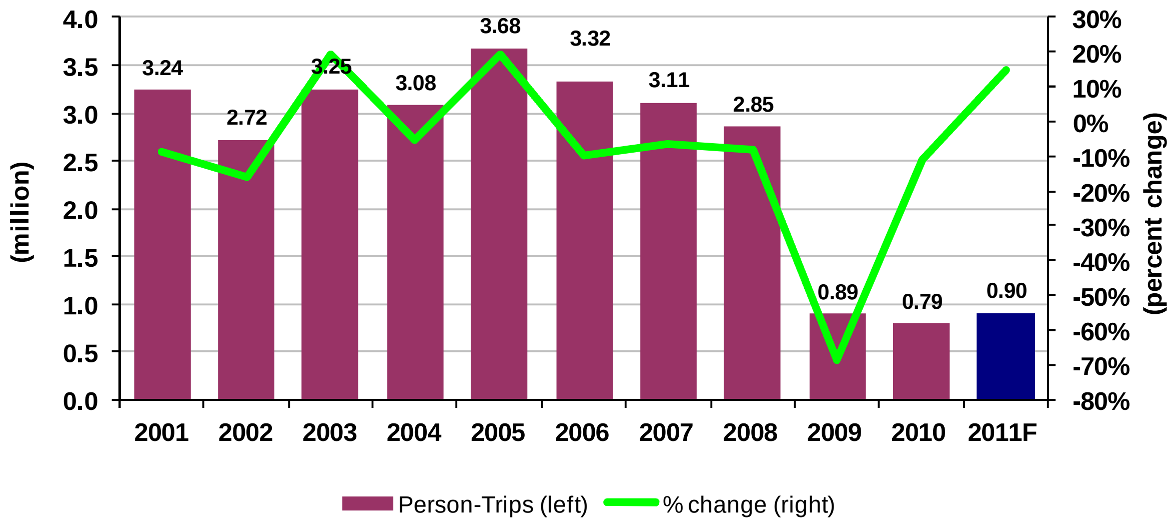
**2001-2010 represent actual travel results. 2011 is a forecast.*

CHART 4
THANKSGIVING TRAVELERS 2001-2011
AIR PERSON-TRIPS*



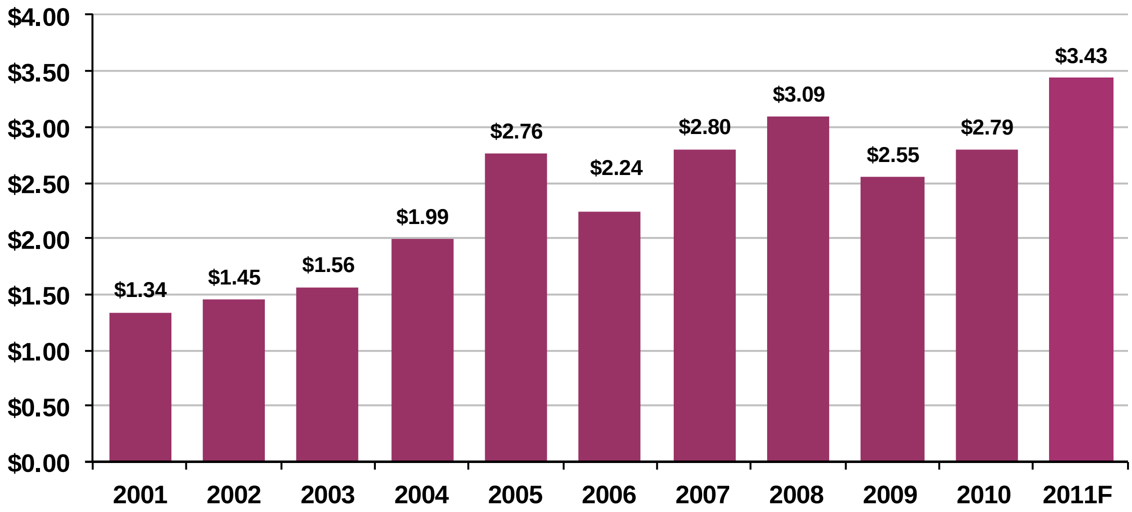
2001-2010 represent actual travel results. 2011 is a forecast.

CHART 5
THANKSGIVING TRAVELERS 2001-2011
OTHER TRAVEL MODES PERSON-TRIPS*



2001-2010 represent actual travel results. 2011 is a forecast.

CHART 6
AVERAGE OCTOBER* GASOLINE PRICES
NATIONAL AVERAGE PER GALLON REGULAR UNLEADED
2001-2011



Source: AAA Fuel Gauge Report

** October gasoline prices are emphasized because prices observed several weeks prior to the holiday are likely to influence holiday travel planning, while actual holiday prices are typically less influential.*

Travel by Region: East North Central

After three years of historically-low levels of Thanksgiving travel, pent-up demand is a positive driver for holiday travel this year. Despite poor economic conditions, travel from the East North Central region (ENC) is expected to rise by 4.1 percent this Thanksgiving holiday period relative to last year. Gas prices have declined over the past few months, which is providing a boost to automobile travel. Travel by automobile and airplane from the ENC region is expected to increase by 4.1 percent and 1.9 percent, respectively, since Thanksgiving 2010. The 7.02 million person-trips from the ENC region represent 15.1 percent of the population, which is higher than the national frequency expected to travel (13.5 percent).

TABLE 1A

2011 THANKSGIVING TRAVEL FORECAST – EAST NORTH CENTRAL REGION AND UNITED STATES

	East North Central			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	4.1%	7.02	15.1%	4.0%	42.49	13.5%
Automobile (millions of person trips)	4.1%	6.31	13.5%	4.0%	38.22	12.1%
Air (millions of person trips)	1.9%	0.56	1.2%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.2%	9.4%		-0.4%	9.3%	
Real Gross Product ($, bn)*	1.2%	1,859		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	4.6%	214		2.1%	230	

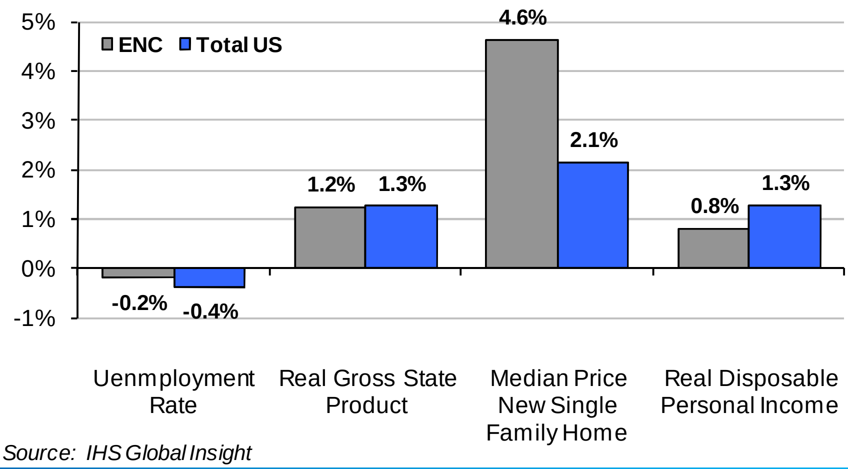
The ENC regional economy is growing, but at a very slow rate. Real gross regional product (GRP) growth is just 1.2 percent in the fourth quarter, which is lower than the national rate of expansion (1.3 percent). Payrolls in the ENC have been trending upward lately, but while employment growth over the last three quarters wasn't as bad as first feared, it was still anemic at just 24,000 jobs per quarter on average. As growth in real GRP slowed over the second half of the year, job growth has remained sluggish. At 9.4 percent, the unemployment rate in the ENC region is the fourth highest among the nine census regions and is just 0.2 percent lower than it was this time last year.

The housing market of the East North Central has continued to be marked by volatility in starts, sales, and the median price of existing single-family units. Each of these indicators has oscillated from growth to contraction over the last year and half, and as a result the real-estate market has struggled to improve since bottoming out. In the fourth quarter, the median price of existing single-family units is 4.6 percent higher than this time last year, although prices are likely to drop going forward due to

CHART 1A

YOY GROWTH, 2010Q4 TO 2011Q4

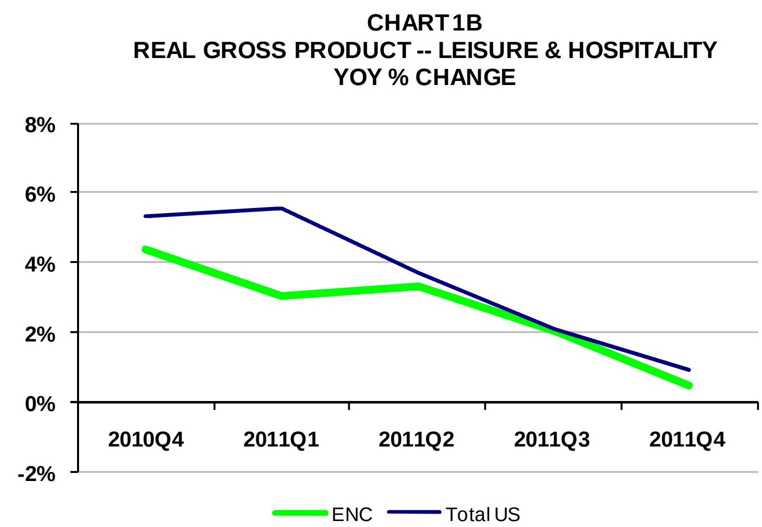
EAST NORTH CENTRAL AND UNITED STATES



Source: IHS Global Insight

the large number of homes working their way through the foreclosure pipeline.

Consumers across the country are in a fragile state, owing to high debt, low wage growth, poor employment prospects, and increasing prices. In the fourth quarter of 2011, real disposable personal income in the ENC region is just 0.8 percent higher than it was this time last year. Yet, despite the negative economic conditions and the lower level of consumer confidence, pent-up demand is a positive driver for holiday travel this year. Thanksgiving is one of the cheapest holidays in terms of median household expenditures, as family “get-togethers” take the place of entertainment, hospitality, and recreational spending. After three years of historically low levels of Thanksgiving travel, expressed travel intentions are higher and consumers are shifting their spending patterns to accommodate holiday travel this year. Also, gas prices in the ENC region have declined by 18 percent over the last four months, giving further incentive to take an automobile trip.



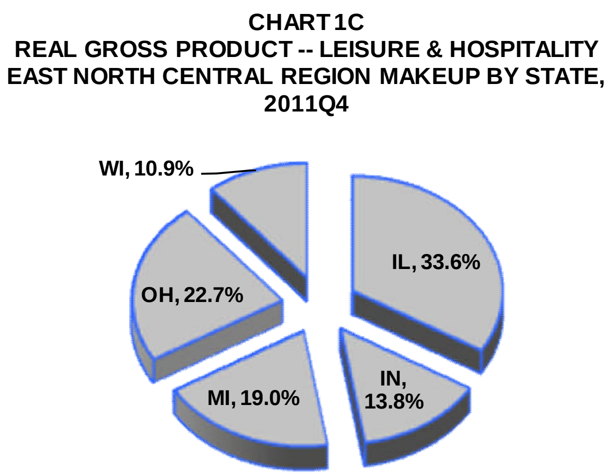
Source: IHS Global Insight

In addition to the originating travel forecast of person-trips from the East North Central region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The tourism industry in the ENC region, as measured by leisure and hospitality industry output (the value of goods and services produced by the leisure and hospitality industry), has been growing on an annualized basis since the fourth quarter of 2010, albeit at a decreasing rate. Tourism output has been rising as travel volumes to the ENC region improve and the amount of money spent by travelers also increases.

In the fourth quarter of 2011, total output from the leisure and hospitality industry in the ENC region is expected to see minor annual growth of 0.5 percent. Chart 1B demonstrates that the tourism industry recovery in the ENC region has lagged the national tourism recovery. Of all ENC states, only Ohio and Illinois are expected to see year-over-year growth in tourism output in the fourth quarter of 2011, growing 2.7 and 1.4 percent, respectively. Of the remaining states, Wisconsin is expected to see the largest contraction in tourism output (-2.0 percent) over this period.

The composition of tourism industry output by state in the ENC region is fairly balanced (Chart 1C). With Chicago being one of the top cities for tourism in the U.S., it is no surprise that Illinois accounts for one-third of tourism output in the East North Central region. Wisconsin accounts for the smallest share, with just 10.9 percent of the total.



Source: IHS Global Insight

Travel by Region: East South Central

Travel from the East South Central (ESC) region this Thanksgiving holiday is projected to increase 3.9 percent over travel from the ESC region during Thanksgiving 2010. This represents slightly lower growth than what is forecasted for the national population this upcoming holiday period. Automobile travel is expected to increase 3.9 percent, as residents of the ESC region capitalize on the 19 percent decrease in regional gas prices over the last four months by taking an automobile trip. Total person-trips in the East South Central region are projected to account for 13.1 percent of the population, which is slightly lower than the expected nationwide frequency (13.5 percent).

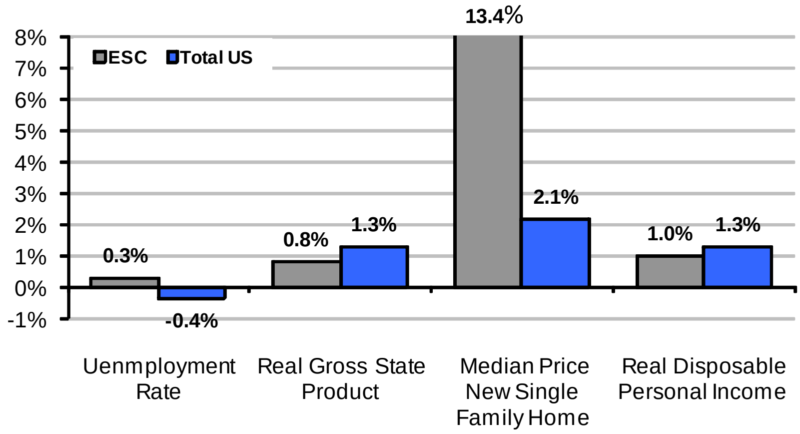
TABLE 2A
2011 THANKSGIVING TRAVEL FORECAST – EAST SOUTH CENTRAL REGION AND UNITED STATES

	East South Central			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	3.9%	2.45	13.1%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.9%	2.33	12.5%	4.0%	38.22	12.1%
Air (millions of person trips)	1.7%	0.09	0.5%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	0.3%	9.9%		-0.4%	9.3%	
Real Gross Product ($, bn)*	0.8%	627		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	13.4%	182		2.1%	230	

The ESC region is recovering, but it has been slow out of the gate. Compared to this time last year, real gross regional product (GRP) in the ESC region grew by just 0.8 percent, third-lowest among the nine census regions. Much of this weakness can be attributed to the region's large and highly cyclical trade and manufacturing sectors, which make up 33 percent of regional employment. These sectors rely heavily on domestic demand and were essentially treading water over the last year due to weak growth in the U.S. economy. In the fourth quarter of 2011, three of the four states in the ESC experienced year-over-year job growth, although none of these gains were strong enough to put a dent in the unemployment rate, which stands at 9.9 percent, up from 9.6 percent in Thanksgiving 2010.

The regional housing market is in not nearly as bad shape. The median price of existing single-family units is up more than 13 percent in the ESC region compared to this time last year, which is second best among census regions. Despite the good news, however, existing home prices continue to fluctuate on a quarter-to-quarter basis as the large number of foreclosures make their way through the backlog of supply. For house prices to stabilize, the regional economy must add jobs so that the pent-up

CHART 2A
YOY GROWTH, 2010Q4 TO 2011Q4
EAST SOUTH CENTRAL AND UNITED STATES

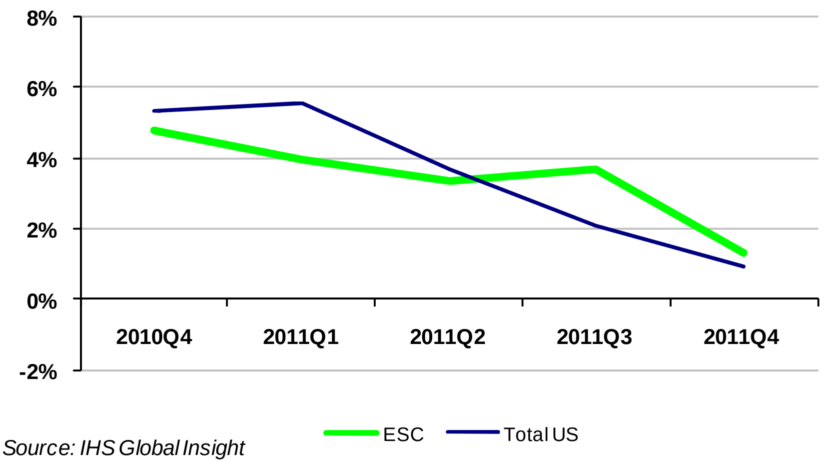


Source: IHS Global Insight

demand for housing can be satisfied, and the supply of available housing becomes stable.

While consumers and travelers alike are facing more negative economic conditions this year relative to Thanksgiving 2010, the positive forces in play are expected to counteract some of these negative effects. First, while regional gas prices are 19 percent higher than at this time last year, prices have dropped 19 percent over the last four months alone. This short-term decline in fuel prices is expected to be a positive impetus for holiday travel this Thanksgiving. Second, the compound effect of three consecutive years of below-average travel on pent-up demand is expected to support an increase in travel intentions this Thanksgiving holiday. After taking these positive and negative forces into account, travel from the ESC region is projected to increase by 3.9 percent this Thanksgiving to 2.45 million person-trips.

CHART 2B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

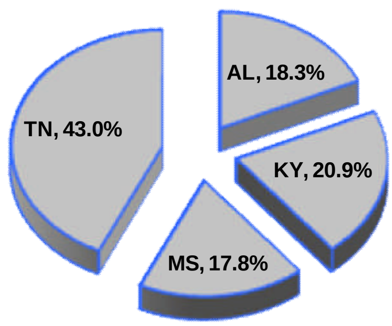
In addition to the originating travel forecast of person-trips from the East South Central region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The ESC region's tourism industry growth has lagged behind the national recovery over the first half of 2011, but has since surpassed the national recovery in the third and fourth quarters of this year. The ESC region's leisure and hospitality industry output (the value of goods and services produced by the leisure and hospitality industry) has been growing on an annualized basis since the fourth quarter of 2010 as seen in Chart 2B.

In the fourth quarter of 2011, total output from the leisure and hospitality industry in the ESC region is projected to rise 1.3 percent over the fourth quarter of 2010 as leisure and hospitality output has been responding to the increase in U.S. travel volumes in 2011.

The share of tourism industry output in the ESC region is rather even. Tennessee is the largest contributing state, making up 43.0 percent of ESC's tourism output, while Alabama, Kentucky, and Mississippi make up the remaining three-fifths of the total.

CHART 2C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
EAST SOUTH CENTRAL REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: Middle Atlantic

Thanksgiving holiday travel originating from the Middle Atlantic (MATL) region is forecasted to increase by 3.5 percent relative to the holiday period in 2010. The recent decline in regional gasoline prices will help residents to satisfy a growing pent-up demand for holiday travel after three consecutive years of below-average travel volumes. The forecast for travel by automobile and air originating from the Middle Atlantic region calls for increases of 3.5 percent and 1.3 percent, respectively. About 11.7 percent of the regional population is expected to journey at least 50 miles from home this holiday, a slightly lower frequency than is expected nationwide (13.5 percent).

TABLE 3A
2011 THANKSGIVING TRAVEL FORECAST – MIDDLE ATLANTIC REGION AND UNITED STATES

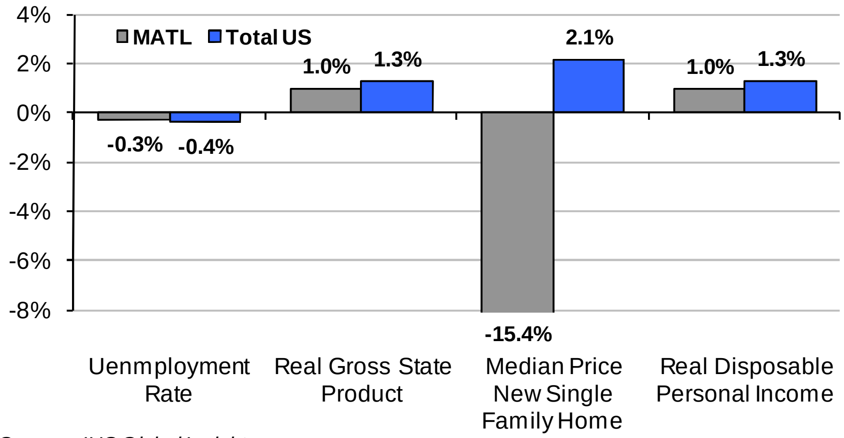
	Middle Atlantic			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	3.5%	4.80	11.7%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.5%	4.28	10.4%	4.0%	38.22	12.1%
Air (millions of person trips)	1.3%	0.45	1.1%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.3%	8.3%		-0.4%	9.3%	
Real Gross Product ($, bn)*	1.0%	2,042		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	-15.4%	284		2.1%	230	

With the unemployment rate a full percentage point better than the national average, the Middle Atlantic continues to fare relatively better than the rest of the country. Stabilization in manufacturing and finance—although neither of these sectors is fully back to health—has been a big factor in improving the regional economy. The retail and services industries, on the other hand, are driving the recovery, thanks in part to rebounding tourism and business travel, particularly to New York City.

Still, the economic picture is not entirely rosy for the Middle Atlantic region, as fourth-quarter real gross regional product (GRP) growth is just 1.0 percent. The stalling national economy has caused a pause in growth across the region, and the largest banks and financial institutions in New York and New Jersey are stressing cutbacks over the next few quarters as their profits slip.

Consumer spending growth in the MATL region came almost to a halt in the fourth quarter, up just 1.0 percent. MATL residents have been squeezed by the commodity-price-driven jump in inflation that has more than wiped out the benefit of the payroll tax cut. Still, consumers will find some relief in the 23 percent decline in regional gas prices

CHART 3A
YOY GROWTH, 2010Q4 TO 2011Q4
MIDDLE ATLANTIC AND UNITED STATES



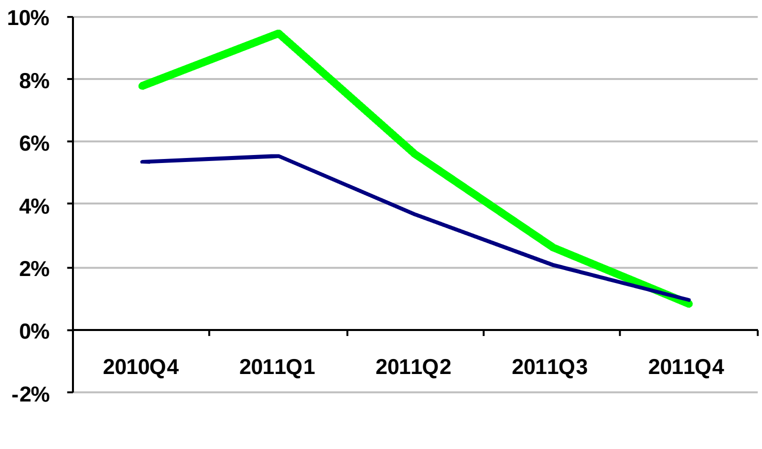
Source: IHS Global Insight

over the last four months.

The Middle Atlantic regional housing market is showing little signs of improvement after single-family housing prices fell for the fifth consecutive quarter. The median price of new single family homes is expected to decline by 15.4 percent in the fourth quarter of 2011 for the region, the second-highest annual contraction expected of any region in the fourth quarter of 2011.

The recent decrease in the cost of gasoline is expected to increase the number of total person-trips this Thanksgiving and provide a boost to automobile travel. Another positive force that supports an increase in total-person trips this coming holiday period is the pent-up demand for Thanksgiving travel. The Middle Atlantic region has had three consecutive years of below-average Thanksgiving travel volumes. The combined effect of these three years of unsatisfied travel demand is expected to exert a positive influence on Thanksgiving travel this year.

CHART 3B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

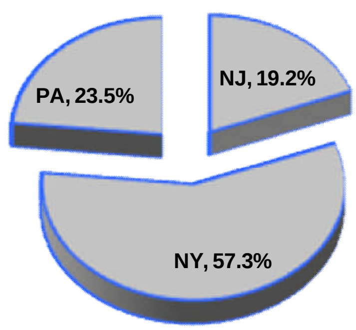
In addition to the originating travel forecast of person-trips from the Middle Atlantic region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The national tourism industry has witnessed leisure and hospitality output (the value of goods and services produced by the leisure and hospitality industry) expand on an annualized basis since the fourth quarter of 2010, although at a decreasing rate. Chart 3B shows that the Middle Atlantic region's tourism output has also been increasing since the last quarter of 2010 and has been recovering faster than the nation over the last four quarters, until the fourth quarter of this year.

In the fourth quarter of 2011, the leisure and hospitality industry in the Middle Atlantic is anticipated to generate 0.8 percent higher output than in the fourth quarter of 2010. The relative nationwide figure for comparison is one percent annual growth in tourism output.

New York State contributes 57.3 percent of the Middle Atlantic region's tourism output, which is no surprise based on the fact that New York City is one of the top tourist destinations in the country. New York State is also growing faster than Pennsylvania and New Jersey in terms of tourism output, expected to increase 1.0 percent annually since one year ago. However, Pennsylvania and New Jersey contribute large amounts to the Middle Atlantic regional tourism output, accounting for 23.5 and 19.2 percent, respectively.

CHART 3C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
MIDDLE ATLANTIC REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: Mountain

The holiday forecast for the Mountain region calls for a 4.1 percent increase in travel this Thanksgiving versus 2010. The disappointing performance of the overall U.S. economy has weakened the Mountain region's economic recovery, but after three consecutive years of historically low holiday travel volumes, more regional residents are expected to capitalize on the recent reduction in gasoline prices by choosing to travel this Thanksgiving holiday. Automobile and air travel are anticipated to rise by 3.8 and 1.7 percent, respectively, since the Thanksgiving holiday in 2010. Growth in this region will slightly outperform the nation as a whole, and the share of the population from the Mountain region expected to travel (14 percent) is higher than the projected national frequency (13.5 percent).

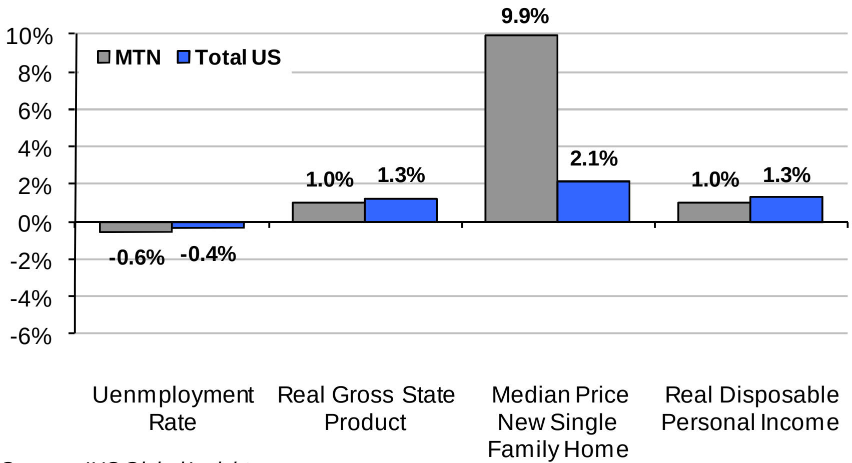
TABLE 4A
2011 THANKSGIVING TRAVEL FORECAST – MOUNTAIN REGION AND UNITED STATES

	Mountain			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	4.1%	3.17	14.0%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.8%	2.82	12.5%	4.0%	38.22	12.1%
Air (millions of person trips)	1.7%	0.21	0.9%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.6%	9.0%		-0.4%	9.3%	
Real Gross Product ($, bn)*	1.0%	876		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	9.9%	200		2.1%	230	

The Mountain region is realizing economic growth, albeit slowly. Wyoming and Montana are faring the best in terms of state job growth, due to expansions in the natural resource and mining sectors. At the other end of the spectrum is Nevada, where the economy is still being dragged down by the weight of losses in the construction and real estate industries. The unemployment rate in the Mountain region sits at nine percent and has witnessed a 0.6 percent decline relative to the fourth quarter 2010. Despite this decrease, the Mountain region is expected to trail the nation in terms of real disposable personal income growth with a one percent increase compared to 1.3 percent growth for the greater U.S.

In terms of the housing market, new median house prices are expected to rise by 9.9 percent on an annual basis in the fourth quarter of this year. This is the third-highest rate of price

CHART 4A
YOY GROWTH, 2010Q4 TO 2011Q4
MOUNTAIN AND UNITED STATES



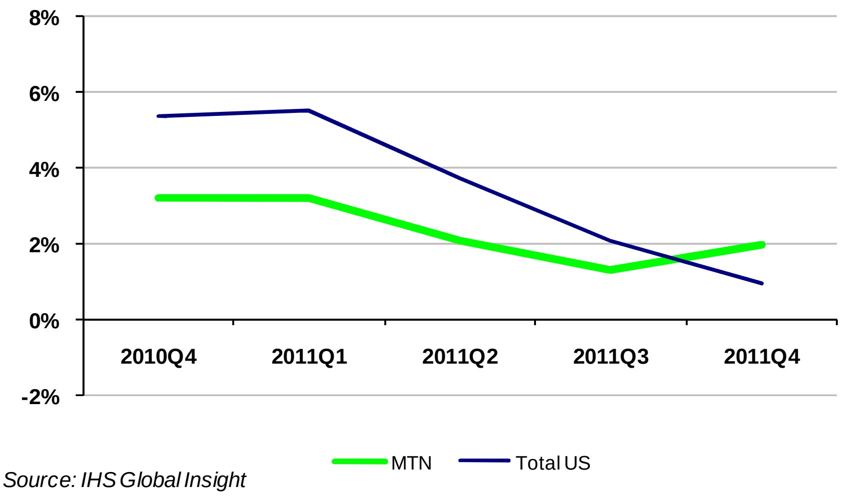
Source: IHS Global Insight

appreciation among the nine census regions.

Growth in real gross state product has also been positive, but growth for the region is expected to trail that of the broader United States. Output growth of one percent is projected for the Mountain region in the last quarter of the year, as compared to the 1.3 percent expected GDP growth nationally.

While the current economic conditions depict a slowdown in the Mountain region's economic recovery, the six percent decline in regional gas prices over the last four months is expected to increase holiday travel this Thanksgiving. After three consecutive years of historically low levels of Thanksgiving travel, pent-up demand is expected to be a positive driver for holiday travel this year.

CHART 4B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

In addition to the originating travel forecast of person-trips from the Mountain region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

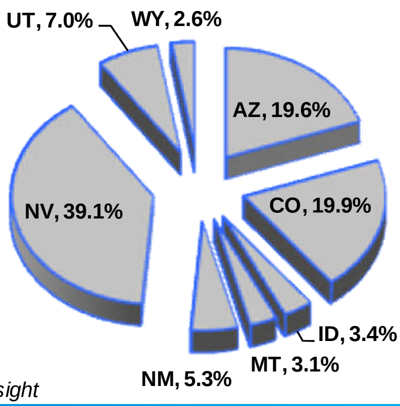
The tourism industry in the Mountain region, as measured by leisure and hospitality industry real gross product (the value of goods and services produced by the leisure and hospitality industry), has been growing since the fourth quarter of 2010. However, the Mountain region's tourism industry has been trailing the nation's tourism recovery up until the fourth quarter of 2011.

In the fourth quarter of 2011, the Mountain region's total output from the leisure and hospitality industry is anticipated to rise by 2.0 percent relative to one year ago (the national tourism output growth rate for comparison is one percent).

Nevada and Montana are the two Mountain states expected to see the largest increase in tourism output growth (3.5 percent) since the fourth quarter of 2010. Wyoming is at the other end of the spectrum with a 0.5 percent decline in tourism output since last year; Wyoming is one of the few states where tourism output is expected to have decreased over the past year.

The Mountain region consists of states such as Nevada, Colorado, and Arizona, which contribute large amounts of tourism output to the regional total. Nevada, which includes the major tourist city of Las Vegas, contributes 39.1 percent of the Mountain region's tourism output. The remainder of the states account for much smaller shares of the Mountain region's tourism output.

CHART 4C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
MOUNTAIN REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: New England

Travel originating from the New England region is expected to increase 3.8 percent over the Thanksgiving holiday period, an increase that slightly trails the national holiday travel forecast (four percent). Automobile travel from the New England region is projected to rise 3.9 percent compared to the holiday last year, and the forecast also calls for an increase in air travel of 1.7 percent. The forecast indicates that 12.3 percent of the New England population will travel this upcoming Thanksgiving holiday period, which is lower than the national frequency (13.5 percent). However, a slightly higher percentage of the regional population will travel by air than the broader nation (1.4 percent compared to 1.1 percent).

TABLE 5A

2011 THANKSGIVING TRAVEL FORECAST – NEW ENGLAND REGION AND UNITED STATES

	New England			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	3.8%	1.79	12.3%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.9%	1.56	10.7%	4.0%	38.22	12.1%
Air (millions of person trips)	1.7%	0.20	1.4%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.4%	7.9%		-0.4%	9.3%	
Real Gross Product ($, bn)*	1.5%	742		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	-17.6%	299		2.1%	230	

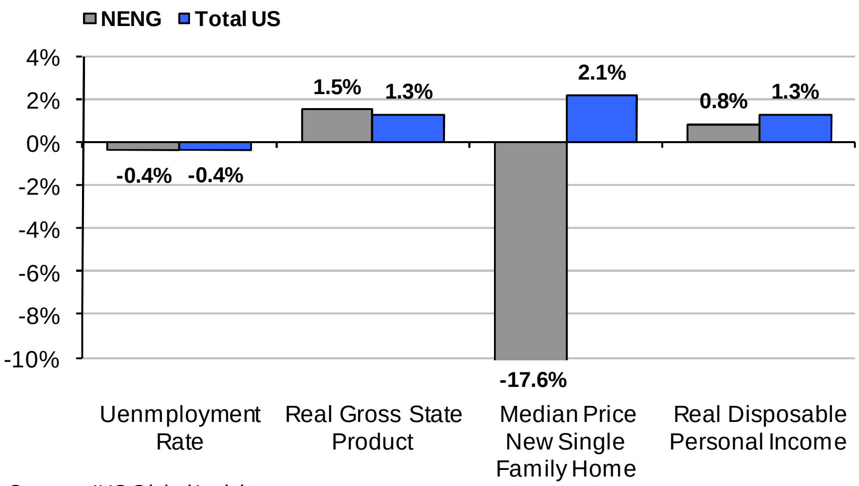
New Englanders are benefitting from slow but measured progress in their regional economy. Employment data show that the New England labor market has fared well compared to this time last year, with the unemployment rate oscillating at around 7.9 percent. However, indicators such as gross state product show New England expanding slowly on a quarter-over-quarter basis throughout 2011 and on an annual basis (1.5 percent) in the fourth quarter of 2011. New England's regional output recovery is expected to outpace the nation in the last quarter of the year.

Growth in real disposable personal income in New England is expected to come to a halt in the fourth quarter of 2011, growing just 0.8 percent on an annual basis. This is slightly lower than the increase expected nationwide (1.3 percent) and it is indicative of the fragile economic environment that the residents of New England are faced with.

CHART 5A

YOY GROWTH, 2010Q4 TO 2011Q4

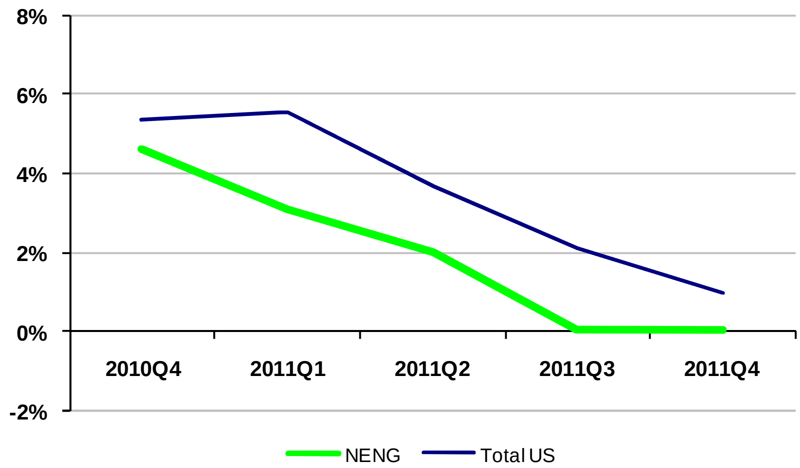
NEW ENGLAND AND UNITED STATES



Source: IHS Global Insight

Demand in the New England residential real estate market has been weak, and home values have been on a steady slide. The median price of new single-family homes is projected to decrease on an annual basis in the fourth quarter of 2011 by 17.6 percent. The region's housing market has a long way to go before climbing out of the recessionary hole, as foreclosures, excess supply, and weak demand contribute to a precipitous decline in home values. Despite the moderately improved economic conditions and the high degree of uncertainty surrounding economic prospects relative to last year, Thanksgiving travel from the New England region is expected to rise by 3.8 percent in 2011. Regional gas prices declined by 11 percent over the last four months, which is providing further incentive to travel this coming Thanksgiving holiday. Moreover, the pent-up demand for holiday travel is expected to increase the number of total person-trips relative to 2010, as more New England residents take to the road and the skies after three years of below-average Thanksgiving travel volumes.

CHART 5B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

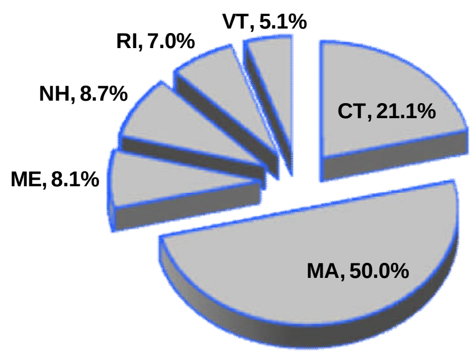
In addition to the originating travel forecast of person-trips from the New England region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The national tourism industry has seen faster growth recovery over the past year than New England's tourism industry. Leisure and hospitality industry output (the value of goods and services produced by the leisure and hospitality industry) in New England is expected to remain flat in the fourth quarter of 2011 relative to this time last year. In comparison, the nation as a whole is expected to register growth of one percent.

Massachusetts is the largest contributor of tourism output to the New England economy. Rhode Island, although smaller than Massachusetts in terms of tourism output, is expected to see the largest growth in tourism output since the fourth quarter of 2010, rising 2.2 percent.

Connecticut is second to Massachusetts in terms of tourism output in New England, but the state is forecasted to decline by 3.2 percent annually in the fourth quarter of 2011. This represents the largest year-over-year contraction of the New England states, followed by Maine (down 1.6 percent).

CHART 5C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
NEW ENGLAND REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: Pacific

The Pacific regional economy is still recovering, albeit at a very slow pace. The good news is that gasoline prices are now off their peak, which will provide some much-needed relief to residents this coming holiday. After three years of historically low levels of Thanksgiving travel volumes, the Pacific region is projected to see a 4.1 percent annual increase in Thanksgiving holiday travel. Pent-up demand is expected to be a strong driver of Thanksgiving travel in the Pacific region this year. The forecast calls for automobile and air travel to increase 4.1 percent and 1.9 percent, respectively, since last year. The forecast projects 14 percent of Pacific region residents to travel this holiday, which is slightly higher than the percentage of the national population expected to travel (13.5 percent). The Pacific region typically sees a higher than average share of its population expected to travel by air, and this is the case for Thanksgiving (1.6 percent compared to the national figure of 1.1 percent).

TABLE 6A

2011 THANKSGIVING TRAVEL FORECAST – PACIFIC REGION AND UNITED STATES

	Pacific			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	4.1%	7.12	14.0%	4.0%	42.49	13.5%
Automobile (millions of person trips)	4.1%	6.10	12.0%	4.0%	38.22	12.1%
Air (millions of person trips)	1.9%	0.83	1.6%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.3%	11.3%		-0.4%	9.3%	
Real Gross Product ($, bn)*	1.2%	2,358		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	7.2%	326		2.1%	230	

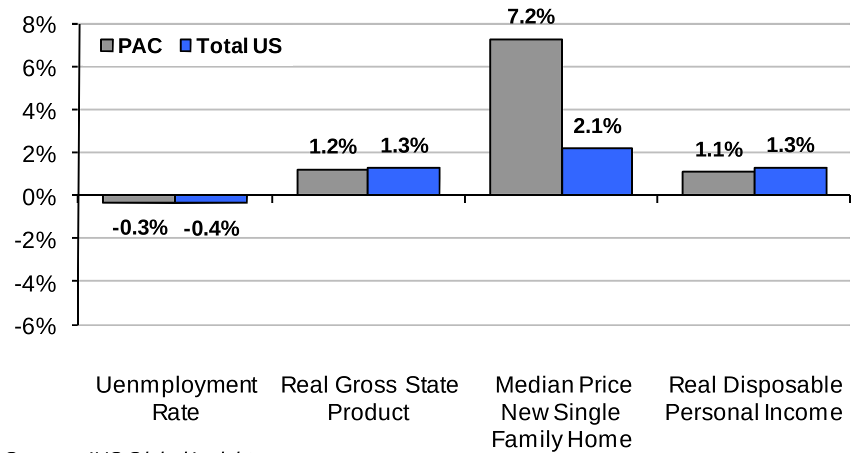
The Pacific region's recovery got off to a good start in 2011 but has cooled off in the second half of the year. Housing prices are showing some signs of recovery although prices have fluctuated from growth to contraction over the last two years. At any rate, annual growth of 7.2 percent in the median price of new single-family homes is expected in the fourth quarter of 2011 for the Pacific region, although it may not be sustained.

Real gross regional product for the Pacific region has increased over the past year, but by a very modest amount. Growth in regional output is expected to rise 1.2 percent in the fourth quarter of 2011 as compared to the previous year, just below the national forecasted gross domestic product growth of 1.3 percent. Real disposable personal income growth in the Pacific region is also expected to have slightly trailed the nation's since last year. It is projected to be just 1.1 percent higher than the fourth quarter of 2010, and the national growth figure, for comparison, is 1.3 percent over this

CHART 6A

YOY GROWTH, 2010Q4 TO 2011Q4

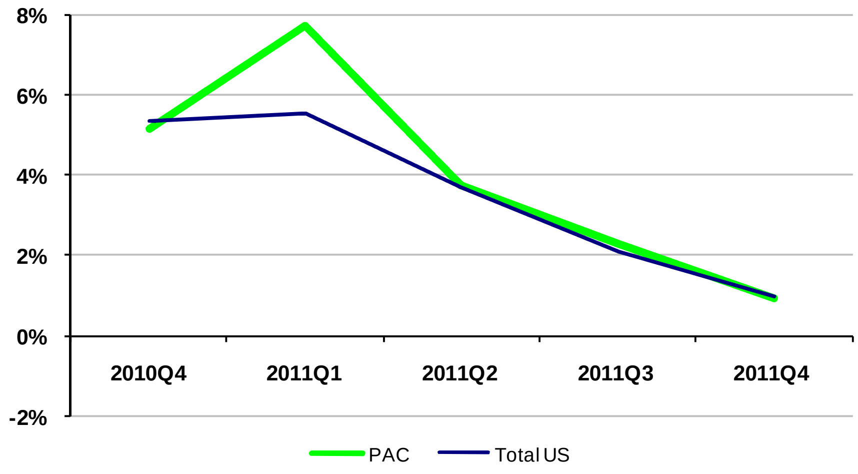
PACIFIC AND UNITED STATES



Source: IHS Global Insight

period. Employment in the Pacific region bounced back strongly in the beginning of 2011, and moderated by spring. The unemployment rate in the Pacific region is the highest of any census region at about 11.3 percent.

CHART 6B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

Despite the more negative economic conditions this year relative to Thanksgiving 2010, a strong pent-up demand for holiday travel and the recent decline in regional gas prices supports a moderate increase in total person-trips from the Pacific region this Thanksgiving holiday. After three consecutive years of below-average levels of Thanksgiving travel, total person-trips from the Pacific region are expected to increase by 4.1 percent.

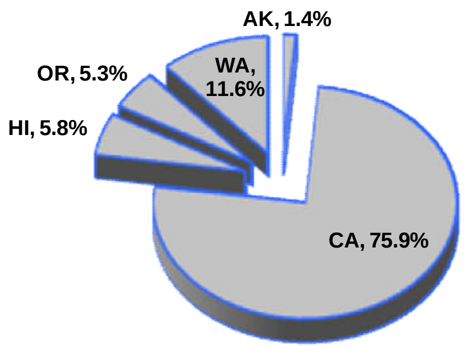
In addition to the originating travel forecast of person-trips from the Pacific region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

In terms of growth in total leisure and hospitality output (the value of goods and services produced by the leisure and hospitality industry), the Pacific region had been leading the national recovery until the second quarter of 2011. In the second quarter of 2011 the Pacific region and the greater United States began to grow at a similar pace and that is expected to continue through the last quarter of 2011.

The Pacific region's leisure and hospitality output is projected to rise 0.9 percent since the fourth quarter of 2010, and the comparable national figure is one percent. Alaska and Washington lag the rest of the Pacific states in growth recovery and are expected to contract by 2.1 and 0.1 percent, respectively, since last year. The remaining three states are all expected to increase during this period.

The composition of tourism industry output by state in the Pacific region is dominated by California, which accounts for 75.9 percent of tourism output in the region. Washington is the second largest state, contributing 11.6 percent of tourism output to the Pacific region.

CHART 6C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
PACIFIC REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: South Atlantic

Thanksgiving travel growth from the South Atlantic (SATL) region is estimated at 3.7 percent this holiday period as compared to the holiday in 2010. Holiday travel is expected to be stimulated by a 14 percent reduction in regional gas prices and the growing pent-up demand for Thanksgiving travel. Automobile and air travel are projected to rise by 3.8 percent and 1.6 percent, respectively. The forecast calls for 13 percent of the regional population to travel this Thanksgiving holiday period.

TABLE 7A

2011 THANKSGIVING TRAVEL FORECAST – SOUTH ATLANTIC REGION AND UNITED STATES

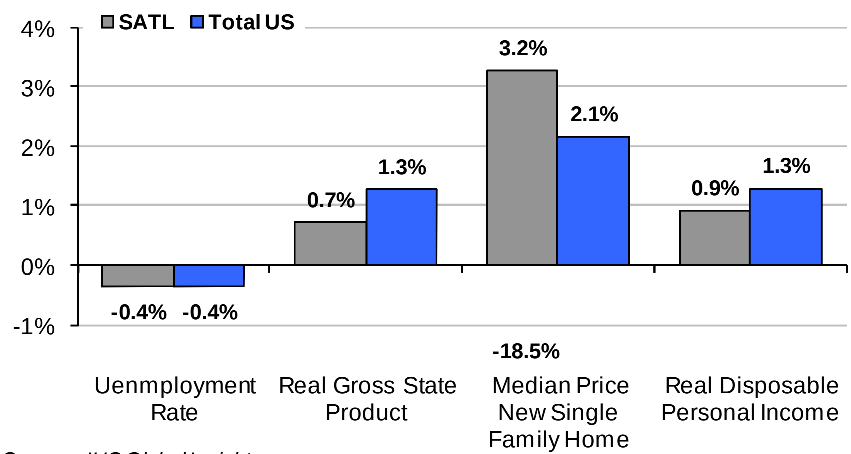
	South Atlantic			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	3.7%	7.94	13.0%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.8%	7.28	12.0%	4.0%	38.22	12.1%
Air (millions of person trips)	1.6%	0.56	0.9%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.4%	9.5%		-0.4%	9.3%	
Real Gross Product ($, bn)*	0.7%	2,442		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	3.2%	237		2.1%	230	

Although the pace of recovery has been modest in the second half of 2011, the South Atlantic region is on the path to recovery. The services industries are adding jobs and there has been stabilization in the region's enormous trade and transportation sector. The unemployment rate has declined over the past year to 9.5 percent, just a tick higher than the national figure. The badly damaged housing market has seen housing prices rise in five of the previous six quarters on an annual basis. The median price of new-single family homes in the South Atlantic region is expected to increase by 3.2 percent in the fourth quarter of 2011, relative to this time last year. Real disposable personal income tends to play a more direct role in travelers' decisions, and it is expected to grow by 0.9 percent in the fourth quarter of 2011 relative to one year ago. This is slightly below the expected real disposable personal income growth for the greater United States (1.3 percent). Similar growth is expected for regional output; in the fourth quarter of 2011, real gross state product in the South Atlantic region is expected to expand 0.7 percent since last year (versus 1.3 percent nationwide).

CHART 7A

YOY GROWTH, 2010Q4 TO 2011Q4

SOUTH ATLANTIC AND UNITED STATES

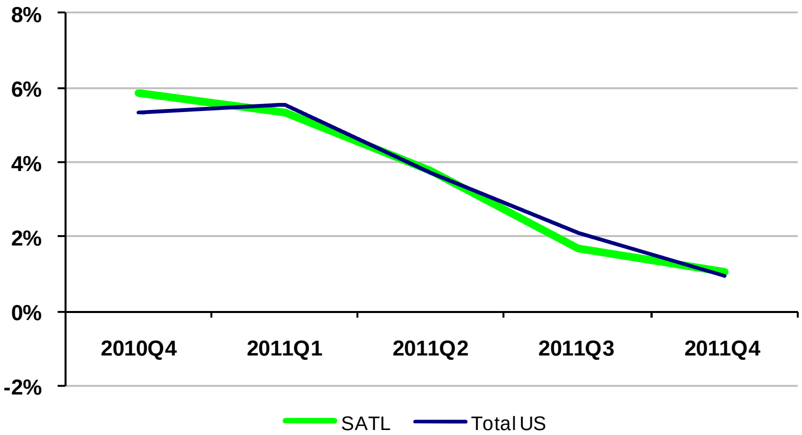


Source: IHS Global Insight

While the current economic conditions suggest a relative slowdown in the South Atlantic region's economic recovery, the recent 14 percent decline in regional gas prices over the last four months is anticipated to increase Thanksgiving travel in 2011. After three consecutive years of below-average Thanksgiving travel, pent-up demand is expected to be a strong driver of holiday travel this year.

In addition to the originating travel forecast of person-trips from the South Atlantic region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

CHART 7B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE

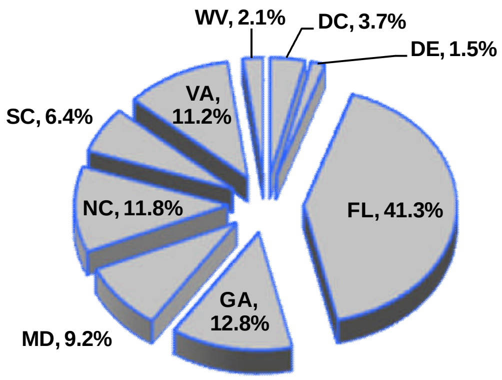


Source: IHS Global Insight

The tourism industry in the SATL region, as measured by leisure and hospitality industry output (the value of goods and services produced by the leisure and hospitality industry), has been growing since the fourth quarter of 2010 and has been closely tracking the national tourism recovery. In the fourth quarter of 2011, total output from the leisure and hospitality industry in the SATL region is expected to grow by one percent from the year prior, the same amount of growth expected nationwide.

Florida contributes over 41 percent of tourism output to the South Atlantic tourism industry with its draw of high-profile beaches and amusement parks in the state. Georgia contributes the second-largest share of tourism output with Atlanta being one of the top cities for tourism in the United States. Other states such as Maryland and Virginia contribute just about 10 percent each to the region's tourism industry, while Florida and South Carolina are seeing the largest tourism output growth in the SATL region since one year ago (more than 1.5 percent each).

CHART 7C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
SOUTH ATLANTIC REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: West North Central

The West North Central (WNC) region is projected to see a 3.6 percent increase in Thanksgiving travel this year compared to 2010. The regional economy is recovering at a very slow pace, but pent-up demand is expected to be a strong driver of holiday travel this year. Automobile travel and air travel in the region are expected to grow 3.4 and 1.2 percent, respectively, since Thanksgiving last year. A much higher-than-average share of the West North Central population is expected to travel this holiday (17.7 percent), which is typical of the WNC region based on its widespread geographic region.

TABLE 8A
2011 THANKSGIVING FORECAST – WEST NORTH CENTRAL REGION AND UNITED STATES

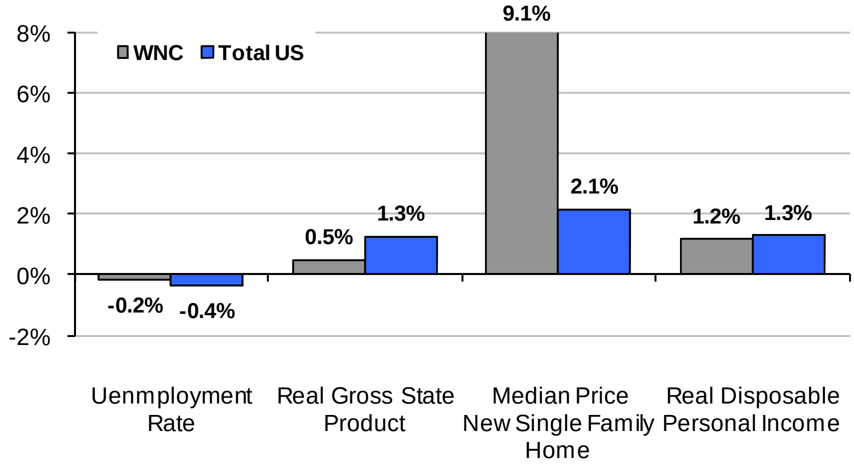
	West North Central			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	3.6%	3.67	17.7%	4.0%	42.49	13.5%
Automobile (millions of person trips)	3.4%	3.38	16.3%	4.0%	38.22	12.1%
Air (millions of person trips)	1.2%	0.17	0.8%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	-0.2%	6.9%		-0.4%	9.3%	
Real Gross Product ($, bn)*	0.5%	863		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	9.1%	211		2.1%	230	

At roughly 6.9 percent, the WNC region possesses the lowest unemployment rate of any region. However, the rate has remained mostly stable over the past year, similar to the national rate. The recovery in the WNC economy has slowed in response to a slowdown in the global economy and a weaker near-term outlook for the United States.

In general, the regional economy is moving in step with the nation. Real gross regional product in the WNC region is expected to have increased 0.5 percent annually in the fourth quarter of 2011, which is lower but still comparable to the projected growth of 1.3 percent in real gross domestic product. Real disposable personal income is also anticipated to rise modestly; growth of 1.2 percent on an annual basis is expected in this category in the last quarter of this year, which is just below the increase expected nationally (1.3 percent).

The housing market in the WNC is seeing signs of improvement. The median price of new single-family homes is forecasted to increase 9.1 percent on a year-over-year basis in the fourth quarter of 2011. This rate far surpasses the expectation for price

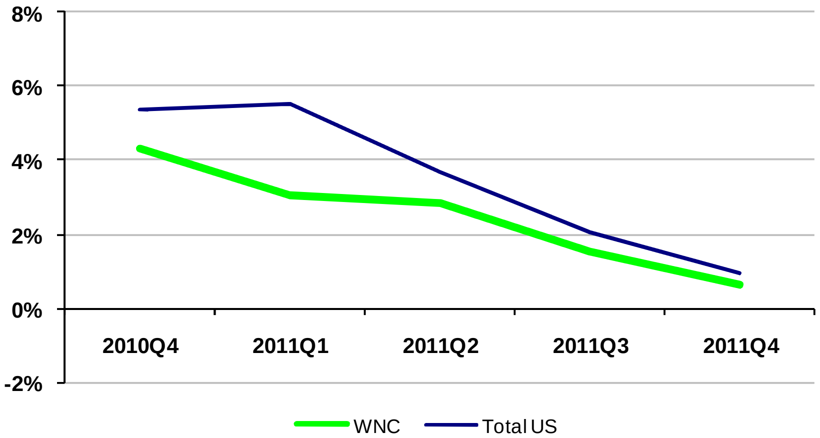
CHART 8A
YOY GROWTH, 2010Q4 TO 2011Q4
WEST NORTH CENTRAL AND UNITED STATES



Source: IHS Global Insight

appreciation in the broader U.S. and is a source of strength in the regional economy. Over the last several months, gas prices in the WNC region have fallen more than 16 percent. The short-run decline in fuel prices is expected to increase the amount of total person-trips originating from the WNC region this Thanksgiving holiday. Furthermore, the compound effect of three consecutive years of below-average travel volumes has led to a sufficient increase in pent-up demand that is expected to produce an increase in travel intentions this Thanksgiving holiday.

CHART 8B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



Source: IHS Global Insight

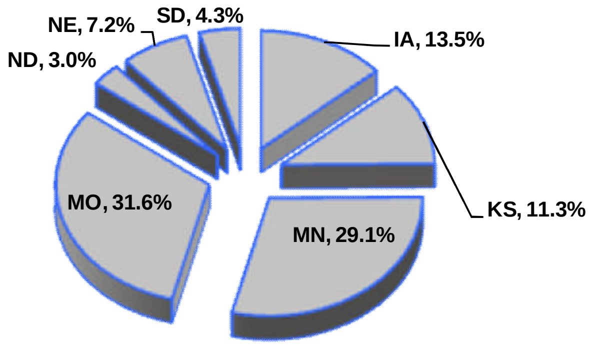
In addition to the originating travel forecast of person-trips from the West North Central region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The WNC's tourism industry has been recovering since the fourth quarter of 2010, as measured by leisure and hospitality industry output (the value of goods and services produced by the leisure and hospitality industry). Regional output growth has been underperforming the national recovery.

In the fourth quarter of 2011, total output from the leisure and hospitality industry in the WNC region is expected to see annual growth of 0.6 percent, which is lower than growth predicted nationally over this period (one percent). Iowa is expected to see the largest annual growth (2.8 percent) in tourism output since the fourth quarter of 2010 as compared to the rest of the WNC states. Kansas, Missouri, and South Dakota are all predicted to witness tourism output contract since one year ago, while the remaining states are expected to see small gains in tourism output.

Missouri and Minnesota are the largest contributors to tourism output in the West North Central region, followed by Iowa, Kansas, Nebraska, South Dakota, and North Dakota.

CHART 8C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
WEST NORTH CENTRAL REGION MAKEUP BY STATE, 2011Q4



Source: IHS Global Insight

Travel by Region: West South Central

The Thanksgiving holiday travel forecast calls for an increase of 5.1 percent in West South Central (WSC) region holiday travel relative to last year. Travel is expected to increase on the heels of three consecutive years of below-average Thanksgiving travel. Automobile and air travel are expected to rise by five percent and 2.8 percent, respectively, since Thanksgiving 2010. About 12.1 percent of the WSC population is predicted to travel this Thanksgiving period, which is slightly less than the estimated national frequency of 13.5 percent.

TABLE 9A

2011 THANKSGIVING TRAVEL FORECAST – WEST SOUTH CENTRAL REGION AND UNITED STATES

	West South Central			United States		
Thanksgiving Travel	**YOY % Change**	**Level**	**% of Population**	**YOY % Change**	**Level**	**% of Population**
Total (millions of person trips)	5.1%	4.52	12.1%	4.0%	42.49	13.5%
Automobile (millions of person trips)	5.0%	4.14	11.1%	4.0%	38.22	12.1%
Air (millions of person trips)	2.8%	0.30	0.8%	1.8%	3.37	1.1%
Economy (2011Q4)	**YOY % Change**	**Level**		**YOY % Change**	**Level**	
Unemployment Rate (YOY Change)	0.1%	8.1%		-0.4%	9.3%	
Real Gross Product ($, bn)*	2.3%	1,576		1.3%	13,382	
Median Price, New Single Family Home ($, thn)	15.2%	192		2.1%	230	

The unemployment rate in the region has edged up slightly to around 8.1 percent in the past year. Despite strong job growth in the manufacturing, professional and business services, and leisure and hospitality sectors, the return of discouraged workers to the labor force has prevented an improvement in the region's unemployment rate. The WSC maintains the third-lowest unemployment rate of all nine census regions.

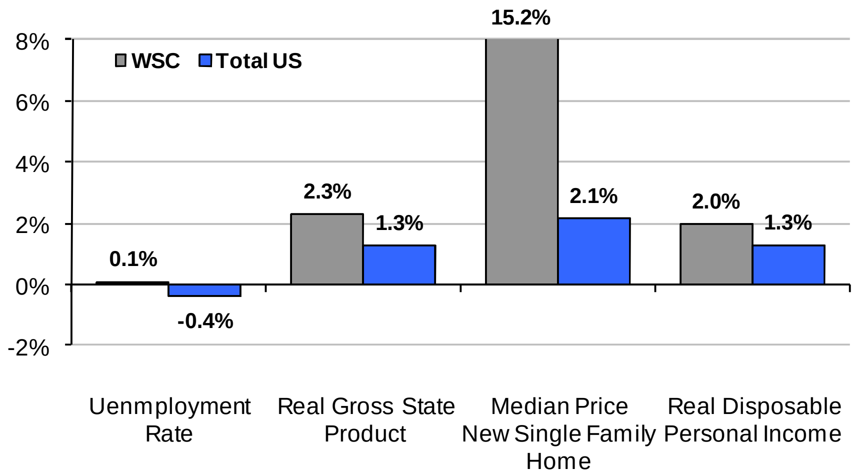
Real gross regional product growth over the past four quarters in the WSC region is expected to exceed national output growth (2.3 percent versus 1.3 percent). Likewise, the expected two percent annual increase in real disposable personal income is anticipated to outperform disposable income growth on a national level (two percent versus 1.2 percent).

The housing market has been up and down, but expectations for the median price of new single-family homes in the last quarter of the year are positive. The region's median price of new single-family homes is projected to grow by 15.2 percent in the fourth quarter of 2011 relative to the previous year.

CHART 9A

YOY GROWTH, 2010Q4 TO 2011Q4

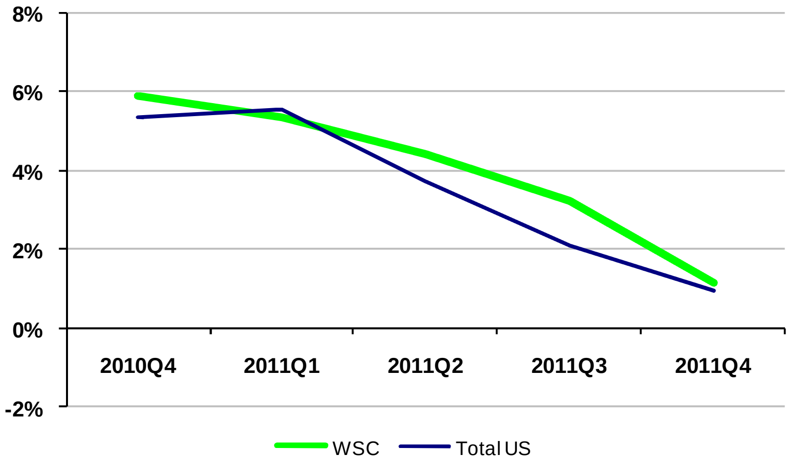
WEST SOUTH CENTRAL AND UNITED STATES



Source: IHS Global Insight

While the economic conditions in the WSC region are better than in most of the other census regions, the WSC recovery has admittedly slowed over the last year. However, after three consecutive years of below-average travel volumes and the 15 percent decline in regional gas prices over the last several months, there is sufficient pent-up demand to expect an increase in total-person trips coming from the WSC region this Thanksgiving holiday relative to Thanksgiving 2010.

CHART 9B
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
YOY % CHANGE



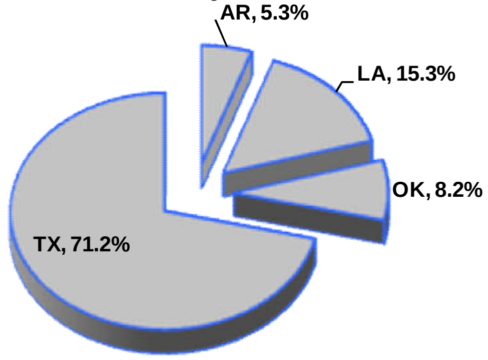
Source: IHS Global Insight

In addition to the originating travel forecast of person-trips from the West South Central region, the following information provides a look into the state of the local tourism industry in the region. In general, because the majority of travel occurs by automobile and remains within regional borders, regional travel ties closely with the output generated by that region's leisure and hospitality industry.

The WSC recovery in real gross state product from the leisure and hospitality industry (the value of goods and services produced by the leisure and hospitality industry) commenced in the fourth quarter of 2010, and the region has benefitted from one of the faster growth recoveries among all census regions. In the fourth quarter of 2011, the WSC region is expected to witness annual tourism output growth of 1.2 percent (national figure for comparison is one percent).

Texas accounts for nearly three-quarters of tourism output in the West South Central region. Arkansas accounts for the smallest share with just 5.3 percent of tourism industry output in the WSC region.

CHART 9C
REAL GROSS PRODUCT -- LEISURE & HOSPITALITY
WEST SOUTH CENTRAL REGION MAKEUP BY STATE,
2011Q4



Source: IHS Global Insight

Thanksgiving 2011 Holiday Traveler Profile Survey Methodology

The *Holiday Traveler Profile* study, conducted by D.K. Shifflet and Associates, surveys holiday travelers regarding their planned holiday travel including planned party composition, travel distances, trip expenditures, and activity participation. For the Thanksgiving 2011 holiday, the survey was in the field during October 10–14, 2011, and 543 respondents were interviewed in detail about their holiday plans. This panel was designed to yield survey responses that are statistically significant at the national level.[1] Although we report detail for individual census regions, the reader should be aware that the census-region-level results are not generally statistically significant and margins of error are generally large.

Those census region-level responses that do differ significantly from national responses are flagged with asterisks, as in the example below from our Memorial Day 2010 report:

Party Composition Memorial Day 2010 (example)

	One Adult	Two Adults	Three or more Adults	Families
Total US	**21%**	**33%**	**19%**	**27%**
New England	11%	10%*	26%	53%
Middle Atlantic	7%	19%	15%	60%*
South Atlantic	30%	33%	23%	14%
East North Central	39%	17%	23%	21%
East South Central	27%	23%	15%	35%
West North Central	6%*	17%	28%	49%
West South Central	16%	39%	20%	24%
Mountain	26%	52%	10%	13%
Pacific	13%	67%*	14%	6%*

** Indicates estimate differs from estimate for Total US with 99 percent confidence or greater.*

Source: D.K. Shifflet & Associates, Ltd.
Numbers may not add due to rounding.

In the above example, note that the percent of New England respondents planning to travel as a party of "Two Adults" is listed as "10 percent*". As the footnote below the table states, the asterisk indicates that the New England estimate differs from the Total US estimate with 99 percent confidence or greater. In other words, if the actual proportion of New England residents traveling in a party of two adults were the same as the actual proportion of US residents traveling in a party of two adults, there would be a one percent or lower chance of seeing a difference as large as the difference observed in this survey (10 percent for New England versus 33 percent for Total US). Therefore, it is unlikely—though not impossible—that this difference is reflective of random sampling error.

Although we will focus primarily on national responses, our commentary on the *Holiday Traveler Profile* tables may call out certain regional responses of interest. When we discuss a regional response, we will generally avoid highlighting responses with large margins of error. For example, the margin of error for the share of New England residents travelling in parties with two adults is +/-14 percent, meaning that the share could be as high as 24 percent. As such, we would either avoid highlighting that result or provide the margin of error to the reader for appropriate statistical context.[2]

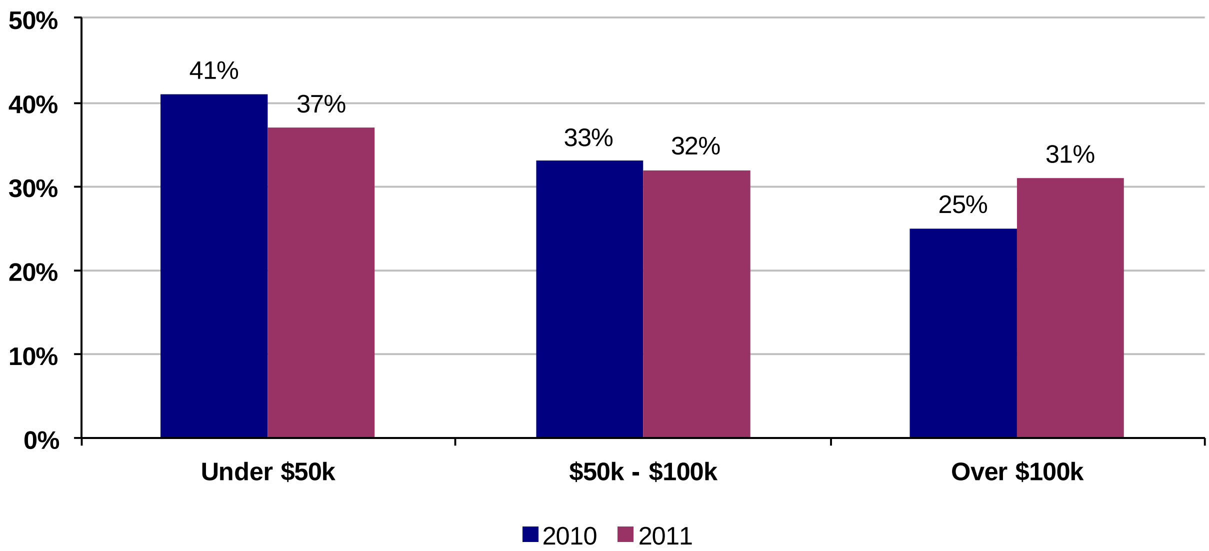
[1] Specifically, the margin of error for each binary response question is, at most, about 6 percentage points, with 99% confidence.

[2] This +/-14% margin of error reflects a 99% confidence interval based on a t-distribution.

Change in the Average Thanksgiving Traveler

The economic outlook for the upcoming holiday period remains consistent with the story seen for most of the year, where sluggish economic growth is partly offset by consumer pessimism and uncertainty. With a consistent macro-economic theme, it's not surprising that there has also been a consistent change throughout the year in the demographics for the types of families planning to travel and Thanksgiving travelers are following that trend. The chart below highlights this by showing the change in income distribution of those intending to travel this holiday, taken from the *Holiday Traveler Profile* survey. As has been the case in our previous holiday reports, those households making less than $50k are expected to make up 37 percent of all travelers this year, down from 41 percent in 2010. Conversely, households making over $100k will make up 31 percent of holiday travelers this year versus 25 percent in 2010.

CHART 7
HOUSEHOLD INCOME DISTRIBUTION OF INTENDING TRAVELERS
THANKSGIVING 2011 AND 2010 HOLIDAY
TOTAL US



Travel Distances

Travelers intend to journey an average of 706 miles round-trip this upcoming Thanksgiving, which is a decline of 13.5 percent from last year when travelers planned to log an average of 816 miles. The distribution among mileage categories is extremely balanced, with every category receiving between 14 percent and 19 percent share of intended travelers. However, the average number of miles does vary by region. The West South Central region plans to average 959 miles round-trip this Thanksgiving, with nearly half of travelers expecting to travel over 700 miles. The East North Central region, on the other hand, plans to stay relatively close to home and average just 527 miles round-trip during the holiday, with nearly one-third of all travelers expecting to travel less than 150 miles round trip.

"Last year we traveled to Chicago and stayed with a friend. This year, we are travelling to Las Vegas and staying in a hotel and dining out."

Pacific Respondent

TABLE 8
EXPECTED ROUND-TRIP DISTANCE TRAVELED
THANKSGIVING 2011 HOLIDAY
TOTAL US AND BY REGION OF RESIDENCE

	50-150 miles	151-250 miles	251-400 miles	401-700 miles	701-1500 miles	Over 1500 miles	Average Miles
			(Percentage of Travelers)				
Total US	17%	17%	16%	14%	19%	16%	706
New England	21%	25%	24%	12%	5%*	13%	627
Middle Atlantic	13%	17%	11%	23%	12%	23%	656
South Atlantic	14%	7%	33%	11%	17%	18%	740
East North Central	32%	20%	9%	7%	20%	12%	527
East South Central	11%	13%	25%	16%	24%	11%	626
West North Central	13%	26%	11%	31%	11%	8%	596
West South Central	18%	20%	4%*	10%	27%	21%	959
Mountain	15%	8%	7%	25%	33%	13%	900
Pacific	19%	23%	13%	7%	20%	19%	647

** Indicates estimate differs from estimate for Total US with 99 percent confidence or greater.*
Measures of statistical confidence are not available for differences between regional and Total US average miles traveled.

Source: D.K. Shifflet & Associates, Ltd.
Numbers may not sum due to rounding

Total Spending

The median *Holiday Traveler Profile* respondent expects to spend $554 this upcoming holiday period, which is nearly 12 percent higher than the expected median spending of $495 from intending travelers in 2010. The Thanksgiving holiday is a less expensive holiday compared to other travel holidays because of its emphasis on the gathering of friends and family. Travelers typically plan to spend less during their Thanksgiving trip relative to other holidays.

Total spending can be roughly grouped into the following categories: transportation spending and spending occurring at the travel destination including lodging, food and beverages, shopping, and entertainment. Transportation spending accounts for roughly 33 cents of the traveler dollar, while other categories make up the remaining 67 cents of the holiday dollar. Travelers plan to spend 18 percent of their budget on shopping, which is not surprising given that Black Friday is traditionally the largest shopping day of the year.

"This is a bigger/more elaborate trip for us this year."

ENC Respondent

TABLE 9
MEDIAN EXPECTED TOTAL TRIP SPENDING AND AVERAGE EXPECTED SHARES OF BUDGET BY CATEGORY
THANKSGIVING 2011 HOLIDAY
TOTAL US AND BY REGION OF RESIDENCE

	Total US	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Median Total	**$554**	**$401**	**$517**	**$421**	**$305**	**$894**	**$584**	**$462**	**$621**	**$906**
Fuel Transportation	14%	17%	12%	12%	22%	11%	23%	14%	13%	14%
Other Transportation	19%	15%	32%	15%	11%	20%	11%	16%	26%	20%
Accommodations	16%	15%	11%	20%	16%	17%	17%	20%	13%	14%
Food & Beverages	18%	20%	18%	24%	18%	17%	18%	16%	19%	16%
Shopping	18%	20%	15%	17%	19%	22%	21%	13%	18%	16%
Entertainment/Recreation	12%	10%	11%	10%	12%	9%	9%	16%	10%	14%
Other	3%	3%	1%	2%	2%	4%	1%	4%	2%	5%

** Indicates estimate differs from estimate for Total US with 99 percent confidence or greater.*
Measures of statistical confidence are not available for differences between regional and Total US median total expenditure.
Source: D.K. Shifflet & Associates, Ltd.
Numbers may not add due to rounding.

Chart 10 illustrates the average expected shares of budget by category for 2011. Chart 11 shows the change in budget distribution from Thanksgiving 2010 to Thanksgiving 2011.

Chart 10
US 2011 Thanksgiving Spending
Distribution by Category

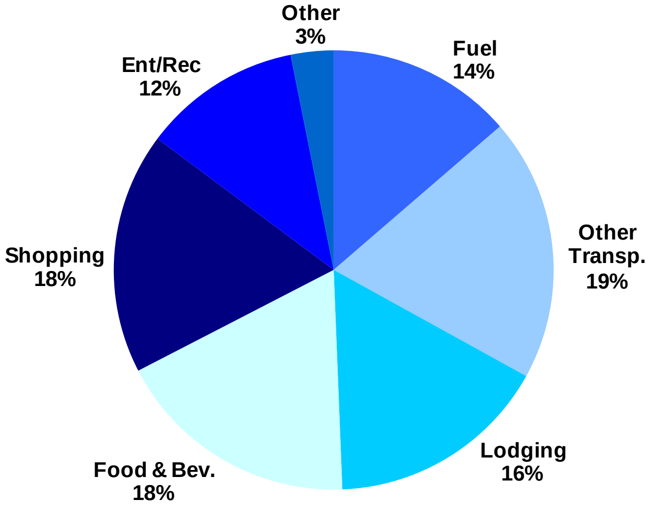
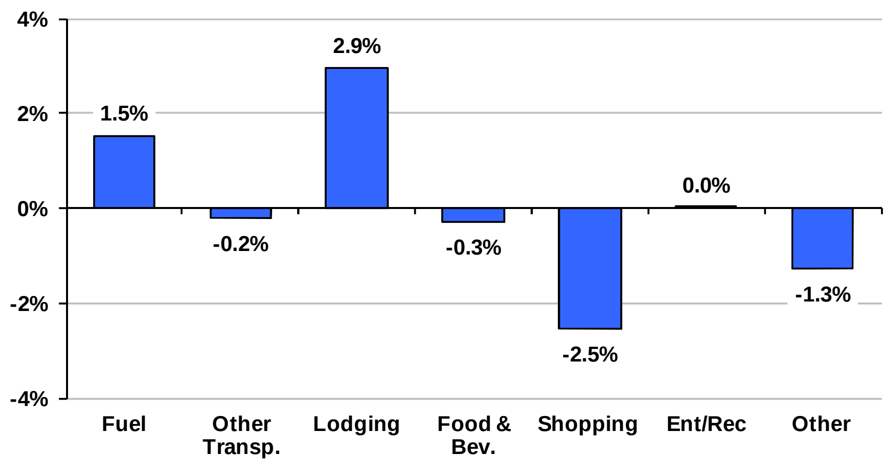


Chart 11
Total US Thanksgiving Spending
Change in Budget Share From 2010 to 2011



Source: D.K. Shifflet & Associates, Ltd.

Party Composition

For Thanksgiving 2011, the most common expected travel party (34 percent) is a party composed of two adults. About 22 percent expect to travel as just one adult, and 28 percent of respondents expect to travel with family this Thanksgiving holiday travel period.

TABLE 13
PARTY COMPOSITION
THANKSGIVING 2011 HOLIDAY
TOTAL US AND BY REGION OF RESIDENCE

	One Adult	Two Adults	Three or more Adults	Families
Total US	**22%**	**34%**	**14%**	**28%**
New England	23%	26%	36%*	15%
Middle Atlantic	36%	39%	7%	19%
South Atlantic	10%	35%	11%	44%
East North Central	27%	24%	17%	32%
East South Central	24%	38%	12%	26%
West North Central	30%	41%	8%	21%
West South Central	33%	25%	16%	25%
Mountain	24%	46%	14%	15%
Pacific	11%	41%	19%	29%

** Indicates estimate differs from estimate for Total US with 99 percent confidence or greater.*

Source: D.K. Shifflet & Associates, Ltd.
Numbers may not add due to rounding.

Activities

For many Thanksgiving travelers, the Thanksgiving holiday is about reconnecting with friends and family, and it is, therefore, no surprise that the vast majority of respondents include visiting with friends and relatives as well as dining as an expected activity during their trip this holiday period.

The only other activity that more than one-quarter of travelers intend to do is shopping, which is not surprising given that Black Friday occurs during the holiday weekend and is the largest shopping day of the year.

"Will be doing more sightseeing and will meet with other members of the family."

Middle Atlantic Respondent

TABLE 14
EXPECTED PRIMARY ACTIVITIES
THANKSGIVING 2011 HOLIDAY
TOTAL US AND BY REGION OF RESIDENCE

	Total US	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
Visit with friends/relatives	68%	76%	74%	68%	62%	66%	73%	72%	67%	58%
Dining	60%	59%	65%	61%	57%	66%	58%	51%	72%	47%
Shopping	49%	59%	41%	42%	40%	64%	51%	38%	49%	53%
Touring/sightseeing	25%	19%	27%	29%	10%*	22%	23%	18%	43%	31%
Visit historic sites	18%	15%	13%	18%	6%	28%	16%	20%	10%	16%
Watch sporting events	18%	41%	8%	23%	13%	17%	14%	19%	13%	24%
Go to beach/waterfront	16%	6%	12%	7%	6%*	24%	7%	15%	27%	23%
Night Life	13%	19%	9%	11%	9%	17%	7%	11%	7%	23%
Visit museums, art exhibits, etc.	13%	10%	13%	7%	13%	17%	4%	17%	17%	13%
Visit national or state parks	11%	2%	10%	14%	3%	15%	13%	16%	9%	8%
Hike, bike, etc.	10%	14%	6%	7%	6%	12%	6%	6%	19%	14%
Attend festivals, craft fairs, etc.	9%	11%	10%	2%	1%	12%	5%	11%	18%	12%
Gambling	9%	3%	6%	5%	6%	9%	9%	15%	5%	17%
Attend concerts, plays, dance, etc.	8%	10%	8%	5%	5%	5%	15%	5%	7%	17%
Spa	5%	7%	3%	5%	0%	7%	2%	2%	10%	5%
Look at real estate	5%	41%*	4%	4%	2%	4%	0%	8%	0%	11%
Visit theme/amusement parks	4%	3%	0%	6%	2%	2%	1%	11%	3%	5%
Hunt, fish, etc.	4%	0%	0%	3%	1%	3%	6%	11%	4%	3%
Play golf	4%	2%	0%	1%	1%	2%	4%	17%	4%	6%
Observe & conserve nature/culture -	3%	4%	2%	0%	0%*	5%	2%	2%	2%	9%
Boat/sail	2%	0%	1%	2%	0%	3%	1%	1%	0%*	5%
Compete in sporting events	1%	6%	0%	1%	1%	0%	3%	0%	4%	0%
Attend show: boat, car, home, etc.	1%	0%	0%	0%	1%	2%	0%	0%	2%	6%
Snow ski, snow board, other	1%	1%	0%	2%	0%	0%	2%	0%	2%	5%
Other	5%	4%	8%	2%	2%	7%	2%	2%	6%	8%

** Indicates estimate differs from estimate for Total US with at least 99 percent confidence or greater.*

Source: D.K. Shifflet & Associates, Ltd.
Numbers may not add due to rounding.

As described previously in the report, the expectations for holiday travel this Thanksgiving are expected to vary from last year in that distance traveled is expected to be less while spending is expected to increase. The increase in spending can be seen in the increase in dining, touring and watching sporting events but comes despite and expected decrease in those expected to shop during the holiday, although the total numbers for that activity remain high. Overall, the expected activities are fairly consistent with 2010, as only visiting with friends and families and going to the beach see a change in expectations of more than five percent.

TABLE 15
VARIANCE IN EXPECTED PRIMARY ACTIVITIES
THANKSGIVING 2011 HOLIDAY
COMPARED TO THANKSGIVING 2010 HOLIDAY

Expected Primary Activities	2011	2010	Variance
Visit with friends/relatives	68%	75%	-7%
Dining	60%	57%	3%
Shopping	49%	53%	-4%
Touring/sightseeing	25%	21%	4%
Visit historic sites	18%	23%	-5%
Watch sporting events	18%	15%	3%
Go to beach/waterfront	16%	22%	-6%
Night Life	13%	13%	0%
Visit museums, art exhibits, etc.	13%	15%	-2%
Visit national or state parks	11%	11%	0%
Hike, bike, etc.	10%	11%	-1%
Attend festivals, craft fairs, etc.	9%	12%	-3%
Gambling	9%	8%	1%
Attend concerts, plays, dance, etc.	8%	8%	0%
Spa	5%	3%	2%
Look at real estate	5%	5%	0%
Visit theme/amusement parks	4%	4%	0%
Hunt, fish, etc.	4%	5%	-1%
Play golf	4%	4%	0%
Observe & conserve nature/culture - Eco-Travel	3%	1%	2%
Boat/sail	2%	5%	-3%
Compete in sporting events	1%	2%	-1%
Attend show: boat, car, home, etc.	1%	1%	0%
Snow ski, snow board, other snow/ice sports	1%	1%	0%
Other	5%	7%	-2%

The Impact of the Economy on Travel Plans

The economy is inching its way along on a path to recovery, and Americans are, on average, slightly better off this year than last year. However, there is a level of uncertainty and pessimism regarding the state of the economy from consumers that is evident in the consumer confidence and consumer comfort surveys. Therefore the *Holiday Traveler Profile* also asked intending travelers if the ongoing uncertainly about the economic recovery was impacting their likelihood to travel.

"'I've already made plans for 2011 Thanksgiving that cost a lot more than what I did last year."

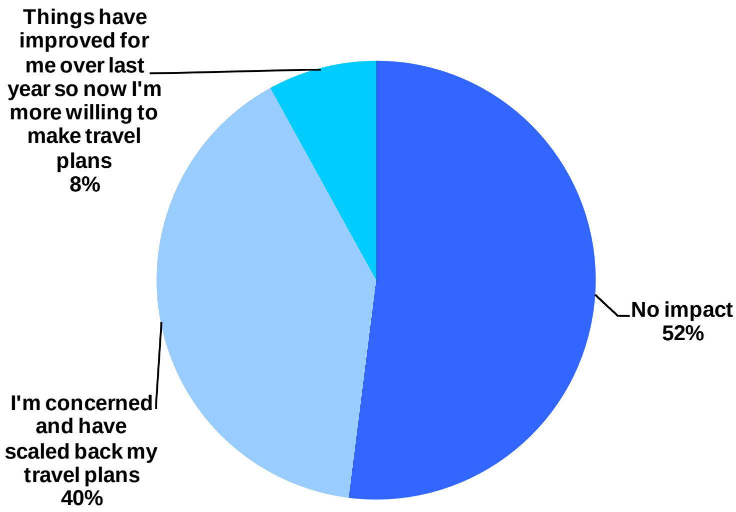
WNC Respondent

It was interesting to see that despite high levels of concern seen in the national economic surveys, intending travelers seem comfortable with the state of the economy with respect to their travel plans, as 60 percent of intending travelers feel the uncertainty has either no impact or that they feel like things have improved for them. The remaining 40 percent do state an intention to scale back travel plans but in light of the current economic conditions, this is still a positive sign for the industry and an additional reminder of just how important traveling is to the American people.

HOW HAS THE ONGOING UNCERTAINTY ABOUT THE ECONOMIC RECOVERY IMPACTED YOUR LIKELIHOOD TO TRAVEL?:

- **THINGS HAVE IMPROVED FOR ME OVER LAST YEAR SO NOW I'M MORE WILLING TO MAKE TRAVEL PLANS**
- **I'M CONCERNED AND HAVE SCALED BACK MY TRAVEL PLANS**
- **NO IMPACT**

CHART 13
HAS ECONOMIC UNCERTAINTY IMPACTED TRAVEL PLANS



Source: D.K. Shifflet & Associates, Ltd.

Addendum 1: US Economic Forecast Summary: Outlook Darker Despite Better Third-Quarter Growth

PUBLISHED 10/6/2011

The U.S. economy is keeping its head above water, for the moment, despite the bad news coming from Europe. The Euro Zone is expected to fall into at least a mild recession during the fourth quarter. That hurts the United States by weakening export demand, reducing corporate earnings, and strengthening the dollar. Incoming evidence suggest that third-quarter GDP growth showed a substantial improvement over the first half; and we now expect a 2.4% annual increase, double what was expected last month. The key area doing better is business fixed investment, which is growing at a 14.6% annual rate, compared to 7.2% last month. While this is an encouraging sign, in the light of anemic consumer spending growth, flat-lining housing activity, and a prospective slowdown in export growth, such a strong pace of growth in business fixed investment is not expected to be maintained.

Third-Quarter Growth Improves; Fourth Quarter Looks Worse. Most signals suggest that the third quarter began much more strongly than it ended, and GDP growth is expected to weaken again to 1.0% in the fourth quarter. A very sluggish, but modestly improving, growth pattern is forecasted for 2012. While the 2011 growth forecast has been upgraded from 1.5% to 1.7%, the 2012 forecast has been downgraded from 1.8% to 1.4%.

Recession or Not? The forecast remains for a weak growth outlook, not a full recession, but the recession odds are at 40% because weak momentum leaves the economy vulnerable to shocks, of which a worsening Euro Zone crisis is the most obvious but not the only risk. Consumer spending continues to hold up better than sentiment would suggest, judging by better September vehicle and chain-store sales. The major business activity indexes are not yet in recession territory. And amidst a litany of gloomy news from the financial markets, consumers can take heart from one development: a sharp drop in oil prices in response to weakening global growth, which is expected to take gasoline prices down below $3.25/gallon by the holidays.

More Domestic Flashpoints Ahead. More domestic political flashpoints are looming. The present continuing resolution funding fiscal-year 2012 spending expires on November 18, and the threat of a government shutdown will loom if spending details cannot be agreed upon. And by November 23, the congressional super committee is scheduled to present its budget proposals. We do not see how the super committee can produce something that will command general assent. The "punishment" for no agreement—severe spending cuts heavily concentrated in defense—is simply too far off in the future (January 2013) to be effective. Neither a government shutdown nor a super committee impasse matches failure to raise the debt ceiling in potential impact, but either would reinforce public disenchantment with the political process and give another reason not to take economic risks by spending or hiring.

Fed Will Do More, But Its Powers Are Limited. The Federal Reserve has already used up its prime ammunition. It has embarked upon a $400-billion "twist" operation aiming to drive down long-term bond yields, and we assume that the Fed will eventually introduce a QE III program of similar size to QE II ($600 billion). We do not believe, however, that either operation will give much support to growth.

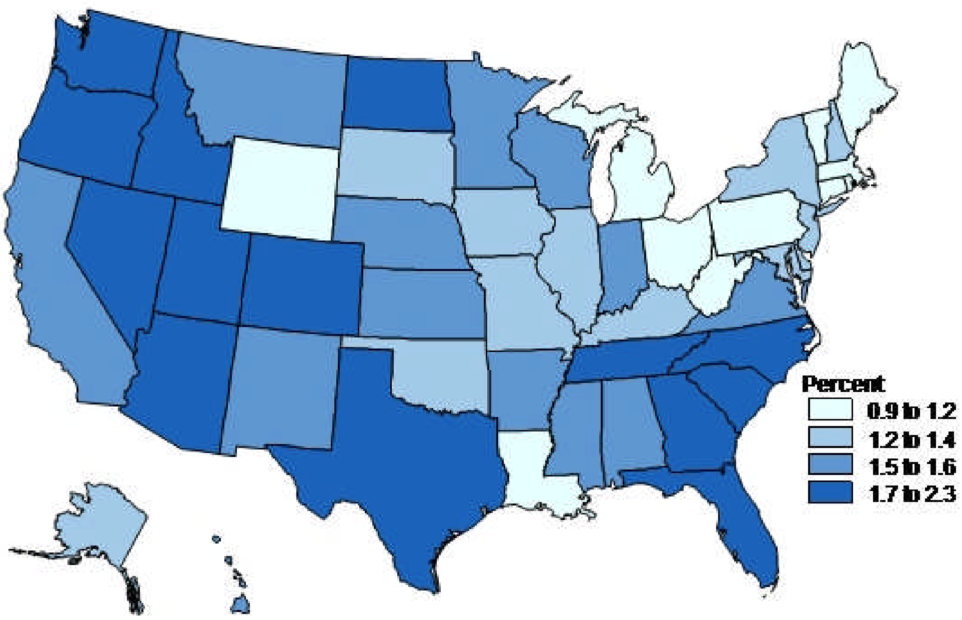
Addendum 2: US Regional Forecast Summary: A Summer Slowdown

PUBLISHED 9/9/2011

The national recovery slowed to a crawl this summer, and our near-term U.S. forecast has been downgraded significantly. We do not anticipate a return to recession, but now expect no second-half boost in 2011. With slower near-term job gains, unemployment will remain painfully high for some time - at year-end 2011, nine states will still experience double-digit unemployment rates. Meanwhile, real GSP growth will be sharply lower than projected this past July. The state median real GSP growth shrank from 2.1% in the July forecast to 1.3% in our August forecast. Similarly, in 2012, the state median of 2.5% declined in this forecast to 1.9%.

There was some good news from the housing data, but unfortunately this is only a short-term trend. Data released by the Federal Housing Finance Authority (FHFA) for the second quarter of 2011 indicate that home prices took a turn for the better across much of the nation. However, even though the widespread price gains come as a welcome development, it is not clear that price appreciation is sustainable, given the obstacles in the current economic climate. First, demand for homes is weak at a time that mortgage rates are at all-time lows. Second, foreclosure/delinquency rates remain elevated, and some of the recent improvements in the foreclosure situation are partially attributable procedural issues in the legal system as opposed to economic issues, and could therefore pick up again in the near future. In addition, our outlook for the second half of the year points to a further deceleration in economic growth for much of the United States. If state economies were to lose more steam, unemployment would rise again, pushing up delinquency and foreclosure rates, discouraging home demand, and quickly reversing the recent gain in house prices.

Employment Growth, 2011–17
(Average annual percent change)



A Glimmer of Hope in Exports

According to the Census Bureau's origin-of-movement international trade release, 49 states registered year-over-year export gains during the second quarter of 2011. The weak dollar, high commodity prices, and fast growth in emerging markets all contributed to these favorable results, which was welcome news amidst the negative data that seems so pervasive as late.

While performance varied across export products, growth was widespread, with merchandise value ticking higher in every major export sector. Commodity-based exports did especially well; the major food/energy sectors—agricultural products, petroleum/coal, minerals/ores and oil/gas—contributed 33% of the total change in merchandise value in the second quarter even though they make up just 14% of total exports. Meanwhile, the nation's four largest sectors—transportation equipment, chemicals, computer/electronics, and machinery—account for half of total merchandise value, but made up just 34% of the second-quarter growth. As a result, states highly leveraged in commodity-related shipments outperformed other states by a wide margin.

To that point, merchandise values in Louisiana, West Virginia, North Dakota, and Alaska expanded by more than twice the national average, spurred by surging growth in their large mineral and ores (West Virginia, Alaska), petroleum and coal (Louisiana), and oil and gas (North Dakota) industries. Outside of these resource states, merchandise value in major markets New York and Illinois jumped by more than 25%, due in part to the primary metals and machinery industries, respectively. Across the nine Census regions, the commodity-rich West South Central performed best (up 27%) while New England lagged (up only 9.0%). New England's three largest export markets—Massachusetts, Connecticut, and New Hampshire—were hampered by lackluster demand from European nations; struggling sectors included transportation equipment (Connecticut) and computer and electronics (Massachusetts and New Hampshire).

The U.S. economy is navigating this year on shaky legs, so foreign trade will be a crucial engine for state job growth. Exports support local manufacturers and transportation/warehousing activity. We expect weaker global growth over the rest of the year to have a cooling effect on international trade. While the pace will decelerate from the impressive rates registered over the first half of 2011, growth will still be strong and one of the few bright spots for state and regional economies over the near term.