Memorial Day trips signal busy vacation season

By Anna-Louise Jackson, BloombergBusiness

Memorial Day could kick off a busy summer for travel, as low gasoline prices and an improving job market are fueling vacation-planning.

About 37.2 million Americans will travel 50 miles or more from home during this holiday weekend, the most in 10 years, according to AAA. This 4.7 percent projected increase from 2014 includes trips by car, air, cruise, train and bus in the May 21-25 period.

Memorial Day provides “a good indication of what’s ahead” because the holiday marks the unofficial start of the peak vacation season, said Julie Hall, a spokeswoman for the largest U.S. motoring association. This “very positive forecast” should continue throughout the rest of the summer, she said.

Such optimism is echoed by hotel chain La Quinta Holdings Inc., which sees “very strong demand” for lodging during the Memorial Day weekend, CEOWayne Goldberg said on an April 29 conference call. If so, that would defy recent measures of consumer confidence that suggest Americans are growing more pessimistic about the economy. The University of Michigan preliminary index of sentiment dropped in May by the most in two years. At the same time, households still held relatively upbeat views on incomes.

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