



MPI Business Barometer

August 2011

A Bimonthly Quantitative Perspective of
the Global Business of Meetings and Events

A Supportive Property of **FutureWatch 2011**



In partnership with



August 2011: Economic Unrest

Turbulence in the financial sector has cast doubt on the stability of economies worldwide. Meeting professionals put anxiety about hotel fees aside and voiced their concerns about debt crises in both Europe and the U.S.

TOP TRENDS

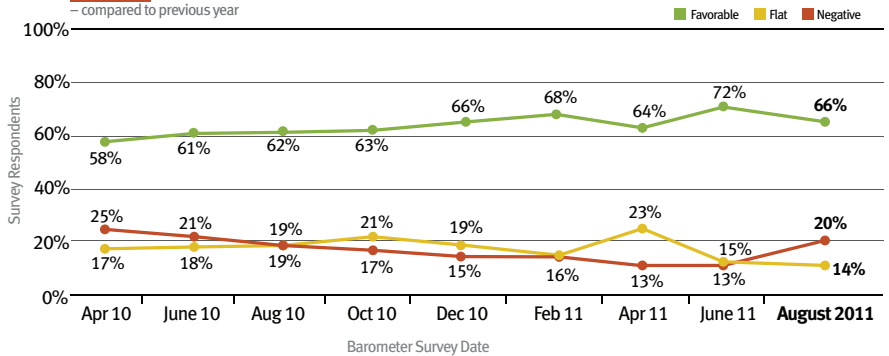
U.S. Economic Uncertainty	↑6%	June 2011: 13% Aug 2011: 19%
Global Economic Uncertainty	↑14%	June 2011: 1% Aug 2011: 15%
U.S. Fuel and Airfare Increases	↓12%	June 2011: 21% Aug 2011: 9%
Loss of Confidence in U.S. Congress	↑7%	June 2011: - Aug 2011: 7%
Shorter Lead Times	↓5%	June 2011: 11% Aug 2011: 6%
Low Budgets (mostly government)	↓3%	June 2011: 9% Aug 2011: 6%

TOP HEADLINES

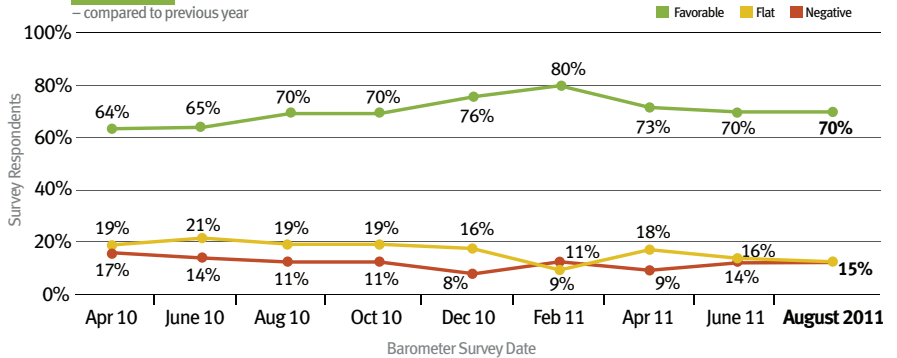
- » The U.S. debt-limit stalemate and subsequent stock market volatility has resulted in a surge of uncertainty about future business.
- » Rising airfares are taking a negative toll on organizations planning long-distance travel.
- » Full-time employment growth is high, but it is not as brisk as in June.
- » Europe reports an increased part-time employment rate.
- » Current and projected business levels in the U.S. remain in positive territory, but not quite as positive as in June.
- » Attendance levels remain consistently higher than year-ago levels.
- » Spending per meeting continues to show slight growth.
- » Greatest increases in U.S. events continue to be domestic corporate and domestic association for the sixth month in a row.
- » Greatest increases in European events are domestic corporate and international corporate, for the sixth month in a row.
- » Greatest declines in both U.S. and European events are in government, for the sixth month in a row.

CHARTS

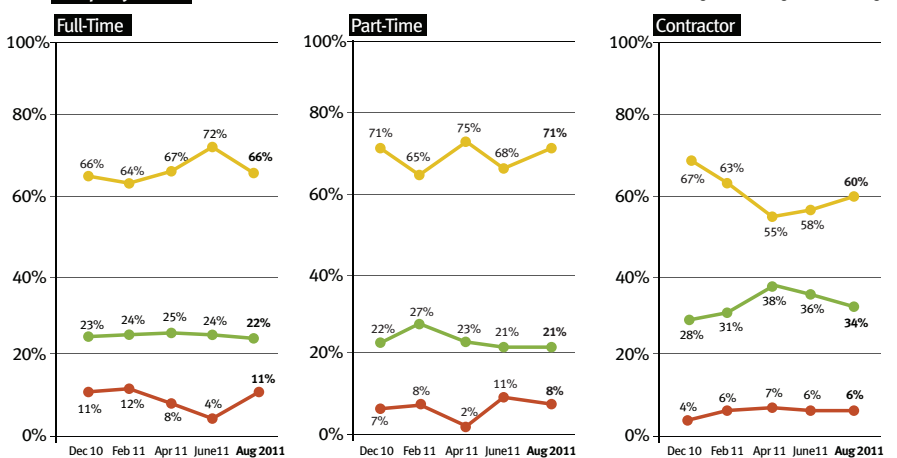
Current Business Conditions



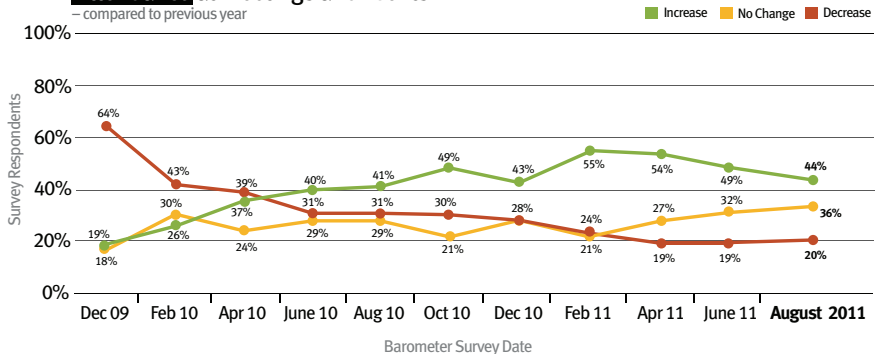
Predicted Business Conditions



Employment Trends



Attendance at Meetings and Events





01 Please identify which segment of the meeting and event industry best describes your current primary career focus.

Meeting and Event Industry Planner	60%
Meeting and Event Industry Supplier	40%
Total	100%

02 How do your organization's current overall meetings and events business conditions compare to last year at this time?

Greater than 10% better	14%
6 to 10% better	23%
1 to 5% better	30%
Flat (no overall change)	13%
1 to 5% worse	12%
6 to 10% worse	5%
Greater than 10% worse	3%
Total	100%

03 Compared to one year ago, describe your organization's predictions of meeting and event-related business conditions over the next few months.

Greater than 10% better	9%
6 to 10% better	23%
1 to 5% better	38%
Flat (no overall change)	15%
1 to 5% worse	9%
6 to 10% worse	4%
Greater than 10% worse	2%
Total	100%

04 To what extent have rising travel costs forced or caused you to change the way your business operates?

To a Significant Extent	4%
To a Moderate Extent	46%
To No Extent	50%
Total	100%

05 Compared to one year ago, which client segment of your organization's meeting and event-related business has seen the greatest increase in activity?

Domestic association	22%
International association	8%
Domestic corporate	44%
International corporate	16%
Government	5%
Other	5%
Total	100%

06 Compared to one year ago, which client segment of your organization's meeting and event-related business has seen the greatest decrease in activity?

Domestic association	12%
International association	12%
Domestic corporate	21%
International corporate	15%
Government	33%
Other	7%
Total	100%

07 How has your spending changed on meetings and events, compared to a year ago this time?

Greater than 10% increase	2%
6 to 10% increase	11%
1 to 5% increase	22%
Flat (no overall change)	42%
1 to 5% decrease	15%
6 to 10% decrease	5%
Greater than 10% decrease	3%
Total	100%

General Impressions

The new headline: A renewed lack of confidence in global economies following U.S. Congressional gridlock in early August over the debt limit and subsequent volatility in world stock markets. While projections of future business did not change following these events, meeting professionals around the world overwhelmingly began indicating "economic uncertainty" as the most important factor influencing the meeting industry, replacing "rising travel costs."

Following the resolution of the U.S. budget debate, 69 percent of meeting professionals considered the U.S. Congress, the U.S. economy or the global economy as the most influential trend on meetings. Prior to that, only 23 percent had these concerns. Overall, 41 percent of meeting professionals ended up indicating at least one of the factors as most important.

Several trends that appeared to emerge in June were left aside in the wake of economic drama. Hotel add-on and service charges were not mentioned in August. The confidence in the U.S. economic system, which was indicated in June 2011, reversed in August. And concerns over perceived negative trends in Asia were not mentioned.

On The Job

Employment continues to strengthen, but the rate of that increase is not as great as it was in June. Europe and the U.S. both indicate growth in full-time, part-time and contract employment. And the number of companies hiring employees has grown steadily for the past 14 months. Once again, contract and full-time jobs show the strongest U.S. employment growth; in Europe, it's contract and part-time employment.

In The Market

Current business conditions continue to improve, but at a slightly slower rate than June. Similarly, predicted business conditions also continue to rise, but at a slightly slower pace. Two-thirds (66 percent) of respondents say that business conditions are favorable, down from 73 percent in June, but still above April's 63 percent. U.S. and European respondents both indicate net improvements in current business levels between 4 percent and 5 percent over 2010.

Projected business levels remain high, showing an anticipated 4 percent improvement in the coming months. Some U.S. meeting professionals have lowered their projections

Respondents Say...

“The instability of Congress members and their perceived inability to act like adults or accomplish anything of significance is a severe drag on business optimism.”

“The U.S. stock market lost more than 600 points, the Asian and European markets posted losses and Standard and Poor's lowered its rating for U.S. government bonds. All this indicates that we will be lucky to make what we did last year.”

“Exorbitant ticket pricing will keep meetings close to home and cut travel.”

(though still positive) due to new uncertainties in the future of the global economy. This is the second increase in concern about economic stability since December.

What's Next

Potential trends in June took a back seat to economic uncertainty in August following the Congressional stalemate over the U.S. debt ceiling, and the ensuing global stock market volatility.

Why the MPI Business Barometer Exists

The MPI Foundation launched the *Business Barometer* in April 2008 to monitor the meeting industry's most immediate needs in relation to economic concerns and opportunities. Meeting professionals must understand how perceptions, realities and predictions of the future economy affect decision-makers.

Top-level executive members on the MPI Chairman's Advisory Council urged staff to begin this near-term study to help meeting professionals see what the collective membership is thinking, doing and planning based on actual and anticipated economic conditions.

Survey Approach

Every two months, research firm Association Insights surveys its Business Research Panel, a select group of senior-level meeting professionals from MPI's 23,000 international members, and asks a short series of quantitative questions related to the economy and a qualitative question regarding each individual's professional outlook. The survey provides a bi-monthly tracking of current business conditions and outlooks compared with actual business conditions and outlooks a year ago.

MPI developed the survey questions with guidance from the Chairman's Advisory Council, the MPI International Board of Directors, the MPI management team and Association Insights. The *Business Barometer* allows MPI to better gauge immediate business and economic conditions, enhancing its ability to enrich and focus its offerings to members and affects the organization's various research initiatives and its resource prioritization.

About MPI

Meeting Professionals International (MPI), the meeting and event industry's largest and most vibrant global community, helps its members thrive by providing human connections to knowledge and ideas, relationships and marketplaces. MPI membership is comprised of more than 23,000 members belonging to 71 chapters and clubs worldwide.

For additional information, visit www.mpiweb.org.

About Association Insights

Association Insights is a strategic research and consulting firm specializing in the needs of membership organizations. Since 2001, Association Insights has provided member retention, acquisition and satisfaction solutions to organizations of all sizes around the world.

For additional information, visit www.associationinsights.com.

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