



MPI Business Barometer

June 2011

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

A Supportive Property of **FutureWatch 2011**



In partnership with



June 2011: New Opportunities

Increasing employment and improving business conditions can't stave off concerns over how potential jumps in fuel and airfare costs, a floundering economy and even add-on hotel costs (such as Internet, parking, service and vendor fees) will affect the business of meetings and events.

TOP TRENDS

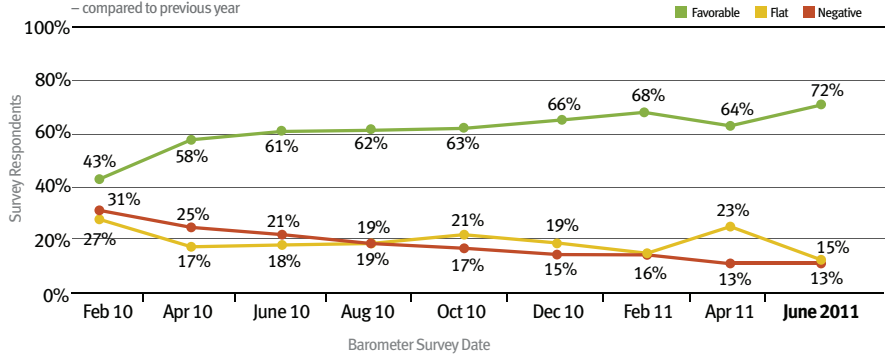
U.S. Fuel and Airfare Increases	-- --	Apr 2011: 21% June 2011: 21%
U.S. Economic Uncertainty	↑13%	Apr 2011: 0% June 2011: 13%
Shorter Lead Times	-- --	Apr 2011: 11% June 2011: 11%
Economic Improvements (mainly Europe)	↓5%	Apr 2011: 14% June 2011: 9%
Low Budgets (mostly government)	↑4%	Apr 2011: 5% June 2011: 9%
Hotel Add-On Charges	↑9%	Apr 2011: 0% June 2011: 9%
More Use of Technology	↓5%	Apr 2011: 9% June 2011: 4%
Association Attrition	↑3%	Apr 2011: 1% June 2011: 4%

TOP HEADLINES

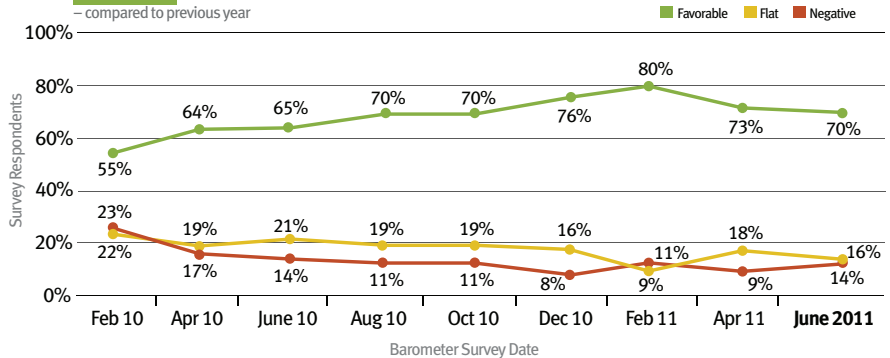
- » Fuel price and airfare increases continue to be highly significant concerns in the U.S. market
- » Europe continues to struggle with low budgets and government budget cuts, but regional economies continue to show signs of recovery and support higher event activity levels
- » US and European full-time employment gains continue to be similar, with both regions increasing at a significant rate.
- » While current and projected business conditions continue to be very positive, there is an early indication that increasing uncertainty about the U.S. economy may be slightly limiting projected business levels in the U.S.
- » Reported increases in attendance levels remain consistently higher than year-ago levels.
- » Spending per meeting continues to show signs of growth.
- » Greatest increases in the US continue to be Domestic Corporate and Domestic Association sectors for the fourth month in a row.
- » Greatest increases in the EU are Domestic Corporate and International Corporate sectors for the fourth month in a row.
- » Greatest declines in both the US and EU continue to be in the Government sectors, for the fourth month in a row.

CHARTS

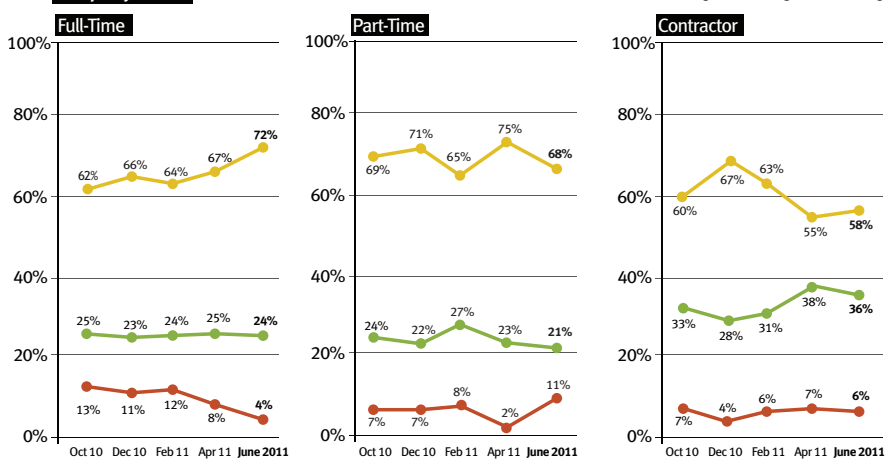
Current Business Conditions



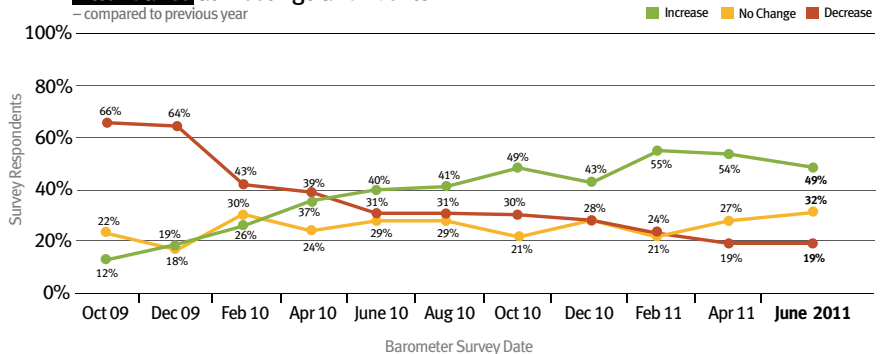
Predicted Business Conditions



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	47%
Meeting and Event Industry Supplier	53%
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	16%
6 to 10% better	22%
1 to 5% better	35%
Flat (no overall change)	14%
1 to 5% worse	3%
6 to 10% worse	6%
Greater than 10% worse	4%
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	19%
6 to 10% better	19%
1 to 5% better	32%
Flat (no overall change)	16%
1 to 5% worse	8%
6 to 10% worse	3%
Greater than 10% worse	3%
Total	100%

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

To a Significant Extent	6%
To a Moderate Extent	60%
To No Extent	34%
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	17%
International association	4%
Domestic corporate	52%
International corporate	21%
Government	3%
Other	3%
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	8%
International association	13%
Domestic corporate	24%
International corporate	16%
Government	37%
Other	2%
Total	100%

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

Greater than 10% increase	3%
6 to 10% increase	19%
1 to 5% increase	14%
Flat (no overall change)	48%
1 to 5% decrease	10%
6 to 10% decrease	6%
Greater than 10% decrease	0%
Total	100%

General Impressions

The U.S. concern over rising fuel and travel costs continues to headline trends. As in April, more than 20 percent of U.S. meeting and event professionals say they fear rising fuel and airfare costs will have a negative effect on face-to-face meetings volume. While the current effect is not significant, meeting and event professionals predict the continued high fuel and airfare costs will become an industry challenge.

In April, concerns over travel costs were restricted to U.S. meeting and event professionals. In June, a small percentage of European meeting and event professionals (3 percent) also expressed concern. Meanwhile, U.S. planners cited add-on hotel costs such as Internet, parking, service and vendor charges as a rising problem.

On the other hand, unease regarding the lack of Congressional agreement for the U.S. federal budget has abated, and European professionals no longer express worry of negative trends from the March 11 earthquake and tsunami in Japan.

On The Job

Employment for meeting and event professionals continues to strengthen. The Europe and U.S. regions both indicate continued growth in full-time, part-time and contract employment. And the number of hiring companies has grown steadily for the past 12 months. Strongest employment growth in the U.S. is in contract and full-time employment. European meeting and event professionals report strongest growth in contract and part-time employment.

In The Market

Current and predicted business conditions continue to improve at a faster rate than any time since the end of 2008. In June, 73 percent of *Business Barometer* respondents indicate current business conditions are favorable, up from 64 percent in April. U.S. and European respondents both indicate net improvements in current business levels between 3 percent and 4 percent.

Projected business levels remain high, showing an anticipated 4 percent improvement in the coming months. However, some U.S. meeting and event professionals have slightly lowered their projections due to uncertainty over the rate of economic recovery, the first

Respondents Say...

“Clients are keen to return to the same hotel and city for their meetings to avoid having to spend the additional time and money necessary for venue re-search and site inspections.”

“Higher gasoline prices may affect travel to our meetings.”

“Taxation and legislation are narrowing the scope of incentive trips.”

“Hotel prices are starting to climb.”

“We expect a slight rise of association business in the second half of 2011.”

“Showing ROI on education and events is even more important to attendees.”

rise in this concern since December. European and U.S. respondents also report a 1 percent increase in attendance, year-on-year.

What's Next

A possible new trend comes in the form of add-on hotel fees for a variety of services that were not separately billed in the past.

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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