

## ***RV Business Indicators***

**July 27, 2010**

**Prepared by Recreation Vehicle Industry Association**

### **RV Shipments and Sales Data**

- **2010 shipments.** June RV shipments reached 27,000 units, their highest level in more than two years. This marked the tenth consecutive month where shipments were greater than the same month one year earlier. The industry has shipped 136,000 units through the first six months of 2010, an increase of 87.1% from 2009. RV shipments are projected to total 230,300 in 2010, a gain of 39% from 2009 shipments, according to a new forecast by RV industry analyst and director of consumer surveys at the University of Michigan, Dr. Richard Curtin. Economic hazards such as poor job and income growth, lingering credit constraints and low consumer confidence could slow recovery.
- **2011 shipments forecast.** RV shipments in 2011 will rise to 249,700 units, an increase of 8.4% from the projected 2010 total, according to a forecast from Dr. Curtin. The pace of RV industry recovery is likely to be slower than recoveries from previous economic downturns because of lingering effects on the ability of consumers to purchase RVs. However, the desire to own RVs is as strong as ever, with basic demand rooted in family values, the enduring appeal of the natural environment, and people's desire to instill in the next generation their cherished traditions, according to Curtin.
- **Shipments history.** Shipments in 2009 totaled 165,700 units, down 30.1% from 2008 because of the economic downturn economists have dubbed the Great Recession. Manufacturers shipped 237,000 units in 2008, down 32.9% from 2007 due to the recession. After five consecutive years of record growth, RV shipments dropped 9.5 percent in 2007 as consumers postponed discretionary purchases because of early effects of the U.S. economic slowdown. Shipments totaled 353,400 — the fourth highest in the past quarter century. 390,500 RVs were shipped in 2006, the best annual total in the past 25 years. Total RV shipments in 2006 were 1.6 percent higher than 2005 — the fifth consecutive year shipments grew. For a historical chart showing RV shipments by year, go to: [RVIA Historical Glance](#).

### **RV Travel Trends**

- **RV ownership and travel is a great value.** The 2008 PKF Vacation Cost comparison study showed that a family of four can save 27-to-61% on vacation costs by traveling in an RV, after factoring in ownership costs and fuel. Even with higher fuel prices, more than 80% of RV owners say their RV vacations cost less than other forms of vacation.
- **Shorter trips close to home.** Research shows that RVers spend more time enjoying campgrounds and less on the road to save fuel. With more than 16,000 campgrounds nationwide, RVers also save by staying closer to home.
- **Fuel cost analysis.** Analysis of potential fuel cost increases shows that fuel prices would need to more than triple over current levels to make RVing more expensive for a family of four than other forms of travel. "While fuel costs are a component of the overall vacation cost, fluctuations in fuel prices aren't significant enough to affect a family's decision of whether or not to take RV trips over other types of vacations," said Kannan Sankaran, PKF's lead researcher for the study.

- **RV parks and campgrounds across the country report** that reservations in 2010 are running 5-10% better than they were in 2009, which was one of the best years for campgrounds despite the economic recession. Campgrounds had one of their best 4<sup>th</sup> of July weekends ever, according to the National Association of RV Parks and Campgrounds. Kampgrounds of America, the nation's largest campground company, recorded a record 4<sup>th</sup> of July weekend, with reservations up 11% from last year.

## **Other Factors Behind RV Industry Growth**

- **IRS tax deduction.** For most RV buyers, interest on their loan is deductible as second home mortgage interest.
- **RV manufacturers are innovating to give consumers an array of product choices.** Manufacturers are producing lightweight towables and smaller, fuel-efficient motorhomes. Green technologies such as solar panels and energy-efficient components are appearing on an increasing number of RVs.
- **Lifestyle trends continue to spur demand for RVs.** RV owners overwhelmingly said in recent surveys that their RV makes it easier to take more frequent weekend getaways or mini-vacations that accommodate busy family schedules.
- **Go RVing ads build demand.** Visits to GoRVing.com have risen more than 80% in 2010 as the industry continues its aggressive advertising campaign. The ads were updated with a new theme line, "Go Affordably. Go RVing." Four new television spots began airing in mid-February. Details: [GoRVing.com](http://GoRVing.com).

## **Indicators for Future Growth**

- **Population and demographic trends** favor long-term RV market growth. Buyers aged 35-54 are the largest segment of RV owners, according to the 2005 University of Michigan study commissioned by RVIA. The demographic tidal wave of prime RV buyers remains strongly in the strongest RV ownership age groups. Every day, 11,000 Americans turn 50, according to U.S. Census figures.
- **Boomers nearing retirement.** RV sales will benefit as aging baby-boomers continue to enter the age range in which RV ownership is highest. According to Dr. Richard Curtin, director of surveys at the University of Michigan, by the end of 2010, the number of consumers aged 50 to 64 will total 57 million — 38 percent higher than in 2000. Today one-in-10 vehicle-owning households in that age group own at least one RV.
- **RVs are attractive to young buyers.** The fastest growing group of RV owners is young people 18-34. Products such as sports-utility RVs, as well as the Go RVing campaign, have helped attract younger buyers.
- **RV ownership** has reached record levels. Approximately 8.3 million American households now own an RV — a 16 percent increase since 2001 and a 64 percent gain since 1980.
- **In 2010 the RV industry is celebrating** its 100<sup>th</sup> anniversary. A century ago, the popularization of the automobile, improving roads, and America's passion for exploration gave rise to mass-produced, manufactured recreation vehicles, and the RV industry was

born. Through war and peace, booms and busts, fuel lines, fads and the cyber revolution, the RV lifestyle has endured.