



# 2019 COSTS OF BUSINESS TRAVEL

**Travel and expense is a big line on any business's budget.** Emphasis on the travel.

Companies in the U.S. will spend \$111.7 billion to send employees on over 117 million business trips in 2019.<sup>1</sup> Business travel costs have increased steadily in recent years and this trend is expected to continue in 2020. Runzheimer performed a study to see how business trip costs vary around the U.S. The most expensive destinations might surprise you.



Business travel to high cost areas can range as much as **54% higher than the U.S. average**

The average domestic U.S. business trip lasts about three days.<sup>2</sup> Many people think of airfare as the major business travel expense, but it only makes up 34% of a typical business trip cost. Lodging, meals and ground transportation make up most of a business traveler's expenses today. This is expected to remain the same through 2020.



Average business trip cost: **\$1,293**

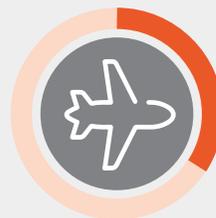
### BUSINESS TRIP COST



**LODGING**  
28%



**MEALS**  
19%



**AIRFARE**  
34%



**CAR RENTAL**  
18%

### EXPECTED BUSINESS TRAVEL COST INCREASES IN 2020<sup>3</sup>



**AIRFARE**  
.5 - 1% increase



**GROUND TRANSPORTATION**  
2% increase

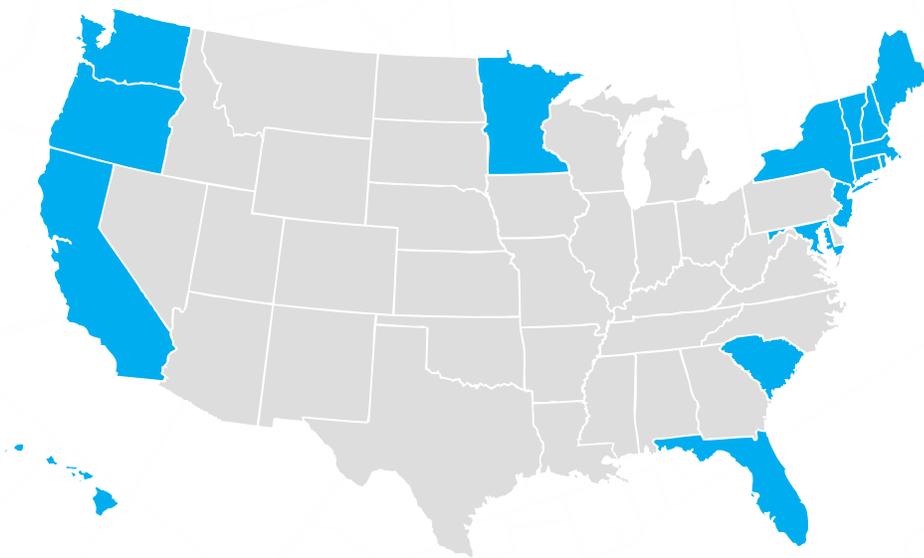


**HOTEL**  
2 - 3% increase

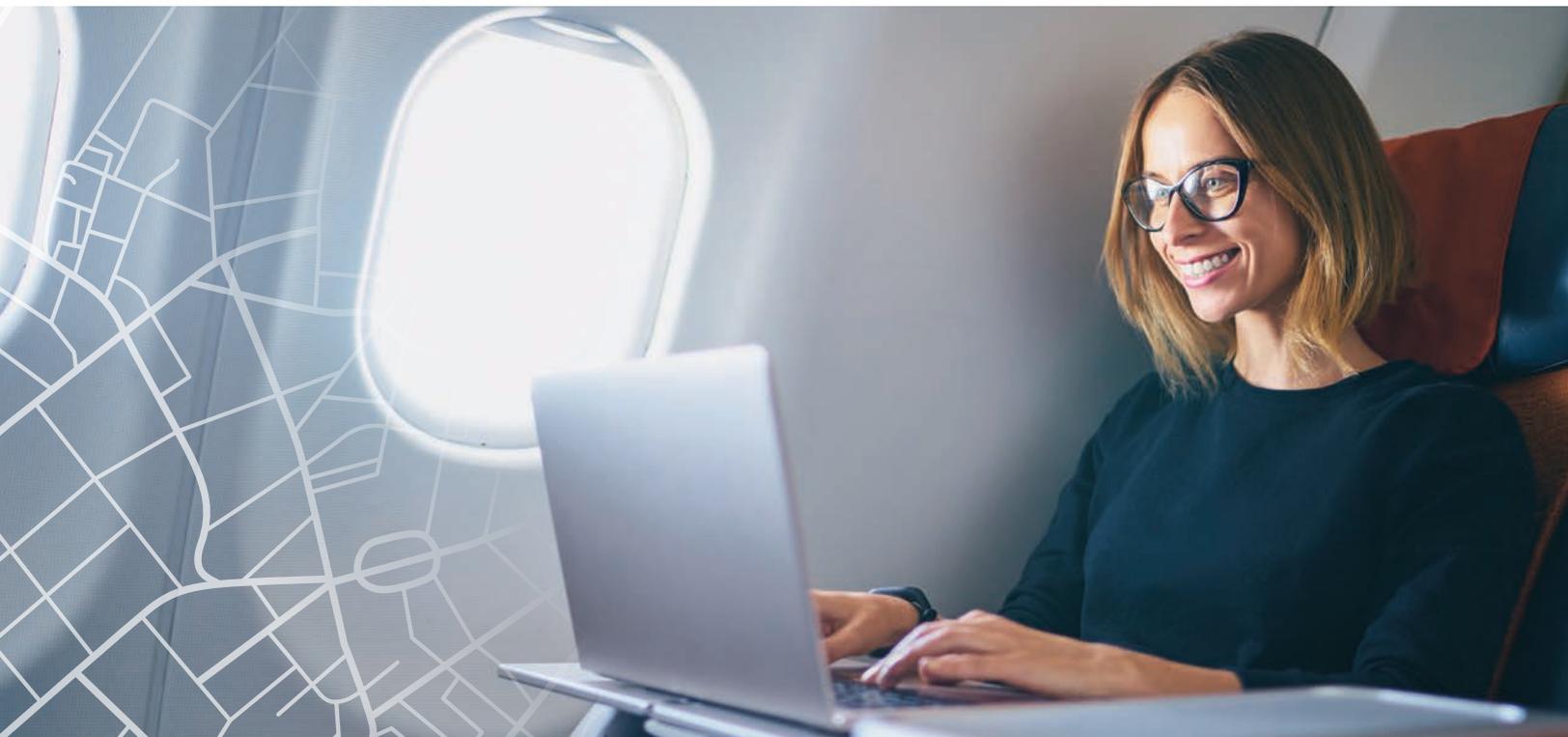
## LOCATION MAKES A DIFFERENCE

Although workers don't always choose where business travel takes them, the location can have a big impact on trip costs. When looking at the most expensive states for business travel, certain regions come to mind. The Northeast and the West Coast are among the most expensive regions for business travel. But other expensive states are not clustered into a single area. Additionally, trip costs are not only driven by the state where employees travel. Costs in specific metropolitan areas also make a big impact on business trips.

### 15 MOST EXPENSIVE STATES FOR BUSINESS TRAVEL

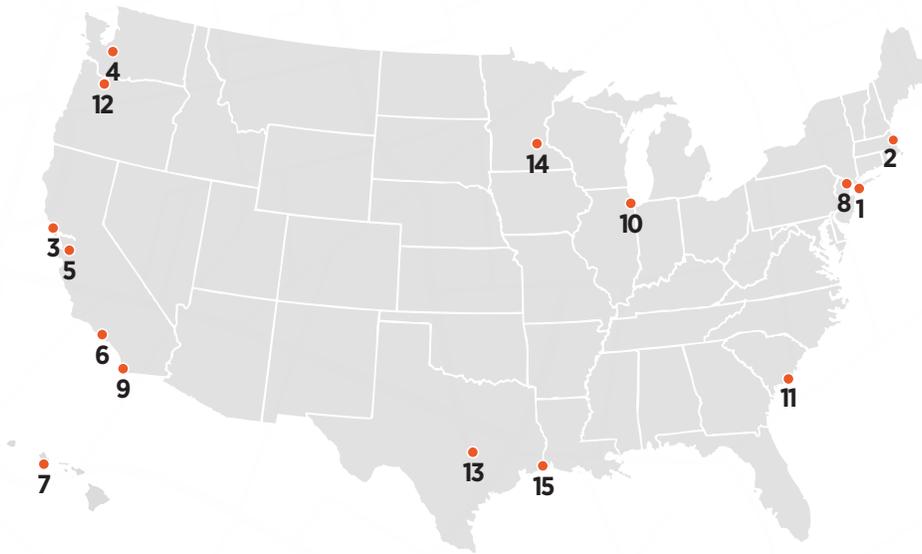


- 1 Hawaii
- 2 Massachusetts
- 3 California
- 4 Vermont
- 5 Washington
- 6 Rhode Island
- 7 New Jersey
- 8 New Hampshire
- 9 Connecticut
- 10 New York
- 11 Oregon
- 12 South Carolina
- 13 Florida
- 14 Minnesota
- 15 Maryland



## MOST EXPENSIVE CITIES FOR BUSINESS TRAVELERS

Prices can vary widely between cities themselves and the areas that surround them. Add up the costs of lodging, ground transportation and meals for a three-day/two-night trip in a major city. It's likely to cost up to 55% more than the average destination. Taking a city-by-city approach is the most accurate way to analyze business travel expenses.



1	New York .....	<b>\$1,306</b>
2	Boston.....	<b>\$1,209</b>
3	San Francisco .....	<b>\$1,209</b>
4	Seattle .....	<b>\$1,089</b>
5	San Jose.....	<b>\$1,031</b>
6	Los Angeles.....	<b>\$1,028</b>
7	Honolulu.....	<b>\$984</b>
8	Newark/Jersey City....	<b>\$977</b>
9	San Diego .....	<b>\$965</b>
10	Chicago.....	<b>\$950</b>
11	Charleston.....	<b>\$947</b>
12	Portland.....	<b>\$940</b>
13	Austin.....	<b>\$932</b>
14	Minneapolis.....	<b>\$927</b>
15	New Orleans .....	<b>\$923</b>

New York City, San Francisco and Honolulu have gained deserved reputations for being expensive areas. But some of the most expensive cities are surprising. Many of these cities are expensive for business travel because of high hotel costs, but the reasons behind these rankings are not always the same. For example, New York City has higher meal and hotel costs, but below average car rental costs. Boston has above-average costs for car rental, meals and hotels. Spending a little extra on a hotel may be a good investment – hotel experience is a big piece of employee trip satisfaction.<sup>4</sup>

Meals are another travel expense that should not be overlooked. Instead of using a one-size-fits-all approach, setting per diems on a per-city basis can make travel expenses more predictable. Knowing high cost areas is not enough. Meal costs in cities like Buffalo, Albuquerque and Sacramento can be 20% more expensive than the average business trip.

It is important to understand the context of each trip when analyzing travel expenses. These insights can help a wide range of professionals. Finance professionals can forecast more accurate travel budgets. Event planners can understand the less obvious costs of locations they choose. City officials can make sure that their cities are competitive destinations to attract business travelers. There are new options to enable smart, cost effective choices. Organizations can take advantage of location intelligence to understand the costs of business travel in detail.



**Many of these cities are expensive for business travel because of high hotel costs.**



**Meal costs in cities like Buffalo, Albuquerque and Sacramento can be 20% more expensive than the average business trip.**

## METHODOLOGY

Runzheimer analyzed travel cost data from 60 of the most common destinations for U.S. domestic business travel for this study. Airfare costs were calculated using median values for 14-day advance airfares.

**Ground transportation, meal and lodging costs were calculated using these assumptions:**



### **HOTEL STAY**

Two nights



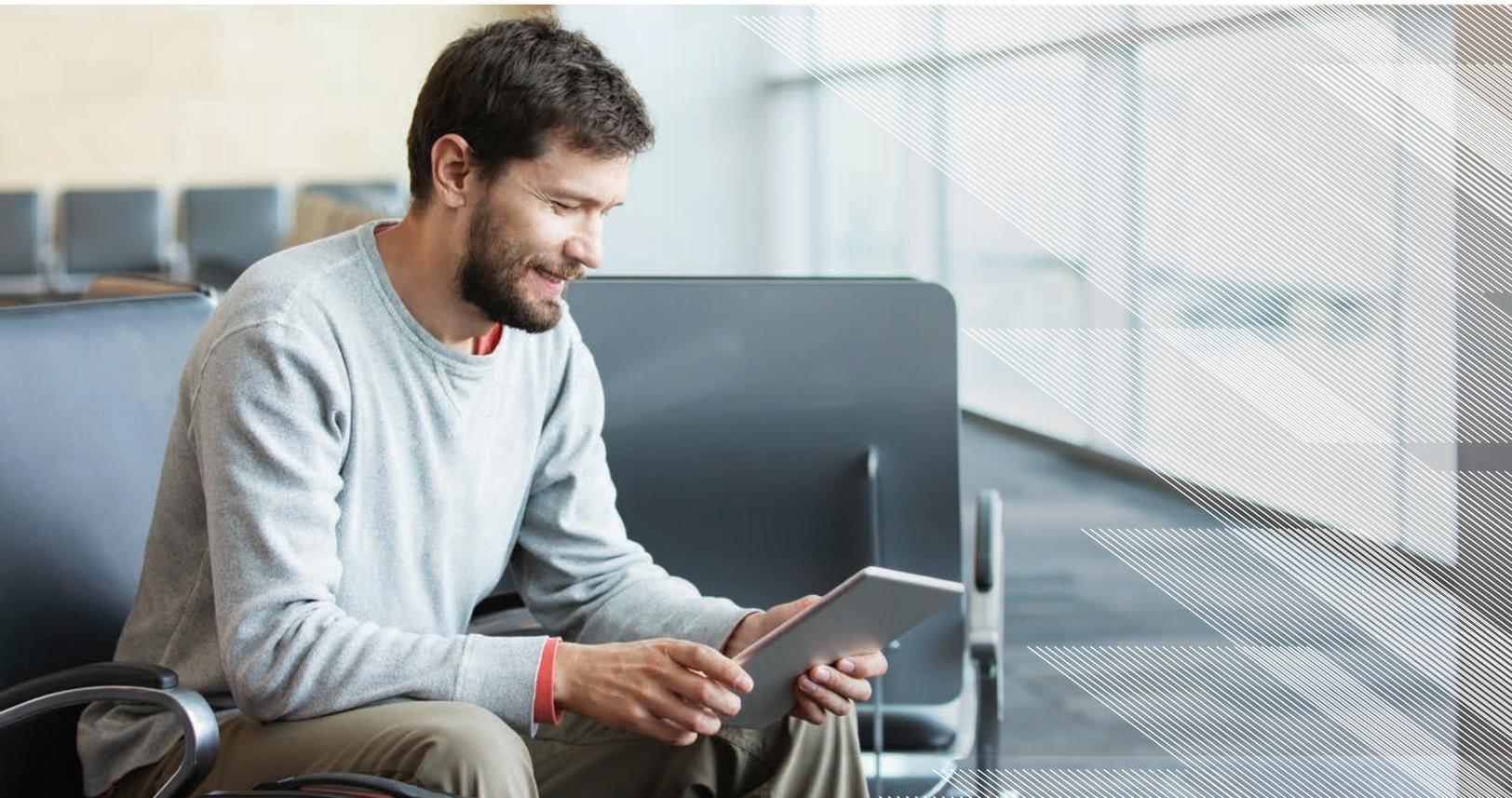
### **THREE MEALS**

Breakfast, lunch, dinner



### **CAR RENTAL**

½ day on arrival, 2 full days,  
and ½ day on departure day



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Runzheimer is the premier relocation and living costs intelligence solution, powered by Motus. Understanding that today's workforce is driven by data, Runzheimer provides employers and their mobile workers with the actionable insights and tools needed for a successful move. Our world-class solutions support companies with everything from equitable compensation calculations between multiple locations to understanding relocation-related expenses and needs. With comprehensive data, Runzheimer empowers employers to win the war for talent while getting the most from their budget.

<sup>1</sup> Understanding the average cost of business travel. Certify. <https://www.certify.com/Infographic-TheAverageCostOfBusinessTravel.aspx>

<sup>2</sup> International Business Trip Costs Remain Flat, While Domestic Trip Nights and Prices Increased. Travel Leaders Corporate. <https://travelladerscorporate.com/q1-2017-data-and-trends/>

<sup>3</sup> 2019 Global Outlook. Travel Leaders Network. <https://www.viewfrom36k.com/2019-global-outlook>

<sup>4</sup> Business Travelers Happy with Travel Experience Despite 54% Having Travel Mishaps. GBTA. <https://www.gbta.org/blog/business-travelers-happy-with-travelexperience-despite-54-having-travel-mishaps/>