



**MPI Business
Barometer**
December 2009





Why the MPI Business Barometer Exists

The MPI Foundation Business Barometer was created in April 2008 to monitor our industry's most immediate needs in relation to economic concerns and opportunities. We all want to know, more than ever before, how perceptions, reality and predictions about the future of the economy are affecting decision-makers.

Members of the Chairman's Advisory Council, made up of top level executive members of MPI, urged MPI management to begin this more near term study to help members see as clearly as possible what collectively our members are thinking, doing and planning based on actual and anticipated economic conditions.

Survey Approach

Every two months we survey our Industry Advisory Panel, a select group of senior level meeting professionals from our global community of 24,500 members, and ask a short series of quantitative questions related to the economy, and a qualitative question regarding their professional outlook. The survey provides a bi-monthly tracking of actual current business conditions to the actual business conditions of a year ago, as well as a comparison of the current business outlook compared to the business outlook of a year ago.

We developed the survey questions with guidance from the Chairman's Advisory Council, the International Board of Directors of MPI, the MPI management team and Association Insights, an independent research company based in Atlanta, Georgia.

The Business Barometer has allowed MPI to better gauge immediate business and economic conditions, enhancing our ability to enrich and focus our offerings to members, our other various research initiatives, and our decisions as we prioritize resources in a changing world.

Survey Analysis and Findings

The 10 month trend toward a gradually improving business outlook, reported in the four previous Business Barometers, and confirmed in FutureWatch 2010, continues in December 2009. Current and anticipated economic and industry activity remain cautious, but increased again in December. Fourteen percent (14%) of all meeting professionals participating in the December 2009 Business Barometer indicated expectations of gradually improving economic and/or business conditions in the next 6 months.

Financial issues continue to dominate the list of topics considered to be most influential on the meetings and business events industry over the next 6 months. Twelve percent (12%) of meeting professionals indicate that low budget levels are the most influential current trend. Uncertainty regarding the future of the economy has become the second most commonly expressed trend influencing the industry. Predictions of a continued poor economy have dropped from 10% in October 2009 to 1% in December 2009. Concern for the perception of meetings and business events has declined to 5%. December 2009 and October 2009 are the only months since November 2008 that a Business Barometer has measured concern for public perception and media coverage of meetings lower than 12%. Though concern for perceptions of meetings is declining, meeting professionals continue to express expectations of fewer frills, such as parties, outings, and food & beverage expenditures, in general.

Shorter lead times continue to be a commonly mentioned influence on the industry. Indications of an increase in this trend were first reported in the October 2009 Business Barometer. The trend continues in December 2009, with 6% of respondents, again, mentioning shorter lead times. In some cases respondents indicate surprise that lead times continue to shorten. Other respondents explain that the budget approval process has been slowed by an increase in budget scrutiny and/or a decision to await final 2009 budget results before making contract commitments. This delay results in shorter lead times.

The December 2009 Business Barometer, being a year-end measure, received indications from respondents that uncertainty, in general, was greater now than in past Business Barometer periods, as organizations prepare for calendar and fiscal year-end results at the end of a tumultuous economic year.

Though the percentages are small (5% total), the December 2009 Business Barometer measured an increase in the number of meeting professionals indicating a trend toward more meetings, higher attendance, and/or increased meetings and business events budgets. No Business Barometer since August 2008 has recorded an increase in any of these areas.

Once again, the majority (51%) of meetings and business events professionals report current business conditions to be unfavorable compared to a year ago, but a greater number are once again reporting more favorable conditions on a bi-monthly basis. June 2009, August 2009, October 2009, and December 2009 Business Barometers have reported an increase in favorable current business conditions from 13% to 15% to 19% to 30%, respectively.

At the same time, predicted business continues to improve as well, over the same period, from 19% in June 2009, to 28% in August 2009, to 34% in October 2009 to 44% in December 2009.

Approximately 7% more meetings and business event professionals indicate a trend toward lower employment in their organizations than those professionals indicating higher employment in their organizations. This is not an indication of the unemployment rate, but does indicate a continuing current trend toward lower employment within the industry.

In December 2009, the Business Barometer again measured a slight indication that U.S. health care reform may represent a negative influence on meetings and events business. Concerns for PHARMA regulations and TARP regulations are also slight, but continue to get mention by a few Business Barometer participants.





Quantitative Survey Responses at a Glance

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

Meeting and Event Industry Planner	65%
Meeting and Event Industry Supplier	35%
Total	100%

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

Greater than 10% better	3%
6 to 10% better	9%
1 to 5% better	18%
Flat (no overall change)	19%
1 to 5% worse	14%
6 to 10% worse	14%
Greater than 10% worse	23%
Total	100%

3. 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	5%
6 to 10% better	16%
1 to 5% better	22%
Flat (no overall change)	27%
1 to 5% worse	12%
6 to 10% worse	8%
Greater than 10% worse	9%
Total	100%

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

To a Significant Extent	13%
To a Moderate Extent	48%
To No Extent	40%
Total	100%

5. 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	26%
International association	11%
Domestic corporate	29%
International corporate	7%
Government	19%
Other, please specify	7%
Total	100%

6. 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	16%
International association	7%
Domestic corporate	49%
International corporate	14%
Government	9%
Other, please specify	5%
Total	100%

7. How has attendance to the meetings and events which you either planned, produced, hosted or served, changed since this time last year?

Greater than 10% increase	2%
6 to 10% increase	7%
1 to 5% increase	10%
Flat (no overall change)	18%
1 to 5% decrease	21%
6 to 10% decrease	22%
Greater than 10% decrease	21%
Total	100%

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

Greater than 10% increase	1%
6 to 10% increase	3%
1 to 5% increase	8%
Flat (no overall change)	22%
1 to 5% decrease	17%
6 to 10% decrease	22%
Greater than 10% decrease	26%
Total	100%

Business Barometer, December 2009

The trend toward a more positive business outlook continues in December 2009. The expressions of anticipated improvements in economic and industry activity remain cautious but increased notably in number in October and December.

Chart A

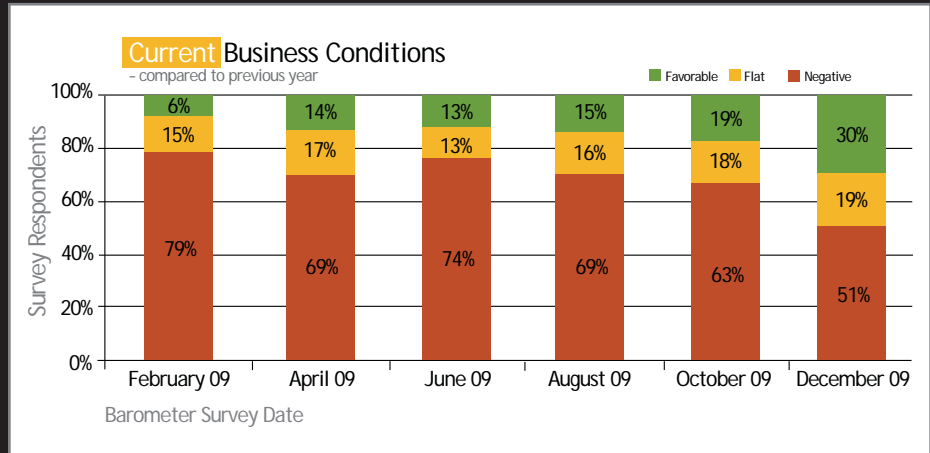
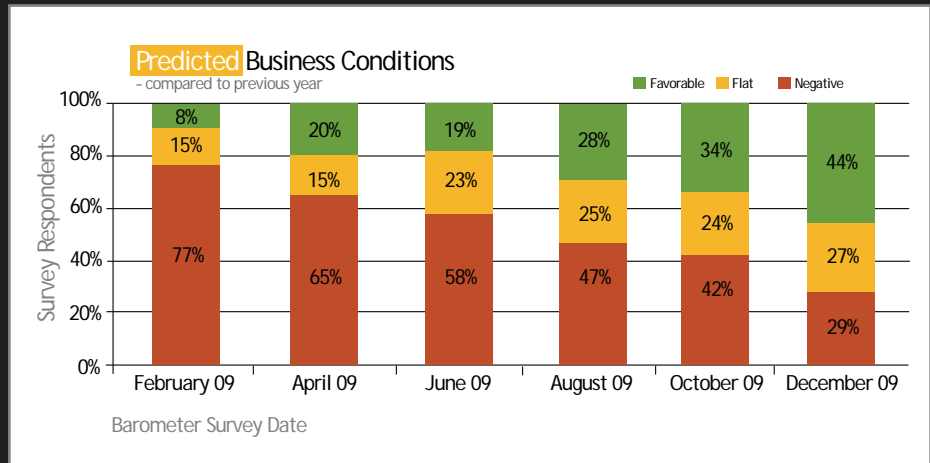


Chart B



Employment Trends

	Decreasing	No change	Increasing
Full-time employees	Oct - 32% Dec - 31%	Oct - 57% Dec - 59%	Oct - 11% Dec - 10%
Part-time employees	Oct - 25% Dec - 22%	Oct - 65% Dec - 61%	Oct - 10% Dec - 17%
Contractors	Oct - 20% Dec - 20%	Oct - 57% Dec - 55%	Oct - 23% Dec - 25%





When Asked “What One Trend Do You See Most Affecting Meetings and Events Business Over the Next Six Months?” Top 9 Trends Cited Included:

1. Low Budgets / Cuts	12%	(9%)
2. Economic Uncertainty	9%	(0%)
3. Optimism Regarding Future Economy	6%	(12%)
4. Shorter Lead Times	6%	(6%)
5. Indecision	5%	(10%)
6. Poor Perceptions / Coverage of Meetings	5%	(6%)
7. Lower Attendance	4%	(4%)
8. More Web / Virtual Meetings	4%	(4%)
9. Proving ROI Value of Meetings	4%	(0%)

() indicates October '09 responses

Some Observations Offered by Survey Participants Regarding the Industry:

“Last minute registrations make it very challenging to forecast attendance and participation revenues while affecting the non-fixed expenses such as meals.”

“Almost 90% of our members still do not have travel budgets to attend meetings.”

“People are more likely to attend our one day events vs. our three day convention due to hotel costs in addition to registration.”

“We have exhibitors that are sticking to our shows, and exhibiting at more of our shows. I think they`re starting to realize that pulling out of trade shows is not a smart marketing move. They are sending less people to work their booths, but at least they`re actually exhibiting.”

“Everything is happening on a most shorter notice. I think budgets are becoming available so people really want to move on their meetings now.”

“People are starting to see that spending monies on meetings is more beneficial than other areas of marketing.”

“[We see] cost containment. Reduce or eliminate client parties/entertainment.”

“It is always difficult to plan the same programs with less money than the year before.”

“I do not anticipate any significant growth until late 2010 or early 2011.”

“[We are focused on] perception and justification of the spend”

“[There is] a general lack of money to produce meetings and a lack of money for attendees to attend.”

“The economy and the uncertainty regarding the economy are most influential.”

“Meetings are picking up in the U.S.A. but they aren` t traveling to Canada yet.”

“Companies are waiting for 4th quarter earnings to finalize contracts.”

“Uncertainty in the marketplace is creating a great reluctance to confirm events ... more inquiries are forthcoming, but relatively few are converting to closed sales.”

About MPI

Meeting Professionals International (MPI), the meeting and event industry’s largest and most vibrant global community, helps our members thrive by providing human connections to knowledge and ideas, relationships, and marketplaces. MPI membership is comprised of more than 24,000 members belonging to 70 chapters and clubs worldwide.

For additional information, visit mpiweb.org.

About American Express

American Express Company is a leading global payments, network and travel company founded in 1850. Merchant Services is the merchant network of American Express, which acquires and maintains relationships with millions of merchants around the globe, which welcome American Express-branded Cards.

For additional information, visit americanexpress.com/meetingsandevents.

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