

THE RV CONSUMER

By

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EXECUTIVE SUMMARY

The major findings in the latest survey of consumers conducted by the University of Michigan's Survey Research Center indicates that the primary demand for recreation vehicles remains very good and the potential for future sales remains quite bright. Nearly 1 in 12 vehicle owning households in the U.S. today owns an RV, that's nearly 7 million households, an increase of 7.8% over the past four years. With these increases, there are more recreation vehicles in use today than at any time before. Importantly, the recent increase in ownership rates indicates a resurgent interest in the RV lifestyle. Moreover, with the aging baby boomers now entering the prime age ranges for RV ownership, the data indicate that future demand for Recreational Vehicles will continue to grow during the decade ahead.

While the median age of all RV owners rose to 49 years, up only slightly since our last survey, the highest ownership rates were for those aged 55 and over. However, because the age group 35 to 54 is much larger, more RVs were owned by this younger group than any other. In fact, over the past four years the number of RVs owned by those between 35 and 54 years grew faster than other age groups, underscoring the success of industry marketing efforts aimed at the baby boomer.

Furthermore, the strong appeal of the RV lifestyle is reflected in the widespread intentions of current and former owners to purchase another RV. Fully, 6 in 10 current owners intend to purchase another RV with 40% responding that it would be a new vehicle that they purchase. While there are slightly more former owners than current owners, near 1 out of every 3 of them expect to purchase another RV in the future. Although more likely to purchase a used vehicle when they return, former owners represent solid sales prospects.

New market entrants, that is those that have never owned an RV before, are least likely to mention a future RV purchase (11%) but importantly they present the largest potential owner group and the greatest potential growth for the industry. Fully 1 in 10 new market entrants intend to purchase an RV in the future with more than half expecting to do so within the next six years. Overall, 16% of all vehicle owning households mentioned a future RV purchase intention. That figure represents nearly 13 million households with a third expecting to purchase a new unit.

Among all current RV owners nearly two-thirds purchased a previously owned vehicle. Most often (54%) these vehicles were purchased from the prior owner and not through the traditional dealership route. As might be expected, used motorhomes were most likely to have been purchased through an RV dealer.

The average age of used RVs when purchased was found to be 11.6 years in this latest study. The average age of an RV purchased used certainly attests to their durability. Marketing strategies that emphasize newer features, designs and engineering of new units could help them compete with older units. As it is now, the majority of consumers find the lower price of used RVs too attractive to forego.

The average length of current RV ownership was 7.4 years in the 2001 survey, with nearly half of current owners having owned their RV for less than 5 years. The short length of time current owners have owned their current RV reflects the rapid turnover in ownership. The data suggests active move-up or trading of their vehicles, many after only two years or so. The turnover rate is highest for those who owned less than 5 years. Since most entered the market with the purchase of a previously owned vehicle, what condition that vehicle was in could have played a deciding factor in a former owner's decision to exit the market.

Of all vehicle owning households 8.6% owned an RV in the past. This is slightly higher than the rate of current ownership (7.6%). While most have not owned an RV in more than 10 years, 1 in 4 were owners less than 5 years ago. It is these recent RV owners that represent the greatest prospect for future RV purchases and prospects that need cultivating. Overall the data indicate that a significant portion of this group have repurchased in the past representing a major accomplishment achieved by the industry's current marketing efforts.

Former owners most often (53%) cited "lack of use" as the major reason for exiting the RV market. Similarly, owners that intended to purchase another RV, used their current RV three times as often as current owners that did not intend another purchase. Clearly industry efforts to encourage RV usage and to enhance use opportunities will only benefit future sales.

Overall, there is a strong and enduring appeal to the RV lifestyle that is as valid today as it was twenty years ago. The latest survey data only adds support to an optimistic forecast of RV sales and future ownership growth.

2001 NATIONAL SURVEY OF RECREATION VEHICLE OWNERS

This report summarizes the findings from the sixth national survey of recreation vehicle ownership sponsored by the Recreation Vehicle Industry Association. The national surveys have been conducted by the Survey Research Center at the University of Michigan. The 2001 survey included 3,000 completed interviews conducted from January to June 2001. The sample was scientifically selected to be representative of all U.S. households. Each household in the U.S. had an equal chance of being chosen, and the demographic and economic characteristics of the households as well as their geographic locations were represented in the same proportions as in the actual population.

The data contained in this report refer to traditional RV, defined to include all types of motorhomes, conventional travel trailers, fifth-wheel travel trailers, folding camping trailers, and truck campers. All of the data included in this report, including the results from past surveys, reflect this definition of traditional RVs and thus allow for robust comparisons to the results of prior surveys.

Mac Bryan of the Recreation Vehicle Industry Association guided the development of this research. This survey as well as the prior surveys conducted since 1980 have greatly benefitted from his many contributions. The RVIA Marketing committee actively guided and made important contributions to each stage of the project's development. Special thanks are due to its chairman, Jim Baxter from Coachmen Industries, Inc.

SUMMARY OF FINDINGS

The findings of the 2001 survey can be summarized as follows:

- The study focused on the ownership of a traditional recreation vehicle, defined to include all types of motorhomes, conventional travel trailers, fifth-wheel travel trailers, folding camping trailers, and truck campers. A recreation vehicle was owned by 6.9 million U.S. households in 2001, the largest number ever.
- Among all vehicle owning households, 7.6% owned a recreation vehicle, up from 7.3% in 1997 and 6.8% in 1993, nearly recapturing the peak of 7.9% in 1984 when purchases largely reflected purchases made prior to the oil price increases in the last half of the 1970's. Importantly, the data continue to indicate the strong and resurgent interest in the RV lifestyle among Americans. There are more recreation vehicles in use today than at any time before.
- Ownership of conventional travel trailers and fifth-wheel travel trailers posted the largest gains in 2001. Overall, 3.7% owned a travel trailer in 2001, the highest level recorded since 1980.
- Ownership of motorhomes continued to post a slow and steady increase in ownership, rising to 1.9% in 2001, up from 1.7% in 1997 and 1.5% in 1993. The 2001 ownership rate for motorhomes was the highest recorded since 1980.
- Ownership of folding camping trailers stood at 1.9% in 2001. Although this was unchanged from the figure recorded in 1997, it was the highest ownership rate recorded since 1980.
- Truck campers was the only type of recreation vehicle that did not recorded an overall pattern of growth. Indeed, ownership fell to 0.4% in 2001, the lowest level recorded since 1980. In each of the surveys since 1980, ownership of truck campers has fallen.
- The pattern of ownership of recreation vehicles closely mirrors the overall deliveries of RVs reported by the RVIA. Deliveries of recreation vehicle in the decade of the 1970's were higher than anytime up through the mid 1990's. Aggregate sales data for the late 1990's rose above the

overall average. Importantly, based on data from 1980 to present, the average annual sales growth has averaged 7,500 units, showing much less year-to-year variations than in the 1970's. That same pattern of consistent improvement can be expected to persist during the decade ahead.

- Aggregate shipments by type of recreation vehicle also mirrored ownership patterns. The greatest gains were for travel trailers since 1980. Sales of motorhomes were generally flat since the early 1980's and well below the earlier peaks. Sales of folding camping trailers posted only modest gains, and were also well below the peaks recorded in the 1970's. Truck campers have remained largely unchanged at quite low levels since 1980, and well below the 1970's peaks.
- The typical RV owner was 49 years old in 2001. Motorhome owners were the oldest, at 59 years old, while owners of folding camping trailers were the youngest, 41 year old. Travel trailer owners were in the middle, at 41 years old. In comparison to 1997, folding camping trailer owners posted the largest decline in age, and were 4 years younger in 2001, while owners of truck campers posted the largest increase, being 8 years older in 2001.
- The average income of RV owners was \$56,000 in 2001, which represented an inflation adjusted increase of 7.7% from 1997. The largest gain in inflation adjusted income was among travel trailer owners (up by 19% to \$62,000 in 2001) and motorhome owners (up by 12% to \$56,000 in 2002), and the largest decline was among folding camping owners (down by \$8,000, to \$46,000 in 2001).
- The declining age and income of owners of folding camping trailers represents a desired expansion of the RV market to first time buyers. Note that the data does not mean that the income of any individual owner of these vehicles fell, but that the characteristics of owners as a group have changed.
- The most commonly shared demographic characteristic of RV owners was their marital status, with 84% being married in 2001. Given that the average age of RV owners was 49, just 40% had children under 18 living at home. The lowest proportion with dependent children was for motorhome owners (just 18%) and the highest was for folding camping trailer owners (61%).

- Compared with 1997, RV owners over age 35 posted gains in ownership rates. The largest gains were among those over age 55, increasing to 9.8% in 2001 from 8.6% in 1997. The baby boom generation, those aged 35 to 54 also posted a gain, to 8.9% in 2001 up from 8.4% in 1997. The exception was among those under 35, whose ownership fell to 3.2% in 2001 from 4.4% in 1997.
- Over the past four years the number of recreation vehicles owned by those aged 35 to 54 grew faster than any other age group.
- While more RV owners had incomes above the median, the recent growth in the RV market shifted to more gains among households with incomes below the median, largely prompted by the lower incomes of folding camping trailer owners.
- Residents of the West continued to be the most likely to own an RV, and along with residents of the South, posted the largest gains in ownership from 1997 to 2001.
- Ownership rates of RVs were the highest in the 55 to 64 age group. The age distribution of ownership differed significantly by the type of RV owned, with motorhomes owners most common in the 55 to 75 year range, and owners of folding camping trailers most common among the younger ages, with the peak ownership rate in the 35 to 44 year age range.
- Ownership of RVs was at a peak among households with incomes between \$75,000 and \$100,000 dollars for all types of RVs.
- Among all RV owners, one-third purchased their RV new. The most likely type of RV to be purchased new was a folding camping trailer. Among used buyers, only one-in-five purchased their unit from an RV dealer, with the majority of used RVs purchased directly from their prior owner. Used motorhomes were the most likely to be purchases from a dealer, although the majority of these were also purchased directly from their prior owner.
- The median age at the time of purchase of used RVs was 10.2 in 2001, just above the 9.7 in 1997. The median age of all RVs, counting those purchases both new and used, was 14.4 years, an increase of 1.7 years compared with 1997.

- The length of time current RV owners have actually owned their RV continued to reflect rapid turnover as well as long ownership periods. The median number of years the RV was owned was 4.8 years in 2001, slightly above the 4.2 years recorded in 1997. The proportion of owners that owned their current RV for less than 3 years was 31%, and the proportion that owned their current RV for 10 or more years was 25%.
- The frequency that RVs are used remained a critical determinant of judgements about the cost and value of the RV. Overall, RV owners used their vehicle a total of 19 days per year, with motorhome and travel trailer owners using their vehicle more than the average, and folding camping trailer and truck campers less than average. Importantly, more frequent use was associated with the intention to purchase another RV, especially new RVs.
- The planned uses of RVs prior to their purchase closely matched the actual uses of RVs following their purchase. The planned and actual use of motorhomes was by far the most diverse. While motorhome owners were the least likely to plan and use their RV for camping, they also showed the most gain in camping as an actual use compared with what they had planned. Motorhome owners were much more likely to use their vehicle simply to travel as well as for special hobbies and interest than any other type.
- When asked why they purchased the particular type of recreation vehicle they now own, the cost of the vehicle was mentioned by about one-fourth of the owners, showing only minor differences by the type of RV. Most owners focused on the features and amenities or the overall characteristics of the vehicles themselves.
- Preferences for specific features, amenities, the interior layout, workmanship, and the convenience of the facilities were more frequently mentioned by travel trailer owners, while the size of the unit—in terms of sleeping spaces, interior room, or the overall size of the vehicle were more frequently mentioned by motorhome owners.
- The timing of the purchase of their RV was not determined by their financial ability to make the purchase, not surprising among those who had purchased an RV. Much more important was the

cost and whether good buys were available, mentioned by half of all motorhome owners, one-third of folding camping trailer owners, and more than one-quarter of travel trailer owners.

- Recreation motivations, such as planned family or vacation trips, were mentioned by one-quarter of all owners as a significant factor affecting the timing of their purchase, and wanting to upgrade their current RV to a newer model was also cited by nearly one-in-five.
- As in prior surveys, there was a larger proportion of households that had owned an RV at some time in the past than currently owned an RV. Overall, 8.6% had owned an RV in the past compared with the 7.6% that currently owned an RV in 2001.
- The age of former owners were quite similar to current owners, although former owners were more likely to be over 75. Other than for those who had given up their RV because of their advancing age, the age distribution of both former and current owners were similar. Indeed, the proportion of former owners was within one to two percentage points of the proportion of owners in each age group up until age 75. Similarly, the income of former owners was not significantly different from current owners.
- Former owners were less likely to be married, and more likely to be divorced or widowed, more likely to live in households with only one adult, and more likely to have no dependent children still living at home. These family changes had a significant impact on the decision to sell their RV.
- The median number of years that former owners sold their RVs was 10.2 in 2001. Although a significant share sold their RV more than 20 or even 10 years ago, one-quarter of former owners sold their RV within the last four years, and nearly half sold their RV less than 10 years ago.
- The primary reason given for selling their RV was that they did not use it enough to justify its costs, reported by half of all former owners. Selling their RV to get additional cash for other uses was reported by many fewer former owners, just 8 percent. High maintenance and operating costs were only mentioned by 13 percent of former motorhome owners as a reason they sold their RV. Changes in families, advancing age, and health problems were mentioned by one-in-four former owners. The least cited reasons involved changes in their preferences for the RV lifestyle,

mentioned by just 12 percent of former owners.

- Six-in-ten current RV owners plan to purchase another RV to replace their current unit, with four-in-ten of these purchases expected to be new RVs. Current owners that intend to purchase new RVs, planned the purchase in 5.3 years, while those that intended to purchase a used RV, planned their purchase in 3.3 years.
- When purchase intentions of current RV owners were compared with purchase intentions data in the 1997 survey, the 2001 survey indicated a slight overall increase in new purchases, and a slight overall decline in used purchase intentions. The timing of new RV purchases were comparable to the 1997 data, but used purchases were planned much sooner in 2001 than in 1997. Importantly, more younger households planned another purchase in 2001 than in 1997, with the decline in purchase intentions falling most among those over age 55 for used RVs.
- Among former owners, nearly one-third planned to purchase another RV in the future in the 2001 survey, with one-quarter of these former owners planning on a new purchase. Indeed, both new and used purchases of RV among former owners were higher in 2001 than in 1997. New purchases were planned to take place later in the 2001 survey, while used purchases were planned to take place sooner than in 1997.
- Importantly, most of the former owners that planned to again purchase an RV were younger in 2001 than in 1997, and had higher incomes in 2001 than in 1997.
- Among new market entrants, defined as households than had never owned an RV in the past, 11% planned on purchasing an RV in the future, with one-third of these planning a new RV purchase. While the 1997 and 2001 purchase intentions of new market entrants were comparable, new RVs were intended by slightly fewer and used RVs by slightly more households in 2001.
- When RV purchase intentions were combined across current owners, former owners, and new market entrants, a total of 16 percent of all U.S. households intended to purchase an RV. This was only marginally below the 1997 level of 17 percent.

- New RVs were intended to be purchased by 5.3% of all households in 2001, just below the 5.8% recorded in 1997, and used RVs were intended to be purchases by 10.7% in 2001, also down by just 0.5 percentage points from the 11.2 percent recorded in 1997. Importantly, no change in the timing of new RV purchases was recorded. Given that the late 1998 to 2000 represented very good sales years for RVs, the small declines recorded in 2001 during widespread apprehensions about the economy certainly point toward strong prospects during the years ahead.
- Taking account of all purchase intentions across all market segments, the data indicate that for new RV sales, the share accounted for by current owners will inch upward to 33%, up from 31% in 1997. Former RV owners account for an unchanged share, at 11%. New market entrants are expected to account for 56% of all new RV sales, just below the 58% recorded in 1997.
- Current owners will account for 25% of all used RV sales, down from 27% in the 1997 data. The share of used sales of former owners will remain unchanged at 17%, while new market entrants will account for 58% of all used sales, up from 56% in 1997.
- Financial ability was the most important factor determining the timing of the next RV purchase for first time buyers, reported by two-thirds. The majority of former owners also cited financial ability as the most important factor. Only among current owners was financial ability a less important determinant, accounting for one-third of these owners. Among current RV owners, the conditions of their current RV was a dominate factor, reported by four-in-ten.
- Family related reasons was the next most important factor affecting the timing of their next purchase, emphasized by one-quarter of all former and first time buyers. While the cost and availability of good buys were cited more frequently by former owners.
- When asked about the factors that would affect the type of RV they would purchase, the total cost of ownership was cited by one-third of those that intended to purchase a folding camping trailer, by one-in-five of those that intended to purchase a travel trailer, and by just 3% of those that intended to purchase a motorhome. Not surprisingly, the RV's features and amenities were the most important to those that intended to purchase motorhomes, while the vehicle characteristics were more important to those that intended to purchase travel trailers and folding camping trailers.

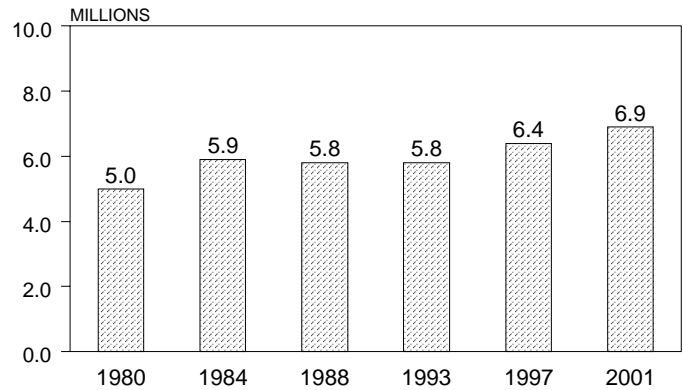
- The aging of the baby boomers means that the largest gains in households will be among the age ranges that have traditionally recorded the highest RV ownership rates. From 2001 to 2010, the number of householders aged 55 to 64 will grow by 6.4 million, and those aged 45 to 54 will grow by 3.2 million. These gains translate into a significant increase in the numbers of consumers in the prime RV owning age range.
- Projections of future RV ownership levels were based on the assumption that the age-specific RV ownership rates would remain unchanged as the baby boom population ages. The base case projections assume that all other factors will remain constant except for the impact of the changing age distribution of the population. As with any long term estimates of consumer demand, these projections must be treated with caution. Importantly, the base case projections assumes that no additional gains will be made among the baby boom generation. Thus, the impact of current programs to raise ownership rates could put these base case projections on the low side of the actual increase in ownership.
- The projections indicate that the number of RV owning households will rise by 1.0 million, reaching a total of 7.9 million in 2010. The largest gains are expected for travel trailers, accounting for half to the total expected increase. Motorhome ownership will increase by about one-third of a million households. Only the growth in ownership of truck campers is expected to be below 100 thousand. Even with the conservative assumptions that were used, overall ownership of Rvs can be expected to grow by more than 110 thousand per year.

1. Current Ownership of RVs

Overall Trends in Ownership

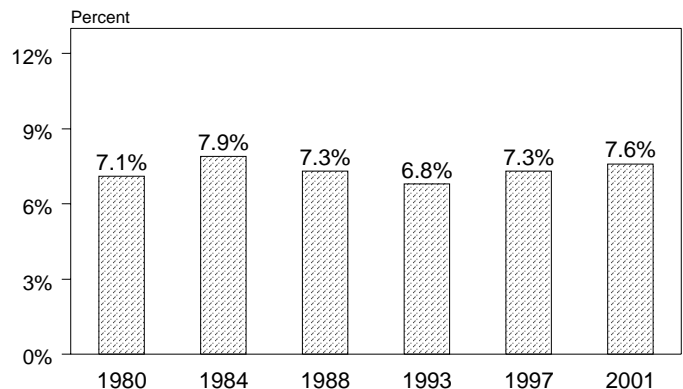
More households owned an RV in 2001 than at any time during the past twenty years. Indeed, the ownership of a traditional recreation vehicle among households living in the United States has grown substantially over the past twenty years. Overall, 6.9 million households owned a motorhome, travel trailer, fifth-wheel travel trailer, a folding camping trailer, or a truck camper in 2001 (see Chart 1.1). This represents a gain of 7.8% above the 1997 level, and a 19% gain above the 1993 level. The cumulative gain over the past twenty years was an impressive 38% in the number of RV owners. Most of the growth in ownership has occurred during the economic expansion begun in the early 1990's, with the second half of the 1990's showing the most substantial growth in the ownership of traditional recreation vehicles.

CHART 1.1
NUMBER OF U.S. HOUSEHOLDS THAT OWN RVs



RV ownership as a proportion of the vehicle owning U.S. population has also been on the rise in recent years. Since the early 1990's, ownership rates among U.S. households have increased to 7.6% in 2001, up from the recent low of 6.8% in 1993 (see Chart 1.2). Indeed, the current ownership rate of traditional RVs has now nearly recaptured its high of 7.9% recorded in 1984, when ownership of RV largely reflected purchases made prior to the oil price increases of the 1970's. Importantly, the larger gains in

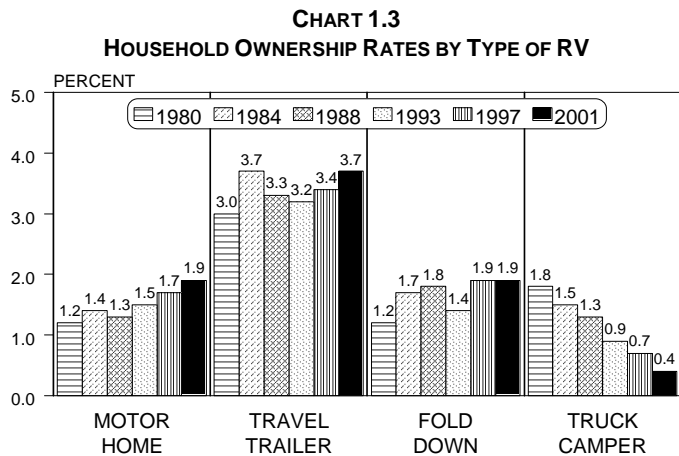
CHART 1.2
HOUSEHOLD OWNERSHIP OF RVs



the absolute numbers of households that own a traditional RV reflect overall growth in the population over the past twenty years, as well as higher ownership rates. The strong and enduring appeal of the RV lifestyle is clearly confirmed by these ownership data.

Growth In Types of RVs

Ownership rates of conventional travel trailers and fifth-wheel travel trailers posted the largest gain in 2001. Overall, 3.7% of all households owned a travel trailer in 2001, up from 3.4% in 1997, and regaining the highest level since 1980 (see Chart 1.3). Ownership of motorhomes continued a slower but steady pace of increase, rising to 1.9% in 2001, up from 1.7% in 1997. Folding camping trailers were owned by 1.9% in 2001, the same proportion that owned motorhomes. The ownership rate for folding camping trailers, however, was unchanged from

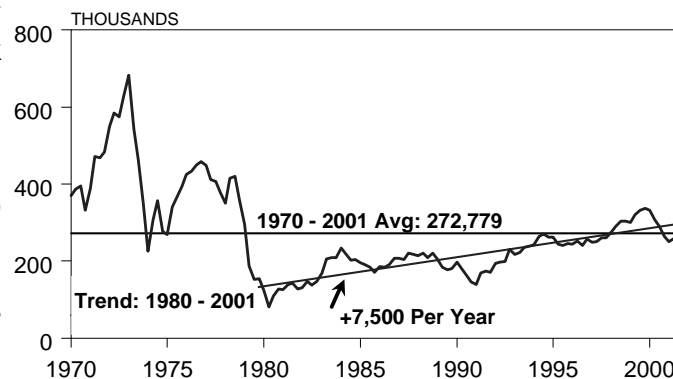


1997, remaining at its highest level since 1980. The only type of RV that has consistently shown declines over the past twenty years was truck campers. In 2001, ownership of these RVs fell to just 0.4% of all households, down from 0.7% in 1997 and 1.8% in 1980. While sales of large pickups have increased in recent years, the most popular pickups have extended cabs and other design features that make it difficult to accommodate a truck camper.

Trends in Aggregate RV Deliveries

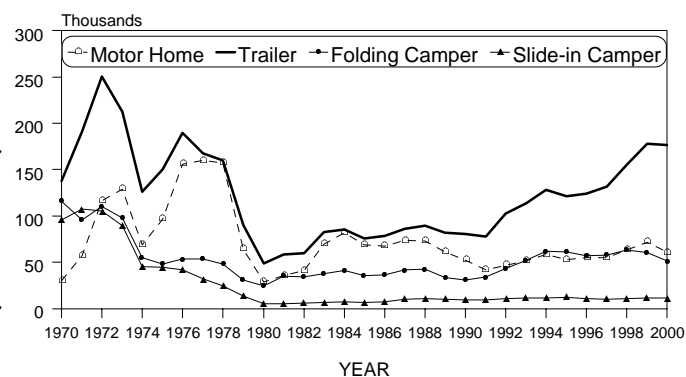
The survey data can be compared with aggregate data on RV deliveries. During the past thirty years, the average yearly sales of traditional RVs was nearly 275 thousand units (see Chart 1.3). The data, however, indicate a sharp break in the series in the late 1970's. Indeed, throughout most of the 1970's, RV sales were higher than anytime up to the late 1990's. To be sure, rapid increases in gas prices and the recessions in the early 1980's depressed sales significantly. More importantly, since 1980, sales have followed an overall upward trend, with much smaller reversals than was true prior to 1980. Indeed, RV sales have increased an average of 7,500 units per year over the last twenty years. Despite the recent sales slowdown, the past trend in sales can be expected to persist over the next decade as well.

CHART 1.4
RV DELIVERIES (QUARTERLY DATA, SAAR)



When the data is disaggregated by the type of RV, conventional travel trailers and fifth-wheel travel trailers have posted the greatest recent gains (see Chart 1.4). While sales of conventional and fifth-wheel travel trailers are still below the peaks recorded in the 1970's, sales of these RVs have outpaced all other traditional RVs by an ever growing margin during the 1990's. Sales of motorhomes have remained at lower levels than in the 1980's or 1970's. Folding camping trailers did better in the 1990's than in the 1980's, although still below the 1970's levels. Moreover, unit sales of motorhomes and folding camping trailers have been nearly equal throughout the decade of the 1990's. Sales of truck campers, in contrast, have remained largely unchanged at quite low levels since 1980, and well below the levels recorded in the 1970's.

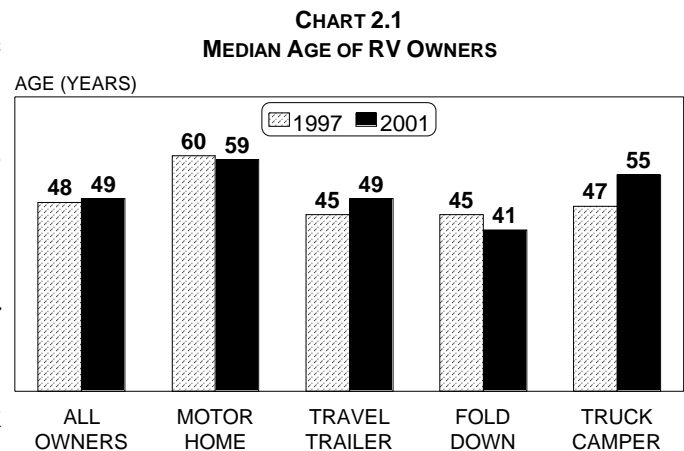
CHART 1.5
YEARLY DELIVERIES BY TYPE OF RV



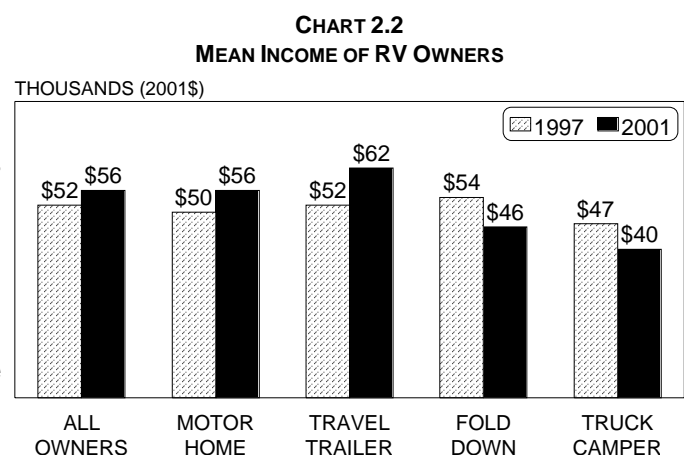
2. Demographic Characteristics of RV Owners

Age and Income Profile

The typical RV owner was 49 years old in the 2001 survey, which was one year older than in the 1997 survey (see Chart 2.1). Motorhome owners were the oldest, with a median age of 59 in 2001, one year below the 1997 data. Travel trailers, including conventional and fifth-wheel travel trailers, recorded a rise in median age, to 49 in 2001 from 45 in 1997. A decline of comparable size, however, was recorded for owners of folding camping trailers, falling to 41 in 2001, down from 45 in 1997. Owners of truck campers recorded the largest increase in median age, rising to 55 in 2001 from 47 in 1997. The ownership rate of truck campers decline in the 2001 survey to a very low level, so the increase in their age had little impact on the overall age of RV owners.

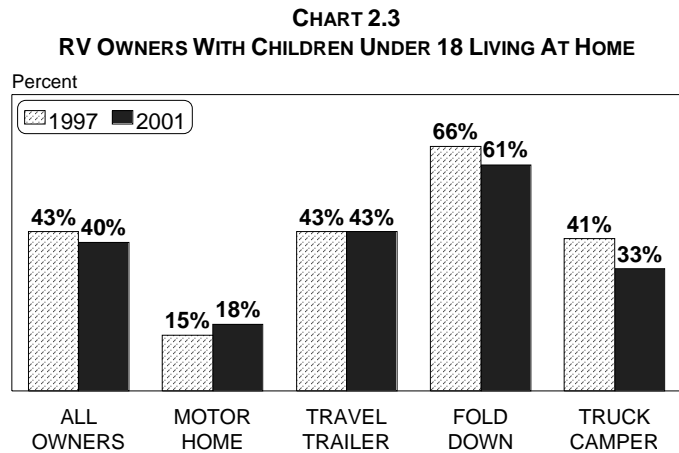


The average income of all RV owners was \$56,000 in the 2001 survey, up from \$52,000 in 1997 (see Chart 2.2). This represents only an increase of about 8%, less than the overall rate of inflation over this time period. The small overall income gain was largely due to owners of folding camping trailers, whose income declined in real terms to \$46,000 from \$54,000 in 1997. This decline does not mean that the income of any single owner fell, but that the 2001 owners as group had lower incomes than the 1997 owners. Given the desired expansion of the market to lower income first time buyers, the decline in the incomes of owners of folding camping trailers should not have been unexpected and maybe even the desired outcome. In contrast,



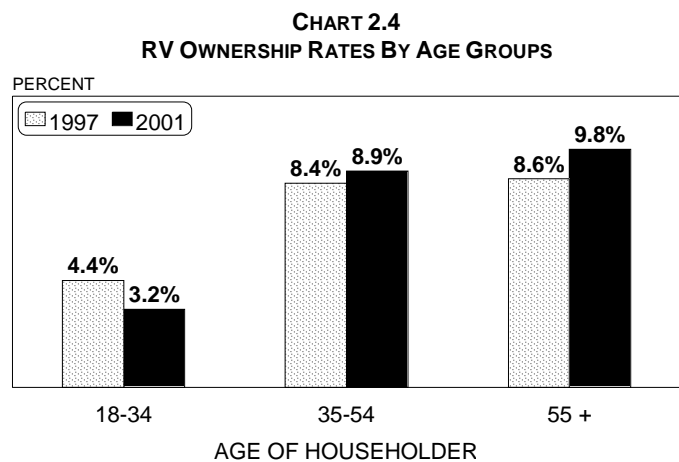
owners of travel trailers posted the largest gain (+19%), closely followed by motorhome owners (+12%).

Perhaps the most commonly shared demographic characteristic of RV owners is their marital status. In the 2001 survey, 84% of owners were currently married, the same as in 1997. Given that the typical RV owner was 49 years old, it should be no surprise that just 40% of all owners had children under 18 still living at home—which was slightly below the 43% recorded in 1997. motorhome owners were the least likely to have children still living at home, and owners of folding camping trailers the most likely (see Chart 2.3). Indeed, it was only owners of folding camping trailers in which the majority had children living at home.



Demographic Changes Over Time

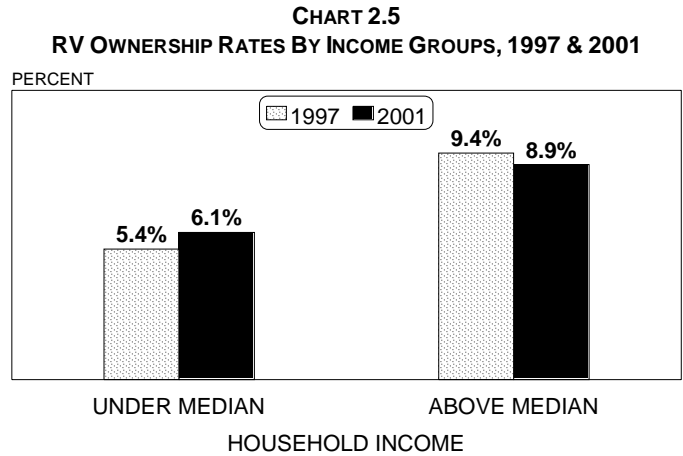
It is of some interest to note the changes in RV ownership rates by the baby boom cohort given the significant efforts recently made to draw these households into the RV market. Overall, the largest gain in RV ownership was among householders that were age 55 or older in 2001 (see Chart 2.4). While the baby boom generation, roughly those aged 35 to 54, also posted a gain in their ownership rate (a more modest 0.5 percentage points), because of the size of this cohort, the greatest gains in the number of owners occurred in this age group.



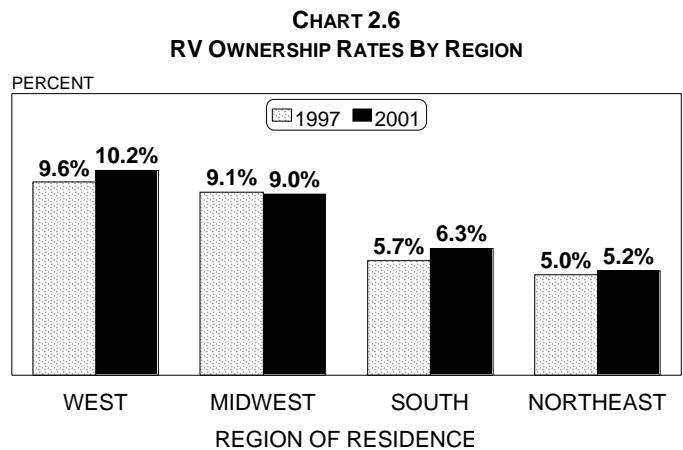
The larger percentage gain among older respondents was helped to offset an equally large decline among householders under age 35, who posted a 1.2 percent point decline in ownership of RVs. Needless to say, whether the gain of 0.5 percentage points among the baby boomers would have

been in the absence of the efforts cannot be known, nor for that matter whether what the 1.2 percent point gain among those over 55 would have been in the absence of the efforts. Whatever the assessment, the under 35 age group needs more focused attention so that the recent decline can be reversed.

The broad changes in RV ownership rates by income groups indicate that more households with less than median income owned RVs in 2001, while slightly fewer households with incomes above the median owned RVs (see Chart 2.5). The overall median household income was about \$40,000 in 2001. The shift toward lower income buyers was prompted by the lower incomes of folding camping trailer owners. Nonetheless, higher income households still are more likely to own RV than those with incomes below the median. Indeed, higher income households were nearly 50% more likely to own an RV in 2001.

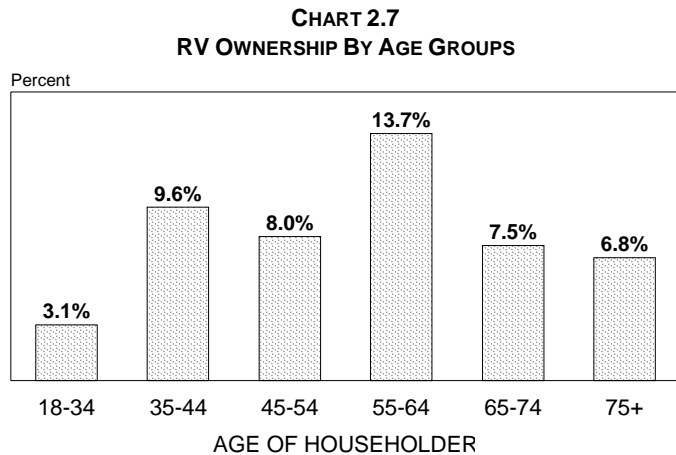


The dominance of the Western region increase in 2001, with 10.2% of Western residents owning a RV in 2001 (see Chart 2.6). Western residents increased their ownership rate by 0.6 percentage points since 1997. Higher ownership rates were recorded among residents of the South, rising to 6.3% in 2001, also up by 0.6 percentage points since 1997. In contrast, ownership rates among residents of the Midwest and Northeast changed very little since 1997. Ownership rates in the Midwest were down just 0.1 percentage points from 1997, while ownership rates in the Northeast were up 0.2 percentage points. Despite the small decline in 2001, residents of the Midwest still had the second highest ownership rate. The data also indicate that most of the growth has been concentrated in the sun belt regions of the West and South.

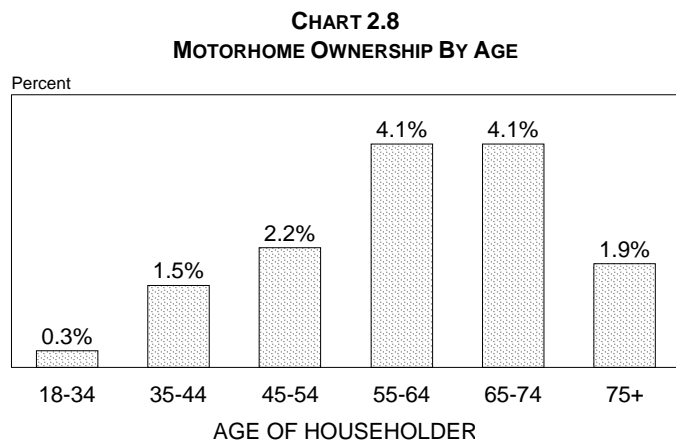


2001 RV Ownership Rates By Age Groups

Age along with income are the two most important characteristics of households that determine ownership patterns. RV ownership increased from an ownership rate of 3.1% for those householders under 35, to a peak of 13.7% for households aged 55 to 64 (see Chart 2.7). Compared with the 1997 data, two changes in the overall distribution stood out. Because of rising numbers of younger households that now own folding camping trailers, the proportion that own an RV in the 35 to 44 age range increased from 6.9% in 1997 to 9.6% in 2001. In addition, the proportion of those aged 75 or more increased their ownership in 2001 to 6.8% from 4.5% in 1997. The net result of these changes acted to flatten the overall age profile of owners, although the characteristic shape remained unchanged.

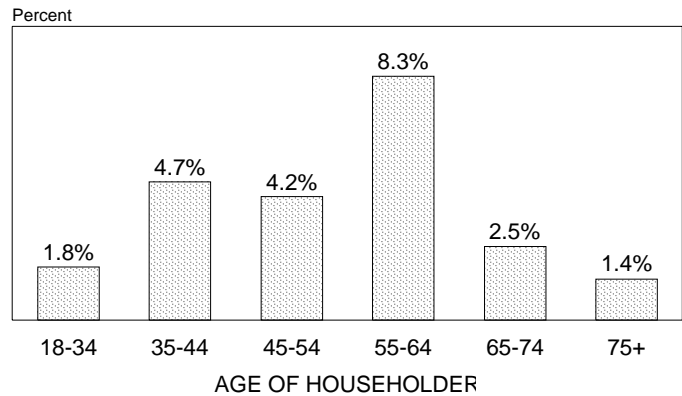


Ownership of motorhomes retained the characteristic age pattern. Ownership of motorhomes started quite low, at just 0.3% for those under age 35, and peaked at 4.1% for those aged 55 to 74 (see Chart 2.8). Importantly, ownership of motorhomes remain as high just following the normal retirement age as just prior to retirement. Even among owners over age 75, ownership remained at an impressive level, higher than for householders under 45. The most important shift since 1997 was the rise in ownership of motorhomes among those aged 55 to 64, rising to 4.1% from 2.8% in 1997.



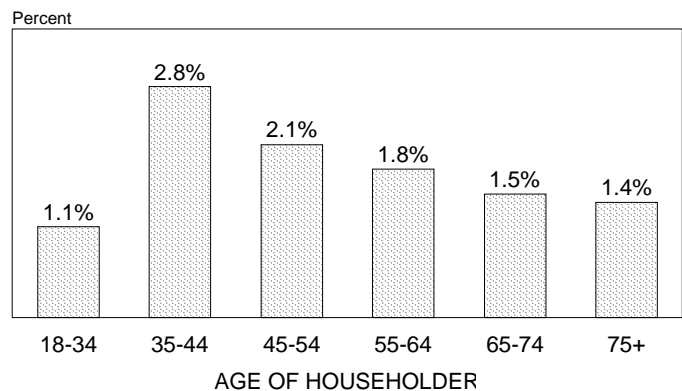
The data on ownership rates for travel trailers (including both conventional travel trailers and fifth-wheel travel trailers) also show the same characteristic pattern. Unlike motorhomes, the ownership of travel trailers peaked just before retirement, and by age 75 was the lowest for any age group (see Chart 2.9). Travel trailer ownership was substantially more concentrated in the 55 to 64 age range, compared with any other type of Rv as well as compared with the 1997 data. The appeal of travel trailers to this age group meant that those aged 55 to 64 were more likely to own a travel trailer than any other type of vehicle, accounting for sixty percent of all of the RVs owned by this age group.

**CHART 2.9
OWNERSHIP OF TRAVEL TRAILERS BY AGE**



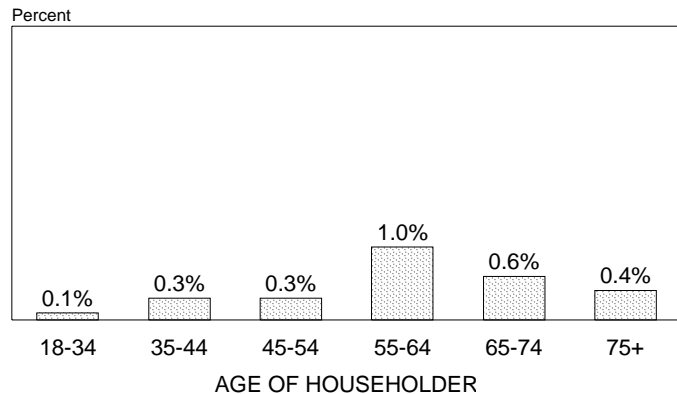
The age profile for folding camping trailers indicates the underlying appeal of these vehicles to younger first time buyers (see Chart 2.10). That the peak ownership rate occurs at age 35 to 44 makes these RVs the most distinctive. Rapidly rising to a peak of 2.8%, ownership rates then gradually fall to 1.4% for householders over age 75. Perhaps the sharp increase in ownership rates from just 1.1% for those under age 35 to the peak of 2.8% for those age 35 to 44 is due family considerations: the infants and younger children common among younger families are not old enough to participate in camping, but once the children are old enough the appeal of these vehicles increases dramatically. Perhaps more surprising was the relatively high rate of ownership among householders over age 75. Nonetheless, that ownership remained high even among the oldest households indicates the future sales promise of these vehicles.

**CHART 2.10
OWNERSHIP OF FOLDING CAMPING TRAILERS BY AGE**



The ownership of truck campers was uncommon in any age group (see Chart 2.11). For only those households aged 55 to 64 did as many as 1% owned truck campers. Among all other age groups only fractions of a percentage point owned these RVs. Given that sales of large pickups have surged in recent years, that ownership of these RVs have continued to decline does not indicate great promise for future sales of these RVs. Moreover, the most recently popular pickup have extended cabs and other innovations which may not be fully

CHART 2.11
OWNERSHIP OF TRUCK CAMPERS



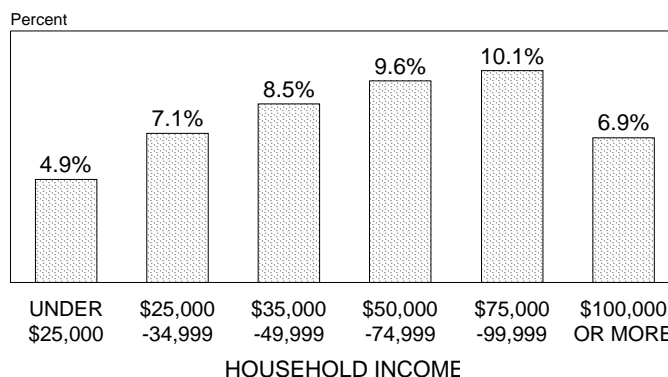
compatible with the addition of a campers. Indeed, fifth-wheel travel trailers may now have gained an advantage for the pickup owner.

Overall, the profile of RV ownership by age groups indicate that the appeal of folding camping trailers has begun to change the overall age distribution of RV owners. Indeed, the higher rates of ownership of conventional and fifth-wheel travel trailers also benefitted, as more younger buyers choose these vehicles as well. The price of folding camping trailers as well as the lower end of conventional travel trailers may be a prime factor in this transformation. Importantly, nearly all of the gain in ownership among the younger half of the baby boom generation was in these RVs. Indeed, for those aged 35 to 44, overall ownership rates of RVs rose to 9.6% in 2001 from 6.9% in 1997. For older baby boomers, those aged 45 to 54, overall ownership rates of RVs actually fell to 8.0% in 2001 from 10.5% in 1997.

2001 Ownership Rates By Income Groups

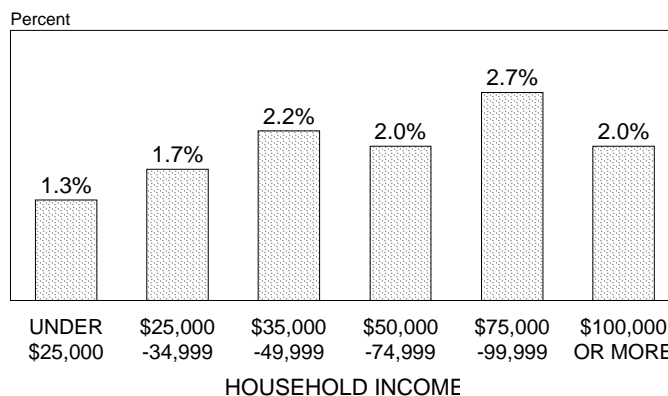
RV ownership rates across income groups also showed a distinctive profile, gradually rising to a peak ownership rate for households with incomes of just under \$100,000 (see Chart 2.12). Among the top households with incomes above \$100,000, ownership rates fell, and were lower than any except for households with incomes below \$25,000. This same pattern has been repeatedly observed in prior surveys. The highest ownership rate was among households with incomes of \$75,000 to \$100,000, reaching 10.1%. To be sure, ownership rates for households with incomes of \$50,000 to \$75,000 were quite close at 9.6%. The relatively high ownership rate for those with incomes under \$25,000 clearly reflects the income of households in their retirement years.

CHART 2.12
RV OWNERSHIP RATES BY INCOME GROUPS



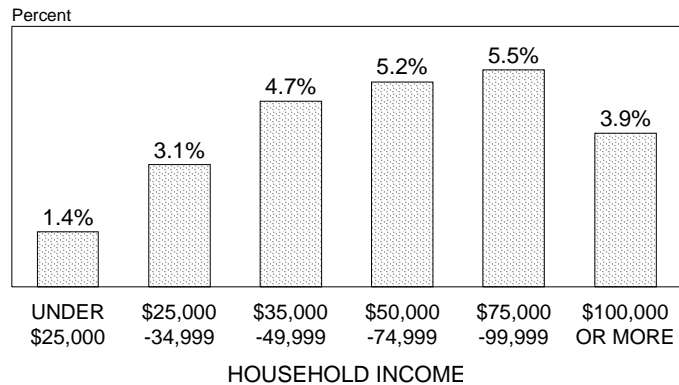
The income profile of motorhome owners reflects the same general shape as for all RV owners, with ownership peaking at incomes just below \$100,000, although the falloff in ownership above \$100,000 is not as sharp and was comparable to those with incomes below \$75,000. Since motorhomes generally cost more than other types of RVs, the data indicate that income constraints do not represent the primary factor shaping ownership of motorhomes, as well as other types of RVs, especially among the top income group. To be sure, income constraints do play an important role in the selection of an RV, but purchases of RVs respond to more than just available income.

CHART 2.13
MOTORHOME OWNERSHIP BY INCOME GROUPS



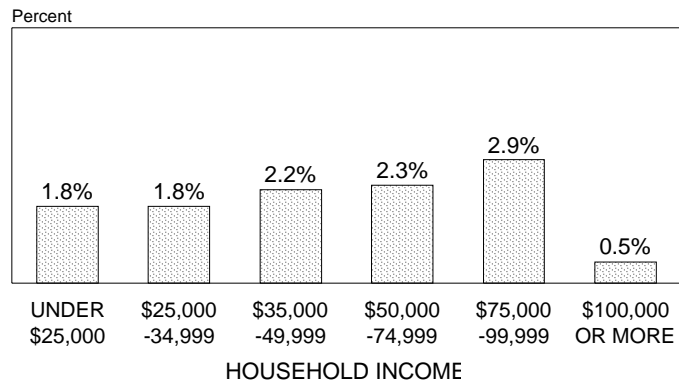
The ownership of conventional travel trailers and fifth-wheel travel trailers rose along with income, reaching a peak ownership just below \$100,000, as did motorhomes (see Chart 2.14). Ownership rates increased rapidly up to an income of \$35,000 to \$50,000, rising from 1.4% to 4.7%. The growth in ownership rates slowed at higher incomes, reaching 5.2% for those with incomes between \$50,000 and \$75,000 and 5.5% for incomes between \$75,000 and \$100,000. Although ownership rates fell above \$100,000, they remained higher than households with incomes of less than \$35,000. Travel trailers were owned more frequently than any other RV by every income group, except the lowest income group (under \$25,000) where folding camping trailers were more likely to be owned.

CHART 2.14
OWNERSHIP OF TRAVEL TRAILERS BY INCOME GROUPS



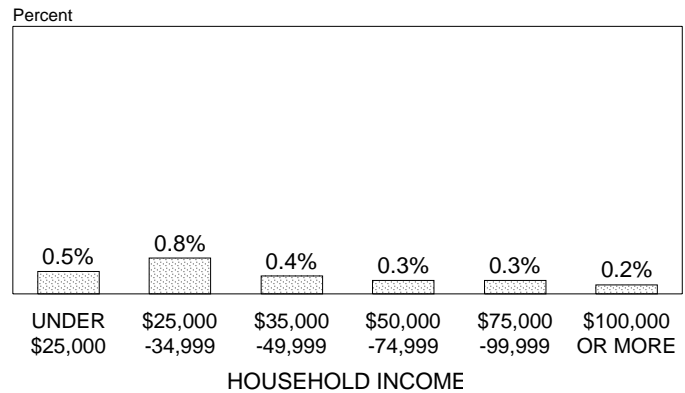
The ownership of folding camping trailers varied less by income than other types of RVs, but it nonetheless had the same overall profile (see Chart 2.15). Ownership rose along with income, reaching the highest ownership rate of 2.9% for those with incomes just under \$100,000, and then fell sharply at incomes above \$100,000. Indeed, among households with incomes below \$75,000, the ownership rates remained in the narrow range of 1.8% to 2.3%. Thus while younger households were the most likely to own a folding camping trailer, the incomes of these owners were widely spread across the entire distribution, except those in the highest income group.

CHART 2.15
OWNERSHIP OF FOLDING CAMPING TRAILERS BY INCOME GROUPS



The ownership of truck campers showed the least variation by income largely because the ownership of these RVs were so uncommon. In no income group did the ownership rate exceed 1% (see Chart 2.16). Interesting, the small proportion that did own truck campers were more likely to have lower incomes (under \$50,000). Coupled with the fact that the highest ownership rate was among those aged 55 to 64, the data indicate that these owners had relatively low incomes given their age. As a result, these owners do not represent very attractive prospects for future sales.

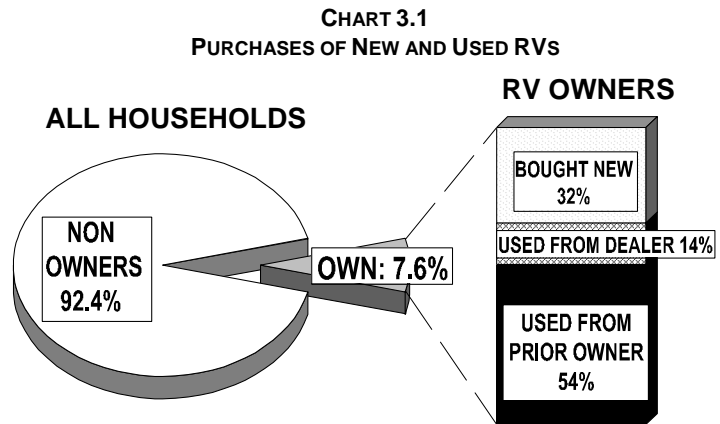
CHART 2.16
OWNERSHIP OF TRUCK CAMPERS BY INCOME GROUPS



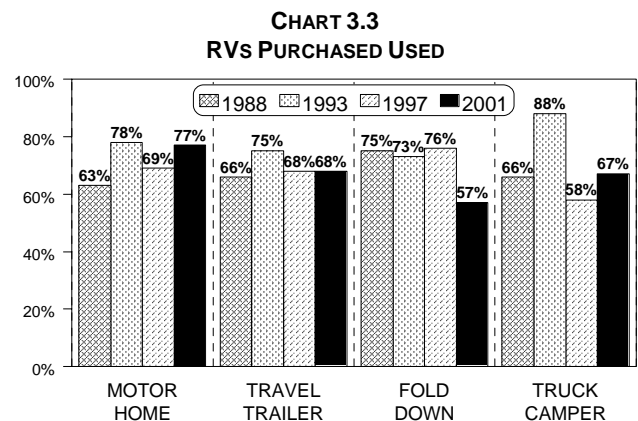
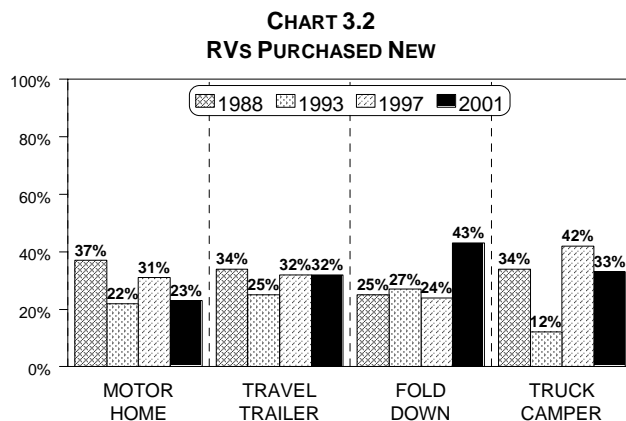
3. Purchases of New and Used RVs

Purchase Trends

Among all RV owners in 2001, about one-third were purchased new by their current owners (see Chart 3.1). Importantly, the proportion that purchased their RV's new was slightly higher in 2001 than in 1997 (31%), and well above the level recorded in 1993 (25%). While this shift may reflect changes in economic conditions, it may also reflect the fact that the high levels of sales of RVs in the 1960's and early 1970's have been increasingly retired from use. Among the two-thirds of RV's that were purchased used, the vast majority of them were purchased directly from their former owners. Indeed, purchases directly from former owners accounted for the majority of all RVs currently owned. Purchases of used RVs from dealerships accounted for just 14% of all RVs owned in 2001, the same proportion that was recorded in 1997.



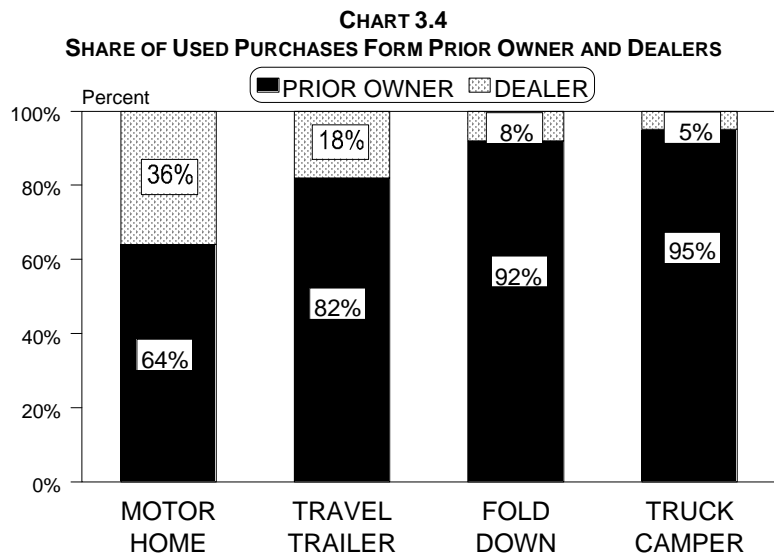
The largest change in the purchase of new RVs was for folding camping trailers. Overall, 43% of all current owners of folding camping trailers purchases their RV new in 2001. Enhanced features in these vehicles as well as their shorter life may be responsible for the rise in new purchases.



Purchases of new travel trailers (both conventional and fifth-wheel travel trailers) was unchanged at 32%, while purchases of new motorhome accounted for somewhat less in 2001 than in 1997 but was above the 1988 level.

Sources of Used RV Purchases

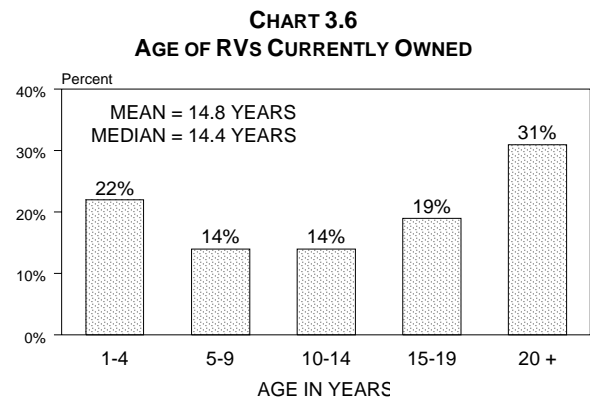
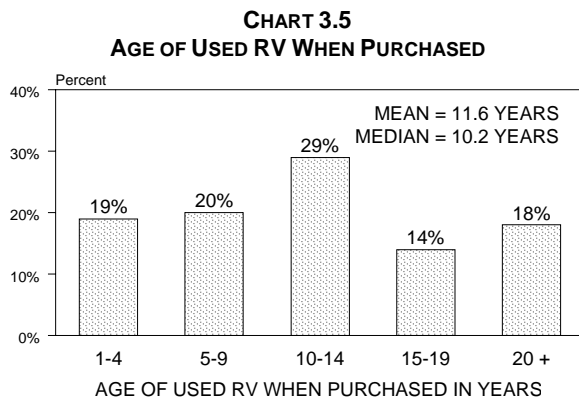
Among current owners that purchased their RV used, the majority of all owners purchased their current RV from the prior owner. The proportion that purchase their current RV from a dealer were most likely to have purchase a motorhome. Indeed, compared with the 1997 survey, purchases from dealers of motorhomes increased significantly, to 36% from 26% in 1997. All other types of RVs, however, were more likely to be purchased from the prior owner in 2001 compared with 1997. Purchases of used travel trailers from dealers fell to



18% from 24% in 1997, purchases of used folding camping trailers fell to 8% down from 12% in 1997, and purchases of truck campers fell to just 5% from 16% in 1997. Given that used RVs are generally newer and in better condition when purchase from dealers, purchases from prior owners represent a potential problem of quality control the RV industry should immediately address.

Age of Used RV at Purchase

Among current owners that purchased their RV used, the typical RV was ten years old at the time it was purchased (see Chart 3.5). The median age of the used RV was only slightly older in the 2001 survey compared with 1997 (10.2 versus 9.7 in 1997), with the mean showing the same increase of about a half of a year (11.6 versus 11.0 in 1997). The small increase in the age of the used RV



was due to more households purchasing an RV that was 10 to 14 years old (29%, up from 18%) and a comparable decline in purchases of RVs that were newer (39%, down from 48%). Importantly, the proportions of used RVs that were purchased when they were 15 years or older remained unchanged in 2001 from 1997. The average age of used RVs when purchased certainly attests to their durability, however, such older units do not incorporate the benefits of newer features, designs, and engineering in newer vehicles, and may suffer from higher maintenance and repair costs. An emphasis on the benefits of newer vehicles, coupled with lower maintenance and repair costs, could help bolster sales of newer vehicles.

Age of RVs Currently Owned

The median age of all RVs, counting both those that were purchased new as well as used, was 14.4 years, with the mean age only slightly higher at 14.8 (see Chart 3.6). This represented a significant rise compared with the 1997 survey, with the median age increasing 1.7 years and the mean age going up by 1.2 years. This rise in the age of currently owned RVs came despite more RVs aged one to four years in 2001 than in 1997 (22% versus 18%). The difference was due to RVs more than 15 years old, which increased to half of all RVs in 2001 from 41% in 1997. While the long life of RVs certainly attests to their durability and enduring appeal to consumers, the large number of RVs still in use even after 20 years ultimately limits sales of new RVs. Industry efforts to finally dispose of these older RVs would provide a welcome stimulus to new sales. As it now stands, many consumers find the prices of used RVs too appealing to forego, but the purchase of such an older RV may limit their use by consumers and hence lessen their commitment to the RV lifestyle.

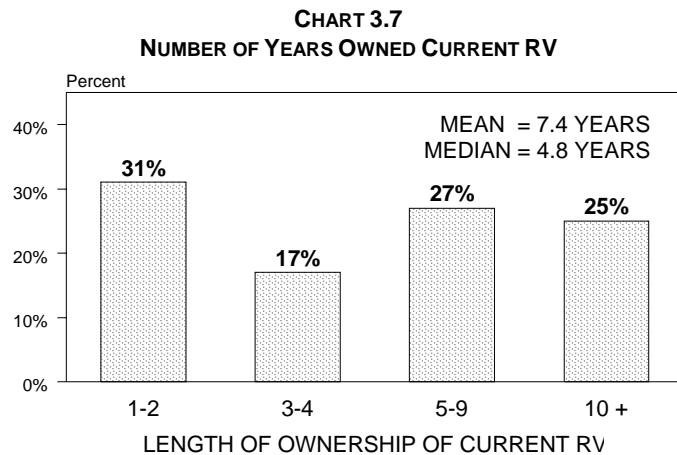
Length of Ownership of Current RV

The length of time current RV owners have actually owned their RV reflects rapid turnover as well as long ownerships. Overall, 31% have owned their RV for just one to two years, and 25% have owned their RV for ten years or more (see Chart 3.7). Compared with the 1997 data, the same proportion owned their RV for one or two years, but the proportion of households that owned their RV for ten years or more rose to 25% from 19%. As a result, the overall length of time that owners have had their RV rose in the 2001 survey. The median years owned was

4.8 in 2001, only slightly above the 4.2 recorded in 1997. The mean years owned rose more, to 7.4 from 6.0 in 1997. Notably, in both the 1997 and 2001 surveys, owning an RV for three to four years was considerably lower than those that owned one or two years. Overall, ownership of the same RV for three to four years accounted for 17% of all owners in 2001, down from 23% in 1997.

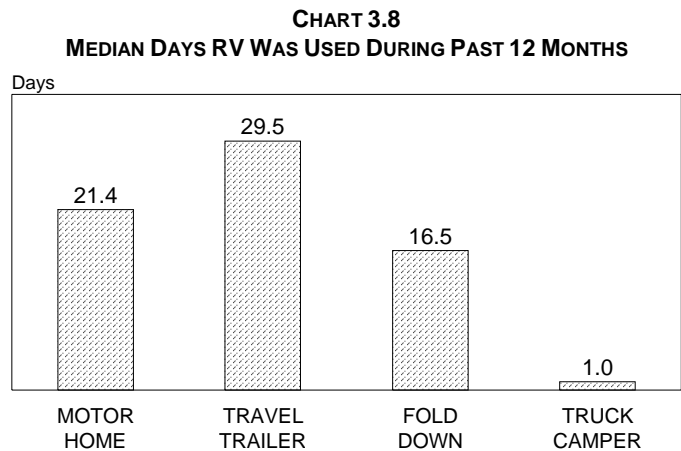
The data suggest that a segment of current owners were quite active purchasers, trading and upgrading their RVs after about two years. More importantly, the data also reflects another market segment that exits the market after relatively short ownership periods, and was replaced by new entrants. Indeed, the data on former owners presented in the next section indicates that a substantial proportion of owners have recently sold an RV and no longer own any RV. Overall the data continue to suggest a rather large turnover in RV ownership among those who owned their RV less than five years. How much the conditions of used RVs play in their decisions to sell after only two years is not known but could be a deciding factor.

There was nonetheless a substantial and growing share of owners that have owned their current RV for five or more years. These households have demonstrated a strong commitment to the RV lifestyle as well as a strong commitment to their current RV. Although these RVs have proven durability, it is the availability of new features and technology that will make these owners upgrade their RV.

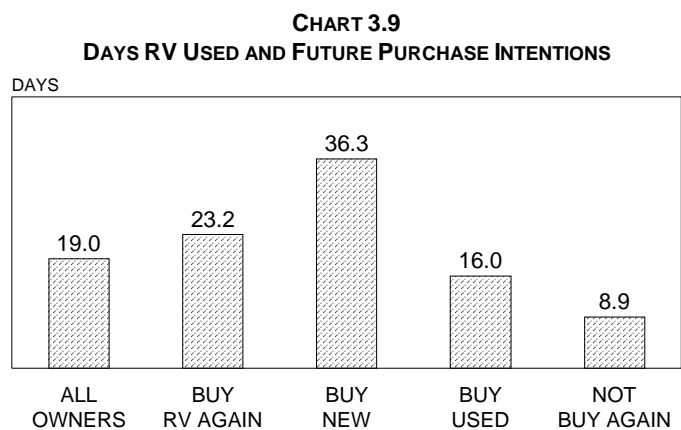


Frequency of RV Use

The extent of RV use was approximated by the total number of days the RV was used during the prior twelve months. The typical RV was used nearly three weeks (a median of 19.0 days). Travel trailers were used most frequently, with the median days amounting to just over four weeks (29.5 days). Motorhomes were used for just over three weeks (21.4 days), and folding camping trailers were used for just over two weeks (16.5 days). In each case the total number of days was typically spread over more than one trip taken by the owner. The use of truck campers were the clear exception. These RVs were used the least, with the median use just one day during the past twelve months (see Chart 3.8).



The frequency that owners use their RVs has an important impact of their future purchase intentions. Owners that intended to purchase another RV, used their current RV for nearly three times the number of days compared with owners that did not intend to purchase another RV (23.2 versus 8.9 days). More importantly, households that reported intentions to purchase another new RV were the most frequent users, reporting a median days usage of more than five weeks during the prior twelve months (36.3 days). In contrast, owners that planned to purchase a used RV reported usage of just over three weeks (23.2 days). Overall, the data continue to indicate the importance of usage for repeat buying. Actual usage reflects differences in perceptions of time constraints, as well as travel and recreational opportunities, which in turn influence their judgements about the value for the dollar that RV ownership provides for their families. Enhancing these travel opportunities is an important industry task.



Planned and Actual Use of RVs

Current owners were asked how they thought they would use their RVs when they decided to purchase their current RV as well as how they actually used their RV after it was purchased. The most common intended use was for camping, mentioned by 52% of all RV owners, and camping was the most common actual use, mentioned by 54% of all owners (see Chart 3.10). The only type of RV where actual camping was reported more than intended prior to the purchase was among motorhome owners. Among all motorhome owners, just 36% reported camping as a planned usage while 47% mentioned camping as an actual. Overall, motorhome owners were the least likely to report camping as a major factor either before or after the purchase—both were reported by under half of all motorhome owners. Not surprisingly, camping was most frequently reported by folding camping trailer owners, with more than two-thirds reporting either planned or actual camping. Even among travel trailers owners, a majority planned and actually used the vehicle for camping.

The use of motorhomes for travel was the most common planned and actual use, mentioned by nearly half of all motorhome owners. In comparison, about half as many travel trailer as well as folding camping owners cited the use of their vehicle for travel, with both saying that they used the trailers somewhat less frequently than they had planned for this purpose. More general vacation uses (including specific destinations) were also mentioned more frequently by motorhome owners.

CHART 3.10: PLANNED AND ACTUAL USES OF RVs

	All RVs		Type of RV Owned					
			Motorhome		Travel Trailer		Folding Camping	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Camping	52%	54%	36%	47%	55%	54%	66%	71%
Travel	31	27	47	46	27	23	25	20
Vacations (no mention camping)	13	11	17	19	13	9	14	10
Special hobbies	9	11	17	22	5	5	4	7
Vacation home	7	6	4	6	13	9	0	0
Business uses	7	4	9	1	8	4	0	3
Extra room for visitors	1	7	0	0	1	9	3	5

As might be expected, motorhome owners reported the most diverse planned uses and the most diverse actual uses. Importantly, it was among motorhome owners that more frequently mentioned special hobby related uses, such as antiquing, equestrian events and other special fairs and events. Overall, more than one-in-five motorhome owners used their vehicles for such special events or hobbies.

The only planned use that was not actually done was to use the motorhome for business related uses. The justification of the purchase for business uses was done by nearly one-in-ten motorhome owners, yet just 1% actually reported using the motorhome in that manner. The same falloff in actual business related used was also present for travel trailers as well as folding camping trailers, although both these types of RVs were more frequently actually used for business related purposes.

Travel trailers were more frequently actually used for vacation homes and as “extra” rooms for visitors. Indeed, travel trailers were the most commonly used for visitors, by nearly one-in-ten owners. Importantly, just 1% expected to use their trailer for this purpose when they purchased the unit. Folding camping trailers were also more frequently used than planned to house visitors, by one-in-twenty.

Overall, most owners did actually use their RVs for the purposes that they planned. When planned and actual uses were compared among the same households, more than two-thirds of all owners reported the same uses that were planned were actually done. Among the one-third that used their RV for something that they did not expect at the time of the purchase, they were about evenly divided between those that planned a use but didn’t actually use their RV in that manner and those that actually used the RV for a use that they did not anticipate when they purchased the RV. Most of these unplanned uses were for special hobbies they acquired following the purchase as well as for using the RV to house relatives and friends when they visited.

Reasons Given for Selection of the Type of RV

Current RV owners were asked why they selected the particular type of RV they own rather than another type. The cost of the RV was mentioned by nearly equal numbers of owners of all types of RVs (see Chart 3.11 on the next page). About one-in-four owners mentioned the cost of the RV, with just about one-in-twenty mentioning the maintenance or operating costs of the vehicle. Surprisingly, 8% of travel trailer owners and 6% of folding camping owners mentioned that the RV was a gift, usually from another member of their family.

Recreational uses of the RV were mentioned most frequently by folding camping trailer owners, with nearly one-in-five citing specific activities such as camping, hunting, fishing, and other special hobbies and activities. In contrast, motorhome owners were more likely to cite more general travel and getaways as their primary motivation, rather than citing a specific recreational activity.

Most of the reasons for the selection of a particular RV involve features or amenities of the particular RV as well as characteristics of the vehicles themselves. The number of sleeping spaces was mentioned by owners of all types of RV with about equal frequency, by about 14%, while the interior room was more frequently mentioned by motorhome owners. The layout of the interior was most frequently mentioned by travel trailer owners, as was the convenience of the facilities, workmanship, and other amenities and features—altogether by 30%, over twice the frequency which motorhome or folding camping trailer owners mentioned these items or features.

Preferences about the overall size of the vehicle were most commonly mentioned for a motorhome, but the size of an RV could be expressed in many different terms. For example, the amount of interior room, or by the number of sleeping spaces, or even by the overall weight of the vehicle. While each of these factors generally represent the overall size of the vehicle, how those preferences are expressed do reflect the preferences of individual consumers. Combining all of these mentions, 54% of motorhome owners expressed one or another of these size references, compared with 42% of travel trailer owners, and 41% of folding camping owners.

CHART 3.11: REASONS GIVEN FOR THE SELECTION OF THE TYPE OF RV HOUSEHOLD CURRENTLY OWNS

	All RVs	Type of RV Owned		
		Motorhome	Travel Trailer	Folding Camping
Cost	37%	36%	36%	41%
Price; value for the dollar	26	28	26	27
Maintenance, operating costs	5	7	2	8
Gift	6	1	8	6
Vacation and Recreation Uses	21%	19%	17%	32%
Specific activities (camping, hunting, fishing, hobbies)	9	5	6	19
Travel, getaways	6	13	3	6
Vacation home	6	1	8	7
Amenities and features	46%	47%	54%	38%
Sleeping spaces	14	15	14	14
Interior room	12	16	10	13
Interior layout	7	7	10	4
Convenience of facilities	6	3	9	3
Workmanship	3	1	5	2
Other amenities and features	4	5	6	2
Vehicle characteristics	37%	40%	37%	34%
Length, overall size	13	19	8	8
Weight	7	4	10	6
Condition of vehicle	3	6	1	4
Road handling, safety	5	4	5	6
Towable, can use separate vehicle	4	-	7	4
Have proper towing vehicle	2	-	4	2
Drivable, self contained unit	1	5	-	-
Setup required	1	1	2	1
Brand	1	1	*	3

Factors That Determined When the RV was Purchased

RV owners were asked about the timing of the purchase of their current RV to determine which factors were the most important. The financial ability of the household were relatively unimportant in the timing of the purchase, mentioned by just 12% (see Chart 3.12 on the next page). In contrast, the cost of the RV was cited much more frequently. The result that income was less important than the price of the RV is not surprising given that all were already owners. The timing of the purchase is a decision that logically comes after the decision to purchase, which is influenced much more by financial resources. Indeed, the timing of the purchase is much more a market determined activity, with the price and availability of good buys (especially on used RV) more of a key determinant.

Not surprisingly, motorhome owners mentioned the price or the availability of good value more frequently than other types of RVs, by nearly half of all owners. Perhaps more surprising was that the timing of purchases of folding camping trailers was reported to be most affected by prices by one-third of the owners.

Planned vacation trips and other recreational motivations were cited as important determinants of the timing of purchases by one-fourth of all owners regardless of the type of RV they purchased. This is of course the reason that RV sales vary by season, more in the Spring and Summer than Fall or Winter. Note that upgrading is also an important factor for both motorhomes and travel trailers, but was relatively unimportant motivation for the purchase of a folding camping trailer. The poor condition of their prior unit was a relatively more important factor to the folding camping trailer owners.

Changes in family characteristics were also cited as a factor affecting the timing of purchases. The age of children was most important for owners of folding camping trailers, cited by 13%. Retirement and special family activities (often including adult children and grandchildren) were important milestones for the purchase of motorhomes and travel trailers.

While most of the factors that affect purchase timing cannot be influenced by the industry, the importance of price and availability of good buys on RVs can be influenced. This factor was cited by one-third of all RV owners. New models or new features can enhance the perceptions of higher value for the dollar.

CHART 3.12: MAJOR FACTORS THAT DETERMINED THE TIMING OF PURCHASE OF CURRENT RV

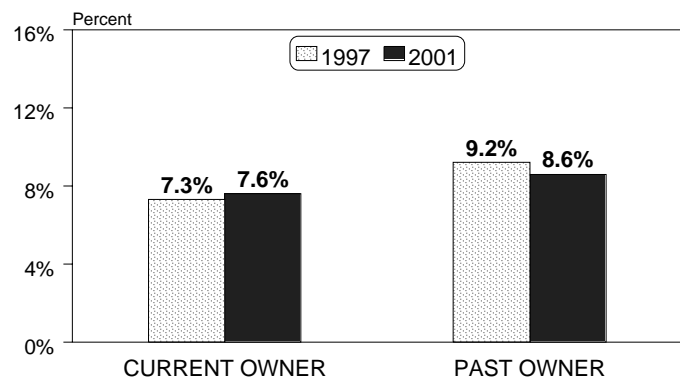
	All RVs	Type of RV Owned		
		Motorhome	Travel Trailer	Folding Camping
Financial Ability	18%	9%	21%	17%
Income	10	5	12	9
Investments	2	3	1	2
Gift	6	1	8	6
Vacation and Recreation Motivations	24%	26%	25%	25%
Specific activities (camping, hunting, fishing, hobbies)	10	12	11	7
Planned travel, getaways	6	12	3	7
Vacation home	4	2	6	4
Prefer to using motels or hotels	4	*	5	7
Family Related Reasons	15%	14%	16%	15%
Age of children, grandchildren	8	5	7	13
Retirement	3	4	3	2
Special family activities	4	5	6	*
Cost and Availability of Vehicle	36%	49%	29%	36%
Price; value for the dollar	20	22	16	22
Availability of unit at good price	16	27	13	14
Condition of Current RV	19%	17%	20%	10%
Poor condition, high maintenance	6	4	4	7
Wanted to upgrade	13	13	16	3

4. Prior Ownership of RVs

Past Ownership of RVs

Despite the fact that the appeal of the RV lifestyle persists throughout people's lives, there is a considerable degree of turnover in the ownership of RV's. The data continued to indicate that the ownership of RV's is intermittent for a significant portion of the market. Households that did not currently own an RV were asked if they had ever owned one in the past that they had sold. Among all households in the 2001 survey, 8.6% reported that they had once owned an RV compared with 7.6% that currently own one. Overall, the data indicate that the RV lifestyle has considerable appeal given that a total of 16.2% of the population has or currently owns an RV. Some of the turnover in ownership reflects the expected life-cycle course, or results from changes in family situations, and some represents a normal pattern of temporary exit before reentry.

CHART 4.1
CURRENT AND PAST OWNERSHIP OF RVs



While the proportion of past owners is somewhat lower than in 1997 (but not statistically significantly lower), it may simply represent that an increasing fraction of those that owned RV in the 1960's, when sales were much higher, are no longer alive. In the 1997 data, past RV ownership was reported by 17% of those 75 years or older, whereas in the 2001 data past ownership among these households fell to just 13%. This change alone could account for most of the overall change in past RV ownership since 1997.

Demographic Characteristics of Former Owners

The interpretation that past ownership represents normal turnover is reflected by the similar demographic distributions of current and past RV owners. Current and past ownership of RV's was

CHART 4.2
CURRENT AND FORMER OWNERS BY AGE

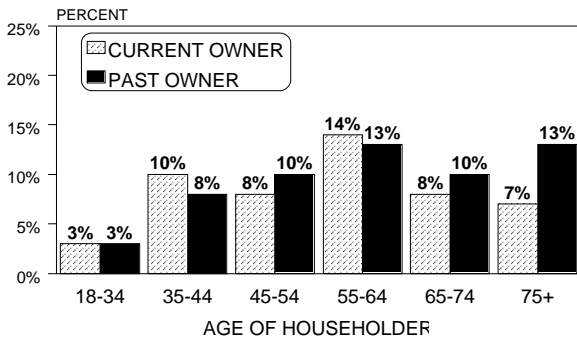
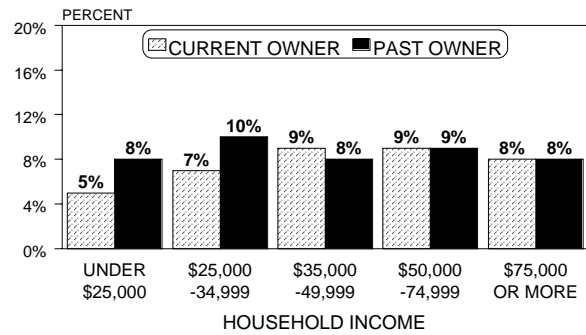


CHART 4.3
CURRENT AND FORMER OWNERS BY INCOME

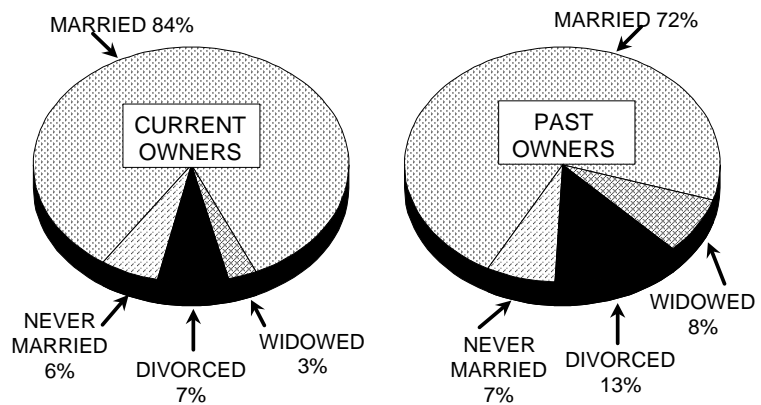


quite similar across age and income groups, except for the anticipated larger levels of past ownership at older ages and the same household’s lower incomes in later life (see Charts 4.2 and 4.3). Overall, the data indicate that turnover is as likely at all ages (except the very oldest), and thus turnover is not primarily related to age. The income profile of former owners points to the same finding. While past ownership was somewhat more likely at lower incomes, the households income at the time they owned an RV was likely to be higher.

While similar in age and income, current and former owners did differ on the characteristics of their family situation.

Current owners were more likely to be married than former owners (84% versus 72%). At the time that they owned an RV, former owners were likely to be married, indicating the important of family stability in the ownership of RV’s. Being divorced or widowed was much more likely among former RV owners. Of all current owners, just 10% were divorced and widowed, while among former owners,

CHART 4.4
MARITAL STATUS OF CURRENT AND FORMER OWNERS

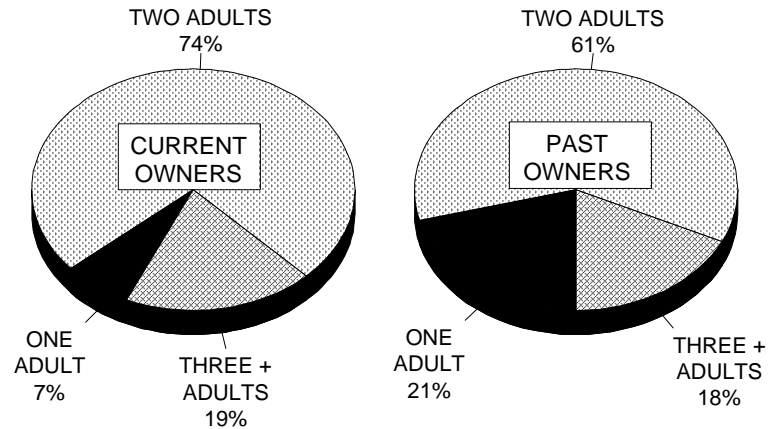


21% were divorced or widowed. While the death of a spouse was typically associated with older owners, divorce was an important change in family circumstances that often involved the sale of their current RV. These results were nearly identical for current owners for the 2001 and 1997 surveys, although fewer former owners were divorced or widowed in the 2001 survey (21%, down from 27%).

The majority of current and former RV owners lived in households with just two adults (with persons over age 18 counted as adults).

Given that current owners were more likely to be married, it is no surprise that they also were more likely to live in households with two adults (see Chart 4.5). Former owners were three times as likely to live in one adult households (21% versus 7%). Indeed, nearly all of the difference was between one and two adult households, as the proportion living in households with three or more adults differed by just 1%, with current owners more likely to have an adult child living in the household. Compared with 1997, the data indicate a shift toward more two-adult households among current owners (74%, up from 63% in 1997), and fewer adult children still living at home (19%, down from 28% in 1997).

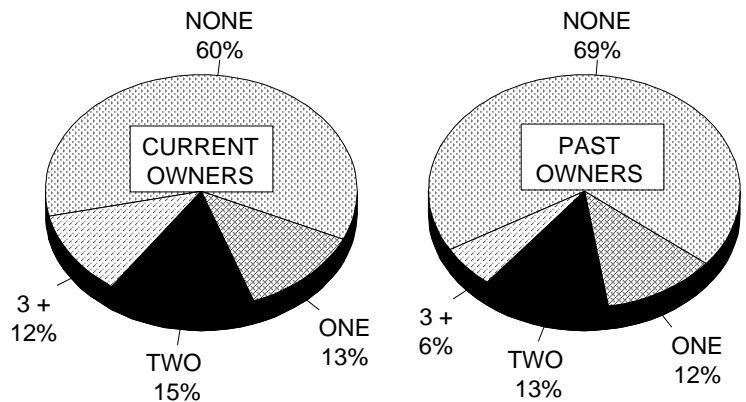
CHART 4.5
NUMBER OF ADULTS IN HOUSEHOLDS OF CURRENT AND FORMER OWNERS



Although both current and former RV owners had no children under age 18 still living at home, current RV owners were more likely to still have children at home (40% versus 31%). Moreover, current owners had more children living at home than former owners (27% had two or more versus 19% among former owners).

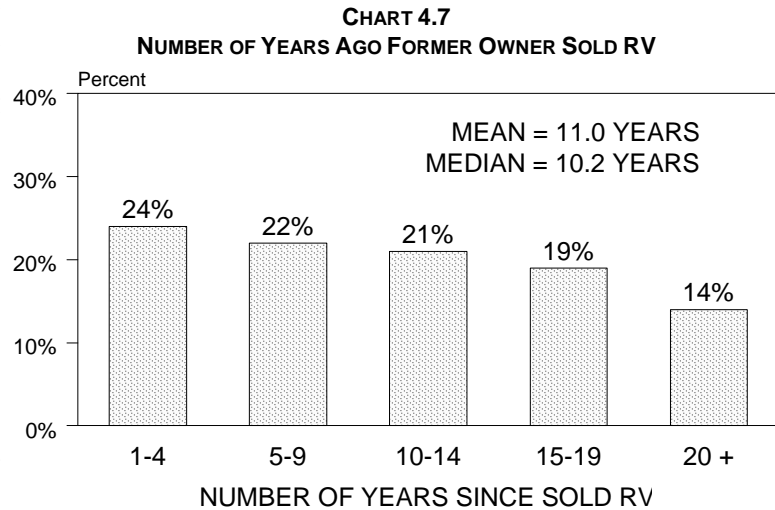
To be sure, when former owners did own an RV their family size may have been as large as current owners. However it should not be overlooked that owners without children at home may still use their RV for travel and recreation purposes that involves their children or grandchildren.

CHART 4.6
NUMBER OF CHILDREN IN HOUSEHOLDS OF CURRENT AND FORMER OWNERS



Length of Non-Ownership

While half of all former owners sold their RV within the past ten years, one-in-seven sold their RV twenty or more years ago (see Chart 4.7). Perhaps more importantly, nearly one-in-four sold their RV within the past four years, indicating a substantial amount of recent turnover. While it is unlikely that former owners who sold their RV more than twenty years ago will ever return to the RV market, those who sold their RV within the past five years or so represent prime prospects for making another RV purchase in the future.



Compared with the 1997 data, the 2001 data indicate a longer time period since former owners sold their most recent RV. In 2001, the median number of years since they owned an RV was 10.2, up from 8.3 in 1997. The mean number of years also increased, to 11.0 in 2001 from 9.8 in 1997. To put these results in perspective, while the length of time between surveys was four years, this was more than twice the increase in the years since former owners sold their most recent RV---1.2 (mean) and 1.9 (median). The most dramatic change was in selling their RV's one to four years earlier, which dropped from 31% in 1997 to 24% in 2001. Overall the data indicate that a significant share of former owners did repurchase an RV in recent years which in turn represents a significant accomplishment for the industry.

Reasons Given for Selling RV

Past owners were asked to describe in their own words why they sold their RV. In response, the most common reasons was that they did not use the RV enough, reported by half of all past RV owners (see Chart 4.8). While motorhome owners were slightly less likely to voice non-use as a

reason for selling their RV, they were the most likely to voice concerns about the cost of ownership as a reason for selling.

CHART 4.8: REASONS GIVEN FOR SELLING RV

	All RVs	Motorhome	Travel Trailer	Folding Camping
Did Not Use RV	53%	45%	56%	58%
Cost of RV	13%	24%	11%	7%
Needed cash from selling RV for other purposes	8	11	9	7
Maintenance, operating costs too high	6	13	5	0
Family Reasons	21%	20%	23%	18%
Age of children	5	3	3	13
Divorce	6	3	11	3
Health problems	3	5	2	2
Advancing age	4	6	1	0
Death of spouse	3	3	6	0
Lifestyle Changes	12%	15%	7%	8%
Wanted different lifestyle	6	7	3	6
Prefer hotel, motel, condo, etc.	6	8	4	2
RV Condition	8%	7%	7%	8%
Poor condition of RV	5	7	6	3
No longer had vehicle to tow unit	3	-	1	5

Overall, one-in-four motorhome owners cited cost factors, nearly equally divided between the capital cost and operating costs. Not surprisingly, folding camping trailer owners were the least likely to cite cost factors.

Family related reasons were cited by nearly equal percentages for all types of RVs, although the specific references did differ across RV types. The presence and age of children had the most impact on folding camping trailer owners, with 13% citing this reason for selling the unit. Divorce was the most cited single family reason for selling a travel trailer, with the death of a spouse the second most common reason. Motorhome owners more frequently reported declining health and advancing age as the primary reasons.

While these changes in families were more frequently reported by older RV owners (except for divorce and children), changes in preferences for the RV lifestyle as well as preferences for different types of travel accommodations were more frequent among younger owners. Overall, however, these reasons were relatively uncommon, reported by just 12%.

Finally, the condition of their most recent RV also played a factor, along with the lack of a vehicle that could tow the trailer that they had owned. While the data would indicate that these consumers would have kept using their RV if they could, that they choose to sell it instead of purchasing another RV, or choose to purchase a vehicle not capable of towing a trailer, probably indicates that other reasons also played a factor in their decision to sell the vehicle.

5. RV Purchase Intentions

Assessing Market Potential

To assess the potential for future RV sales, all households in the 2001 survey were asked about whether they planned to purchase an RV in the future, whether the RV would be purchased new or used, and when they intended on making the purchase. The likelihood of a future purchase varied significantly by whether the household currently owned an RV, whether they had owned an RV in the past but not currently, or whether they had never previously owned an RV. The strong appeal of the RV lifestyle was reflected in the widespread intention of current owners to purchase another RV. Significant numbers of past owners also expressed their intentions to reenter the market. Although households that have never owned an RV were the least likely to express purchase intentions, it is this subgroup that defines the overall potential for market expansion.

In assessing the overall market potential, there are several crucial factors to take into account. First, the size of the subgroup must be considered along with the percent of the subgroup that intends to purchase. Current and former owners are about as numerous, together amounting to about 20% of all households, while the number of households that have never owned an RV is by far the largest, accounting for 80% of all households. As a result, when the purchase intentions data are summed across all three groups to represent “all households,” the data are most heavily weighted by the “never owned” subgroup.

Second, when assessing the purchase intentions across all households it is important to recognize that the three groups differ markedly in their demonstrated commitment to RV ownership, and thus the likelihood that they will actually make the purchase. Accordingly, more weight must be given to current owners, followed by prior owners, and far less to the expressed intentions of the “never owned” subgroup.

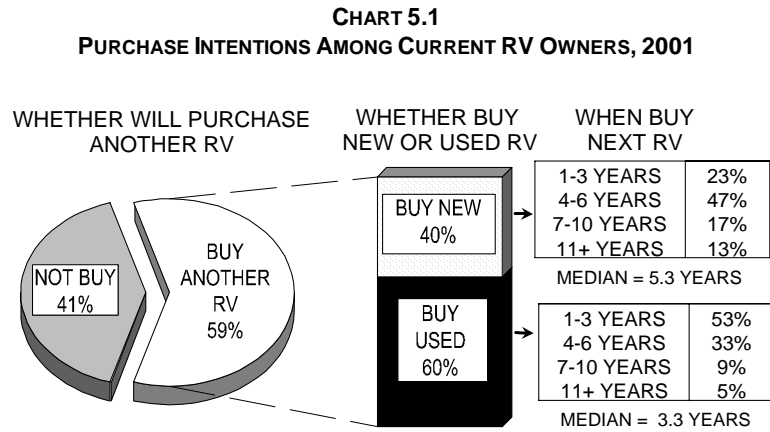
Third, in assessing the potential of these purchase intentions, consideration must be given to both aspects of the expressed purchase plan: whether it would be a new or used RV, and the timing of the expected purchase. The purpose of these questions was both to gauge the sales potential during the next few years, as well as to estimate the potential extent of interest in future RV ownership.

Purchase Intentions Among Current RV Owners

Six of every ten current RV owners expected to purchase another RV to replace their current unit in the 2001 survey (see Chart 5.1).

Among current owners that intended a replacement purchase, four-in-ten owners expected to purchase a new RV, while six-in-ten planned to purchase a used RV. While nearly one-in-four current owners planned to make a new purchase within the next three years, twice as many that planned a used purchase expected to buy the

RV within that same time frame. Overall, new purchasers planned to make the purchase in 5.3 years, while used purchasers planned to buy the RV in 3.3 years.



To compared the 1997 and 2001 purchase intentions, the proportions of current owners that intended to purchase another RV was multiplied by the proportion that expected to purchase a new or used RV. This was necessary to control for net impact of changes in both percentages. For example, the purchase of another RV by current owners was slightly lower in 2001 (by 2 percentage points) but the proportion that expected to purchase a

new RV was slightly higher (by 3 percentage points). Taking account of both factors, the overall proportion of current owners that planned another new purchase was higher by one percentage point—23.7% in 2001 versus 22.7% in 1997, as shown in Table 5.2. Planned purchases of a used RV, however, were 3 percentage points lower in 2001 compared with 1997.

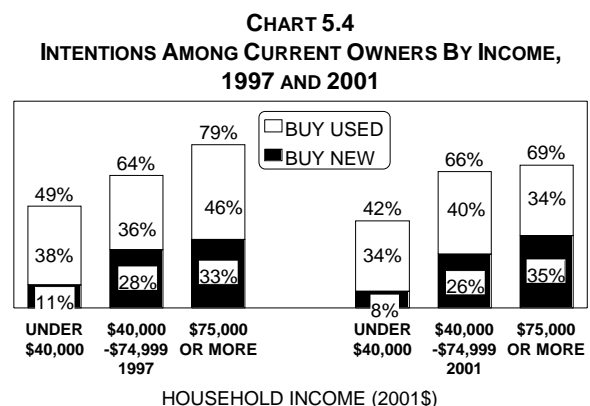
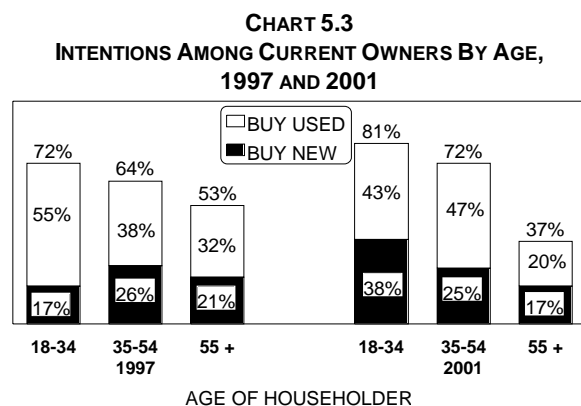
**CHART 5.2
PURCHASE INTENTIONS AMONG CURRENT RV OWNERS,
1997 AND 2001**

	Buy New RV		Buy Used RV	
	1997	2001	1997	2001
Buy New/Used	22.7%	23.7%	38.4%	35.4%
In 1-3 Years	8.4%	5.7%	15.7%	18.8%
In 4-6 Years	8.4%	10.9%	14.6%	12.0%
In 7-10 Years	3.6%	4.0%	7.3%	2.8%
In 11+ Years	2.3%	3.1%	0.8%	1.8%
Median Years	4.9	5.3	5.0	3.3

new RV was slightly higher (by 3 percentage points). Taking account of both factors, the overall proportion of current owners that planned another new purchase was higher by one percentage point—23.7% in 2001 versus 22.7% in 1997, as shown in Table 5.2. Planned purchases of a used RV, however, were 3 percentage points lower in 2001 compared with 1997.

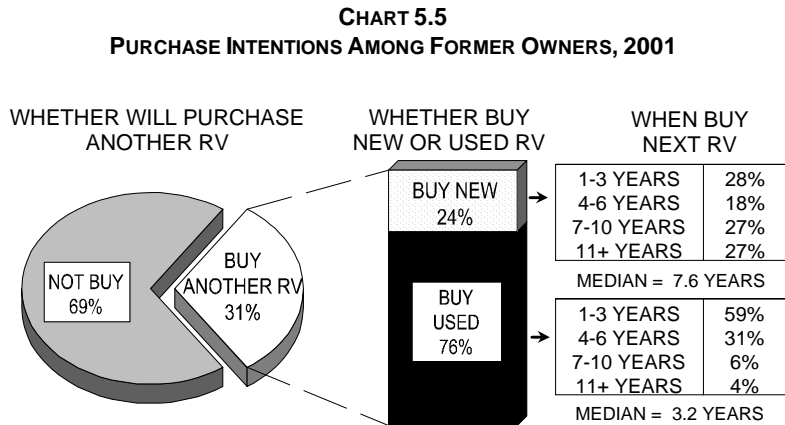
The expected timing of the next RV purchase was calculated similarly, so that among all current RV owners, 5.7% expected to purchase a new RV within the next three years. Given that new purchasers expected to wait longer to make their purchase in 2001 than in 1997, the 1997 was more favorable for new purchases during the following three years—8.4% versus 5.7%. In contrast, current owners that expected to purchase another used RV anticipated making the purchase sooner, so that the 2001 proportion was 18.8%, up from 15.7% in 1997. Overall, the median number of years before current owners planned to purchase a new RV was only marginally longer in 2001 (5.3) compared with 1997 (4.9). For used purchases, the differences was much larger, with the next used purchase planned in 3.3 years in 2001 compared with 5.0 years in 1997. Given the strong sales of new RVs during the past few years, that current owners planned a small delay in new vehicle purchase is not surprising. The strong purchase intentions for used vehicles may simply indicate that given the current economic climate used vehicles seem slightly more appealing. Overall, given that following the 1997 data RV sales boomed, the 2001 data is equally as promising for sales during the next several years.

Overall purchase intentions among current RV owners declined with age and increased with income in both the 1997 and 2001 surveys—see Charts 5.3 and 5.4. Current owners under age 55 were more likely to expressed purchase intentions in 2001, but purchase intentions were lower in 2001 among those over 55. For those under age 35, new purchase intentions were substantially higher in 2001, more than twice as likely (38% versus 17%). The largest decline for those over 55 was for used RV's, with these purchase intentions falling from 32% to 20%. Slightly more middle income households express purchase intentions in 2001, while both higher and lower income households were slightly less likely to intend to purchase another RV. Importantly, most of the difference was in used RV purchases, as intentions to purchase new RV's were largely unchanged.



Purchase Intentions Among Former RV Owners

Among former RV owners, nearly one-in-three intended to purchase another RV in the future (see Chart 5.5). Of those former owners that intended to purchase another RV, nearly one-in-four intended a new purchase. Used RV's were expected to be purchased by three-in-four former owners. The timing of the expected purchase was anticipated much sooner if the RV was intended to be a used unit rather than new one, however. New RVs were expected to be purchased in 7.6 years, while a used RV was intended to be purchased in just 3.2 years. This represented a longer time than was recorded for new RVs in 1997 (3.6 years compared with 7.6 in 2001), while used purchases were planned earlier than in 1997 (4.7 versus 3.2 years in 2001).



A full comparison of the 1997 and 2001 purchase intentions indicated that more former owners intended to purchase both new and used RV's. In 2001, 7.4% of all former owners intended to purchase another new RV, up from 6.0% in 1997. The gain was even larger for used RV's, with 23.5% intending another used purchased in 2001, compared with 18.4% in 1997. The longer anticipated wait to purchased another new RV, however, meant that a smaller proportion expected to purchase

**CHART 5.6
PURCHASE INTENTIONS AMONG FORMER RV OWNERS,
1997 AND 2001**

	Buy New RV		Buy Used RV	
	1997	2001	1997	2001
Buy New/Used	6.0%	7.4%	18.4%	23.5%
In 1-3 Years	3.5%	2.1%	6.5%	13.9%
In 4-6 Years	1.2%	1.3%	7.4%	7.3%
In 7-10 Years	1.2%	2.0%	3.1%	1.4%
In 11+ Years	0.1%	2.0%	1.0%	0.9%
Median Years	3.6	7.6	4.7	3.2

a new RV during the next one to three years (2.1%, down from 3.5%), while the proportion that expected to purchase another used RV in the next one to three years doubled, moving to 13.9% in 2001 from 6.5% in 1997. Interesting, the relative shift toward intentions to purchase used RV's

mirrors the results for current owners.

While the overall level of planned purchases among former RV owners was well below the purchase intentions among current RV owners, purchase intentions over the next one to three years were much closer. Planned purchases of new RV's during the next one to three years were planned by 5.7% of new owners and 2.1% of former owners, while used purchases were planned by 18.8% of current owners and 13.9% of former owners. Given that both current and former owners are nearly equal, this implies that planned purchases of new RV's were about one-third as high among former owners compared with current owners, and used RV purchases were three-quarters as high. Overall, former owners represent good prospects—especially younger and higher income former owners.

Overall purchase intentions among former RV owners declined with age and increase with income in both the 1997 and 2001 surveys—see Charts 5.7 and 5.8. Purchase intentions among former owners were higher in 2001 than in 1997 among those under age 55, with those 55 and older recording the same proportions that intended to purchase another RV. Across income groups, purchase intentions were higher among all income groups in 2001 compared with 1997.

Generally, the largest gains between 1997 and 2001 were for purchases of used RV's, with intended purchases of new RV's remaining largely unchanged. The largest exception was for those under age 35, for which new RV's were intended much more frequently in 2001 than in 1997, and to a lesser extent, among those households in the middle income group. Overall, the data provide a very positive indication that more former owners will return to the RV market in 2001 than in 1997.

CHART 5.7
INTENTIONS AMONG FORMER OWNERS BY AGE,
1997 AND 2001

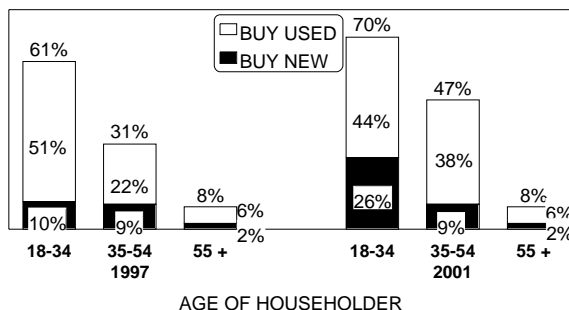
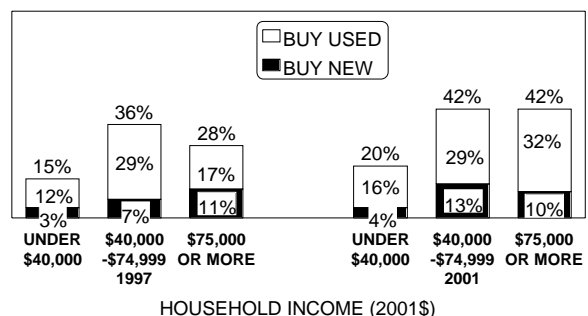
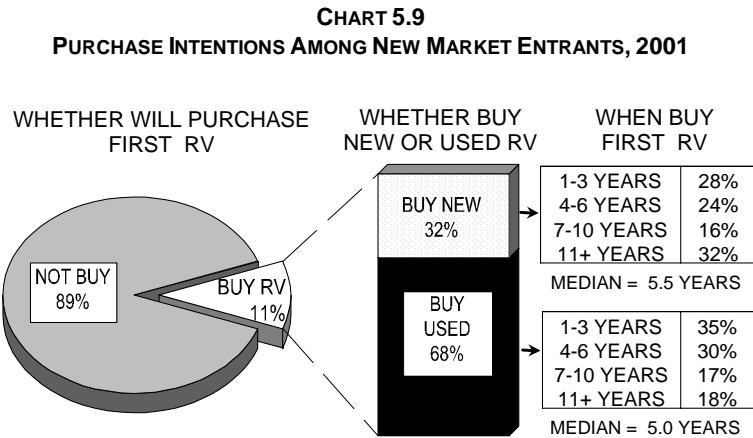


CHART 5.8
INTENTIONS AMONG FORMER OWNERS BY INCOME,
1997 AND 2001



Purchase Intentions Among New Market Entrants

Among households that have never owned an RV, about one-in-ten expressed an interest in the purchase of an RV in the future (see Chart 5.9). The proportion of those that never owned before that expected to purchase a new RV was between current and former owners, somewhat lower than current owners (32% versus 40%) and higher than former owners (32% versus 24%). The planned timing of new purchases was quite similar to current owners (5.5 years



compared with 5.3 years for current owners). The timing of used RV purchases, however, was 5.0 years among new market entrants compares with just over three years among current and former owners. Given that this subgroup is much larger than current or former owners, even the smaller proportion that intended to buy represents a significant share of the market.

A more complete comparison of the 1997 and 2001 purchase intentions among new market entrants indicated a slight decline in the proportion that expected to purchase new RV's—just 0.3 percentage points, while planned purchases of used RV's rose by a comparably small amount—by 0.4 percentage points. Importantly, however, since purchase timing of both new and used RV's was sooner in 2001, the proportion that anticipated a purchase during the next one to three

CHART 5.10
PURCHASE INTENTIONS AMONG NEW MARKET ENTRANTS, 1997 AND 2001

	Buy New RV		Buy Used RV	
	1997	2001	1997	2001
Buy New/Used	3.8%	3.5%	7.1%	7.5%
In 1-3 Years	0.8%	1.0%	1.9%	2.6%
In 4-6 Years	1.0%	0.8%	2.4%	2.2%
In 7-10 Years	1.0%	0.6%	1.7%	1.3%
In 11+ Years	1.0%	1.1%	1.1%	1.4%
Median Years	7.2	5.5	5.2	5.0

years was higher for both new (up 0.2 percentage points) and used RV's (up 0.7 percentage points). Overall, the largest change in the timing of planned purchases was for new RV's, falling to 5.5 years in 2001 from 7.2 years in 1997. Given that economic conditions could be expected to play a larger

role in planned purchases among new market entrants, the data indicated continued strong support for the RV lifestyle.

The falloff in purchase intentions among new market entrants was not as sharp across age or income subgroups (see Charts 5.11 and 5.12). Among those under age 55, overall purchase intentions were largely unchanged from 1997 to 2001, as did the proportion that anticipated purchasing their first RV new. Those over age 55, however, were somewhat less likely to report that they planned on purchasing an RV for the first time. Given that the baby boom generation is under age 55, the data still indicate the considerable potential of this age group for the RV market.

Although purchase intentions among new market entrants did increase along with household income, the differences across income groups was very small. Since younger households, who expressed higher purchase intentions, generally have lower incomes this result is not surprising. More importantly, the distribution of purchase intentions was largely unchanged in 2001 from the levels recorded in 1997. Even the split between intended purchases of new and used RV was comparable. Given the widespread apprehensions about future economic conditions that were present when these data were collected, the unchanged level of purchase intentions among new market entrants is indeed welcome. Nonetheless, it may have been expected that efforts to attract first time buyers would have enlarged the numbers beyond those recorded in 1997.

CHART 5.11
INTENTIONS AMONG NEW MARKET ENTRANTS,
1997 AND 2001

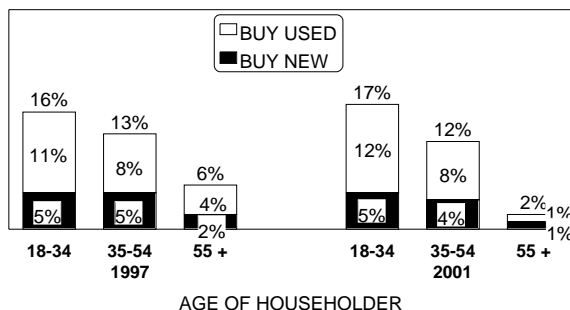
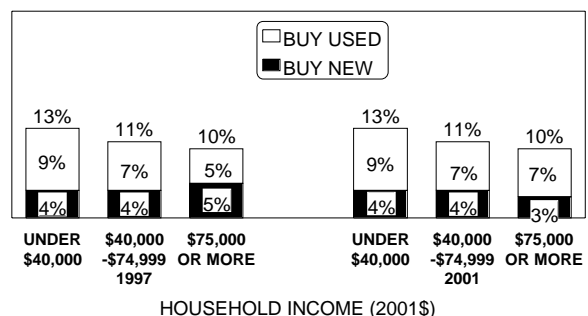


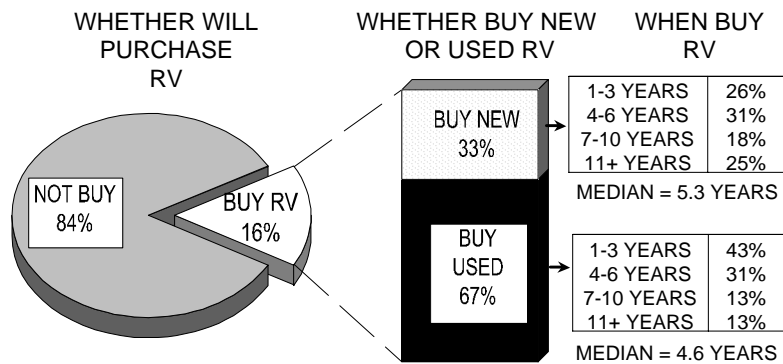
CHART 5.12
INTENTIONS AMONG NEW MARKET ENTRANTS,
1997 AND 2001



Purchase Intentions Among All Households

When purchase intentions were summed up across all households, including current and former owners as well as new market entrants, one-in-six households expressed an intention to purchase an RV (see Chart 5.13). One-third of those that planned an RV purchase expected to purchase a new RV in 2001. The typical new RV was expected to be purchased in 5.3 years. Planned purchases of used RV's accounted for two-thirds of the total, and these households planned the purchase somewhat sooner, in 4.6 years. Importantly, compared with the 1997 data, overall planned purchases was hardly changed, planned by 17% in 1997 and 16% in 2001.

CHART 5.13
PURCHASE INTENTIONS AMONG ALL HOUSEHOLDS, 2001



A complete comparison of the 1997 and 2001 purchase intentions across all households indicated a small decline. Overall, new RV's were planned by 5.3% of all households in 2001, down 0.5 percentage points from 1997. Used purchases were also down somewhat in 2001, planned by 10.7%, also down by 0.5 percentage points from 1997. These calculations assume that the fulfillment of purchase intentions are equally likely among current and former owners as well as among first time buyers. Given that fulfillment rates are likely to be highest among current owners, next highest for former owners, and lowest for first time buyers, the data would tend to overestimate the total number of actual purchases.

CHART 5.14
PURCHASE INTENTIONS AMONG ALL HOUSEHOLDS, 1997 AND 2001

	Buy New RV		Buy Used RV	
	1997	2001	1997	2001
Buy New/Used	5.8%	5.3%	11.2%	10.7%
In 1-3 Years	1.7%	1.4%	3.4%	4.6%
In 4-6 Years	1.7%	1.6%	3.2%	3.3%
In 7-10 Years	1.3%	1.0%	2.6%	1.4%
In 11+ Years	1.1%	1.3%	2.0%	1.4%
Median Years	5.3	5.3	5.0	4.6

Indeed, new market entrants account for just over half of all intended RV purchases, despite the low proportions that intend to become first time buyers (see Chart 5.15). Current owners account for about one-third of all new RV purchase intentions, and about one-quarter of all used RV purchase intentions. Former owners account for about one-in-ten of all new RV purchase intentions, and about one-in-six used RV purchase intentions. Importantly, the data indicate that these shares have remained largely unchanged in 2001 from 1997. Overall, the data indicate that the risk that the total number of households with purchase intentions will result in actual purchases is great given the dominance of purchase intentions by first time buyers.

CHART 5.15
SHARES OF PURCHASE INTENTIONS BY MARKET SEGMENTS,
1997 AND 2001

Market Segments	Buy New RV		Buy Used RV	
	1997	2001	1997	2001
Current Owners	31%	33%	27%	25%
Former Owners	11%	11%	17%	17%
First Time Buyers	58%	56%	56%	58%
Total	100%	100%	100%	100%

When summed across all market segments, the data indicate a sharp falloff after age 55, with very little differences under age 55, while differences across income groups were rather small (see Charts 5.16 and 5.17). Intentions to purchase new vehicles were largely unchanged across age groups, but were slightly lower among upper income groups in 2001 compared with 1997. Overall, the data confirm that the baby boom generation and younger households remain the prime target for future market growth, with both groups posting slight increases in 2001.

CHART 5.16
INTENTIONS AMONG ALL HOUSEHOLDS BY AGE,
1997 AND 2001

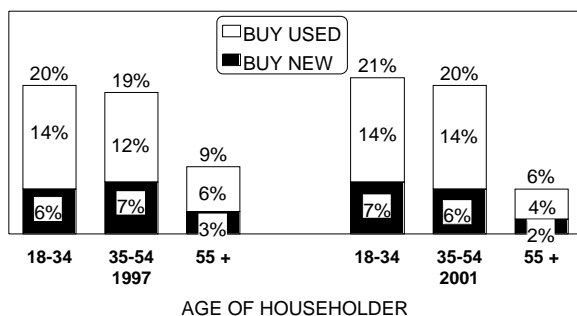
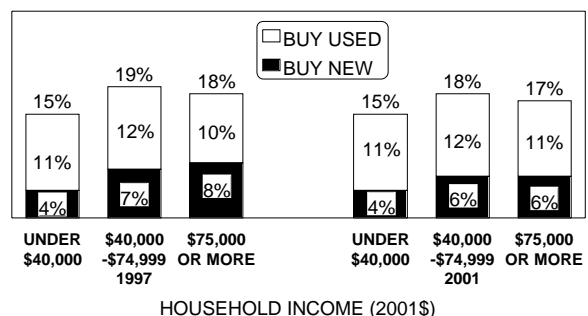


CHART 5.17
INTENTIONS AMONG ALL HOUSEHOLDS BY INCOME,
1997 AND 2001



Factors Influencing the Timing of Purchases

All households that intended to purchase an RV in the future were asked to identify which factors would influence the timing of their purchase. The financial ability of households was the most important factor for former owners as well as first time buyers (see Chart 5.18). Nearly two-thirds of all first time buyers cited changes in their financial ability would determine when they purchased an RV, while just over half of all former owners mentioned their income as the main factor. Current owners, however, were much less likely to mention their income, cited by about one-third. To be sure, current owners also emphasized that their purchase would depend on selling their current RV as a necessary factor. That more current owners were concerned about selling their RV than their income underscores the importance of the strength of the used RV market as an important determinant.

The second most important factor for former owners and first time buyers was family related reasons. The age of children, the timing of retirement as well as special family trips and activities were cited by one-in-four first time buyers as well as former owners as having a decisive influence on when they would make the purchase. Even among current owners, family related reasons were important, reported by 16%. Vacation and recreation motivations are also closely related, as many who cited this reason did so to enjoy family togetherness, although it was the planned trips or vacations that were viewed as the primary factor that would influence the timing of their purchase.

CHART 5.18: MAJOR FACTORS INFLUENCING THE TIMING OF RV PURCHASES

	Will Buy in Future		
	Current Owners	Former Owner	First Time Buyers
Financial Ability	34%	54%	65%
Vacation and Recreation Motivations	3%	7%	4%
When have more time to use	3%	13%	7%
Family Related Reasons	16%	27%	25%
Age of children, grandchildren	7	13	11
Retirement	3	12	10
Special family activities	3	3	4
Cost and Availability of Vehicle	4%	16%	4%
Condition of Current RV	41%	-	-

Former owners also emphasized two other factors. Given that many had sold their last RV because they did not have enough time to use the RV, 13% replied that they would purchase an RV again when they had more time to use it. In addition, given the experience of former RV owners, the availability of a good price was also important, cited more frequently by former owners than either current owners or first time buyers. Clearly, former owners wanted to maximize the value for the dollar both in terms of monetary costs and the frequency of their usage.

Factors Influencing the Selection of the Type of RV

Households that intended to purchase an RV were asked why they would choose to purchase the RV they now intended instead of another type. The cost of the RV was a more important determinant of those that intended to purchase a folding camping trailer, with just over one-third citing this reason (see Chart 5.18 on the next page). One-fifth of those that intended to purchase conventional travel trailers or fifth-wheel travel trailers cited the cost as the primary factor. In sharp contrast, just 3% of all those that intended to purchase a motorhome cited the price as a major factor.

Rather than the price, about half of all households that intended to purchase motorhomes cited the amenities and features of the motorhome as the primary factor. Clearly for motorhome buyers it was the added features and facilities of motorhomes that were the most important determinant of their purchase. For those that intended to purchase folding camping trailers, the amenities and features were the least important, cited by just 8%. Even among conventional trailer and fifth-wheel travel trailer purchasers, the amenities and features were cited by only 15%. Moreover, those that intended to purchase motorhomes were the most likely to view the RV as the most appropriate for traveling, while those that intended to purchase trailers saw the vehicle more appropriate for specific activities such as camping.

Whether the vehicle needed to be towed was an important characteristic as well in their selection. Not surprisingly, those that intended to purchase a motorhome viewed a self-contained drivable RV as the most attractive choice, while those that preferred a towable unit saw the advantage of having the use of a separate vehicle as the most advantageous when traveling. Those that intended to get a folding camping trailer also emphasized its road handling as well as already having a vehicle

suitable for towing the RV.

CHART 5.19: FACTORS INFLUENCING THE SELECTION OF THE TYPE OF RV TO PURCHASE

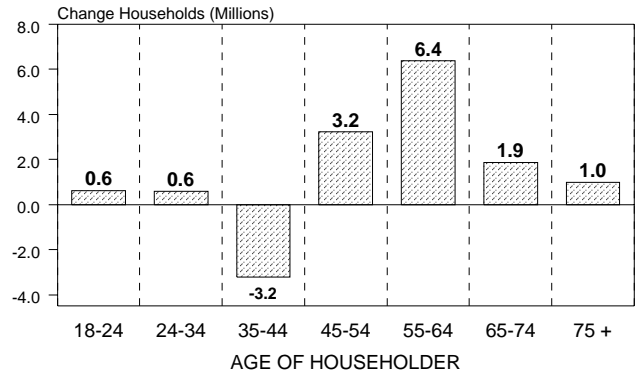
	Motor-home	Travel Trailer	Folding Camping
Cost	3%	19%	36%
Price; value for the dollar	1	10	27
Maintenance, operating costs	2	9	9
Vacation and Recreation Uses	27%	20%	10%
Specific activities (camping, hunting, fishing, hobbies)	3	11	8
Travel, getaways	23	8	1
Vacation home	1	1	1
Amenities and features	47%	15%	8%
Sleeping spaces	2	1	2
Interior room	8	3	1
Interior layout	14	1	1
Convenience of facilities	20	7	4
Other amenities and features	3	3	0
Vehicle characteristics	37%	53%	66%
Length, overall size	2	6	7
Weight	0	0	4
Road handling, safety	6	8	19
Towable, can use separate vehicle	-	33	14
Have proper towing vehicle	-	4	14
Drivable, self contained unit	26	-	-
Setup required	2	0	0
Storage	1	2	8

6. POTENTIAL GROWTH IN RV OWNERSHIP

Baby Boom Generation

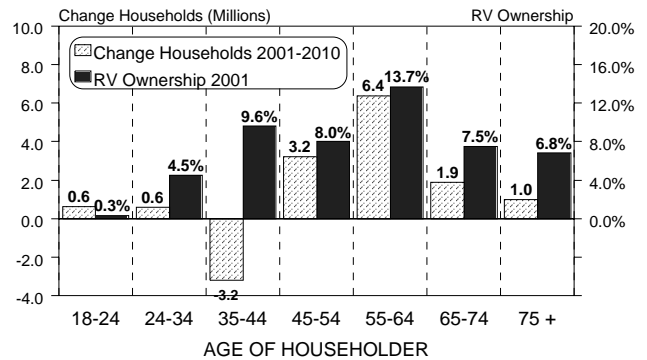
The ongoing change in the age distribution of the population means that more consumers will enter the age range in which the highest RV ownership rates are recorded. During the next decade, the baby-boom cohort, those born in the twenty years from 1947 to 1967, represents the potential for substantial growth in RV demand (see Chart 6.1). From 2001 to 2010, the number of householders 55 to 64 years old will increase from 14.3 million to 20.7 million. The gain of 6.4 million for this age group represents an extraordinary increase of 45%. For householders 45 to 54 years old the gain will be 3.2 million, moving from 22.1 to 25.3 million households (an increase of 15%). The largest decline from 1997 to 2010 will be among households 35 to 44 years old, falling from 23.8 to 20.6 million, a decline of 13%.

CHART 6.1
CHANGE IN NUMBER OF HOUSEHOLDS FROM 2001 TO 2010
BY AGE SUBGROUPS



The largest gains in households correspond to the age ranges that have the highest RV ownership rates. Chart 6.2 combines the data on the change in the number of households within each age group with the RV ownership rates in 2001. The gains in the number of households as well as the RV ownership rates are highest among householders aged 45 to 64. This presents a unique opportunity for growth in the RV industry. Even if the ownership rate remains unchanged, the absolute number of owners will grow because of the larger size of these age groups. While the number of householders over age 65 will post much smaller gains from now until 2010, the data, nonetheless, indicates positive prospects for growth. In contrast, the declines in the number under 44 years old means that for the absolute number of RVs owned by this age group to remain unchanged, the ownership rate would need to increase above the 1997 levels.

CHART 6.2
RELATIONSHIP BETWEEN RV OWNERSHIP RATES AND
CHANGE IN NUMBER OF HOUSEHOLDS FROM 2001 TO 2010



Estimation Procedures and Assumptions

The procedure used to estimate future RV ownership is straightforward. First, Census estimates of the growth in the number of households by age subgroups formed the base of the calculations. Second, the number of RV owning households was estimated for each age subgroup. The final step was to sum the age specific ownership levels to determine the overall household ownership of RVs. As with any long term estimates of growth in consumer demand, the resulting projections must be treated with caution. They illustrate the potential impact of changes in the age distribution of the population on future demand for RVs. Needless to say, the projections depend on the validity of the assumptions. In general, the assumptions were chosen so that the projections could be viewed as the base case—that is, the situation in which all other factors were held constant except for the impact of the change in the age distribution. Of course, some of those other factors will change, and consequently influence the actual growth in RV demand. Judgements about prospective changes in those other factors then represent deviations from the base case estimates. The most important of those factors is how RV ownership rates may change over the next decade. This base-case forecast assumes that RV ownership rates within age groups remain unchanged. Needless to say, effective programs to raise ownership rates among the baby boom generation have the greatest potential to raise overall demand for RVs.

The projected number of households was based on data provided by the U.S. Census Bureau (see Chart 6.3). The total number of households was estimated to grow by 10% between 2001 and 2010. As already noted, the largest gains are projected for householders between 45 and 64 years of age. Of the total increase of 10.5 million households, the gain among those aged 45 to 64 (9.5 million) will nearly equal the entire increase. Householders over age 65 were projected to increase by 2.9 million by 2010. In contrast, sharp declines were projected among householders aged 35 to 44, falling by 3.2 million by 2001. While householders under age 35 were expected to increase by 2010, the gain was a relatively small 1.2 million.

CHART 6.3
ESTIMATED NUMBER OF HOUSEHOLDS BY AGE OF
HOUSEHOLDER (MILLIONS)

AGE	2001	2005	2010
18-24	5.092	5.399	5.724
25-34	16.843	16.547	17.425
35-44	23.777	22.560	20.581
45-54	22.057	23.923	25.283
55-64	14.318	17.331	20.693
65-74	11.421	11.597	13.298
75 +	10.836	11.462	11.821
Total	104.344	108.819	114.825

The estimates represent a baseline forecast in that the age-specific RV ownership rates observed in 2001 were assumed to remain unchanged throughout the forecast period. Clearly, if as consumers age, they purchase RVs more or less frequently than among today’s consumers, the baseline forecast will under or over estimate the actual results. In particular, this baseline estimate assumes that as the baby boom generation ages they will purchase RVs at the same rate as the earlier generation.

The same procedures were used to estimate the growth in ownership of each type of RVs. As a result, the base estimates also assume that the market shares for each type of RV by age group will remain constant over time. The estimates of growth by type of RV thus assume that new product innovations or changing tastes, for example, do not result in a departure in product shares from what was observed by similar age subgroups in the 2001 survey. This does not mean that the shares of the different types of RVs are assumed to remain unchanged, but that the change in shares will follow the same age profile as observed at present. The estimates would fail to capture, however, an increasing (or decreasing) share of travel trailers, for example, within any specific age subgroup over time. While the assumption of unchanged shares provides a useful baseline for the estimates, it is likely that ownership shares by RV type may show more variation over time than the overall proportion of households that own RVs. Consequently, the growth estimates for the individual types of RVs should be treated with even more caution than the estimates for the growth in the overall RV market.

Because the Census projections are for all households, and the RV ownership rates have typically been presented as a share of all vehicle owning households, an adjustment was needed to make the two series compatible. The adjustment factor was simply the combination of the age-specific vehicle ownership rate and the age-specific RV ownership rate. The adjustment factors that were used for each type of RV within each age group are shown in Chart 6.4. For example, the proportion of all households that own any type of car or light truck was 87.9% in 2001 and the RV ownership rate among

CHART 6.4
ADJUSTMENT FACTORS FOR ESTIMATING RV OWNER HOUSEHOLDS

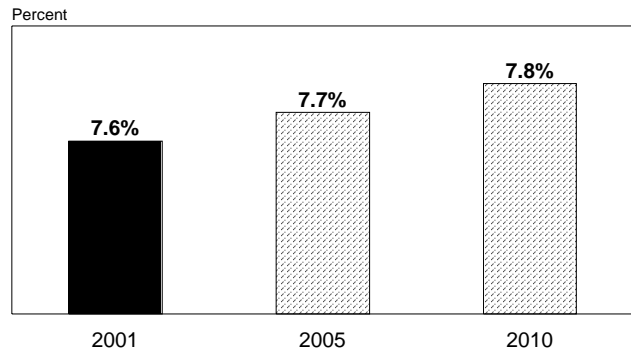
AGE	Type of RV				
	All RVs	Motor Home	Travel Trailer	Fold Camp	Truck Camp
18-24	.002	.002	.002	.010	.001
25-34	.026	.003	.021	.014	.002
35-44	.083	.013	.040	.024	.003
45-54	.070	.019	.036	.019	.003
55-64	.119	.035	.071	.016	.009
65-74	.062	.033	.020	.012	.005
75 +	.047	.013	.010	.010	.003

vehicle households was 7.56%, thus the total adjustment factor was 0.066 (0.879 * 0.076).

Estimates of Growth in RV Ownership

The base case estimate is that 7.8% of all vehicle owning households by the year 2010 will own some type of RV (see Chart 6.5). The gain in ownership rates will increase rather steadily over the next decade. Although the increase in ownership rates may seem rather small, the gain is substantial in terms of the absolute number of households that own RVs, which will be documented next. Moreover, it must be remembered that the base case projections assumed that age-specific ownership rates would remain unchanged. The projected gains were only from shifts in the age distribution of the population that the overall ownership rate grows.

**CHART 6.5
PROJECTED RV OWNERSHIP RATES**

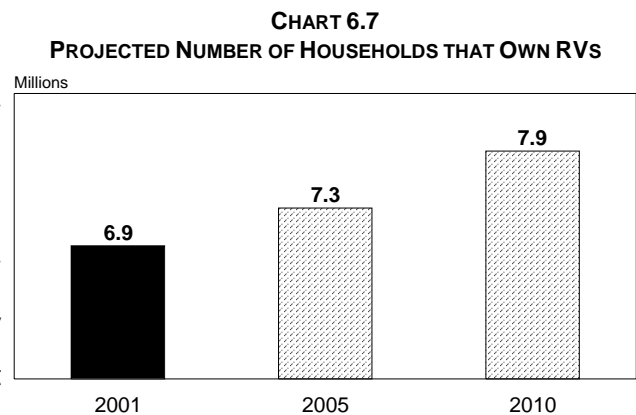


The details of the base case projections are given in Chart 6.6. All types of RVs participated in the overall growth trend, except truck campers. Motorhomes and travel trailers showed continued growth over the entire horizon of the forecast, while folding camping trailers reached peak ownership levels in the middle of the next decade. (Note that in Chart 6.6, the 2001 data represent the survey’s actual ownership rates, the data for 2005, and 2010 were estimated. Also note that the sum of the ownership rates over all types of RVs is larger than the overall ownership rate due to households that own more than one type of RV.

**CHART 6.6
RV OWNERSHIP RATES AMONG
VEHICLE OWNING HOUSEHOLDS**

	2001	2005	2010
Any RV	7.6%	7.7%	7.8%
Motorhome	1.9%	2.0%	2.1%
Travel Trailer	3.7%	3.8%	3.9%
Fold Camper	1.9%	1.9%	1.8%
Truck Camper	0.4%	0.4%	0.4%

The number of households that own at least one RV was projected to rise from 6.9 million in 2001 to 7.9 million in 2010 (see Chart 6.7). This gain amounts to one million more owners by 2010, amounting to a 15% gain in the number of RV owners. In comparison, over the same time period the absolute number of households was projected to grow by 10%. The much faster growth in RV households was due to the impact from the baby boom generation moving into the age ranges that have the highest ownership rates. The estimates do depend, however, on the baby boom generation adopting the higher ownership levels that correspond to the age groups that they will be entering over the next decade.



The details of the projected number of households that own any RV as well as the projected number that own each type of RV is given in Chart 6.8.

Note the coincidence: the proportion of all vehicle owning households projected to own a truck camper was 0.4% and the absolute number of owners was 0.4 million for each year. This simply reflects rounding of very small numbers. The actual numbers were 0.36, 0.39 and 0.43 for 2001, 2005 and 2010, respectively. For all other types of RVs, the number of owner households is projected to increase throughout the entire time period.

CHART 6.8
PROJECTED NUMBER OF HOUSEHOLDS THAT OWN RVs (MILLIONS)

	2001	2005	2010
Any RV	6.9	7.3	7.9
Motorhome	1.8	1.9	2.1
Travel Trailer	3.5	3.7	4.0
Fold Camper	1.7	1.8	1.9
Truck Camper	0.4	0.4	0.4

Travel trailers posted the largest gain, growing by half a million households by 2010, followed by motorhomes, which are expected to increase to 2.1 million by 2010. As noted earlier, changes in shares of each type of RV were assumed to remain unchanged within each age subgroup. Any shift in preferences across the various types of RVs would have a significant impact on the projected totals by type of RV. Using the estimated total for “any RV,” a variety of different share assumptions could be used to devise estimates that differed from the base case projections.

SURVEY METHODOLOGY

Surveys of Consumers

The Surveys of Consumers is conducted by the Survey Research Center at the University of Michigan. The Surveys of Consumers were initiated in 1946, one of the first projects established at the Survey Research Center. The monthly surveys provide regular assessments of consumer attitudes and expectations, as well as detailed information on the financial characteristics of households, and are used to evaluate economic trends and prospects. Results from these surveys are used by a wide range of analysts in both the private and public sectors, and are included in the Leading Indicator Composite Index devised by the U.S. Department of Commerce.

The Survey Research Center conducts multidisciplinary studies of large populations, organizations, and special segments of society. Its interests include the properties of mass publics, social aggregates, organized and structured social units, and the behavior of individuals in various social roles and settings. The Survey Research Center maintains the facilities and resources to carry out such large-scale research enterprises. Because the Center's survey results are widely sought and used to provide a basis for evaluating important policy issues and for predicting the probable effects of various policy alternatives, the scientific validity of survey results is a critical consideration that has guided the development of the Center's survey activities.

Sample Design

The sample was scientifically designed to be representative of all private households in the coterminous United States. Each household had an equal probability of being selected for the study. As a result, households in all regions of the country, as well as among all economic, social, and demographic groups were represented in the sample in the same proportion as in the actual population.

The questions used in this study were developed based on the Survey Research Center's conventions and standards that used structural and visual techniques to produce questionnaires that are clear, reliable, and easy for interviewers to use accurately. Interviews were conducted from the Ann Arbor telephone facility using the latest computer assisted interviewing technology. Prior to analysis, the data were subjected to multiple checks to insure its quality and accuracy. The computer assisted programs provide the interviewers with immediate on-line feedback on correct procedures, consistency checks, and definitions of terms.

Many of the questions used in the 2001 study were identical to those used in earlier surveys, and capitalize on the extensive experience gained from past surveys. Some questions were especially designed for the 2001 survey, however, and were subjected to rigorous pretesting and development. Of particular importance for the measurement of change were the questions and information used to determine the types of RVs owned by consumers. Respondents were asked to identify the type of RV that they owned, its size, the number of people the RV could accommodate for overnight travel.

CENSUS REGION DEFINITIONS

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Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

NORTH CENTRAL

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

SOUTH

Alabama
Arkansas
Delaware
Dist. of Columbia
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North Carolina
Oklahoma
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Virginia
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Montana
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Oregon
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