



# How Recession-Proof Is Your Travel Budget?

How to know — and how to improve.





## Introduction

When the stay-at-home orders in 2020 sent everyone home, many businesses closed their doors and never re-opened.

Business travel spending, which topped **\$1.4 trillion** in 2019 according to the Global Business Travel Association (GBTA), nose-dived in 2020 thanks to stay-at-home orders, forced closures, travel unease, the rise of remote work, fluctuating income and slashed budgets.

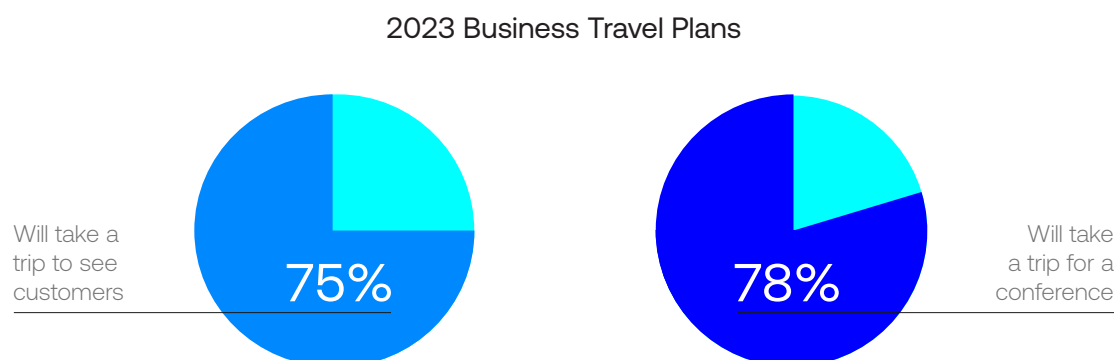
Despite an upturn in 2021, when it grew to \$697 billion worldwide, the business travel industry still hasn't fully recovered. 2022 spending is estimated to total at around \$933 billion, and previous estimates suggesting that business travel will recoup entirely by 2024 have been **updated to 2025 or 2026**.

McKinsey & Company posits that this repair **won't be an even trajectory**. It will depend on factors like industry and geography, not to mention the general uncertainty that is part of our collective experience. Business travel faces countless threats like the ongoing pandemic, fears around economic downturns and adapting to new ways of work.

**But the truth is: many jobs/projects can't be done from home.**

And that may be why, according to a recent poll by the GBTA, travel managers are anticipating increased travel in 2023 — despite inflation and skyrocketing interest rates (which are driving up the costs of accommodations).

In **a similar survey done recently by the U.S. Travel Association**, 78% of business travelers said they plan to take at least one trip for a conference, convention, or trade show in 2023, and 75% will take a trip to see customers, suppliers or additional key stakeholders.



What's more, [fears about travel restrictions, group gatherings and travel safety have reduced](#) over the past two years, allowing travelers to blend work with play — extending their corporate stays into leisure-filled vacations (also known as [“bleisure” travel](#)).

Travelers are embracing the ability to be together again — and businesses should, too.

## In this guide, we'll cover:

- The foundation of a more effective travel budget
- How to maximize your travel savings
- How to save valuable company time
- How to avoid common billing pitfalls
- How to avoid other travel budget mistakes
- How to leverage a tool like Hotel Engine to radically simplify and streamline your trip management process overall

By implementing this five-part approach, you'll be able to determine if your travel budget is truly recession-proof, and ensure your business will always have what it needs to travel comfortably — in 2023 and beyond.

Answer these questions and more in our [Recession Proofing Worksheet](#).





Part One:

# Building From a Better Foundation

By considering some simple questions about your revenue, general expenses and travel expenses, you can build your travel budget to be more accurate and more effective in any economic climate.



# 1. Considering Your Financial “Location”

The first step in creating a recession-proof budget is to start exactly where you are.

## Revenue

Let’s start with some simple questions about your business’s revenue. Where does it come from? Is it a source that is frequently impacted by fluctuations in the economy? If so, what things cause it to fluctuate?

Did your business suffer during the Covid pandemic? How did you adapt?

Do you have a balance sheet that can accommodate unexpected loss of revenue?

Answer these questions and more in our [Recession Proofing Worksheet](#).

## General Expenses

Next, consider your expenses. [Make a list](#) of the most significant parts of your budget at minimum, but know that the more specific you get, the more valuable your list will be. Which of these expenses are critical, and which are not? Which expenses could you reduce if you needed to?

## Travel Expenses

It’s also a good idea to look at your company’s past travel budgets and spending, especially for 2019. In 2019 the business travel industry was operating under normal conditions, making it an excellent benchmark as the industry ramps back up. Take a look at how much money you allocated. [Ask yourself:](#)

- How did your actual spending compare?
- Did you stay within budget overall?
- Where did you save money or overspend, specifically?

Examining the places where your expected spending differed from your actual spending is a crucial step to creating a better budget moving forward.

**Tip:** As you do this exercise, try to use an overview of an entire year of travel if you can. As you have no doubt realized, travel costs can vary significantly from one season to the next, affected by seasonality or large annual events.

If you're making a travel budget for the first time, check out [this article](#) on how to create a great one — and then return to this guide to make it even better.

## 2. Better Forecasting (So You Can Weather Anything)

Budget forecasting is an elementary part of every budget, but if you want your travel budget to be capable of weathering an economic recession, you need to make sure to update it regularly.

The answers to the questions in Step 1 will help. For instance: where did you see savings or overspending on your previous travel budget? Where did those expenses come from, and is it possible that it will happen again? Realigning your budget to accommodate the unexpected spending you've seen in the past is one way of preparing for the future.

Update [your travel budget](#) forecast based on:

- Past travel budget(s), especially unexpected savings or overspending
- Past destinations, particularly if they are expensive locations
- Past # of travelers, keeping in mind the relative size of your staff now
- Expected obligations for the year ahead
- The current level of inflation
- The trends from each year of business travel

**Don't have easy access to this data?** Switching to a free-to-use tool like Hotel Engine puts travel data at your fingertips for better budget analysis and critical forecasting.





Part Two:

# Best Practices for Maximum Travel Savings

With these steps you'll learn how to save on every booking  
with clever timing, negotiation, policies and rewards.



### 3. Book Early

As much as you can, plan and book your business trips well in advance. It's old advice for a reason: it's the simplest way to save money and extend your travel budget.

How early you should book can be affected by your destination, the time of year and the type of booking you're doing, but if you stick to these general policies, you're more likely to see results.

#### When to Book Flights

According to a [recent survey](#), the best time to book your flight is 10-15 weeks in advance, with 10 weeks as the sweet spot. But if you need to book a trip during a peak or holiday season, try to do so well in advance. Alternatively, if your travelers are flexible (and comfortable with a last-minute departure, particularly for short-term travel), you could risk waiting for possible last-minute deals — but in general, booking less than three weeks in advance will cost you.

#### When to Book Cars

For rental cars, it's recommended to book as early as possible — but that may not actually be the best time. Instead, consider the last-minute option. [Research suggests](#) you may save up to 15% if you book only three days in advance. Weigh the risk of booking late — and decide if you can afford to take that risk.

#### When to Book Hotels

When booking hotels, the advice is generally the same as flights: it's commonly recommended that you book them at least 6-8 weeks in advance to get the best deal, [or wait to scoop up a last minute deal if you're flexible](#).

#### Best Time to Book



10-15 WEEKS



3 DAYS



6-8 WEEKS



Just keep in mind that last-minute deals aren't a great option when it comes to long-term stays or group bookings. Those bookings are complicated and take a lot of research, not to mention legwork. (We'll get into all of it — and how to offload the hassle — in [Part Three](#)).

Generally speaking, travelers need time to prepare for long-term stays, and there are likely preferences and amenities at play that aren't as important for short-term stays — like on-site laundry, pet-friendly rooms and more.

Booking an extended stay? Check out [our article](#) on how to book and enjoy a better long-term stay.

If you need to wait for more trip details, consider booking with a flexible solution like [Flex](#) from Hotel Engine. You can cancel any Flex reservation, no questions asked, and make modifications directly from the Hotel Engine platform — so you can book rooms 6-8 weeks in advance and change them later if you need to. [Learn more about Flex here.](#)

### **If You Can't Book It Early**

If booking early isn't a possibility, embrace other ways to save.

Leverage a great booking platform to get access to exclusive savings on all kinds of stays. Hotel Engine can save you up to 60% on your reservation, and can directly take over the property searching, rate negotiations, booking process and modifications for any group lodging or extended stays you need to plan.

That kind of white-glove service is included with every account at no added charge and will save you both money and valuable time — especially on last-minute bookings.

## **4. Negotiate Exclusive Savings**

You know how travel booking services can often get exclusive deals on group hotel bookings? It's possible on long-term stays, too.

By searching for properties and contacting the hotel directly, you can offer them a certain number of bookings in exchange for a unique nightly rate. It can be time consuming and may not always work — but it's a good way to save.

The alternative is to pay a travel management company to do the research and negotiation for you — or better yet, to sign up for Hotel Engine for free and book at rates that have already been negotiated for business travelers.

## 5. Double the Rewards

One of the easiest ways to make your travel budget go further is to collect as many travel rewards as you can.

You and your travelers can sign up for frequent flyer programs, hotel loyalty programs and car rental reward programs to earn points and discounts that you can use to reduce your travel costs.

Unfortunately, these reward systems rarely work with online booking tools like Hotels.com or travel management companies; you typically must book directly with a hotel, airline or travel company to receive them, which requires more administrative work, and sometimes acceptance that you'll be paying higher rates.

The exception is [Hotel Engine](#). With Hotel Engine, you can capitalize on double the rewards. You'll earn Hotel Engine Rewards with each booking, which you can redeem for discounted (or even free!) stays. But because of Hotel Engine's unique partnerships with top loyalty programs like Hilton Honors, Marriott Bonvoy (and many more), you can also earn their loyalty rewards points on eligible rooms booked through Hotel Engine. And if you book with a credit card, you can get even more perks.

When you earn double (or triple) the rewards with Hotel Engine, your budget will go that much further.





Part Three:

# Save Your Company Time (It's Money, Too)

Finding a good hotel for a business trip is hard enough, without all the billing complications it can involve. Simplify that process and you'll save valuable time — for both your travelers and your travel coordinators.



## 6. Avoid Common Time Traps

### Eliminate Authorizations & Personal Credit Cards

Simplify the check-in process for all your employees, and you can spend that time elsewhere.

With Hotel Engine, you can book rooms without having to complete credit card authorization forms for each traveler before they can check in. We'll cover the cost of your travelers' rooms on a virtual credit card up front, so your travelers won't need credit cards at check-in (you can even opt for us to cover [incidentals](#)), and you won't waste time filling out credit card authorization forms in duplicate.

### Simplify Reconciliation with Custom Fields

You can further simplify your travel reconciliation with custom fields. Custom fields allow you to add company-specific information to a reservation as you book it. You can add text fields or drop-downs to assign job numbers, project titles, client names and more — and make reconciliation a breeze.

### Consolidate Your Lodging Charges

Stop paying for every booking individually, wasting valuable time organizing and reconciling individual hotel charges.

A platform like Hotel Engine can consolidate your charges for you, saving you valuable time. All your monthly booking charges — for all your travelers' trips, as well as any verified incidentals covered through **Incidentals Coverage** — will be consolidated into one simplified invoice with flexible payment terms.

**So, you can save time by:**

- Counting on error-free invoices with Hotel Engine's verification process
- Adding custom fields to bookings and incidental charges for easy reconciliation
- Enrolling in Auto Pay to easily stay on top of payments

## 7. Let Travelers Book Rooms for Themselves

If you can empower employees to book their own hotel rooms, you can save even more valuable time — while accommodating each traveler's unique preferences.



Of course, it's important to make sure that this doesn't affect your overall travel budget or cause overspending. That's where travel policies come in, and Hotel Engine can help with that, too.

Establish travel policies for different roles, departments or individual travelers so you can delegate the booking process and still stay within budget. When travelers search for rooms on Hotel Engine, they'll only see ones that fall within the approved price point. You can even set capped tiers in case there are no rooms available under the original policy in a certain area.

## 8. Hand Off the Group Lodging and Extended Stay Booking Process

Finding hotel accommodations for traveling groups and extended stays can be time consuming and complicated. Fortunately, you have options for getting help with these complicated bookings.

Hotel Engine will give you the white-glove service of a dedicated project manager, without any extra costs. They'll take over the entire process of booking your group trip or extended stay on your behalf.

### With Hotel Engine's help you can:

- Choose a property easily — with hotel recommendations based on your group's unique needs
- Get a great rate — negotiated with the hotel for you
- Hand off modifications — we'll manage any changes on your behalf
- Access every trip and every folio on-demand, and pay one streamlined, consolidated invoice
- Count on support every step of the way — from your project manager and our 24/7 Member Support team

There are no commitments, no contracts and no minimum booking requirements to get started. Just our free-to-use, best-in-class platform and 24/7 support.

Ready to simplify your next group trip? [Sign up for your free account today.](#)





Part Four:

# Avoid the Avoidable

We can't avoid unfavorable economic climates, but we can learn from (and avoid) old mistakes.



## 9. Make Employee Travel Policies Clear

By getting everyone on the same page about your business's travel policies, you'll end up with an on-budget, on-time expense report after every stay.

[Create a clear, outlined guide](#) to employee travel policies when recession-proofing your program. **Here are some things to consider as you do:**

- How do employees turn in receipts?
- What happens if they lose one?
- What are the limits for each budget category?
- If the employee is over budget, what happens?
- Is there a special budget allocated for inclement travel situations, such as a flight getting cancelled or the rental car breaking down?
- When is the expense report due after returning home?
- Is there a penalty for a past-due expense report?
- What is the consequence of lying about a business expense?
- Where can employees access these policies, and are they easily accessible during travel?

Establishing clear policies and making them widely available and easily accessible will help your employees avoid overspending during business travel — and protect your budget in the long run.

To create your employee travel policies, we've designed [a guide of best practices for you](#).

## 10. Protect Every Reservation

When you're on a mission to maximize a limited travel budget, it's critical to protect the money you spend. Consider adding travel insurance to your bookings, especially if your itineraries or guests lists frequently change. Some programs, like [Flex](#) from Hotel Engine, allow you to make even non-refundable reservations refundable — and make trip modifications and abbreviations easy, with no questions asked.

## 11. Track, Review, Adapt

It's important to stay attuned to travel spending, even as we return to a more normal business travel experience.

That means watching our travel spending more closely, with the aim of adapting it in real time over the course of the year if necessary.

Use a tool like Hotel Engine to track all your hotel spending in one place, to simplify trip management and avoid miscalculations in your budget. The right technology can provide better access to the kind of insights that make or break a budget in the long run.

With Hotel Engine, it's easy to keep track of spending (and keep spending on track). Access your consolidated invoices in one place, view all hotel folios instantly and leverage on-demand spending reports to check-in on your budget at any time. Tools like these can make every difference in a volatile economic environment.





Part Five:

# The Right Tool for the Work

They are not all created equal.

The most important advice you should consider as you improve your travel budget is this:  
find the right booking tools.



When you pick a booking tool, you need to consider what booking processes are best for your travel coordinators, your travel budget and your business's needs — and there are a lot of options to choose from.

The most important thing to remember is that whichever booking method you choose, it should give you back more time, provide you with helpful technology to simplify your processes and track your spending, and most importantly, it should save you much more money than it costs.

There are two traditional options: OTAs (online travel agencies) and TMCs (travel management companies) — and then there is Hotel Engine.

### **Online Travel Agencies**

Online travel agencies (sometimes called online booking tools) are websites or platforms created for consumers' personal travel. They allow people to search and filter a large pool of hotel options, however, they can only offer publicly discounted rates; they don't have access to exclusive rates.

They are also purely self-service tools, which means they don't provide any wider trip management support. They might have more hotel options than a TMC, but they're not designed to cope with group trips, multiple itineraries or complicated reconciliations.

They're just not designed with important business travel in mind; if your travelers have an issue, they may find it hard to reach support.

At the other end of the spectrum are travel management companies.

### **Travel Management Companies**

TMCs are a type of corporate travel agency, created specifically for business customers. They are designed (as their name implies) to take over travel management.

But while they may take some of the work away, they often add other things back: like unwieldy tech, outdated processes and more importantly, prohibitively high costs.



**TMC services don't come cheap.** There are usually setup fees, subscription fees and penalty fees (for things like not meeting a minimum spending requirement in a certain amount of time.)

There are also complicated contracts involved, which means getting buy-in from important business stakeholders before you can even try the platform. Even after approval, there are often lengthy onboarding processes to work through before you can begin booking.

The fees they charge and the time they require add up — making TMCs out of reach for a lot of businesses, and a particular challenge for businesses who want to stretch their travel budgets.

But there is another way...

## Hotel Engine

At Hotel Engine, we're on a mission to radically simplify trip management for everyone, which starts with a free-to-use platform.

With no contracts, no setup fees, no subscriptions and no minimum spending requirements, our platform is the best of both worlds — built to streamline both personal and business travel, and to completely re-imagine how easy it should be to book a group trip or a long-term stay.

Our exclusive rates come from our relationships with over 700,000 properties worldwide, so we don't need to charge those TMC fees. And our platform boasts best-in-class tools to simplify every stay — from the search to the reconciliation.

Technology has revolutionized the way we travel. So, it should make booking easier, too.

Try our free-to-use platform today to experience radical simplicity  
— and save up to 60% to put back in the budget.

## Final Thoughts

While we look forward to the day when travel recovers completely, it may be a while before we feel we can travel as much as we used to. The current economic climate has made so many aspects of travel more expensive, and few businesses were truly prepared.

That's why it's so important to test your travel budget: to ensure you're recession-ready, should the market head in that direction.

We hope this guide got you started. By applying all five parts to your business's trip management, you can embrace a new travel confidence, even in this constantly changing world.

Prepare for the future, and you'll make your budget go further today.

Try our free [savings calculator](#) to see how much you could save with Hotel Engine.