

“The New Age of Frugality” is how *Business Week* defines current economic times. But the jury is out on whether this is really the end of bling or just wishful thinking by those of us who have seen our pensions and 401(k)s plummet.

In fact, contradictions abound. While London newspapers feature recipes for using leftover bread in the spirit of the Blitz, and the head of Bulgari has just sold his yacht, American Express is holding a “Luxury Summit” in Miami this April, complete with welcoming cocktails in the resort penthouse and a program of golf and yachting. There’s even an uplifting presentation entitled “The Good Times Will Roll Again.” Well, let’s wait and see... [ed. looks like American Express has seen the error of their ways!]

The very same American Express just revealed a major downturn in card use, and worldwide airlines and hotels have quickly moved to discounting, bringing into focus how much was staked on high-end travelers. Now governments are getting into the act with the Australian government about to hand out fistfuls of dollars to get the public spending—domestically of course. Watch the travel industry start to roll out all-inclusive recessionista homeland travel packages.

On the green side, there’s considerable evidence that this market is holding up well, but perhaps not the bling variety of green. Last year’s “Shades of Green” report by the venerable *Contiki* group, which has hauled a generation of young backpackers around the globe, confirmed the strong interest in environment-friendly and sustainable tourism. It also highlighted a growing interest in combining volunteering with tourism, which has been popular in the US for many years.

New Zealand won the Virgin Holidays Responsible Tourism Award for “proving it is possible to develop a national strategy which uses tourism to help make better places to live and to visit.” Nodding to the recession, the influential *New York Times* travel section, which in the past has highlighted the \$1,000-a-night high-end lodges there, recently featured the Milford Track, a spectacular walking holiday where hikers stay in, you guessed it... cabins.

Perhaps rather than luxury disappearing, the rich are simply adopting a low profile as the backlash against conspicuous consumption gains pace. Two years ago, when 3,000 luxury travel industry leaders convened at the International Luxury Travel Market in Cannes it was declared that “Responsible tourism is key to the future for luxury travel.” That is still playing out, but as prices drop perhaps that’s where the rich and the rest of us come together—everyone loves a bargain.

The end of frivolous luxury? It’s more likely that it’s going out of sight than going away.