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# TRAVELING TO CUBA: AN AMERICAN PERSPECTIVE

**FOR FURTHER INFORMATION ON THIS REPORT:**

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## ★ CURRENT STATE OF AFFAIRS ★

Diplomatic relations between the United States and Cuba were severed in 1961 during the Cold War. As a result, travel to Cuba was off limits to Americans due to an agreement between both countries.

However, on December 17, 2014, the United States and Cuba restored diplomatic relations. In January 2015, President Barack Obama expanded the categories of authorized travel for Americans who wish to travel to Cuba. As of October, 2015, Americans can travel to Cuba as long as their trip falls within one of 12 categories:

1. Family visits
2. Official business of the U.S. government, foreign governments, and certain intergovernmental organizations
3. Journalistic activity
4. Professional research and professional meetings
5. Educational activities
6. Religious activities
7. Public performances, clinics, workshops, athletic and other competitions, and exhibitions
8. Support for the Cuban people
9. Humanitarian projects
10. Activities of private foundations or research or educational institutes
11. Exportation, importation, or transmission of information or informational materials
12. Certain export transactions that may be considered for authorization under existing regulations and guidelines

**All U.S. travelers are required to have a full-time schedule of activities related to their category of travel and keep travel receipts for five years after they return to the United States.**

As travel regulations continue to change, the American experience while traveling to Cuba will also evolve. CompareCards has created a brief list of what Americans can expect when traveling to Cuba.

### Transportation

- Flights between the U.S. and Cuba are currently being operated by charter companies out of airports in Miami, Tampa, Fort Lauderdale, New York, Los Angeles, and New Orleans.

There was a 36 percent increase in visits to Cuba by Americans with no family ties to Cuba between January 1st and May 9th, 2015, compared to the same time in 2014.

There was a 57 percent increase in visitors by Americans who flew to Cuba from a third country between January 1st and May 9th, 2015, compared to the same time in 2014.

- Americans looking to avoid the high cost of flights from the U.S. should consider flying to Cuba from a third country, such as Canada, Mexico, Jamaica, the Cayman Islands, or Bahamas.
- Alternative methods of traveling to Cuba include cruise ships and passenger ferries.

### Accepted Forms of Payment

**CASH:** The U.S. dollar is accepted, however, travelers should always review the exchange rate prior to arriving in Cuba as you may get more for your money if you use British pounds or euros.

**CREDIT/DEBIT CARDS:** American credit and debit cards are accepted in very few places in Cuba. ATMs are scarce and most establishments do not have the necessary equipment to process credit card transactions so travelers may want to consider only using cash.

### Communication

- U.S. phone carriers currently do not have agreements with ETECSA (the Cuban national telecommunications company) and therefore do not provide roaming services in Cuba. The following are options that are currently available to Americans who require access and/or use of mobile phones:
  - Some specialized mobile phone companies, such as Cellular Abroad, Cello Mobile, or Mobal, provide travel phones for Cuba and other countries that travelers can rent prior to leaving the United States. In addition to daily rental fees, the companies charge approximately \$3 per minute of call time and up to \$1.50 per outgoing text message. Depending on the type of phone rented, data may also be available at an additional cost.
  - Cubacel (ETECSA's mobile phone arm) allows visitors from the United States to rent a SIM card with pre-paid minutes in amounts of \$10, \$20, or \$40. A \$3 daily rental fee will be applied for using the SIM card in a personal, unlocked phone.
  - Alternatively, travelers can rent a phone from Cubacel upon arrival, which requires

a one-time refundable deposit of \$100, plus a daily fee of \$10. Travelers will pay all applicable per-minute call charges, like: \$0.35 per minute for calls within Cuba, and \$1.85 per minute for calls to the United States. Outgoing text messages cost \$0.16 to send within Cuba and \$1.00 to send abroad, and data plans are not available.

- WiFi is not widely available in Cuba at this time. However, for travelers who require an Internet connection, there are some options available.
  - There are small Internet cafes located in larger cities, such as Havana and Santiago de Cuba. Internet access costs approximately \$4.50 per hour. It is important to note that connection speeds vary widely and may not support voice or video calls.
  - Many of the larger hotels also have either a computer or business center where travelers can purchase Internet access at an average price of \$6-\$10 per hour.

### **Import Restrictions**

- U.S. travelers to Cuba are allowed to import up to \$400 worth of goods acquired in Cuba for personal use. This includes no more than \$100 worth of alcohol or tobacco products. Some products continue to be banned including rum, food and agricultural products, vehicles, and some textiles.

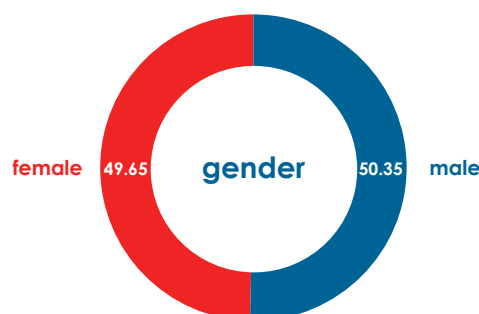
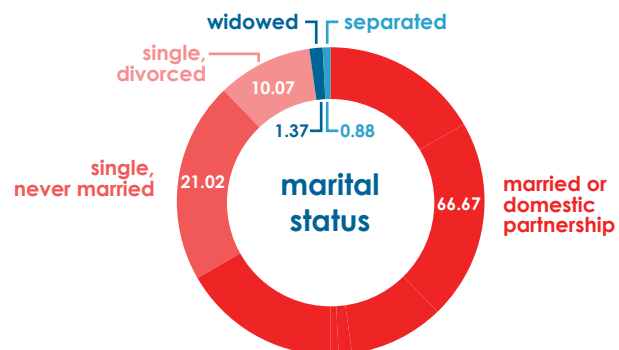
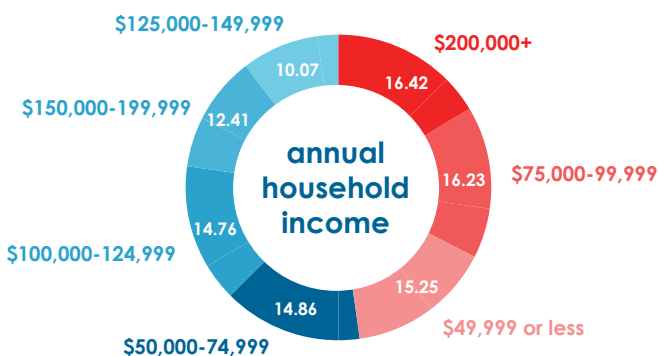
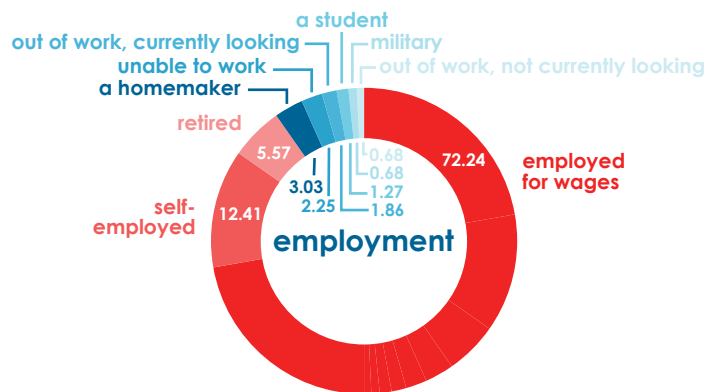
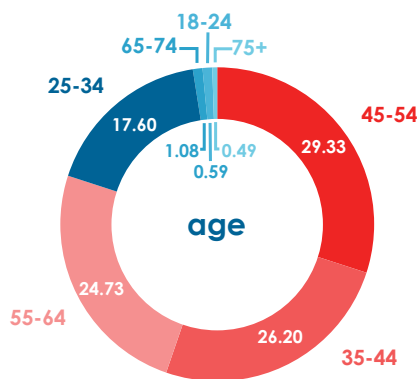
# ★ SURVEY RESULTS ★

## HOW AMERICANS FEEL ABOUT TRAVELING TO CUBA

In 2015, as Americans began traveling to Cuba more frequently, opinions about Cuba and the United States' relations with Cuba began to take a different shape. As communication, regulations, and transportation continue to change, CompareCards wanted to find out what Americans thought about traveling to Cuba and how their thoughts and feelings would dictate their travel plans.

From August 28, 2015 to September 3, 2015, CompareCards conducted a survey of 1,023 U.S. citizens to determine how Americans feel about traveling to Cuba. The 26-question online survey asked volunteer participants to provide information about a variety of topics including what their main purpose would be for traveling, their preferred method of payment while in Cuba, travel concerns, and more.

## RESPONDENT DEMOGRAPHICS

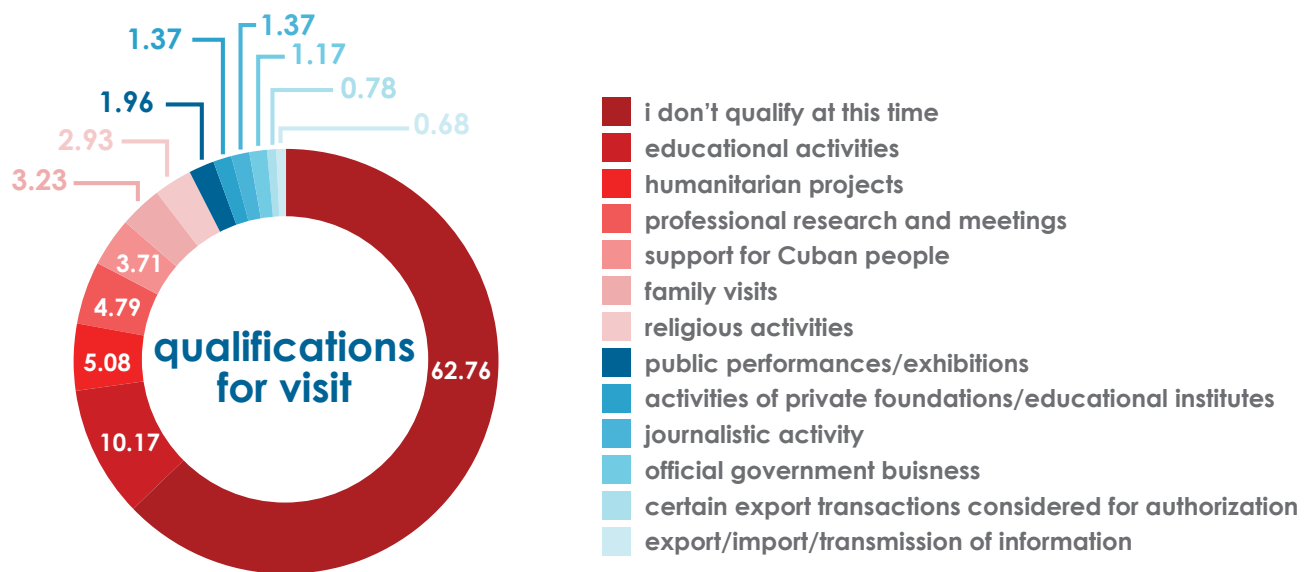


## GENERAL IMPRESSIONS ABOUT CUBA

A large majority of Americans have positive feelings about improved relations with Cuba. However, that doesn't mean Americans will flock to Cuba - not only because of the still-existing restrictions, but also simply because much is still unknown. Would be travelers have questions about safety, access to technology, and more.

### Restrictions

Almost 63 percent of respondents currently don't qualify to travel to Cuba under one of the 12 travel categories. Those who do qualify are most likely to travel to Cuba for educational activities.



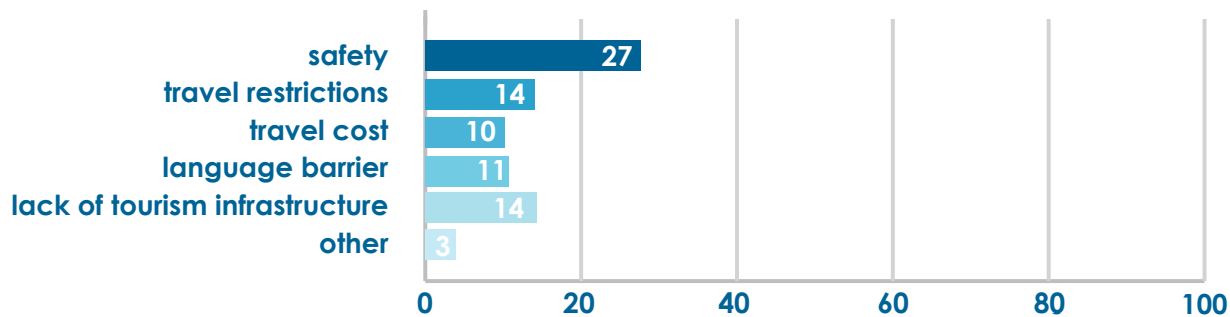
### Travel plans

The majority of our survey respondents – 92 percent – have no plans to travel to Cuba in the next year. Of the 1,023 respondents, only eight percent indicated they plan to travel to Cuba in the next 1-3 years.

- Of all age groups, respondents age 65 or older are more likely to have plans to travel to Cuba in the next 12 months.
- In terms of income, the two groups most likely to travel to Cuba in the next year have an annual income of \$75,000-\$99,999, or more than \$200,000.

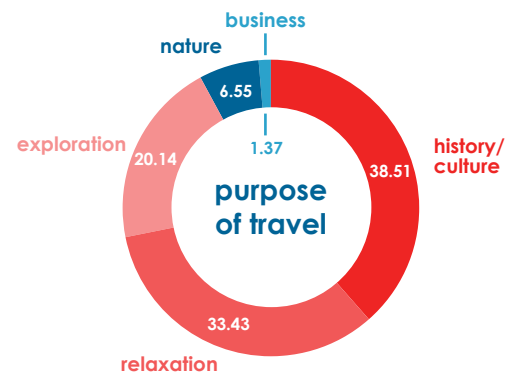
### Travel Concerns

- 71 percent of respondents indicated that they did not have any concerns about traveling to Cuba.
- Of the 29 percent of respondents who did have concerns, their concerns vary from safety to lack of tourism opportunities. The main concern was safety, with 27 percent of respondents stating it as a concern.
- Younger respondents have more concerns about traveling to Cuba than those 65 years or older.



### Purpose of Travel

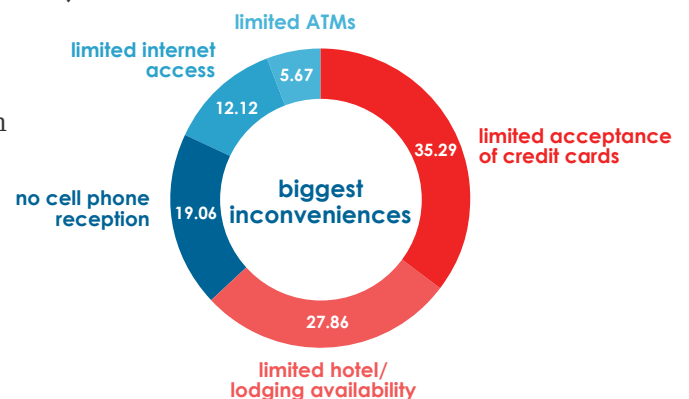
Respondents' primary reason for travel to Cuba would be history/culture, with relaxation close behind.



### Biggest Inconveniences While Traveling to Cuba

There are a number of limited services that Americans might find inconvenient while traveling to Cuba. As discussed above, credit cards are not widely accepted, and cell phone and Internet service is very limited.

- When asked if poor cell service would deter respondents from visiting, 59 percent of respondents stated this would not deter them from visiting.
- Respondents most concerned with limited Internet access were 65 years old or older.
- Respondents most concerned with limited





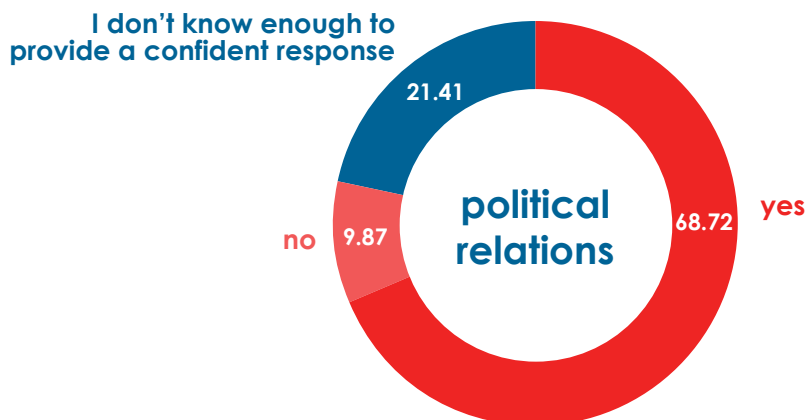
acceptance of credit cards were between the ages of 25-54.

- Respondents with or without plans to visit Cuba both stated that limited acceptance of credit cards was the biggest inconvenience about traveling.
- Those visiting family/friends don't care about cell/Internet access.
- Those who want to relax on vacation are most concerned with Internet/cell access.



### Political Relations

In general, respondents feel that the normalization of relations between the United States and Cuba is a positive thing.



- Not surprisingly, people who have a negative view of the United States' decision to normalize relations with Cuba are extremely unlikely to visit Cuba. Only 4 percent of those who have a negative view of the change said they planned on visiting Cuba within the next three years, while 29 percent of those who view the change positively have plans to visit Cuba in the next three years.
- Respondents who indicated that their reason for traveling to Cuba would be for business, also declared that the normalization of relations between the U.S. and Cuba was either a positive move ("yes") or neutral ("I don't know enough"). No one said "no."

## THE SURVEY

### WHO IS NOT TRAVELING TO CUBA?

92 percent of respondents have no plans to travel to Cuba in the near future.

Of respondents who do not plan on traveling to Cuba, surprisingly, 71 percent of them have no concerns about traveling to Cuba. Of those who do have concerns, 94 percent cited safety as their primary concern.

These respondents are primarily:

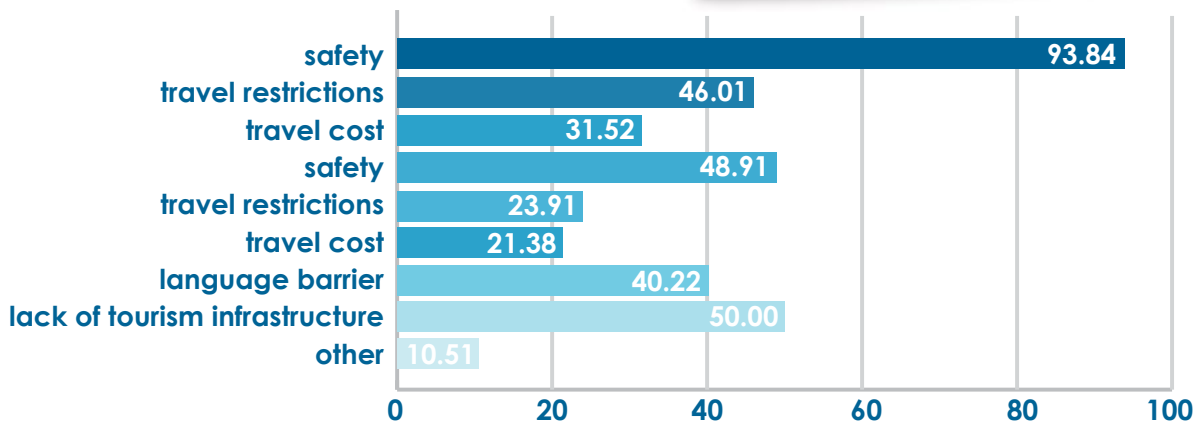
**29%** Married or in a domestic partnership

**29%** Between the ages of 45-54

**36%** College educated with a Bachelor's degree

**74%** Employed for wages with an annual household income between \$75,000-\$99,000

**Snapshot of Americans Not Traveling to Cuba**



The majority of respondents not traveling to Cuba (66 percent) do not qualify to travel to Cuba under any of the 12 restrictions.

Respondents who chose "Other," listed a wide range of concerns. Many of these respondents cited concerns about the Cuban government in relation to its people, in addition to medical and safety concerns.

GOVERNMENT  
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STATE-SOCIALISM  
POLITICAL TRAVEL

## THE SURVEY

### WHO IS TRAVELING TO CUBA?

22.1 percent of respondents plan to travel to Cuba in the next 1-3 years.

#### *Interesting Stats About Americans Planning to Travel to Cuba*

- People over the age of 65 are 31 percent more likely to visit Cuba within the next three years compared to any other age group in the survey.
- More than 75 percent of those who said they had no concerns about visiting Cuba said their preferred method of payment would be credit or debit cards.
- 30 percent said having no cell phone reception and limited Internet access would deter them from visiting.
- The primary travel focus would be history/culture (51 percent).
- Those with a bachelor's degree or higher are 14 percent more likely to fall under one of the 12 approved categories of travel.
- Of those respondents who said business was their primary reason to visit Cuba and also selected travel cost a concern, none of them said they had a negative view of the normalization of relations between the United States and Cuba.
- Of those planning to travel to Cuba in the next three years, respondents felt that the primary inconvenience would be limited acceptance of credit cards.
- 76 percent of those who indicated they would explore Cuba on their own instead of taking a guided tour, said cell phone service or Internet access would not be a concern.

These respondents are primarily:

**58%** Married or in a domestic partnership

**29%** Between the ages of 45-54

**37%** College educated with a Bachelor's degree

**67%** Employed for wages with an annual household income of \$200,000 or more (22%)

**Snapshot of Americans Traveling to Cuba**

## THE SURVEY

### CURRENCY AND CREDIT CARDS IN CUBA

#### *What are the facts?*

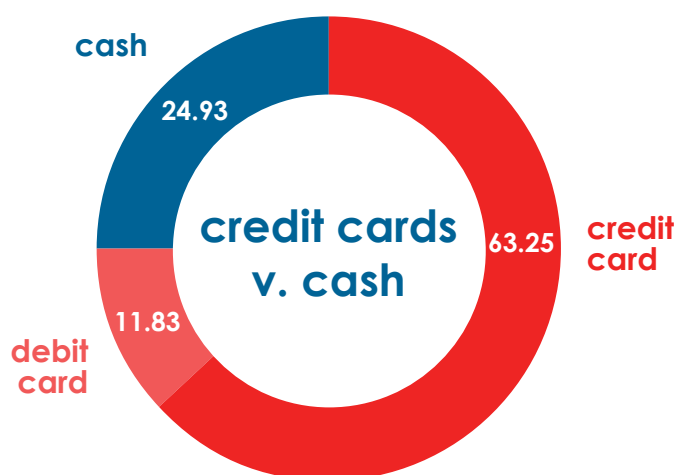
As of October, 2015, changes are happening quickly in terms of paying for goods and services in Cuba. Cuba technically has two currencies. The Cuban Peso (CUP) is the local currency, and the Cuban Convertible Peso (CUC) is the tourist currency. Travelers will deal almost exclusively with CUC, but it can be helpful to understand the difference between the two. Travelers should expect to exclusively use cash (CUC) while in Cuba. There are still restrictions on American credit card use and, due to the country's outdated technology, there are practically no working credit and debit card terminals.

When you arrive in Cuba, you'll need to convert your money into CUC at the airport. Since there is a 10% penalty tax on exchanging American dollars, you can save some money by preemptively exchanging the USD for Euros or Canadian dollars while still in the states.

It can be a hassle to find a working ATM, so it's best to bring a liberal amount of cash. You'll also want to budget wisely because, due to steep exchange rates, you will lose money if you choose to exchange your leftover CUC back to your local currency upon departure.

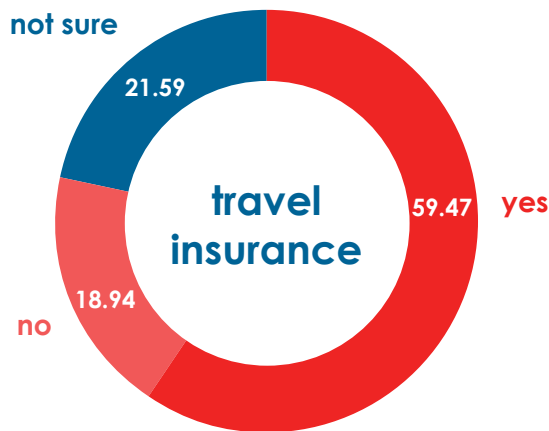
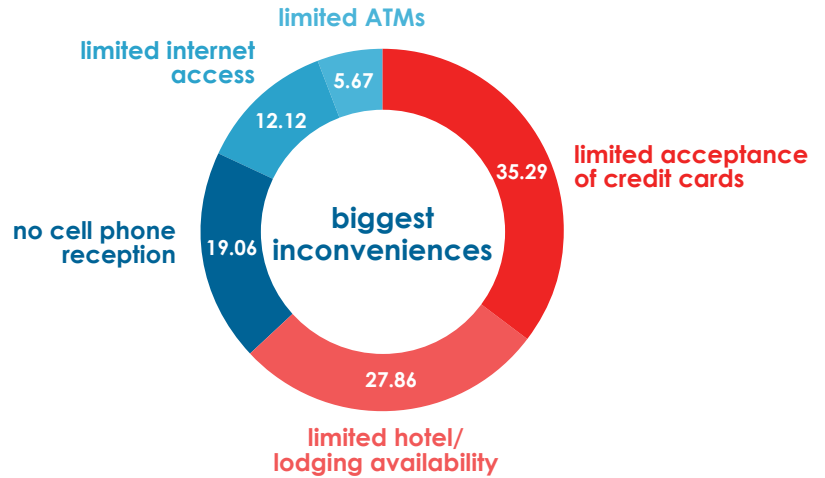
#### *Credit Cards vs Cash*

The preferred method of payment in Cuba is primarily credit cards, with 63 percent of respondents saying they would prefer to use credit cards. However, credit cards are not widely accepted in Cuba.



Respondents felt the biggest inconvenience would be the limited acceptance of credit cards when traveling to Cuba.

- Respondents who cited cash as their preferred method of payment in Cuba also indicated that credit card acceptance wasn't the biggest perceived limitation - limited lodging was. The acceptance of credit cards and limited access to ATMs was the least inconvenient factor for this group.
- Both groups (those who would prefer cash and those who would prefer to use a credit card) indicated, at about the same rate, that they had a credit card with travel insurance.
- A large number of respondents who plan to travel to Cuba in the next 1-3 years plan to use a credit card that comes with travel insurance.



# ★ LOOKING AHEAD ★

## WHAT TO EXPECT IN THE FUTURE

Restrictions and regulations, along with the general experience of traveling to Cuba, are expected to change significantly in the months and years to come as more Americans make the trip.

### Transportation

- The Federal Aviation Administration and Cuban aviation authorities are working together to re-establish American commercial airline traffic, which will make flights less expensive and more convenient.

### Forms of Payment Accepted

- As travel restrictions continue to ease and the influx of American tourism continues to increase, it is possible that more establishments will begin to offer a way to accept other forms of payment such as credit cards.

**Cuba is bracing for as many as 10 million American tourists per year. In 2014 Cuba received 700,000 U.S. tourists.**

### Communication

- As restrictions continue to ease and more Americans visit Cuba, technology will change and improve even further. As the demand for WiFi and easier telecommunication between the U.S. and Cuba continues to increase, we should hopefully see roaming services made available for U.S. phone providers, and also see an increase in WiFi availability throughout Cuba.

### Import Restrictions

- At this point, nothing indicates that this will change in the near or distant future.



## COMMENTARY & CONCLUSIONS

Whether you're passionate about history, food, relaxing on the beach, or escaping to the mountains, Cuba has something that every traveler can enjoy. A CompareCards journalist, Thomas, recently traveled to Cuba under these new regulations. According to Thomas, traveling to this charming island nation comes with a handful of unique challenges.

With the absence of cell phone service, internet access, and a credit card infrastructure, exploring Cuba can certainly feel like you've taken a step back in time. This nostalgic effect makes the Cuban way of life much simpler than the busy daily hustle that Americans are so used to. The key to experiencing the trip of a lifetime when you visit Cuba is to know what to expect and to remain flexible.

As diplomatic relations change and travel restrictions ease, the number of Americans planning to travel to Cuba is expected to increase. It's also expected that many changes will occur that will make traveling to Cuba significantly easier for Americans. Some of the changes include:

- Both countries will have an official embassy.
- Technology will improve.
- American businesses (including telecommunication, internet, banks, etc.) will expand business operations in Cuba.

Until then, if you find yourself in Cuba, don't let the challenges unnerve you. Instead, take some time to chat with one of the local fisherman that always line the Malecón or visit an authentic "paladar" restaurant for a homemade meal and just enjoy your time off the grid. Cuba is a fascinating country to explore.

## RESOURCES

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