

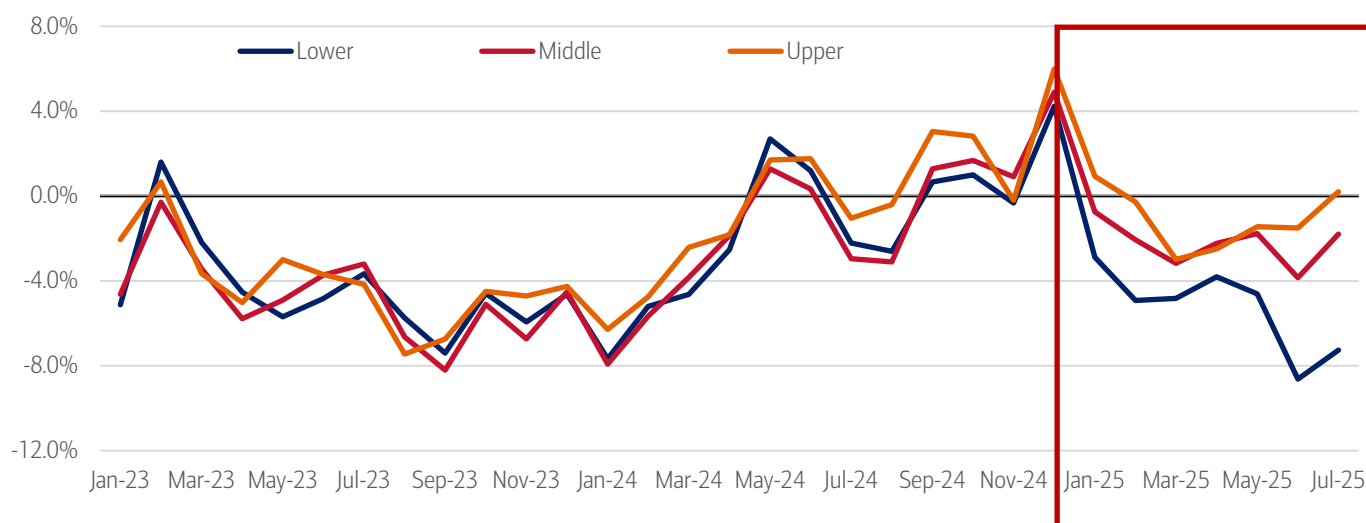
Daily Insights

Is travel still in the budget?

08 October 2025

The bifurcation between the upper- and lower-income cohorts has widened

Total lodging aggregated credit and debit card spend per household by income cohort (year-over-year (YoY) %, monthly)



Source: Bank of America internal data

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Despite buzz around rebounding travel demand, economy hotels in the US aren't seeing the lift. Since the start of 2023, spending on lodging and airlines has declined by roughly 2% year-over-year (YoY) on average – even as overall consumer spending continues to grow. The drag has been most pronounced among lower-income households, underscoring the growing divergence between income cohorts.

Why? Travel – typically a discretionary and relatively costly expense that requires some element of planning – tends to be impacted by lower consumer sentiment and increased feelings of economic uncertainty.

Read our recent publication, [Regional Roundup: Upswing in spending eludes the South](#).

Methodology

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards is excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate by matching calendar days (Jan 1, 2025 matched to Jan 1, 2024). The % change is calculated based on the 7-day moving average of spending levels.

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Disclosures

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