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Under the big top, the economy is juggling many balancing acts. This week, Bank of America Institute invites you to step right up and see how consumers are performing; where summer travel is heading; as well as the thrills and chills of AI's impact on the labor market.

The US consumer is the ringleader for economic growth: Bank of America credit and debit card data shows spending growth was up 4.8% year-over-year (YoY) in April, reaching the highest level in three years. And this strength holds even when stripping out gasoline spending. Although, in this three-ring circus, some consumers are facing a tightrope. For lower-income households, wages are no longer keeping pace with spending, whereas for higher income, wage growth remains above spending. This has led to lower- and middle-income consumers easing back on discretionary "nice-to-have" categories like restaurants. While households still have some near-term buffers – including tax refunds and savings – these too are unevenly distributed, underscoring the growing gap between headline resilience and stress experienced by some households. Read publications: Consumer Checkpoint: April showers and The Institute Employment Report: April 2026.

Summer travel remains a sensation this year, with the 2026 Bank of America Summer Travel Outlook finding that most travelers are adjusting – not canceling – their summer travel plans in response to higher gas prices. That said, airline transactions started to fall in April, and a "K-shaped" pattern has emerged this travel season. Lower-income households are much more likely to have no travel plans (nearly 40%), and Bank of America card data shows their travel-related spending growth is down so far in 2026. Popular destinations remain concentrated stateside – led by California, Florida, Texas and New York – while international travelers favor spots in Europe and other North American countries. Read publication: Summer Travel 2026: Resilient, but uneven.

AI is no longer a sideshow but has moved straight into the center ring of the labor market. As it becomes woven into everyday work, roughly a quarter of jobs are now exposed to generative AI – especially in higher-income economies where non-routine, cognitive tasks dominate. Still, BofA Global Research argues that how this act plays out depends less on AI itself and more on how well economies adapt, doing so through skill development and overall workforce quality. Rather than wiping jobs off the bill, AI will reshape how the acts are performed. That said, policy can help nudge firms toward responsible and inclusive AI use, so productivity gains are shared, instead of leaving some workers trapped in the tiger's cage. Read publication: Adaptability is the new job security: AI and the future of work.

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Disclosures