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AN OXFORD ECONOMICS COMPANY

Measuring opposing economic forces

The outlook for the economy and travel

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Lead Economist | Tourism Economics
August 2026

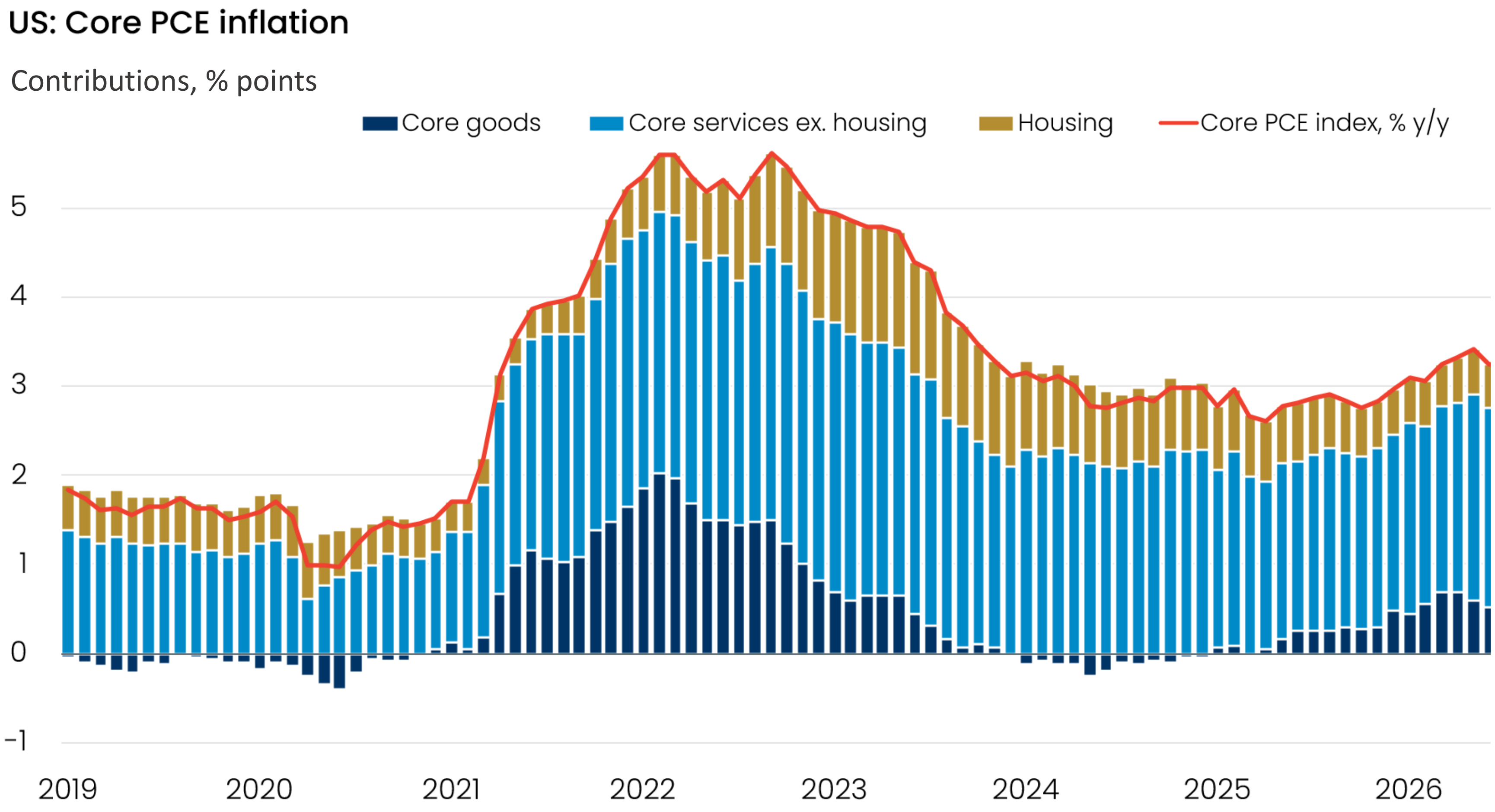
The "OG" of free market economics

"Every individual... intends only his own gain, and he is in this... **led by an invisible hand** to promote an end which was no part of his intention."

Adam Smith, *The Wealth of Nations* (1776)

This is a presentation about hands

Inflation is still a problem



Source: Oxford Economics

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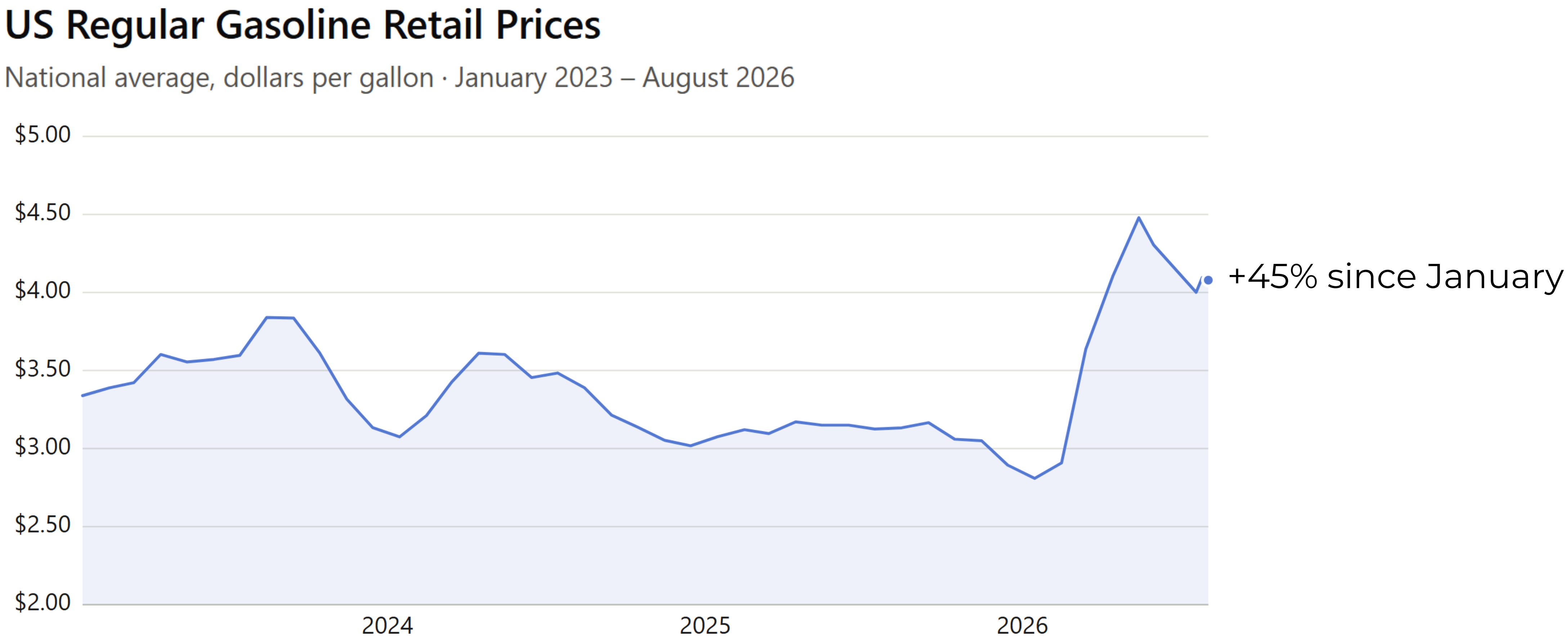
Gas prices remain high



Source: U.S. Energy Information Administration, Weekly & Monthly Retail Gasoline and Diesel Prices (regular grade, all formulations, U.S. average). 2026 figures are weekly readings; earlier years are monthly averages.

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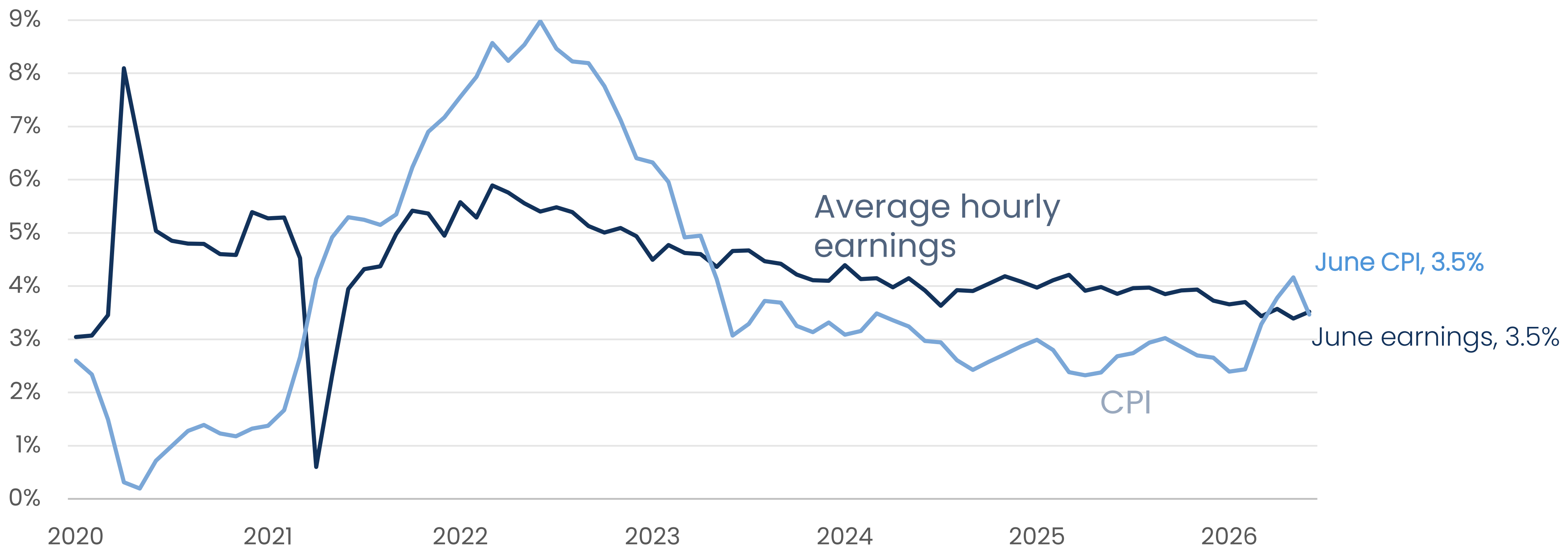
Inflation eating into earnings

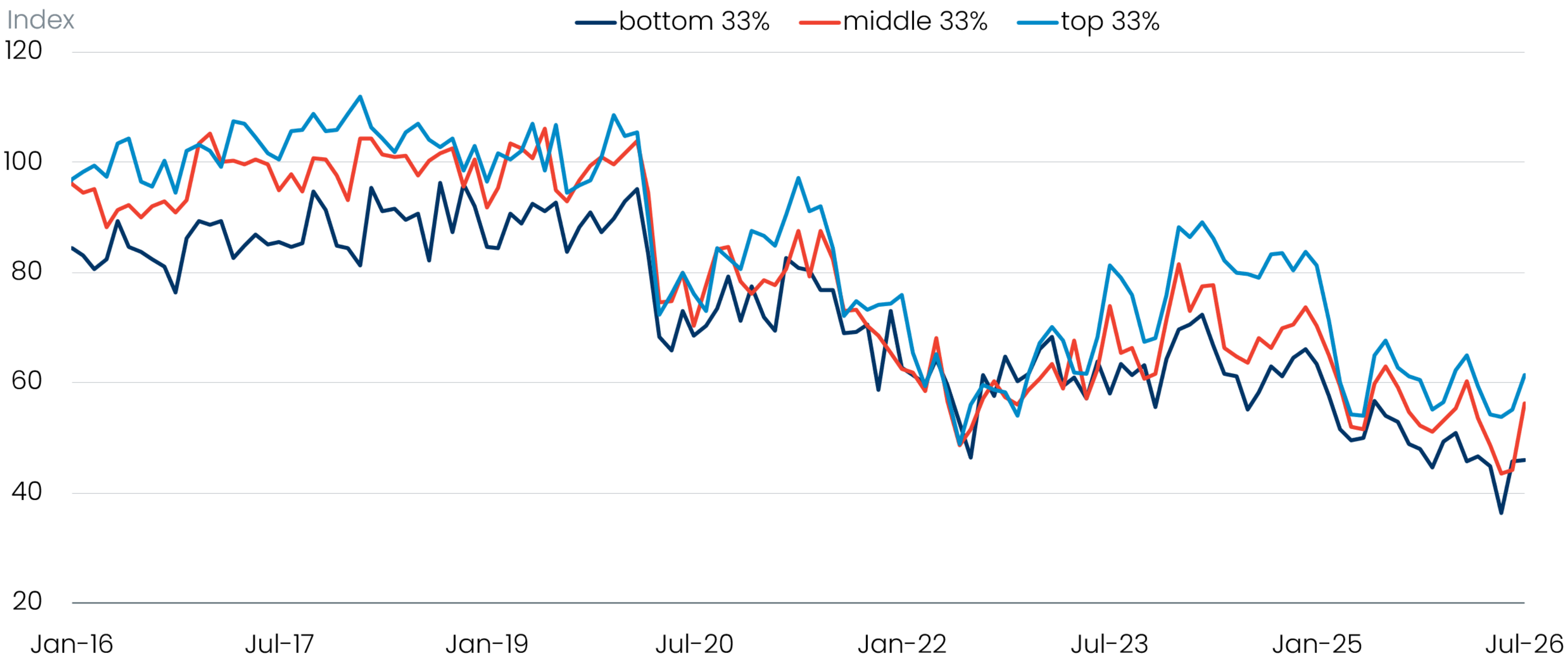
US: Inflation vs wage growth



Source: BLS

Consumer sentiment down, but not out

US: Headline consumer sentiment by income group



Source: University of Michigan

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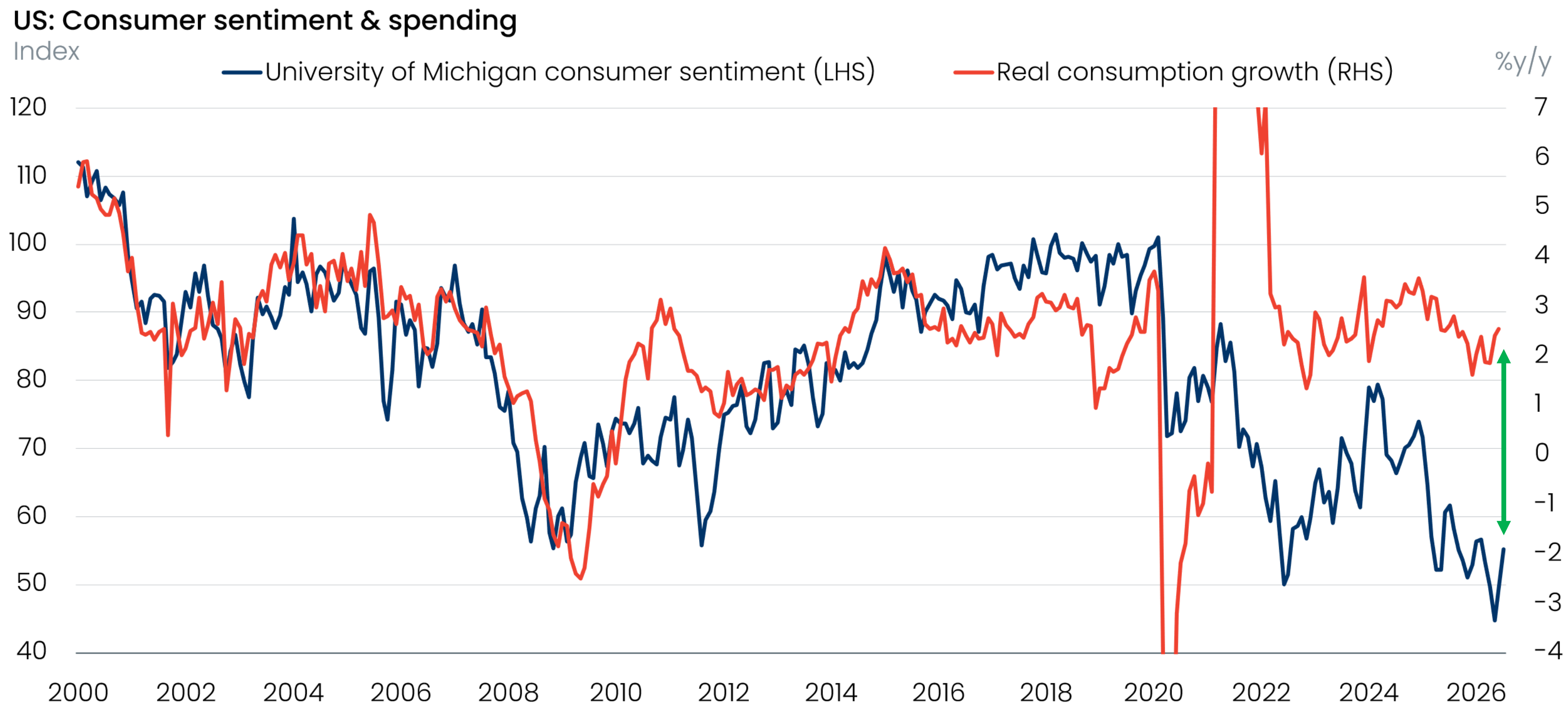
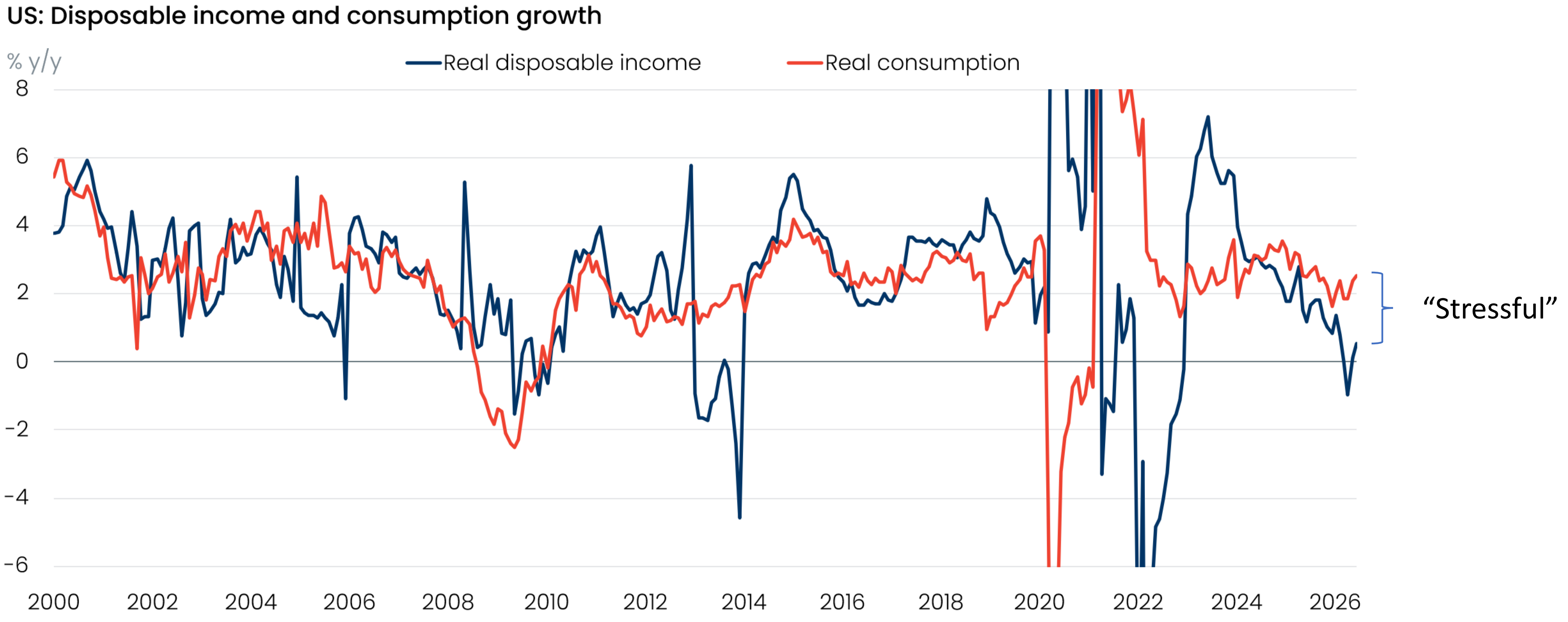
Consumers keep spending anyway

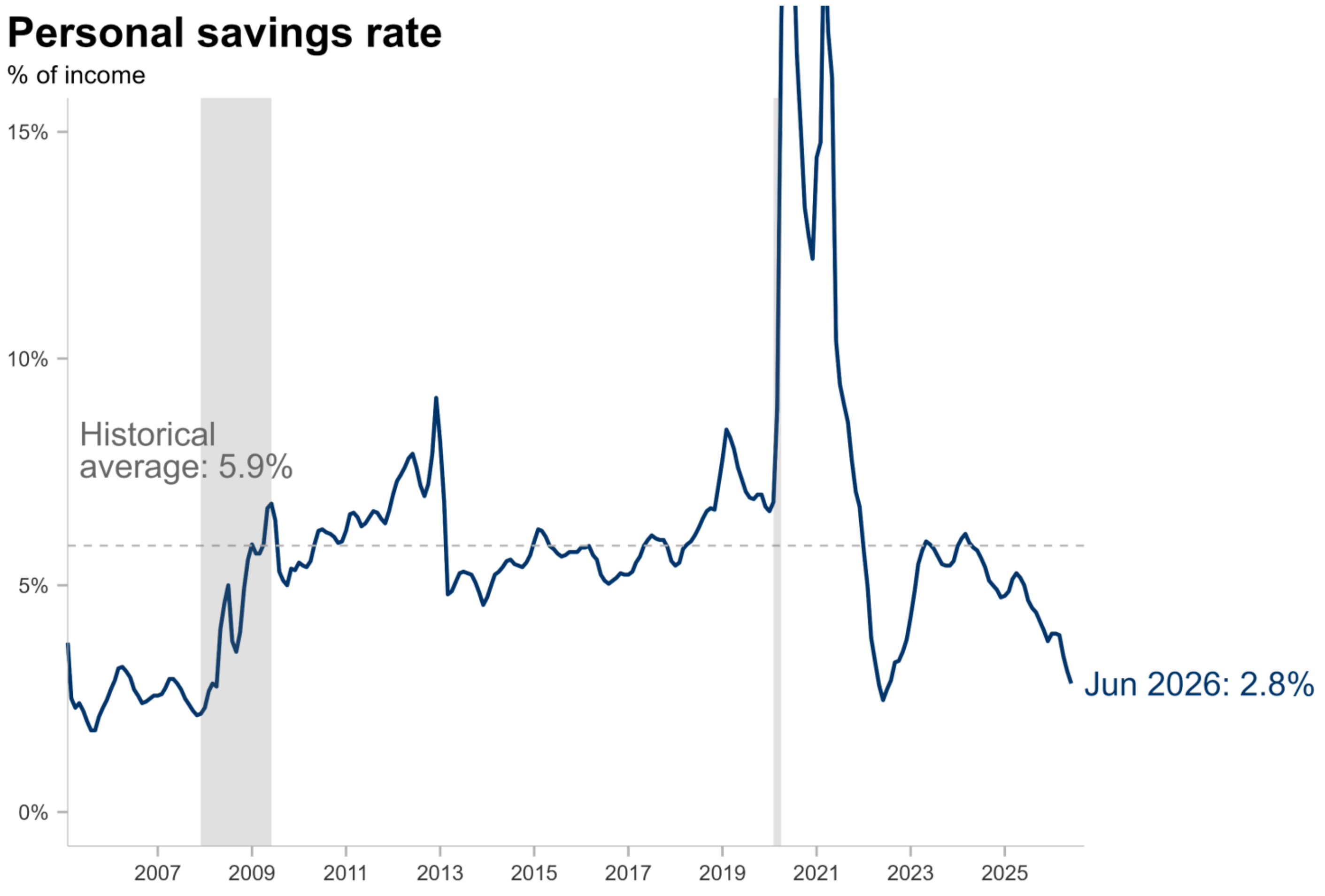


Spending is outpacing income



Source: Oxford Economics

Savings are taking a hit



Note: Data is seasonally adjusted, three-month average. Source: Bureau of Economic Analysis

...so spending may lose momentum in the coming months

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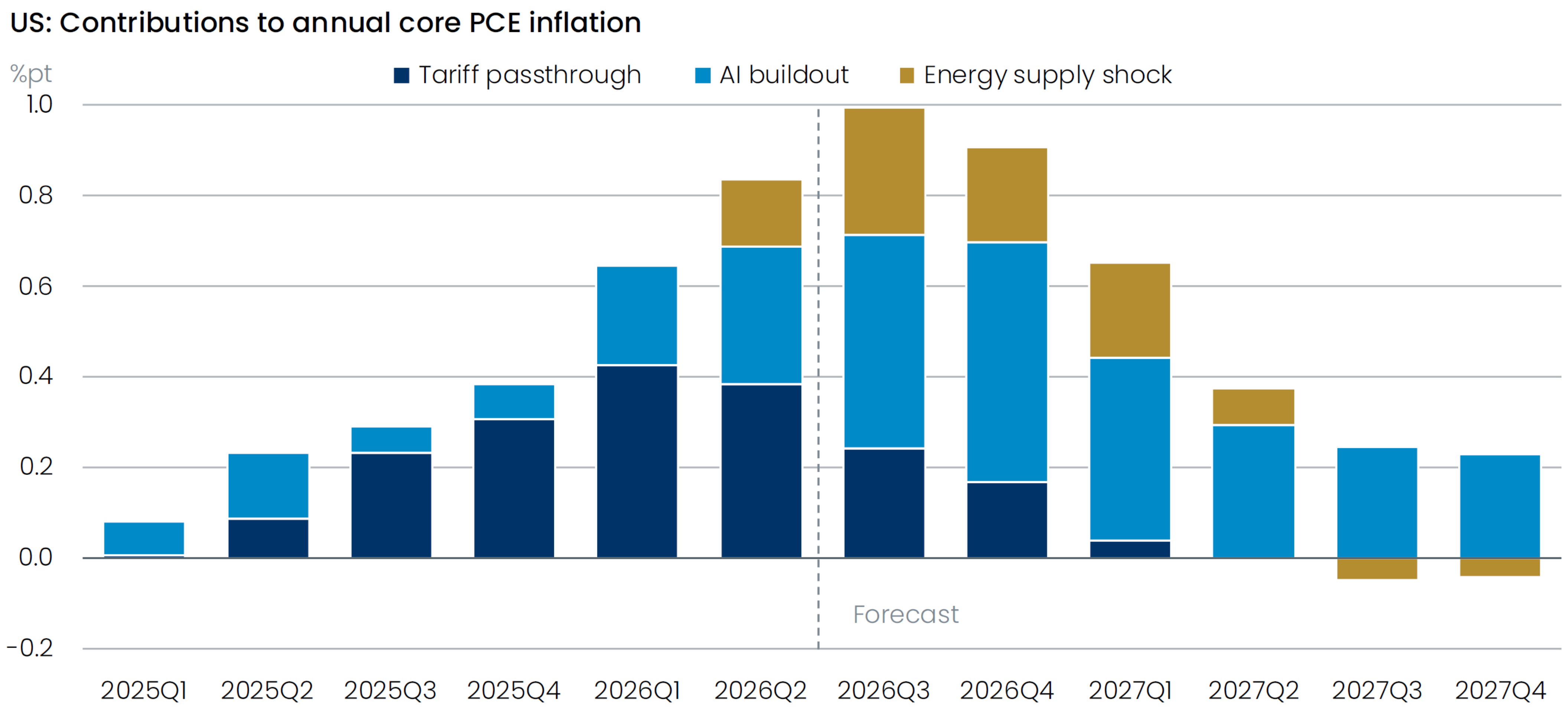
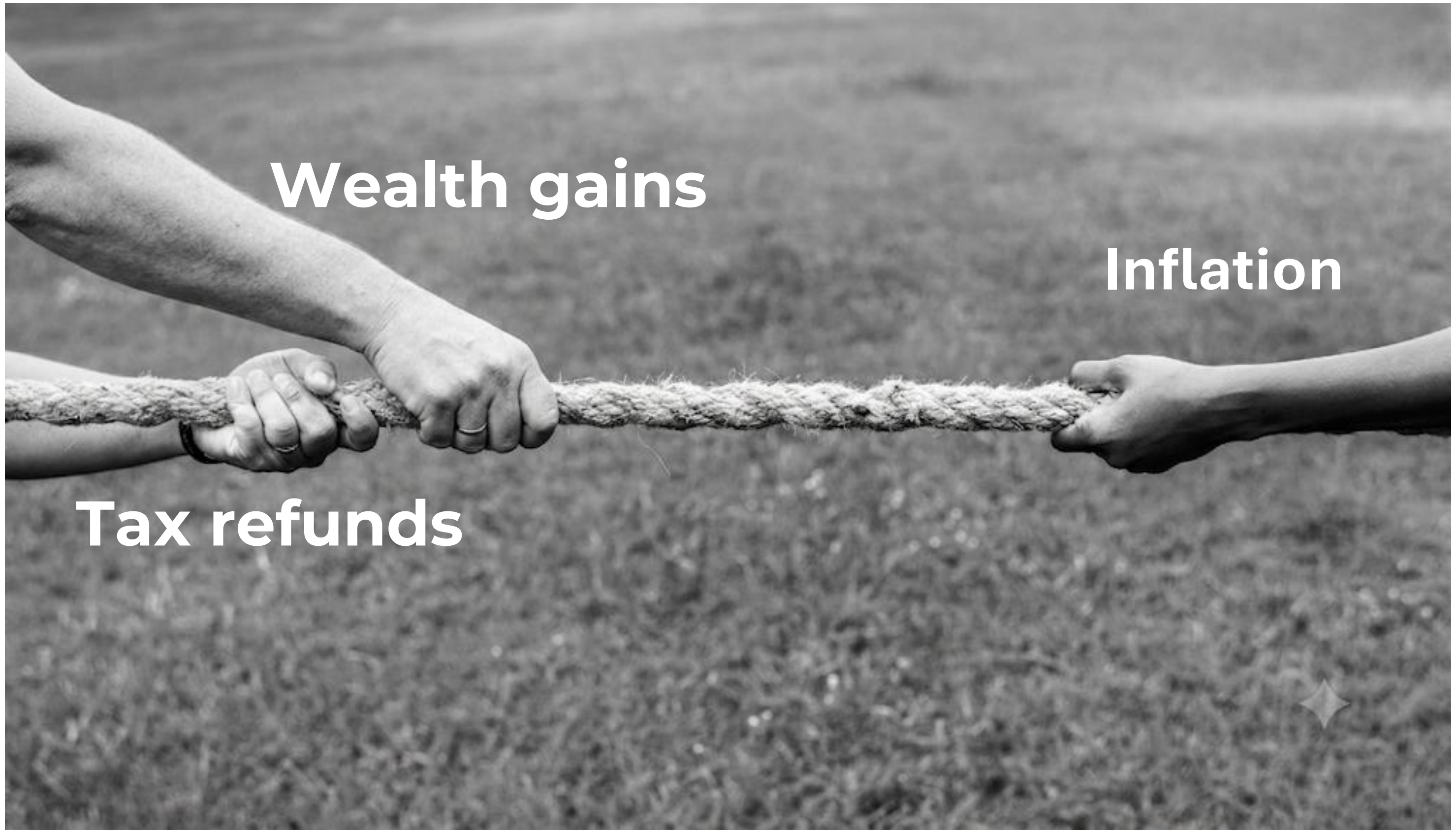
Inflation will subside



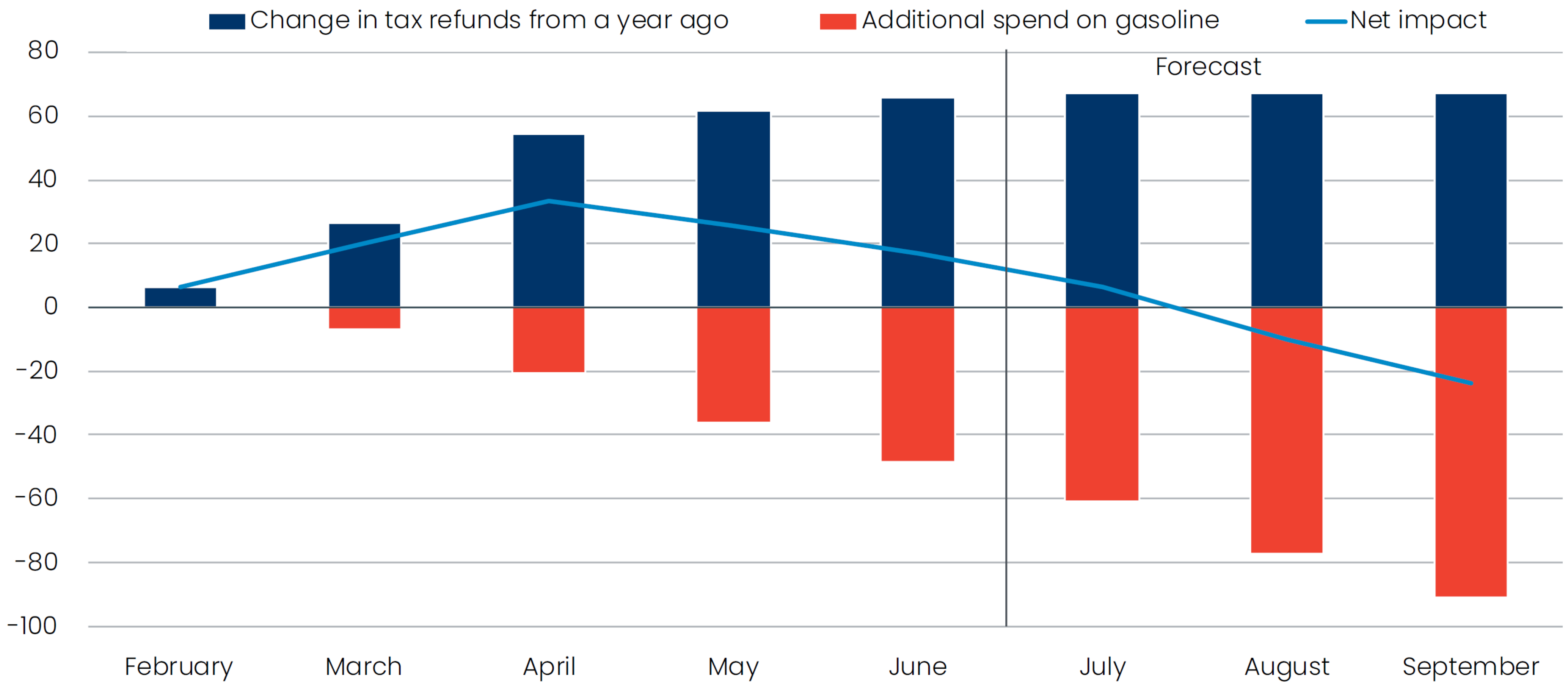
Source: Oxford Economics

On the other hand



Consumers have a buffer (for now)

Impact of tax refunds and gas prices on consumers in 2026
Billions, cumulative



Sources: Oxford Economics, Haver Analytics

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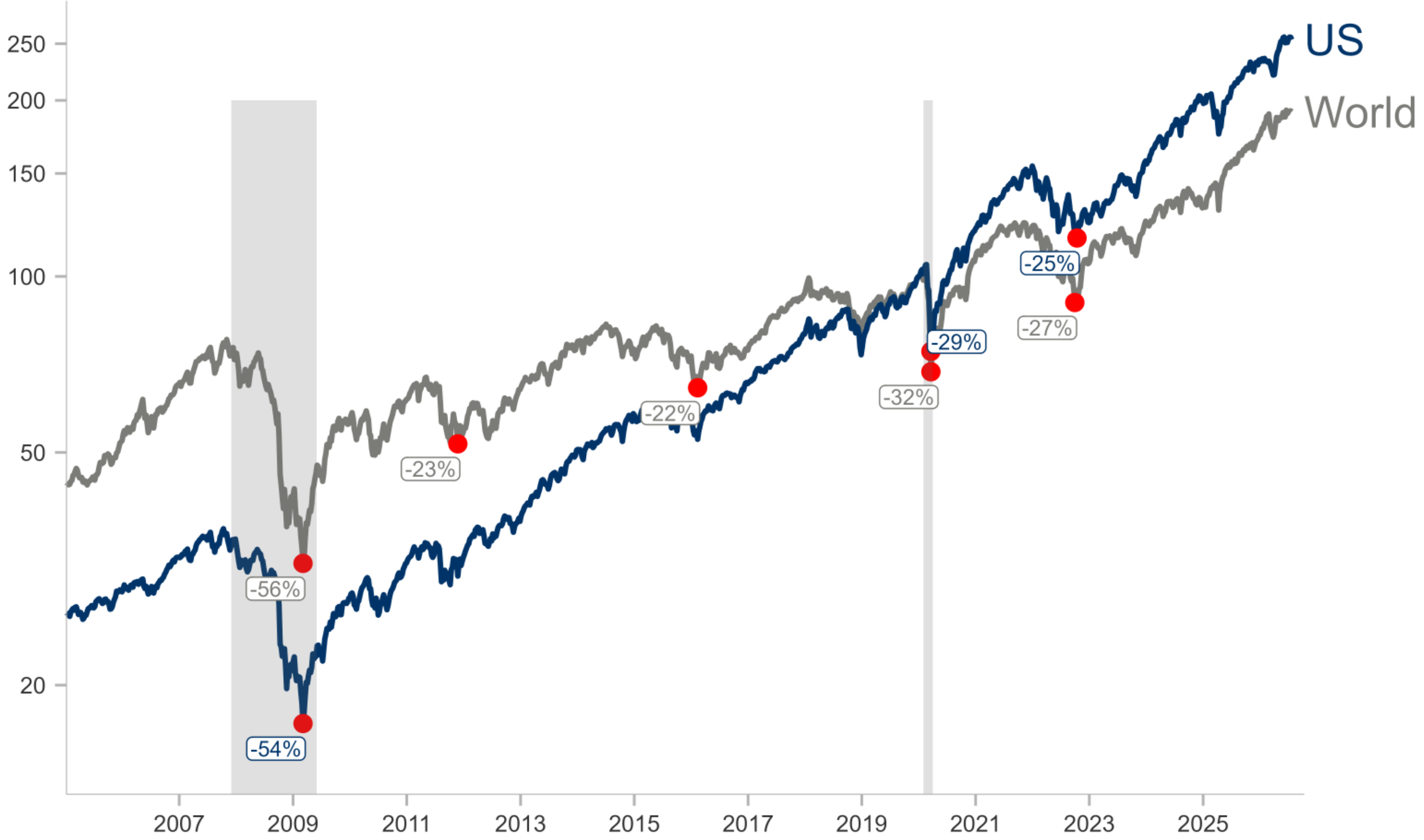
Equities providing a war chest

Equity prices

Share price index (log scale, January 2020=100)



Note: Share price index including gross dividends. Troughs identified relative to 20 weeks preceeding. Percentage values show drawdown relative to prior peak. Most recent data point is the week ending July 24, 2026. Source: MSCI

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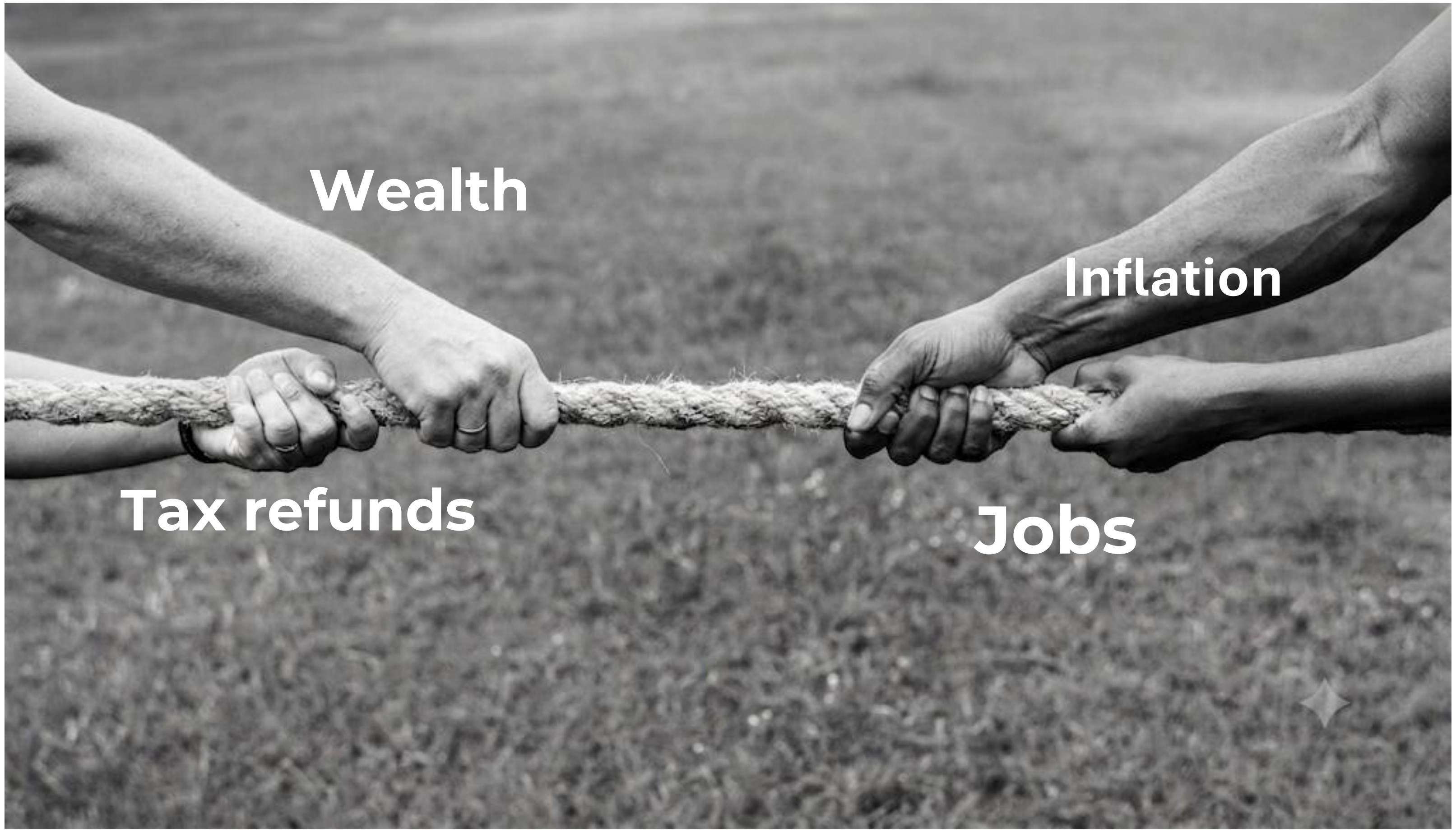
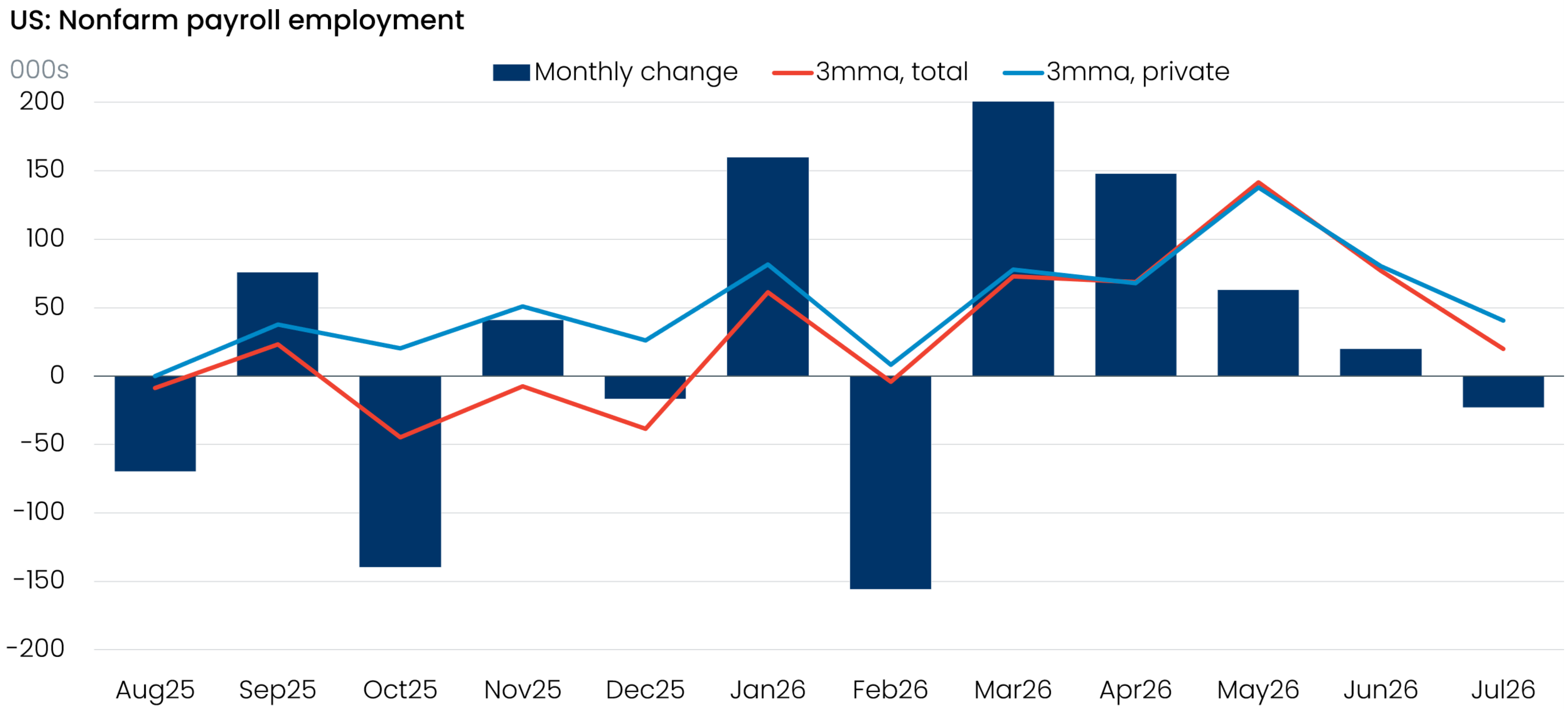
But the job market is tenuous



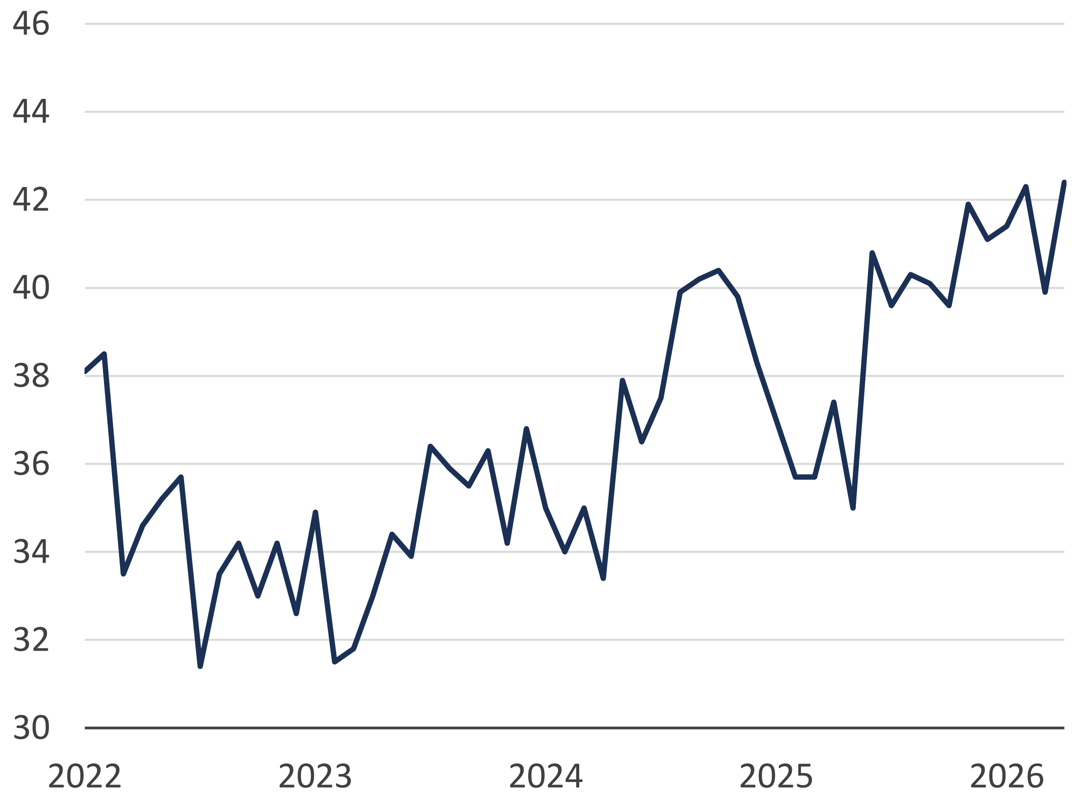
Job growth is slowing



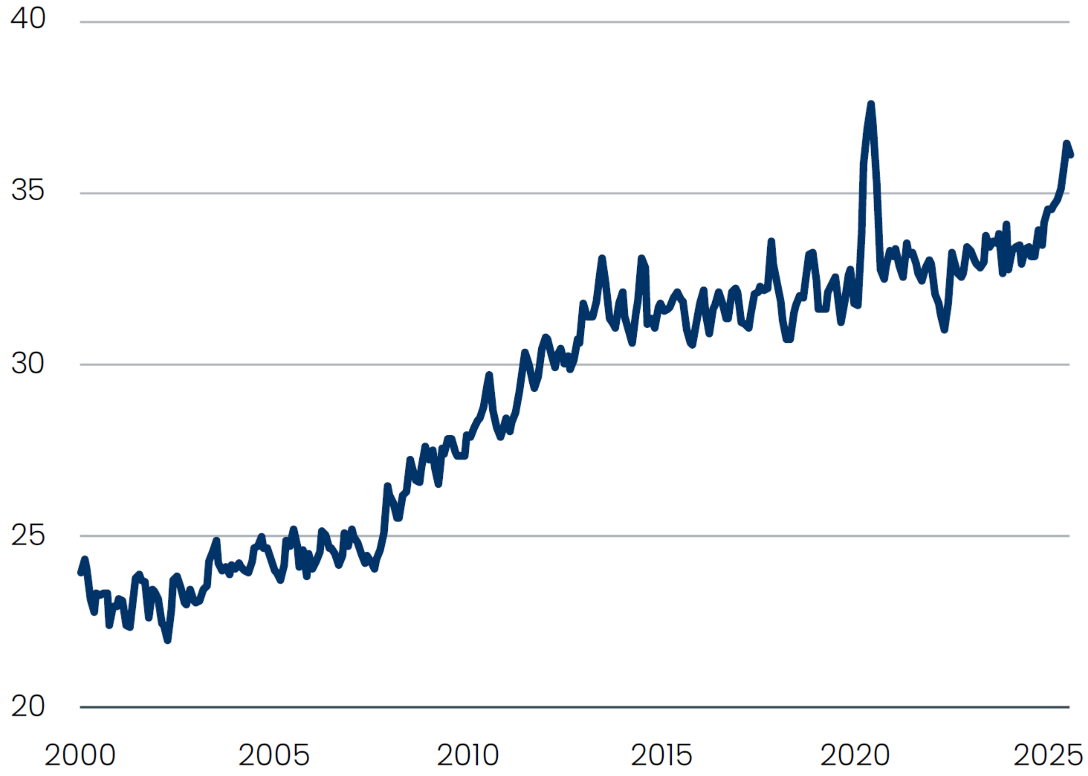
Source: Oxford Economics/Haver Analytics

It’s taking longer to find a job

Unemployed for at least 27 weeks
Percent of unemployed workers



Share of adults age 22-28 living with parents
Percent



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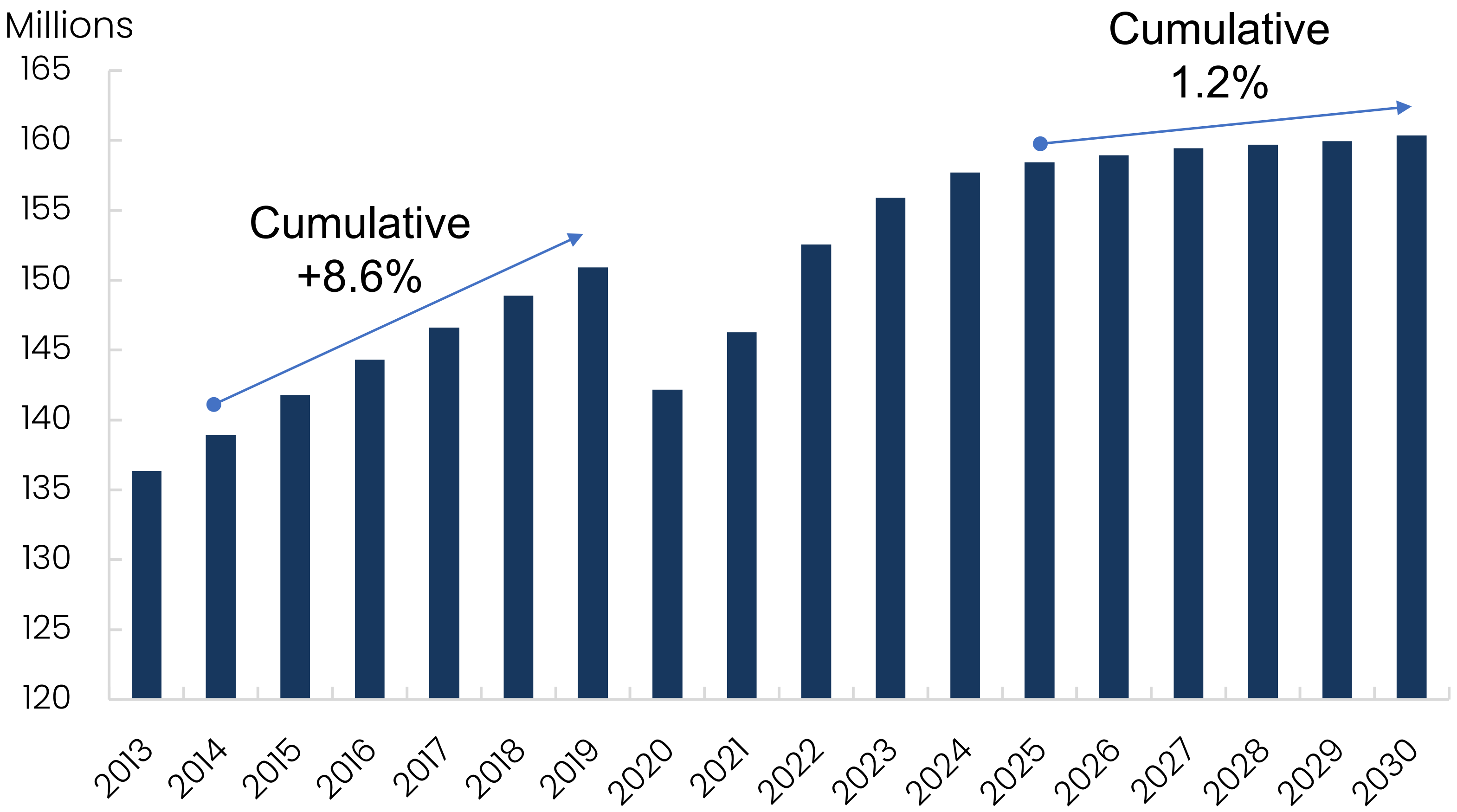
Job growth has plateaued

US Employment

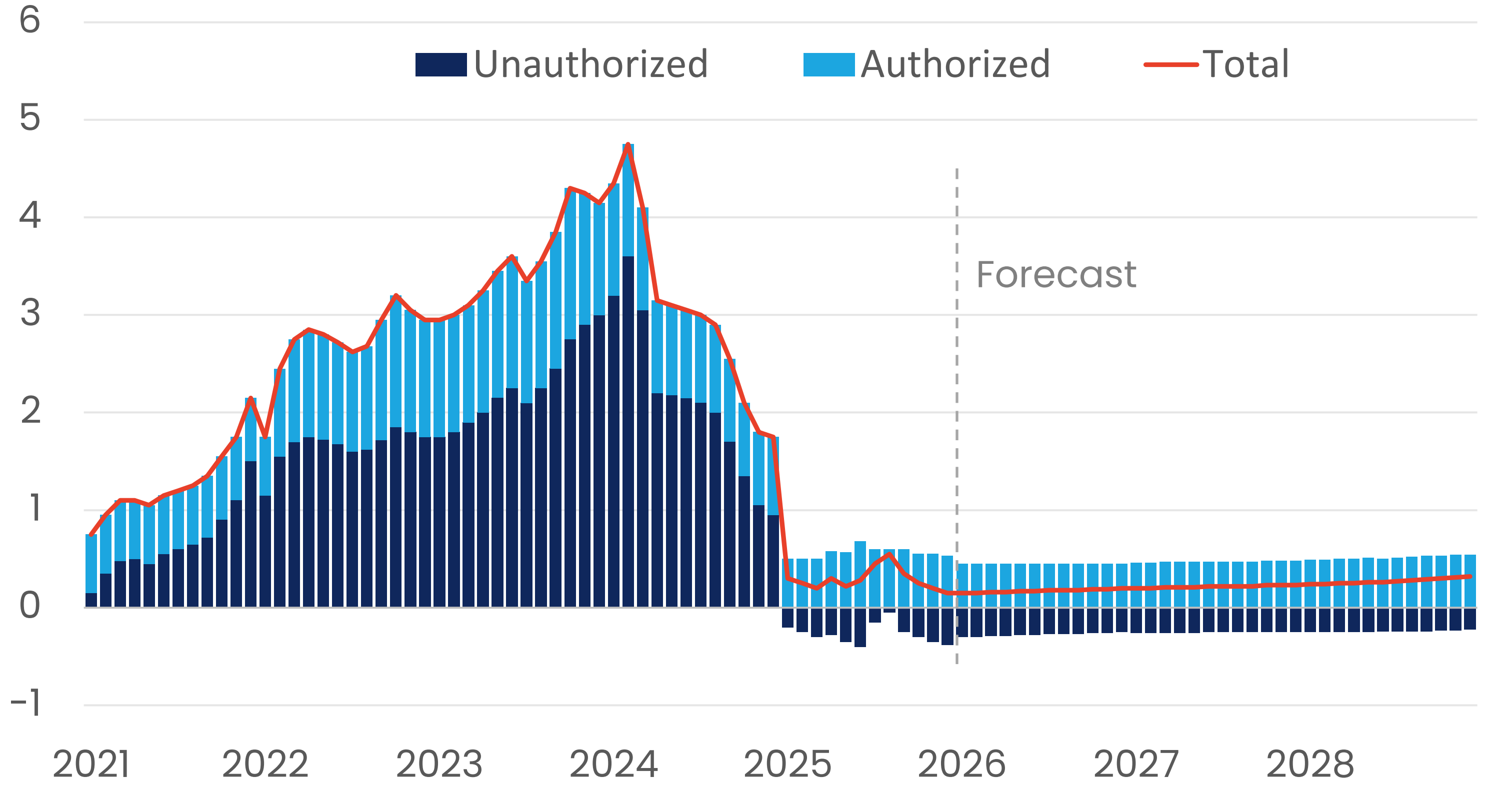


Source: Oxford Economics

Job creation consistent with labor force

US: Net immigration by category

Mn, annualized



Labor supply constraints

1. Low immigration
2. Sliding participation rate
3. Demographic trends

Source: Oxford Economics/Haver Analytics

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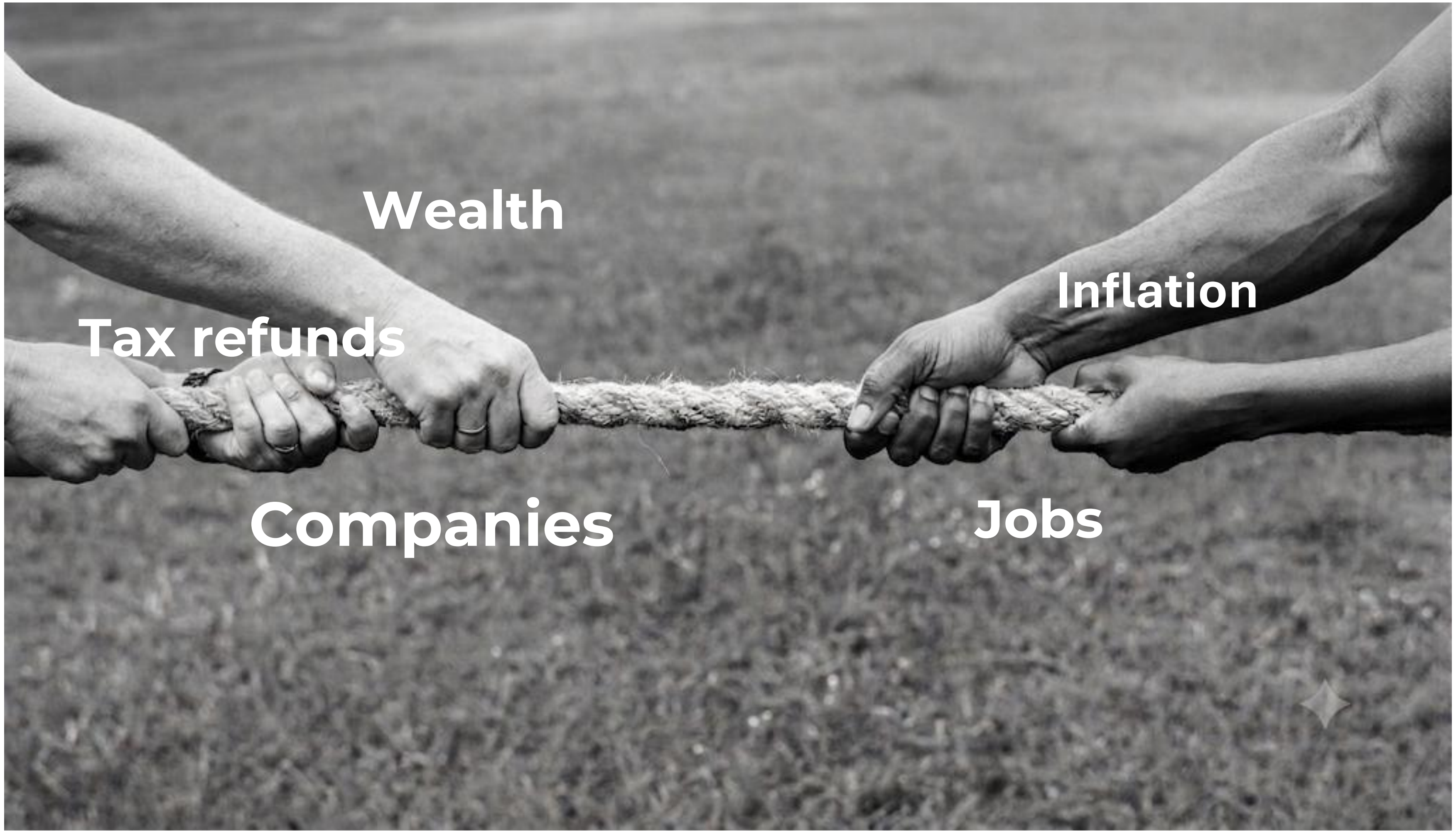
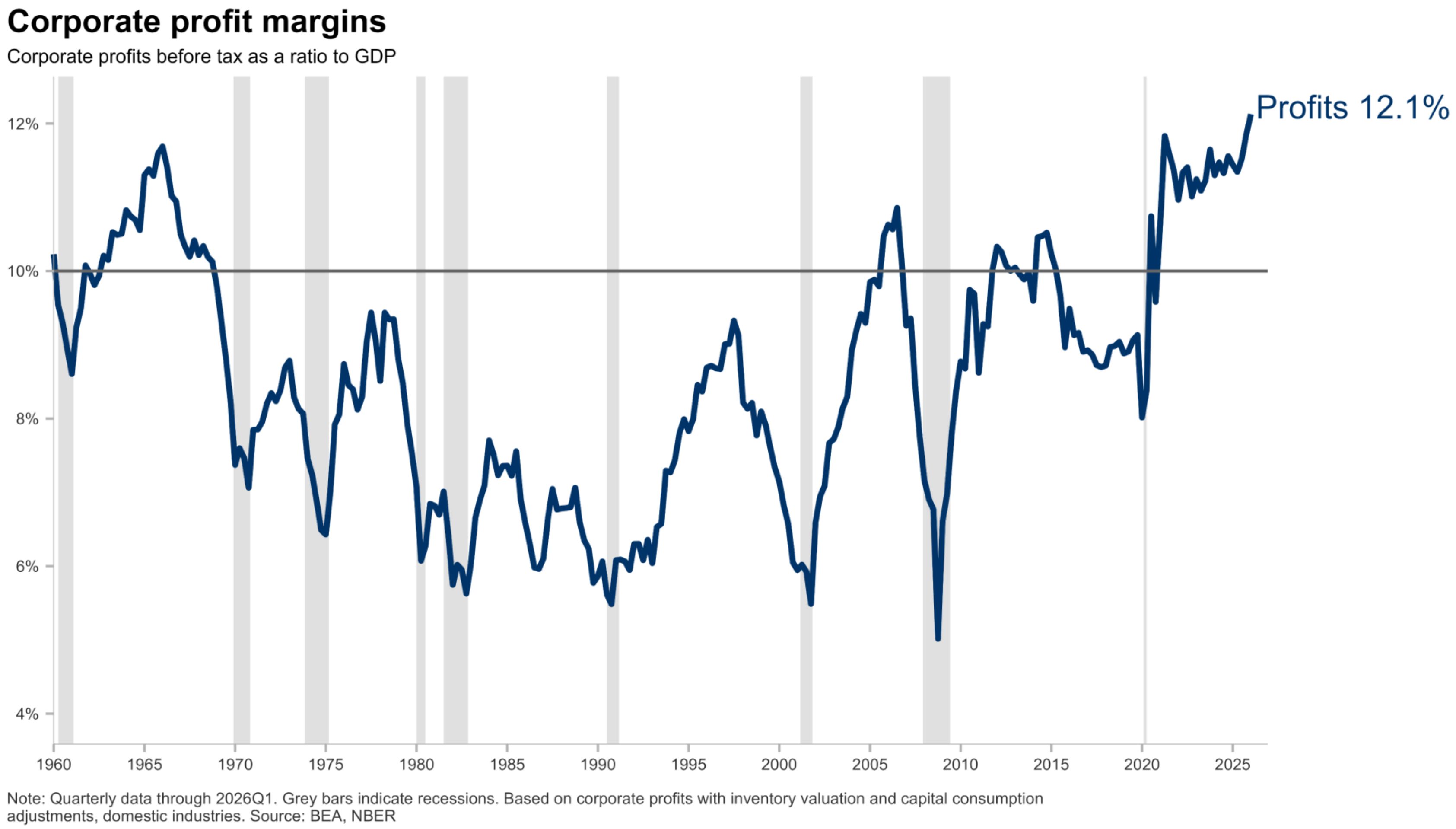
But companies have a strong hand



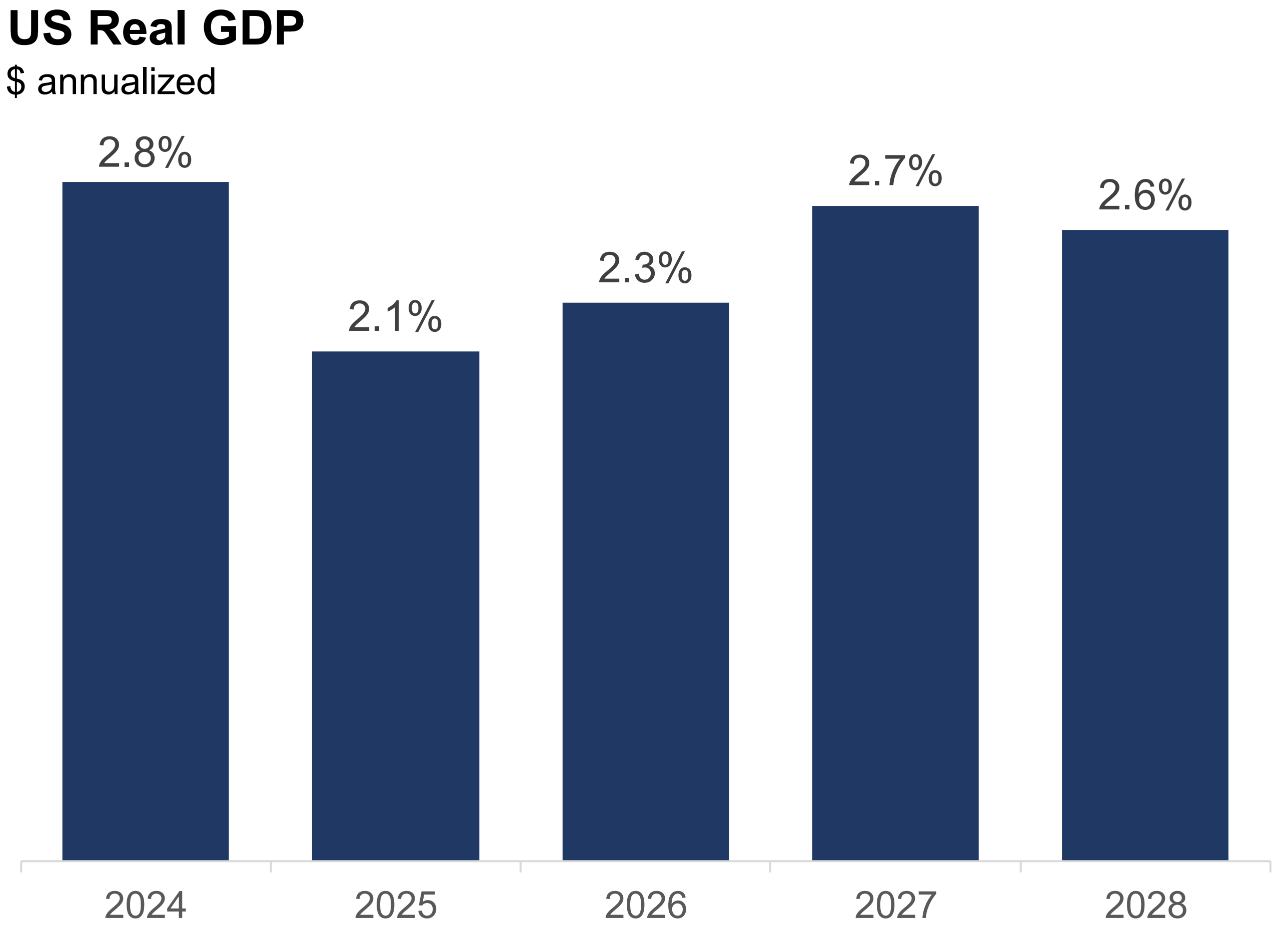
Corporate profits have surged



"…business travel was exceptionally strong in Q2 with …bookings up 30%, led by technology, financial services, and professional services."

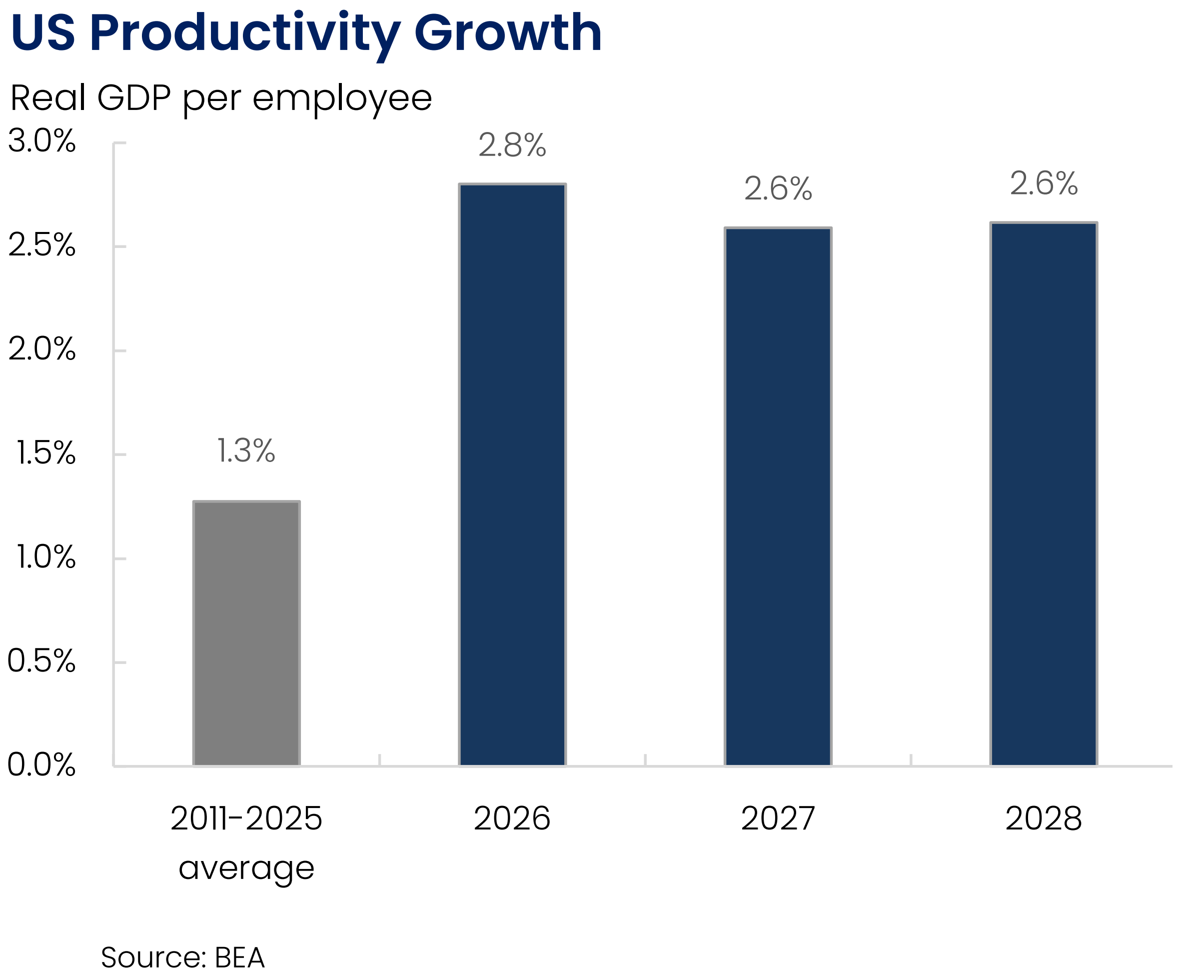
United, July 16

Growth accelerates to 2.7% by 2027



Source: Oxford Economics

How? A doubling of productivity growth



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AI is fueling productivity gains

US: AI adoption by sector

Source: U.S. Census Bureau, Business Trends and Outlook Survey

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International markets are not helping

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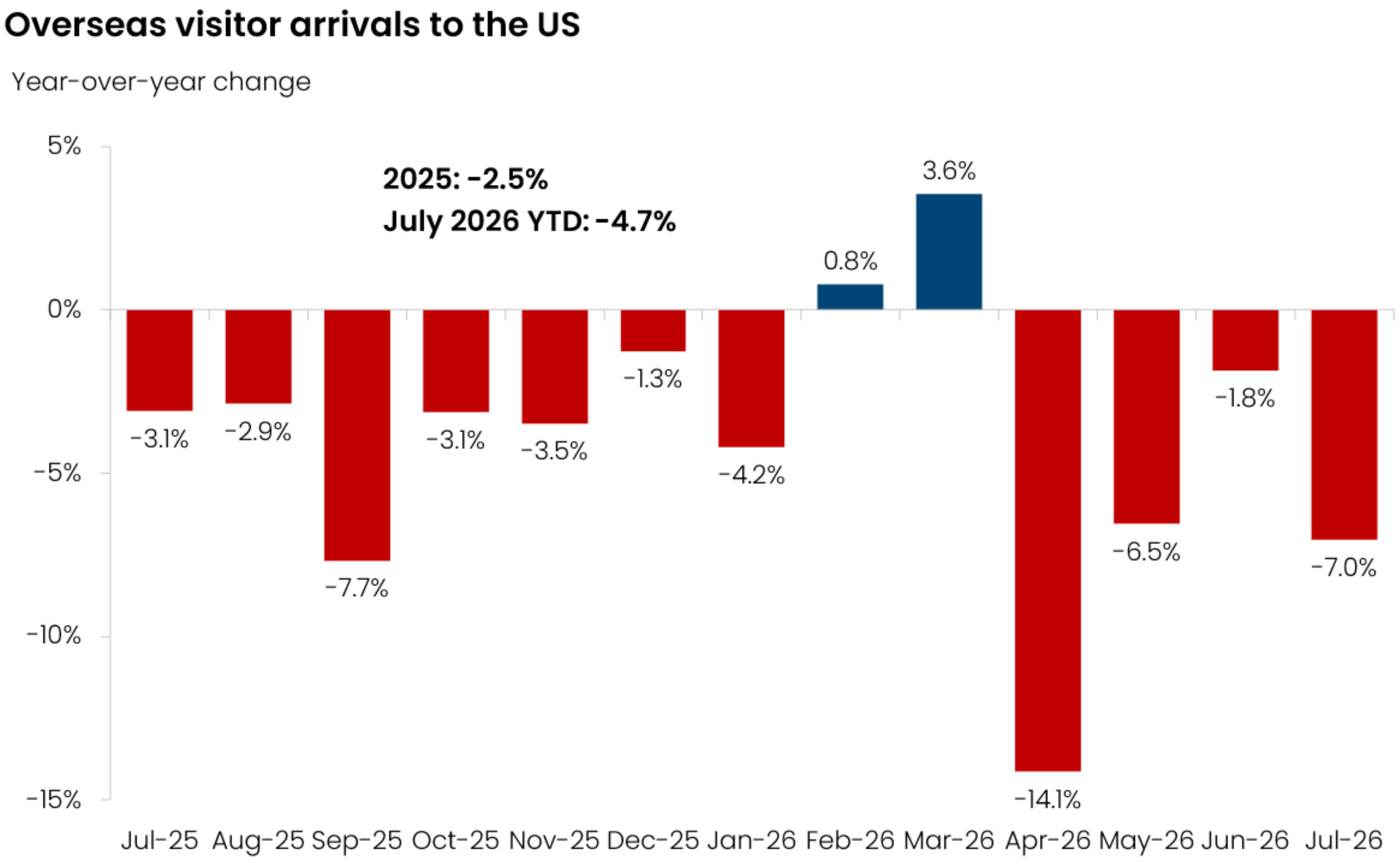
Overseas visits still declining



Source: National Travel and Tourism Office

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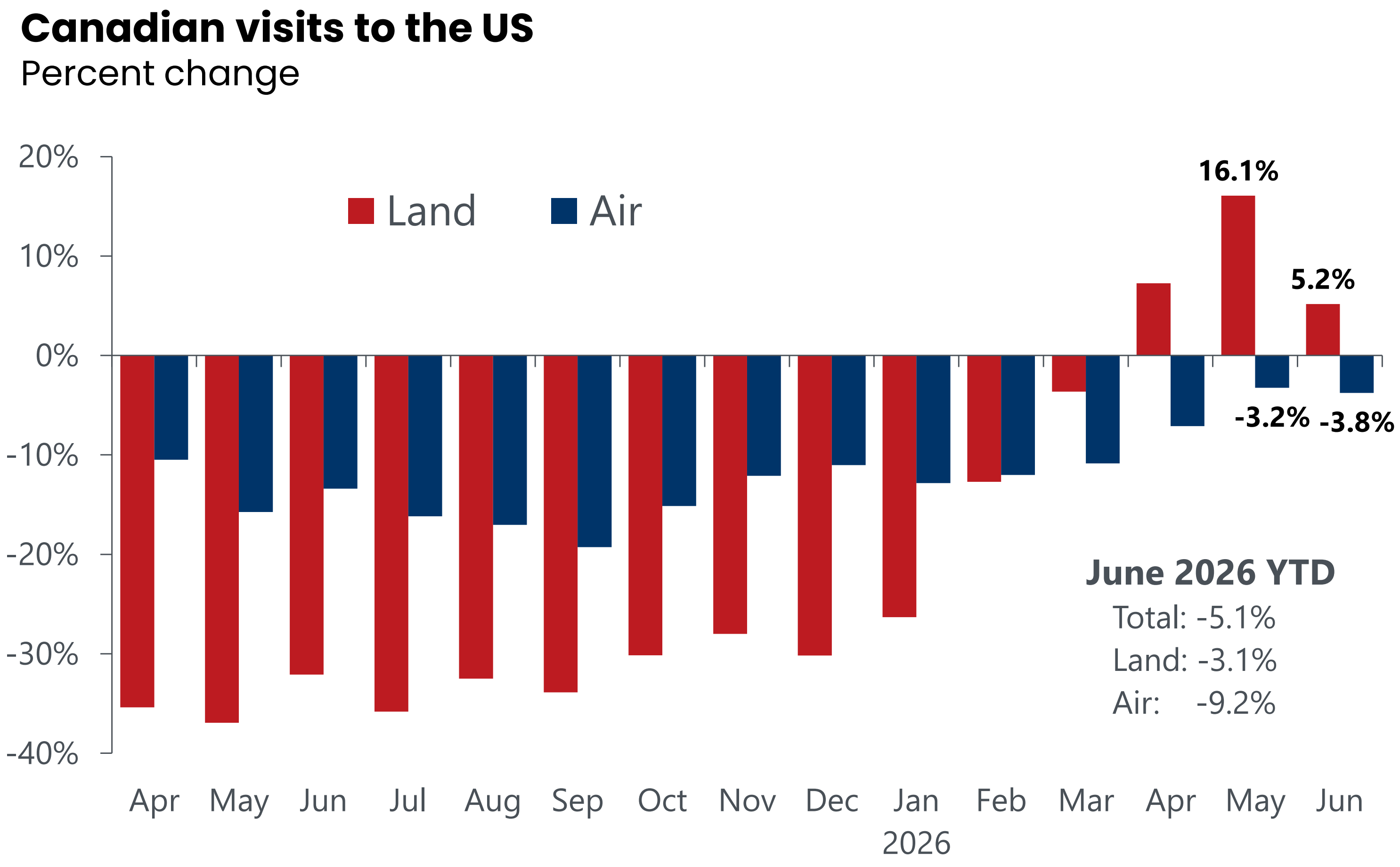
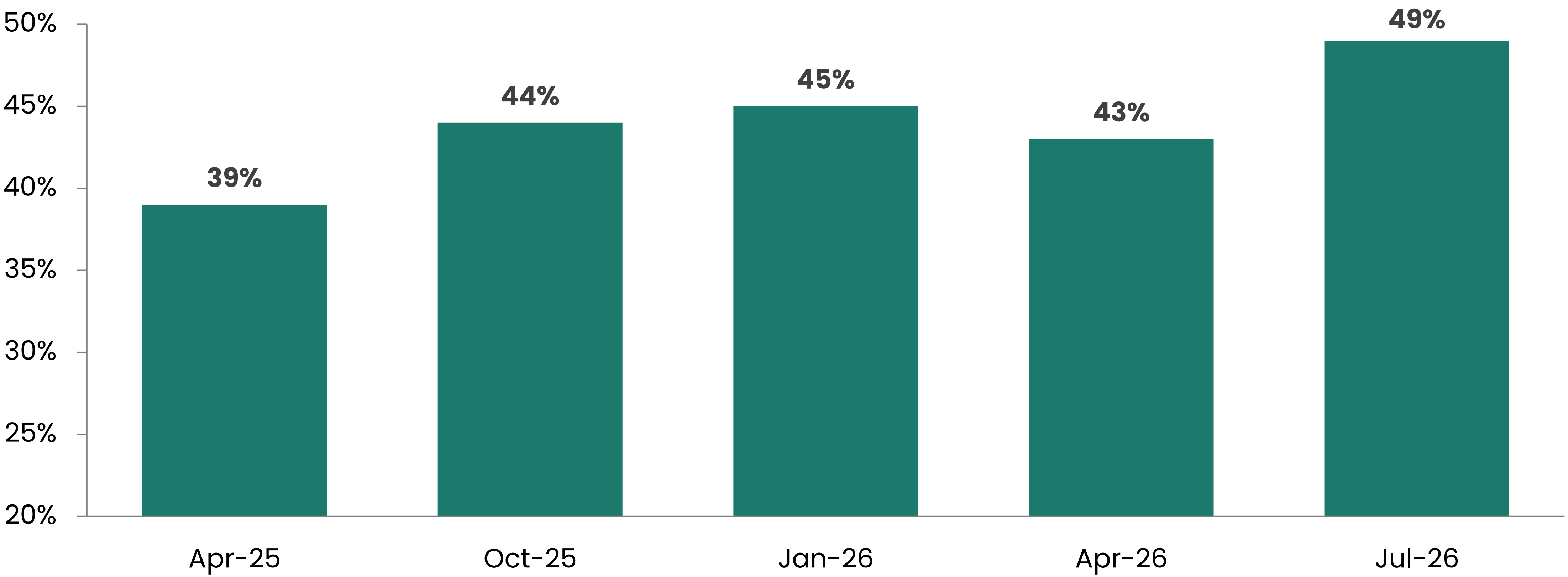
Canada: thawing but still cold



Source: Statistics Canada; June 2026 based on leading indicator data for Canadian-resident return trips

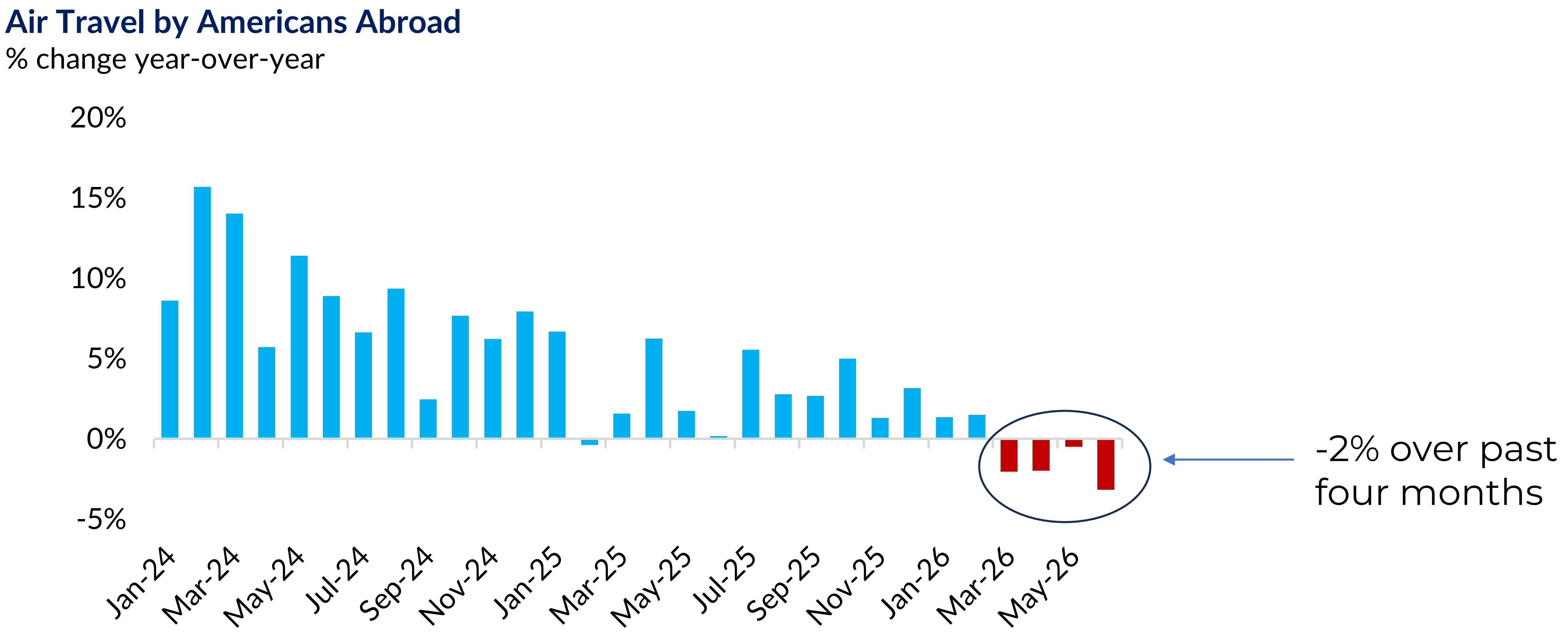
Canadian intent to visit the US is rising

Percent of Canadian travelers intending to visit the US
Next 12 months; booked or planning



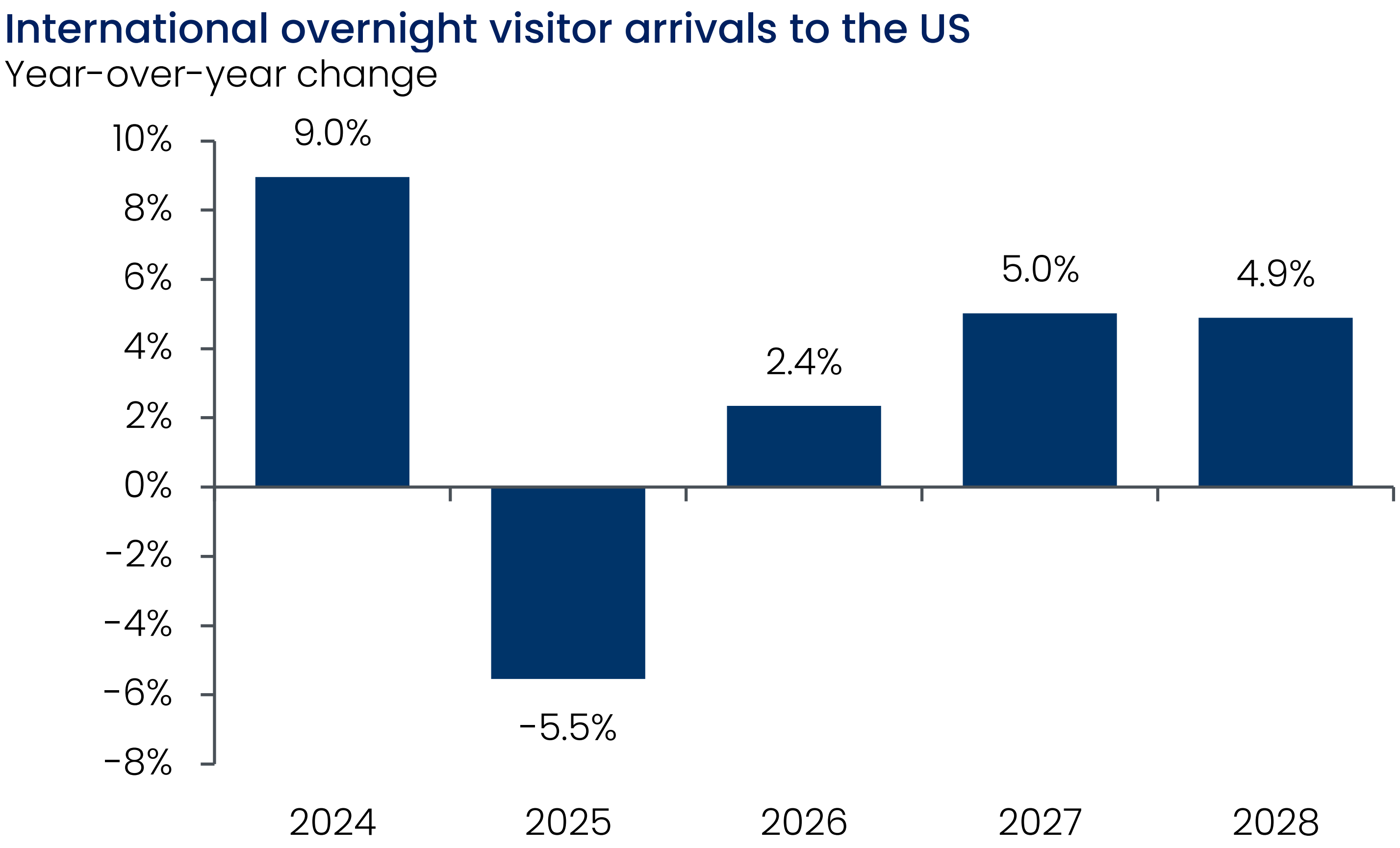
Source: Longwoods International, Canadian Travel Sentiment Study, July 2026 vs. previous waves

And outbound travel is slipping



Source: APIS I-92

International is turning a corner (slowly)



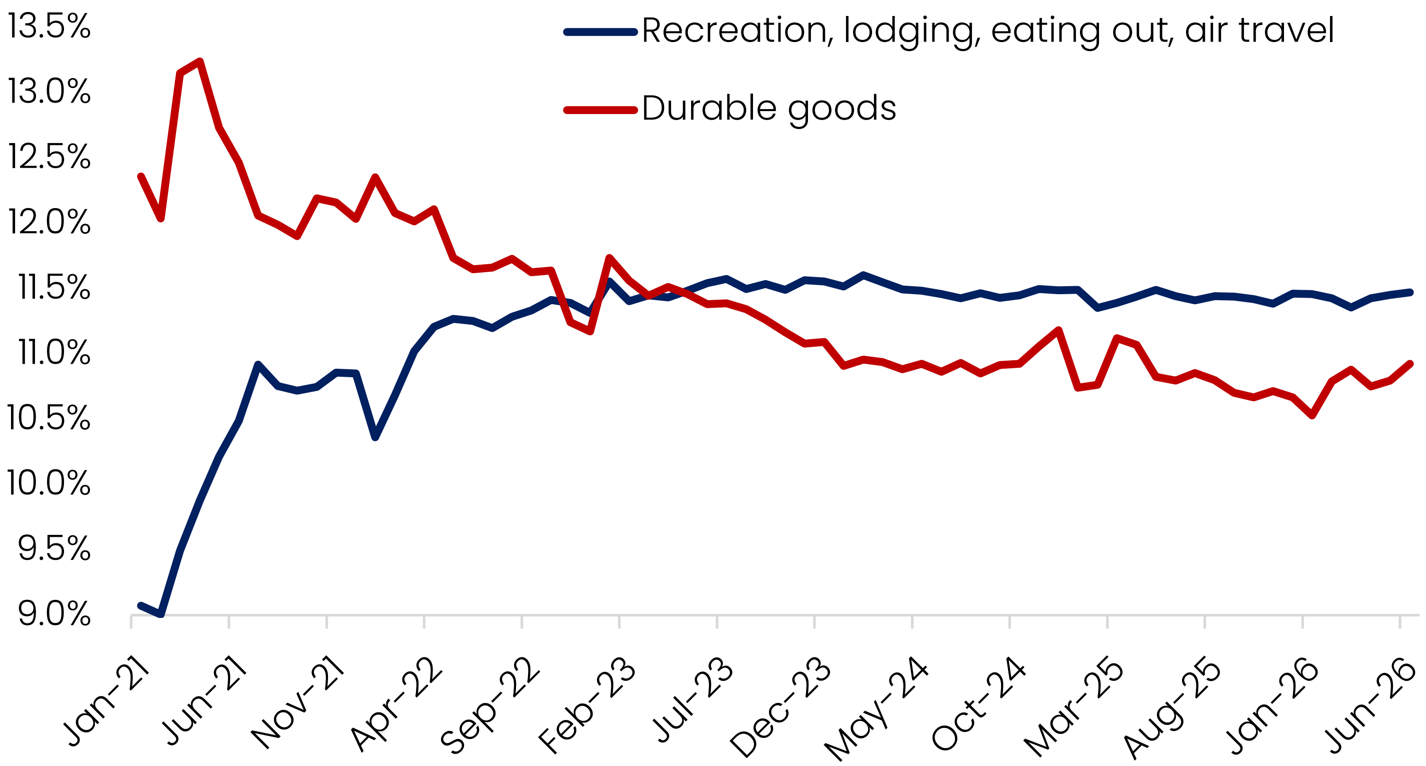
Source: Tourism Economics

One important hand left

Experiences > stuff

US: Consumer Spending by category

Share of consumer spending



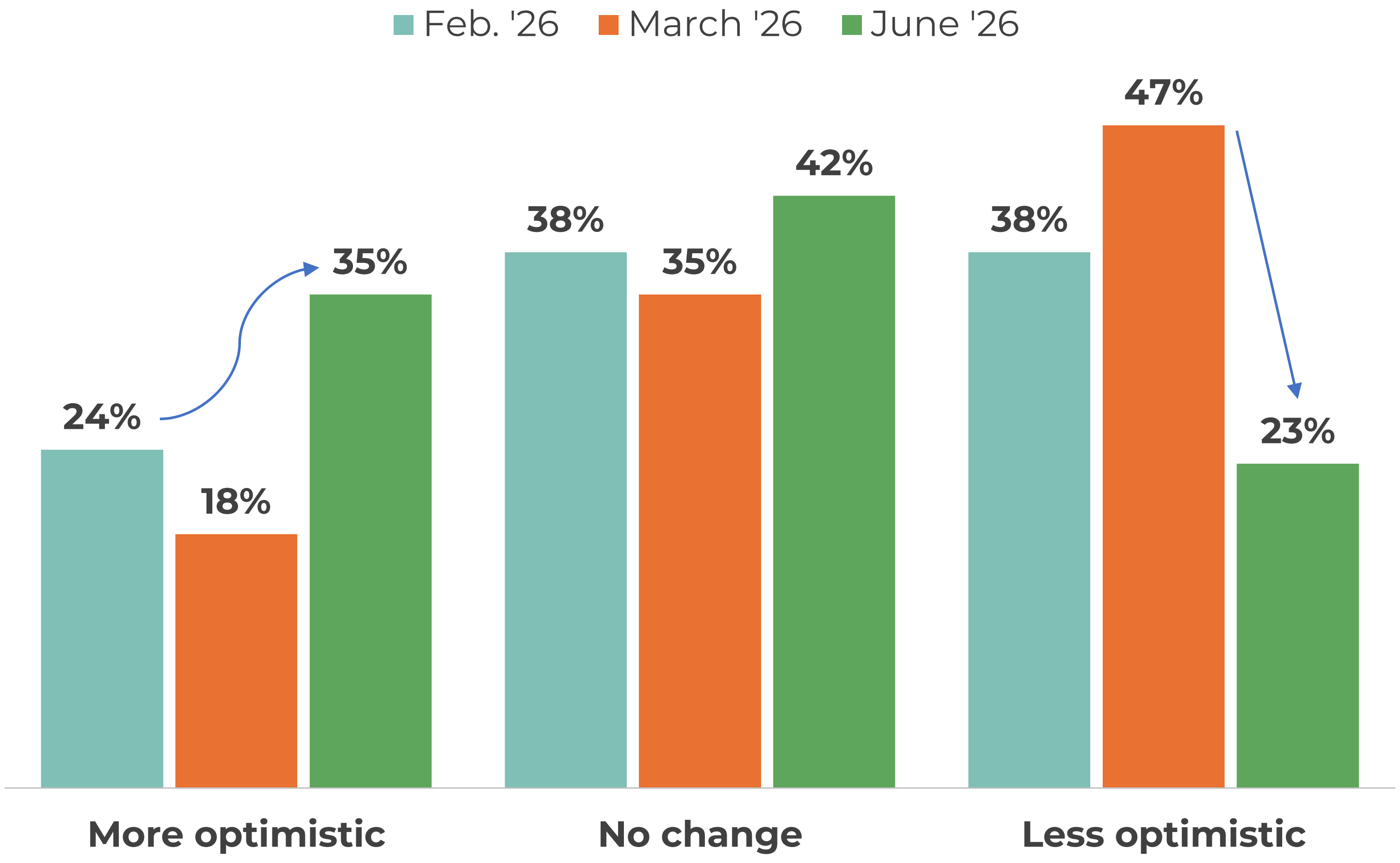
"Consumer spending remains resilient, underpinned by a healthy labor market and a sustained preference for travel relative to other discretionary categories."

American Airlines, July 23

Source: BLS, Tourism Economics

Planner optimism is surging

How has your outlook for your meetings and events changed over the past two months?



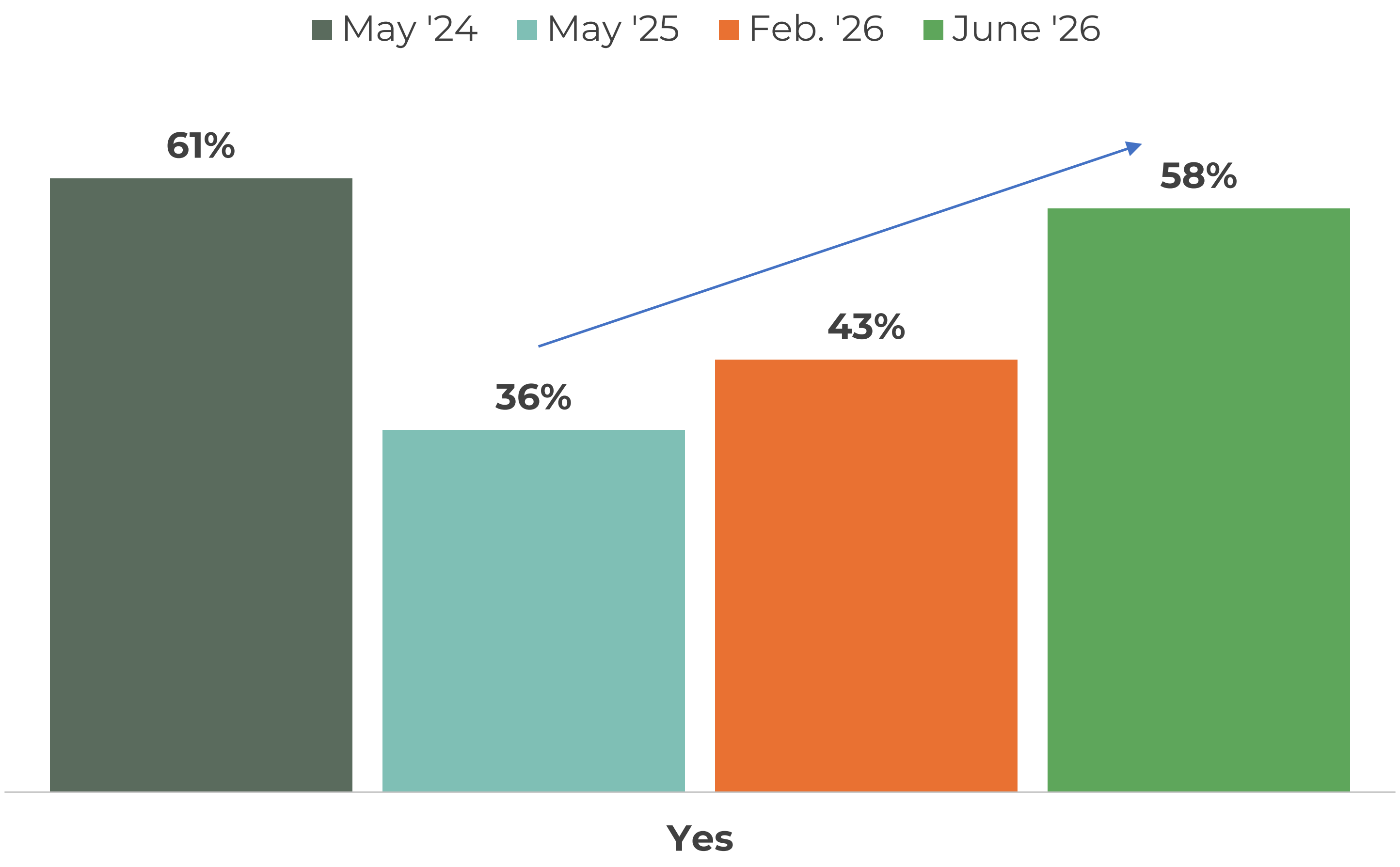
"[We see] underlying demand recovery in the U.S., where *business transient and group both exceeded expectations.*"

Hilton, July 23

Source: Northstar Meetings Group / Cvent,
Meetings Industry Pulse Survey NA, June 2026

More planners expect more meetings

Will you or your organization produce more meetings this year than you did last year?

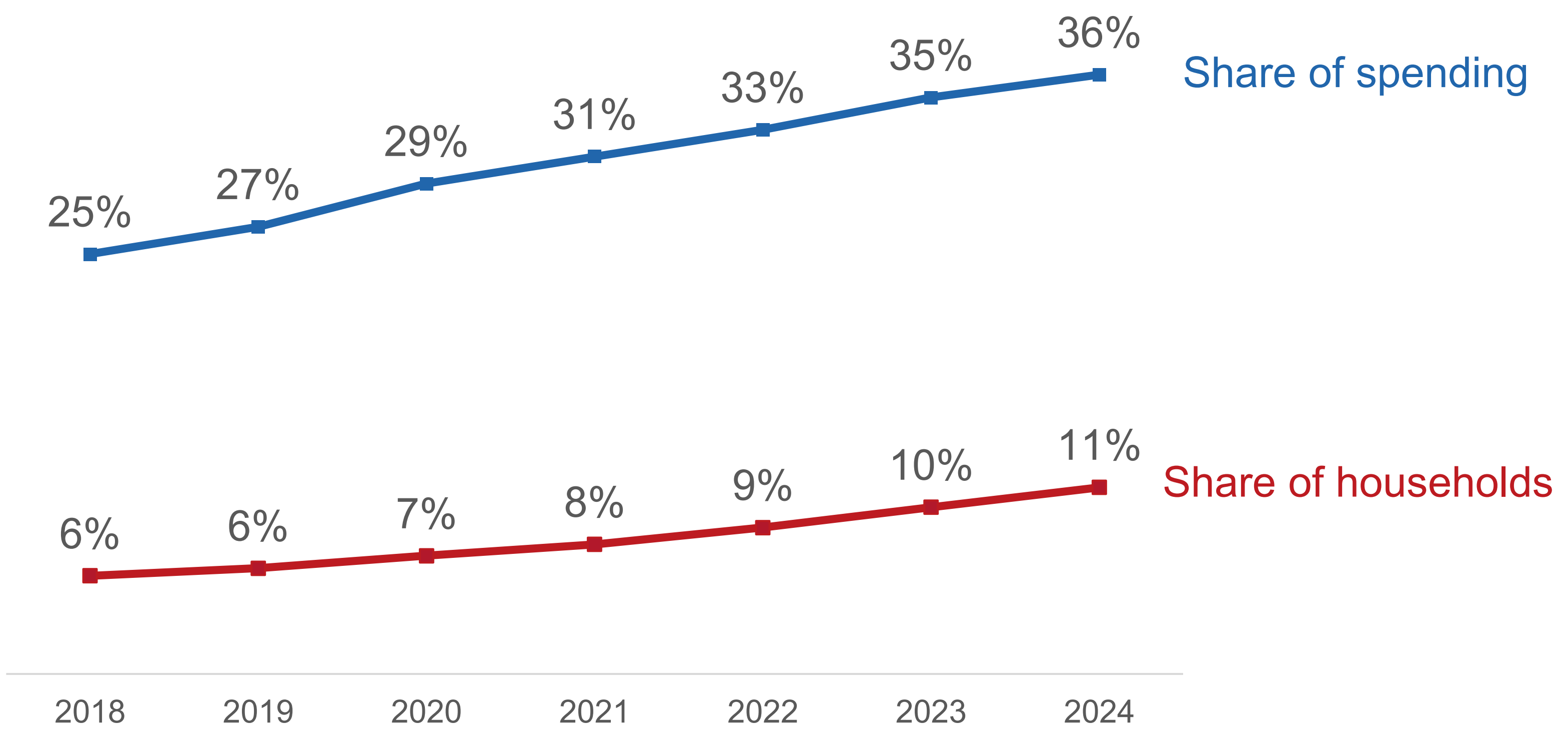


Source: Northstar Meetings Group / Cvent,
Meetings Industry Pulse Survey NA, June 2026

High-income consumer market is growing

Lodging spending by high-income households

Leisure travel, households with $200k+ annual income



Note: Based on three-year average.
Source: BLS, Tourism Economics

Sold performance "driven by durable demand from high-end travelers, and continued strength across our luxury portfolio."

Hyatt, July 30

"And the thing we're really excited about it is nearly 60% of our revenue comes from households making $150,000 or more. And so that's demand that's more likely to hold up through economic uncertainty."

American, July 23

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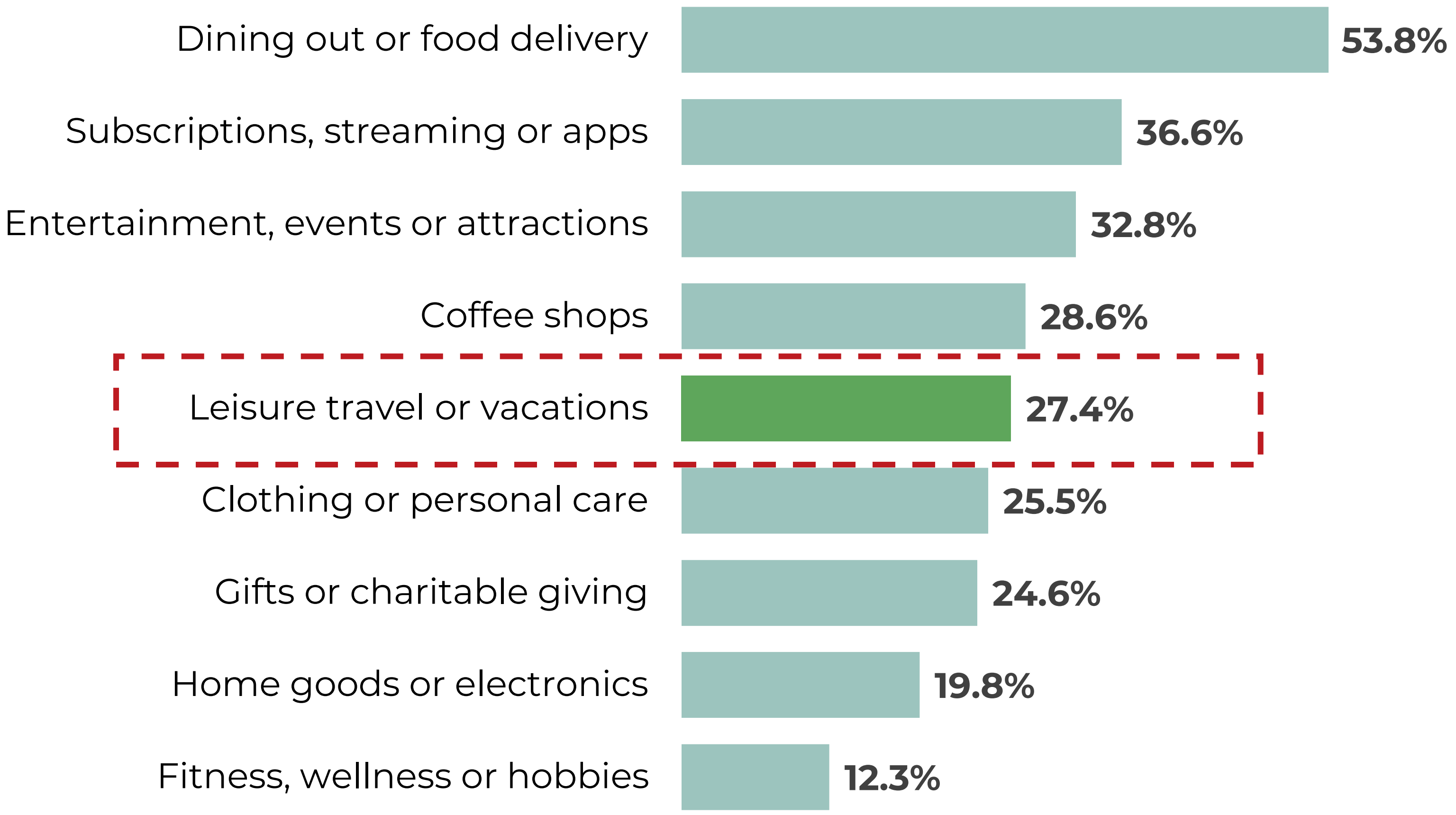
Travel survives initial budget cuts

If you needed to reduce your household budget, what would you cut back on first?



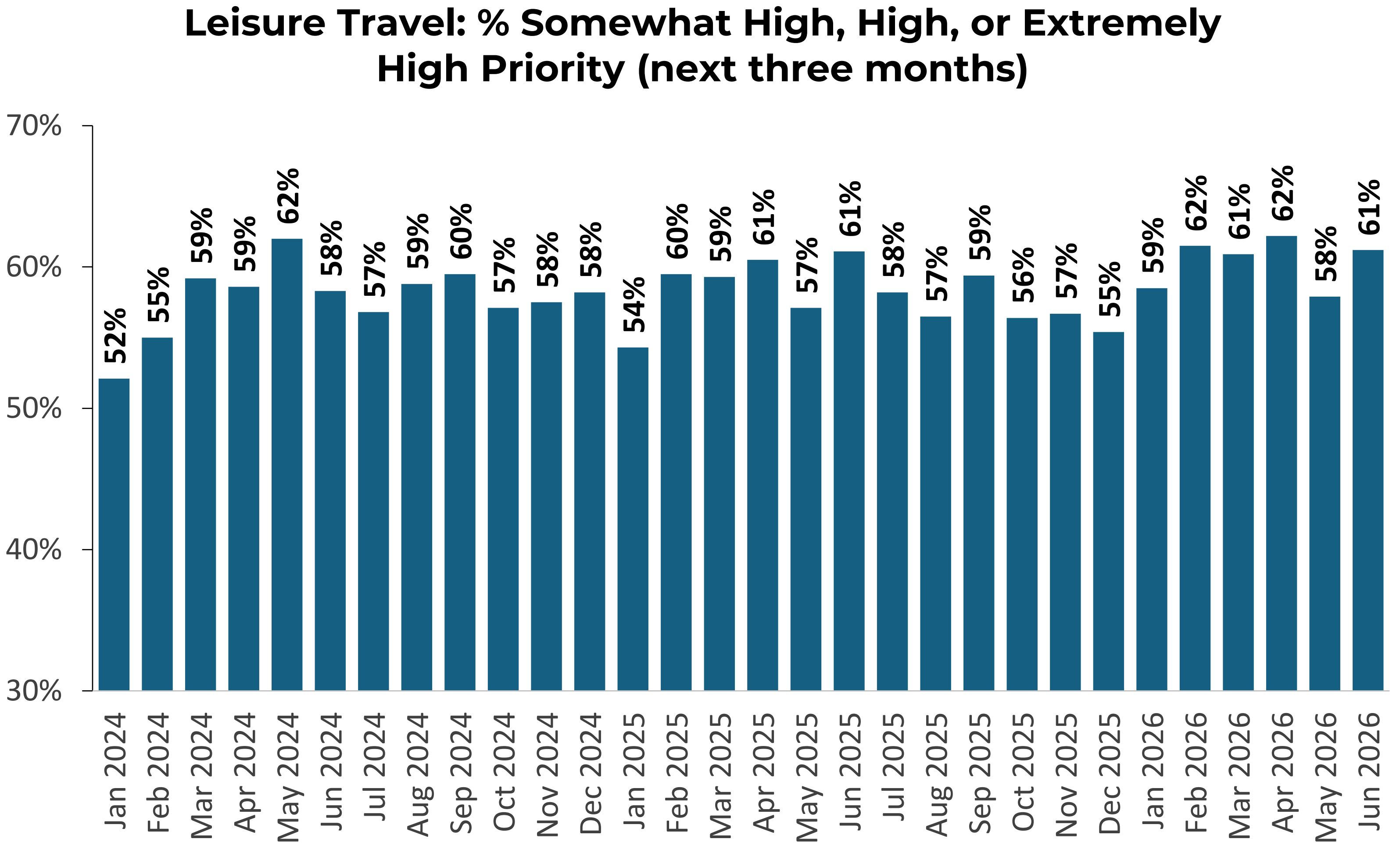
"Travel remains the #1 leisure category where consumers intend to spend more, and they are increasingly seeking vacations as a way to relax, unwind and escape."

Royal Caribbean - 07/28/2026

"The strong demand trend… extended into July across chain scales and customer segments."
Marriott, August 3

Source: Future Partners / Tourism Economics; 1,061 respondents, May 15-26, 2026. Top 9 categories shown.

Travel remains a priority



"[We see] the middle and lower-income consumers are returning to the market."

"…these mid-scale, upper mid-scale, everything sort of that has been weak over the last couple of years is strengthening. It's really impossible to deny."

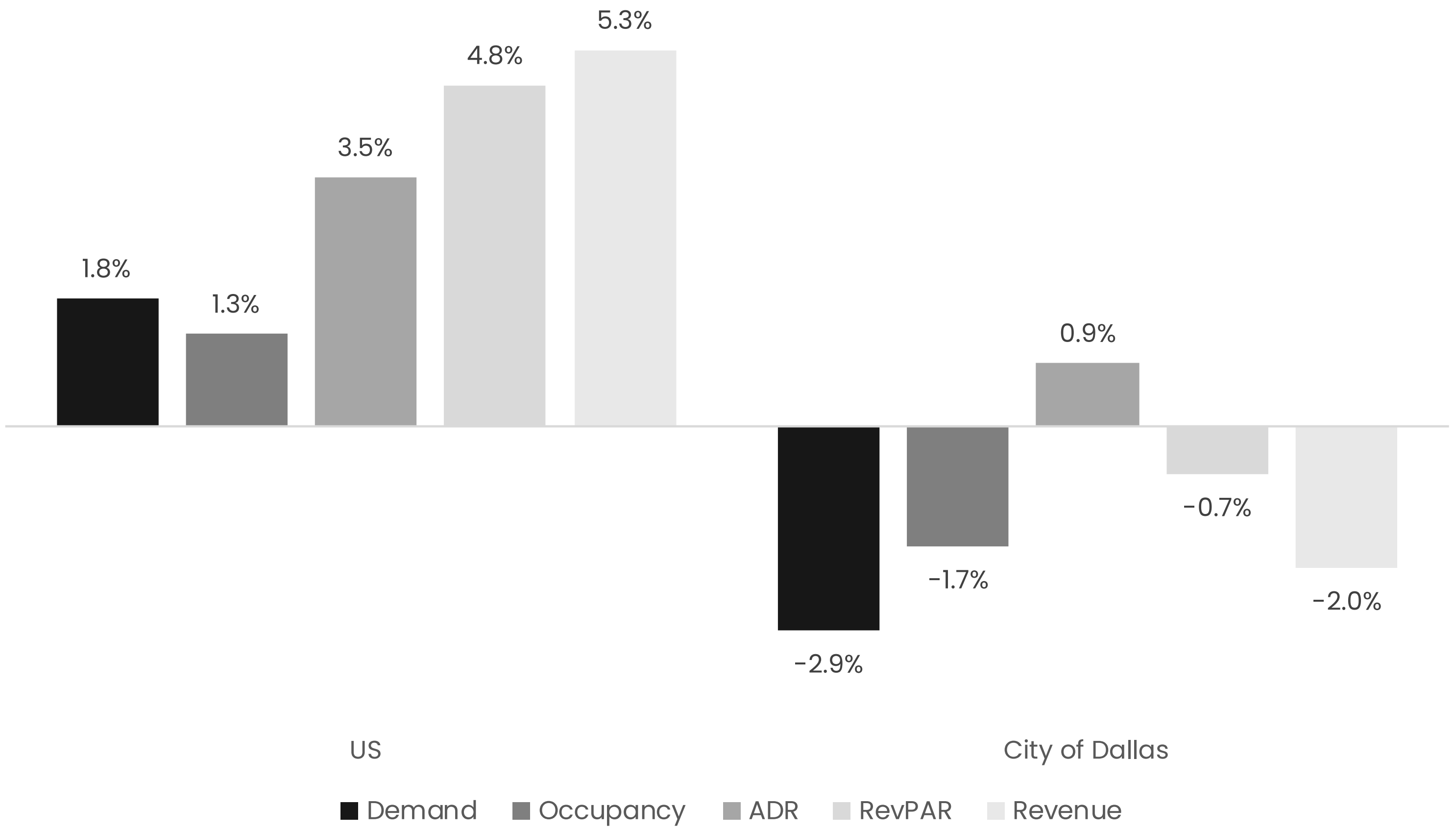
Hilton, July 28

Source: Future Partners, The State of the American Traveler, June 2026. (Base: All respondents, 4,000+ completed surveys each wave.)

What about the Dallas Region?

City of Dallas lags the overall industry

Hotel Key Performance Indicators
YTD June, percent change, same month last year

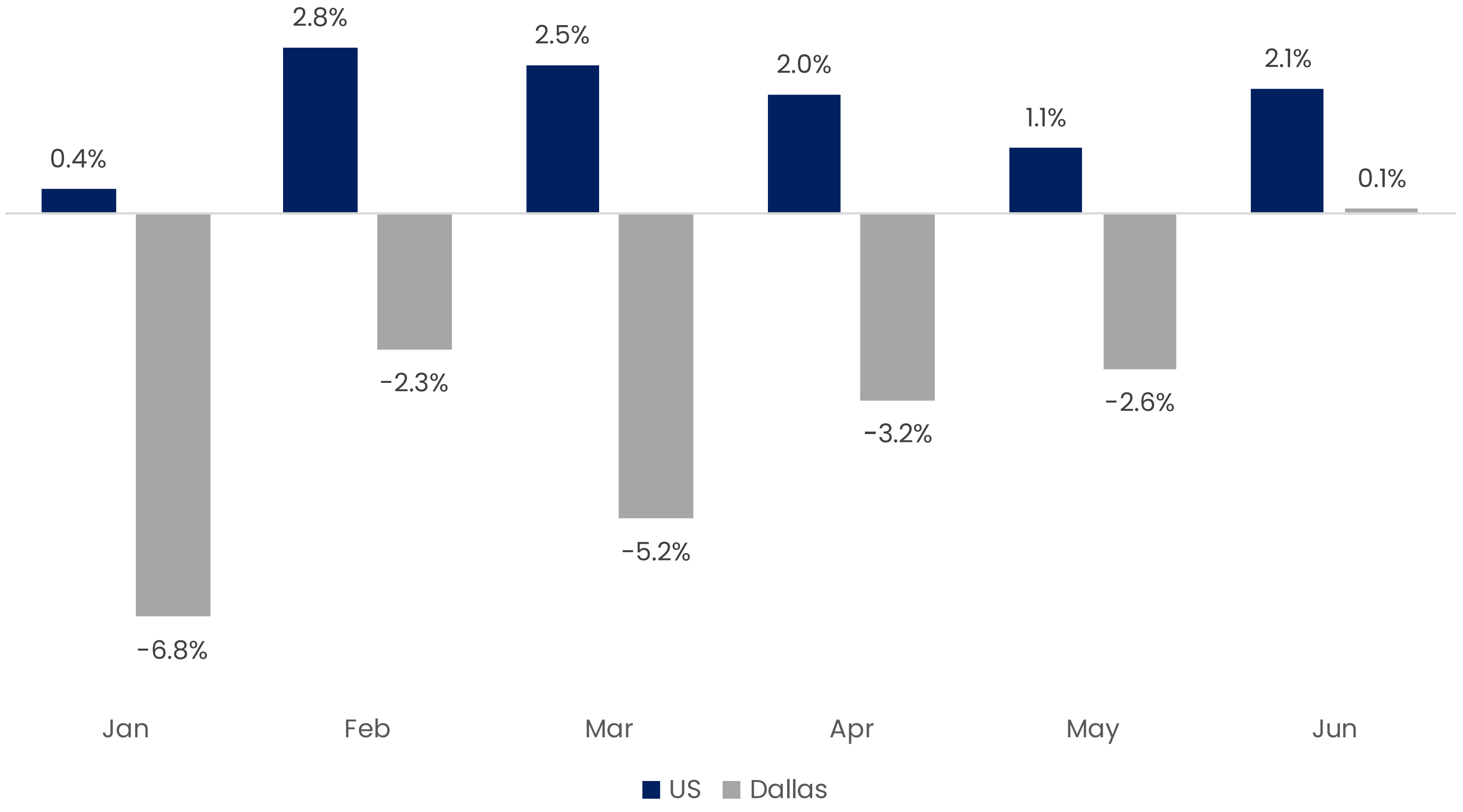


Source: CoStar/STR

June delivers first growth of the year

Hotel Room Demand

Percent change, same month last year



Source: CoStar/STR

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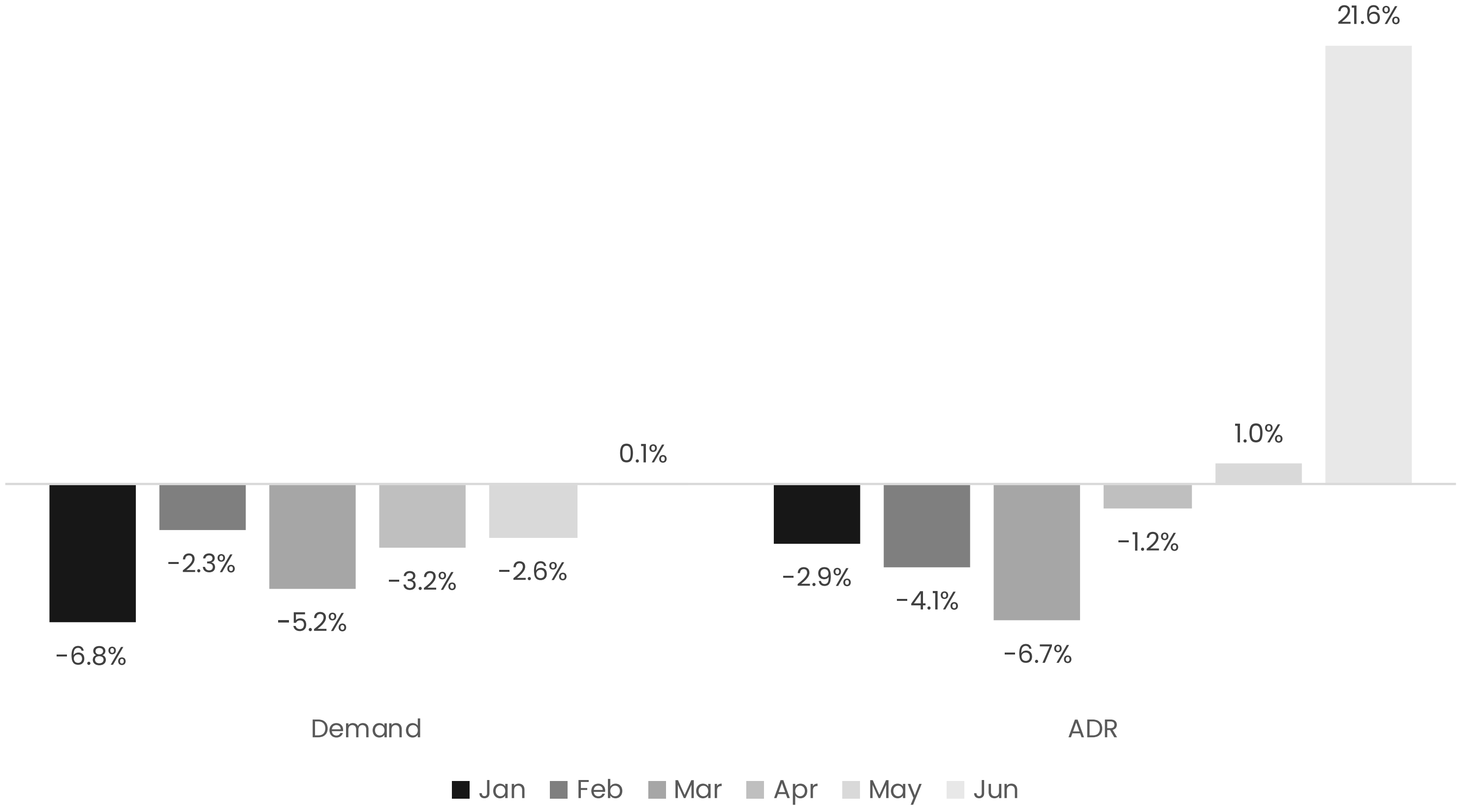
World Cup drove up hotel ADR

City of Dallas, Demand and ADR
Percent change, same month last year

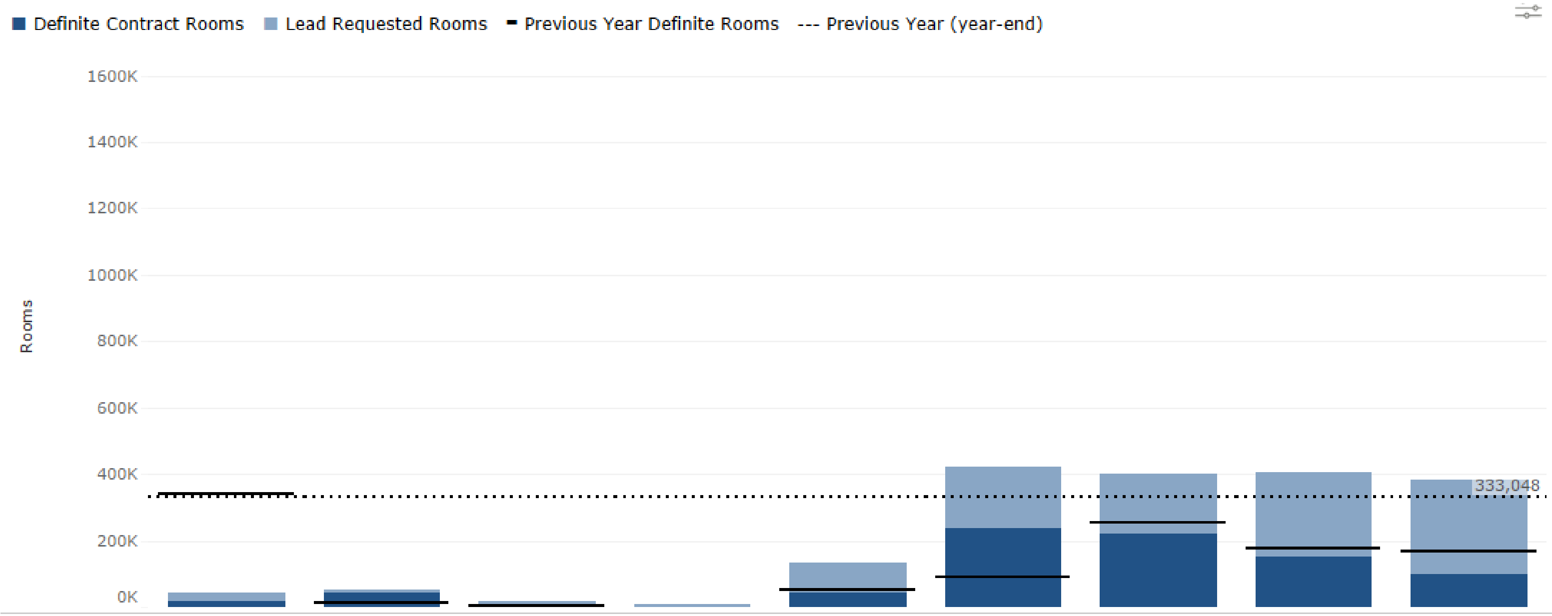


Source: CoStar/STR

Limited Citywide events until 2031

Visit Dallas Citywide Booking Pace

Visit Dallas-related citywide group business compared to STLY



	2026	2027	2028	2029	2030	2031	2032	2033	2034
Definite Rooms	17,493	44,072			45,142	234,984	220,191	151,180	100,248
Pace	342,841	17,493	10,041		57,497	96,726	257,526	182,636	174,041
% to Pace	-94.9%	+151.9%			-21.5%	+142.9%	-14.5%	-17.2%	-42.4%
Diff. to Pace	-325,348	+26,579			-12,355	+138,258	-37,335	-31,456	-73,793
Open Lead Rooms	25,447	6,420	15,245	7,823	87,502	188,799	178,906	254,053	284,849
Lost Rooms	821,778	679,697	501,306	742,871	649,470	478,791	198,917	225,808	263,297
Total Demand	1,070,274	958,266	594,067	808,191	879,694	980,656	645,543	664,652	671,740
Conversion Rate	2.1%	6.1%			6.5%	32.9%	52.5%	40.1%	27.6%

Source: Visit Dallas CRM System (Simpleview)

Last Updated 8/10/2026

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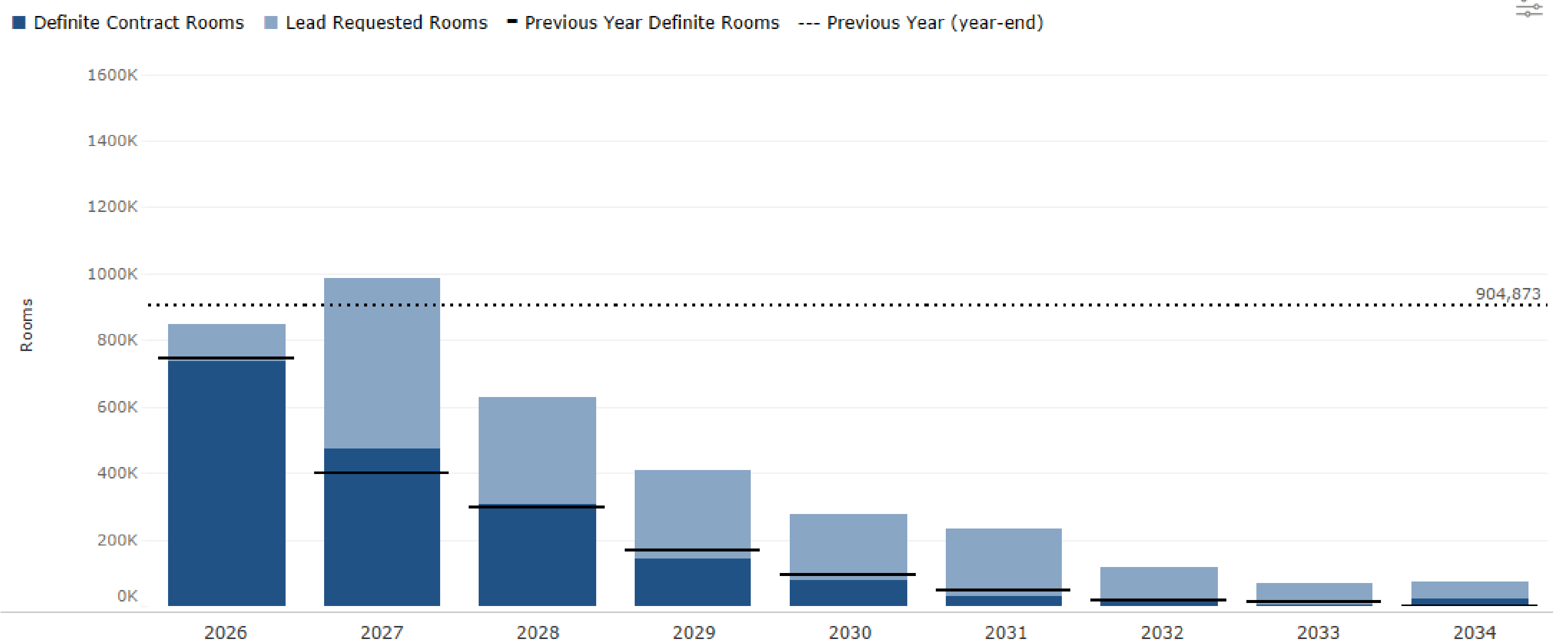
Non-Citywide events on pace in 2027-2028

Visit Dallas non-Citywide Booking Pace

Visit Dallas-related non-citywide group business compared to STLY



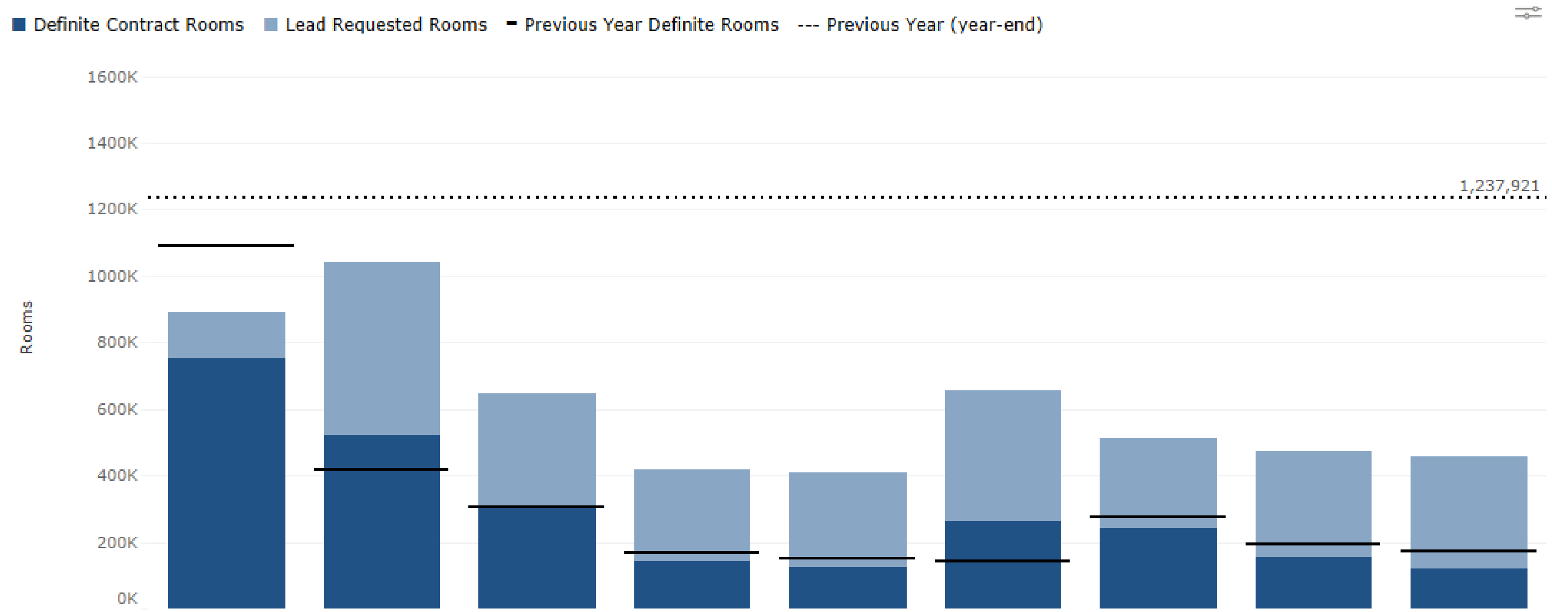
	2026	2027	2028	2029	2030	2031	2032	2033	2034
Definite Rooms	735,287	475,473	304,378	140,922	77,864	28,463	22,986	2,629	20,205
Pace	750,695	403,352	301,727	171,287	97,721	49,795	20,419	15,110	2,629
% to Pace	-2.1%	+17.9%	+0.9%	-17.7%	-20.3%	-42.8%	+12.6%	-82.6%	+668.5%
Diff. to Pace	-15,408	+72,121	+2,651	-30,365	-19,857	-21,332	+2,567	-12,481	+17,576
Open Lead Rooms	114,568	512,690	324,793	270,249	197,985	202,174	92,064	67,570	51,337
Lost Rooms	1,943,570	1,468,754	737,266	448,202	251,392	101,308	30,058	27,945	4,915
Total Demand	2,798,336	2,461,353	1,377,108	914,295	543,619	332,126	145,207	98,038	76,456
Conversion Rate	27.4%	24.5%	29.2%	23.9%	23.6%	21.9%	43.3%	8.6%	80.4%

Source: Visit Dallas CRM System (Simpleview)   Last Updated 8/10/2026   SYMPHONY | TOURISM ECONOMICS

Non-Citywide events lift 2027

Visit Dallas Booking Pace

All Visit Dallas-related group business compared to STLY



	2026	2027	2028	2029	2030	2031	2032	2033	2034
Definite Rooms	752,780	519,545	304,378	140,922	123,006	263,447	243,177	153,809	120,453
Pace	1,093,536	420,845	311,768	171,287	155,218	146,521	277,945	197,746	176,670
% to Pace	-31.2%	+23.5%	-2.4%	-17.7%	-20.8%	+79.8%	-12.5%	-22.2%	-31.8%
Diff. to Pace	-340,756	+98,700	-7,390	-30,365	-32,212	+116,926	-34,768	-43,937	-56,217
Open Lead Rooms	140,015	524,281	343,508	278,302	285,487	390,973	270,970	321,623	336,186
Lost Rooms	2,766,868	2,148,451	1,238,572	1,191,073	900,862	580,099	228,975	253,753	268,212
Total Demand	3,870,130	3,424,790	1,974,645	1,722,716	1,423,313	1,312,782	790,750	762,690	748,196
Conversion Rate	21.4%	19.5%	19.7%	10.6%	12.0%	31.2%	51.5%	37.7%	31.0%

Source: Visit Dallas CRM System (Simpleview)

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City of Dallas hotel demand forecast

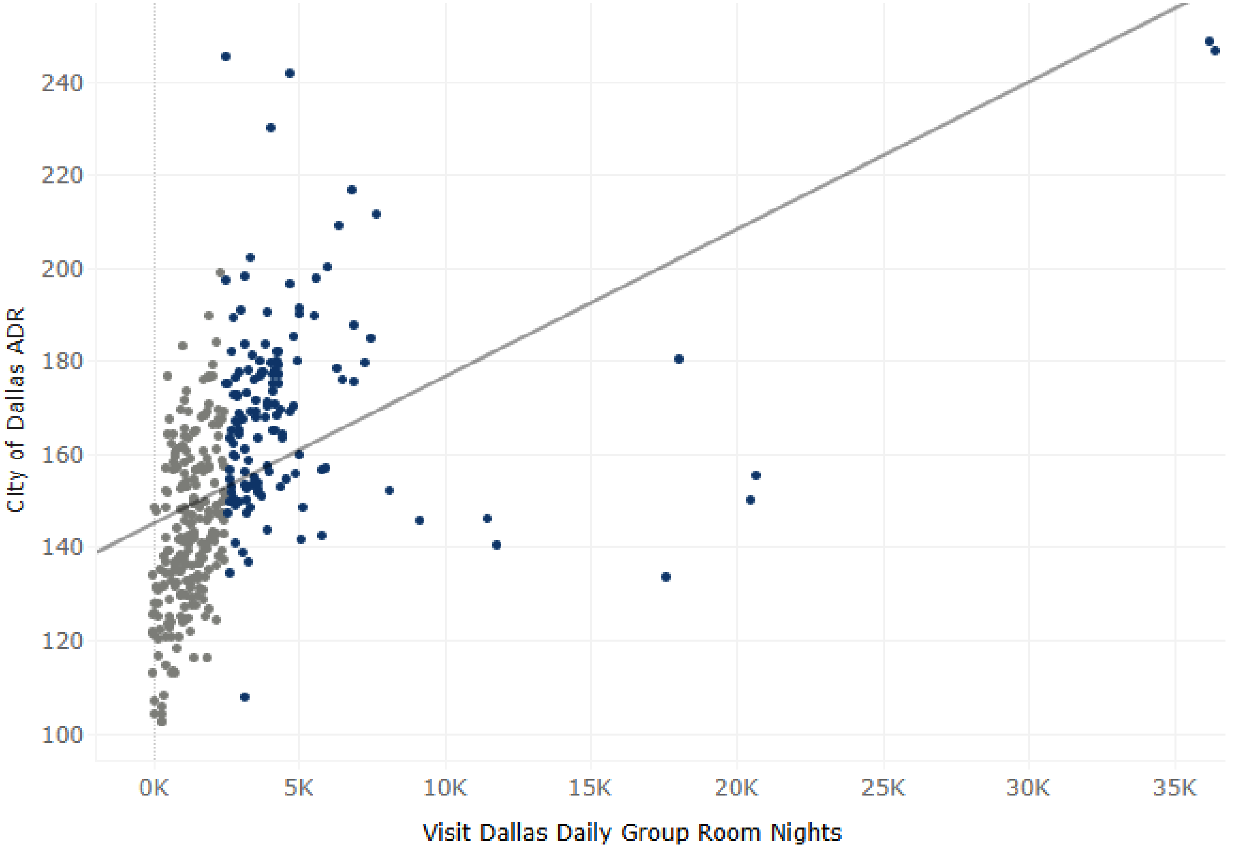
Demand Segments	2025	2026(f)	2027(f)	2026	2027
Total	8.08	7.99	7.99	**-1.1%**	**-0.1%**
Business Transient	2.27	2.25	2.28	-1.0%	1.4%
Leisure Transient	3.01	3.06	3.08	1.9%	0.4%
Group	2.55	2.37	2.33	-7.3%	-1.5%
Contract	0.25	0.31	0.30	24.9%	-5.0%

Citywide events boost RevPAR

Compression Impact from Citywide Events

City of Dallas, 7/1/2025-6/30/2026

	Occupancy	Average Daily Rate	Revenue Per Available Room
2.5K Daily DMO Group RN or More	**67.2%**	**$168**	**$113**
Less than 2.5K Daily DMO Group RN	59.7%	$148	$89



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City of Dallas hotel forecast

Metric	2025	2026(f)	2027(f)	2026	2027
Supply (millions)	13.06	12.79	13.01	-2.1%	1.7%
Demand (millions)	8.08	7.99	7.99	-1.1%	-0.1%
Occupancy	61.9%	62.5%	61.4%	1.0%	-1.7%
ADR	$153.54	$156.99	$153.15	2.2%	-2.4%
RevPAR	$95.01	$98.08	$94.04	3.2%	-4.1%
Revenue (billions)	$1.241	$1.255	$1.223	1.1%	-2.5%

A handy conclusion

1. Inflation is weighing on sentiment and savings… but not spending
2. Wealth gains and tax refunds have further solidified upper income finances
3. The jobs market will be tepid… in line with labor supply
4. Productivity gains will sustain economic (and wage) growth, with a pick-up in 2027
5. The appetite for travel is sustainable across segments AND chain scales, supporting modest room demand gains + pricing power

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Measuring opposing economic forces

The outlook for the economy and travel

Daryl Cronk
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August 2026