

## Gaming and Lodging

## September Card Spending and LV Room Survey: lodging lulls continue

Industry Overview

## Travel Spending: Lodging (=/-), Airlines (+), Leisure (=)

BAC aggregated credit and debit card spend for lodging improved slightly to -7% vs. -8% in August. Q3 spending is down -6% Y/Y slowing 2pps from Q2, and trends vs. 2019 slowed as well. Airline card spend is still healthy at +1% Y/Y in Q3 improving from -1% in Q2. Leisure card spend improved to -3% in September from -5% in August, but Q3 leisure spend came in down -4% Y/Y, decelerating 2pps from Q2.

While lodging card spend is still weak, we have not seen a deceleration in our other data sources. We think the disconnect is driven by 1) business and group travel supporting RevPAR growth, which is not captured in BAC card spend, 2) skew to short-term-rentals and 3) timing differences between bookings and stays.

Our STR data has been healthy with US RevPAR ([see Oct 12 report](#)) up 2% in September & improving in October. TSA check-ins also improved to -2% vs. 2019 in Q3 vs. -7% in Q2.

## Las Vegas: Spending (=/-), Room Rates (=)

Las Vegas Strip card spend is -10% in September vs. -9% in August, bringing Q3 to -8% Y/Y. Versus 2019 Vegas spending slowed to +11% in September vs +18% in August. We think part of the deceleration could be attributed to disruptions from MGM's cyber-attack, but note Y/Y growth rates in Vegas have been weak for most of 2023 as we lap challenging comps. Las Vegas Locals remained steady at -1% in September, in-line with August, and Q3 came in flat Y/Y improving 2pps from Q2. Our room rate survey shows Q4 rates healthy at +28% Y/Y driven by a strong November (+62%) helped by Formula One weekend (+175%), but with some normalization in December (-9%) though its early.

## Exhibit 1: BAC aggregated card data spend- various categories, Y/Y

Overall consumer spend per household is accelerating in Q3, while Lodging Spend slowed

Monthly Y/Y	May	Jun	Q2	Jul	Aug	Sep	Q3	Δ
Overall Consumer Spend	0%	0%	0%	1%	0%	1%	1%	↑
Lodging Card Spend	-6%	-3%	-4%	-4%	-8%	-7%	-6%	↓
Airline Card Spend	-2%	-2%	-1%	3%	1%	-2%	1%	↑
Leisure Card Spend	-2%	1%	-2%	-4%	-5%	-3%	-4%	↓
Las Vegas Strip Card Spend	-11%	-9%	-10%	-6%	-9%	-10%	-8%	↑
Monthly vs. 2019	May	Jun	Q2	Jul	Aug	Sep	Q3	Δ
Overall Consumer Spend	23%	23%	23%	23%	24%	24%	24%	↑
Lodging Card Spend	13%	12%	14%	13%	4%	7%	8%	↓
Airline Card Spend	11%	6%	9%	6%	9%	2%	6%	↓
Leisure Card Spend	25%	20%	23%	17%	16%	15%	16%	↓
Las Vegas Strip Card Spend	13%	18%	18%	16%	18%	11%	15%	↓

Source: BAC internal data

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See the BofA economists' latest [BofA on USA report](#) for additional color on retail trends during the month and detailed explanation of methodology, disclaimers and limitations relating to BAC card data.

## Key Terms

**BAC card data-** BAC US aggregated credit and debit card data

**Entertainment Card Spend:** BAC US aggregated credit and debit card spending for Entertainment HH- household

**Lodging/ Airlines Card Spend:** BAC US aggregated credit and debit card spending for lodging/ airlines  
RevPAR: Revenue per available room

**Leisure Card Spend:** BAC US aggregated credit and debit card spending for Leisure

**LV Locals Card Spend:** Las Vegas MSA based aggregated BAC credit and debit card spend

**MSA:** spending for cardholders with addresses located in the Las Vegas MSA; Zip code-based = spending at merchants located in Las Vegas Strip zip codes only, regardless of cardholders' residency. >100% decline reflects refunds. We advise taking a moving average to decipher the underlying trend.

**Las Vegas Strip (zip code based) Spend/LV Strip Card Spend:** includes credit card spending only. MSA and Broader US includes credit and debit card, which captures brick and mortar retail sales + services which are paid with cards. Does not include ACH payments

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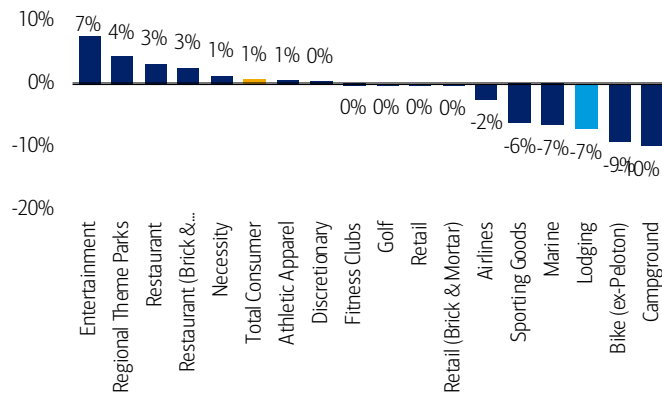
Timestamp: 17 October 2023 05:01AM EDT

Key to symbols: +/- indicate trends in data Q/Q.

# Travel Card Spend

## Exhibit 1: BAC card spend - growth of key spending and travel categories Y/Y

Lodging spend is down -7% Y/Y, trailing overall consumer spend

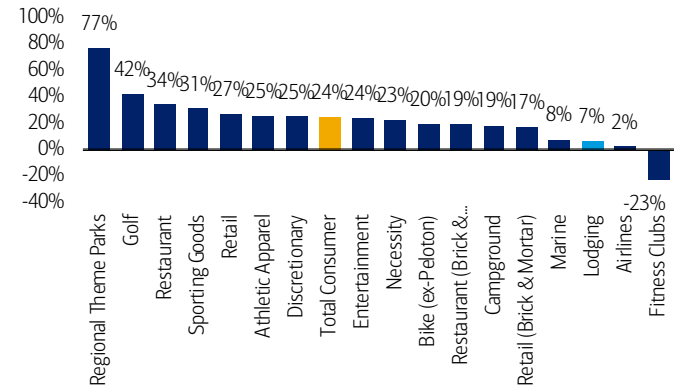


Source: BAC internal data

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## Exhibit 3: BAC card spend - growth of key spending and travel categories vs 2019

Airlines and lodging spend are among the slowest to recover vs 2019

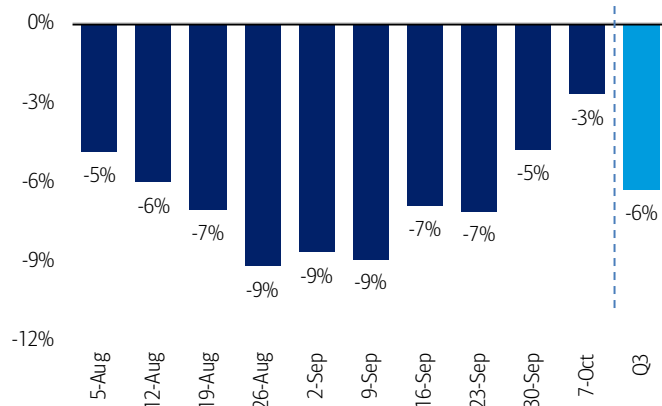


Source: BAC internal data

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## Exhibit 4: Weekly Lodging Card Spend Y/Y per BAC card data

Lodging card spend has improved through Sept, but remains down Y/Y

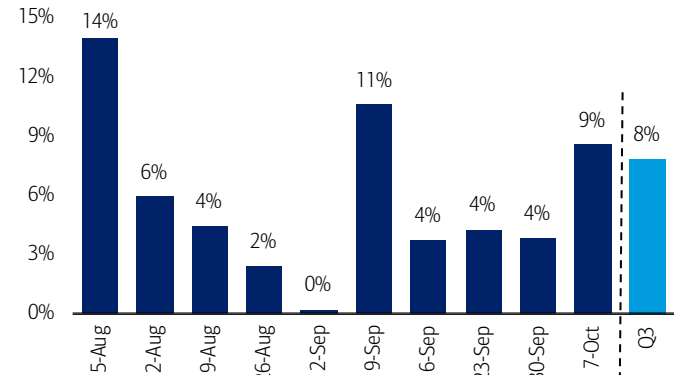


Source: BAC internal data

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## Exhibit 5: Weekly Lodging Card Spend vs 2019 per BAC card data

Lodging spend was +8% vs. 2019 in Q3

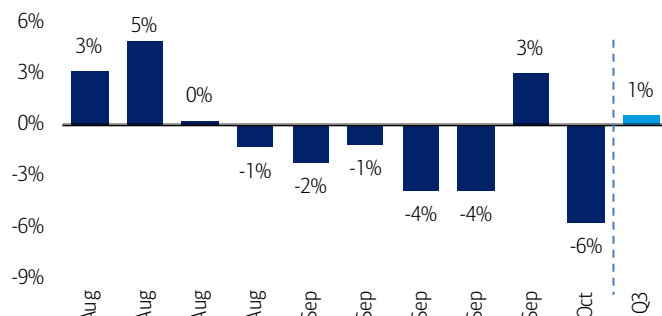


Source: BAC internal data

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## Exhibit 6: Weekly Airline Card Spend Y/Y per BAC card data

Airline card spend was +1% in Q3

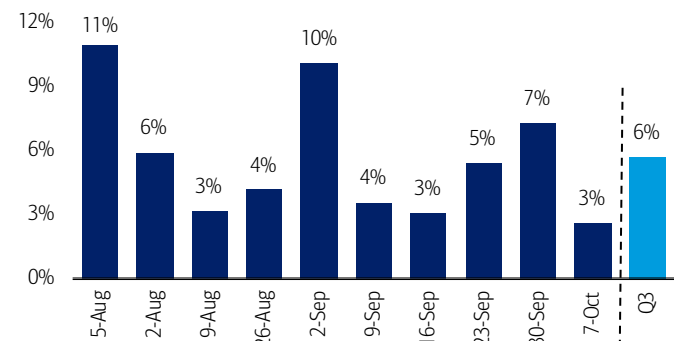


Source: BAC internal data

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## Exhibit 7: Weekly Airline Card Spend vs 2019 per BAC card data

Airline card spend is +6% vs. 2019 for Q3



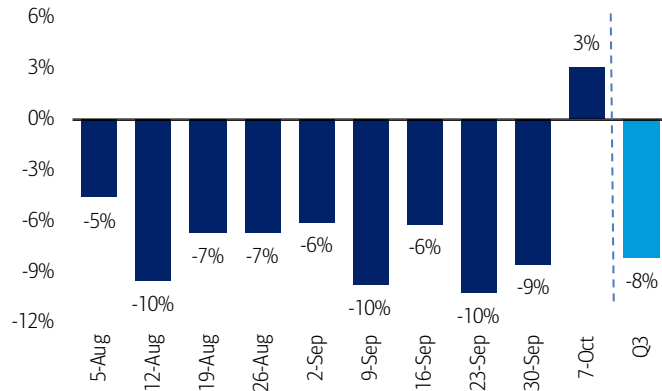
Source: BAC internal data

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# Las Vegas Card Spend & Room Survey

## Exhibit 8: Las Vegas Strip Card Spend Y/Y

LV Strip Card Spend has been down Y/Y consistently on tough comps

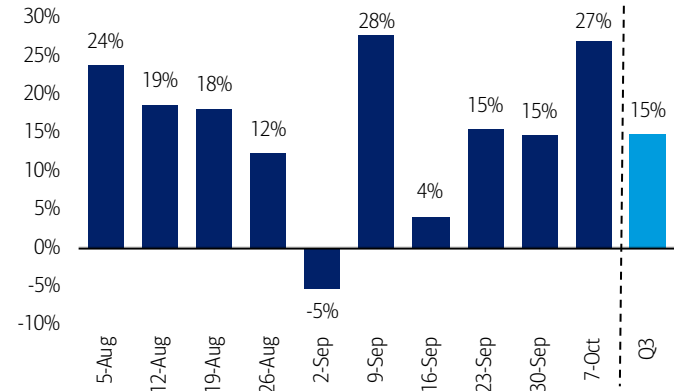


Source: BAC internal data

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## Exhibit 9: Las Vegas Strip Card Spend vs 2019

Growth vs 2019 has been healthy, but choppy given holiday timing shifts

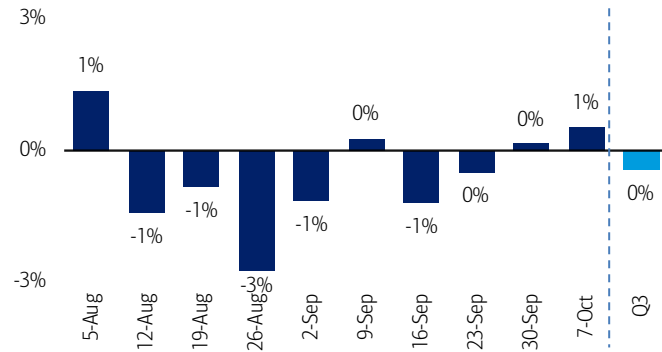


Source: BAC internal data

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## Exhibit 10: LV Locals Card Spend Y/Y

LV Locals card spend was flat Y/Y in Q3

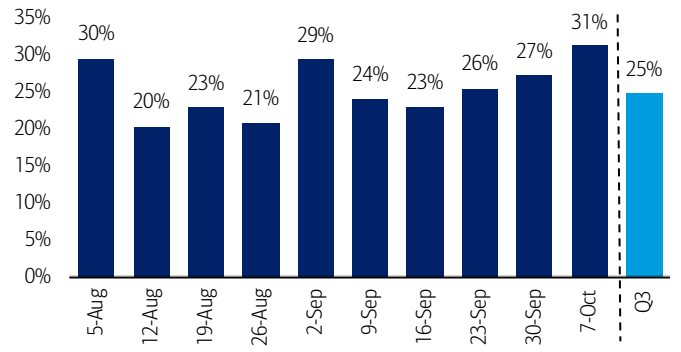


Source: BAC internal data

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## Exhibit 11: LV Locals Card Spend vs 2019

LV Locals card spend was up +25% vs 2019 in Q3

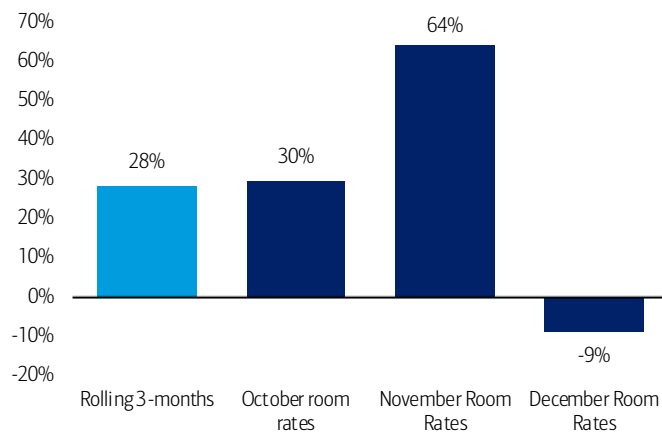


Source: BAC internal data

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## Exhibit 12: LV Room Rate Survey

On a rolling 3-month basis, room rates are tracking up +28% Y/Y

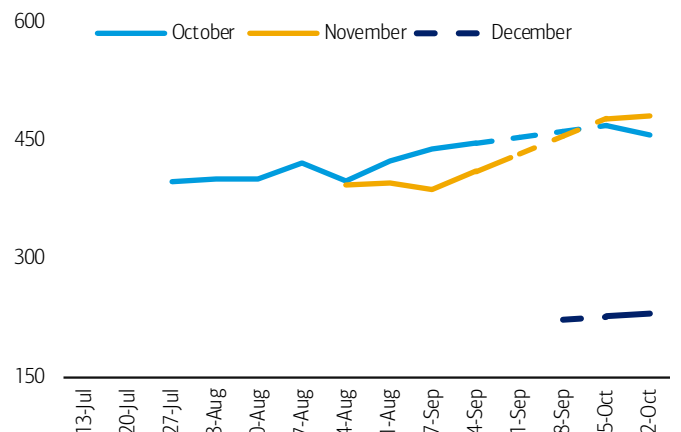


Source: BofA Global Research

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## Exhibit 13: LV Room Rate Survey Absolute \$

November room rates are accelerating into the day of arrival



Source: BofA Global Research

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**Exhibit 14: Aggregated weekly card spend per HH - by category (%Y/Y), per BAC card data**

Overview of key spending and travel categories

	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	26-Aug	2-Sep	9-Sep	16-Sep	23-Sep	30-Sep	7-Oct
<b>Overall Travel</b>														
TSA Traveler Throughput	11%	12%	13%	11%	13%	12%	11%	9%	8%	7%	8%	9%	17%	12%
<b>BAC U.S. Credit and Debit Card Spending*</b>														
Total Consumer	2%	1%	1%	0%	1%	-1%	0%	0%	1%	1%	0%	0%	2%	1%
Lodging	-3%	-4%	-4%	-5%	-5%	-6%	-7%	-9%	-9%	-9%	-7%	-7%	-5%	-3%
Airlines	2%	3%	3%	4%	3%	5%	0%	-1%	-2%	-1%	-4%	-4%	3%	-6%
Entertainment	0%	5%	13%	24%	18%	17%	4%	6%	10%	13%	4%	0%	6%	4%
Leisure	1%	-4%	-4%	-4%	-4%	-3%	-3%	-3%	-1%	0%	-3%	-3%	-3%	-3%
Services	2%	0%	0%	3%	3%	1%	-3%	-2%	0%	0%	-2%	-4%	-1%	0%
Goods	1%	-1%	0%	-2%	-2%	-1%	3%	0%	2%	0%	0%	1%	0%	-2%
<b>Las Vegas</b>														
<b>BAC Card Spending*</b>														
LV Strip Overall Credit Card	-6%	-4%	0%	-5%	-5%	-10%	-7%	-7%	-6%	-10%	-6%	-10%	-9%	3%
Strip Restaurant Credit Card	-1%	6%	-2%	-2%	4%	-6%	-5%	-9%	-9%	-4%	-15%	-1%	-6%	1%
LV Locals Credit & Debit Spend	2%	0%	0%	0%	1%	-1%	-1%	-3%	-1%	0%	-1%	0%	0%	1%
Locals Restaurant														
Locals Entertainment														
<b>Proprietary Room Rate Survey</b>														
Rolling 3-months	12%	15%	13%	14%	11%	30%	18%	20%	20%	N/A	N/A	N/A	28%	28%
October Room Rates			10%	11%	11%	16%	10%	17%	21%	N/A	N/A	N/A	30%	26%
November Room Rates						71%	35%	36%	33%	N/A	N/A	N/A	64%	65%
December Room Rates										N/A	N/A	N/A	-9%	-7%

**Source:** BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago. Total card spending includes total BAC card activity which captures retail sales + services which are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store.

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**Exhibit 15: Aggregated monthly card spend per HH - by category (%Y/Y), per BAC card data**

Overview of key spending and travel categories

	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	26-Aug	2-Sep	9-Sep	16-Sep	23-Sep	30-Sep	7-Oct
TSA	-3%	-1%	-3%	-3%	-1%	-3%	-2%	-6%	10%	-1%	-8%	-6%	3%	1%
<b>BAC U.S. Credit and Debit Card Spending*</b>														
Total Consumer	26%	23%	22%	25%	28%	22%	22%	21%	28%	22%	22%	23%	24%	28%
Lodging	8%	13%	12%	11%	14%	6%	4%	2%	0%	11%	4%	4%	4%	9%
Airlines	8%	5%	5%	9%	11%	6%	3%	4%	10%	4%	3%	5%	7%	3%
Entertainment	14%	26%	25%	39%	34%	25%	19%	18%	24%	32%	19%	11%	18%	13%
Leisure	18%	12%	16%	16%	18%	14%	18%	15%	16%	39%	19%	17%	14%	27%
Services	15%	13%	15%	17%	18%	12%	12%	11%	13%	25%	13%	13%	13%	18%
Goods	21%	22%	21%	24%	24%	22%	26%	23%	20%	33%	24%	23%	22%	25%
<b>Las Vegas</b>														
<b>BAC Card Spending*</b>														
LV Strip Overall Credit Card	19%	18%	16%	17%	24%	19%	18%	12%	-5%	28%	4%	15%	15%	27%
Strip Restaurant Credit Card	18%	28%	18%	19%	28%	22%	13%	7%	-8%	34%	3%	20%	20%	33%
LV Locals Credit & Debit Spend	28%	25%	22%	26%	30%	20%	23%	21%	29%	24%	23%	26%	27%	31%
Locals Restaurant	40%	38%	38%	39%	39%	32%	37%	35%	31%	46%	36%	38%	37%	40%
Locals Entertainment	17%	37%	11%	60%	30%	27%	-1%	35%	42%	55%	15%	12%	17%	33%
<b>Proprietary Room Rate Survey</b>														
Rolling 3-months	33%	36%	58%	60%	88%	124%	94%	100%	101%	N/A	N/A	N/A	93%	92%
October Room Rates			87%	88%	88%	97%	88%	100%	106%	N/A	N/A	N/A	120%	115%
November Room Rates						151%	99%	101%	96%	N/A	N/A	N/A	142%	143%
December Room Rates										N/A	N/A	N/A	16%	18%

**Source:** BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago. Total card spending includes total BAC card activity which captures retail sales + services which are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store.

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**Exhibit 17: Monthly Card Spend by Category Y/Y (%Y/Y), per BAC card data**

Overview of key spending and travel categories

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
<b>BAC U.S. Credit and Debit Card Spending*</b>													
Total Consumer	4%	2%	1%	2%	6%	3%	0%	-1%	0%	0%	1%	0%	1%

**Exhibit 17: Monthly Card Spend by Category Y/Y (%/Y/Y), per BAC card data**

Overview of key spending and travel categories

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Lodging	13%	3%	1%	3%	9%	0%	-3%	-5%	-6%	-3%	-4%	-8%	-7%
Airlines	47%	24%	12%	25%	54%	22%	3%	1%	-2%	-2%	3%	1%	-2%
Entertainment	15%	3%	12%	6%	37%	19%	10%	13%	6%	7%	9%	11%	7%
Leisure (Open for Add'l Categories)	-1%	-2%	-3%	-3%	3%	-3%	-7%	-4%	-2%	1%	-4%	-5%	-3%
Services	12%	6%	3%	7%	20%	7%	3%	1%	0%	2%	1%	0%	0%
Goods	2%	0%	0%	1%	2%	0%	-3%	-3%	-3%	0%	-1%	-1%	-1%
<b>Card Spending</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>	<b>Aug-23</b>	<b>Sep-23</b>
LV Strip Overall Credit Card	1%	-6%	-7%	4%	18%	3%	-5%	-11%	-11%	-9%	-6%	-9%	-10%
Strip Restaurant Credit Card	-1%	-4%	-4%	10%	27%	14%	-1%	-5%	-9%	-6%	0%	-5%	-6%
LV Locals Credit & Debit Spend	3%	3%	2%	0%	4%	1%	-2%	-2%	-1%	-1%	0%	-1%	-1%
Locals Restaurant	5%	6%	3%	4%	10%	5%	5%	1%	3%	4%	5%	1%	1%
Locals Entertainment	18%	14%	5%	-1%	30%	24%	10%	8%	13%	9%	6%	11%	1%
<b>Proprietary Room Rate Survey</b>													
Rolling 3-months	27%	32%	34%	27%	28%	24%	12%	4%	10%	11%	13%	30%	28%
October room rates											10%	15%	30%
November Room Rates												44%	64%
December Room Rates													-9%

**Source:** BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago and the 4-yr % change shows the percentage change with the comparable date four years ago. Total card spending includes total BAC card activity which captures retail sales + services which are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Card not present is largely online but could include purchases made over the phone

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**Exhibit 17: Monthly Card Spend by Category vs 2019**

Overview of key spending and travel categories

	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
<b>BAC U.S. Credit and Debit Card Spending*</b>													
Total Consumer	24%	23%	24%	20%	28%	27%	14%	24%	23%	23%	23%	24%	24%
Lodging	15%	12%	12%	9%	26%	24%	8%	15%	13%	12%	13%	4%	7%
Airlines	5%	9%	11%	4%	16%	18%	5%	9%	11%	6%	6%	9%	2%
Entertainment	15%	12%	16%	0%	23%	27%	5%	19%	17%	21%	27%	22%	24%
Leisure	29%	30%	31%	16%	34%	36%	24%	23%	25%	20%	17%	16%	15%
Services	20%	19%	18%	10%	28%	27%	8%	20%	16%	15%	16%	12%	20%
Goods	27%	24%	23%	19%	28%	24%	11%	24%	19%	25%	23%	20%	26%
<b>Las Vegas</b>	<b>Sep-22</b>	<b>Oct-22</b>	<b>Nov-22</b>	<b>Dec-22</b>	<b>Jan-23</b>	<b>Feb-23</b>	<b>Mar-23</b>	<b>Apr-23</b>	<b>May-23</b>	<b>Jun-23</b>	<b>Jul-23</b>	<b>Aug-23</b>	<b>Sep-23</b>
LV Strip Overall Credit Card	23%	21%	30%	17%	21%	25%	24%	22%	13%	18%	16%	18%	11%
Strip Restaurant Credit Card	21%	24%	29%	21%	22%	33%	23%	22%	15%	18%	19%	17%	13%
LV Locals Credit & Debit Spend	27%	27%	26%	20%	26%	26%	22%	23%	24%	23%	25%	24%	26%
Locals Restaurant	37%	35%	32%	31%	41%	39%	37%	36%	38%	36%	38%	36%	38%
Locals Entertainment	27%	26%	27%	28%	27%	40%	47%	14%	26%	37%	26%	26%	29%
<b>Proprietary Room Rate Survey</b>													
Rolling 3-months	53%	41%	45%	36%	51%	42%	31%	24%	26%	27%	55%	73%	85%
October Room Rates											88%	90%	120%
November Room Rates													142%
December Room Rates													16%

**Source:** BAC internal data. Note: The 4-yr % change shows the percentage change with the comparable date four years ago. Total card spending includes total BAC card activity which captures retail sales + services which are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store.

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## Disclaimer

Selected Bank of America ("BAC") transaction data are used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data August provide directional and/or predictive value. The data used are not comprehensive; they are based on aggregated and anonymized selections of BAC data and August reflect a degree of selection bias and limitations on the data available.

## Methodology explained

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 August 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 are excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate and the 4-year % change by matching calendar days (Jan 1 2023 is matched to Jan 1 2022, and Jan 1, 2019, respectively). The % change is calculated based on the 7-day moving average of spending levels.

Unless otherwise noted, the monthly subsector data are adjusted to control for seasonality and other factors.

# Disclosures

## Important Disclosures

**FUNDAMENTAL EQUITY OPINION KEY:** Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R1</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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