

Gaming and Lodging

January Card Spending and LV Room Survey: Lodging (-); Las Vegas (=/+)

Industry Overview

Travel Spending: Lodging (-), Airlines (=), Leisure (-)

BAC aggregated credit and debit lodging card spend decelerated -3pp to -7% Y/Y in January. Overall Q1TD lodging spending is down -7% Y/Y decelerating from -5% Y/Y in Q4. Airline card spend was healthier at flat Y/Y in January, compared to +2% in December and improving from the Q4 run rate of -1% Y/Y. Leisure card spend slowed to -8% Y/Y in January from -2% Y/Y in December with the slowdown broad-based across every leisure subcategory.

Overall card spend data was weak in January down -1% Y/Y, which we think is caused by 1) timing shifts around New Years, and 2) winter storm activity. Given the above trend data in card spend and regional gaming in December, we thought there was a pull forward of demand, and we think the normalization of trends in January is expected.

Las Vegas: Spending (=), Room Rates (+)

Las Vegas Strip card spend decreased to -4% Y/Y in January vs. +1% Y/Y in December, and -1% Y/Y in Q4. LV Locals card spend was stable in January at +2% Y/Y, and up slightly from the Q4 run rate of +1% Y/Y. Wynn indicated January revenues were flattish.

Our room rate shows survey shows rates up +20% Y/Y on a rolling 3-month basis, driven by February rates up +54% due to the Super Bowl and offset by March, where rates are down -7% Y/Y as we lap Con Agg and are impacted by Easter timing shifts. Despite the headwinds in March, room rates are improving as we get closer to the day of arrival; March rates started down -20% Y/Y and are now down just -7% Y/Y. For the Super Bowl, we think room rate strength was [broad based across the Strip \(see report\)](#) and ahead of Formula 1, but do think the event leans more toward non-gaming spend.

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

Spending categories slowed in January from unfavorable weather and timing shifts

Monthly Y/Y	Q3	Oct	Nov	Dec	Q4	Jan	Q1TD	Δ
Overall Consumer Spend	0%	0%	1%	1%	1%	-1%	-1%	↓
Lodging Card Spend	-5%	-6%	-6%	-4%	-5%	-7%	-7%	↓
Airline Card Spend	0%	-5%	-1%	2%	-1%	0%	-1%	↓
Leisure Card Spend	-3%	-7%	0%	-2%	-3%	-8%	-8%	↓
Las Vegas Strip Card Spend	-9%	-3%	0%	1%	-1%	-4%	-4%	↓
Monthly vs. 2019	Q3	Oct	Nov	Dec	Q4	Jan	Q1TD	Δ
Overall Consumer Spend	24%	23%	26%	21%	23%	27%	22%	↓
Lodging Card Spend	7%	6%	6%	5%	5%	16%	16%	↑
Airline Card Spend	5%	3%	10%	5%	6%	15%	16%	↑
Leisure Card Spend	16%	16%	15%	16%	16%	22%	22%	↑
Las Vegas Strip Card Spend	15%	17%	30%	16%	21%	13%	14%	↓

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 Strip Card Spend: Strip zip-code based aggregated [BAC credit card](#) brick and mortar retail spend

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.

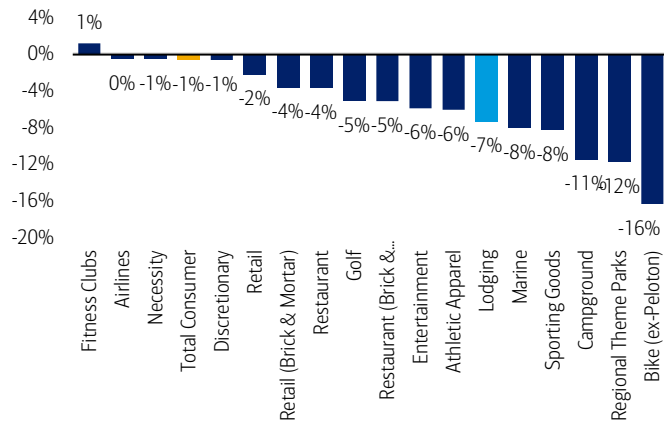
Las Vegas Strip (zip code based) Spend: includes credit card spending only. MSA and Broader US includes credit and debit card, which captures retail sales + services which are paid with cards. Does not include ACH payments

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

Travel Card Spend

Exhibit 2: BAC card spend - growth of key spending and travel categories Y/Y

Lodging spend is down -7% Y/Y, trailing overall consumer spend at -1%

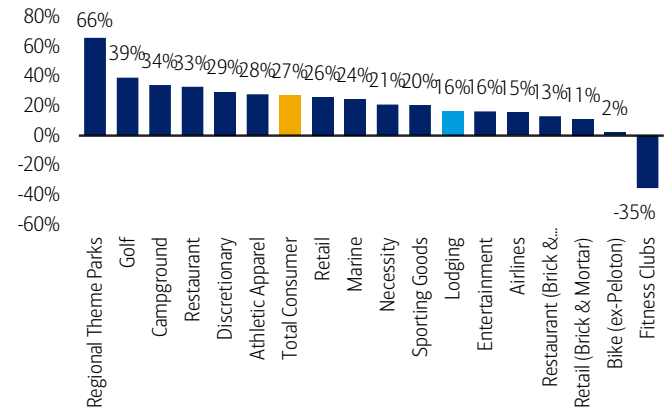


Source: BAC Internal Data

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

Airlines and lodging continue to lag overall consumer spending vs. 2019

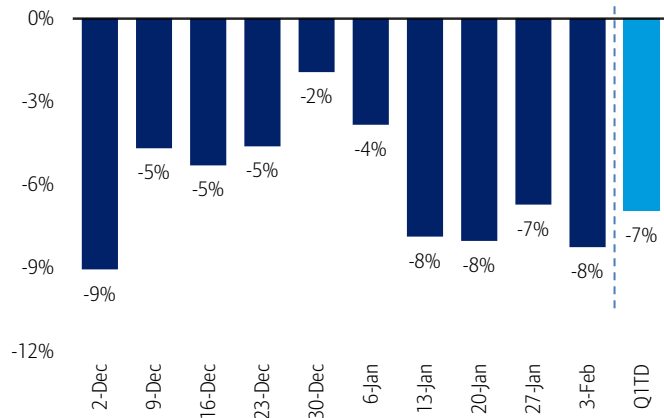


Source: BAC Internal Data

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

Lodging card is -7% in Q1-to-date

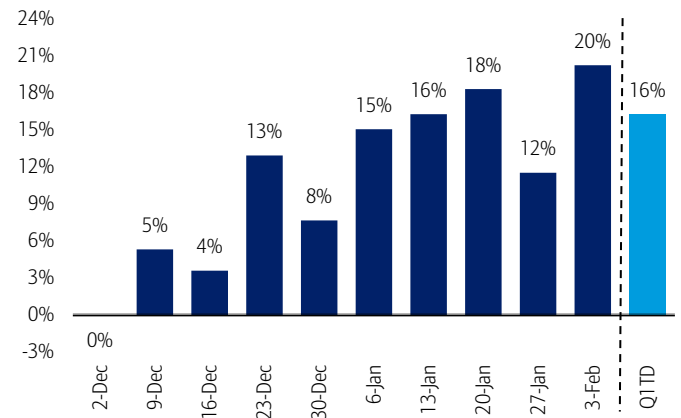


Source: BAC Internal Data

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

Lodging spend is +16% Q1-to-date vs 2019

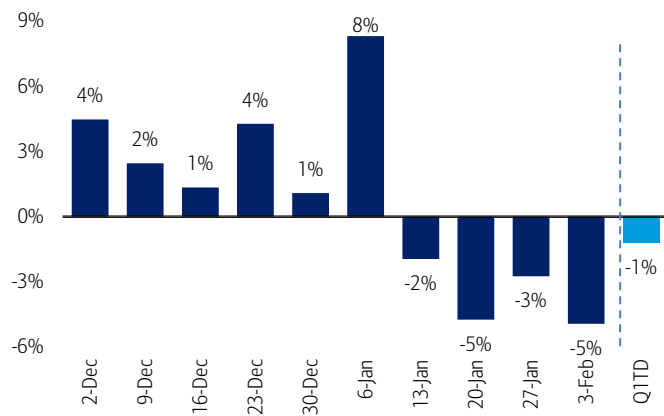


Source: BAC Internal Data

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

Airline card spend is down -1% Y/Y in Q1-to-date

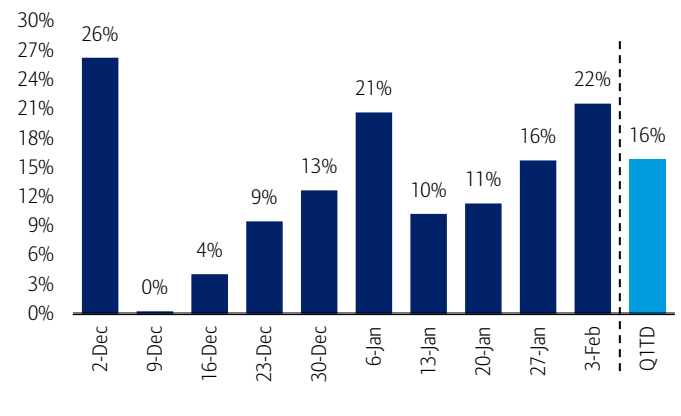


Source: BAC Internal Data

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

Airline card spend is +16% vs. 2019 Q1-to-date



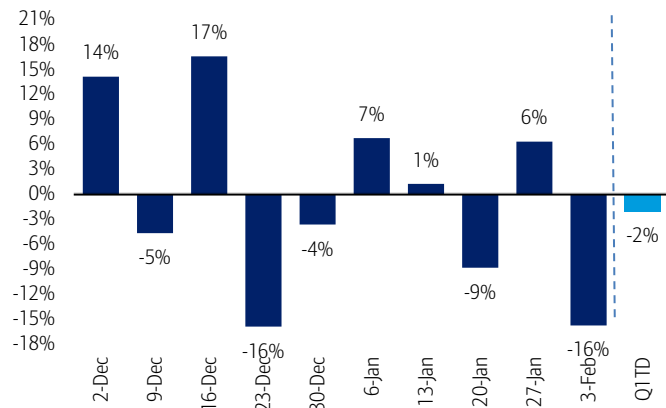
Source: BAC Internal Data

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Las Vegas Card Spend & Room Survey

Exhibit 8: Las Vegas Strip Card Spend Y/Y

LV Strip Card Spend is tracking down -2% Q1-to-date

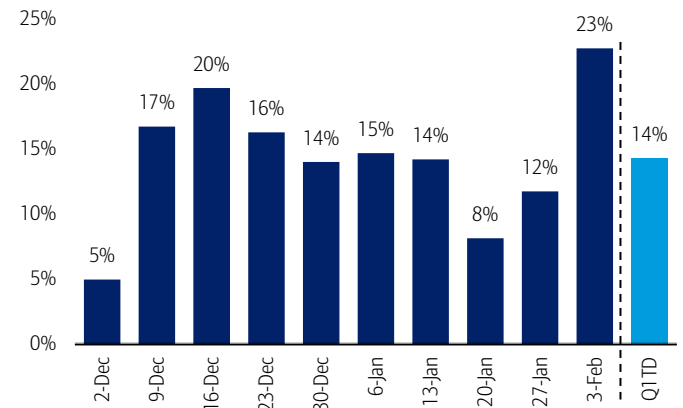


Source: BAC Internal Data

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Exhibit 9: Las Vegas Strip Card Spend vs 2019

LV Strip Card Spend is tracking up +14% Q1-to-date

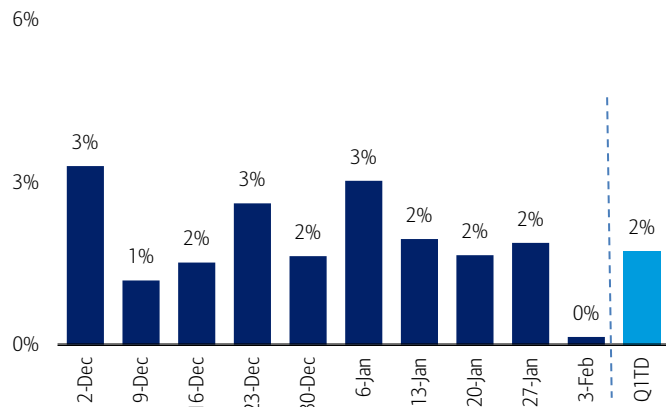


Source: BAC Internal Data

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Exhibit 10: LV Locals Card Spend Y/Y

LV Locals card spend is +2% Y/Y Q1-to-date

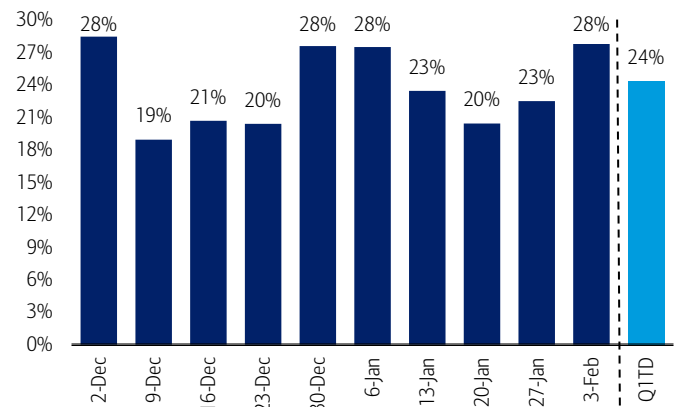


Source: BAC Internal Data

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Exhibit 11: LV Locals Card Spend vs 2019

LV Locals card spend is up +24% vs 2019 Q4 TD

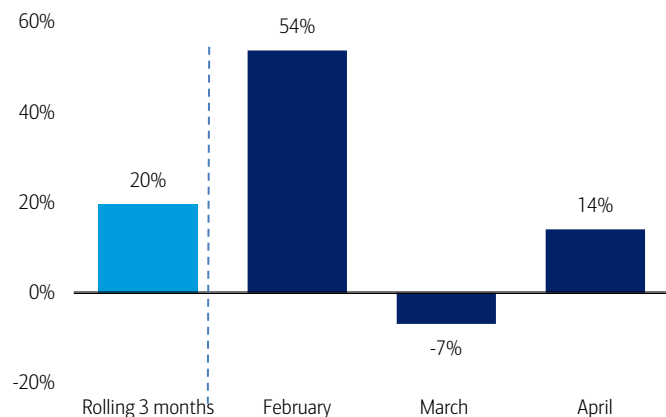


Source: BAC Internal Data

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Exhibit 12: LV Room Rate Survey

Room rates are strong in February from the Super Bowl, and lower in March from lapping ConAgg

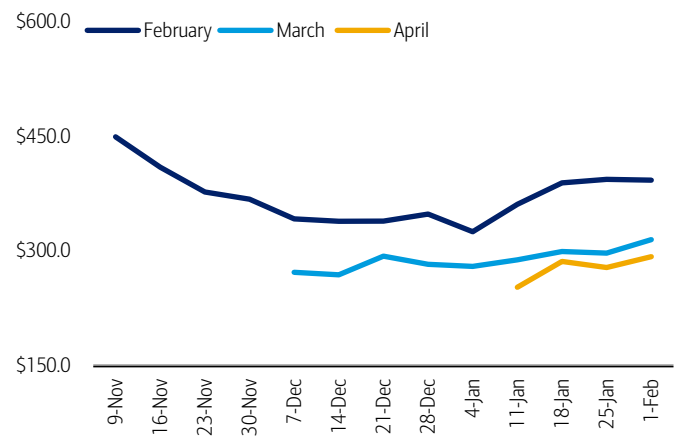


Source: Company Websites

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Exhibit 13: LV Room Rate Survey Absolute \$

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

	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	23-Dec	30-Dec	6-Jan	13-Jan	20-Jan	27-Jan	3-Feb
Overall Travel													
TSA Traveler Throughput	11%	9%	10%	7%	5%	6%	15%	16%	11%	6%	4%	6%	7%
BAC U.S. Credit and Debit Card Spending*													
Total Consumer	1%	0%	1%	2%	1%	0%	1%	1%	2%	0%	-3%	0%	-1%
Discretionary	1%	0%	3%	2%	1%	0%	2%	1%	2%	-1%	-4%	0%	-1%
Necessity	-1%	1%	-2%	2%	1%	0%	0%	2%	2%	1%	-2%	-1%	-3%
Retail	-1%	-1%	1%	0%	0%	-1%	-1%	1%	1%	-1%	-4%	-1%	-3%
Restaurant	2%	2%	1%	5%	2%	2%	2%	6%	5%	-3%	-6%	0%	-2%
Lodging	-4%	-7%	-3%	-9%	-5%	-5%	-5%	-2%	-4%	-8%	-8%	-7%	-8%
Airlines	-2%	-2%	1%	4%	2%	1%	4%	1%	8%	-2%	-5%	-3%	-5%
Entertainment	-2%	-14%	5%	2%	6%	0%	-4%	4%	11%	-9%	-12%	-5%	-5%
Leisure	1%	-2%	2%	-1%	1%	-5%	-3%	-2%	-1%	-9%	-14%	-7%	-5%
Services	-1%	-5%	0%	-2%	1%	-3%	-3%	0%	3%	-6%	-10%	-4%	-5%
Goods	1%	0%	0%	3%	-1%	-2%	-1%	0%	0%	-2%	-5%	-1%	-4%
Las Vegas													
BAC Card Spending*													
LV Strip Overall Credit Card	4%	-3%	8%	14%	-5%	17%	-16%	-4%	7%	1%	-9%	6%	-16%
LV Locals Credit & Debit Spend	-1%	1%	2%	3%	1%	2%	3%	2%	3%	2%	2%	2%	0%
Proprietary Room Rate Survey													
Rolling 3-months	23%	26%	35%	11%	10%	10%	11%	6%	2%	7%	13%	17%	20%
December Room Rates	13%	27%	30%	27%	23%	24%	24%						
January Room Rates	1%	-1%	8%	4%	3%	3%	-1%	-3%	-5%	4%	1%		
February Room Rates	76%	87%	48%	44%	34%	33%	33%	36%	27%	41%	52%	54%	54%
March Room Rates					-20%	-21%	-13%	-16%	-17%	-15%	-11%	-12%	-7%
April Room Rates										-2%	12%	9%	14%

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 15: Monthly Card Spend by Category Y/Y

Overview of key spending and travel categories

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Overall Travel												
TSA Traveler Throughput	21%	11%	9%	10%	11%	12%	8%	10%	11%	9%	10%	7%
BAC U.S. Credit and Debit Card Spending*												
Total Consumer	3%	0%	-1%	0%	0%	1%	0%	1%	0%	1%	1%	-1%
Discretionary	3%	1%	-1%	1%	1%	2%	1%	0%	0%	2%	1%	-1%
Necessity	1%	-2%	-2%	-4%	-5%	-3%	0%	1%	-1%	0%	1%	-1%
Retail	0%	-2%	-2%	-2%	-2%	-1%	-1%	0%	-2%	0%	0%	-2%
Restaurant	7%	6%	4%	2%	5%	4%	2%	3%	0%	3%	5%	-4%
Lodging	0%	-3%	-5%	-6%	-3%	-4%	-8%	-7%	-6%	-6%	-4%	-7%
Airlines	22%	3%	1%	-2%	-2%	3%	1%	-2%	-5%	-1%	2%	0%
Entertainment	19%	10%	13%	6%	7%	9%	11%	7%	-1%	-3%	3%	-6%
Leisure (Open for Add'l Categories)	-3%	-7%	-4%	-2%	1%	-4%	-5%	-3%	-7%	0%	-2%	-8%
Services	7%	3%	1%	0%	2%	1%	0%	0%	-5%	-2%	0%	-6%
Goods	0%	-3%	-3%	-3%	0%	-1%	-1%	-1%	-3%	1%	-1%	-3%
Card Spending												
LV Strip Overall Credit Card	3%	-5%	-11%	-11%	-9%	-6%	-9%	-10%	-3%	0%	1%	-4%
LV Locals Credit & Debit Spend	1%	-2%	-2%	-1%	-1%	0%	-1%	-1%	0%	1%	2%	2%
Proprietary Room Rate Survey												
Rolling 3-months	24%	12%	4%	10%	11%	13%	30%	26%	16%	30%	10%	10%
December Room Rates								0%	-3%	25%	24%	
January Room Rates									-8%	3%	1%	0%
February Room Rates										64%	34%	46%
March Room Rates											-17%	-13%
April Room Rates												8%

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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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.

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