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Tourism By The Numbers

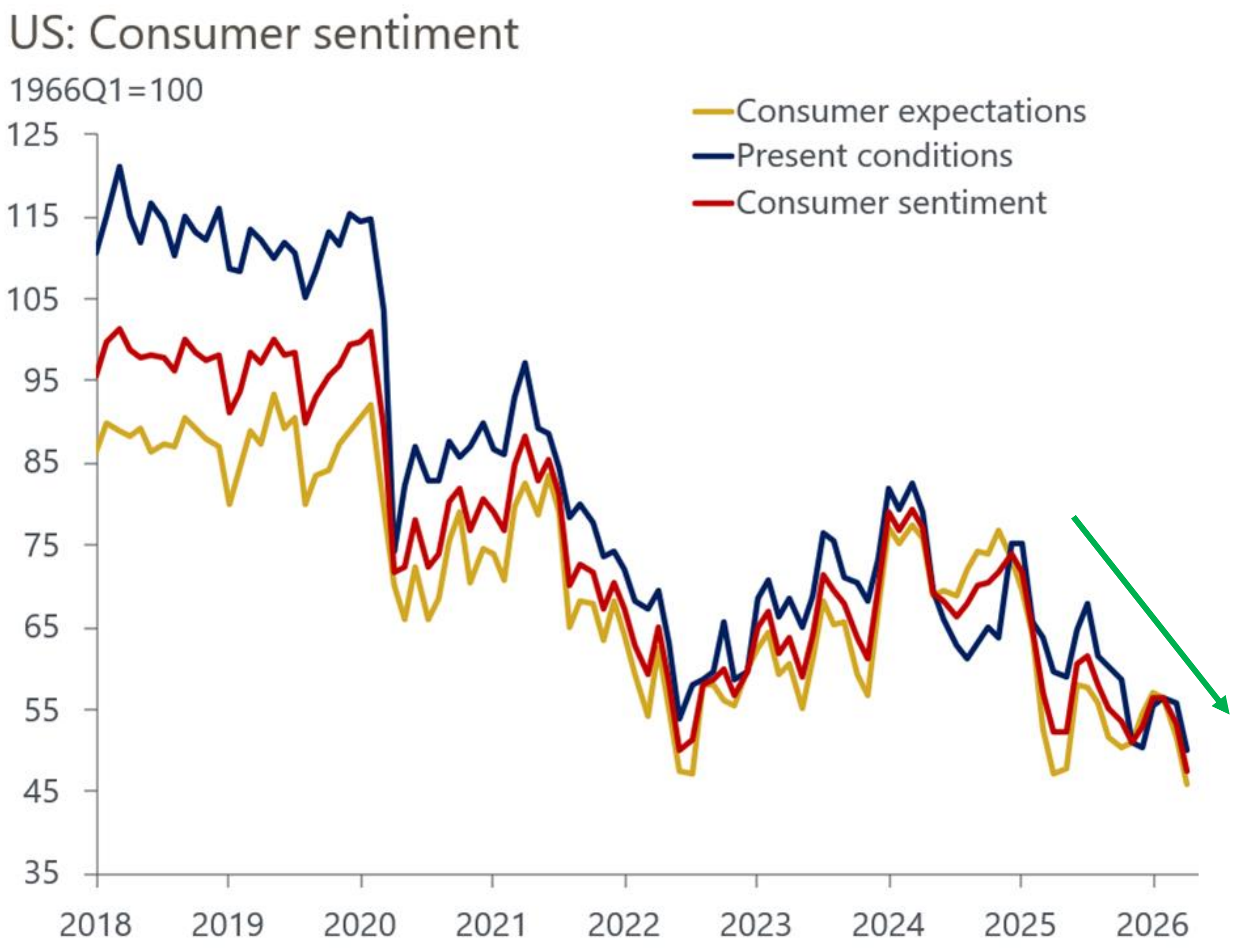
The economic and travel outlook

Cindy Decker| Director of Market Insights
Tourism Economics

May 2026

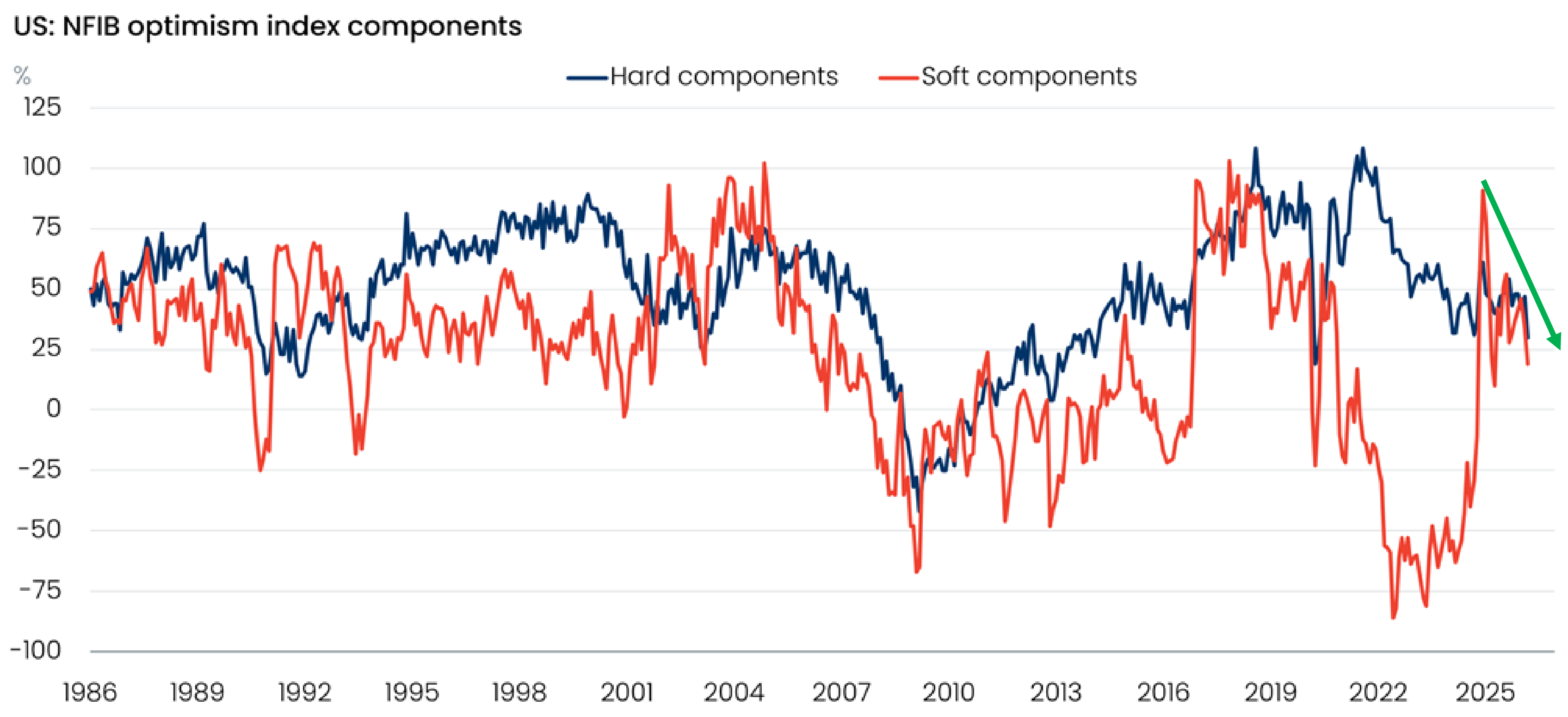
"In this economy, alien abduction is the only vacation I can afford!"

US consumers are more downbeat than ever



Source: University of Michigan Consumer Sentiment Index

Business are also worried

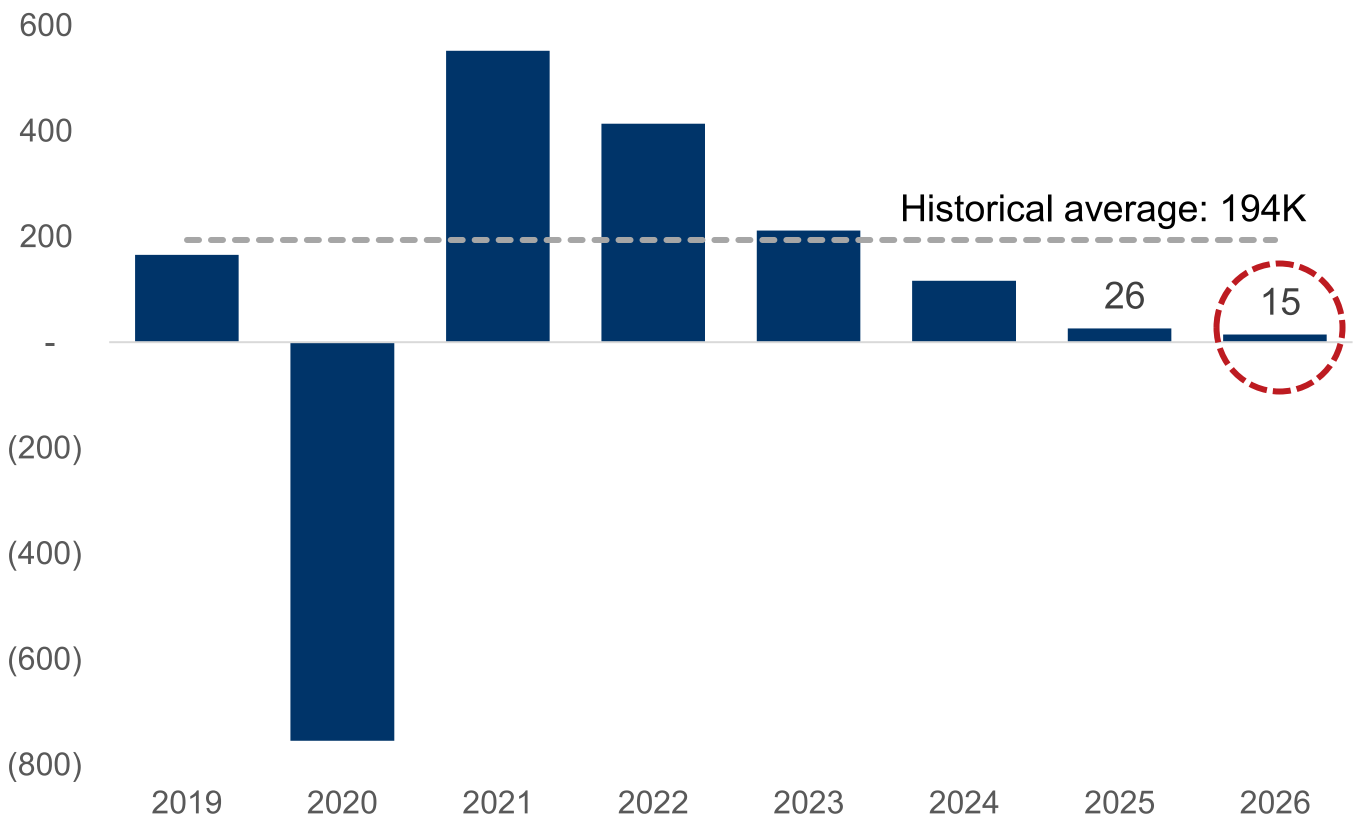


Source: Oxford Economics/Haver Analytics

A new reality

US: Average monthly increase in nonfarm payrolls

In thousands of jobs

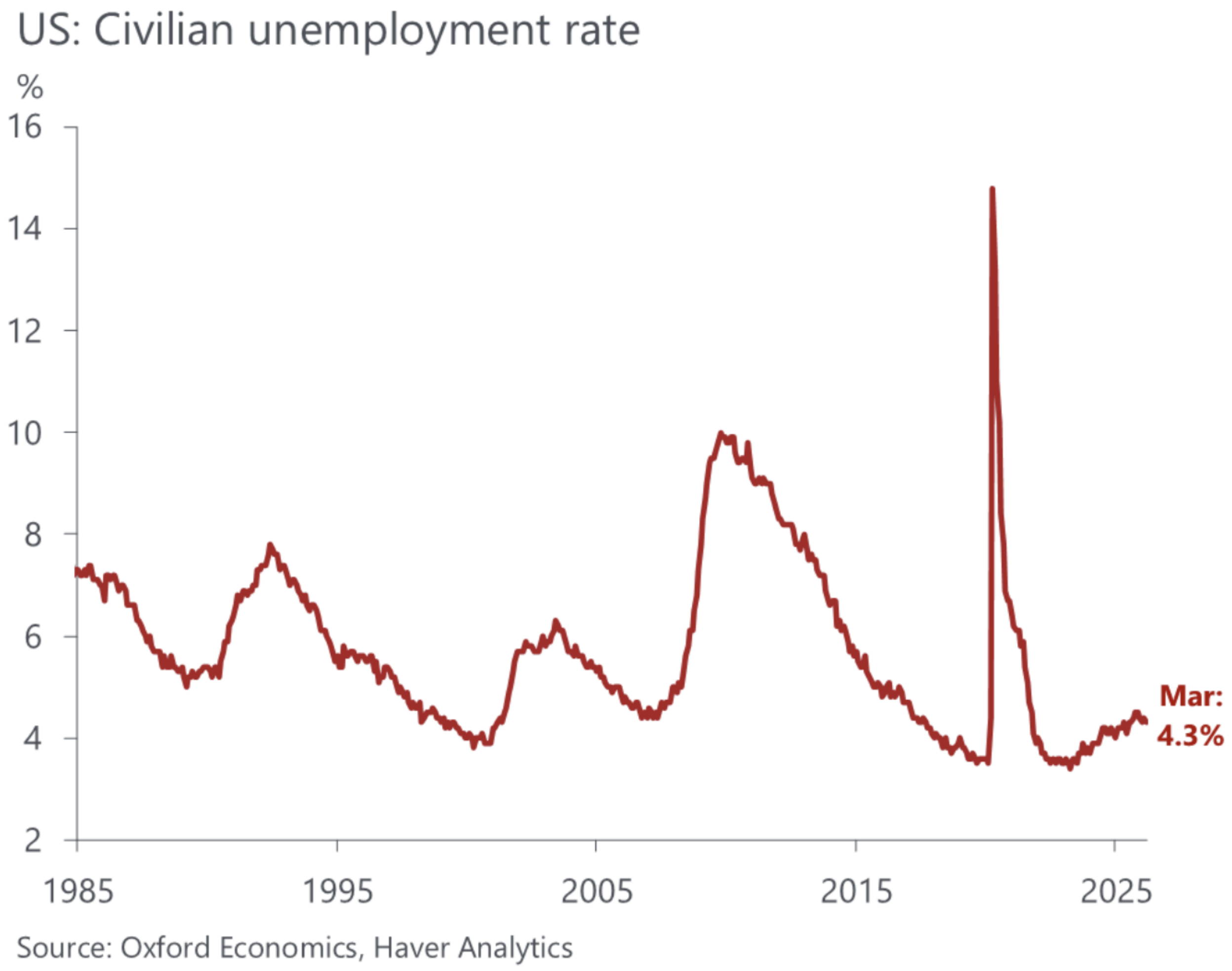


Note: Based on level in Q4 relative to Q4 of prior year. Historical average 2011 to 2019. Source: BLS, Oxford Economics (April release)

Why so low?

- Some policy uncertainty
- Legacy of over-hiring
- Strong productivity growth
- Slowdown in net migration
- Retirement of boomers

Labor market is cooling, not collapsing

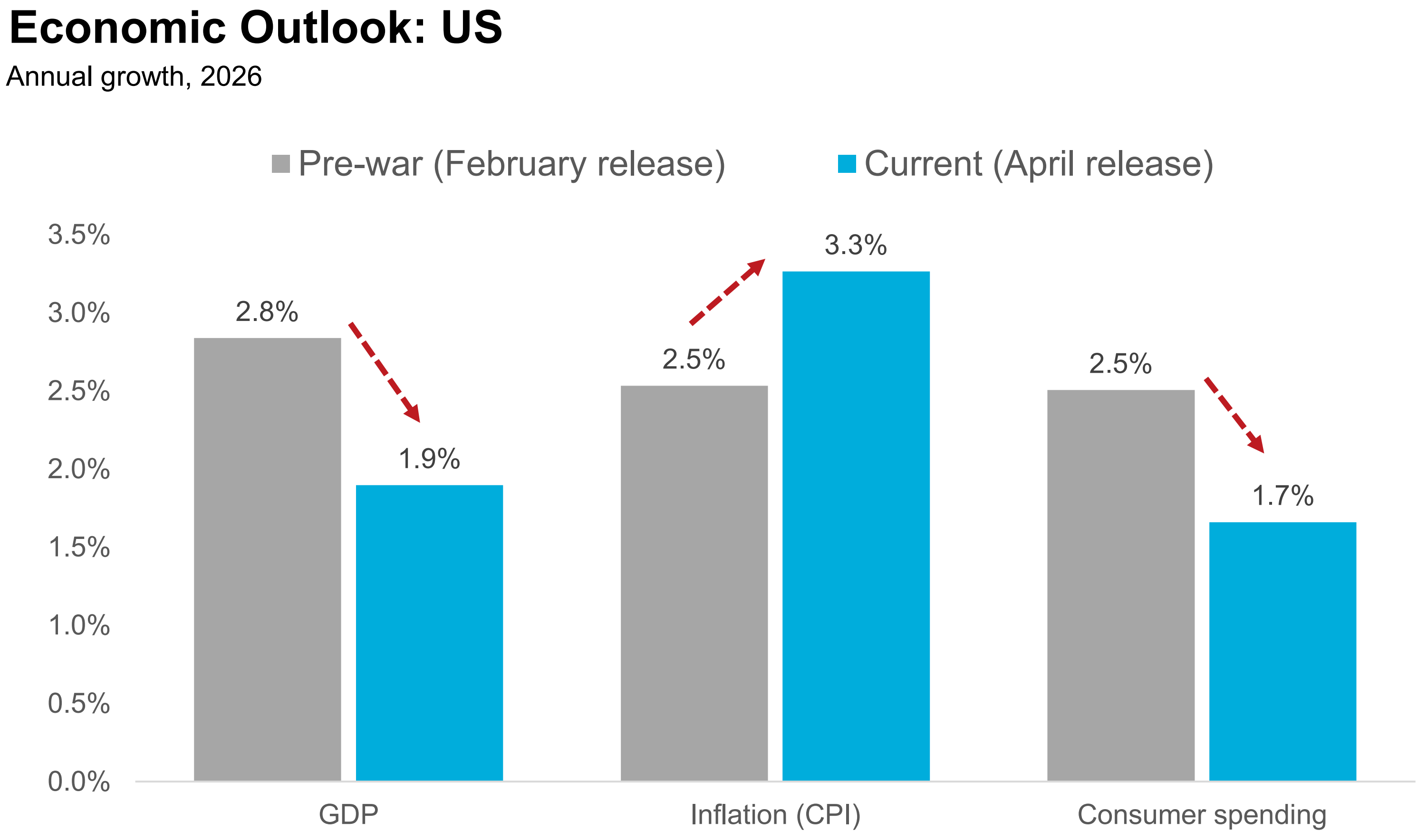


Slow job creation will about match slow labor force growth.

Less hiring is needed to prevent the unemployment rate from rising.

Unemployment rate remains low at 4.3%.

Middle East Conflict:
Consumer buying power to slow with oil-induced inflation



Note: Real GDP, real consumer spending. Source: Oxford Economics

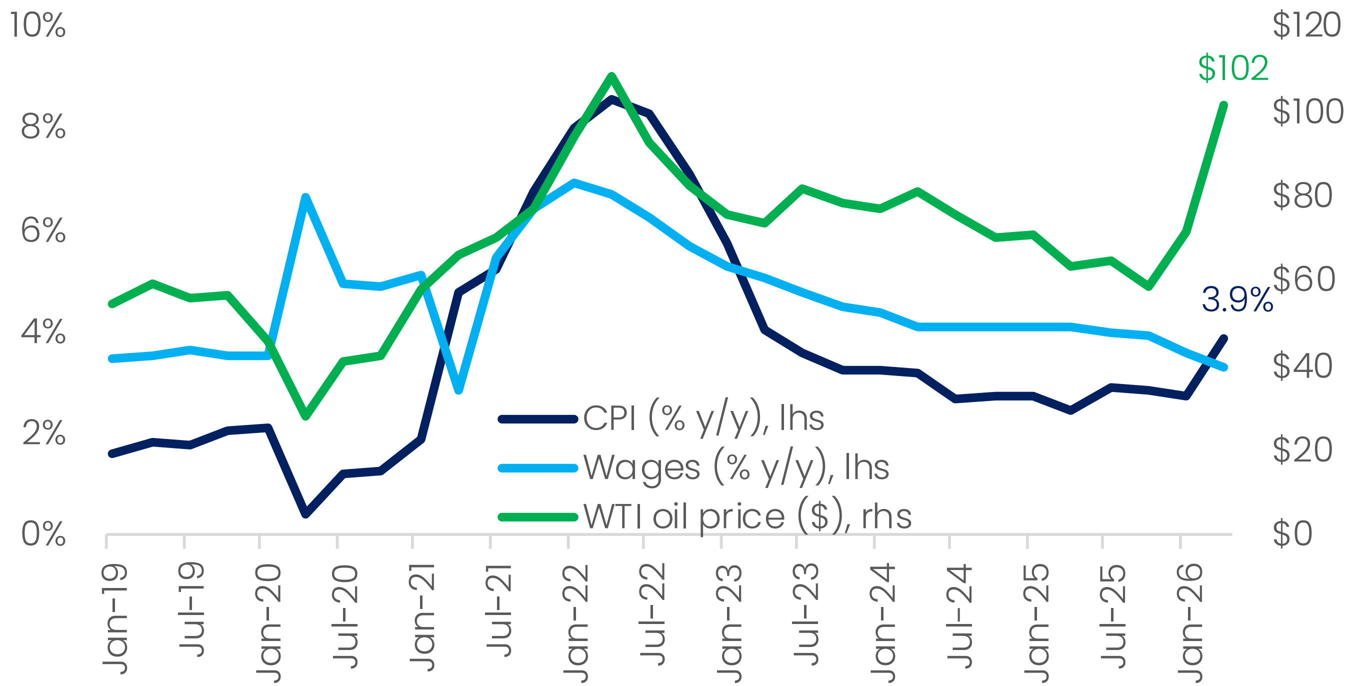
US GDP downgrade includes weaker-than-anticipated activity at the start of this year.

More spent on energy, means **less discretionary spending** and saving.

Heightened uncertainty and squeezed profit margins **reduce hiring and raise the possibility of layoffs.**

Inflation won't reach 2022 levels despite oil price spike

US: Price Pressuers



Source: Oxford Economics/Haver Analytics

Inflation won't reach 2022 levels, as other drivers have faded since:

- Pandemic era stimulus
- Supply-chain bottlenecks
- Russia/Ukraine war impact on gas prices
- Pent-up demand
- Tight labor markets caused wage growth to accelerate
- Oil intensity

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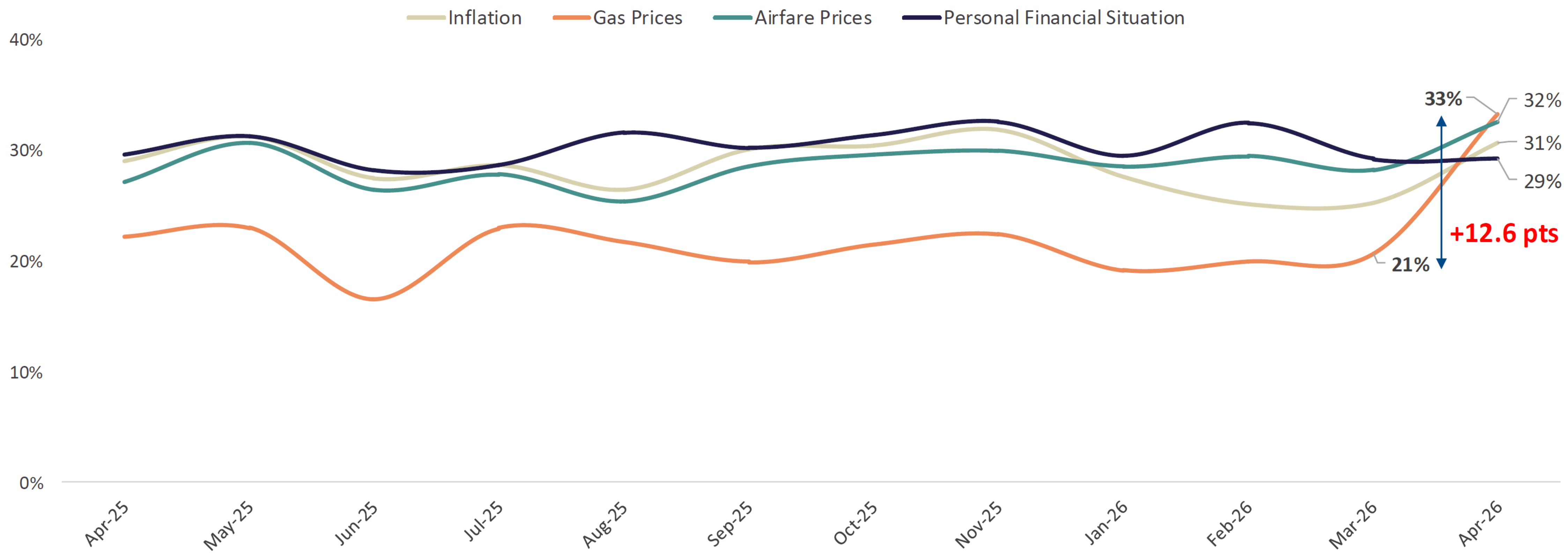
Gas prices are now the biggest limiting factor

Concerns Impacting Your Travel Decisions in the Next Six Months

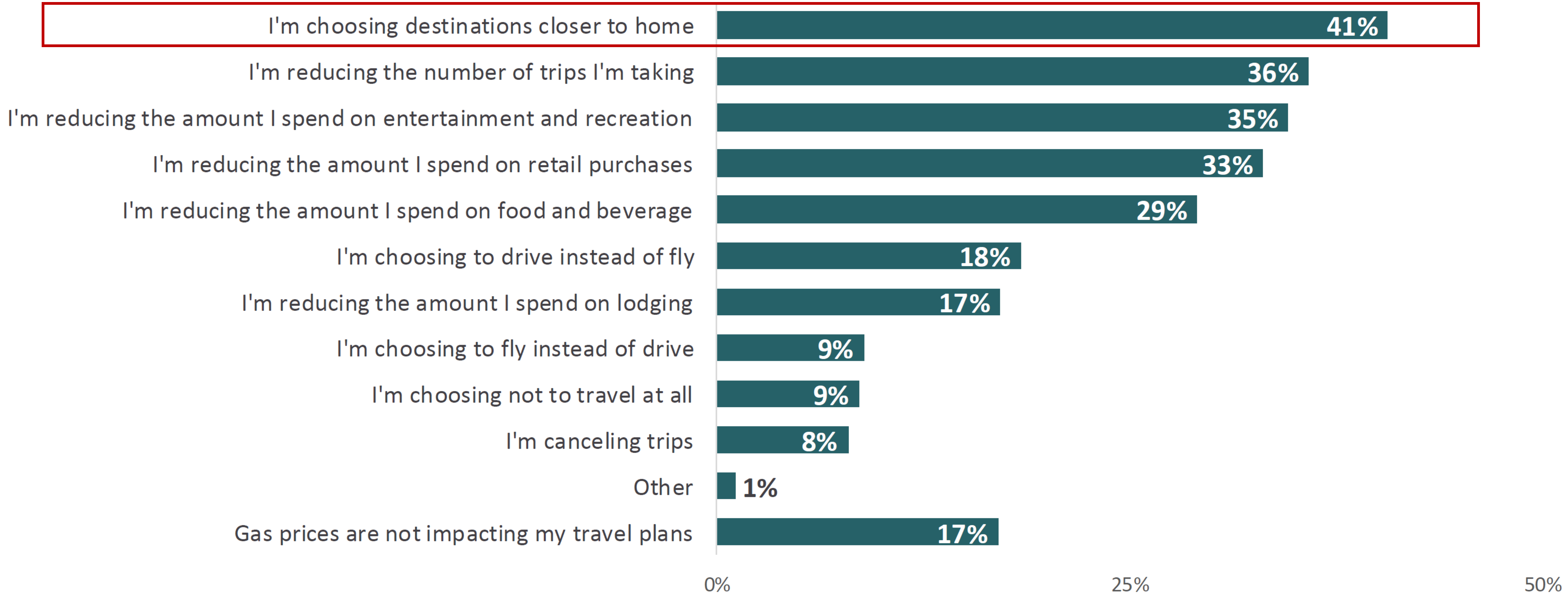
The chart shows the percentage of respondents who rated each factor as "Greatly impact" their travel plans (a 5 on a 1–5 scale) over the period from April 2025 to 2026.



Source: Longwoods International ATS Wave 106
Percentages are based only on respondents who are confirmed travelers and intend on traveling in the next six months

Higher gas prices could benefit local tourism

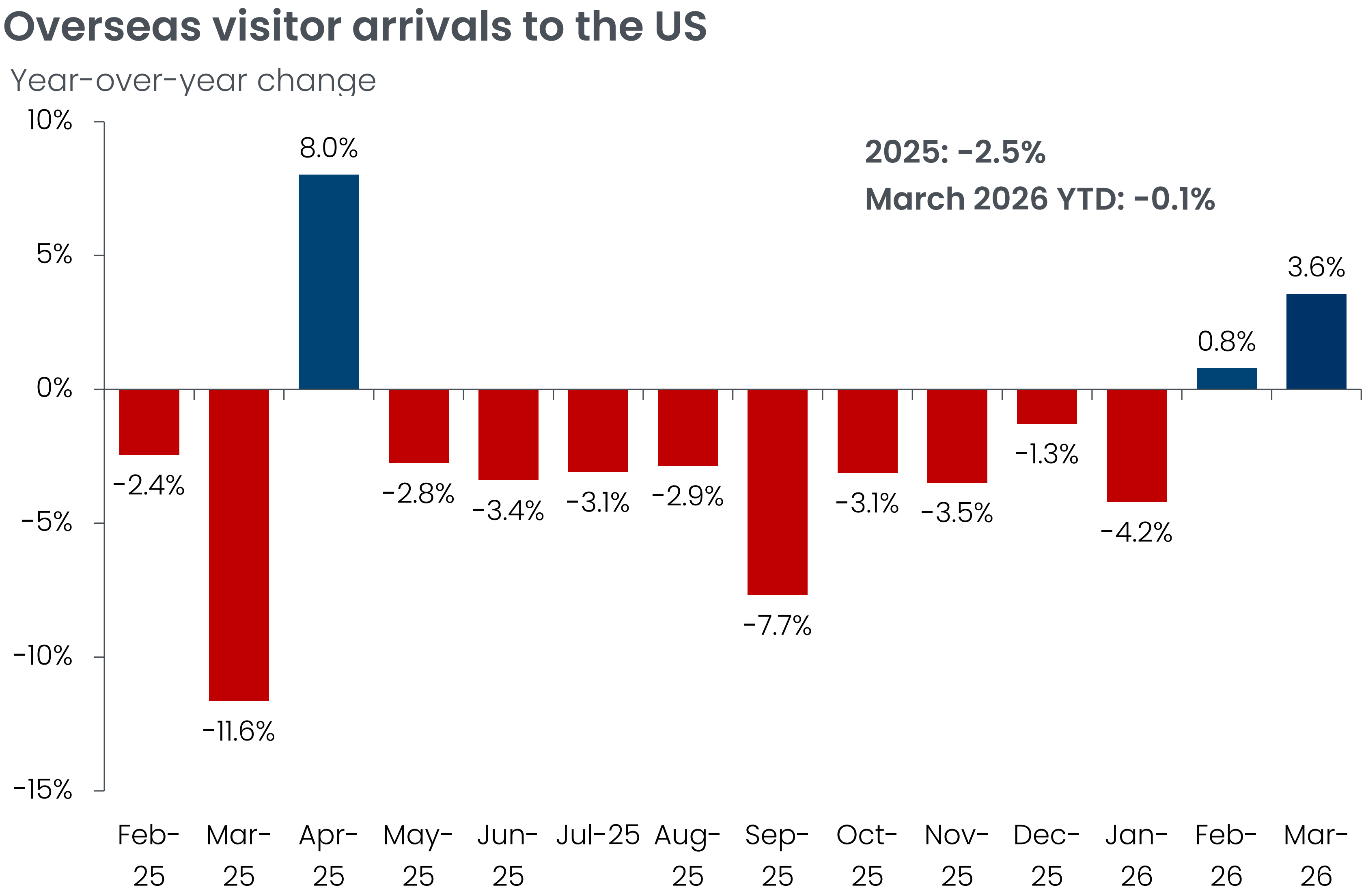
During the next six months, how are gas prices impacting your travel plans?



Source: Longwoods International ATS Wave 106
Percentages are based only on respondents who are confirmed travelers and intend on traveling in the next six months

Travel Trends

Overseas visits to the US showing signs of life



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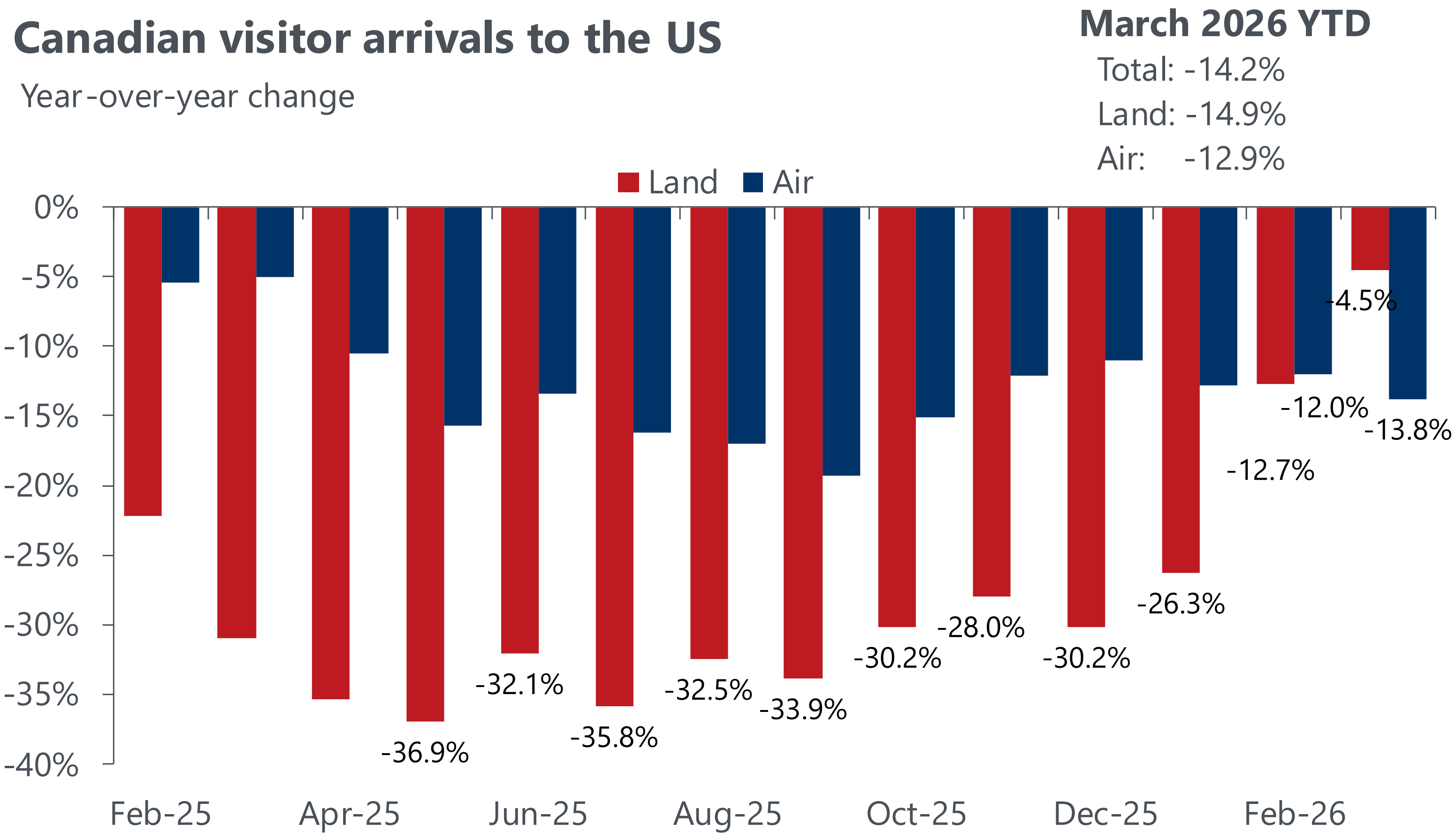
US visits from Canada remain weak

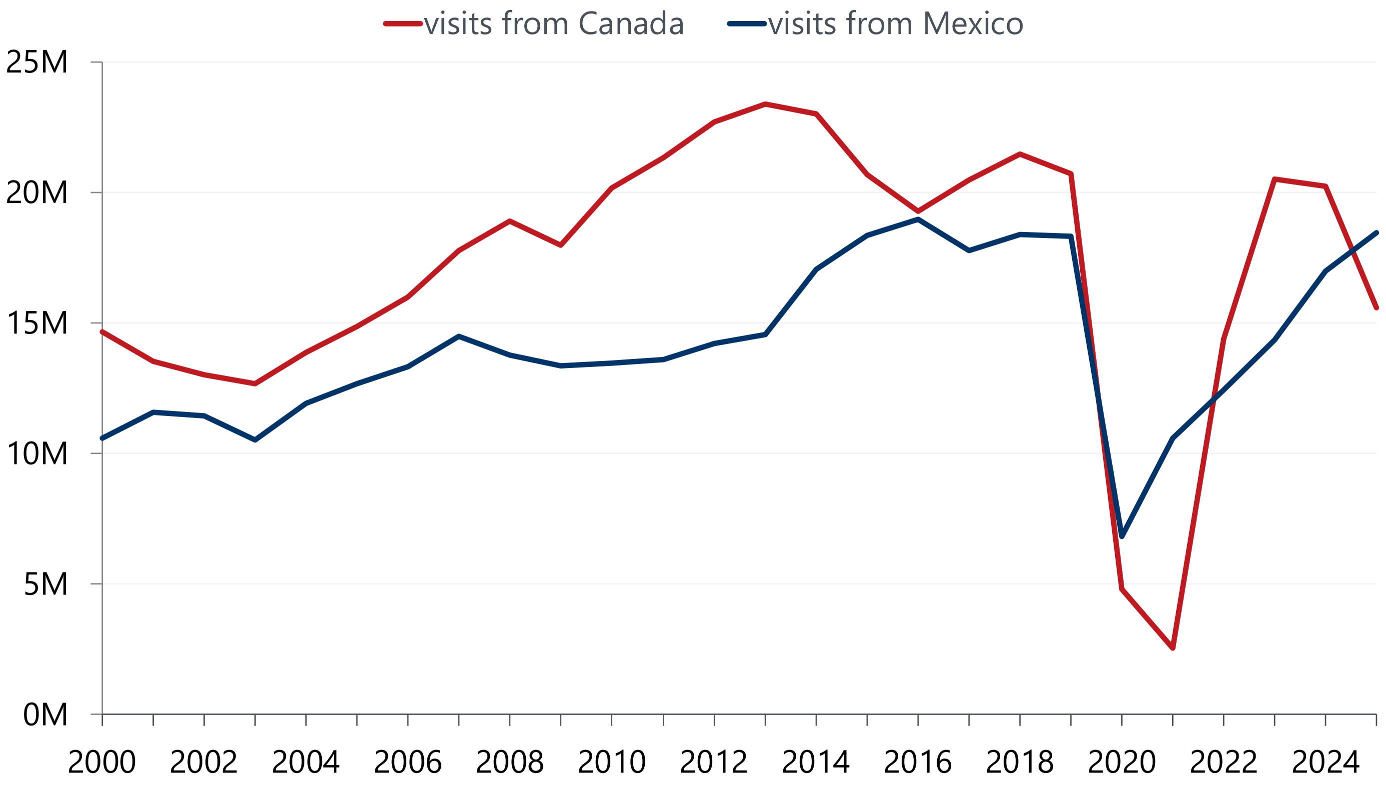


Source: Statistics Canada
Mar 2026 data based on leading indicator data measuring Canadian -resident US return trips.

Canadian travel to other world regions increased 9% last year (-25% to US).

Mexico surpassed Canada in 2025

North American inbound visitation to the US

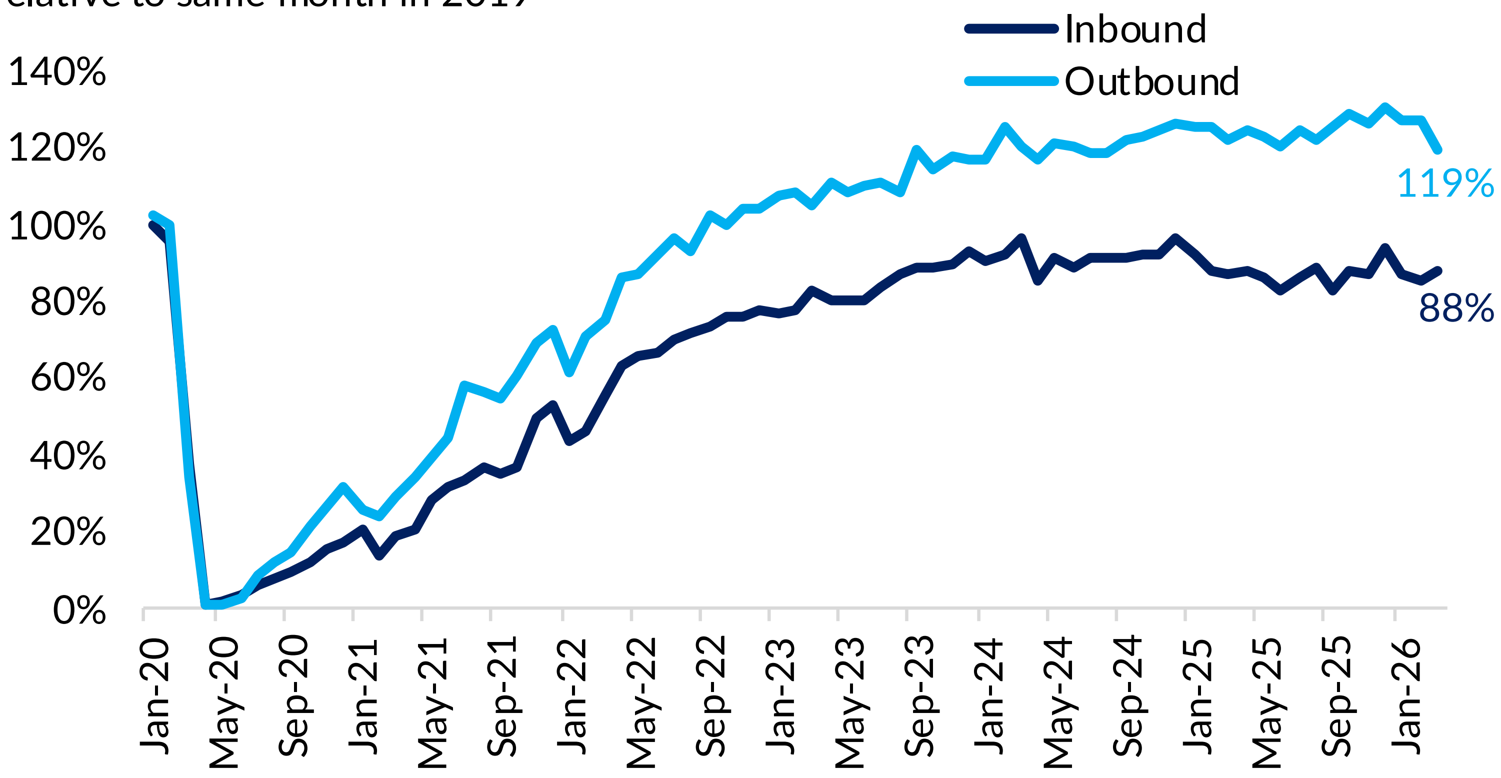


Arrivals from Mexico to the US increased **6.4%** in 2025.

US citizens have been traveling abroad more than ever

US Inbound and Outbound Air Travel

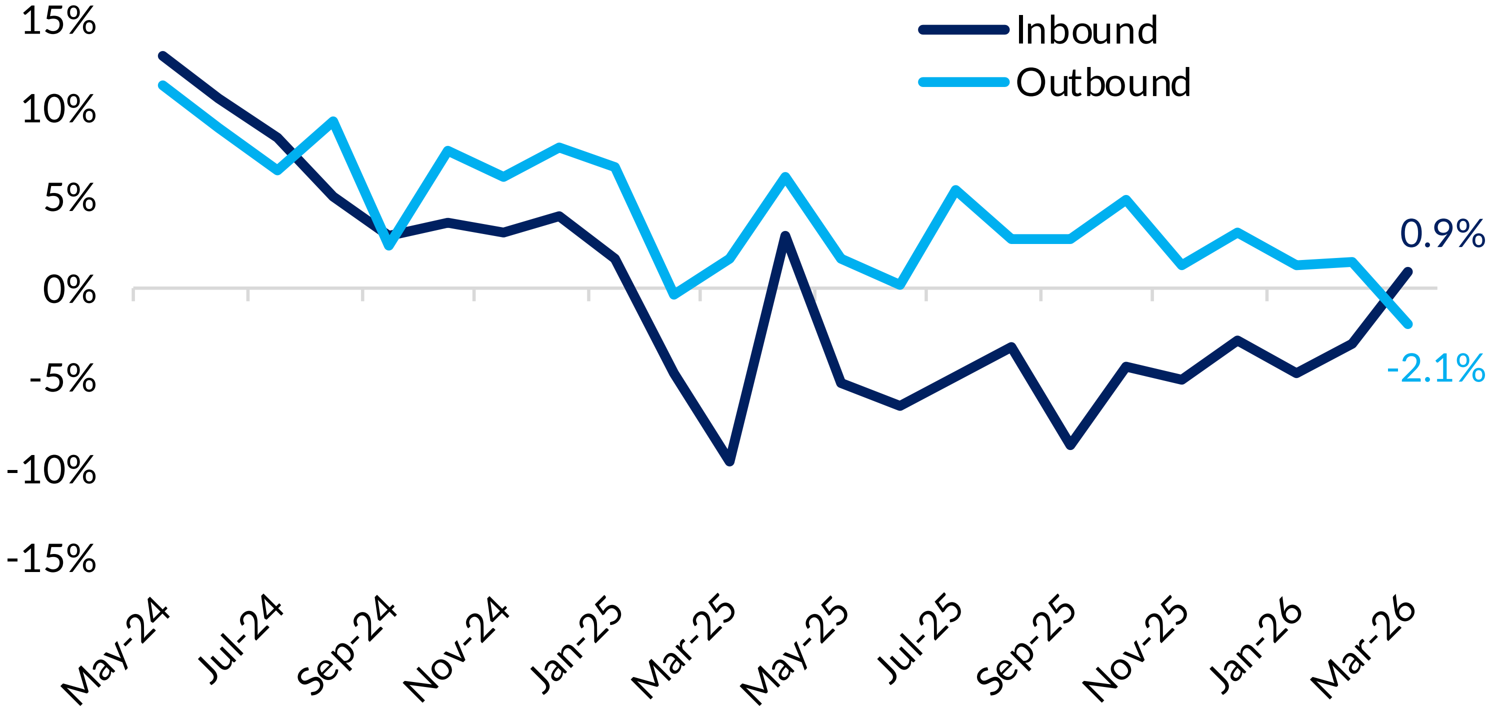
% relative to same month in 2019



Source: APIS I-92

Outbound travel declined in March

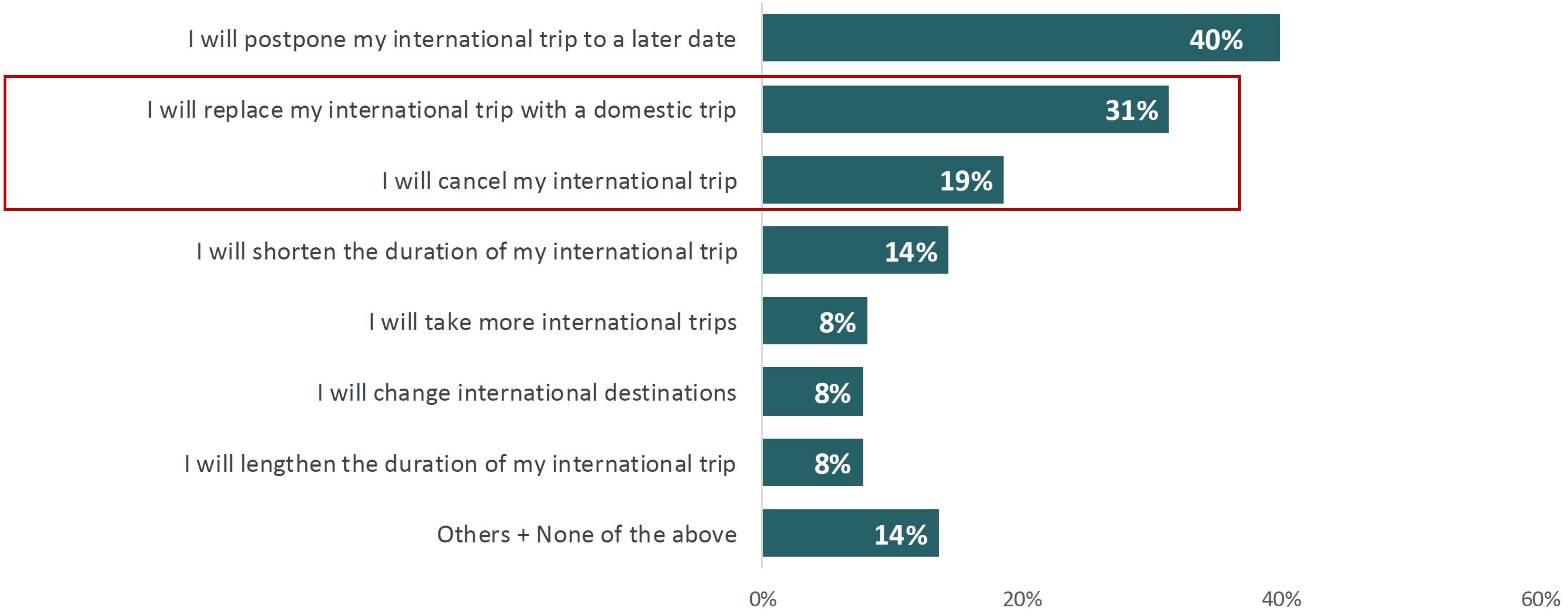
US Inbound and Outbound Air Travel
% change year-over-year



Source: APIS I-92

Almost 20% of outbound trips may be canceled

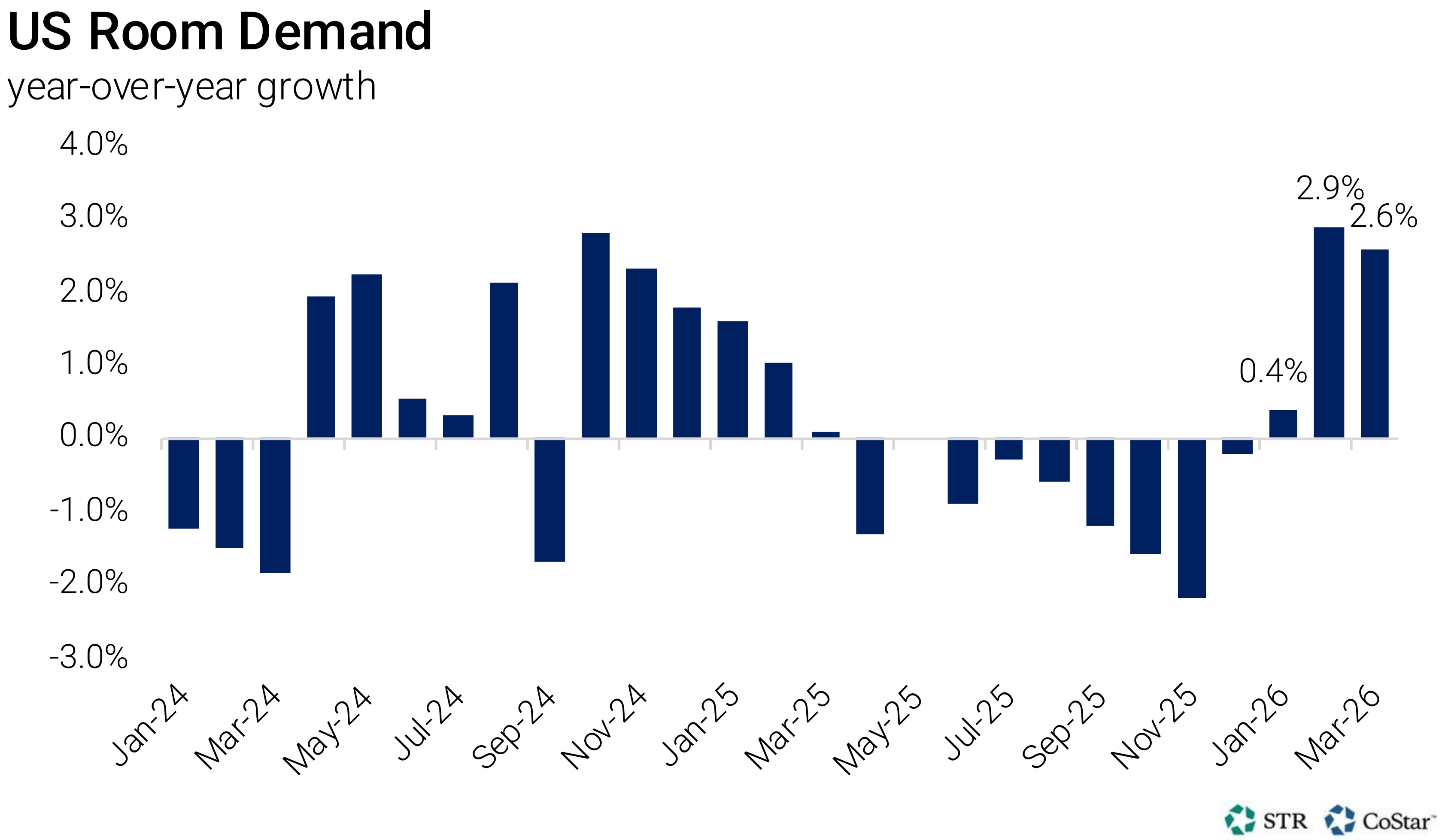
You indicated that the Iran war is influencing your international travel plans. How will you change your international travel plans in the next 12 months?



Source: Longwoods International ATS Wave 106
Percentages are based only on respondents who are confirmed travelers and indicated the Iran war is influencing their international travel plans

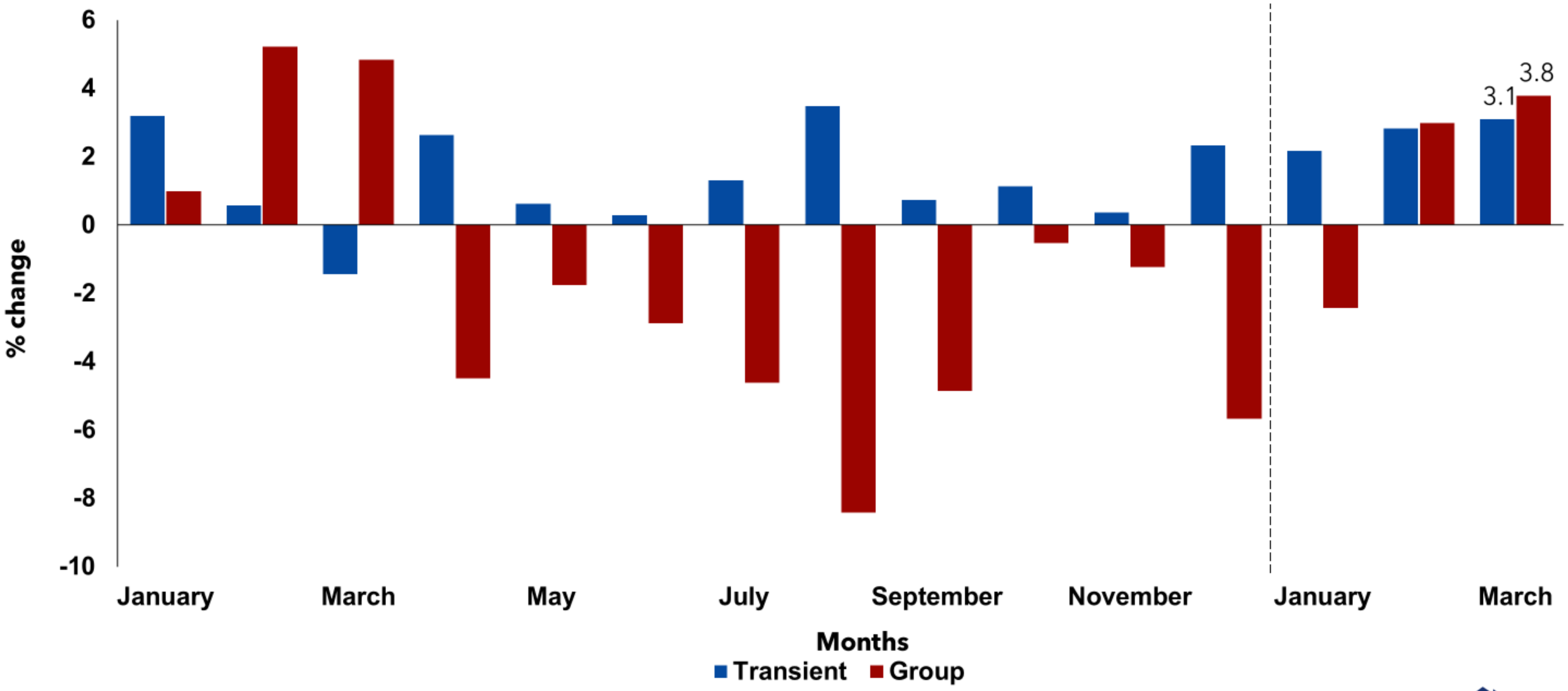
Longwoods INTERNATIONAL | miles PARTNERSHIP

Hotel room demand up 2.0% in Q1



Group demand grew in Q1

Segmentation demand % change, by month, 2025 and 2026



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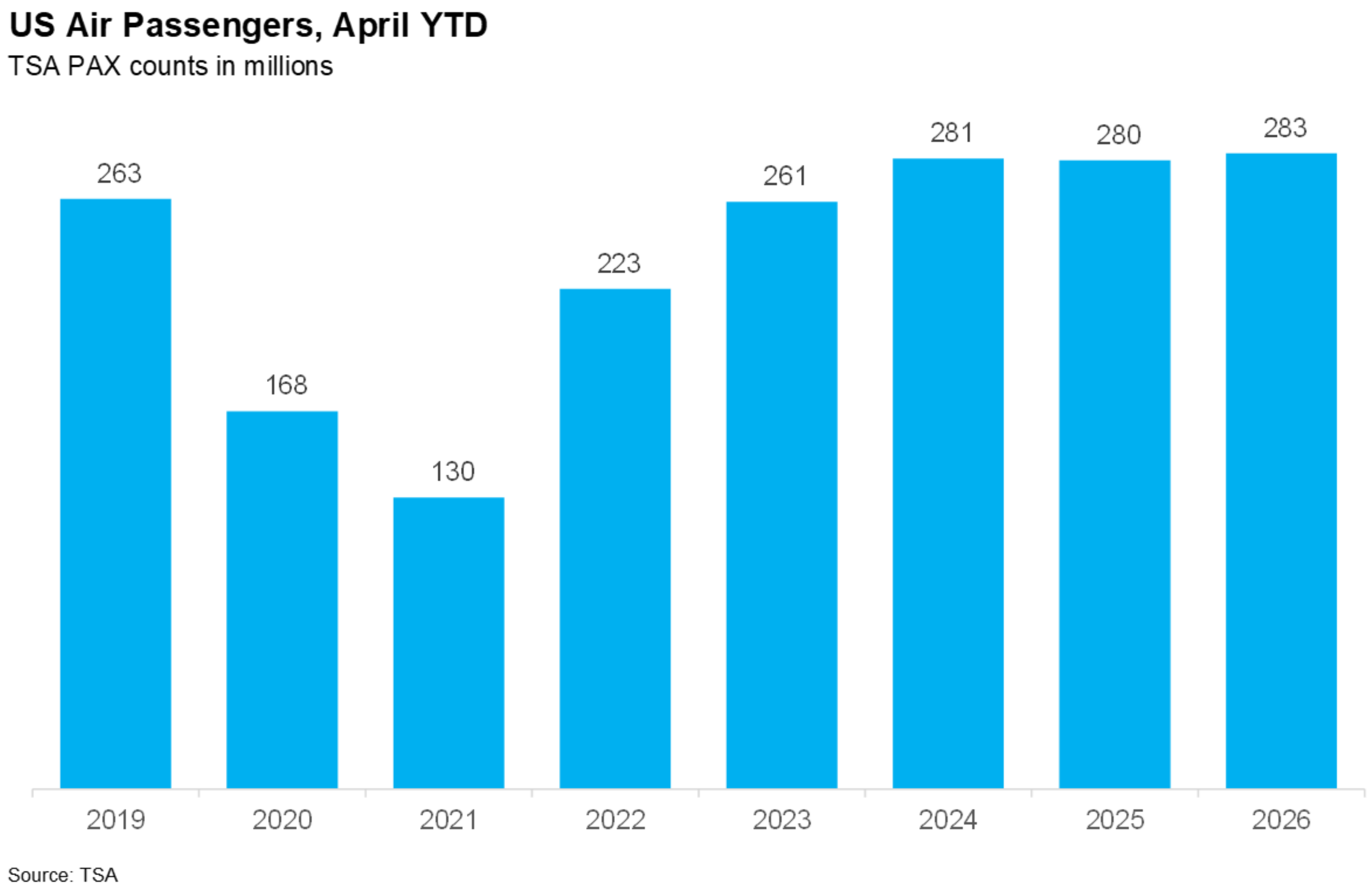
Air passenger volume YTD is slightly above last year



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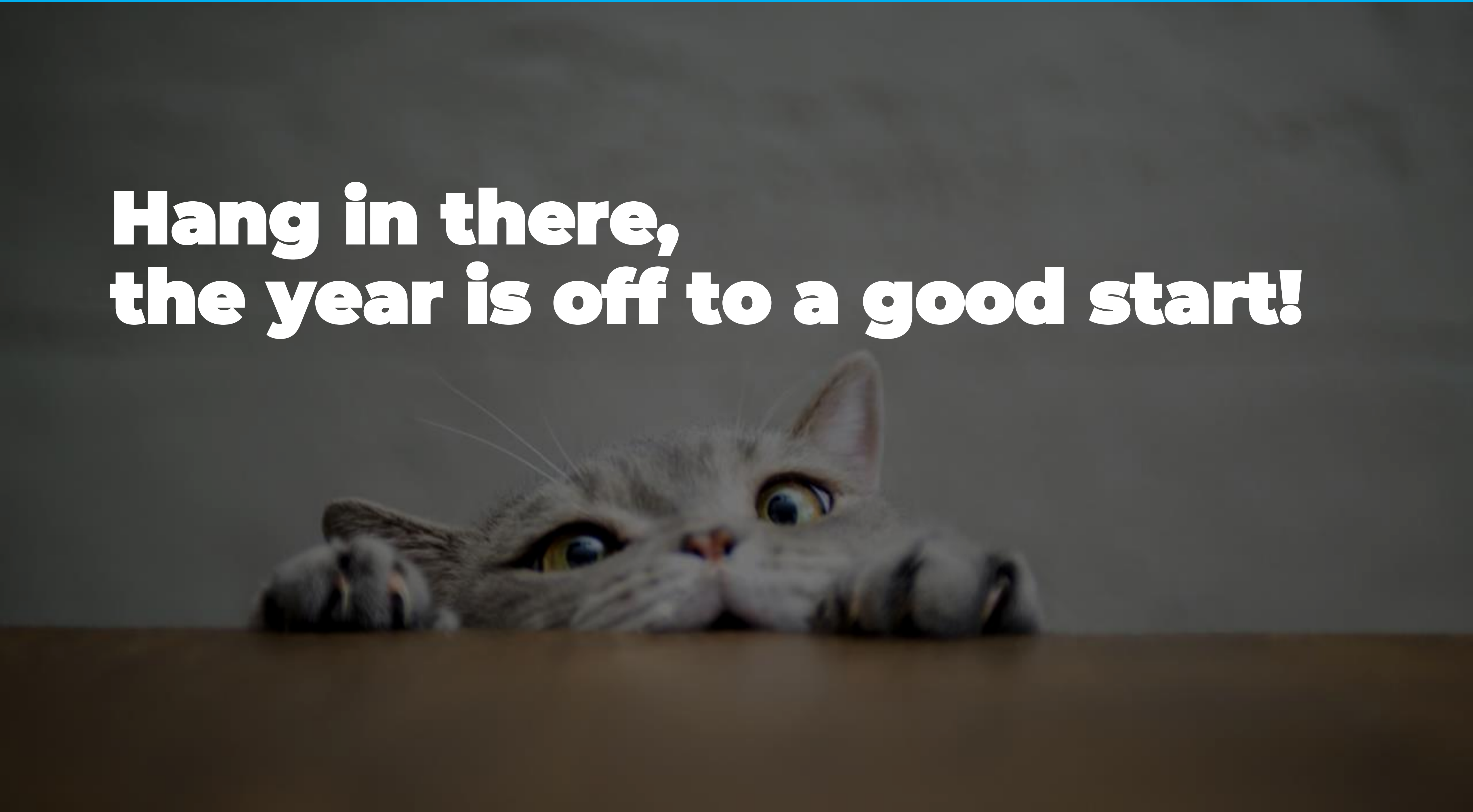
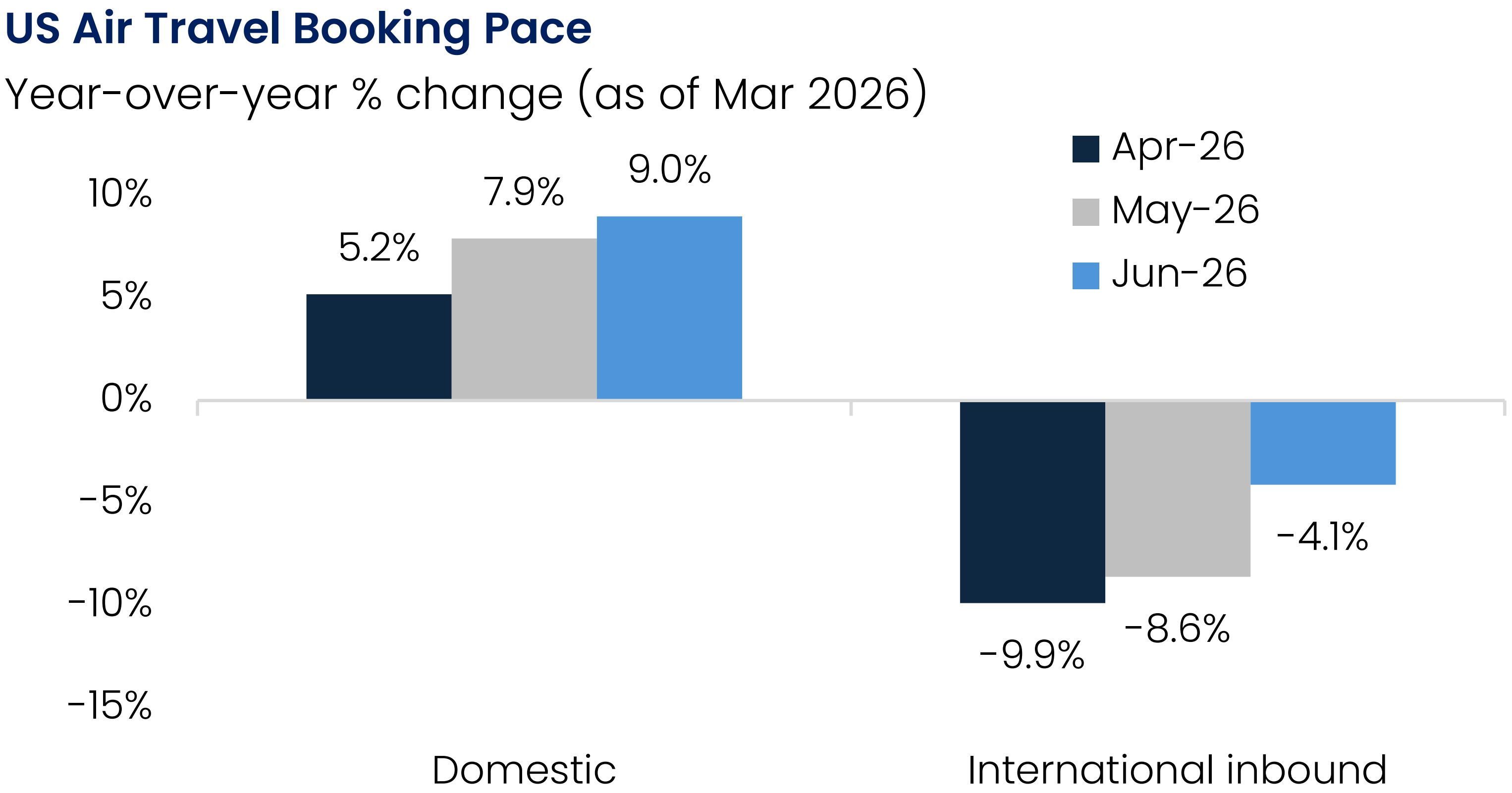
Hang in there,
the year is off to a good start!

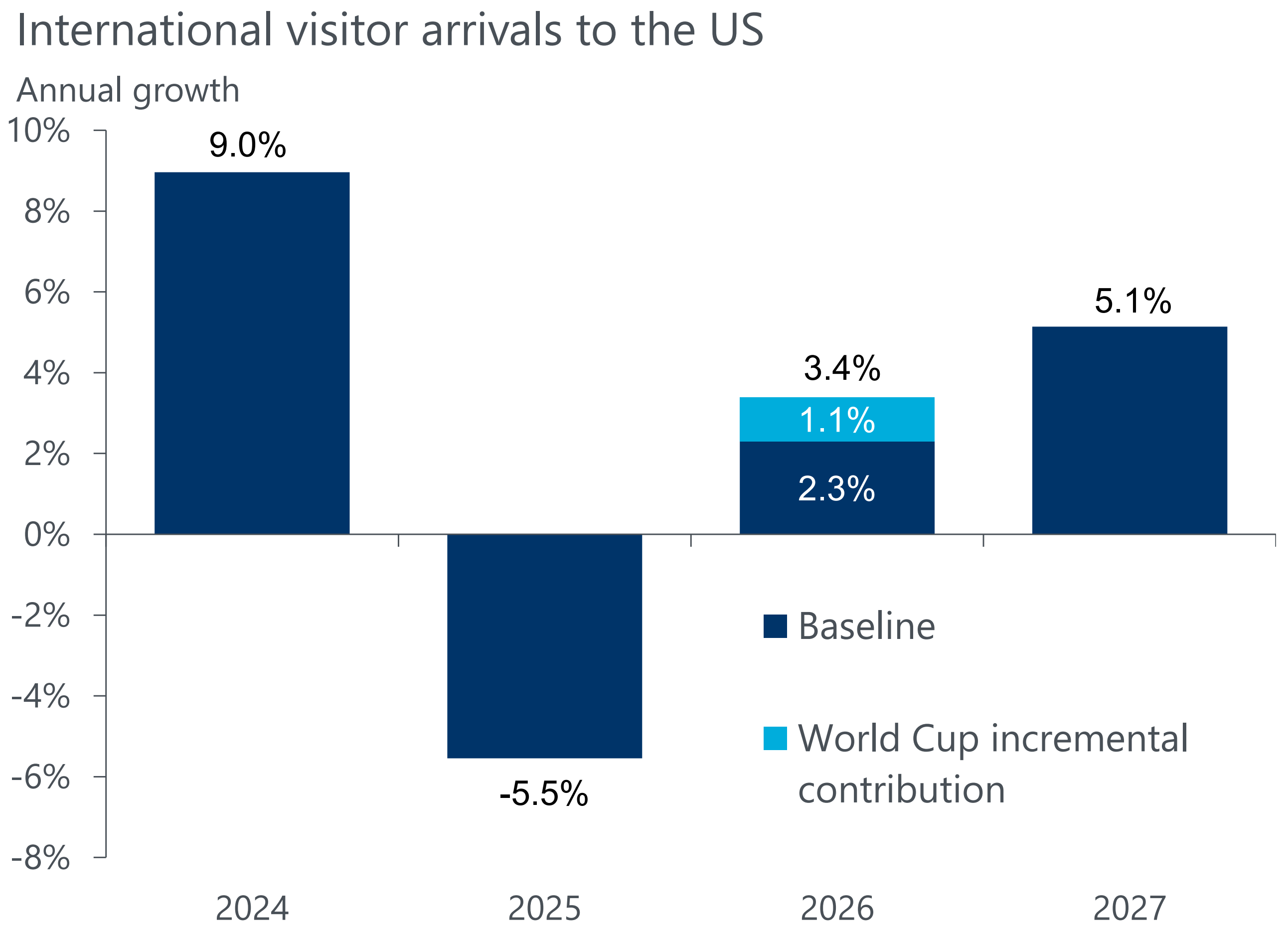


Domestic flight bookings are strong



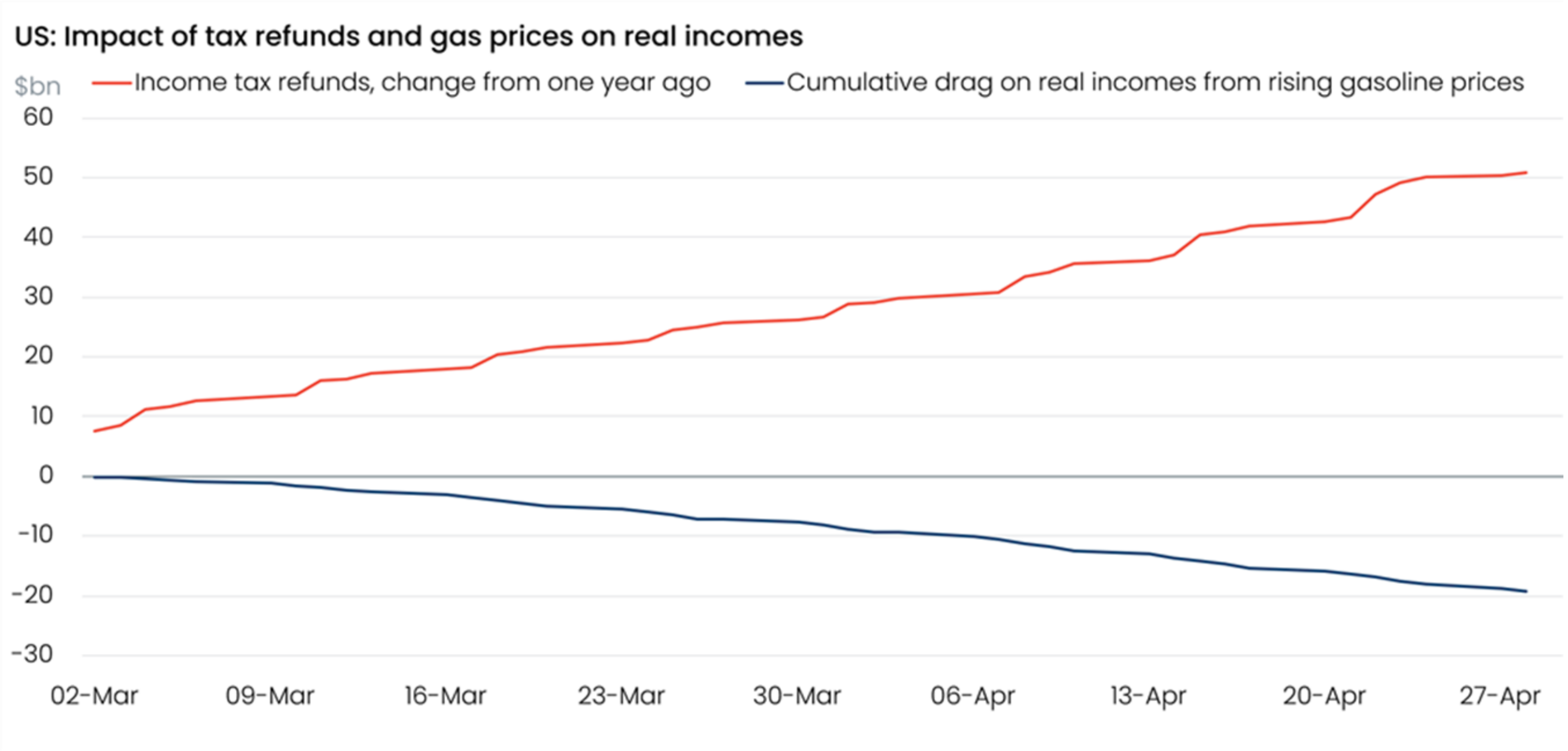
Source: OAG

Inbound travel to grow 3.4% this year



Source: Tourism Economics (Global Travel Service - April 2026 release)

Income tax refunds continue to more than offset the impact of higher gas prices

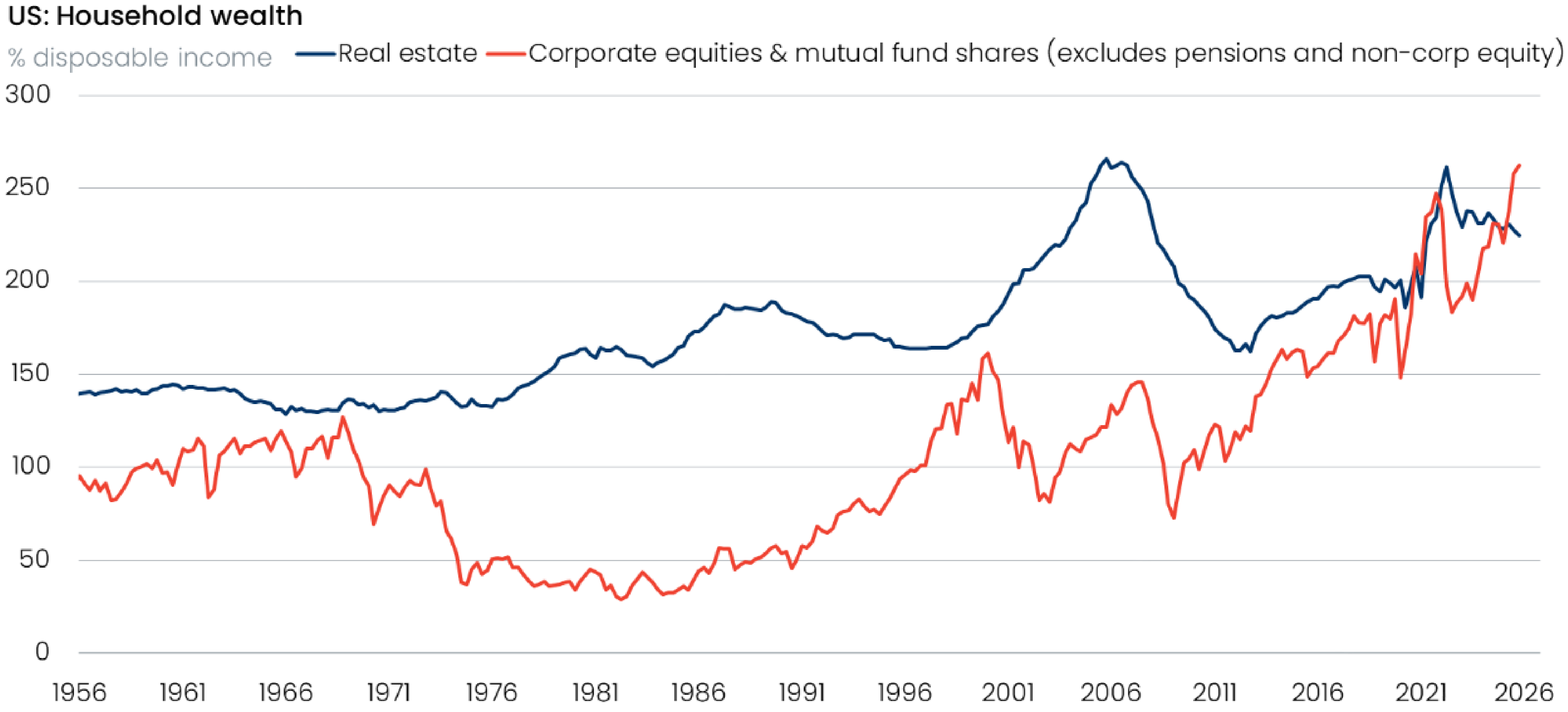


Consumers have received $50bn in additional tax refunds but paid $20bn additional on gas.

The buffer will fade the longer the war drags on.

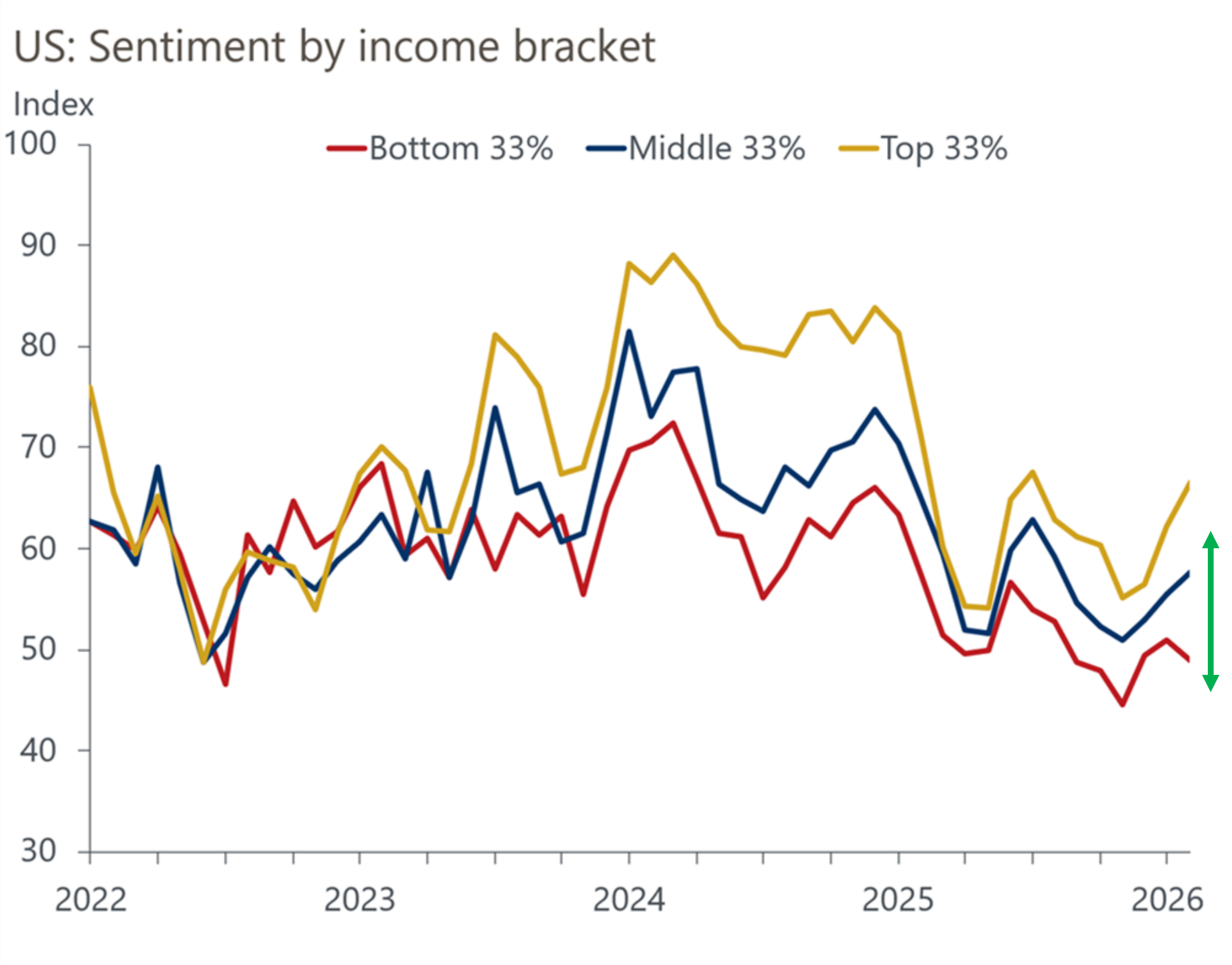
Source: Oxford Economics, Haver Analytics

Balance sheets are favorable



Sources: Oxford Economics, Haver Analytics

Divergence in sentiment reflects diverging outcomes



Lower-income groups:

- Hit harder by tariffs
- Have less financial buffers
- Harder to obtain employment

Source: University of Michigan Consumer Sentiment Index

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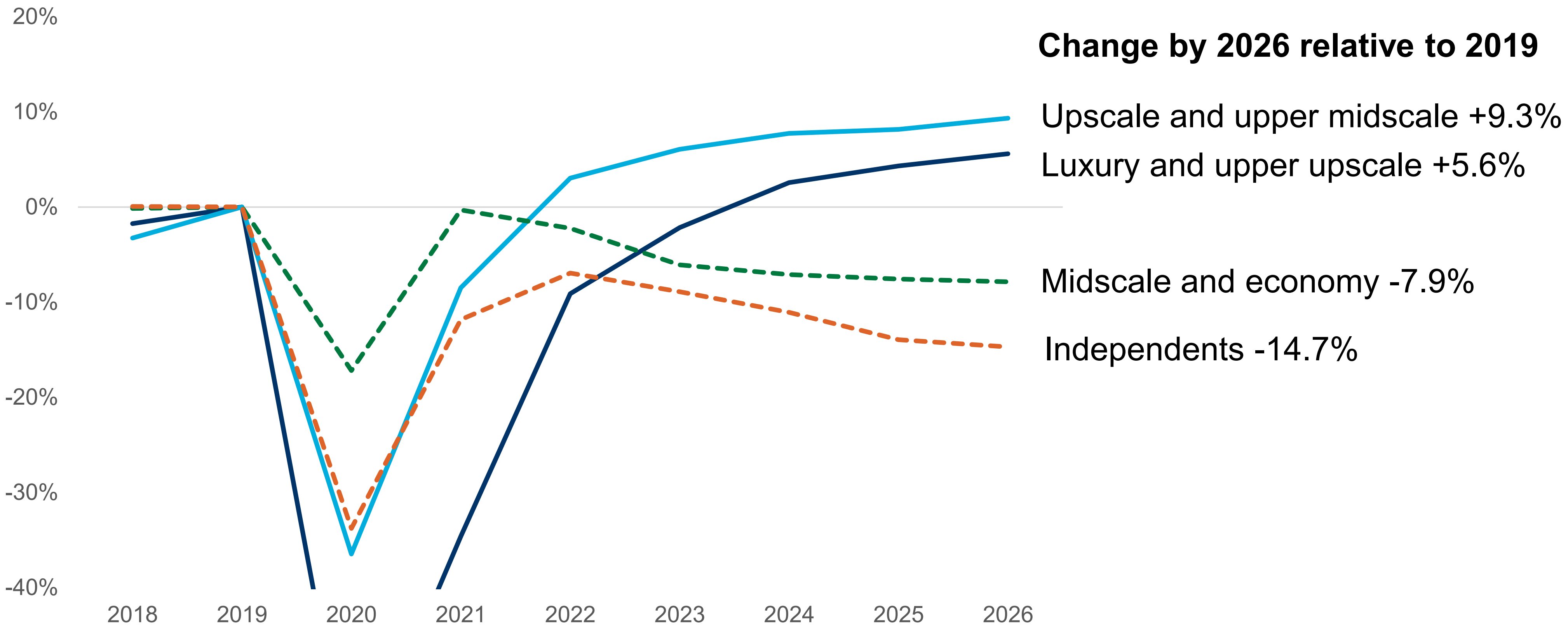
Higher-priced segments continue to outperform

Demand relative to 2019

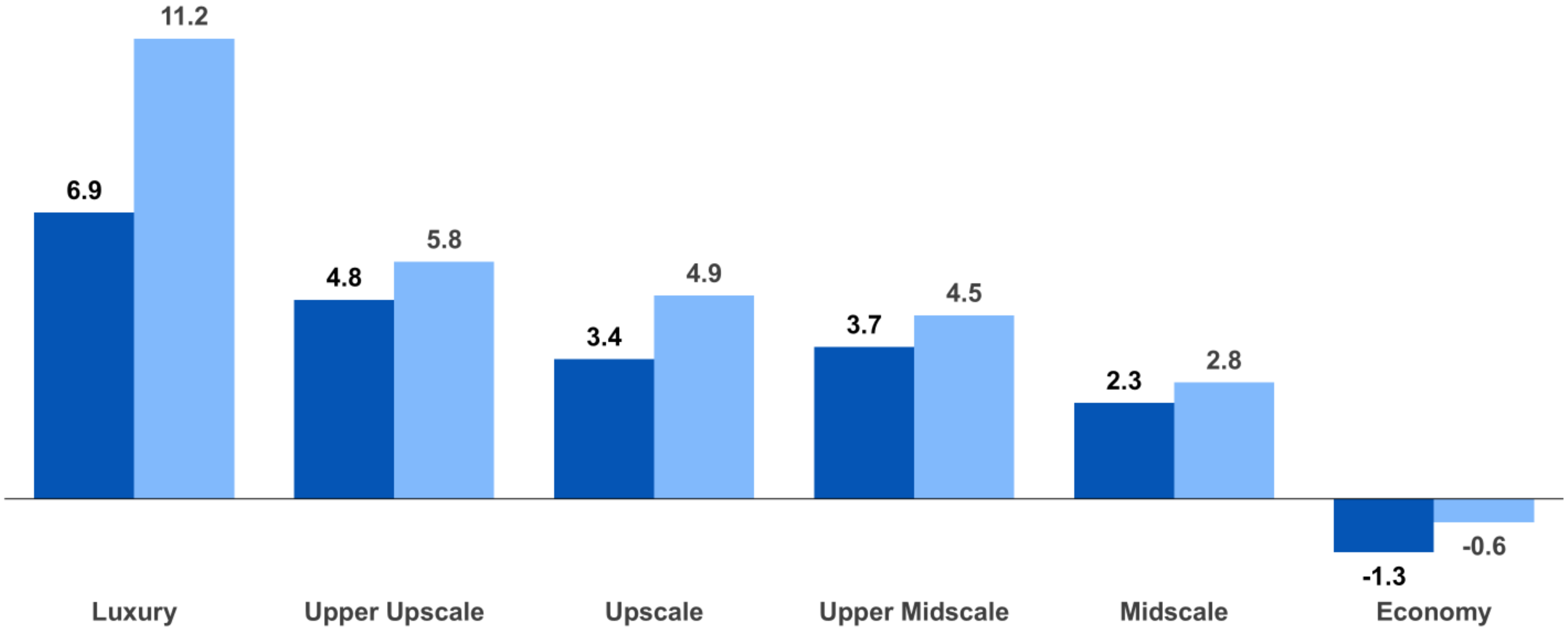
By chain scale groups



Note: Examples of supply include luxury (Ritz-Carlton), upper upscale (Marriott), upscale (Courtyard), upper midscale (Holiday Inn Express), midscale (Quality Inn), and economy (Motel 6).
Source: CoStar-STR; Tourism Economics

Recent improvements in the middle

U.S. RevPAR % change, change by class, February and March 2026



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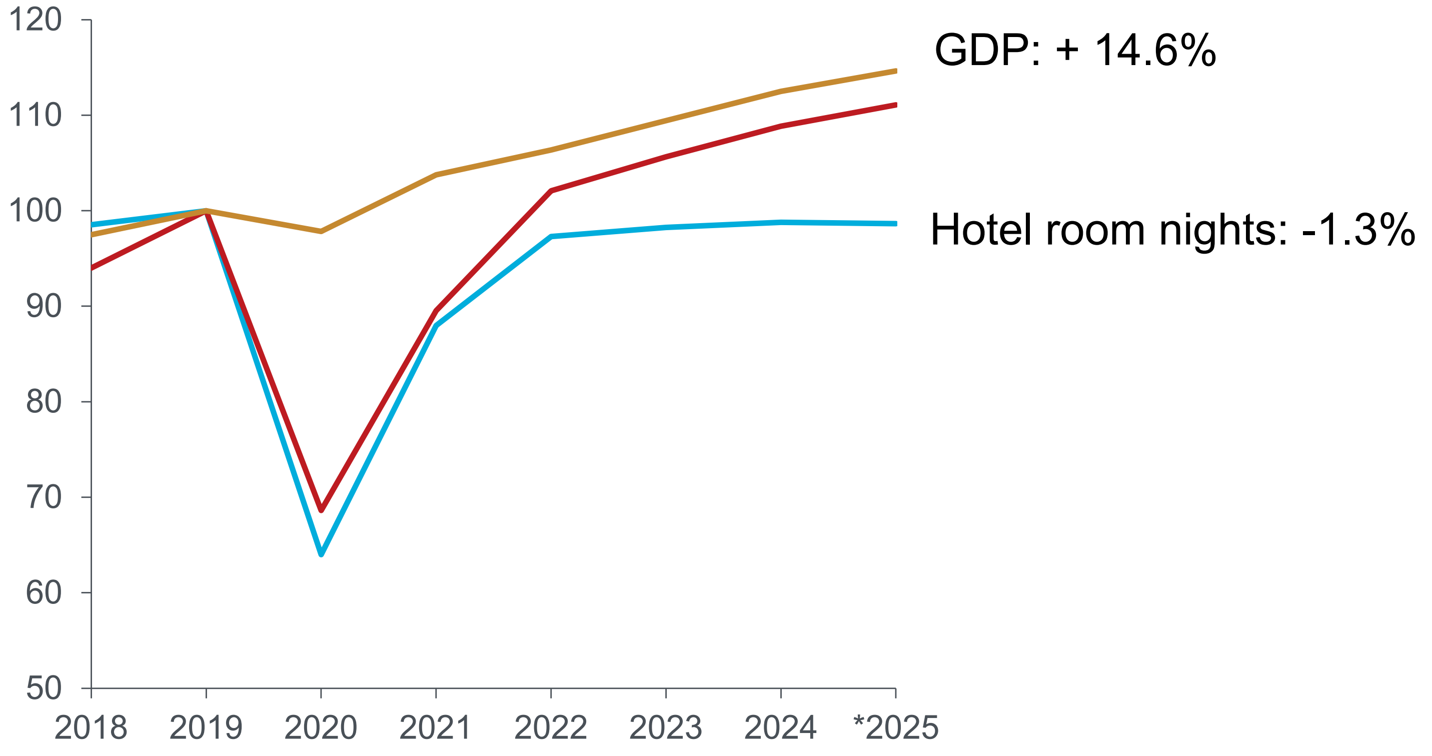
How lodging performance adds up

GDP and lodging demand

Index (2019=100), US



Note: Total lodging is based on hotel room nights, cruise cabin nights, and short-term vacation rental room nights. *Full-year forecast as of Aug 2025
Source: CoStar-STR, AirDNA, CLIA/Tourism Economics, Oxford Economics.

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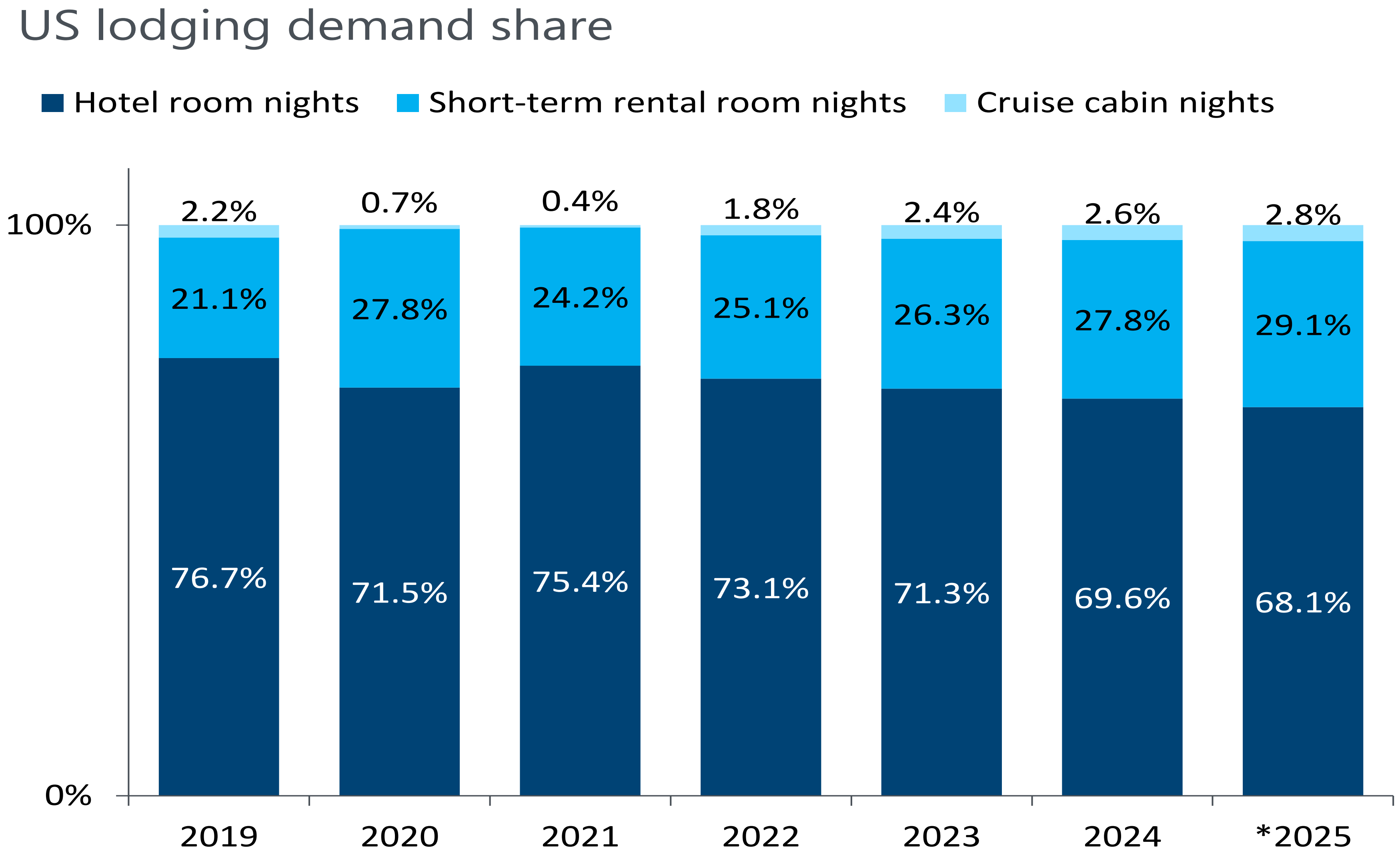
Short-term rentals and cruises gaining share



Source: STR, AirDNA, CLIA/Tourism Economics, *Full-year forecast as of Aug 2025

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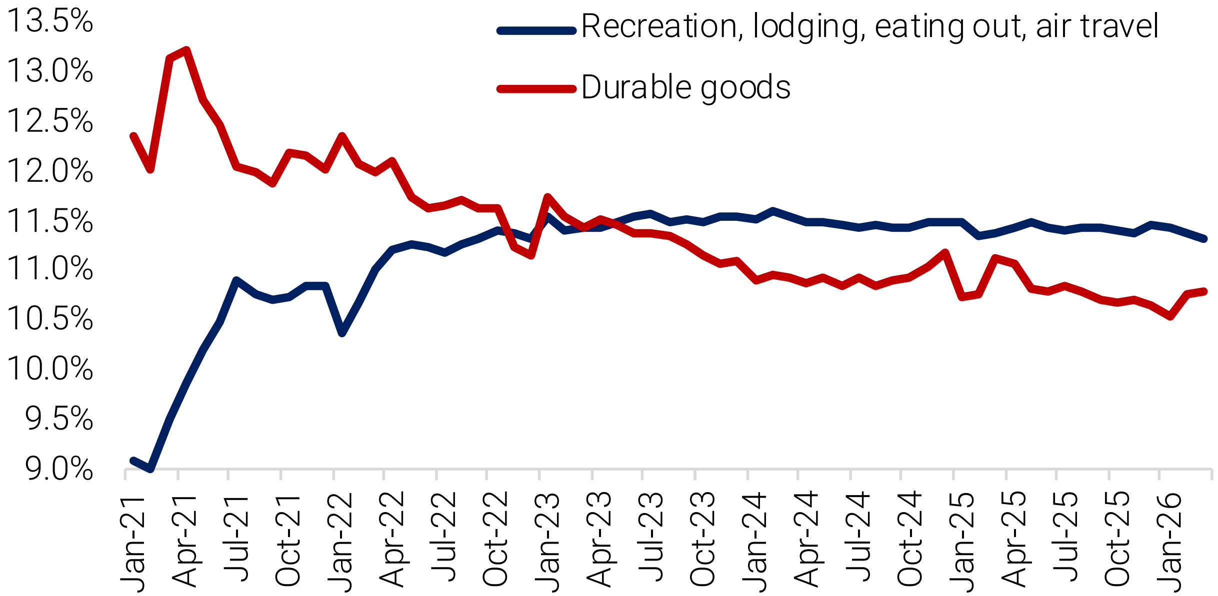
Experiences > stuff

US: Consumer Spending by category
Share of consumer spending

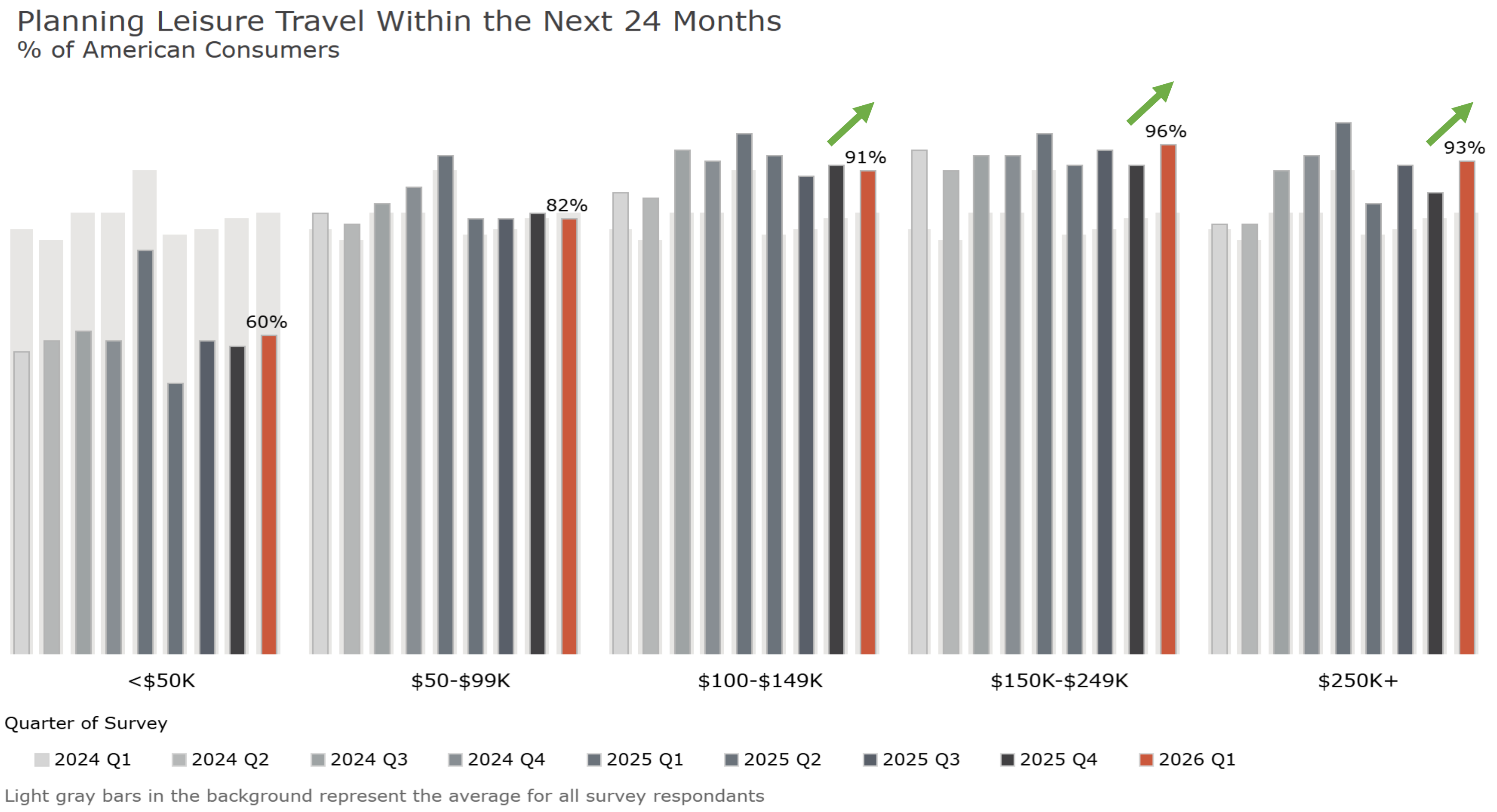


*"The U.S. economy remains on firm footing and consumers continue to **prioritize experiences** with travel among the top spending categories."*

(Delta, Jan 13, 2026)

Source: Oxford Economics/Haver Analytics

Leisure travel intentions remain solid



Source: MMGY Global, Portrait of the American Traveler

Travel budgets remain elevated

Question:
How much IN TOTAL is the maximum you will spend on leisure travel (including airfare, accommodations and all other trip related spending) during the NEXT 12 MONTHS?

Maximum I would spend on leisure travel (next 12 months): _______

(Base: All respondents, 1,200+ completed surveys each wave in 2021. 4,000+ completed surveys each wave in 2022-2026.)

Tailwinds and Turbulence

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Policy

- \+ *Interest rate relief*
- \+ *Investment incentives*
- \+ *Tax cut extensions*
- \- *Tariffs*
- \- *Immigration*
- \- *Geopolitical uncertainty*

Economy

- \+ *Real income growth*
- \+ *Solid balance sheets*
- \+ *Productivity gains*
- \- *Inflation*
- \- *Softening labor market*

Travel

- \+ *Prioritization*
- \+ *High earners continue to spend*
- \+ *World Cup / international*
- \+ *Choosing closer to home*
- \- *Sentiment*
- \- *Fuel prices*

Despite turbulence, we expect tailwinds to prevail

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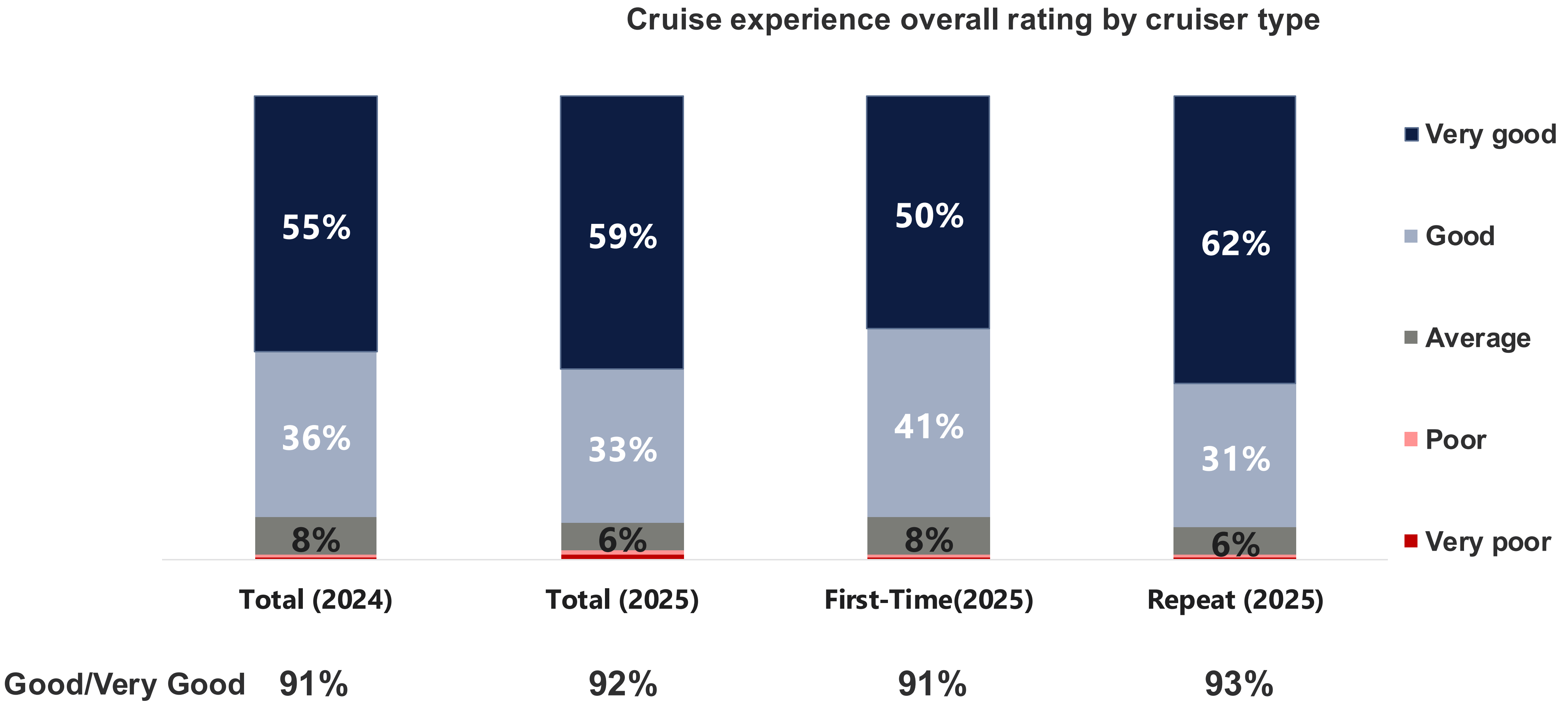
CRUISE OUTLOOK

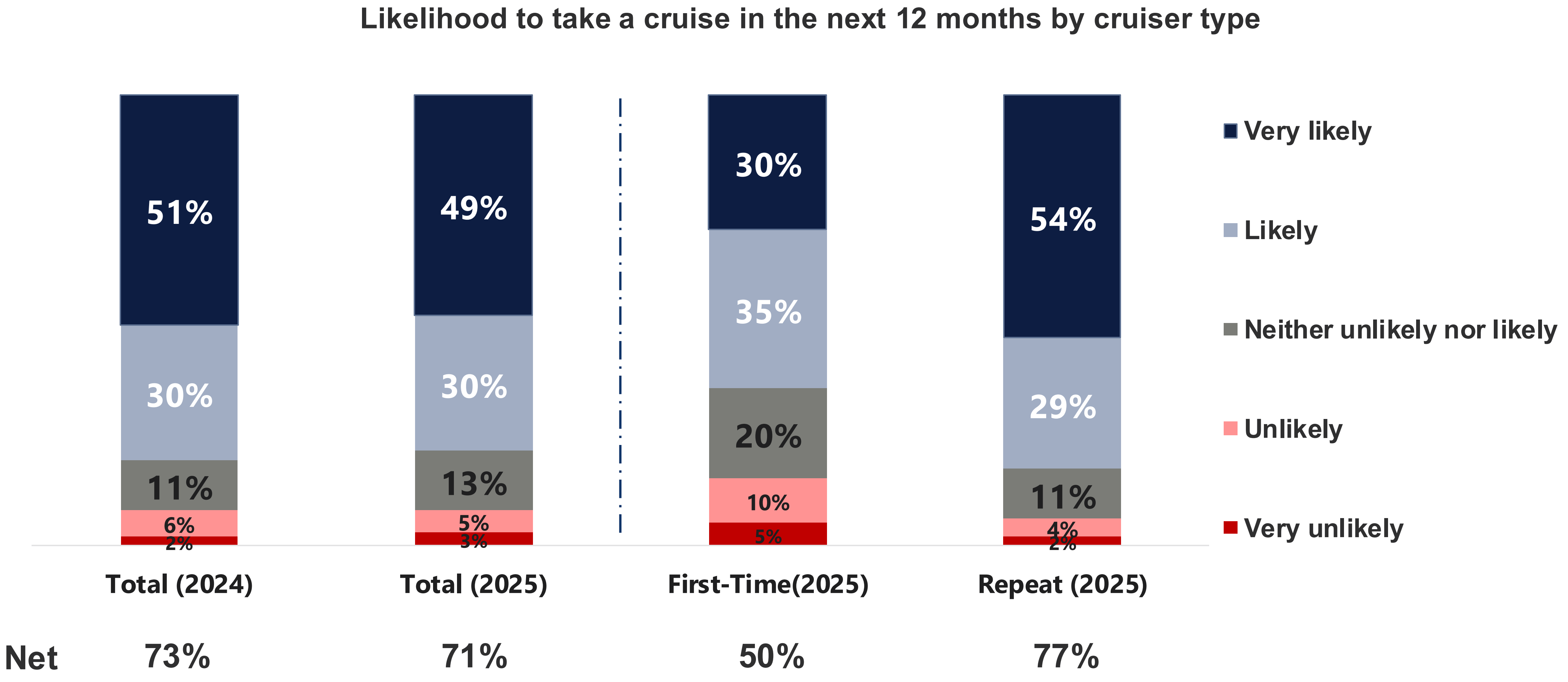
April 2026

Overall satisfaction with the cruise experience remains stable at a very high level, and is notably higher among repeat cruisers compared to first-time cruisers



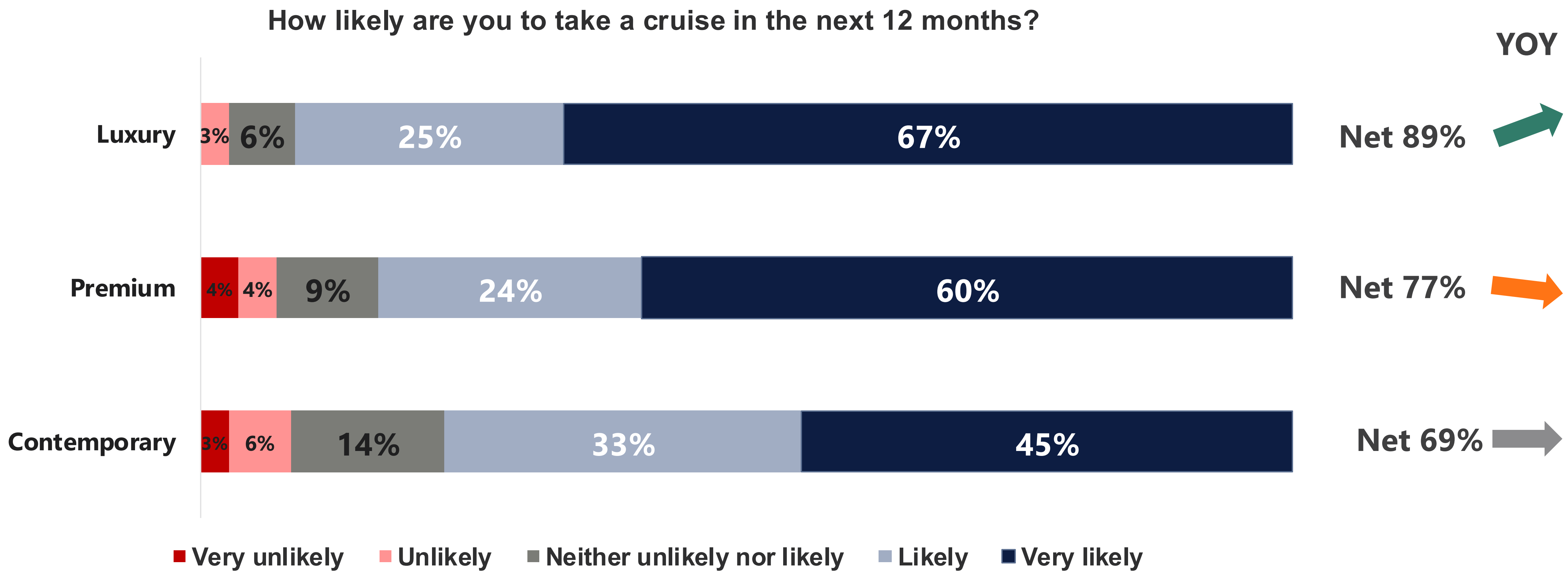
Question: How would you rate your cruise experience overall?

High satisfaction continues to drive strong loyalty. Repeat cruisers remain more loyal than first-time cruisers, although the overall likelihood to return has declined slightly year-on-year



Question: How likely are you to undertake a cruise in the next 12 months?
Net: Likely minus unlikely

K-pasa? Cruise interest following K-shaped dynamic – Likelihood to cruise for the luxury segment is accelerating, while stagnant for other segments



Question: How likely are you to undertake a cruise in the next 12 months?
Net: Likely minus unlikely

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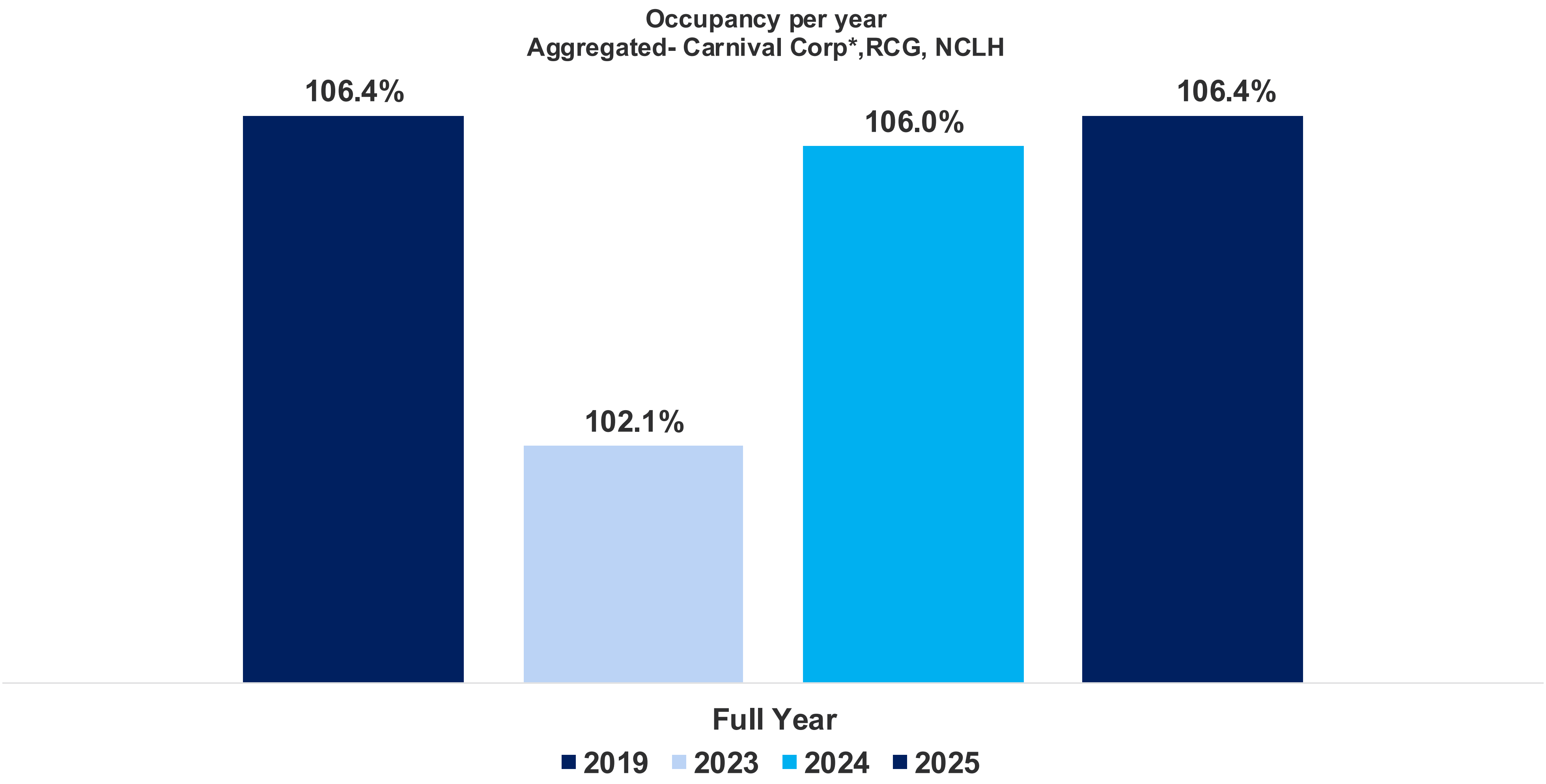
ORDERBOOK, DEPLOYMENT AND PRICING ALIGNMENT

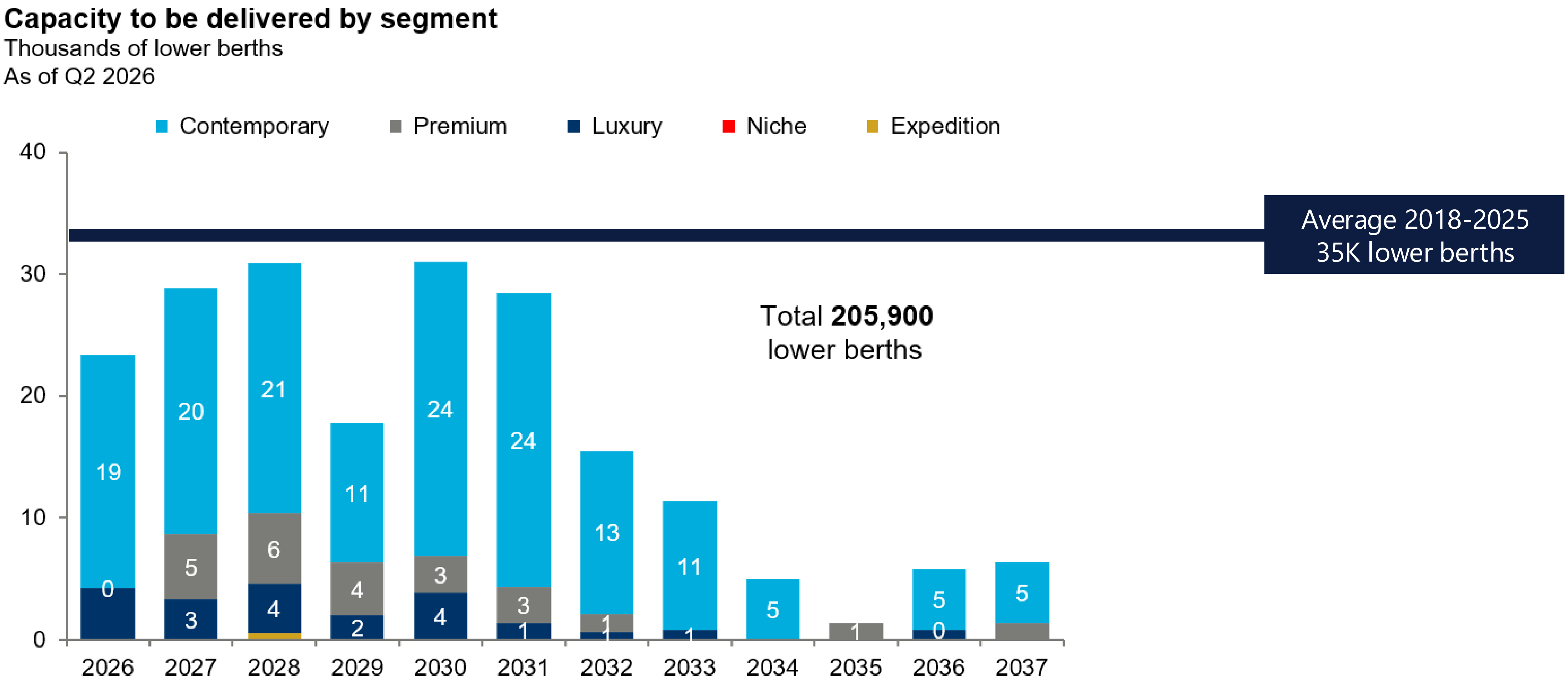
April 2026

Occupancy returns to historical levels, exceeding 106%



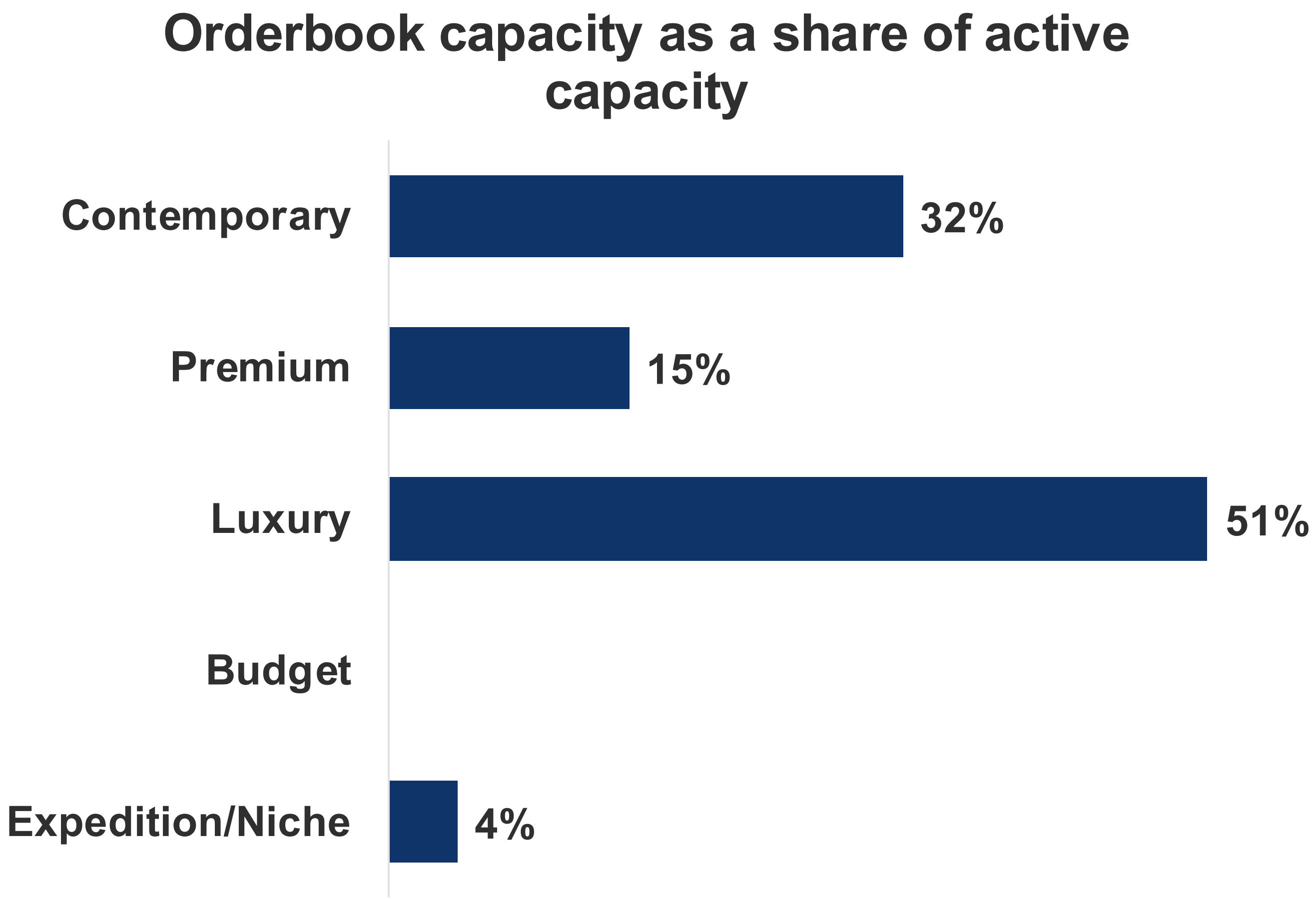
Source: Financial reports, December 2019-December 2025
* Fiscal year ends in November for Carnival Corp

Strong post-2029 order activity, but capacity shortfall persists through 2029



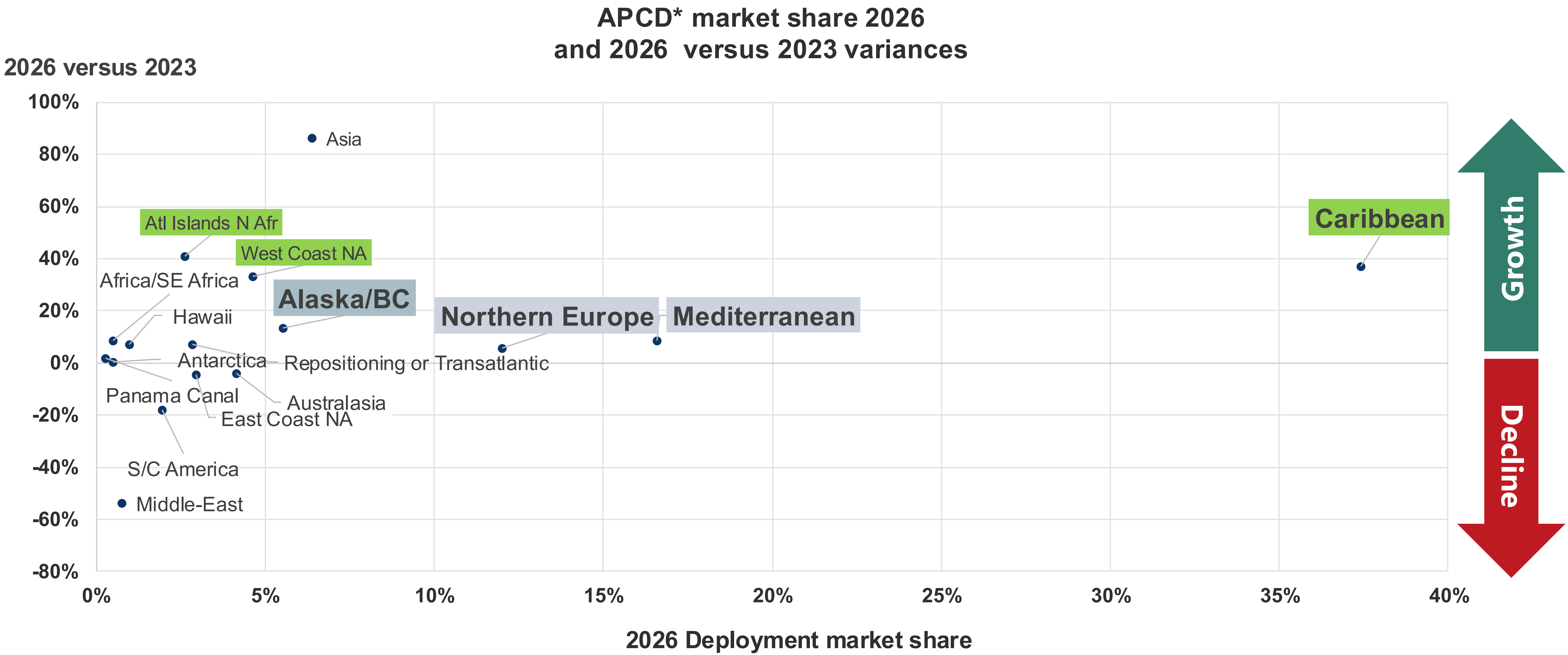
Source: Tourism Economics, Cruise-IP
Seatrade Orderbook

Luxury Remains Over-Indexed as contemporary rebounds and premium moderates after a strong 2025



Source: Tourism Economics, Cruise-IP- Global Cruise Database – March 2026
Seatrade Orderbook

Rising Tide, Uneven lift: Deployment up 19% since 2023
A "37-37" performance for the Caribbean: APCDs up 37% since 2023 to reach 37% global market share



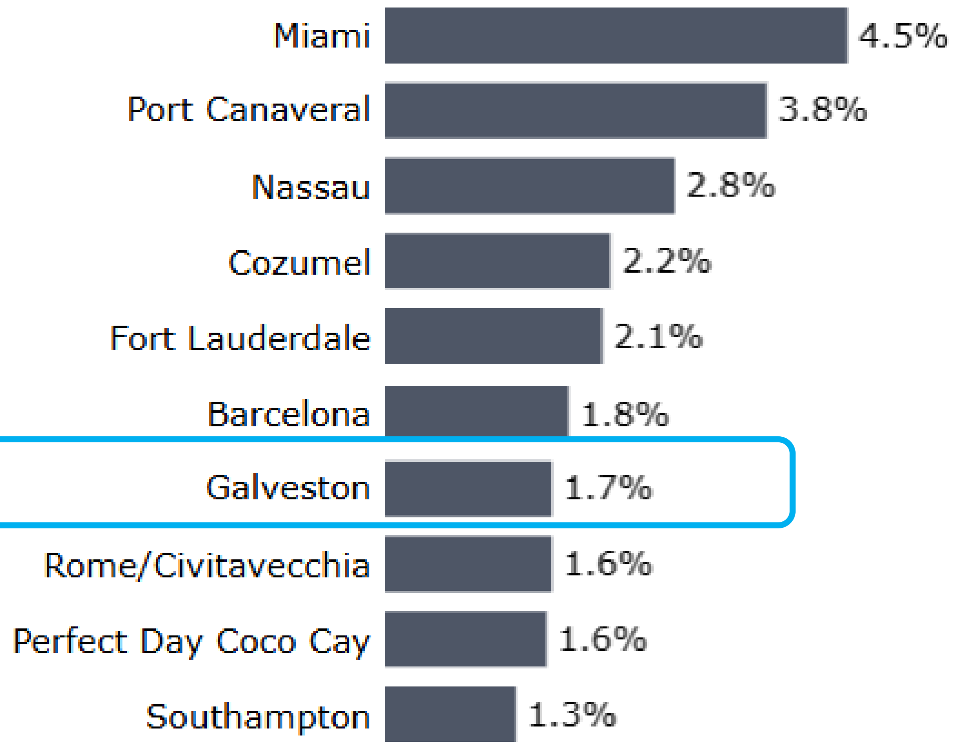
Source Cruise-IP - Data-Itineraries published as of March 5th, 2026
*APCD- Available Passenger Cruise Days


Visit
GALVESTON

Galveston in in the Top-10 Passenger Ports

Top-10 Ports

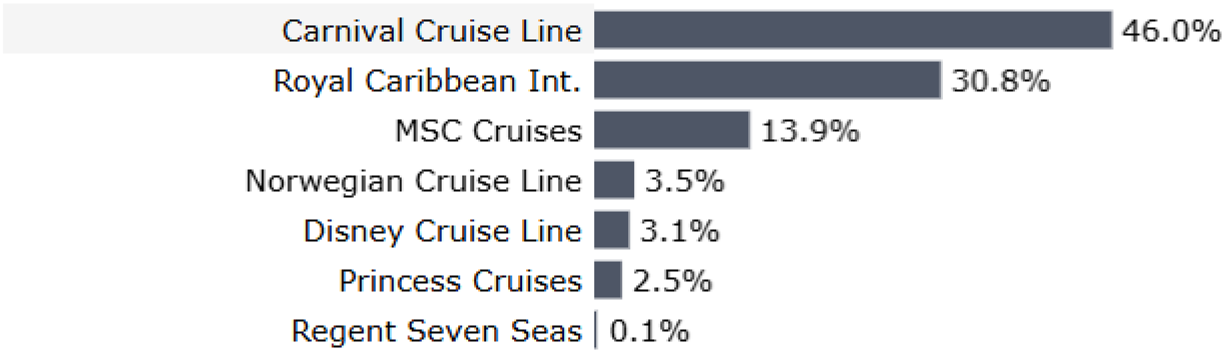
% share of Total Passenger Volume



Total Cruise Passenger Visits

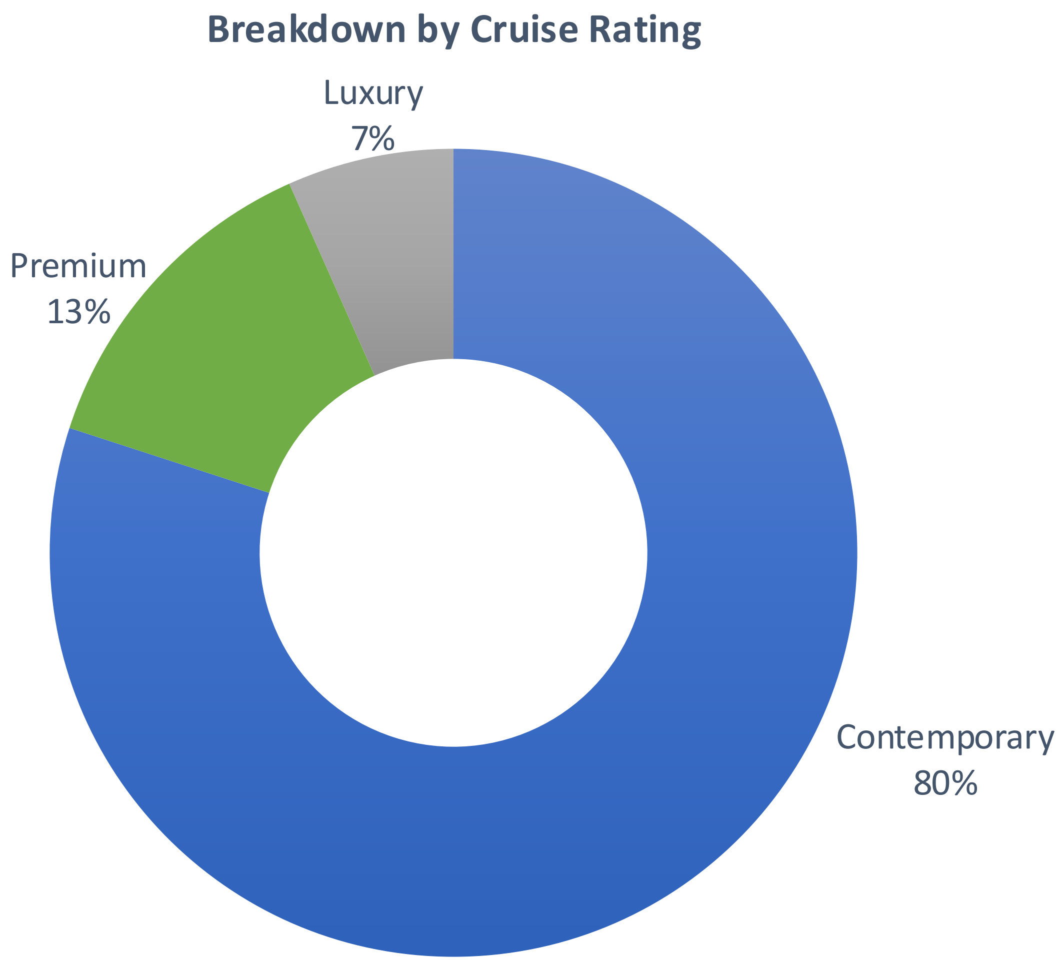
+4% in 2026

Top Cruise Lines



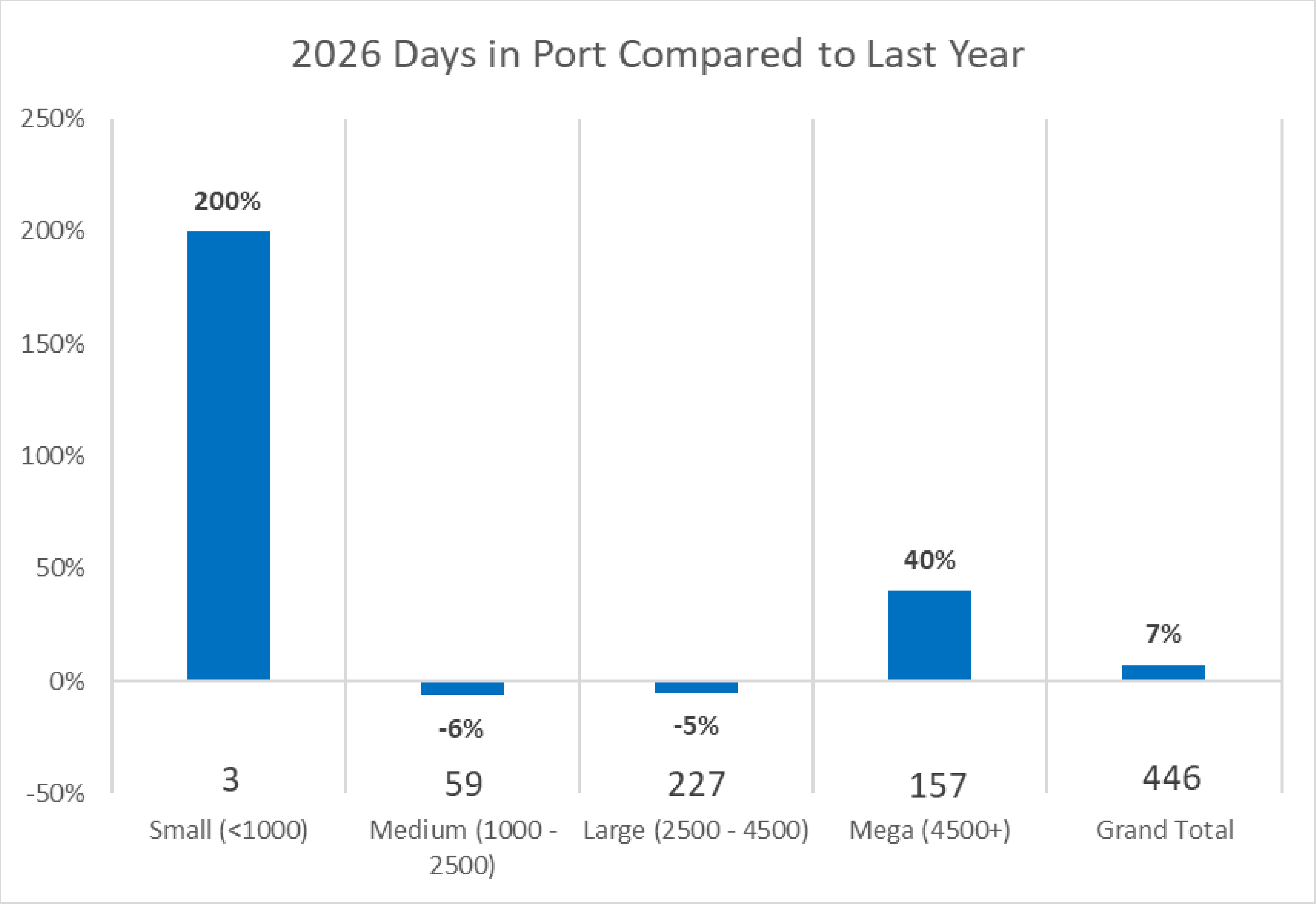
Source: Cruise IP

Cruise lines to Galveston are Contemporary



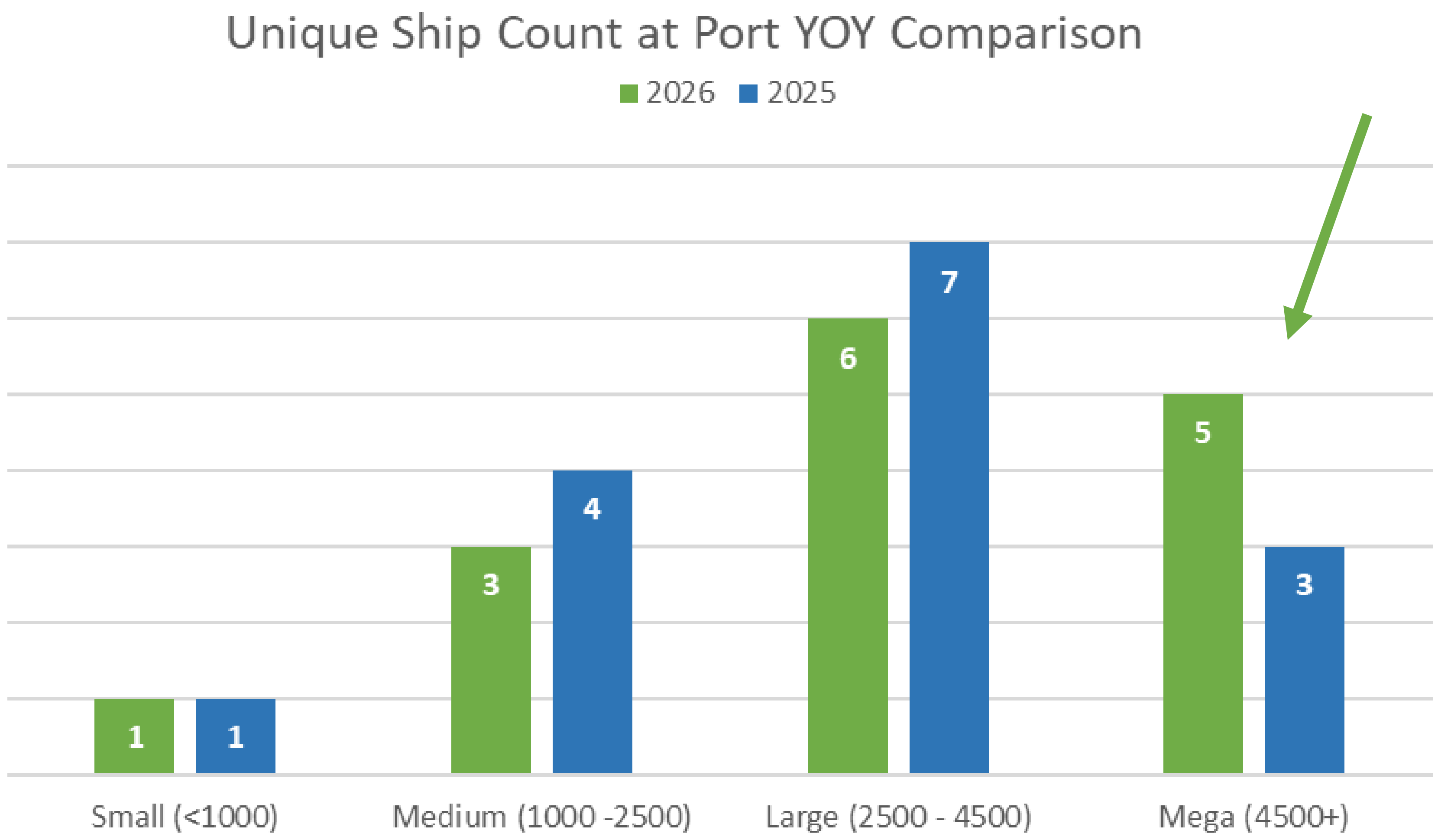
Source: Cruise IP

Showing growth in port days for small and mega Ships



Source: Cruise IP

Same number of ships, just larger!



Source: Cruise IP

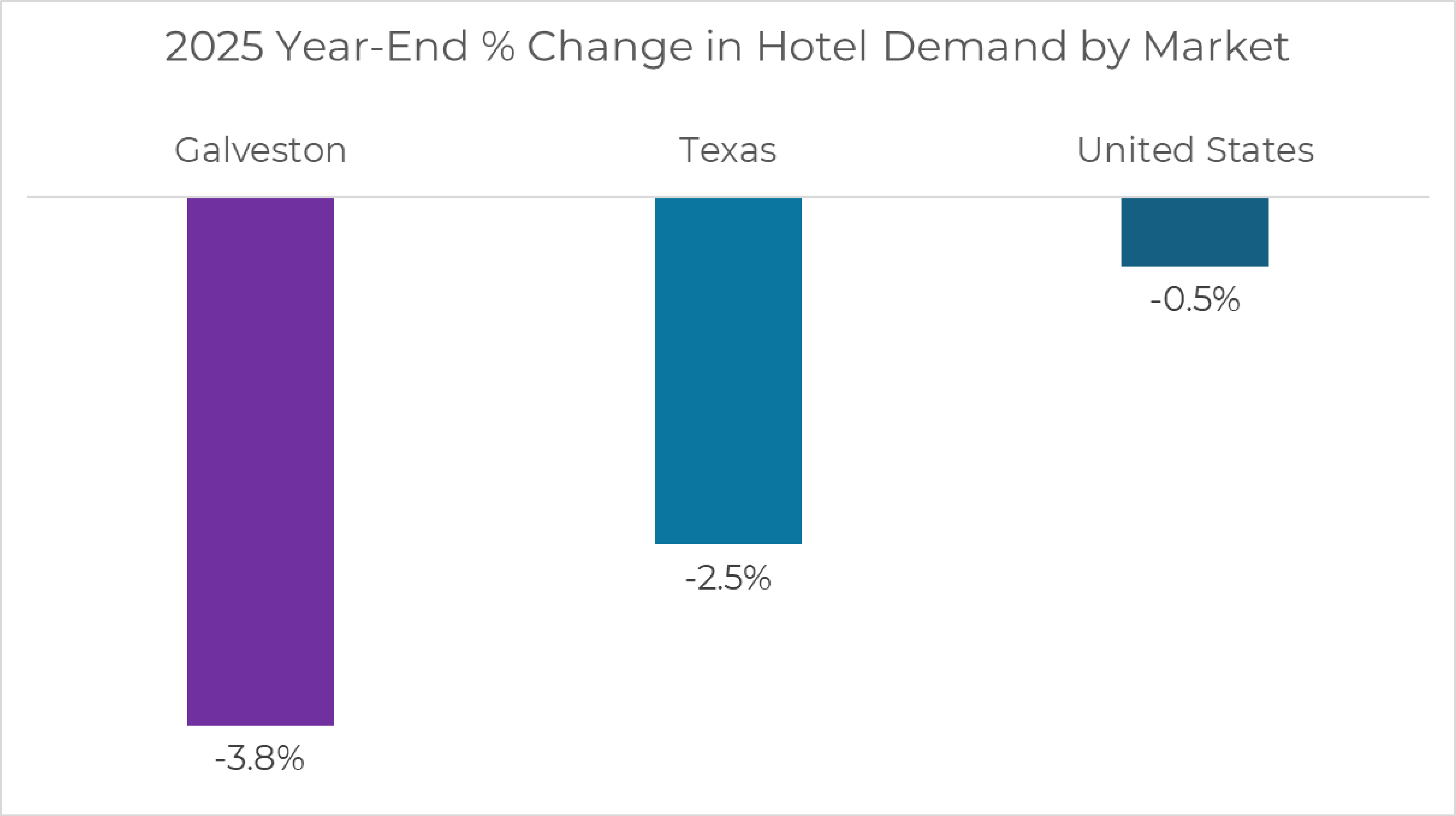
Expect to see more next year

Ship Port Days Long Term Trend

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2019	28	25	32	31	24	28	28	26	28	24	28	31	333
2023	37	34	32	34	24	25	29	25	26	25	28	35	354
2024	39	33	43	28	25	28	25	27	27	27	39	47	388
2025	44	43	52	27	28	26	25	28	25	27	44	47	416
2026	46	41	45	35	33	29	29	34	28	36	43	47	446
2027	47	43	42	40	35	28	32	33	33	40	41	45	459

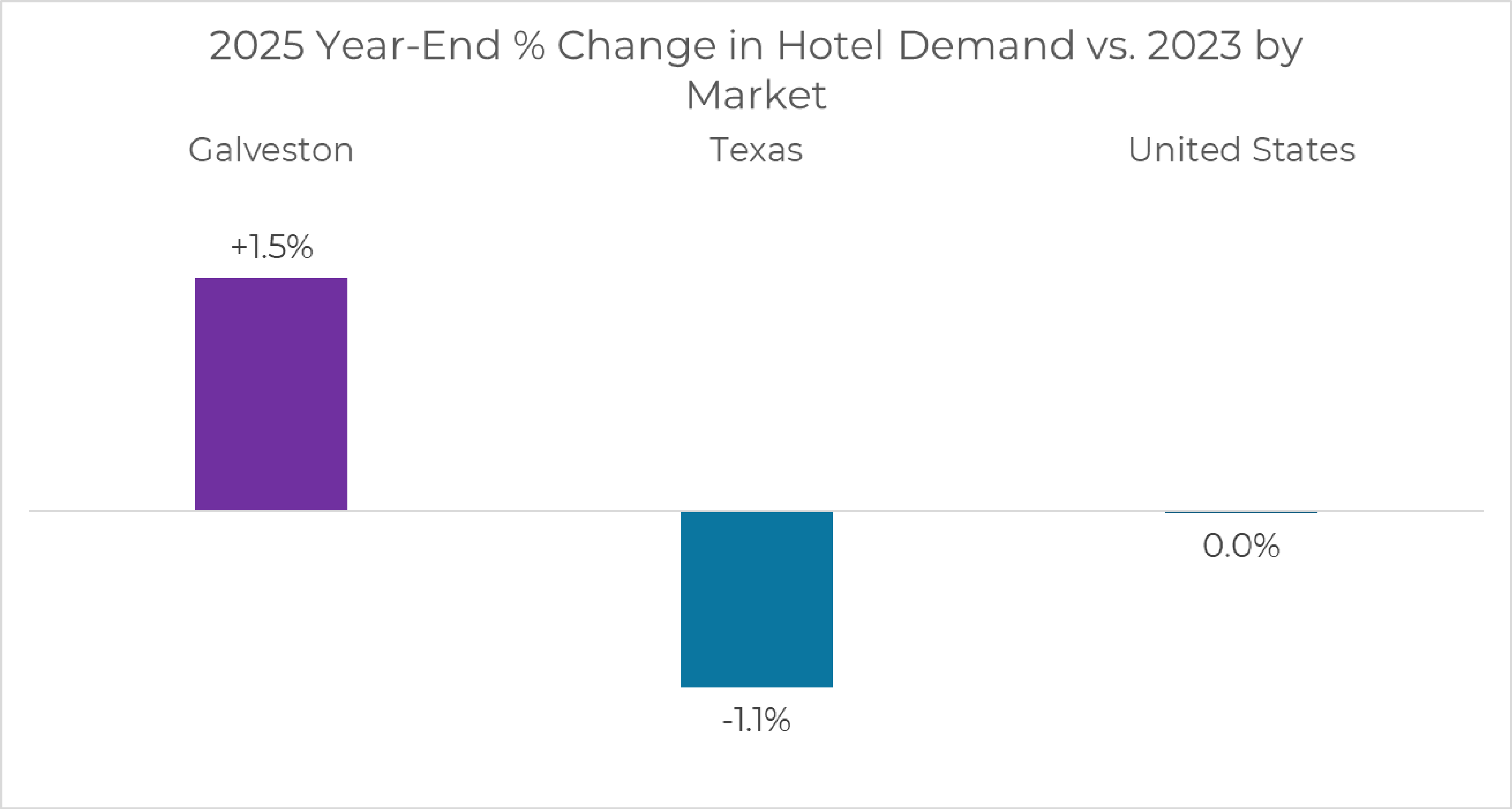
Source: Cruise IP

2025 was tough for hotel room night demand



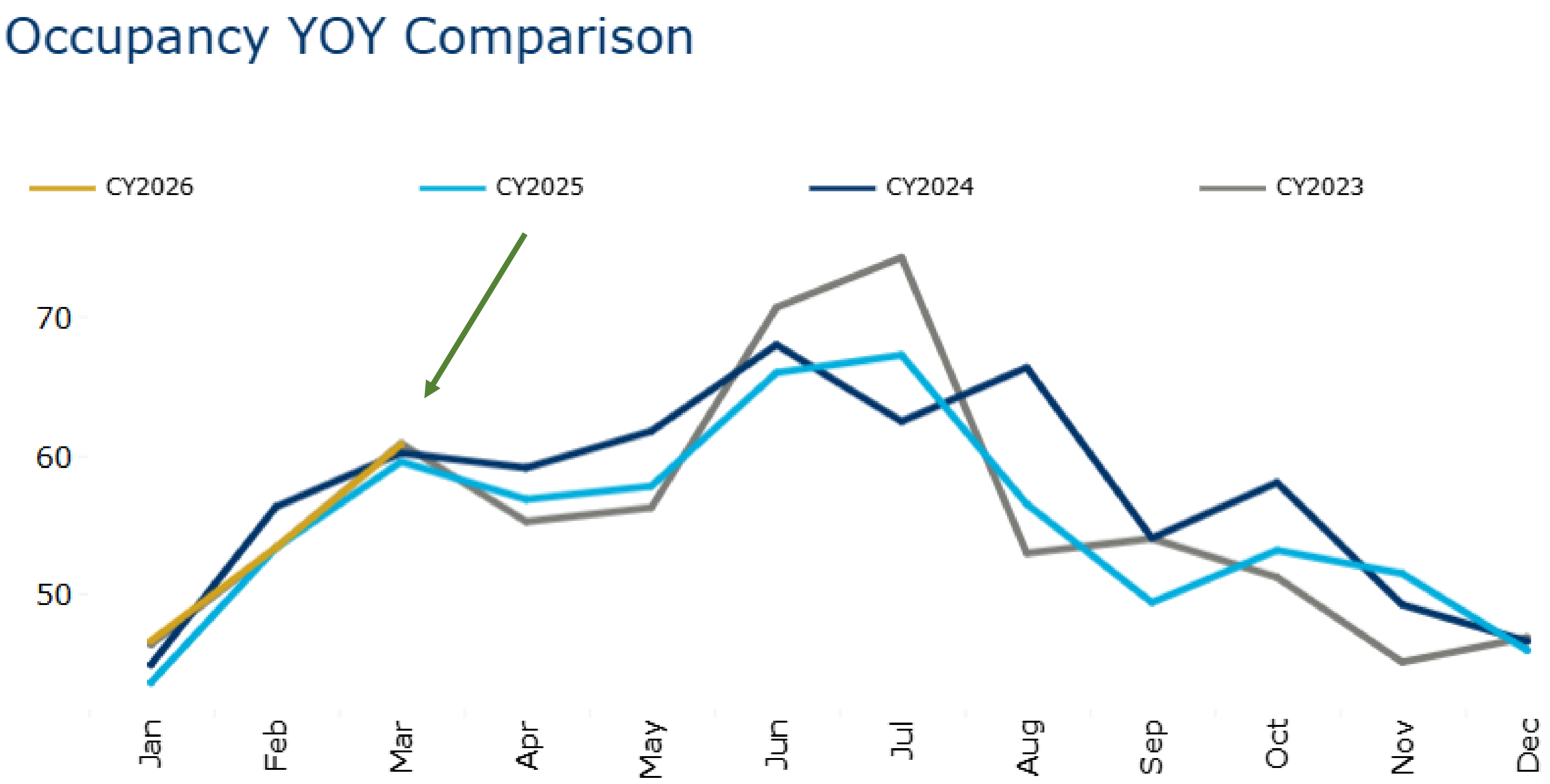
Source: STR, Inc

…or was 2024 an abnormal demand year?



Source: STR, Inc

This year, Galveston hotels are off to a great start!



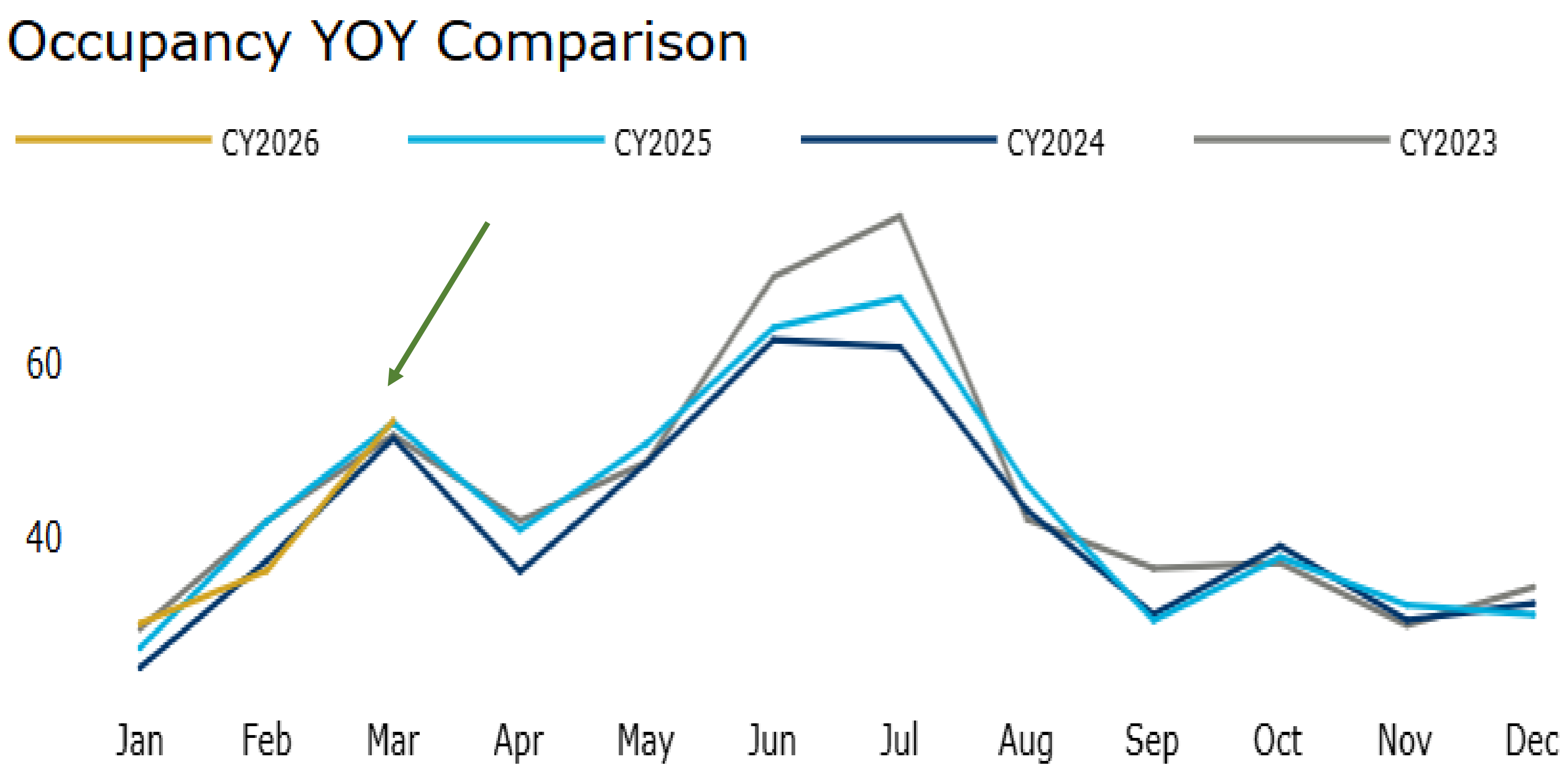
Occupancy
YTD (March)
53.7%
+2.8%

ADR
YTD (March)
$160
+4.8%

RevPAR
YTD (March)
$86
+7.7%

Source: STR, Inc

Short-term rentals are trying to keep up



Occupancy
YTD (March)
41.2%
-1.8%

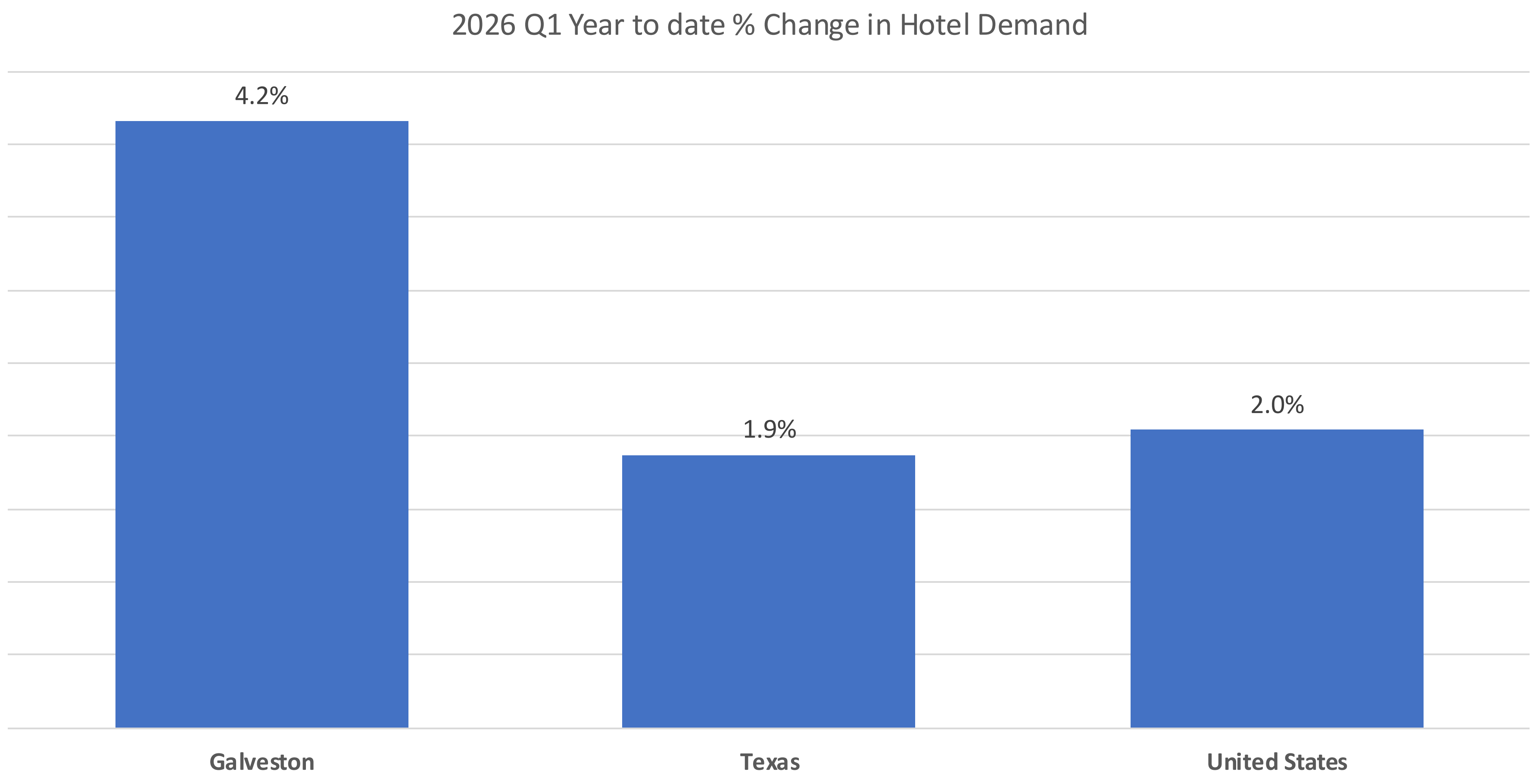
ADR
YTD (March)
$246
+1%

RevPAR
YTD (March)
$101
-0.9%

Because of increased supply in the market – Revenue is up 7.5%

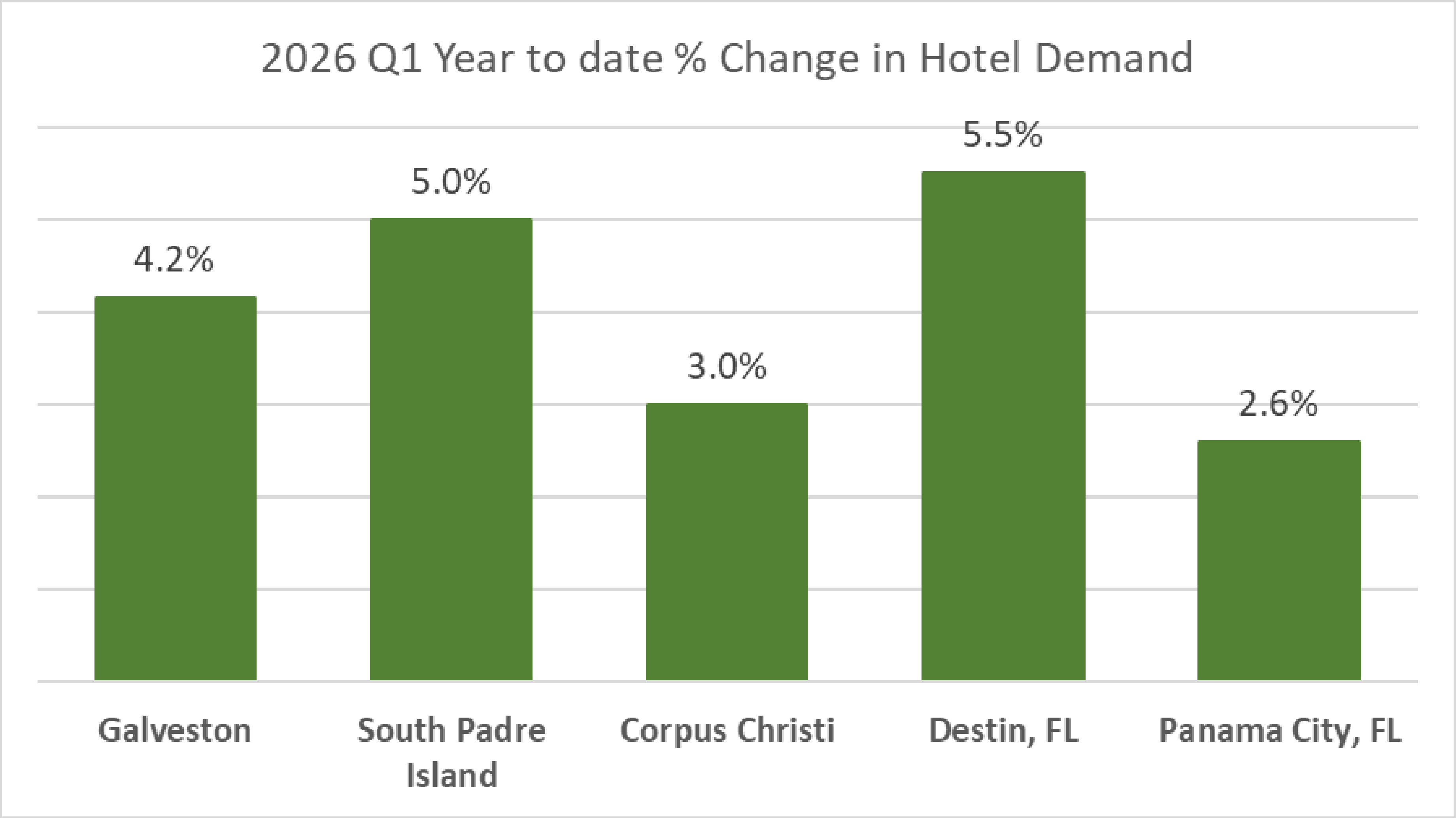
Source: STR, Inc

Hotel Room nights are outpacing Texas and the US



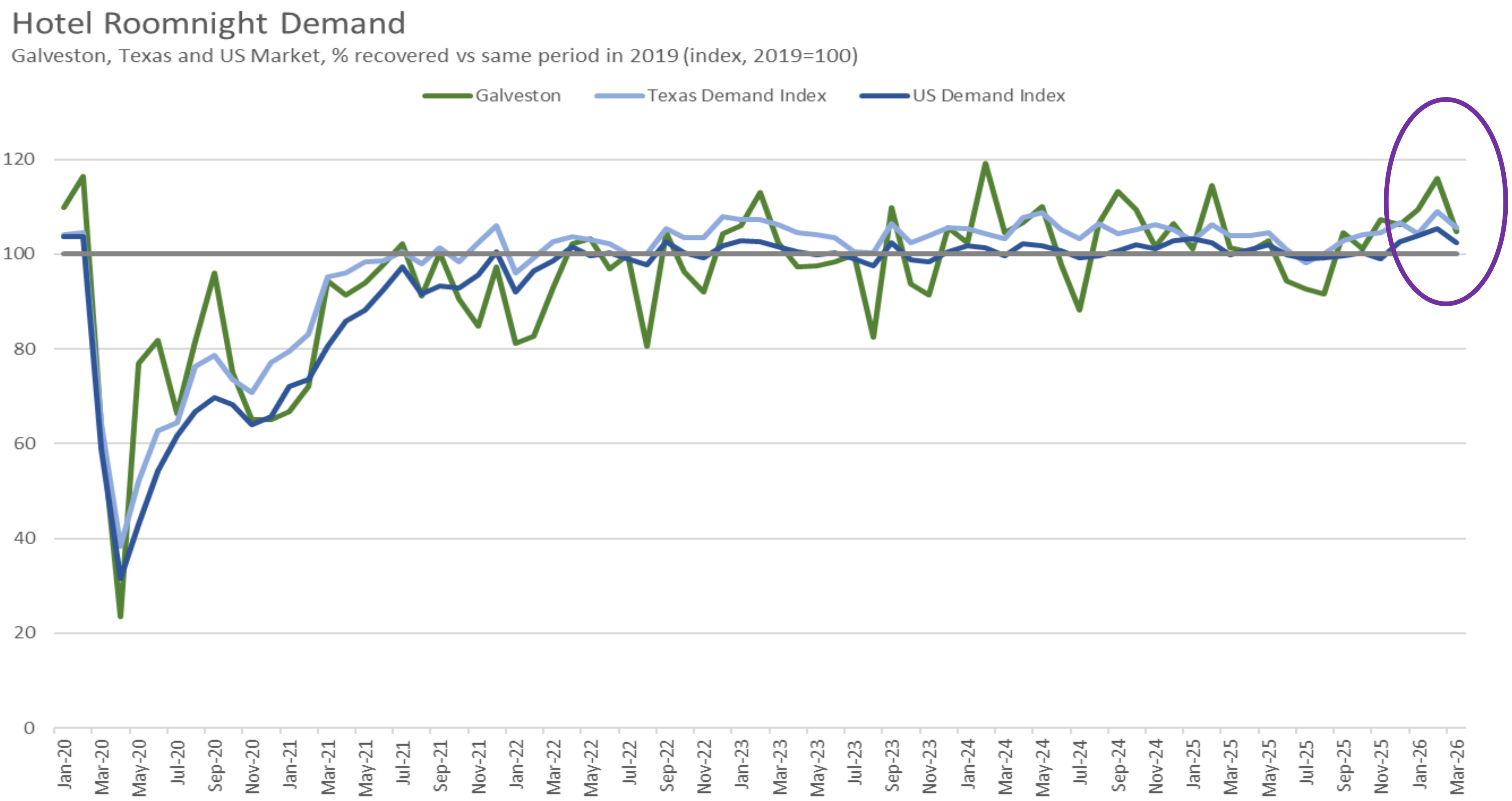
Source: STR, Inc

Trending with competitive Markets



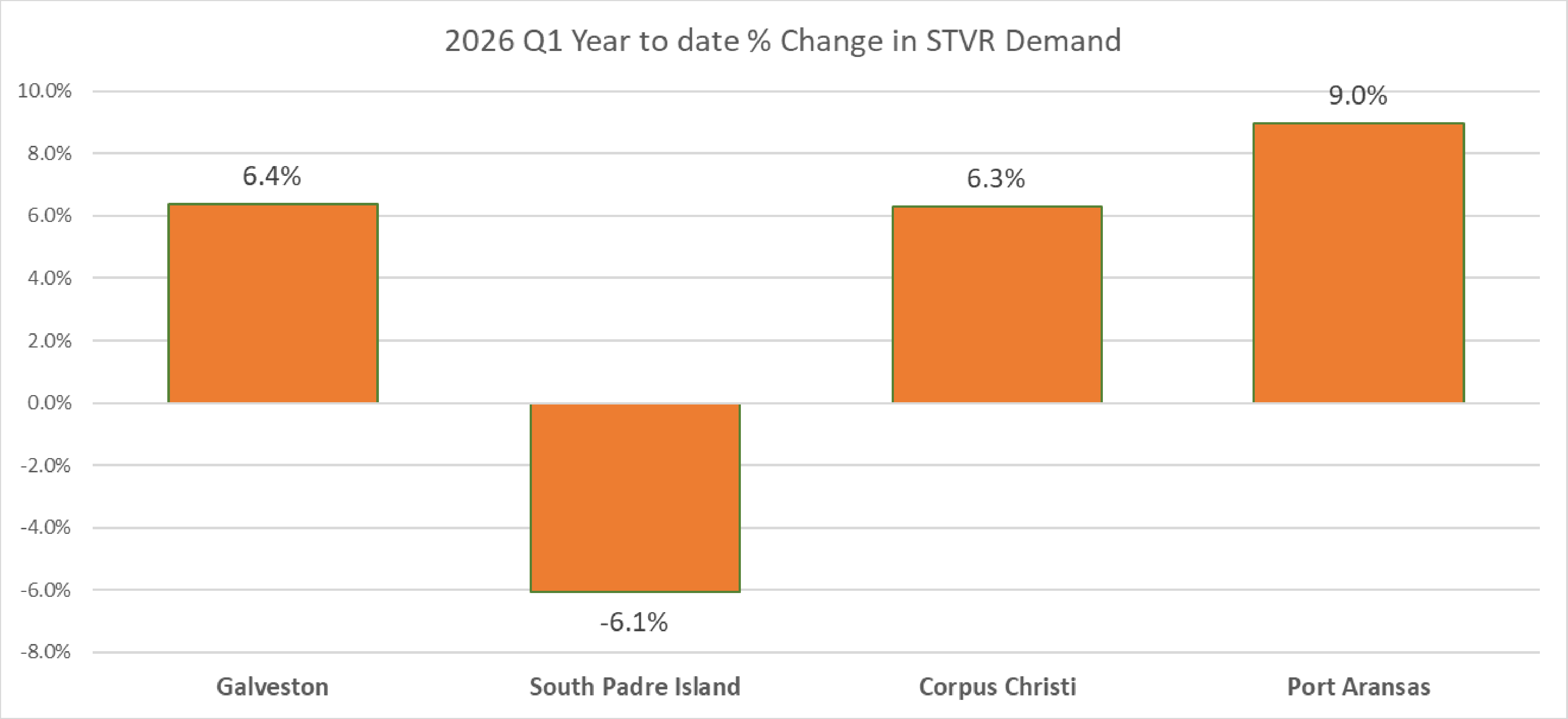
Source: STR, Inc

Fully Recovered from the pandemic



Source: STR, Inc

Short-term Rentals keeping up with Competitors in Texas



Source: AirDNA

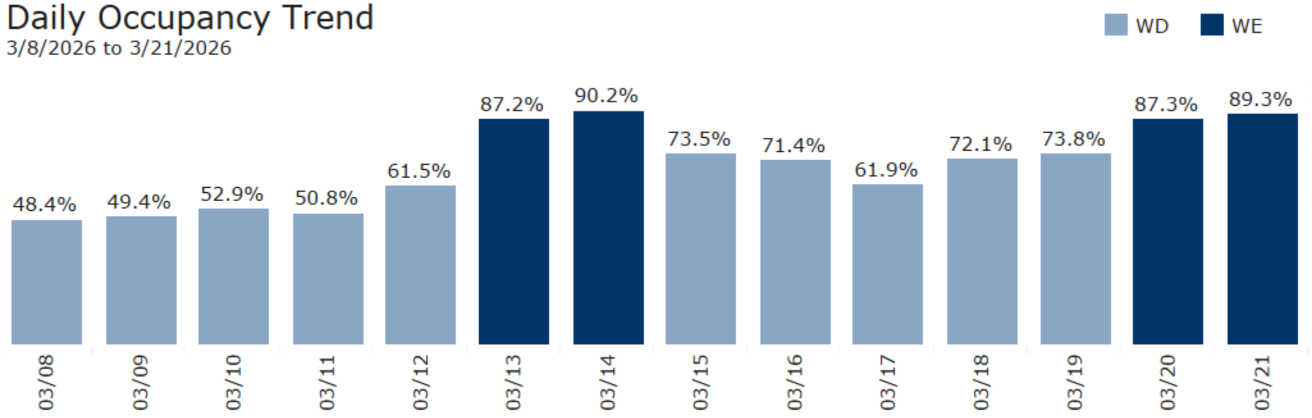
Spring break broke the mold!

Visit GALVESTON

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
3/8/2026 to 3/21/2026	69.3%	$189.36	$131.14	76,958	53,297	$10,092,530
3/9/2025 to 3/22/2025	65.8%	$176.71	$116.26	75,964	49,975	$8,831,294
YOY % Change	+5.3%	+7.2%	+12.8%	+1.3%	+6.6%	+14.3%

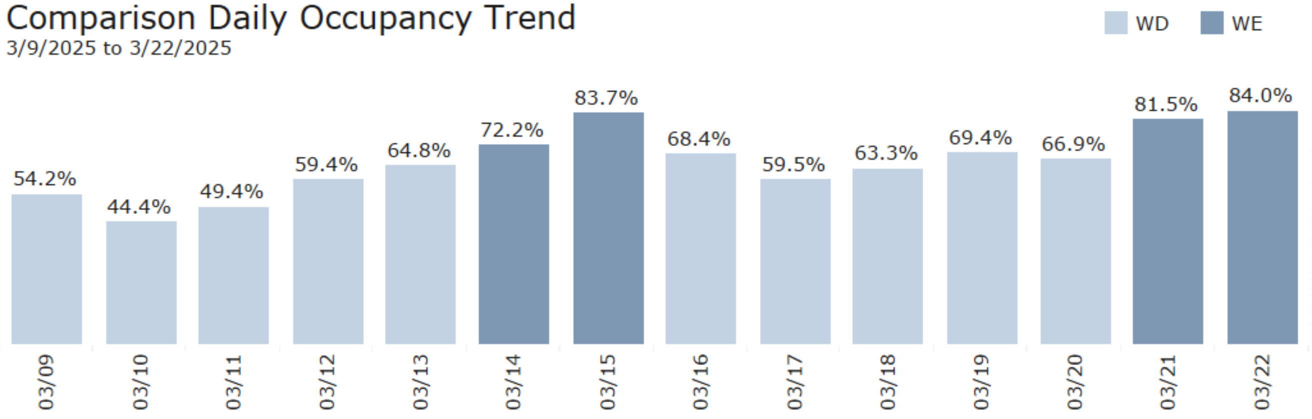
Daily Occupancy Trend

3/8/2026 to 3/21/2026



Comparison Daily Occupancy Trend

3/9/2025 to 3/22/2025



Performance by Day-of Week

3/8/2026 to 3/21/2026

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	WD	WE
Occ	60.9%	60.4%	57.4%	61.4%	67.6%	87.3%	89.8%	61.5%	88.5%
ADR	$159	$164	$157	$154	$159	$240	$246	$158	$243
RevPAR	$97	$99	$90	$95	$107	$209	$221	$98	$215
Supply	11.0K	11.0K	11.0K	11.0K	11.0K	11.0K	11.0K	55.0K	22.0K
Demand	6.7K	6.6K	6.3K	6.8K	7.4K	9.6K	9.9K	33.8K	19.5K
Revenue	$1.1M	$1.1M	$990.0K	$1.0M	$1.2M	$2.3M	$2.4M	$5.4M	$4.7M

% Change by Day-of Week

vs. Same-time-last-year

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	WD	WE
Occ	-0.6%	+16.3%	+1.8%	-4.6%	+2.7%	+13.6%	+7.0%	+2.6%	+10.2%
ADR	+5.2%	+10.7%	+5.6%	+1.7%	+2.2%	+10.0%	+6.8%	+4.9%	+8.2%
RevPAR	+4.6%	+28.7%	+7.5%	-3.0%	+5.0%	+25.0%	+14.3%	+7.7%	+19.2%
Supply	+1.3%	+1.3%	+1.3%	+1.3%	+1.3%	+1.3%	+1.3%	+1.3%	+1.3%
Demand	+0.7%	+17.8%	+3.2%	-3.4%	+4.0%	+15.1%	+8.4%	+4.0%	+11.6%
Revenue	+6.0%	+30.4%	+8.9%	-1.8%	+6.4%	+26.6%	+15.8%	+9.1%	+20.8%

Source: STR

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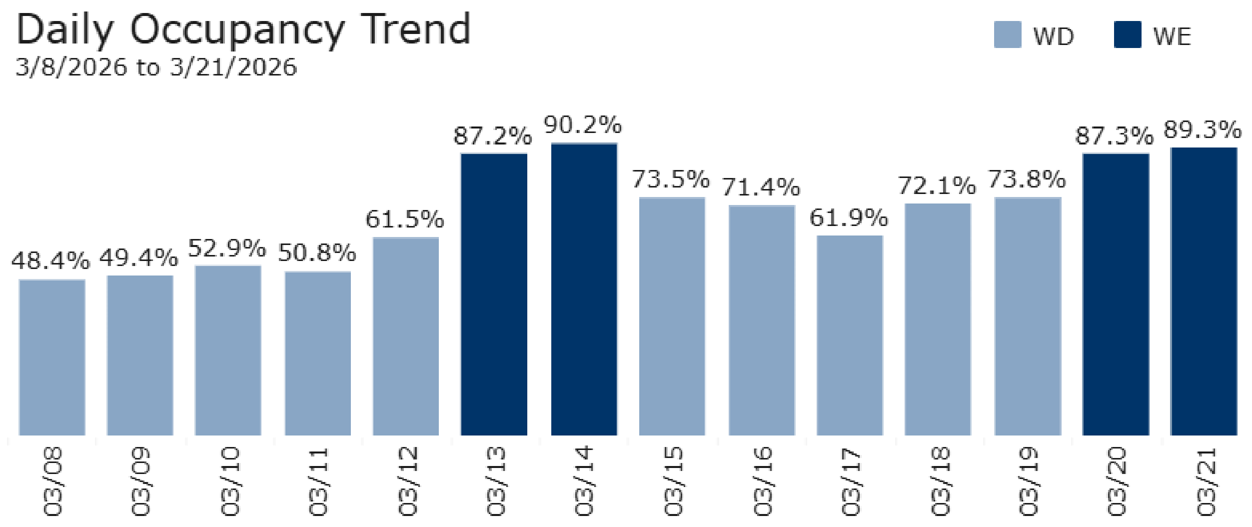
Even compared to 2024!

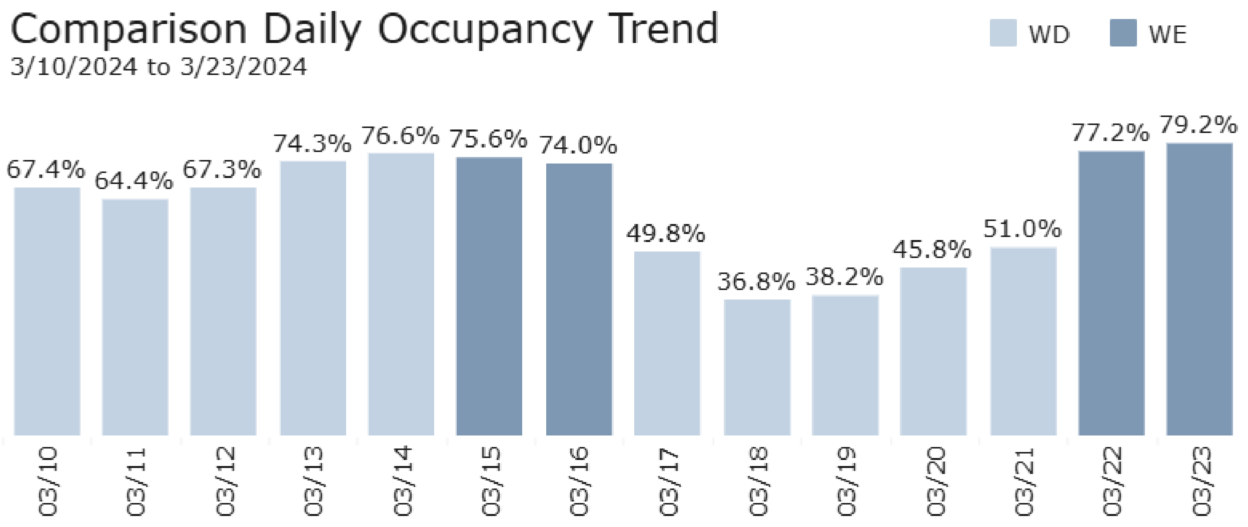


Occupancy 69.3%

+10.5% over 2024

Weekend occupancy

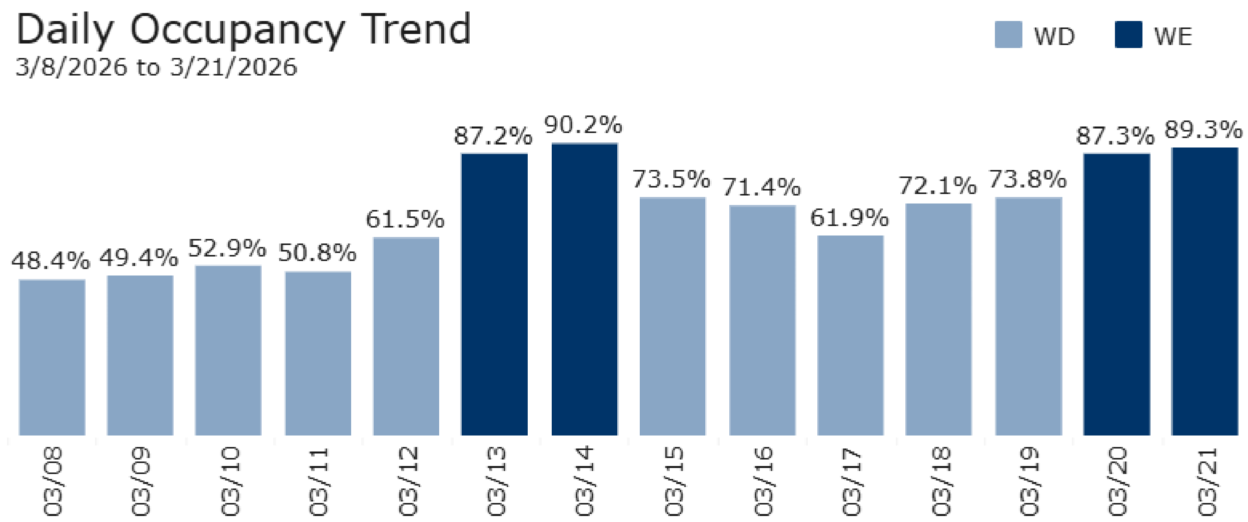
+15.7%



Occupancy 62.7%

Source: STR, Inc

AND 2023!

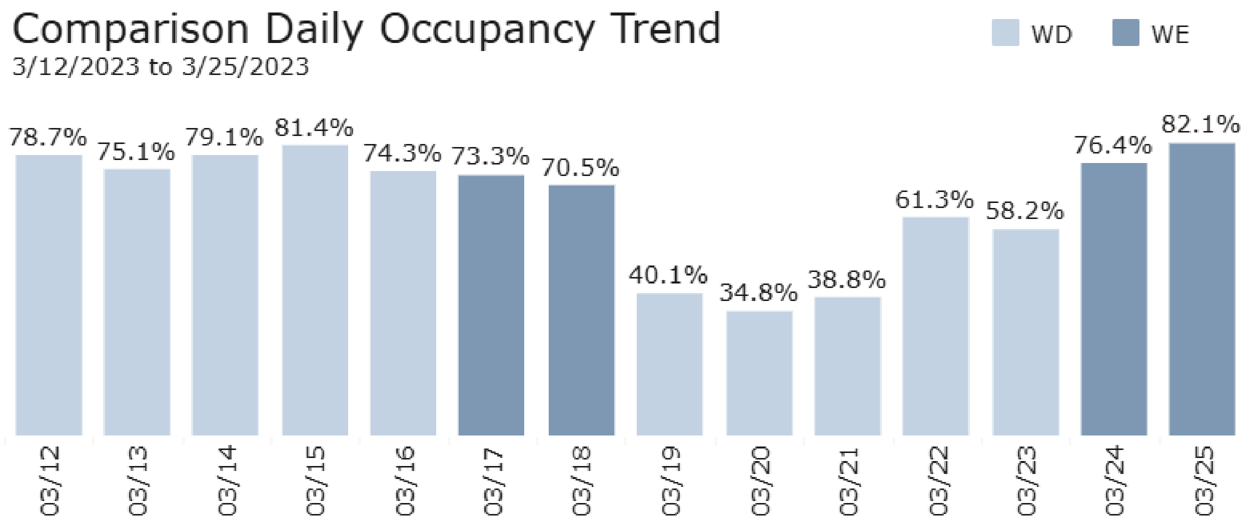


Occupancy 69.3%

+4.9% over 2023

Weekend occupancy

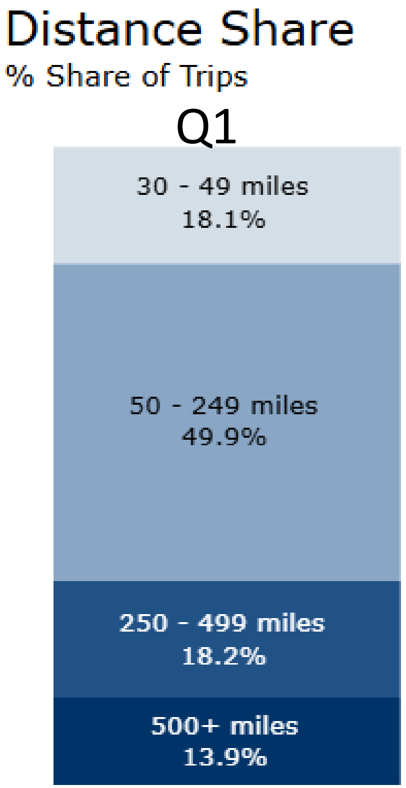
+17.2%



Occupancy 66%

Source: STR, Inc

Regional drive market shows high overnight stays



79.9% of visitors stay the night

Top 5 Markets

Houston MSA
Dallas MSA
Texas Non-Metropolitan Areas
Austin MSA
San Antonio MSA

Source: Azira

Cindy Decker
Director of Market Insights

cdecker@oxfordeconomics.com