TOURISM ECONOMICS
AN OXFORD ECONOMICS COMPANY

The Intersection of Travel and the Economy

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Tourism, an economic driver to the state

Visitors Generate Significant Economic Impact

In 2024, **29.4 million visitors spent $6.0 billion** in the Rhode Island economy, generating a total economic impact of $8.8 billion.

29.4M VISITORS TO RHODE ISLAND

$6.0B VISITOR SPENDING

$8.8B TOTAL ECONOMIC IMPACT

$4.3B TOTAL PERSONAL INCOME

88,509 TOTAL JOBS SUPPORTED

$992M STATE AND LOCAL TAXES

The visitor economy is an economic pillar in Rhode Island. In 2024, visitor spending supported one-in-eight jobs in Rhode Island. In addition:

$6.0B VISITOR SPENDING

Visitors spent $16.3 million per day, on average, in Rhode Island.

$4.3B PERSONAL INCOME

This is the equivalent of $9,710 per resident household, regardless of any connection to the visitor economy.

88,509 JOBS

The visitor economy sustains 13.0% of all jobs in Rhode Island. These jobs could fill Brown University's Richard Gouse Field more than 4 times over.

$992M STATE & LOCAL TAXES

Each household in Rhode Island would need to be taxed an additional $2,230 to replace the visitor-generated taxes received by state and local governments in 2024.

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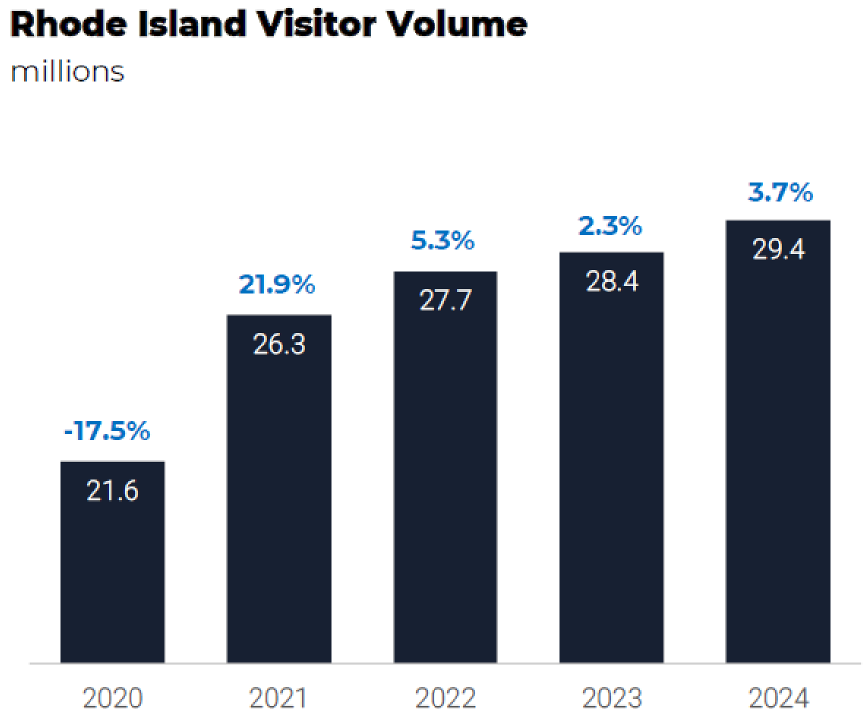
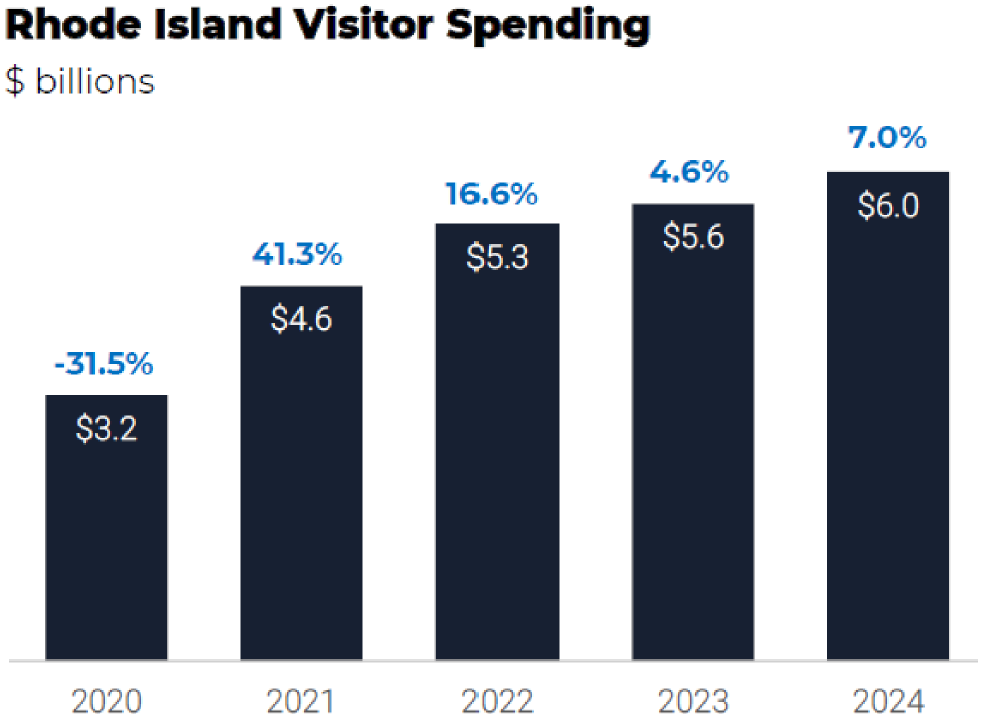
Source: Tourism Economics

Four straight years of visitor and spending growth





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Source: Tourism Economics

Leisure continue to drive growth in visits

Rhode Island Visitor Volume, by Segment

millions

	2020	2021	2022	2023	2024	2024 Growth
Total visitors	**21.60**	**26.32**	**27.73**	**28.36**	**29.41**	3.7%
Purpose						
Leisure	19.86	24.45	25.45	25.93	27.55	6.2%
Business	0.92	0.98	1.36	1.48	1.15	-21.9%
Both	0.82	0.90	0.92	0.95	0.71	-25.5%
Stay						
Day	15.63	18.16	19.10	19.63	20.35	3.6%
Overnight	5.98	8.16	8.63	8.73	9.07	3.9%
Market						
Domestic	21.56	26.29	27.62	28.18	29.22	3.7%
International*	0.04	0.03	0.11	0.18	0.19	9.3%

Source: Tourism Economics

*2024 international volumes and spend are considered preliminary

Visitor spending goes beyond just travel-related businesses

Rhode Island Traveler Economy Spending

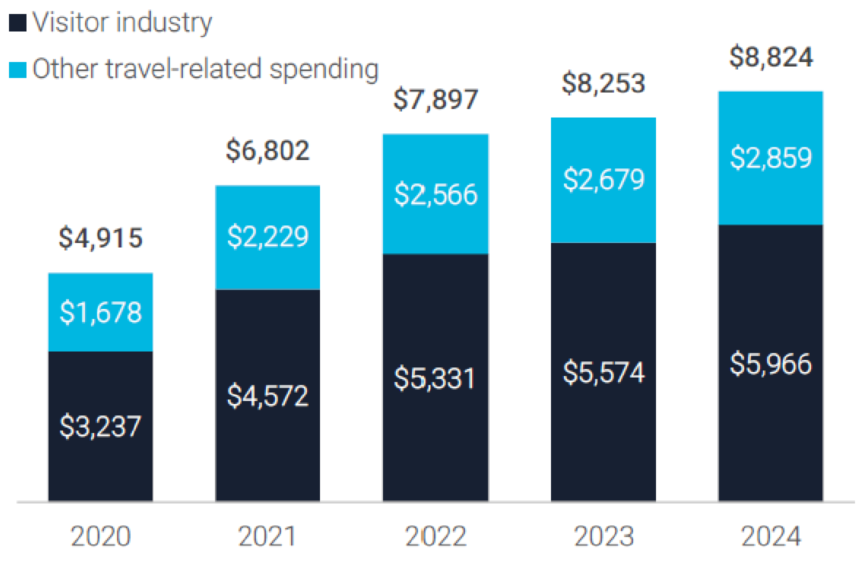
$ millions

	2020	2021	2022	2023	2024	2024 Growth
Total traveler economy spending	**$4,915**	**$6,802**	**$7,897**	**$8,253**	**$8,824**	6.9%
Food & beverage	$1,539	$2,057	$2,355	$2,481	$2,666	7.4%
Recreation	$870	$1,169	$1,361	$1,461	$1,545	5.8%
Retail	$958	$1,208	$1,362	$1,420	$1,485	4.6%
Lodging	$445	$846	$1,011	$1,024	$1,129	10.3%
Air transport	$199	$416	$496	$547	$607	11.1%
Local transport	$290	$390	$484	$485	$503	3.8%
Other travel services	$224	$305	$359	$370	$394	6.5%
Construction	$212	$225	$269	$261	$282	8.1%
Seasonal homes	$177	$185	$198	$204	$213	4.1%

Source: Tourism Economics

Rhode Island Traveler Economy Spending

$ millions



Source: Tourism Economics

And supports jobs beyond the tourism sector

Employment by Industry (2024)

jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	**60,857**	**13,049**	**14,603**	**88,509**
Food & Beverage	27,959	837	2,293	31,089
Recreation and Entertainment	14,433	2,499	534	17,466
Retail Trade	5,792	297	1,548	7,637
Lodging	6,746	15	7	6,768
Business Services	1,584	3,778	1,292	6,655
Education and Health Care		173	4,254	4,426
Finance, Insurance and Real Estate	260	2,340	1,774	4,374
Construction and Utilities	1,664	356	190	2,211
Personal Services		547	1,595	2,142
Other Transport	961	856	265	2,083
Air Transport	1,251	8	8	1,267
Wholesale Trade		409	379	788
Communications		395	194	589
Government		289	99	388
Gasoline Stations	206	21	79	306
Manufacturing		184	69	253
Agriculture, Fishing, Mining		45	23	68

Source: Tourism Economics

All regions are contributing to visitation and spending growth

Rhode Island Visitor Volumes

thousands

	2020	2021	2022	2023	2024	2024 Growth
Total State*	**25,923**	**31,588**	**33,286**	**34,032**	**35,297**	**3.7%**
Bristol County		187	192	194	198	2.1%
Warwick	2,837	3,564	3,971	4,049	4,310	6.5%
Newport County	6,521	8,381	8,669	8,645	8,801	1.8%
Providence	5,619	6,886	7,145	7,487	7,856	4.9%
South County	5,147	5,934	6,192	6,280	6,428	2.4%
Blackstone Valley		3,167	3,521	3,632	3,800	4.6%
Block Island	1,367	1,570	1,636	1,669	1,750	4.9%
Balance of State	1,659	1,899	1,959	2,076	2,153	3.7%

Rhode Island Visitor Industry Spending

$ millions

	2020	2021	2022	2023	2024
Total visitor spending	**$3,237**	**$4,572**	**$5,331**	**$5,574**	**$5,966**
Bristol County		$30	$30	$31	$32
Warwick	$436	$669	$829	$871	$966
Newport County	$757	$1,196	$1,304	$1,310	$1,378
Providence	$630	$908	$1,185	$1,301	$1,406
South County	$692	$875	$966	$980	$1,022
Blackstone Valley		$391	$483	$513	$553
Block Island	$182	$228	$242	$249	$274
Balance of State	$220	$277	$289	$318	$334

Rhode Island Visitor Industry Spending

year-over-year % change

	2020	2021	2022	2023	2024
Total visitor spending	**-31.5%**	**41.3%**	**16.6%**	**4.6%**	**7.0%**
Bristol County			2.6%	1.2%	3.8%
Warwick	-44.3%	53.3%	24.0%	5.1%	10.9%
Newport County	-31.0%	58.0%	9.1%	0.4%	5.2%
Providence	-41.4%	44.0%	30.6%	9.8%	8.1%
South County	-11.7%	26.4%	10.5%	1.4%	4.3%
Blackstone Valley			23.5%	6.2%	7.6%
Block Island	-3.7%	24.9%	6.4%	2.9%	10.1%
Balance of State	-23.0%	25.7%	4.6%	9.9%	5.1%

Source: Tourism Economics

*Includes multi-region visits, making the sum of regions larger than the state total

Note: Data for Bristol County and Blackstone Valley regions are not comparable prior to 2021 due to reclassification of East Providence from Bristol County to Blackstone Valley beginning in 2021.

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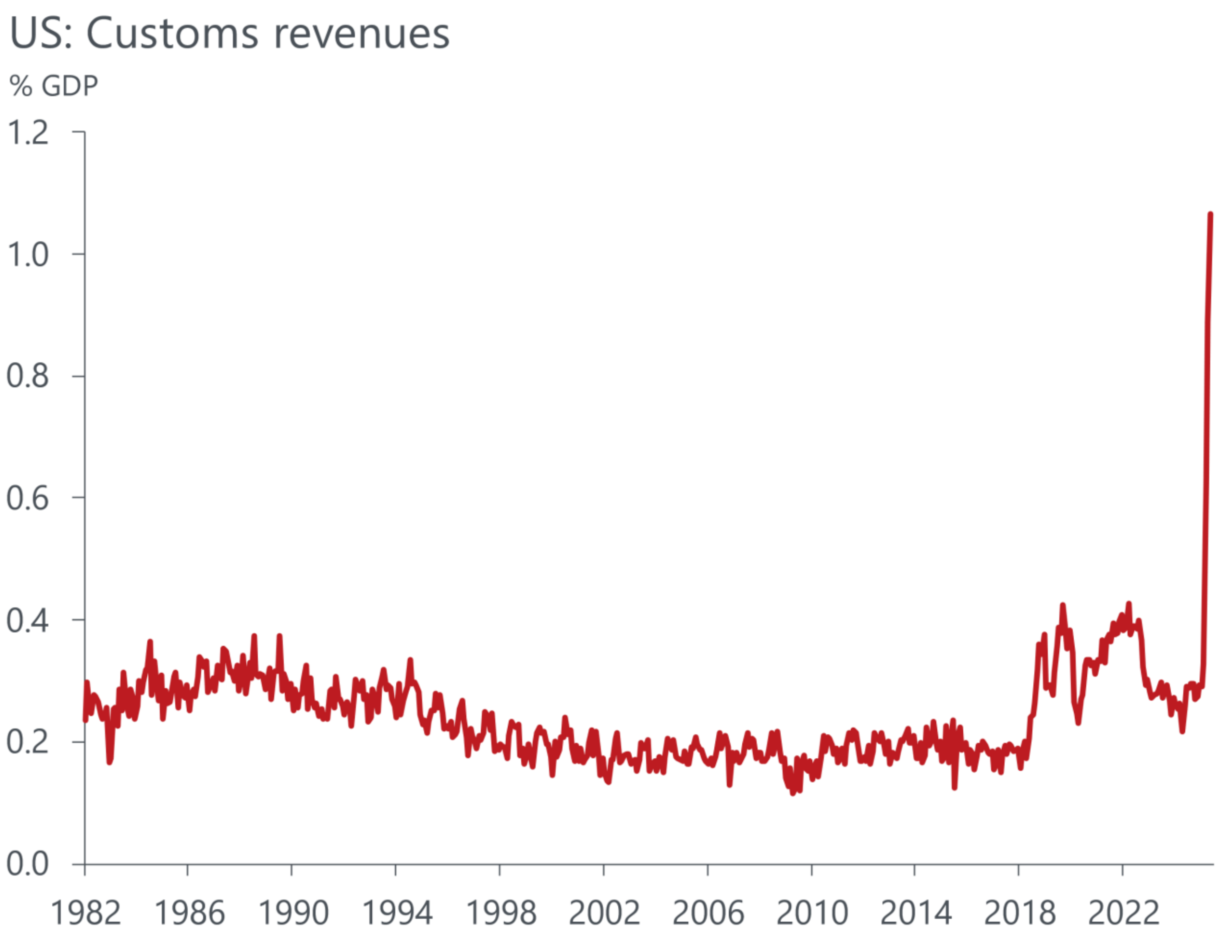
So, how about 2025?
It's been a year of …
Tariffs

Other than a negotiation tool, tariffs are raising tax revenues



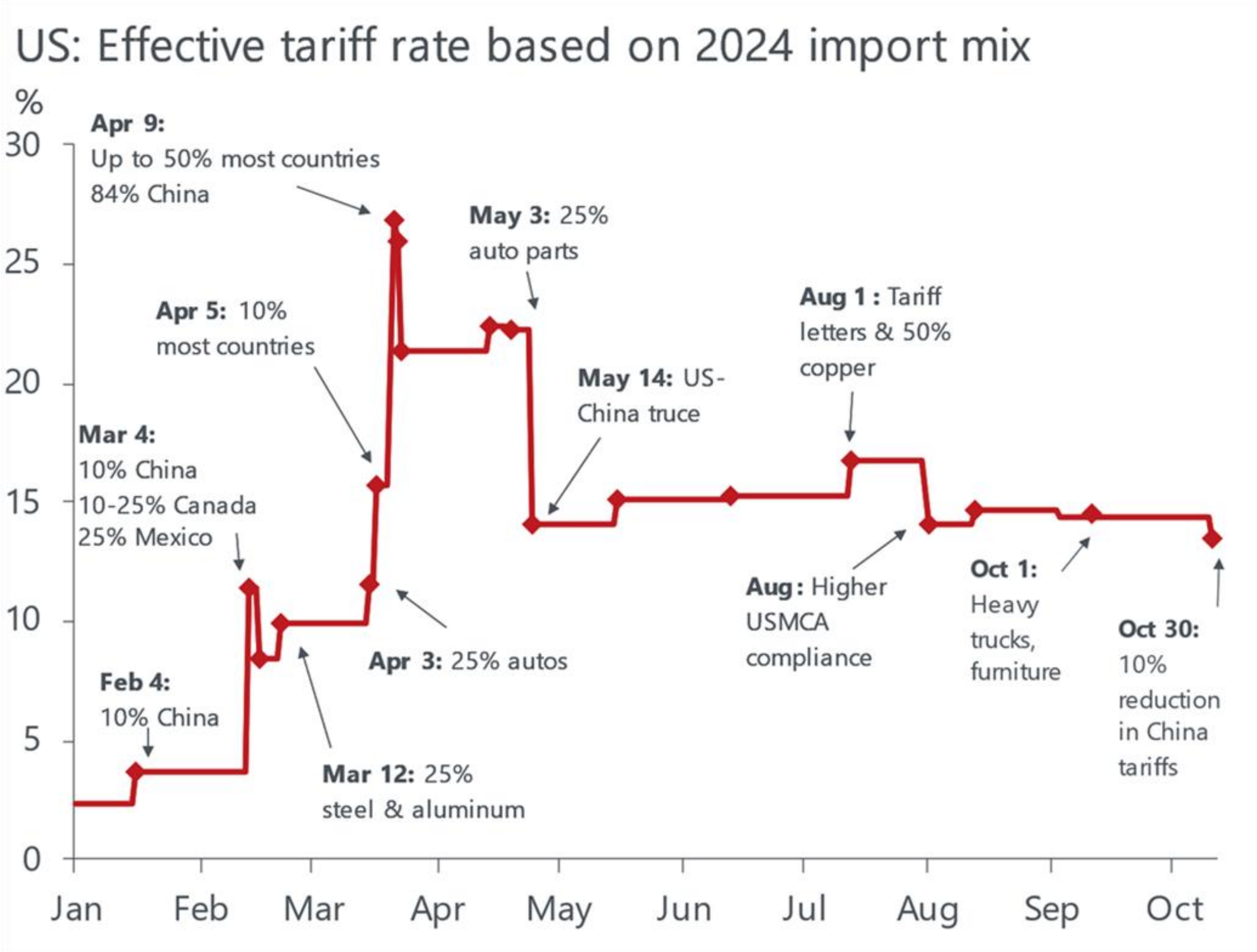
Source: Oxford Economics

$31 billion in September
(compared to an average of around $8B last year)

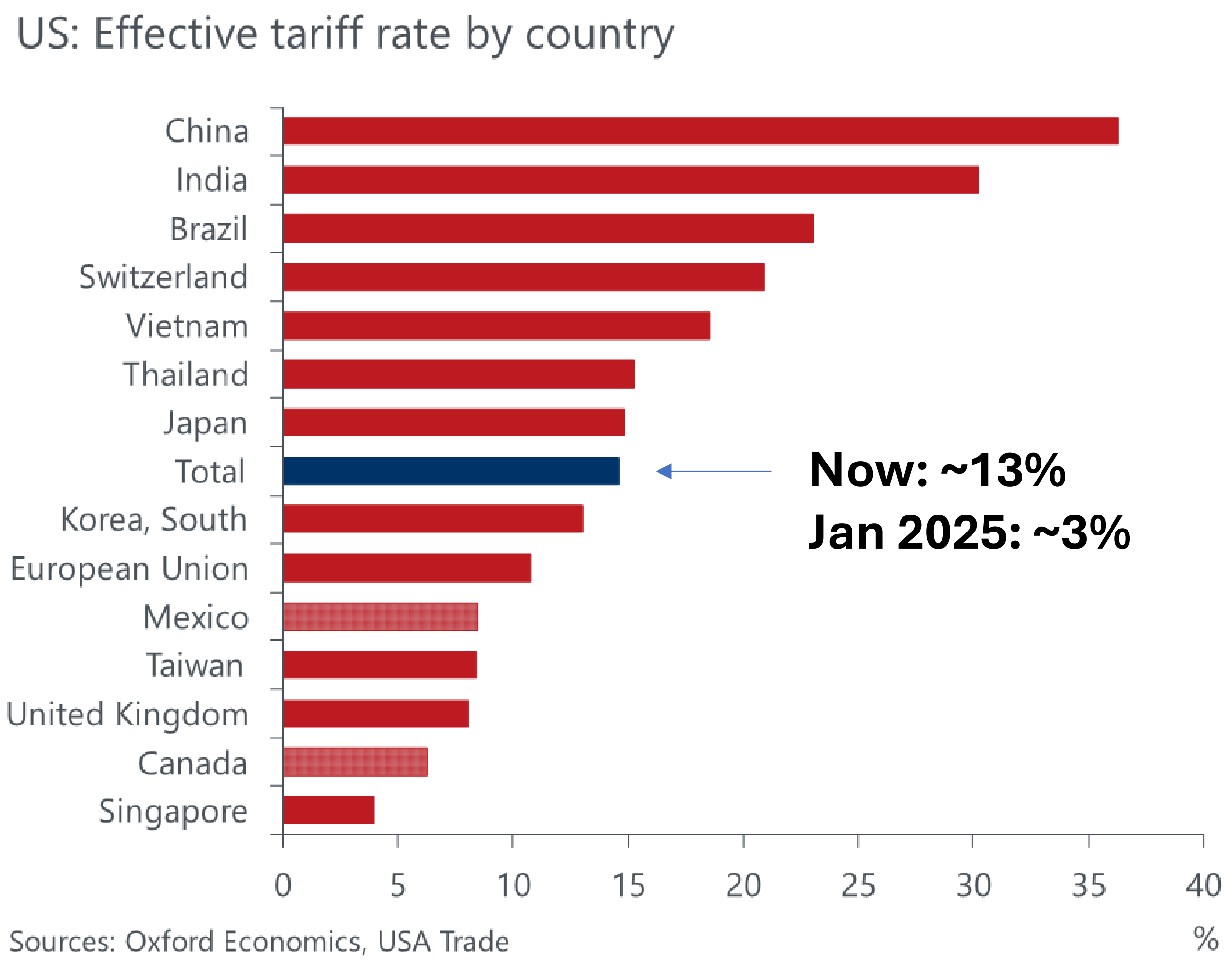
Tariff revenue helps offset costs from the One Big Beautiful Bill….

…..but won't do much to reduce the $1.8T deficit

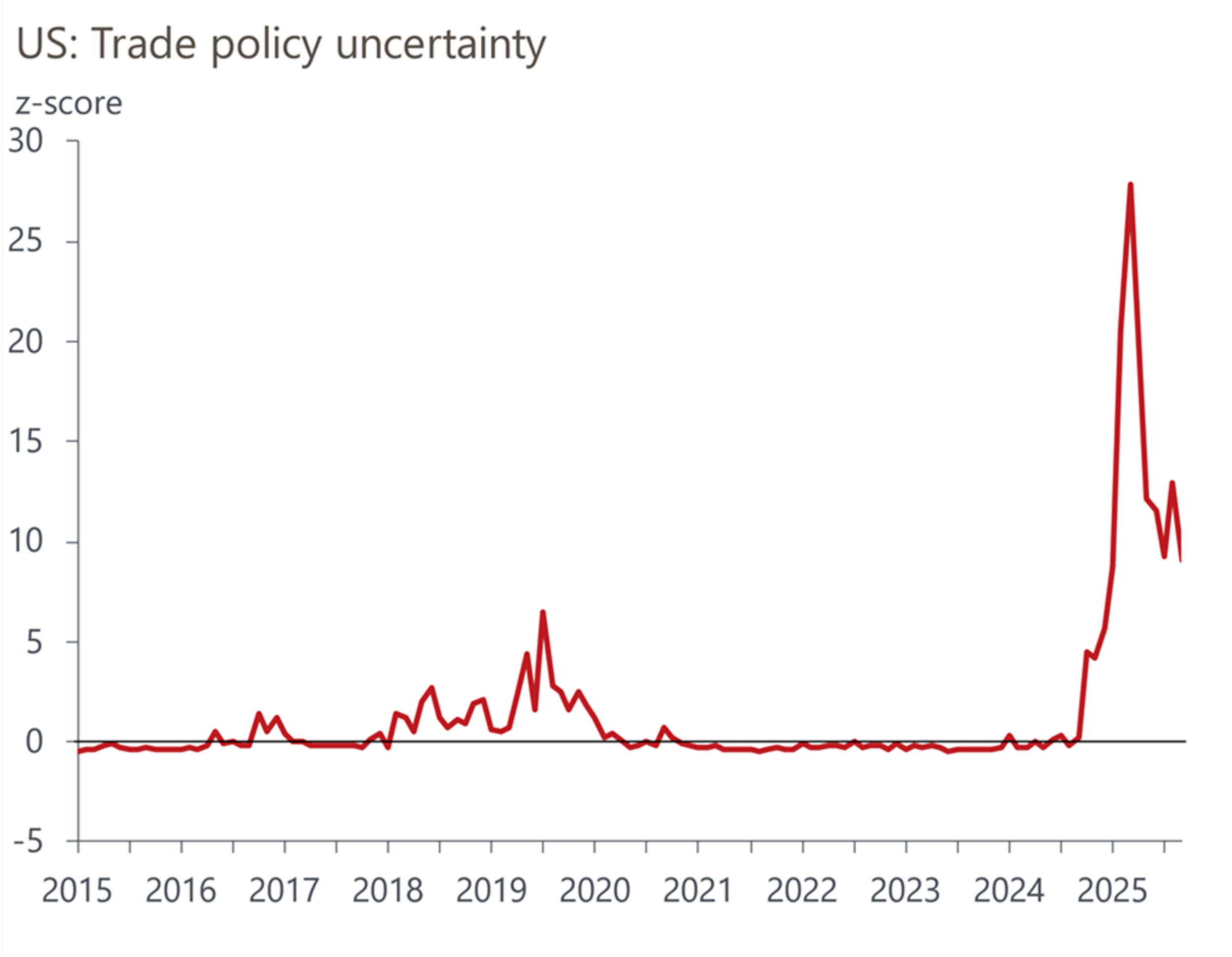
Tariff announcement calendar … A challenge to track



Trade-weighted tariff rate highest since 1930s



Tariff policy is also raising uncertainty

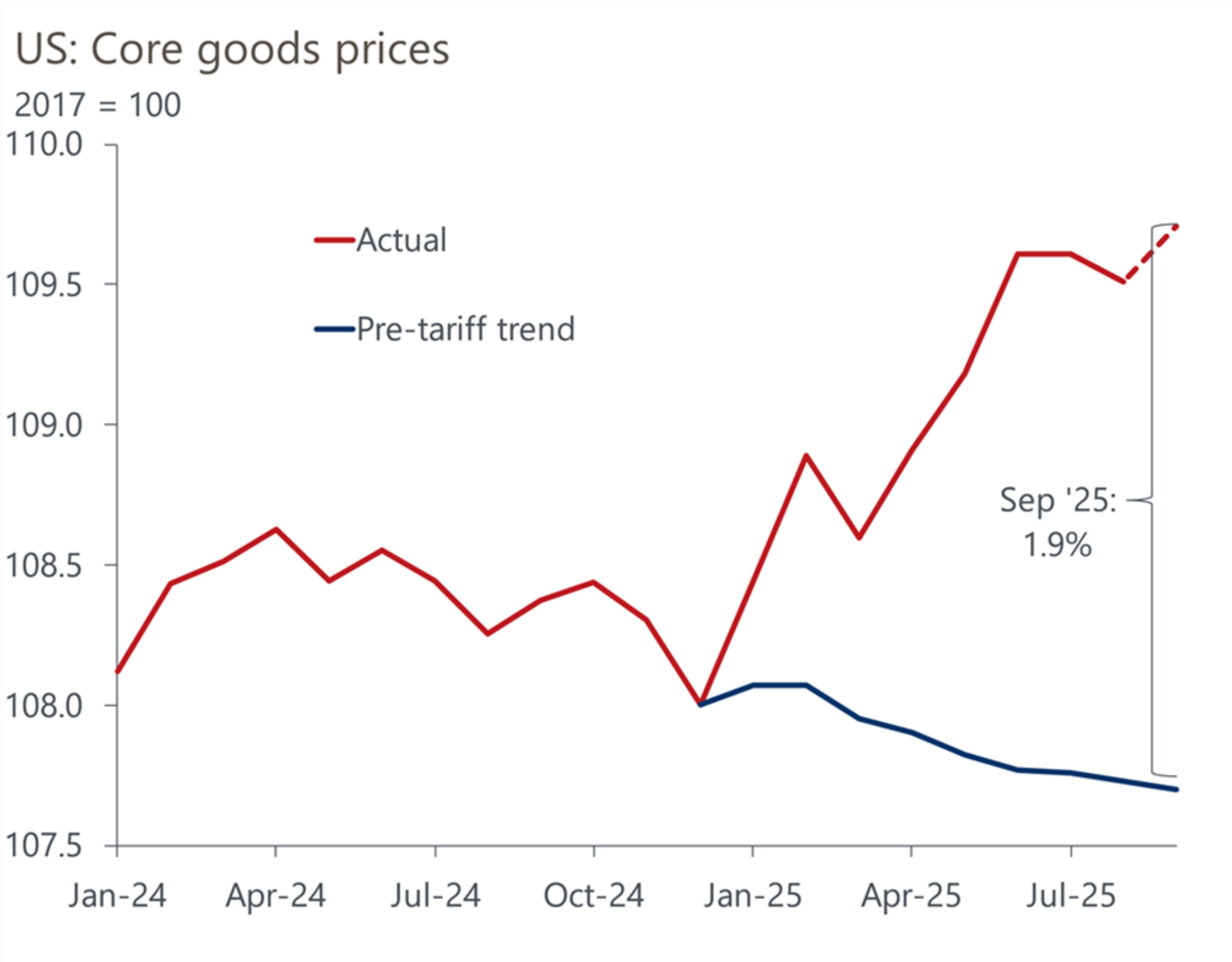


Source: Oxford Economics

Greater uncertainty impacts economic outcomes and delays spending

Economic Consequences

Tariffs pass-through to consumer prices



Not all tariffs have passed through to consumers.

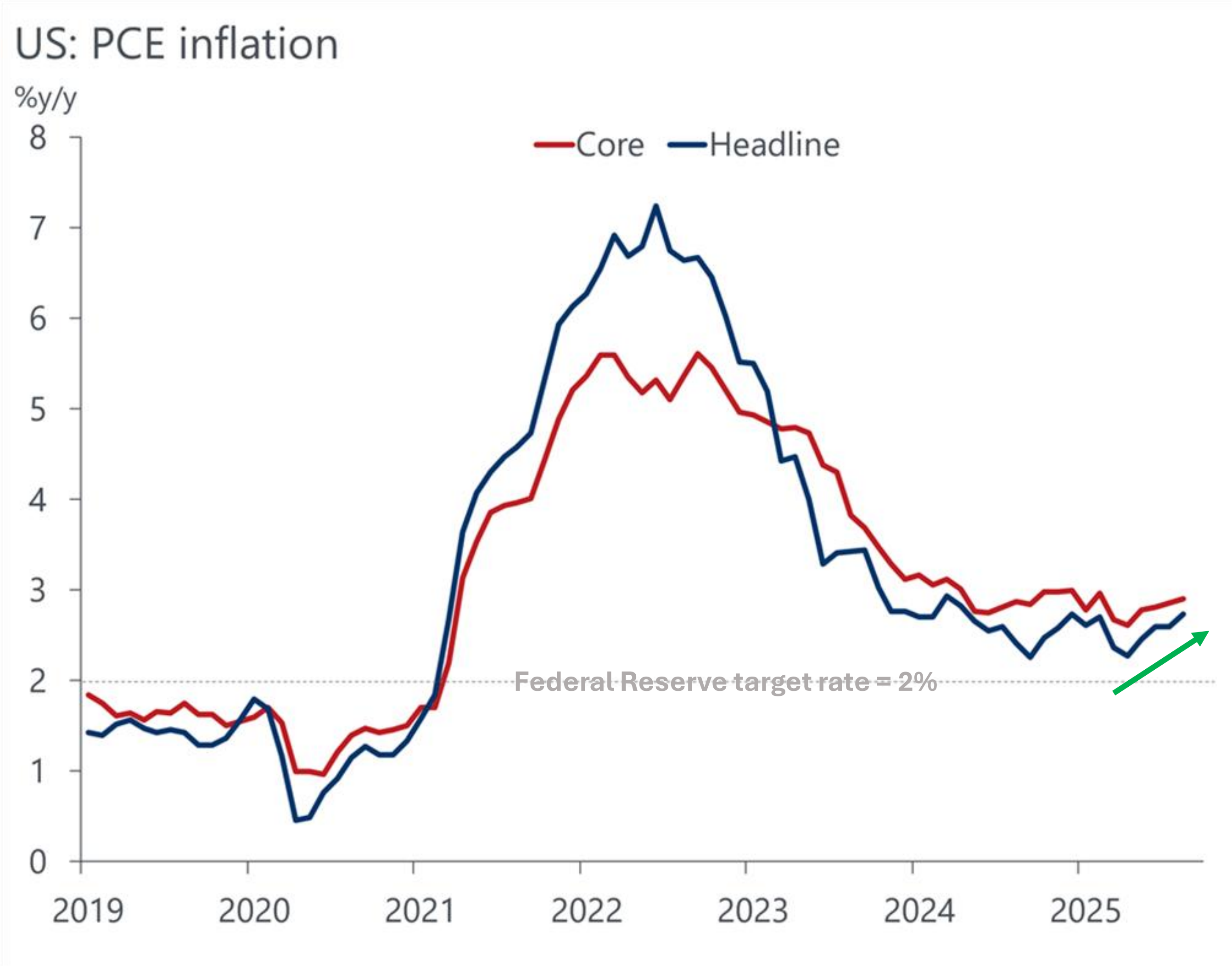
Businesses initially avoided tariff impacts by …

- Absorbing costs
- Front-loading imports
- Run-down inventories
- Reconfiguring supply chains
- Stalled tariff implementation

Transmission delays are fading, meaning effects will intensify

Source: Oxford Economics/Haver Analytics

Inflation will continue to rise this year



Annualized inflation rose to 3.0% in September versus 2% target.

If not for tariffs, inflation would be 0.4ppts lower – 2.6%.

Source: Oxford Economics/Haver Analytics

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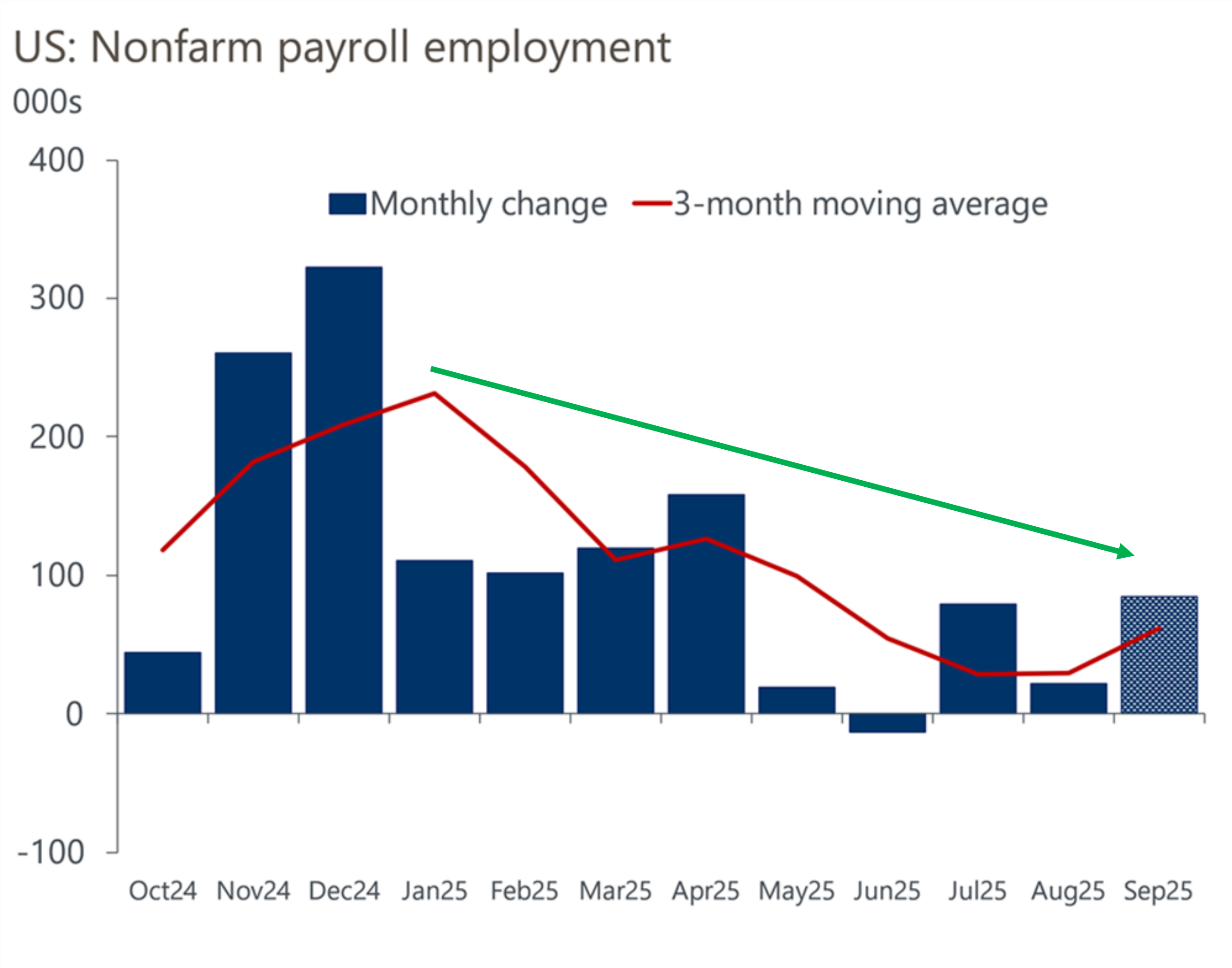
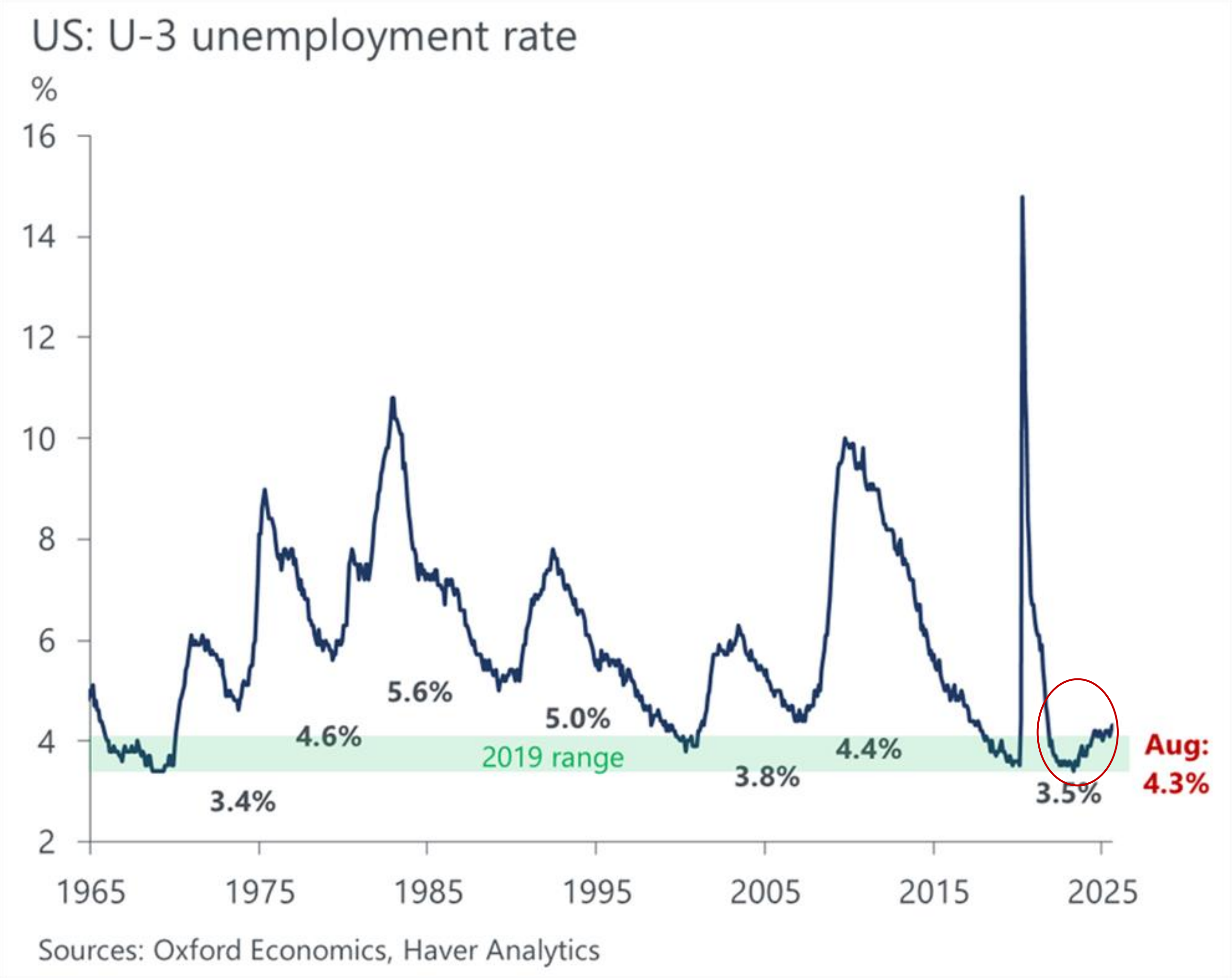
Job growth has been weak recently



With policy uncertainty elevated, employers are cautious about hiring, as higher prices can cut into their profit margins.

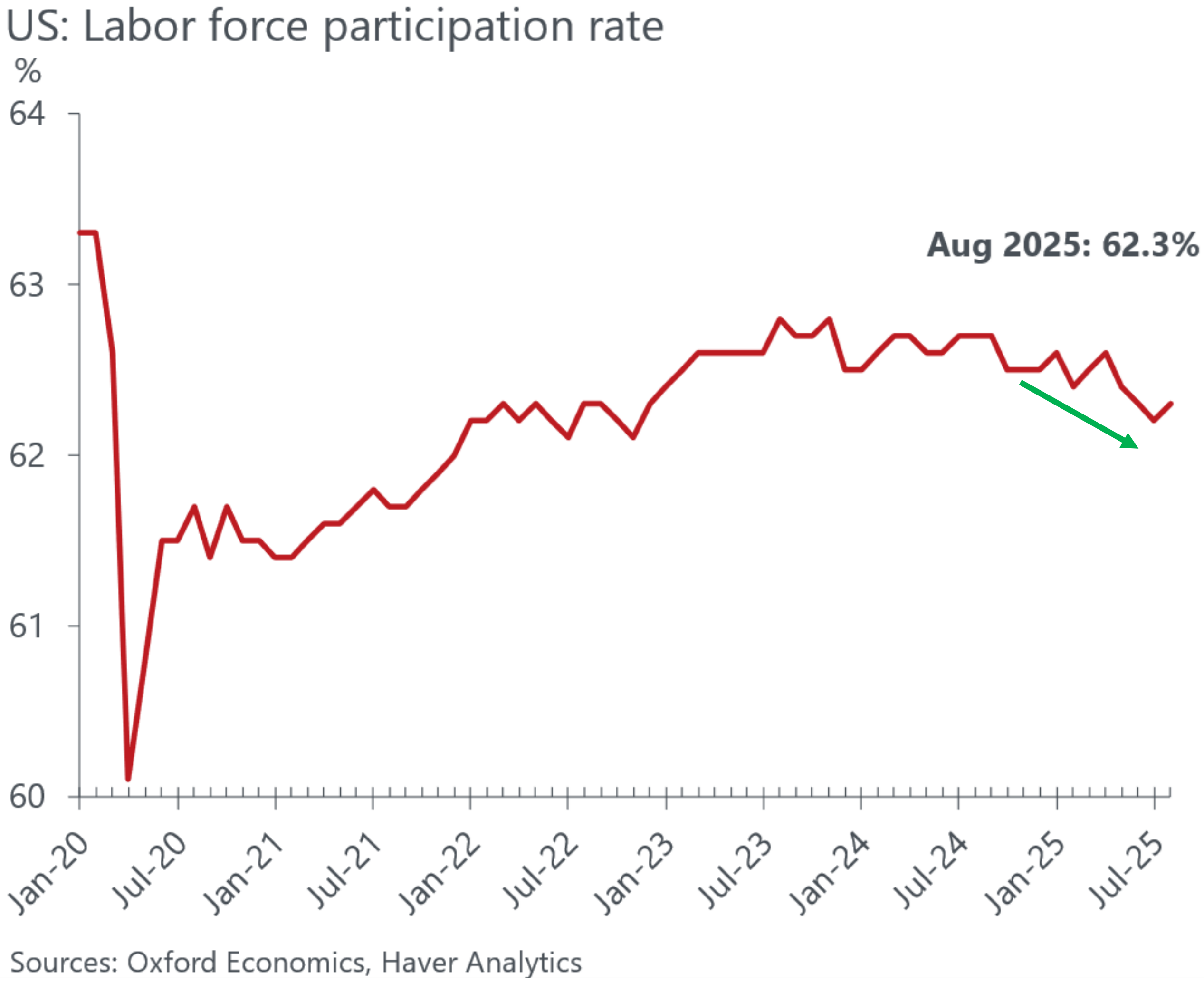
Source: Oxford Economics/Haver Analytics

Unemployment has been rising but remains low at 4.3%



The labor market remains in a slow-to-hire, slow-to-fire stasis

A labor market characterized by inertia



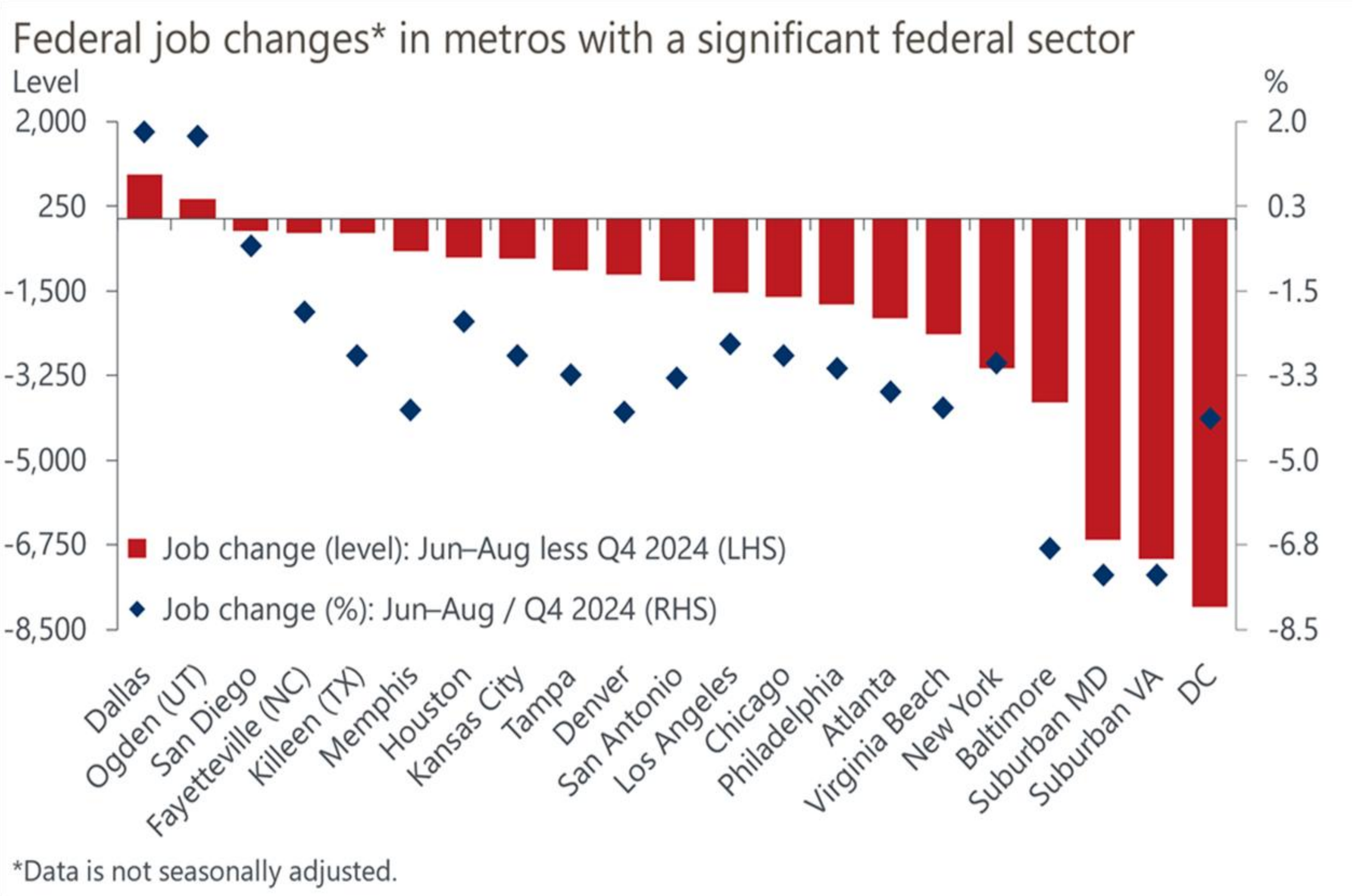
Unemployment rate also held down by falling labor force growth due to:

- Retirement of baby boomers
- Effects of the administration's immigration and deportation actions

Labor market not healthy (weak hiring),

but not bad (low unemployment)

The shutdown has consequences for the economy



Shutdown reduces US GDP by $8-$15 billion per week

- Lost productivity
- Federal workers and contractors are not paid on time
- Some layoffs may be made permanent

Impacts are acute in locations that are most reliant on federal government activity.

Source: Oxford Economics

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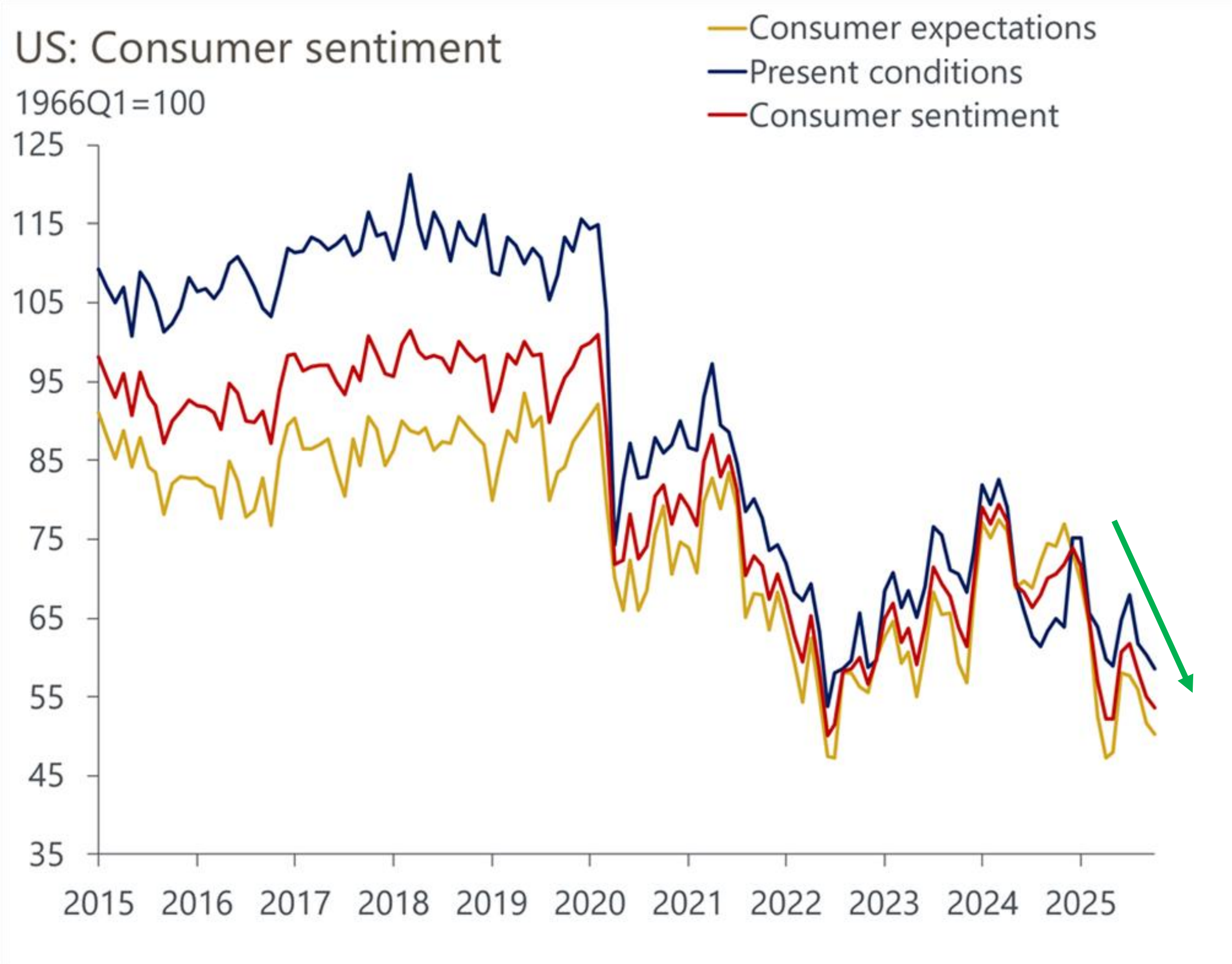
Consumers are still worried

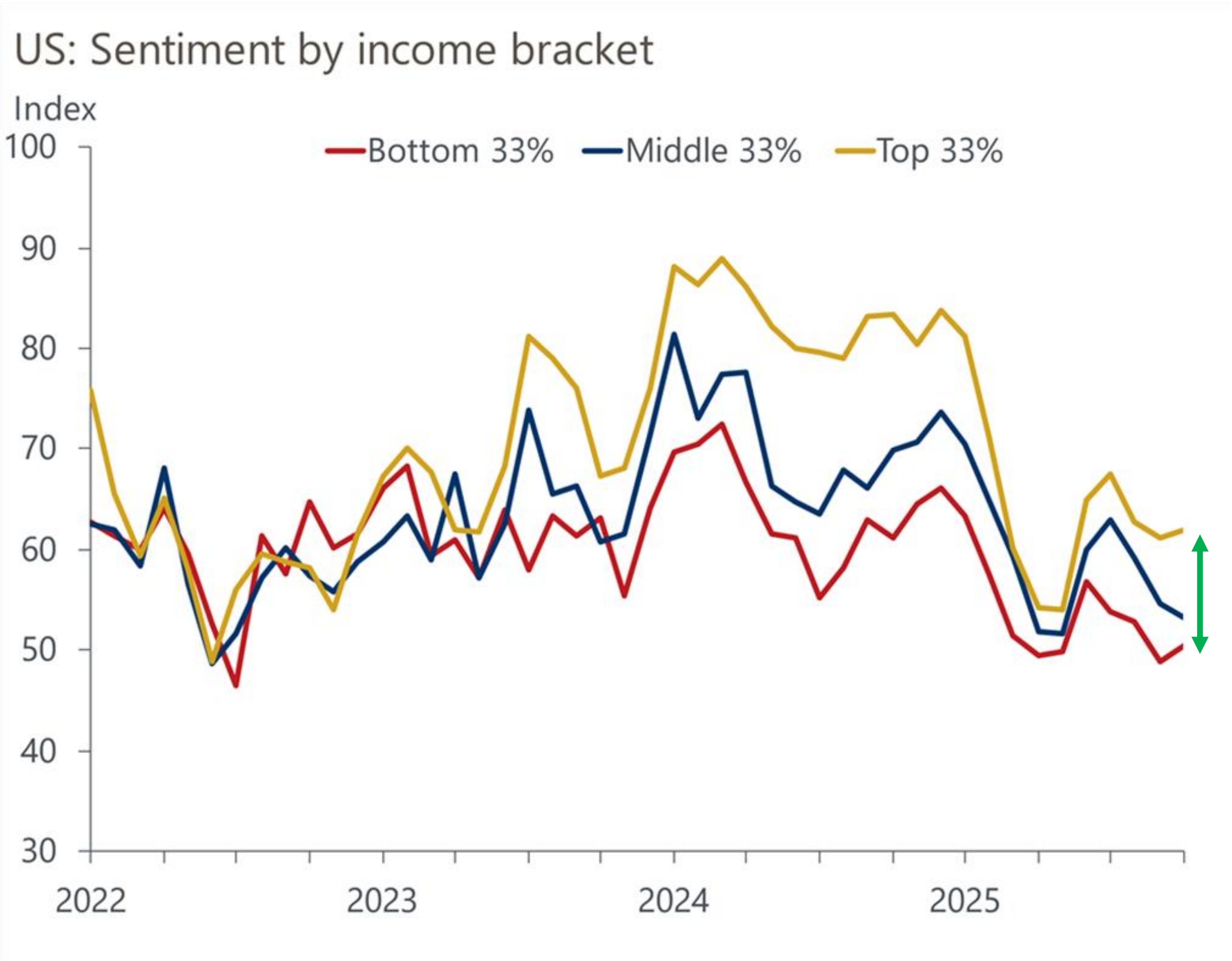


- Rising prices (elevated inflation expectations)
- Labor market uncertainty
- Policy uncertainty

Sentiment doesn't always translate to actual behavior, but makes consumers cautious

Source: University of Michigan Consumer Sentiment Index

Gap between high- and low-income respondents remains



Lower-income groups are spending less on discretionary purchases and more on essentials.

- Hit harder by tariffs
- Have less financial buffers
- Witness weaker wage growth

Source: Oxford Economics/Haver Analytics

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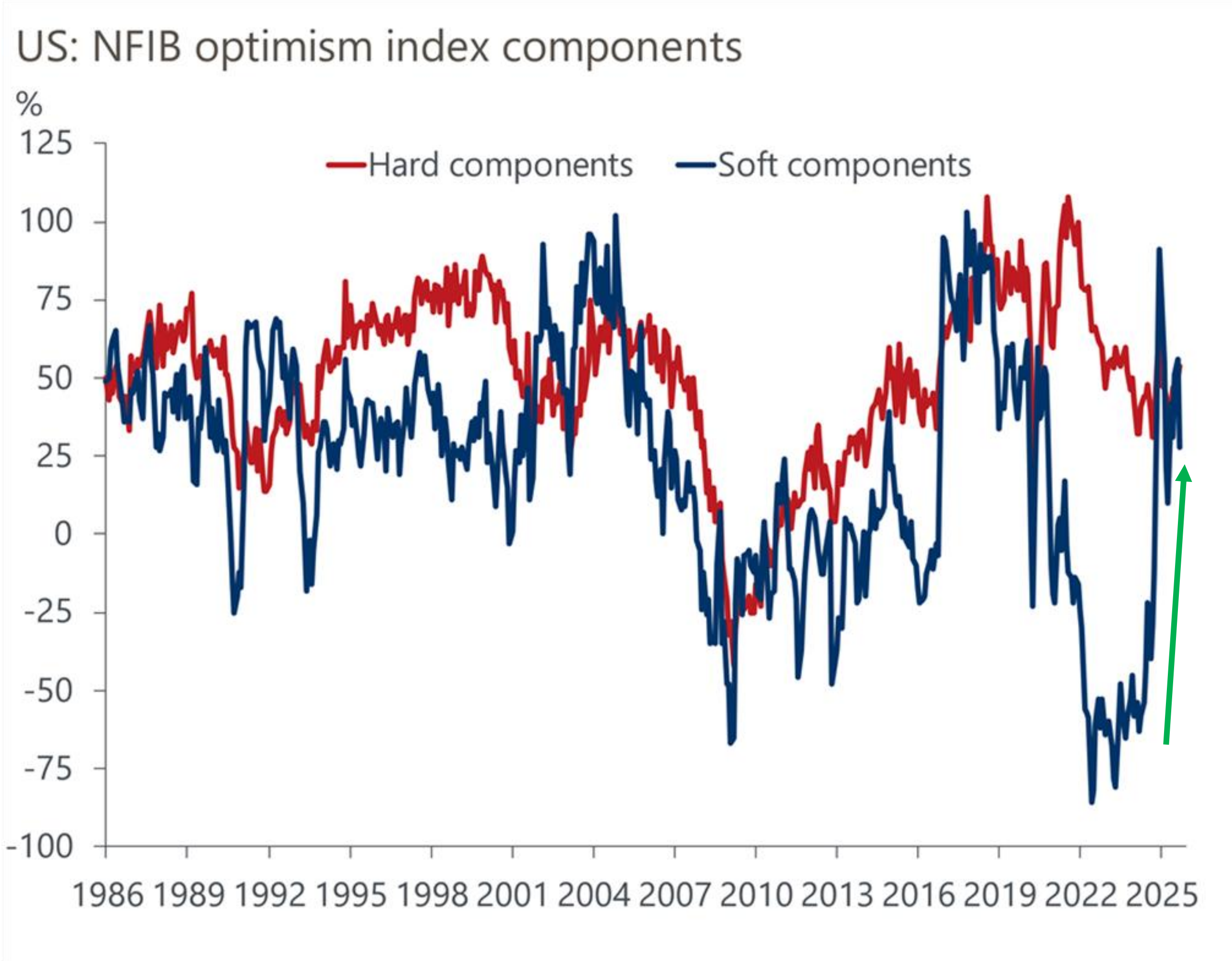
Business are worried



Uncertainty remains elevated for small businesses (have less financial buffers, pricing power, and sophisticated supply chains).

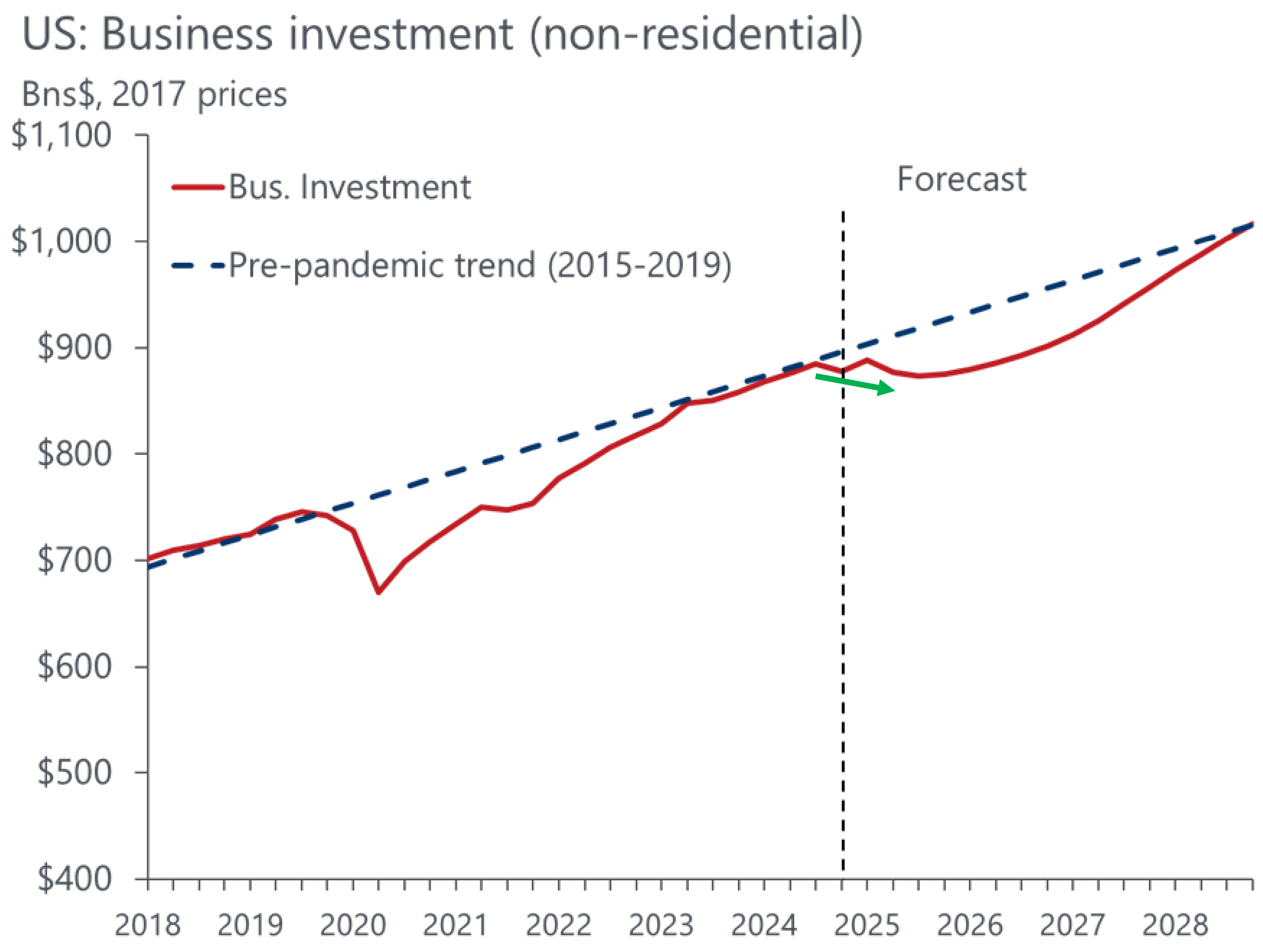
Large producers are also concerned.

Reasons:

- **Higher input costs**
- **Supply disruptions**
- **Customers wary of committing to new orders**

Source: Oxford Economics/Haver Analytics

Expect businesses to be cautious non-AI investments



Source: Oxford Economics/Haver Analytics

"Second quarter U.S. and Canada select service and extended stay RevPAR declined around 1.5% year over year, **primarily due to a decline in government demand … as well as weaker demand from smaller business customers.**"

Marriott, Aug 5, 2025

Goals and pitfalls of tariffs

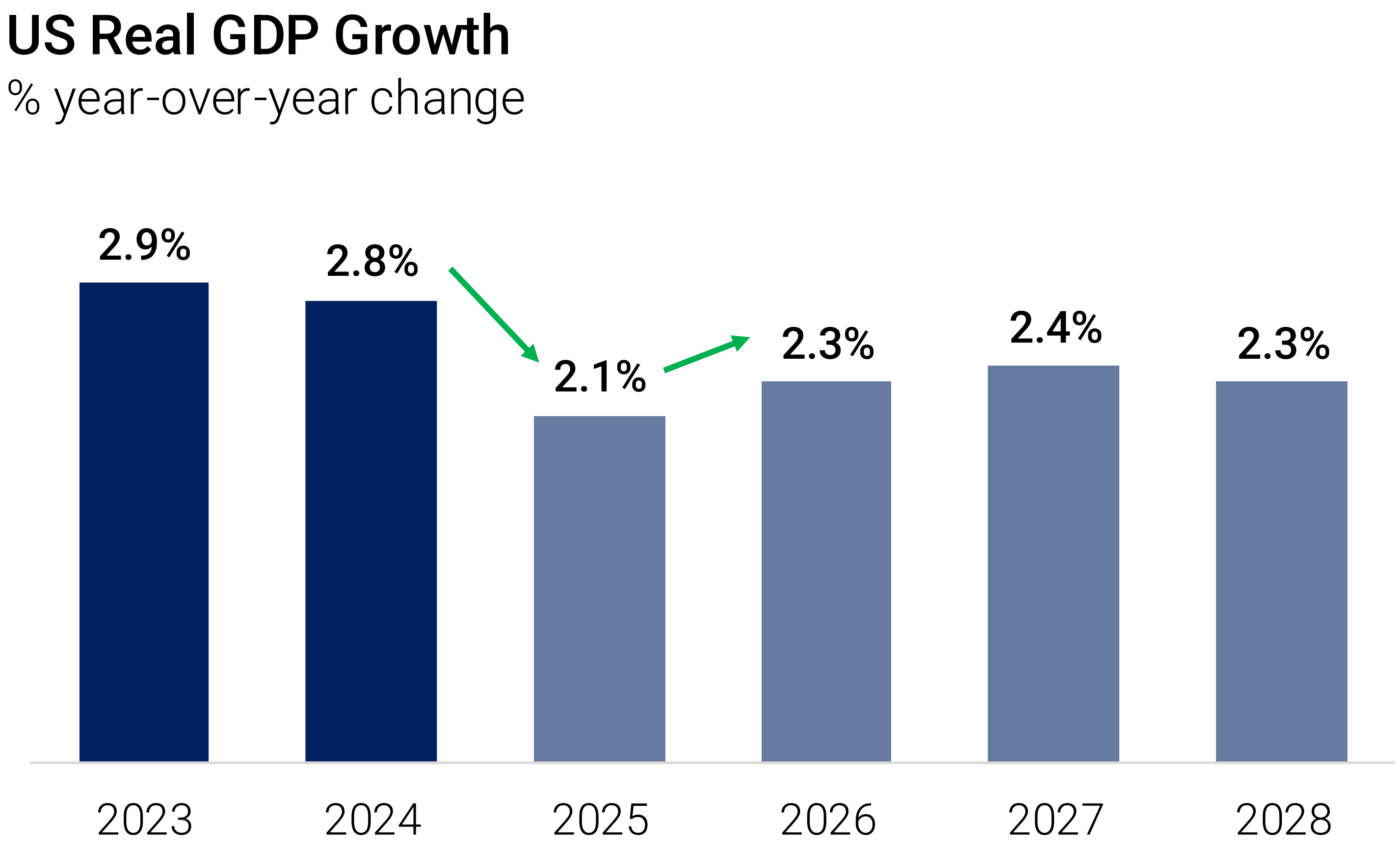
Impacts of tariff implementation

- Increased uncertainty
- Decreased confidence
- Decision-making turns cautious, some spending, investment & hiring decisions are delayed

Direct impacts of tariffs

+ Revenue generation
+ Negotiate deals
+ Protect industries related to national security
- Higher prices at home
- Less disposable income
- Higher interest rates
- Slower economic growth

Economic growth will slow in 2025, but remains elevated



The economy will improve next year, supported by tax cuts/extensions, reduced uncertainty, the fading effects of tariffs on inflation.

Source: Oxford Economics

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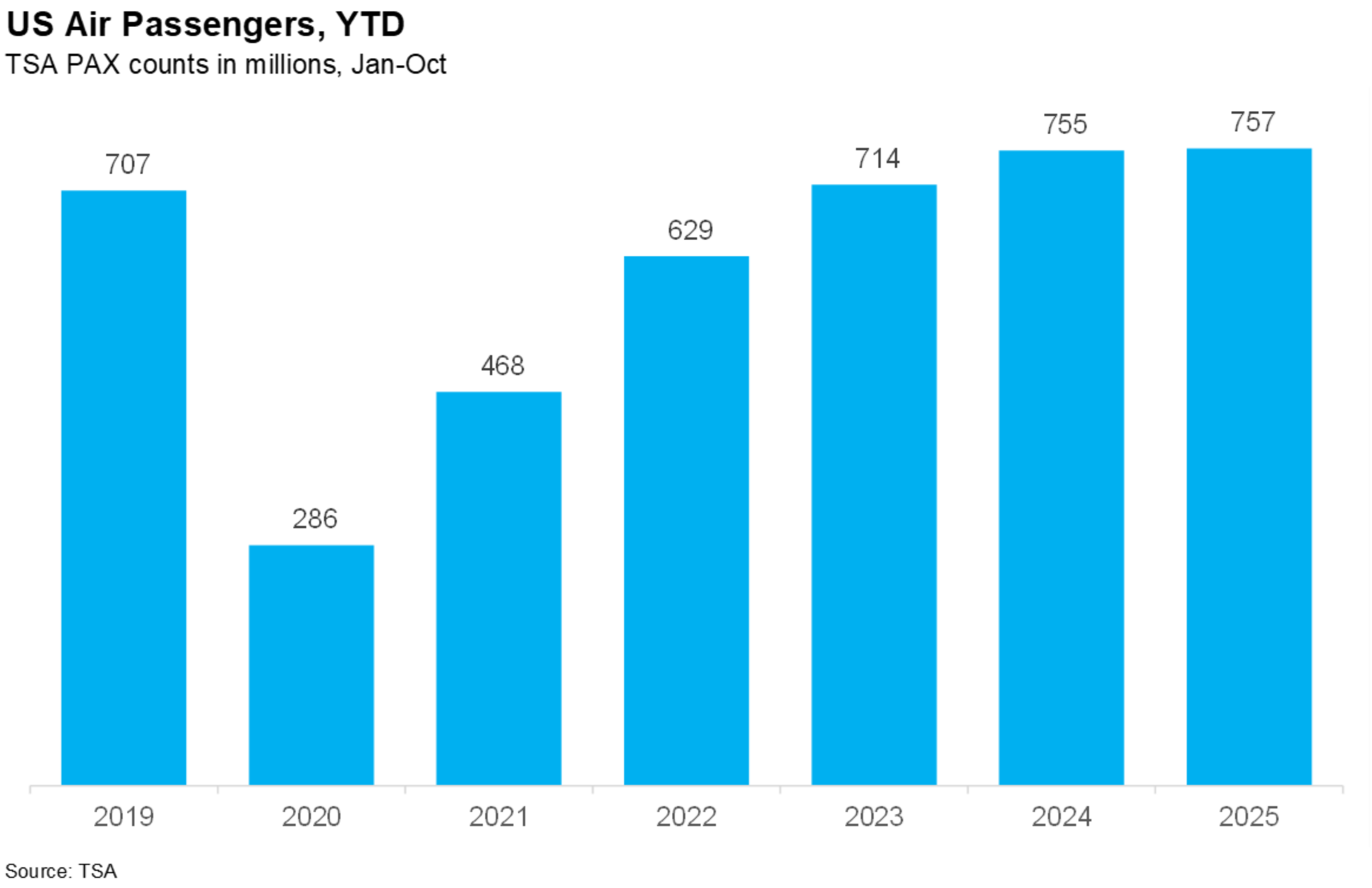
How Travelers Are Reacting

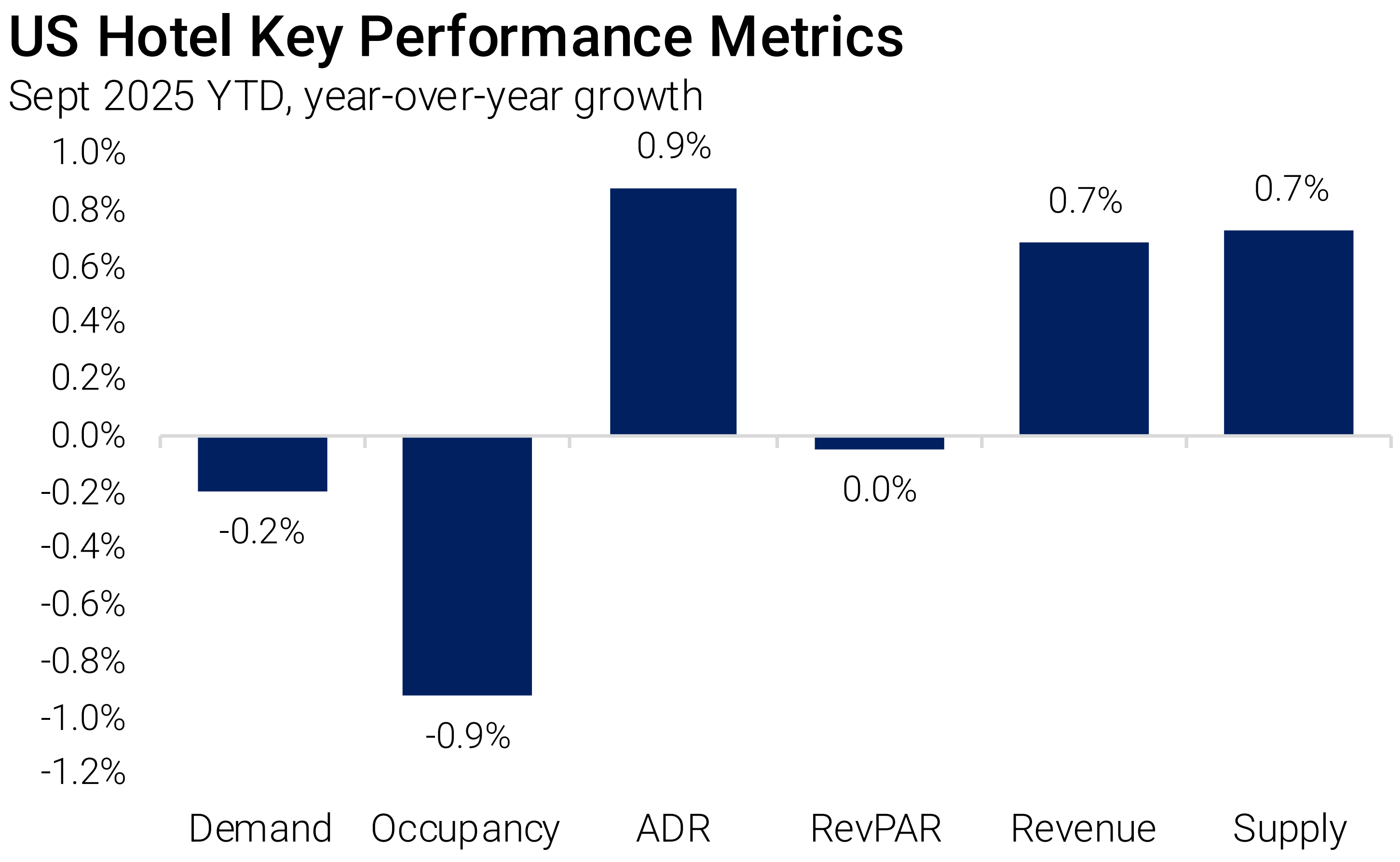
Air travel has softened, but not falling



TSA air passenger volumes similar to last year.

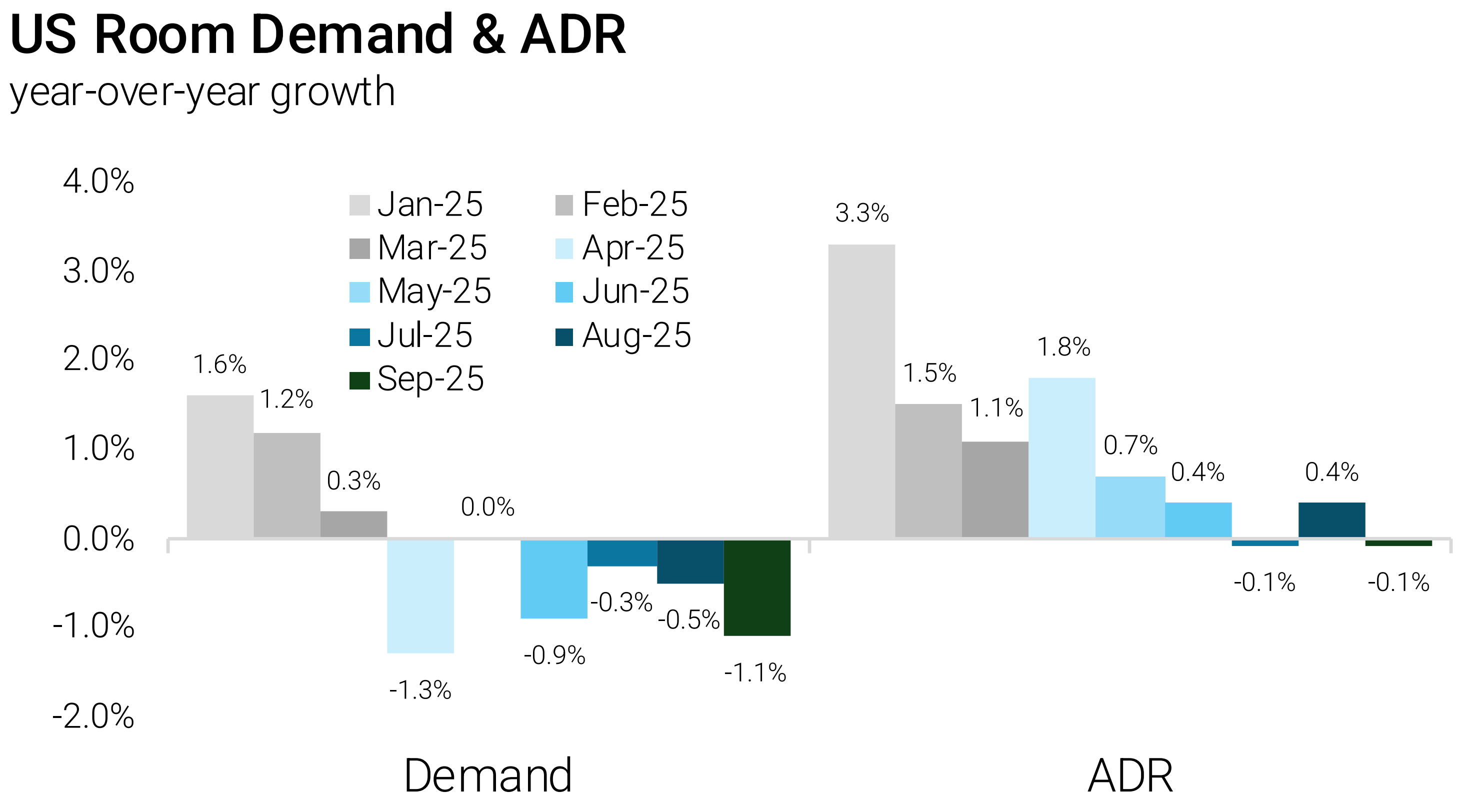
Following a weak Spring and early Summer, TSA volumes have grown slightly in recent months.

No growth in hotel demand



Source: STR

US hotel performance has slowed since Q1



Source: STR

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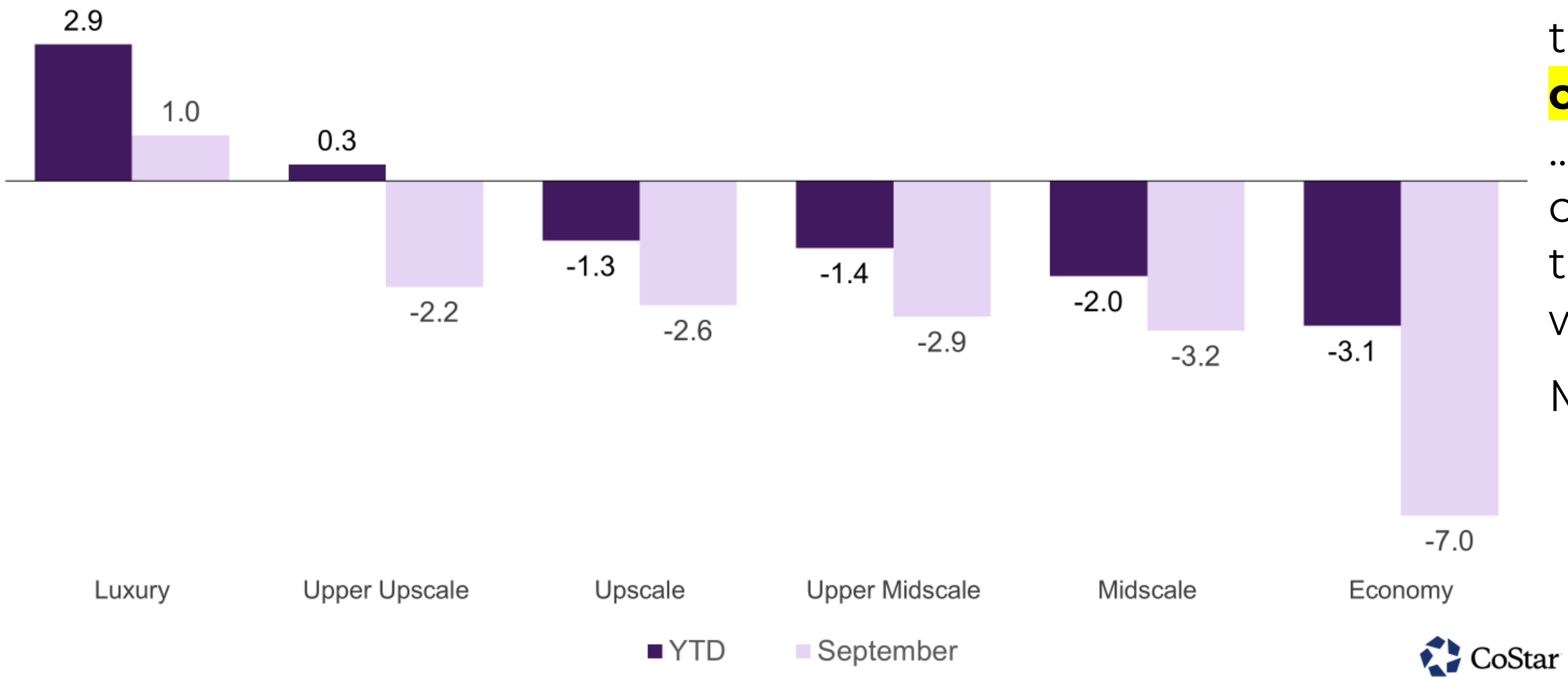
Bifurcated demand growth

US RevPAR % change by class, YTD September and September 2025



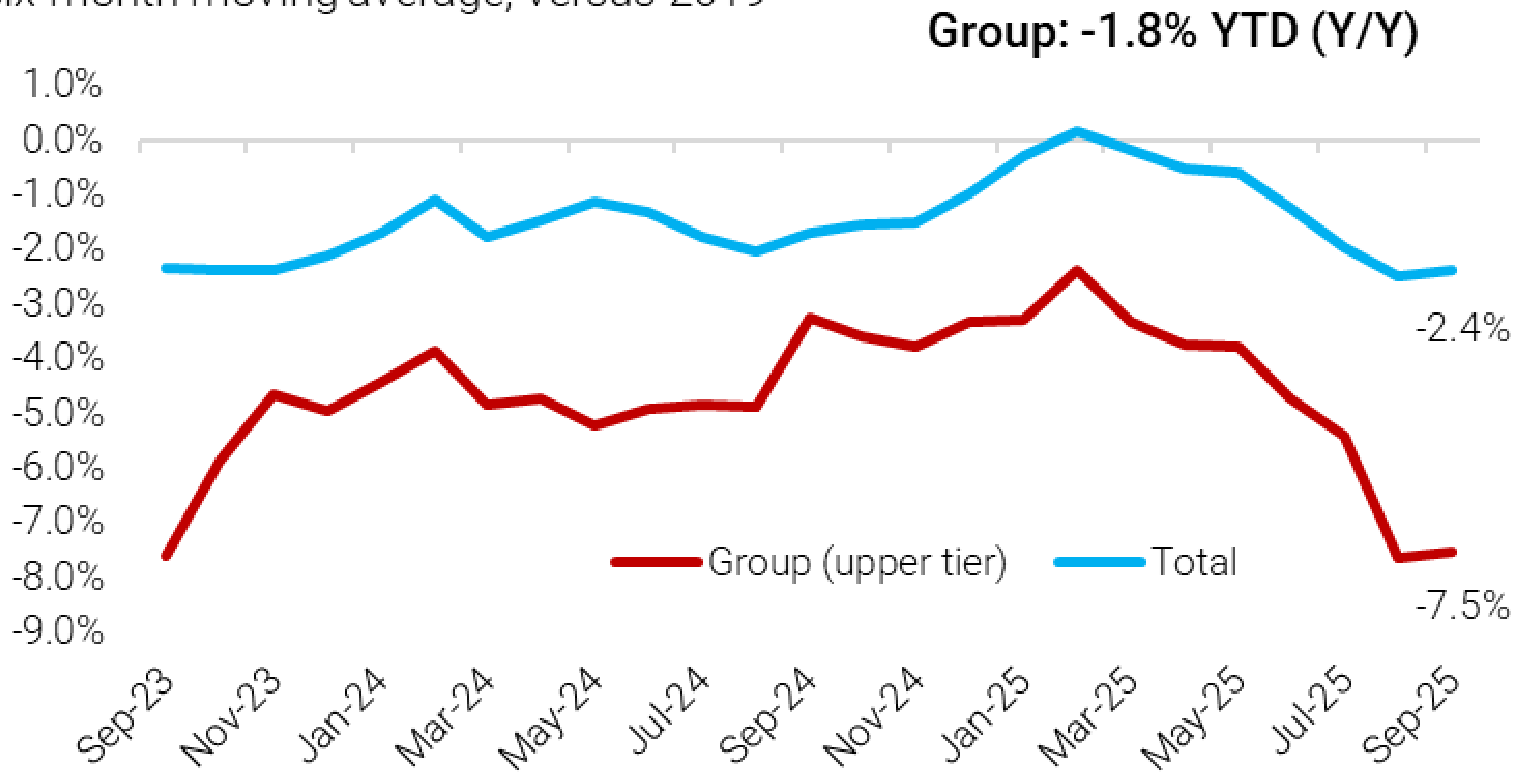
"…And again, I will point to the **luxury and certain parts of the premium segment.** …This desire for experiences over goods continues and the underlying trends that we see are excellent."

Marriott, Aug 5

Group demand recovery still incomplete

Hotel Demand

Six-month moving average, versus 2019



Source: STR

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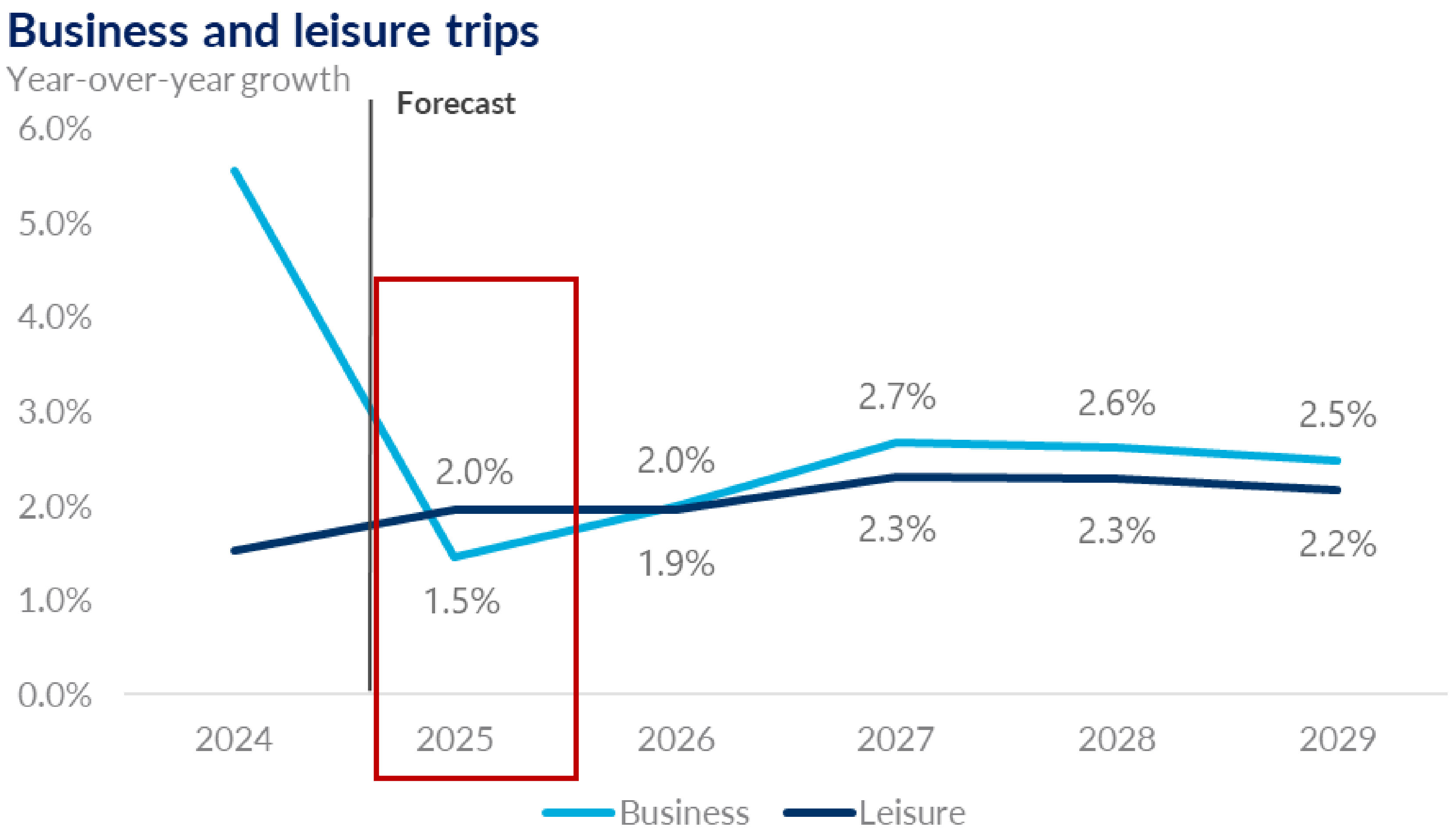
Domestic travel holds up despite economic headwinds



Note: Domestic trips only
Source: Tourism Economics

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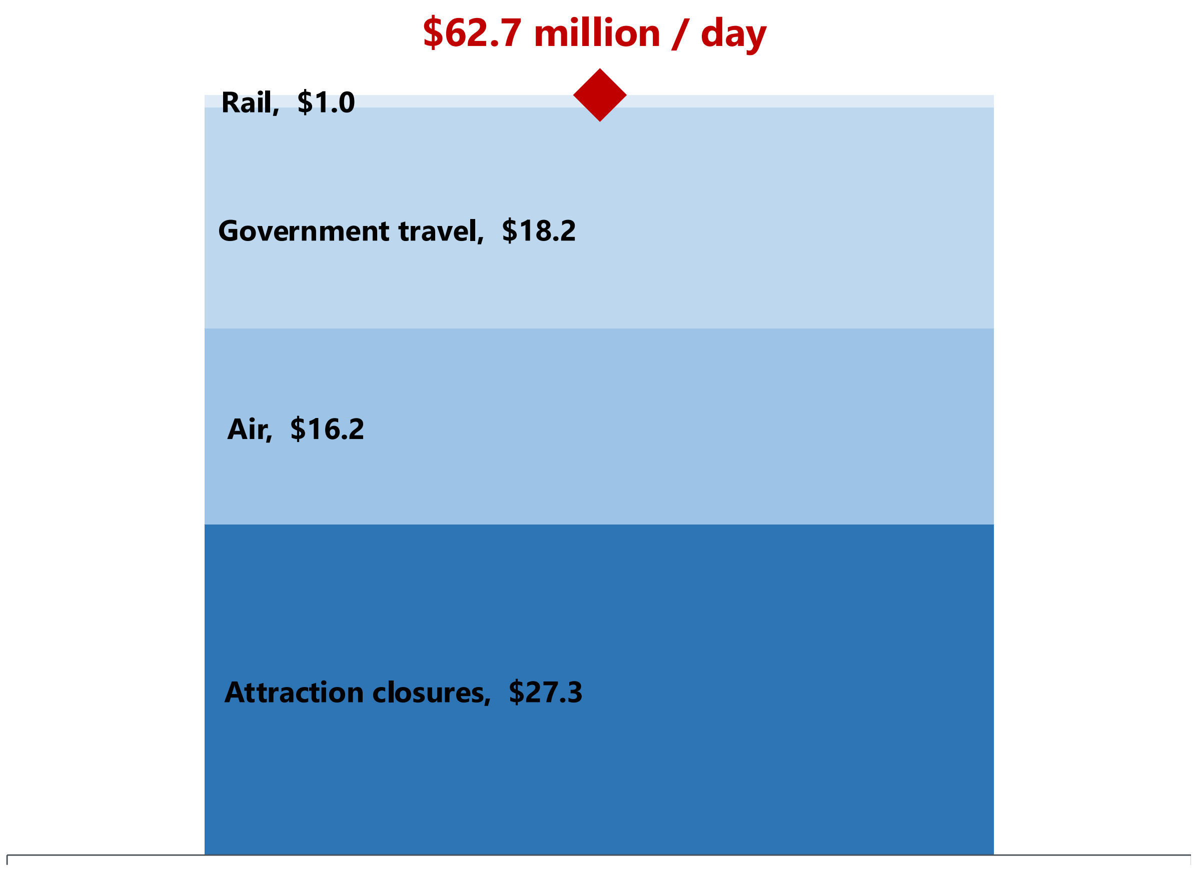
Government shutdown impacts travel

Daily direct travel spending losses, by impact
$ millions

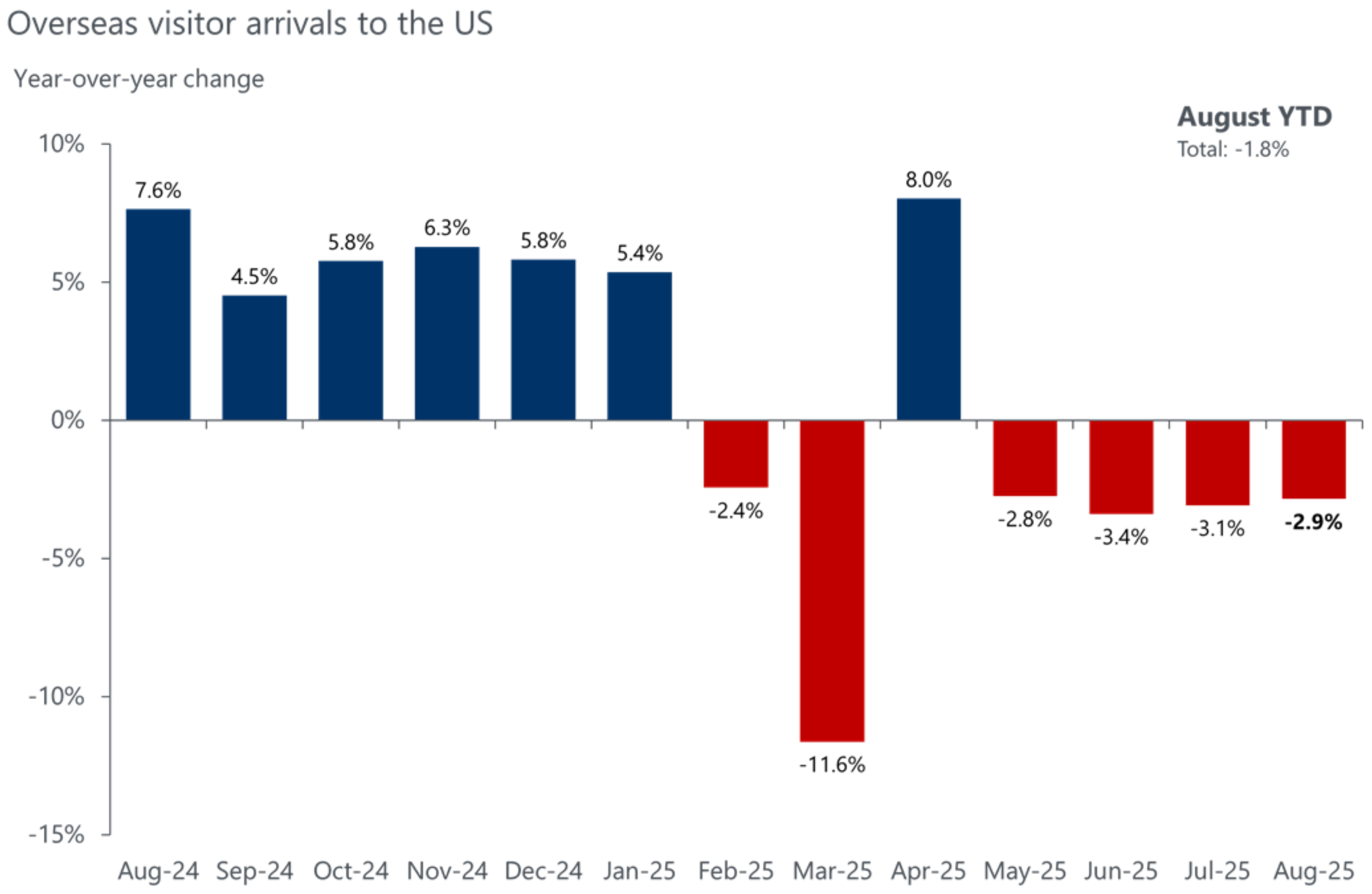


Impacts compound over time:

- Heightened air travel uncertainty – due to impacted air operations
- A broader shock to consumer confidence

Source: Oxford Economics/Haver Analytics

Overseas visitors to the US in decline



Inbound travel down:

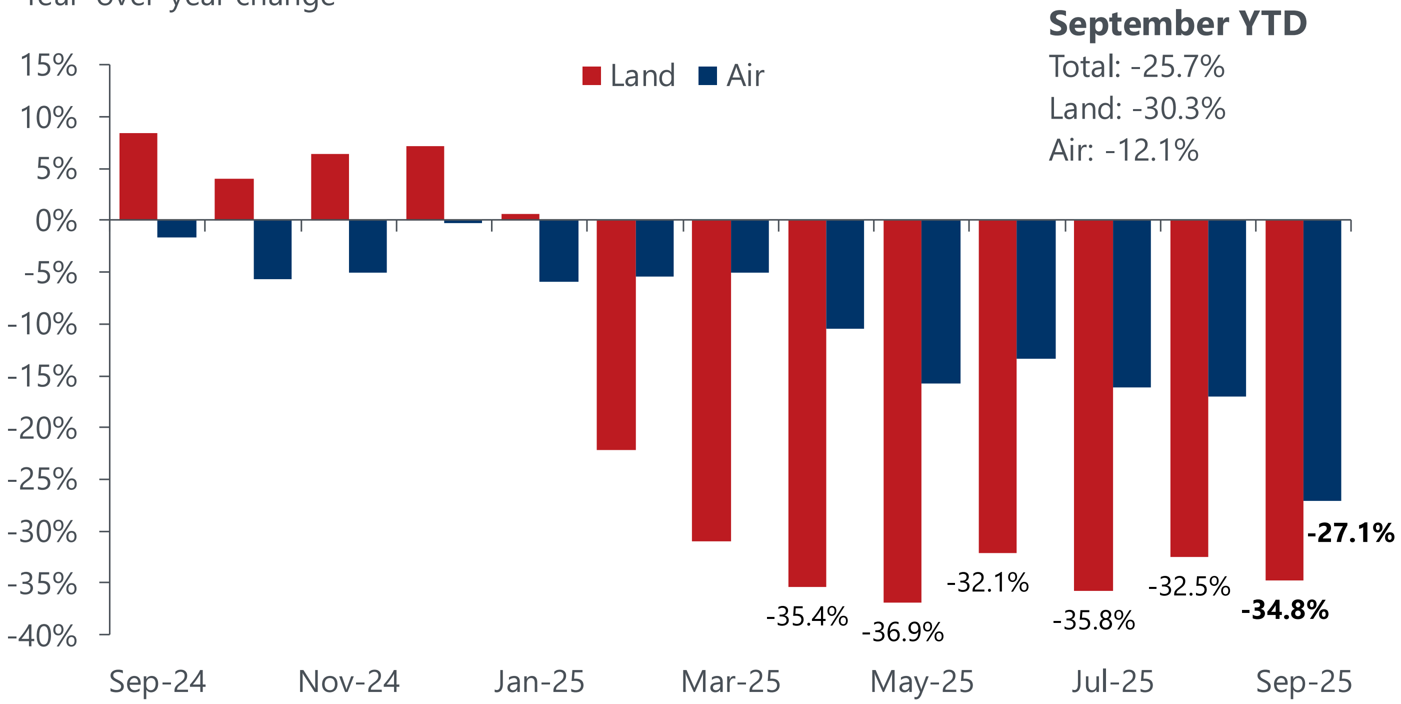
- Weaker sentiment towards the US from abroad
- Travel restrictions
- Higher costs

Source: National Travel and Tourism Office

US visits from Canada have fallen sharply

Canadian visitor arrivals to the US

Year-over-year change



Note: Estimates show the year-over-year change in Canadian visits to the US.
September 2025 data based on leading indicator data measuring Canadian-resident US return trips.

While Canadian travel to the US has declined YTD, Canadian travel to other world regions has increased an estimated 8.7%.

Source: National Travel and Tourism Office, Statistics Canada

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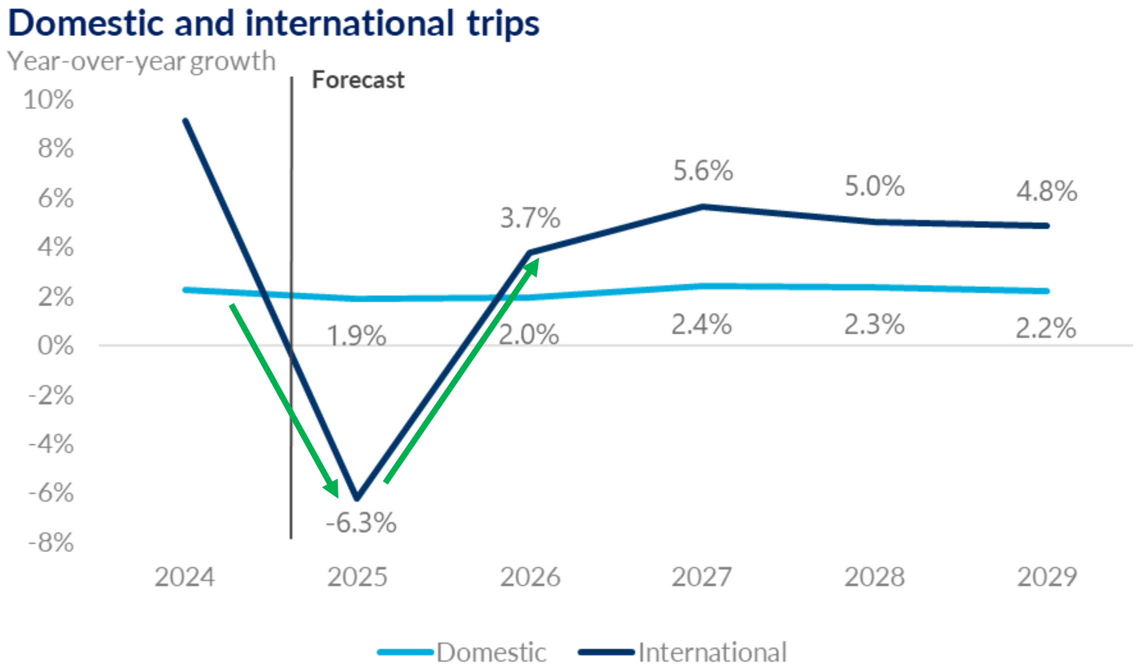
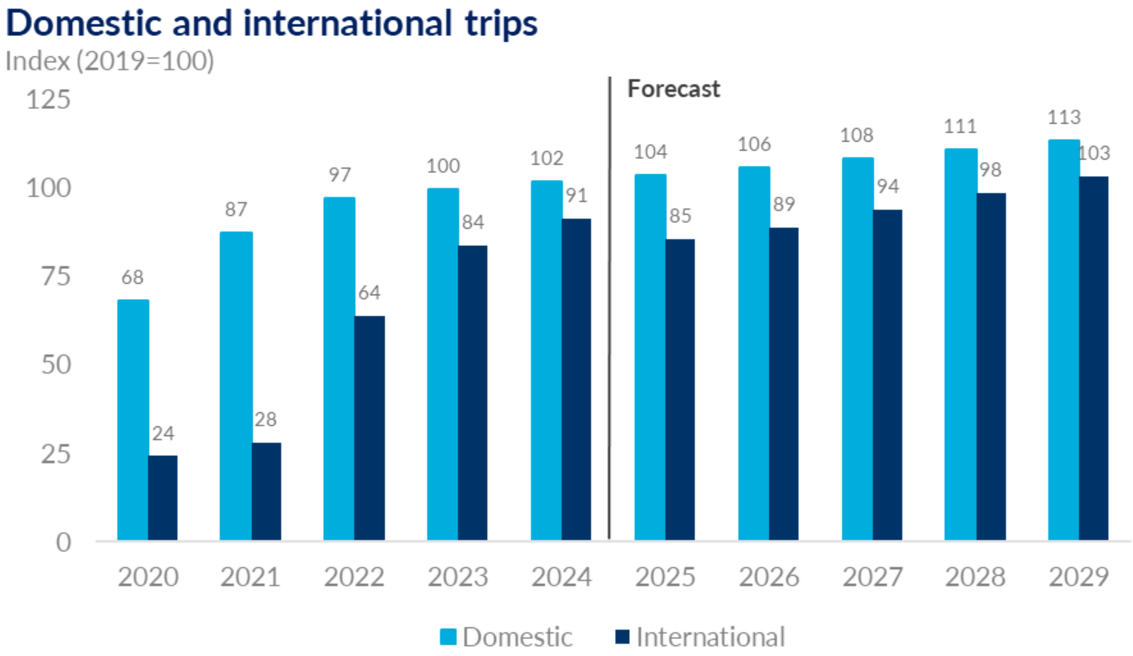
US inbound arrivals recovery delayed to 2029



Source: Tourism Economics



Source: Tourism Economics

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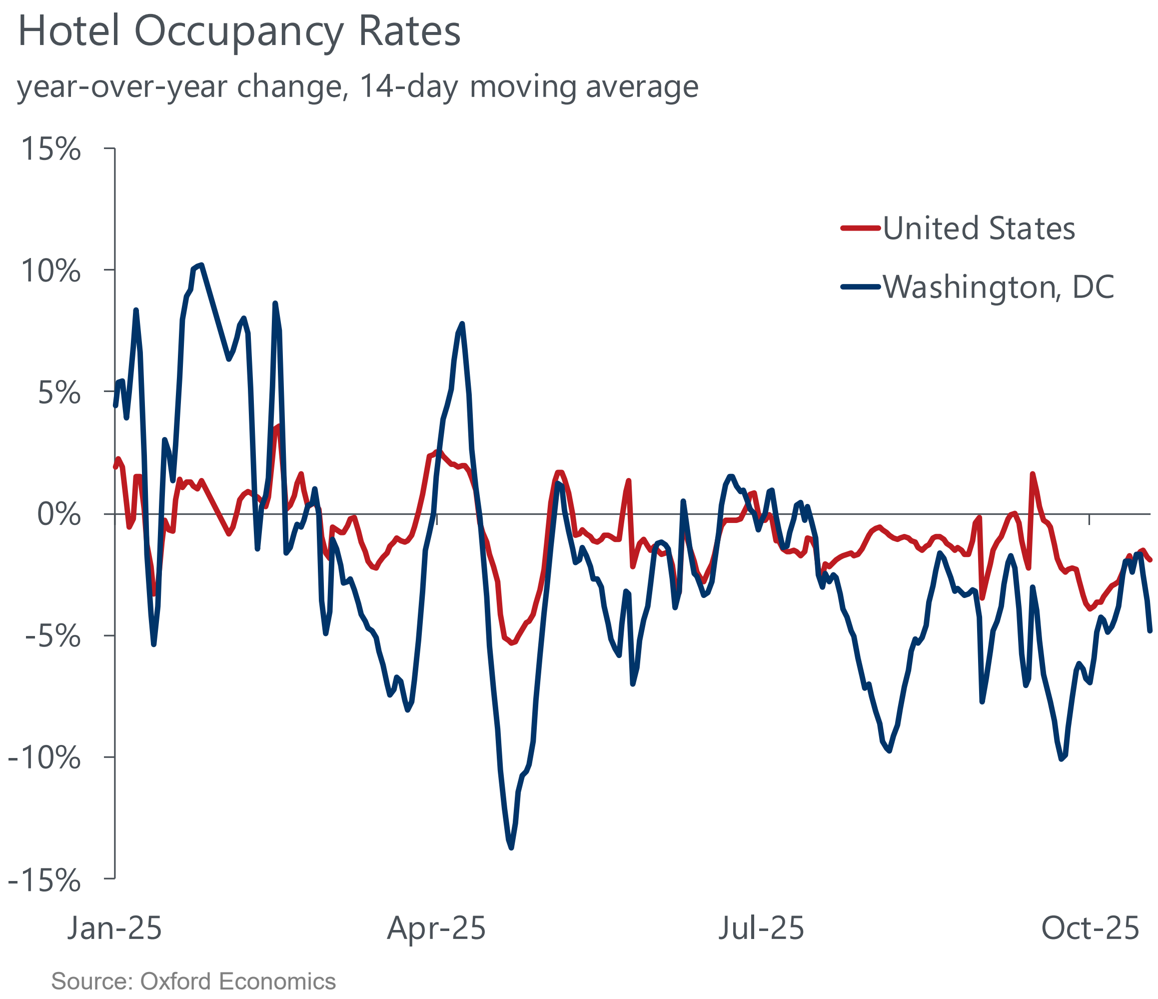
Don’t you have anything positive to say?

Shutdown impacts are muted nationally, but obvious in DC and other government heavy markets



Airlines and hotel brands report ongoing shutdown-related losses of ~1.0% of demand. But no major declines yet.

DC activity is declining, but that started before the shutdown (coinciding with the deployment of the National Guard).

TSA air passenger volumes have been rising in October and November MTD is “only” down 2.5% YOY.

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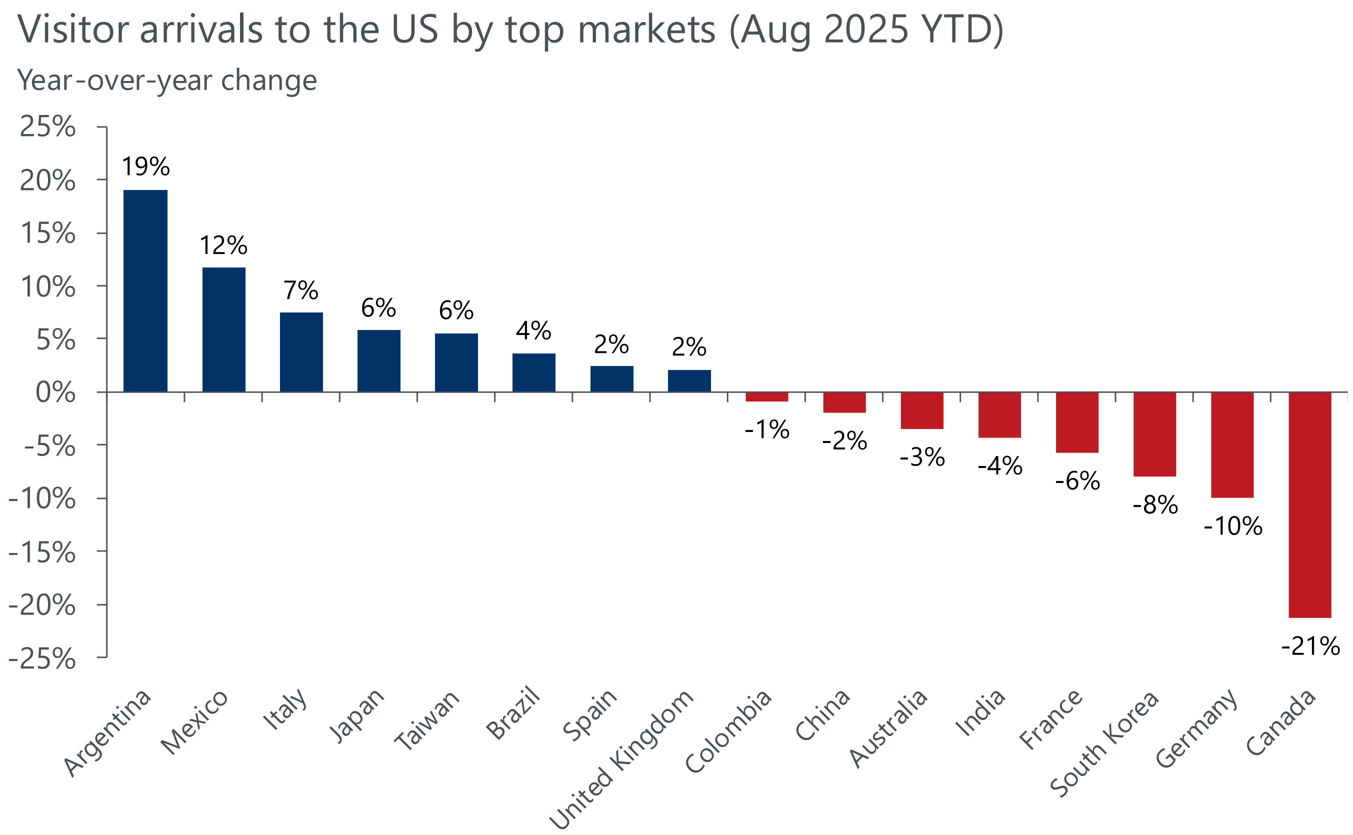
Not all international inbound markets are declining



Major inbound markets are witnessing strong growth

Source: National Travel and Tourism Office
Year to date August (Mexico YTD July)

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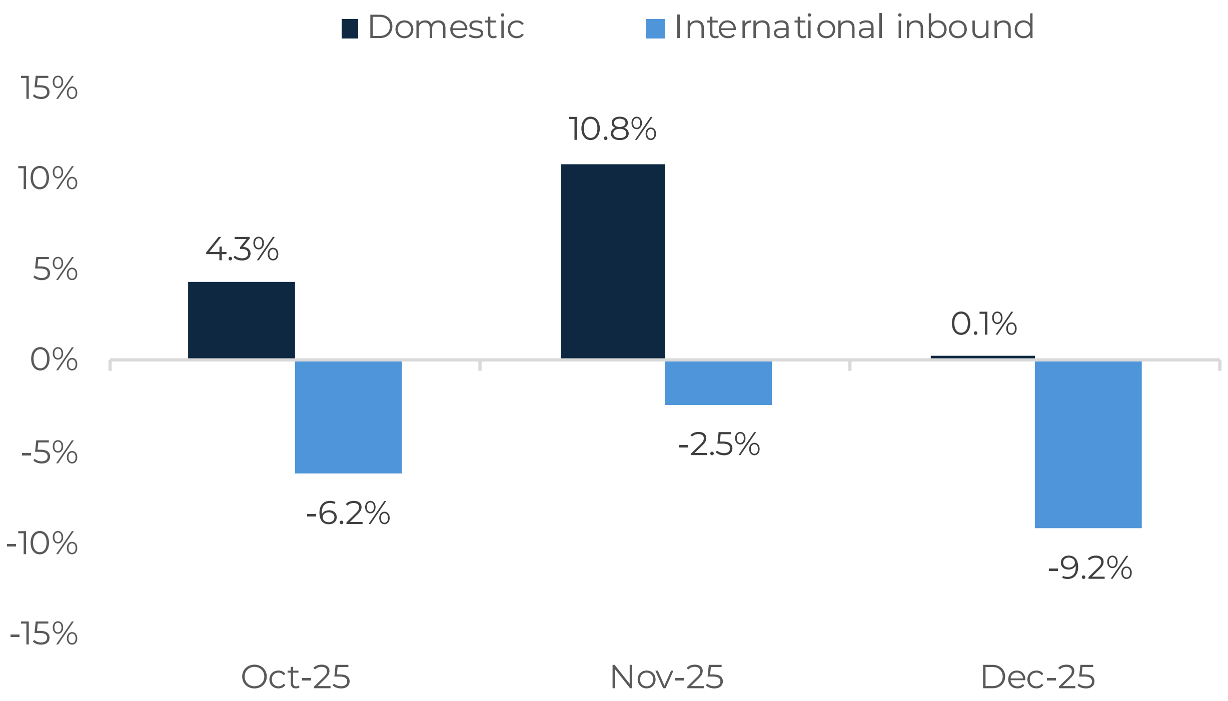
Domestic air bookings shows strength in coming months

US Air Travel Booking Pace
Year-over-year % change (as of September 2025)

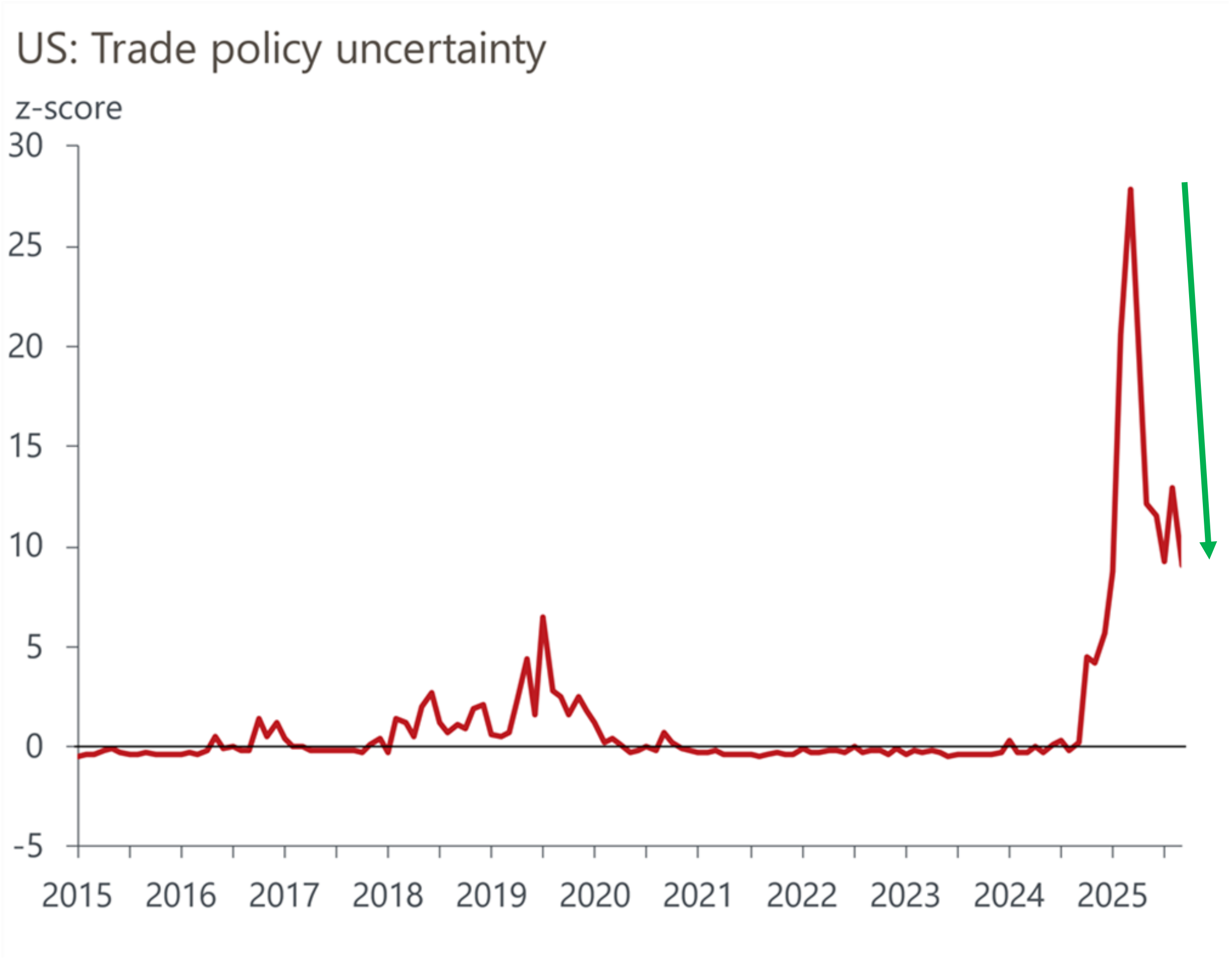


Source: OAG

“The entire fourth quarter, the fall break, Thanksgiving, Christmas, they're all likely to set records with strong demand.”

-Scott Kirby, CEO
United Airlines

Uncertainty due to tariff policy high, but falling



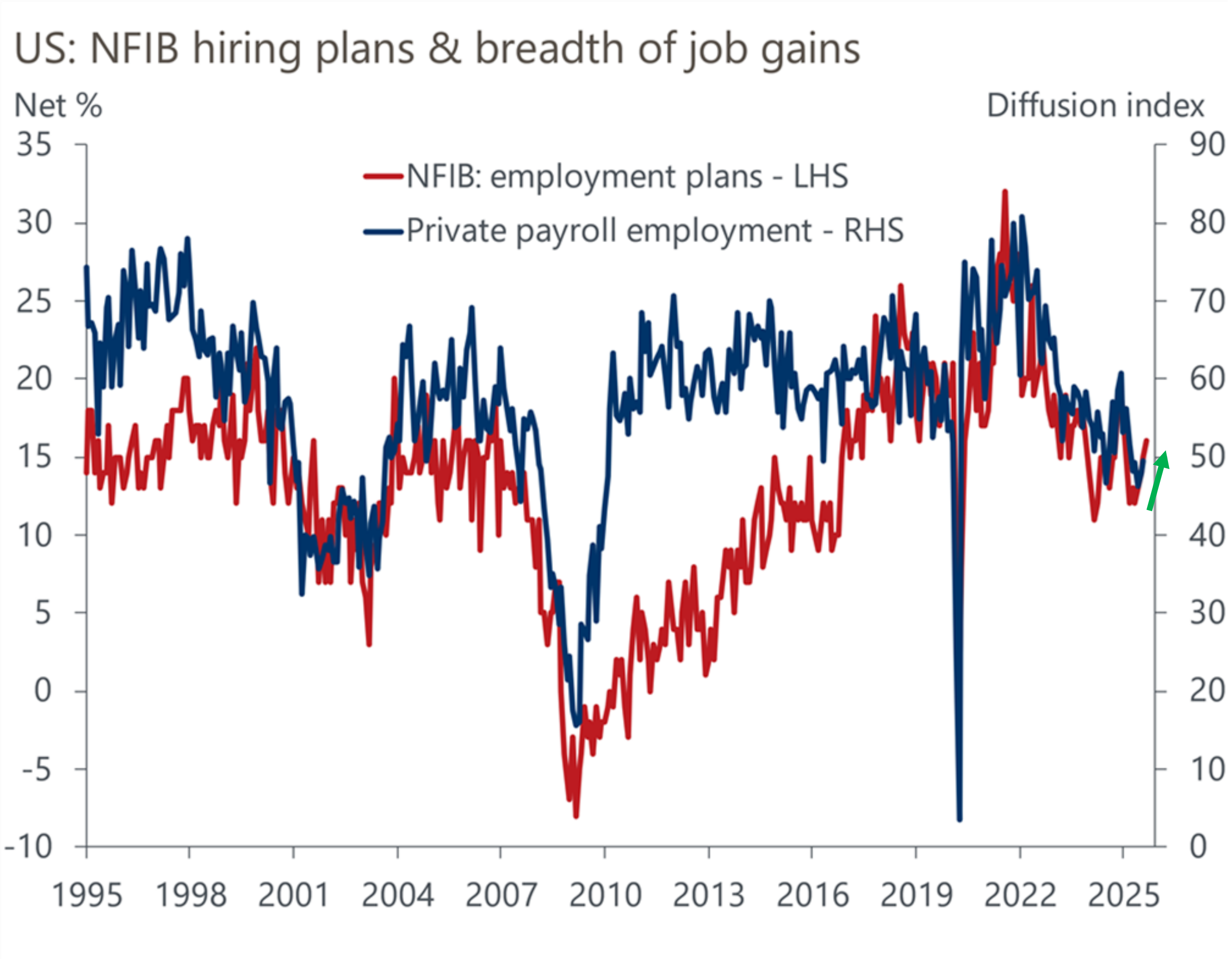
Source: Oxford Economics

"Uncertainty is the new normal" – Kristalina Georgieva, IMF Managing Director

The world must go on….

Businesses have been reconfiguring their operations to better absorb uncertainty.

Less policy uncertainty will boost the labor market



Therefore, hiring intentions are rising again, for the fourth consecutive month to their highest since January, suggesting that the labor market may start to improve.

Source: Oxford Economics/Haver Analytics

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Income growth still supports spending growth

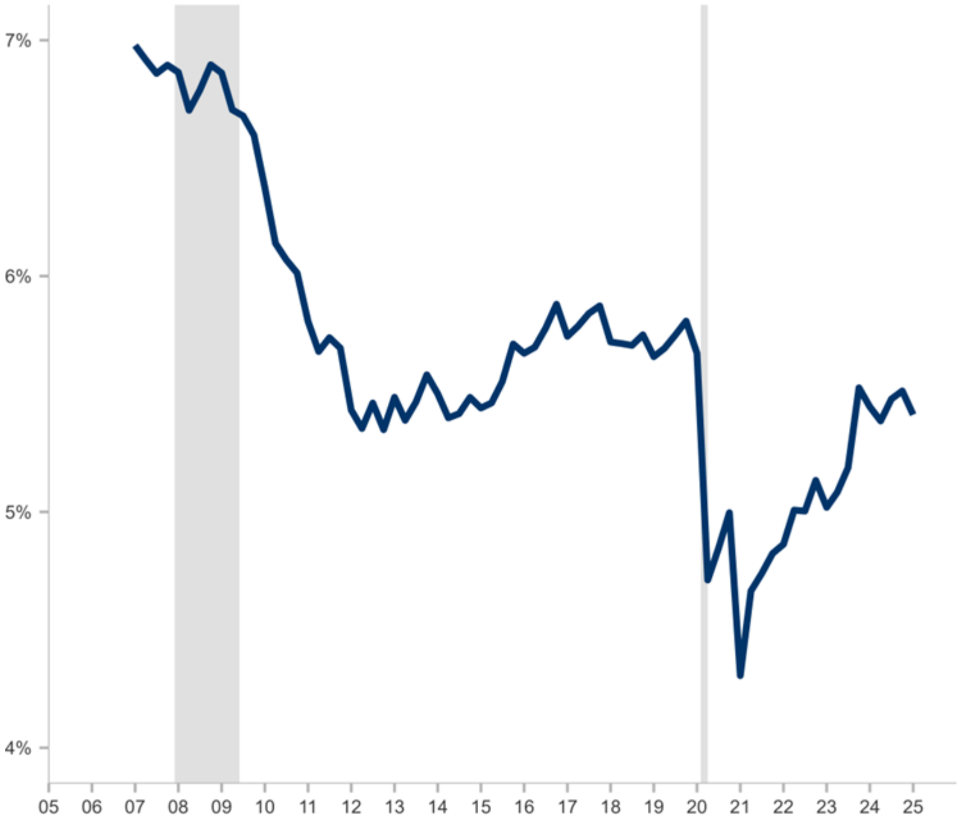
Average hourly earnings have increased 3.7% over the past year, outpacing the rate of inflation.

Source: Oxford Economics/Haver Analytics

Household balance sheets are strong, supporting spending

Consumer debt service payments

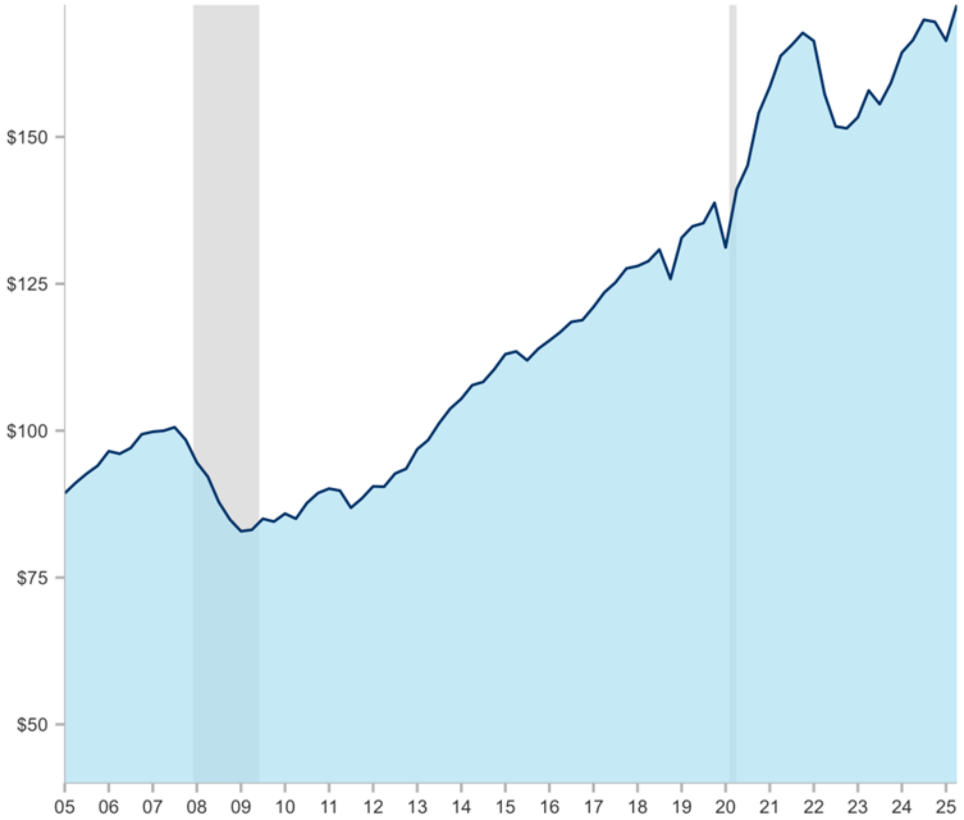
As percent of disposable personal income



Note: Quarterly data through 2025Q1. Consumer deb service payments ratio is ratio of total required household debt payment to disposable income, Source: Federal Reserve, NBER

Household net worth

In trillions, real



Note: 2024 dollars. Quarterly data through 2025Q2. Net worth of households and nonprofit organizations. Measures housing and financial assets, minus liabilities. Source: Federal Reserve, NBER

Source: Oxford Economics/Haver Analytics

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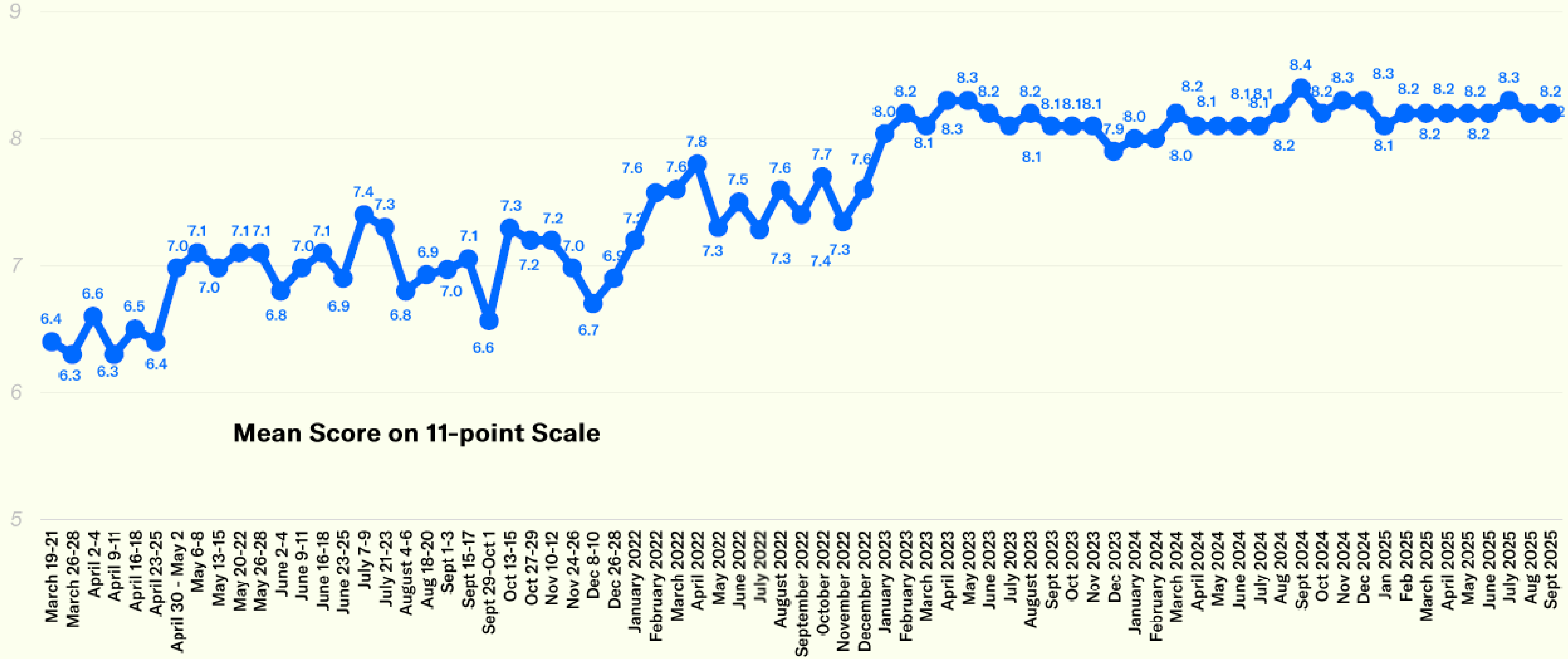
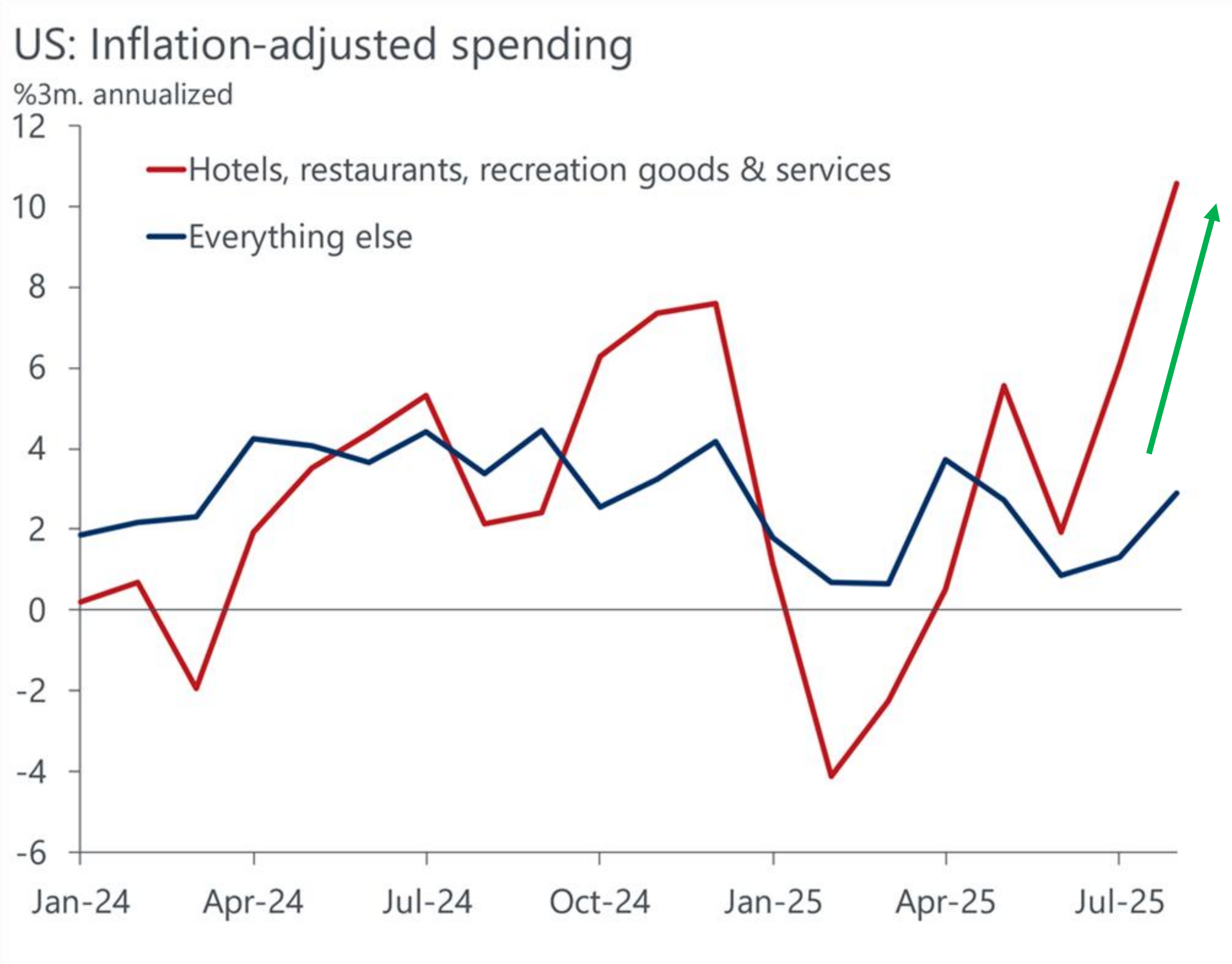
Travel Enthusiasm Endures

Question: *Which best describes how excited you are about LEISURE TRAVEL in the NEXT TWELVE (12) MONTHS?*



Base: All respondents, approx. 4,000 completed surveys per wave

Broad advance in discretionary spending

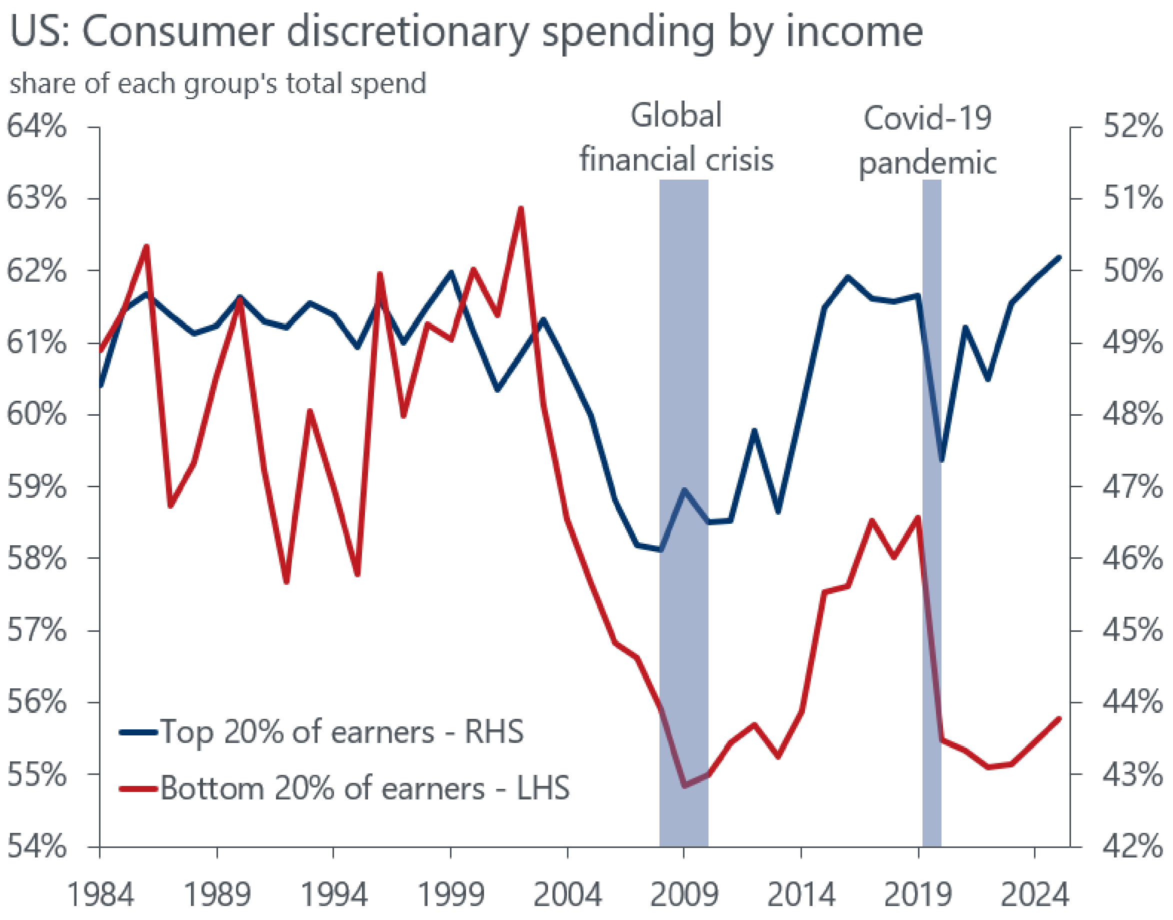


A sign people are prioritizing experiences.

Trends in discretionary spending driven by swings in the stock market.

Source: Oxford Economics/Haver Analytics

A K-shaped economy: Diverging outcomes



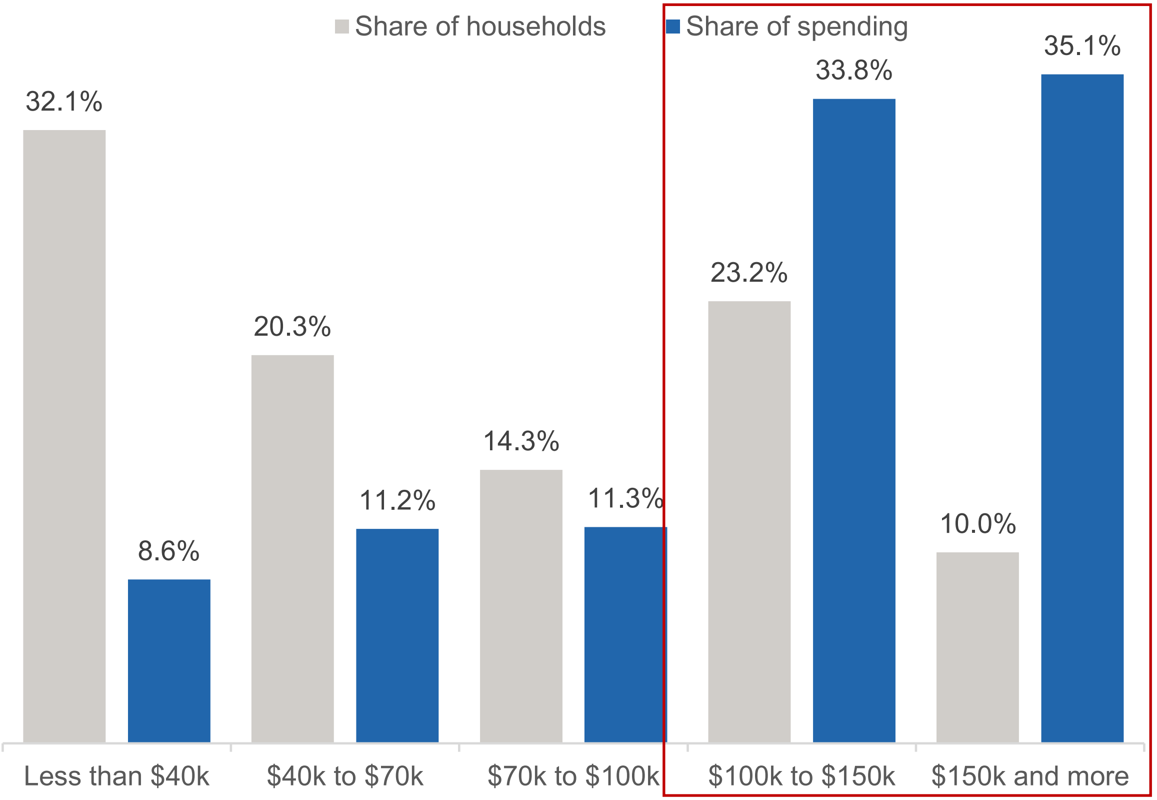
Lower-income households are facing greater pressures, spending less on discretionary purchases and more on essentials.

Similar trend for younger cohorts who are having a hard time finding a job.

Source: Oxford Economics/Haver Analytics

Tourism is dependent on higher-income households

Lodging spending by household income
Leisure travel, 2023



Households making $100k+ (one-third of households)

account for more than two-thirds of all spending on lodging

Note: Based on three-year average through 2023.
Source: BLS, Tourism Economics

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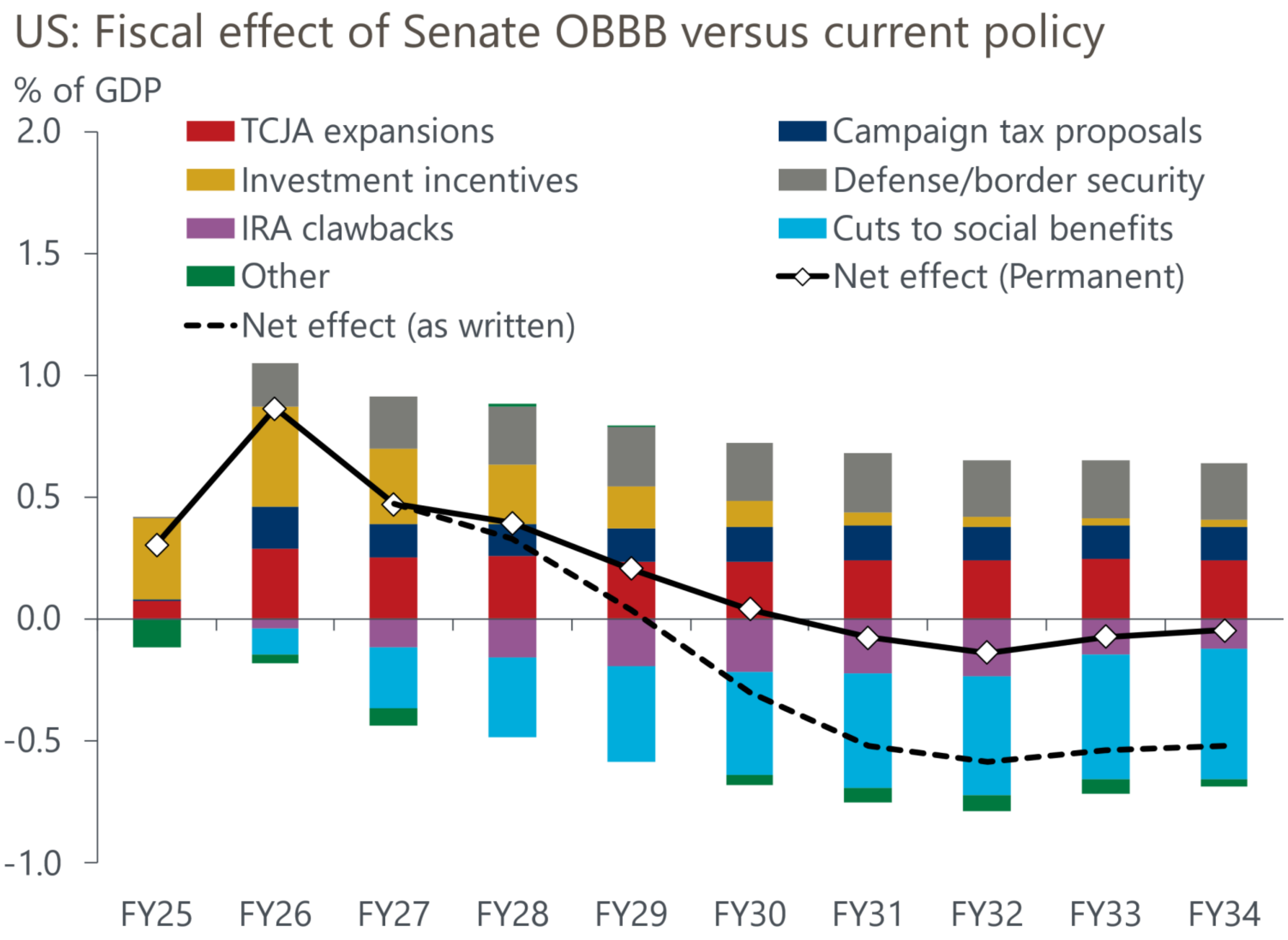
Fiscal policy will boost growth next year



Source: Oxford Economics/Haver Analytics

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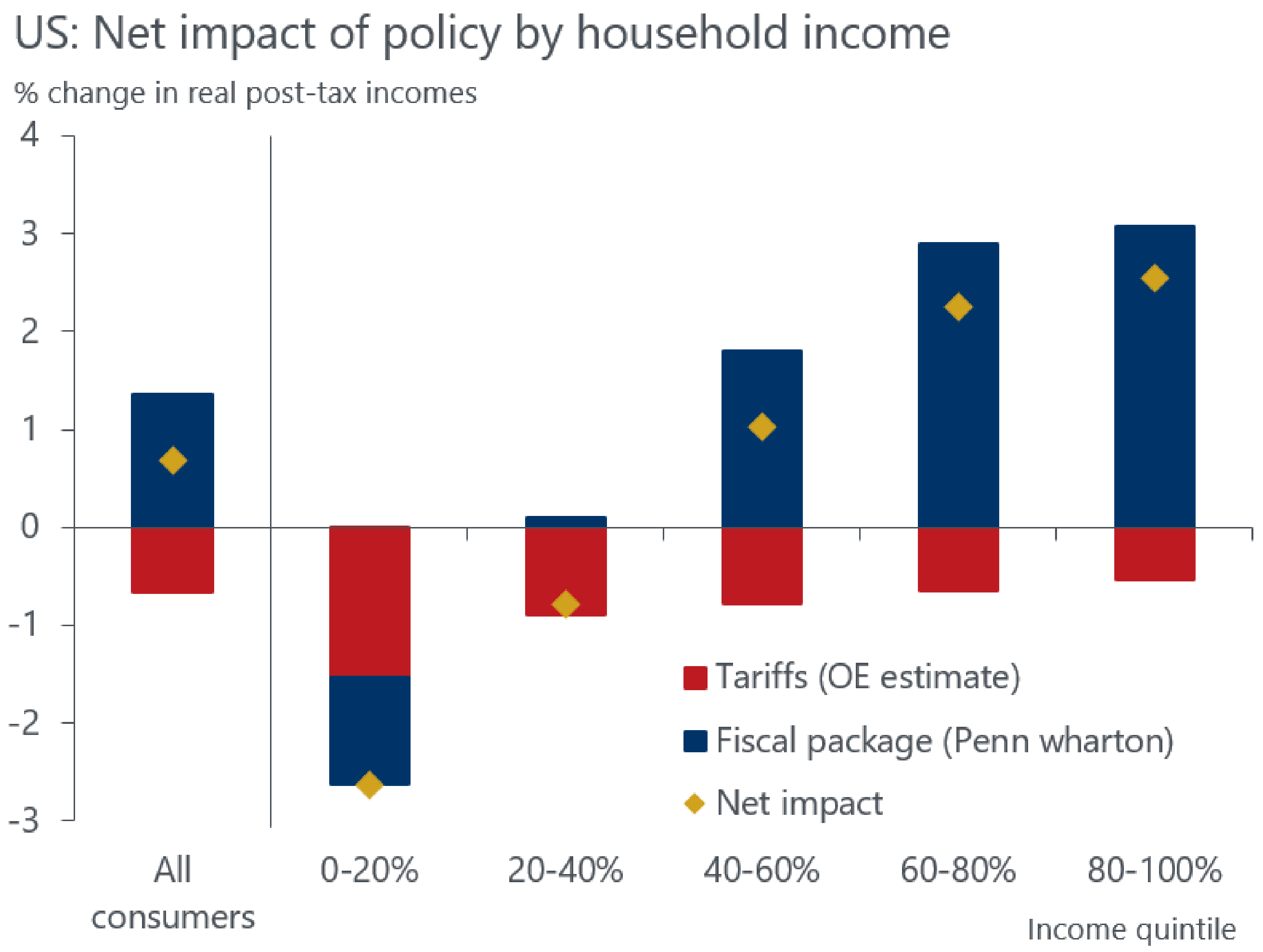
With strongest benefits to higher income households



Source: Oxford Economics/Haver Analytics

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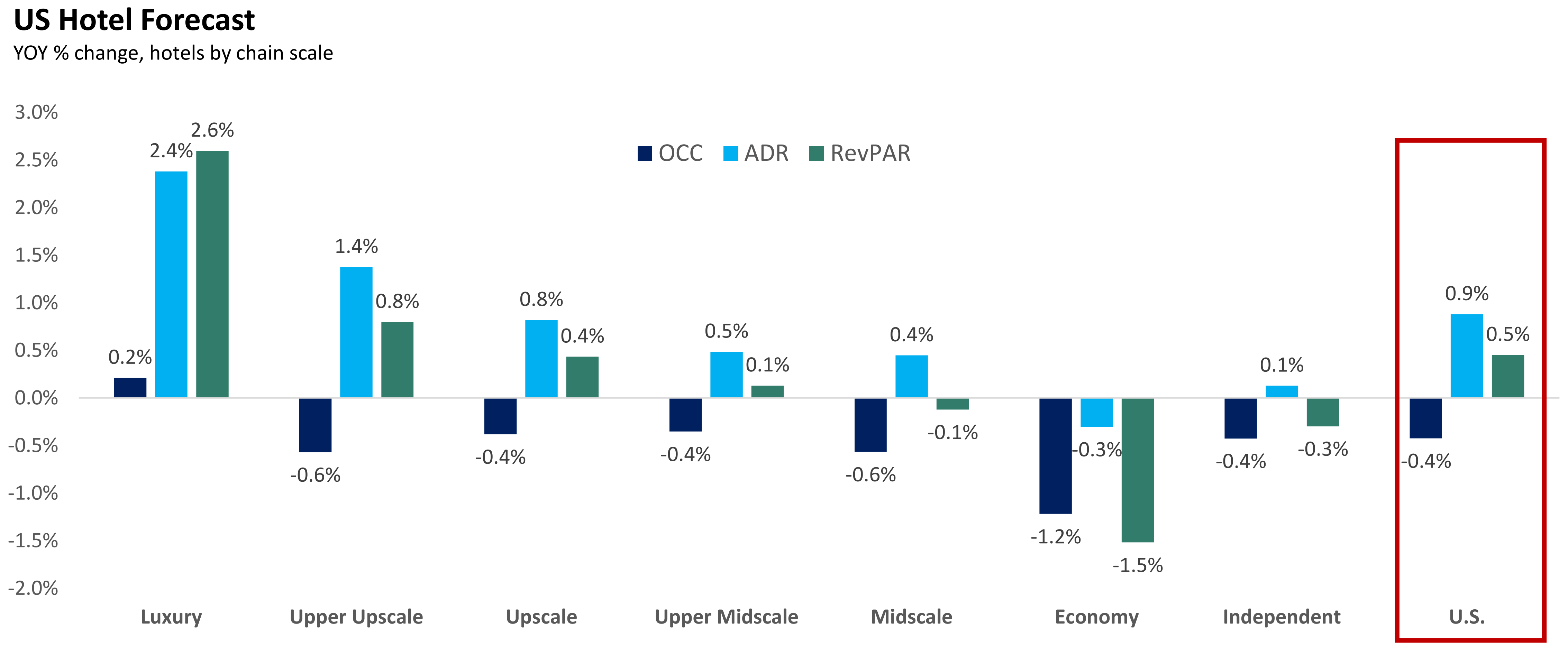
The softness in hotel demand to continue into 2026



Source: Tourism Economics/STR

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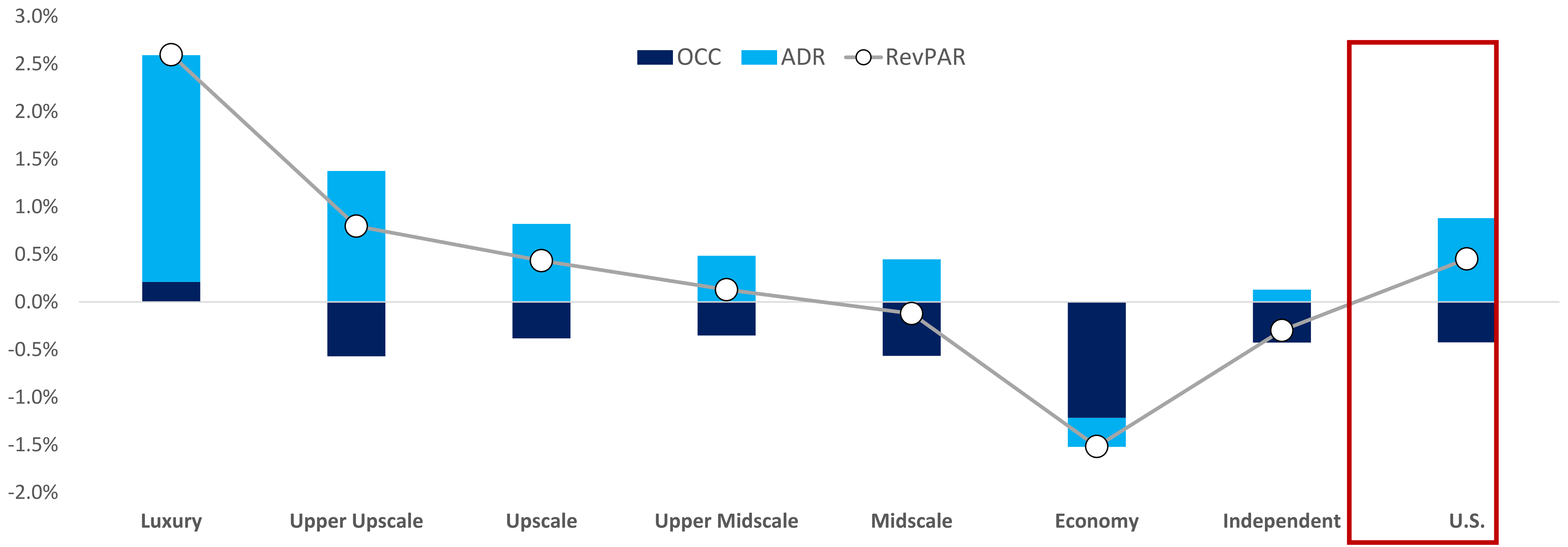
ADR to drive majority of RevPAR growth in 2026

US Hotel Forecast

YOY % change, hotels by chain scale



Source: Tourism Economics/STR

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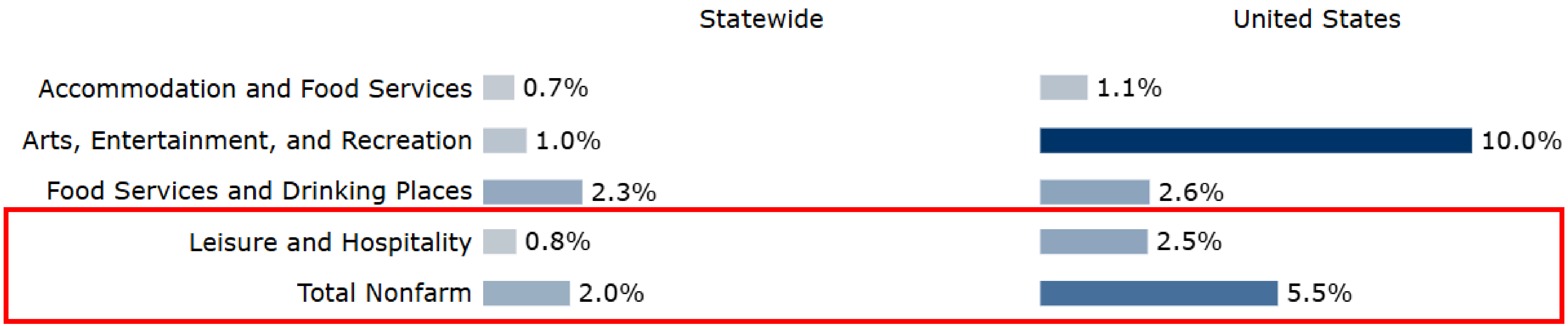
Rhode Island Market Trends and Performance

RI employment is growing but lagging national averages

Employment by Sector

% Change vs. 2019



Source: BLS - Current Employment Statistics (CES)

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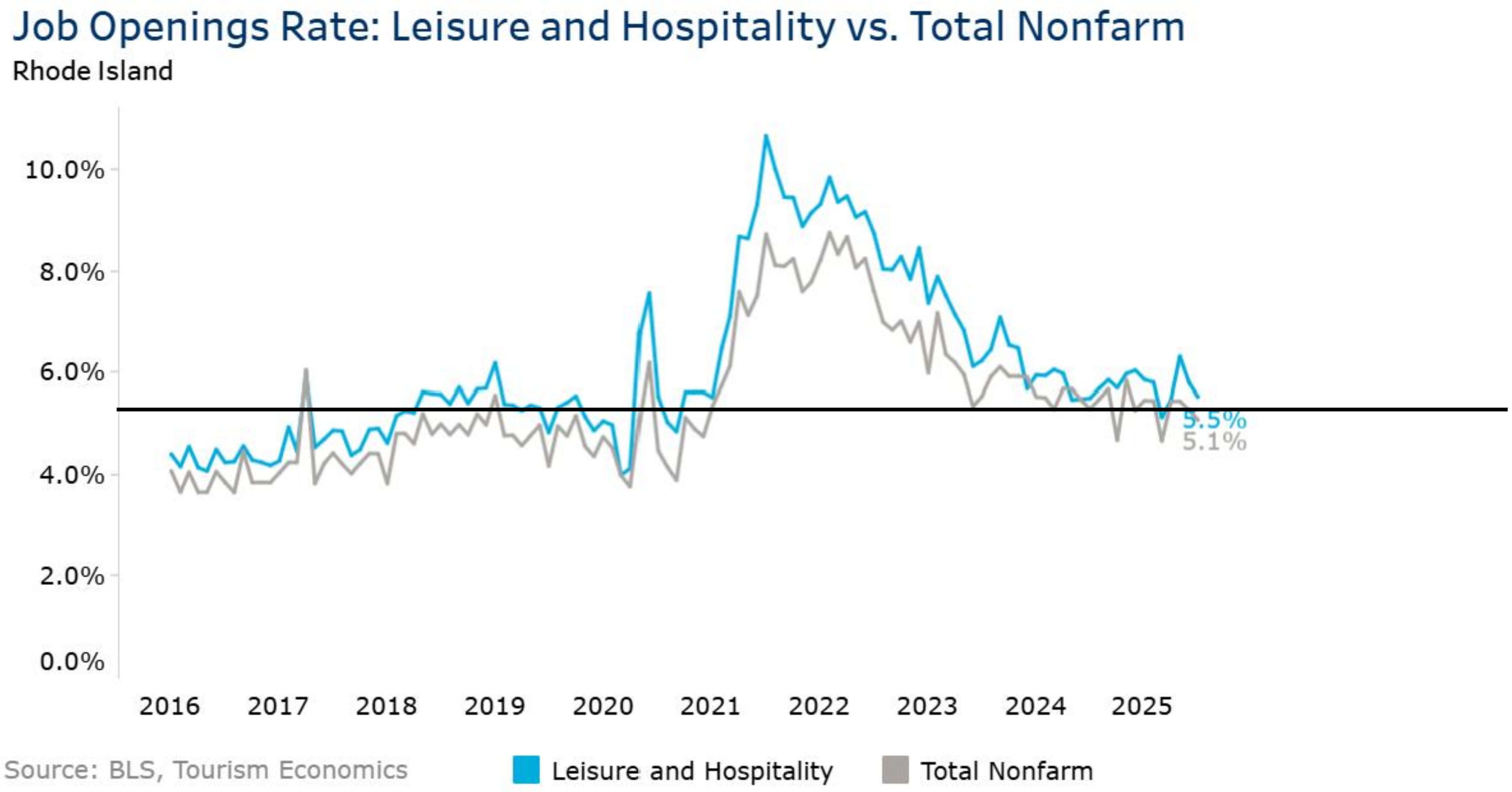
Job openings nearly back to 2019 levels



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Air travel to RI remains strong

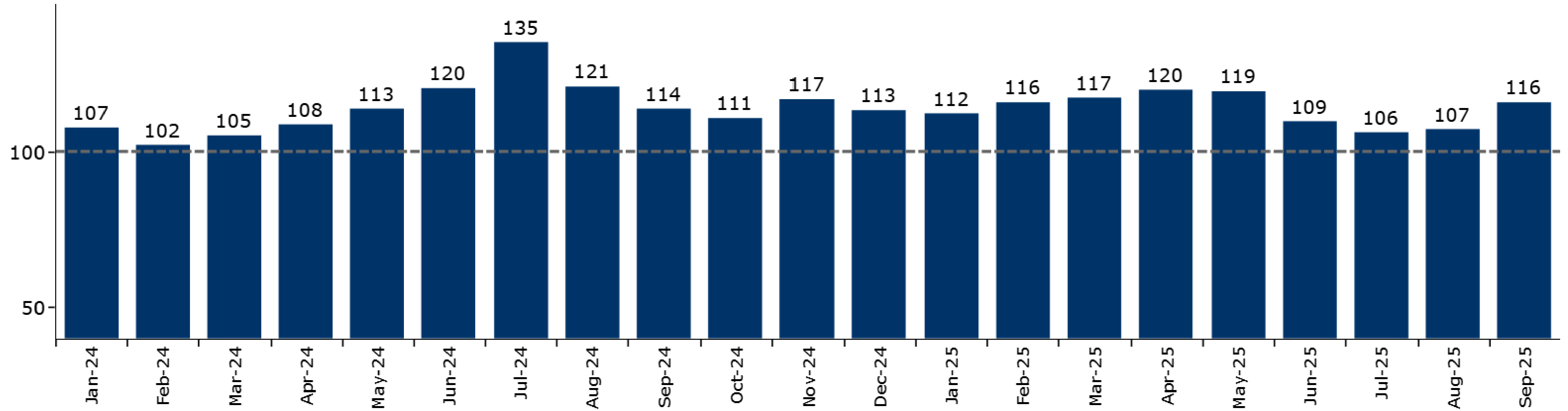
September 2025, Arrivals Breakdown
Total arrivals, excluding locals

	Month Passenger Count	YOY Change	% Share
Domestic Arrivals	100K	+15.8%	96.7%
International Arrivals	3K	+13.0%	3.3%
Grand Total	103K	+15.7%	100.0%

YTD Arrivals Breakdown
Total arrivals, excluding locals

	YTD Passenger Count	YOY YTD Change	% Share
Domestic Arrivals	832K	+13.0%	96.4%
International Arrivals	31K	+10.9%	3.6%
Grand Total	863K	+13.0%	100.0%

Total Visitor Arrivals by Air
Excluding locals, YOY growth Index (prior year=100)



Source: OAG Aviation

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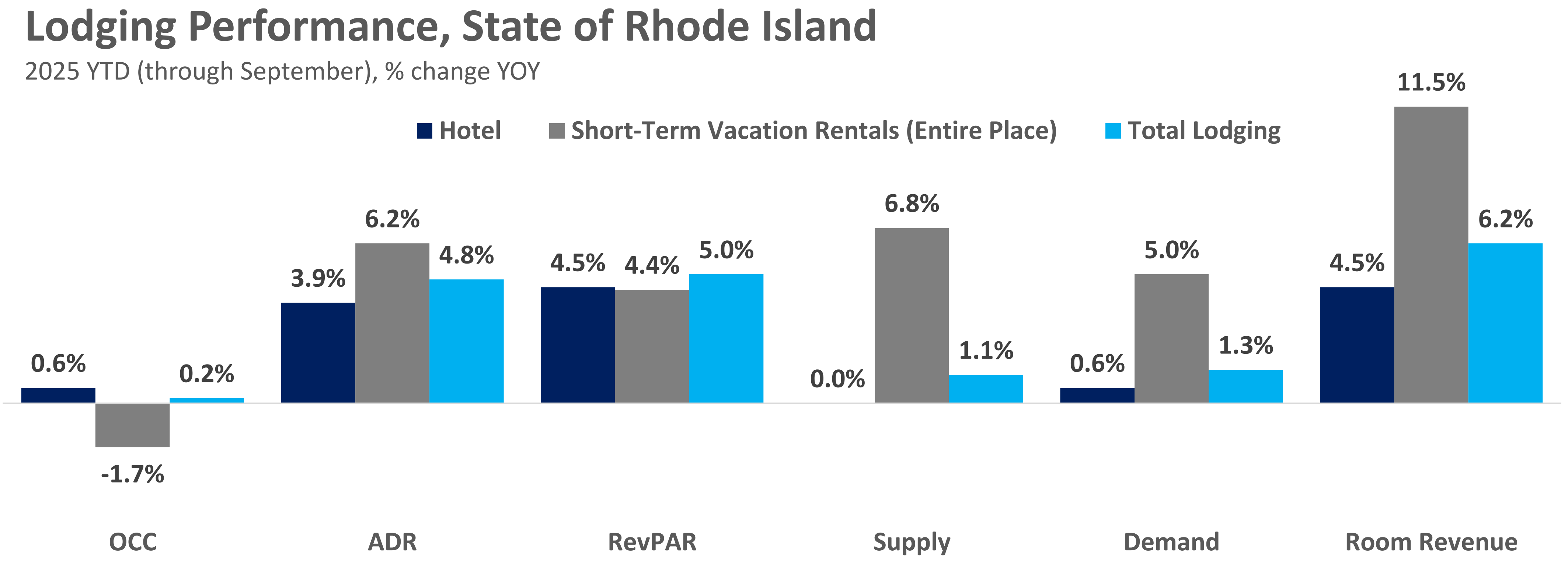
After a strong summer RI is outperforming national averages



Source: STR (hotel); and AIRDNA (short-term vacation rentals)

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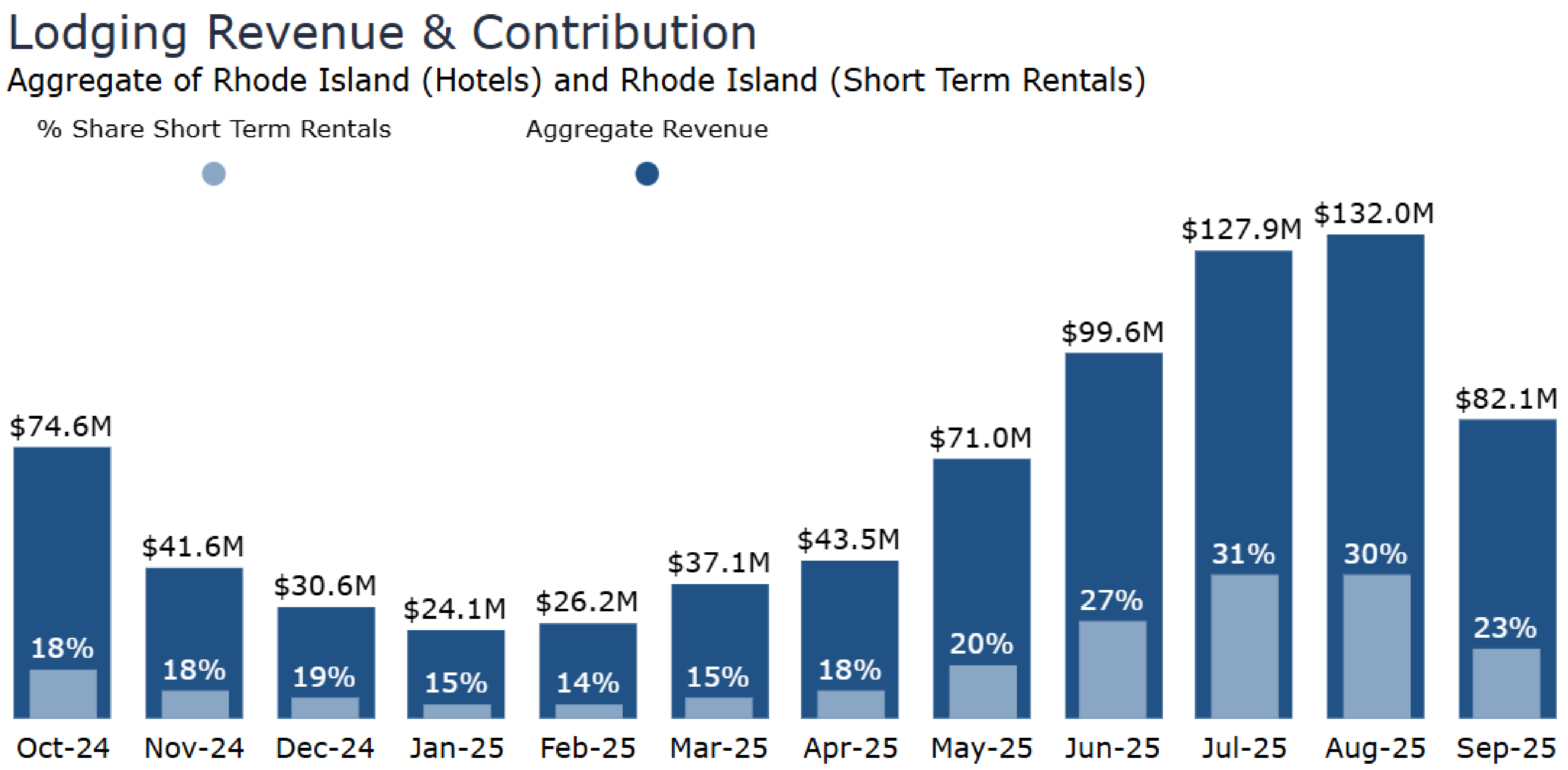
Short-term rentals accounted for nearly 1/3 of all lodging revenue over the summer months

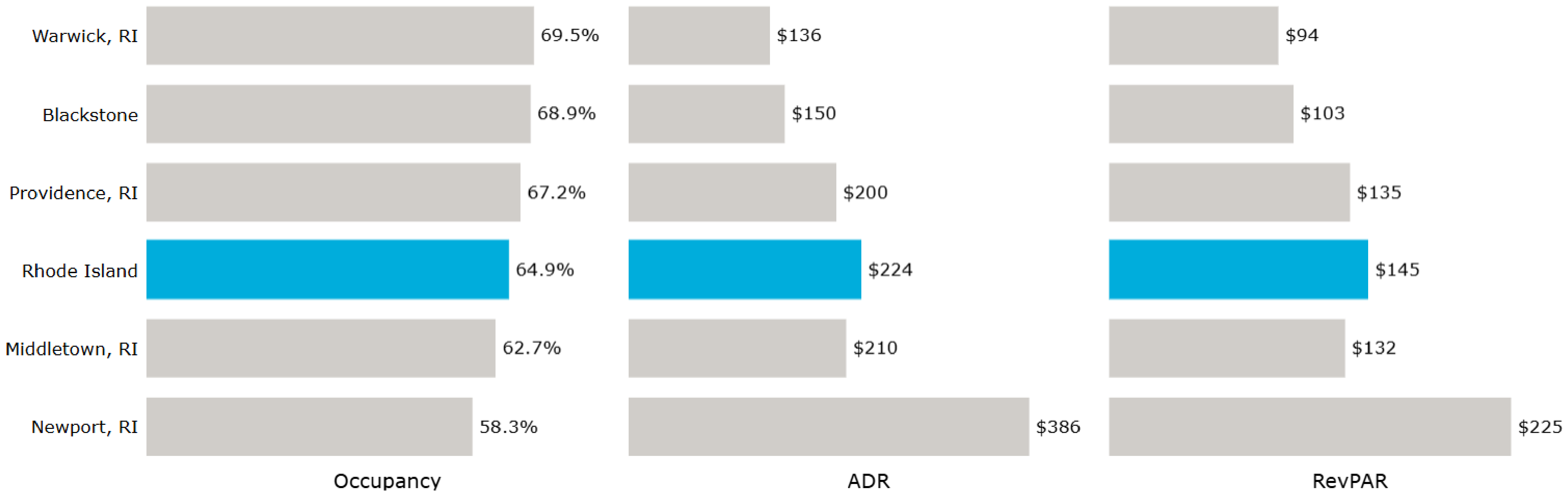


Source: STR (hotel); and AIRDNA (short-term vacation rentals)

YTD KPIs by submarket

2025 YTD Hotel Performance

State of Rhode Island, 2025 YTD (through September)



Source: STR

YTD KPIs by submarket

2025 YTD Hotel Performance

State of Rhode Island, 2025 YTD (through September)

	Occ	YOY	ADR	YOY	RevPAR	YOY	Daily Supply	YOY	Rooms Sold	YOY	Room Revenue	YOY
Blackstone	68.9%	▼ -4.7%	$150	▲ 5.1%	$103	▲ 0.2%	1.1K	▼ -0.2%	202.8K	▼ -4.9%	$30.5M	▲ 0.0%
Middletown, RI	62.7%	▲ 3.4%	$210	▼ -0.7%	$132	▲ 2.7%	1.5K	▲ 0.0%	250.6K	▲ 2.4%	$52.7M	▲ 1.7%
Newport, RI	58.3%	▲ 0.9%	$386	▲ 4.4%	$225	▲ 5.3%	1.9K	▲ 1.3%	315.1K	▲ 6.5%	$121.5M	▲ 11.2%
Providence, RI	67.2%	▲ 1.8%	$200	▲ 2.3%	$135	▲ 4.1%	3.0K	▲ 0.0%	556.0K	▲ 1.8%	$111.4M	▲ 4.1%
Rhode Island	64.9%	▲ 0.6%	$224	▲ 3.9%	$145	▲ 4.5%	12.4K	▼ -0.5%	2.2M	▲ 0.6%	$483.5M	▲ 4.5%
Warwick, RI	69.5%	▼ -1.4%	$136	▲ 3.9%	$94	▲ 2.4%	2.2K	▲ 0.0%	409.9K	▼ -1.4%	$55.7M	▲ 2.4%

Source: STR

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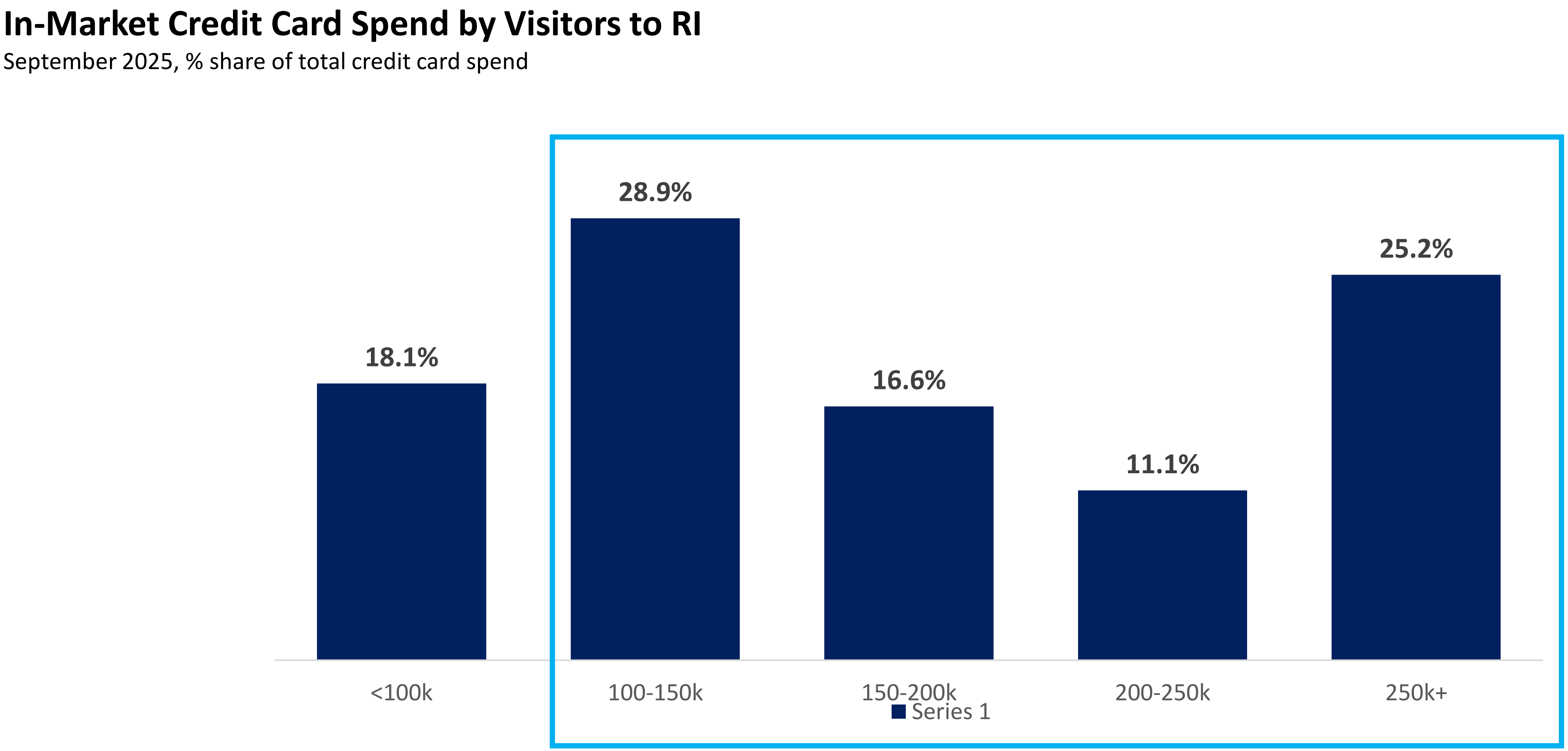
82% of visitors are considered high-income households

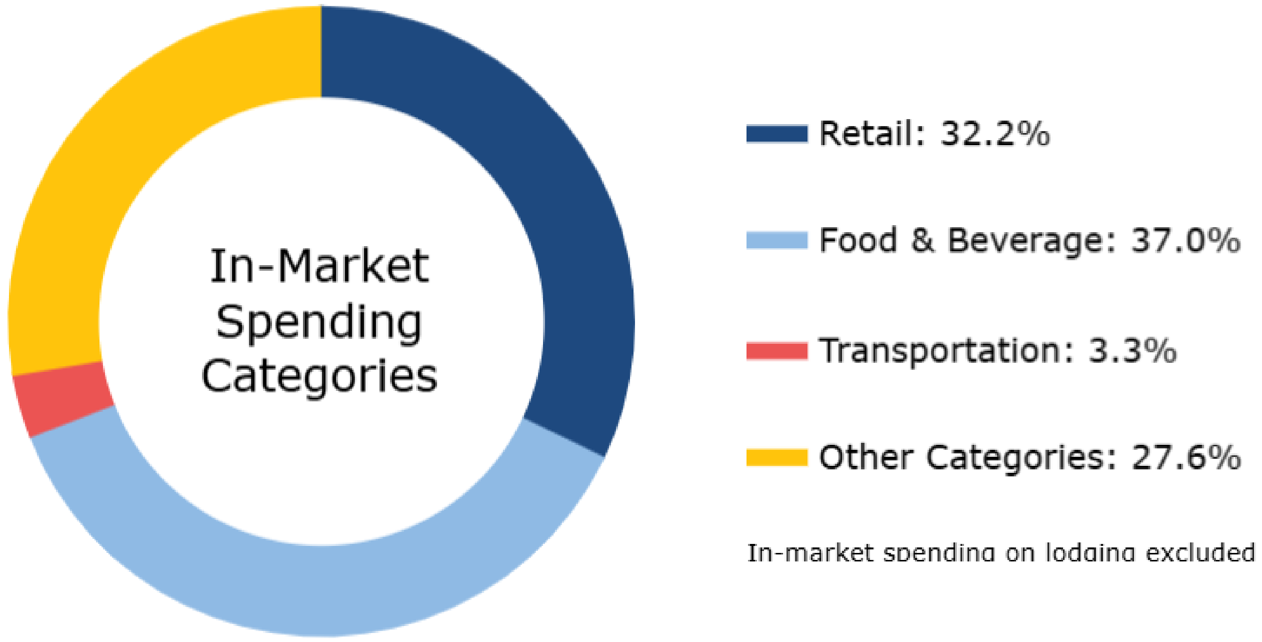


Source: Commerce Signals, a TransUnion Company

69% of non-lodging spend goes towards retail and F&B

In-Market Credit Card Spend by Visitors to RI

% share of total non-lodging credit card spend, September 2025

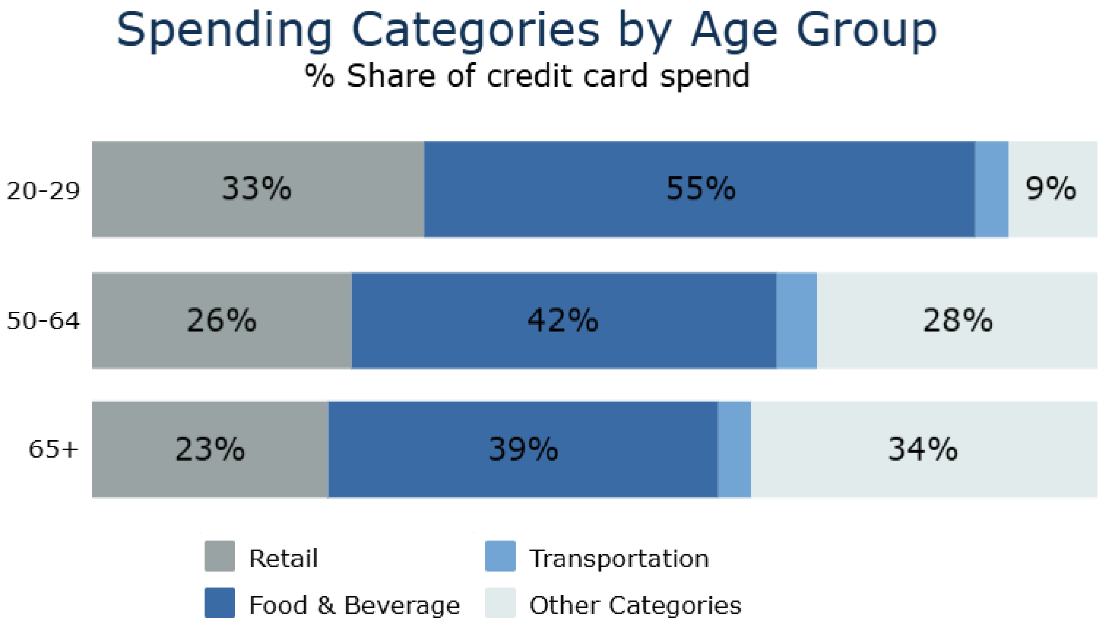


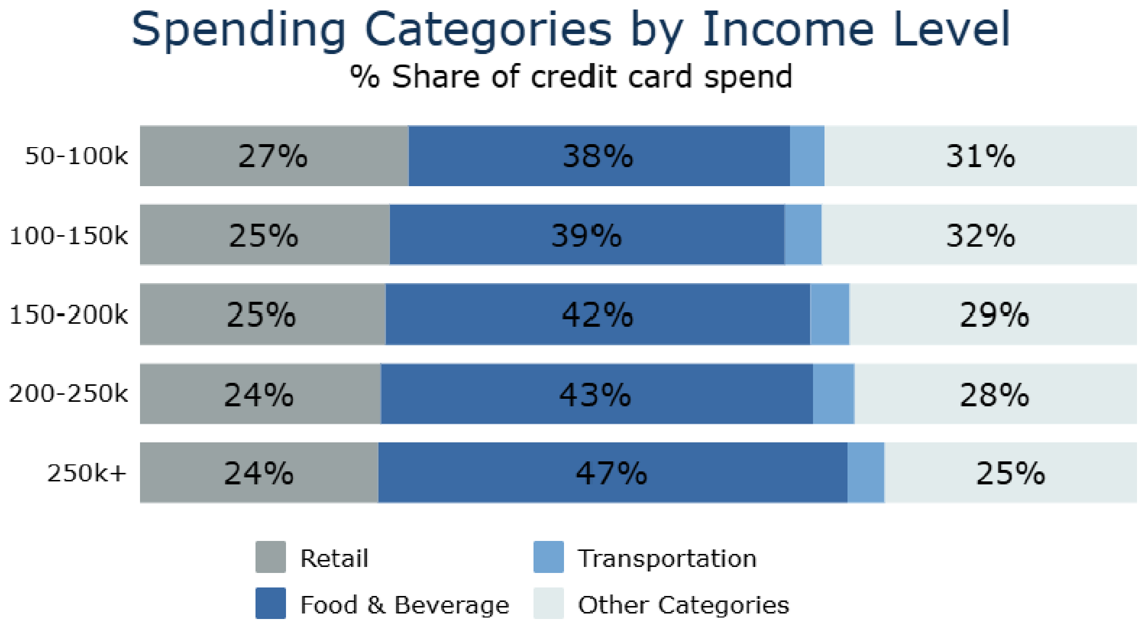
Source: Commerce Signals, a TransUnion Company

Spending patterns vary significantly by age….

In-Market Credit Card Spend by Visitors to RI

% share of total non-lodging credit card spend, September 2025

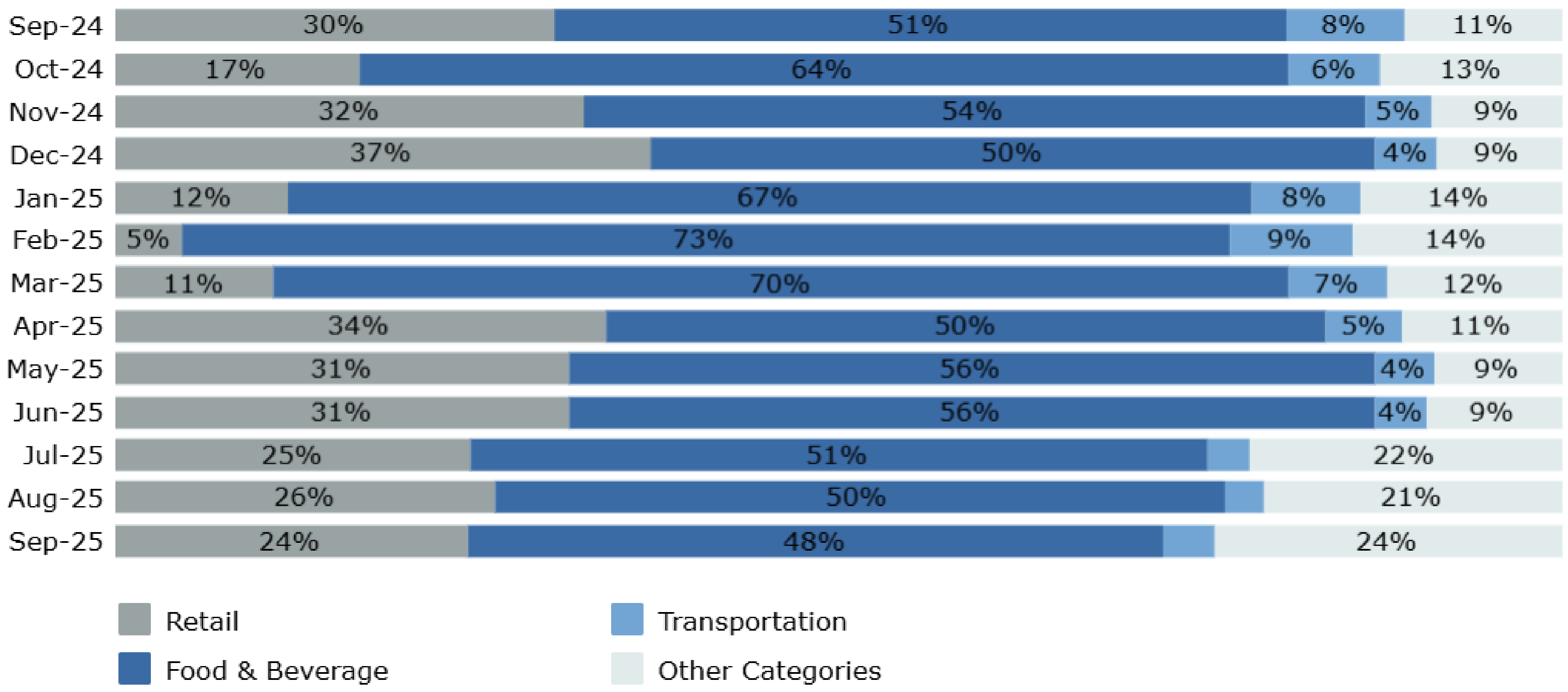




And by season

In-Market Credit Card Spend by Visitors to RI

% share of total non-lodging credit card spend, 13-month trend



Source: Commerce Signals, a TransUnion Company

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Top origin markets vary by region

Top Origin Markets by MSA

Rank 1-10 based on % share of observed visits, 2025 YTD (through September)

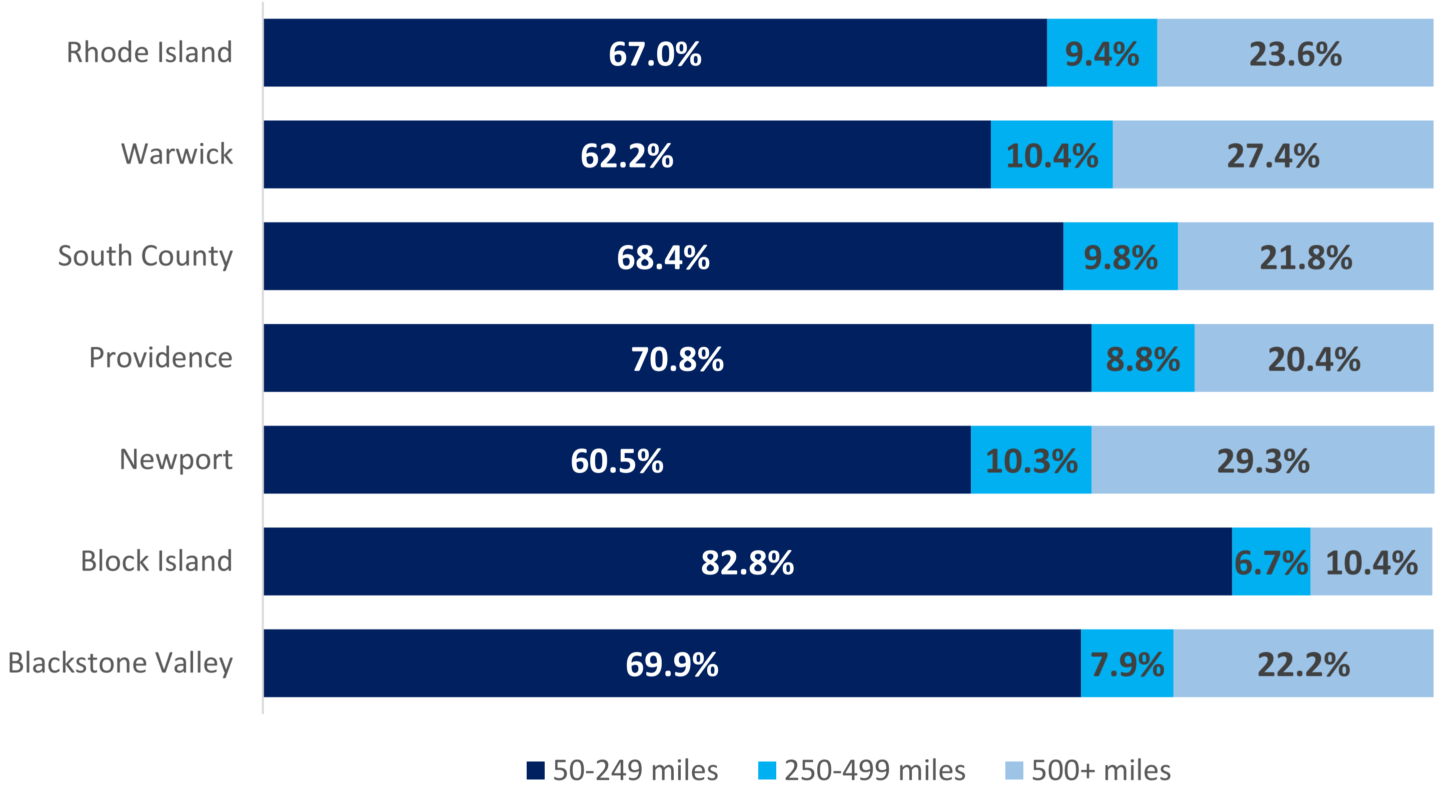
Blackstone Valley	Block Island	Newport	Providence	South County	Warwick	Rhode Island
Boston	New York	Boston	Boston	New York	Boston	Boston
New York	Bridgeport	New York	New York	Boston	New York	New York
New Haven	New Haven	Minneapolis	New Haven	Hartford	New Haven	Hartford
Hartford	Boston	Bridgeport	Hartford	New Haven	Hartford	New Haven
Manchester	Hartford	Hartford	Philadelphia	Bridgeport	Philadelphia	Bridgeport

Source: Tourism Economics/Azira

Newport and Warwick with high share of fly-market visits

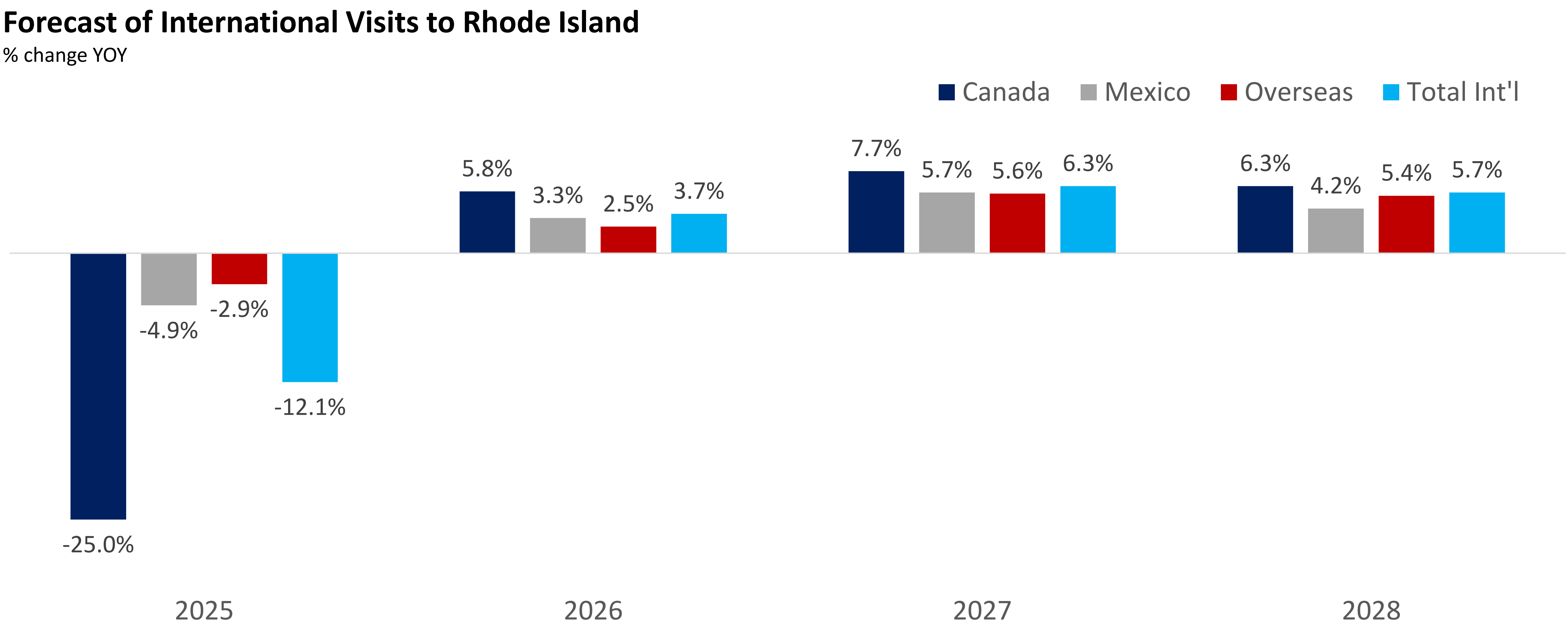
Visitors to RI by distance traveled

% share of total visits, 2025 YTD (through September)



Source: Tourism Economics/Azira

Sluggish sentiment towards US and unfavorable exchange rates impacting visits from Canada. Overseas travel is holding up fairly well



Source: Tourism Economics

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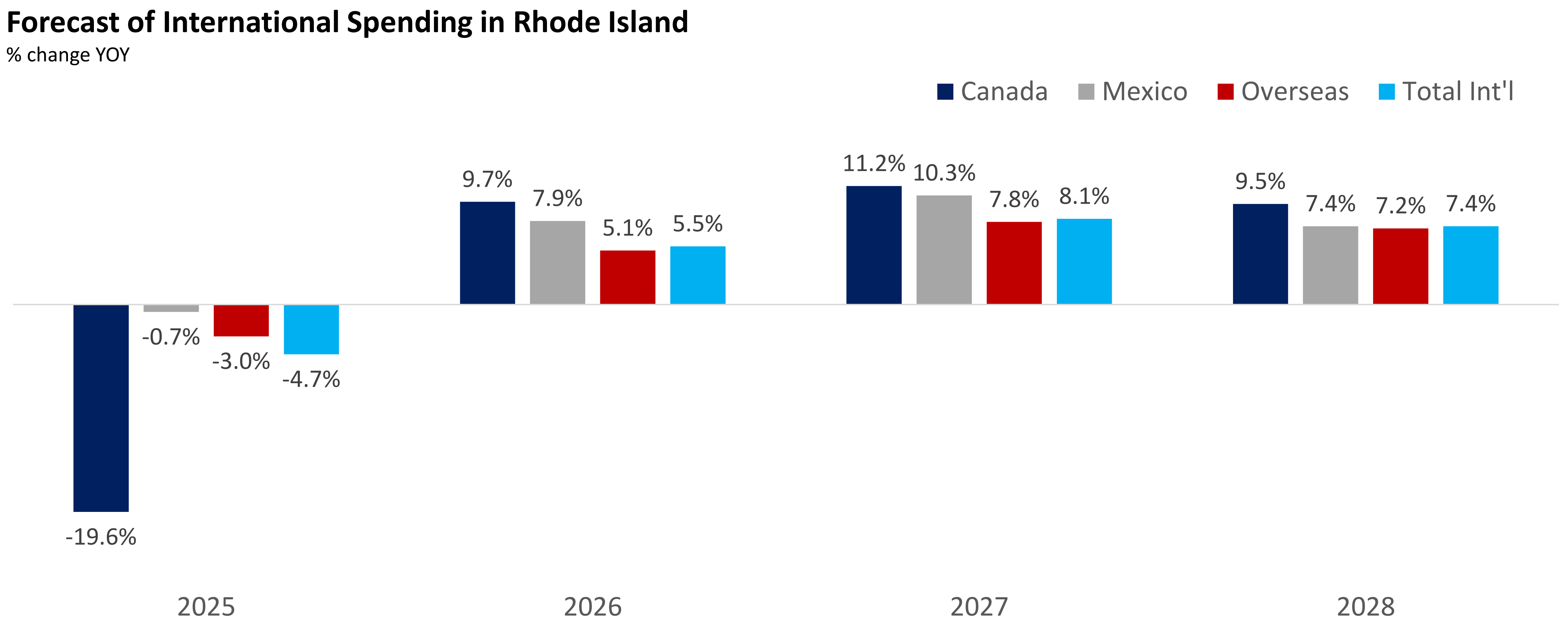
Spending is less impacted, but negative relative to prior year



Source: Tourism Economics

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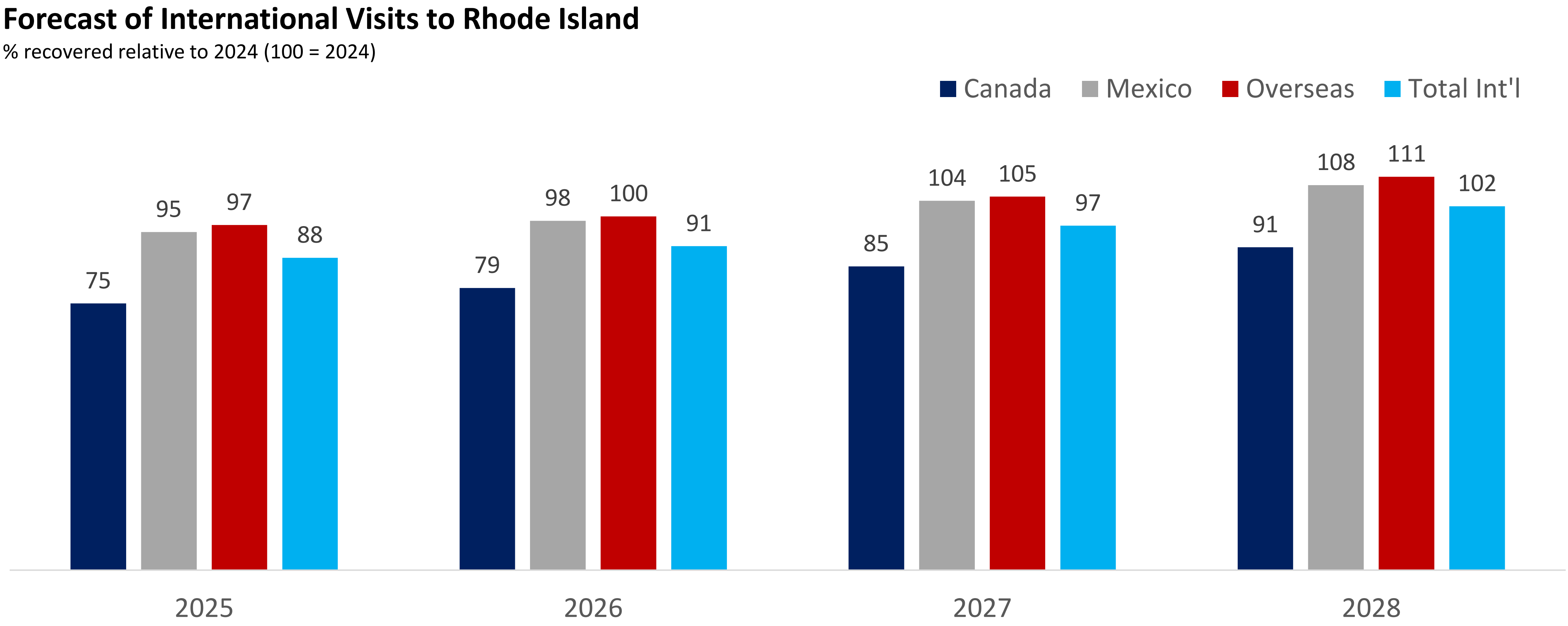
Overseas to recover to 2024 levels in 2026. Other markets will take longer



Source: Tourism Economics

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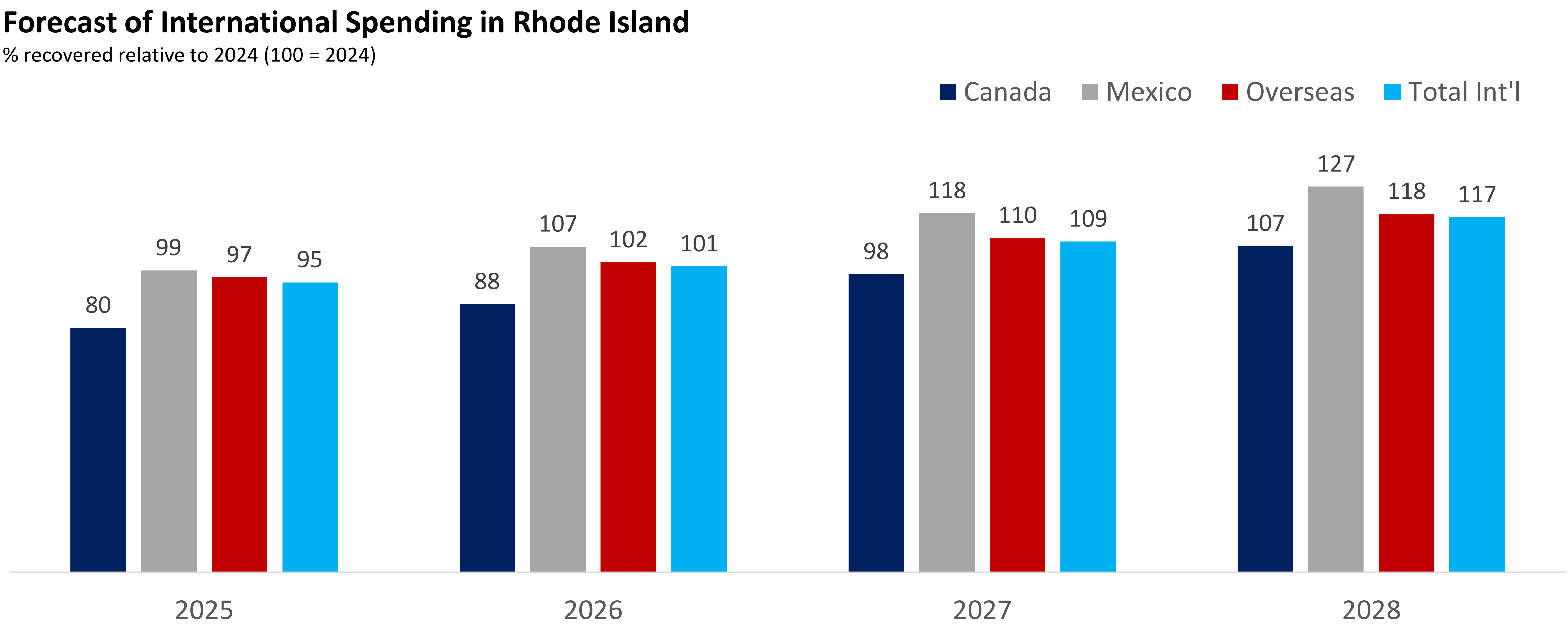
Internatinal spending will recover faster



Source: Tourism Economics

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As a short story

The near-term outlook is soft and risky

- Tariff-related risks remain uncomfortably high.
- Higher inflation, weaker labor markets, government shutdown, and slower economic growth.
- Businesses and households delaying spending
- International markets will continue as a drag on performance

The outlook is more promising if you look out a little farther

- Domestic travel is resilient
- Higher-income households are in a strong wealth position and will benefit from continued tax cuts
- Uncertainty is slowly fading, and the economy is very likely to strengthen in 2026 and 2027
- However, we must continue to look beneath the surface to identify points of weakness

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The Intersection of Travel and the Economy

Erik Evjen | Executive VP

Tourism Economics, an Oxford Economics Company

November 2025