

At the 30,000-foot level, the U.S. travel economy looks increasingly like a tale of two markets. Affluent travelers continue to prop up luxury and upper-upscale hotels even as price-sensitive segments soften, an effect documented by both industry trade coverage and national media ([Hotel Management Network](#) and the [Washington Post](#)). Meanwhile, macroeconomics and political uncertainty is weighing on confidence and complicating operations. [U.S. Travel's](#) latest forecast points to modest domestic demand in 2025 alongside a decline in international inbound, while the ongoing federal shutdown has intensified air-traffic-control staffing shortfalls and triggered thousands of delays at hubs like ATL, DFW, ORD and EWR. The cost is real and growing; U.S. Travel's impact ticker already shows more than \$3 billion in lost travel spending.

[CoStar's](#), recent forecast update quotes economist Bernard Baumohl: *"virtually impossible to predetermine the course of the economy with any degree of confidence or accuracy beyond the next couple of months"*. Tariffs, high inflation, cross-border tensions, and a federal shutdown, are acting as a drag on U.S. lodging by clouding forecasts, threatening air-travel continuity, and weakening hotels' pricing power.

Amid these headwinds, restaurants across the country are doubling down, not backing down. Despite persistent cost pressures and labor challenges, they are fighting for guest traffic by investing in marketing and customer incentives rather than cutting staff or hours. They are adopting new technology to support people and make every shift run smarter, not to replace teams. One in four still plans to expand in the next year. Read more in Toast's latest survey, ["2025 Voice of the Restaurant Industry."](#)

Hotels are also seeing demand shift, especially in why people travel. [Hilton's 2026 Trends Report](#) spotlights the rise of travelers seeking authentic meaningful experiences with purpose-led **"whycations"**. This includes prioritizing quiet low-stimulation **"hushcations"**, comforts of home, multi-gen reconnection **"Inheritourism"**, and the road-trip revival. Amelia Island can lean into this trend as a calm, nature-forward island destination.

Discovery and conversion trends are changing just as quickly thanks to AI. [KAYAK's new AI Mode](#) puts a conversational, natural-language planner (powered by ChatGPT) front and center on its homepage, signaling that mainstream travel search is moving from forms to dialogue. Brand USA has also recently rolled out a new AI-powered hub on [AmericaTheBeautiful.com](#). They have received more than 14,000 Mindtrip AI chat exchanges in the first 24 hours alone. Users who engaged with AI stayed on the site 12 times longer, viewed four times more pages, and bounced 60% less than non-AI users according to [Brand USA's latest news release](#).

Looking ahead, there is good news. Families plan to travel over the next year at the highest levels since the pandemic, per [The Family Travel Association's \(FTA\)](#) 10th annual survey. A whopping 92% of parents reported plans to travel with their kids in the next year, marking the highest level of intent post-pandemic. The survey revealed that the market is growing, with 81% of families planning to either spend more on domestic travel or maintain their current spending. Last year, the average family spent approximately \$8,052 on travel, a 20% rise from 2023. But still, the survey found that affordability remains a challenge for 73% of respondents. To save money, 50% of families book lodging with a kitchen and 46% limit paid attractions.

Taken together, these signals point to a choppy but forward-moving travel cycle. Affluent travelers are still filling premium rooms even as value segments pull back; families show strong intent but tight budgets; and forecasting remains clouded by policy noise and operational friction. At the same time, intent is being redirected—not disappearing—toward purpose-led trips, quieter escapes, driveable getaways, and experiences that feel meaningful and good-value.



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