



White-Glove Stays vs. Wallet-Wise Getaways

What 2025 Travel USA® Data Reveals About Budget and Luxury Travelers

June 2026



WHO WE ARE

Established in 1978 as a market research consultancy

Headquartered in Columbus, OH and Toronto, ON

Focused in tourism since 1985

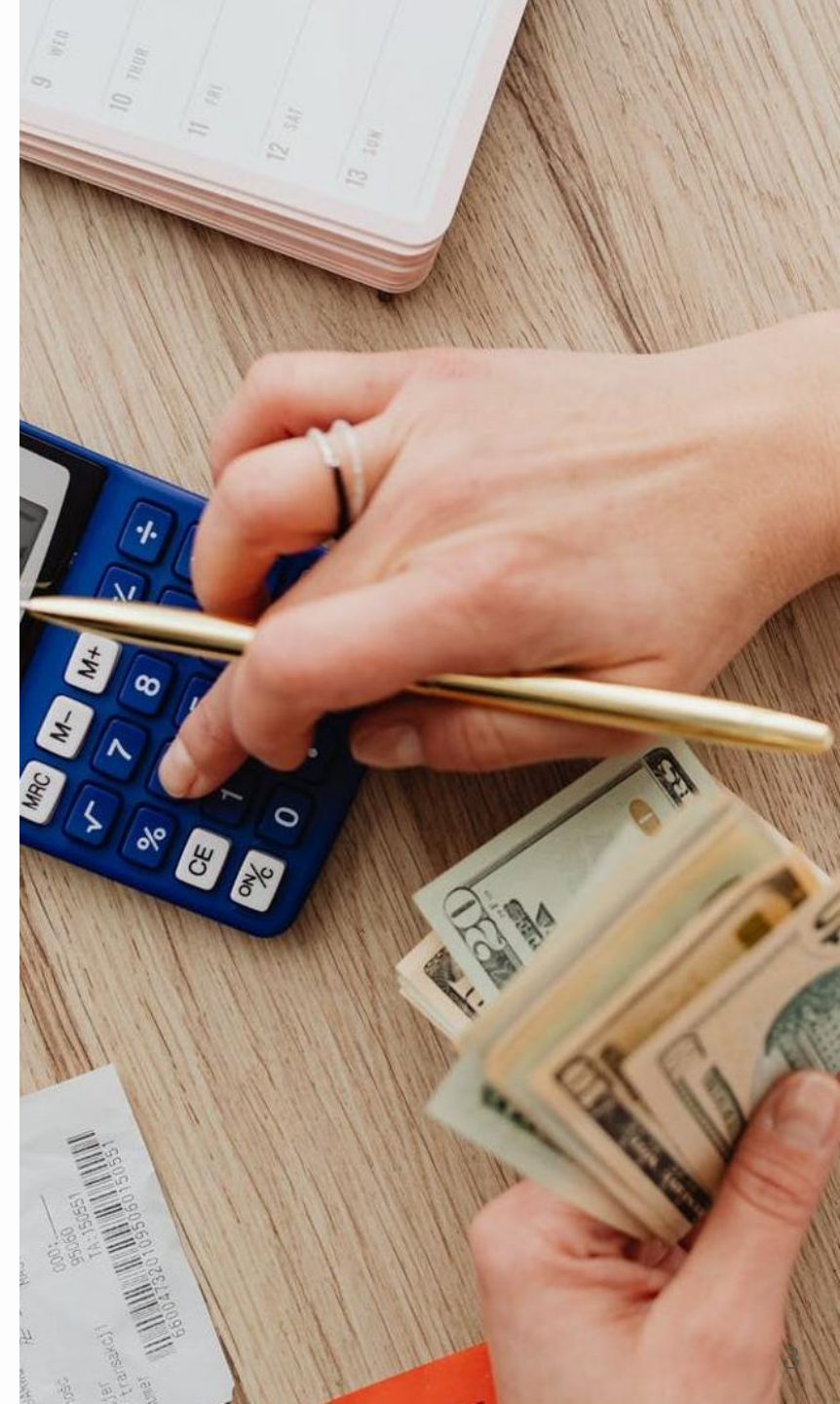
Working with over 200 Destinations and Brands



Why This Comparison Matters

Budget-friendly and luxury travelers are often treated as opposites, defined primarily by how much they spend. Comparing them helps clarify where travel style, value perceptions, and behaviors truly differ – and where the segments overlap more than expected.

For travel stakeholders, this distinction can inform how destinations position value, tailor messaging, and design experiences for different traveler mindsets.



How We Defined Budget-Friendly & Luxury Travelers

Budget-Friendly Travelers

Travelers who prioritize affordability and value.

Respondents to the 2025 Travel USA® survey by Longwoods International were asked to select the persona that best describes their travel style. They were limited to choosing one of the thirteen traveler types, including budget-friendly and luxury travelers.

Budget-friendly and luxury travelers together accounted for more than a third of all overnight U.S. trips. **24% of trips were taken by budget-friendly travelers, while 10% were taken by luxury travelers.**

Luxury Travelers

Travelers who seek high-end experiences and personalized services.

While they sit at opposite ends of the spending spectrum, our 2025 Travel USA® findings show clear, meaningful differences between the two segments, as well as several areas where they look more alike than you might expect.

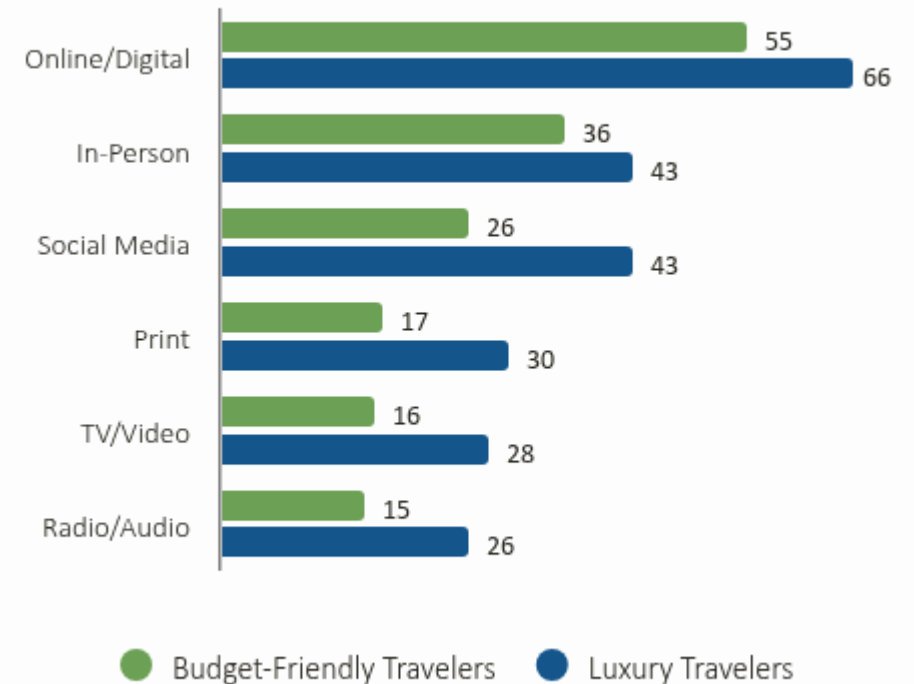
Trip Purpose and Planning Channels

When we look at main purpose of trip, differences are meaningful but not absolute. **Visiting friends/relatives** is the top trip purpose for both segments, but it is **more dominant among budget travelers**. 47% of budget traveler trips are primarily to visit friends/relatives vs. 31% of luxury traveler trips, a 16-point gap.

Our 2025 Travel USA® data also highlight stronger usage of information sources for luxury travelers during trip planning versus budget travelers. **Luxury travelers hold a 10-point lead in using almost all media types as information sources of trip planning**, most notable is social media at 43% versus 26% for budget travelers. Leading the pack for social media used is Instagram at 23% of luxury travelers versus 9% of budget travelers.

For destinations, this has direct implications for campaign timing: **luxury audiences reward longer lead-time storytelling, while budget audiences are more responsive to last-minute promotions and spontaneous getaway messaging.**

Percent of Travelers Who Used Information Source for Trip Planning



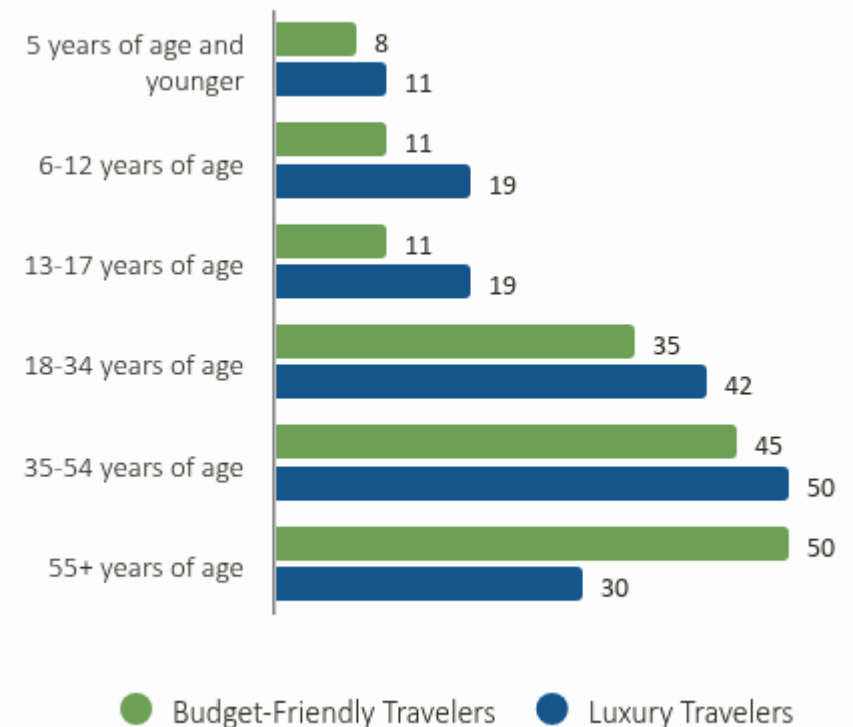
Age Distribution by Traveler Segment

Luxury trips are notably more youth-skewed than budget trips in 2025. For example, 42% of luxury travel parties included someone aged 18 to 34, compared with 35% of budget travel parties. Budget travelers, by contrast, are far more likely to have someone 55 years of age or older in their travel party, (50% vs. 30% among luxury travelers, a 20-point difference).

Children are also more common in luxury parties, 34% of luxury trips include children vs. 24% of budget traveler trips, a 10-point gap. Additionally, Luxury travelers are more likely to bring pets, 18% of luxury traveler trips include a pet versus 13% of budget trips.

Taken together, the 2025 data paints luxury travelers as younger, more kid-centric, and more pet-inclusive travel parties, while budget trips lean older and more traditional in who comes along.

Percent of Travelers in Each Age Group

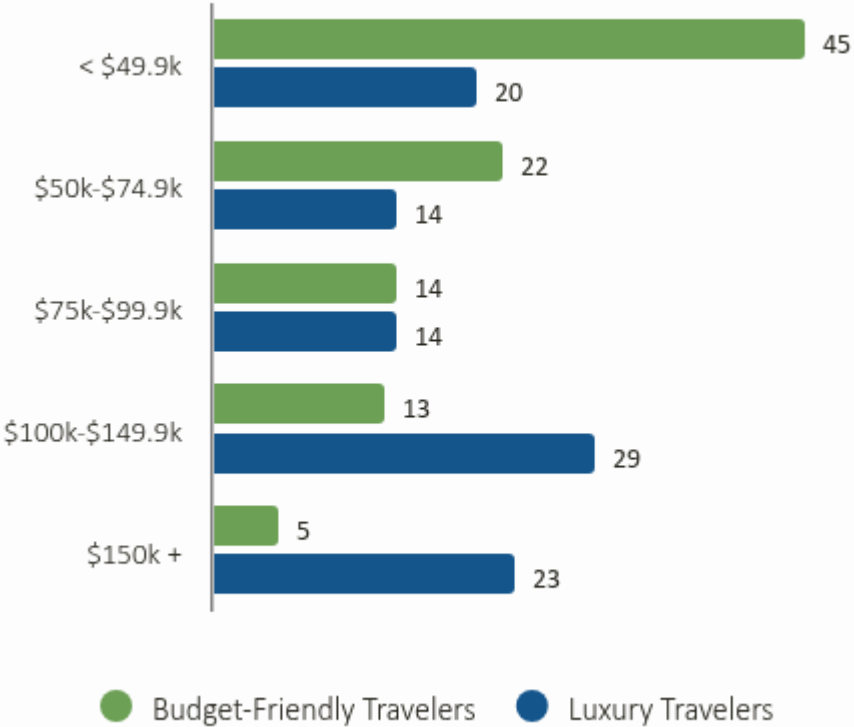


The Expected Pattern: Luxury Travelers Skew Higher Income

The clearest separation between budget and luxury travelers appears in household income. Among budget-friendly travelers, 5% report household incomes of \$150k or more, compared with 23% of luxury travelers, an 18-point gap. At the lower end, 45% of budget travelers report incomes under \$50k, versus just 20% of luxury travelers, confirming that budget travel is disproportionately driven by lower- and middle-income households.



Percent of Travelers in Each Household Income Group



The Deeper Insight: Budget Travel Is a Choice, Not Just a Constraint

However, when we dive deeper into household income, specifically household income averages, budget travelers cannot be written off. In fact, 7% of travelers with an annual household income of \$250k or more identified as budget travelers. What this tells us is that 'budget traveler' is not simply a proxy for financial limitations, it is increasingly a deliberate travel style.

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of travelers with an annual household income of \$250k or more identified as budget travelers.



The presence of higher-income households within the budget segment is a reminder that destinations and partners should resist the temptation to equate spending level with guest value.

A traveler choosing to stretch their dollar in your destination today may well be your luxury guest tomorrow.

By Day Alike, By Night Apart: Activities vs. Accommodations

Both groups sought similar experiences in 2025 but differed sharply in where they stayed.

Accommodations are also one of the most striking and relevant differences between budget and luxury travelers. Not surprisingly, **luxury travelers over-index in classic upscale options**. For resort hotels, 25% of luxury vs. 10% of budget travelers (15-point gap); bed & breakfast is 10% vs. 3%, (a 6-point gap); boat/cruise ship is 8% vs. 3%, (a 5-point difference). **Budget travelers, instead, lean into value accommodations**, with staying at the home of friends/relatives 32% vs. 16% of luxury travelers, a 16-point difference.

Despite differences in accommodations, **the top five activities for each segment are largely the same**, the only outlier being the activity or experience that came in fifth place for each segment. The fifth most experienced activity for budget travelers is visiting a landmark or historic site, while visiting a casino is something 14% of luxury travelers did in 2025.

Top 5 Activities

Budget Travelers

1. Shopping 27%
2. Sightseeing 21%
3. Bar/nightclub 15%
4. Swimming 13%
5. Landmark/historic site 13%

Luxury Travelers

1. Shopping 27%
2. Bar/nightclub 20%
3. Sightseeing 18%
4. Swimming 16%
5. Casino 14%



How the Spending Mix Differs

	Budget Share of Total	Luxury Share of Total
Lodging	37%	33%
Food & Beverage	22%	20%
Retail Purchases	15%	18%
Transportation within Destination	13%	15%
Recreation/Sightseeing/Entertainment	14%	15%

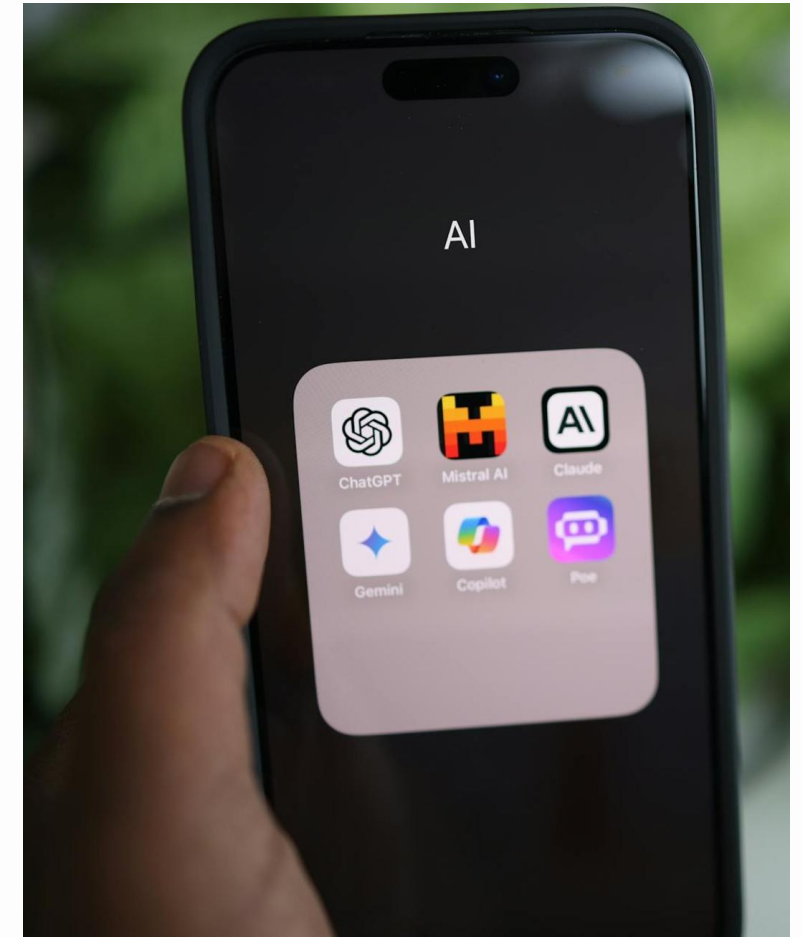
Equally revealing is how each segment allocates its overnight spending. When expressed as a share of total trip spend, lodging actually shrinks for luxury travelers despite costing more in absolute dollars. For budget travelers, lodging consumes more than a third of total trip spend (37%). For luxury travelers, that share drops to 33%, as spending spreads more evenly across retail, transport, and experiences. **Luxury travelers are not simply paying more for the same things; they are distributing spend more broadly across the local economy.**

How AI and Travel Agents Shape Planning

AI is surging among luxury travelers, yet travel agents remain central to how they plan.

Luxury travelers are roughly **two to two and a half times more likely to use AI tools across all booking categories**: 13% vs. 5% for attractions, 10% vs. 5% for accommodation, and 10% vs. 4% for both transportation and dining. The implication is not that agents are being displaced by AI as luxury travelers use both AI and travel agents for booking more than budget travelers. The common thread is that luxury travelers invest heavily in planning regardless of channel, while budget travelers are more likely to not plan prior to their trip (13% vs. 8% with no advance planning).

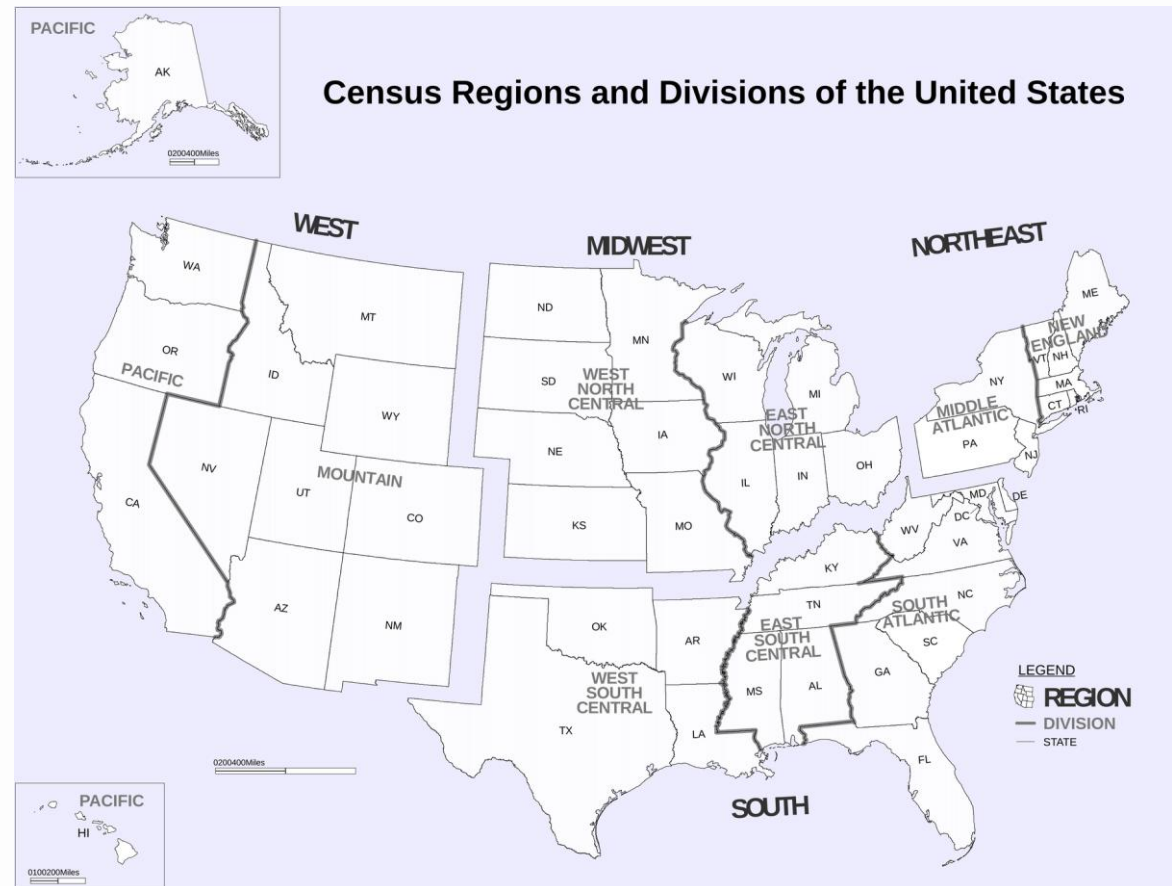
DMOs should be building AI-discoverable content (structured data, itinerary-ready copy) while also maintaining trade relationships as they serve the same high-intent luxury audience.



Where They Go and If They Return

Travel USA® also shows us that in 2025, the Southern region of the U.S. is the only region that is similar in terms of being visited by each segment. Luxury travelers have a 4-point lead visiting the Northeast and a 10-point lead visiting the Western part of the U.S., while budget travelers lead visitation to the Midwest by 7-points.

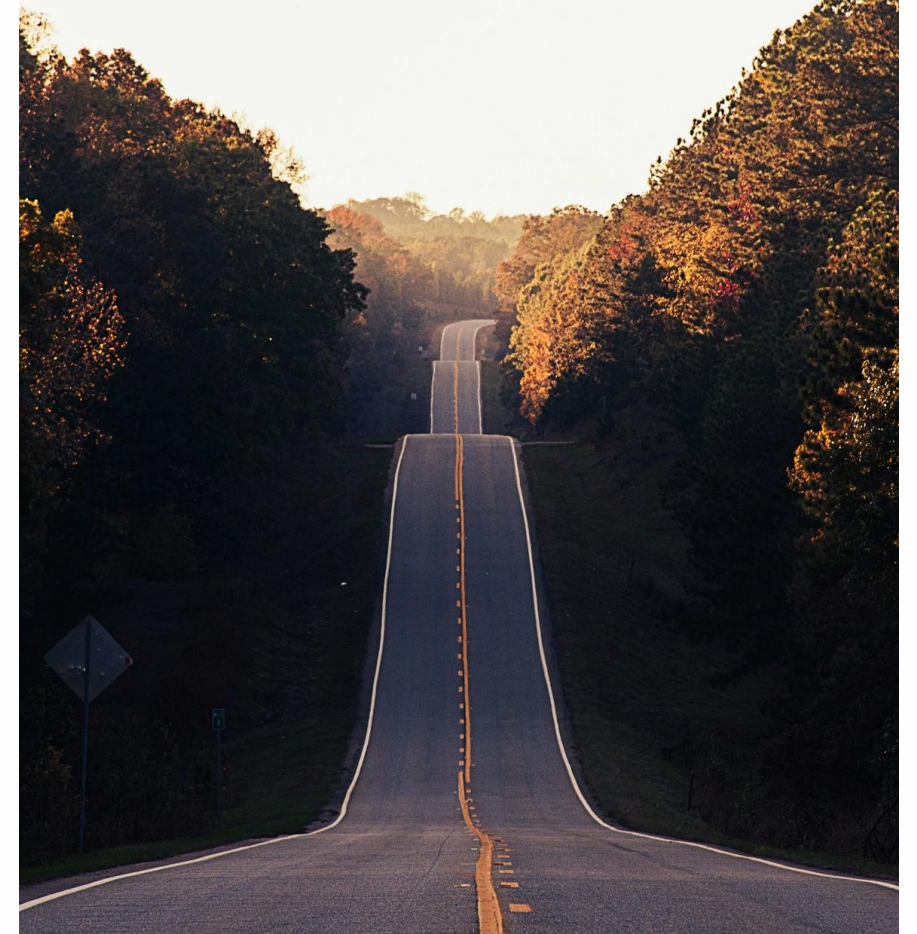
In positive news for the U.S. domestic travel market, both segments saw almost seven in ten travelers select that they were very likely to return to their destination for their overnight trip in 2025. Travel USA® shows luxury travelers fanning out more to the coasts while budget travelers hold a stronger foothold in the Midwest, yet both groups leave their trips with equally high intent to come back.



Destination Roadmap

Destinations and their partners can use these findings to refine how they position, package, and promote travel experiences, without choosing between white-glove stays and wallet-wise getaways. Travel USA® shows that both segments are sizable, engaged, and highly likely to return, but they respond to different levers around income, age mix, trip purpose, information sources, accommodations, and geography.

At a national level, this gives industry partners a clear roadmap for segment-savvy marketing, ensuring that every visit, at every budget level, delivers more value for the visitor and the destination alike.



Key Takeaways



Target younger, higher-income luxury parties with premium, family- and pet-friendly experiences and elevated on-property services.



Put mid- to upscale inventory front and center for luxury audiences including resort hotels, B&Bs, and boat/cruise stays where the data shows clear over-indexing.



Build value-forward messaging for budget travelers, especially around those visiting friends/relatives, by promoting free/low-cost things to do plus passes and add-ons that enhance trips even when they are not booking traditional lodging.



Lean into social and digital channels for luxury travelers, who are far more plugged into the media ecosystem, with inspiration-led, visually rich content.



Key Takeaways



Use more relationship-driven outreach and messaging to target budget travelers, for whom visiting friends/relatives is the primary purpose on nearly half of their trips.



Tailor regional narratives: emphasize coastal, higher-priced experiences to attract luxury travelers who over-index in the Northeast and West, while highlighting value- and drive-focused offerings to grow budget travel in the Midwest.



Capitalize on the fact that nearly seven in ten travelers in both groups say they are very likely to return by building post-visit campaigns and offers that reflect whether they behaved more like a luxury or budget traveler on their last trip.



2025 Travel USA® Budget vs. Luxury Snapshot

U.S. Overnight Trips

Travel USA® 2025	Budget Travelers	Luxury Travelers
Share of all U.S. Trips	24%	10%
Household Income: <\$49.9K	45%	20%
Household Income \$150K+	5%	23%
Trips with Visiting Friends/Relatives as Main Purpose of Trip	47%	31%
Share of Trips with Travelers Between 18 and 34 Years of Age	35%	42%
Share of Trips with Travelers 55 Years of Age and Older	50%	30%
Trips with Children in Travel Party	24%	34%
Average Travel Party Size	2.85	2.86
Travel Parties with Pets on Trip	13%	18%

2025 Travel USA® Budget vs. Luxury Snapshot

U.S. Overnight Trips

	Budget Travelers	Luxury Travelers
Average Total Nights Away	3.82	3.91
Share of Trips with 1-Total Trip Night	19%	14%
Share of Trips with 3-4 Total Trip Nights	29%	33%
Accommodation: Hotel/Motel	46%	55%
Accommodation: Resort Hotel	10%	25%
Accommodation: Bed & Breakfast	3%	10%
Accommodation: Boat/Cruise Ship	3%	8%
Accommodation: Home of Friends/Relatives	32%	16%
Did Not Plan for Trip in Advance	13%	8%
Planned for Trip 6-12 Months in Advance	14%	16%

Travel USA® Methodology

Longwoods International began tracking domestic American travelers in 1985 and has conducted large-scale syndicated visitor research quarterly since 1990. It is currently the largest ongoing study conducted of American travelers, providing our clients with more reliable data and greater ability to home in on key market segments of interest.

Each quarter, Longwoods International invites a random, projectable sample of adult members (age 18+) from a major U.S. consumer panel to participate in the Travel USA® survey. Respondents are selected to ensure representativeness of the U.S. adult population. For analysis, data were weighted on key demographic variables to adjust for any differences between the sample and U.S. population targets derived from the 2020 Census.

This study yields a margin of error of $\pm 3\%$ at a 95% confidence level.



Contact Us

For more information on this or other available research from
Longwoods International:

 info@longwoods-intl.com

 longwoods-intl.com

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