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Post-Covid Spending: Rise of the Experience Economy



One question we at DLAK have considered for some time: *How did COVID reset consumer spending behavior?* Before 2020, few of us thought twice about meeting friends at a favorite restaurant or catching a show on a Thursday night. Then came the pandemic. Businesses adapted quickly—takeout replaced dining in—but the experience itself was lost.

by Anthony Scassellati & Evan Kemp

In the years since, we believe many consumers have re-evaluated what really matters. They're now focusing less on “things” and more on enjoyment and fulfillment. Time and money are being redirected toward experiences over possessions—and the data backs it up.

What the Numbers Say

We reviewed detailed consumer spending data from the Bureau of Economic Analysis (BEA) to understand how habits have shifted before and after COVID.

| Average Experience Spending | | | | | | |
|------------------------------|----------------------------|------------------------|-----------------------------|------------------------------|--------------------------------|----------------------------|
| | Pre-Covid Era 2015-2019 | Covid Era 2020-2021 | Post-Covid Era 2022-2025 | Pre-Covid to Covid Change | Covid to Post- Covid Change | Total Increase/Decrease |
| Eating/Drinking out | 768.87 | 805.06 | 1129.25 | 4.71% | 40.27% | 35.56% |
| Memberships/Museums/Theaters | 218.49 | 159.39 | 275.64 | -27.05% | 72.94% | 99.99% |
| International Air Travel | 164.34 | 62.93 | 229.35 | -61.71% | 264.49% | 326.20% |
| Gambling | 144.42 | 143.28 | 193.65 | -0.79% | 35.16% | 35.96% |
| Lodging | 154.23 | 106.33 | 189.99 | -31.06% | 78.69% | 109.75% |
| Domestic Air Travel | 103.01 | 74.79 | 172.09 | -27.40% | 130.11% | 157.51% |
| Domestic Ground Travel | 60.06 | 42.46 | 83.16 | -29.30% | 95.85% | 125.15% |
| Domestic Water Travel | 3.96 | 3.58 | 6.31 | -9.66% | 76.44% | 86.10% |

(Source: BEA)

Unsurprisingly, **travel** saw one of the most dramatic rebounds post-pandemic. As soon as restrictions lifted, people were ready to get out of the house. Nearly every experience-based category—except food—saw a dip during the pandemic, but that trend quickly reversed.

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Post-Covid: Rise of the Experience Economy (continued)

Meanwhile, during COVID, discretionary goods spending actually rose in most categories (except phones), as people redirected their budgets toward recreational items. But as we've transitioned out of that era, we're now seeing a decline in spending on physical items, particularly in categories like recreational and sport vehicles—ATVs, UTVs, dirt bikes, and so on.

| Average Discretionary Item Spending | | | | | | |
|-------------------------------------|----------------------------|-------------------------|-----------------------------|------------------------------|--------------------------------|----------------------------|
| | Pre-Covid Era 2015-2019 | Covid Era 2020- 2021 | Post-Covid Era 2022-2025 | Pre-Covid to Covid Change | Covid to Post- Covid Change | Total Increase/Decrease |
| Clothing | 314.11 | 322.20 | 394.83 | 2.57% | 22.54% | 19.97% |
| New Cars | 283.71 | 322.01 | 390.61 | 13.50% | 21.30% | 7.80% |
| Furnishings | 189.59 | 239.06 | 277.69 | 26.10% | 16.16% | -9.94% |
| Used Cars | 170.04 | 203.26 | 224.30 | 19.54% | 10.35% | -9.19% |
| Recreational/Sport Vehicles | 71.59 | 96.04 | 100.54 | 34.14% | 4.69% | -29.46% |
| Jewelry | 67.51 | 82.24 | 100.35 | 21.81% | 22.03% | 0.22% |
| Appliances | 61.61 | 75.80 | 86.83 | 23.02% | 14.55% | -8.47% |
| Personal Luggage | 30.19 | 34.31 | 44.85 | 13.64% | 30.70% | 17.05% |
| Phones | 27.80 | 27.73 | 33.96 | -0.27% | 22.49% | 22.76% |

(Source: BEA)

The Experience Economy is Booming

Today, consumer dollars are flowing toward travel and experiences in a major way. According to Mastercard, global tourist spending on experiences like dining, tours, and activities was up 65% over 2019 levels, while shopping for goods rose just 12%.

In the U.S., leisure travel spending reached over \$1.3 trillion last year, with another \$215 billion spent on international travel—17% more than pre-pandemic. And it's not slowing down: surveys show nearly a quarter of Americans still plan to spend more on travel this year than they did last.

What's notable is that this trend crosses generational lines. Baby Boomers are spending \$6,000+ on trips, while Millennials and Gen Z are pouring money into cultural travel, concerts, wellness retreats, and once-in-a-lifetime experiences. "Funflation" is a real thing: people are shelling out for events like Taylor Swift concerts or immersive attractions like The Sphere in Las Vegas—and they're often willing to take on some debt to make it happen.

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Post-Covid: Rise of the Experience Economy (continued)

What This Means for Investors

In environments like today—where we expect energy prices to remain muted and predicting for no imminent recession—consumer discretionary stocks have historically outperformed. At DLAK, we're leaning into that opportunity.

But we're doing it strategically: aiming for the best of both worlds by focusing on discretionary names tied to experience-based spending. That means exposure to the very sectors consumers are prioritizing—travel, leisure, entertainment, and cultural experiences.



Looking Ahead: Focusing on What Matters

As consumer priorities shift from possessions to experiences, the post-COVID spending landscape offers both challenges and opportunities. The strong appetite for travel, entertainment, and cultural engagement is reshaping where people choose to allocate their time and money.

For those navigating this evolving trend, it's essential to focus on sectors that capture the essence of today's experience-driven economy. At DLAK, we remain committed to helping you navigate these changes thoughtfully—balancing growth potential with long-term resilience as consumer behaviors continue to evolve.