

EXTERNAL FORCES REPORT

Market Conditions Affecting Casino Patron Behavior

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The American consumer is navigating one of the most compressed discretionary environments since 2008. Sentiment bounced off a record low in June but at 48.9 remains 19% below a year ago. Gas holds above \$4.15 nationally with Hormuz uncertainty unresolved. Leisure air travel to Las Vegas — the most direct gaming demand proxy — is running 5.6% below prior year. The patron willing to spend is still coming; the patron who needs a reason is reconsidering.

GAS · NATIONAL AVG

\$4.15/gal

▼ \$0.16 wk drop, still elevated

UMICH SENTIMENT

48.9

▲ From record low 44.8 (May)

CC DELINQUENCY · Q1

2.92%

▼ 13% of balances 90+ days late

LAS AIR TRAFFIC · YTD

(5.6%)

▼ 16.93M vs 17.94M thru Apr

1 | GAS PRICES

National average regular unleaded fell to \$4.15/gal as of June 8 — a \$0.16 weekly drop, the sharpest single-week decline since the Strait of Hormuz closure began driving crude higher in spring. The EIA's June STEO projects Brent at \$105/barrel through July, with wholesale gasoline running ~50% above pre-conflict forecasts. At \$4.15 national average, a 100-mile round trip costs \$8–\$12 more in fuel than this time last year.

Region	\$/gallon
National Avg	\$4.15
West Coast	\$5.36
East Coast	\$4.23
Midwest	\$4.01
Gulf Coast	\$3.64
Rocky Mtn	\$3.98

Source: EIA Gasoline & Diesel Fuel Update, June 9, 2026; EIA June 2026 STEO

Casino Impact: Elevated pump prices directly reduce discretionary trip budget. Drive-market patrons are recalibrating visit frequency and length of stay. Properties with hotel infrastructure have an advantage capturing the overnight stay that offsets the fuel cost.

2 | CONSUMER SENTIMENT

UMich Consumer Sentiment rose to 48.9 in early June — up from May's all-time low of 44.8, the first increase in four months — driven by lower-income households responding to the gas price dip. The rebound does not signal recovery: sentiment remains 19% below a year ago and 13% below January 2026. Year-ahead inflation expectations hold at 4.6%, and 57% of consumers spontaneously cite high prices as eroding their personal finances.

Period	Index	vs Jan '26
Jun '26 (prelim)	48.9	(13%)
May '26 (record low)	44.8	(18%)
Apr '26	49.8	(16%)
Jan '26	56.4	—
Jun '25 (prior yr)	60.7	—

Source: University of Michigan Surveys of Consumers, June 12, 2026 preliminary

Casino Impact: A dead-cat bounce off a record low is not patron confidence returning — it is pressure briefly releasing. Discretionary trip justification remains challenged. Patrons scrutinize earned comp value more closely when household budgets are squeezed.

3 | LAS AIR TRAFFIC · LEISURE DEMAND GAUGE

Harry Reid International (LAS) recorded 4.38M passengers in April 2026 — down 7.1% YoY, the fourth consecutive month of decline. YTD through April: 16.93M vs. 17.94M in 2025, a 5.6% gap. LAS is a near-pure origin-and-destination leisure market — every passenger made a deliberate discretionary choice. O'Hare – Chicago (ORD) grew +6.0% in 2025 on business/connecting traffic as it has expanded gates; Hartsfield – Atlanta (ATL) held at –1.6%. The LAS softness is leisure-specific, not an aviation-wide trend. *Editor note: We use LAS as they publish some of the most recent and reliable details as well.*

Month	2025	2026	YoY
January	4.37M	4.02M	(7.9%)
February	~4.01M	3.82M	(~5%)
March	4.85M	4.64M	(4.2%)
April	4.72M	4.38M	(7.1%)
YTD	17.94M	16.93M	(5.6%)

Source: Clark County Dept. of Aviation, Jan–Apr 2026

Casino Impact: LAS traffic is one indicator of gaming discretionary demand. A patron who did not board a plane to Las Vegas is a patron who also reconsidered the drive to their regional casino. The behavioral constraint is the same — the budget conversation that led to the non-trip. Loser – Vegas, Winner – local casino.

4 | RESTAURANT TRAFFIC · THE BARBELL DYNAMIC

The restaurant industry is bifurcating in a pattern that mirrors casino patron tier behavior. Fine Dining finished last in both March and April 2026 — even as it caters to historically resilient high-income guests — as 100,000+ tech layoffs erode the upper tier and broader anxiety prompts trade-down from fine dining to Upscale Casual. At the opposite end, QSR captures the budget-conscious consumer bypassing full-service entirely. Texas Roadhouse (TXRH) is the proof point: Q1 2026 SSS +7.1%, traffic +4.5%, revenue \$1.63B (+12.8% YoY). Q2 early read: +6.5% comp sales. Value-positioned, experience-consistent — the trade-down sweet spot.

Segment	2026 Trend	Position
Upscale Casual	▲ Leading	WINNING
Quick Service (QSR)	▲ Strong	WINNING
Fast Casual	→ Stable	HOLDING
Casual Dining	→ Mixed	HOLDING
Family Dining	▼ Flat	PRESSURED
Fine Dining	▼ Worst	LOSING

Sources: Black Box Intelligence Out of the Box Mar–Apr 2026; TXRH Q1 2026 earnings, May 7, 2026

Casino Impact: The barbell mirrors patron tier bifurcation: premium players holding frequency while mid-tier ADT softens. The Texas Roadhouse effect — value-positioned, experience-consistent — is the trade-down model. Casino operators should stress-test reinvestment strategies that assume a stable middle tier.

KEY TAKEAWAYS

- **The consumer is not broken — the discretionary consumer is constrained.** Gas at \$4.15, sentiment 19% below a year ago, and LAS traffic down 5.6% YTD are converging signals: the habitual patron is still coming; the patron who needs the trip to pencil out is reconsidering.
- **The barbell is real and widening.** Fine Dining and the squeezed middle are losing in restaurants while Upscale Casual and QSR win — a direct mirror of gaming's premium-holds / mid-tier-softens dynamic. Texas Roadhouse's +4.5% traffic growth in Q1 confirms the trade-down consumer rewards value and consistency.
- **Relief is not recovery — but the turn may be forming.** June's gas dip and sentiment uptick are structurally thin — Brent holds above \$100/barrel, and inflation expectations remain at 4.6%. The external pressure on patron discretionary budgets persists through summer. That said, early signals suggest the April–May compression may be easing; UMich's June rebound and retreating gas prices bear watching for Q3 patron recovery. Properties that communicate value clearly — comp transparency, dining offers, free play framing, gas rebate coupons — are better positioned than those relying on ambient demand.

Sources: EIA Gasoline & Diesel Fuel Update (June 9, 2026); EIA June 2026 STEO; University of Michigan Surveys of Consumers preliminary (June 12, 2026); Federal Reserve FRED DRCCCLACBS Q1 2026; NY Fed Household Debt Report Q1 2026; Clark County Dept. of Aviation monthly passenger reports (Jan–Apr 2026); Black Box Intelligence Out of the Box (March–April 2026); Texas Roadhouse Q1 2026 earnings transcript (May 7, 2026).