



# Economic Impact of the Hotel Industry

## City of Phoenix

December 2025

Prepared on behalf of:



# Key Findings

The background image shows a vast, empty industrial or warehouse space. The ceiling is a prominent feature, consisting of a dense, grid-like structure of metal beams and panels, possibly a skylight or a complex ventilation system. The floor is highly reflective, mirroring the ceiling's pattern. In the center, there is a tall, narrow, rectangular structure, possibly a piece of machinery or a storage unit. To the right, there is a glass-walled enclosure or a walkway. The overall atmosphere is one of a large, open, and somewhat desolate space.

# Summary impacts

## Key findings

Hotel industry economic impacts in the City of Phoenix in 2025:

- 168 hotels
- 25,164 guest rooms
- 6.5 million room nights sold
- Total impact of \$7.2 billion
- \$2.5 billion wages and salaries supported
- 42,237 jobs supported
- \$4.0 billion contributed to GDP
- \$1.1 billion in total taxes generated

Additional facts for 2025:

- Hotel sales of \$1.7 billion (revenue, plus certain taxes)
- Hotels operations directly supported 9,776 jobs and \$627.9 million wages and salaries.
- Hotel operations supported \$366.3 million of federal, state and local taxes.
- Hotel guests spent \$4.1 billion at hotels and local businesses, and on transportation, equivalent to \$641 per room night.

Note: Results are estimated for the 12-month period ending August 2025.

## Hotel industry impacts

City of Phoenix, dollar amounts in millions, 2025

### Total impact

Business sales	\$7,201.2
Wages, salaries and other compensation	\$2,464.0
Employment	42,237
GDP	\$3,961.3
Total taxes	\$1,056.1
State and local taxes	\$517.5
Federal taxes	\$538.7

### Direct impact: hotel operations, guest ancillary spending, capital investment

Business sales	\$4,355.8
Wages, salaries and other compensation	\$1,475.9
Employment	28,373
GDP	\$2,310.2
Total taxes	\$714.1
State and local taxes	\$397.6
Federal taxes	\$316.5

### Direct impact: hotel operations

Business sales	\$1,659.9
Wages, salaries and other compensation	\$627.9
Employment	9,776
GDP	\$1,004.3
Total taxes	\$366.3
State and local taxes	\$233.1
Federal taxes	\$133.2

### Metrics

Hotel guest spending (on-site and ancillary)	\$4,137.2
Properties (number of hotels, motels, and B&Bs)	168
Guest rooms	25,164
Room nights sold (thousands)	6,459
Rooms in development	2,312
Hotel jobs share of total city jobs	5.5%

Source: Bureau of Labor Statistics; STR; Oxford Economics

# Fiscal impacts

## Key findings

City of Phoenix hotels supported \$1.1 billion of total taxes in 2025.

- Tax impacts of hotels include \$149.4 million of taxes on lodging, including \$84.5 million of local taxes and \$64.9 million of state taxes.
- Locally, hotels supported a total tax revenue of \$257.2 million, including \$96.7 million in property tax and \$67.0 million in sales tax.
- Hotels supported a total of \$260.3 million of state taxes and \$538.7 million of federal taxes.

## Hotel industry fiscal impacts

City of Phoenix, dollar amounts in millions, 2025

	Total	Direct	Indirect and induced
<b>Local taxes</b>	<b>\$257.2</b>	<b>\$209.6</b>	<b>\$47.5</b>
Lodging tax	\$84.5	\$84.5	\$0.0
Property tax	\$96.7	\$68.5	\$28.1
Sales tax	\$67.0	\$50.1	\$16.9
Other tax	\$9.1	\$6.6	\$2.5
<b>State taxes</b>	<b>\$260.3</b>	<b>\$188.0</b>	<b>\$72.3</b>
Lodging tax	\$64.9	\$64.9	\$0.0
Sales tax	\$137.0	\$86.0	\$51.0
Personal income tax	\$22.5	\$13.2	\$9.3
Other tax	\$35.8	\$23.8	\$12.0
<b>Federal taxes</b>	<b>\$538.7</b>	<b>\$316.5</b>	<b>\$222.2</b>
Personal income tax	\$196.2	\$115.1	\$81.1
Social security tax	\$269.6	\$158.1	\$111.5
Corporate tax	\$56.6	\$31.5	\$25.1
Other tax	\$16.2	\$11.7	\$4.5
<b>Total taxes</b>	<b>\$1,056.1</b>	<b>\$714.1</b>	<b>\$342.0</b>

Source: Oxford Economics

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