

State of the U.S. Hotel Industry

From Resilience to Opportunity

Economic Impact

American hotels were resilient and integral to national and local economies in 2025

\$85.1B

In Taxes Generated

at local, state, and federal levels; forecasted to rise to ~\$87 billion in 2026.



\$128B

in wages and benefits paid; 2.2M direct jobs and >9.2M total jobs supported nationwide



\$2.34 In Additional Spending

generated in local communities for every \$1 spent on hotel and lodging

Costs

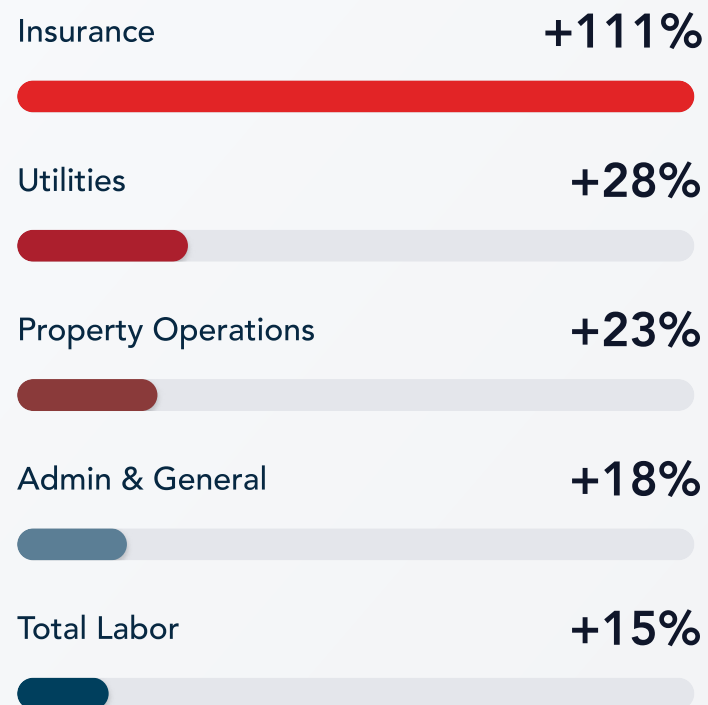
⚠️ Hotel operating costs are rising 4x faster than revenue

Driven by soaring insurance costs, labor mandates, increasing costs of goods and services, and higher energy prices.

Workforce stability continues to be a priority; labor availability has improved, but **rising wages and benefits to attract and retain workers add to costs.**

Hotel construction remains below pre-pandemic levels, held back by high capital costs, regulatory hurdles, and financing challenges.

Top Cost Increases (2019–2025)



Demand



Declined year-over-year revenue for the first time since 2020

2026 Outlook

While demand projections remain relatively flat, major events like the FIFA World Cup and America250 present an opportunity for growth. An estimated **6.5 million people are expected to attend the World Cup games**, and hotels are ready to meet the moment.

Hotel Guest Spending

\$805B ↑ +1.7%

Hotel guest spending is expected to reach nearly \$805 billion, up 1.7% from 2025, driven by domestic travel and major events that increase spending on hotel lodging and dining.