Economic Impact of the US Hotel Industry

US report

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In association with

OXFORD ECONOMICS

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Overview

Executive Summary

The US hotel industry is a critically important part of the US economy. Hotels generate billions in wages, salaries and taxes, employ millions of workers, and hotel guests bring billions in spending to local economies.

To quantify these important impacts, the American Hotel & Lodging Association (AHLA) engaged Oxford Economics (Oxford or we) to conduct a comprehensive economic impact analysis. Oxford analyzed information from a variety of sources and prepared an updated view of industry impacts in recent years.

As part of this research, Oxford analyzed:

- **hotel operations** by gathering and integrating information on the size and performance of hotels and motels, casino hotels, and bed and breakfast inns by state (hotels);
- **hotel guest ancillary** spending based on consumer survey data by state;
- **capital investment** in hotels based on data on new hotel construction and renovations; and,
- **indirect and induced impacts** supported by the hotel industry in other parts of the US economy.

The results show the US hotel industry supports a total economic impact (2022) of:

- $1.5 trillion of business sales (representing revenue plus certain taxes, also referred to as output);
- 8.3 million jobs with $463 billion of wages, salaries and other compensation;
- $760 billion of GDP, representing contribution to US gross domestic product; and,
- $211 billion of federal, state and local taxes.

The hotel industry consists of almost 62,500 properties, with 5.6 million guestrooms. The sector sells almost 1.3 billion room nights annually. The hotel sector has recovered solidly from the Covid-19 pandemic. In nominal terms, many key metrics are ahead of pre-pandemic levels, such as total business sales (+7.6%), total wages and salaries (+6.1%) and total federal, state and local taxes (+7.0%). Employment impacts have been somewhat slower to recover. The hotel industry supports 1-in-25 US jobs, but this is 5.6% fewer than in 2019, and the number of direct hotel operations jobs remains 15.9% lower.

A representative hotel with 100 occupied rooms supports 239 total jobs, including 135 direct jobs and 104 indirect and induced jobs. This impact includes 57 direct jobs at the hotel, with $3.0 million of wages, salaries and other labor income. This representative property supports $6.1 million of total tax revenue, including $2.1 million of direct taxes generated at the hotel.

This document presents key elements of the research and findings.

Summary impacts

Hotel industry economic impacts in the US in 2022:

- Almost 62,500 hotels
- 5.6 million hotel guest rooms
- Almost 1.3 billion room nights sold
- 8.3 million total impact jobs, which is equivalent to 1-in-25 US jobs
- $1.5 trillion of sales supported at US business
- $759.9 billion contributed to US GDP
- 4.7 million direct impact jobs

Additional facts for 2022:

- Hotel sales of $323.7 billion (revenue, plus certain taxes)
- Hotels support $463.2 billion of wages, salaries and other compensation, including $104.7 billion at hotel operations.
- Hotels support $211.2 billion of federal, state and local taxes. This is equivalent to $1,656 per US household annually.
- Hotel guests spent $691.2 billion at hotels and local businesses, and on transportation.
- Hotels purchased $119.2 billion in inputs from other US businesses.

Hotel industry impacts: US

Amounts in billions of dollars, unless otherwise noted

	2022
Total impact	
Business sales (output)	$1,463.3
Wages, salaries and other compensation	$463.2
Employment (number of jobs, in millions)	**8.3**
GDP	$759.9
Total taxes	$211.2
State and local taxes	$106.6
Federal taxes	$104.6
Direct impact: hotel operations, guest ancillary spending, capital investment	
Business sales (output)	$723.3
Wages, salaries and other compensation	$223.3
Employment (number of jobs, in millions)	**4.7**
GDP	$352.5
Total taxes	$123.1
State and local taxes	$72.4
Federal taxes	$50.7
Direct impact: hotel operations	
Hotel sales (output)	**$323.7**
Wages, salaries and other compensation	$104.7
Employment (number of jobs, in millions)	2.0
GDP	$189.3
Total taxes	$72.4
State and local taxes	$47.5
Taxes on lodging	$23.9
Federal taxes	$24.9
Metrics	
Hotel guest spending (on-site and ancillary)	**$691.2**
Hotel purchases of inputs from other businesses	$119.2
Properties (number of hotels, motels, and B&Bs)	62,479
Guest rooms (year-end, in millions)	5.6
Total taxes per household ($ per household)	$1,656
State and local taxes per household ($ per household)	$836

Source: Bureau of Economic Analysis; Census Bureau; Oxford Economics

Fiscal impacts

Hotels supported $211.2 billion of total taxes in 2022.

- The **total tax impact per household was $1,656**. This tax offset represents the federal, state and local taxes that would otherwise need to be paid per US household to compensate for the absence of hotel guest activity. The **state and local tax impact per household was $836.**
- The total tax impact per hotel guest room was $37,636, of which $19,001 represented state and local taxes.
- Tax impacts of hotels include $23.9 billion of state and local taxes on lodging. In addition, the total impacts of hotels supported $26.0 billion of state and local sales taxes, and $31.0 billion of property taxes.

Hotel industry fiscal impacts: Operations, guest spending, and capital investment (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	**$211.2**	**$123.1**	**$88.1**
State and local taxes	**$106.6**	**$72.4**	**$34.2**
Taxes on lodging	23.9	23.9	0.0
Sales	26.0	13.2	12.8
Gaming	6.3	6.3	0.0
Personal income	8.3	3.8	4.5
Corporate	2.2	0.9	1.4
Unemp. ins. and other social	0.7	0.3	0.4
Excise taxes and fees	8.1	4.6	3.5
Property taxes	31.0	19.4	11.6
Federal taxes	**$104.6**	**$50.7**	**$53.9**
Personal income	35.3	17.1	18.1
Corporate	14.9	6.0	8.9
Excise and customs	7.9	4.6	3.3
Social Security	46.5	22.9	23.6

Source: Oxford Economics

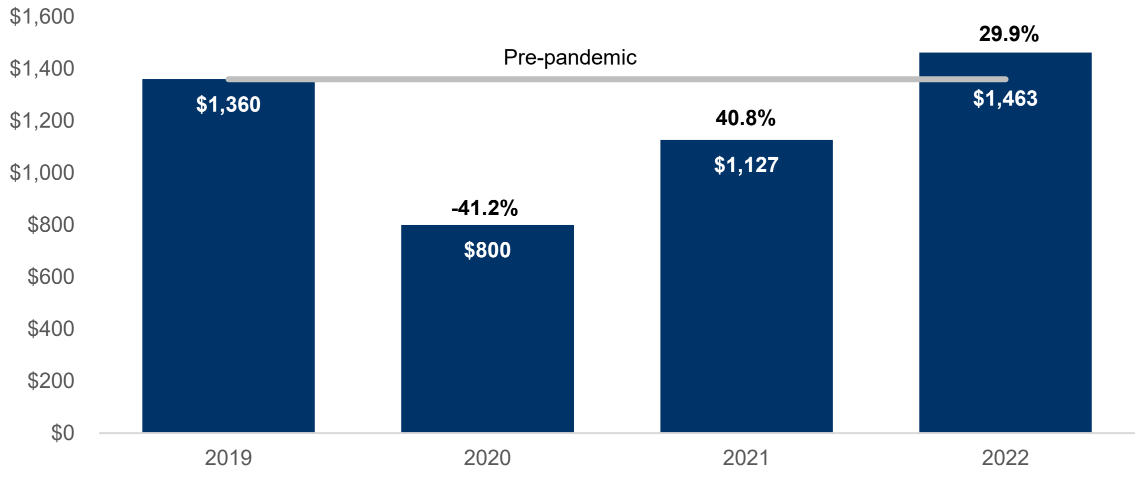
Relative to 2019

The impact of US hotels has expanded to ahead of pre-pandemic levels.

- Total business sales supported by hotels increased to $1.5 trillion in 2022, representing a 29.9% gain compared to 2021, and 7.6% above pre-pandemic levels (2019).
- Employment at hotels is still 15.9% below pre-pandemic levels (2019), though aggregate wages and salaries at hotels recovered to approximately level with 2019 levels, representing an increase of 21.7% per job.

Business sales supported by hotel industry

Total US output (business sales), in billions



Source: Oxford Economics

Growth in impacts relative to 2019

Percent change 2019 to 2022

Growth in hotel industry impacts relative to 2019

	2022 relative to 2019
Total impacts supported by hotel industry	
Output (sales)	7.6%
Wages, salaries and other compensation	6.1%
Employment (number of jobs, in millions)	-5.6%
GDP	4.4%
Total taxes	7.0%
State and local taxes	8.3%
Federal taxes	5.6%
Direct impact: hotel operations	
Output (sales)	10.8%
Wages, salaries and other compensation	2.4%
Employment (number of jobs)	-15.9%
GDP	2.4%
Total taxes	6.9%
State and local taxes	9.4%
Taxes on lodging	11.0%
Federal taxes	2.3%
Metrics	
Hotel guest spending (on-site and ancillary)	12.8%
Hotel purchases of inputs from other businesses	10.8%
Properties (annual average)	2.7%
Guest rooms (year-end)	2.7%
Total taxes per household ($ per household)	3.8%
State and local taxes per household ($ per household)	5.2%

Source: Bureau of Economic Analysis; Census Bureau; STR; Oxford Economics

Note: As part of this analysis, Oxford prepared updated estimates of impacts in previous years. These updated estimates reflect the latest available data, including updated and revised government statistical agency data and STR data.

2 Methods

Overview and direct impacts

Methods

Overview of approach

In the first step, we organized information that quantified the size and scope of the US hotel industry. This analysis included:

- data on hotel inventory and performance, according to STR, a leading provider of hotel industry data;
- data on traveler spending provided by Longwoods International, a leading provider of traveler survey data;
- economic statistics on the sector published by statistical agencies;
- the IMPLAN economic impact modeling system;
- other data inputs including research on taxes on lodging and revenue at casino hotels.

We then prepared estimates of the downstream impacts, including indirect and induced effects, using a customized economic impact model. Lastly, we prepared estimates of fiscal impacts using estimates of certain tax ratios, including taxes on lodging, and the economic impact model.

The analysis provides a full set of estimates for 2018 to 2022, as well as certain key measures over a historical period.

Main components of economic impact analysis

There are three main components of the industry's economic impact:

- **Direct impacts** consisting of direct spending, in this case hotel operations, guest ancillary spending, and capital investment.
- **Indirect impacts** representing downstream supplier industry impacts, also referred to as supply chain impacts. For example, hotels require inputs such as energy and food ingredients. Also, many hotels contract with specialized service providers, such as for marketing, maintenance and equipment upkeep, cleaning, technology support, and accounting.
- **Induced impacts** occur as employees spend their wages in the broader economy. For example, as hotel employees spend income on rent, transportation, and food and beverage.

We present the indirect and induced effects on a combined basis.

Direct impacts

The components of direct hotel industry impacts are:

- **Hotel operations:** representing the revenue of hotels (e.g., rooms, food and beverage, and other) plus certain taxes (taxes on lodging and other sales taxes);
- **Ancillary hotel guest spending:** representing spending by hotel guests at other businesses in the destination;
- **Capital investment:** representing the construction of new hotels, renovations, and ongoing capital spending on the upkeep of existing hotels.

Our estimates of hotel operations are based primarily on data from STR, IMPLAN, the Bureau of Economic Analysis, and the Census Bureau, supplemented by estimates of taxes. We estimated ancillary hotel guest spending based on syndicated survey results provided by Longwoods International measuring average spending patterns of hotel guests. We supplemented these survey-based estimates with an estimate of hotel guest airfare expenditures. We estimated capital investment based on the construction of new hotels and our estimate of capital expenditures at existing hotels.

Total impacts and fiscal impacts

Methods

Total economic impacts

To quantify the total economic impacts of the hotel industry in the US, including downstream effects (indirect and induced), we used a customized model based on the IMPLAN modeling system, a well-respected economic impact analysis tool, to quantify key relationships in the economy. The IMPLAN model traces the flow of direct expenditures through the economy and the effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts. For example, when a visitor purchases a meal at a hotel restaurant, a portion of the sale supports wages for hotel employees, while another portion of the sale may consist of locally produced food and beverages. The IMPLAN model captures these types of relationships based on a structured analysis of economic statistics. Additionally, the IMPLAN model reflects the typical levels of federal, state and local taxes generated by specific types of economic activity.

We applied an analysis-by-parts approach using the IMPLAN model. In this approach, we estimated the direct impacts of hotel operations in terms of output, employment, and labor income. We also estimated purchases from vendors. We then used the IMPLAN model to estimate the indirect and induced effects associated with each key driver of downstream impacts (employment, labor income, and purchases of intermediate inputs).

The IMPLAN model was customized to each state, capturing the effect of guests staying at hotels in each state. Additional indirect jobs, income and tax revenues cross state lines. These jobs were estimated at the national level and distributed to the state level based on local economic characteristics.

Fiscal impacts

We analyzed fiscal impacts by applying a hybrid approach. Where appropriate, we calculated direct industry tax impacts specifically. These included the following calculations:

- **Taxes on lodging and other sales taxes:** Estimated based on room revenue and other categories of revenue, multiplied by estimated average effective tax rates.
- **Hotel property taxes:** Estimated based on averages of hotel property taxes as a ratio to revenue from the STR Host Report database.

We then estimated other taxes based on relationships in the IMPLAN economic impact model. For example, we estimated taxes supported by hotel employee labor income by applying ratios to estimated direct labor income.

Definitions

Methods

Definitions

Capital investment: Investment in the construction of new hotels, and renovation of existing hotels.

Direct effects: Also referred to as direct impacts. Includes direct spending and revenues, in this case from hotel operations, hotel guest ancillary spending, and capital investment; as well as the corresponding employment, income and fiscal impacts.

Fiscal impacts: Tax revenue, contributions to Social Security and unemployment insurance, and government revenue from various fees.

GDP: Gross domestic product, or value added. Refers to the industry's contribution to GDP. Represents gross output of the sector, less the cost of its inputs. Can also be measured as the sum of compensation of employees, taxes on production and imports, and gross operating surplus (profit).

Hotel guest ancillary spending: Hotel guest spending that occurs off-site (i.e., at non-hotel businesses).

Hotel industry: The sector studied in this analysis, including hotels and motels, bed and breakfast inns, and casino hotels.

Hotel operations: Traditional on-site hotel revenue and associated activities, excluding guest spending occurring at ancillary businesses in the destination.

Indirect impacts: Downstream supplier industry impacts, also referred to as supply chain impacts. For example, hotels require inputs such as energy and food ingredients. Also, indirect impacts can refer to indirect and induced impacts combined.

Induced impacts: Arise as employees spend their wages in the broader economy. For example, as hotel employees spend money on rent, transportation, food and beverage, and entertainment.

Jobs: Also referred to as employment. Number of full- and part-time jobs, including proprietors.

Labor income: Earnings of wage and salary employees and proprietors. The definition used is consistent with the Bureau of Economic Analysis (BEA) data for earnings in its regional program. It includes tips, commissions and bonuses.

Output: Revenue, also referred to as business sales, plus certain taxes (e.g., taxes on lodging and other sales taxes).

Taxes on lodging: Sales taxes applicable to room rentals, plus hotel occupancy taxes and any other fees or taxes that apply to lodging stays (e.g., tourism improvement district fees).

Total impacts: Direct, indirect and induced impacts combined.

Definitions

Methods

Key data sources

American Gaming Association and Oxford Economics research on casino hotel performance by state: Data on casino hotel revenue and gaming taxes estimated by state.

Bureau of Economic Analysis: National and, in some cases, state data on output, employment, income, and GDP.

Bureau of Labor Statistics: Recent data on employment and wages and salaries.

Census Bureau Economic Census: Revenue by industry and product line. Count of establishments and guestrooms.

Census Bureau Value of Construction Put in Place: Survey measure of new construction, expansions, and building renovations.

IMPLAN: Economic impact modeling software and data, including the ratio of output to GDP in the accommodations sector by state.

Longwoods International: Hotel guest spending estimates based on Longwoods Travel USA, the largest ongoing survey of US business and leisure travel.

Oxford Economics research on lodging tax rates by state and major markets: Data on state and local tax rates on lodging.

STR: Customized data on industry size (properties and guestrooms) and performance (room demand, room revenue, occupancy, ADR)

STR Host Report database: Hotel industry financial statement ratios based on data submitted by hotels (e.g., ratio of property taxes to sales).

Previous research

Oxford previously prepared estimates of hotel industry impacts in 2018 for AHLA that were released in 2019. As part of this current research, these previous estimates of 2018 impacts were updated based on the latest source data. The updated national estimates for 2018 are largely consistent with the prior estimates. They reflect changes to underlying source data and refinements to the estimation approach.

3 US economic impact results in detail

Hotels support 8.3 million US jobs and $1.5 trillion of US business sales

The results show the hotel industry supports a total economic impact (2022) of:

- $1.5 trillion billion of business sales (representing revenue plus certain taxes, also referred to as output);
- 8.3 million jobs (1-in-25 US jobs) with $463.2 billion of wages, salaries and other compensation;
- $759.9 billion of GDP, representing contribution to US gross domestic product and,
- $211.2 billion of federal, state and local taxes.

Total economic impacts: Operations, guest ancillary spending, and capital investment (2022)

Amounts in billions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment (in millions)	GDP	Total	State and local	Federal
Total	**$1,463.3**	**$463.2**	**8.3**	**$759.9**	**$211.2**	**$106.6**	**$104.6**
Direct operations	323.7	104.7	2.0	189.3	72.4	47.5	24.9
Direct hotel guest ancillary	367.5	104.4	2.5	147.4	47.2	24.1	23.1
Direct capital investment	32.1	14.2	0.2	15.7	3.5	0.8	2.7
Indirect and induced	740.0	239.9	3.6	407.5	88.1	34.2	53.9

Source: Oxford Economics

Hotel operations and guest spending represent the largest categories of impacts

The two primary categories of hotel industry impact are hotel operations and hotel guest spending. The direct impact of hotel operations represents the hotel sales (also referred to as output, inclusive of revenue and taxes), which totaled $323.7 billion, as well as the corresponding hotel jobs, which totaled 2.0 million.

Hotel guest ancillary spending totaled $367.5 billion, this includes spending in the local area, as well as transportation to and from the destination. Combining the estimate of direct operations output and ancillary spending equates to direct output of $691.2 billion.

The indirect and induced impacts of hotel operations and guest spending totaled $686.7 billion of output. For example, this includes sales of businesses that provide goods and services to hotels, such as maintenance providers, and food and beverage providers. The combined total of direct, indirect and induced impacts represents a total impact of $1.4 trillion of US business sales, or output.

Economic impacts: Operations and hotel guest spending (2022)

Amounts in billions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment (in millions)	GDP	Total	State and local	Federal
Total impact of operations	**$1,377.9**	**$432.3**	**7.9**	**$715.6**	**$201.6**	**$103.4**	**$98.2**
Hotel operations	577.9	187.1	3.3	331.1	104.3	60.0	44.2
Hotel guest spending (ancillary)	800.0	245.2	4.5	384.4	97.3	43.4	53.9
Direct impacts	**$691.2**	**$209.1**	**4.5**	**$336.7**	**$119.6**	**$71.6**	**$48.0**
Hotel operations	323.7	104.7	2.0	189.3	72.4	47.5	24.9
Hotel guest spending (ancillary)	367.5	104.4	2.5	147.4	47.2	24.1	23.1
Indirect and induced impacts	**$686.7**	**$223.2**	**3.4**	**$378.9**	**$82.0**	**$31.8**	**$50.2**
Hotel operations	254.2	82.4	1.3	141.8	31.8	12.5	19.4
Hotel guest spending (ancillary)	432.5	140.9	2.0	237.0	50.1	19.3	30.8

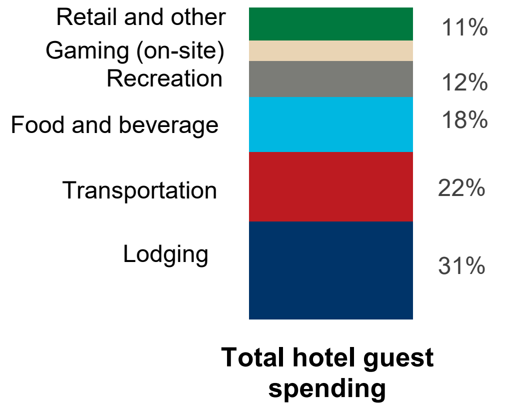
Source: Oxford Economics

For each $100 spent on lodging, hotel guests spend another $220 during their trip

US hotel guests spend $691.2 billion annually. Of this, only $216.1 billion is spent on lodging (31%), while the remaining amount is spent on transportation, food and beverage, and other goods and services (69%). As a result, for each $100 of spending on lodging (room revenue plus taxes on lodging, hotel guests spend another $220 during their trip. This contributes to broader economic impact in destinations and areas along the trip route.

It is also useful to compare the amount of spending that occurs on-site at hotels ($323.7 billion, or 47% of total guest spending), relative to the amount that occurs offsite ($367.5 billion, or 53% of total guest spending). The off-site spending is referred to as ancillary guest spending in this analysis.

Guest spending distribution: US (2022)



Source: Longwoods International; Oxford Economics

Hotel guest spending (2022)

Amounts in billions of dollars

	Total hotel guest spending		On-site guest spending (at hotels)		Ancillary guest spending (off-site)	
	Amount	Share	Amount	Share	Amount	Share
Total guest spending	**$691.2**	100%	**$323.7**	100%	**$367.5**	100%
Lodging	216.1	31%	216.1	67%	-	0%
Food and beverage	122.2	18%	41.5	13%	80.7	22%
Transportation	154.4	22%	-	0%	154.4	42%
Recreation	79.8	12%	14.9	5%	65.0	18%
Gaming (on-site)	44.8	6%	44.8	14%	-	0%
Retail and other	73.7	11%	6.4	2%	67.3	18%

Source: Longwoods International; Oxford Economics

Hotels generate $32.1 billion of direct capital investment

The hotel industry generates direct capital investment through the construction of new hotels and renovation of existing hotels. In total, such direct capital investment totaled $32.1 billion in 2022. This new construction and renovation activity supported almost 210,000 direct jobs, such as construction and design jobs. The indirect and induced effects of such activity supported an additional $53.2 billion of business sales (output), and more than 235,000 jobs.

For example, this indirect and induced impact includes jobs supported as construction employees spend a portion of their wages and salaries, as well as jobs at the firms that provide goods and services to support hotel construction and renovation activities (e.g., suppliers of construction materials, suppliers to architecture and design firms).

Economic impacts: Capital investment (2022)

Amounts in billions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment (in thousands)	GDP	Total	State and local	Federal
Total impact of capital investment	**$85.4**	**$30.8**	**446.1**	**$44.4**	**$9.6**	**$3.2**	**$6.4**
Direct impacts	32.1	14.2	209.6	15.7	3.5	0.8	2.7
Indirect and induced impacts	53.2	16.7	236.6	28.6	6.1	2.4	3.7

Source: Oxford Economics

Hotel operations directly support $72.4 billion of taxes, including $23.9 billion of lodging taxes

Direct taxes supported by hotel operations totaled $72.4 billion in 2022. Of this, $47.5 billion represents tax revenue to state and local governments. This includes $23.9 billion of taxes on lodging (sales taxes on room revenue, hotel occupancy taxes and tourism improvement district fees, and other taxes on room rentals). It also includes $2.2 billion of sales taxes on other sales at hotels (e.g., food and beverage and retail). Hotels directly supported $10.6 billion in property taxes.

When taxes supported by indirect and induced effects are included, the fiscal impacts of hotel operations total $104.3 billion.

Fiscal impacts: Hotel operations (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	**$104.3**	**$72.4**	**$31.8**
State and local taxes	**$60.0**	**$47.5**	**$12.5**
Taxes on lodging	23.9	23.9	0.0
Sales	6.9	2.2	4.7
Gaming	6.3	6.3	0.0
Personal income	3.3	1.7	1.6
Corporate	1.1	0.6	0.5
Unemp. ins. and other social	0.3	0.2	0.1
Excise taxes and fees	3.3	2.1	1.3
Property taxes	14.9	10.6	4.3
Federal taxes	**$44.2**	**$24.9**	**$19.4**
Personal income	14.5	8.0	6.5
Corporate	7.3	4.2	3.1
Excise and customs	3.1	1.9	1.2
Social Security	19.3	10.8	8.5

Source: Oxford Economics

Hotels support $211.2 billion of tax revenue, including $106.6 billion of state and local taxes

The total economic impact of the hotel industry supports $211.2 billion of tax revenue annually. This includes $106.6 billion in state and local taxes, such as $23.9 billion in taxes on lodging, plus $26.0 billion of sales taxes on other sales, and $31.0 billion in property taxes.

It also includes $104.6 billion in federal tax revenue, including Social Security taxes of $46.5 billion, and personal income taxes of $35.3 billion.

Hotel industry fiscal impacts: Operations, guest spending, and capital investment (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	**$211.2**	**$123.1**	**$88.1**
State and local taxes	**$106.6**	**$72.4**	**$34.2**
Taxes on lodging	23.9	23.9	0.0
Sales	26.0	13.2	12.8
Gaming	6.3	6.3	0.0
Personal income	8.3	3.8	4.5
Corporate	2.2	0.9	1.4
Unemp. ins. and other social	0.7	0.3	0.4
Excise taxes and fees	8.1	4.6	3.5
Property taxes	31.0	19.4	11.6
Federal taxes	**$104.6**	**$50.7**	**$53.9**
Personal income	35.3	17.1	18.1
Corporate	14.9	6.0	8.9
Excise and customs	7.9	4.6	3.3
Social Security	46.5	22.9	23.6

Source: Oxford Economics

A representative hotel with 100 occupied rooms supports 239 total jobs

To consider the impacts of an example property, we calculated the annual impacts of a hotel with an average of 100 occupied rooms daily. To represent the full hotel life cycle, we included an allocation of capital investment activities (both new construction and ongoing capital investment). On this basis, a representative property with 100 occupied rooms supports 239 total jobs, including 135 direct jobs and 104 indirect and induced jobs. This impact includes 57 direct jobs at the hotel, with $3.0 million of wages, salaries and other labor income. This representative property supports $6.1 million of total tax revenue, including $2.1 million of direct taxes generated at the hotel.

Annual impacts per 100 occupied rooms (2022)

Amounts in millions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total operations and capital investment	**$42.0**	**$13.3**	**239**	**$21.8**	**$6.1**	**$3.1**	**$3.0**
Direct hotel operations	9.3	3.0	57	5.4	2.1	1.4	0.7
Direct hotel guest ancillary spending	10.5	3.0	72	4.2	1.4	0.7	0.7
Direct capital investment	0.9	0.4	6	0.5	0.1	0.0	0.1
Indirect and induced	21.2	6.9	104	11.7	2.5	1.0	1.5

Source: Oxford Economics

Hotel industry sales have increased 10.8% since 2019, but hotel employment is still about 15.9% lower

Hotel industry sales have recovered to 10.8% above 2019 levels, but employment is still 15.9% below 2019, representing about 376,000 fewer hotel jobs.

Looking over the longer period from 2015 to 2022 shows hotel industry sales have increased 31.3%, wages have increased 20.5% and employment has decreased 7.8%.

The number of hotels, as measured by STR, has increased from 53,093 in 2015 to 62,479 in 2022.

Hotel industry historical summary: United States

Amounts in billions of dollars, except where otherwise noted

	2015	2016	2017	2018	2019	2020	2021	2022
Industry metrics								
Output (revenue and taxes)	$246.5	$255.6	$267.2	$282.1	$292.2	$169.4	$250.7	$323.7
Wages, salaries and other comp	$86.9	$89.3	$92.0	$96.5	$102.3	$73.5	$87.8	$104.7
Employment (millions)	2.16	2.20	2.26	2.29	2.37	1.69	1.79	1.99
GDP	$159.7	$162.1	$169.2	$175.9	$184.9	$119.8	$163.0	$189.3
Capital investment	$32.0	$37.6	$39.5	$42.6	$44.9	$34.7	$28.3	$32.1
Industry size and performance (STR)								
Properties (number of hotels, motels, B&Bs)	53,093	53,868	54,793	55,899	60,828	58,846	61,407	62,479
Guest rooms (millions)	5.03	5.10	5.19	5.29	5.47	5.25	5.51	5.61
Room nights sold (demand, in billions)	1.20	1.22	1.25	1.28	1.30	0.83	1.15	1.27
Occupancy rate	65.2%	65.3%	65.7%	66.0%	65.9%	44.0%	57.5%	62.7%
Average daily rate (ADR)	$120.10	$123.75	$126.46	$129.57	$130.98	$103.31	$124.96	$148.83

Source: Bureau of Economic Analysis; STR; Oxford Economics

Total jobs supported by the hotel industry is still below 2019.

The economic impacts of the hotel industry has recovered pre-pandemic levels by some measures, such as business sales, wages, and total taxes, but the total number of jobs supported is still 5.6% below pre-pandemic levels.

Hotel industry impacts: US

Amounts in billions of dollars, unless otherwise noted

	2018	2019	2020	2021	2022	2022 relative to 2019
Total hotel industry impact						
Output (business sales)	$1,286.9	$1,360.2	$800.4	$1,126.7	$1,463.3	7.6%
Wages, salaries and other compensation	$409.2	$436.3	$273.3	$364.2	$463.2	6.1%
Employment (number of jobs, in millions)	8.7	8.8	5.4	6.6	8.3	-5.6%
GDP	$689.0	$727.8	$440.4	$603.0	$759.9	4.4%
Total taxes	$186.0	$197.4	$124.6	$167.1	$211.2	7.0%
State and local taxes	$92.8	$98.4	$62.6	$84.8	$106.6	8.3%
Federal taxes	$93.2	$99.0	$62.0	$82.3	$104.6	5.6%
Direct impact: hotel operations, guest ancillary spending, capital investment						
Output (business sales)	$624.4	$657.8	$377.5	$551.5	$723.3	10.0%
Labor income	$201.5	$213.7	$138.0	$177.8	$223.3	4.5%
Employment (number of jobs)	4.9	5.0	3.2	3.8	4.7	-6.4%
GDP	$328.1	$343.8	$208.2	$286.1	$352.5	2.5%
Total taxes	$108.0	$114.6	$72.9	$97.7	$123.1	7.4%
State and local taxes	$62.5	$66.3	$41.7	$57.3	$72.4	9.3%
Federal taxes	$45.5	$48.4	$31.2	$40.4	$50.7	4.8%
Direct impact: hotel operations						
Output (business sales)	$282.1	$292.2	$169.4	$250.7	$323.7	10.8%
Labor income	$96.5	$102.3	$73.5	$87.8	$104.7	2.4%
Employment (number of jobs)	2.3	2.4	1.7	1.8	2.0	-15.9%
GDP	$175.9	$184.9	$119.8	$163.0	$189.3	2.4%
Total taxes	$64.5	$67.8	$46.1	$58.9	$72.4	6.9%
State and local taxes	$41.5	$43.4	$28.6	$38.0	$47.5	9.4%
Taxes on lodging	$20.4	$21.5	$11.8	$17.9	$23.9	11.0%
Federal taxes	$23.0	$24.3	$17.5	$20.9	$24.9	2.3%
Metrics						
Hotel guest spending (on-site and ancillary)	$581.9	$612.9	$342.9	$523.2	$691.2	12.8%
Hotel purchases of inputs from other businesses	$103.8	$107.6	$62.3	$92.3	$119.2	10.8%
Properties (number of hotels, motels, inns and B&Bs)	55,899	60,828	58,846	61,407	62,479	2.7%
Guest rooms (thousands, average)	5,290	5,466	5,249	5,508	5,611	2.7%
Guest nights (number of occupied room nights, millions)	1,283	1,303	835	1,147	1,273	-2.3%
Total taxes per household ($ per household)	$1,526	$1,595	$992	$1,310	$1,656	3.8%
State and local taxes per household ($ per household)	$761	$795	$498	$665	$836	5.2%

Source: Bureau of Economic Analysis; Census Bureau; STR; Oxford Economics

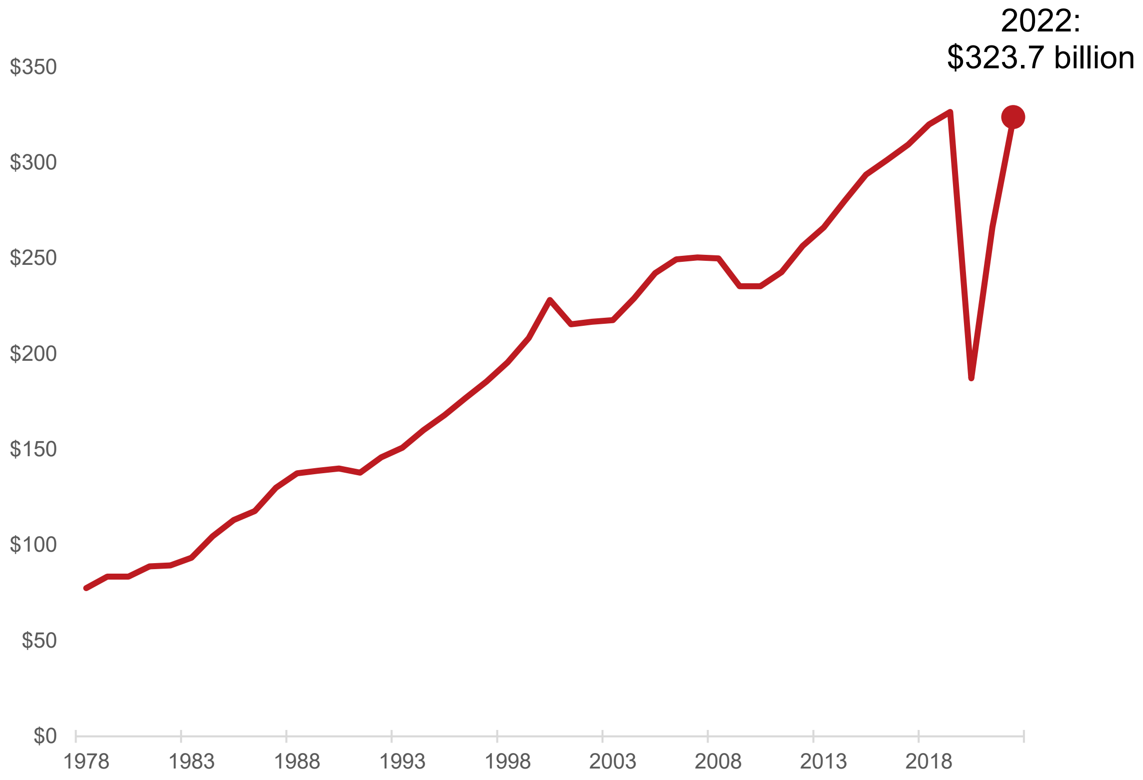
4 Selected graphs and maps

Hotel industry sales increased to $323.7 billion in 2022

Hotel industry sales increased to $323.7 billion in 2022 representing a decrease of 0.9% since 2019, adjusted for inflation.

Hotel industry business sales

Output (sales including taxes), in billions, 2022 dollars



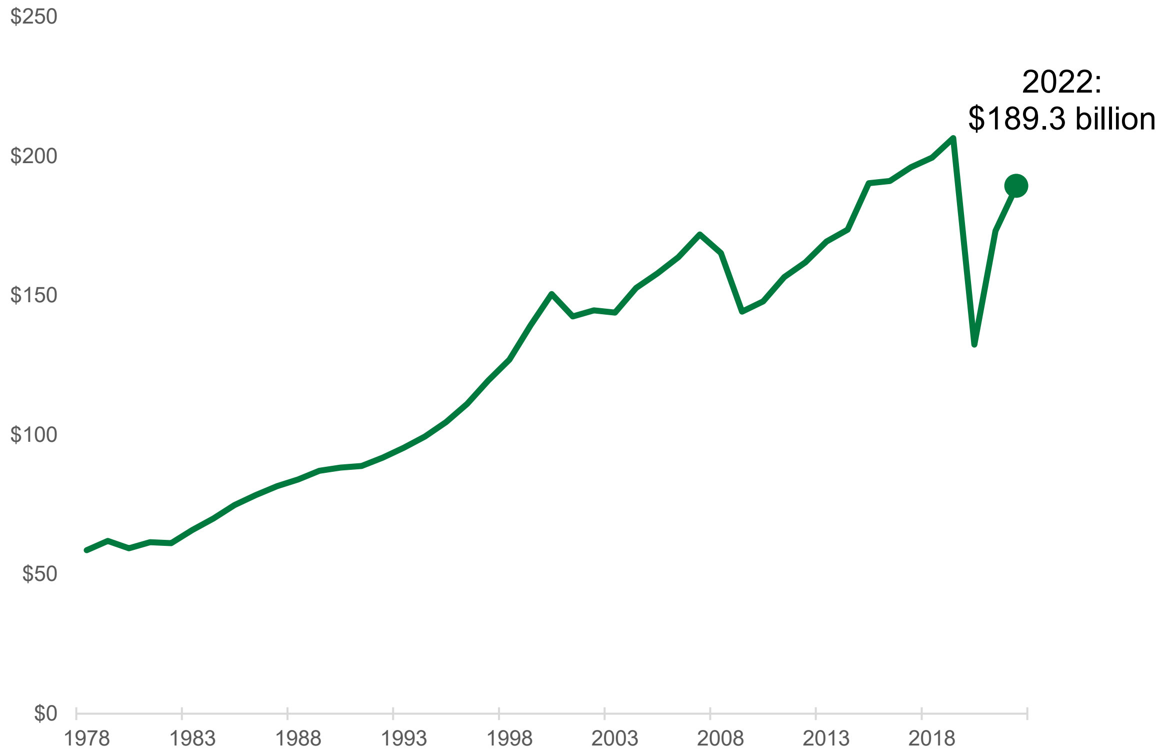
Source: Bureau of Economic Analysis; Oxford Economics

Hotel industry GDP increased to $189.3 billion in 2022

Hotel industry GDP increased to $189.3 billion in 2022, representing a decrease of 8.4% relative to 2019, adjusted for inflation.

Hotel industry GDP

Contribution to GDP, in billions, 2022 dollars



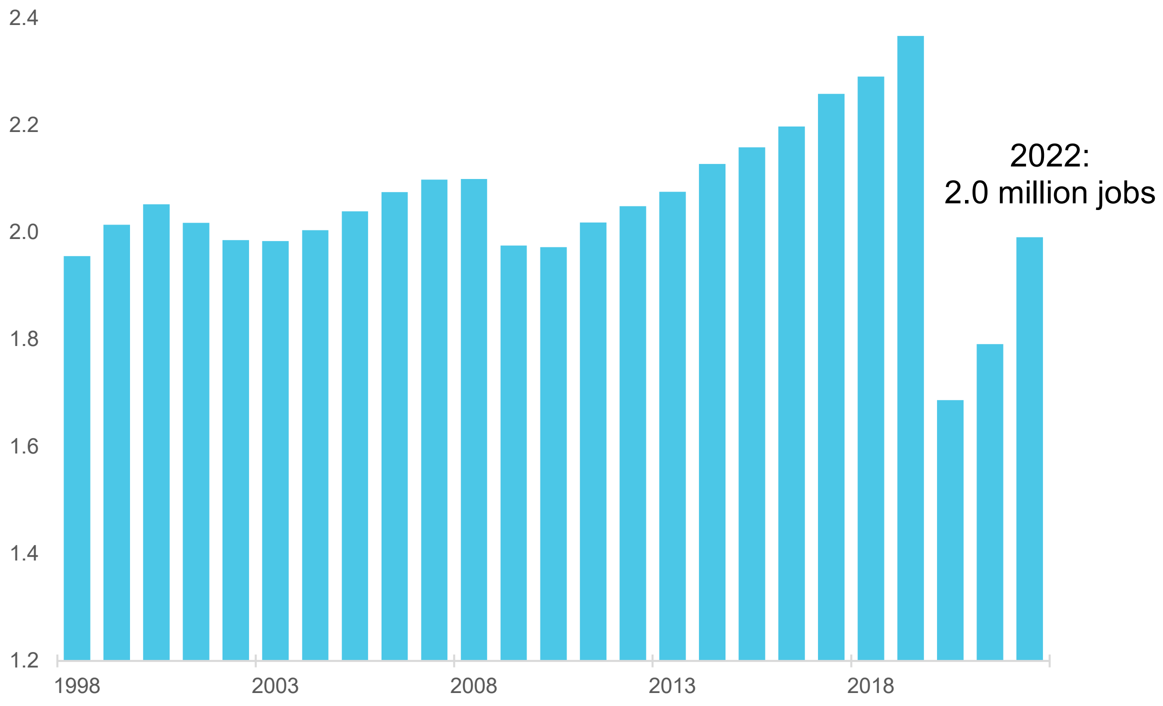
Source: Bureau of Economic Analysis; Oxford Economics

Hotel industry employment increased to 2.0 million jobs in 2022

Hotel industry employment increased to 2.0 million jobs in 2022, representing a decrease of 15.9% relative to 2019.

Hotel industry employment

In millions



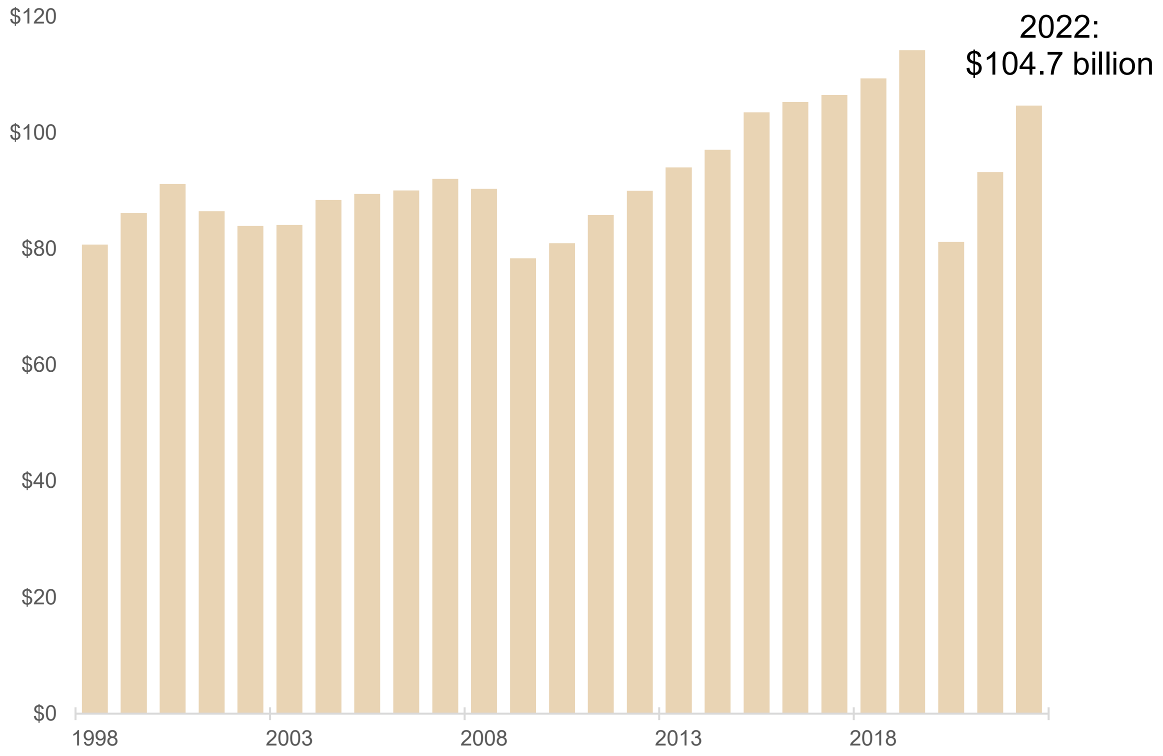
Source: Bureau of Economic Analysis; Oxford Economics

Hotel industry compensation increased to $104.7 billion in 2022

Hotel industry wages, salaries and other compensation increased to $104.7 billion in 2022, representing a decrease of 8.4% relative to 2019, adjusted for inflation.

Hotel industry wages, salaries and other compensation

In billions, 2022 dollars



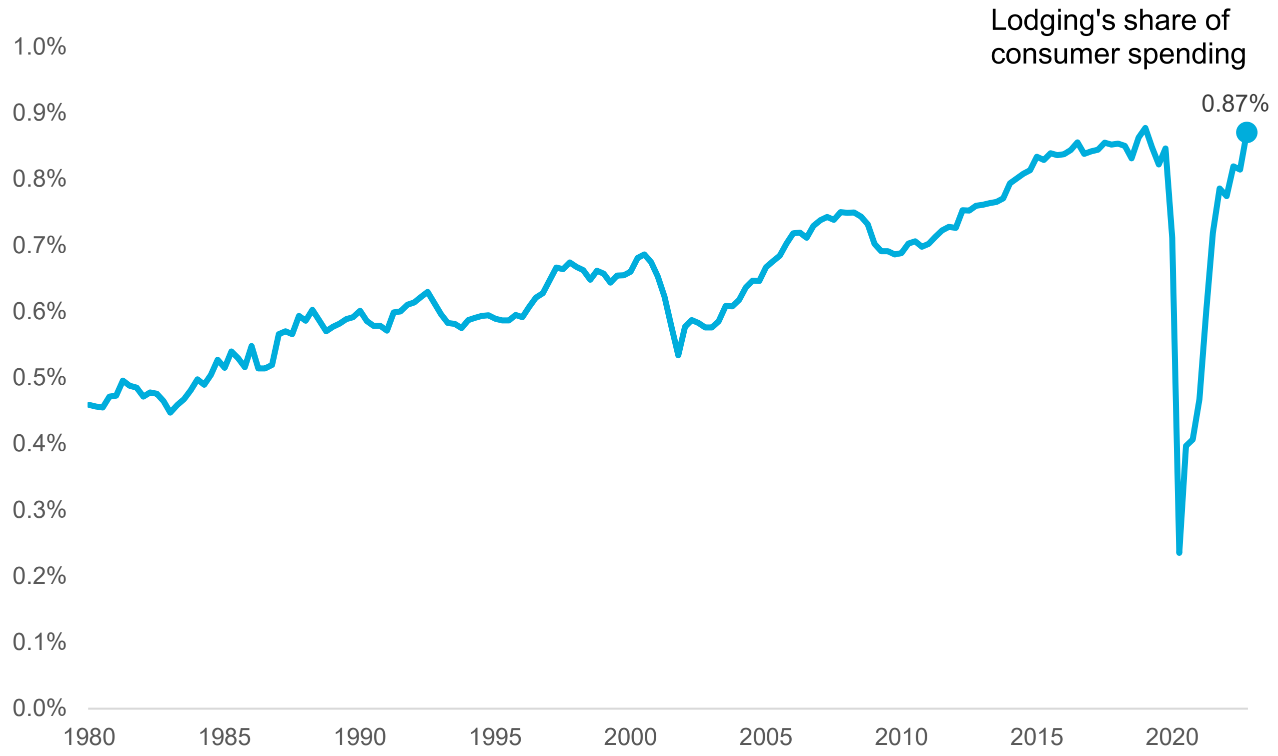
Source: Bureau of Economic Analysis; Oxford Economics

Consumers have prioritized travel

During the fourth quarter of 2022, lodging accounted for 0.87% of US household spending, which is slightly higher than the average in 2019.

Consumer spending on lodging

As a share of total consumer spending, nominal

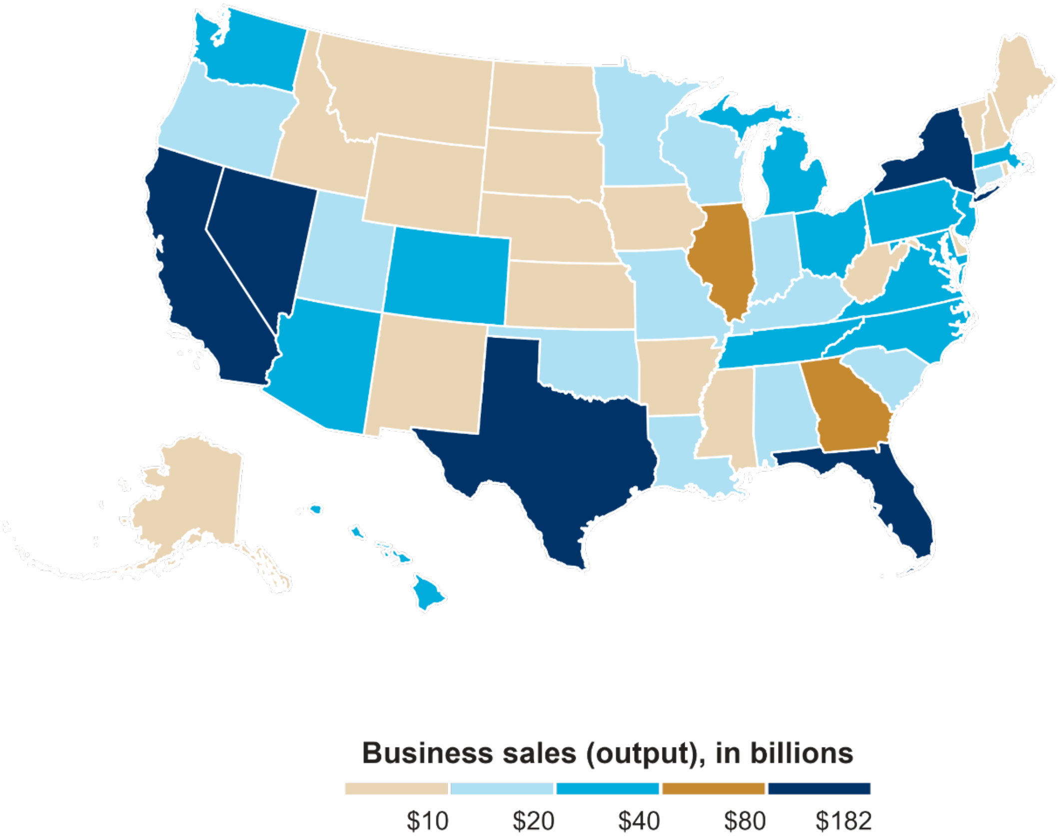


Note: Measures leisure travel spending on lodging by US households. Seasonally adjusted. Data through 2022 Q4.
Source: Bureau of Economic Analysis; Oxford Economics

Business sales (output) impact by state

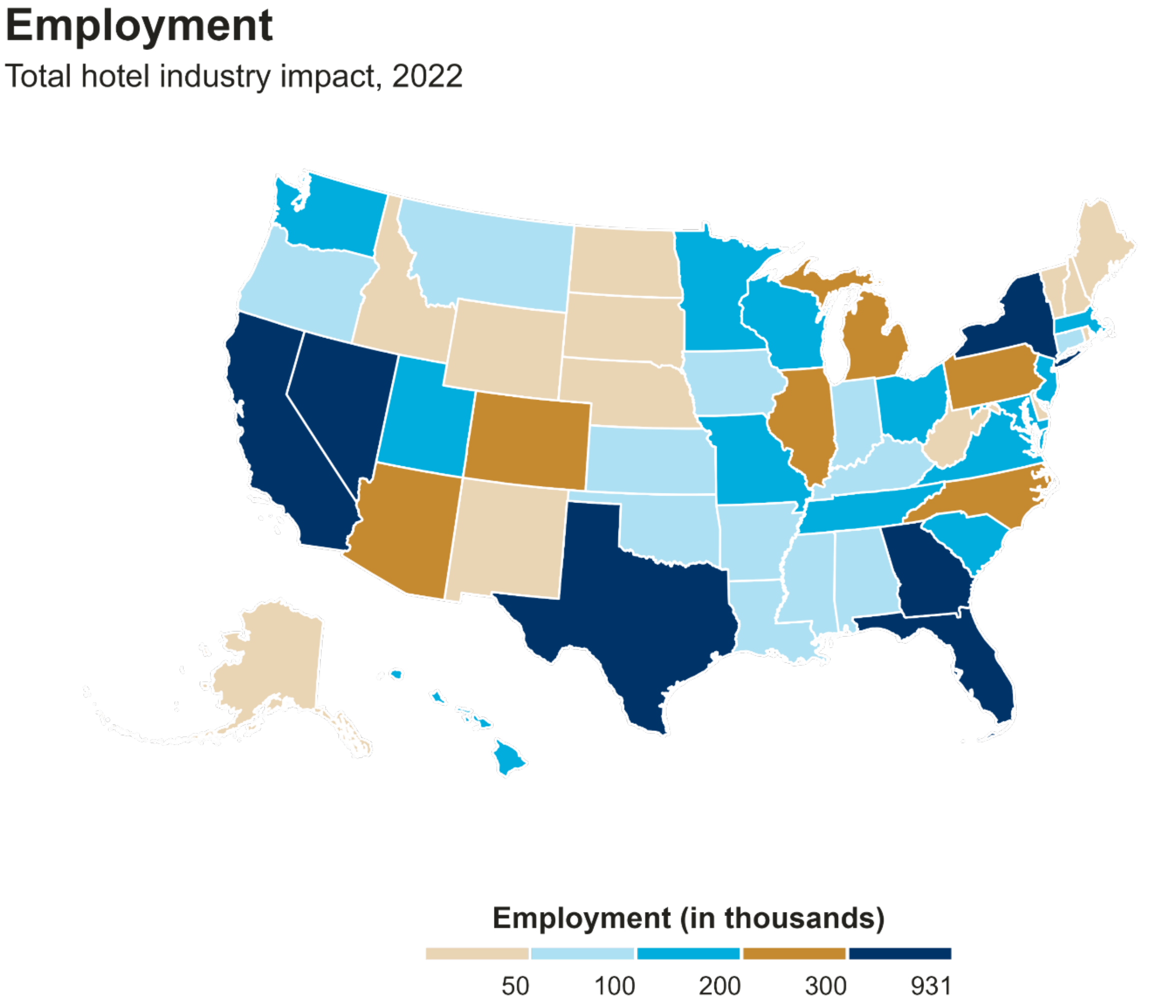
Business sales (output)

Total hotel industry impact, 2022



Source: Oxford Economics

Employment impact by state

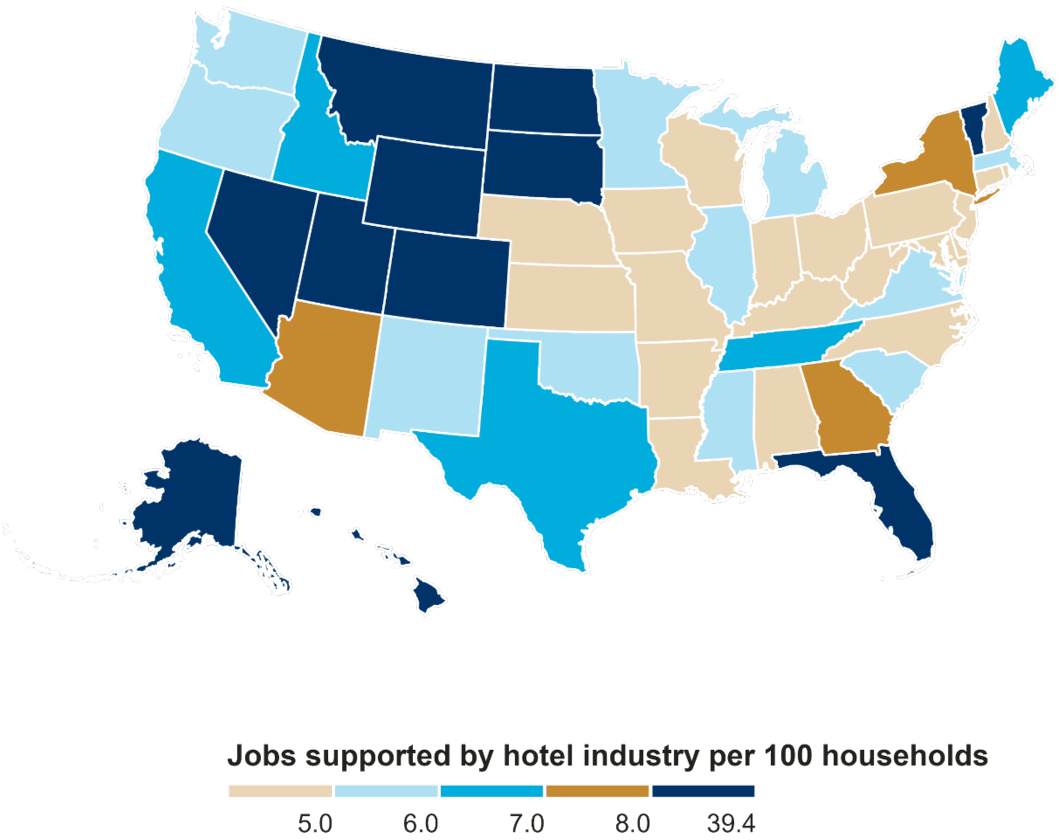


Source: Oxford Economics

Employment impact per 100 households

Jobs per 100 households

Total hotel industry impact, 2022



Source: Oxford Economics

About Oxford Economics

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