



The importance of hotels to the economy

Hotels are not only important to guests - a clean, comfortable lodging sets the stage for a positive experience - but they also contribute significantly to the economy and communities.

Benefits to local economies¹

- One of the most direct and visible impacts of the hospitality industry is the generation of employment opportunities. Hotels, restaurants, and

¹ <https://proservetraininginstitute.ac.ke/the-role-of-hospitality-industry-in-local-economies/>

catering services are labor-intensive businesses that provide a range of jobs, from housekeepers to managers.

- The industry acts as a catalyst for economic growth. When tourists and visitors flock to an area, they not only spend on accommodations and dining but also contribute to other sectors such as transportation, retail, and entertainment.
- Well-developed hotel infrastructure and vibrant culinary scenes can promote a destination's reputation and draw in visitors, leading to increased revenue and potential business ventures. Local governments often recognize the value of the hospitality industry and invest in its growth to stimulate economic activity.
- Finally, the hospitality sector fosters community development by promoting cultural exchange and preserving local traditions. Hotels and caterers often collaborate with local artisans, farmers, and producers, creating a market for authentic products and experiences. This not only supports local businesses but also helps preserve cultural heritage and traditions that contribute to a destination's unique identity.

US stats^{2,3}

A recent report by the American Hotel & Lodging Association (AHLA) and Oxford Economics found that in 2022 alone:

- There were almost 62,500 hotels in the US, for a total of 5.6 million hotel guest rooms and about 1.3 billion room nights sold.
- American hotels supported 8.3 million jobs (nearly one in 25 U.S. jobs)
- Hotel guests spent more than \$691 billion on lodging, transportation, food and beverage, retail and other expenses.
- For each \$100 spent on lodging, hotel guests spent another \$220 during their trip.

² https://www.ahla.com/sites/default/files/impact_report_2023.pdf

³ <https://globalloyalty.org/article/2242/ahla-oxford-economics-report-economic-impact-of-the-us-hotel-industry-us-report>

- Hotels paid employees more than \$104 billion in wages, salaries, and other compensation, and supported \$463 billion in total wages, salaries, and other compensation.
- Hotels directly generated \$72 billion in federal, state, and local tax revenue and supported nearly \$211 billion in total federal, state, and local tax revenue.

As of March 2024, national average hotel wages exceeded \$23 per hour, one of the highest rates ever recorded. Nevertheless, the U.S. Bureau of Labor Statistics reports that hotel employment has declined by over 250,000 jobs since February 2020. As a result, hotels are actively seeking to fill vacancies, with more than 100,000 open positions available nationwide.

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