



# 2006 Lodging Industry Profile

All figures are for year-end 2005. Figures for 2006 will be available in fall 2007.

## 2005 AT-A-GLANCE STATISTICAL FIGURES

47,590	properties*
4,402,466	guestrooms
\$122.7	billion in sales
\$57.36	revenue per available room (RevPAR)
63.1%	average occupancy rate

*\*Based on properties with 15 or more rooms.*

In 2005, the lodging industry grossed \$22.6 billion in pretax profits, according to Smith Travel Research. Total industry revenue **increased in 2005 to \$122.7 billion**, from \$113.7 billion in 2004.

### THE LODGING INDUSTRY

The average room rate was **\$90.88 in 2005**—up from \$86.23 in 2004. The average room rate was \$82.52 in 2003, \$83.54 in 2002, \$88.27 in 2001, \$85.89 in 2000, \$81.33 in 1999, \$78.62 in 1998, \$75.31 in 1997, \$70.93 in 1996, and \$66.65 in 1995.

*Source: Smith Travel Research*

### THE TOURISM INDUSTRY

In the United States, tourism is currently the third largest retail industry, behind automotive and food stores. Travel and tourism is the nation's largest services export industry, and one of America's largest employers. In fact, it is the first, second, or third largest employer in 30 of the 50 states. The tourism industry includes more than 15 interrelated businesses, from lodging establishments, airlines, and restaurants to cruise lines, car rental firms, travel agents, and tour operators.

## **TOURISM'S EFFECTS ON OUR ECONOMY**

- ✦ Resident and international travelers in the United States spend an average of \$1.8 billion a day, \$75 million an hour, \$1.2 million a minute, and \$21 thousand a second.
- ✦ Tourism generates \$654 billion in sales (excluding spending by international travelers on U.S. airlines).
- ✦ The tourism industry pays \$104.9 billion in federal, state, and local taxes.

## **LODGING AND OVERALL TOURISM EMPLOYMENT**

- ✦ The travel and tourism industry pays \$171.4 billion in travel-related wages and salaries and employs 1.4 million hotel property workers.
- ✦ Tourism directly supports more than 7.5 million travel and tourism jobs.

## **PROMOTIONAL SPENDING**

In the 2005–06 fiscal year, states planned to spend a projected \$666.6 million for development and promotion in the travel and tourism industry. Indicative of tourism's continuing recovery, the majority of reporting states saw significant increases in their budgets. Most notable was Utah—its budget increased nearly 300 percent from \$4 million to \$16 million. Hawaii again edged out the other states in tourism office spending, with a budget of \$69.2 million. Second was Illinois, with a budget of \$47.8 million. Rounding out the top five were Pennsylvania (\$31.8 million), Florida (\$30.7 million), and Texas (\$28.3 million). Michigan planned to spend the most on domestic advertising, budgeting \$12.7 million for 2005–06, followed by Texas (\$11.9 million), Florida (\$11.7 million), Arizona (\$10 million), and Utah (\$9.6 million). The total collective domestic advertising and sales promotion budget was \$226.7 million.

*Sources: Travel Industry Association of America, Bureau of Labor Statistics*

## 2005 PROPERTY/ROOM BREAKDOWN

By Location	Properties*	Roomst
Suburban	15,853	1,570,134
Highway	6,761	452,017
Urban	4,595	700,267
Airport	1,933	274,769
Resort	3,835	573,092
Small Metro/Town	14,613	832,187

### By Rate

Under \$30	857	52,830
\$30–\$44.99	7,518	405,028
\$45–\$59.99	10,850	669,174
\$60–\$85	16,562	1,329,544
Over \$85	11,803	1,945,890

### By Size

Under 75 rooms	27,416	1,160,329
75–149 rooms	14,432	1,532,477
150–299 rooms	4,182	836,554
300–500 rooms	1,062	396,544
Over 500 rooms	498	476,562

\*Based on a total of 47,590 properties.

†Based on a total of 4,402,466 guestrooms.

Source: Smith Travel Research

## THE TYPICAL LODGING CUSTOMER

48%	traveled for business
52%	traveled for leisure

The typical business room night is generated by a male (68%), age 35–54 (52%), employed in a professional or managerial position (48%), earning an average yearly household income of \$82,000. Typically, these guests remain in their rooms (73%), make reservations (85%), and pay \$99 per room night.

The typical leisure room night is generated by two adults (54%), ages 35–54 (41%), earning an average yearly household income of \$75,400. The typical leisure traveler travels by auto (74%), makes reservations (85%), and pays \$94 per room night.

For a hotel stay, 40 percent of all business travelers spend one night, 25 percent spend two nights, and 35 percent spend three or more nights.

Of leisure travelers staying in a hotel, 45 percent spend one night, 28 percent spend two nights, and 27 percent spend three or more nights.

*Source: D.K. Shifflet & Associates, Ltd.*

## INTERNATIONAL TRAVEL\*

- ✦ The United States receives a larger share of world international tourism receipts than any other country in the world. In 2005, spending on travel totaled \$82 billion, excluding passenger fares. The U.S. share of world tourism receipts increased from 16 percent in 1998 to 16.4 percent in 1999 to 17.4 percent in 2000. However, in 2001, the U.S. market share registered a dramatic decline to 15.6 percent, a decline in 2002 to 14.1 percent, another marked decline in 2003 to 12.3 percent, and a slight decline in 2004 to 11.8 percent. In 2005, though, the U.S. share rebounded to 12.1 percent.

- ✦ The top 10 countries in terms of U.S. arrivals for 2005 were Canada (14.9 million), Mexico (12.9 million), the United Kingdom (4.3 million), Japan (3.9 million), Germany (1.4 million), France (879,000), South Korea (705,000), Australia (582,000), Italy (546,000), and Brazil (486,000). All top 10 markets registered growth in arrivals for the year when compared with 2004.
- ✦ In fact, each of the top 20 markets registered growth in 2005, and five surpassed previous record visitor levels—Mexico, Australia, Spain, Ireland, and India. The strongest growth registered among the top 20 markets came from Brazil (up 26%), China (net up 24%; People's Republic up 33%; Hong Kong up 10%), Ireland (up 16%), and Italy (up 16%).
- ✦ In 2005, 49.4 million international\* travelers visited the United States, a 7 percent increase in travel from 2004. Overseas\*\* arrivals in 2005 increased by 7 percent to 21.7 million. Canadian arrivals increased by 7 percent in 2005 to 14.9 million. Mexican arrivals increased by 8 percent to 12.9 million.
- ✦ The impact of international travelers on the hotel industry is considerable. In 2005, 17 million overseas travelers stayed in a hotel/motel. The average length of stay was 7.8 nights, with 1.7 people in the travel party. The main purposes of trips for overseas travelers were leisure, recreation, and holiday at 56 percent, and business/convention at 31 percent. These mobile travelers visited 1.6 states while in the country. To move about the United States they took taxis and limousines (48%) and rented cars (33%).
- ✦ Figures for 2005 reveal that international visitor spending in the United States increased by 10 percent, resulting in \$102.6 billion in total travel receipts. American spending was a record \$95.2 billion (an increase of 6%) outside the United States. The travel balance-of-trade surplus in 2005 was \$7.4 billion, an increase of 88 percent from 2004.

*\*International includes Canada, Mexico, and overseas.*

*\*\*Overseas excludes Canada and Mexico.*

*Source: U.S. Department of Commerce, International Trade Administration, Office of Travel & Tourism Industries*

## 2007 CALENDAR OF EVENTS

**January 22–24**

**The Americas Lodging Investment Summit**

The Hyatt Regency Century Plaza  
Los Angeles, Calif.

**March 12**

**AH&LEF Dinner Tribute honoring J.W. Marriott, Jr.**

The Renaissance Washington D.C. Hotel  
Washington, D.C.

**March 13–14**

**AH&LA Legislative Action Summit**

The Mandarin Oriental  
Washington, D.C.

**June (TBD)**

**AH&LA Summer Summit**

Location (TBD)

**September 9–12**

**AH&LEF Golf Classic**

Barton Creek Resort & Spa  
Austin, TX

**November 9–13**

**AH&LA Fall Conference**

(Held in conjunction with the International Hotel/Motel & Restaurant Show)  
New York, N.Y.

For more information, please contact the AH&LA conventions & events department at (202) 289-3171 or [conventions@ahla.com](mailto:conventions@ahla.com).

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Information contained in this pamphlet is based on data provided by D.K. Shifflet & Associates, Ltd.; Smith Travel Research; the Travel Industry Association of America; and the U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries.

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