



# 2004 LODGING INDUSTRY PROFILE



All figures are for year-end 2003. Figures for 2004  
will not be available until mid-2005

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# AT-A-GLANCE STATISTICAL FIGURES

47,584	properties*
4,415,696	guestrooms
\$105.3	billion in sales
\$50.42	revenue per available room (RevPAR)
61.1%	average occupancy rate

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

In 2003, the lodging industry grossed \$12.8 billion in pretax profits, according to Smith Travel Research. Total industry revenue increased in 2003 to \$105.3 billion from \$102.6 billion in 2002.

## THE LODGING INDUSTRY

The average room rate was \$82.52 in 2003—down from \$83.54 in 2002. However, throughout the past 10 years this number has increased significantly: \$88.27 in 2001, \$85.89 in 2000, \$81.33 in 1999, \$78.62 in 1998, \$75.31 in 1997, \$70.93 in 1996, \$66.65 in 1995, \$62.86 in 1994, and \$60.53 in 1993.

*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 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 EFFECTS ON OUR ECONOMY

- Resident and international travelers in the United States spend an average \$1.5 billion a day, \$63 million an hour, \$1.1 million a minute, and \$17.5 thousand a second.
- Tourism generates \$552 billion in sales (excluding spending by international travelers on U.S. airlines).
- The tourism industry pays \$95 billion in federal, state, and local taxes.

## LODGING AND OVERALL TOURISM EMPLOYMENT

- The industry pays \$159 billion in travel-related wages and salaries and employs 1.7 million hotel property workers.
- Tourism directly supports more than 7.4 million travel and tourism jobs.
- One of every eight Americans is employed either directly or indirectly because of people traveling to and within the United States.

## PROMOTIONAL SPENDING

In 2002, states planned to spend a projected \$554.2 million for development and promotion in the travel and tourism industry. Hawaii again edged out the other states in tourism office spending, with a budget of \$56 million for 2002, despite its budget decreasing 21 percent from 2001. Following second was Illinois, with a budget of \$49.7 million, down nearly 9 percent from the previous year. Rounding out the top five were Pennsylvania (\$35 million, down 9%), Texas (\$31 million, down 13%), and Florida (\$29 million, down 40%). Texas and Florida planned to spend the most on domestic advertising, each budgeting nearly \$12 million for 2002, followed by Illinois (\$7.8 million), Pennsylvania (\$6.6 million), and Louisiana (\$6.4 million). The total collective domestic advertising budget was \$145.5 million.

Source: Travel Industry Association of America

# 2003

## PROPERTY/ROOM BREAKDOWN

By Location	Property*	Rooms†
Suburban	18,476	1,490,970
Highway	18,312	1,296,279
Urban	5,408	716,485
Airport	3,239	444,860
Resort	2,149	467,102

### By Rate

Under \$30	853	50,642
\$30–\$44.99	7,862	499,350
\$45–\$59.99	16,680	1,102,845
\$60–\$85	14,334	1,393,663
Over \$85	7,855	1,369,196

### By Size

Under 75 rooms	27,379	1,144,753
75–149 rooms	14,297	1,523,999
150–299 rooms	4,305	860,983
300–500 rooms	1,094	407,038
Over 500 rooms	509	478,923

\*Based on a total of 47,584 properties.

†Based on a total of 4,415,696 guestrooms.

Source: Smith Travel Research

## THE TYPICAL LODGING CUSTOMER

52% traveled for business  
48% traveled for leisure

The typical business room night is generated by a male (71%), age 35–54 (53%), employed in a professional or managerial position (50%), earning an average yearly household income of \$82,800. Typically, these guests remain in their rooms (76%), make reservations (90%), and pay \$91 per room night.

The typical leisure room night is generated by two adults (52%), ages 35–54 (45%), earning an average yearly household income of \$74,000. The typical leisure traveler also travels by auto (73%), makes reservations (84%), and pays \$87 per room night.

For a hotel stay, 40 percent of all business travelers spend one night, 24 percent spend two nights, and 36 percent spend three or more nights.

Of leisure travelers staying in a hotel, 47 percent spend one night, 26 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 2003, spending on travel totaled \$65 billion, excluding passenger fares. The U.S. share of world tourism receipts increased from 15.9 percent in 1996 to 16.6 percent in 1997. It dropped to 16.0 percent in 1998. In 1999, the market share increased to 16.4 percent, and increased again to 17.4 percent in 2000. In 2001, there was a dramatic decline to 15.6 percent. In 2002, the U.S. share dropped again, to 14 percent. Currently, the 2003 preliminary share data are not available.
- The top 10 countries in terms of U.S. arrivals for 2003 were Canada (12.7 million), Mexico (9.7 million), United Kingdom (3.9 million), Japan (3.2 million), Germany (1.2 million), France (689,000), South Korea (618,000), Italy (409,000), Australia (406,000), and the Netherlands (374,000).

- For the first time since 2000, there were several top markets that posted growth in arrivals in 2003. The United Kingdom posted a 3 percent increase in arrivals for 2003 compared with 2002. Italy posted a 1 percent increase. Spain registered a 5 percent increase, and India grew by 6 percent. Only 6 of the top 20 arrival markets posted double-digit declines. This is down from the 12 markets in 2002.
- Figures for 2003 reveal that international visitor spending in the United States decreased by only 4 percent, resulting in \$80.2 billion in total travel receipts. American spending was \$77.6 billion (a decrease of 1 percent) outside the United States. The trade surplus decreased to \$2.6 million, a decline of 54 percent from 2002.
- In 2003, 40.4 million international\* travelers visited the United States—a 4 percent decrease in travel from 2002. Overseas\*\* arrivals in 2003 decreased by 6 percent, to 18 million. Canadian arrivals decreased by 2 percent in 2003 to 12.7 million. Mexican arrivals declined by 1 percent to 9.7 million.
- The impact of international travelers on the hotel industry is considerable. In 2003, 13.9 million overseas travelers stayed in a hotel/motel. Their average length of stay was 7.5 nights, with 1.7 people in the travel party. The main purposes of trips for overseas travelers who stayed in hotels and motels were leisure, recreation, and holiday at 53 percent, and business at 27 percent. These very mobile travelers visited 1.6 states while in the country. To move about the United States they took taxis and limousines (46%) and rented cars (35%).

\*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*

# 2005

## CALENDAR OF EVENTS

### **Jan. 18–20**

The Americas Lodging Investment Summit  
The Westin Century Plaza Hotel & Spa/The St.  
Regis Los Angeles  
Los Angeles, Calif.

### **Jan. 20**

AH&LEF Dinner Tribute  
Honoring Barry S. Sternlicht, chairman and CEO,  
Starwood Hotels & Resorts Worldwide, Inc.  
The Westin Century Plaza Hotel & Spa/The St.  
Regis Los Angeles  
Los Angeles, Calif.

### **Feb. 16–19**

El's Presidents Academy XXIII  
Boca Raton Resort & Club  
Boca Raton, Fla.

### **Apr. 27–28**

Las Vegas International Hotel & Restaurant Show  
Mandalay Bay Resort & Casino  
Las Vegas, Nevada

### **May 17**

AH&LA Lodging Industry Summit  
National Press Club  
Washington, D.C.

### **May 17–18**

AH&LA Legislative Action Summit  
Loews L'Enfant Plaza  
Washington, D.C.

### **May 18–19**

AH&LA Multiunit Lodging Operators  
& Owners Forum  
Loews L'Enfant Plaza  
Washington, D.C.

### **Aug. 14–17**

AH&LEF Golf Classic  
The Ritz Carlton Golf Resort  
Naples, Fla.

### **Nov. 11–15**

AH&LA Fall Conference  
New York Marriott Marquis  
New York, N.Y.  
(Held in conjunction with the International Hotel/  
Motel & Restaurant Show, Nov. 12–15, Jacob K.  
Javits Convention Center, New York, N.Y.)

### **Nov. 13**

AH&LA Inaugural Gala  
Honoring Incoming Chairman Joseph R. Kane,  
Jr., president and CEO, Days Inns Worldwide  
Location TBD  
New York, N.Y.

For more information, please contact AH&LA  
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## 2005 AH&LA OFFICERS

Chairman of the Board—Pedro Mandoki, CHA, Plantation Resort Mgmt., Inc.

Vice Chairman—Joseph R. Kane, Jr., CHA, Days Inns Worldwide

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President and CEO—Joseph A. McInerney, CHA, AH&LA

AH&LA is a 94-year-old dual membership association of state and city partner lodging associations throughout the United States with some 10,000 property members nationwide, representing more than 1.4 million guestrooms. Headquartered in Washington, D.C., it provides members with advocacy on Capitol Hill, public relations and image management, education, research and information, and other services to ensure a positive business climate for the U.S. lodging industry. Individual state associations provide representation at the state level and offer many additional cost-saving benefits.

Information contained in this pamphlet is based on data provided by the American Economics Group, Inc.; 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.

## THE 2004 LODGING INDUSTRY PROFILE WAS PREPARED BY:

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