



# 2003 LODGING INDUSTRY PROFILE

**PLEASE NOTE:** Due to a general overall weakening of the economy through 2002, the lodging industry is still recovering following 10 years of record-breaking performance.

# 2002 AT-A-GLANCE STATISTICAL FIGURES

## GENERAL OVERVIEW

47,040	properties*
4,397,534	guestrooms
\$102.6	billion in sales
\$49.41	revenue per available room (RevPAR)
59.1%	average occupancy rate

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

In 2002, the lodging industry grossed \$14.2 billion in pretax profits. Total industry revenue declined in **2002 to \$102.6 billion** from \$103.5 billion in 2001.

## THE LODGING INDUSTRY

The average room rate was **\$83.54** in 2002 — down from \$88.27 in 2001. However, throughout the past 10 years this number has increased significantly, including \$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, \$60.53 in 1993, and \$58.91 in 1992.

## THE TOURISM INDUSTRY

In the United States, the tourism industry is currently the third largest retail industry, behind automotive and food stores. Travel and tourism is the nation's largest services export industry, third largest retail sales industry, and one of America's largest employers. In fact, it is the 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

- Spending by resident and international travelers in the United States averaged \$1.4 billion a day, \$60 million an hour, \$1 million a minute, and \$17 thousand a second.
- Generating \$525 billion in sales (excluding spending by international travelers on U.S. airlines).
- Paying \$96 billion in federal, state, and local taxes.

## LODGING AND OVERALL TOURISM EMPLOYMENT

- Paying \$166 billion in travel-related wages and salaries.
- Employing more than 1.8 million hotel property workers.
- Directly supporting more than 7.8 million travel and tourism jobs.
- Employing one of every seven Americans either directly or indirectly because of people traveling to and within the United States.

## PROMOTIONAL SPENDING

States plan to spend a projected \$554.2 million for development and promotion in the travel and tourism industry. Hawaii again edged out the other states by remaining the leader in tourism office spending with a budget of \$56 million for 2002, despite its budget decreasing 21 percent from 2001. Following second is Illinois with a budget of \$49.7 million, down nearly 9 percent from last year. Rounding out the top five is Pennsylvania (\$35 million, down 9%), Texas (\$31 million, down 13%), and Florida (\$29 million, down 40%). Texas and Florida plan 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 is \$145.5 million.

## PROPERTY/ROOM BREAKDOWN

By Location	Property*	Rooms†
Higway	18,918 (40.2%)	1,351,073 (30.7%)
Suburban	17,006 (36.6%)	1,395,378 (31.7%)
Urban	5,502 (11.7%)	712,256 (16.2%)
Airport	3,305 (7.0%)	455,175 (10.4%)
Resort	2,309 (4.9%)	483,652 (11%)

### By Rate

Under \$30	942 (2%)	61,757 (1.4%)
\$30-\$44.99	8,040 (17.1%)	526,687 (12%)
\$45-\$59.99	16,129 (34.3%)	1,077,454 (24.5%)
\$60-\$85	13,666 (29.1%)	1,318,367 (30%)
Over \$85	8,263 (17.6%)	1,413,269 (32.1%)

### By Size (Rooms)

Under 75	26,840 (57.1%)	1,126,219 (25.6%)
75-149	14,170 (30.1%)	1,511,729 (34.4%)
150-299	4,422 (9.4%)	882,765 (20.1%)
300-500	1,103 (2.3%)	409,779 (9.3%)
Over 500	505 (1.1%)	467,042 (10.6%)

\*Based on a total of 47,040 properties.

†Based on a total of 4,397,534 guestrooms.

Please note: Total percentages may not add up to 100 because of rounding.

## THE TYPICAL LODGING CUSTOMER

- 29% are transient business travelers
- 25% are attending a conference/  
group meeting
- 24% are on vacation
- 22% are traveling for other reasons  
(e.g., personal, family, or  
special event)

The typical business room night is generated by a male (71%), age 35–54 (54%), employed in a professional or managerial position (54%), earning an average yearly household income of \$81,600. Typically, these guests travel alone (61%), make reservations (91%), and pay \$93 per room night.

The typical leisure room night is generated by two adults (52%), ages 35–54 (43%), earning an average yearly household income of \$71,600. The typical leisure traveler also travels by auto (74%), makes reservations (83%), and pays \$85 per room night.

For a hotel stay, 42 percent of all business travelers spend one night, 25 percent spend two nights, and 33 percent spend three or more nights.

Of leisure travelers, 46 percent spend one night, 27 percent spend two nights, and 27 percent spend three or more nights.

## INTERNATIONAL TRAVEL \*

- According to the Office of Travel and Tourism Industries (OTTI), the top 10 overseas\*\* regions in terms of U.S. arrivals for 2002 were Western Europe (8.2 million), United Kingdom (3.8 million), Germany (1.2 million), France (734,260), Italy (406,160), Netherlands (384,367), Spain (269,520), Ireland (259,687), Switzerland (253,940), Sweden (204,156), and Belgium (159,052).
- OTTI says 41.9 million international travelers visited the United States in 2002, a 7 percent decrease in travel from 2001. Overseas arrivals decreased by 12 percent to 19.1 million. Canadian arrivals decreased by 7.8 percent to 13.5 million. Mexican arrivals decreased by 4 percent to 13 million. Concurrently, U.S. residents' travel abroad decreased overall by 2 percent to 56.6 million. Overseas departures decreased by 6 percent to 23.7 million. Canadian departures increased 3 percent to 16.0 million. Mexican departures decreased 2 percent to 16.8 million.
- Figures for 2002 reveal that international visitor spending in the United States decreased by 4 percent, resulting in \$87.8 million total travel receipts. Simultaneously, American spending followed closely with \$80.3 million (3%) spending outside the United States.

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

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

# 2004

## CALENDAR OF EVENTS

### **JAN. 19-21**

#### **The Americas Lodging Investment Summit**

The Century Plaza Hotel & Spa/  
St. Regis Los Angeles  
Los Angeles, Calif.

### **FEB. 11-14**

#### **El's President's Academy**

St. Regis Monarch Beach Resort  
Dana Point, Calif.

### **FEB. 24-25**

#### **AH&LA Legislative Action Summit**

The Washington Court Hotel  
Washington, D.C.

### **AUG. 29-31**

#### **AH&LEF Golf & Tennis Classic**

The Broadmoor  
Colorado Springs, Colo.

### **NOV. 12-16**

#### **AH&LA Fall Conference**

New York Marriott Marquis  
New York, N.Y.

(Held in conjunction with the International  
Hotel/Motel & Restaurant Show, Nov. 13-16  
at the Jacob K. Javits Convention Center.)

### **NOV. 14**

#### **AH&LA Inaugural Gala**

Honoring Chairman Pedro Mandoki, CHA  
Plantation Resort Management, Inc.  
The Plaza  
New York, N.Y.

### **TBD**

#### **AH&LA Multiunit Lodging Operators & Owners Forum**

#### **AH&LEF Tribute Dinner**

#### **Las Vegas International Hotel & Restaurant Show**

Las Vegas Convention Center  
Las Vegas, Nev.

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

## 2004 AH&LA OFFICERS

**Chairman of the Board** — Dieter Huckestein, Hilton Hotels Corporation

**Vice Chairman** — Pedro Mandoki, CHA, Plantation Resort Mgmt., Inc.

**Secretary/Treasurer** — TBA

**Immediate Past Chairman** — Michael K. Handlery, CHA, Handlery Hotels, Inc.

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

AH&LA is a 93-year-old federation of state lodging associations throughout the United States with some 11,000 property members worldwide, representing more than 1.5 million guest rooms. AH&LA provides its members with assistance in operations, education, and communications and lobbies in Capitol Hill to provide a business climate in which the industry can continue to prosper. 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 2003 LODGING INDUSTRY PROFILE WAS PREPARED BY:

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