



2007 Lodging Industry Profile

All figures are for year-end 2006. Figures for 2007 will be available in fall 2008.



2006 AT-A-GLANCE STATISTICAL FIGURES

47,135	properties*
4,389,443	guestrooms
\$133.4	billion in sales
\$61.93	revenue per available room (RevPAR)
63.3%	average occupancy rate

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

In 2006, the lodging industry generated \$26.6 billion in pretax profits, according to Smith Travel Research. Total industry revenue **increased in 2006 to \$133.4 billion**, from \$122.7 billion in 2005.

THE LODGING INDUSTRY

The average room rate was **\$97.78 in 2006**—up from \$90.88 in 2005. The average room rate was \$86.23 in 2004, \$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, and \$70.93 in 1996.

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 \$1.9 billion a day, \$79 million an hour, \$1.3 million a minute, and \$21,000 a second.
- ✦ Tourism generates \$700 billion in sales (excluding spending by international travelers on U.S. airlines).
- ✦ The tourism industry pays \$109.4 billion in federal, state, and local taxes.

LODGING AND OVERALL TOURISM EMPLOYMENT

- ✦ The travel and tourism industry pays \$177 billion in travel-related wages and salaries and employs 1.8 million hotel property workers.
- ✦ Tourism directly supports more than 7.5 million travel and tourism jobs.

PROMOTIONAL SPENDING

In the 2006-2007 fiscal year, states planned to spend a projected \$765.1 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 Colorado—its budget increased 140% from \$9.2 million to \$22.1 million. Hawaii again edged out other states in tourism office spending, with a budget of \$70.7 million. Second was Pennsylvania, with a budget of \$64.7 million. Rounding out the top five were Illinois (\$48.9 million), Florida (\$33 million), and Texas (\$29.2 million). California planned to spend the most on domestic advertising and sales promotion, budgeting \$15 million for 2006-2007, followed by Colorado (\$12.7 million), Texas (\$12.5 million), Missouri (\$12.4 million), and Florida (\$11.1 million). The total collective domestic advertising and sales promotion budget was \$248.3 million.

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

2006 PROPERTY/ROOM BREAKDOWN

By Location	Properties*	Rooms†
Suburban	15,890	1,577,475
Highway	6,770	452,228
Urban	4,491	690,849
Airport	1,957	275,132
Resort	3,596	566,642
Small Metro/Town	14,431	827,117

By Rate

Under \$30	863	57,830
\$30–\$44.99	7,118	435,109
\$45–\$59.99	14,787	932,768
\$60–\$85	14,247	1,295,464
Over \$85	10,120	1,668,272

By Size

Under 75 rooms	26,896	1,146,501
75–149 rooms	14,547	1,541,819
150–299 rooms	4,118	823,966
300–500 rooms	1,073	399,076
Over 500 rooms	501	478,081

**Based on a total of 47,135 properties.*

†Based on a total of 4,389,443 guestrooms.

Source: Smith Travel Research

THE TYPICAL LODGING CUSTOMER

44%	traveled for business
56%	traveled for leisure

The typical business room night is generated by a male (65%), age 35–54 (50%), employed in a professional or managerial position (44%), earning an average yearly household income of \$85,900. Typically, these guests travel alone (56%), make reservations (90%), and pay \$112 per room night.

The typical leisure room night is generated by two adults (42%), ages 35–54 (41%), earning an average yearly household income of \$77,100. The typical leisure traveler also travels by auto (77%), makes reservations (86%), and pays \$103 per room night.

For a hotel stay, 35% of all business travelers spend one night, 26% spend two nights, and 39% spend three or more nights.

Of leisure travelers staying in a hotel, 42% spend one night, 30% spend two nights, and 28% 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 2006, spending on travel totaled \$86 billion, excluding passenger fares. The U.S. share of world tourism receipts increased from 16.0% in 1998 to 16.4% in 1999 to 17.4% in 2000. However, in 2001, the U.S. market share registered a dramatic decline to 15.6%, a decline in 2002 to 13.9%, and another marked decline in 2003 to 12.3%. In 2004, the U.S. share again declined slightly to 11.8%, but rebounded to 12.1% in 2005. The preliminary estimate for 2006 is a decline to 11.7%.

- ✦ The top 10 countries in terms of U.S. arrivals for 2006 were Canada (16 million), Mexico (13.3 million), the United Kingdom (4.2 million), Japan (3.7 million), Germany (1.4 million), France (790,000), South Korea (758,000), Australia (603,000), Italy (533,000), and Brazil (525,000).
- ✦ In fact, each of the top 20 markets registered growth in 2006, 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%).
- ✦ Unlike 2005, when each of the top 20 markets registered growth over the previous year, country performance was mixed among the top 20 markets—13 markets had growth in arrivals for the year compared with 2005, and seven had declines. Records were set for seven countries—Mexico, South Korea, Australia, Spain, Ireland, India, and the People's Republic of China.
- ✦ The fastest growth registered among the top 20 markets came from China (+19%), India (+18%), and Spain (+10%).
- ✦ In 2006, 51.0 million international* travelers visited the United States, a 4% increase in travelers from 2005. Overseas** arrivals in 2006 were unchanged at 21.7 million. Canadian arrivals increased by 8% in 2006 to 16 million. Mexican arrivals increased by 5% to 13.3 million.
- ✦ The impact of international travelers on the hotel industry is considerable. In 2006, 17 million overseas travelers stayed in a hotel/motel. The average length of stay was 7.5 nights, with 1.7 people in the traveling party. The main purposes of trips for these overseas travelers were leisure, recreation, and holiday at 56%, and business/convention at 31%. These mobile travelers visited 1.6 states, and to move about the United States they took taxis and limousines (48%) and rented cars (33%).
- ✦ Figures for 2006 reveal international visitor spending in the United States increased by 5%, resulting in \$107.9 billion in total travel receipts. American travelers spent a record \$99.5 billion traveling abroad in 2006, an increase of 5% when compared to 2005. The travel balance of trade surplus in 2006 was \$8.3 billion, an increase of 9% from a revised level of \$7.7 billion in 2005.

**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

2008 CALENDAR OF EVENTS

January 28–30, 2008

The Americas Lodging Investment Summit

The Hyatt Regency Century Plaza
Los Angeles, Calif.

February 21–23, 2008

AH&LEF Leadership Academy

The Atlantis, Paradise Island
Bahamas

March 17–18, 2008

AH&LA Legislative Action Summit

The Mandarin Oriental
Washington, D.C.

June 9–12, 2008

AH&LA Summer Summit

The Skirvin Hilton
Oklahoma City, Oklahoma

September 7–10, 2008

AH&LEF Golf Classic

La Quinta Resort & Club
La Quinta, California

November 7–11, 2008

AH&LA Fall Conference

(Held in conjunction with the International Hotel/Motel & Restaurant Show)
Jacob K. Javits Convention Center
New York, New York

For more information, please contact the AH&LA conventions & events department at (202) 289-3171 or 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.

The 2007 Lodging Industry Profile was prepared by:

American Hotel & Lodging Association
Marketing & Communications Department
1201 New York Avenue, N.W., Suite 600
Washington, D.C. 20005-3931
Tel.: (202) 289-3131 | Fax: (202) 289-3128
E-mail: media@ahla.com
Web: www.ahla.com

