

2006 AH&LA OFFICERS

Chairman of the Board — Joseph R. Kane, Jr., CHA, Cendant Hotel Group and Days Inns Worldwide Inc.

Vice Chairman — Robert L. Steele, III, Grand Hyatt Tampa Bay

Immediate Past Chairman — Pedro Mandoki, CHA, Mandoki Hospitality Group

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

AH&LA is a 95-year-old dual membership association of state and city partner lodging associations throughout the United States with some 10,000 members nationwide, representing more than 1.3 million guest rooms. 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; the U.S. Department of Commerce, International Trade Administration, Office of Travel and Tourism Industries; and the U.S. Bureau of Labor Statistics.

THE 2005 LODGING INDUSTRY PROFILE WAS PREPARED BY:

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AH&LA is Keeping
AMERICA'S PROMISE
THE ALLIANCE FOR YOUTH



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2005 LODGING INDUSTRY PROFILE

All figures are for year-end 2004. Figures for 2005 will not be available until mid-2006.



2004 At-a-Glance Statistical Figures

47,598	properties*
4,411,908	guestrooms
\$113.7	billion in sales
\$52.90	revenue per available room (RevPAR)
61.3%	average occupancy rate

*Based on properties with 15 or more rooms.

In 2004, the lodging industry grossed \$16.7 billion in pretax profits, according to Smith Travel Research. Total industry revenue **increased in 2004 to \$113.7 billion**, from \$105.3 billion in 2003.

THE LODGING INDUSTRY

The average room rate was **\$86.24 in 2004**—up from \$82.52 in 2003. The average room rate was \$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, \$66.65 in 1995, and \$62.86 in 1994.

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.

2006 CALENDAR OF EVENTS

Jan. 23–25

The Americas Lodging Investment Summit

The Westin Century Plaza Hotel & Spa
Los Angeles, Calif.

Feb. 22–25

EI's Presidents Academy XXIV

The Inn at Spanish Bay
Pebble Beach, Calif.

March (TBD)

AH&LA Legislative Action Summit

Location TBD
Washington, D.C.

April (TBD)

AH&LA HotelPAC Hospitality Golf Tour - The Desert Open VIII

Location TBD
Las Vegas, Nev.

June (TBD)

AH&LA Summer Summit

Location TBD
Denver, Colo.

Aug. 20–23

AH&LEF Golf Classic

The Sanctuary at Kiawah Island
Kiawah Island, S.C.

Sept. 5

AH&LA HotelPAC Hospitality Golf Tour - The Broadmoor Classic

The Broadmoor
Colorado Springs, Colo.

Sept. 9–12

AH&LA Resort Committee Meeting

Alyeska Resort
Girdwood, Alaska

Nov. 10–14

AH&LA Fall Conference

Location TBD
New York, N.Y.
(Held in conjunction with the International Hotel/Motel & Restaurant Show, Nov. 11–14, Jacob K. Javits Convention Center, New York, N.Y.)

Nov. 11

AH&LA HotelPAC Chairman's Reception and Live Auction

Location TBD
New York, N.Y.

Nov. (TBD)

AH&LA Inaugural Gala honoring incoming chairman Robert L. Steele, III, General Manager, Grand Hyatt Tampa Bay

Location TBD
New York, N.Y.

For more information, please contact the AH&LA conventions & events department at (202) 289-3171 or send an e-mail to conventions@ahla.com.

- The top 10 countries in terms of U.S. arrivals for 2004 were Canada (13.8 million), Mexico (11.9 million), the United Kingdom (4.3 million), Japan (3.7 million), Germany (1.3 million), France (775,000), South Korea (627,000), Australia (520,000), Italy (471,000), and the Netherlands (425,000). All top 10 markets registered growth in arrivals for the year when compared with 2003.
- For the first time since 1992, the United States saw the first double-digit growth in international visitation in 2004. Mexico, India, and Ireland set new records for arrivals. The fastest growth registered among the top 20 markets came from Ireland (up 60%), the People's Republic of China (up 29%), Australia (up 28%), India (up 25%), and Sweden (up 20%).
- In 2004, 46.1 million international* travelers visited the United States, a 12 percent increase in travel from 2003. Overseas** arrivals in 2004 increased by 13 percent to 20.3 million. Canadian arrivals increased by 9 percent in 2004 to 13.9 million. Mexican arrivals increased by 13 percent to 11.9 million.
- The impact of international travelers on the hotel industry is considerable. In 2004, 16 million overseas travelers stayed in a hotel/motel. The 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 55 percent, and business at 24 percent. These mobile travelers visited 1.6 states while in the country. To move about the United States they took taxis and limousines (47%) and rented cars (33%).
- Figures for 2004 reveal that international visitor spending in the United States increased by 17 percent, resulting in \$93.3 billion in total travel receipts. American spending was a record \$89.3 billion (a increase of 14%) outside the United States. The trade surplus in 2004 was \$4 million, an increase of 144 percent from 2003.

*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

TOURISM'S EFFECTS ON OUR ECONOMY

- Resident and international travelers in the United States spend an average of \$1.64 billion a day, \$68.5 million an hour, \$1.14 million a minute, and \$19 thousand a second.
- Tourism generates \$600 billion in sales (excluding spending by international travelers on U.S. airlines).
- The tourism industry pays \$99.5 billion in federal, state, and local taxes.

LODGING AND OVERALL TOURISM EMPLOYMENT

- The industry pays \$163.3 billion in travel-related wages and salaries and employs 1.8 million hotel property workers.
- Tourism directly supports more than 7.3 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 the 2004–05 fiscal year, states planned to spend a projected \$602.7 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 Oregon—its budget increased 134 percent from \$3.99 million to \$9.34 million. Hawaii again edged out the other states in tourism office spending, with a budget of \$69 million. Following second was Illinois, with a budget of \$47.8 million. Rounding out the top five were Pennsylvania (\$33 million), Texas (\$30.6 million), and Florida (\$28.6 million). Texas planned to spend the most on domestic advertising, budgeting nearly \$14 million for 2004–05, followed by Florida (\$10.8 million), Pennsylvania (\$9 million), New Jersey (\$8.7 million), and Arizona (\$8.5 million). The total collective domestic advertising budget was \$180.3 million.

Source: Travel Industry Association of America

2004 PROPERTY/ROOM BREAKDOWN

By Location	Property*	Room†
Suburban	15,792	1,563,986
Highway	6,666	446,121
Urban	4,648	706,235
Airport	1,914	273,839
Resort	4,055	595,272
Small Metro/Town	14,523	826,455

By Rate	Property*	Room†
Under \$30	924	55,692
\$30–\$44.99	7,995	509,785
\$45–\$59.99	16,054	1,044,610
\$60–\$85	14,280	1,367,826
Over \$85	8,345	1,433,995

By Size	Property*	Room†
Under 75 rooms	27,464	1,163,668
75–149 rooms	14,326	1,524,099
150–299 rooms	4,235	847,089
300–500 rooms	1,070	398,491
Over 500 rooms	503	478,561

*Based on a total of 47,598 properties.

†Based on a total of 4,411,908 guestrooms.

Sources: Smith Travel Research
U.S. Bureau of Labor Statistics

THE TYPICAL LODGING CUSTOMER

50% traveled for business
50% traveled for leisure

The typical business room night is generated by a male (67%), age 35–54 (52%), employed in a professional or managerial position (50%), earning an average yearly household income of \$81,100. Typically, these guests remain in their rooms (73%), make reservations (89%), and pay \$96 per room night.

The typical leisure room night is generated by two adults (51%), ages 35–54 (45%), earning an average yearly household income of \$72,600. The typical leisure traveler also travels by auto (74%), makes reservations (90%), and pays \$89 per room night.

For a hotel stay, 39 percent of all business travelers spend one night, 24 percent spend two nights, and 37 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 2004, spending on travel totaled \$75 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, and another marked decline in 2003 to 12.3 percent. In 2004, the U.S. share again declined slightly to 12 percent.