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Chicago Hotel Jobs Drive City Growth, Revenue

*New Report Quantifies Significant Economic Impact of Hotel and Lodging Industry to Chicago:
In 2016, Hotel Guests Spent \$8 Billion; \$2 Billion Paid in Taxes; Supporting Some 90,000 Local Jobs*

Chicago, IL, Tuesday, March 21, 2017 – The Illinois Hotel and Lodging Association (IHLA) and the American Hotel and Lodging Association (AHLA) today released a report by Oxford Economics analyzing the economic impact of the hotel industry to the City of Chicago. The report underscores the significant contributions lodging provides to the city, generating some \$2 billion in federal, state and local taxes every year and supporting nearly 90,000 local jobs. The report detailed specific impacts hotel guests have on Chicago’s economy, including the tremendous economic contributions of hotel guests to the community. In 2016 alone, guests spent \$8 billion. Every \$100 spent on lodging at hotels leverages an additional \$176 spent at local businesses.

The report, released as part of a new, nationwide campaign, *Dreams Happen Here*, analyzes hotel operations, guest ancillary spending, capital investment and indirect impacts to Chicago’s economy. The campaign highlights the strength of the hotel industry while amplifying the industry’s unique story of supporting good, entry-level jobs that lead to long-term careers.

“The hotel industry’s impact is undeniable, supporting some 90,000 local jobs, amounting to more than \$4 billion in labor income, and with sales supporting nearly \$12 billion going toward local Chicago businesses,” said Katherine Lugar, president and CEO, AHLA. “Chicago’s focus on its hospitality industry has paid off and as revenue increases so do the opportunities to provide more jobs, and more importantly build a pathway toward long-term careers for local Chicagoans.”

“Over 54,000,000 visitors came to Chicago in 2016, representing a huge economic engine for the City, and the hotel industry helped attract and accommodate those visitors. Chicago hotels offer great jobs and careers to thousands of employees, providing entry-level positions with a starting wage of over \$18.00 per hour plus another \$8.00 per hour in benefits,” said Marc Gordon, President & CEO, IHLA. “Many executives and managers in the Chicago hotel industry began their careers in entry-level positions and progressed rapidly through their careers to high level positions.”

Chicago’s 173 hotel properties are an integral part of the local economy and have an enormous impact through jobs, taxes and economic output. The key highlights from the report cover several areas including:

- Hotels in Chicago generate \$2.1 billion of federal, state and local taxes. They also save every Chicago household an additional \$2,000 in taxes that would otherwise need to be paid to maintain current spending levels.
- Hotels are responsible for \$11.8 billion of economic output (representing hotel sales plus certain taxes).
- 87,415 total impact jobs (6.5% of all jobs in Chicago) with \$4.2 billion of labor income are connected to the industry with 68,273 workers directly employed.
- This represents \$6.4 billion of Chicago's GDP.

The report demonstrates that the hotel and lodging industry's impact to taxpayers is substantial. On a household basis, the total tax impact from hotels is \$2,036, representing an offset of federal, state and local taxes that would otherwise need to be paid per Chicago household to compensate for the absence of hotel guest activity. Every occupied hotel room generates \$172 in taxes including, but not limited to, lodging, sales and property taxes.

Since 2010, the City of Chicago's focus on lodging, hospitality and tourism is noticeable per data from the report. Hotel room revenue in the City of Chicago increased 54.0%, reaching \$2.5 billion in 2016.

About this Report: To quantify the economic impacts of the City of Chicago hotel industry for the American Hotel & Lodging Association, Oxford Economics analyzed industry information from a variety of sources and prepared a comprehensive measure of industry performance. This research was funded by the American Hotel & Lodging Association Educational Foundation.

About the Illinois Hotel & Lodging Association

The Illinois Hotel & Lodging Association (IHLA) is a not-for-profit, 501(c)(6) trade association that represents the lodging industry in Illinois. IHLA members consist of over 500 hotels and their employees throughout the state as well as related industry partners and suppliers. IHLA provides significant benefits to its members by advocating the industry's position on political issues, educating through quality, relevant seminars and webinars, providing promotional exposure and access to current industry news, resources, and contacts through IHLA's website, marketing initiatives, member programs, and networking events, and recognizing hotel employees for their outstanding accomplishments, service, and leadership in the Illinois hospitality and lodging industry. Learn more at IllinoisHotels.org.

About the American Hotel & Lodging Association

Serving the hospitality industry for more than a century, the American Hotel & Lodging Association (AHLA) is the largest national association solely representing all segments of the 8 million jobs the U.S. lodging industry supports, including hotel owners, REITs, chains, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers. Headquartered in Washington, D.C., AHLA proudly represents a dynamic hotel industry of more than 54,000 properties that supports \$1.1 trillion in U.S. sales and generates nearly \$170 billion in taxes to local, state and federal governments. Learn more at www.AHLA.com.

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