



Hotel & Lodging Industry Economic Relief

Ohio's travel economy is essential to the state's overall health and prosperity. Hotel & lodging businesses are a key contributor. Prior to the pandemic, hotels produced more than 42,000 direct jobs and supported 192,000 related jobs. Hotels produce \$27 billion in business sales, \$8 billion in wages and \$4 billion in federal, state and local taxes. During the height of business closures due to COVID-19, 29,700 direct hotel jobs (70 percent) and nearly 86,570 supported jobs were lost.

- *67% of hotels will not make it another 6 months given current and projected travel demand without emergency financial assistance.*
- *74% of hotels will be forced to lay off more workers and eliminate more jobs. Four out of ten hotel employees are not working – more than 16,000 jobs in Ohio.*
- *68% of hotels are operating at less than half of pre-pandemic staffing levels.*
- *Less than 3% of hotels are meeting their budgeted revenue per available room for the year.*
- *78% of hotels are losing at least half their revenue.*
- *Most hoteliers expect revenue to decline between 45-60% in 2021 compared to 2019.*
- *Virtually every Ohio hotel is budgeting for their worst quarter ever in Q1 2021. The low levels of business and resulting economic impact will be worse than it was in the Spring of 2020.*

While the economic impacts of the public health emergency will affect every sector of our economy, hotels and hospitality are impacted disproportionately. At the same time, hotel & lodging operators are doing everything they can to keep their businesses operating wherever that is possible, both to provide essential infrastructure to support COVID-19 response efforts, and also to other Essential Businesses and Operations which rely on accommodations.

Our sector of the economy has been impacted like never before in history. Our recovery will also take longer than other sectors. Analysis from multiple industry sources project that it will be at least 2023 before hotel & lodging business returns to pre-pandemic levels. To keep Ohio's hotel infrastructure available, to assist the tens of thousands of impacted workers, and to allow our travel economy to recover, we share these priorities:

Priority 1: Orders and Operating Requirements

The best form of economic relief is the ability to do business. Hotels have demonstrated that they can host safe, COVID-compliant meetings and events, and the Governor, Lt. Governor and health officials have stated that business settings are not the cause of the spread. It is critical to allow business in hotel and meeting venue settings which follows strict safety requirements. It is also important to apply rules fairly and in a logical manner. Requiring hotels to serve food, for example, to qualify for the banquet & catering exception to the mass gatherings limit does not increase health safety. Restaurants are permitted to determine capacities based on distancing requirements and available spacing, and hotel and meeting venues should be allowed to do the same. The industry has set some of the most advanced standards and practices for enhancing cleaning, disinfection and safety, and should be allowed to lead the way for compliance levels which exceed state requirements and recommendations, without additional mandates.

(continued)

Priority 2: Assistance for Ohio's Most Impacted Industries

Early financial assistance helped build a bridge through 2020, but additional relief is needed to allow employers to survive into 2021 when vaccine and other developments will allow a return to sustainable business levels. Some hotels still have not been able to access federal relief dollars because of the structure of their financing. In addition to a new round of federal stimulus, other actions can help provide a lifeline in the short term. These include steps to allow property tax relief through consideration of COVID-19 impacts on valuations, and protections for commercial borrowers. Additional programs to provide relief to Ohio businesses should also include needs testing and measurements to ensure the most impacted enterprises are helped proportionally. Targeted bridge loans or other accessible financing as available to our industry in other states would greatly enhance the grant funding and dividends the state has provided to employers across the board. Funding to help house medical staff, first responders and others involved in COVID-19 response in the event of future surges would be prudent.

Priority 3: Ohio's Lodging Tax Model and Business Climate

Local governments and destination marketing organizations which perform crucial economic development activities benefit from Ohio's existing lodging tax model. It should be protected from attempts to divert lodging tax dollars for unrelated purposes. Ohio can realize tens of millions of dollars in additional revenue from existing taxes that are collected but not remitted by instituting tax parity for online hotel bookings, with no impact to consumers. New taxes on businesses and employers in our sector would greatly impede our ability to help lead the economic recovery, especially with unremitted taxes on the table. Continuation of temporary suspension of state fees for licensure, inspection, required filings or other official transactions in 2021 will help. Ensuring liability protections continue for the duration of the pandemic will save businesses and jobs. The state should return to destination marketing efforts as soon as travel opens on a large scale nationwide. To be prepared, TourismOhio should plan to utilize the amount of funds available for that purpose over the biennium. Our industry also supports measures to promote fundamental equality and to make Ohio a magnet for business, including the Ohio Fairness Act.

For more information, contact Joe Savarise, Executive Director

Ohio Hotel & Lodging Association

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Ohio's Hotel Industry By the Numbers

Industry Snapshot in Ohio

HOTEL GUEST SPENDING IN OH
\$8 billion

PROPERTIES IN OH (NUMBER OF HOTEL)
1,468

HOTEL GUESTROOMS IN OH (NUMBER OF ROOMS)
134,070

SHARE OF TOTAL JOBS SUPPORTED BY HOTEL INDUSTRY IN OH
2.7%

TOTAL TAXES PER HOUSEHOLD IN OH (\$ PER HOUSEHOLD)
\$731.29

STATE AND LOCAL TAXES PER HOUSEHOLD IN OH (\$ PER HOUSEHOLD)
\$335

Total Hotel Industry Impact in Ohio

BUSINESS SALES IN OH (OUTPUT)
\$25 billion

WAGES AND SALARIES IN OH
\$8 billion

EMPLOYMENT IN OH (NUMBER OF JOBS)
183,956

GROSS DOMESTIC PRODUCT IN OH
\$13 billion

TOTAL TAXES IN OH
\$3 billion

OH STATE AND LOCAL TAXES
\$2 billion

TAXES ON LODGING IN OH
\$291 million

FEDERAL TAXES IN OH
\$2 billion

Includes direct and indirect impacts.

Direct Hotel Industry Impact in Ohio

BUSINESS SALES IN OH (OUTPUT)
\$9 billion

WAGES AND SALARIES IN OH
\$3 billion

EMPLOYMENT IN OH (NUMBER OF JOBS)
92,782

GROSS DOMESTIC PRODUCT IN OH
\$5 billion

TOTAL TAXES IN OH
\$2 billion

OH STATE AND LOCAL TAXES
\$868 million

FEDERAL TAXES IN OH
\$716 million

Direct spending and revenues.

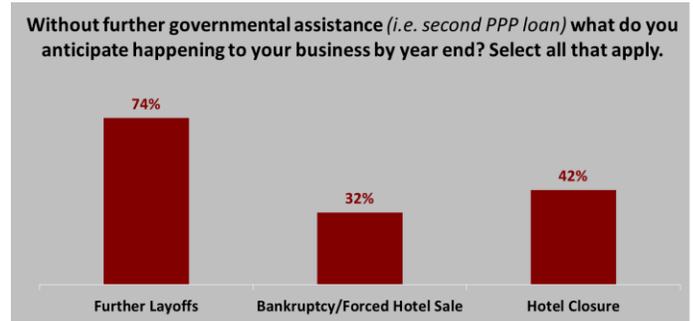
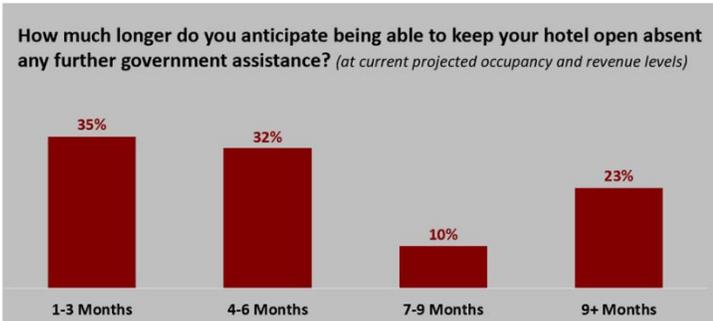
AHLA FRONT DESK FEEDBACK

SURVEY OF HOTELS ON FINANCIAL CRISIS

The American Hotel & Lodging Association conducted a survey of more than 1,000 members from September 14-16, 2020. Survey topics included the hotel's financial outlook and staffing levels at the six-month point into the COVID pandemic.

TOPLINE: 67% of hotels won't make it another 6 months given current and projected travel demand without further federal assistance. 74% will be forced to lay off more workers.

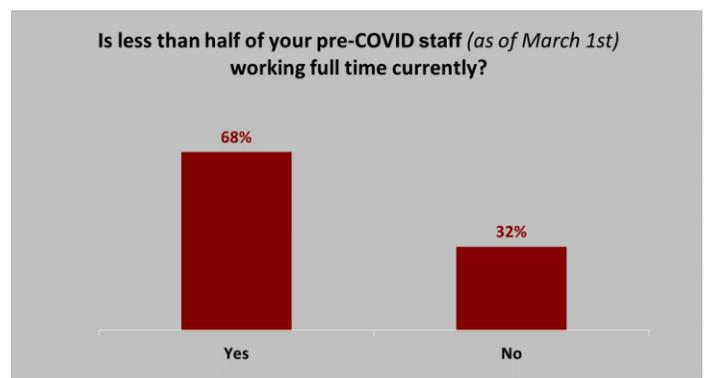
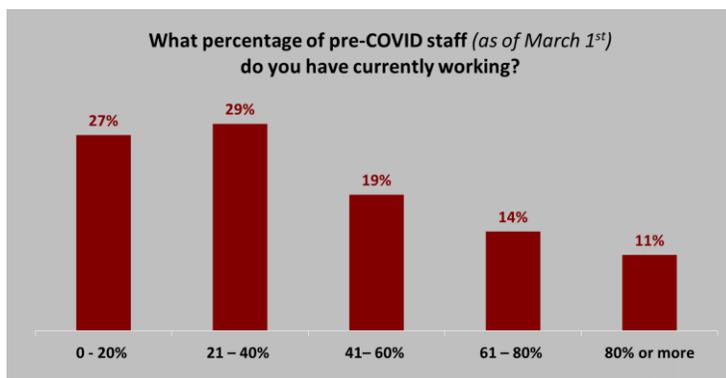
Without further government assistance (i.e. second PPP loan, expansion of Main Street Lending Program), more than one-third of hotels will be forced to close within the next three months. Nearly one-third of hotels would be facing bankruptcy or be forced to sell by the end of 2020. 42% would close due to lack of revenue.



BOTTOM LINE: Without action by Congress, half of U.S. hotels could close with massive layoffs.

TOPLINE: Nearly 70% of hotels are operating with less than half of Pre-COVID staffing levels.

Six months into the COVID pandemic, hotels are still struggling to keep their doors open and unable to rehire all their staff due to the historic drop in travel demand. In fact, two out of three hotels (68%) say they have less than half of their pre-COVID staff back on the job, and 56 percent have been able to retain no more than 40 percent of their employees who were working pre-COVID.



BOTTOM LINE: Without action by Congress, 74% of hotels will be forced to lay off more staff.



STATE BY STATE BREAKDOWN: Estimated Hotel Closures & Additional Jobs Loss If Congress Doesn't Pass Another COVID Stimulus Bill

(Impact if Congress doesn't extend PPP loans and/or expand Main Street Lending program)

	DIRECT HOTEL JOB LOSS <i>Jobs working directly for hotels</i>				TOTAL HOTEL-RELATED JOB LOSS <i>Direct hotel jobs + jobs supported by hotels</i>				HOTEL CLOSURES <i>Forced foreclosure or closure due to low current/projected demand</i>		
	Total Pre-COVID Hotel Jobs	Jobs Lost Sept. 2020	Potential Jobs Lost w/o Congress Aid		Total pre-COVID Supported jobs	Jobs Lost Sept. 2020	Potential Jobs Lost w/o Congress Aid	Total hotels	Estimated Hotel Foreclosures w/o Congress Aid	Estimated Hotel Closures w/o Congress Aid	
NATIONWIDE	2,286,261	(871,065)	(1,600,382)		8,306,612	(1,918,827)	(3,737,975)	57,180	(28,018)	(38,311)	
Alabama	20,567	(7,836)	(14,397)		82,164	(18,980)	(36,974)	238	(117)	(159)	
Alaska	9,652	(3,677)	(6,756)		33,674	(7,779)	(15,153)	961	(471)	(644)	
Arizona	58,220	(22,182)	(40,754)		200,886	(46,405)	(90,399)	1,186	(581)	(795)	
Arkansas	12,582	(4,794)	(8,807)		48,090	(11,109)	(21,640)	765	(375)	(513)	
California	285,122	(108,632)	(199,586)		1,014,600	(234,373)	(456,570)	5,791	(2,838)	(3,880)	
Colorado	51,227	(19,518)	(35,859)		176,034	(40,664)	(79,215)	1,295	(635)	(868)	
Connecticut	26,049	(9,925)	(18,235)		76,737	(17,726)	(34,532)	369	(181)	(247)	
Delaware	4,380	(1,669)	(3,066)		14,877	(3,437)	(6,695)	158	(77)	(106)	
District of Columbia	15,921	(6,066)	(11,144)		40,824	(9,430)	(18,371)	144	(71)	(96)	
Florida	201,433	(76,746)	(141,003)		747,705	(172,720)	(336,467)	3,861	(1,892)	(2,587)	
Georgia	55,000	(20,955)	(38,500)		255,767	(59,082)	(115,095)	2,115	(1,036)	(1,417)	
Hawaii	43,427	(16,546)	(30,399)		140,093	(32,361)	(63,042)	246	(121)	(165)	
Idaho	10,989	(4,187)	(7,692)		40,978	(9,466)	(18,440)	353	(173)	(237)	
Illinois	59,372	(22,621)	(41,560)		292,588	(67,588)	(131,665)	1,522	(746)	(1,020)	
Indiana	24,979	(9,517)	(17,486)		109,908	(25,389)	(49,459)	1,042	(511)	(698)	
Iowa	22,606	(8,613)	(15,824)		64,592	(14,921)	(29,066)	752	(368)	(504)	
Kansas	13,364	(5,092)	(9,355)		51,939	(11,998)	(23,373)	672	(329)	(450)	
Kentucky	16,767	(6,388)	(11,737)		90,722	(20,957)	(40,825)	816	(400)	(547)	
Louisiana	37,797	(14,401)	(26,458)		120,404	(27,813)	(54,182)	978	(479)	(655)	
Maine	11,806	(4,498)	(8,264)		42,468	(9,810)	(19,111)	531	(260)	(356)	
Maryland	31,000	(11,811)	(21,700)		103,799	(23,978)	(46,709)	729	(357)	(488)	
Massachusetts	40,562	(15,454)	(28,393)		163,678	(37,810)	(73,655)	900	(441)	(603)	
Michigan	54,211	(20,655)	(37,948)		193,432	(44,683)	(87,044)	1,459	(715)	(978)	
Minnesota	34,550	(13,164)	(24,185)		131,048	(30,272)	(58,972)	1,006	(493)	(674)	
Mississippi	33,708	(12,843)	(23,596)		80,978	(18,706)	(36,440)	717	(351)	(480)	
Missouri	39,138	(14,912)	(27,397)		123,610	(28,554)	(55,625)	1,157	(567)	(775)	
Montana	12,651	(4,820)	(8,856)		38,443	(8,880)	(17,299)	490	(240)	(328)	
Nebraska	9,667	(3,683)	(6,767)		42,241	(9,758)	(19,009)	455	(223)	(305)	
Nevada	193,478	(73,715)	(135,434)		395,492	(91,359)	(177,971)	583	(286)	(391)	
New Hampshire	8,791	(3,349)	(6,153)		36,778	(8,496)	(16,550)	348	(171)	(233)	

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New Jersey	52,490	(19,999)	(36,743)	197,058	(45,520)	(88,676)	1,068	(523)	(716)
New Mexico	20,598	(7,848)	(14,419)	54,079	(12,492)	(24,336)	703	(344)	(471)
New York	112,897	(43,014)	(79,028)	528,618	(122,111)	(237,878)	2,336	(1,145)	(1,565)
North Carolina	51,789	(19,731)	(36,252)	216,178	(49,937)	(97,280)	1,828	(896)	(1,225)
North Dakota	7,710	(2,938)	(5,397)	21,896	(5,058)	(9,853)	317	(155)	(212)
Ohio	42,430	(16,166)	(29,701)	192,378	(44,439)	(86,570)	1,520	(745)	(1,018)
Oklahoma	33,816	(12,884)	(23,671)	105,527	(24,377)	(47,487)	947	(464)	(634)
Oregon	30,371	(11,571)	(21,260)	114,338	(26,412)	(51,452)	939	(460)	(629)
Pennsylvania	65,229	(24,852)	(45,660)	234,088	(54,074)	(105,340)	1,564	(766)	(1,048)
Rhode Island	5,129	(1,954)	(3,590)	19,548	(4,516)	(8,796)	142	(70)	(95)
South Carolina	34,075	(12,983)	(23,853)	129,364	(29,883)	(58,214)	1,169	(573)	(783)
South Dakota	9,863	(3,758)	(6,904)	31,841	(7,355)	(14,328)	418	(205)	(280)
Tennessee	40,326	(15,364)	(28,228)	161,404	(37,284)	(72,632)	1,535	(752)	(1,028)
Texas	145,617	(55,480)	(101,932)	658,637	(152,145)	(296,387)	5,528	(2,709)	(3,704)
Utah	23,019	(8,770)	(16,113)	86,463	(19,973)	(38,908)	648	(318)	(434)
Vermont	12,377	(4,716)	(8,664)	36,959	(8,538)	(16,632)	279	(137)	(187)
Virginia	52,382	(19,957)	(36,667)	192,936	(44,568)	(86,821)	1,532	(751)	(1,026)
Washington	42,104	(16,042)	(29,473)	190,566	(44,021)	(85,755)	1,100	(539)	(737)
West Virginia	12,711	(4,843)	(8,898)	30,669	(7,085)	(13,801)	345	(169)	(231)
Wisconsin	41,291	(15,732)	(28,904)	118,461	(27,364)	(53,307)	1,201	(588)	(805)
Wyoming	11,019	(4,198)	(7,714)	31,056	(7,174)	(13,975)	422	(207)	(283)

*Pre-COVID and September 2020 jobs loss figures per Oxford Economics analysis. Potential jobs loss represents estimated if Congress doesn't extend PPP loans from CARES Act and enhancements to Main Street Lending per AHLA analysis. Hotel closures and foreclosures figures based on AHLA member survey Sept '20.