



OXFORD ECONOMICS STUDY

**AAHIOA OWNERSHIP
& ECONOMIC IMPACT**

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

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SECTION 1

EXECUTIVE SUMMARY

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

EXECUTIVE SUMMARY

AAHOA and its nearly 37,000 member-owned hotels represent a significant part of the U.S. economy. AAHOA hotels – defined as hotels in which an AAHOA Member has an ownership interest or, in the case of hotels under corporate ownership, a senior executive role – employ staff in all 50 states, paying billions in wages, salaries, and taxes. AAHOA hotels in the U.S. account for approximately 60% of all hotels, and guests at AAHOA hotels bring billions of dollars in spending to local economies.

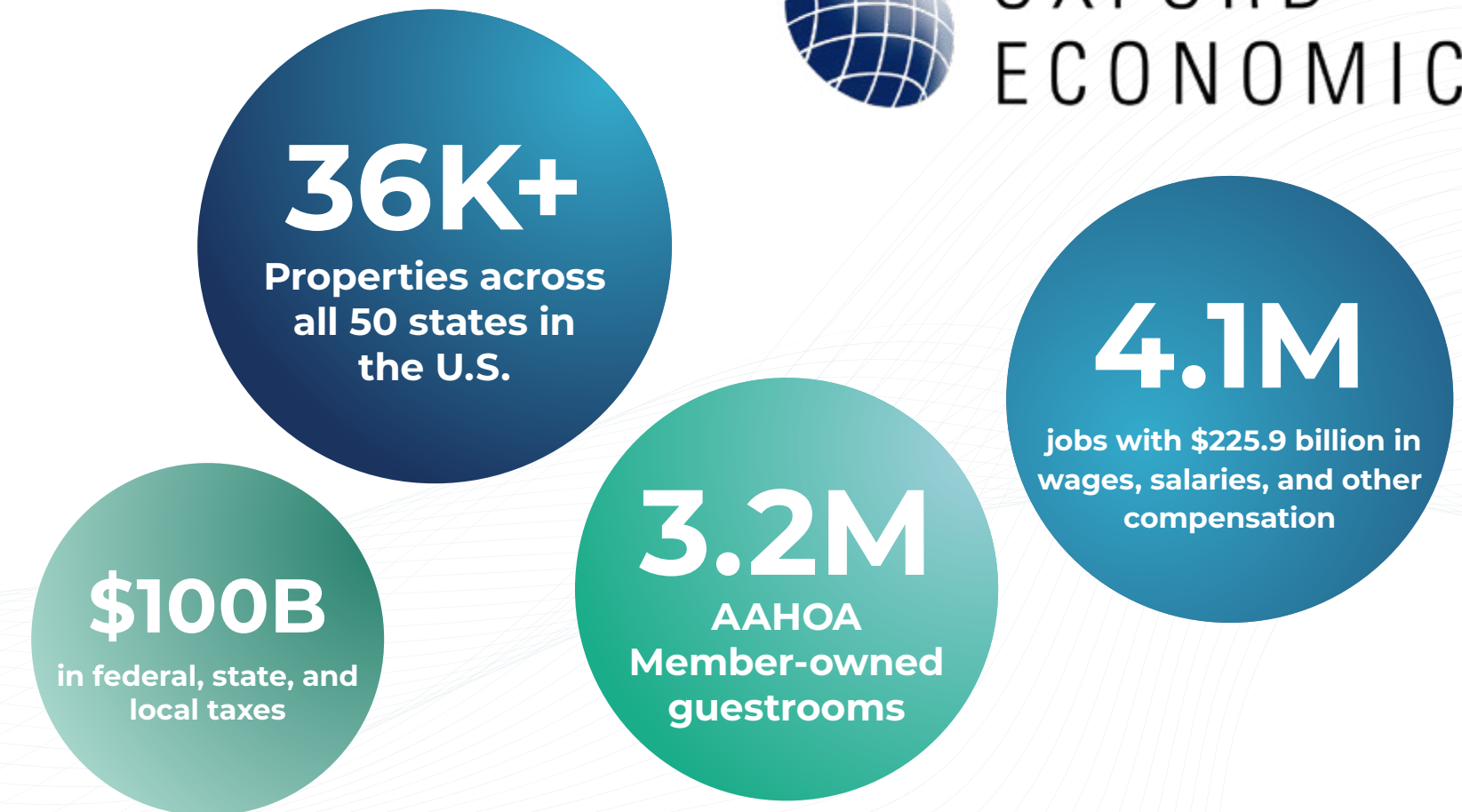
To quantify these important impacts, AAHOA engaged Oxford Economics to conduct a comprehensive economic impact analysis. As part of this analysis, Oxford analyzed a sample set of U.S. hotels, as well as industry-specific economic statistics. The resulting analysis reflects the full scope of AAHOA's U.S. economic impact in 2022.

As part of this analysis, Oxford analyzed:

- Share of U.S. hotels and rooms owned by AAHOA Members based on a large sample of properties
- Hotel operations based on information on the size and characteristics of AAHOA hotels as well as industry-specific statistics
- Hotel guest ancillary spending based on consumer survey data by state
- Capital investment based on data on new hotel construction and renovations
- Indirect and induced impacts supported by AAHOA hotels in other parts of the U.S. economy based on an economic impact model



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In 2022, AAHOA hotels consisted of nearly 37,000 properties with more than 3.1 million guestrooms.

A representative AAHOA property with 100 occupied rooms supports 205 total jobs, including 118 direct jobs and 87 indirect and induced jobs. This impact includes 51 direct jobs at the hotel, with \$2.5 million in wages, salaries, and other labor income. Such a representative AAHOA property supports \$2.4 million in total state and local tax revenue annually, including more than \$1 million in direct taxes generated at the hotel.

This document presents key elements of the research and findings.

AAHOA IMPACTS: U.S. SUMMARY

ANNUAL ECONOMIC IMPACTS

\$371.4B
Contribution to GDP

More than
3.2M
hotel guestrooms

More than
36+K
AAHOA
Member-owned
hotels

4.1M
total impact jobs

\$704.8B
in sales supported at U.S.
businesses

2.4M
direct-impact
jobs

Additional facts for 2022:

- Hotel sales of \$148.7 billion (revenue, plus certain taxes)
- AAHOA hotels support \$225.9 billion in wages, salaries, and other compensation, including \$51.3 billion in hotel operations.
- AAHOA hotels support \$100 billion in federal, state, and local taxes. This is equivalent to \$777 per U.S. household annually.
- Guests staying at AAHOA hotels spent \$327.9 billion at hotels and local businesses, and on transportation.
- AAHOA hotels purchased \$51.3 billion in inputs from other businesses.

AAHOA IMPACTS: UNITED STATES

Amounts in billions of dollars, unless otherwise noted

	2022
AAHOA total impact	
Business sales (output)	\$704.8
Wages, salaries and other compensation	\$225.9
Employment (number of jobs, in millions)	4.1
GDP	\$371.4
Total taxes	\$100.0
State and local taxes	\$49.2
Federal taxes	\$50.8
AAHOA direct impact: hotel operations, guest ancillary spending, capital investment	
Business sales (output)	\$35.5
Wages, salaries and other compensation	\$109.5
Employment (number of jobs, in millions)	2.4
GDP	\$173.6
Total taxes	\$57.3
State and local taxes	\$32.6
Federal taxes	\$24.7
AAHOA direct impact: hotel operations	
Hotel sales (output)	\$148.7
Wages, salaries and other compensation	\$51.3
Employment (number of jobs, in millions)	1.0
GDP	\$94.2
Total taxes	\$32.6
State and local taxes	\$20.4
Taxes on lodging	\$12.9
Federal taxes	\$12.1
Metrics	
Hotel guest spending (on-site and ancillary)	\$327.9
Hotel purchases of inputs from other businesses	\$51.3
AAHOA properties (annual average)	36,807
AAHOA guest rooms (annual average, in millions)	3.2
Total taxes per household (\$ per household)	\$777
State and local taxes per household (\$ per household)	\$382

Source: Bureau of Economic Analysis; Census Bureau; STR; AAHOA; Oxford Economics

AAHOA IMPACTS: FISCAL IMPACTS

AAHOA hotels supported \$100 billion of total taxes in 2022.

- The total tax impact per household was \$777. This tax offset represents the federal, state, and local taxes that would otherwise need to be paid per U.S. household to compensate for the absence of AAHOA hotel guest activity. The state and local tax impact per household was \$382.
- The total tax impact per AAHOA hotel guestroom was \$30,867, of which \$15,191 represented state and local taxes.

TAX IMPACTS



AAHOA FISCAL IMPACTS: OPERATIONS, GUEST SPENDING, AND CAPITAL INVESTMENT (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	\$100	\$57.3	\$42.7
State and local taxes	\$49.2	\$32.6	\$16.6
Taxes on lodging	12.9	12.9	0.0
Sales	12.6	6.4	6.2
Personal income	3.9	1.8	2.2
Corporate	1.1	0.4	0.7
Unemp. ins. and other social	0.4	0.2	0.2
Excise taxes and fees	3.9	2.2	1.7
Property taxes	14.4	8.8	5.6
Federal taxes	\$50.8	\$24.7	\$26.1
Personal income	17.1	8.3	8.8
Corporate	7.2	2.9	4.3
Indirect business taxes	3.9	2.3	1.6
Social Security	22.6	11.2	11.4

Source: Oxford Economics



SECTION 2

AAHIOA MEMBER HOTELS

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

AAHOA MEMBER-OWNED HOTELS

AAHOA hotels are defined as hotels at which an AAHOA Member has an ownership interest or, in the case of hotels under corporate ownership, a senior executive role. These properties also are referred to in this study as AAHOA-Member hotels.

Oxford analyzed a sample of U.S. hotel properties as part of this research. Based on that analysis, Oxford estimates that AAHOA hotels account for 59.5% of U.S. hotel properties and 58% of U.S. hotel rooms. This section describes the analysis and the resulting profile of AAHOA hotels.

SAMPLE ANALYSIS

The starting point for the analysis was a sample set of 5,000 hotel records selected at random by Lodging Econometrics from its census of U.S. hotel properties. Lodging Econometrics is a specialized firm that maintains a database of changes in U.S. hotel ownership (transactions), as well as new hotel developments, and characteristics of existing properties. Based on its database, Lodging Econometrics provided certain information about each property in the sample set, including location and, in some cases, hotel ownership.

The AAHOA Team and members analyzed the list of sample properties, researching whether each property was owned by an AAHOA Member or, in cases of corporate ownership, whether there was an AAHOA Member in a senior executive role at the company. AAHOA was able to identify AAHOA Member ownership or a very high likelihood of AAHOA Member ownership at 60.5% of the properties in the sample.

As the next step in the analysis, Oxford projected the sample results to the full inventory of U.S. hotel rooms. Because there was a higher incidence of AAHOA Member ownership in certain regions and among certain property classes, the projection was conducted on the basis of hotel room share, weighting by hotel class and Census Division.*

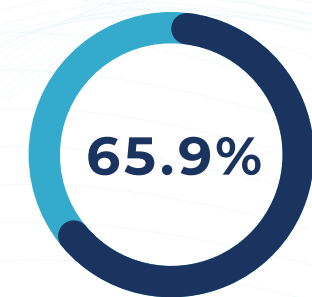
This resulted in an estimated AAHOA Member share of U.S. hotels of 59.5%, representing 58% of U.S. hotel rooms. As of end of 2022, this is equivalent to 37,190 properties with 3.3 million rooms, and this is the property count referred to in this section. The analysis of 2022 economic impacts is based on the average inventory during 2022, which was a slightly lower number of properties.

The graphs on the following pages summarize the scope and characteristics of AAHOA-owned hotels based on the projection of the sample analysis to the full inventory of U.S. hotels. Based on the large size of the sample, the margin of error on the U.S. sample estimate is plus/minus 1.4% at a 95% confidence interval. Estimates for specific states, Census Divisions, and hotel classes have a wider margin of error.

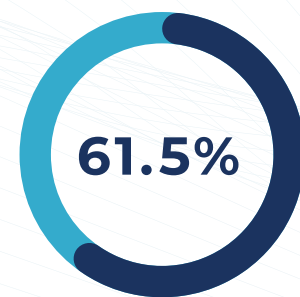
*Hotel class refers to a classification by STR of each property in the U.S. to a class, such as “upscale class,” based on the brand affiliation of the property (e.g., properties affiliated with an upscale brand are classified in the upscale class), or if the property is independent, based on the hotel ADR relative to chain hotels in geographic proximity. Census Division refers to the classification by the Census Bureau of each state into one of nine Census Divisions.

AAHOA MEMBER-OWNED HOTELS BY HOTEL CLASS

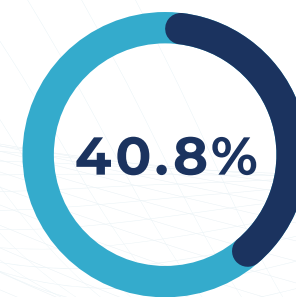
AAHOA-MEMBER SHARE OF U.S. HOTELS INCLUDES



ECONOMY CLASS



UPPER MIDSCALE CLASS

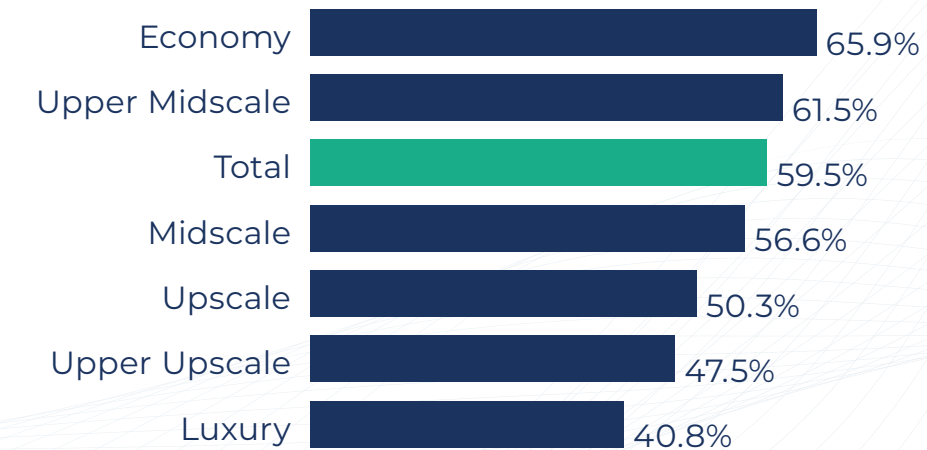


LUXURY CLASS

The AAHOA-Member share is highest in the West South Central (including, for example, Texas and Oklahoma) and East South Central (including, for example, Alabama and Kentucky) Census Divisions. Even among New England states, one-third of hotels are AAHOA Member-owned hotels.

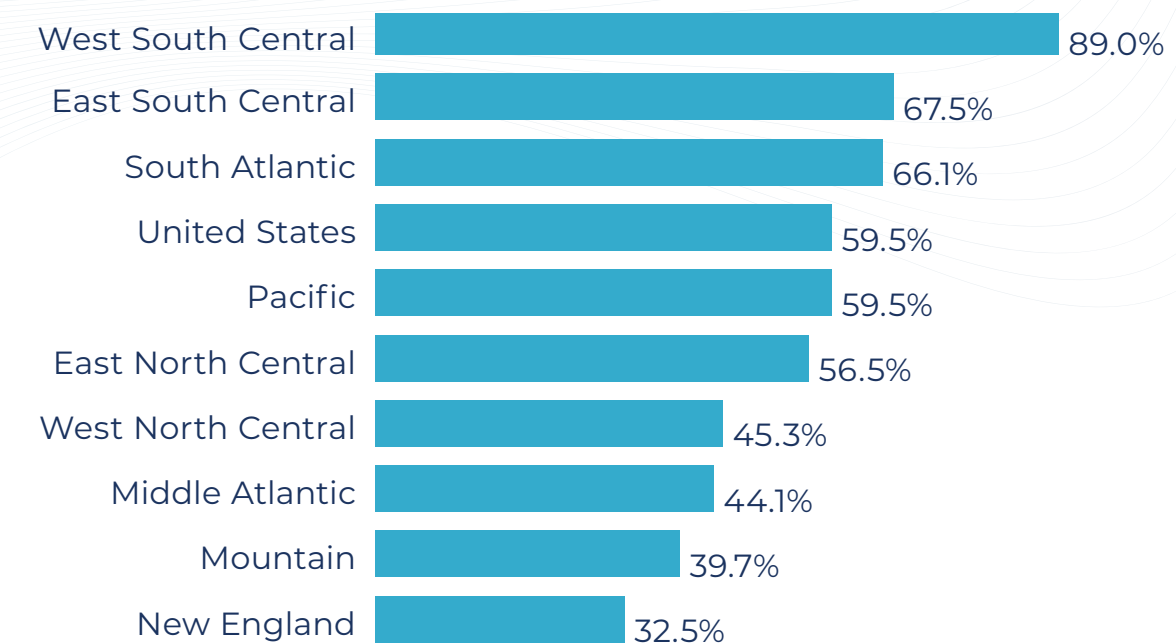
AAHOA-MEMBER SHARE BY HOTEL CLASS

AAHOA SHARE OF U.S. PROPERTIES



AAHOA-MEMBER SHARE BY REGION

AAHOA SHARE OF U.S. PROPERTIES BY CENSUS DIVISION



Source: AAHOA; Oxford Economics

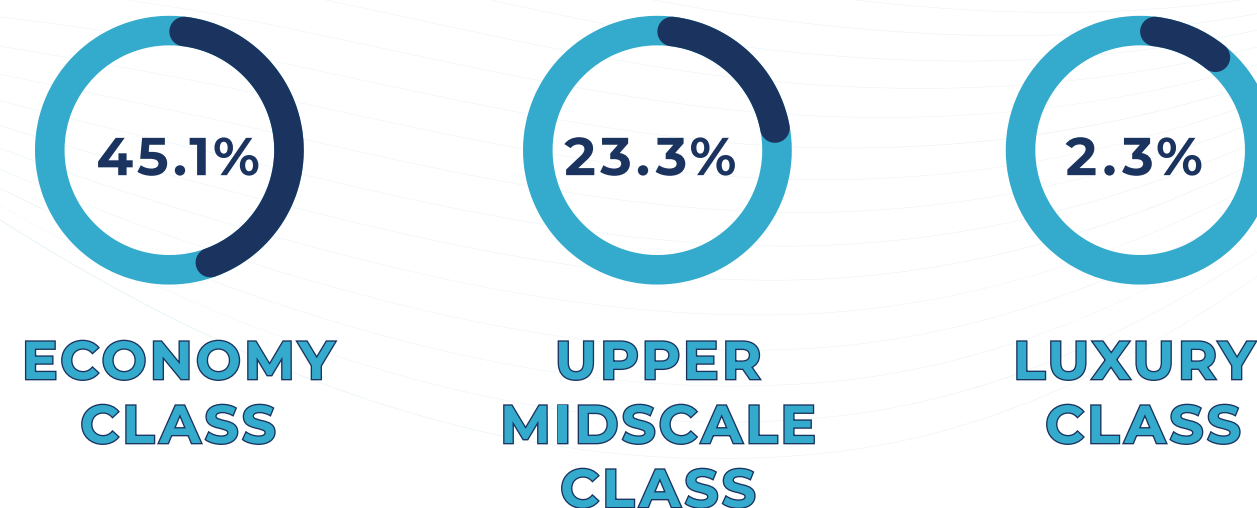
AAHOA MEMBER-OWNED HOTELS BY HOTEL CLASS

Due to the high AAHOA-Member share in the economy class and the large number of economy class properties in the U.S., the economy class accounts for 45.1% of AAHOA hotels.

The luxury class is the smallest class of hotels in the U.S. (3.3% of properties) and accounts for the smallest share of AAHOA hotels (2.3%).

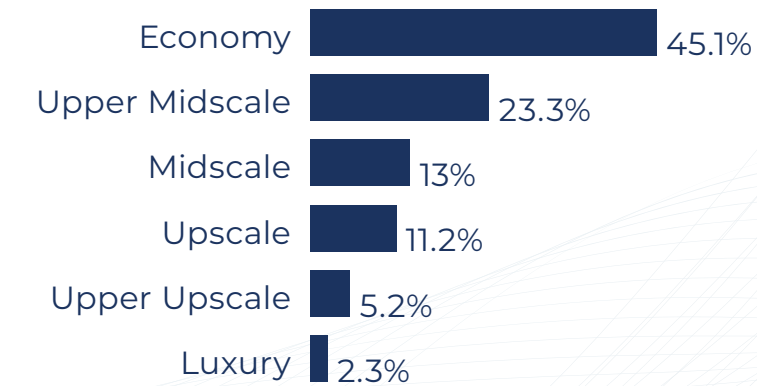
The South Atlantic Division, which includes Florida, accounts for almost one-quarter (23.1%) of AAHOA hotels.

DISTRIBUTION BY HOTEL CLASS



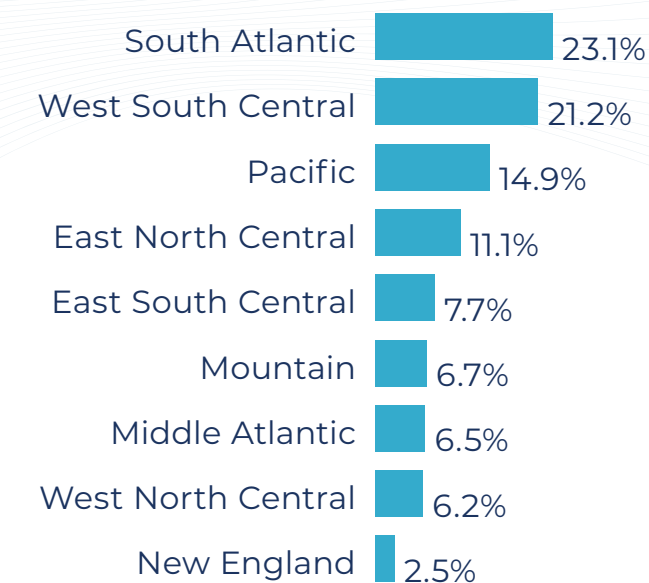
AAHOA MEMBER DISTRIBUTION BY HOTEL CLASS

SHARE OF AAHOA MEMBER PROPERTIES THAT ARE IN EACH HOTEL CLASS



AAHOA MEMBER DISTRIBUTION BY REGION

SHARE OF AAHOA MEMBER PROPERTIES THAT ARE IN EACH CENSUS DIVISION



Source: AAHOA; Oxford Economics

AAHOA MEMBER-OWNED HOTELS BY STATE



The highest AAHOA-Member share occurs in Arkansas and Oklahoma, where 9-in-10 hotels are AAHOA hotels.



Texas, and Louisiana are close behind.

AAHOA MEMBER SHARE BY STATE

SHARE OF AAHOA MEMBER PROPERTIES IN EACH STATE

Rank	State	Properties	Amount	Rank	State	Properties	Amount
1	Arkansas	747	89.4%	27	South Dakota	208	46.1%
2	Oklahoma	896	89.4%	28	Kansas	324	46.1%
3	Texas	5261	88.9%	29	Nebraska	221	45.9%
4	Louisiana	871	88.8%	30	Missouri	558	45.8%
5	West Virginia	252	69.5%	31	North Dakota	151	45.3%
6	Alabama	669	68.1%	32	Pennsylvania	763	45.0%
7	Mississippi	503	67.9%	33	New Jersey	521	44.9%
8	Kentucky	580	67.8%	34	Iowa	355	44.8%
9	Georgia	1501	67.7%	35	Minnesota	469	44.2%
10	North Carolina	1316	67.5%	36	New York	1101	43.2%
11	South Carolina	843	67.3%	37	Wyoming	182	40.5%
12	Tennessee	1092	66.8%	38	Nevada	243	40.1%
13	Virginia	1076	66.2%	39	Idaho	160	39.9%
14	Maryland	492	65.5%	40	Montana	215	39.8%
15	Delaware	112	65.1%	41	New Mexico	300	39.7%
16	Florida	2865	64.8%	42	Arizona	508	39.6%
17	Washington	735	61.6%	43	Colorado	591	39.6%
18	Oregon	626	61.6%	44	Utah	271	39.5%
19	California	3964	61.0%	45	Maine	203	33.5%
20	Alaska	151	58.6%	46	New Hampshire	131	32.8%
21	Michigan	971	57.5%	47	Connecticut	122	32.4%
22	Illinois	889	56.7%	48	Vermont	97	32.2%
23	Wisconsin	746	56.5%	49	Massachusetts	312	32.2%
24	Ohio	889	55.9%	50	Rhode Island	51	31.0%
25	Indiana	613	55.9%	51	Hawaii	19	7.1%
26	District of Columbia	73	50.7%				

Source: AAHOA; Oxford Economics

AAHOA MEMBER-OWNED HOTELS BY STATE

14.4%

The 5,337 AAHOA hotels in Texas account for 14.4% of AAHOA hotels overall.

10.8%

7.7%

California and Florida are close behind.

AAHOA MEMBER SHARE BY STATE

SHARE OF AAHOA MEMBER PROPERTIES IN EACH STATE

Rank	State	Properties	Amount	Rank	State	Properties	Amount
1	Texas	5,261	14.4%	27	Mississippi	503	1.4%
2	California	3,964	10.8%	28	Maryland	492	1.3%
3	Florida	2,865	7.7%	29	Minnesota	469	1.3%
4	Georgia	1,501	4.1%	30	Iowa	355	1.0%
5	North Carolina	1,316	3.6%	31	Kansas	324	0.9%
6	New York	1,101	3.0%	32	Massachusetts	312	0.8%
7	Tennessee	1,092	3.0%	33	New Mexico	300	0.8%
8	Virginia	1,076	2.9%	34	Utah	271	0.7%
9	Michigan	971	2.6%	35	West Virginia	252	0.7%
10	Oklahoma	896	2.5%	36	Nevada	243	0.7%
11	Ohio	893	2.4%	37	Nebraska	221	0.6%
12	Illinois	889	2.4%	38	Montana	215	0.6%
13	Louisiana	871	2.4%	39	South Daokta	208	0.6%
14	South Carolina	843	2.3%	40	Maine	203	0.6%
15	Pennsylvania	763	2.1%	41	Wyoming	182	0.5%
16	Arkansas	747	2.0%	42	Idaho	160	0.4%
17	Wisconsin	746	2.0%	43	North Dakota	151	0.4%
18	Washington	735	2.0%	44	Alaska	151	0.4%
19	Alabama	669	1.8%	45	New Hampshire	131	0.4%
20	Oregon	626	1.7%	46	Connecticut	122	0.3%
21	Indiana	613	1.7%	47	Delaware	112	0.3%
22	Colorado	591	1.6%	48	Vermont	97	0.3%
23	Kentucky	580	1.6%	49	District of Columbia	73	0.2%
24	Missouri	558	1.5%	50	Rhode Island	51	0.1%
25	New Jersey	521	1.4%	51	Hawaii	19	0.1%
26	Arizona	508	1.4%				

Source: AAHOA; Oxford Economics



SECTION 3

U.S. ECONOMIC IMPACT IN DETAIL

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

AAHOA SUPPORTS 4.1 MILLION U.S. JOBS AND \$704.8 BILLION OF U.S. BUSINESS SALES

\$704.8B

in business sales (representing revenue plus certain taxes, also referred to as output)

\$225.9B

4.1M jobs with \$225.9 billion in wages, salaries, and other compensation

\$371.4B

of GDP, representing contribution to U.S. gross domestic product

\$100B

in federal, state, and local taxes

AAHOA TOTAL ECONOMIC IMPACTS: OPERATIONS, GUEST ANCILLARY SPENDING, AND CAPITAL INVESTMENT (2022)

Amounts in billions of dollars, except jobs (in millions)

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total	\$704.8	\$225.9	4.1	\$371.4	\$100	\$49.2	\$50.8
Direct operations	148.7	51.3	1.0	94.2	32.6	20.4	12.1
Direct hotel guest ancillary	179.1	50.4	1.2	70.7	22.9	11.8	11.1
Direct capital investment	17.7	7.8	0.1	8.6	1.9	0.4	1.5
Indirect and induced	359.2	116.4	1.7	197.8	42.7	16.6	26.1

Source: Oxford Economics

AAHOA HOTEL OPERATIONS AND GUEST SPENDING REPRESENT THE LARGEST CATEGORIES OF IMPACT

The two primary categories of AAHOA’s impact are hotel operations and hotel guest spending. The direct impact of AAHOA Member-owned hotel operations represents the sales of AAHOA hotels, which totaled \$148.7 billion, as well as the corresponding on-site jobs, which totaled 1.0 million.

Hotel guest ancillary spending totaled \$179.1 billion. This includes spending in the local area as well as transportation to and from the destination but excludes spending at AAHOA hotels.

Combining the estimate of direct operations output and ancillary spending equates to direct output of \$327.9 billion in 2022.

The indirect and induced impacts of hotel operations and guest spending totaled \$329.9 billion of output. For example, this includes sales of businesses that provide goods and services to hotels, such as maintenance providers, and food and beverage providers. The combined total of direct, indirect, and induced impacts represents a total impact of \$657.8 billion of U.S. business sales or output.

AAHOA ECONOMIC IMPACTS: OPERATIONS AND HOTEL GUEST SPENDING (2022)

Amounts in billions of dollars, except jobs (in millions)

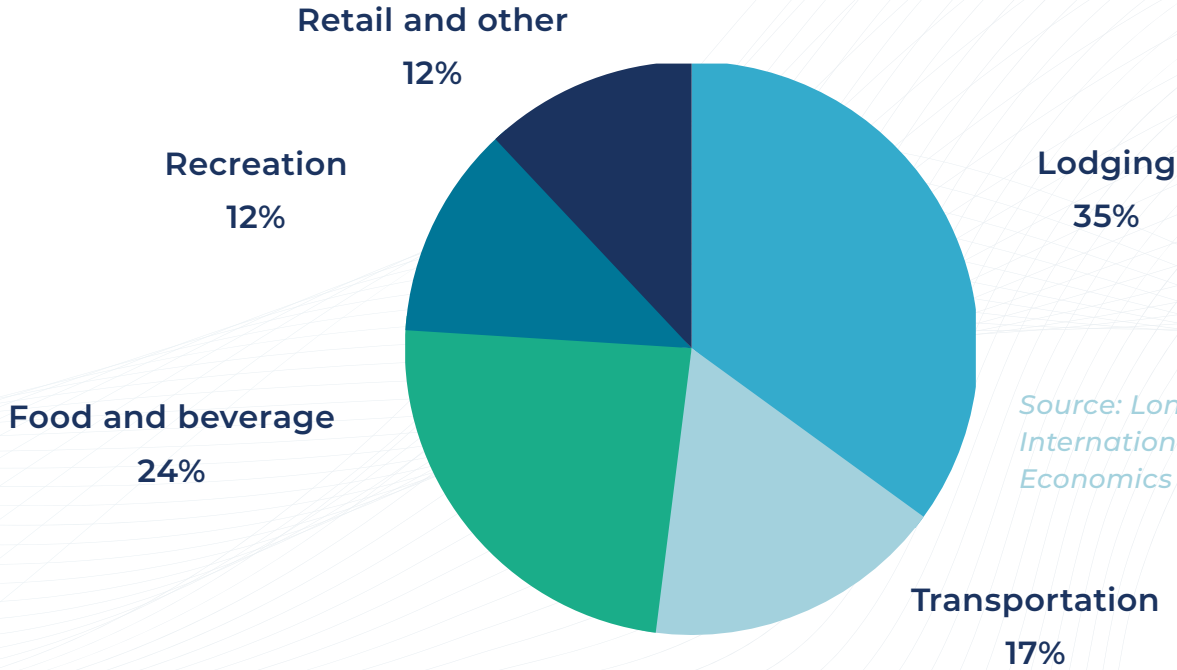
	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total impact of operations	\$657.8	\$209.0	3.9	\$347.0	\$94.8	\$47.5	\$47.3
Hotel operations	267.0	89.6	1.6	160.3	47.4	26.3	21.1
Hotel guest spending (ancillary)	390.8	119.4	2.2	186.8	47.4	21.2	26.2
Direct impacts	\$327.9	\$101.7	2.3	\$165.0	\$55.4	\$32.2	\$23.2
Hotel operations and corporate offices	148.7	51.3	1.0	94.2	32.6	20.4	12.1
Hotel guest spending (ancillary)	179.1	50.4	1.2	70.7	22.9	11.8	11.1
Indirect and induced impacts	\$329.9	\$107.2	1.6	\$182.1	\$39.3	\$15.3	\$24.1
Hotel operations and corporate offices	118.2	38.3	0.6	66.0	14.9	5.8	9.0
Hotel guest spending (ancillary)	211.7	69.0	1.0	116.0	24.5	9.4	15.0

Source: Oxford Economics

FOR EACH \$1 SPENT ON LODGING, AAHOA GUESTS SPEND ANOTHER \$1.82 DURING THEIR TRIP

AAHOA hotel guests spend \$327.9 billion annually. Of this, only \$116.1 billion is spent on lodging (35%), while the remaining amount is spent on transportation, food and beverage, and other goods and services (65%). As a result, for each \$1 of spending on lodging (room revenue plus taxes on lodging), AAHOA guests spend another \$1.82 during their trip. This contributes to broader economic impact in destinations and areas along the trip route.

It is also useful to compare the amount of spending that occurs onsite at AAHOA hotels (\$148.7 billion or 45.4% of total guest spending) relative to the amount that occurs offsite (\$179.1 billion or 54.6% of total guest spending). The off-site spending is referred to as ancillary guest spending in this analysis.



Source: Longwoods International; Oxford Economics

AAHOA-MEMBER OWNED HOTEL GUEST SPENDING (2022)

Amounts in billions of dollars, except jobs

	Total hotel guest spending		On-site guest spending (at hotels)		Ancillary guest spending (off-site)	
	Amount	Share	Amount	Share	Amount	Share
Total guest spending	\$327.9	100%	\$148.7	100%	\$179.1	100%
Lodging	116.1	35%	116.1	78%	-	0%
Food and beverage	56.6	17%	20.3	14%	36.3	20%
Transportation	77.5	24%	-	0%	77.5	43%
Recreation	40.0	12%	8.7	6%	31.4	18%
Retail and other	37.7	12%	3.7	2%	34.0	19%

Source: Longwoods International; Oxford Economics



AAHOA GENERATES \$17.7 BILLION IN DIRECT CAPITAL INVESTMENT

AAHOA Member-owned hotels generate direct capital investment in two ways: construction of new hotels and renovation of existing hotels. In total, such direct capital investment totaled \$17.7 billion in 2022. This new construction and renovation activity supported 116,200 direct jobs, such as construction and design jobs. Additionally, the indirect and induced effects of such activity supported an additional \$29.3 billion in business sales (output) and 130,100 jobs.

For example, this indirect and induced impact includes jobs supported as construction employees spend a portion of their wages and salaries, as well as jobs at the firms that provide goods and services to support hotel construction and renovation activities (e.g., suppliers of construction materials, suppliers to architecture and design firms).

\$17.7B
Total direct capital investment in 2022

AAHOA ECONOMIC IMPACTS: CAPITAL INVESTMENT (2022)

Amounts in billions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total impact of capital investment	\$46.9	\$16.9	246.3	\$24.4	\$5.2	\$1.7	\$3.5
Direct impacts	17.7	7.8	116.2	8.6	1.9	0.4	1.5
Indirect and induced	29.3	9.2	130.1	15.7	3.3	1.3	2.0

Source: Oxford Economics

AAHOA HOTEL OPERATIONS DIRECTLY SUPPORT \$32.6B IN TAXES, INCLUDING \$12.9 BILLION IN LODGING TAXES

Direct taxes supported by AAHOA Member-owned hotel operations (e.g., on-site hotel revenue, excluding hotel guest ancillary spending and corporate offices) totaled \$32.6 billion in 2022.

Of this, \$20.4 billion represents tax revenue to state and local governments. This includes \$12.9 billion in taxes on lodging (sales taxes on room revenue, hotel occupancy taxes, and tourism improvement district fees, and other taxes on room rentals). It also includes \$0.9 billion in sales taxes on other sales at hotels (e.g., food and beverage and retail). AAHOA hotels directly supported \$4.5 billion in property taxes.

When taxes supported by indirect and induced effects are included, the fiscal impacts of AAHOA hotel operations total \$47.4 billion.

\$47.4B
Total fiscal impacts of AAHOA
Member-owned hotel operations

AAHOA FISCAL IMPACTS: OPERATIONS, GUEST SPENDING, AND CAPITAL INVESTMENT (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	\$47.4	\$32.6	\$14.9
State and local taxes	\$26.3	\$20.4	\$5.8
Taxes on lodging	12.9	12.9	0.0
Sales	3.1	0.9	2.2
Personal income	1.5	0.8	0.8
Corporate	0.5	0.3	0.2
Unemp. ins. and other social	0.1	0.1	0.1
Excise taxes and fees	1.6	1.0	0.6
Property taxes	6.5	4.5	2.0
Federal taxes	\$21.1	\$12.1	\$9.0
Personal income	6.9	3.9	3.0
Corporate	3.5	2.0	1.5
Indirect business taxes	1.5	0.9	0.6
Social Security	9.2	5.2	4.0

Source: Oxford Economics

AAHOA HOTELS SUPPORT \$100 BILLION IN TAX REVENUE, INCLUDING \$49.2 BILLION IN STATE AND LOCAL TAXES

The total economic impact of AAHOA Member-owned hotels supports \$100 billion in tax revenue annually. This includes \$49.2 billion in state and local taxes, such as \$12.9 billion in taxes on lodging, plus \$12.9 billion in sales taxes on other sales, and \$14.4 billion in property taxes.

It also includes \$50.8 billion in federal tax revenue, including Social Security taxes of \$22.6 billion, and personal income taxes of \$17.1 billion.

\$100B

The total economic impact of AAHOA hotels
in tax revenue annually

AAHOA FISCAL IMPACTS: OPERATIONS, GUEST SPENDING, AND CAPITAL INVESTMENT (2022)

Amounts in billions of dollars

	Total	Direct	Indirect and induced
Total taxes	\$100	\$57.3	\$42.7
State and local taxes	\$49.2	\$32.6	\$16.6
Taxes on lodging	12.9	12.9	0.0
Sales	12.6	6.4	6.2
Personal income	3.9	1.8	2.2
Corporate	1.1	0.4	0.7
Unemp. ins. and other social	0.4	0.2	0.2
Excise taxes and fees	3.9	2.2	1.7
Property taxes	14.4	8.8	5.6
Federal taxes	\$50.8	\$24.7	\$26.1
Personal income	17.1	8.3	8.8
Corporate	7.2	2.9	4.3
Indirect business taxes	3.9	2.3	1.6
Social Security	22.6	11.2	11.4

Source: Oxford Economics

A REPRESENTATIVE AAHOA HOTEL WITH 100 OCCUPIED ROOMS SUPPORTS 205 TOTAL JOBS

To consider the impacts of an example property, Oxford calculated the annual impacts of an AAHOA hotel with an average of 100 occupied rooms daily. To represent the full hotel life cycle, Oxford included an allocation of capital investment activities (both new construction and ongoing CapEx). On this basis, a representative AAHOA property with 100 occupied rooms supports 205 total jobs, including 118 direct jobs and 87 indirect and induced jobs. This impact includes 51 direct jobs at the hotel, with \$2.5 million of wages, salaries, and other labor income. This representative AAHOA property supports \$2.4 million in total state and local tax revenue, including nearly \$1 million in direct taxes generated at the hotel.



ANNUAL IMPACTS PER 100 OCCUPIED ROOMS (2022)

Amounts in millions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total operations and capital investment	\$35.0	\$11.2	205	\$18.4	\$5.0	\$2.4	\$2.5
Direct hotel operations	7.4	2.5	51	4.7	1.6	1.0	0.6
Direct hotel guest ancillary spending	8.9	2.5	61	3.5	1.1	0.6	0.6
Direct capital investment	0.9	0.4	6	0.4	0.1	0.0	0.1
Indirect and induced	17.8	5.8	87	9.8	2.1	0.8	1.3

Source: Oxford Economics

A REPRESENTATIVE AAHOA HOTEL WITH 63 OCCUPIED ROOMS SUPPORTS 129 TOTAL JOBS

To consider the impacts of an example property, Oxford calculated the annual impacts of an AAHOA hotel with an average of 63 occupied rooms daily. To represent the full hotel life cycle, Oxford included an allocation of capital investment activities (both new construction and ongoing CapEx). On this basis, a representative AAHOA property with 61 occupied rooms supports 129 total jobs, including 74 direct jobs and 55 indirect and induced jobs. This impact includes 32 direct jobs at the hotel, with \$1.6 million of wages, salaries, and other labor income. This representative AAHOA property supports \$1.5 million in total state and local tax revenue, including \$600,000 in direct taxes generated at the hotel.

\$1.5M

**Amount a representative AAHOA property supports
in total state and local tax revenue, including
\$600,000 in direct taxes generated at the hotel**

ANNUAL IMPACTS PER 63 OCCUPIED ROOMS (2022)

Amounts in millions of dollars, except jobs

	Economic impacts				Fiscal impacts		
	Output (sales)	Labor income	Employment	GDP	Total	State and local	Federal
Total operations and capital investment	\$22.0	\$7.1	129	\$11.6	\$3.1	\$1.5	\$1.6
Direct hotel operations	4.6	1.6	32	2.9	1.0	0.6	0.4
Direct hotel guest ancillary spending	5.6	1.6	39	2.2	0.7	0.4	0.3
Direct capital investment	0.6	0.2	4	0.3	0.1	0.0	0.0
Indirect and induced	11.2	3.6	55	6.2	1.3	0.5	0.8

Source: Oxford Economics



SECTION 4

METHODS AND DEFINITIONS

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

METHODS: OVERVIEW AND DIRECT IMPACTS

OVERVIEW OF OXFORD ECONOMICS' APPROACH

As described in the previous section, Oxford estimates of AAHOA Member-owned hotels represented the foundation of the analysis. Oxford supplemented this information with room revenue data by state reported by STR, a specialized provider of hotel industry data.

Oxford assessed the direct effects of AAHOA's hotels, including hotel operations, hotel guest ancillary spending, and capital investment. The organization based this analysis on financial statement ratios reported by STR and Longwoods International, a leading provider of traveler survey data, as well as data provided by statistical agencies.

Oxford prepared estimates of the downstream impacts, including indirect and induced effects, using a customized economic impact model. Lastly, they prepared estimates of fiscal impacts using estimates of certain tax ratios, including taxes on lodging and hotel property taxes, and the economic impact model.

MAIN COMPONENTS OF ECONOMIC IMPACT ANALYSIS

There are three main components of Oxford's economic impact model:

- Direct impacts consisting of direct spending and revenues, in this case, hotel operations, guest ancillary spending, and capital investment.
- Indirect impacts representing downstream supplier industry impacts, also referred to as supply chain impacts.

For example, hotels require inputs such as energy and food ingredients.

Also, many hotels contract with specialized service providers, such as for marketing, maintenance and equipment upkeep, cleaning, technology support, accounting, and legal and financial services.

- Induced impacts occur as employees spend their wages in the broader economy. For example, as hotel employees spend income on rent, transportation, food and beverage, and entertainment.

Oxford presents the indirect and induced effects on a combined basis. These effects also may be referred to collectively as indirect effects.



METHODS: OVERVIEW AND DIRECT IMPACTS

THE COMPONENTS OF DIRECT AAHOA IMPACTS



HOTEL OPERATIONS

Representing the revenue of AAHOA hotels (e.g., rooms, food and beverage, and other) plus certain taxes (taxes on lodging and other sales taxes)



HOTEL GUEST SPENDING

Representing spending by AAHOA hotel guests at other businesses in the destination



CAPITAL INVESTMENT

Representing the construction of new AAHOA hotels, renovations, and ongoing capital spending on the upkeep of existing hotels

DIRECT IMPACTS

Our estimates of hotel operations are based primarily on data from AAHOA, STR, IMPLAN, the Bureau of Economic Analysis, and the Census Bureau, supplemented by estimates of taxes. Oxford estimated ancillary hotel guest spending based on syndicated survey results provided by Longwoods International measuring average spending patterns of hotel guests.

Oxford supplemented these survey-based estimates with an estimate of hotel guest airfare expenditures, then estimated capital investment based on the construction of new AAHOA hotels and Oxford's estimate of capital expenditures at existing hotels.

METHODS: TOTAL IMPACTS AND FISCAL IMPACTS

TOTAL ECONOMIC IMPACTS

To quantify the total economic impacts of AAHOA-owned hotels in the U.S., including downstream effects (indirect and induced), Oxford used a customized model based on the IMPLAN modeling system, a well-respected economic impact analysis tool, to quantify key relationships in the economy. The IMPLAN model traces the flow of direct expenditures through the economy and the effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts.

For example, when a visitor purchases a meal at a hotel restaurant, a portion of the sale supports wages for hotel employees, while another portion of the sale may consist of locally produced food and beverages. The IMPLAN model captures these types of relationships based on a structured analysis of economic statistics. Additionally, the IMPLAN model reflects the typical levels of federal, state, and local taxes generated by specific types of economic activity.

We applied an analysis-by-parts approach using the IMPLAN model. In this approach, we estimated the direct impacts of hotel operations in terms of output, employment, and labor income. We also estimated purchases from vendors. We then used the IMPLAN model to estimate the indirect and induced effects associated with each key driver of downstream impacts (employment, labor income, and purchases of intermediate inputs).

The IMPLAN model was customized to each state, capturing the effect of guests staying at AAHOA-owned hotels in each state. Additional indirect jobs, income, and tax revenues cross state lines. These jobs were estimated at the national level and distributed to the state level based on local economic characteristics.

FISCAL IMPACTS

Oxford analyzed fiscal impacts by applying a hybrid approach. Where appropriate, Oxford calculated direct industry tax impacts specifically. These included the following calculations:

- **Taxes on lodging and other sales taxes:** Estimated based on room revenue and other categories of revenue, multiplied by estimated average effective tax rates.
- **Hotel property taxes:** Estimated based on averages of hotel property taxes as a ratio to revenue from the STR Host Report database.

Oxford then estimated other taxes based on relationships in the IMPLAN economic impact model. For example, Oxford estimated taxes supported by hotel employee labor income by applying ratios to estimated direct labor income.

DEFINITIONS

AAHOA hotels: The sector studied in this analysis, which consists of hotels at which an AAHOA Member has an ownership interest or, in the case of hotels under corporate ownership, a senior executive role.

Capital investment: Investment in the construction of new hotels and renovation of existing hotels.

Direct effects: Also referred to as direct impacts. Includes direct spending and revenues, in this case from hotel operations, hotel guest ancillary spending, and capital investment as well as the corresponding employment, income, and fiscal impacts.

Fiscal impacts: Tax revenue, contributions to Social Security and unemployment insurance, and government revenue from various fees.

GDP: Gross domestic product or value-added. Refers to the industry's contribution to GDP. Represents gross output of the sector, less the cost of its inputs. Can also be measured as the sum of compensation of employees, taxes on production and imports, and gross operating surplus (profit).

Hotel: In this analysis, hotels refer to hotels, motels, and bed-and-breakfast properties as tracked by STR. This generally includes properties with more than 10 rooms. Casino hotels are included, but the full scope of gaming operations and gaming taxes was not included in this study.

Hotel guest ancillary spending: Hotel guest spending that occurs off-site (i.e., at non-hotel businesses).

Hotel operations: Traditional on-site hotel revenue and associated activities, excluding guest spending occurring at ancillary businesses in the destination.

Indirect impacts: Downstream supplier industry impacts, also referred to as supply chain impacts. For example, hotels require inputs such as energy and food ingredients. Also can refer to indirect and induced impacts combined.

Induced impacts: Arise as employees spend their wages in the broader economy. For example, as hotel employees spend money on rent, transportation, food and beverage, and entertainment.

Jobs: Also referred to as employment. Number of full – and part-time jobs, including proprietors.

Labor income: Earnings of wage and salary employees and proprietors. The definition used is consistent with the Bureau of Economic Analysis data for earnings in its regional program. It includes tips, commissions, and bonuses.

Output: Revenue, also referred to as business sales, plus certain taxes (e.g., taxes on lodging and other sales taxes).

Taxes on lodging: Sales taxes applicable to room rentals, plus hotel occupancy taxes and any other fees or taxes that apply to lodging stays (e.g., tourism improvement district fees).

Total impacts: Direct, indirect, and induced impacts combined.



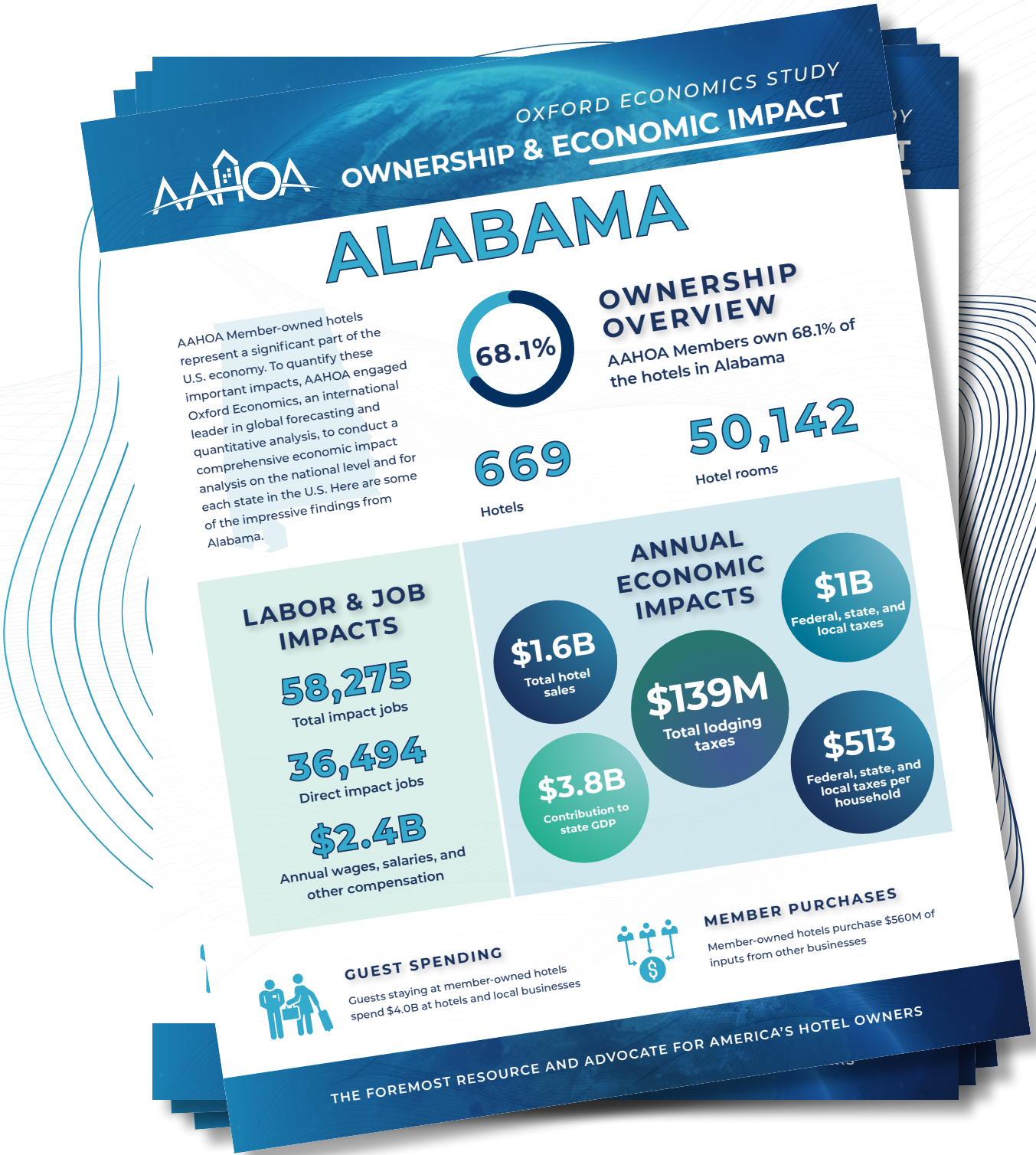
SECTION 5

STATE-BY-STATE REPORTS

THE FOREMOST RESOURCE AND ADVOCATE FOR AMERICA'S HOTEL OWNERS

ACCESS STATE-LEVEL DATA

To access and download the complete suite of *Oxford Economics Study: AAHOA Ownership & Economic Impact* data by state, scan QR code below or visit AAHOA.com/Oxford.



ABOUT AAHOA AND OXFORD ECONOMICS

ABOUT AAHOA

AAHOA is the largest hotel owners association in the world. The nearly 20,000 AAHOA Members own nearly 60 percent of the hotels in the United States. AAHOA Members are responsible for 1.4 percent of the nation's GDP. With billions of dollars in property assets and more than one million employees, AAHOA Members are core economic contributors in communities across the United States.



ABOUT OXFORD ECONOMICS

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts, and analytical tools on 200 countries, 100 industrial sectors, and more than 3,000 cities.



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