

**Global Hospitality Consulting Firm Presents  
Local Hotel Industry Employment Profile &  
Economic Impact Findings to City Council**

**New Orleans, Louisiana.....**Today, at the regular meeting of the City Council, HVS International, a global hospitality consulting firm, presented the findings of a first of its kind employment profile and economic impact study of the New Orleans Hotel Industry. The study was conducted on behalf of the Greater New Orleans Hotel and Lodging Association(GNOHLA).

According to HVS Project Directors Tom Hazinski and Hans Detlefsen, the purpose of the study was to gather data specific to the hotel industry's employment and economic base and quantitatively assess its impact on the City of New Orleans.

Hazinski said, "When we began this project last year we knew then that it was one of the most unusual and unique that had ever been conducted by HVS. Since Hurricane Katrina and its aftermath bringing this forward to completion with the hope of assisting the recovery of what is considered one of America's great American Cities has been an important mission of our firm."

Detlefsen said, "The study is remarkable in that the data collected is specific to the hotel industry's economic impact and utilizes actual employment and financial data of hotels operating in New Orleans rather than relying on national survey data. Compared to other studies that HVS has conducted this is unique in that it makes a more detailed evaluation of the industry's employment and its impact on the local economy."

According to Greater New Orleans Hotel and Lodging Association President Darrius Gray, our membership wanted to know specifically how the hotel industry impacted the economy and employment in New Orleans.

"What we couldn't have known when we began this study in June of 2005 - was that the data we captured would be the last snapshot of our industry pre Katrina. Today, we feel these findings offer a valuable benchmark for the industry's recovery. We bring them to the City Council with the hope that they will be useful to consider as you prioritize efforts to assist industries and businesses that impact the economy recover from the storm," said Gray.

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HVS examined detailed employment and financial records from a sample of Orleans Parish hotel properties in four categories. Convention Hotels are properties with a least 1,000 guest rooms with convention related group business as the primary market. Full Service Hotels are properties offering a full range of services, including three meal restaurants, room service, meeting space, fitness centers, business services, valet parking and other guest services. Limited Service Hotels are properties offering some, but not all, of the guest services provided by full service properties. Economy Hotels are properties generally offering only rooms and depending on the surrounding businesses to provide other guest amenities.

**Employment Profile**

Annual Payroll \$333 Million  
 Annual Benefits & Personal Services \$45-\$50 Million\*  
 Hotel Employees 92% Full-Time  
 8% Part-Time

**Employment & Wage Analysis**

<u>Category</u>	<u>Hotels</u>	<u>Rms.</u>	<u>Employees</u>	<u>Payroll**</u>	<u>Wages***</u>	<u>Avg. Hourly****</u>
Full Service	38	10,547	7,516	\$173.5 M	\$23,091	\$9.38
Convention	4	5,156	3,290	\$77.3 M	\$23,484	\$10.83
Limited Service	45	6,914	2,403	\$57.8 M	\$24,066	\$9.21
Economy	69	4,581	1,423	\$24.4 M	\$17,167	\$7.80
<b>Total</b>	<b>156</b>	<b>27,198</b>	<b>14,632</b>	<b>\$333 M</b>	<b>\$22,763</b>	

Annual Benefits & Personal Services  
 \*not calculated in the total annual payroll

Annual Employee Payroll  
 \*\*includes bonuses and incentives, does not include benefits and tips  
 Annual Employee Wages  
 \*\*\*includes bonuses and incentives, does not include benefits and tips

Average Hourly Wages  
 \*\*\*\*includes bonuses, incentives and tips; does not include benefits

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**Economic Impact**

**New Orleans Hotel Industry**  
**\$1.5 Billion Impact**

Hotel Room Sales (Direct)	\$834 M
Hotel Miscellaneous Sales (Direct)	\$265 M
Hotel Indirect Local Spending (Business-to-Business)	\$127 M
Induced Local Spending (Generated by Households)	\$237 M
<b>Total</b>	<b>\$1.5 B</b>

*Direct impact + indirect + induced = multiplier effect*

**Hotel Room & Sales Tax Revenues**  
**\$133.4 Million**

Louisiana Superdome	\$30.5 M
Morial Convention Center	\$28.8 M
City of New Orleans	\$24.7 M
State of Louisiana	\$18.2 M
Orleans Parish School Board	\$11.4 M
Regional Transit Authority	\$7.6 M
New Orleans Convention & Visitors Bureau	\$7.6 M
New Orleans Tourism & Marketing	\$4.6 M
<b>Total</b>	<b>\$133.4 M</b>

hotel room rentals \$109.5 Million  
other sales at hotels \$23.8 Million

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HVS is a global consulting and services firm focused on the hotel, convention and travel industries. Established in 1980, HVS performs more than 1,500 assignments annually for virtually every major industry participant. The HVS Chicago division conducted the GNOHLA analysis. The project was directed by Tom Hazinski and Hans Detlefsen, HVS Convention, Sports & Entertainment Facilities Consulting. Detlefsen holds a Masters Degree in Public Policy from the University of Chicago and a Bachelor of Arts in Government and Economics from the University of Notre Dame. Hazinski holds a Masters Degree in Public Policy from the University of Chicago and is a former Assistant Budget Director for the City of Chicago.

Since 1924, the Greater New Orleans Hotel and Lodging Association has been the professional trade organization of lodging professionals of the New Orleans area. The association is an industry resource supporting activities in a variety of focus areas including education and professional training; legislative support and public issues management; operations and productivity assistance; government and business relations; crime prevention; and membership communications.

Sources: HVS International; IMPLAN; Smith Travel Research; State Department of Revenue; New Orleans Tourism Marketing Corporation; New Orleans Convention & Visitors Bureau and the Greater New Orleans Hotel & Lodging Association.

A full text of the study can be obtained on line [www.hvsinternational.com](http://www.hvsinternational.com) or [www.gnohla.com](http://www.gnohla.com).