

10 US cities, including New York, DC, and San Francisco, lost almost all their business travel revenue this year

[businessinsider.com/new-york-dc-vegas-lost-almost-all-business-travel-revenue-2021-9](https://www.businessinsider.com/new-york-dc-vegas-lost-almost-all-business-travel-revenue-2021-9)

Francis Agustin



- Fallout from the coronavirus pandemic is wiping out a decade's worth of revenue and job growth, a report says.
- Corporate, government, and group travel is the industry's largest source of revenue.
- Travel revenue has been hammered by remote work and a new surge in COVID-19 cases.

US cities across the country will lose millions, and in some cases billions, of dollars in revenue in 2021 as far fewer people travel for business than before the outbreak of the coronavirus pandemic, new data finds.

The US travel market, especially the hospitality sector, is suffering due to remote work and the coronavirus, according to research published by data analytics firm, Kalibri Labs, and the American Hotel & Lodging Association. The research was first reported on by Bloomberg.

Business travel revenue, which includes corporate, group, government, and other commercial categories, is down dramatically in cities across the US for 2021 compared to 2019, before the pandemic started.

Ten major cities have taken the biggest hit. The New York market, the highest earner in business travel, is projected to make about \$530 million in revenue in 2021, down 88% from \$4.5 billion in 2019. The Washington DC and Orlando markets, which both made around \$2.7 billion in 2019, also reported an 80% plus drop versus 2019 numbers. San Francisco made the steepest drop, with revenue down 93% since 2019. Las Vegas, which hosts scores of large corporate events, is projected to lose 71.2% of its 2019 revenue this year.

The pandemic is "wiping out a decade's worth of revenue and job growth" in the hospitality sector, the report concludes.

Revenue per available room for most generic business travel hotels are down 45% from 2019, Insider previously calculated. Business and group travel are not expected to return to pre-pandemic levels until 2023 at the earliest.

Once the vaccines started their roll out in earnest and became widely available, leisure, business and group travel all increased and made the Fall 2021 look to be extremely promising with predictions of major urban markets' office environments returning to 60-70% of 2019 levels by September," Evan Weiss, chief operating officer at LW Hospitality Advisors, told Insider. "However, then the Delta variant reared its ugly head."

Travel across the board is still struggling to regain pacing after falling off a cliff during the pandemic.

"Dense urban markets such as New York, Washington D.C., Chicago, and San Francisco are still only 20% to 30% recovered," Hyatt CEO Mark S. Hoplemazian said in a second quarter earnings call.

The hotel and hospitality industry buckled during the COVID-19 pandemic as airline travel stopped, offices closed, and millions of workers went fully remote and virtual. Leisure travel made a slight comeback this past summer as more people got vaccinated and opted to travel.

Analysts expected business travel to recover in September as work began to start up again. But employers are finding it more difficult to get employees to fully return to the office, including commitments to travel for work. Many conferences and trade shows, which are the

main opportunities for work and group travel, are still held virtually, further reducing the need for business travel. COVID concerns also linger and the Delta variant is creating further uncertainty with travel.

50% of business travel will go away after the pandemic as in-person meetings become less regular, Bill Gates said in 2020.

Still, executives at large hotel chains have remained hopeful that business travel will bounce back, with some even offering alternative uses for hotel vacancies, such as temporary office space. The CEOs of Hyatt and Hilton both said in their earnings calls that they were seeing business travel revenue recovering, especially among regional small and medium-sized businesses. Congress also introduced the Save Hotel Jobs Act this week, aimed at further dampening the impact of decreased business travel on the hotel industry and its workers.