



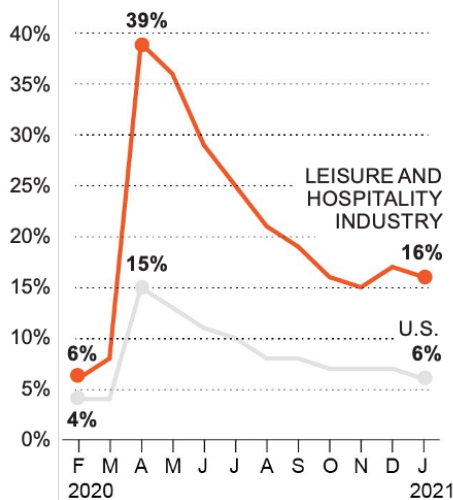
March 5, 2021

# Covid-19's economic toll on the U.S. travel industry

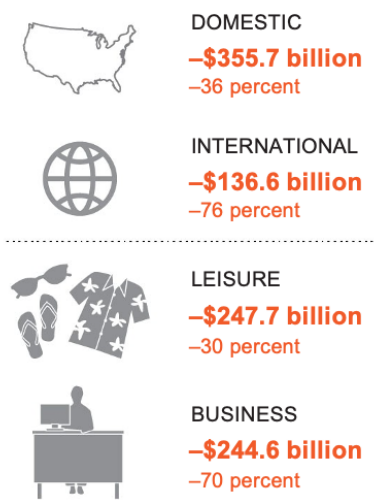
As the Covid-19 pandemic continues, Federal Reserve Chair Jerome Powell on March 4 said he doesn't expect the economy to reach full employment this year despite the brightening economic outlook. Powell's remarks underscore his previous estimate that the real unemployment rate is closer to 10 percent, rather than the most popular measure of joblessness, which is currently at 6.3 percent. According to the Bureau of Labor Statistics, the leisure and hospitality industry accounted for 39 percent of all U.S. jobs lost from February 2020 to January 2021.

The travel industry experienced nearly \$500 billion in lost domestic and international travel spending, resulting in \$64 billion in missed federal, state and local tax revenue since the beginning of March 2020, according to the U.S. Travel Association. A report created for the association by research firm Tourism Economics analyzed BLS data and found that the leisure and hospitality sector continued to lose jobs despite U.S. employment gains in recent months.

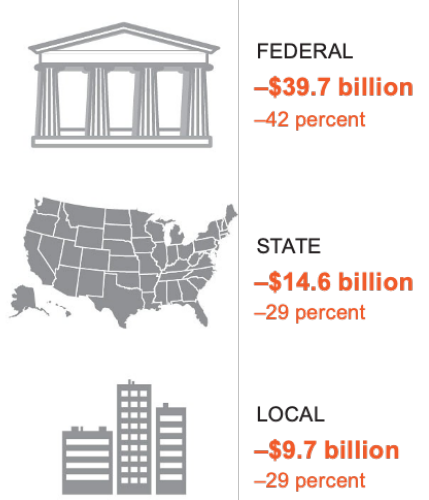
**Travel industry unemployment rate during Covid-19 pandemic**



**Change in travel spending in the U.S. from 2019 to 2020\***



**Change in travel-generated U.S. taxes from 2019 to 2020**



\*Domestic travel category captures all spending by Americans on domestic travel, including all modes of transportation, dining, lodging, entertainment and retail. International travel category captures spending by all international visitors to the U.S. and does not reflect outbound travel spending by Americans going overseas.

Sources: U.S. Travel Association/Tourism Economics January 2021 report "Travel Industry Unemployment Through January 2021", POLITICO staff reports