

Projected Economic Impact of Coronavirus in on North Carolina's Hospitality Industry

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The NC hospitality industry is facing an abrupt and unprecedented drop in restaurant sales and hotel demand that is gaining pace and getting progressively deeper and more severe day by day.

Restaurants and lodging establishments are driving forces in North Carolina's economy. They provide jobs and build careers for thousands of people and play a vital role in local communities throughout the state.

- Combined, restaurant and lodging establishments provide jobs for more than 13% percent of the state's workforce and generate more than \$23.5 billion in sales annually. **Direct job losses of employees who serve the North Carolina hospitality community and work in restaurants and hotels is estimated to be approximately 385,000 employees**
- **The North Carolina foodservice industry supports jobs for 481,900 North Carolinians.** With the abrupt closure of those establishments, a significant number of individuals who worked in these establishments were laid off or furloughed immediately. While some foodservice establishments and restaurants across our state continue to offer drive through, take-out and delivery services, they are currently operating with very limited staff.
- **It is estimated that over 75% or 361,425 of our North Carolina's restaurant and foodservice workforce have faced layoffs as a result of closures and reduction of staffing associated with the coronavirus pandemic.**
- **The North Carolina hotel industry supports 51,789 jobs directly and over 216,178 jobs total** (direct hotel operations, guest spending, indirect supply chain and induced), but drastic declines in occupancy rates will lead to significant job losses of individuals across the state.
- **North Carolina is estimated to lose 22,787 jobs directly and 88,225 jobs that are a part of the hotel industry or supporting it**, according to an Oxford Economics study for the American Hotel and Lodging Association (AHLA). The study estimates that 44 percent of hotel employees in every state have lost or are projected to lose their jobs in the coming weeks. Nationwide, the association is projecting a 3.9 million job loss number for the industry, with the current pace of occupancy decline for the year. The association also said the economic impact on the hotel industry is already more severe than the 9/11 and 2008 recessions combined.