US travel industry to see 40% drop in spending: study

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Coronavirus has caused a "Great Travel Depression" prompting the industry to plead for more aid

Domestic US travel spending is expected to collapse this year amid the coronavirus pandemic, suffering a 40 percent decline compared to 2019, while international spending will plunge 75 percent, according to new research.

The report, commissioned by the US Travel Association, showed spending by US residents will drop to $583 billion this year from $972 billion last year.

Total travel spending, including domestic and international visitors, is projected to fall 45 percent to $622 billion, according to research by Tourism Economics, a division of Oxford Economics.

That decline follows three years of steady, albeit modest, growth of around four percent a year, although international travel dipped in 2019.

The association labeled the downturn "The Great Travel Depression," and said 8.1 million travel jobs have been lost.

The group is lobbying Congress to provide additional support for the travel industry, including expanding the popular Paycheck Protection Program (PPP) to include organizations that promote tourist or business venues and also provide $10 billion in grants to provide healthy travel practices.

These destination marketing organizations "drive demand and economic development to communities across the country and are vital to recovery," the association said in a LinkedIn post Thursday.

"We need relief, protection and stimulus to revive the travel industry and set America on the path toward recovery."

Other sectors also are seeking more support beyond, and a bipartisan group of lawmakers are crafting legislation to help the food services industry, which has been hard hit by the shutdowns and fears of the virus, leaving businesses struggling to attract customers and remain profitable.

Some businesses may face renewed struggles when the short-term PPP funding runs out if shoppers and diners fail to return.

The National Press Club in Washington—which has two restaurants and hosts numerous events and luncheons—told its members Friday it will furlough 50 of 113 employees, and cut the pay of remaining workers by 15 percent after its PPP funds were used up.