

UNITE HERE PREVENTING RECOVERY OF HOTEL INDUSTRY

Union is Lobbying Congress to Stop Re-Hiring Efforts by Hotels

Washington, DC (July 30, 2020)—UNITE HERE, a national labor union that represents hotel industry workers, submitted a letter this week to pressure members of the Washington State congressional delegation to stop supporting aid efforts for the state’s hotel industry. UNITE HERE opposes economic relief for hotel owners who are struggling to keep their businesses viable due to COVID-19 and government mandated shutdowns.

Without financial relief, nearly 80% of hotels may have to shutter their doors permanently, according to an industry study by Jones Lang Lasalle, Inc. According to Oxford Economics, state and local tax revenues will decrease by \$16.8 billion in 2020. Additionally, a McKinsey & Company study indicates hotel revenues may not return to pre-COVID-19 levels until 2023. The losses will have a severe negative impact on industry jobs, as well as on state and local programs ranging from education, healthcare, policing, and infrastructure.

UNITE HERE stated in its letter that wealthy real estate investors will be the main beneficiaries of aid. However, nearly all of the aid will go to small business owners, who own over 60% of U.S. hotels. The need for financial relief is especially urgent because the Jones Lang Lasalle study revealed that over 63% of hotel owners are likely to be in default on their loans by the end of 2021.

Approximately 98% of UNITE HERE’s 307,000 members are now unemployed. The union collected \$65 million from its members in dues and fees in 2019 and holds \$56 million in cash and roughly \$80 million in investments. The Committee on Education and Labor in the U.S. House of Representatives sent a [letter](#) to UNITE HERE on June 2 demanding the union stop collecting membership dues and fees from unemployed members. The letter also demanded that UNITE HERE stop siphoning money from federal loans that are intended for businesses to pay the wages of their workers.

Hotel owners are asking for assistance to revive their businesses so they are able to recall laid off or furloughed workers. UNITE HERE’s lobby efforts in Congress threaten to prevent the hotels from recalling employees back to work.

