

# U.S. Travel Industry Warns Of \$910 B Coronavirus Losses: Seven Times 9/11

The U.S. travel industry feels the ruin caused by the coronavirus and travel bans will be seven times the economic damage brought by 9/11.

The losses to the U.S. tourism industry due to the coronavirus are snowballing—make that avalanching—by the day. To the point that the national non-profit organization representing all travel sectors estimates the economic fallout for the country will be seven times worse than 9/11.

The slump in travel will cause a \$910 billion hit to the U.S. economy, [says the U.S. Travel Association](#), “that’s seven times the impact 9/11 had on the industry, according to the analysis.” ... “The coronavirus crisis is hitting the travel economy hard, and it's also hitting fast,” said the association’s president and CEO Roger Dow in a statement.

Little more than a week ago, the organization, which represents roughly 150 travel-related businesses in the United States, was estimating 4.6 million travel jobs were at risk. That’s when tourism industry officials descended on Washington “to seek a government bailout”—as national conventions magazine *Meetings Today* put it. In less than a week those projections rose to 6 million job losses: reality check, by the end of April.

Travel it says underpins 15.8 million American jobs—that’s employment for one in every 10 Americans. As a result, expect to see a huge knock-on effect on the national unemployment rate it warns (read on). The findings are based on [data](#) from travel trends forecaster, [Tourism Economics](#).

The sudden change in outlook, it claims, shows just how the damage from the public health crisis is accelerating, “with a worsening impact on the U.S. economy”. “This situation is completely without precedent,” Roger Dow told CNBC. “The economic effect is devastating with 5.9 million jobs, 400 billion dollars in losses.”

Tourism is the country’s worst hit industry the group claims. The crash in tourism activity linked to the coronavirus will see spending across all sectors—lodging, retail, restaurants, [transportation](#) and attractions—plunge by 78% in the next two months.

“These new figures underscore the extreme urgency of financial relief for travel businesses—83% of which are small businesses—so they can keep paying their employees,” Dow says. “Not only are workers suffering right now, but if employers are forced to close their doors, it is unknown when or if those jobs will ever come back.”

Now some of that relief has come in the form of the coronavirus relief package, known as the [CARES Act](#). The organization has welcomed that saying it comes “at a time when the American travel industry is facing catastrophic economic disaster.”

The package “includes significant priorities championed by the travel industry”, tweeted Canada’s *Hotelier Magazine*.

That said, the forecast losses may get worse still, if more extensive measures are rolled-out, in the form of a national lockdown for example.

This is a summary of the key findings [of the report](#):

- The loss in travel-related jobs alone will soon see the U.S. unemployment rate double from 3.5% in February to 7.1%.
- A \$400 billion decline in travel spending in the U.S. this year will translate into a total economic loss of \$910 billion in economic output in 2020.
- The slowdown in travel alone will push the U.S. economy into a protracted recession which will probably last for two quarters, with the lowest being Q2 2020.
- Travel sector revenue will average 78% below normal in March and April.
- Gradually lessening declines are expected in the summer as [travel restrictions](#) are loosened. However, losses will continue through the rest of the year.

by

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