

# 2023 AAHOA SPRING NATIONAL ADVOCACY CONFERENCE

## Background



### ASIAN AMERICAN HOTEL OWNERS ASSOCIATION (AAHOA) THE LARGEST HOTEL OWNERS ASSOCIATION IN THE WORLD

Founded in 1989, AAHOA is one of the fastest-growing organizations in the hospitality industry. Comprised largely of first- and second-generation Americans, AAHOA's 20,000 members own and operate 60% of hotels in the United States, representing more than 3.1 million guest rooms.

As franchisees and independent owners, our members consistently contribute to the economy through job creation, tourism promotion, real estate development, and community investment. With billions of dollars in property assets and more than a million employees, AAHOA Members are core economic contributors in virtually every community and the foremost current-day example of realizing the American Dream.

The pandemic had a devastating impact on the hospitality industry, including AAHOA Members, their hotels, and those they employ. With rising inflation, high gas and jet fuel prices, decreased corporate travel, severe labor shortages, sky-high property insurance rates, increasing vendor prices for goods and services, and new and rising fees being imposed by their franchisors, AAHOA Members are being hit hard from every angle.

#### ISSUE SUMMARY

To ensure the sustainability of hotels and the broader American travel industry, we strongly urge Congress to support the following issues:

- 1 Expand access to capital by increasing SBA Loan Limit Amounts.
- 2 Make permanent the Earned Income Tax Credit (EITC) expansions to help bring needed workers back into the labor force.
- 3 Address the industry's labor shortage by significantly increasing the number of H-2B visas and creating a new H-2C visa.
- 4 Develop a personal relationship with AAHOA and its 20,000 members through an array of avenues offered by AAHOA at home and in Washington.

#### AAHOA BY THE NUMBERS

60%

Percentage of U.S. hotels  
owned by AAHOA Members



**3.5M guests stay at  
member-owned hotels  
each night**

*Filling all 30 NFL stadiums and all  
31 MLB stadiums combined*

34K

34,260 AAHOA Member-  
owned hotels in the U.S.



**1.1M employees work at  
member-owned hotels,  
earning \$47B annually**

*As many employees as FedEx  
and Home Depot combined*

3.1M

Number of guestrooms in  
AAHOA Member-owned hotels



**AAHOA hotels support  
\$96.8 billion in federal,  
state, and local taxes**

*This is equivalent to \$789  
per U.S. household annually*

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## Access to Capital, Address Labor Shortages




### PROMOTE ACCESS TO CAPITAL BY INCREASING SBA LOAN CAPS/LIMITS AND TRANSPARENCY

#### **Call to Action: Increase SBA 7(a) and 504 Loan Limits to \$10 Million**

Obtaining access to capital is a critical factor for small businesses to operate and thrive in a challenging economy. Currently, Small Business Administration (SBA) 7(a) and 504 loans are capped at \$5 million, which was last set in 2010. For hoteliers, over the past decade, the costs of constructing and purchasing properties have skyrocketed.

Many hoteliers make use of SBA 7(a) and 504 loans to help finance the new construction or purchase of their hotel properties. Since the value of the hotels is significantly higher than current loan limits, there remains substantial collateral for higher loan amounts.

Congress can greatly assist small businesses by increasing the SBA loan limits to match the current economic conditions and thereby create a sustainable business model for the future.

 ***SBA 7(a) and 504 loan limits are capped at \$5 million, however, the current costs of building and purchasing properties greatly exceed this limit.***

### PROVIDE ASSISTANCE WITH CRITICAL LABOR SHORTAGES: EXPAND EITC

#### **Call to Action: Permanently Expand the Earned Income Tax Credit (EITC)**

Business owners across the country face critical labor shortages. Earned Income Tax Credit (EITC) improvements affecting workers without children that expired at the end of 2021 should be made permanent.

The American Rescue Plan temporarily tripled the maximum credit amount for eligible workers not raising children in the home. It lowered the EITC eligibility age from 25 to 19, which had needlessly locked young adult workers out of the benefit of the credit. Further, it eliminated the maximum eligibility age to reflect the fact workers continue working longer into life. Making these changes permanent will encourage needed workers back into the labor force.

### ADDRESS LABOR SHORTAGES: INCREASE H-2B VISAS AND LAUNCH NEW H-2C VISA PROGRAM

#### **Call to Action: Address the Hospitality Labor Shortage With H-2B visas**

The unemployment rate in the hospitality sector is 6%, which is 76.47% higher than the 3.4% overall unemployment rate for the country, according to the latest January 2023 data from the U.S. Bureau of Labor Statistics.

The Biden Administration announced its expansion of an additional 64,000 temporary nonagricultural worker H-2B visas for FY 2023. This is in addition to the 66,000 H-2B visas that are normally available each year. However, the total number of available visas does not come close to the estimated 1.5 million open jobs in the industry.

AAHOA seeks for Congress to:

1. Eliminate caps on the H-2B visa program altogether so there are no constraints on addressing employers' needs for additional seasonal workers. Also, if an already-approved worker is brought back, they should not be counted against the cap of a new visa.
2. Allow these visas to be valid for multiple years, so businesses do not have to undergo the onerous filing process every year.

#### **Call to Action: Cosponsor the Essential Workers for Economic Advancement Act**

Please cosponsor the Essential Workers for Economic Advancement Act (EWEA) to help business owners address the critical labor shortage. The Act will fill a need currently unaddressed in the U.S. immigration system.

The EWEA creates an H-2C visa program for nonimmigrant, nonagricultural service workers. It is intended for small businesses in industries with lower educational thresholds and comparatively low sales per employee.

The visas would be issued for three years and would be renewable for up to an additional six years. During the first year of the program, the H-2C visas would be capped at 65,000 workers. After the first year, the total number of annual visas could not exceed 85,000 or drop below 45,000 visas.

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## WAYS TO PARTNER WITH AAHOA

As the premier voice of the hospitality industry, AAHOA seeks to partner with elected officials in Washington, D.C., to provide solutions facing the industry. As AAHOA continues to enhance its advocacy presence, it can offer a wide array of activities for Members of Congress to engage with local small businesses and key constituencies back home.

AAHOA offers numerous opportunities for elected officials to utilize and learn about the needs of AAHOA Members and to speak directly with constituents.

 **Attend Regional Conference Meetings and Speak at AAHOA Town Halls**

 **Interview With Today's Hotelier, AAHOA's Monthly Magazine Distributed to 20K Hoteliers Each Issue**

AAHOA holds annual regional conference meetings, town halls, back-of-the-house tours of AAHOA-Member properties, and business round tables, in addition to flying to Washington, D.C., twice a year. AAHOA also publishes a monthly magazine, Today's Hotelier, which gives elected officials a platform to reach AAHOA's 20,000 members across the country.

 **Take Back-of-the-House Tours of AAHOA Member Properties, and Participate in Business Round Tables in District/State With AAHOA Members**

AAHOA's back-of-the-house tours can be instrumental in educating Members of Congress on the hotel industry and the inner workings of a hotel property in their district. These 60-minute tours are also a great way to build meaningful relationships with constituents while witnessing, first-hand, the positive and irreplaceable impact small businesses have on American communities.



**AAHOA's 20,000 members own and operate 60% of hotels in the United States, representing more than 3.1 million guest rooms.**



**AAHOA remains the true voice of hotel owners across America and seeks a partnership with Members of Congress focused on the industry.**

## today's hotelier Magazine



The March 2023 issue of Today's Hotelier featured U.S. Representative Beth Van Duyne, who represents Texas's 24th congressional district.



The October 2022 issue of Today's Hotelier featured U.S. Senator Catherine Cortez Masto of Nevada.

## CALL-TO-ACTION SUMMARY

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