



Chicago Hotel Workers Stay Home, Save Lives – Without Pay

Following record-breaking boom years, hotel industry's decision to cut off workers' pay hurts Chicago neighborhoods

UNITE HERE Local 1 represents approximately 7,600 hotel workers in downtown Chicago. With travel sharply curtailed by the COVID-19 crisis, only an estimated 200 to 300 were still at work by April 1.

Unlike some Chicago employers forced to shutter operations, Chicago hotels have not continued to pay workers. While stimulus checks and unemployment benefits may provide some future relief, hotel workers needed to immediately find ways to keep food on the table while rent, mortgage payments and utility bills have come due.

The hotel industry's abrupt decision to cut payroll costs workers in Chicago neighborhoods an estimated \$5 million in lost earnings every week, or \$260 million annually.

These losses follow record-breaking boom years for the Chicago hotel industry. Park Hotels & Resorts – with 2,467 Chicago hotel rooms, it's the city's biggest hotel owner you've never heard of – announced March 26 that it had \$1.3 billion in cash and equivalents on hand that it would use to pay a previously announced quarterly dividend to shareholders in April.

This loss of pay could hit predominately African American neighborhoods particularly hard. UNITE HERE Local 1 estimates that the community areas targeted by the City of Chicago's INVEST South/West program will see a dis-investment of approximately \$1 million every week in lost earnings.

Methodology

Of the 7,600 unionized hotel workers represented by UNITE HERE Local 1, approximately 6,000 live in the City of Chicago. UNITE HERE Local 1 hotel workers live in every ward and community area.

Hotel room attendants – women who clean hotel guest rooms – comprise a plurality of UNITE HERE Local 1 hotel workers. For the purposes of this analysis, we estimate that full-time room attendants' earnings are representative of the median hotel worker's earnings.

Room attendants represented by UNITE HERE Local 1 generally earned \$21.12 per hour, or \$43,929.60 annually, plus free individual healthcare benefits and full family coverage for \$30 per month. Many room attendants are laid off in the winter months, and earn less. Many hotel workers – particularly culinary workers, bartenders, and banquet servers – can earn much more.

Making Less Money Hurts Chicago Neighborhoods <i>Hardest-hit Chicago community areas</i>				
<i>Neighborhood</i>	<i>UNITE HERE Local 1 Hotel Workers</i>	<i>Est. Weekly Neighborhood Loss of Hotel Worker Income</i>	<i>Est. Monthly Neighborhood Loss of Hotel Worker Income</i>	<i>Est. Annual Neighborhood Loss of Hotel Worker Income</i>
West Ridge	248	\$209,510	\$907,878	\$10,894,541
Brighton Park	234	\$197,683	\$856,627	\$10,279,526
Bridgeport	225	\$190,080	\$823,680	\$9,884,160
Belmont Cragin	221	\$186,701	\$809,037	\$9,708,442
Edgewater	217	\$183,322	\$794,394	\$9,532,723
Austin	197	\$166,426	\$721,178	\$8,654,131
Uptown	188	\$158,822	\$688,230	\$8,258,765
Rogers Park	187	\$157,978	\$684,570	\$8,214,835
Gage Park	160	\$135,168	\$585,728	\$7,028,736
South Shore	146	\$123,341	\$534,477	\$6,413,722
South Lawndale	144	\$121,651	\$527,155	\$6,325,862
Humboldt Park	140	\$118,272	\$512,512	\$6,150,144



Ofelia Martinez

Room Attendant, Park Hyatt Hotel, 18 years
Belmont Cragin

I usually make about \$650 per week after taxes. My husband depends on the money I make. He's sick, and is waiting for a kidney transplant.

I understand these are very hard times for all of us. This is the hardest situation I've ever been in. We are all staying home to stay healthy. Now these corporations need to help sustain us in this hard time. They have more resources than us. We give a lot of ourselves to our jobs. Now they need to be there for us.

Job losses hit INVEST South/West neighborhoods

In October 2019, the City of Chicago announced its forward-thinking INVEST South/West initiative to “marshal the resources of multiple City departments, community organizations and corporate partners toward 10 neighborhoods on Chicago’s South and West sides.”ⁱⁱ The City intends to spur \$1 billion in much-needed new capital investments in the area.ⁱⁱⁱ

UNITE HERE Local 1 represents approximately 1,165 hotel workers who live in one of the community areas targeted by INVEST South/West. Lost paychecks could cost residents in those neighborhoods an estimated \$1 million every week. Over the course of a year, these South and West Side neighborhoods stand to lose an estimated \$51.1 million in hotel worker earnings.

Dis-INVEST South/West

Economic impact of disappearing hotel jobs on Chicago’s South and West Sides

Neighborhood	% African-American	Median Household Income	UNITE HERE Local 1 Median vs. Neighborhood Median	UNITE HERE Local 1 Hotel Workers	Est. Weekly Neighborhood Loss of Hotel Worker Income	Est. Annual Neighborhood Loss of Hotel Worker Income
Auburn Gresham	96.0%	\$31,694	+\$12,235	94	\$79,411	\$4,129,382
Austin	80.8%	\$32,843	+\$11,086	197	\$166,425	\$8,654,131
Englewood	94.6%	\$19,795	+\$24,134	43	\$36,326	\$1,888,972
Grand Boulevard	92.1%	\$31,970	+\$11,959	75	\$63,360	\$3,294,720
Humboldt Park	35.2%	\$35,941	+\$7,988	140	\$118,272	\$6,150,144
Kenwood	68.2%	\$44,088	(\$159)	49	\$41,395	\$2,152,550
New City	22.3%	\$32,862	+\$11,067	108	\$91,238	\$4,744,396
North Lawndale	87.0%	\$26,362	+\$17,567	39	\$32,947	\$1,713,254
Oakland	89.7%	\$28,291	+\$15,638	26	\$21,964	\$1,142,169
Pullman	83.1%	\$40,662	+\$3,267	12	\$10,137	\$527,155
Roseland	96.3%	\$38,686	+\$5,243	75	\$63,360	\$3,294,720
South Chicago	75.4%	\$29,581	+\$14,348	70	\$59,136	\$3,075,072
South Shore	93.8%	\$24,345	+\$19,584	146	\$123,340	\$6,413,721
West Englewood	91.2%	\$28,006	+\$15,923	47	\$39,705	\$2,064,691
West Pullman	92.4%	\$38,144	+\$5,785	44	\$37,171	\$1,932,902
Total				1,165	\$984,192	\$51,177,984

Latonia Marshall

Room Attendant, Blackstone Hotel, 11 years
Humboldt Park

It all happened so fast. One day I was working, then all of a sudden I wasn't. I felt like there was no regard for us – the people who make the Blackstone what it is. They didn't give us any respect or regard for all the service we gave.

I usually make about \$650 every week after taxes. That money supports my two boys. The oldest is graduating high school. I'm very proud of him, but I have to pay a \$300 school fee and a \$75 picture fee. How am I going to pay for that?





Roushaunda Williams

Bartender, Palmer House Hilton, 18 years
Uptown

Normally I make \$1,500 per week. Now, I don't make anything.

I've always lived independently. I've always been a great tenant. I've raised my sons to be the men they are today. Now I don't know what I'm going to do. I've never, ever before been in this situation of precariousness. Somehow all the energy and effort I've put into paying all of my bills and hit all of my financial goals is about to blow up in my face.

I've got a good support system – my friends and I rely on each other. But I'm used to being independent, and now I'm not. That's a hard pill to swallow.

These losses – this money not earned – could translate to less spending by hotel workers who live in these neighborhoods. The median UNITE HERE Local 1 hotel housekeeper income of \$43,929 is higher than the median household income of every INVEST South/West community area except Kenwood.^{iv}

Crisis for hospitality workers follows record years for hotel industry

In 2018, Chicago attracted a record 57.7 million visitors, generating \$2.5 billion in hotel revenue.^v In January 2020, PwC reported that the US lodging industry had experienced a decade of consecutive growth in revenue per available room (RevPAR), growing from \$56.46 in 2010 to \$86.77 in 2019.^{vi} In 2018, Chicago's central business district hit a record RevPAR of \$160.61 on 11.8 million occupied rooms.^{vii}

An examination of one major Chicago hotel owner illustrates that hoteliers have the resources to keep paying hotel workers.

Jesus Morales

Banquet Server, Drake Hotel, 33 years
Garfield Ridge

My work is very seasonal. Normally at this time of year, I would be making about \$1,500 to \$1,700 every week. The best times for me are the spring and the fall, when conventions are in town. The money I make in then is what sustains me during the slower winter and summer seasons.

I have bills I need to pay from the winter that I was planning to pay this spring when business picks up. But now I can't. My wife is still working in a grocery store. But I worry that she will get sick.



Chicago's biggest hotel owner you've never heard of: Park Hotels & Resorts

Park Hotels & Resorts, a lodging real estate investment trust, owns hotel 2,467 rooms in downtown Chicago, making it the city's largest hotel owner. Park Hotels owns the Hilton Chicago, W Lakeshore, and W City Center hotels.

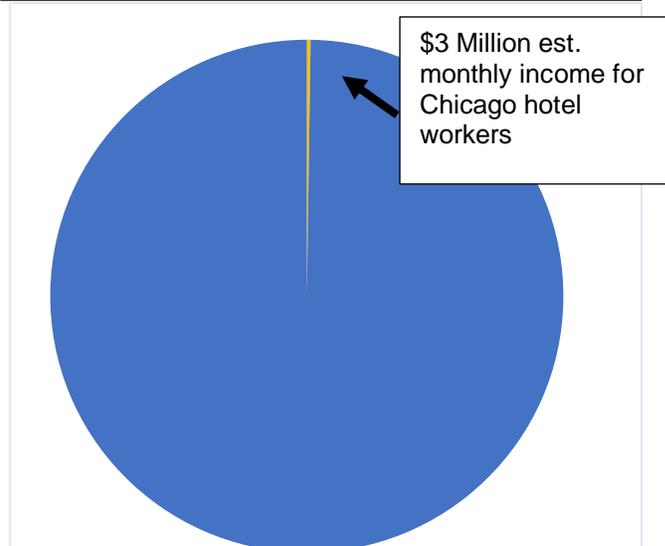
It would cost Park Hotels an estimated \$3.1 million to pay the wages of 839 hotel workers represented by UNITE HERE Local 1 at those three hotels for one month, or \$37 million for an entire year.

Park Hotels announced on March 26 that it had \$1.3 billion in cash on hand – and that it would pay its investors a previously announced quarterly dividend on April 15.^{viii} It would take only 0.24 percent of the firm's cash on hand to pay the workers at those three hotels for one month.

Park Hotels announced last month that it “intends to establish a \$2.5 million corporate-level fund that will be made available by Park to help its hotel management companies to address hardships faced by their employees” and that “a voluntary salary waiver by Park's Chief Executive Officer is expected to fund \$500,000 of this corporate-level fund.”^{ix}

Park Hotel's Chairman and CEO was the beneficial owner of 666,943 shares of common stock on March 12.^x The dividend earned on those shares from Park Hotels' planned \$0.45 per-share dividend on April 15 would be valued at approximately \$300,000.

**Park Hotels and Resorts
\$1.3 Billion Cash and Equivalents
(as of 3/26/2020)**



Park Hotels and Resorts Estimated Loss of Hotel Worker Pay					
<i>Hotel</i>	<i>Local 1 Hotel Workers</i>	<i>Est. Loss of 1 month</i>	<i>Est. Loss of 3 months</i>	<i>Est. Loss of 6 months</i>	<i>Est. Loss of One year</i>
Hilton Chicago	587	\$2,148,890	\$6,446,669	\$12,893,338	\$25,786,675
W City Center	130	\$475,904	\$1,427,712	\$2,855,424	\$5,710,848
W Lakeshore	122	\$446,618	\$1,339,853	\$2,679,706	\$5,359,411
Totals	839	\$3,071,411	\$9,214,234	\$18,428,467	\$36,856,934

Appendix A - Economic Impact on Chicago's 77 Community Ares

<i>Neighborhood</i>	<i>UNITE HERE Local 1 Hotel Workers</i>	<i>Est. Weekly Neighborhood Loss of Hotel Worker Income</i>	<i>Est. Monthly Neighborhood Loss of Hotel Worker Income</i>	<i>Est. Annual Neighborhood Loss of Hotel Worker Income</i>
Albany Park	131	\$110,669	\$479,565	\$5,754,778
Archer Heights	72	\$60,826	\$263,578	\$3,162,931
Armour Square	106	\$89,549	\$388,045	\$4,656,538
Ashburn	83	\$70,118	\$303,846	\$3,646,157
Auburn Gresham	94	\$79,411	\$344,115	\$4,129,382
Austin	197	\$166,426	\$721,178	\$8,654,131
Avalon Park	19	\$16,051	\$69,555	\$834,662
Avondale	116	\$97,997	\$424,653	\$5,095,834
Belmont Cragin	221	\$186,701	\$809,037	\$9,708,442
Beverly	9	\$7,603	\$32,947	\$395,366
Bridgeport	225	\$190,080	\$823,680	\$9,884,160
Brighton Park	234	\$197,683	\$856,627	\$10,279,526
Burnside	6	\$5,069	\$21,965	\$263,578
Calumet Heights	20	\$16,896	\$73,216	\$878,592
Chatham	79	\$66,739	\$289,203	\$3,470,438
Chicago Lawn	139	\$117,427	\$508,851	\$6,106,214
Clearing	42	\$35,482	\$153,754	\$1,845,043
Douglas	54	\$45,619	\$197,683	\$2,372,198
Dunning	48	\$40,550	\$175,718	\$2,108,621
East Garfield Park	35	\$29,568	\$128,128	\$1,537,536
East Side	31	\$26,189	\$113,485	\$1,361,818
Edgewater	217	\$183,322	\$794,394	\$9,532,723
Edison Park	1	\$845	\$3,661	\$43,930
Englewood	43	\$36,326	\$157,414	\$1,888,973
Forest Glen	13	\$10,982	\$47,590	\$571,085
Fuller Park	11	\$9,293	\$40,269	\$483,226
Gage Park	160	\$135,168	\$585,728	\$7,028,736
Garfield Ridge	81	\$68,429	\$296,525	\$3,558,298
Grand Boulevard	75	\$63,360	\$274,560	\$3,294,720
Greater Grand Crossing	88	\$74,342	\$322,150	\$3,865,805
Hegewisch	8	\$6,758	\$29,286	\$351,437
Hermosa	62	\$52,378	\$226,970	\$2,723,635
Humboldt Park	140	\$118,272	\$512,512	\$6,150,144
Hyde Park	31	\$26,189	\$113,485	\$1,361,818
Irving Park	140	\$118,272	\$512,512	\$6,150,144
Jefferson Park	33	\$27,878	\$120,806	\$1,449,677
Kenwood	49	\$41,395	\$179,379	\$2,152,550
Lake View	98	\$82,790	\$358,758	\$4,305,101
Lincoln Park	26	\$21,965	\$95,181	\$1,142,170

Lincoln Square	72	\$60,826	\$263,578	\$3,162,931
Logan Square	94	\$79,411	\$344,115	\$4,129,382
Loop	25	\$21,120	\$91,520	\$1,098,240
Lower West Side	79	\$66,739	\$289,203	\$3,470,438
McKinley Park	125	\$105,600	\$457,600	\$5,491,200
Montclare	42	\$35,482	\$153,754	\$1,845,043
Morgan Park	17	\$14,362	\$62,234	\$746,803
Mount Greenwood	3	\$2,534	\$10,982	\$131,789
Near North Side	69	\$58,291	\$252,595	\$3,031,142
Near South Side	38	\$32,102	\$139,110	\$1,669,325
Near West Side	57	\$48,154	\$208,666	\$2,503,987
New City	108	\$91,238	\$395,366	\$4,744,397
North Center	22	\$18,586	\$80,538	\$966,451
North Lawndale	39	\$32,947	\$142,771	\$1,713,254
North Park	29	\$24,499	\$106,163	\$1,273,958
Norwood Park	25	\$21,120	\$91,520	\$1,098,240
O'Hare	19	\$16,051	\$69,555	\$834,662
Oakland	26	\$21,965	\$95,181	\$1,142,170
Portage Park	108	\$91,238	\$395,366	\$4,744,397
Pullman	12	\$10,138	\$43,930	\$527,155
Riverdale	8	\$6,758	\$29,286	\$351,437
Rogers Park	187	\$157,978	\$684,570	\$8,214,835
Roseland	75	\$63,360	\$274,560	\$3,294,720
South Chicago	70	\$59,136	\$256,256	\$3,075,072
South Deering	34	\$28,723	\$124,467	\$1,493,606
South Lawndale	144	\$121,651	\$527,155	\$6,325,862
South Shore	146	\$123,341	\$534,477	\$6,413,722
Uptown	188	\$158,822	\$688,230	\$8,258,765
Washington Heights	42	\$35,482	\$153,754	\$1,845,043
Washington Park	39	\$32,947	\$142,771	\$1,713,254
West Elsdon	78	\$65,894	\$285,542	\$3,426,509
West Englewood	47	\$39,706	\$172,058	\$2,064,691
West Garfield Park	22	\$18,586	\$80,538	\$966,451
West Lawn	120	\$101,376	\$439,296	\$5,271,552
West Pullman	44	\$37,171	\$161,075	\$1,932,902
West Ridge	248	\$209,510	\$907,878	\$10,894,541
West Town	90	\$76,032	\$329,472	\$3,953,664
Woodlawn	48	\$40,550	\$175,718	\$2,108,621

Appendix B - Economic Impact by Chicago Ward

Ward	Local 1 Hotel Workers	Est. Weekly Loss of Hotel Worker Income	Est. Monthly Loss of Hotel Worker Income	Est. Annual Loss of Hotel Worker Income
1	73	\$61,670	\$267,238	\$3,206,861
2	36	\$30,413	\$131,789	\$1,581,466
3	146	\$123,341	\$534,477	\$6,413,722
4	134	\$113,203	\$490,547	\$5,886,566
5	106	\$89,549	\$388,045	\$4,656,538
6	117	\$98,842	\$428,314	\$5,139,763
7	124	\$104,755	\$453,939	\$5,447,270
8	122	\$103,066	\$446,618	\$5,359,411
9	80	\$67,584	\$292,864	\$3,514,368
10	81	\$68,429	\$296,525	\$3,558,298
11	320	\$270,336	\$1,171,456	\$14,057,472
12	255	\$215,424	\$933,504	\$11,202,048
13	149	\$125,875	\$545,459	\$6,545,510
14	261	\$220,493	\$955,469	\$11,465,626
15	143	\$120,806	\$523,494	\$6,281,933
16	108	\$91,238	\$395,366	\$4,744,397
17	100	\$84,480	\$366,080	\$4,392,960
18	107	\$90,394	\$391,706	\$4,700,467
19	18	\$15,206	\$65,894	\$790,733
20	115	\$97,152	\$420,992	\$5,051,904
21	108	\$91,238	\$395,366	\$4,744,397
22	125	\$105,600	\$457,600	\$5,491,200
23	168	\$141,926	\$615,014	\$7,380,173
24	48	\$40,550	\$175,718	\$2,108,621
25	134	\$113,203	\$490,547	\$5,886,566
26	100	\$84,480	\$366,080	\$4,392,960
27	106	\$89,549	\$388,045	\$4,656,538
28	96	\$81,101	\$351,437	\$4,217,242
29	112	\$94,618	\$410,010	\$4,920,115
30	127	\$107,290	\$464,922	\$5,579,059
31	134	\$113,203	\$490,547	\$5,886,566
32	34	\$28,723	\$124,467	\$1,493,606
33	183	\$154,598	\$669,926	\$8,039,117
34	64	\$54,067	\$234,291	\$2,811,494
35	148	\$125,030	\$541,798	\$6,501,581
36	143	\$120,806	\$523,494	\$6,281,933
37	108	\$91,238	\$395,366	\$4,744,397
38	71	\$59,981	\$259,917	\$3,119,002
39	75	\$63,360	\$274,560	\$3,294,720
40	135	\$114,048	\$494,208	\$5,930,496

41	37	\$31,258	\$135,450	\$1,625,395
42	48	\$40,550	\$175,718	\$2,108,621
43	18	\$15,206	\$65,894	\$790,733
44	44	\$37,171	\$161,075	\$1,932,902
45	73	\$61,670	\$267,238	\$3,206,861
46	186	\$157,133	\$680,909	\$8,170,906
47	47	\$39,706	\$172,058	\$2,064,691
48	234	\$197,683	\$856,627	\$10,279,526
49	200	\$168,960	\$732,160	\$8,785,920
50	175	\$147,840	\$640,640	\$7,687,680

Appendix C

Economic Impact by Congressional District

<i>US Congressional District</i>	<i>UNITE HERE Local 1 Hotel Workers</i>	<i>Est. Weekly Loss of Hotel Worker Income</i>	<i>Est. Monthly Loss of Hotel Worker Income</i>	<i>Est. Annual Loss of Hotel Worker Income</i>
Congressional District 1	962	\$812,698	\$3,521,690	\$42,260,275
Congressional District 2	550	\$464,640	\$2,013,440	\$24,161,280
Congressional District 3	988	\$834,662	\$3,616,870	\$43,402,445
Congressional District 4	1,797	\$1,518,106	\$6,578,458	\$78,941,491
Congressional District 5	670	\$566,016	\$2,452,736	\$29,432,832
Congressional District 6	28	\$23,654	\$102,502	\$1,230,029
Congressional District 7	1,126	\$951,245	\$4,122,061	\$49,464,730
Congressional District 8	88	\$74,342	\$322,150	\$3,865,805
Congressional District 9	1,072	\$905,626	\$3,924,378	\$47,092,531
Congressional District 10	66	\$55,757	\$241,613	\$2,899,354
Congressional District 11	60	\$50,688	\$219,648	\$2,635,776
Congressional District 13	1	\$845	\$3,661	\$43,930
Congressional District 14	22	\$18,586	\$80,538	\$966,451
Congressional District 16	4	\$3,379	\$14,643	\$175,718

Endnotes

i Park Hotels and Resorts Press Release, March. 26, 2020.

<https://www.sec.gov/Archives/edgar/data/1617406/000156459020012994/pk-ex991_6.htm>

ii City of Chicago website, accessed April 10, 2020.

<https://www.chicago.gov/city/en/depts/dcd/provdrs/invest_sw.html>

iii City of Chicago website, accessed April 10, 2020.

<https://www.chicago.gov/city/en/depts/dcd/provdrs/invest_sw.html>

iv Community Data Snapshot released June 2019, based on American Community Survey.

<https://www.cmap.illinois.gov/documents/10180/126764/_Combined_AllCCAs.pdf/>

v Choose Chicago 2018 annual report, page 15.

<https://www.choosechicago.com/uploads/2019/06/Choose_Chicago_2018_Annual_Report_416_5cbf4289-4213-44e4-b622-174500953a00.pdf>

vi PwC Report, "Hospitality Directions US: Our updated lodging outlook," January 2020.

<<https://www.pwc.com/us/en/industries/hospitality-leisure/assets/pwc-hospitality-directions-us-january-2020.pdf>>

vii Choose Chicago 2018 annual report, page 15.

<https://www.choosechicago.com/uploads/2019/06/Choose_Chicago_2018_Annual_Report_416_5cbf4289-4213-44e4-b622-174500953a00.pdf>

viii Park Hotels and Resorts Press Release, March. 26, 2020.

<https://www.sec.gov/Archives/edgar/data/1617406/000156459020012994/pk-ex991_6.htm>

ix Park Hotels and Resorts Press Release, March. 16, 2020.

<https://www.sec.gov/Archives/edgar/data/1617406/000156459020011220/pk-ex991_6.htm>

x Park Hotels and Resorts Schedule 14A, page 62.

<<https://www.sec.gov/Archives/edgar/data/1617406/000119312520070851/d867666ddef14a.htm>>