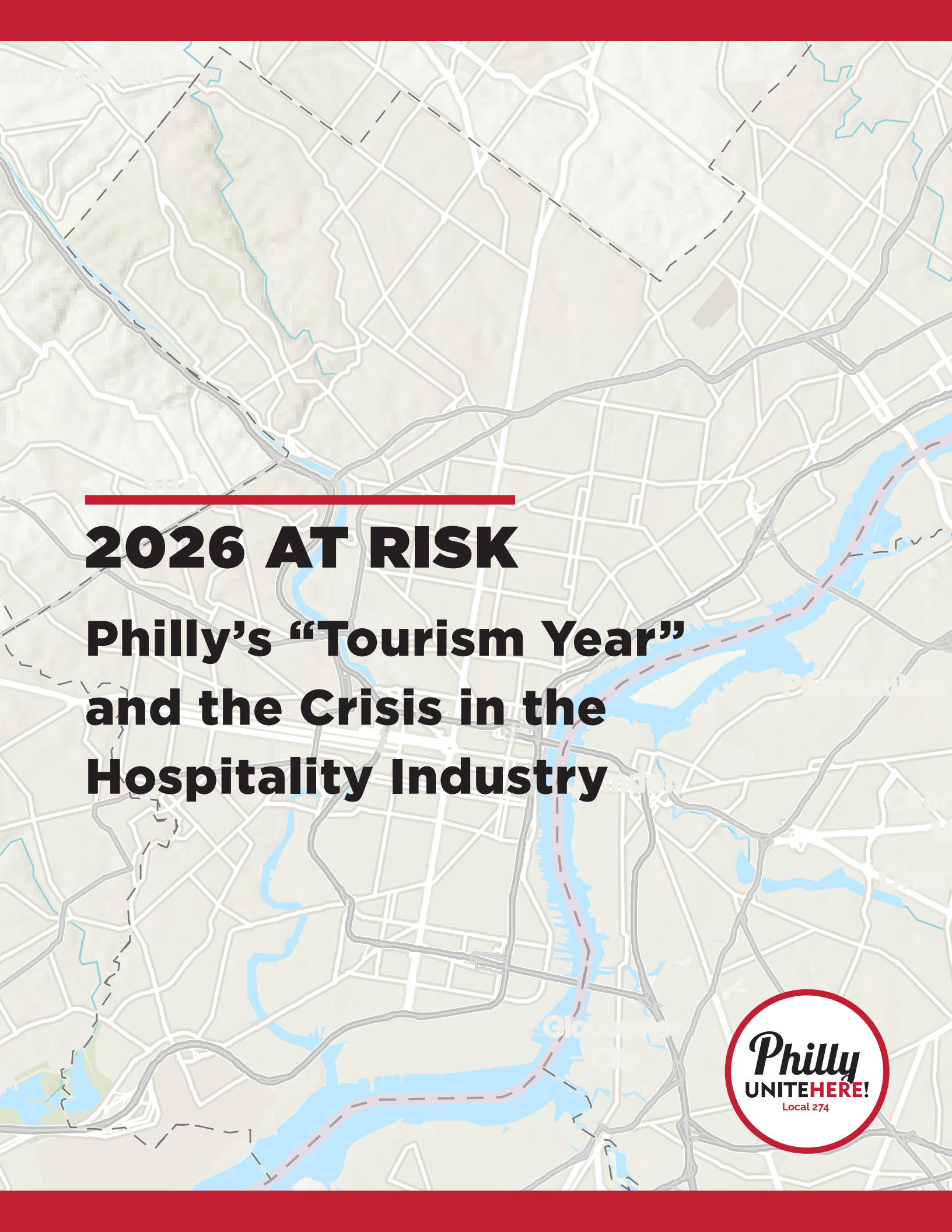




2026 AT RISK

**Philly's "Tourism Year"
and the Crisis in the
Hospitality Industry**



INTRODUCTION

2026 IS GOING TO BE PHILADELPHIA'S YEAR.

That's the consensus of the city's business community, elected officials, and civic leaders. Next year, Philly will play host to a number of major events, including the FIFA World Cup, the MLB All-Star Game, the PGA Championship, and NCAA Men's Basketball tournaments. Amidst it all, Philadelphia will serve as the epicenter of national celebrations of the 250th anniversary of the Declaration of Independence.

**"This is
tourism on
steroids."**

**— Councilmember
Isaiah Thomas**

"This is perhaps the greatest opportunity in modern history," says the city's specially appointed 2026 Director Michael Newmuis, "to position Philadelphia on a national, if not global stage."¹ In the words of Councilmember Isaiah Thomas, "This is tourism on steroids."²

The combined economic impact of these events promises to be immense. Analysts predict 2026 tourism will bring over one billion dollars in total added revenue to the region – one recent study estimates that the FIFA World Cup *alone* will bring 6,000 jobs and \$770 million in economic activity.³

Threats to what the *Philadelphia Inquirer* has called "Philly's big tourism year" have been discussed, from fears of insufficient event funding and concern about the risks posed to international travelers by President Trump's draconian border policies, to anxiety over the consequences of potentially severe cuts to the SEPTA budget and DOGE-induced staffing shortages in the National Park Service.⁴ But one central problem has not received the attention it deserves:

PHILADELPHIA'S HOSPITALITY WORKERS ARE FALLING BEHIND.

Hospitality workers are the lifeblood of the tourism industry. They sweep every floor, make every bed, cook every meal, and serve every drink that tourists enjoy from the second they step off the plane at PHL to the moment they check out of their hotels. And if these workers' needs are not met, 2026 may be marked by historic disruptions to Philadelphia's hospitality industry.

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PHILADELPHIA BETS BIG ON PLAYING HOST

With its Fiscal Year 2026 budget, Philadelphia has gone all-in on 2026 tourism. The city has committed almost \$120 million from its General, Transportation, and Capital funds to support “preparations for large-scale special events planned for 2026,” along with an additional \$500 million for capital investments at Philadelphia International Airport to “further accommodate an influx of visitors [and foster] a successful and memorable 2026.”⁵

That influx of visitors will put Philly’s capacity to the test. Attendees of the major 2026 events are expected to book about 26,000 hotel room nights. “To put that in perspective,” points out Gregg Caren of the Philadelphia Convention & Visitors’ Bureau, “the city proper has [only] 14,400 rooms.”⁶ When the city is booked solid, the success of 2026 will depend on the stability of the hospitality industry – and contracts have expired at union hotels across Philadelphia.

In May, hundreds marched through Center City behind a banner reading *Hotel Workers Ready to Strike*. Since then, pickets demanding family-sustaining wages and humane staffing levels have popped up in front of hotels across Philadelphia. At a recent picket at the Sheraton Philadelphia Downtown, banquet steward Shafeek Anderson expressed his coworkers’ demand for a contract that doesn’t leave them overworked or “put us in a



position where we’re walking home and our feet feel like they’re about to explode every day.” At a picket line outside the Wyndham Philadelphia Historic District in June, housekeeper Sabira Gordon summed up her coworkers’ situation simply: “Everybody is fighting to live their day-to-day life.”

Philly’s hospitality workers are increasingly demanding their fair share. Recent history shows they aren’t bluffing. In November 2021, workers at the Wyndham Philadelphia Historic District celebrated “Strikesgiving” by walking off the job, weeks before winning their pay and workload demands. Just last year, Aramark workers at the Sports Complex – which is set to host the 2026 MLB All-Star Game– struck as many as *nine* events, including two NBA play-off games, going on to win transformative improvements to their wages, health benefits and working conditions.

This should come as no surprise. Lately, America's hospitality workers have been in a fighting mood. In the past two years, well over 10,000 hotel workers have gone on strike in Baltimore, Boston, Connecticut, Hawaii, Los Angeles, San Diego, San Francisco, San Jose,

the US Chamber of Commerce estimates that the San Francisco hotel strike, which lasted 93 days, cost the city over \$212 million

and Seattle. In the Los Angeles area alone, workers went on strike more than 175 times at over 60 hotels. Disruptions to customer experience in the areas affected by these strikes were enormous. At one hotel in Hawaii, frustrated guests went so far as to stage a protest in the lobby against service interruptions, demanding refunds.⁷ In cities that experienced strikes, the total economic costs ran high: the US Chamber of Commerce estimates that the San Francisco hotel strike, which lasted 93 days, cost the city over \$212 million in lost income.⁸

2026 will not be the first time Philly has welcomed the world on the anniversary of American independence. The 1876 Centennial Exposition was a landmark in the city's history, bringing some ten million visitors from around the globe to festival grounds in Fairmount Park, re-establishing Philadelphia's international prestige after the turbulent years of the Civil War. The 1926 Sesquicentennial and 1976 Bicentennial, however, were widely regarded as disappointments. The 1976 celebrations were marked by mass protests against poverty and disinvestment which led city officials to request a National Guard mobilization.⁹ The chaos depressed turnout; of the originally anticipated hundred million guests, only about fourteen to twenty million materialized. The country was left with an image of a Philadelphia at odds with itself, riven by crises of economic and racial inequality.¹⁰

Next year, the eyes of the world will again be on our city. How will 2026 be remembered?

PANDEMIC INFLATION HAS ERASED HOSPITALITY WORKERS' ECONOMIC GAINS

HOSPITALITY WORKERS NEED A RAISE.

Between 2019 and 2024, the median hourly wage for union housekeepers at Center City hotels rose 26%, from \$17.51 to \$22.11. For most, however, those gains have been eroded by inflation: during the same period, consumer prices in the Philadelphia region surged by

a full 23%.¹¹ This explosion in the cost of living continues to be felt by every member of Philadelphia’s working class. While the rate of inflation has since slowed, **workers have not yet made up the ground they lost.**



In 2019, MIT’s Living Wage Calculator estimated that a Philadelphian working full time (and with no out-of-pocket medical costs) needed to earn an hourly wage of \$22.15 to support themselves and one child. By 2024, on the other side of post-pandemic inflation, MIT estimated that a living wage for that same worker had risen over 73% to \$38.33.¹² The gap between what hotel workers take home and what they actually need has more than doubled.

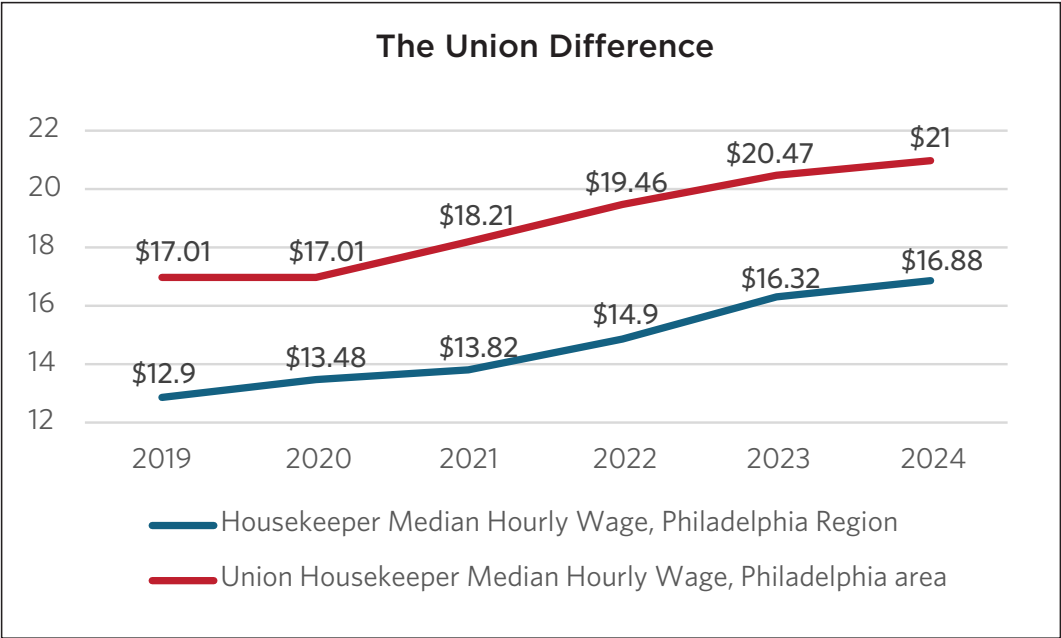
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By the end of the week a lot of us who have been working here a long time all have what we call “that little hunch” where your back is not standing straight up. Some of the housemen have it, some of the cooks have it, I have it. I have lower back pain, wrist pain – these are injuries common to housekeepers. I have to wear a back brace and take pain medication while I work. We are fighting for what we need to survive. These companies make millions and most of us are living paycheck-to-paycheck. We are human beings. Show us our respect.”



— TAMIKA LAWSON, Room Attendant, Hilton Garden Inn Philadelphia Center City

To make matters worse, the recent budget reconciliation bill passed by the US Congress will gut essential public health and nutrition benefits for hundreds of thousands of working-class Philadelphians. In our city, about 670,000 rely on Medicaid, over 23,000 children are insured through CHIP, and more than a quarter of residents count on SNAP to put food on the table. Each of these programs will suffer major cuts. The rollout of these cuts will be staggered, and it's impossible to say precisely what the total impact will be. But in the coming years, thousands of Philadelphians are expected to lose their Medicaid benefits as a direct result of the Republican legislation. Some 55,000 of our neighbors are expected to see their SNAP benefits disappear. In the context of this federal assault on the health and safety of working families, there is an urgent need to strengthen employer-based health insurance plans and to expand dependent coverage.



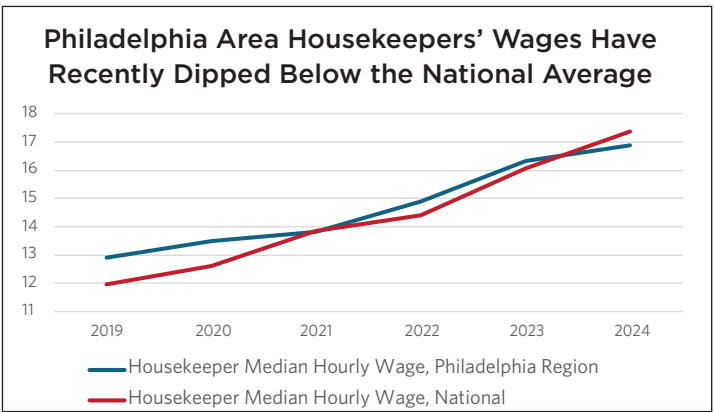
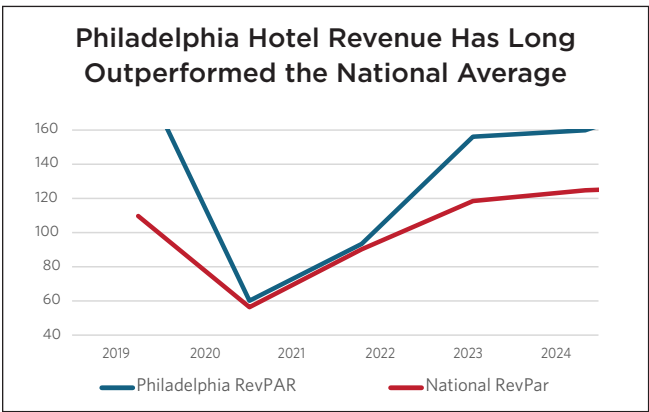
By far, the most effective tool hospitality workers have had to combat these rapid increases in the cost of living has been a strong union. As recently as the 1980s, our city could boast that nearly all jobs in its major hotels, particularly in the Center City area, were covered by union contracts. Workers in local bars and restaurants also enjoyed high levels of unionization as recently as the 1980s. But union membership in the service economy has declined precipitously over the past decades. In part, Philadelphia’s hospitality workers have suffered from the same structural changes in the economy that have caused private sector union density to sink to its current all-time low level of 5.9% nationwide. But they have also been the victims of a concerted wave of new non-union hotel construction spearheaded by Philly

power brokers in the 1980s and 1990s. Now, the vast majority of our city’s hospitality workforce lack the benefits of union membership. Growing unions in the service industry, which now accounts for roughly the same portion of local employment as the heavily unionized manufacturing sector did in its heyday, is a prerequisite for truly solving the problem of poverty in “America’s poorest big city.”¹³

The union difference is stark. Since 2019, wages for union hotel workers in the Philadelphia region have consistently outpaced the median wages of their non-union colleagues by an average of \$4.11 per hour.¹⁴ For a full-time worker, that equates to a difference of more than \$8,500 in a year. But even union hotel workers are falling far short of what they need. And they’re making it clear: they’re ready to fight.

HOSPITALITY WORKERS NEED FAMILY-SUSTAINING WAGES

The hotel industry has largely recovered from the pandemic. But workers haven’t shared in the recovery. Far from keeping up with inflation, hotel workers’ wages in the Philadelphia area have barely grown at all. In fact, 2024 saw the median wage for Philadelphia area housekeepers dip below the national average – although hotel revenue in Philadelphia has long outperformed that of the industry nationwide, even in the darkest days of the pandemic.



The city’s average Revenue per Available Room (RevPAR), the hotel industry’s key performance metric, hit a record-breaking \$154 in 2019, capping off what observers called “a decade of growth.”¹⁵ In the years since the pandemic sent that number plummeting to a low of \$48.27 in 2020, the sector has rebounded impressively. Last year, citywide RevPAR

surged to \$142.70, well on its way to matching its record-setting pre-pandemic levels. Reports indicate that 2025 is expected to outperform 2024, and it stands to reason that Philadelphia hotel revenue could reach new highs during the tourism bonanza of 2026.¹⁶

In the case of some hotels, the lion's share of profits has been siphoned off by interests far away from Philadelphia. Most hotels where union contracts are currently expired are owned and operated by companies based in cities as distant as Miami, Atlanta, Texas, and Massachusetts.¹⁷ These businesses are not, as many assume, the brands well-known to consumers like Hilton, Sheraton, and Wyndham. Rather, they are little-known private investment firms like Cambridge Landmark and Dreamscape Companies, and international hotel management groups like Aimbridge Hospitality and Pyramid Global Hospitality. A growing share of hotels are also owned by real estate investment trusts (REITs), companies with enormous real estate portfolios spanning the country – in some cases, the globe – with assets including hotels, apartment buildings, office complexes, and countless other kinds of properties. ACRES Commercial Realty, a REIT that owns Philadelphia's Hilton Garden Inn Center City, boasted a portfolio worth \$1.5 billion last year. Blackstone REIT, owner of the Hampton Inn Philadelphia Center City – Convention Center, claims over \$100 billion in assets under management. Both companies are based in New York.

A STAFFING CRISIS IN PHILLY HOTELS

Covid-19 hit hotel owners hard. It hit hotel workers much harder. In March 2020, when millions quarantined themselves in their homes and all but the most essential work was put on

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My rent is high, I have two grandchildren, and I live with my 73-year-old uncle. He can't work because of his health. I have to help support him, especially when it comes to food. And the price of food is going up. Last time I went to the supermarket, I spent almost \$200 and walked out with less than three full bags. Enough is enough. I'm tired of waiting. I'm ready to fight for what's mine.



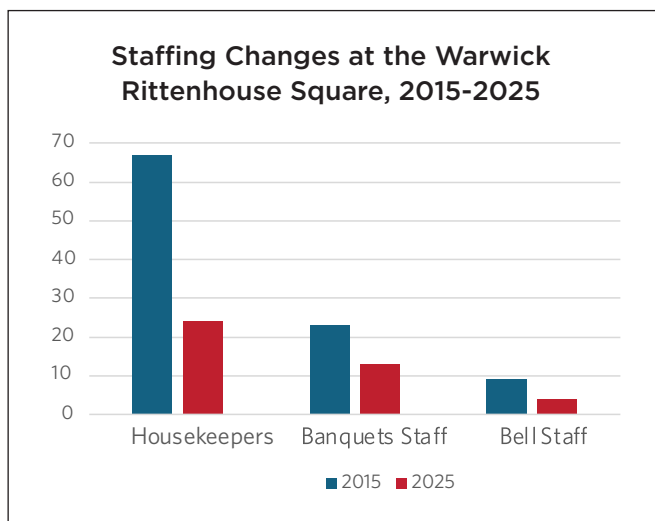
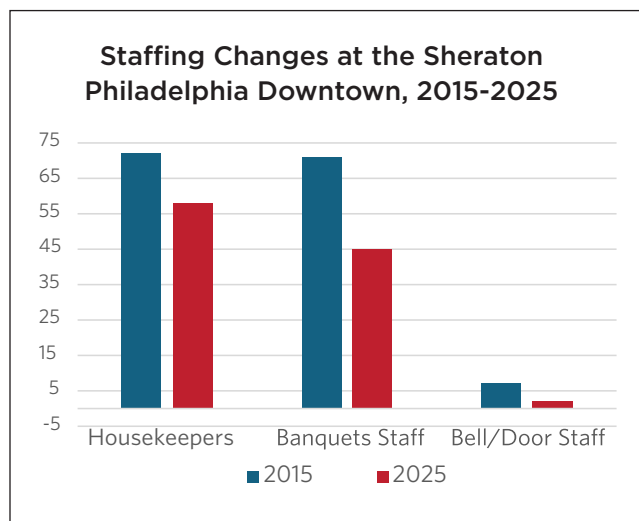
— HOWARD MCMILLAN, Houseman, Hampton Inn Philadelphia Center City

hold, tourism and hospitality work practically dried up overnight. Thousands of workers – many of whom had been employed by the same companies for years, even decades – suddenly found themselves without a job to go to.

The Sheraton Philadelphia Downtown – owned by Miami-based private investment firm Cambridge Landmark – has seen a 19.4% decrease in housekeeper staffing...

At the urging of those workers, Philadelphia City Council passed a bill in late 2020 requiring that employers at hotels, stadiums and the airport give their laid-off employees the right of first refusal as jobs opened back up. But many soon found themselves returning to jobs that had changed in significant ways.

Statewide, Pennsylvania hotel employment stands 9% below pre-pandemic levels.¹⁸ But while the pandemic dramatically accelerated a trend of understaffing and job combination, it didn't create it. For hotel workers, this trend has long been a crisis. To take one example, the Sheraton Philadelphia Downtown – owned by Miami-based private investment firm Cambridge Landmark – has seen a 19.4% decrease in housekeeper staffing and a 71.4% employment drop in its bell/door department over the past decade. Overall employment at the Wyndham Philadelphia Historic District, owned by billionaire Robert L. Johnson's RLJ Lodging Trust, dropped by almost 20% over the same period, with cuts in the housekeeping and banquets departments; the bell person position was cut entirely.¹⁹ "They've shortened our hours quite a bit," explains 17-year Wyndham restaurant server Monica Burks, "Before, I was working an 8-hour shift. We used to do lunch. Now, they've cut out the lunch and shortened the breakfast hours. As people leave or retire, they don't replace them."





When these positions are eliminated, their responsibilities do not always disappear with them: in some cases, a shrinking and already overworked staff is forced to carry that burden. If allowed, hotel operators will continue to encumber their employees with workload increases. In recent contract negotiations, representatives of the Hilton Garden Inn Center City proposed combining layoffs with a new schedule that threatens to potentially *double* housekeepers' daily workload in certain situations. As Hilton Garden Inn housekeeper Tamika Lawson points out, the new proposal could mean housekeepers cleaning as many as 32 rooms in a single shift: "We aren't machines. We don't have battery packs in our backs."

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The effects of these job cuts aren't limited to the shop floor. Philadelphia has long been plagued by the highest poverty rate of any American city of comparable size, with nearly a quarter of its Black residents living below the poverty line. The loss of good, majority-Black union jobs is ultimately a form of disinvestment, with damaging ripples reaching widely into the community at large.

WHOSE 2026?

This summer's municipal workers' strike highlighted the sometimes unpredictable way that labor disputes can disrupt high-profile events, when Wawa Welcome America Fest headliner LL Cool J suddenly withdrew from the festival, announcing, "There's absolutely no way that I could perform, cross a picket line, and pick up money when I know that people are out there fighting for a living wage." The legendary rapper was soon joined by Philly's own Jazmine Sullivan, who committed not to play "until the city and union find a way to bring fair living wages to our working class." Just like that, with only hours to go before showtime, the 4th of July festival lost both its headlining acts.²⁰ Recent strikes in other cities have seen events from weddings to big-ticket concerts boycotted, rescheduled, or withdrawn entirely.²¹

The success of Philly's billion-dollar tourism year hinges on its hospitality workers. The facts are plain: those workers need higher take-home pay and pension contributions, stronger health benefits and staffing protections, and more power and dignity on the job. Inadequate wages, inhumane staffing levels, and other forms of mistreatment and disrespect are putting 2026 in jeopardy.

"If we have to wait until 2026 to get what we need," explains Hampton Inn houseman Howard McMillan, "we'll probably be on strike by then. **Enough is enough. I'm tired of waiting.**"

“

I've worked here for 17 years. Over the years they've shortened our hours quite a bit. We used to do lunch. Now, they cut out the lunch and shortened the breakfast. I'm not making 40 hours a week anymore. I feel like my job has been hollowed out, and I have to survive on what's left. The tips used to help us make ends meet, but they're not what they used to be, and right now, our ends can't meet. I'm fighting for auto-gratuity and a real raise to keep my family afloat.



— MONICA BURKS, Restaurant Server, Wyndham Philadelphia Historic District

AT RISK OF DISPUTE



- 1 Sheraton University City** – owned by University of Pennsylvania (Philadelphia, PA), operated by Davidson Hospitality Group (Atlanta, GA)
3549 Chestnut St, Philadelphia
- 2 Warwick Hotel Rittenhouse Square** – owned by Navika Capital (Uniondale, NY), operated by Blue Sky Hospitality Solutions (Uniondale, NY)
220 S 17th St, Philadelphia
- 3 Sonesta Hotel Philadelphia** – owned by Service Properties Trust (Newton, MA), operated by Sonesta International Hotels (Newton, MA)
1800 Market St, Philadelphia
- 4 Sheraton Philadelphia Downtown** – owned by Cambridge Landmark (Miami, FL), operated by Aimbridge Hospitality (Plano, TX)
201 N 17th St, Philadelphia
- 5 Hampton Inn Philadelphia Center City** – owned by Blackstone Real Estate Income Trust (New York, NY), operated by HHM Hotels (Philadelphia, PA), 1301 Race St, Philadelphia
- 6 Hilton Garden Inn Philadelphia Center City** – owned by ACRES Commercial Realty Corp REIT (Uniondale, NY), operated by GF Hotels & Resorts (Philadelphia, PA)
1100 Arch St, Philadelphia
- 7 Wyndham Philadelphia Historic District** – owned by RLJ Lodging Trust (Bethesda, MD), operated by Aimbridge Hospitality (Plano, TX)
400 Arch St, Philadelphia
- 8 Hilton Philadelphia Penn's Landing** – owned by Daniel J. Keating, III (Narberth, PA), operated by Pyramid Global Hospitality (Boston, MA)
201 N. Christopher Columbus Blvd, Philadelphia,

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