



Still Standing

The Lodging Conference Highlights Resilience Of Industry

By Dennis Nessler | October 5, 2021

A wide cross-section of the industry gathered last week for the in-person return of The Lodging Conference following a hiatus last year as a result of the pandemic and the event was marked by a measure of optimism.

Harry Javer, founder and producer, The Lodging Conference, got the conference—which took place at the JW Marriott Phoenix Desert Ridge Resort & Spa—started by pointing out how resilient hoteliers have proven to be following a difficult 18 months. “A year ago we heard it was over for the industry, but we’re still standing,” he said.

In addition, **Bernard Baumohl, chief global economist, The Economic Outlook Group, LLC**, offered a generally positive perspective on the economy during his “Economic Outlook” keynote address.

Baumohl declared during the address that he is “taking a recession off the table for the next 5 years,” for the U.S. economy. He did add the caveat of “assuming there are no major shocks to the economy,” to that forecast.

According to **Baumohl**, his company is forecasting 5.7% GDP growth for the U.S. this year, followed by 3.1% next year and 2.4% in 2023.

He further reinforced the point that while the short-term outlook may not be as positive, the long-term prospects seem to be stronger.

“If we can look just beyond the next five to six months it looks like we’re going to having a much more normal business and economic cycle for much of 2022 and certainly into 2023. We see far more positive forces acting on the economy than negative forces when we get into in the second half of next year,” he said, adding that is assuming the U.S. does not default on its debt in the coming weeks.

Baumohl, however, acknowledged that the economic picture for the rest of the world remains a little murkier.

“We’re going to have an uneven global recovery,” he said, further noting that the U.S. would act as a catalyst for the global economy.

But **Baumohl** conceded there are some challenges to the economic picture as well. For example, he referenced ongoing supply chain issues.

“We just don’t seem to see the supply chain bottleneck ease up as quickly as we had hoped,” he said, adding energy prices are on the rise, in addition to a scarcity of goods.

Baumohl also noted that consumer sentiment numbers have plunged of late as well.

“The consumer is the bedrock of the economy and they have been spearheading much of the recovery this year. But since the middle of August the calculus seems to have changed again,” he said, citing concerns about the Delta virus as well as inflation measures.

Meanwhile, business travel remains a key concern for the lodging industry going forward, but **Baumohl** is bullish on that recovering as well.

“We’ve all been through economic cycles in the past and I can tell you with absolute confidence do not underestimate the resilience of business travel to come back. There just is no alternative to having these kinds of interpersonal relationships through these meetings and conferences. So I do not expect that

we're going to be seeing a significant loss in business travel, I expect more than 90 percent of it will come back over the course of the next year or so," he said.

Baumohl added, "we have seen also some changes in terms of travel policies. More people are being vaccinated, which tells you that people are going to be taking more trips."

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