



TO: US travel and tourism policymakers
FROM: Airbnb
DATE: March 16, 2020
RE: Host and small-business reliance on travel through Airbnb

Airbnb Overview and Economic Value

Travel on Airbnb is powered by people, not large corporations. It provides experiences that are authentic and local and keeps most of the money spent on travel and tourism in the communities where it takes place. Most Airbnb hosts are everyday people sharing the homes in which they live to earn needed income through travel and tourism.

Airbnb started in 2008 as the Great Recession was inflicting a then-historic blow to travel and tourism. Two of our founders, Brian and Joe, started the company as a means to afford the rent on their San Francisco apartment. In doing so, they created a unique business model within the travel industry, connecting people seeking out a different way to travel with people looking to share extra space in their homes.

Airbnb emerged out of that economic downturn as a people-to-people marketplace, or two-sided platform, that economically empowers hosts while providing local, authentic experiences to guests. In order to facilitate a trusted community, we support both sides of the marketplace by enabling two-way reviews, providing insurance, handling payments, confirming the identity of users, and requiring a commitment to promote belonging. For this support, we typically charge guests a variable service fee while hosts pay 3% of the price they charge for their space. The remaining 97% of what they charge stays with them. For example, an Airbnb host who charges \$100 per night keeps \$97.

To date, Airbnb hosts have earned more than \$80 billion sharing their spaces through our marketplace. Hosts themselves determine how much they charge, whether and when to share their spaces, and how to engage with guests. We are proud that more than half our hosts around the world have always been women—including 58% of hosts in the US as of 2019. Americans aged 60 and older, many of whom live on fixed incomes, also have been one of our largest cohorts of US hosts, currently accounting for nearly one in every five. According to a recent survey, 14% of our US hosts said they or someone in their household is an educator.

US Host and Small-Business Reliance on Travel through Airbnb

As of the end of 2019, Airbnb's accommodation marketplace included more than 1.1 million active listings in the US, and many of these hosts and their local communities depend on the economics generated through the platform. In a recent survey of our US host and guest community, based on their activity on our platform in 2019:¹

¹ According to more than 22,000 responses to a voluntary survey of host and guest accounts that used Airbnb in the US in 2019. No payment or other incentive was provided in exchange for completing the survey.



Hosts count on their Airbnb income:

- More than half of hosts surveyed (53%) said their Airbnb income helped them stay in their homes, and about half of hosts surveyed (49%) said they were hosting on Airbnb to help make ends meet.
- Nearly one in five (18%) said hosting on Airbnb helped them avoid eviction or foreclosure.
- More than eight in 10 (82%) of hosts were not earning income through hosting before listing their spaces on Airbnb. And nearly one in five (18%) consider their Airbnb hosting to be their primary occupation.

Small businesses—many of which are located outside traditional tourist districts and not served by hotel-supported tourism—also benefit from the Airbnb community:

- More than six in 10 hosts (61%) said they hired someone to help them maintain their listings (such as house cleaners) or help them make their listings available (such as small property managers).
- More than nine in 10 hosts (96%) said they recommend places to visit to guests. Of that group:
 - More than nine in 10 (91%) said they make recommendations in the neighborhoods of their listings.
 - More than nine in 10 (93%) also said they recommend businesses that are locally owned.
- Seventy-eight percent of US guests said they visited the places recommended by their Airbnb hosts.
- A majority of US guests (56%) said that saving money by staying at an Airbnb allowed them to spend more on goods and services during their stay.
- And on average, US guests said that 43% of their spending occurred in the neighborhood of their Airbnb listing.
- Based on guest survey responses, Airbnb guests spent an estimated \$13 billion in restaurants and \$5 billion on shopping in the US in 2019.

Travel on Airbnb is powered by people, not large corporations. It provides experiences that are authentic and local and keeps far more of the money spent on travel and tourism in the communities where it takes place. While COVID-19 will have a painful impact on this in the near-term, we believe that travel is resilient and eventually will rebound. When it does, we believe our two-sided marketplace will enable more people-to-people exchange than ever before. Until then, we ask that you consider Airbnb hosts along with the everyday people whose financial security has been put at risk by the COVID-19 epidemic.



Overall Risk to Global Tourism

In the decade after the Great Recession, travel and tourism soared, and Airbnb's own growth tracked with it, reaching more than 7 million listings and more than 500 million guest arrivals around the world as of 2019.

In 2018, the travel and tourism sector generated more than 10 percent of GDP and accounted for one in every 10 jobs, according to the World Travel & Tourism Council (WTTTC), including one in every five jobs created from 2014 through 2018. Sector growth also outpaced growth of the global economy overall in 2018, 3.9% to 3.2%, for the eighth consecutive year.²

In 2019, the global economy grew by 3% while growth in international tourist arrivals specifically grew at 3.8%, according to the United Nations World Tourism Organization (UNWTO), which projected a similar growth rate of 3-4% for 2020. Expected growth in international departures from January through April 2020 looked "particularly strong" at 10 percent, and the Tokyo Games and other big events were expected to help drive demand throughout this year.

In recent days, however, both the UNWTO and WTTTC have issued grim forecasts for 2020: The UNWTO has revised its earlier prediction of growth in international arrivals around 4% for 2020 to negative growth of 1-3%,³ while the WTTTC has announced that "international travel could be adversely impacted by up to 25% this year—the equivalent to a loss of three months of travel, corresponding to a 12-14% reduction in jobs." As a result, the WTTTC estimates that as many as 40-50 million jobs around the world are now effectively at risk.

² <https://www.wttc.org/>.

³ https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-03/Tourism-COVID19_EN-press.pdf.