



Presentation to Economic Forecasting Commission - October 2024

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MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Maine Restaurants – Sales Tax Reports

Year-over-Year Monthly Historical Review

6/2021 - \$332.2M	7/2021 - \$407.1M	8/2021 – \$395.1M	9/2021 – \$333.7M
6/2022 - \$360.3M	7/2022 - \$435.6M	8/2022 – \$433.4M	9/2022 – \$375.6M
6/2023 - \$390.2M	7/2023 - \$455.6M	8/2023 – \$453.8M	9/2023 – \$399.1M
6/2024 - \$401.4M	7/2024 - \$448.5M	8/2024 – \$466.2M	9/2024 – ?
2023-2024 +2.9%	2023-2024 -1.6%	2023-2024 +2.7%	

Year-to-Date Historical Review

8/2021 – \$2.11B	9/2021 – \$2.44B
8/2022 – \$2.36B	9/2022 – \$2.73B
8/2023 – \$2.54B	9/2023 – \$2.94B
8/2024 – \$2.59B	9/2024 – ?
2023-2024 +2.0%	

Data from Maine Revenue Services

MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Maine Restaurants – 2024 Key Insights

- **Steady Sales Growth Amid Challenges:** Restaurant sales tax revenue has grown consistently from 2021 to 2024, suggesting continued spending despite more recent economic and operational challenges.
- **Unclear Drivers of Revenue Growth:** The increase in tax revenue may reflect higher menu prices due to inflation, as foot traffic appears to be declining anecdotally, making it hard to determine if growth comes from more customers or higher prices based on revenue numbers alone.
- **Rising Costs Squeezing Profit Margins:** With food and labor costs up 30% nationally over the past four years, restaurants face increased pressure on their slim 3-5% profit margins.
- **Independent Restaurant Closures:** Despite increasing sales, more independent restaurants are closing, driven by high operational costs, labor shortages, and uncertainty about future economic conditions.

MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Maine Restaurants – 2024 Quick Hits

- **Year to Date Revenue Growth:** August 2024 tax revenue reached \$2.59 billion, slightly surpassing \$2.54 billion in August 2023. Compared to August 2019 YTD, Maine is collecting \$530M more in restaurant sales taxes annually.
- **Inflation Impact:** A 2.9% revenue increase in June 2024 compared to June 2023 may not outpace inflation, signaling ongoing pressure on profitability.
- **Menu Prices Rise:** Restaurants have raised menu prices by 4% over the past year to manage rising operational costs. Restaurant prices have also outpaced grocery inflation for 13 consecutive months, likely influencing customer behavior and discretionary spending decisions.
- **Shifts in Peak Summer Sales:** July 2024 sales (\$448.5M) were slightly lower than July 2023 (\$455.6M).
- **Tourism Trends:** September continues to generate more revenue than June, reflecting a pre-pandemic trend.

MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Maine Lodging – Sales Tax Reports

Year-Over-Year Monthly Historical Review

6/2021 – \$192.8M	7/2021 – \$310.0	8/2021 – \$305.6M	9/2021 – \$207.9M
6/2022 – \$213.8M	7/2022 – \$339.7	8/2022 – \$334.8M	9/2022 – \$228.2M
6/2023 – \$218.1M	7/2023 – \$347.3	8/2023 – \$343.3M	9/2023 – \$231.5M
6/2024 – \$229.7M	7/2024 – \$339.5	8/2024 – \$354.0M	9/2024 – ?

2023-2024 +5.3%

2023-2024 -2.3%

2023-2024 +3.1%

Year-to-Date Historical Review

8/2021 – \$1.13B	9/2021 – \$1.33B
8/2022 – \$1.30B	9/2022 – \$1.52B
8/2023 – \$1.33B	9/2023 – \$1.56B
8/2024 – \$1.35B	9/2024 – ?

2023-2024 +1.7%



MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Current Month - September 2024 vs September 2023

	Occ %		ADR		Percent Change from September 2023					
	2024	2023	2024	2023	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
United States	64.6	66.2	162.63	160.70	-2.5	1.2	-1.3	-0.8	0.5	-2.0
New England	71.8	73.2	220.42	216.31	-1.9	1.9	-0.0	-0.7	-0.7	-2.6
Maine	72.5	74.8	212.36	211.32	-3.1	0.5	-2.6	-0.9	1.7	-1.4

Current Month - August 2024 vs August 2023

	Occ %		ADR		Percent Change from August 2023					
	2024	2023	2024	2023	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
United States	66.9	66.0	157.84	154.22	1.5	2.3	3.9	4.3	0.4	1.9
New England	76.5	74.7	231.14	222.43	2.5	3.9	6.5	5.7	-0.8	1.7
Maine	81.2	79.6	250.31	247.12	2.0	1.3	3.3	5.2	1.8	3.8

Current Month - July 2024 vs July 2023

	Occ %		ADR		Percent Change from July 2023					
	2024	2023	2024	2023	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
United States	68.8	69.1	161.69	160.91	-0.5	0.5	-0.0	0.5	0.5	-0.0
New England	74.9	74.1	226.44	221.72	1.1	2.1	3.2	2.0	-1.1	-0.1
Maine	76.7	76.2	232.27	240.94	0.6	-3.6	-3.0	-2.2	0.9	1.5

MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Year to Date - September 2024 vs September 2023										
	Occ %		ADR		Percent Change from YTD 2023					
	2024	2023	2024	2023	Occ	ADR	RevPAR	Room Rev	Room Avail	Room Sold
United States	64.0	64.3	158.73	156.15	-0.5	1.6	1.2	1.7	0.5	0.0
New England	65.2	64.3	197.35	192.16	1.5	2.7	4.2	2.9	-1.3	0.2
Maine	62.4	61.7	188.30	189.51	1.1	-0.6	0.4	1.0	0.6	1.7

Maine Lodging – 2024 Notable Takeaways

Steady Growth in Lodging Sales Tax Revenue: Lodging sales tax revenue continues to rise year-over-year, with August 2024 reaching \$354.0M, the highest on record for the month.

Occupancy Growth with Stable Spending: Occupancy has increased 1.1% year-to-date through September 2024 compared to the same period in 2023, helping maintain steady revenue.

MAINE HOSPITALITY INDUSTRY BY THE NUMBERS

Competitive Positioning and Regional Challenges: Despite August 2024 occupancy reaching 81%, 14% higher than the U.S. average, Maine still lags behind regional competitors year-round.

September Decline in Occupancy: September 2024 occupancy fell 3.1% compared to the same month in 2023, reflecting potential volatility in post-summer tourism demand despite stable year-to-date average revenue trends.

Quick Hits: Monthly Revenue Overview

•June Trends:

- June 2024 revenue reached \$229.7M, the highest June total in the past four years.

•July Observations:

- July 2024 revenue fell slightly to \$339.5M, compared to \$347.3M in July 2023, mirroring the sales for restaurants that month.

•Year-over-Year Revenue Patterns:

- Occupancy and revenue are relatively stable comparing YTD 2024/2023 versus YTD 2023/2022.