

# THE ECONOMIC CLUB

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O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring J.W. Marriot, Jr. Chairman and CEO,  
Marriot International, INC.**

**November 19, 2009**

We've got some green shoots out there [*in economic recovery*]; they're small, they're coming up. There's a little light at the end of the tunnel; it's a glimmer. We found during the summer there was a lot of activity in the leisure segment. . . . This fall, we're seeing a little bit of return to business travel, and leisure travel remains strong. Group business is pretty strong on the association side, but not very strong on the corporate side. We need to get corporations out of the bunker, out and moving again around the country, and holding meetings and traveling. And that's going to come as the economy recovers and as corporate investment starts to take hold.

The government is passing – if it hasn't passed already – the Travel Promotion Act, which is an opportunity to promote America abroad to international travelers, and it's not going to cost the government anything; they're going to put a surcharge on visa countries that come into this country that can pay a little more at the airport. But it would be a great opportunity for us to promote our country. We're the only country in the world that doesn't promote travel, and we haven't had any increase in international visitors since 2000, and it's really ridiculous because travel around the world has been growing to 6% a year, and we haven't been growing.

By and large, government needs to back off. We're worried about the healthcare thing. Business uncertainty is huge; we don't know what cap and trade is going to cost us, if it's going to pass, we don't know how much healthcare is going to cost us. Everybody's going to pay more taxes. It's not a good idea to raise taxes in a recession, but that's going to happen to us. The Bush tax cuts are going to expire, and we're all going to be paying a lot more taxes.

I don't think the economy is going to get better for a while, until we solve the unemployment problem. And one of the big concerns I have is that the government – as far as the unemployment situation is concerned – is not looking at tax incentives for business. If business starts investing again, and they have an incentive to invest, you're going to get new construction, you're going to get more computers sold, you're going to have more jobs created.

We're off about over 20%, 20, probably 21, 22% over the last 2 years [*decline in travel*]. 4 After 9/11, 2001 and 2002 – we were off 17%. So this is the worst of all that I've ever seen. I wasn't around in the Great Depression, but there were a lot of problems then, and nobody was traveling, but this is really the worst I've ever seen.

We started out with the Marriott brand, and about 26 years ago, we decided that we could go into what we called the limited service business, which was a small hotel. I was opposed to it; I didn't understand it. None of the big hotel chains were doing it. Everybody was either building big box hotels like this or they were building roadside motels. We went out to our customers and we said, what do you really want in your next hotel stay? They said, a better room at a lower price. And I said to our people, you mean we spent a million dollars in research to find out – [laughter] – that people want a better room at a lower price? And they said, yes. So we designed a little hotel with no meeting space, very limited restaurant service, no bell service, no room service. And it was called Courtyard. And it was a lower-priced hotel and a great room, and we've got 800 of them now, and all the other hotel chains have followed us into this segment.

We do have a carbon footprint for all our hotels; we're opening LEED-certificate select service hotels. . . . We're very concerned about it. I think we're doing as much as we can, as much as

anybody in the industry. We've decided we're going to cut our greenhouse gas emissions from the hotels by 25% by 2017. So we've got a lot going on in the green side.

The interesting part about careers in the hotel business is the tremendous variety of work that's being done in the big hotel companies. You've got real estate transactions, you've got a lot of legal work to do, got a lot of information technology that we have to buy into, a lot of Internet work, advertising, promotion, sales, along with making up the beds and serving the food in the hotel. So it's a complex industry; we've got reservation centers all over the world that have to be manned, people have to be trained, and there's a lot of training going on. We have 300,000 people around the world that are employed under the Marriott banner; either they're franchisees or managed hotels by us.