Leisure & Hospitality Employment Update

This monthly presentation focuses on the Leisure & Hospitality (L&H) industry

JUNE 2022 UPDATE
Leisure & Hospitality employment: June 2022 update (Apr.–May. data)

This presentation focuses on the Leisure & Hospitality (L&H) industry as defined by the Bureau of Labor Statistics.

We use it as a proxy for the travel industry as they have historically followed similar trends. Since the onset of the pandemic, however, the travel industry has suffered even greater losses than L&H. Please refer to this fact sheet for a short summary of the major differences between the L&H and Travel industries.
Leisure & Hospitality (L&H) employment remains 7.9% below pre-pandemic levels

After falling to roughly half of pre-pandemic levels in April 2020, L&H employment recovered most of its losses. Nevertheless, while jobs in the overall economy are nearly back (-0.5%) to pre-pandemic levels, as of May 2022, L&H remains at -7.9% ...an equivalent of 1.3 million jobs that are still lost.
L&H is suffering from the second highest share of jobs still lost

**Share of jobs still lost**

*Feb. 2020 vs May 2022*  
(negative means there was a jobs gain)

Only mining & logging has a higher share of jobs still lost, though the actual number of jobs lost in mining & logging (68,000) is much lower than in L&H (1.3 M).
And the largest absolute number of jobs still lost

L&H is not only the industry with the highest number of jobs still lost, but also the only one that has more jobs lost (1.3 M) than the net job loss of the entire economy (822,000)

Source: BLS
Within L&H, accommodation is the furthest behind

While Food & Beverage employment—which is also supported by local spending—was just 6% below pre-pandemic levels in May, Arts, Entertainment & Recreation was at -8% and Accommodation was at -18%.

Source: BLS
But the problem isn’t a lack of openings

With 1.5 million job openings in April (latest avail.), L&H accounts for a disproportional 13% of all U.S. job openings (11.4 M)

But while many industries have now nearly or fully recovered and are posting job openings focused on growth, L&H is desperately seeking to fill jobs just to recover to where it was in 2019 (as it remained 1.4 million jobs behind in April). Filling these positions, however, has been a challenge.

Please note: Job openings and quits data lags the overall employment data released by BLS by one month. The latest data available, as of June 8, was for April 2022.

Job openings by industry, April 2022

Source: BLS
L&H job openings rate has grown substantially... though it has declined in recent months

The share of L&H job openings (out of total available L&H jobs) increased dramatically from 5.7% in January 2021 to 11.7% in December 2021, and then fell to 8.9% in April 2022. This compares to a 7.0% openings rate for the overall economy.

Source: BLS
L&H accounts for a disproportionate share of total U.S. job openings

Despite a decrease in openings so far in 2022, L&H retained its disproportionate share of total U.S. job openings.

In April 2022, L&H—which accounted for 11% of pre-pandemic U.S. employment—still accounted for 13% of U.S. openings.

In other words, the 1.5 million L&H openings accounted for roughly one-in-eight of the 11.4 million total U.S. job openings.
L&H has experienced a surge in ‘job quits’ as a result of the pandemic, and its ‘job quits rate’ remains substantially higher than that of the overall economy.

The ‘job quits rate’ for L&H remained elevated at 5.2% in April 2022. This compares to 2.9% for the overall economy.

813,000 L&H workers quit their jobs in April, which represents a disproportionate 18% of the 4.4 million Americans who quit their jobs.

With such high quit rates, and so many other job options, it has been difficult to hire additional works.
There are not enough unemployed people to fill new positions.

The number of openings within L&H far exceeds the number of unemployed Americans who previously worked within L&H (and remain within the labor force).

The overall economy is suffering from the same crisis (11.4 million openings and just 5.9 million unemployed). Even if every unemployed American took a job right now, we would still have close to 6 million job openings.

To get our labor force back to pre-COVID levels, the travel industry must, therefore, not only be competitive and recruit from the general U.S. population but will also need workers from outside the country.

Number of unemployed vs job openings, April 2022

- L&H Openings: 1,513,000
- L&H unemployed: 641,000
- Overall Openings: 11,400,000
- Overall Unemployed: 5,900,000

Source: BLS

Overall Unemployed

0 2,000,000 4,000,000 6,000,000 8,000,000 10,000,000 12,000,000

Overall Openings

0 2,000,000 4,000,000 6,000,000 8,000,000 10,000,000 12,000,000

L&H Openings

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L&H unemployed

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Overall Unemployed

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Overall Openings

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L&H Openings
Average L&H wages have surged as the industry must compete for a limited number of workers.

L&H wages grew significantly since the end of 2020, from $17.12 in December 2020 to $19.86 in May 2022.

This compares to an average of $31.95 for the total private sector in May.

L&H wages were 20% above 2019 levels in May 2022 (and +10% YOY) while overall private sector wages were 15% above 2019 levels (and +5% YOY).
L&H AND THE TRAVEL INDUSTRY HAS ONE ATTRACTIVE OPTION: TEMPORARY FOREIGN WORKERS

- U.S. Travel respectfully urges the administration to release additional H-2B visas, which will be instrumental in facilitating an even recovery across all sectors of travel.

- U.S. Travel is also urging Congress to:
  - H-2B Cap relief the travel industry’s workforce desperately need. The H-2B Returning Worker Exemption Act (H.R. 3897) would permanently increase H-2B visas by exempting returning workers from the cap.
  - Support language in FY23 appropriations that require DHS to issue additional visas above the cap.
  - Encourage long-term structural reforms to temporary worker programs that would provide the travel industry with dedicated, increased and predictable access to temporary seasonal work visas.
  - Explore moderated immigration reform measures specific to the industry’s workforce needs.