

Leisure & Hospitality Employment Update

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

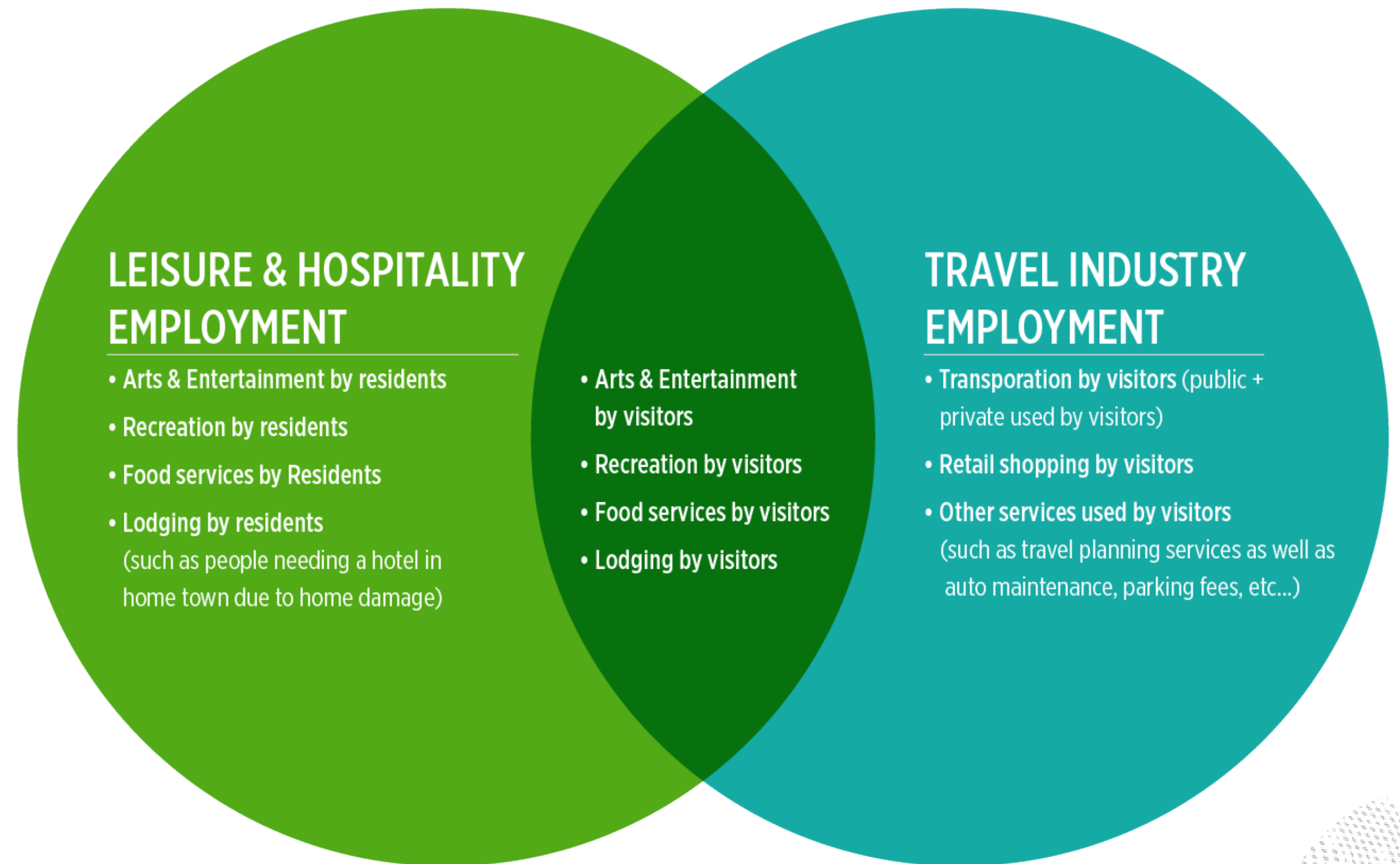
SEPTEMBER 2022 UPDATE

U.S. TRAVEL
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Leisure & Hospitality employment: September 2022 update (July–August data)

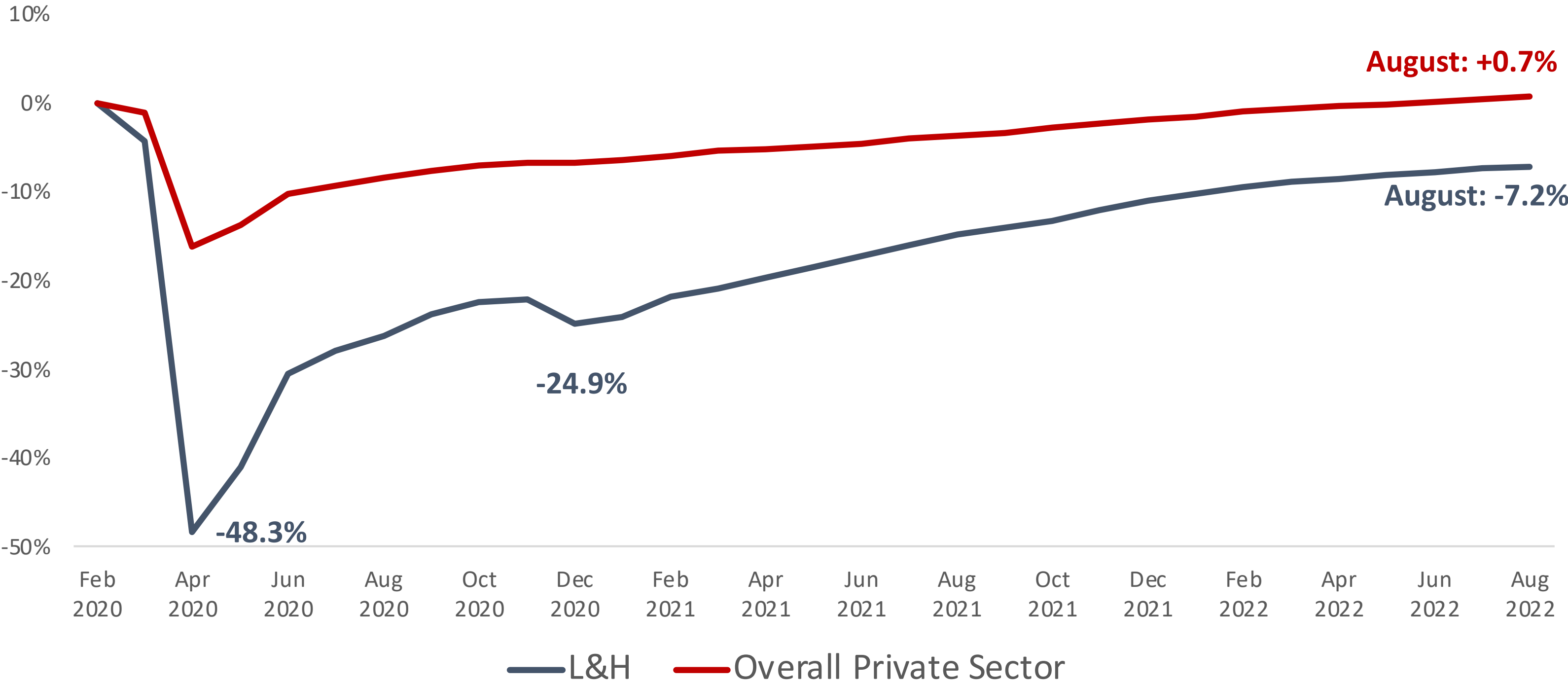
This presentation focuses on the Leisure & Hospitality (L&H) industry as defined by the [Bureau of Labor Statistics](#).

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 7.2% below pre-pandemic levels

L&H Employment vs Overall Private Sector
 % change in jobs, compared to February 2020



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 total private sector have surpassed pre-pandemic levels, L&H remained at -7.2% in August 2022...**an equivalent of 1.2 million jobs that are still lost.**

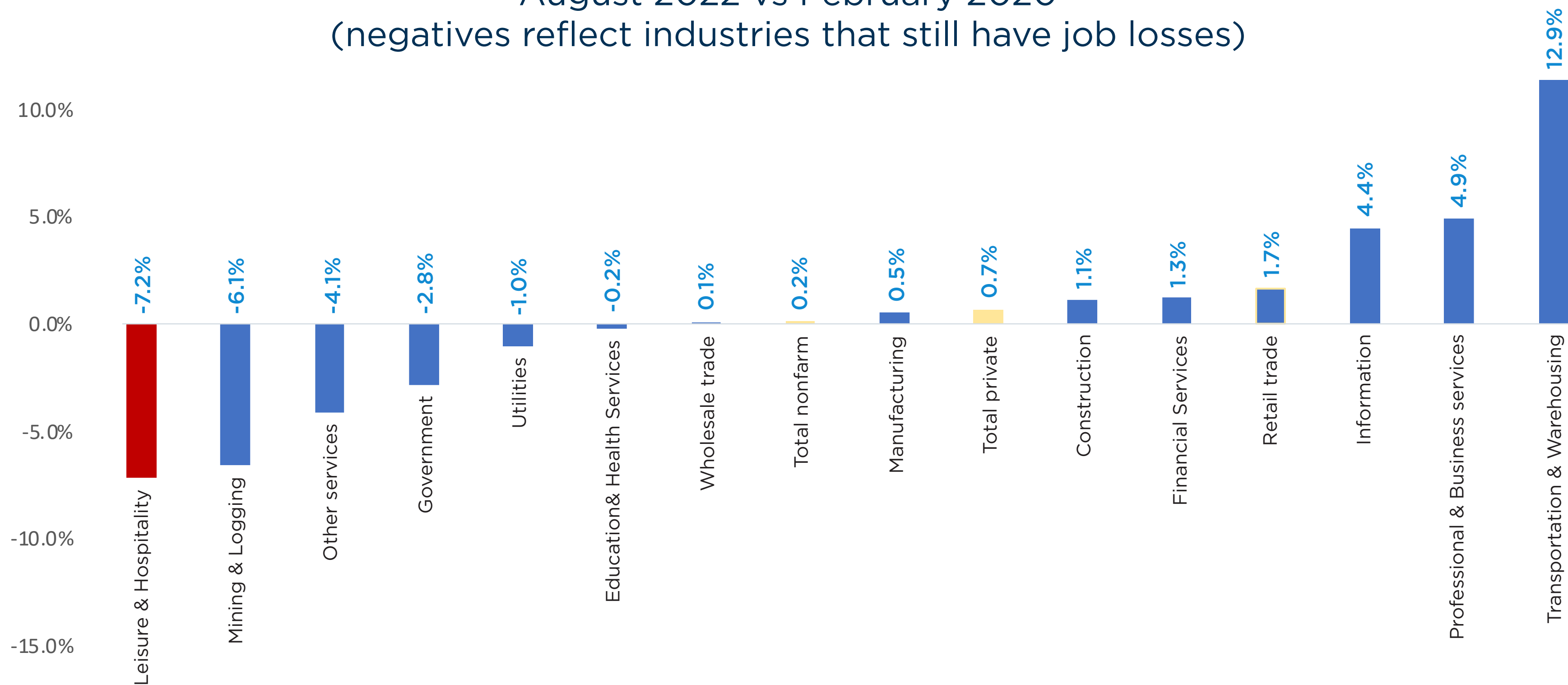
Source: BLS

L&H is suffering from the highest share of jobs still lost of all major industries

Share of jobs still lost

August 2022 vs February 2020

(negatives reflect industries that still have job losses)

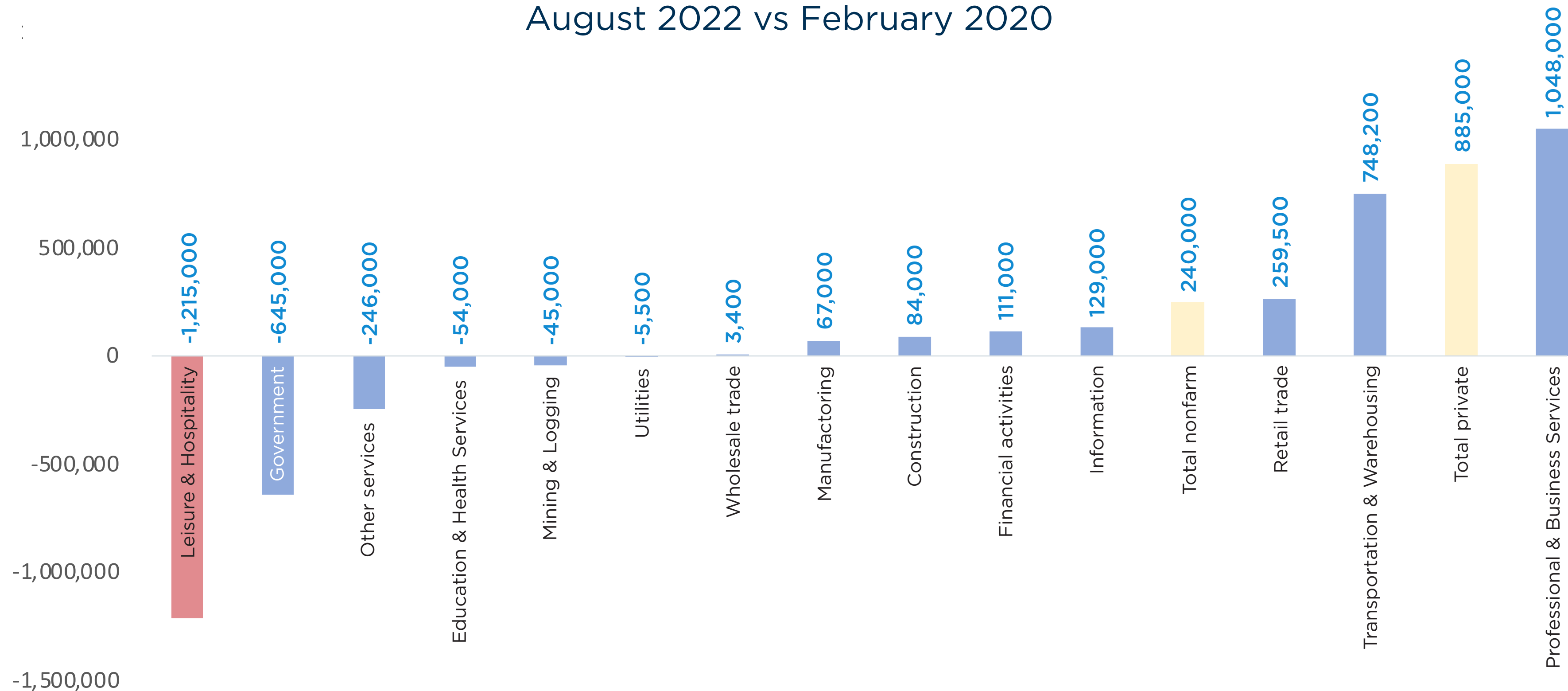


While L&H remained 7.2% below pre-pandemic levels, the overall economy has fully recovered.

L&H has now surpassed Mining & Logging as the industry with the highest share of jobs still lost.

As well as the largest absolute *number* of jobs still lost

Difference in Number of Jobs, by Industry
August 2022 vs February 2020



L&H, by far, has the largest number of jobs still lost (1.2 million).

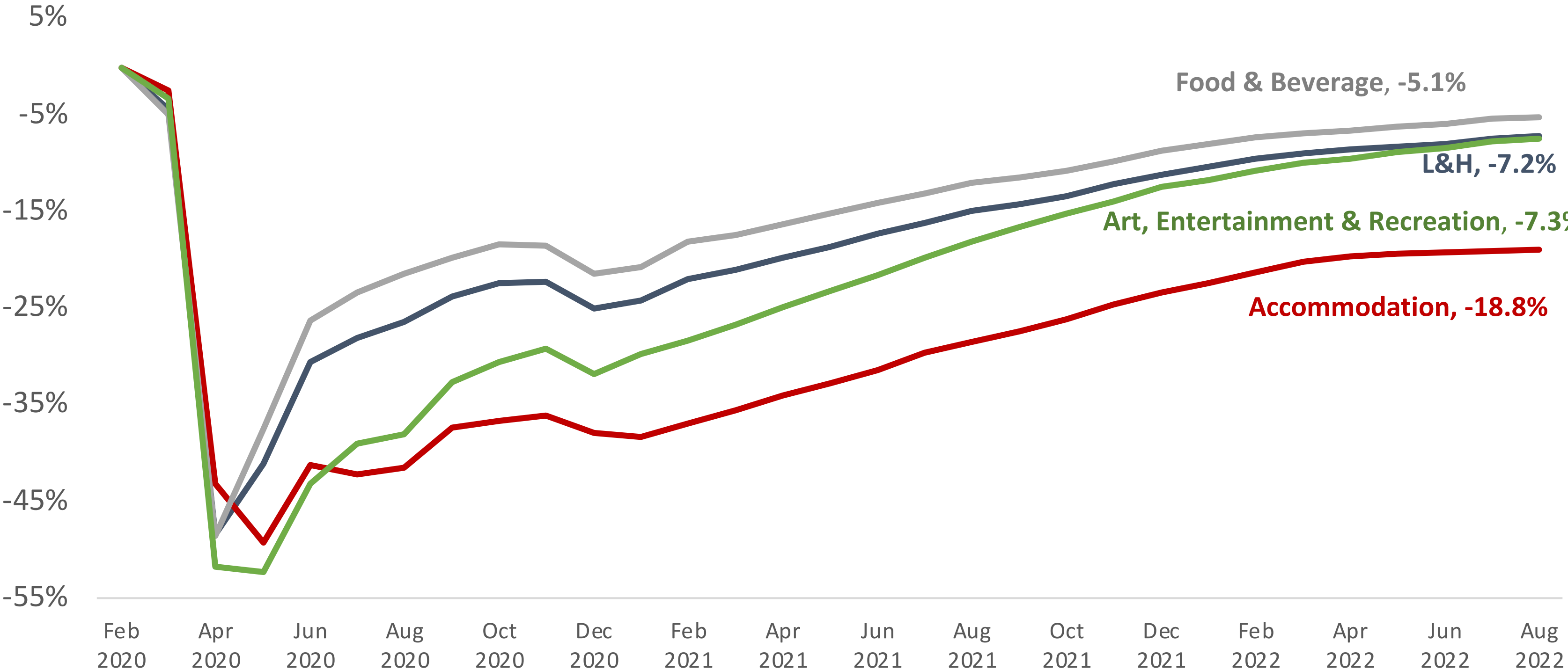
Many sectors have already surpassed pre-pandemic levels.

In fact, the overall private sector is up 885,000 jobs, even after taking into account the loss of L&H jobs.

Within L&H, accommodation is the furthest behind

Share of jobs lost in L&H and its sub-industries

% change in jobs, compared to February 2020

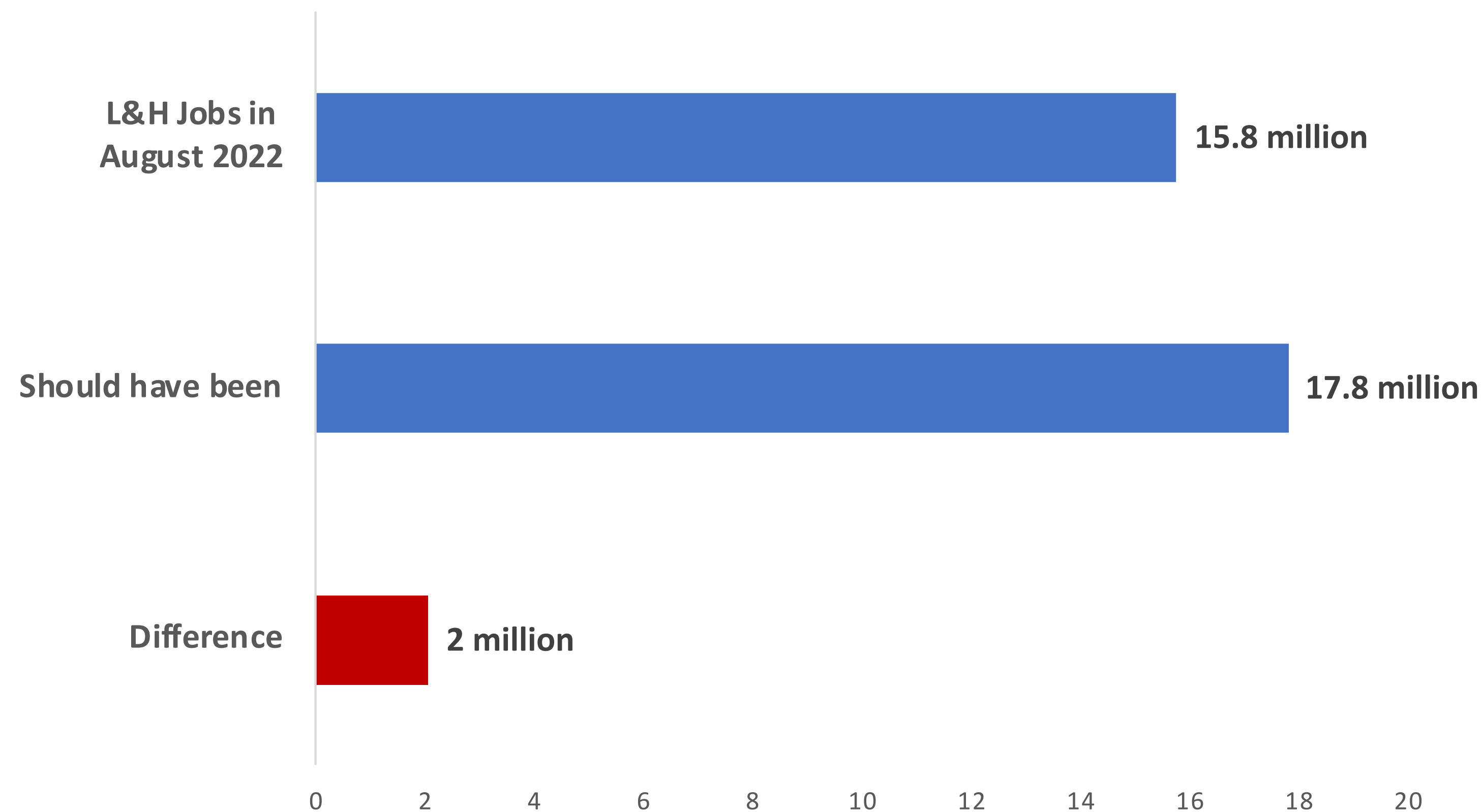


While Food & Beverage employment—which is also supported by local spending—was just 5.1% below pre-pandemic levels in August, Arts, Entertainment & Recreation was at -7.2% and Accommodation was at -18.8%.

Source: BLS

L&H is even further behind from 'where it should have been'

L&H jobs and where they 'should have been'



Source: BLS

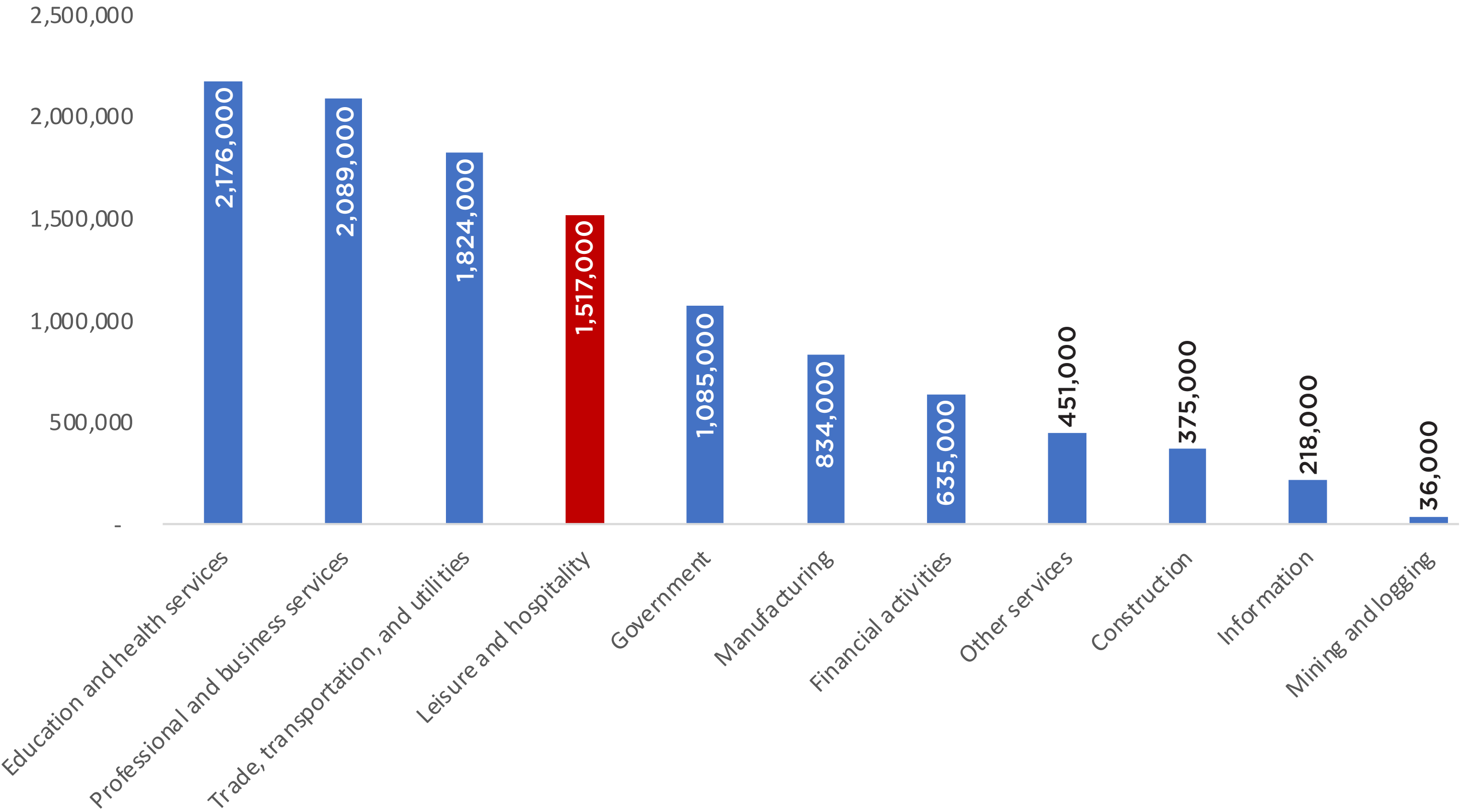
L&H jobs have grown, on average, by 2.5% in the five years prior to the pandemic.

If this growth would have continued, there should have been 17.8 million L&H jobs in August 2022. Instead, there were just 15.8 million, **a difference of 2 million jobs.**

In other words, L&H employment **remained 11.6% below** where it should have been in August 2022.

But the problem isn't a lack of openings

Job openings by industry, July 2022



Source: BLS

With 1.5 million job openings in July (latest avail.), L&H accounts for a disproportional 13% of all U.S. job openings (11.2 M).

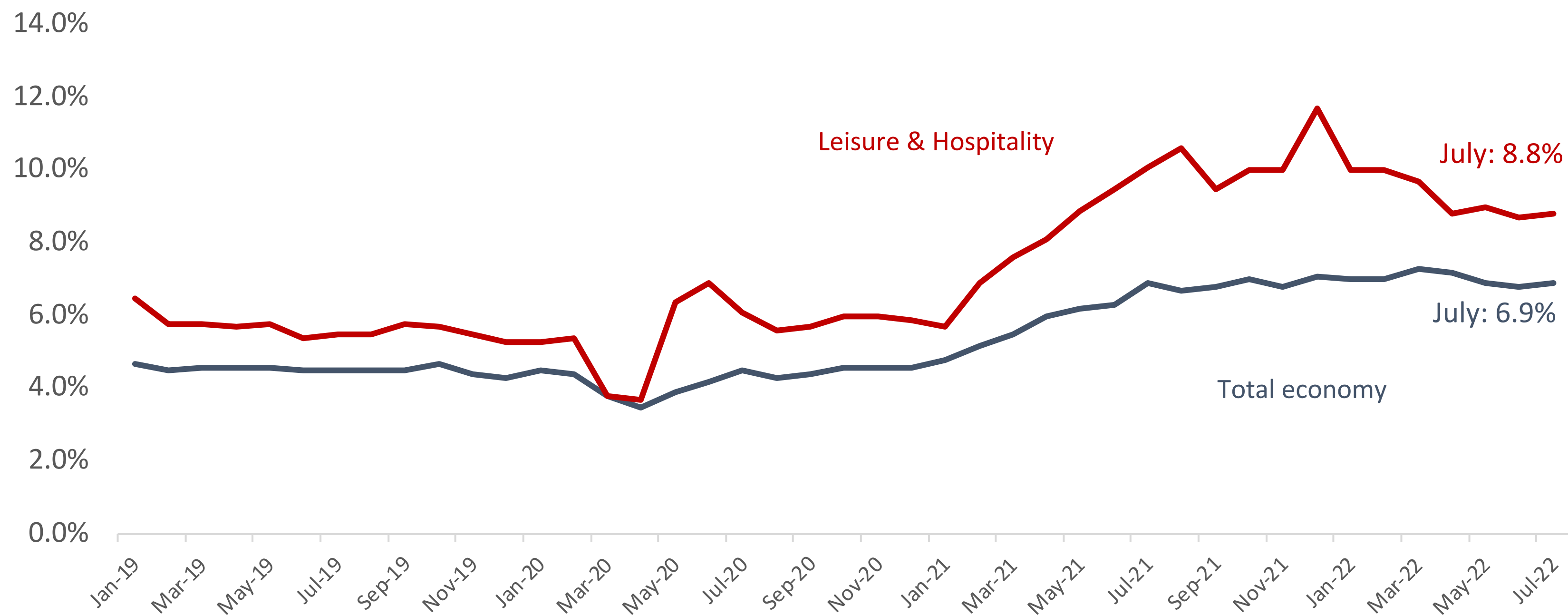
But **while many industries have now nearly or fully recovered and are posting job openings focused on growth, L&H is desperately seeking to fill jobs just to recover to where it was in 2019** (as it remained 1.2 million jobs behind in July). *Filling* these positions, however, has been a challenge.

Please Note: Job openings and quits data lags the overall employment data released by BLS by one month. The latest data available, as of September 6, was for July 2022.

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

Job Openings Rate

Share of job openings as a % of total available jobs



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 8.8% by July 2022. This compares to a 6.9% openings rate for the overall economy.

Source: BLS

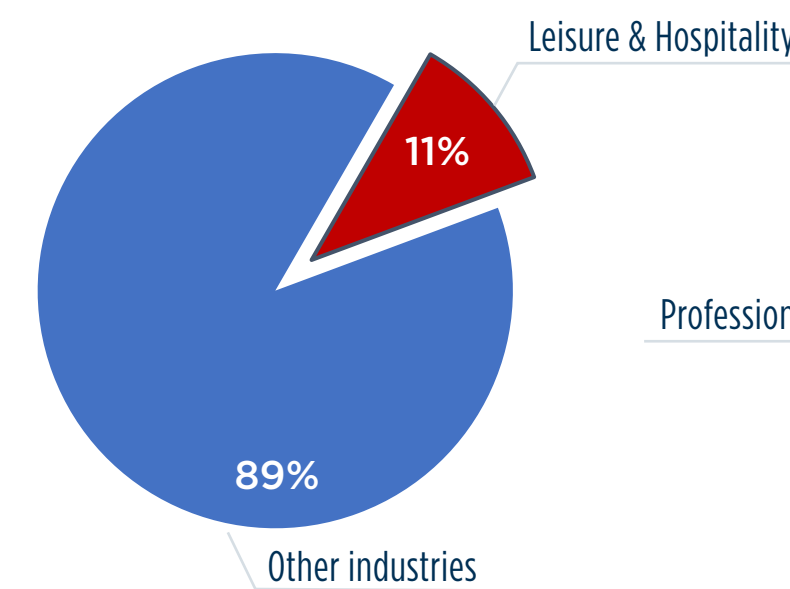
L&H accounts for a disproportionate share of total U.S. job openings

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

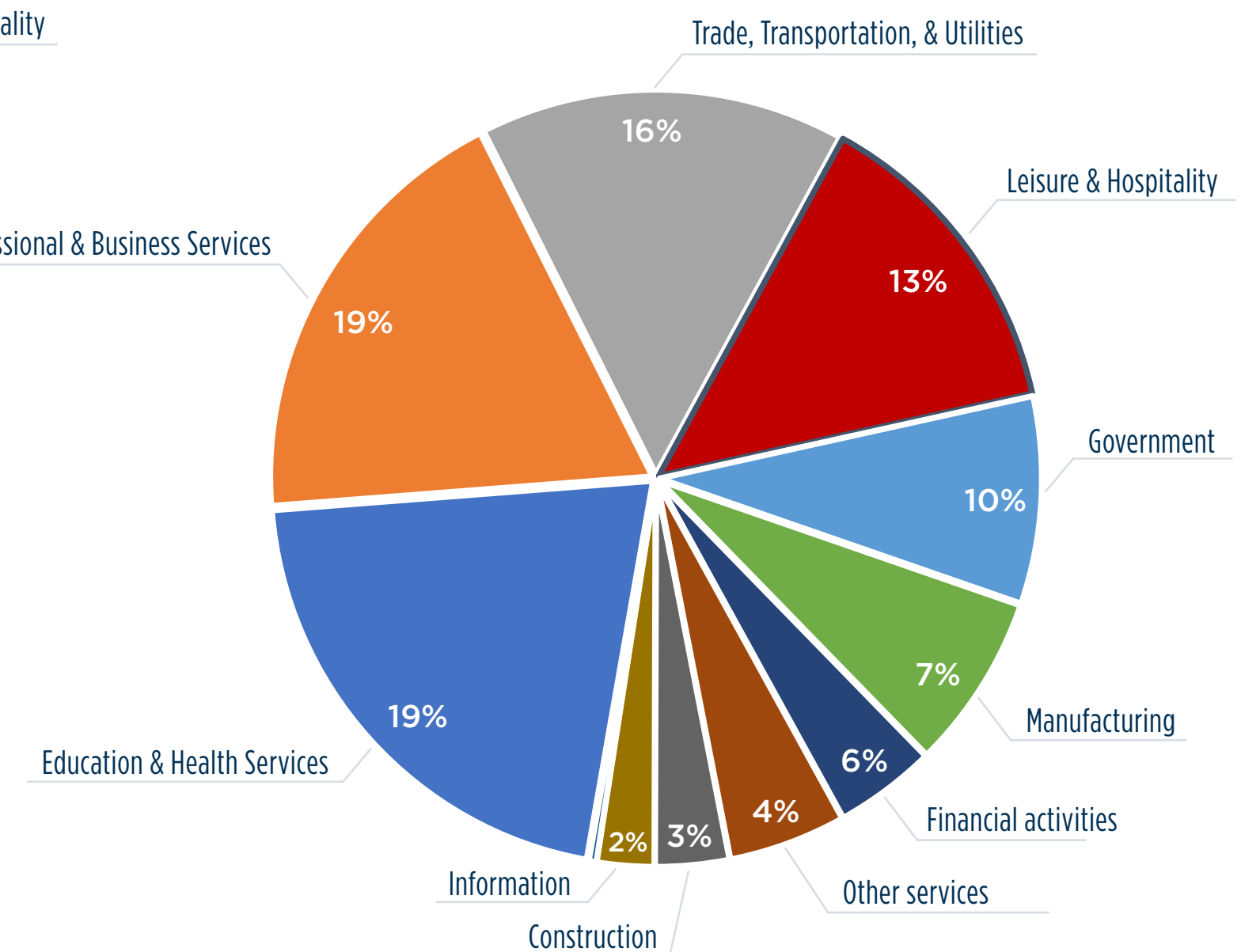
In July 2022, L&H—which accounted for 11% of pre-pandemic U.S. employment—still accounted for 13% of U.S. openings.

In other words, the 1.5 million L&H openings **accounted for roughly one-in-seven** of the 11.2 million total U.S. job openings.

L&H Share of pre-pandemic jobs was 11%



L&H still accounted for 13% of all U.S. job openings in July 2022

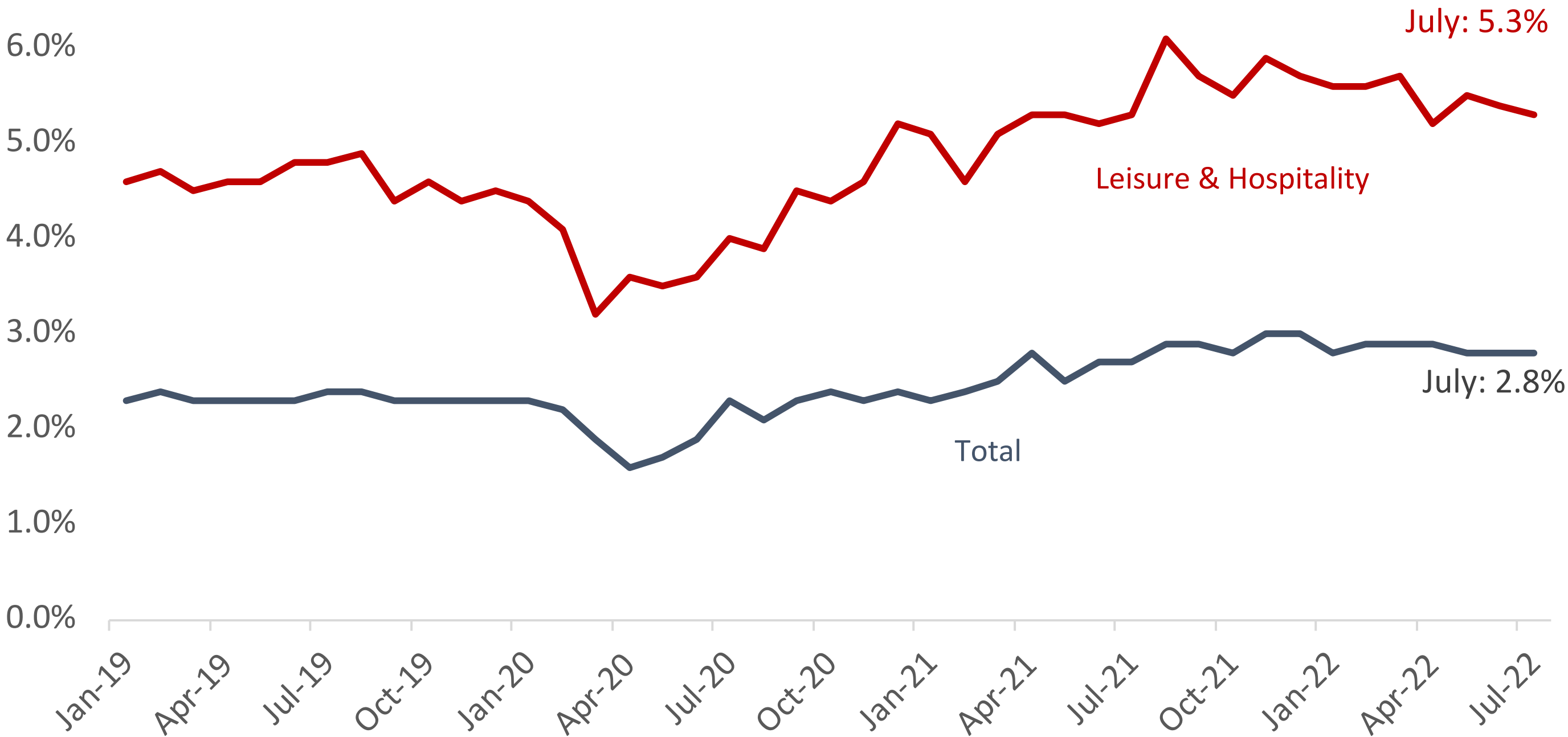


Source: BLS

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

Job Quits Rate

Share of quits as a percent of total employment



The “job quits rate” for L&H remained elevated at 5.3% in July 2022. This compares to 2.8% for the overall economy.

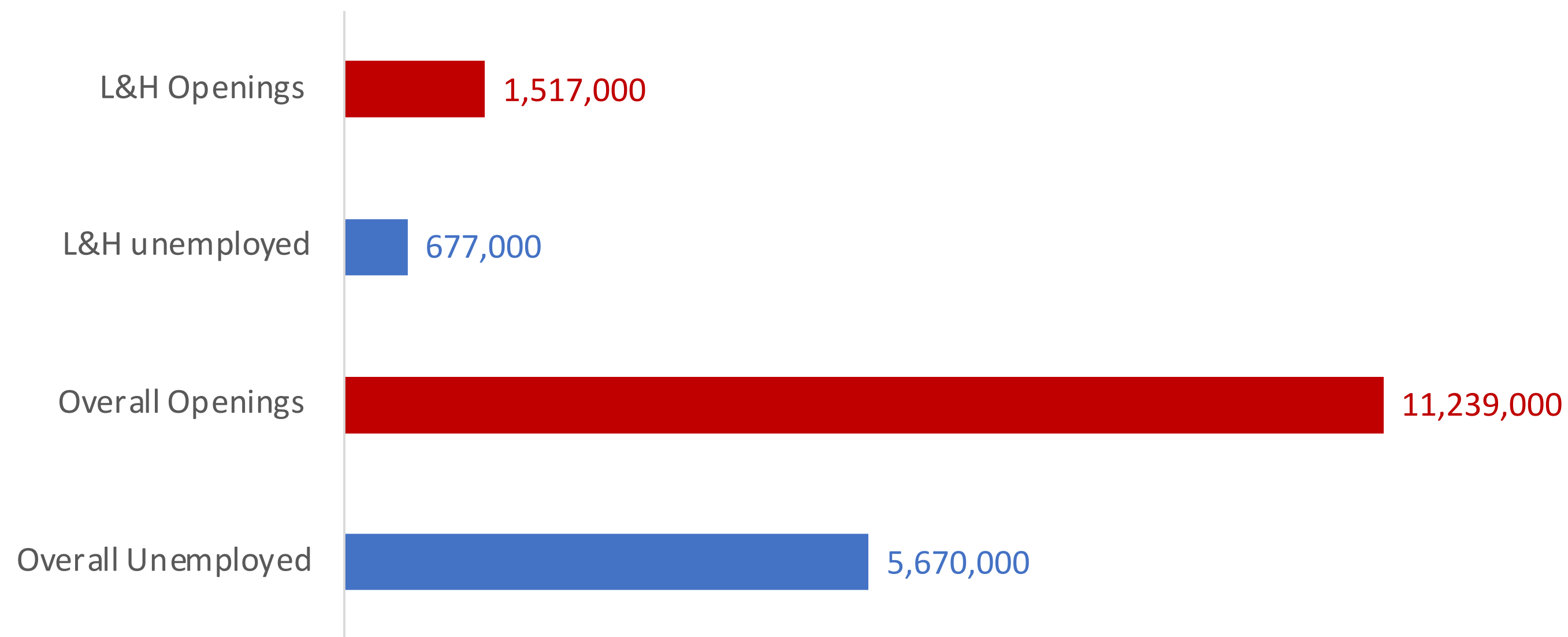
833,000 L&H workers quit their jobs in July, **which represents a disproportionate 20%** of the 4.2 million Americans who quit their jobs.

With such high quit rates, and so many other job options, it has been difficult to hire additional works.

Source: BLS

There are not enough unemployed people to fill new positions

Number of unemployed vs job openings, July 2022



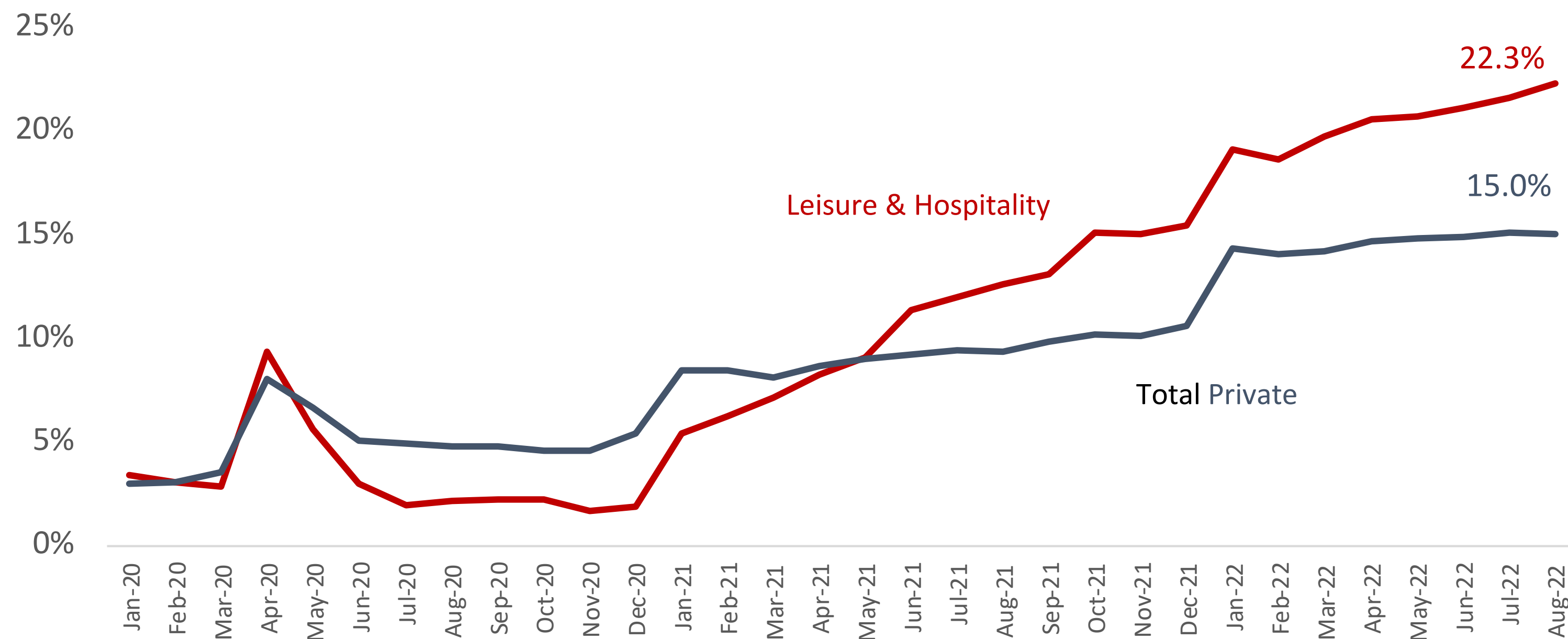
The number of openings within L&H far exceeds the number of unemployed Americans who previously worked within L&H (and remain within the labor force).

The overall economy is suffering from the same crisis (11.2 million openings and just 5.7 million unemployed). Even if every unemployed American took a job right now, we would still have 5.6 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.

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

Average Hourly Earnings
% change relative to same month in 2019



L&H wages grew significantly since the end of 2020, from \$17.12 in December 2020 to \$20.30 in August 2022.

This compares to an average of \$32.36 for the total private sector.

L&H wages were 22% above 2019 levels in August 2022 (and +9% YOY) while overall private sector wages were 15% above 2019 levels (and +5% YOY).