

Leisure & Hospitality Employment Update

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

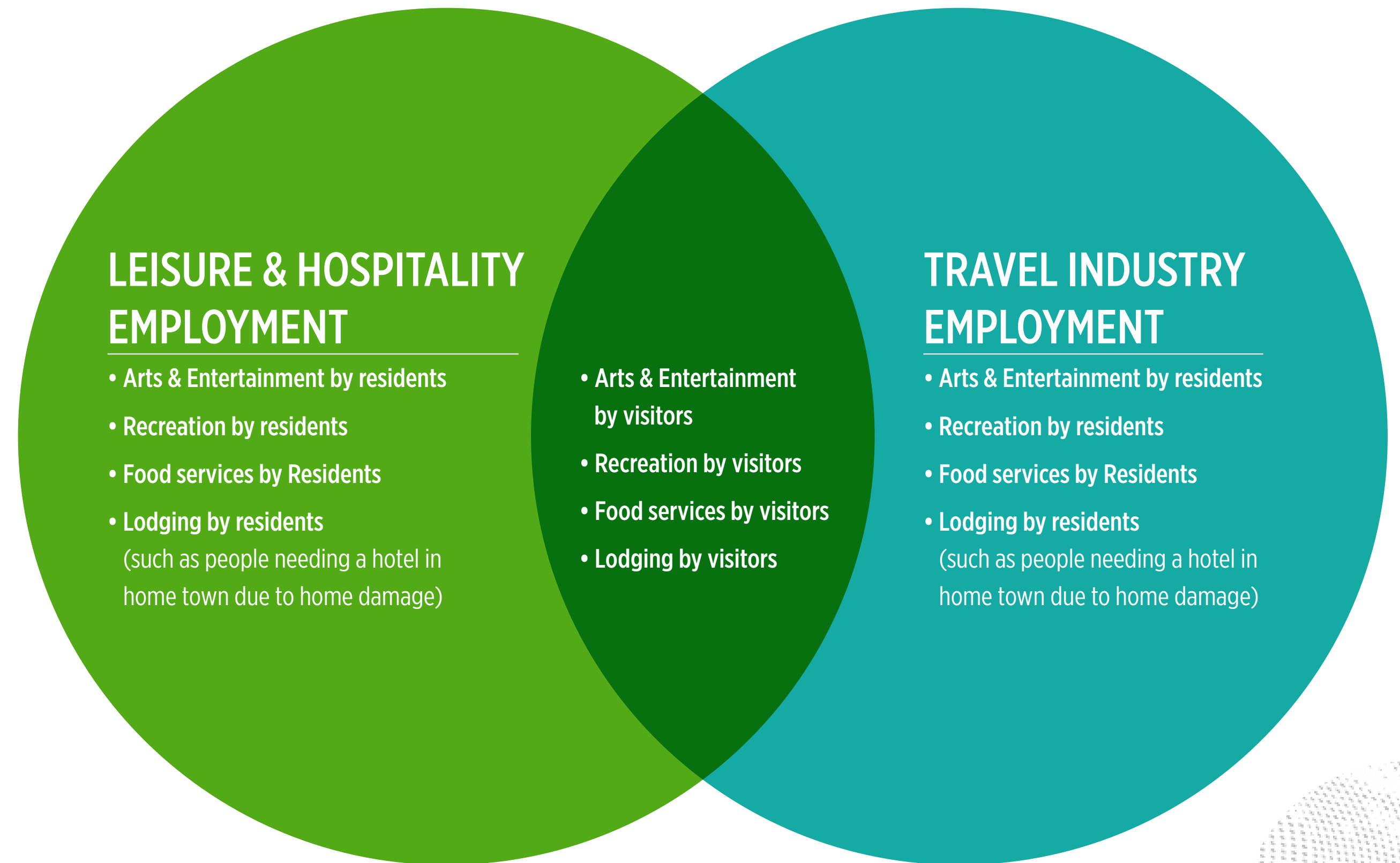
OCTOBER 2022 UPDATE

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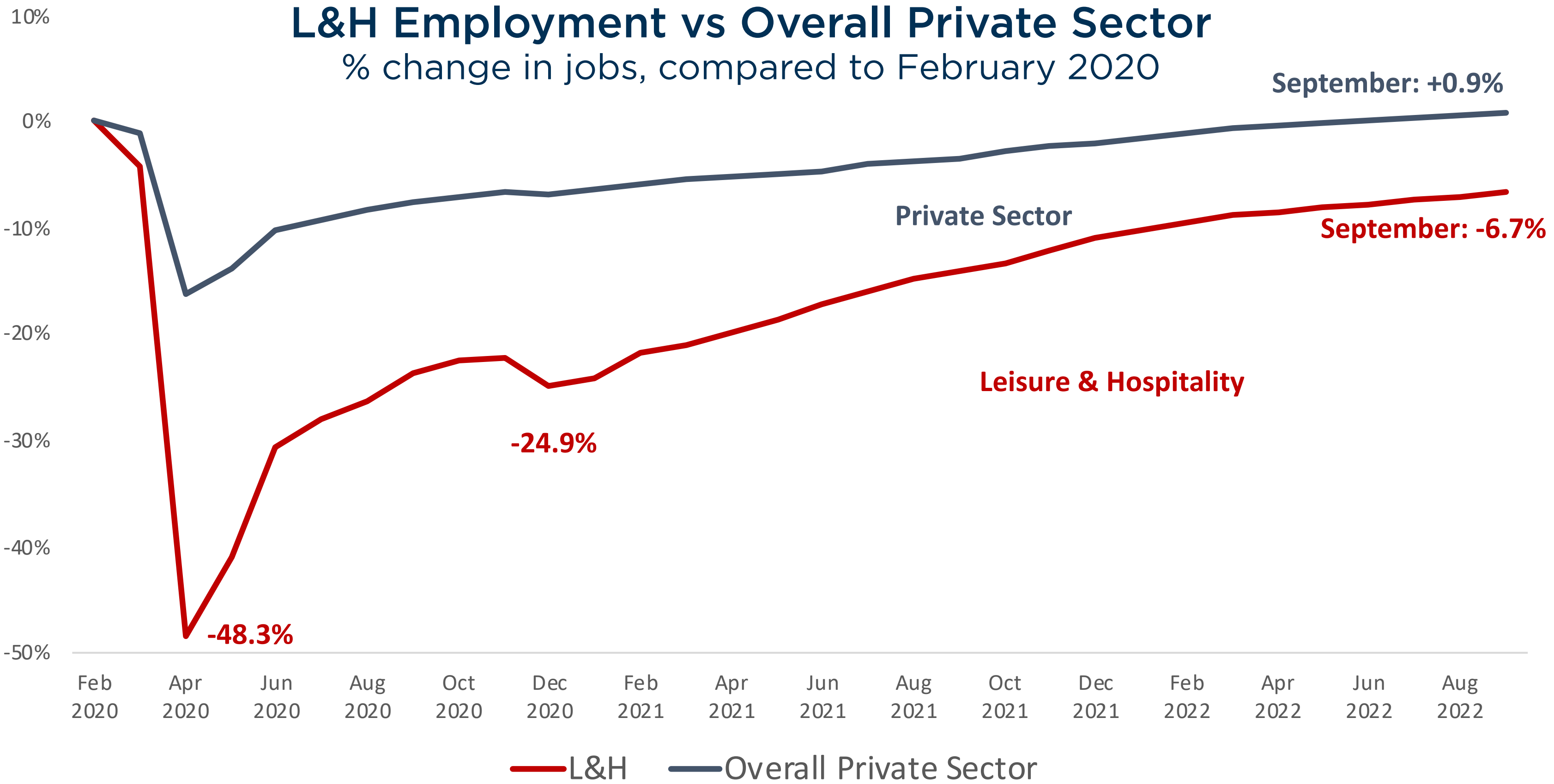
Leisure & Hospitality employment: October 2022 update (August–September data)

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 6.7% below pre-pandemic levels

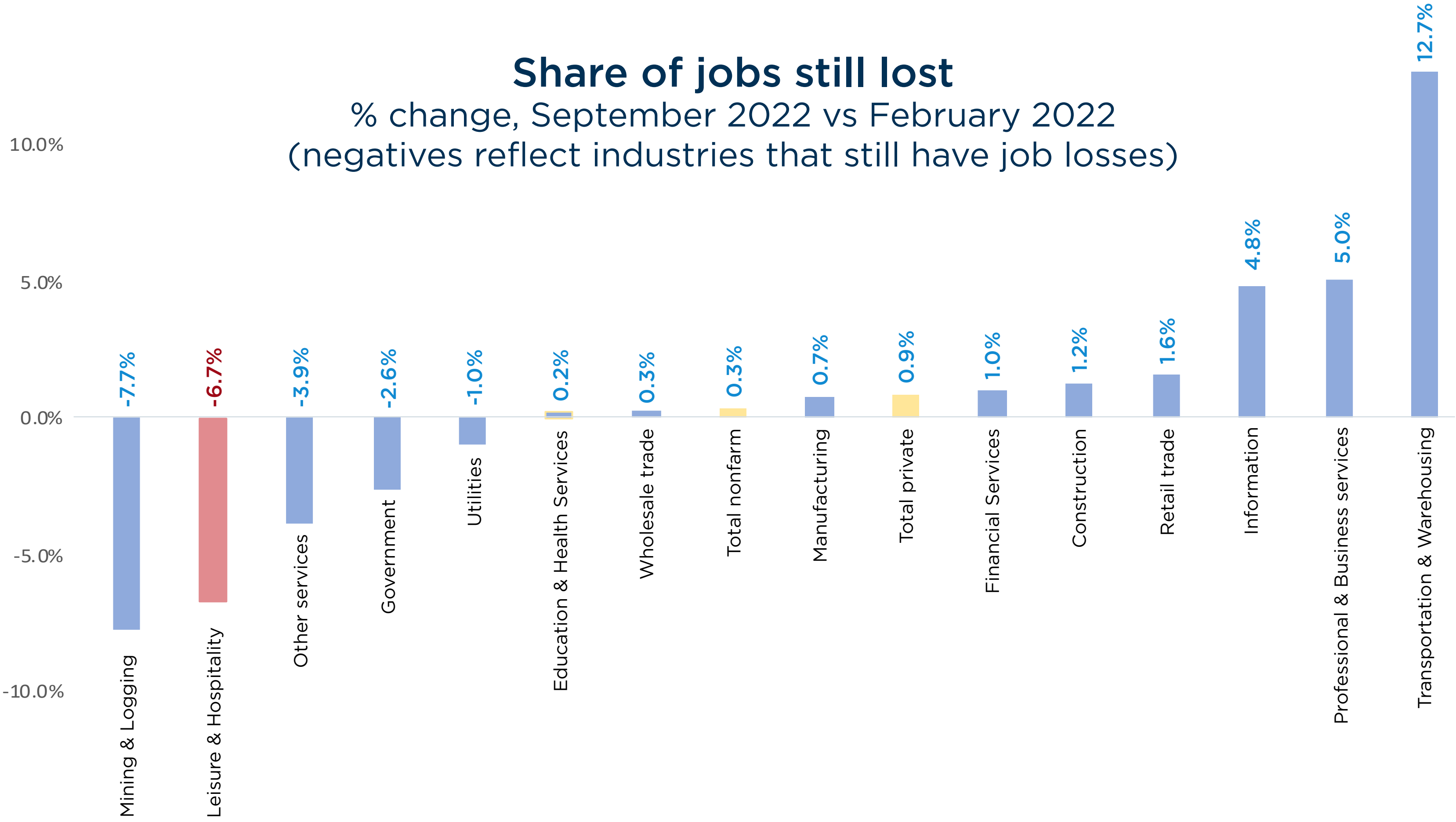


After falling to roughly half of pre-pandemic levels in April 2020, L&H employment recovered most of its losses.

Nevertheless, while jobs in the total private sector have surpassed pre-pandemic levels, L&H remained at -6.7% in September 2022...**an equivalent of 1.1 million jobs that are still lost.**

Source: BLS

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

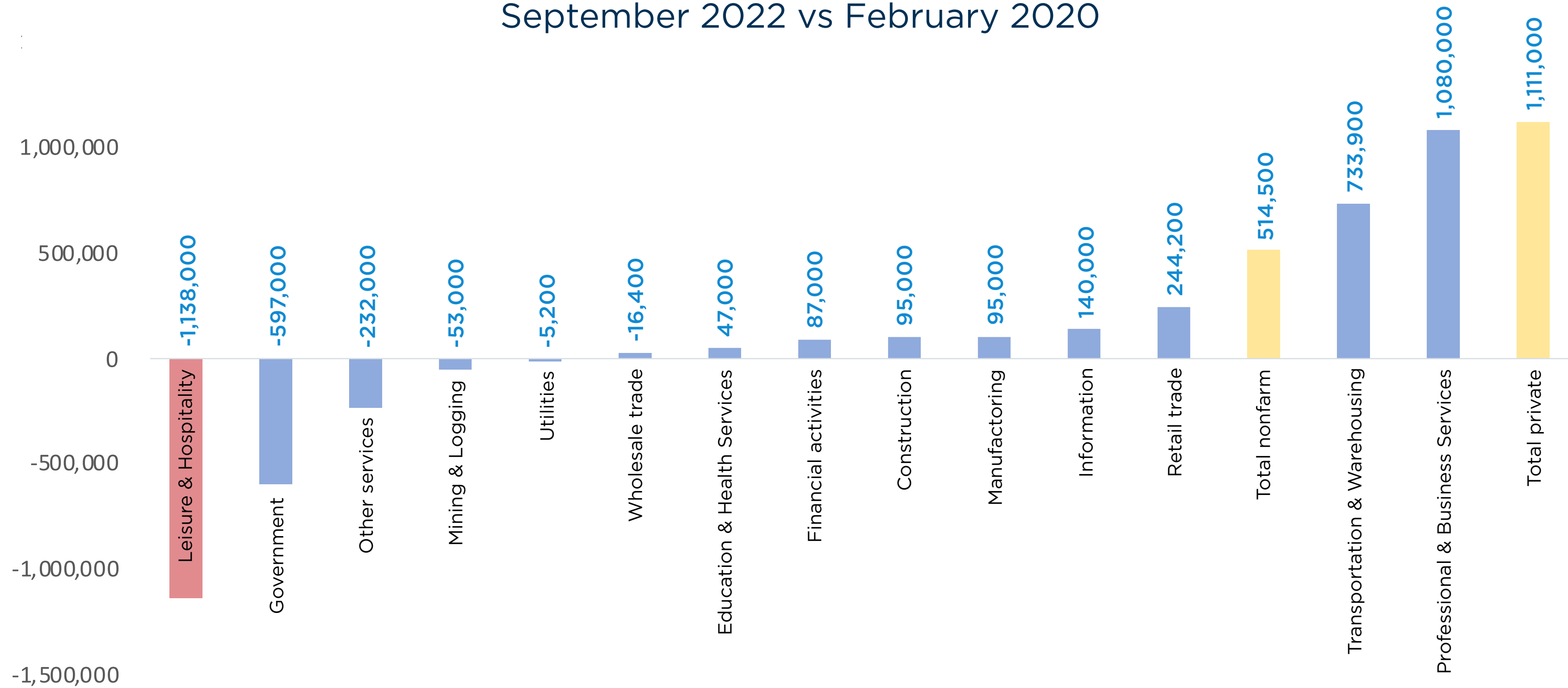


While L&H employment remained 6.7% below pre-pandemic levels, the overall economy has fully recovered (+0.3%) and the overall private sector, which includes L&H, was up 0.9%.

Source: BLS

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

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



L&H, by far, has the largest number of jobs still lost (1.1 M).

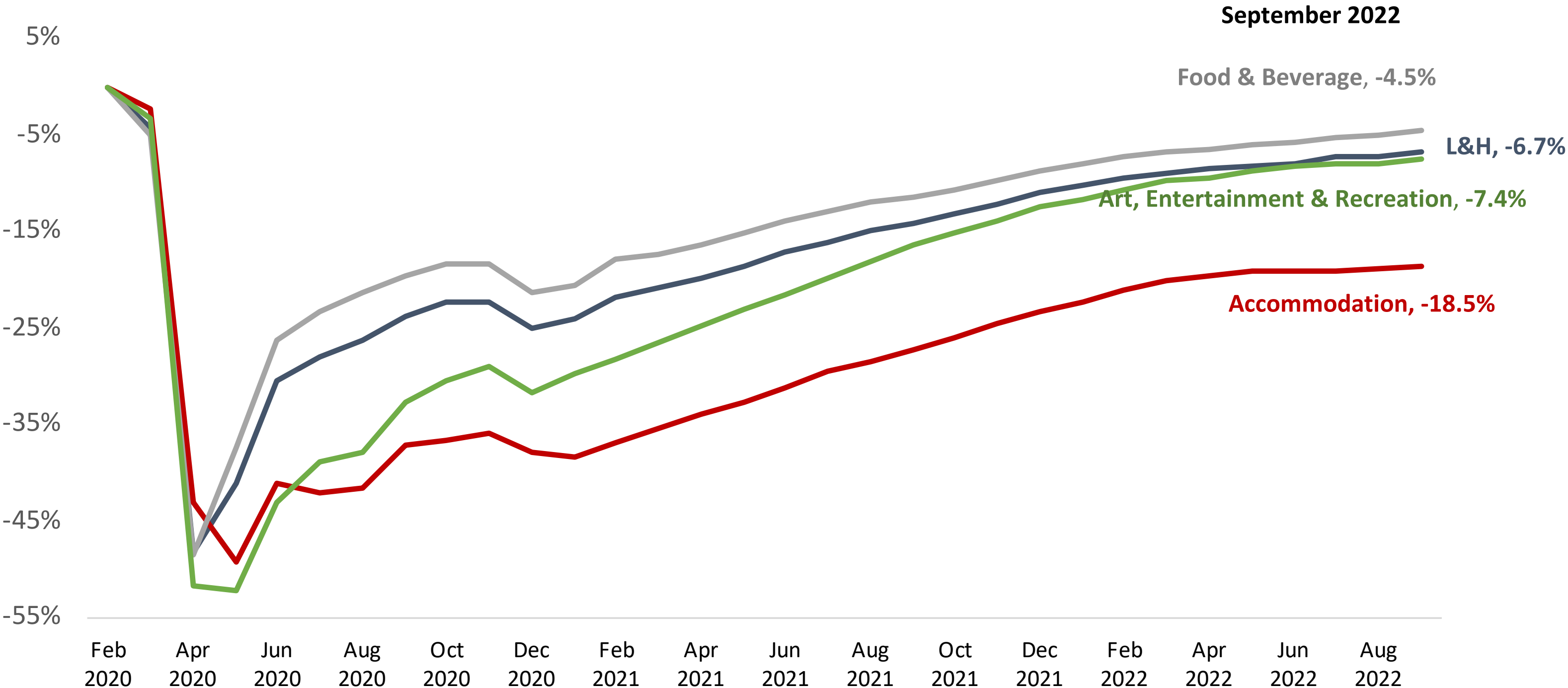
Many sectors have already surpassed pre-pandemic levels.

In fact, the overall private sector is UP by 1.1 million 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

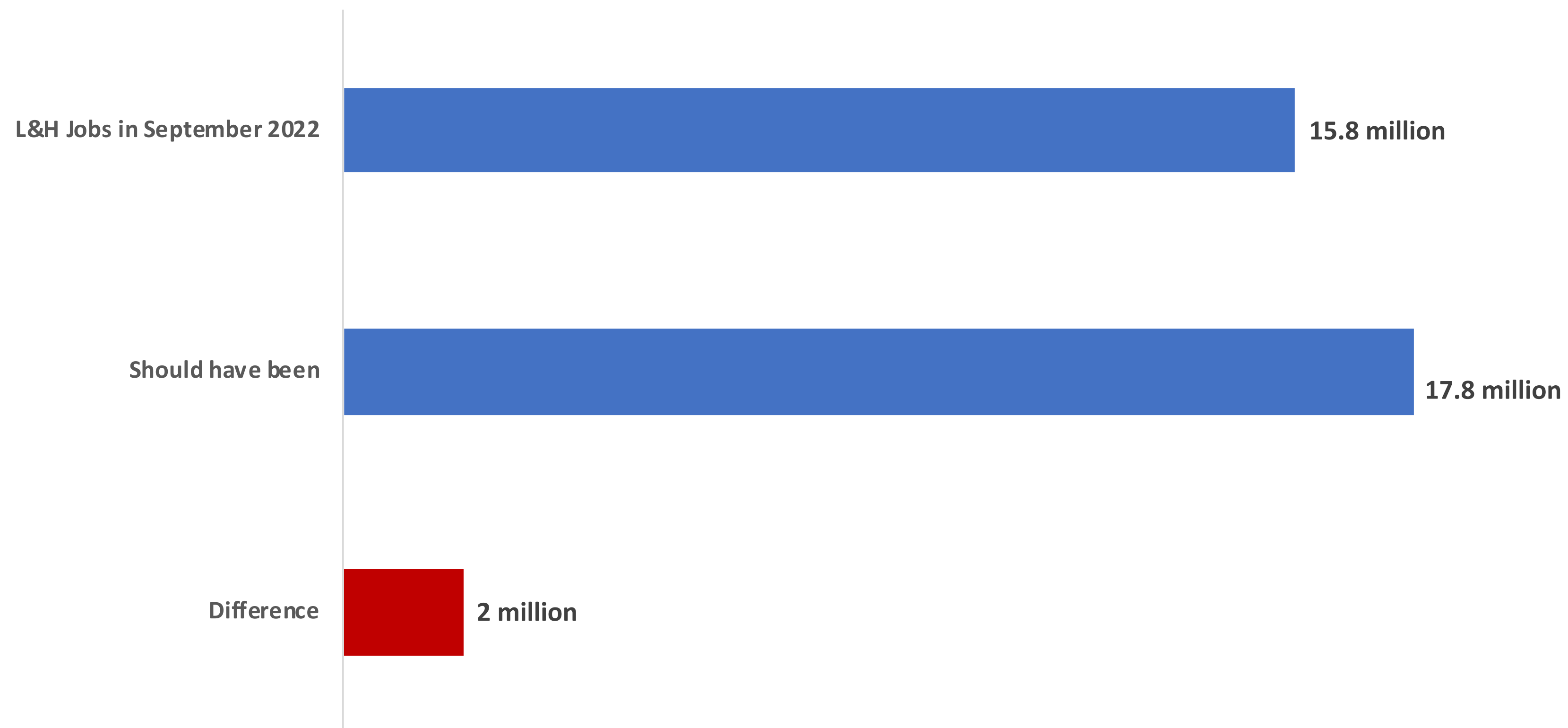


While Food & Beverage employment—which is also supported by local spending—was just 4.5% below pre-pandemic levels in September, Arts, Entertainment & Recreation was at -7.4% and Accommodation was at -18.5%.

Source: BLS

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

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



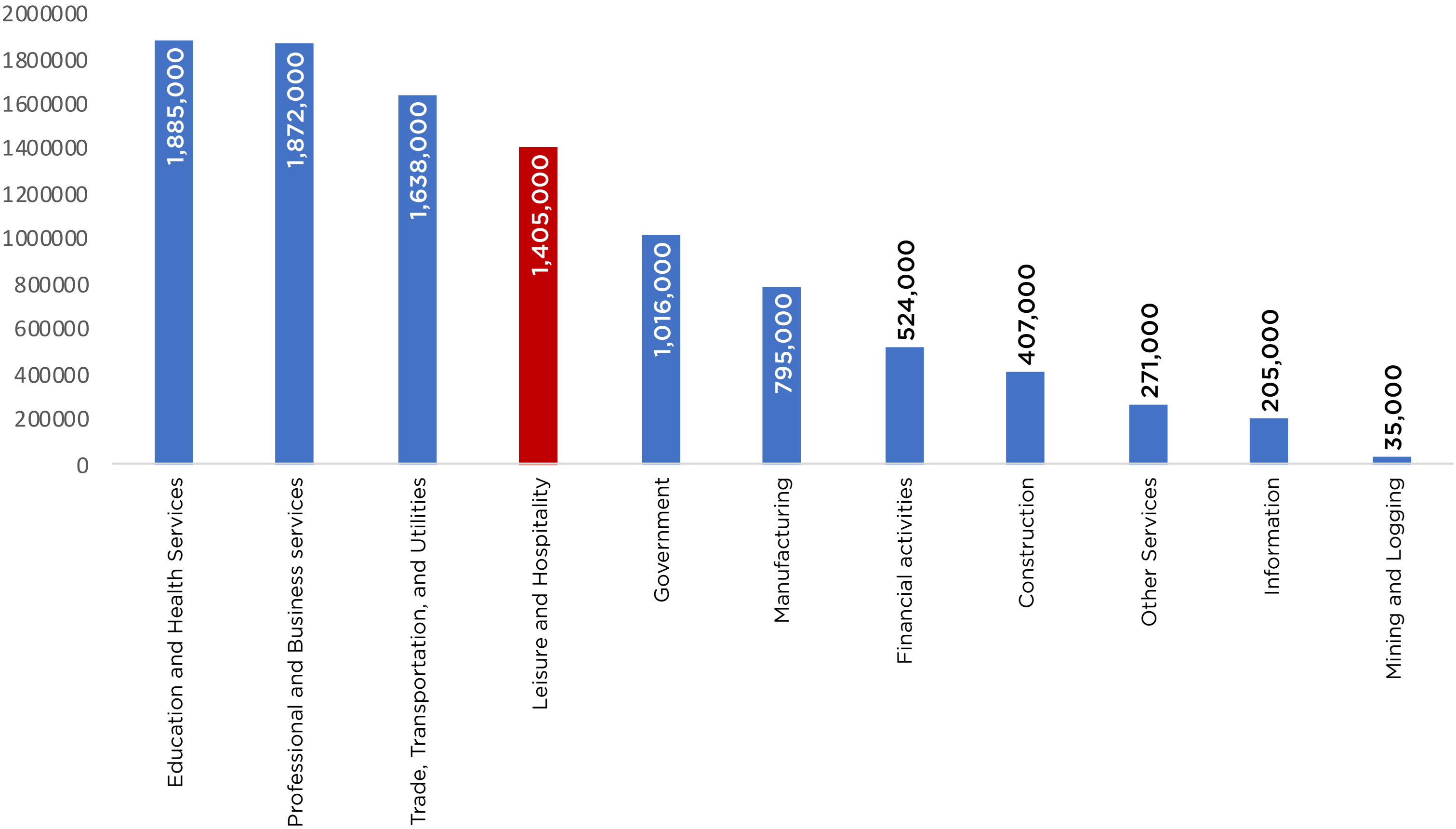
L&H jobs have grown, on average, by 2.5% in the five years prior to the pandemic.

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

In other words, L&H employment **remained 11.3% below** where it should have been in September 2022.

But the problem isn't a lack of openings

Job openings by industry, August 2022



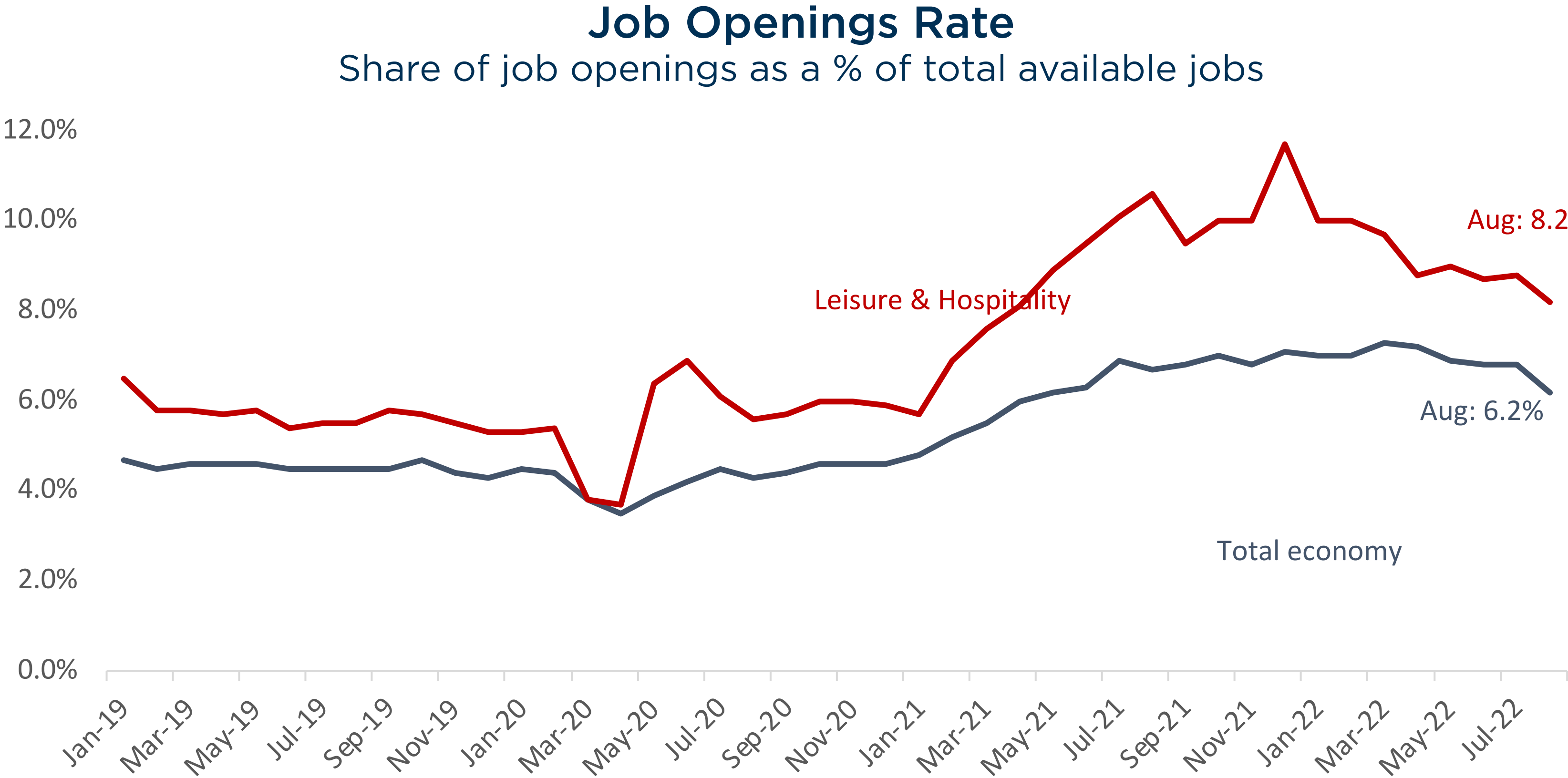
Source: BLS

With 1.4 million job openings in August (latest avail.), L&H accounts for a disproportionate 14% of all U.S. job openings (10.1 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 more than a million jobs behind). *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 October 7, was for August 2022.

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 8.2% by August 2022. This compares to a 6.2% openings rate for the overall economy.

Source: BLS

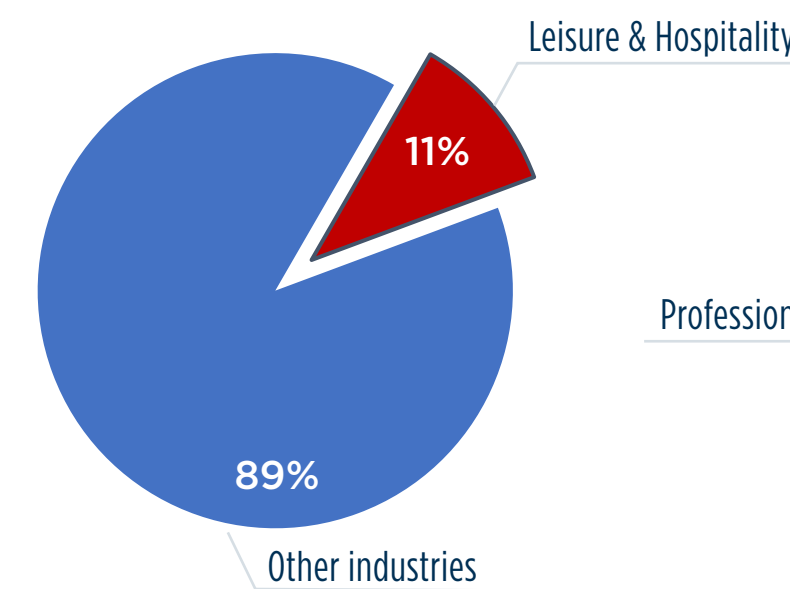
L&H accounts for a disproportionate share of total U.S. job openings

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

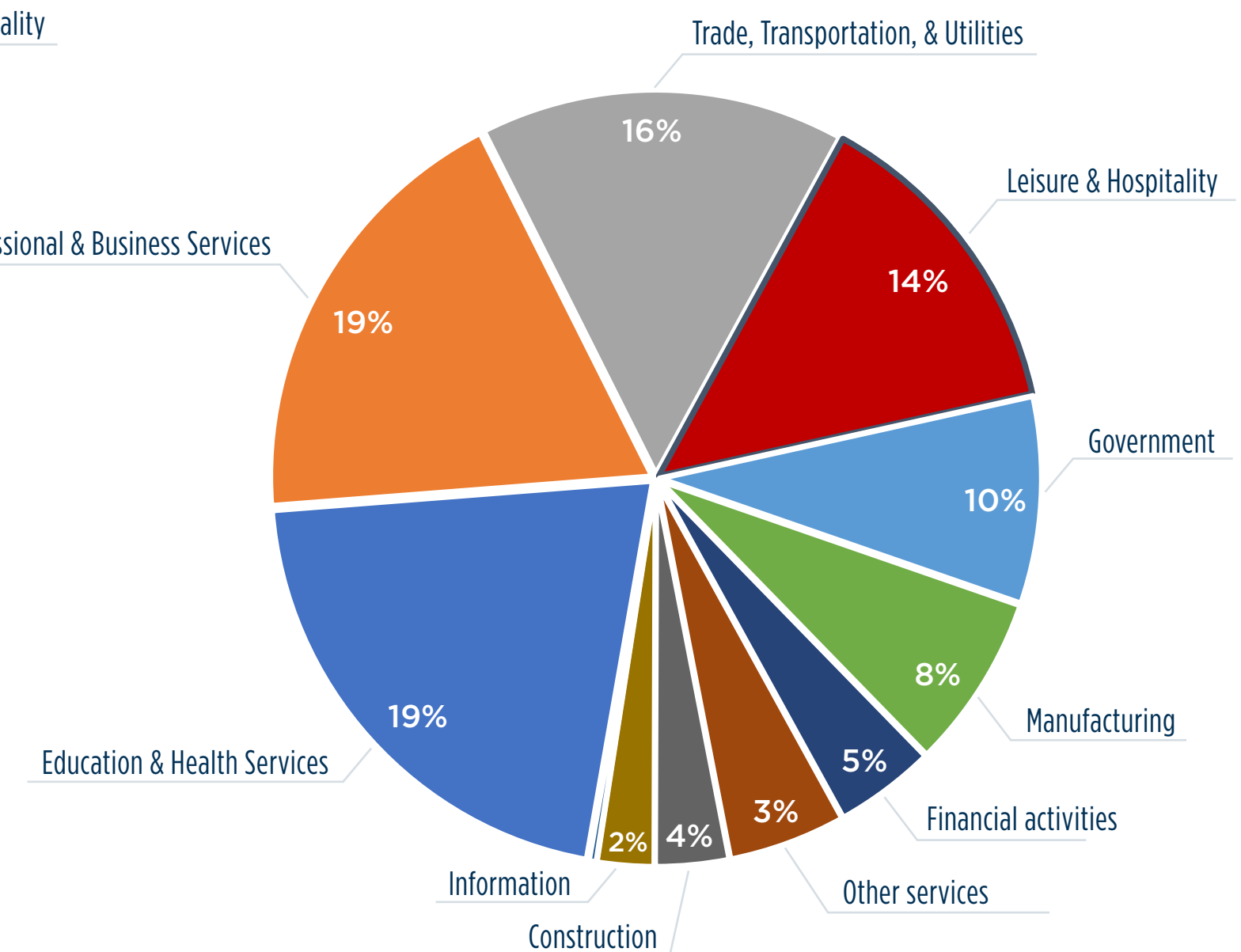
In August 2022, L&H—which accounted for 11% of pre-pandemic U.S. employment—still accounted for 14% of U.S. openings.

In other words, the 1.4 million L&H openings **accounted for roughly one-in-seven** of the 10.1 million total U.S. job openings.

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

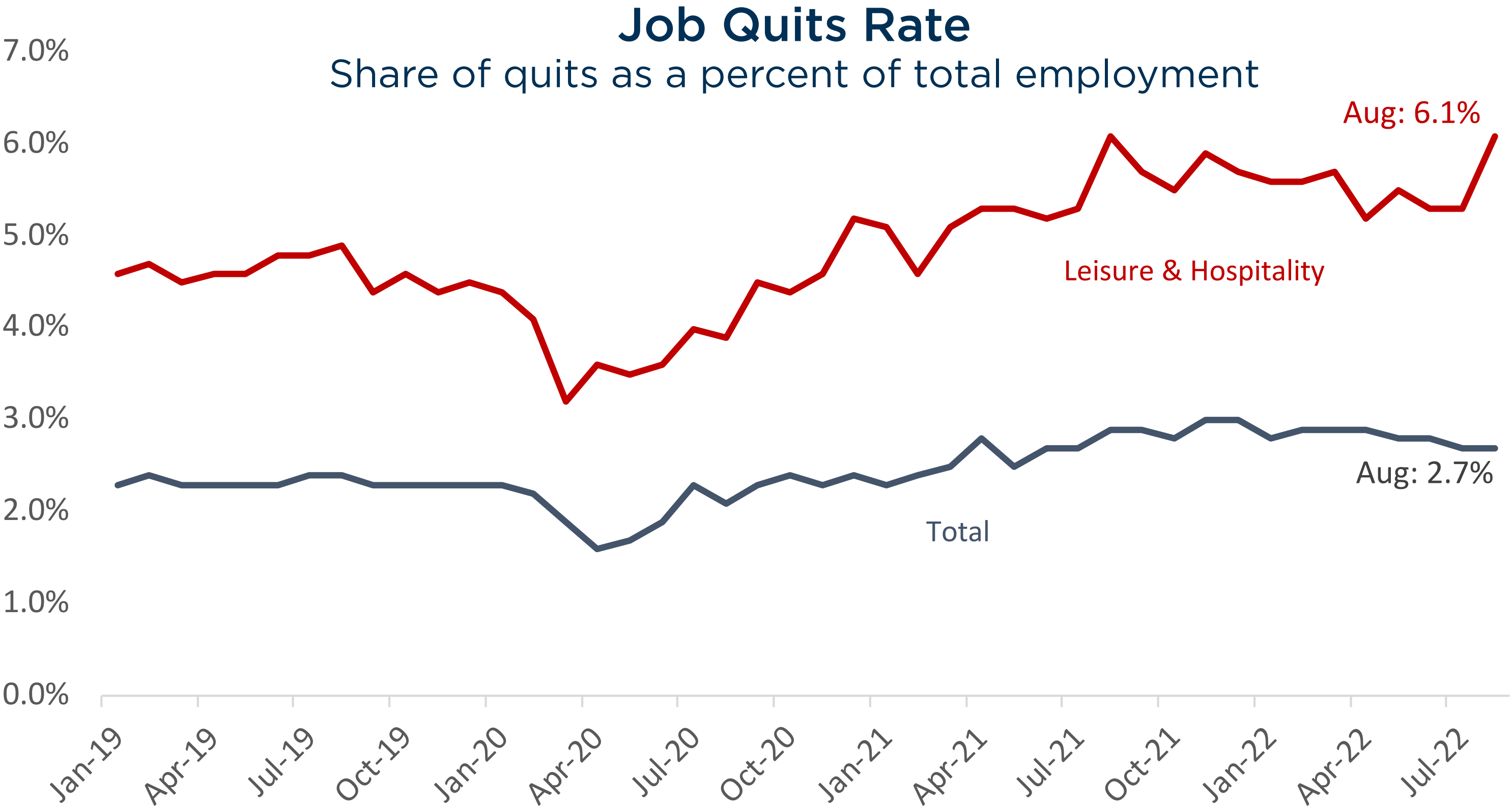


L&H still accounted for 14% of all U.S. job openings in August 2022



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



The “job quits rate” for L&H increased significantly from July (5.3%) to August (6.1%). This compares to 2.7% for the overall economy.

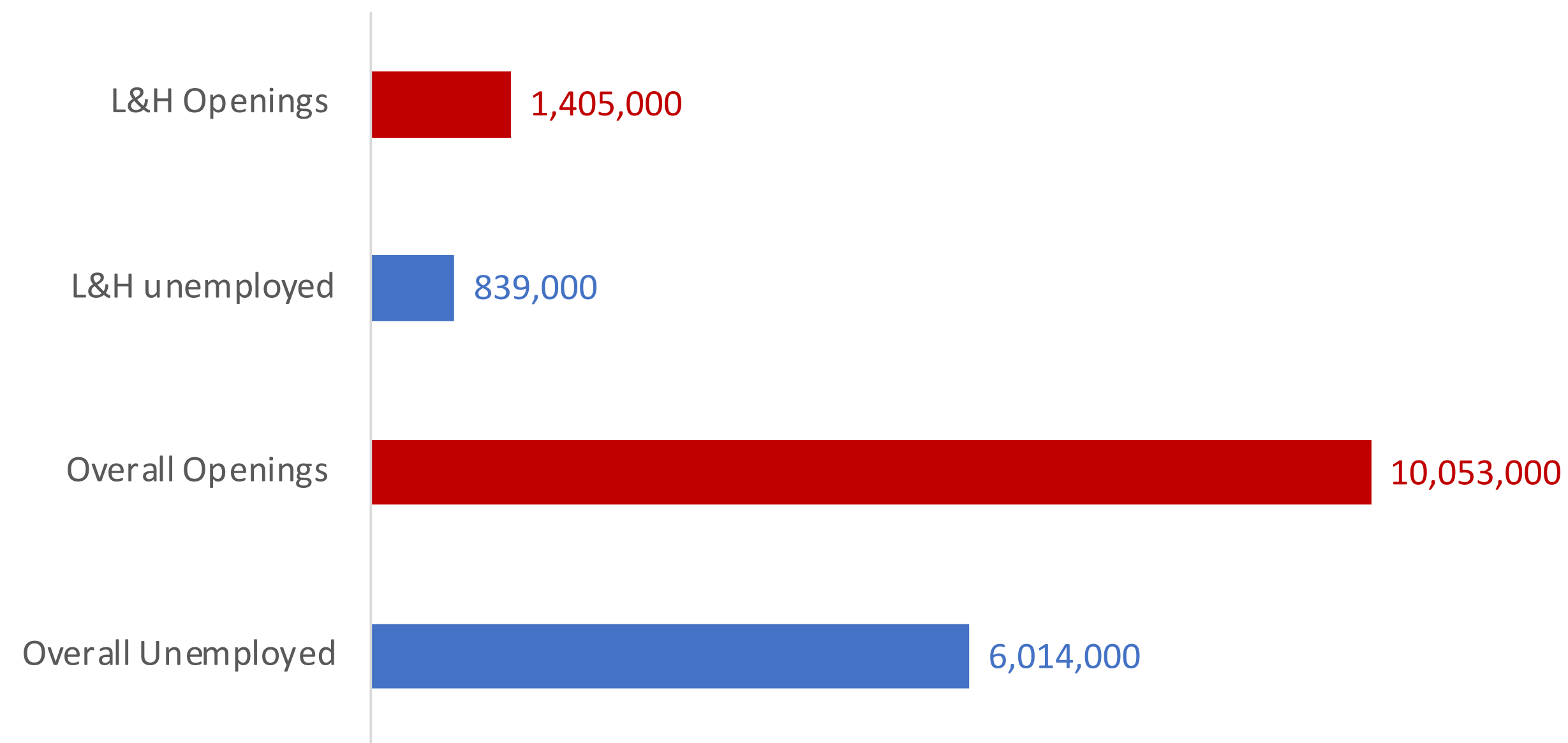
956,000 L&H workers quit their jobs in August, **which represents a disproportionate 23%** of the 4.2 million Americans who quit their jobs (up from 20% in July).

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, August 2022



Source: BLS

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).

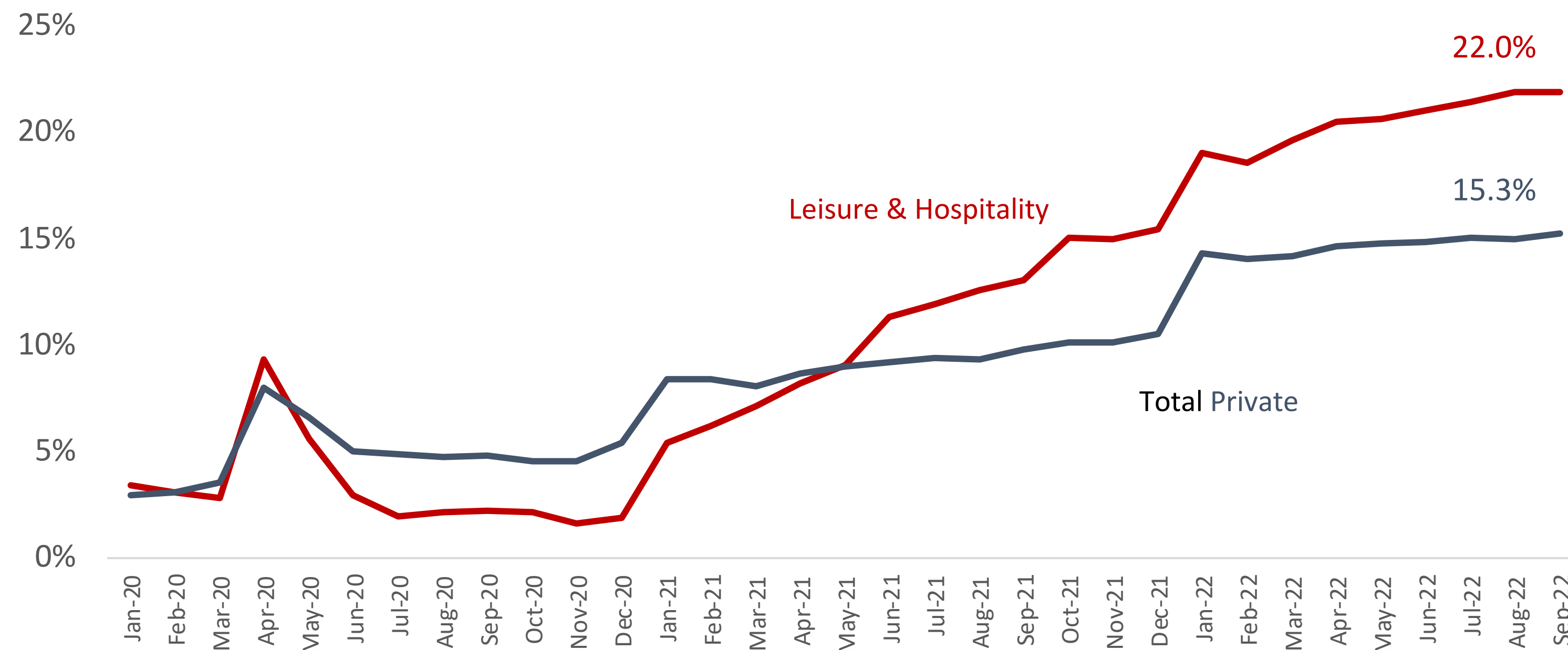
The overall economy is suffering from the same crisis (10 million openings and just 6 million unemployed). Even if every unemployed American took a job right now, we would still have 4 million job openings. **For every 100 openings, there are only 60 unemployed workers.**

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 September 2022.

This compares to an average of \$32.46 for the total private sector.

L&H wages were 22% above 2019 levels in September 2022 (and +8% YOY) while overall private sector wages were 15% above 2019 levels (and +5% YOY).