TRAVEL INDUSTRY EMPLOYMENT THROUGH SEPTEMBER 2020

REPORT PRODUCED FOR: U.S. TRAVEL ASSOCIATION

OCTOBER 6, 2020

KEY FINDINGS

The recession caused by the COVID-19 pandemic saw the unemployment rate rapidly rise from 3.5% in February to 14.7% by April. Since that April peak, the unemployment rate has gradually declined, falling to 7.9% in the BLS data released on October 2. While the entire economy has been affected, the Leisure & Hospitality (L&H) sector has been the epicenter of the economic fallout.

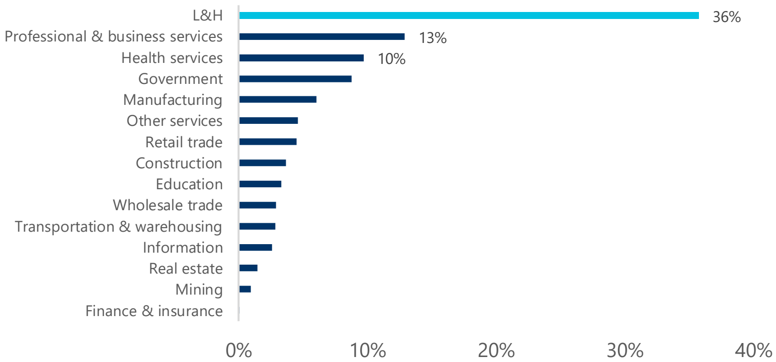
36%

L&H industry share of all US jobs lost in September

The Leisure & Hospitality industry, as prescribed by the North American Industry Classification System (NAICS), accounted for 11% of pre-pandemic employment in the United States, yet has suffered 36% of all job losses. This marks a rise over the past two months: L&H represented 33% of all jobs lost in July.

Share of total US employment loss by industry

% of all US jobs lost from February-September 2020



Source: BLS

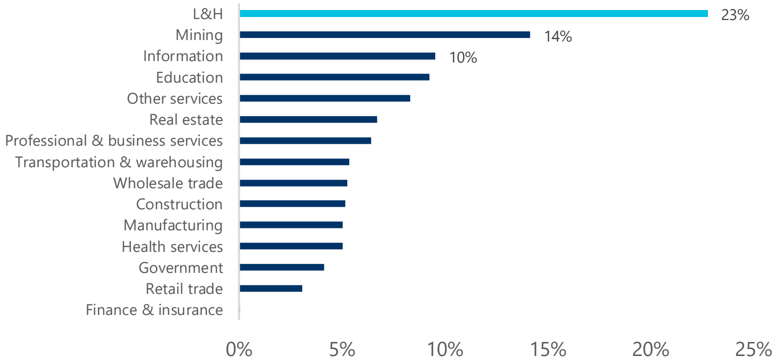
23%

Share of L&H jobs still lost through September

Nearly half of the 16.9 million jobs in the Leisure & Hospitality industry were lost in March and April. Since then, 4.5 million jobs have been created or restored. However, this still results in roughly one-quarter (23%) fewer Leisure & Hospitality jobs – nearly double the next most hard-hit industry.

Share of jobs lost in major industries

% of industry jobs lost from February-September 2020



Source: BLS

With over 23% of Leisure & Hospitality jobs lost since the onset of the pandemic coupled with numerous airlines, theme parks, cruise lines, and other tourism-related businesses enacting layoffs in October as existing payroll support programs end, the employment situation remains tenuous.

THE OUTLOOK FOR JOBS DEPENDENT ON TRAVEL

4.2 mn

Travel-supported jobs lost since February

The recovery for the industry is expected to extend well into 2023. The Leisure & Hospitality subsectors of Accommodation; Arts, entertainment, and recreation; and Food & Beverage are highly dependent on visitor spending and will require a restoration to prior levels of travel in order to contribute to a full labor market recovery. Other sectors outside of Leisure & Hospitality, including transportation and other travel service providers have been hit especially hard.

When focusing on only the portion of jobs supported by travelers within all sectors, the losses are especially acute. Based on September estimates:

- 39% of direct travel jobs have vanished over the past seven months with **3.5 million direct travel jobs lost**
    - 33% of *all jobs lost in the US economy* are attributable to declines in direct travel employment
- 33% of total travel-supported jobs (including indirect and induced jobs supported by travel) have vanished over the past seven months with **4.2 million travel-supported jobs lost**

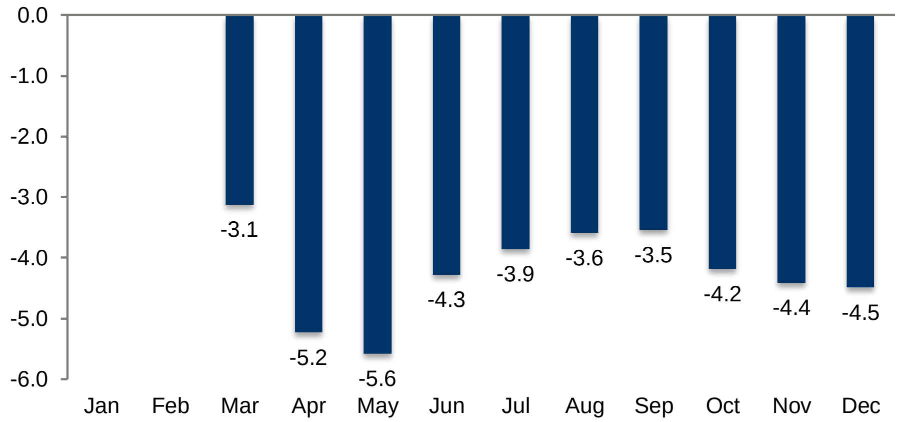
5.5 million

Loss of travel-supported jobs by the end of December

The jobs market for travel began to rebuild over the summer but is now experiencing a renewed round of cuts in the hotel, attraction, and transportation sectors. Without intervention we anticipate a reversal in recent gains in travel-supported employment.

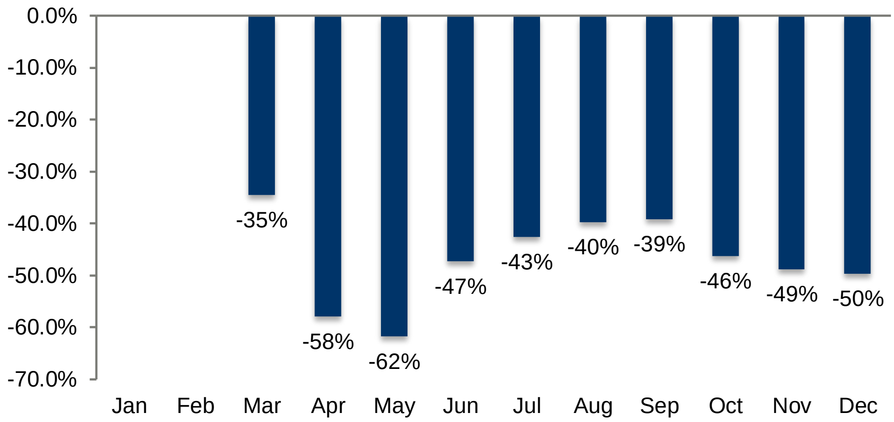
- By the end of December, 50% of direct travel jobs will have been lost (down from 39% in September)—an additional loss of 948,000 jobs, and **a total loss of 4.5 million direct travel jobs**
    - Direct travel jobs share of *all jobs lost in the US economy* will rise to 42% from 33% in September (assuming stable overall jobs market in October)
- By the end of December, 35% of total travel-supported jobs will have been lost (down from 27% in September)—an additional loss of 1.3 million jobs, and **a total loss of 5.5 million travel-supported jobs**

Decline in travel employment relative to pre-crisis levels
Millions



Source: Oxford Economics

Decline in travel employment relative to pre-crisis levels
% change



Source: Oxford Economics

	By End of December 2020		
	Additional Job losses ('000)	Total jobs losses ('000)	% of pre-crisis employment
Public Transportation	-188	-647	-60%
Auto Transportation	-9	-90	-29%
Lodging	-133	-752	-45%
Foodservices	-295	-1,652	-45%
Recreation/Amusement	-147	-861	-54%
Retail	-110	-352	-66%
Travel Planning	-66	-136	-74%
Direct travel employment	**-948**	**-4,489**	**-50%**
Total travel employment	**-1,280**	**-5,531**	**-35%**

October 2020

The modelling and results presented here are based on information provided by third parties, upon which Oxford Economics has relied in producing its report and forecasts in good faith. Any subsequent revision or update of those data will affect the assessments and projections shown.

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