

# TRAVEL INDUSTRY EMPLOYMENT THROUGH JUNE 2021

Prepared for:  
U.S. Travel Association



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# HISTORICALLY STRONG JOB GROWTH IN LEISURE & HOSPITALITY AND TRAVEL

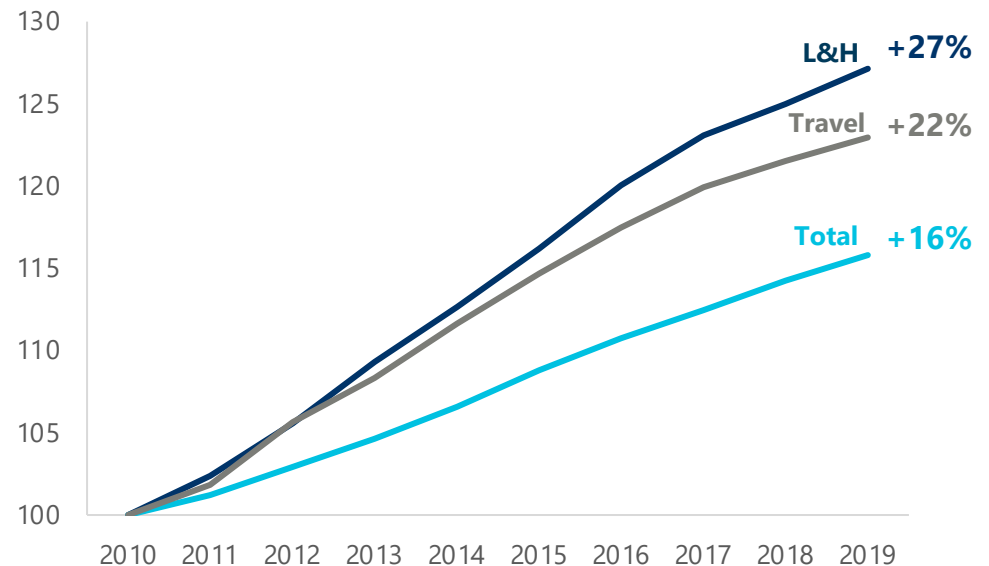
Travel-related industries generally outpaced the overall US economy over the past decade. Employment in the leisure and hospitality (L&H) sector expanded 27% from 2010-2019 while total US economy employment grew just 16%.

L&H employment includes the accommodation, food & beverage, and arts, entertainment, & recreation sectors. While L&H encompasses both visitor and local resident activity, the overlap with the travel sector is significant.

Travel-supported employment also includes transportation industries, which reside outside of the leisure & hospitality sector. Direct travel-supported employment also outpaced overall US employment, growing 22% from 2010-2019.

## Travel employment in the United States

Index (2010=100)

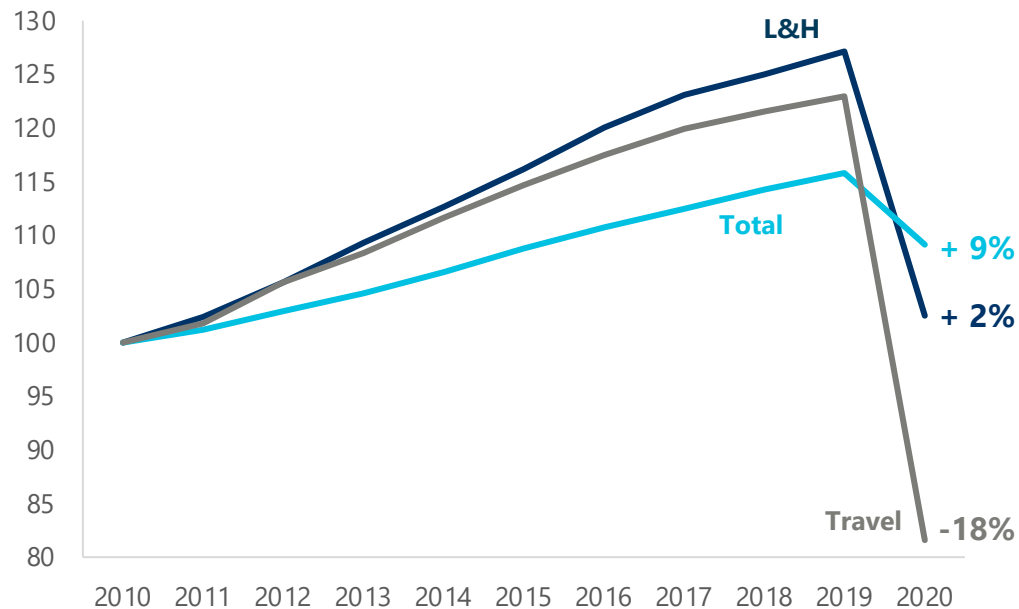


Source: BLS

# TRAVEL EMPLOYMENT DECIMATED IN 2020 – FALLING TO 18% BELOW ITS 2010 LEVEL

## Travel employment in United States

Index (2010=100)



Source: BLS

# APPROXIMATELY ONE-OUT-OF-EIGHT L&H INDUSTRY JOBS HAVE BEEN LOST

Nearly half of the 16.9 million jobs in the Leisure & Hospitality industry, as defined by the North American Industry Classification System (NAICS), were lost in March and April 2020.

While 4.9 million jobs had been created or restored between April and November 2020, over 500,000 L&H jobs were lost in December 2020 and January 2021.

As of the June 2021 jobs report, Leisure and Hospitality employment sits 13% below its pre-pandemic level; this is four percentage points lower than the next most hard-hit industry.

L&H has added an average of 326,000 new jobs in each of the past three months, a pace that would take the sector back to its pre-pandemic level by January 2022.

## Share of jobs lost in major industries

% of industry jobs lost from Feb. 2020-Jun. 2021



Source: BLS

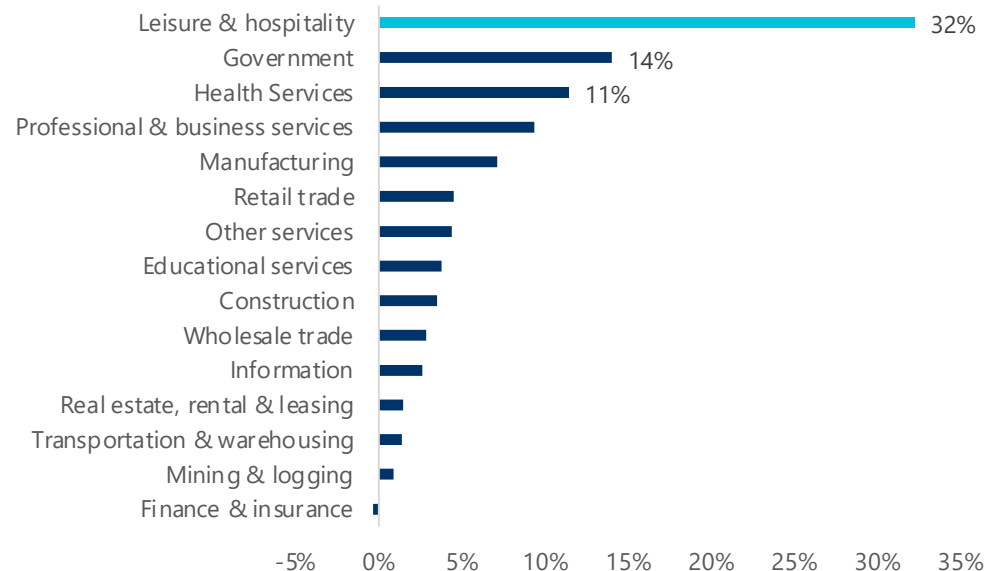
# L&H SUFFERING DISPROPORTIONATE EMPLOYMENT LOSSES

The Leisure & Hospitality industry accounted for 11% of pre-pandemic employment in the United States yet has suffered 32% of all job losses between February 2020 and June 2021.

While still more than double that of the industry with the next highest share of jobs losses, this is a moderate improvement compared to the lows L&H experienced in the winter months, which peaked in January 2021 with L&H registering 39% of all jobs lost to that point.

## Share of total US employment loss by industry

% of all US jobs lost from Feb. 2020-Jun. 2021



Source: BLS

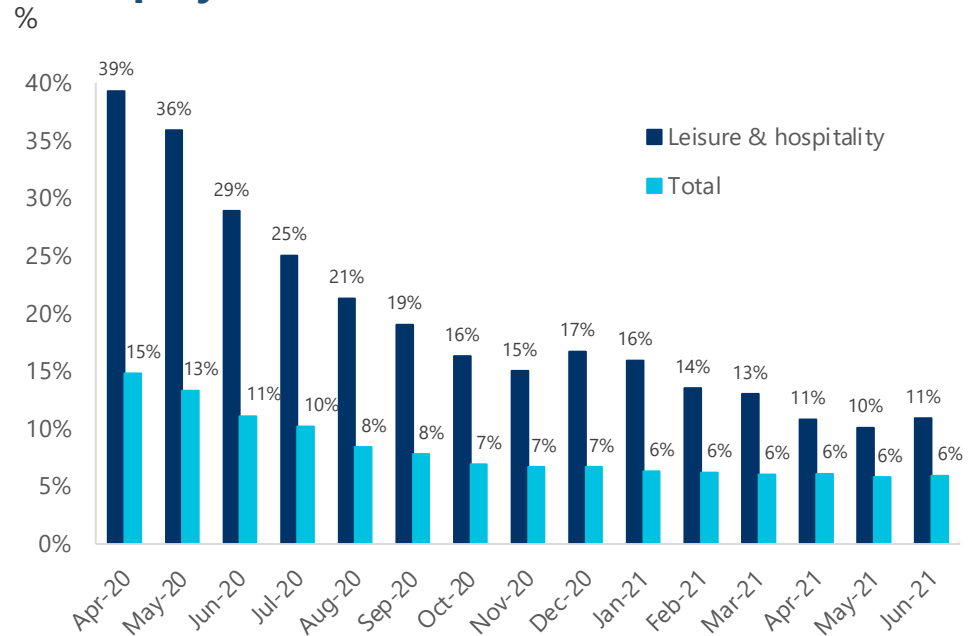
# UNEMPLOYMENT RATE TICKED UP IN JUNE

The Leisure & Hospitality industry gained 343,000 new jobs in June, registering 40% of the economy's 849,000 total new jobs.

Nearly two-thirds (63%) of the L&H jobs added between February 2021 and June 2021 have been in the Food & Beverage sub-industry, supported by easing restrictions and local demand.

The national unemployment rate in June ticked up slightly to 5.9% from 5.8%. The L&H industry's unemployment rate reversed course following five consecutive months of declines by increasing to 10.9% from 10.1%.

## Unemployment rate



Source: BLS

# SECOND LEG OF RECOVERY ACCELERATING

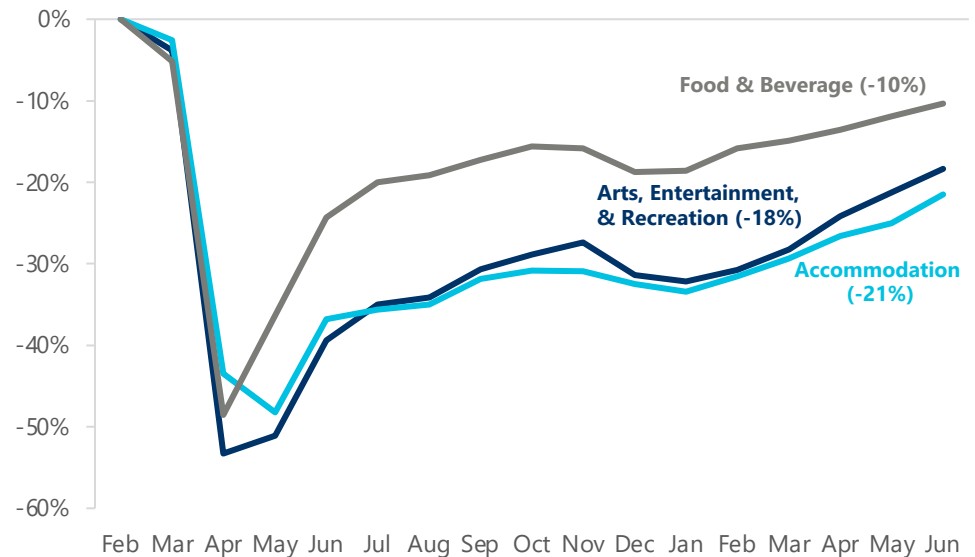
All three L&H sub-industries continued their upward trajectories in June.

The Food & Beverage segment has outperformed the other L&H sub-sectors due to the resiliency of local demand insulating it from the loss of travel demand.

In recent months, the easing of pandemic-related restrictions and widespread vaccine availability has led to an accelerating recovery in the more tourism-oriented segments of Arts, Entertainment, and Recreation and Accommodation. In June, Accommodation employment rose 5% over the prior month and Arts, Entertainment, and Recreation employment rose 4%, while Food & Beverage employment only increased 2%.

## Share of jobs lost in L&H sub-industries

% of industry jobs lost from February 2020



Source: BLS

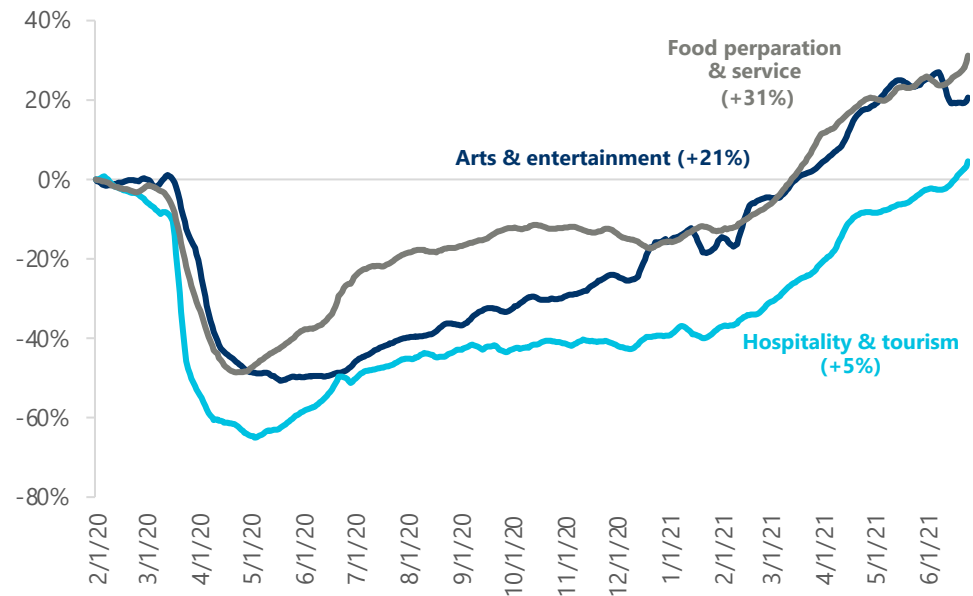
# SUMMER HIRING SPREE ON THE HORIZON

While the labor market jumped into the summer adding 849,000 jobs in June as higher wages and an improving health situation enticed more workers to accept job offers, there remains persistent hiring strains.

We foresee the overall economy recouping over 8 million jobs this year, with the unemployment rate falling to 4.3% by year-end.

## US job postings

% change from February 1, 2020



Source: Indeed Hiring Lab



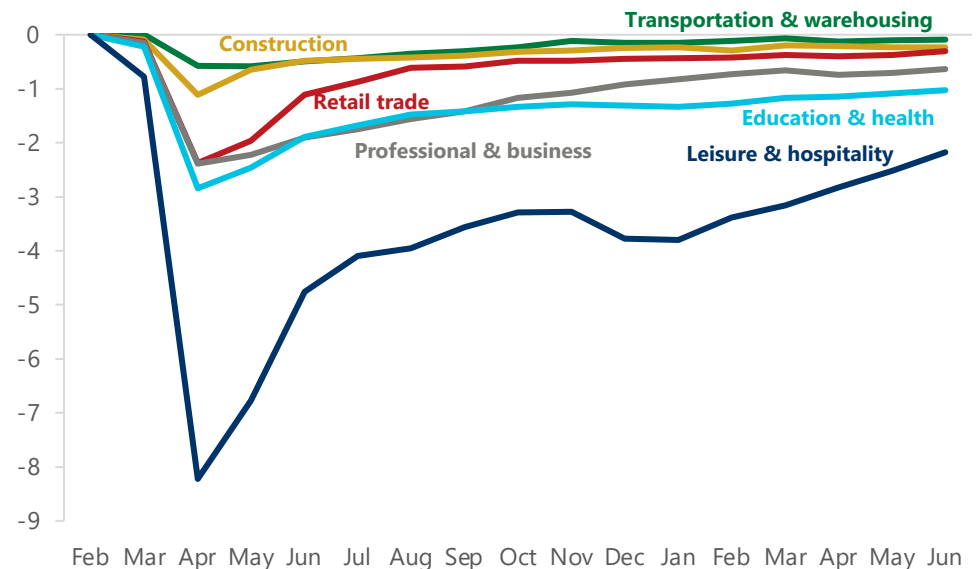
# SUMMER TRAVEL RECOVERY TAKING SHAPE

While the L&H industry added 1.6 million jobs over the past five months, it continues to be the worst performing sector since the onset of the pandemic.

Improving health conditions, warm weather, further easing of pandemic-related restrictions, and a firming labor market will support a surge in consumer spending this year. While new strains of the virus still pose a risk and have led to a renewed virus surge around the world, coronavirus risks have substantially receded amid a successful vaccine rollout, which, in conjunction with US households' \$2.5tn in accumulated excess savings since the onset of the crisis, should unleash pent-up leisure travel demand in the coming months.

## Other industries are recovering

Change in total jobs from Feb. 2020, millions of jobs



Source: BLS

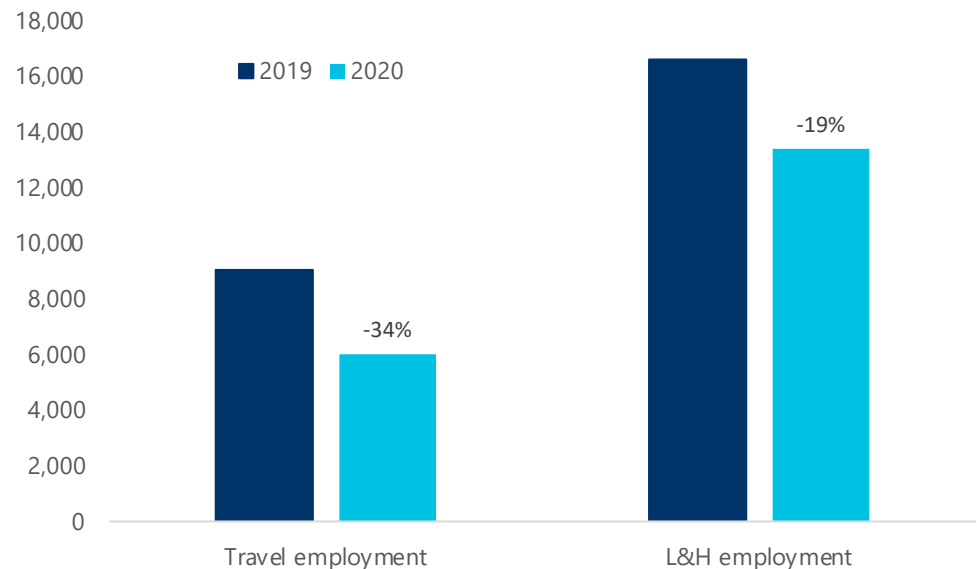
# TRAVEL EMPLOYMENT HAS UNDERPERFORMED L&H SINCE THE ONSET OF THE PANDEMIC

While L&H employment growth approximates travel employment growth in a normal year, 2020 has proved to be an exception. The prolonged collapse in travel demand and the subsequently quick rebound in local demand led the L&H employment situation to appear less dire than the reality of the travel industry.

In 2020, direct travel jobs fell 34%, 15 percentage points more than L&H's 19% decline over the same time period. The broader classification of L&H and its sub-industries, such that local demand is included, results in relatively subdued employment declines compared to the travel industry.

## Travel and L&H employment

Thousands of jobs



Source: BLS, Tourism Economics

<b>Employment situation</b> <b>Jobs (thousands)</b>			
Industry	Jobs lost (Feb. 2020- Jun. 2021)	% of jobs lost (Feb. 2020-Jun. 2021)	% of all jobs lost (Feb. 2020-Jun. 2021)
<b>Mining &amp; logging</b>	-60	-9%	1%
<b>Construction</b>	-238	-3%	4%
<b>Manufacturing</b>	-481	-4%	7%
<b>Wholesale trade</b>	-192	-3%	3%
<b>Retail trade</b>	-303	-2%	4%
<b>Transportation &amp; warehousing</b>	-94	-2%	1%
<b>Information</b>	-178	-6%	3%
<b>Finance &amp; insurance</b>	25	0%	0%
<b>Real estate, rental &amp; leasing</b>	-100	-4%	1%
<b>Professional &amp; business services</b>	-633	-3%	9%
<b>Educational services</b>	-255	-7%	4%
<b>Health Services</b>	-773	-4%	11%
<b>Leisure &amp; hospitality</b>	-2,181	-13%	32%
<b>Arts, entertainment, and recreation</b>	-459	-18%	7%
<b>Accommodation</b>	-452	-21%	7%
<b>Food services and drinking places</b>	-1,666	-14%	25%
<b>Other services</b>	-297	-5%	4%
<b>Government</b>	-949	-4%	14%
<b>Total economy</b>	-6,765	-4%	100%

Source: BLS

# ABOUT TOURISM ECONOMICS

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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