

EMPLOYMENT SITUATION IN THE LEISURE AND HOSPITALITY INDUSTRY THROUGH JULY 2020

REPORT PRODUCED FOR: U.S. TRAVEL ASSOCIATION

AUGUST 2020

34%

Of jobs lost since February in
the L&H industry

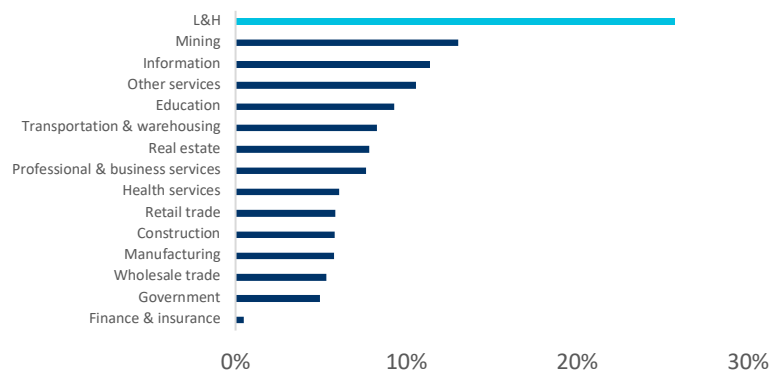
REPORT FINDINGS

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 to 10.2% in July. While every industry has been affected, the Leisure & Hospitality (L&H) sector has been the epicenter of the economic fallout.

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 over one-third of all job losses.

Employment Level

% of jobs lost, Feb-Jul



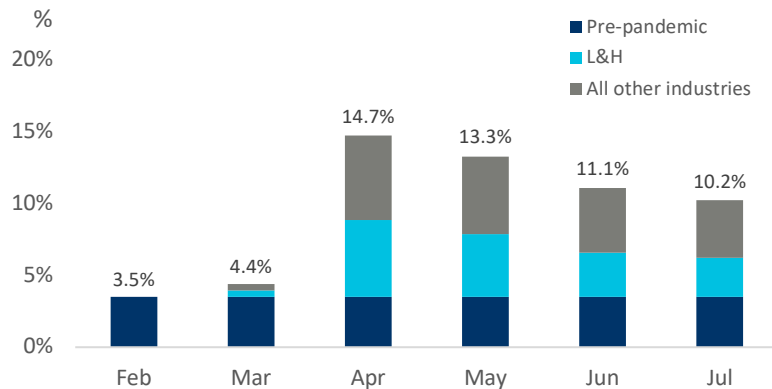
Source: BLS

4.3 million

L&H jobs lost through July

Nearly half of the 16.9 million jobs in the Leisure & Hospitality industry were lost in March and April. Since then, almost four million jobs have been created or restored. However, this still results in over one-quarter of Leisure & Hospitality workers being unemployed – double the next most hard-hit industry. Furthermore, L&H hiring has slowed markedly from 2 million new jobs in June to just 600,000 new jobs in July.

Unemployment rate



Source: BLS

The Leisure & Hospitality industry is a crucial component in the overall economic recovery process. Despite only accounting for 11% of employment, the Leisure & Hospitality sector is contributing over 40% of excess unemployment. If every industry recovered to their pre-pandemic levels except for Leisure & Hospitality, the unemployment rate would fall from 10.2% to 6.2%, still 2.7% higher than pre-pandemic levels.

With over one-quarter of Leisure & Hospitality jobs lost since the onset of the pandemic and the rate of job expansion beginning to abate, the recovery for the industry is expected to extend well into 2023. Increasing travel activity is a necessity to facilitate this recovery. The Leisure & Hospitality subsectors of Accommodation; Arts, entertainment, and recreation; and Food & Beverage are highly dependent on visitor spending and will require a restoration of prior levels of travel in order to contribute to a full labor market recovery.

August 2020

All data shown in tables and charts are Oxford Economics' own data, except where otherwise stated and cited in footnotes, and are copyright © Oxford Economics Ltd.

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.

To discuss the report further please contact:

Adam Sacks: asacks@oxfordeconomics.com

Daniel Molon: dmolon@oxfordeconomics.com

Oxford Economics

Broadwall House, 21 Broadwall, London, SE1 9PL, UK

Tel: +44 203 910 8000