

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.

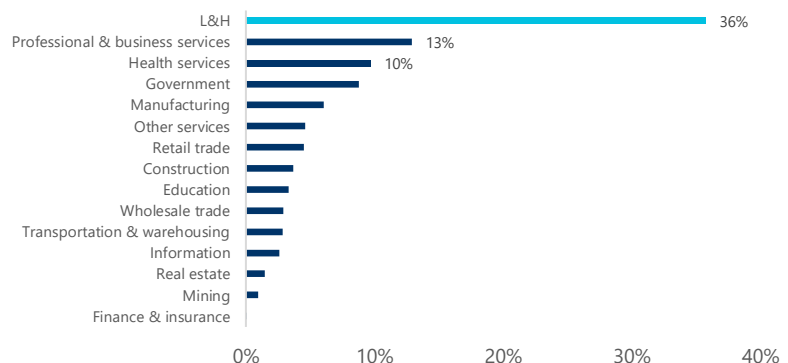
The Leisure & Hospitality industry, as prescribed by the North American Industry Classification System (NAICS), accounted for 11% of pre-pandemic employment in the United States, yet has suffered 36% of all job losses. This marks a rise over the past two months: L&H represented 33% of all jobs lost in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

36%

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

Share of total US employment loss by industry

% of all US jobs lost from February-September 2020



Source: BLS

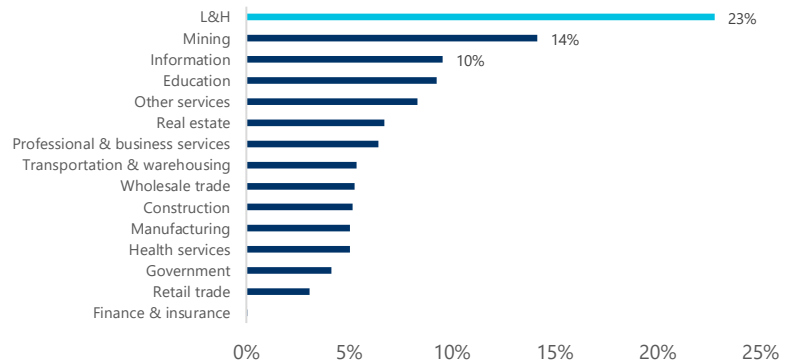
23%

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

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 travel-supported jobs have vanished over the past seven months with 3.5 million direct travel-supported jobs lost
- 4.2 million total travel-supported jobs have disappeared, including indirect and induced travel benefits
- 39% of all jobs lost in the US economy are attributable to declines in travel

4.2 mn

Travel-supported jobs lost since February

-42%

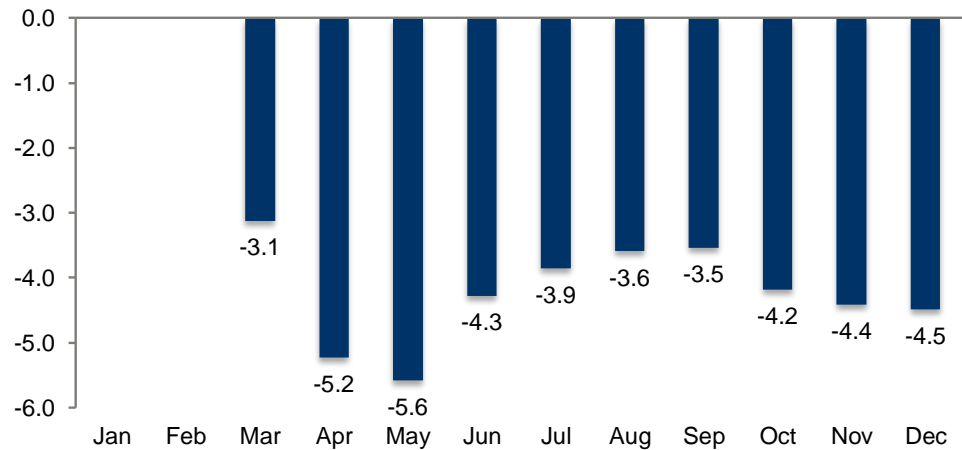
Decline in travel-supported jobs by the end of October

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 all travel supported jobs will have been lost (down from 39% in September)
- This is an additional 948,000 direct travel industry jobs and 1.3 million jobs (including indirect impacts)
- Direct travel industry jobs will have declined to 4.5 million by the end of December from 5.5 million at the end of September.
- Direct travel-supported 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)

Decline in travel employment relative to pre-crisis levels

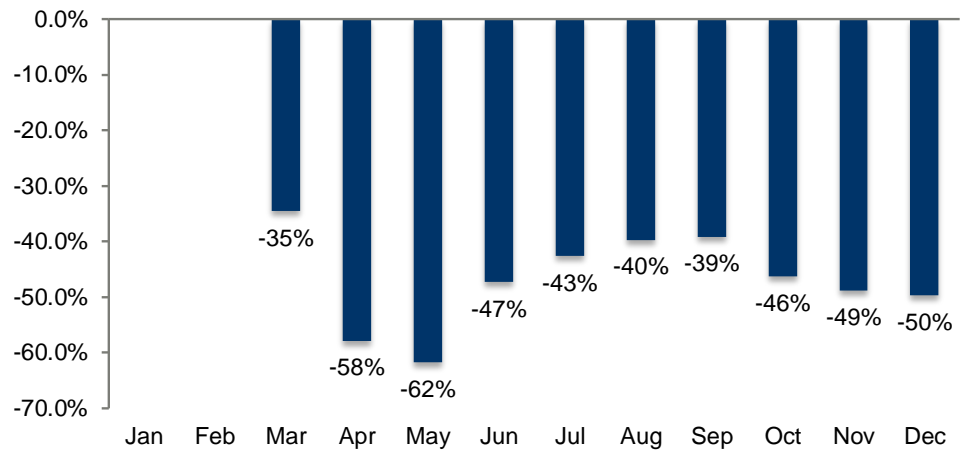
Millions



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%
Total	-948	-4,489	-50%

October 2020

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