

LEISURE & HOSPITALITY (L&H) VS. TRAVEL EMPLOYMENT

LEISURE & HOSPITALITY (L&H)

Leisure & Hospitality (L&H) is an official “supersector” category defined by the [U.S. Bureau of Labor Statistics \(BLS\)](#).

L&H consists of the following BLS sub-categories:

- Arts, Entertainment and Recreation
- Accommodation and Food Services

It includes spending by **both local residents and travelers**.

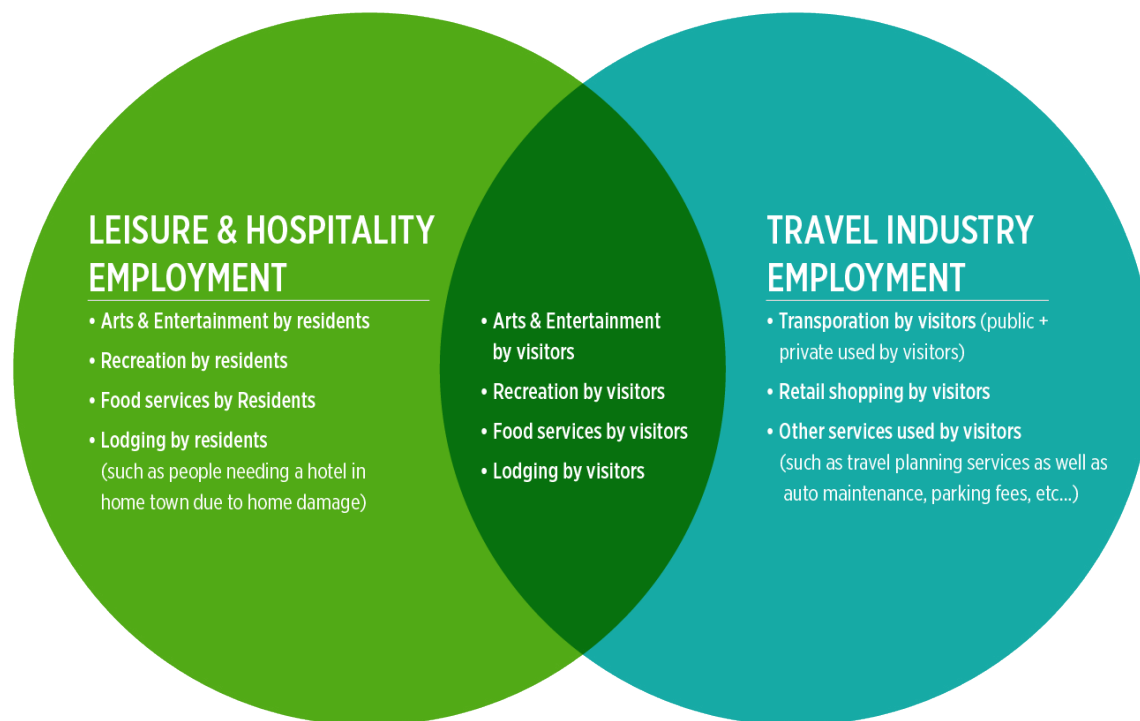
TRAVEL

“**Travel**,” on the other hand, is not used as a category by BLS.

U.S. Travel Association defines and calculates travel spending and employment independently.

Data is released annually. For the latest monthly trends, however, we refer to the official L&H data.

L&H is often used as a proxy for the travel industry. L&H trends have generally resembled those of travel since there is significant overlap between the two categories, as can be seen in the Venn diagram below.



Note: The categories above relate to “direct” employment (whether for travel or L&H). Another indicator, “total travel-supported employment,” which is released by U.S. Travel Association also takes into account indirect and induced employment. Please see definitions below.¹

¹ Definitions:

Direct Travel Employment: refers to the number of employees directly supported by travel spending.

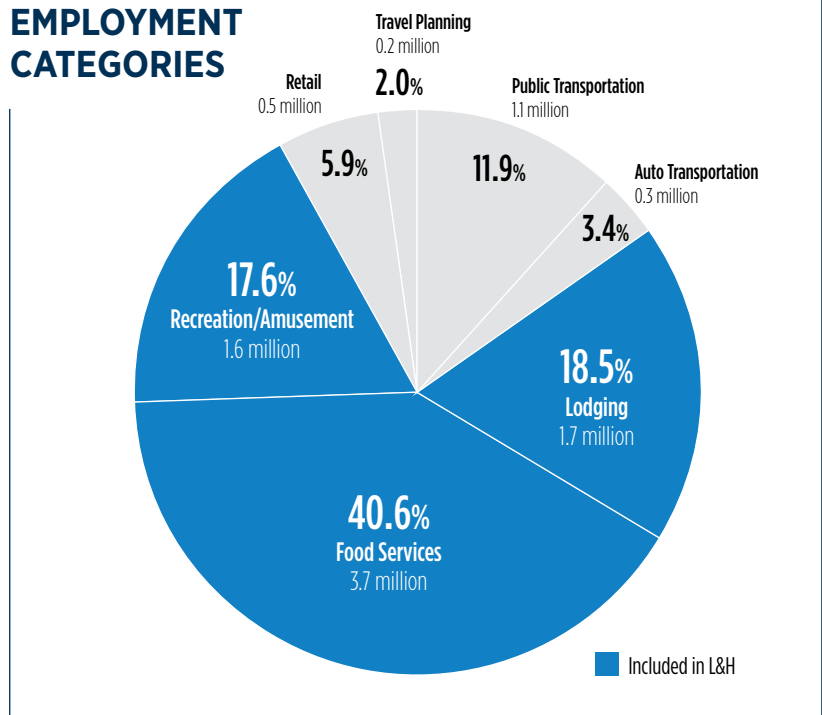
Indirect Travel Employment: takes into account employment supported by other goods and services purchased by the travel industry as inputs to meet traveler needs (e.g. when hotels purchase beds, the people employed to produce those beds would be included in indirect travel employment).

Induced Travel Employment: takes into account consumer spending by employees of the travel industry (e.g. when an individual whose pay is supported by the travel industry makes purchases with that money).

But there are also notable differences. L&H includes spending by both residents and visitors and only the visitor components overlap with travel.² On the other hand, as shown in the chart to the right, travel includes additional visitor spending-related categories such as retail shopping and transportation, which are not included in L&H.³



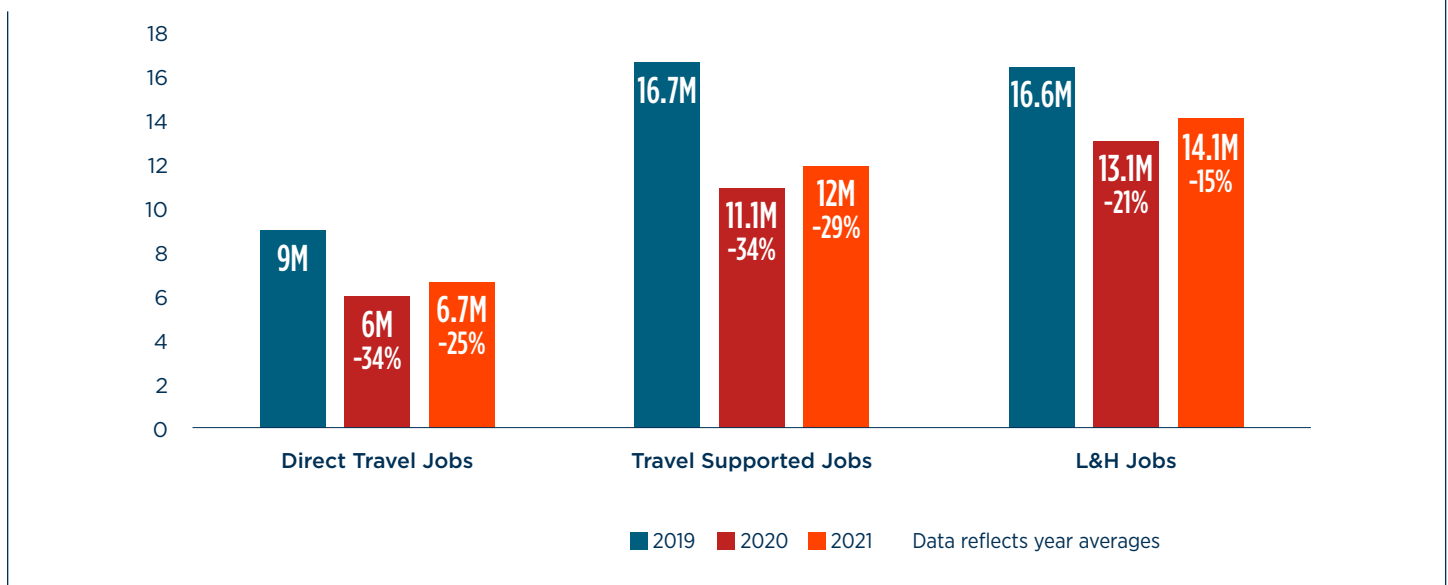
TRAVEL EMPLOYMENT CATEGORIES



Historically, despite this distinction, travel and L&H followed similar trends. But there has been a stronger divergence since the beginning of the pandemic. Local demand proved more resilient than travel demand through most of 2020 and into 2021. As such, the recovery in travel-specific jobs has been even slower than the recovery in L&H jobs. While L&H jobs were 15% below 2019 levels, on average, in 2021, direct travel jobs were down 25%. With travel's stronger recovery in 2022, we expect the trends of L&H and travel to be more closely aligned again, though travel likely remains further behind in its overall recovery.

Our monthly analysis of L&H data can thus be treated as a conservative view of the jobs crisis within the travel industry.

TRAVEL JOBS HAVE SUFFERED EVEN MORE THAN LEISURE & HOSPITALITY JOBS SINCE THE START OF THE PANDEMIC



² The visitor-spending (ie: travel related) component of L&H accounted for roughly 40% of L&H employment prior to the pandemic.

³ The L&H component of travel accounted for 77% of travel employment prior to the pandemic.