STATE OF THE AMERICAN WORKFORCE AND ITS IMPACT ON TRAVEL

EXECUTIVE SUMMARY | DECEMBER 2021
In 2020, direct travel jobs accounted for a disproportionate 35% of jobs lost and total travel supported jobs accounted for a staggering 65% of all jobs lost.

Leisure & Hospitality (L&H) accounted for 11% of pre-pandemic employment in the U.S. yet represents 34% of all jobs still lost as of November 2021.
As of the end of October, there were 11 million job openings in the U.S.—roughly one in six, or 1.8 million, in leisure and hospitality alone.

Leisure & Hospitality employment remains 8.2% below its pre-pandemic levels as of November 2021.
Job openings outpace available workers in many sectors.

There are nearly 800,000 more job openings than there are available workers in Leisure & Hospitality.
**WORKFORCE SHAKE UP**

- **Four in 10** of full-time employed Americans experienced some sort of employment shift during the pandemic.

- **More than five million** Americans left the workforce including more than three million early retirees—double the number in 2019.

- Even as of November, the labor force participation rate remained at 61.8% - equating to **2.4 million fewer Americans in the workforce** than the same time in 2019.

- **Six in 10** of workforce exits since the start of the pandemic are women.

### EMPLOYMENT SHIFTS AMONG ALL AMERICANS VS. THOSE IN THE TRAVEL INDUSTRY

<table>
<thead>
<tr>
<th>Employment Shift</th>
<th>All Americans</th>
<th>Previously Worked in Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced Hours</td>
<td>56%</td>
<td>54%</td>
</tr>
<tr>
<td>Laid Off</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Salary or Wage Reduction</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Furloughed</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Retired</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Changed Jobs - Same Industry/Company</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Changed Jobs - Different Industry</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Permanently Remote</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Left Workforce Voluntarily</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Destination Analysts

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**Four in 10 employed Americans experienced employment shifts during the pandemic.**
1 | FINANCIAL CUSHION
The federal government provided over $850 billion in direct payments to taxpayers — with additional savings many decided they did not want to return to old jobs or the workforce at all.

2 | CHILDCARE CHALLENGES
Lack of affordable quality childcare caused many women to choose between work and family and continued childcare labor shortages have resulted in many women remaining on the sidelines. Nearly 1.3 million fewer women are in workforce compared to November of 2019.

3 | SELF-REFLECTION - COVID CLARITY
More than two-thirds of Americans seeking new employment are seriously considering changing their occupation or field of work. And one-third of Americans cited the ‘desire to make a career change’ as the top reason for leaving their current job.

4 | SKILLS GAP
There is a fundamental mismatch between the industries that currently have the most job openings and how many unemployed people have experience in that industry.

5 | INTERNATIONAL VISA CHALLENGES
Travel organizations and destinations were not able to access additional temporary workers as a result of visa processing delays, backlogs and travel restrictions. This severely curtailed the ability of many international workers to enter the U.S.

Additional detail on reasons for shortages can be found in the full report.
REALLOCATION FRICTION:
The idea that the array of jobs in the economy are changing and workers are taking time to figure out what new jobs they want—or what skills they need for different roles.

REASONS FOR WORKFORCE SHORTAGE:

- One-third of Americans cited the ‘desire to make a career change’ as the top reason for leaving their current job

- More than four million Americans quit their jobs in October – **more than one in five (21%)** were within L&H

- Americans who have previously worked in the travel industry and decided to change jobs **disproportionately switched to a different industry**

Additional detail on reasons for shortages can be found in the full report.

QUIT RATES IN THE LEISURE & HOSPITALITY INDUSTRY VS. TOTAL PRIVATE SECTOR

Leisure & Hospitality is experiencing elevated quit rates

Source: Bureau of Labor Statistics
REASONS FOR WORKFORCE SHORTAGE: ACCESS TO INTERNATIONAL WORKERS

• The labor force was reduced by more than 500,000 just from a decline in temporary workers alone

• There were more than 100,000 unused H2B and J1 work visas in FY2021

“Employers are having to wait a long time to get their petitions approved, and renewals are not being processed in a timely manner. It’s going to take a long time for them to work through the backlog.”

- Stephen Yale-Loehr, immigration lawyer and teacher at Cornell Law School

U.S. Travel Policy Recommendations: Alleviating Worker Visa Processing Delays

• Increase the cap on H-2B and J1 visas, and permanently exempt returning H-2B workers from the cap, such as proposed in the H-2B Returning Worker Exception Act (H.R. 3897)

• Streamline and Modernize H-2B Visa Programs

Additional detail on reasons for shortages can be found in the full report.
TRAVEL AND TOURISM HAS A PERCEPTION PROBLEM

- Many Americans have positive perceptions of careers in travel and tourism. However, **highly valued employment considerations** in today’s environment such as stability, culture of work/life balance and attractive wages **fall to the bottom of perceptions associated with travel and tourism**

- More than half of U.S. hospitality workers would not go back to their **old jobs** for any reason and over a third aren’t even considering re-entering the industry

Perceptions of travel employment do not align with top employment considerations

**Source**: Destination Analysts
WHAT EMPLOYEES WANT

• Four in 10 U.S. workers are **actively searching for a new job right now**, or plan to soon – twice the rate of 2019

• Flexibility and stability emerge as top considerations post-pandemic

“People want a good job and a life well-lived.” - Gallup

• Americans are prioritizing health and well-being. Even more than compensation, **work/life balance is increasingly important for today’s workforce**

LONG-TERM CAREER GOALS

Source: Destination Analysts
**WHAT’S NEXT – INDUSTRY RECOMMENDATIONS**

**1 | HIGHLIGHT THE UNIQUE BENEFITS AND VALUE OF TRAVEL EMPLOYMENT**

- Travel jobs are accessible
- Travel jobs are flexible
- Travel jobs are diverse
- Travel jobs provide training
- Travel jobs foster entrepreneurship and expand small business

**2 | PROMOTE DIVERSE, EQUITABLE AND INCLUSIVE TRAVEL CAREER OPPORTUNITIES**

- Embrace diversity, new values, mindsets and expectations of the new workforce
- Elevate importance of DE&I and ensure it is at the core of organization charts, strategic plan and recruiting s

**3 | EXPAND HORIZONS**

- Look beyond travel and tourism
- Redefine flexibility
- Understand needs and values of emerging workforce
- Improve access to international workers through U.S. Travel’s policy recommend
The full report is available to U.S. Travel members. If you are a member looking for your login credentials, or are interested in becoming a member and unlocking access to U.S. Travel’s suite of benefits, industry toolkits and research products, contact our Membership team.