

TRAVEL INDUSTRY EMPLOYMENT THROUGH NOVEMBER 2020

REPORT PRODUCED FOR: U.S. TRAVEL ASSOCIATION

DECEMBER 4, 2020

35%

L&H industry share of all US
jobs lost through November

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 6.7% in the BLS data released on December 4th. 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 defined by the North American Industry Classification System (NAICS), accounted for 11% of pre-pandemic employment in the United States, yet has suffered 35% of all job losses. Conditions have worsened over the past four months, as L&H represented only 33% of all job losses in July.

27%

Employment growth within
L&H from 2010 to 2019

20%

Share of L&H jobs still lost through October

Share of total US employment
% of all US jobs lost from February-19



Source: BLS

The Leisure & Hospitality industry had been a key driver of job growth in the United States, outpacing total job growth by 11 percentage points from 2010 to 2019. The current crisis has erased nearly all of the L&H job growth of the past decade, as the current employment level sits only 1% above its 2010 level.

Nearly half of the 16.9 million jobs in the Leisure & Hospitality industry were lost in March and April. Since then, 4.9 million jobs have been created or restored. However, this still results in about 20% fewer Leisure & Hospitality jobs – seven percentage points

31,000

New L&H jobs added in November – down from 413,000 in September

more than the next most hard-hit industry.

improvement, but at 28% below its February employment level, the segment has suffered more than twice as many relative job losses as the next most hard-hit industry – Mining & Logging, which is 13% below its February employment level.

15.0%
L&H unemployment rate

Share of jobs lost in major in
% of industry jobs lost from February

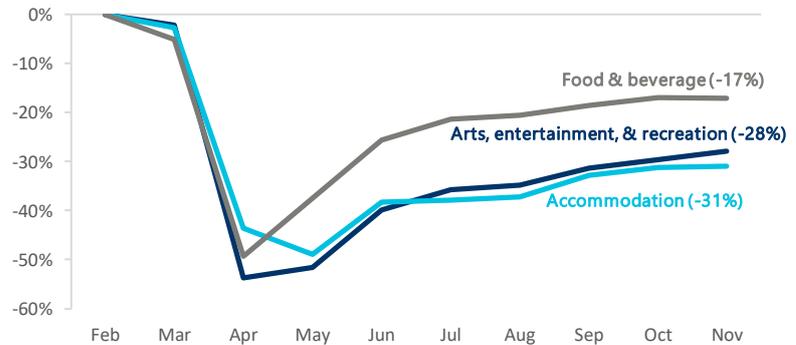


Source: BLS

While the Leisure & Hospitality industry has regained 4.9 million jobs since its low point in April, the pace of recovery has been slowing and uneven across segments. The Accommodation and Food & Beverage segments stalled in November and remain 31% and 17% below their February employment levels, respectively. The Arts, Entertainment, & Recreation segment experienced minor

Share of jobs lost in L&H sub-industries

% of industry jobs lost from Feb-Nov 2020

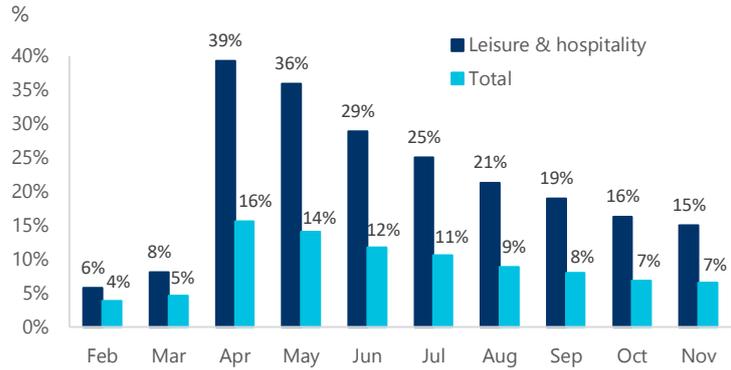


Source: BLS

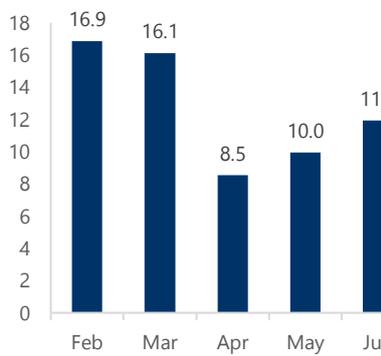
The bulk of the recovery occurred in June, following the easing of lockdown restrictions. Since then, employment growth in L&H has been decelerating rapidly: over the past three months, job growth in L&H has slowed from 413,000 new jobs in September to a mere 31,000 in November.

The Leisure & Hospitality industry remains distressed with an unemployment rate of 15.0% in November – more than double the national unemployment rate. While positive results from vaccine trials put an end of the pandemic in sight, rising COVID-19 cases, the continued divide over re-opening protocols, and the uncertainty surrounding future economic stimulus present tangible risks to the Leisure & Hospitality industry’s already precarious situation.

Unemployment rate



Leisure & hospitality employ
Millions of jobs



Source: BLS

Source: BLS

Employment situation			
Jobs (thousands)			
Industry	Jobs lost (Feb-Nov)	% of jobs lost (Feb-Nov)	% of all jobs lost (Feb-Nov)
Mining & logging	-90	-13%	1%
Construction	-279	-4%	3%
Manufacturing	-599	-5%	6%
Wholesale trade	-281	-5%	3%
Retail trade	-550	-4%	6%
Transportation & warehousing	-123	-2%	1%
Information	-280	-10%	3%
Finance & insurance	18	0%	0%
Real estate, rental & leasing	-133	-6%	1%
Professional & business services	-1,061	-5%	11%
Educational services	-392	-10%	4%
Health Services	-864	-4%	9%
Leisure & hospitality	-3,449	-20%	35%
Arts, entertainment, and recreation	-690	-28%	7%
Accommodation	-647	-31%	7%
Food services and drinking places	-2,111	-17%	21%
Other services	-432	-7%	4%
Government	-1,313	-6%	13%
Total economy	-9,833	-6%	100%

Source: BLS

December 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 / Tourism Economics

303 W Lancaster Avenue, Suite 2E, Wayne PA 19087

Tel: +1 610 995 9600