

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

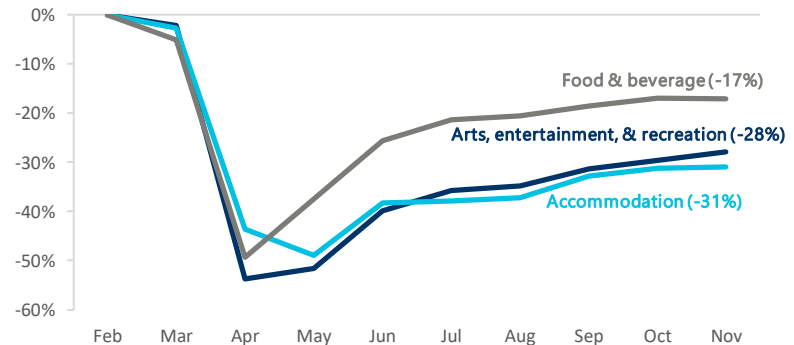
New L&H jobs added in
November – down from
413,000 in September

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.

Share of jobs lost in L&H sub-industries

% of industry jobs lost from Feb-Nov 2020



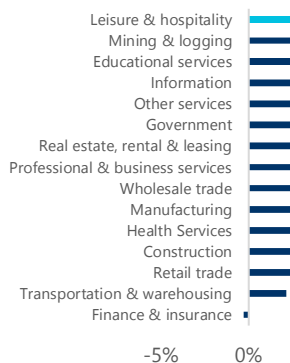
Source: BLS

15.0%

L&H unemployment rate

Share of jobs lost in major in

% of industry jobs lost from February



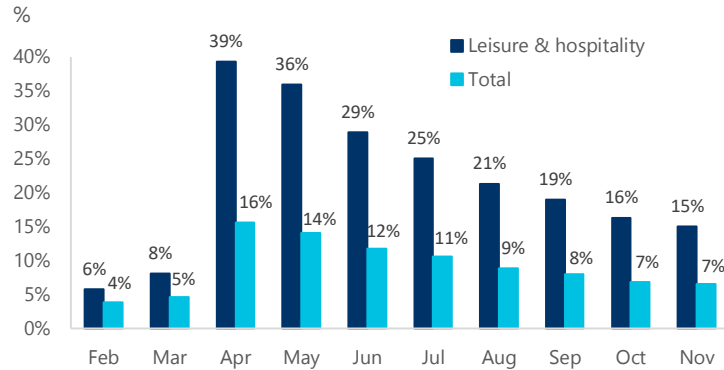
Source: BLS

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.

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

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.

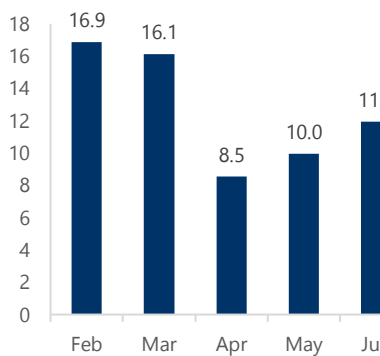
Unemployment rate



Source: BLS

Leisure & hospitality employment

Millions of jobs



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

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