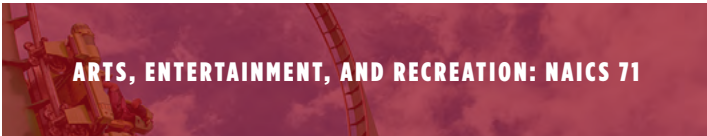


LEISURE & HOSPITALITY (L&H) VS. TRAVEL EMPLOYMENT

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:



It includes spending by **both local residents and travelers** visiting the community.

“Travel” (whether direct, indirect or induced), on the other hand, is not used as a category by BLS.

U.S. Travel Association has defined “travel” independently for decades, both for spending and employment calculations.

The pie chart on the right outlines how U.S. Travel arrived at 9 million direct travel jobs in 2019. **The highlighted sections are those that are also included in L&H.** While there are many components that are included in travel but not in L&H, the ones that are most labor-intensive—meaning these categories generally employ more workers per dollar spent—are included in L&H.

L&H is often used as a proxy for the travel industry, and L&H trends are generally expected to resemble those of travel since there is significant overlap between the two categories. The fact that L&H employment data is published by the government at the beginning of each month makes it an attractive simple publicly available indicator for the travel industry.

LH vs Travel:

- L&H accounts for 77% of travel employment (as per the pie chart)
- Travel (both domestic and international inbound) accounts for roughly 40% of L&H employment
- While accommodation (ie: lodging) is mostly—though not entirely—related to travel, the other categories included in L&H (particularly food services) include a significant component of resident spending

TRAVEL EMPLOYMENT CATEGORIES

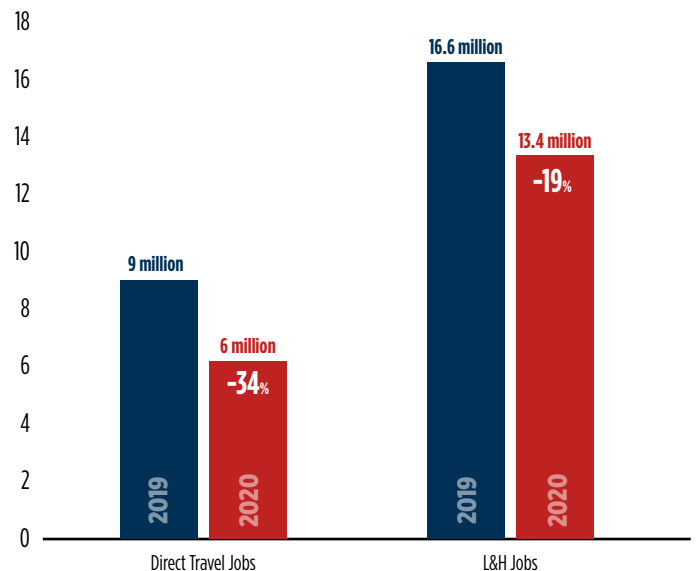
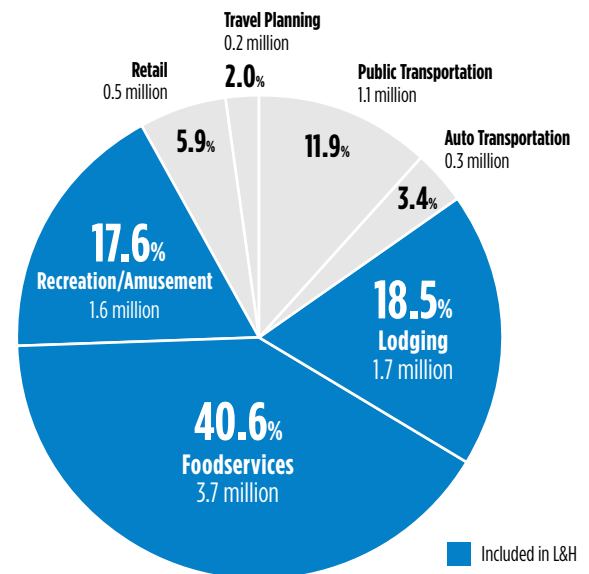


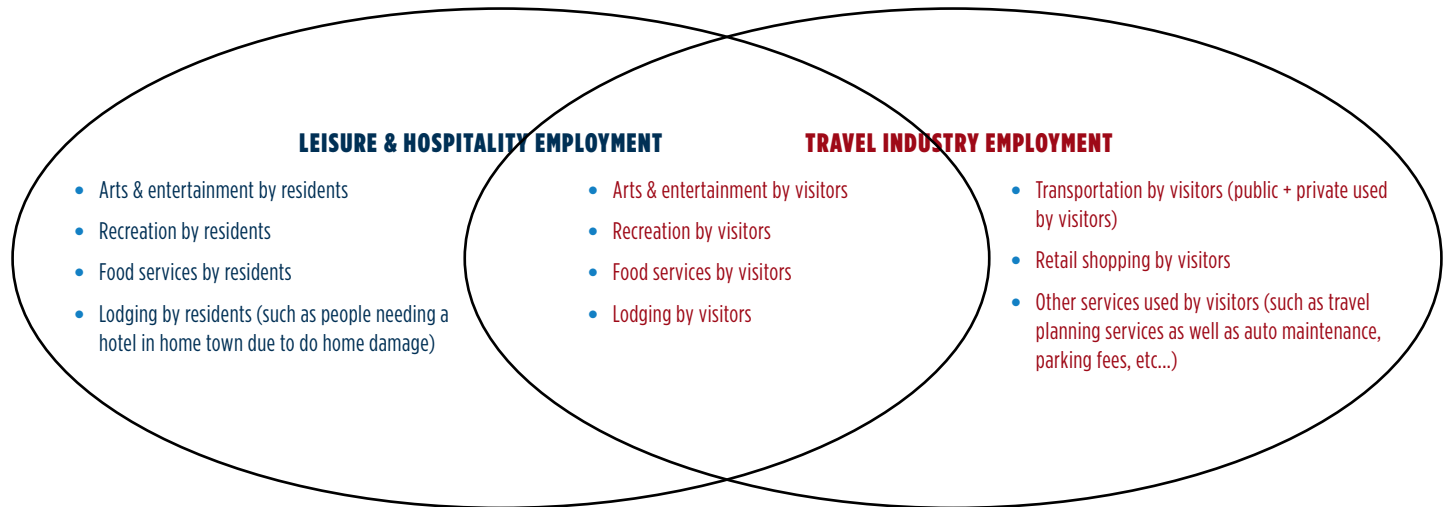
Chart depicts drastic losses in both Direct Travel and L&H jobs from 2019 to 2020

In other words, **roughly 60% of L&H employment is not related to travel** (such as a resident who dines at a local restaurant or stays at a local hotel) and **33% of travel employment falls into categories that are not part of L&H** (e.g. retail spending and transportation).

Therefore, trends linked to L&H do not necessarily represent those of the travel industry.

In fact, while L&H trends in most years largely resemble those of travel, there was a stronger divergence since the onset of the pandemic. Local demand proved more resilient than travel demand through most of 2020, and local demand is also recovering significantly faster than travel demand in the first part of 2021.

The following Venn diagram illustrates the areas of overlap:



Areas of overlap: Lodging, entertainment/recreation and food services spending by travelers

Included in L&H but NOT in travel: Lodging, entertainment/recreation and food services spending by residents

Included in Travel but NOT in L&H: Retail spending by travelers, transportation related spending and other services used by travel (such as parking).

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.

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).