

The Work of Leisure

Behind the Scenes of MA's Leisure, Hospitality & Tourism Industry

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ECONOMIC & PUBLIC POLICY RESEARCH



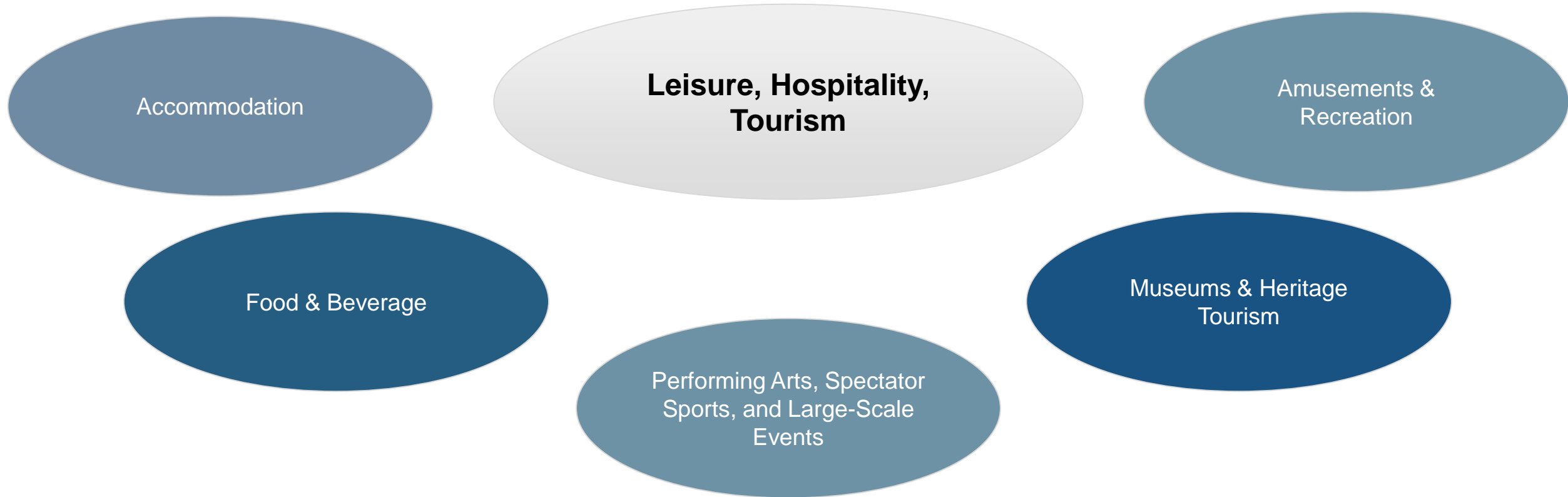
Presentation Overview

- Leisure, Hospitality, and Tourism (LHT) industry overview
 - Issues and Trends
 - Why does it matter?
- The current state of LHT in MA
 - Status and stature of the industry
 - Workforce considerations
 - Labor pipeline concerns for key occupations
- Policy considerations

Why Study LHT?

- Large industry with significant direct and spinoff effects in the economy
- Industry leaders feel it is an overlooked sector
- Significant challenges in workforce development and hiring

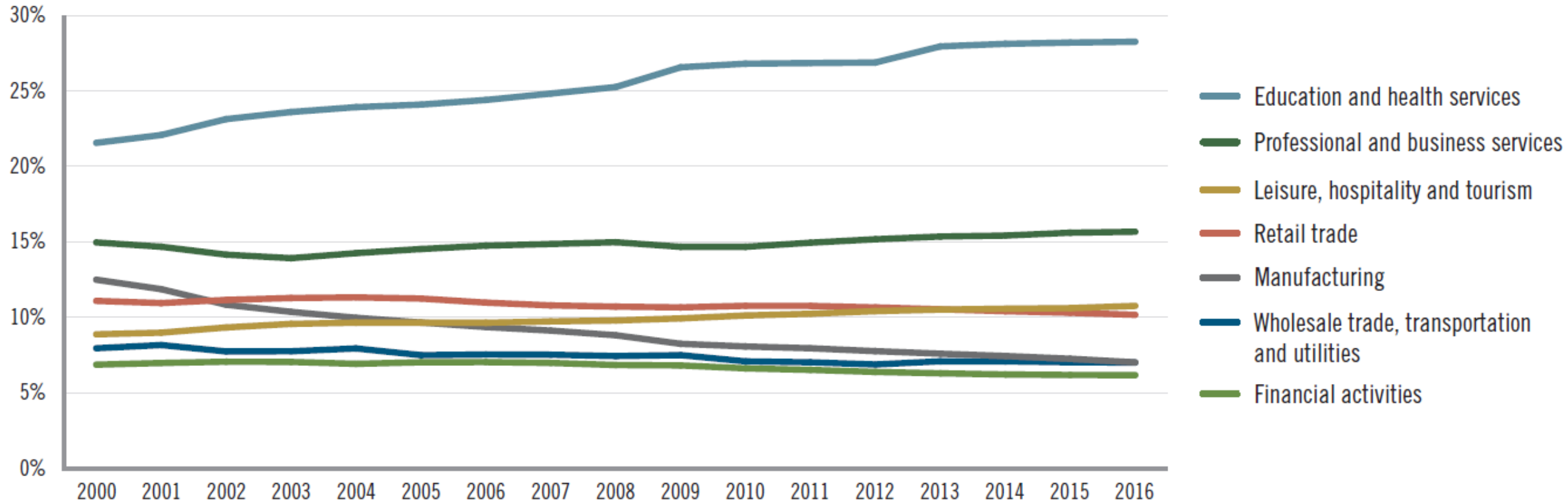
LHT Industry Definition & Subsectors



Key Takeaways

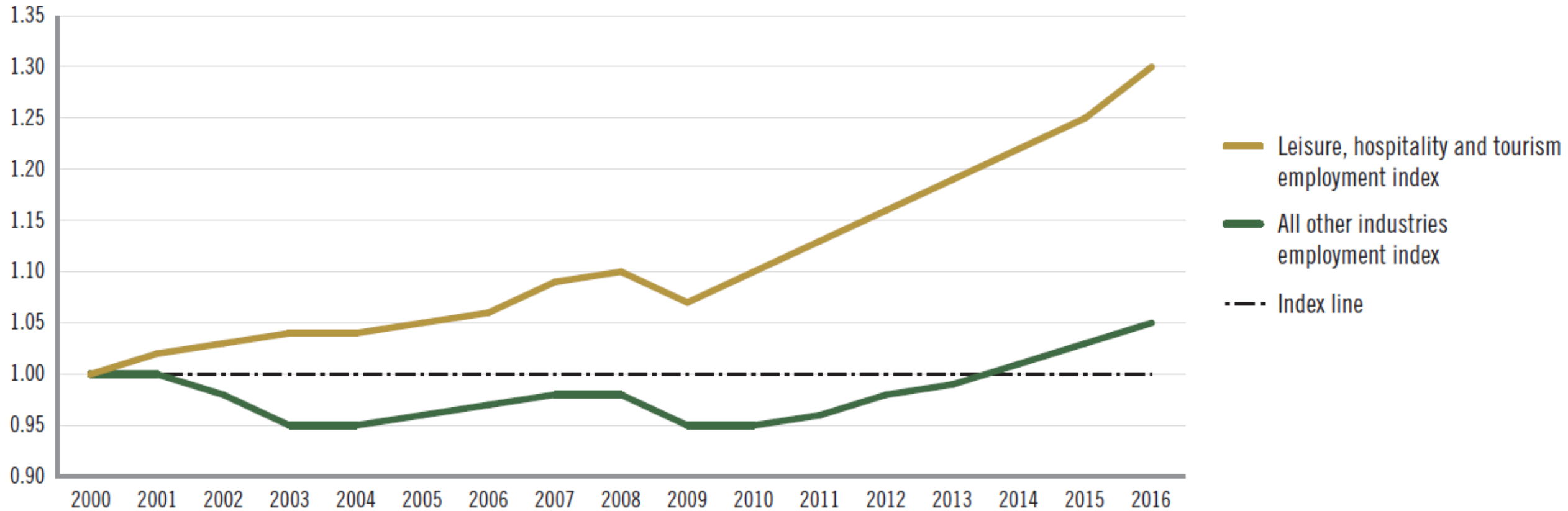
1. The significance of leisure, hospitality, and tourism (LHT) in the state's economic portfolio is grossly overlooked
 - LHT is the 3rd largest industry in MA by size of workforce; employed 376,425 workers in 2016
 - The lion's share of LHT workers are employed in the Food & Beverage subsector, followed by Amusements and Recreation, and then Accommodation
 - LHT has significant direct and spinoff effects in the economy
 - Supports a total of 608,000 jobs statewide
 - \$69.4 billion economic activity
 - \$52.5 billion in personal and disposable income

Share of Total Massachusetts Employment by Supersector (Top 7)



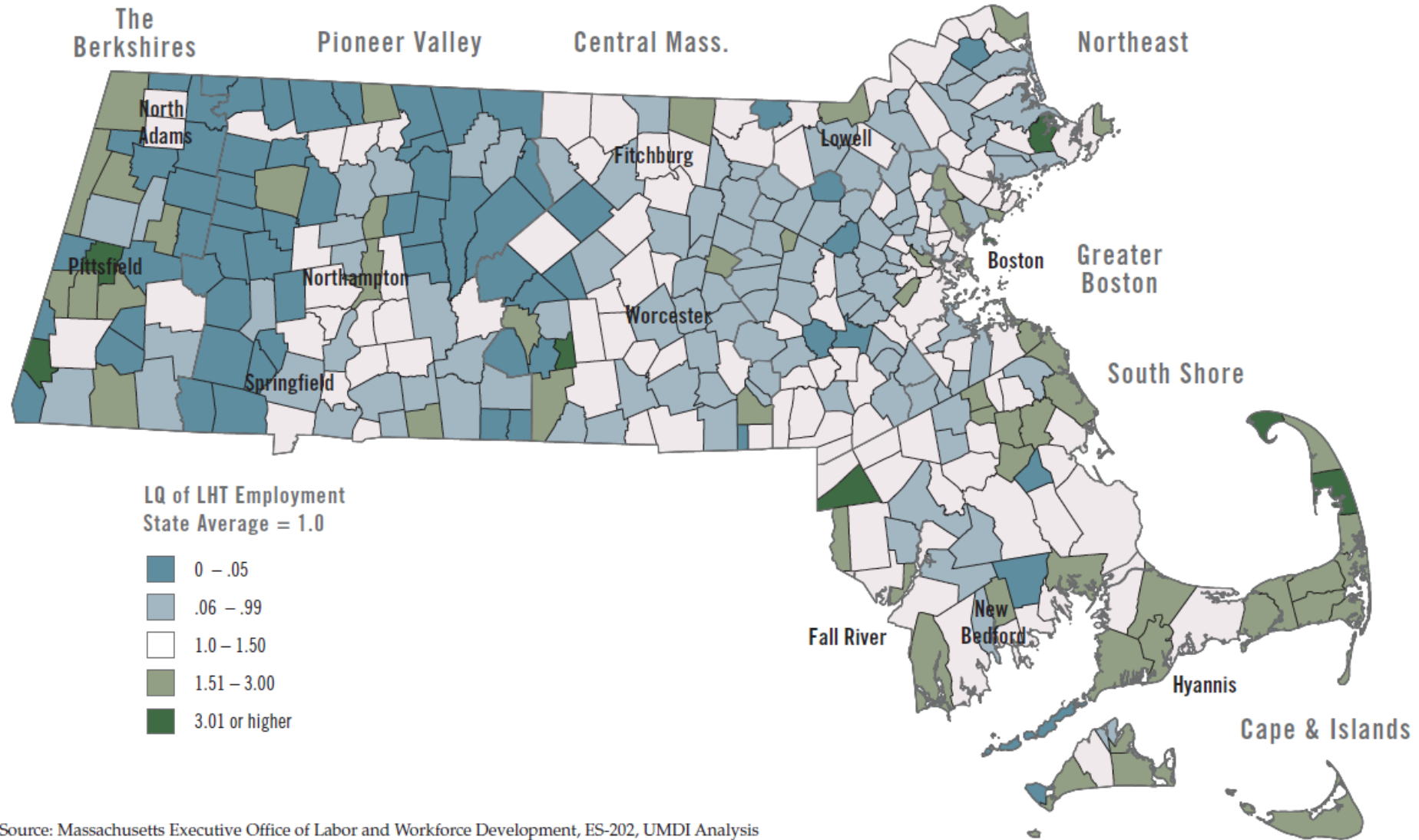
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; UMDI calculations

Index: Employment Change in LHT vs. All Other Massachusetts Industries



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; UMDI calculations

LHT Location Quotients by Massachusetts Municipality, 2016



Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202, UMDI Analysis

REMI Model Inputs and Outputs

Direct Effects

Ripple Effects

Total Impacts



375,868



231,945



607,813



\$28.22 (b)



\$41.18 (b)

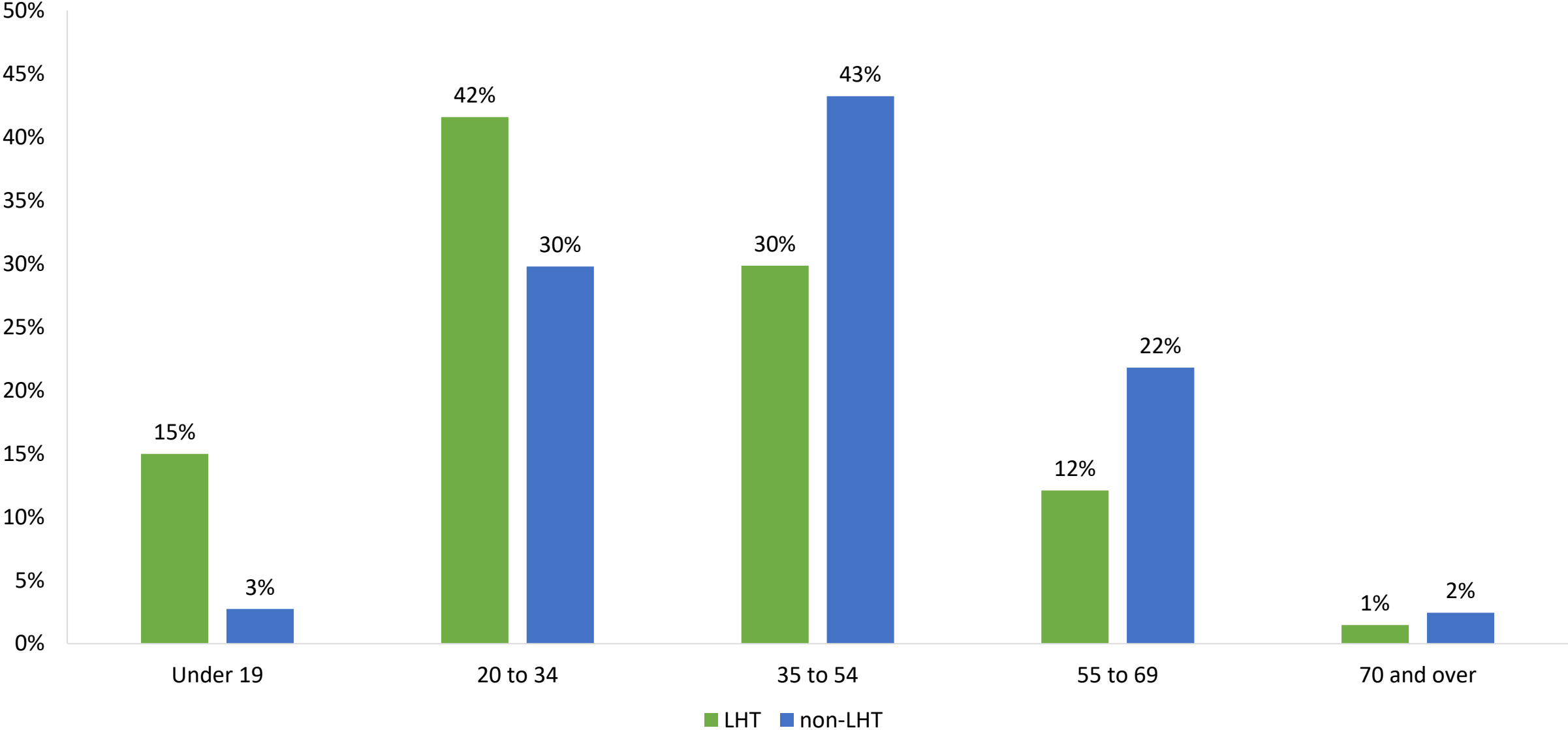


\$69.4 (b)

Key Takeaways

1. The significance of leisure, hospitality, and tourism (LHT) in the state's economic portfolio is grossly overlooked
2. The LHT workforce is among the most vulnerable and transient of any industry in the state
 - LHT workers are young
 - LHT workers have limited educational attainment
 - LHT workers are diverse
 - LHT has concentrations of Latino and foreign-born
 - LHT workforce earns less than other MA workers
 - LHT workforce has concentrations of poverty

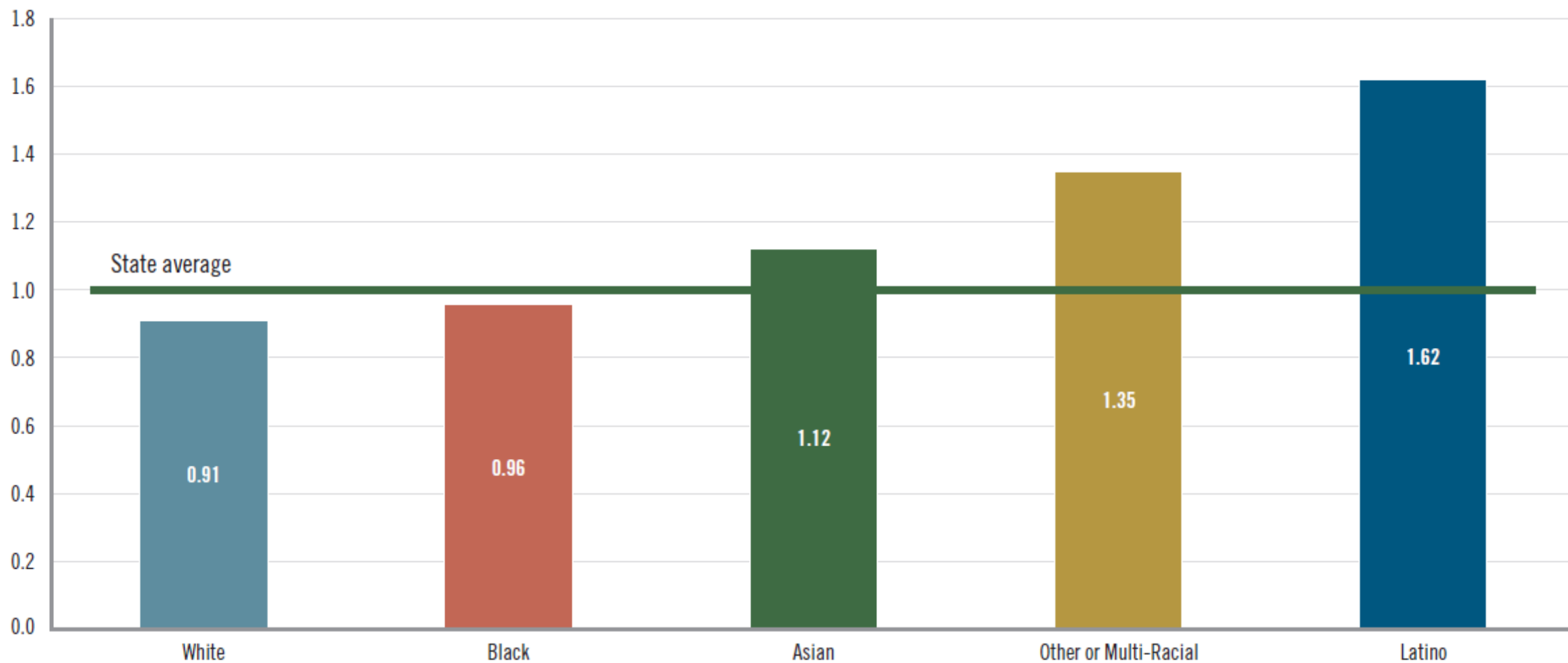
Workforce Age Distribution, LHT vs Non-LHT



Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

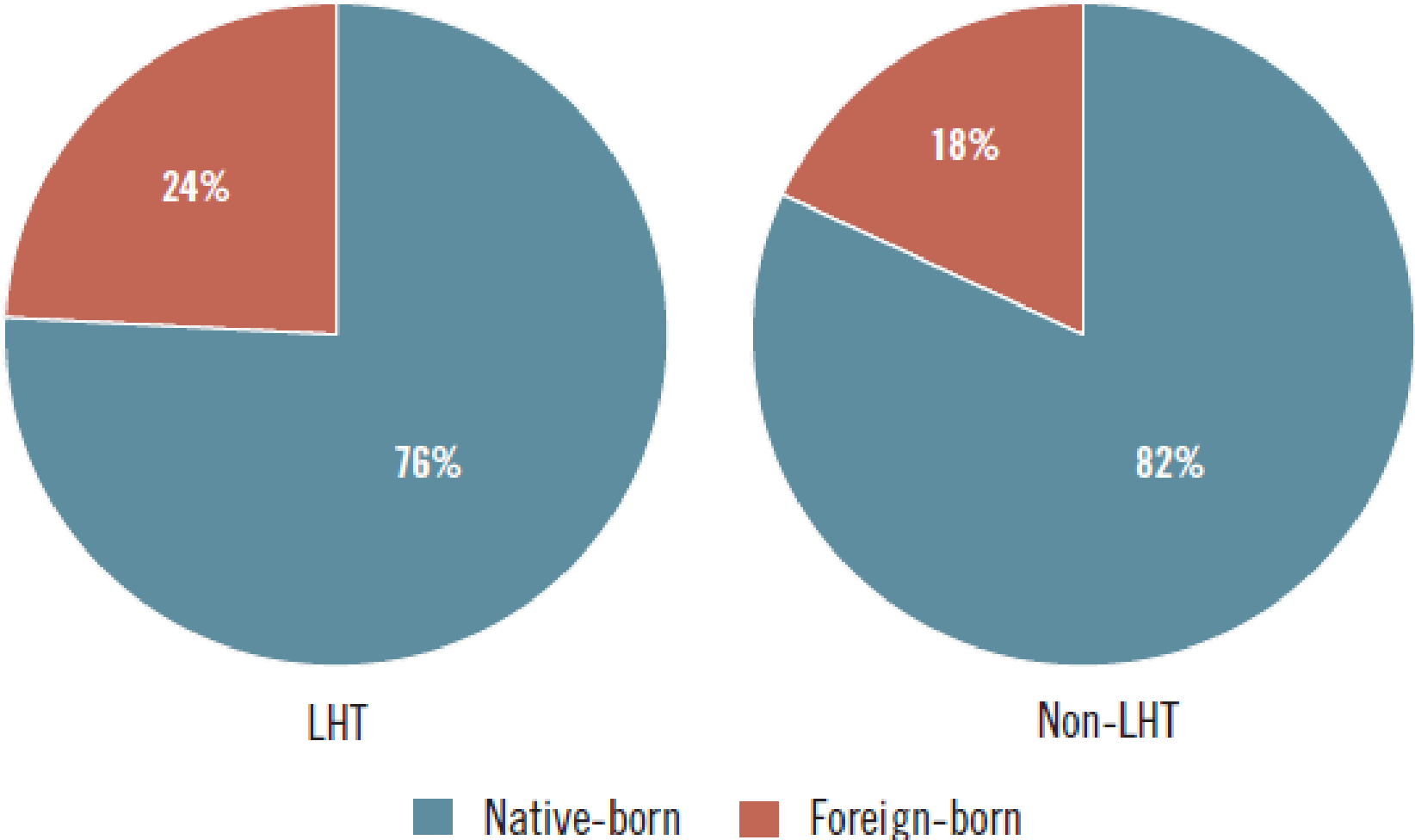


LHT Employment Ratio by Race and Ethnicity



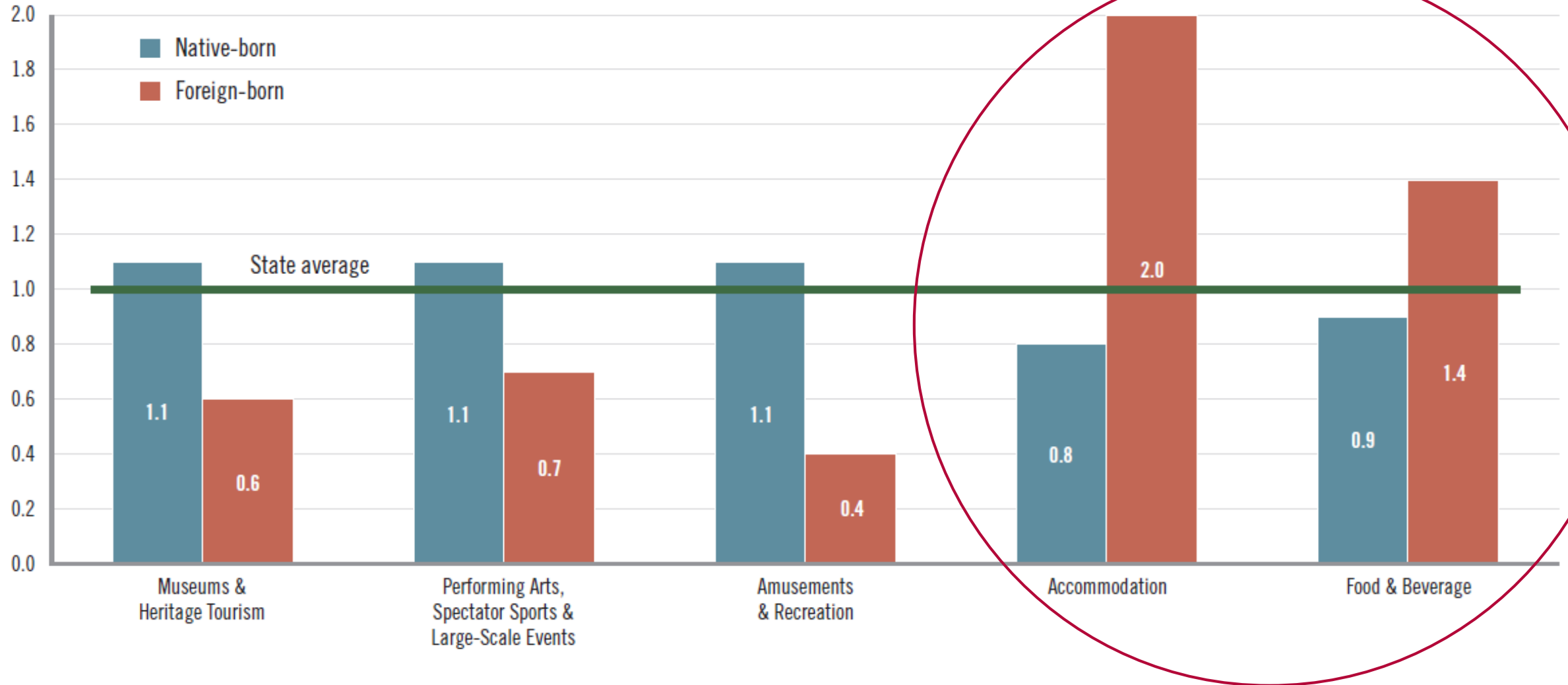
Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

Nativity Status, LHT vs. Non-LHT



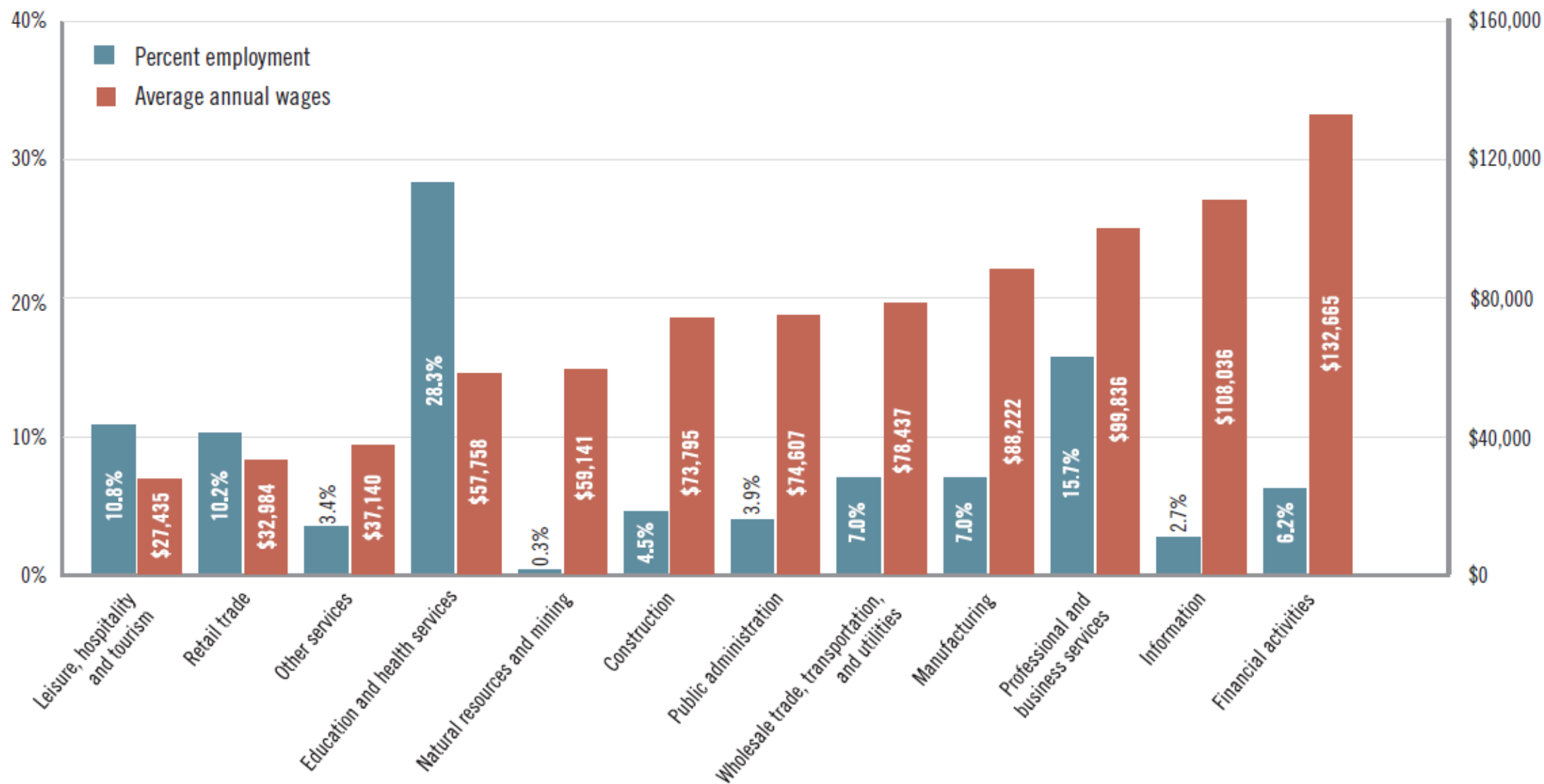
Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

LHT Employment Ratio by Subsector and Nativity



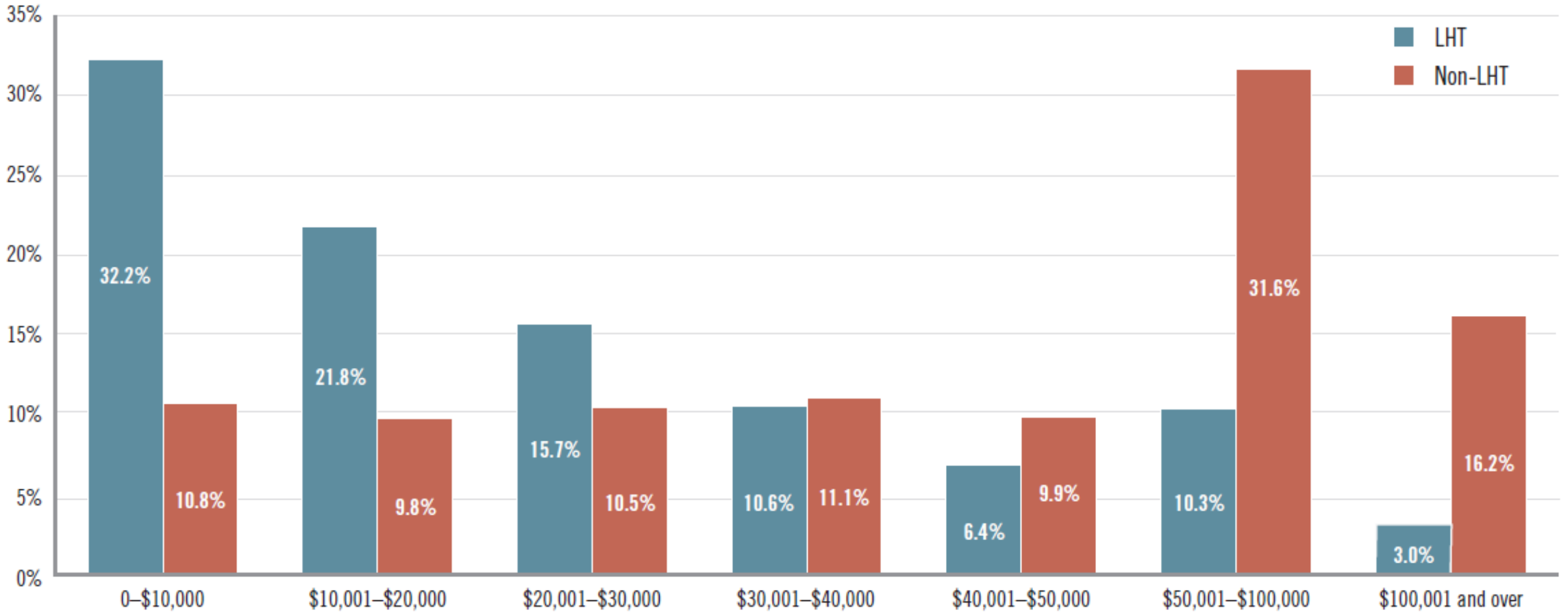
Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

Average Annual Wages and Employment Share, 2016 (2017\$)



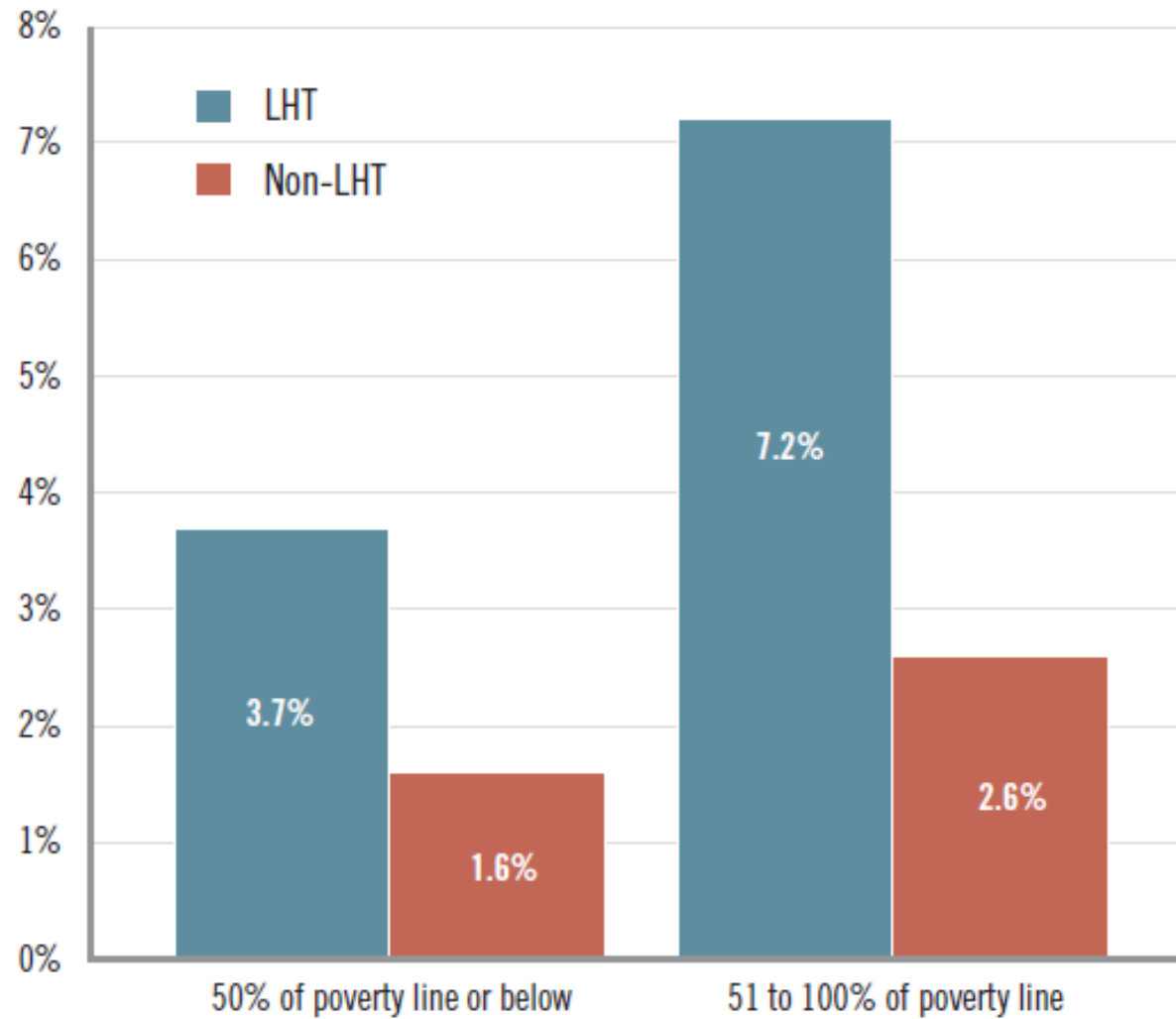
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; UMDI calculations

Wage and Salary Income, LHT vs. Non-LHT, 2016 (2017\$)



Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

Percent of Workers in Poverty, LHT vs. Non-LHT

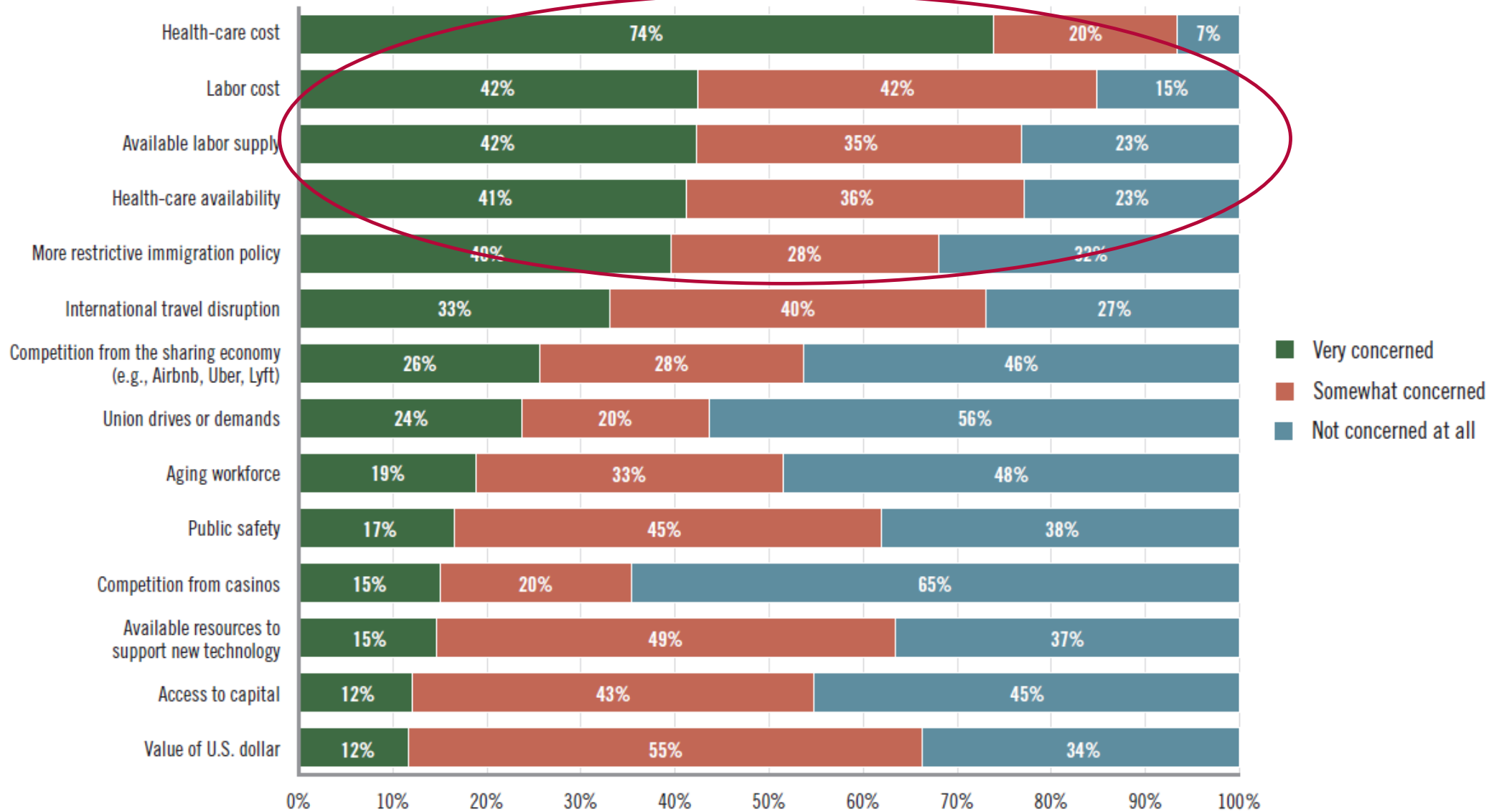


Source: U.S. Census Bureau, 2012-2016 American Community Survey (ACS) 5-year estimates; UMDI calculations

Key Takeaways

1. The significance of leisure, hospitality, and tourism (LHT) in the state's economic portfolio is grossly overlooked
2. The LHT workforce is among the most vulnerable and transient of any industry in the state
3. Despite being in a “low skill” industry, there are significant challenges in maintaining a well-skilled labor force
 - Of those LHT jobs projected to become available through 2019, the vast majority require a high school diploma or less, but these have high turnover rates
 - High skilled jobs requiring some formal training are primarily culinary, chefs and head cooks

Level of Employer Concern about Potential Challenges over the Next Five Years



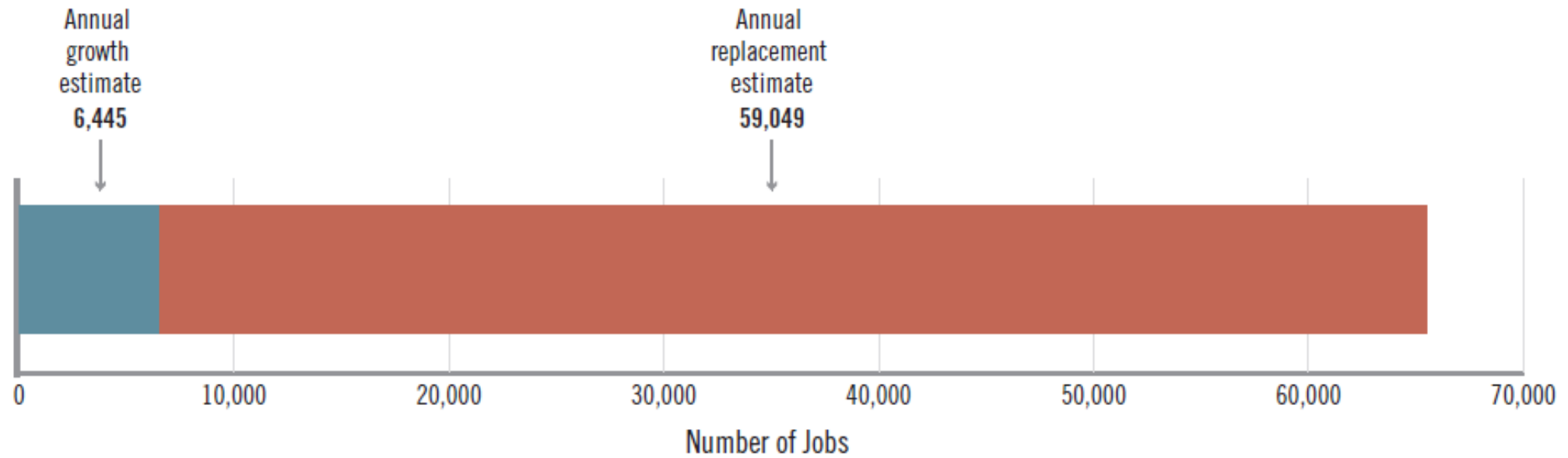
How challenging is it to hire and retain appropriately skilled employees for the following job types?

	% Not a Challenge	% Slightly Challenging	% Very Challenging
Management or Administration	11%	25%	64%
“Front of the house” (customer-facing) wage workers	9%	25%	65%
“Back of the house” wage workers	6%	24%	70%
Equipment or operations workers	10%	23%	67%

Over the past five years, how challenging have the following issues been in maintaining a well-staffed, appropriately skilled workforce?

	% Not a Challenge	% Slightly Challenging	% Very Challenging
Local cost of living	11%	24%	65%
Available Career Ladders for Workforce	14%	25%	61%
Fitting employees with scheduling needs	11%	39%	50%
Addiction/Substance Abuse	25%	27%	47%
Staff turnover due to re-employment, further education, or retirement	22%	32%	46%
Available training programs	31%	28%	41%
Basic or "soft" skills	24%	38%	39%
Federal or state labor regulations	36%	27%	38%
Federal or state immigration policy	43%	19%	38%
Staff turnover due to family demands	23%	40%	37%
English language proficiency	50%	28%	22%
Union demands	57%	22%	22%
Union drives	66%	16%	19%

LHT Openings: Annual Projected Growth vs. Replacement



Source: Massachusetts Executive Office of Labor and Workforce Development, Occupational Employment Statistics (OES) DUA 2016–2018 Short-Term Industry Staffing Pattern Projections for select industries; Massachusetts Executive Office of Labor and Workforce Analysis, Occupational Employment Statistics (OES) DUA 2016–2018 Short-Term Industry Staffing Pattern Projections; UMDI calculations

Policy Implication

1. Better align LHT workforce with cost of living, training, and recruitment challenges
2. Improve LHT marketing funds and strategy
3. Level the competitive playing field for LHT
4. Control rising costs of doing business in the LHT industry

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