



# Demand for Professionals in the Hospitality Industry is on the Upswing

By Dr. Steven E. Campbell

**T**wo years ago, the hospitality industry was economically sound with bright prospects for continued profitability. The travel industry, international lodging in particular, was exceeding analysts' predictions thus securing record corporate profits. However, the year 2001, with the change of White House Administrations, corporate downsizing, escalating fuel prices, "mad cow" disease, and the unforeseeable, barbaric attacks on the United States last fall, brought forth an industry in turmoil. All aspects of the hospitality/travel/tourism trade have suffered enormous losses. However, as the economy and consumer confidence continue to stabilize, demands for industry professionals increases. In addition, last fall Congress held hearings to discuss a number of aid packages designed to boost the travel/tourism economy.

Several prominent hospitality executives spoke to Congress. Jack Connors, executive vice president for governmental affairs of the American Hotel and Lodging Association (AHLA) noted:

- The lodging industry has 53,500 properties with 4.1 million rooms located throughout the nation.
- In the year 2000, the tourism sector not only supported more than 7.8 million jobs, but directly and indirectly employed one out of every seven Americans.
- In 2000, the tourism sector paid \$171.5 billion in travel-related salaries and \$99 billion in federal, state, and local taxes.



William S. Norman, president and CEO of Travel Industry Association of America, stated during his appearance before Congress, "The primary reason for NOT traveling is finances and time, not safety." Norman further stated, "The good news is that we are seeing travel return to some levels of normalcy. But, these are still very fragile times for the industry, and gains could be lost quickly if some events further shake consumer confidence in the U.S. economy."

As a result of the hearings, Congress passed several packages to assist the hospitality industry. Following the Federal government's lead, many state and local municipalities have initiated marketing campaigns to encourage domestic and international travel to the United States. The states that have suffered the most for decreased tourism are New York, Florida, California, Hawaii, and Nevada.

## Travel and Tourism

The United States Government finally acknowledged the importance of the hospitality industry, in particular, the travel/tourism segment. Few people realize that a large portion of the GNP is derived from tourism dollars. Consequently, as the traveling public diminishes, so does "tourism commerce" which, in turn, produces a negative economic impact on peripheral services such as car rentals, furniture manufacturers, small businesses at travel destinations, and uniform manufacturers, etc. Grapelynn Fengress, Conference and Meetings manager for the State of California (Education Branch) notes, "Based upon actual and projected bookings, conferences are expected to improve through 2002 bringing much needed revenues to the California economy."

- More than 75% of all vehicles rented are from airports.



- Companies such as Hertz, Avis, and Enterprise purchase tens of thousands of new cars from the "Big Three" auto makers, thus insuring employment for the auto industry.

- Manufacturers of computers, furniture, telephones, uniforms, flatware, etc. depend largely on the business received from hotels and resorts.

- Small businesses at travel destinations both domestically and internationally have felt the rippling effect of an injured tourist market.

## Revised Arrival Forecasts

Forecasts of arrivals to the United States for 2002 and beyond are being revised by the Department of Commerce, the International Trade Administration, and the Travel Industry Association of America based upon the markedly decreased numbers from the previous year. In 2001, total arrivals to the United States were down 12.6%\* from the previous year. Overseas arrivals were down 17.1%\*. Arrivals to the United States in 2001 from three key markets also dropped: Japan, -21%\*; United Kingdom, -13.1%\*; and Brazil, -11.8%\*. This downward trend is not only related to the events of September 11, 2001, but also as a consequence of an unexpected slow global economy throughout 2001. Consumer confidence in the airline industry already waning prior to the September 11 attacks, sharply declined as a result of terrorism, but it is predicted that most markets should rebound by 2003. (\*Percentages estimated at time of printing.)

The key markets to watch for continued economic recovery in the tourism market are the top ten overseas arrivals to the United States in 2001.

## Extended Weekend Travel Vacations

A new trend that is "catching the eye" of many busy two-income fami-

lies is extended weekend travel. With the convenience of air, train, or auto travel and numerous travel discounts, many Americans are opting for long weekend travel holidays. Those families with small children also find short trips more relaxing and pleasant as extended travel destinations are sometimes difficult for weary toddlers. In addition, parents and partners may "stretch out" those few vacation days awarded to the American workforce by taking long weekends rather than a whole week at one time. In direct contrast to western Europe, Americans on average only receive 10 days paid vacation to Europe's 3-4 weeks. Business executives are also taking advantage of weekend travel via Concorde's supersonic flights to Europe enabling travelers to visit Paris on Saturday and be back "at the desk" by Monday.

Another group of travelers taking extended weekends in addition to traditional vacations is retirees. The Evergreen Bed and Breakfast Club, founded in 1982, has expanded its membership to several thousand pre- and current retirees. They offer convenient, affordable overnight accommodations including breakfast to those who are 50 or over. Currently, there are 1,800 host locations throughout North America.

## Lodging

Prior to the September 11 attacks, the lodging industry in the United States was exceeding analysts' profitability predictions. The top performers were California, Florida, New York, New Jersey, Pennsylvania, and Texas.\*

*\*Source: Lodging Hospitality, August 2001*

## Food and Beverage

The food and beverage trade, the largest segment of the hospitality industry remains the strongest eco-

nomically. The aggregate growth rate in domestic sales achieved by the top 100 chains, according to *Nation's Restaurant News* while remaining strong, dipped slightly to 5.56% in FYE 2001 as compared to 6.31% in the previous fiscal year. The industry realized approximately \$138 billion in sales in 2000. The top sales producers were coffee houses, snack bars, contract feedings, convenience stores, sandwich shops, and dinner houses.

## Final Thoughts

The industry is forever changed since September 11, 2001. However, as the spirit of America prevails and people begin to travel again, the hospitality business will continue to flourish. Positions in marketing, consulting, hospitality, and culinary arts are very viable, lucrative careers, which require hard work and dedication. Always continue to educate yourself in order to stay current with the latest trends and ideas. Continue networking and offer assistance and advice to those following in your footsteps. Organizations such as the National Society of Minorities in Hospitality, [www.NSMH.org](http://www.NSMH.org), provide an excellent arena for networking and sharing ideas.



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