

HOSPITALITY

MIDDLE-SKILL JOBS IN THE LOS ANGELES BASIN

The hospitality industry includes accommodation and food services. It is considered a locally-serving industry, which means that it primarily serves the resident population. With a population of 13 million in the Los Angeles Basin, hospitality is one of the largest employer industries in the region.

The hospitality industry is dependent on the availability of disposable income and leisure time; as such, a strong economy and thriving workforce contribute to its success. American hospitality has been growing for almost ten consecutive years, and as the global traveler pool expands, **new accommodation and food services will contribute to the steadily increasing industry employment numbers.**

Hospitality has evolved quickly due to the success of private accommodation models such as Airbnb, which allows individuals to rent out their homes to consumers. This has made the competitive landscape tougher than ever by flooding the market with low-cost lodging options. Accommodation companies have begun experimenting in this space by combining rental properties with hotel-style amenities, offering the best of both worlds. Many have also homed in on well-being hospitality as an emerging trend and catered to the health of their customers by making acquisitions and partnerships with fitness and lifestyle brands.

Though the short-term outlook is positive, the industry faces potential challenges ahead. In the United States, there is a strong relationship between economic insecurity and decreased travel spending, as consumers will often completely cut out vacations when struggling financially. Thus, an economic downturn would have a severe impact on the industry's health. Moreover, American hospitality businesses are feeling the pressure of international competition. The number of attractive travel destinations is rapidly increasing, and the rise of social media has helped destination marketers pull eyes away from traditional locations. Services like TripAdvisor allow customers to travel independently and search for new experiences, making it harder for establish brands to maintain their consumer base.

As a result, hospitality must focus on cost-cutting strategies, improved management, and most importantly, the better utilization of technology to optimize their operations. Personalization and autonomy have become central to the accommodation experience, as guests are looking for the freedom to customize their experiences and their surroundings. Businesses are now using in-room smart technology, mobile check-ins, and more to automate rote tasks and gather information to guide their future operations. Instead of standardization, customization and specialization will create value for customers, and brands that embrace this will have greater success. This means that the workforce will be expected to perform more personalized services instead of routine activities, and individual talents could have a greater importance. As conventional roles are replaced in hospitality, workers that can contribute to a unique brand experience for consumers will be in the highest demand.

THE INDUSTRY IN THE L.A. BASIN

2017 JOBS:

605,000

2017 AVERAGE ANNUAL WAGES

Hospitality Industry:

Accommodation: **\$37,620**

Food Services: **\$22,250**

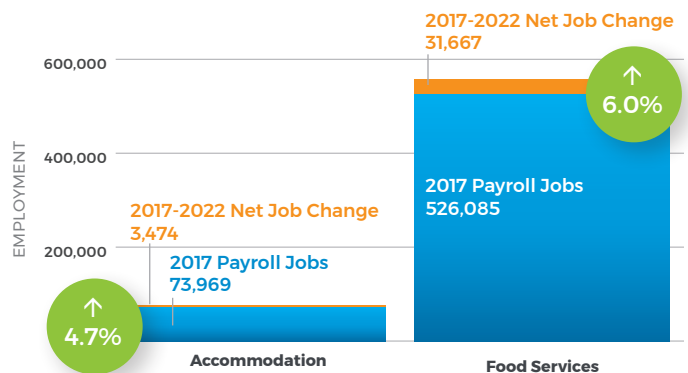
L.A. Basin Average: **\$62,450**

TOTAL OPENINGS 2017-2022

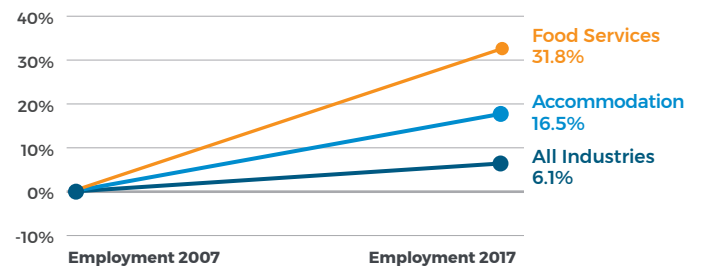
Middle-Skill Jobs in Industry: **31,290**

Target Occupations, ALL Industries: **39,340**

HOSPITALITY INDUSTRY OUTLOOK



CHANGE IN EMPLOYMENT FROM 2007-2017



CHANGE IN REAL WAGES FROM 2007-2017



EXHIBITS

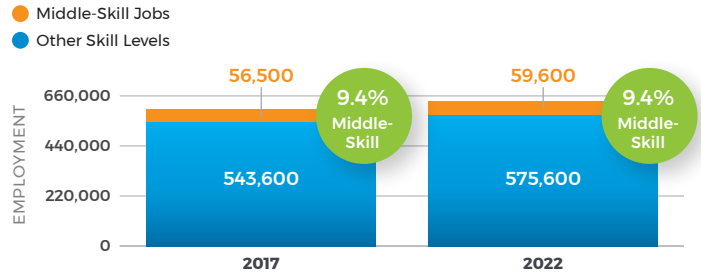
The hospitality sector in the L.A. Basin is projected to employ over 635,000 by 2022, with about 100,000 of these employment openings between 2017 and 2022. These jobs can be targeted by a massive range of prospective workers.

These job openings do not come merely from replacements, defined as workers transitioning in and out of the sector. In the five years following 2017, nearly 32,000 new jobs will be created in food services, raising overall employment by 6 percent. Similarly, about 3,500 jobs will be created in the accommodation industry, representing a 4.7 percent increase in employment. A slowdown in economic growth will impact the number of future openings.

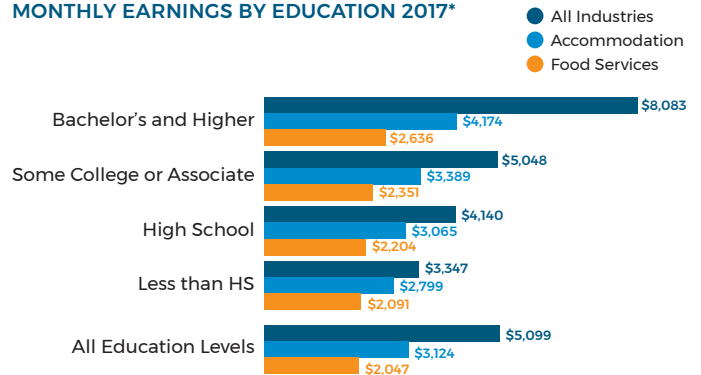
From 2007 to 2017, employment in food services and accommodation grew by 31.8 percent and 16.5 percent, respectively; significantly faster rates than the 6.1 percent growth across all industries. Over the last decade, real wage growth in accommodation (11.5 percent) outpaced food services (8.0 percent), both outpaced the regional industry average of 4.6 percent growth.

In 2017, 47.5 percent of the hospitality industry workers hired had completed at least some college, while the remaining had an educational attainment of high school or less. Middle-skill jobs are predicted to account for 9.4 percent of all hospitality jobs in 2022.

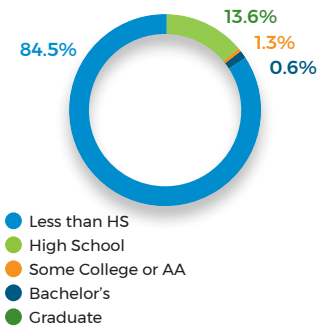
MIDDLE-SKILL JOB SHARE IN INDUSTRY 2017 AND 2022



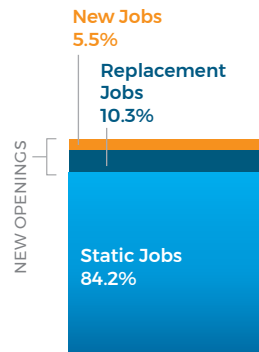
MONTHLY EARNINGS BY EDUCATION 2017*



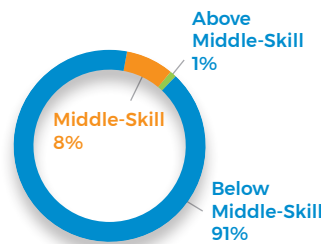
MINIMUM ENTRY-LEVEL EDUCATION REQUIREMENTS FOR HOSPITALITY IN 2017



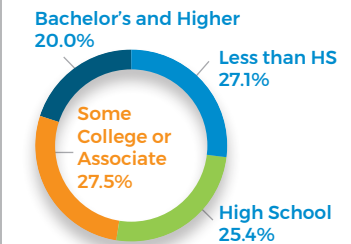
635,200 JOBS IN 2022 (100,490 NEW OPENINGS)



SKILL CLASSIFICATIONS OF TOTAL OPENINGS 2017-2022



ALL WORKERS* HIRED IN HOSPITALITY 2017



* Workers aged 25 years and over Source: US Census Bureau

Target Middle-Skill Occupations in the Industry

Middle-skill occupations predicted to have significant job prospects over the next five years and that stand to benefit from investment into postsecondary non-degree and career education programs include the following:

| SOC | Target Middle-Skill Occupation | HOSPITALITY INDUSTRY | | TOTAL ALL INDUSTRIES | | |
|---------|--|----------------------|-----------------------|----------------------|-----------------------|--------------------|
| | | 2017 Jobs | 5-Year Total Openings | 2017 Jobs | 5-Year Total Openings | Median Hourly Wage |
| 35-1011 | Chefs and Head Cooks | 5,473 | 2,943 | 7,150 | 3,845 | \$22.29 |
| 43-3031 | Bookkeeping, Accounting, and Auditing Clerks | 2,226 | 852 | 73,900 | 28,278 | \$21.68 |
| 11-9081 | Lodging Managers | 1,119 | 623 | 955 | 623 | \$27.87 |
| 43-3051 | Payroll and Timekeeping Clerks | 175 | 62 | 8,400 | 2,965 | \$23.05 |
| 43-4161 | Human Resources Assistants, except Payroll/Timekeeping | 129 | 49 | 5,790 | 2,214 | \$19.05 |

Chefs and Head Cooks

(SOC 35-1011)

Chefs and head cooks oversee the daily food preparation at restaurants and other places where food is served. They direct kitchen staff and handle any food-related concerns. They may participate in the preparation, seasoning, and cooking of salads, soups, fish, meats, vegetables, desserts, or other foods, and may also plan and price menu items, order supplies, and keep records and accounts.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

| Awards | 2015 | 2016 | 2017 |
|-------------------------------------|------------|------------|------------|
| Nutrition, Foods, and Culinary Arts | 35 | 66 | 76 |
| Culinary Arts | 539 | 675 | 652 |
| Restaurant & Food Services and Mgt. | 96 | 94 | 131 |
| Total | 670 | 835 | 859 |

Bookkeeping, Accounting and Auditing Clerks

(SOC 43-3031)

Bookkeeping, accounting, and auditing clerks produce financial records for organizations. They record financial transactions, update statements, and check financial records for accuracy. They compute, classify, and record numerical data to keep financial records complete. They perform any combination of routine calculating, posting, and verifying duties to obtain primary financial data for use in maintaining accounting records. They may also check the accuracy of figures, calculations, and postings pertaining to business transactions recorded by other workers.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

| Awards | 2015 | 2016 | 2017 |
|------------|-------|-------|-------|
| Accounting | 1,061 | 1,066 | 1,492 |

Lodging Managers

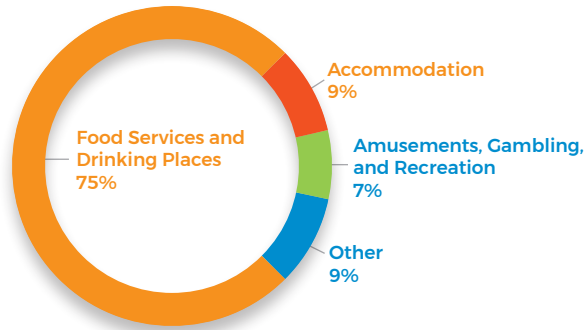
(SOC 11-9081)

Lodging managers plan, direct, or coordinate activities of an organization or department that provides lodging and other accommodations. They ensure guests on vacation or business travel have a pleasant experience at a hotel, motel or other types of establishment with accommodations, in addition to ensuring the establishment is run efficiently and profitably.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

| Awards | 2015 | 2016 | 2017 |
|----------------------------------|------------|------------|------------|
| Mgt. Development and Supervision | 170 | 390 | 503 |
| Hospitality | 113 | 55 | 86 |
| Lodging Management | 25 | 30 | 47 |
| Total | 308 | 475 | 636 |

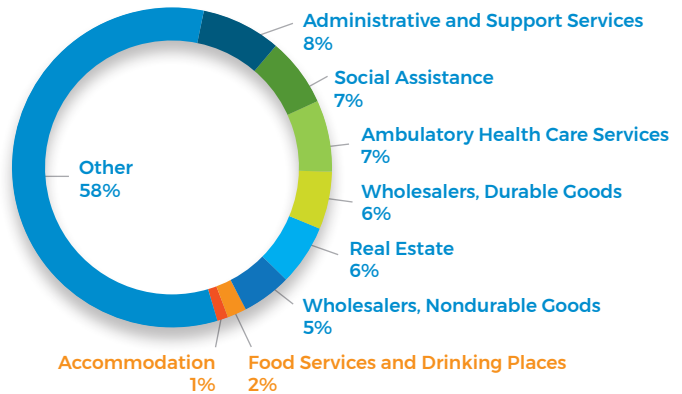
INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



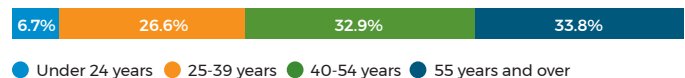
AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



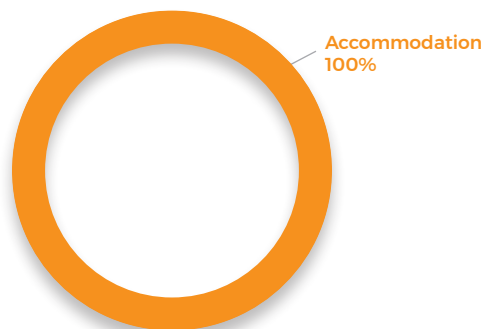
INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



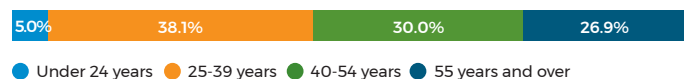
AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



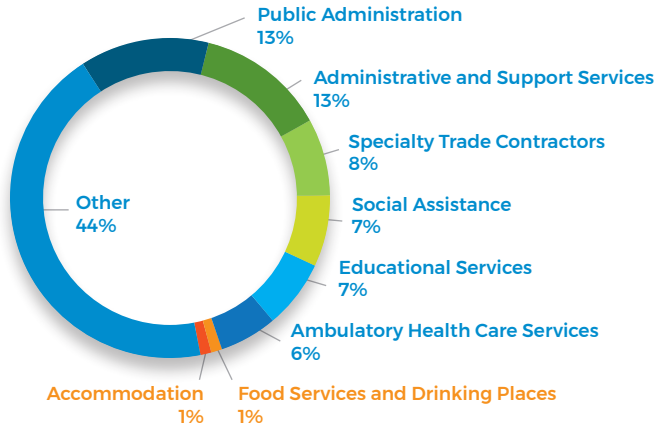
Payroll and Timekeeping Clerks (SOC 43-3051)

Payroll and timekeeping clerks compile and record employee time and payroll data. They may compute employees' time worked, production, and commission, compute and post wages and deductions, or prepare paychecks.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

| Awards | 2015 | 2016 | 2017 |
|------------|-------|-------|-------|
| Accounting | 1,061 | 1,066 | 1,492 |

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



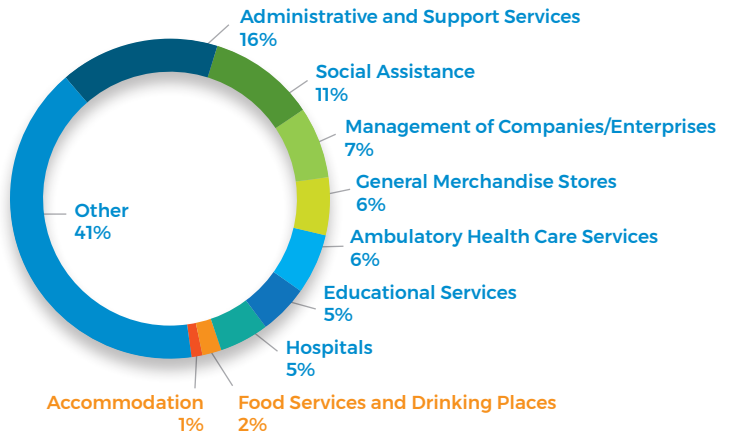
Human Resources Assistants (SOC 43-4161)

Human resource assistants compile and keep personnel records. Record data for each employee, such as address, weekly earnings, absences, amount of sales or production, supervisory reports, and date of and reason for termination. May prepare reports for employment records, file employment records, or search employee files and furnish information to authorized persons.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

| Awards | 2015 | 2016 | 2017 |
|---------------------|------|------|------|
| Business Management | 980 | 41 | 995 |

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017



For more information about middle-skill jobs in the L.A. Basin, visit www.CompetitiveWorkforce.LA