



TRAVEL MEANS
JOBS

U.S. TRAVEL
ASSOCIATION

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The **U.S. Travel Association** is the national, non-profit organization representing all components of the travel industry that generates \$1.9 trillion in economic output and supports 14.1 million American jobs. U.S. Travel's mission is to increase travel to and within the United States. Visit www.ustravel.org.

EXECUTIVE SUMMARY

Travel Jobs

BY THE NUMBERS

(all data 2011, unless otherwise indicated)

14.4 million: total number of American jobs supported by travel

1 in 8: American jobs (private sector) supported by travel

1.1 million: American jobs directly supported by travel exports

#6: where travel ranks in terms of total U.S. employment

48: number of states where travel is a top ten employer (2010)

29%: pace that travel jobs have been created — faster than the rest of the economy (March 2010–July 2012)

1 in 7: ratio of projected growth of travel jobs (3.3 million) to total U.S. job growth by 2020

44 of 50: number of states where small businesses in travel employ a higher percentage of workers than the private sector (2007)

33: number of overseas visitors that create one American job

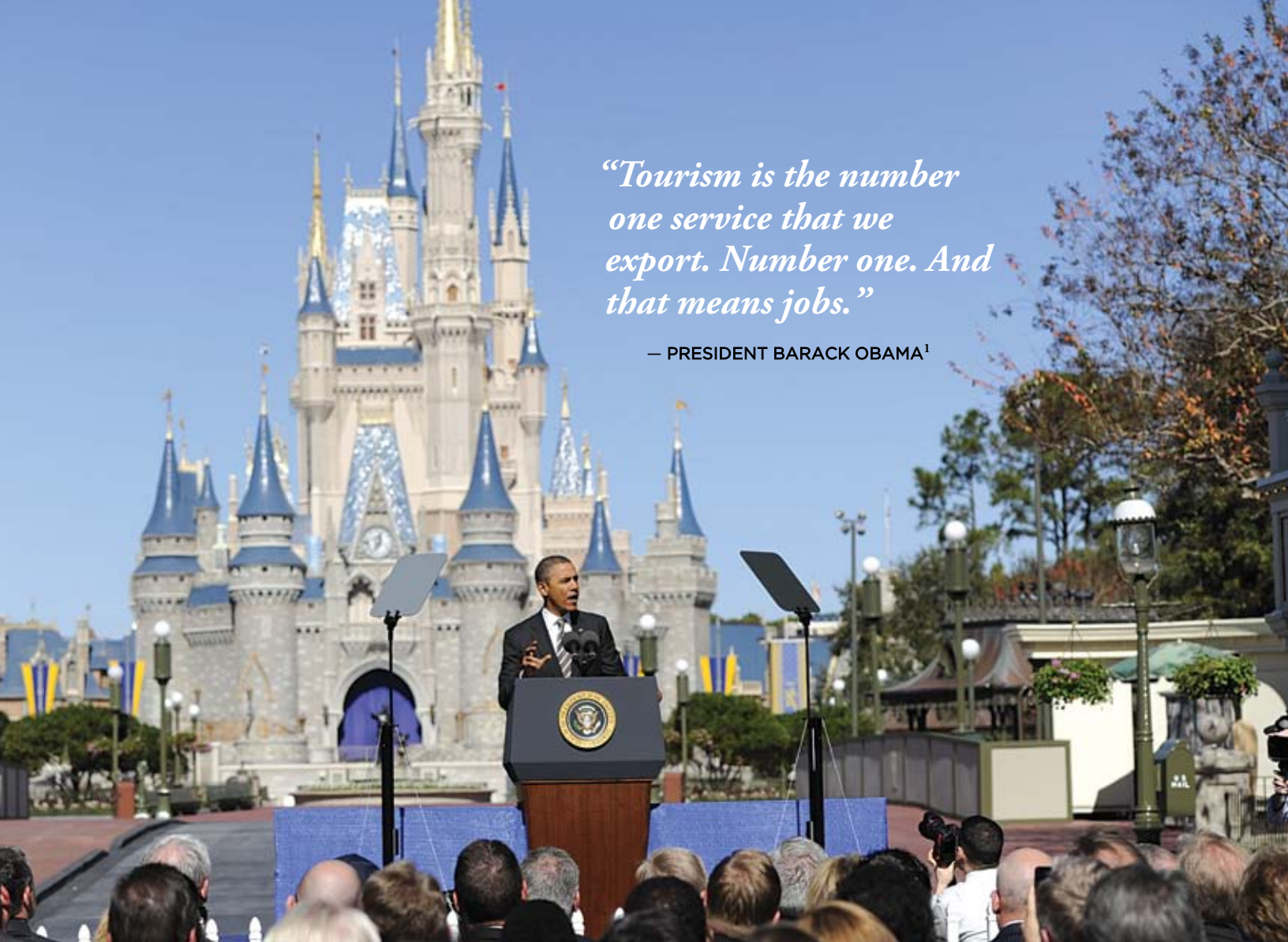
At a time when elected officials are searching for solutions to sluggish growth, unemployment, globalization, and continued economic challenges, an answer lies in travel. Travel plays a critical role in the nation's economy. As an indispensable source of American jobs, the travel industry has served not only as a ticket to opportunity during tough economic times, but with the right support in place, it can lead a path to future prosperity.

The travel industry has a far broader economic footprint than many realize. More than just transportation and lodging, travelers generate spending at restaurants, museums, parks and other destinations while vacationing, studying abroad or traveling on business. Engaging with travelers worldwide, the industry welcomes visitors globally and turns iconic American attractions and destinations into thriving exports.

The historical, current and future impact of travel on American jobs is explained through three contributing characteristics: the industry's geographic breadth, the distinct nature and makeup of travel jobs, and the tremendous opportunity for continued expansion and growth.

First, the size and significance of the travel job market:

- Direct spending on travel supports 7.5 million American jobs – seven percent of total private-sector employment.
- Travelers' spending is amplified through a ripple effect: as travel workers spend their paychecks in other sectors of the economy, and vendors and suppliers receive contracts from hotels and rental car businesses, which injects \$1.9 trillion into the U.S. economy and supports 14.4 million American jobs.



“Tourism is the number one service that we export. Number one. And that means jobs.”

— PRESIDENT BARACK OBAMA¹

Next, travel has been critical for millions of American workers during these tough economic times:

- The industry disproportionately puts to work Americans unemployed due to the recession – younger workers and those without higher education.
- Travel jobs provide the flexibility to enhance skills through higher education and career development.
- Travel jobs cannot be outsourced; while other jobs have been shipped overseas, jobs tied to national parks, iconic cities and beautiful shorelines can no more be outsourced than the attractions themselves.

Also, travel is blazing the path toward a brighter economic future:

A study by McKinsey Global Institute predicts as many as one in seven new jobs over the next decade will come from travel.

- Travel represents America’s largest export industry. Those exports directly support 1.1 million American jobs, which will only continue to rise as the U.S. attracts new visitors from rapidly emerging markets around the world.

To boost travel requires investment and support. At a time of job shortages and budget deficits, encouraging more travel would serve as a massive stimulus at no cost to taxpayers. For the American economy, there is no better deal than travel, and no faster path to recovery.

BACKGROUND:

The Economic Impact of Travel

THE DIRECT IMPACT OF TRAVEL

Few Americans realize that travel is a major economic driver. In 2011, direct traveler spending was \$813 billion, which supported 7.5 million American jobs — seven percent of the country’s total private-sector employment.² Travel creates jobs in transportation, hotels, restaurants, retail, entertainment and many other sectors. Travel ranks sixth in total U.S. employment; only five of the 20 major industries employ more people than travel, and travel jobs continue to grow.

INDUSTRY	2011 EMPLOYMENT
 Health Care and Social Assistance	16,643
 Retail Trade*	13,640
 Manufacturing	11,733
 Professional, Scientific, and Technical Services	7,691
 Administrative Support, Waste Management, Remediation Services*	7,564
 TOTAL TRAVEL	7,512
 Accommodation and Food Services*	7,351
 Finance and Insurance	5,752
 Wholesale Trade	5,529
 Construction	5,504
 Other Services (except Public Administration)	5,342
 Transportation and Warehousing*	3,342
 Educational Services	3,241
 Information	2,659
 Management of Companies and Enterprises	1,915
 Real Estate and Rental and Leasing*	1,865
 Agriculture	1,147
 Mining	735
 Arts, Entertainment, and Recreation*	634
 Utilities	555
TOTAL U.S. PRIVATE-SECTOR EMPLOYMENT	108,165

ADDITIONAL TRAVEL IMPACT

Travel supports jobs in several ways because every dollar spent by a traveler ripples through multiple layers of the nation’s economy. Beyond direct spending, travel also has two other impacts — indirect and induced. The indirect impact arises when the direct recipients of travel dollars, such as restaurants and hotels, pay third-party vendors for services and products. The benefits flow down the supply chain all the way to local farms, which grow fruits and vegetables, and to utilities, which generate electricity.

At the same time, an induced impact occurs when people whose jobs depend on travel spend the money they earn in other parts of the economy. Together, indirect and induced impacts amount to an added \$1.1 trillion economic output, which supports an additional 6.9 million jobs.³

Combined with direct spending by those taking trips, travel’s full impact on the U.S. economy is an impressive \$1.9 trillion, which supports 14.4 million American jobs — one in every eight.⁴

SOURCE: U.S. Travel Association

*Employment attributed to travel excluded

TRAVEL IS A STRONG INVESTMENT

Economic development authorities are constantly pursuing investments that bolster the local economy for their communities. While investments in manufacturing or high-tech industries appear to be highly attractive, their local economic impact is limited.

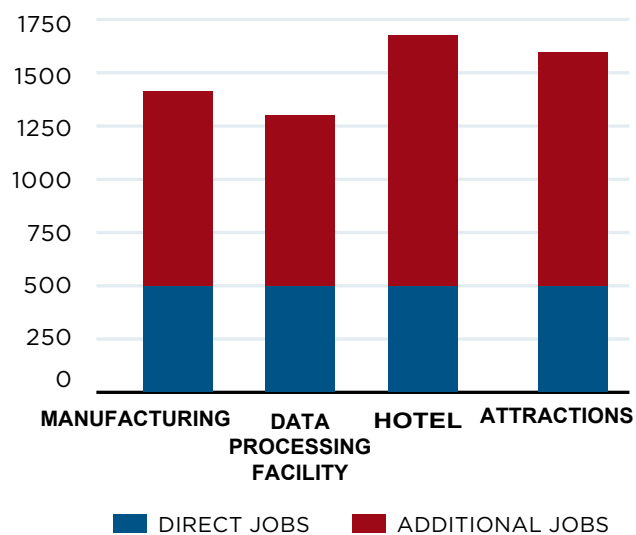
Investing in travel-related business, such as a convention center, hotel or other attraction, drives visitation that generates additional spending in communities outside of the business alone.

Comparing the overall employment impact of the operations of four different investment projects shows that while all new business investments provide positive economic benefits to local communities, other industries do not possess the same ripple effect as travel.⁵

Assuming each new facility employs the same number of direct workers (500), a 2011 study⁶ found that an investment in a travel business

(hotel or attraction) supports more total jobs than a manufacturing or a data processing facility, because travel-related businesses attract spending from outside of the local community that benefits area residents.

Employment Effects of Economic Development
NUMBER OF EMPLOYEES

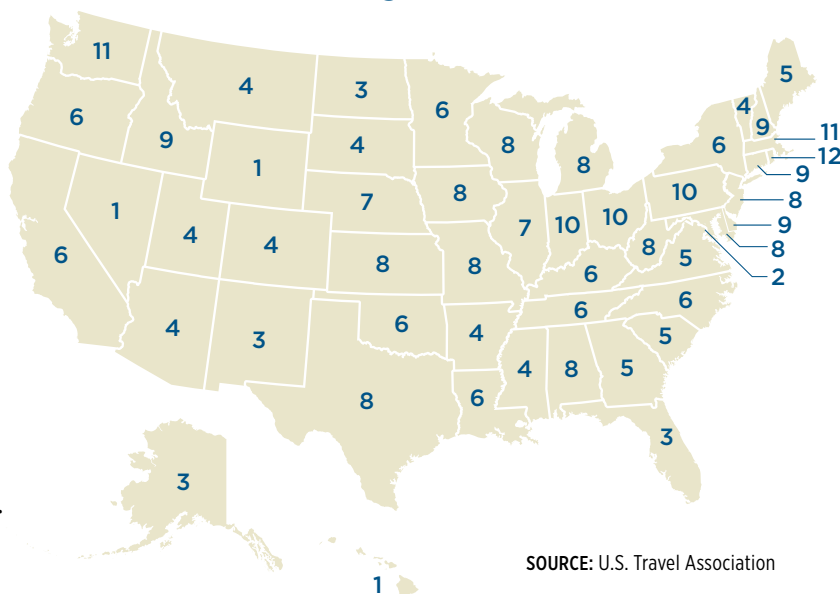


SOURCE: Tourism Economics

TRAVEL'S WIDESPREAD IMPACT

It is a common misconception that states with well-known attractions dominate travel industry employment, but the reality is not so limited. More than almost any other industry, the benefits of travel extend to every state, reaching large cities and small towns alike. In fact, in 48 states, travel is a top ten employer and employs more than 100,000 workers in 25 states.⁷ Not surprisingly, the most populated states tend to employ the highest number of travel workers, but many smaller states boast a high percentage of travel jobs in terms of total private-sector employment.

Travel Industry Employment Ranking Within States



SOURCE: U.S. Travel Association

Travel Jobs:

A GATEWAY TO OPPORTUNITY

GETTING THE UNEMPLOYED BACK TO WORK—NOW

In the wake of the 2008 financial crisis, travel jobs have served as a lifeline for Americans who have suffered the worst effects of the economic downturn. Unemployment has hit two groups of Americans especially hard: young adults and workers without higher education.⁸ The unemployment rate for workers with either a high school degree or less education remains twice as high as the rate for worker's with at least a bachelor's degree.⁹ As of June 2012, these two groups accounted for 85 percent of the 12.7 million unemployed Americans.¹⁰



While furthering education remains the pathway to future growth and innovation, America's economy must continue providing opportunity for workers with fewer years on the job and fewer years in school. No industry has done more to meet this responsibility than travel. During a tough economy, travel has provided good jobs for those who need them most. Consider the following statistics:

- Workers under 25 years old account for nearly one-quarter of the travel industry but only 13 percent of other sectors of the economy.¹¹
- Workers without a college degree represent 80 percent of total employment in travel but only about 70 percent in other sectors.¹²

The message is clear: expanding travel means expanding work opportunity for those in need.

A TICKET TO A PROMISING CAREER

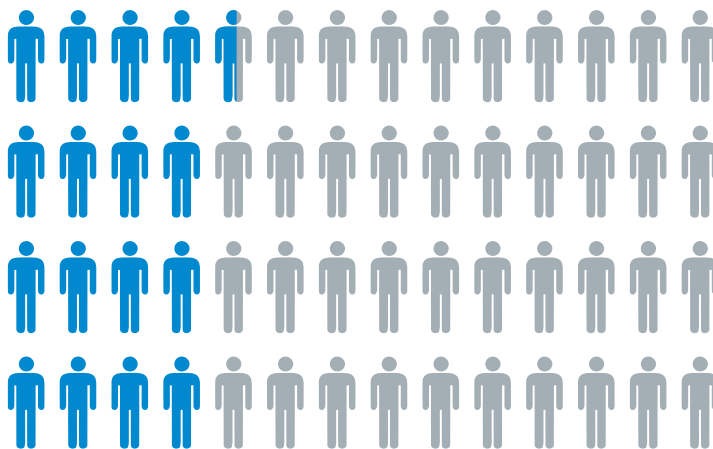
The travel industry provides a large number of young Americans with their very first job. From hotels and restaurants to transportation or retail, the industry serves as a gateway to the working world for those without prior work experience or a specialized degree. These jobs provide the kind of on-the-job training that workers could never learn in the classroom but need to advance in their careers.


Simultaneously, travel provides Americans with an opportunity to enhance their skills outside of their everyday jobs. Travel jobs can provide workers with the flexibility needed to seek higher education, attend career development courses or pursue other training programs.

Of the 26.3 million Americans working part time for non-economic reasons, 5.6 million – about one in five – do so for academic growth and training.¹³ Of those 5.6 million workers, 1.8 million work in the leisure and hospitality sector, which represent the largest component of the travel industry. That means an incredible one-third of all part-time employees attending school or other career development courses work in fields related to travel. Career development is the main reason workers choose to work part time in leisure and hospitality, with 40 percent of them citing “school/training” as the reason for working part time in the industry.

One-third of all part-time employees furthering their education, work in leisure and hospitality.

5.6 million workers



 = 100,000 people

JOBS THAT WILL STAY IN AMERICA

Millions of Americans have seen their jobs threatened by low-cost workers in other countries. Unlike jobs in factories or call centers, American travel jobs cannot be shipped overseas. Jobs tied to national parks, iconic cities and beautiful shorelines can no more be outsourced than the attractions themselves.

As a result, the travel industry has not suffered the fate of other prominent industries. For

example, firms outsourcing business activities to companies abroad in the information sector account for 20 percent of total industry sales, 22 percent in manufacturing and 25 percent in finance and insurance. By contrast, firms outsourcing jobs abroad in the largest component of the travel industry – leisure and hospitality – account for a mere 3.6 percent of industry sales.¹⁴

American travel jobs cannot be shipped overseas.



The Jobs of the Future:

TRAVEL LEADS THE ROAD TO RECOVERY

JOB GROWTH

The Great Recession inflicted damage on almost every sector of the American economy, including travel. Travel, however, has bounced back from the downturn far more quickly than almost any other industry. Simply put, while other sectors of the economy have flatlined, the travel industry has taken off. The statistics speak for themselves:

- Since the employment recovery began in March of 2010, the travel industry has created 287,000 new jobs and has created jobs at a pace that has been 29 percent faster than the rest of the economy.¹⁵
- Between the end of 2009 to mid-2012, travel had already recovered 55 percent of the jobs lost during the Great Recession, compared to just 22 percent in manufacturing; 17 percent in the financial sector; and three percent in construction.¹⁶
- Between January 2010 and June 2012, travel was a net job creator in 25 of the 30 months.¹⁷
- By 2011, travel employment reached a record high in terms of payroll, hitting \$196 billion.¹⁸

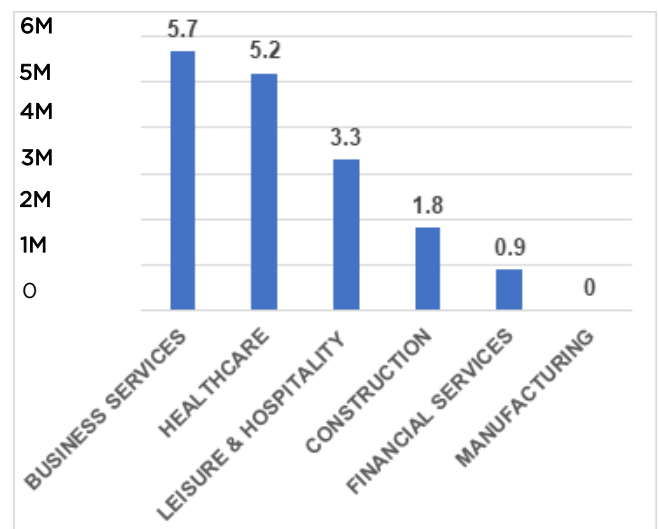
In 16 states during the last decade, the travel sector added jobs faster than the rest of the economy. As a result, travel's share of overall employment increased between 2000 and 2010.¹⁹

Given these numbers, it should come as no surprise that travel is blazing the trail toward recovery. According to a recent study by McKinsey Global Institute, travel-related industries are playing a critical role in creating the jobs needed to lower America's

unemployment rate. The report estimates that during this decade, America could add as many as 22.5 million jobs – enough to restore full employment to the economy. One in every seven of these jobs – up to 3.3 million – could come from the travel-driven hospitality and leisure industries.²⁰

“While American consumers will provide the bulk of spending, to reach the high-job growth scenario, the United States needs to retake lost ground in global tourism,” the report concludes.

Employment Growth Projections, 2010-2020
EMPLOYMENT GROWTH IN MILLIONS



SOURCE: *An Economy That Works: Job Creation and America's Future*, McKinsey Global Institute, 2011



Supporting more than 3.9 million workers, small businesses employ more than half of the total workforce in the travel industry.



SMALL BUSINESS GROWTH

As America continues on the road to recovery, small businesses will serve as one of the most powerful engines of economic growth. According to the U.S. Small Business Administration, small businesses employ about half of the nation's private-sector employees, create more than half of nonfarm private-sector GDP and generated 65 percent of the net new jobs between 1993 and 2009.²¹ Such small businesses represent a disproportionately large share of the travel industry.

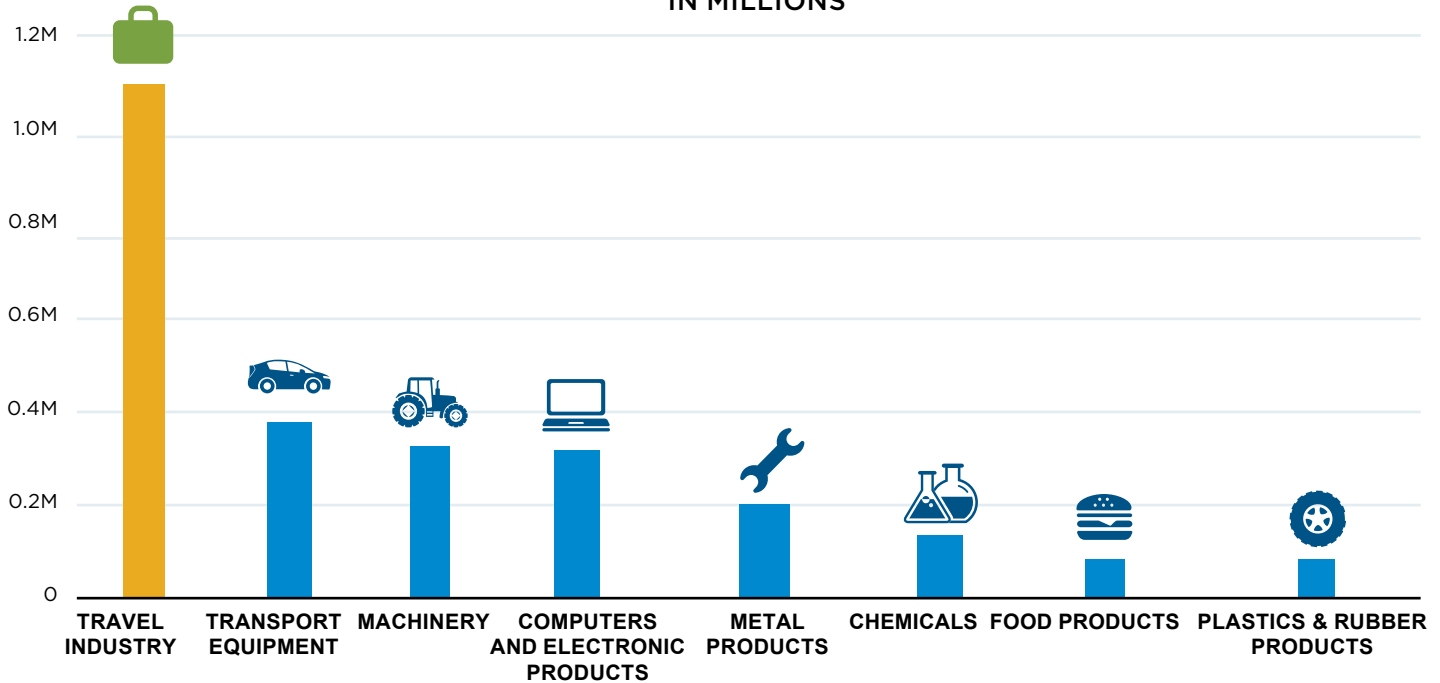
Supporting more than 3.9 million workers, small businesses employ more than half (53%) of the total workforce in the travel industry.²² By contrast, small businesses employed less than half (49%) of the workforce in the rest of the private sector.²³ Small businesses in the travel industry employ a higher percentage of workers than the rest of the private sector in 44 of the 50 states.²⁴

Of the country's more than 750,000 leisure and hospitality establishments, 84 percent – or more than 635,000 – are considered small businesses and 593,000 of them have fewer than 100 employees.²⁵

These small businesses are spread across the country. Comparing 18 major industry sectors, the leisure and hospitality industries rank first, second or third in 13 states for total number of small businesses, fourth or fifth in 16 states plus the District of Columbia, and sixth or better in all 50 states.



Export-Supported American Jobs IN MILLIONS



SOURCE: U.S. Travel and U.S. Department of Commerce, 2008

EXPORT GROWTH

One of the keys to creating more American jobs is creating more American exports.²⁶

Trade supports the new and higher-paying jobs that the U.S. needs to grow and prosper. According to 2011 figures, from the Office of the United States Trade Representative, 5,000 jobs were supported by every \$1 billion of goods and services exported. For this reason, in 2009, President Barack Obama set a goal of doubling exports by 2014.²⁷

In essence, America is its own greatest export. While many think of an export as an automobile, a piece of machinery or a computer chip that is made in the U.S. and shipped abroad, travel exports occur when international travelers visit the U.S. and purchase goods and services in America during their trip. Every dollar that international travelers spend while visiting this

country is an export. Since 2008, travel has ranked as America's largest export industry, ahead of other major exports such as machinery, chemicals, business services and agriculture.

In 2011, it accounted for \$153 billion in exports, which represented 7.3 percent of total U.S. exports in goods and services.²⁸

With recent concern over America's widening trade gap, it is important to note that travel has been one of the few industries that has consistently posted a trade surplus with America's major trading partners. In fact, the travel industry has generated trade surpluses every year since 1989.²⁹ Between 2001 and 2011, travel's trade surplus grew more than five-fold to \$43 billion, even as the country's overall trade deficit for goods declined 74 percent to \$765 billion.³⁰

While exports are a strong engine of job creation across the American economy, they are especially powerful in the travel industry. Export-supported jobs account for one out of every seven employees in the travel industry. By comparison, according to the Commerce Department, export-supported jobs accounted for only 6.9 percent of total U.S. employment in 2008.³¹ In other words, a worker in the travel industry is twice as likely to have an export-supported job as a worker in the overall economy.

As of last year, travel exports supported 1.1 million American travel jobs. In fact, travel produced more export-supported jobs than transportation equipment, machinery and the computer and

electronics sector combined. Because the travel industry is labor-intensive, even a small increase in travel exports can lead to a large increase in the total number of jobs. While travel export growth from 2003 to 2008 closely mirrored the growth of overall exports, export-related jobs in the travel industry grew faster than other sectors.³²

During this period of high unemployment, these figures should erase any doubts over whether overseas travel can serve as the job stimulus that the U.S. desperately needs. On average last year, overseas travelers spent \$4,300 per visit³³ at American hotels, shops and restaurants. For every 33 additional students, sightseers, business executives and other overseas visitors

A single Boeing 747 airplane, carrying 467 visitors to the U.S. brings the spending power to support 14 American jobs.



who come to this country, America's economy gains one new job.³⁴ That means a single Boeing 747 airplane, carrying 467 visitors to the U.S. brings the spending power to support 14 American jobs.³⁵

During the past decade, the U.S. has not taken full advantage of a global travel boom that has occurred as people from emerging markets take to the skies and seas in record numbers. While global long-haul travel grew 40 percent from 2000 to 2010, overseas travel to the U.S. during the same time rose just two percent.³⁶ As a result, the U.S. share of global long-haul travel declined. Simply recapturing this lost share would create 1.3 million new jobs for American workers by 2020.³⁷

Every 33 overseas traveler creates one new American job.

With the long-haul travel market expected to grow another 40 percent between 2010 and 2020,³⁸ the U.S. must position itself to benefit. A public-private partnership called Brand USA has launched the first-ever nationally coordinated marketing plan to attract more visitors to America. Now the federal government must continue doing its part to make it easier for travelers to come to the U.S. by improving visa processing and expanding the Visa Waiver Program for qualified countries.



Take Action

Research all points to the same conclusion: travel means jobs. In terms of overall impact, travel already supports 14.4 million jobs, but can do so much more. At a time of low growth, travel offers the stimulus that the American economy needs. At a time of high unemployment, travel offers jobs for workers in need of opportunity. At a time of rising international competition, travel offers jobs rich in exports and resistant to outsourcing. In short, travel will be America's indispensable growth industry in the years ahead.

To realize the full potential for growth, leaders of the public and private sector must act decisively to enact travel-friendly policies:



Winning the Competition for International Travelers.

While international travel is booming, America's share of this lucrative market has been flat. By streamlining the U.S. visa process and adding more deserving countries to the Visa Waiver Program, the federal government can send a message to travelers from around the world: "America is open for business."³⁹



Investing in Travel Promotion.

Public and private-sector leaders need to continue working together to make Brand USA, America's first-ever nationally coordinated marketing entity, a success. State and local governments can strengthen this national effort by continuing to invest in proven travel promotion programs.



Supporting Economic Development through Travel.

As one of America's largest and fastest-growing employers, travel can serve as the catalyst for achieving America's economic goals of stronger, more sustainable growth and full employment.



Improving the Air Travel Experience.

Improving security at America's airports and reducing the burden on travelers, since the one-size-fits-all security system implemented post-9/11, has the potential to create an additional \$85 billion in traveler spending, which would support 900,000 American jobs.⁴⁰



Building World-Class Infrastructure to Support World-Class Destinations.

A world-class travel destination must have a first-class infrastructure system, and that requires new investment in airports and highways.

These actions will get America moving again. The stakes could not be higher: more travel means more exports, more small businesses, more spending and most importantly, more American jobs that cannot be outsourced. Travel is a critical vehicle steering America on the road to recovery, with smart leadership, and it can drive our future prosperity.

Endnotes

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*To view detailed charts—including data tables for 50 states
— and additional tables, visit www.ustravel.org/jobs*

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