



WorkSource

MONTGOMERY

Connecting Employers & Job Seekers



INDUSTRY BRIEF: LEISURE AND HOSPITALITY

ABSTRACT

2016 industry brief outlining workforce dynamics in Leisure and Hospitality in Montgomery County, Maryland.

Montgomery County Workforce
Development Board

Mission Statement

This brief is created for the benefit of Montgomery County’s Workforce Development Board (“WDB”). The intent of this document is to delineate the breadth and scope of the Leisure and Hospitality industry and its impact on current employment and future workforce development in Montgomery County, Maryland (“County”).

WorkSource Montgomery

The mission of the WDB is to help businesses succeed through workforce services. The WDB is a public-private partnership that assists the County in connecting business with job seekers. The WDB oversees WorkSource Montgomery and provides liaison to the County Executive and Council.

The 34-member board is appointed by the County Executive, approved by the County Council and empowered in accordance with the Workforce Investment Act (WIA) of 1998 and Montgomery County Executive Order No. 159-02. The members are specified in law and by an executive order are largely business owners, community – based organizations, educational institutions, labor unions, and others.

WorkSource Montgomery served over 12,000 adult and youth residents in FY15. WorkSource Montgomery provides career and training services to both businesses and individuals.

Business services include:

- Assistance in recruitment including specialized recruitments, job fairs and access to local candidates through unlimited job postings using the Maryland Workforce Exchange
- Interview and recruitment event space
- Local labor market information and research
- Active job openings in a searchable statewide database
- Assistance in identifying trainers and expert speakers

The WDB’s Strategic Plan calls for aligning all service delivery to industry needs. The WDB, through its Program Planning Committee, has prepared this brief to share with the Food Service and Hospitality Industry Alliance. This Alliance is composed of representatives from the industries and education and training providers. The Brief provides a foundation for discussion of workforce needs in these industries and the potential and possibility of career progression among food service and hospitality employers.

Details are available at the WorkSource Montgomery website www.worksourcemontgomery.com.

Key Findings

- ❖ Hospitality, as industry, is so large it is actually categorized by the BLS as a “supersector” called Leisure and Hospitality. Also, it consists of two NAICS codes -- *Arts, Entertainment, and Recreation: NAICS 71* and *Accommodation and Food Services: NAICS 72*.
- ❖ Leisure and Hospitality is a key industry for Montgomery County and the State of Maryland. It represents some of the State’s and County’s most notable and largest employers. Also, the County is recognized as a hub for the industry cluster with the likes of Choice Hotels, Host Hotels & Resorts, Marriott International and Sodexo amongst the roster.
- ❖ There are currently 13,954 employers in the State with operations related to Leisure and Hospitality, of which 2,248 are in the County. Also, these County employers draw on the workforce to fill close to 44,700 Leisure and Hospitality jobs of the roughly 285,340 Leisure and Hospitality jobs in the State.
- ❖ Leisure and Hospitality also makes up 11.9% of total employment in the County. In comparison, Leisure and Hospitality jobs account for 13.8% of total employment in the State. Therefore, approximately 86.2% of total employment in Leisure and Hospitality in the State - or the lion’s share - is represented by jobs in the County.
- ❖ Regionally, the County comes in 3rd in terms of jobs behind the District of Columbia with 74,113 jobs and Fairfax County, VA with 53, 634 jobs.
- ❖ The Location Quotient, which describes the concentration of jobs in a particular industry or occupation relative to the national average, at .86 for the County is below the 1.0 national average for Leisure and Hospitality.
- ❖ The County averaged a job growth rate of roughly 2.72% for Leisure and Hospitality drawn from year-over-year *percentage change in employment* between 2011 and 2015. Relatively speaking, Leisure and Hospitality outperformed Total, all industries in the County which had a sluggish 0.62% job growth rate for the same period.
- ❖ The occupational outlook in the County for Leisure and Hospitality is positive. There were approximately 2,457 *openings* in the County across all key occupations within the industry as of 2015.
- ❖ The *median wage* for employees in Leisure and Hospitality in the County in 2015 ranged between \$9.25 and \$64.00.
- ❖ Average weekly wage for Leisure and Hospitality jobs in the County rose \$34 for the five-year period between Q2 2010 and Q2 2015.
- ❖ Opportunity is great in the County for future job growth and workforce development in Leisure and Hospitality. The list of employers and instructional programs which underpin and serve as part of the infrastructure that contributes to what makes the County an already recognized location to cluster the Leisure and Hospitality industry.

Hospitality Industry Defined

Hospitality is so large of an industry that it falls under the Bureau of Labor Statistics' ("BLS") "supersector" categorization and is more appropriately known as Leisure and Hospitality. Also, it consists primarily of two *North American Industry Classification System (NAICS)* code sectors -- *Arts, Entertainment, and Recreation: NAICS 71* and *Accommodation and Food Services: NAICS 72*.¹

Under the NAICS, industry sectors 71 and 72 are defined as follows:

The *Arts, Entertainment, and Recreation* sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.²

The *Accommodation and Food Services* sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.³

Beyond the definitions and clarifications borrowed from NAICS, this brief draws from the BLS sourcing and citing the following data from its *Quarterly Census of Employment and Wages (QCEW) - State & County Map Application*.⁴ The BLS developed this interactive state and county map application to display geographic economic data through maps, charts, and tables, allowing users to explore employment and wage data of private industry at the national, state, and county levels. A fundamental reason for citing *QCEW* is that it references data pertaining to

¹ BLS – Industries at a Glance - Leisure and Hospitality: <http://www.bls.gov/iag/tgs/iag70.htm>

² BLS – Industries at a Glance – Arts, Entertainment, and Recreation: <http://www.bls.gov/iag/tgs/iag71.htm>

³ BLS – Industries at a Glance – Accommodation and Food Services: <http://www.bls.gov/iag/tgs/iag72.htm>

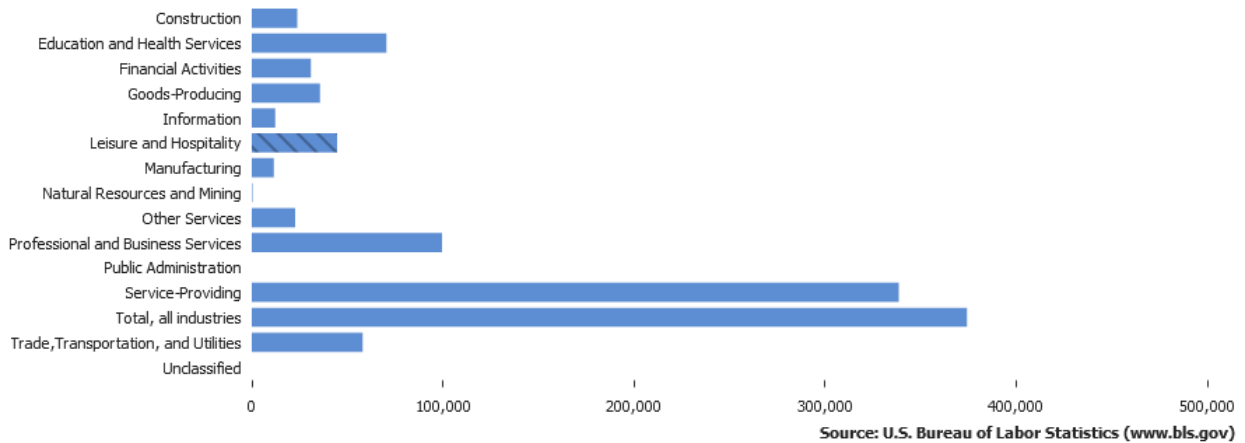
⁴ BLS – QCEW State & County Map Application: <http://beta.bls.gov/maps/cew/us>

the Hospitality industry collectively as Leisure and Hospitality. Primary source publications from Maryland’s Department of Labor, Licensing and Regulation (“DLLR”) were also cited in producing this brief. Specifically, the Montgomery Workforce Region’s (a) Occupational Employment and Wages from the Division of Office of Workforce Information & Performance – Occupational Employment Statistics Program of DLLR⁵ and (b) Workforce Region Occupational Projections 2012-2022 from the Division of Workforce Development and Adult Learning⁶ of DLLR. Also, the O*NET OnLine Career Cluster data set was cited in this brief as a primary source.⁷

State and Regional Perspective

Leisure and Hospitality is a key industry for Montgomery County (“County”) and State of Maryland (“State”). The County, and thus the State, are both recognized as home to a significant cluster of notable employers within the industry.

Industry supersector employment, Private ownership, Jun 2015



Total employment for all industries in the County as of Q2 2015 was at 374, 217, as reflected above in the *Industry supersector employment, Private ownership, June 2015* graph. Also, reflected in that same graph and for the same period is the fact that employment in Leisure and Hospitality in the County totaled 44,648. This means that 11.9% of employment in

⁵ MD-DLLR-OWIP-OESP – Occupational Employment and Wages (Montgomery County): <http://www.dllr.state.md.us/lmi/wages/toc008.htm>

⁶ MD-DLLR-DWDAL – Workforce Region Occupational Projections 2012 – 2022 (Montgomery County): <http://www.dllr.state.md.us/lmi/iandoproj/wias.shtml>

⁷ O*NET OnLine - <http://www.onetonline.org/find/career?c=9>

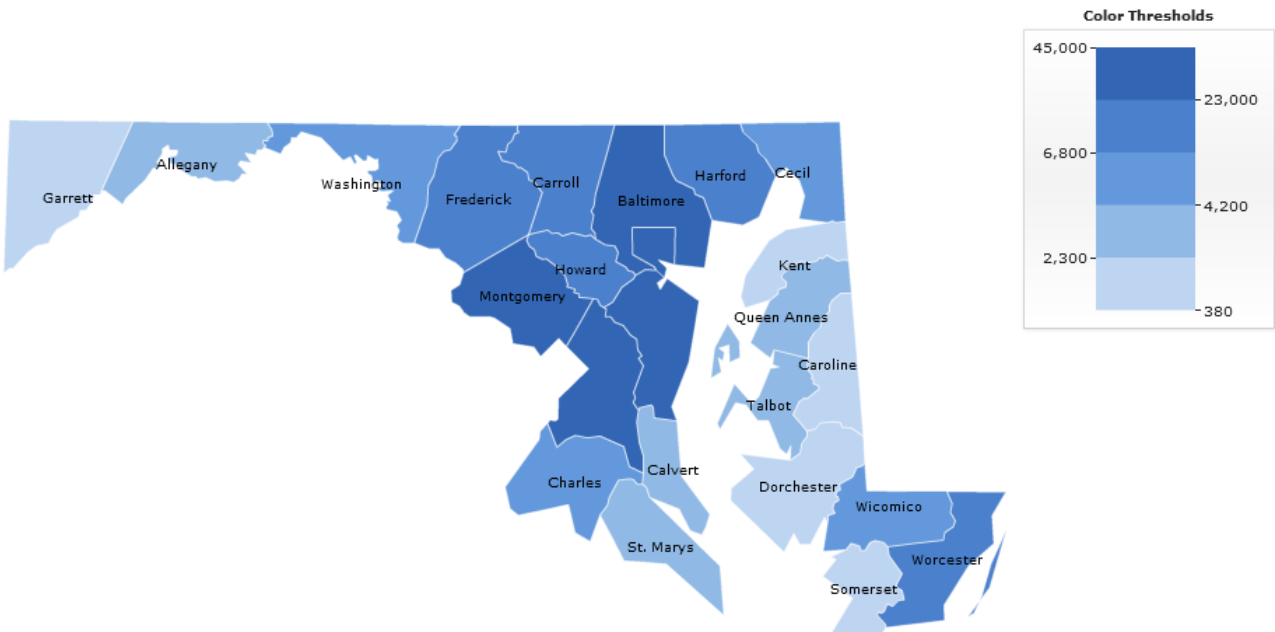
the County is in Leisure and Hospitality as of Q2 2015. In comparison, Leisure and Hospitality jobs accounts for 13.8% of total employment in the State. Therefore, approximately 86.2% of total employment in Leisure and Hospitality in the State - or the lion's share - is represented by jobs in the County.

Without question, the County is the leading jurisdiction in the State in Leisure and Hospitality employment. Whether it is based on the number of employers, 2,248 in the County, of the State's 13,954 in Leisure and Hospitality - of which, some are the County's largest employers; or whether it is based on the number of jobs - 44,648 of the State's 285,338 jobs in Leisure and Hospitality⁸ versus the next top five jurisdictions in the State (36,312 jobs in Baltimore County; 36,163 jobs in Anne Arundel County; 32,255 jobs in Prince George's County; 30,928 jobs in Baltimore City or 16,198 jobs in Howard County).⁹

⁸ BLS – QCEW – State and County Map – Q2, June 2015 (State of Maryland):
http://beta.bls.gov/maps/cew/MD?period=2015-Q2&industry=1026&pos_color=blue&neg_color=orange&Update=Update&chartData=2&ownerType=5&distribution=Quantiles

⁹ BLS – QCEW – State and County Map – Q2, June 2015 (State of Maryland):
http://beta.bls.gov/maps/cew/MD?period=2015-Q2&industry=1026&pos_color=blue&neg_color=orange&Update=Update&chartData=2&ownerType=5&distribution=Quantiles

Employment, Leisure and Hospitality , Private Jun 2015 (p)



Source: U.S. Bureau of Labor Statistics (www.bls.gov)

Comparatively, within the Greater Washington region though, the picture is a little different. When comparisons are made against Fairfax County, VA with 53,634 jobs¹⁰ or the District of Columbia with 74,113 jobs¹¹, respectively, in Leisure and Hospitality...the County's numbers demonstrate that there are still workforce development opportunities in Leisure and Hospitality that can be realized.

Performance and Growth

Another measure of industry performance looks at the concentration of jobs in the County relative to the national average. This is called the Location Quotient ("LQ"). The LQ,

¹⁰ BLS – QCEW – State and County Map – Q2, June 2015 (Fairfax County, VA):

http://beta.bls.gov/maps/cew/VA?period=2015-Q2&industry=1026&geo_id=51059&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹¹ BLS – QCEW – State and County Map – Q2, June 2015 (District of Columbia):

http://beta.bls.gov/maps/cew/DC?period=2015-Q2&industry=10&geo_id=11001&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

according to the table below, has held within a 0.83 to 0.87 band and is currently sitting on the upper end of the range at 0.86. This demonstrates that the County, though with an LQ below the national average – which for the Leisure and Hospitality Industry is at 1.0, is holding strong in terms of job concentration.¹²

For the past five years, the County’s Leisure and Hospitality industry has performed well year-over-year. That is to say, the *percentage change in employment* figure reported for 2010 in the table below reflects that this positive momentum. Surprisingly, that growth came out of a deficit for at least the year period prior (2010 to 2011). Yet despite that fact, the gain in year-over-year *percentage change in employment* between 2011 and 2015 was been constant and it averages out at an increase in employment and/or a job growth rate of roughly 2.72%.

Leisure and Hospitality – Employment (Private ownership) – Montgomery County, MD (Q2 - 2010 to 2015)

Supersector	Number of establishments	Employment	12 month percent change in employment	12 month change in employment	Location quotient	Average weekly wage	12 month percent change in average weekly wage	12 month change in average weekly wage
Leisure and Hospitality (Q2 2015) ¹³	2,248	44,648	1.2%	510	0.86	\$427	2.9%	\$12
Leisure and Hospitality (Q2 2014) ¹⁴	2,263	44,138	1.3%	585	0.86	\$415	1.7%	\$7
Leisure and Hospitality	2,298	43,553	4.8%	2,003	0.87	\$408	1.5%	\$6

¹² BLS – QCEQ – State & County Map – Q2 2015 (USA): http://beta.bls.gov/maps/cew/US?period=2015-Q2&industry=1026&geo_id=US000&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹³ BLS – QCEW – State & County Map – Q2 2015 (Montgomery County, MD): http://beta.bls.gov/maps/cew/MD?period=2015-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹⁴ BLS – QCEW – State & County Map – Q2 2014 (Montgomery County, MD): http://beta.bls.gov/maps/cew/MD?period=2014-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

Supersector	Number of establishments	Employment	12 month percent change in employment	12 month change in employment	Location quotient	Average weekly wage	12 month percent change in average weekly wage	12 month change in average weekly wage
(Q2 2013) ¹⁵								
Leisure and Hospitality (Q2 2012) ¹⁶	2,210	41,550	4.6%	1,825	0.85	\$402	-0.2%	-\$1
Leisure and Hospitality (Q2 2011) ¹⁷	2,206	39,725	1.7%	664	0.83	\$403	2.5%	\$10
Leisure and Hospitality (Q2 2010) ¹⁸	2,101	39,061	-0.7%	-265	0.83	\$393	2.9%	\$11

Looking at the County’s job growth rate for Leisure and Hospitality and comparing it to the job growth rate for the County’s collective Total, all industries over the same five year period of 2011 to 2015, the numbers from the table below show lagging growth at an average rate of 0.62% for Total, all industries for the same time period.

¹⁵ BLS – QCEW – State & County Map – Q2 2013 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2013-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹⁶ BLS – QCEW – State & County Map – Q2 2012 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2012-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹⁷ BLS – QCEW – State & County Map – Q2 2011 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2011-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

¹⁸ BLS – QCEW – State & County Map – Q2 2010 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2010-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

**Total, all industries – Employment (Private ownership) – Montgomery County, MD
(Q2 - 2010 to 2015)**

Supersector	Number of establishments	Employment	12 month percent change in employment	12 month change in employment	Location quotient	Average weekly wage	12 month percent change in average weekly wage	12 month change in average weekly wage
Total, all industries (Q2 2015) ¹⁹	32,293	374,217	0.7%	2,641	0.95	\$1,201	3.8%	\$44
Total, all industries (Q2 2014) ²⁰	32,780	371,576	0.9%	3,438	0.95	\$1,157	-0.4%	-\$5
Total, all industries (Q2 2013) ²¹	33,506	368,138	0.4%	1,338	0.95	\$1,162	2.6%	\$29
Total, all industries (Q2 2012) ²²	32,823	366,800	0.8%	2,816	0.96	\$1,133	-0.2%	-\$2
Total, all industries (Q2 2011) ²³	32,743	363,984	0.3%	1,040	0.96	\$1,135	3.8%	\$42

¹⁹ BLS – QCEW – State & County Map – Q2 2015 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2015-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

²⁰ BLS – QCEW – State & County Map – Q2 2014 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2014-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

²¹ BLS – QCEW – State & County Map – Q2 2013 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2013-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

²² BLS – QCEW – State & County Map – Q2 2012 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2012-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

²³ BLS – QCEW – State & County Map – Q2 2011 (Montgomery County, MD):

http://beta.bls.gov/maps/cew/MD?period=2011-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

Supersector	Number of establishments	Employment	12 month percent change in employment	12 month change in employment	Location quotient	Average weekly wage	12 month percent change in average weekly wage	12 month change in average weekly wage
Total, all industries (Q2 2010) ²⁴	31,983	362,944	-0.8%	-2,775	0.98	\$1,093	3.6%	\$38

Employers, Income & Wages and Opportunity

The occupational outlook in the County for Leisure and Hospitality is positive. There were approximately 2,457 *openings* in the County, as seen in the table below, across all key occupations within the industry as of 2015. Carrying that by projection into 2020, Maryland’s DLLR assesses many of the listed key occupations within Leisure and Hospitality as growth-oriented. The only anomaly of the group was the Switchboard Operator occupation, which is projected to decline by some 85 jobs between 2015 and 2020. This decline for that occupation is most likely attributable to changes in the industry’s adoption and use of more modern telephone systems and alternative modes of communication (e.g. non-PBX, mobile, web, etc.).

Income and wages for the same group of key occupations in Leisure and Hospitality in the County have also been positive. The *median wage* for employees in Leisure and Hospitality in the County in 2015 ranged between \$9.25 and \$64.00 as the table below reflects. Also, according to the table titled - *Leisure and Hospitality – Employment (Private ownership) – Montgomery County, MD (Q2 – 2010 to 2015)* - above, the *average weekly wage* for Leisure and Hospitality jobs in the County rose \$34 for the five-year period between Q2 2010 and Q2 2015. Together – employment and income – derived from opportunities in Leisure and Hospitality consistently reflect that the County is and has a strong footing from where to increase workforce development in this industry.

²⁴ BLS – QCEW – State & County Map – Q2 2010 (Montgomery County, MD): http://beta.bls.gov/maps/cew/MD?period=2010-Q2&industry=1026&geo_id=24031&chartData=2&distribution=Quantiles&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=5

Income and Wages for Key Occupations in Leisure and Hospitality - Montgomery County, MD (2015)²⁵

SOC	Description	2015 Jobs	2015 Openings	2020 Jobs Projection	2015 Median Wage	2015 Annual Wage
11-9051.00	Food Service Managers	1,039	37	1,076	\$30.50	\$63,483
11-9081.00	Lodging Managers	126	5	131	\$64.00	\$133,180
11-9199.00	Managers, All Other	6,365	443	6,808	\$62.50	\$130,145
13-1121.00	Meeting, Convention and Event Planners	738	139	876	\$32.00	\$66,741
35-1012.00	First-Line Supervisors/Mgrs. of Food Prep and Serving	3,528	195	3,723	\$18.75	\$39,251
35-3031.00	Waiters and Waitresses	4,963	282	5,244	\$9.25	\$19,137
37-2011.00	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	10,002	627	10,629	\$11.75	\$24,404
37-2012.00	Maids and Housekeeping Cleaners	7,976	674	8,650	\$12.50	\$26,037
39-6012.00	Concierges	131	11	141	\$13.50	\$27,988
39-7011.00	Tour Guides and Escorts	46	3	49	\$12.00	\$24,753
41-3041.00	Travel Agents	444	24	468	\$17.75	\$37,019
43-2011.00	Switchboard Operator, Including Answering Service	704	0	619	\$15.00	\$31,078
43-4081.00	Hotel, Motel and Resort Desk Clerk	339	17	356	\$12.75	\$26,423

Opportunity is great in the County for future job growth and workforce development in Leisure and Hospitality. The list of top employers, per the table below, underpins this discussion of opportunity and serves as what makes the County an already recognized location to further cluster the Leisure and Hospitality industry.

²⁵ Created using a combination of sources -- (A) O*Net OnLine – Career Cluster for Hospitality and Tourism: <http://www.onetonline.org/find/career?c=9>; (B) Maryland DLLR – OESP – Occupational Employment and Wages: <http://www.dllr.state.md.us/lmi/wages/toc008.htm>; and (C) MD-DLLR-DWDAL – Workforce Region Occupational Projections 2010 – 2020 (Montgomery County): <http://www.dllr.state.md.us/lmi/iandoproj/wias.shtml>.

Top Employers in Leisure and Hospitality - Montgomery County, MD (2015)²⁶

Company Name	Employment 2015	NAICS (code)	NAICS (description)
Burger King	250-499	72	Accommodation and Food Services
Choice Hotels International	750-999	72	Accommodation and Food Services
Congressional Country Club	250-499	71	Arts, Entertainment and Recreation
Crowne Plaza	100-249	72	Accommodation and Food Services
Doubletree	100-249	72	Accommodation and Food Services
Embassy Suites	250-499	72	Accommodation and Food Services
ExecuStay	250-499	72	Accommodation and Food Services
Hilton-Rockville	250-499	72	Accommodation and Food Services
HMS Host	250-499	71	Arts, Entertainment and Recreation
Holiday Inn	100-249	72	Accommodation and Food Services
Host Hotels & Resorts LP	100-249	72	Accommodation and Food Services
Hyatt	500-749	72	Accommodation and Food Services
IHop Rest.	250-499	72	Accommodation and Food Services
Ledo Pizza	250-499	72	Accommodation and Food Services
Lj's Express	250-499	72	Accommodation and Food Services
Marriott	1000+	72	Accommodation and Food Services
McDonald's	1000+	72	Accommodation and Food Services
Panera Bread	500-749	72	Accommodation and Food Services
Pizza Hut	250-499	72	Accommodation and Food Services
Sheraton	100-249	72	Accommodation and Food Services
Silver Diner	1000+	72	Accommodation and Food Services
Suburban Franchise Holding Co.	500-749	72	Accommodation and Food Services
Uncle Julio's Rio Grande Café	250-499	72	Accommodation and Food Services

²⁶ MD-DLLR-Division of Workforce Development and Adult Learning ("Montgomery County - Major Employer List") sourcing from Infogroup: <http://www.dllr.state.md.us/lmi/emplists/montgomery.shtml>

Company Name	Employment 2015	NAICS (code)	NAICS (description)
Woodmont Country Club	250-499	71	Arts, Entertainment and Recreation

Report Prepared by Strumpf Associates: Center for Strategic Change on behalf of the
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