

UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

April 29, 2019

The Honorable Wilbur Ross
Secretary of Commerce
Washington, D.C. 20230

Dear Mr. Secretary:

You have asked the United States Travel and Tourism Advisory Board (TTAB) to develop a set of recommendations on workforce development as it relates to the travel and tourism industry, capturing best practices in state, local, and private sector tourism workforce development. In developing these recommendations, we considered how technology affects the travel and tourism workforce, and how workers can take advantage of opportunities presented by the adoption of new technologies.

TTAB Summary Recommendations

- We recommend Secretary Ross prioritize Department of Commerce (Commerce) involvement in a next-generation Workforce and Labor Market Information System (WLMIS) that is being led by the Department of Labor (Labor). A recent report by the Workforce Information Advisory Council identified the Census Bureau as one of five key agencies in its development (in addition to Labor, Education, Health and Human Services, and the National Science Foundation). Given the increasing importance of our industry's access to timely and reliable workforce data, we suggest a larger Commerce role, including as a focus for the Tourism Policy Council.¹
- We recommend Secretary Ross work with travel-related associations and employers to improve the data collected by the Bureau of Labor Statistics for the travel industry. The data collected today is not an accurate reflection of the wages in the travel industry, and this is creating road blocks for the travel sector via the workforce development system. As an example, many management positions in the lodging sector are not being accounted for in the hospitality vertical and are being placed elsewhere. This causes the average wage output of the industry to appear significantly lower and hinders the public workforce and education systems' ability to partner with the travel sector to train job seekers for much needed open positions. We strongly recommend Secretary Ross work with travel-related associations and employers to correct this issue.

¹ https://www.doleta.gov/wioa/wiac/docs/WIAC_Recommendations_Report_2018-01-25_Final_and_Signed.pdf

- We recommend the Secretary encourage the use of more public funding to support apprenticeship programs in the travel industry and not limit preferred industries to IT, healthcare, and manufacturing. We are very supportive of the apprenticeship system – both registered and the Industry Recognized Apprenticeship Programs (IRAP). Current registered programs are yielding strong results through skill development, credential attainment, retention rates, and employer adoption. Such successes could be enhanced and expanded through the enactment of the American Apprenticeship Act (S. 793), as introduced by Senators Collins and Klobuchar, which would provide competitive grants to states for the creation or expansion of pre-apprenticeship and registered apprenticeship programs.
- We recommend that Secretary Ross and Secretary Acosta meet with travel industry employers to discuss the barriers that exist with the implementation of the Workforce Innovation and Opportunity Act (WIOA) at the state and local level. As implemented, it limits the ability of the industry to support the upskilling of incumbent workers, or address future jobs being created that would benefit from public workforce funding.
- We recommend Secretary Ross help promote industry development of common evaluation metrics in the design of workforce programs by recognizing those that already utilize them. Both employer and employee interest will grow with proof of effectiveness. Sharing evaluation results of existing programs can encourage wider investment. This might be accomplished through a Commerce research report, a web compendium, or a high-level summit designed to build best practice visibility and industry collaboration.
- We recommend the Department of Commerce work with the Department of Labor to create an interactive website, in consultation with relevant trade associations and stakeholders, to help educate the public about travel-related careers and apprenticeship programs. The purpose of the website would be to generate interest in travel-related careers and facilitate a workforce pipeline that could meet the needs of an evolving marketplace.
- We encourage the Department of Commerce to work with the Department of Homeland Security and the Department of State to support stable access to international labor markets through the H-2B and J-1 visa programs. Such efforts should include proactive steps to support an increase in the statutory cap for H-2B visas and an increase in the annual allocation of Certificates of Eligibility for J-1 visas.
- We recommend the Department of Commerce work with the Department of Housing and Urban Development and the Department of Agriculture to develop ways to support the affordable housing needs of communities dependent on a transient workforce to fill seasonal jobs.
- We recommend the Secretary support federal investment in transportation projects that address national and regional mobility gaps to help ease the commute of seasonal workers to employment locations, which would help employers attract labor from the

communities surrounding such locations—particularly those that would otherwise lack the time or means to make the commute.

- We recommend the Department of Commerce work with the Department of Labor to incorporate more seasonal jobs in registered apprenticeship programs and pre-apprenticeship programs.

Background on TTAB Approach and Findings

The TTAB consulted its members and others within the travel and tourism industry and sourced external workforce development research in developing its recommendations.

US Travel Association data show travel and tourism is essential to the American economy and provides an indispensable source of job creation. Travel is the seventh largest private employer in the US economy and accounts for 15.7 million American jobs. Travel-dependent leisure and hospitality is the largest small business employer in the United States.²

Travel employment grew faster than the rest of the private sector between 2010 and 2017. Twenty-two percent of Americans had their first job in travel, and 52 percent of travel jobs earn a middle-class wage or higher.³

The hotel industry is a helpful case in point. At its core, the hotel and lodging industry is about people – more than 8 million who proudly work in and support the industry and the guests it serves. More than half of department managers and many general managers in hotels started their hotel careers in hourly, entry-level positions and moved their way up the ranks. A vast majority of hotels, averaging 98 percent or higher, offer benefits to full-time employees, including medical, dental and vision insurance, and 70 percent of hotels offer tuition reimbursements in addition to other insurance and human resource options. And a majority of hotels pay a starting rate above the minimum wage for at least 90 percent of their entry-level employees.⁴

A McKinsey study finds that the mix of US jobs is changing with technological advances. And with such fluctuations comes the possibility of a mismatch between the skills of the workforce and the skills employers are looking for. Skillsets can include both intrinsic abilities (e.g., gross motor skills, strength, creativity and empathy) and specific learned skills (such as advanced IT programming, advanced data analysis and technology design.)⁵

The top three trends cited for driving industry growth are advances in mobile internet, increasing adoption of new technology, and expansion of affluence in developing economies; advances in

² https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Travel-Jobs.pdf

³ https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Travel-Jobs.pdf

⁴ Wage Watch Study for AHLA, Jan 2016 and 2014;

⁵ <https://www.mckinsey.com/~media/mckinsey/featured%20insights/future%20of%20organizations/skill%20shift%20automation%20and%20the%20future%20of%20the%20workforce/mgi-skill-shift-automation-and-future-of-the-workforce-may-2018.ashx>

artificial intelligence (AI) ranked fourth. Skill gaps in local labor markets were identified by a large majority of companies (89 percent) as an impediment to adopting new technologies.⁶

Technology and automation are projected to shape winners and losers among aviation, travel and tourism workers. Between 2018 and 2022, a World Economic Forum report forecasts growth in roles that require technological skills (data analysts and scientists, user experience and human-machine interaction designers, AI and machine learning specialists, software and applications developers, and information security analysts) and some roles that require advanced cognitive skills (general and operations managers, product managers and innovation professionals) as well as those requiring social and emotional skills (sales and marketing professionals and brand and communication specialists). Roles requiring basic manual and cognitive skills are forecast to decline (accounting, bookkeeping, payroll and data entry clerks, accountants and auditors, concierges and hotel desk clerks, sales and purchasing agents, customer and service workers, and cashiers and ticket clerks).⁷

The TTAB sees both employers and employees as sharing a stake in building a workforce with skills that complement and harness the power of new technologies. For employees, if skill development does not keep pace with innovation, they can be left behind. For employers, if the talent needed to deploy the new technologies or upgrade workforce skills cannot be sourced quickly enough, company growth and financial performance might be impeded. Both require reliable, relevant labor market information that enables proactive, informed decisions.

Highlighting Best Practices

Within our industry, companies both administer their own workforce development programs and involve partners who bring external expertise and innovation. Both incorporate best practices. Technology has become an integral part of program delivery.

InterContinental Hotels Group (IHG) Frontline program leverages technology to reach thousands of customer-facing colleagues globally and provide training, hospitality service skills and resources, which collectively help promote upward mobility and opportunity. The IHG Frontline program is an example of valuable online, self-paced training to help frontline colleagues learn about the hotel, brand, standards, and ways of working to enhance knowledge and performance. The video-based technology equips colleagues with the knowledge and confidence they need to deliver their roles with skill and pride. Over 40 percent of a hotel's workforce are in the Gen Y or Millennial categories, many of whom favor the convenience of video-based learning. It also permits colleagues to learn faster than traditional classroom training alone. Since not everyone learns the same way, such programs provide videos, activities, and collateral for individual and group learning. It is also a cost-effective way to provide consistent training to colleagues all over the nation.

⁶ http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf

⁷ http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf

Our industry also actively partners with education institutions, industry associations, and nonprofit organizations for workforce development. Both in-person and online approaches are incorporated for teaching and training.

Educational institutions help by focusing their certificate and degree programs on developing skills that travel and tourism companies need. We spoke with the Las Vegas Convention and Visitors Authority, which has initiated an impressive effort to catalog the extensive web of organizations that support the local travel and tourism industry. Examples include The University of Las Vegas Harrah College of Hospitality and The International School of Hospitality, which combine classroom and work experience to deliver skilled students to entry-level positions in the hospitality industry in Las Vegas.⁸

Currently in the US, there are over 500 schools with hospitality degree programs. Many of these schools partner with the American Hotel and Lodging Educational Institute (AHLEI), the training arm of the American Hotel and Lodging Association (AHLA), to source industry-vetted curricula, training programs, and certifications for their students. One of the best examples of schools and industry working together can be seen through the Certification in Hotel Industry Analytics (CHIA). Adopted by more than 250 post-secondary schools last year, the CHIA was developed by Smith Travel Research and AHLEI with leading industry experts. It is the only hotel-related certification for industry professionals focused on analytics – one of the most in-demand skillsets for lodging industry employees.

Industry associations enable sector-focused collaboration to build talent more quickly. We spoke with the National Restaurant Association which, in conjunction with its National Restaurant Association Educational Foundation (NRAEF), offers a two-year food service curriculum for high school students, college-level programs on restaurant or hospitality management, professional development opportunities and curriculum development materials, and scholarships for students, educators and industry professionals.⁹

AHLA and its American Hotel and Lodging Educational Foundation (AHLEF) recruit out-of-school and unemployed young people for permanent careers in hospitality, as well as offer a management apprenticeship program and a cost-free college program.¹⁰

Nonprofit organizations help lower-educated workers upgrade their skills and then connect them with prospective employers. For example, Café Reconcile is a nonprofit daytime restaurant serving Southern staples cooked by at-risk youth who receive job training in New Orleans.¹¹ Emma’s Torch is a nonprofit restaurant that provides culinary training for refugees and helps them assimilate into society.¹² Goodwill Industries in DC has partnered with the AHLEF to offer

⁸ <https://www.unlv.edu/hospitality>; and <https://tiso.edu/>

⁹ <https://www.restaurant.org/Restaurant-Careers/Education>

¹⁰ <https://www.ahlef.org/>; <https://www.ahla.com/>

¹¹ <https://www.cafereconcile.org/>

¹² <https://emmastorch.org/>

a hospitality training academy and was responsible for training one-third of the Marriott Marquis DC staff when the hotel opened.¹³

The Challenge of Measuring Progress and Effectiveness

An impediment to wider industry investment in workforce development and wider employee interest in fee-based participation in education and training programs is a lack of actionable and timely data.

The travel and tourism industry will welcome advances being contemplated by the Department of Labor for a next-generation workforce and labor market information system (WLMIS) which incorporates artificial intelligence (AI) and related technologies, and for improvements to O*NET, a primary source of information for occupations, skills and credentials.

Beyond the technological limitations inherent in both systems, travel and tourism – as a high growth industry – also is hampered by the current pace of data collection and the scope of occupation and skills coverage. These can lead to a partial or misleading understanding of labor market realities by employers, prospective employees, policy makers and grant makers. Improving current system outcomes should not be delayed by new system planning.¹⁴

Across all industries, workforce development efforts are disadvantaged by the lack of a consistent commitment to program evaluation and common agreement around the metrics for measuring outcomes and success. Both employers and employees have a shared stake in understanding the answers to basic questions, such as how much trainees learn, how they apply those skills to a job, whether employers value the acquired skills, and whether the skills and credentials provide benefit over time. The travel and tourism industry can show leadership by focusing on developing common evaluation approaches and sharing program results.¹⁵

Recently, several national trade associations in the travel sector partnered together to form the National Retail & Hospitality Credentials Initiative. In partnership with Credential Engine, the program aims to bring clarity to a complex credential marketplace so that students, job seekers, workers, and employers are empowered to make more informed decisions about credential content, meaning, and value.¹⁶

Technology, Automation and the Travel and Tourism Industry

Customer expectations in the marketplace demand that technology be used to deliver convenient, reliable, and affordable service offerings. High-tech service offerings may require a more skilled workforce. And depending upon the number of functions that can be handled through automation, additional workforce impacts may need to be considered.

¹³ https://www.washingtonpost.com/business/capitalbusiness/nearly-as-year-in-marriott-marquis-says-job-training-program-has-worked/2015/03/19/7417c056-ccb4-11e4-8c54-ffb5ba6f2f69_story.html

¹⁴ https://www.doleta.gov/wioa/wiac/docs/WIAC_Recommendations_Report_2018-01-25_Final_and_Signed.pdf

¹⁵ <https://www.aspeninstitute.org/publications/communities-work-partnership-playbook/>.

¹⁶ <https://credentialengine.org/2018/06/27/press-release-credential-engine-announces-national-retail-and-hospitality-credentials-initiative/>

Employers need the ability to quickly source and train workers with the skills and attributes needed to keep pace with technology advancements or other changes in the marketplace.

Many travel sector employers have begun to utilize technological advances to enhance the efficacy of workforce development programs. As an example, Hyatt Hotels & Resorts is working with a digital skill-matching technology platform to help nonprofit organizations identify candidates' inherent soft skills and match those to entry-level roles within the hospitality industry. Hyatt is also introducing virtual reality technology to bring awareness to hospitality careers. The use of these technologies is integrated into Hyatt's commitment to hiring 10,000 Opportunity Youth by 2025.¹⁷

In the fall of 2016, AHLA and the National Restaurant Association were awarded a \$1.8M contract from the Department of Labor to grow apprenticeship programs in new and high-growth industries.

To help address the need to build a “bench strength” of managers and supervisors for the lodging industry, AHLA created an apprenticeship program for the position of Lodging Manager. The AHLA management apprenticeship program was designed with the goal of aligning certification with the fundamentals of apprenticeship, and it was constructed using more than 100 competencies found in leading AHLA certifications. The result is an industry-created, competency-based apprenticeship program that offers a direct path to upper management and credential attainment. Apprentices in the Labor-approved AHLA program can earn while they learn, as well as acquire two industry certifications and credit toward a college degree. AHLA's program was officially approved and registered with Labor in June 2017.

AHLA's program was the first Labor-registered hospitality apprenticeship program to offer a complete online solution for the related technical instruction. Apprentices take their educational courses online through a learning management system (LMS) platform hosted by AHLEI. This has allowed the industry to scale the program faster and to address the needs of the hotels around the country, regardless of location.

Public funding to support the AHLA and NRAEF apprenticeship programs has been critical, as it has enabled both organizations to house three full-time employees dedicated to expanding apprenticeship in the sector. The administrative burden of apprenticeship has therefore been lifted off the shoulders of employers and shifted over to the trade associations. Because of this funding, the widespread adoption of the two programs in a few short years has been remarkable. In less than 18 months, the two organizations have enrolled over 1,000 apprentices in 37 states across the country with plans to add more than 500 more in the coming months.

An example of a successful “work and learn” program in the hospitality industry is IHG® Academy, where InterContinental Hotels Group (IHG)-branded hotels and corporate offices collaborate with local community organizations to offer real life work experiences to participants, building their hospitality skills and improving their employability. Since IHG

¹⁷ Source: <https://newsroom.hyatt.com/news-releases?item=123736>

Academy started, the program has engaged more than 40,000 participants globally – 4,300 participants in the US.

Seasonality

Another important factor for consideration is the fact that the travel industry also relies on seasonal labor to meet consumer needs during peak travel periods. Seasonal employment allows workers to strengthen their financial outlook without restricting their ability to tend to other responsibilities and priorities. However, many teenagers and young adults are increasingly eschewing seasonal jobs that require the performance of menial tasks, making it difficult for employers to find the workers they need during certain parts of the year. As such, many travel-related businesses need stable access to international labor markets through the H-2B and J-1 visa programs to buttress their seasonal employment needs. Many places like Cape Cod, MA¹⁸ have trouble meeting their seasonal workforce needs due to deficiencies in housing and transportation infrastructure – leading some businesses to suffer losses due to shortened hours, limited accommodations, or a decline in customer service. Greater attention to the housing and transportation needs of the communities that rely on seasonal jobs could help mitigate such difficulties.

Conclusion

The travel and tourism industry is a diverse industry that encompasses 34 NAICS codes that span the accommodations, transportation, food and retail sectors of our economy. Collectively our workforce not just a job but a career opportunity for every American. The travel and tourism industry is well positioned to create jobs now and in the future; and we are poised to meet the challenges and opportunities that changes in technology bring.

The TTAB appreciates your leadership and looks forward to the opportunity to work in partnership with you on advancing best practices in workforce development.

Respectfully submitted,



John Sprouls
Chair



Kurt Ekert
Vice Chair

¹⁸ <https://www.camoinassociates.com/how-do-seasonal-workers-affect-your-local-economy>