

UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

September 13, 2023

The Honorable Gina Raimondo
Secretary of Commerce
Washington, D.C. 20230

Dear Secretary Raimondo:

The TTAB's charge was to identify the workforce demands of the travel and tourism industry and recommend solutions to meet the needs of employers and employees, for the near-term and medium-term. Our long-term proposal is a collaboration between the federal government and private sector to attract prospective workers, ranging from young people to the previously incarcerated, to enter the workforce through career paths and workforce development programs.

Background and Context

Three years after the COVID-19 pandemic, The U.S. travel and tourism sector is resurging due to the economic recovery and renewed interest in American destinations. The sector's estimated economic impact surpasses pre-pandemic levels, contributing \$2.24 trillion to the U.S. economy and reflecting 3 percent growth despite pandemic-related disruptions.

The sector's significant labor demand stands out, having restored 2.7 million jobs in the past year after recovering 6.75 million lost during the pandemic. Projections indicate potential for continuous growth, with the sector poised to contribute over \$3 trillion by 2033, representing 10 percent of the U.S. economy and employing nearly 21 million individuals.

While the success of the U.S. travel and tourism sector speaks to the resiliency and strength of the American economy, challenges in filling job openings are prominent within the leisure and hospitality sector.

- Despite 9.8 million job openings within the sector,¹ only 6.1 million individuals remain unemployed and available to meet the demand.²
- The leisure and hospitality sector leads the nation in job openings, averaging 1.5 million job openings since the beginning of the year.³

¹ <https://www.bls.gov/news.release/jolts.nr0.htm>

² https://www.bls.gov/news.release/archives/empsit_06022023.htm

³ <https://www.ustravel.org/news/redefining-workforce-landscape-evolving-patterns-employment>

- In navigating the present labor shortage, average hourly wages in the sector have risen 18 percent above pre-pandemic levels.⁴
- While having the highest hiring rate, the leisure and hospitality also had quit rates higher than the national average, alongside the retail industry.⁵

Recommendations

Recommendation 1: Convene a travel and tourism summit with the assistance of the Department of Labor and Department of Commerce to outline industry-wide pathways with broad and diverse stakeholders from across the nation including business, tourism, education, labor, and government entities.

All of these groups have a huge influence on young people. We envision interactive dialogue with some young, promising leaders along with an expert tourism panel. We recommend that members of the TTAB Committee be included on the planning committee and that this be a biennial event.

Recommendation 2: We recommend a public-private partnership with the Department of Commerce and travel and tourism stakeholders to develop a robust and comprehensive strategy to attract young people to the travel and tourism sector. Engage trade associations and destination marketing organizations to develop modular marketing and promotional campaigns to advertise the industry to teens and young adults.

A major challenge facing the tourism and travel sector is attracting younger people to what is perceived essentially as a service-oriented industry. The obstacles include: competing against higher-paying jobs inside and outside the industry, including the military; attracting people to lower-paying, blue-collar jobs that form the bulk of the jobs in tourism; and developing pathways for career development for full-time positions with benefits and growth opportunities.

A diverse travel and tourism industry, consisting of large, global corporations to small businesses, can benefit by federal leadership to provide a unified approach. While the Department of Labor serves as a clearinghouse for apprenticeships, internships, and careers in the tourism sector, we believe a more focused effort will be required to fill the industry's ranks with the nation's best and brightest.

To target the younger generation, we encourage hospitality related businesses to position and promote the industry as a dynamic place to work in. We need to prove that it can lead to a multi-faceted career that embraces upward mobility. It should be highlighted that the industry is a fun and exciting environment to be a part of. If it is a lodging property, a plethora of discounts on food and beverage, activities, and room rates are available.

Employment at global and national properties often leads to travel and living in several different cities during the course of one's career. Health and medical benefits should be stressed as an

⁴ <https://www.ustravel.org/issues/state-workforce>

⁵ <https://www.uschamber.com/workforce/understanding-americas-labor-shortage-the-most-impacted-industries>

indication that the industry cares for and is committed to the employee's general health and welfare. This should also include assistance with providing affordable childcare and elder care.

Flexibility and growth opportunities abound. The pandemic ushered in a whole new emphasis on working remotely and conducting business virtually. Professional development, mentoring, and training are provided to ensure success reward and recognition within the workplace.

Trade associations and DMOs should be contracted to develop promotional materials that can be deployed for regional, local, and industry-specific use. The objective is to highlight our industry as an economic engine, an income generator throughout a worker's life cycle and an industry that offers opportunities for travel, flexibility, advancement, and leadership at a young age.

Recommendation 3: Develop stronger pathways for career development and make them more appealing. Implement creative approaches in the industry's hiring practices. Create a national internship program with association partners from the hotel industry, restaurant associations, DMOs, and amusement and attraction groups.

Here are examples of current initiatives that can be considered for implementation nationwide. We recommend that the Department of Commerce and Department of Labor take the lead in developing a plan to execute these programs with strong support from the members of the TTAB committee.

- MGM Hotels has streamlined its processes to enable an employee to be hired the same day that the individual applies for a position. This allows a company to be the first out of the gate with a job offer to a highly desirable applicant.
- Identify various industry entry points, i.e., summer jobs for students and modifying minor labor laws. With respect to summer employment, UNLV has developed a program with its international hospitality students at hotels that have a labor shortage in the summer. Students work part time and besides being compensated; valuable work experience has been a part of the individuals summer training.
- In Hawai'i, a program called Generational Mentoring, GM for short, partners college students majoring in hospitality with tourism executives over an 8-month period. A strong but flexible mentoring program is the overarching outcome of the experience and many full-time positions have been the end result. The program has proven beneficial to both the company and the individual.

Work with the Department of Labor to review and potentially modify minor labor laws related to both the skills and duties that can be performed as well as the work hours permitted for minors (at least during the summer months). This can include permitting job shadowing, apprenticeships, and the like.

Lastly, the Department of Labor has enjoyed a very strong relationship with the National Restaurant Association that has resulted in funding and grants trickling down to the local

associations through the years. We recommend that the hotel sector, in particular, should actively seek a similar partnership with the Department of Labor - this is long overdue.

Recommendation 4: We recommend expanding the labor pool by developing means and opportunities to recruit and retain the previously incarcerated, veterans, and the economically disadvantaged. Opportunities for women, people of color, seniors and immigrants, in specific job categories with skills or training should be encouraged.

We recommend the Department of Commerce, Department of Labor and other affected federal agencies, in partnership with the travel and tourism sector, collaborate on an effort to provide employment opportunities for the previously incarcerated, veterans, and others seeking work. In particular, the federal government can offer financial incentives, sponsor apprenticeships or internships, and develop other means to encourage employers to hire these prospective workers. While individual businesses can and do provide jobs for people in these situations, a broader, organized push by federal agencies, perhaps with the direct involvement of federal and state-level judicial and corrections administrators, is needed to give such an effort the impetus and influence it needs to succeed.

In this regard, those providing apprenticeships or participating in recruitment must have some means of applying measurable qualifications and standards to evaluate the performance and effectiveness of these programs. The Department of Commerce and Department of Labor can provide the leadership and coordination to establish these standards and metrics, as it does for similar programs for the building trades, for example.

Recommendation 5: We recommend the U.S. Department of Commerce work with travel and tourism stakeholders, federal agencies, and Congress to expand access to temporary and seasonal worker visas and develop comprehensive plans to improve the processing of foreign worker applications.

Employers are seeking foreign labor due to reduced avenues to hire U.S. workers, but have been constrained by challenges within the U.S. immigration system. A surge in demand that has exceeded historic first-period applications for seasonal foreign workers via the H-2B visa program underscores the need for access to additional labor to facilitate post-pandemic economic growth.⁶ To offset this impact to our business sector, we encourage immigration policy reform that increases the caps for H-2B visas beyond the 66,000 annual limit and exempts returning workers from the annual caps. In addition to this, we would also like to see mechanisms established for the prioritization of industries and occupations within visa classifications and target the allocation of visas to historically difficult-to-fill jobs, many of which are in the travel and tourism sector.

While programs like the H-2B are critical to fulfill labor shortages, the complex path that visas applications undergo within the diverse set of federal agencies can result in detrimental delays that directly impact the operational continuity of businesses and the overall vitality of the travel and tourism sector. Therefore, we recommend that the Department of Commerce work with the departments of State, Homeland Security, and Labor to create a holistic action plan that

⁶ <https://www.govinfo.gov/content/pkg/CHRG-113hrg81422/html/CHRG-113hrg81422.htm>

coordinates the processing of foreign worker permits and alleviates unnecessary delays. This includes supporting initiatives such as the establishment of a centralized applicant database that houses relevant applicant data and facilitates real-time communication between agencies; allowing for parallel processing of visa applications by multiple departments to decrease wait times and mitigate the risk of permit delays; and allocating strategic resources to departments handling visa applications during peak seasons or periods of high demand.

Despite the nation's economic rebound and a strong travel and tourism sector, we have yet to recover from the decimation of our workforce caused by the prolonged, widespread shutdown of the industry during the pandemic. The loss of employees has now evolved into severe staffing shortages among many enterprises, with the competition for workers affecting the operations and profitability of so many businesses. We have recommended both near-term and long-term solutions to the workforce challenges we are facing and look forward to working with the Department of Commerce on achieving our shared goals.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bill Hornbuckle".

Bill Hornbuckle
Chair

A handwritten signature in blue ink, appearing to read "Brad Dean".

Brad Dean
Vice Chair