

# Pass the Ketchup, Please: The Leisure and Hospitality Supersector

The leisure and hospitality NAICS supersector pulls together data from the former Standard Industry Classification (SIC) trade and services sectors. Two sectors comprise this new supersector: Arts, entertainment and recreation and accommodation and food services.

There are five major subsectors that fall under these two sectors:

- Performing arts, spectator sports and related industries
- Museums, historical sites and similar institutions
- Amusement, gambling and recreation industries
- Accommodation
- Food services and drinking places

## Employment

The leisure and hospitality supersector comprised about 9 percent of total nonfarm employment in both Indiana and the nation in November 2003, according to the nonseasonally adjusted data released by the U.S. Bureau of Labor Statistics.

Indiana parallels the U.S. in the over-the-month employment change for the supersector. The U.S. lost 152,000 jobs (-1.3 percent) and Indiana lost 5,200 jobs (-1.9 percent).

In contrast to over-the-month job losses, the U.S. and Indiana are at odds when it comes to annual job changes for this supersector (see Figure 1). The U.S. had a year-over-year job growth rate of 0.4 percent and Indiana had a -0.2 percent growth rate. Indiana enjoyed some higher job growth rates in the early and mid-1990s, but more recently the state's growth in this supersector has trailed the nation.

## Comparing States

The over-the-year (OTY) employment growth rates for the states showed the majority of states above the national rate (see Figure 2). Hawaii led the nation with a 3.3 percentage growth rate. In the Midwest, Kentucky (0.6 percent) and Wisconsin (0.5 percent) were within half a percent of the national rate, while Ohio, Indiana,

Illinois and Michigan each had employment declines in this supersector.

## Industry Detail

The 51,000 OTY net job increases for the U.S. were a result of the 0.9 percent increase (86,700 jobs) in the accommodation and food services sector.

For Indiana, the over-the-year job growth driver was the arts, entertainment, and recreation sector, which was offset by losses in the accommodation and food services sector, resulting in a net job loss of 400 for the leisure and hospitality supersector.

Delving deeper, we see that the amusement, gambling and recreation industries subsector is driving the growth. However, the gambling industry group actually sustained OTY job losses. But the nuances of the data show that this industry group does not provide for full coverage of gambling activities. For example, casino hotels are classified in the accommodation subsector.

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Figure 1: Leisure and Hospitality Job Growth Rates

Indiana's recent growth has trailed the nation

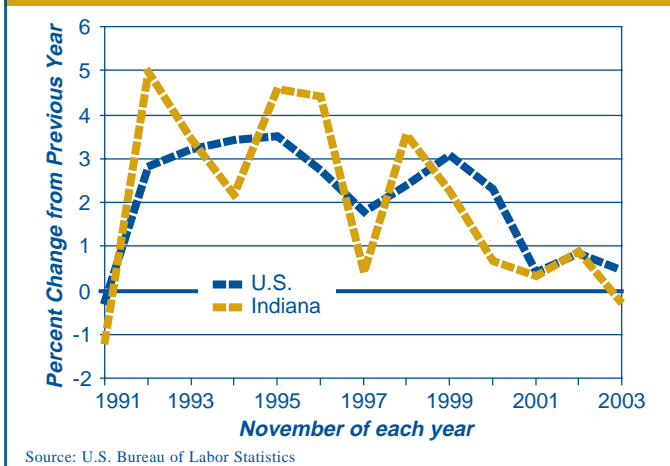


Figure 2: Job Growth in Leisure and Hospitality, 2002-2003

Hawaii led the nation in growth for this supersector

