

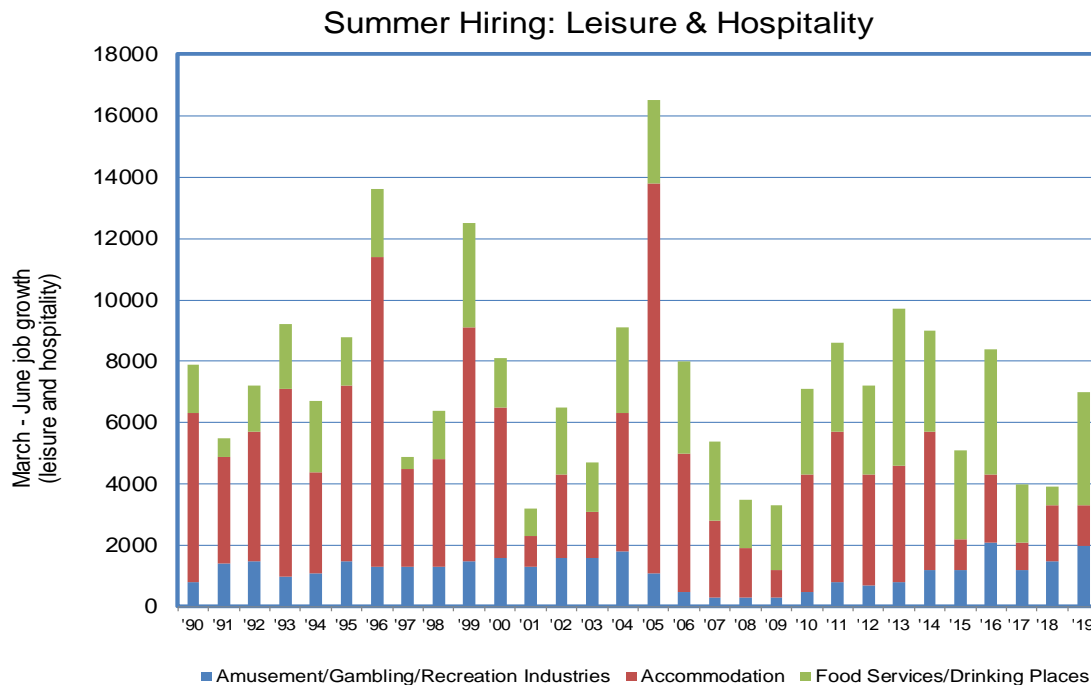
Research Notes



Summer Seasonal Hiring
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Note: 2019:90
August 14, 2019

Summer Hiring Shows Strong Gains in the Food Services/Drinking Places Industry



- Utilizing the most recent Current Employment Statistics data, we provide an analysis on the seasonal hiring trends in the leisure and hospitality industry in Nevada from March through June. For millions of people, summertime in Nevada means enjoying activities such as attending outdoor performances, visiting hotel/casinos, amusement parks, exploring outdoor recreation or sightseeing. Tourism for activities occur in the summer months in the State each year and typically correlate to several thousand seasonal opportunities for job seekers, beforehand.
- Within the leisure and hospitality is the amusement/gambling/recreation, accommodation, and food services/drinking places industries. Non-seasonally adjusted employment in these industries typically show an increase from March through June while dipping during winter months and reaching their lowest levels for the year in January or February.
- In the months (October-December) immediately following the summer season, a majority of the seasonal layoffs for the year begin to occur. When accounting for the reduction in employment after the summer season, the net growth in employment helps determine whether the employment gains were due to seasonal hiring or due to growth in the industry. On average, seasonal hires make up nearly 80 percent of the gains seen from March through June

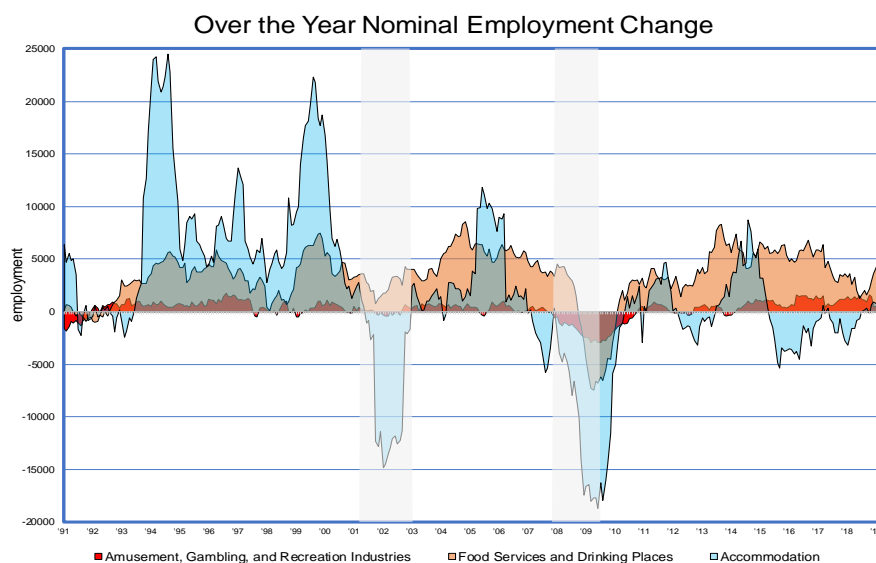
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in the industry while growth accounts for 20 percent. However, in years where a large hotel/casino opened during this time, the seasonal versus growth hires are skewed.

- In 2019, summer-related employment in leisure and hospitality realized the addition of 7,400 jobs. Although accommodation, the largest industry, has seen total employment levels remain flat since dropping from its peak seen in 2006, the overall increase in summer hires in 2019 was still above average, historically speaking.
- In accommodation, from 1990 to the peak employment levels, job gains were predominately focused in this industry and averaged 5,000 summer hires per year. The food services/drinking places and amusement/gambling/ recreation industries followed by averaging 1,900 and 1,300 summer hires, respectively. From 2007 to present, summer hiring has been less concentrated in accommodation. Food services/drinking places (+2,800) has lead the way in the average number of summer hires over this period followed by accommodation (+2,500) and amusement/gambling/recreation (+1,000).
- Historically, the accommodation industry has consistently been responsible for more than half of all summer hires each year. Recently, with large hotel/casinos downsizing staff and gaming operations and potentially causing a market transition, the food services/drinking places industry has started accounting for a larger share of summer hires in the available labor pool. In 2019, the food services/drinking places industry has accounted for nearly 53 percent of summer hires while accommodation has dropped to 19 percent.
- With hotel casinos operating with fewer employees, summer hiring in the accommodation sector may be reflecting an on-going structural change in the industry, and could explain why that sector has lagged behind historical highs. All things considered, 2019 provided several thousand new hires associated with the summer tourism season and made for a positive year of summer hiring in regard to historical trends.



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