

State of the U.S. Accommodations Workforce Report

2022 Predications & Guidance



extenteam.com

About This Report

The State of U.S. Accommodations Workforce Report is an ongoing research initiative examining the latest data and trends shaping the labor market for teams operating in the property management industry.

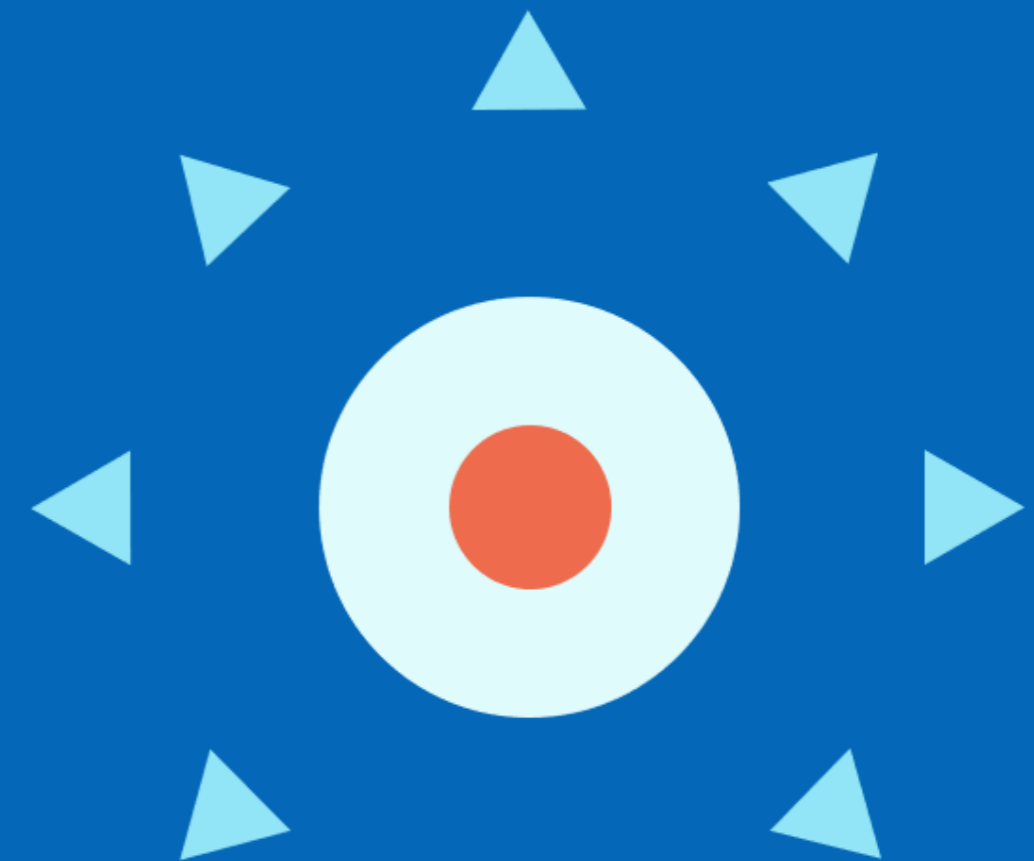
Our objective with these insights is to support strategic planning efforts for vacation home, short-term rental, and hotel operators, as the economy and labor market settles into its post-pandemic rhythm – and beyond.

As the premier trusted outsourcer for the property management industry, we have a vested interest in helping our partners deliver on their service promise to guests, owners, and residents.

We hope that these insights give you added direction in your team building efforts.

Sincerely,

Luke Bujarski, co-founder @ extenteam



extenteam.com

2022 Predictions & Guidance

U.S. travel will establish a new rhythm, as coronavirus becomes endemic.

2022 will likely see a de-escalation of pandemic-era restrictions on movement & travel. Higher vaccination rates; new treatments; more mild variants; general acceptance of coronavirus as fact of life; and 2022 midterm elections will help reignite the travel economy. Masking will likely continue, but new lockdown measures are less likely. Nevertheless, as COVID enters the endemic (more cases albeit milder cases) phase of its lifecycle, more people will be staying home sick during the winter months. Travel demand will decline in the first quarter; with labor shortages persisting into Spring (see Exhibits 1 & 2). Travel demand will spike again in the Spring and Summer months, as flu & COVID season wanes.

Rising consumer price inflation will keep quit rates in the accommodations industry high.

The global economy is in flux as a result of the pandemic. Supply chain bottlenecks, a flood of stimulus cash in 2020 and 2021, low unemployment, and other factors will likely drive consumer prices even higher in 2022. This will adversely affect the bottom line for accommodations operators and other lower-paying subsectors of the service economy. Workers will continue to push for higher wages, or leave the sector all together (see Exhibits five and six for wage inflation figures). U.S. accommodations operators should anticipate higher quit rates through 2022 (see exhibit 4) and budget for pay increases to reduce team churn.

Anticipate a slowdown in budget travel coupled with growth in luxury travel.

The pandemic has widened the wealth gap in the United States. The lower half of income earners are adversely affected by historically high price inflation; cuts in COVID-era government spending; and Federal Reserve interest rate hikes. Rapidly rising food and energy costs will cut into leisure travel budgets in 2022. The pandemic has also been a period of significant wealth creation. This generate demand in mid to high-end travel demand. Wages for the lower half will eventually catch up to inflation, but the lag could create a dovetail effect in 2022. Travel is a discretionary spend category. Those that are less price sensitive or had generated their wealth prior to the pandemic will splurge on travel in 2022. Those in lower-paying service jobs might struggle to afford vacation this year.

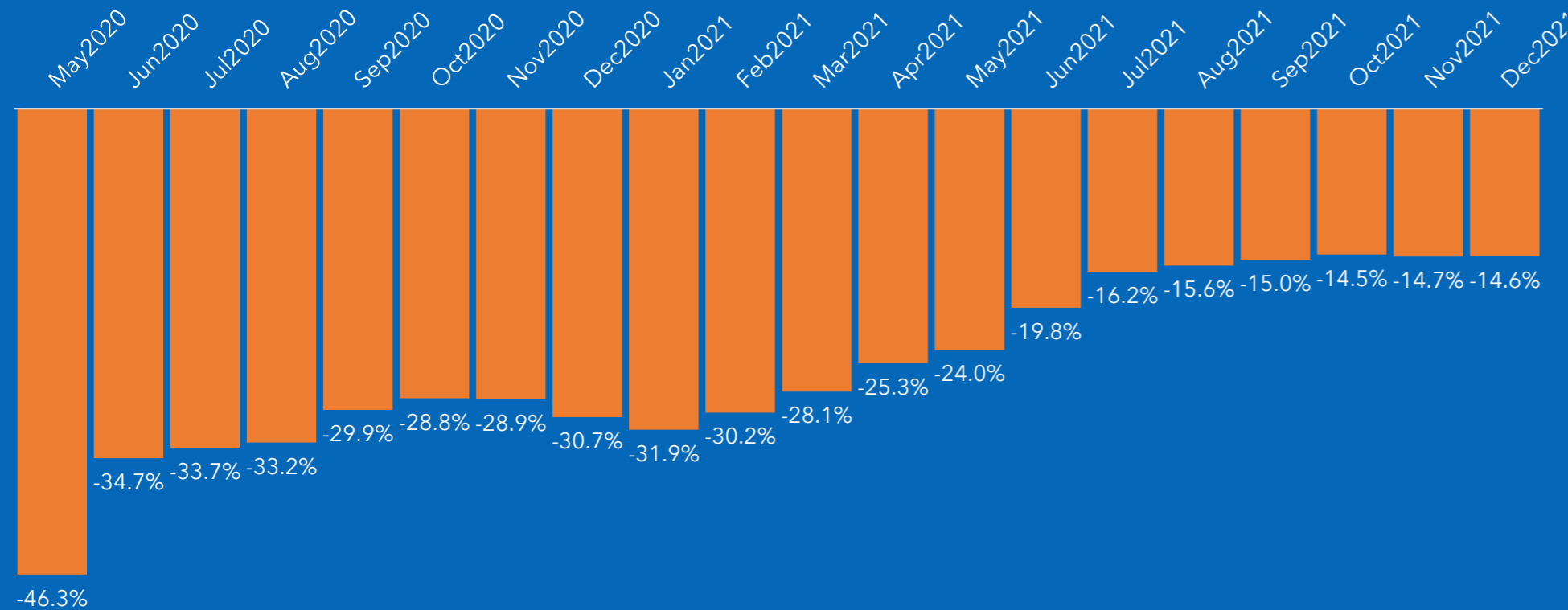
The return of city travel will be a blessing and curse for urban operators this Summer.

2022 will see city travel return in earnest as COVID restrictions lift; business and corporate travel is also finding a new rhythm in tune with the post-pandemic economy. Furthermore, urban areas currently have the biggest deficits in accommodations workers (see exhibit 2 District of Columbia for reference), as COVID kept inbound travel demand to the big cities low compared to non-urban markets. Operators of hotels and apartment rentals in places like Chicago, Los Angeles, and New York City should anticipate higher than average wage inflation, as travel demand spikes in the Spring and into Fall of 2022.

Supporting Employment & Wage Data

Workforce Supply & Deficit

Exhibit 1: National Workforce Deficit Accommodations Subsector (2021-2020)



Data Source: Bureau of Labor Statistics; Extenteam calculations
 Notes: See plateau effect July through December with employment deficit hovering at 15% deficit.

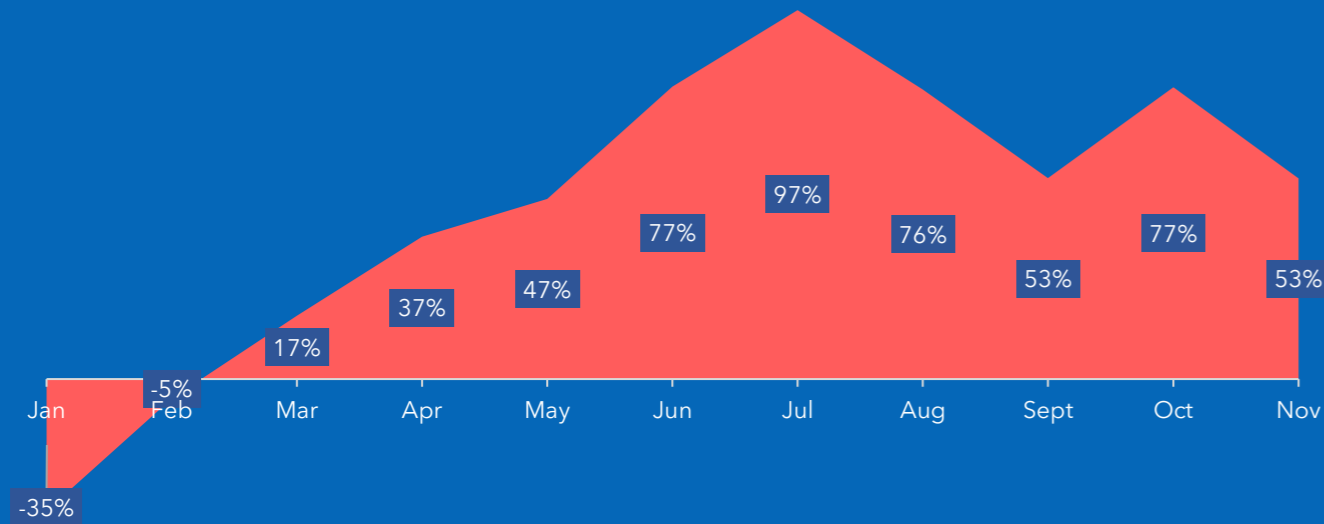
Exhibit 2: 2021 State-Level Workforce Deficit (2021-2019) Accommodations Subsector

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Alaska	-33%	-31%	-32%	-29%	-25%	-26%	-18%	-20%	-20%	-19%	-25%
Arizona	-34%	-34%	-34%	-31%	-32%	-28%	-27%	-27%	-25%	-25%	-28%
Arkansas	-18%	-18%	-20%	-20%	-17%	-12%	-14%	-13%	-13%	-13%	-14%
California	-53%	-47%	-43%	-37%	-32%	-28%	-24%	-20%	-19%	-19%	-19%
Colorado	-26%	-27%	-26%	-27%	-23%	-22%	-19%	-20%	-20%	-18%	-18%
Connecticut	-48%	-46%	-47%	-43%	-40%	-37%	-29%	-28%	-26%	-28%	-30%
Washington DC	-58%	-58%	-59%	-57%	-56%	-54%	-53%	-51%	-49%	-48%	-47%
Florida	-43%	-42%	-39%	-36%	-34%	-31%	-29%	-28%	-27%	-26%	-25%
Georgia	-34%	-33%	-32%	-29%	-26%	-22%	-16%	-15%	-15%	-15%	-15%
Hawaii	-53%	-51%	-46%	-39%	-35%	-28%	-24%	-21%	-25%	-27%	-24%
Idaho	-12%	-11%	-10%	-6%	-8%	0%	1%	1%	-3%	-3%	-2%
Illinois	-58%	-56%	-54%	-50%	-48%	-44%	-40%	-39%	-38%	-36%	-34%
Louisiana	-39%	-38%	-37%	-37%	-36%	-35%	-34%	-34%	-38%	-33%	-33%
Maine	-40%	-35%	-35%	-35%	-35%	-10%	-12%	-15%	-33%	-28%	-29%
Maryland	-40%	-37%	-35%	-32%	-19%	-20%	-21%	-22%	-25%	-26%	-28%
Massachusetts	-52%	-50%	-47%	-41%	-37%	-34%	-25%	-22%	-27%	-29%	-29%
Michigan	-42%	-34%	-32%	-35%	-36%	-31%	-28%	-26%	-23%	-22%	-24%
Minnesota	-42%	-37%	-35%	-31%	-29%	-20%	-17%	-17%	-18%	-19%	-14%
Mississippi	-22%	-22%	-22%	-22%	-21%	-20%	-19%	-20%	-19%	-20%	-19%
Missouri	-27%	-29%	-25%	-19%	-16%	-15%	-8%	-2%	-7%	-8%	-2%
Montana	-10%	-9%	-11%	-11%	-16%	-15%	-9%	-12%	-15%	-12%	-10%
Nebraska	-38%	-38%	-37%	-35%	-33%	-30%	-28%	-26%	-26%	-24%	-29%
Nevada	-42%	-43%	-43%	-41%	-40%	-38%	-38%	-37%	-36%	-36%	-36%
New Hampshire	-43%	-44%	-43%	-34%	-31%	-17%	-2%	-9%	-6%	-4%	-4%
New Jersey	-41%	-40%	-39%	-34%	-29%	-25%	-26%	-23%	-22%	-21%	-25%
New York	-55%	-54%	-54%	-56%	-53%	-45%	-42%	-39%	-38%	-36%	-38%
North Carolina	-26%	-25%	-22%	-22%	-20%	-16%	-17%	-23%	-24%	-22%	-19%
North Dakota	-32%	-27%	-27%	-25%	-25%	-24%	-25%	-25%	-24%	-24%	-23%
Ohio	-36%	-35%	-33%	-29%	-27%	-21%	-19%	-15%	-11%	-9%	-7%
Oklahoma	-22%	-23%	-19%	-18%	-17%	-14%	-9%	-10%	-6%	-3%	-4%
Oregon	-31%	-31%	-29%	-27%	-26%	-26%	-24%	-22%	-23%	-22%	-22%
Pennsylvania	-38%	-38%	-38%	-37%	-35%	-31%	-27%	-26%	-25%	-26%	-27%
Rhode Island	-40%	-42%	-38%	-38%	-35%	-32%	-30%	-29%	-29%	-32%	-33%
South Carolina	-30%	-30%	-30%	-27%	-27%	-22%	-18%	-19%	-19%	-19%	-17%
Tennessee	-31%	-28%	-26%	-24%	-21%	-19%	-16%	-16%	-17%	-17%	-19%
Texas	-29%	-30%	-28%	-25%	-22%	-20%	-16%	-19%	-19%	-18%	-18%
Utah	-7%	-10%	-12%	-10%	-19%	-18%	-16%	-13%	-10%	-8%	-1%
Vermont	-29%	-29%	-30%	-37%	-30%	-24%	-13%	-9%	-22%	-22%	-19%
Virginia	-37%	-41%	-39%	-36%	-36%	-33%	-33%	-32%	-28%	-28%	-26%
Washington	-39%	-38%	-38%	-32%	-29%	-24%	-19%	-19%	-19%	-19%	-19%
Wisconsin	-35%	-33%	-29%	-24%	-25%	-21%	-21%	-19%	-19%	-16%	-18%

Data Source: Bureau of Labor Statistics; Extenteam calculations
 Notes: The workforce recovery for accommodations plateaued or reversed in certain states. See Hawaii and North Carolina.

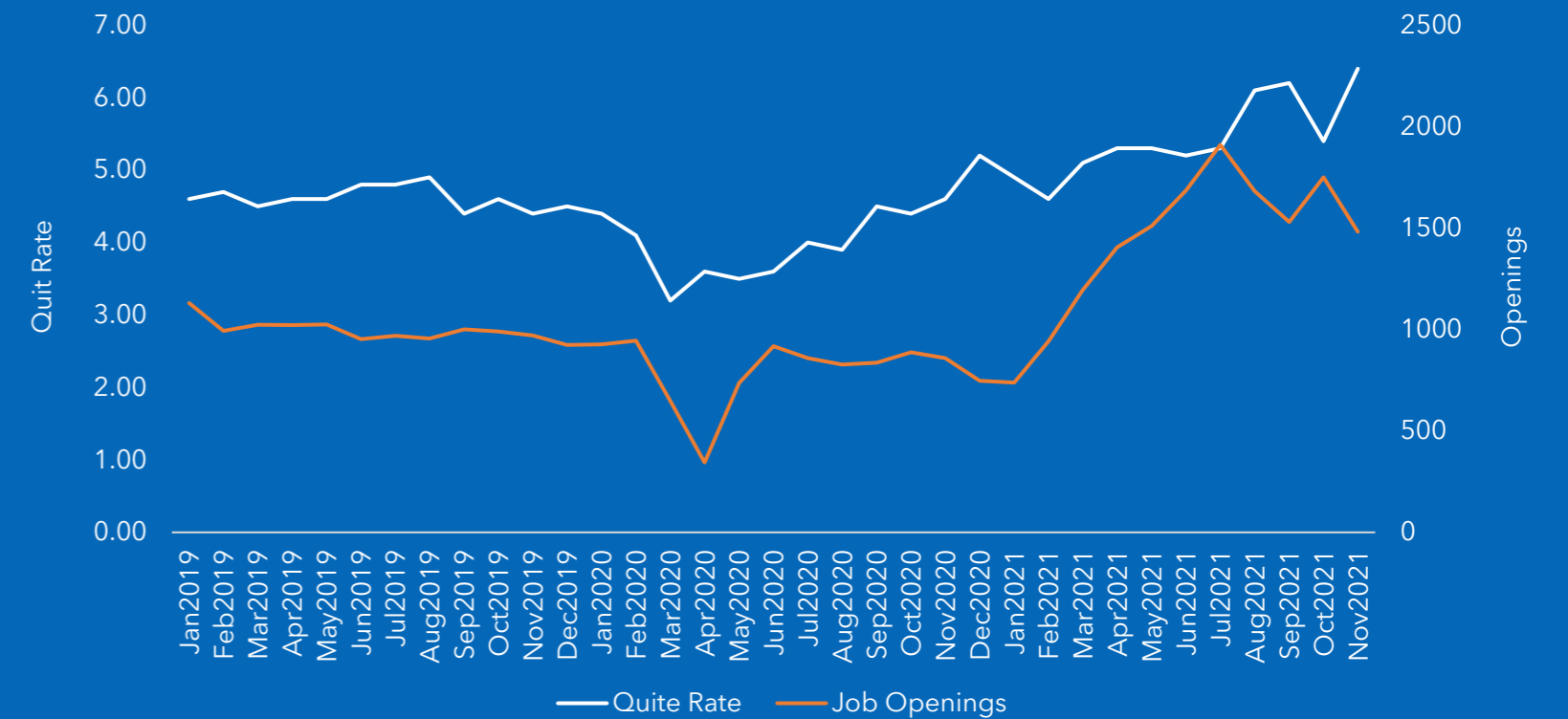
Job Openings & Quit Rate

Exhibit 3: Job Openings in Accommodations & Hospitality National Change 2021- 2019



Data Source: Bureau of Labor Statistics JOLTS Survey; Extenteam calculations
 Notes: Operators reported nearly double the amount of job openings in July 2021 compared to the same month 2019.

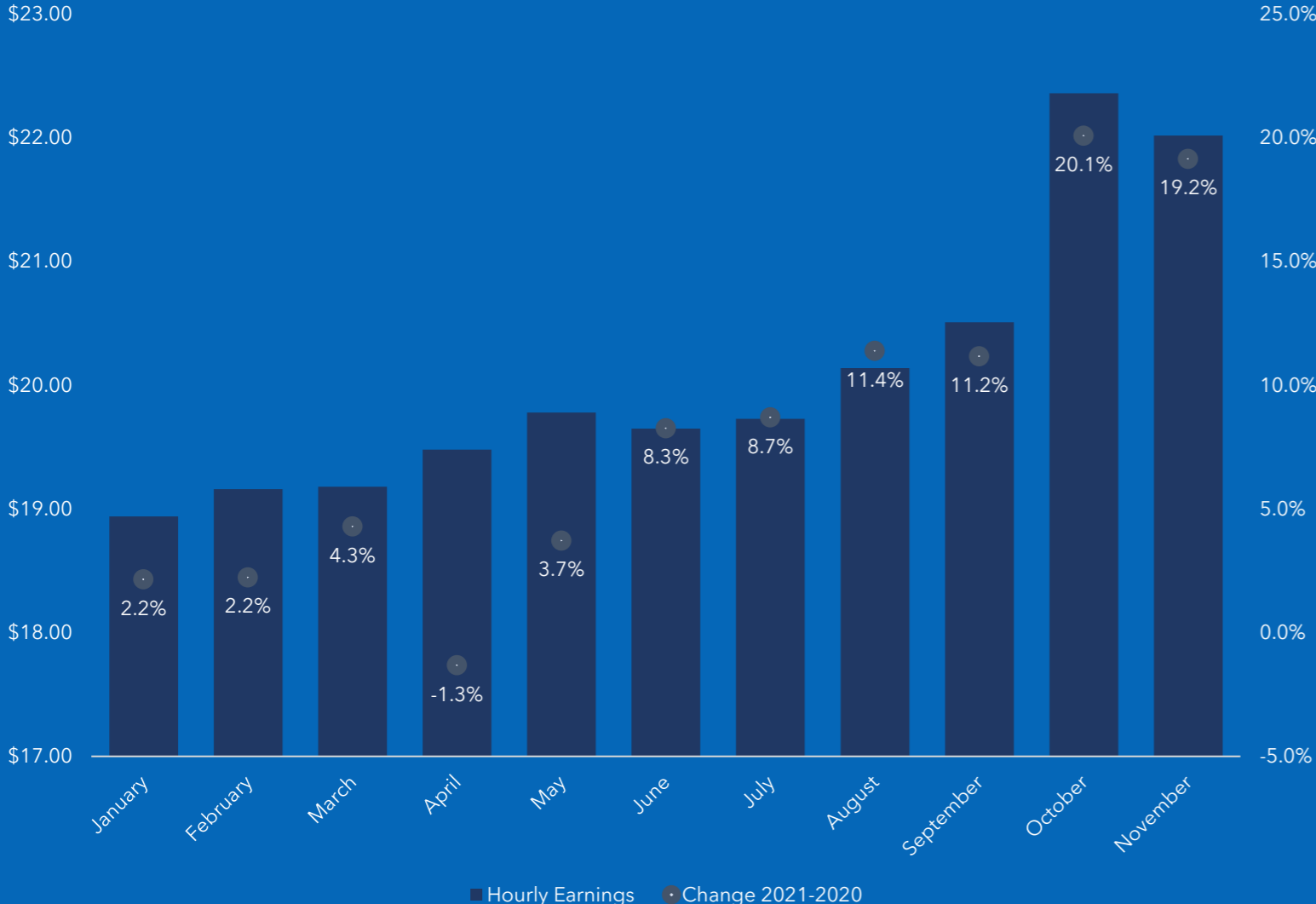
Exhibit 4: Job Openings & Quit Rate (through September 2021)



Data Source: Bureau of Labor Statistics JOLTS Survey; Extenteam Calculations
 Notes: The quit rate was 20% and 28% higher in August & September 2021 compared to 2019 - respectively

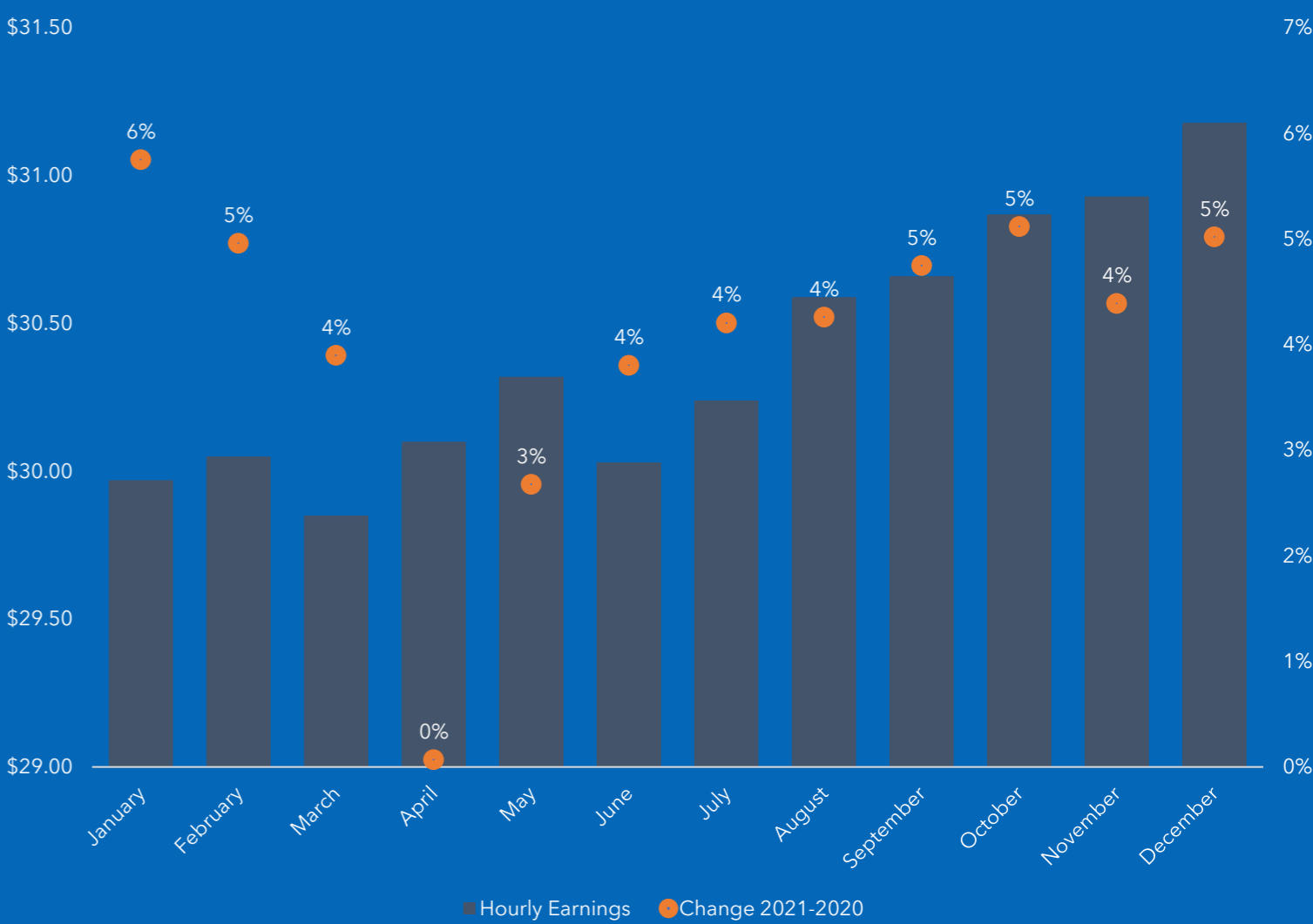
Earnings & Wage Inflation

Exhibit 5: U.S. 2021 Earnings & Wage Inflation: Accommodations Subsector



Data Source: Bureau of Labor Statistics; Extenteam calculations

Exhibit 6: 2021 U.S. Earnings & Wage Inflation: All Service Subsectors



Data Source: Bureau of Labor Statistics; Extenteam calculations

About Extenteam

Extenteam is the #1 trusted outsourcer for the property management industry. We proudly support over 50 different brands operating vacation homes, short-term rentals, hotels, and traditional multifamily housing. Our laser focus on property management means that we speak your language and can quickly deploy best-in-class remote talent to support existing systems and teams. Working with Extenteam is easy, scalable, and affordable. Whether you manage 40 or 40K properties, we have a solution for you. Contact us for a free consultation.

**SCHEDULE
CONSULTATION**

[extenteam.com](https://www.extenteam.com)