



Hospitality and Tourism in the New Orleans Region: A Labor Market Snapshot

November 2018

Executive Summary

The hospitality and tourism industry in greater New Orleans is a major driver of the region's economy, employing more than 72,000 people, or 12 percent of all workers.¹ Strong employment growth is projected for the next decade.

While conventional wisdom about career opportunities in the industry focuses on the majority of employees in entry-level, low-skill positions, this publication takes a closer look at the full range of jobs available, the types of skills required, and the prospects for economic advancement both within and outside hospitality and tourism.

Our analysis zeroes in on two unique features of the industry—the low barriers to entry and the significant role of on-the-job-training in providing workers with skills that employers value. Specifically, we identify potential economic opportunities in a previously overlooked part of the industry's occupational landscape—thousands of jobs that require higher skills and offer greater pay than low-skill, entry-level work.

These positions require only a high school diploma, but involve significant on-the-job training, making many of them, depending on wage levels, this industry's version of what we would characterize as “middle-skill” jobs in other industries. They are skilled positions that offer

potential stepping stones to higher-skill, higher-pay opportunities. For the purposes of this snapshot, we call them “experience-based skill jobs.”

Our key findings include:

- Experience-based skill jobs represent about 1 in 10 positions (roughly 7,800 jobs) in the hospitality and tourism industry in the greater New Orleans region.
- These jobs offer greater potential for individual financial stability and economic mobility than entry-level, low-skill jobs.
- Significant work remains to be done to expand economic advancement for industry employees. Employers must commit to developing clear, accessible, and structured pathways that enable more workers to progress to experience-based and middle-skill jobs and on to higher-skill, family-supporting careers—both within and outside the industry.

Experience-Based Skill Jobs Deserve Attention

Experience-based skill jobs are more accessible than middle-skill jobs (which require post-high school formal education) and more valuable than low-skill jobs, especially for people with barriers to education and employment.

Pay for these positions varies by occupation. For the purposes of this snapshot, we identify these jobs using an earnings threshold of a median wage of \$12 per hour (about \$25,000 in annual earnings for full-time work). This is slightly above a living wage for a single adult with no dependents in the New Orleans region, as determined by the MIT Living Wage Calculator.²

However, some types of experience-based skill jobs, particularly supervisory positions, offer greater financial stability, with wages well above the \$12 per hour median. These positions are also less likely to be short-term or seasonal and more likely to be full-time with predictable schedules.

Advancement within and beyond experience-based skill jobs in the industry remains a problem. The number of jobs shrinks dramatically at each higher skill level. While there were 61,700 people employed in low-skill positions in 2017, there were only 7,800 experience-based skill positions. And the number of middle-skill jobs was even smaller, at just under 700. In addition to fewer job opportunities at higher levels, it’s not always clear how individual jobs lead to higher-level careers.

Recommendations

The New Orleans hospitality and tourism industry has the potential to help its workers, including those at the entry level, progress along pathways to family-supporting careers. They can do this by committing to and investing in structures and supports aimed specifically at encouraging workers' advancement through clearly articulated career pathways.

However, because there are fewer experience-based and middle-skill jobs than entry-level positions, employers in the industry must: create more family-supporting career advancement opportunities; provide workers with higher wages, improved work conditions, and benefits to retain them long-term; and/or work with other sectors, as well as education and training providers, to build out pathways into other industries with similar skill requirements, when career progression is not possible in hospitality and tourism.

For employers to succeed in these efforts, it is essential to join with key regional stakeholders, including education and workforce systems, labor market experts, and community leaders. Together, they can improve the economic mobility of hospitality and tourism employees and strengthen the industry's supply of highly qualified job candidates.

The full publication features detailed recommendations in four areas:

1. Be open to new ways of looking at employment trajectories and build on-ramps to family-supporting career pathways within and across industry sectors.
2. Collaborate across the region, working with employers and education and training stakeholders, to development career advancement opportunities within and outside of the hospitality and tourism industries.
3. Get the message to young people that there are advancement opportunities in hospitality and tourism.
4. Support additional research in key areas to best position the industry for the creation of viable pathways to family-supporting careers.

ENDNOTES

¹ The greater New Orleans region is defined as the group of 10 parishes—including Orleans Parish, which encompasses the city of New Orleans—commonly used for economic development analysis of the area. (A parish in Louisiana is equivalent to a county in most other states). This region includes the eight parishes of the metropolitan statistical area (a designation of the U.S. Census Bureau), plus Tangipahoa and Washington parishes.

Selection of economic subsectors comprising the hospitality and tourism industry is based on information from the U.S. Cluster Mapping Project, led by the Harvard Business School. See Appendix B, Table B1, in the full publication for a complete list. For information on the U.S. Cluster Mapping Project, see <http://www.clustermapping.us/content/cluster-mapping-methodology>.

Industry employment data come from Economic Modeling Specialists International (Emsi), a Strada company, which curates data from government sources, including the U.S. Census Bureau and the Bureau of Labor Statistics. The data are updated quarterly. Unless otherwise noted, all data in the executive summary come from the third-quarter release of 2018.

² The living wage for an adult with no dependents in the New Orleans region is \$11.37, assuming full-time work of 2,080 hours per year. MIT Living Wage Calculator, <http://livingwage.mit.edu/metros/35380>.