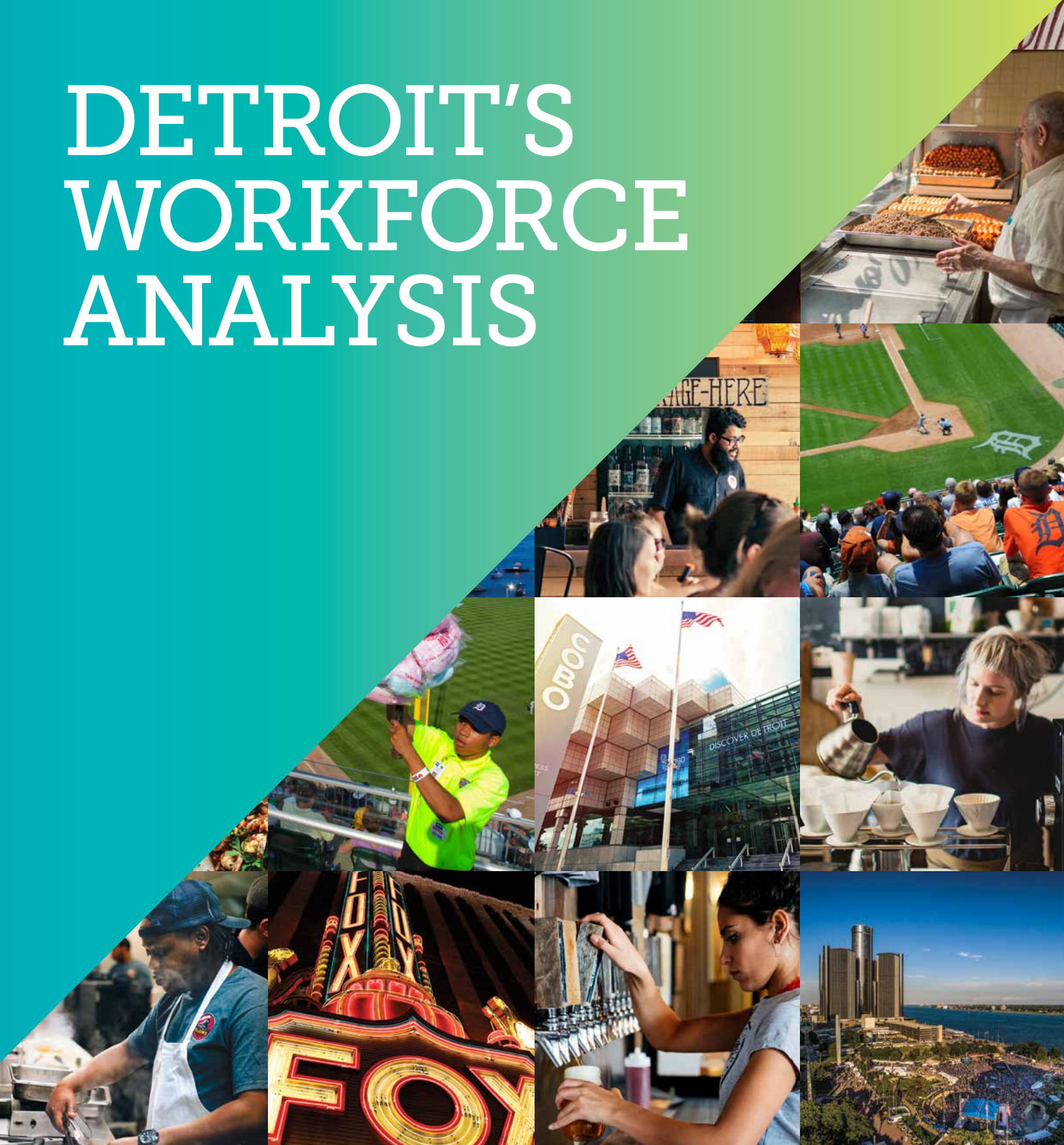


TOURISM AND HOSPITALITY TALENT:

Human Capital and Economic Contributions in Metro Detroit

DETROIT'S WORKFORCE ANALYSIS





INTRODUCTION

Tourism and the hospitality industry are stronger than ever in metro Detroit. What's behind this positive momentum? The industries' dedicated and undaunted workers, the topic of this report, are certainly playing their part.

The Detroit Metro Convention & Visitors Bureau (DMCVB) is the only organization that promotes metro Detroit regionally, nationally and internationally as a convention, business meeting and tourism destination. Since 2009, more than 235,000 jobs have been added to the metro Detroit area including Macomb, Oakland and Wayne counties in a variety of sectors, ranging from auto manufacturing, information technology and professional services. Detroit's bustling downtown is home to four professional sports teams, one of the largest theater district in the United States just behind New York City's

Broadway district and more than 300 restaurant and bar establishments with bites and libations suitable for any palate preference. The city has experienced an economic and cultural renaissance following the Great Recession and is returning to its former status as a powerhouse town on the bank of the Detroit River. Each year, an increasing number of people visit Detroit annually for both business and leisure. Most recently, more than 19 million people visited metro Detroit in 2015.

The increased travel has created greater demand for workers in tourism and hospitality. This report will highlight labor market statistics such as employment, wages and demographics for 123 occupations in 10 sectors related to tourism and hospitality. Whereas other reports study the economic impact of the tourism industry to a certain region, this report will analyze the valuable economic contributions of workers in tourism and hospitality in metro Detroit.

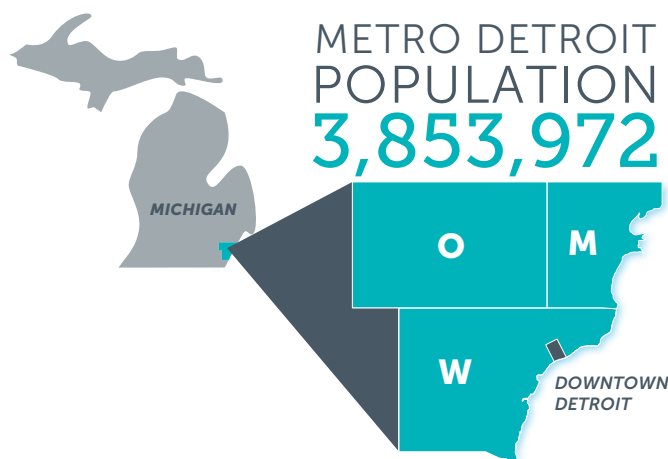
In fall 2017 the Detroit Pistons will move downtown to play at the new Little Caesars Arena.

Data sources: Bureau of Labor Statistics, Bureau of Economic Analysis, EMSI, Burning Glass Technologies, Census OnTheMap **Note:** Analysis for fiscal and economic contributions is for primary direct-industry jobs only making it a more conservative estimate than including both primary and secondary jobs. Metro Detroit is defined as Macomb, Oakland and Wayne counties. *All analysis by the Workforce Intelligence Network for Southeast Michigan.* **Published December 2016**

IN THIS REPORT

The DMCVB commissioned this report from the Workforce Intelligence Network for Southeast Michigan (WIN) to accomplish the following goals:

1. Classify the workers currently working in tourism and hospitality-related jobs
2. Understand the types of jobs and workers contributing to metro Detroit's tourism and hospitality industry
3. Analyze the economic and fiscal contributions made by tourism and hospitality workers to the region and State of Michigan



Metro Detroit is comprised of three counties directly surrounding the city of Detroit in southeast Michigan: Macomb, Oakland and Wayne. In 2016, these three counties were home to nearly 4 million people and almost 2 million workers were employed in the region.

THIS REPORT CONTAINS THE FOLLOWING:

Tourism and hospitality-related occupations classified of related workers

Workforce demographics and metrics for workers in metro Detroit currently employed in tourism and hospitality-related jobs including:

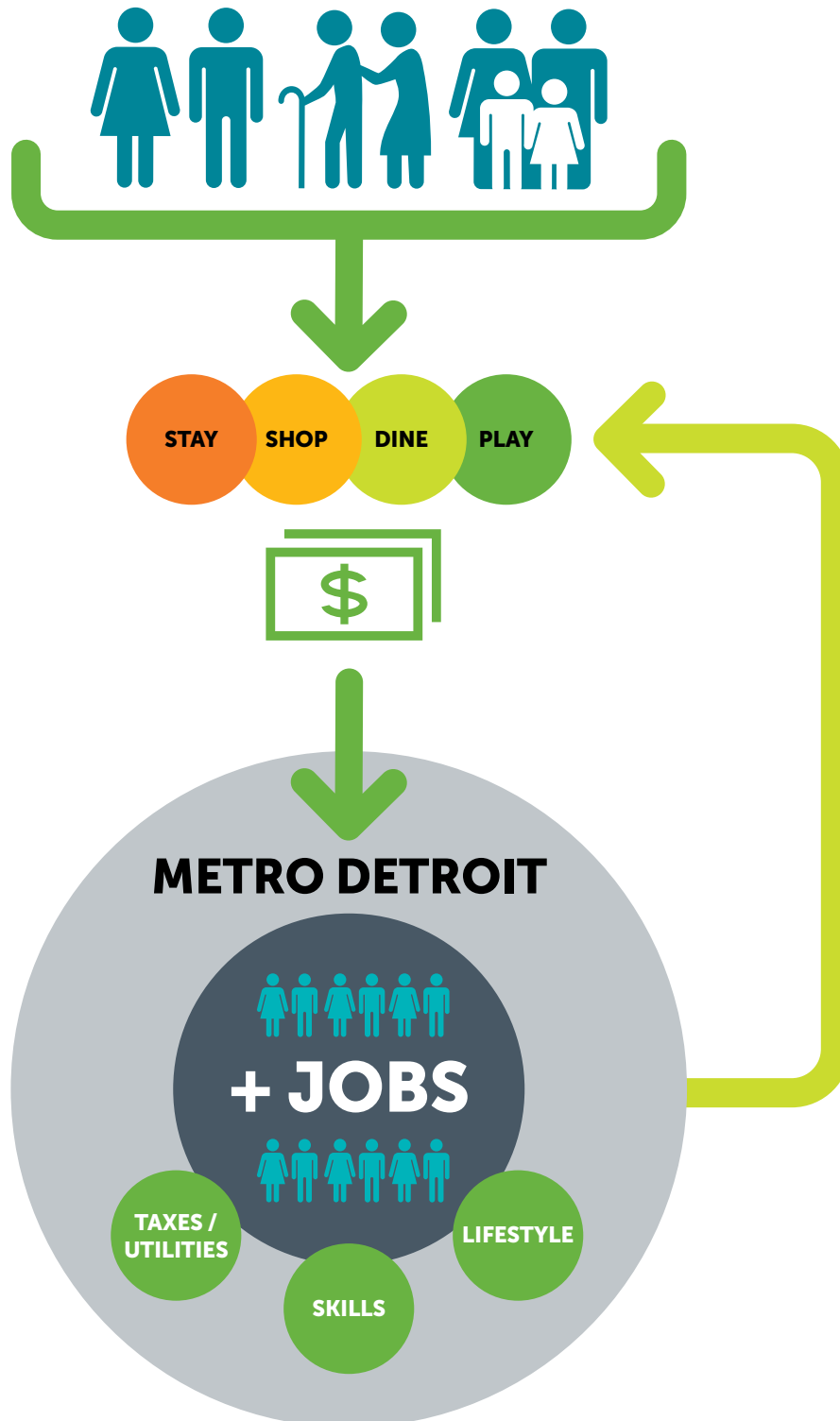
- Employment trends
- Demographics (age, gender, race/ethnicity)
- Competition for workers (demand for workers by employers)
- Typical wages
- Required education, training and experience
- Essential skills

Economic and fiscal contributions defined as spending, spin-off jobs and taxes paid by tourism and hospitality workers, enhancing the state's economic strength

PRIMARY VS. SECONDARY OCCUPATIONS

Throughout this report, groupings of occupations within the same sector of tourism and hospitality are differentiated by being either primary or secondary. Primary jobs are considered front-facing — these workers deal directly with customers and guests. Meanwhile, secondary jobs work behind the scenes to not only support primary workers, but also to ensure visitors have a safe and enjoyable time in Detroit. Both primary and secondary occupations are critical to a strong tourism and hospitality industry.

TOURISTS VISIT DETROIT



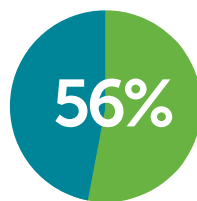
LANDMARK FINDINGS

Metro Detroit's tourism and hospitality industry is a key contributor to the area's economy and continues to experience significant growth, with thousands of jobs recovered over the past seven years. This sector covers a diverse set of jobs in a variety of fields, including retail, fine dining, air travel, theater and the arts, hotels, event planning, casinos, parks and recreation.

The tourism and hospitality industry
directly contributes

228,152

jobs to the metro Detroit economy.
This is 12.7% of all jobs in the region.



of tourism and hospitality
workers are employed
directly in the city of Detroit

56%

of the talent in tourism and
hospitality is female

48%

of the total labor force in
the region is female

2.3%

more African-Americans are
employed in tourism and
hospitality than other jobs
in the region

1%

more Hispanics are employed
in tourism and hospitality than
other jobs in the region

Since the lowest point of the recession in 2010, **more than 44,000 tourism- and hospitality-related jobs have been recovered** in metro Detroit.



1/5 workers in the field live
in the city of Detroit.

\$12.75 million

fuel taxes paid
each year

\$50.6 million

State of Michigan
income taxes
paid annually

\$13.7 million

City of Detroit income
taxes paid annually

\$55.2 million

local property
taxes paid by
individuals annually

Tourism and hospitality **worker spending contributes approximately \$32.3 million** to state sales tax collections each year.

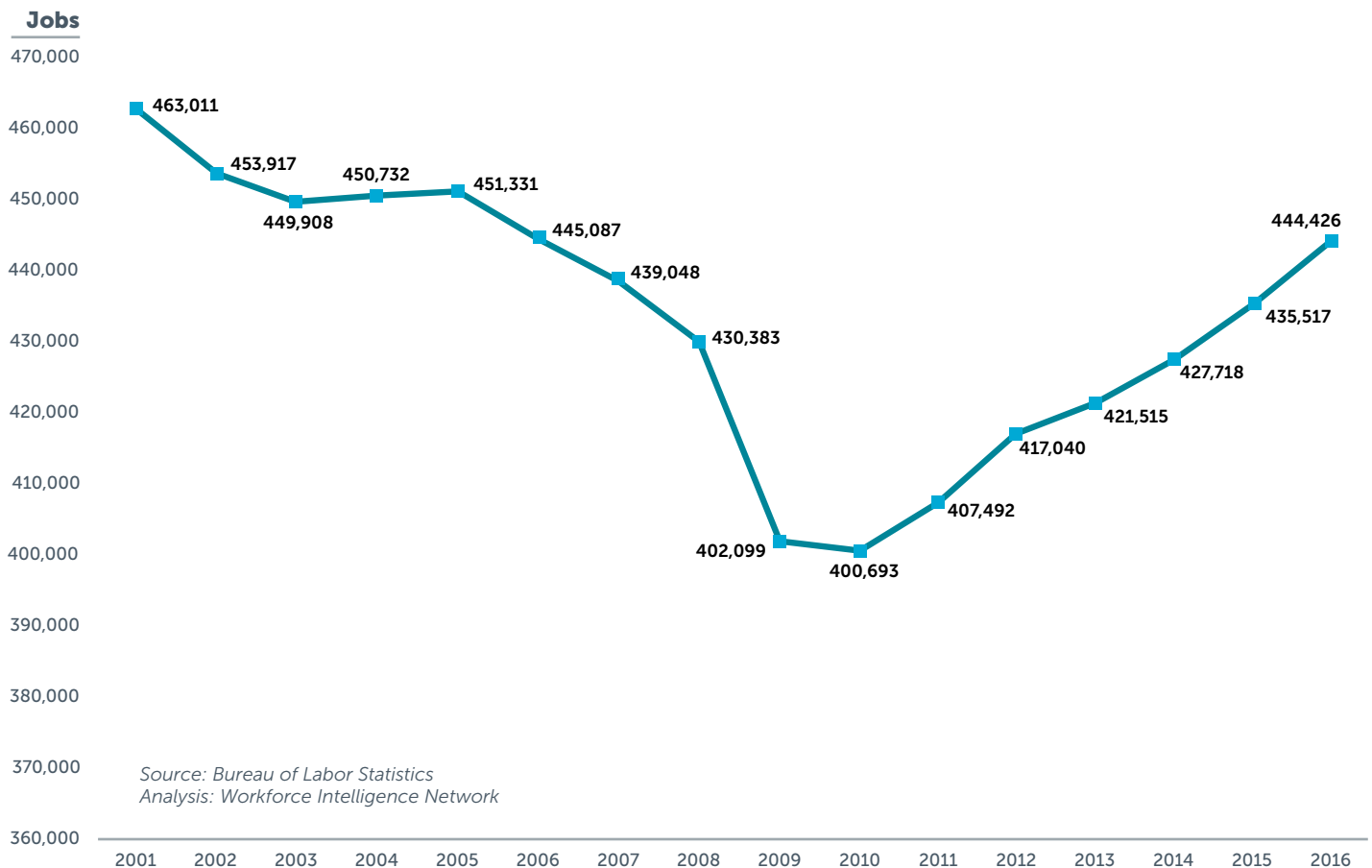
8,940

total spin-off jobs in the state of Michigan are
supported by wages paid to workers in tourism
and hospitality jobs within metro Detroit

DETROIT IS A
POWERHOUSE
THAT'S HEALTHY,
GROWING
AND READY
FOR MORE.
READY FOR YOU.

WORKFORCE HIGHLIGHTS

EMPLOYMENT IN TOURISM AND HOSPITALITY OCCUPATIONS IN METRO DETROIT 2001-2016



EMPLOYMENT AND DEMOGRAPHICS

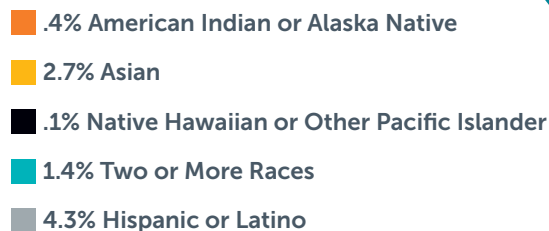
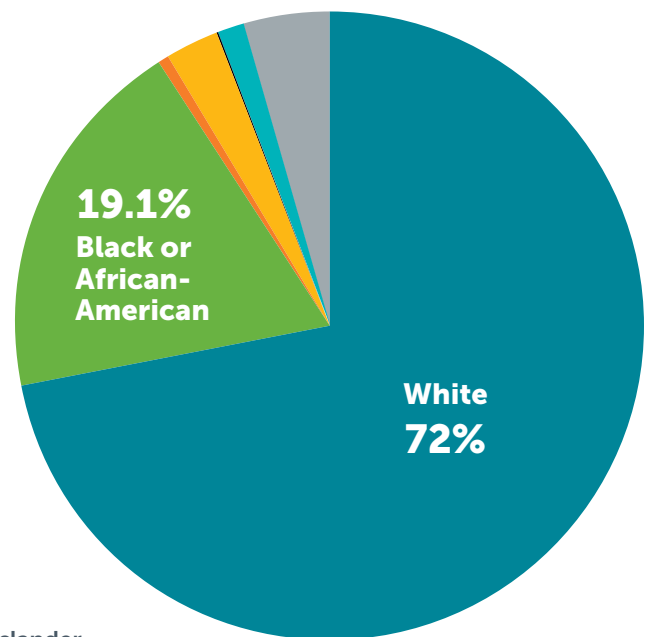
In 2001, 463,011 individuals were employed in tourism and hospitality occupations in metro Detroit.

- Employment in these occupations reached its lowest point (400,693 workers) during the Great Recession in 2010 (-13% below 2001 levels)
- Currently, 444,426 individuals are employed in tourism and hospitality occupations, just 4% below 2001 levels and 10% above the recession low
- Comparatively, employment in all occupations in the region has only recovered to 91% of 2001 levels
- The tourism and hospitality industry directly contributes 228,152 jobs to metro Detroit, but that figure nearly doubles to 444,426 workers when analyzed as occupations related to tourism and hospitality

RACE/ETHNICITY OF WORKERS IN TOURISM AND HOSPITALITY IN METRO DETROIT 2016

Workers in tourism and hospitality are more likely to be women and minorities.

- Men command a larger share of all occupations (52%) in metro Detroit, but women represent 56% of tourism and hospitality workers
- Compared to all workers, tourism and hospitality workers in metro Detroit are more diverse and include larger shares of both Hispanic or Latino and Black or African-American individuals

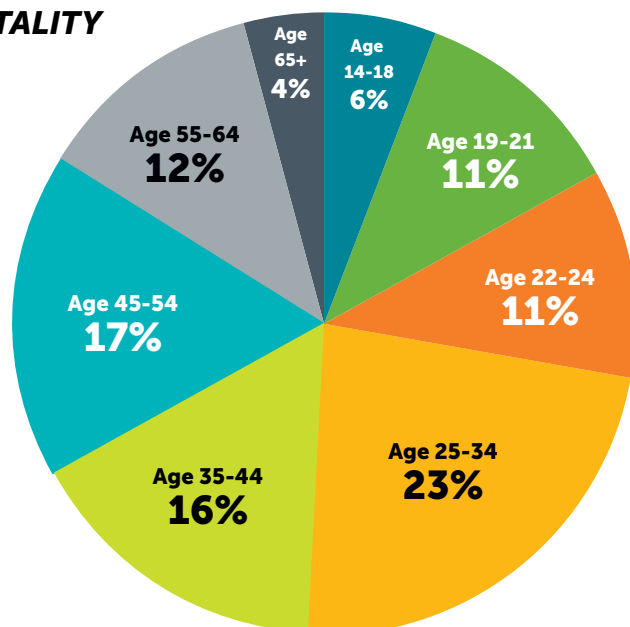


Source: Bureau of Labor Statistics
Analysis: Workforce Intelligence Network

AGE OF WORKERS IN TOURISM AND HOSPITALITY IN METRO DETROIT 2016

Only 34% of all workers in metro Detroit are under the age of 35, but half of the tourism and hospitality workers are under the age of 35.

Source: Bureau of Labor Statistics
Analysis: Workforce Intelligence Network



WAGES

Occupation Group	Pct. 10 Hourly Earnings	Pct. 25 Hourly Earnings	Median Hourly Earnings	Pct. 75 Hourly Earnings	Pct. 90 Hourly Earnings
Arts and Culture - Primary	\$8.60	\$9.25	\$10.37	\$11.68	\$14.19
Arts and Culture - Secondary	\$11.65	\$14.15	\$19.33	\$28.34	\$36.62
Building and Groundskeeping - Secondary	\$13.74	\$16.87	\$21.36	\$26.34	\$31.55
Conferences and Events - Primary	\$10.58	\$13.80	\$18.32	\$29.47	\$44.39
Conferences and Events - Secondary	\$11.60	\$16.07	\$22.68	\$36.04	\$52.54
Dining and Shopping - Primary	\$8.25	\$8.78	\$9.77	\$12.01	\$17.13
Dining and Shopping - Secondary	\$8.85	\$9.87	\$11.72	\$14.24	\$17.52
Entertainment - Primary	\$8.69	\$9.48	\$12.29	\$15.30	\$24.66
Entertainment - Secondary	\$15.54	\$20.45	\$27.48	\$37.79	\$47.79
Gaming - Primary	\$9.41	\$10.10	\$11.32	\$12.45	\$16.66
Gaming - Secondary	\$13.82	\$16.66	\$22.04	\$28.25	\$33.84
Hospitality - Primary	\$9.33	\$11.26	\$14.34	\$18.23	\$23.29
Hospitality - Secondary	\$9.27	\$10.36	\$12.61	\$15.71	\$19.35
Recreation - Primary	\$8.26	\$8.86	\$9.95	\$11.85	\$14.46
Recreation - Secondary	\$8.59	\$9.49	\$10.90	\$13.82	\$17.45
Tourism Development and Promotion - Primary	\$8.25	\$8.79	\$11.68	\$21.14	\$27.11
Tourism Development and Promotion - Secondary	\$17.10	\$21.88	\$29.29	\$39.51	\$50.30
Travel - Primary	\$9.51	\$11.08	\$13.56	\$16.68	\$20.81
Travel - Secondary	\$25.55	\$36.78	\$48.88	\$64.67	\$89.30
All Tourism Occupations	\$10.09	\$11.49	\$13.84	\$17.38	\$22.70

Source: Economic Modeling Specialists, Intl. (EMSI)
Analysis: Workforce Intelligence Network

The average tourism and hospitality worker earns less than other workers in metro Detroit, but many tourism and hospitality jobs are entry-level and require less education and experience than other occupations.

- Tourism and hospitality workers earn \$13.84 per hour, on average
- The typical worker earns \$22.69 per hour, on average
- Younger workers could partially explain wage discrepancy

METHODOLOGY

Custom primary and secondary occupation groups were used to analyze the tourism and hospitality employment activity and employer demand in metro Detroit. The custom occupation group figures differ from the traditional industry data.

All data within this report is gathered from the following sources:

- Bureau of Labor Statistics (BLS)
- Economic Modeling Specialists International (EMSI)
- Burning Glass Technologies
- Quarterly Workforce Indicators (QWI)
- Quarterly Census of Employment and Wages (QCEW)
- O*NET
- RIMS II Multipliers
- Consumer Expenditure Survey (CES)
- American Community Survey

The share of workers directly employed by the tourism and hospitality industry was calculated using inverse staffing patterns; the share of workers in each occupation employed directly by employers in certain industry groups. This analysis was done in order to better differentiate between all workers in tourism and hospitality occupations (all employers) and those employed directly by tourism and hospitality companies.

Projection data is not included. Most projections are based on a “steady-state” economy, meaning that the projected employed assumes that the region will have no technological advances or other major economic changes in the future. Because the tourism and hospitality industry fluctuates based on individual spending and travel patterns, it is too closely aligned with economic shifts for projections to be relevant.

► **FOR MORE DETAILED INFORMATION, SEE THE COMPLETE REPORT.**



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