

L&H Workforce Snapshot: Riverside MSA

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L&H WORKFORCE SNAPSHOT

Leisure and Hospitality (L&H) is an integral part of the Greater Palm Springs economy, situated in the Riverside MSA. In 2019, 11.2% of employment in the MSA was in L&H, but the COVID-19 pandemic impacted L&H workers hardest. However, the recovery is already underway, and between 2020-2030, L&H employment is projected to grow by 2.8% (CAGR). In charting the future of the industry, a clear picture of the state of the L&H workforce, incomes, and career opportunities, that existed pre-pandemic and in recovery, is imperative.

The Workforce Snapshot conducted by Tourism Economics combines external data sources with Oxford Economics forecasts to clearly depict L&H employment trends, workforce demographic characteristics, and the employment outlook relative to other industries and locations. Insights gained articulate the overall trajectory of employment and highlight labor gaps that could arise. Based on the evidence, Tourism Economics experts provide constructive solutions that can enhance the L&H workforce and improve career paths.

By monitoring the L&H workforce, policymakers can inform decisions regarding the funding and prioritization of the sector's development. This is particularly true for the Riverside MSA as it works to build back its L&H economy, and by establishing a labor force study, authorities can track and manage progress over time.

The study will answer the following pressing L&H workforce questions for the Riverside MSA:

1. What is the composition of the workforce?
2. How have workforce metrics performed relative to other industries and across the country?
3. How do wages and skillsets align for occupations? (Section: [Wages and Occupations](#))
4. What was the impact of the pandemic and what is the current state of the workforce recovery? (Section: [Pandemic Period](#))
5. What is the outlook for the workforce? (Section: [Forecasts](#))
6. Is there a mismatch in labor demand and supply? (Section: [Labor Gap](#))
7. What are the key focus areas to enhance the workforce? (Section: [Enhancements](#))

RIVERSIDE MSA

Greater Palm Springs is situated in the Riverside-San Bernardino-Ontario metropolitan area (Riverside MSA) in Southern California. Despite being a major shipping hub, the L&H industry is an integral part of the MSA economy, due to a rich array of attractions connected by the renowned Route 66.

Leisure-seekers in particular are drawn to the notable cities of Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage.

Outdoor attractions centered around the mountain, lake, valley, and desert offer both adventure and relaxation to visitors, who benefit from a wide array of entertainment, cultural offerings, shopping options, and cuisines.

Moreover, the L&H workforce of the Riverside MSA is diverse in composition as well as opportunity. The COVID-19 pandemic, however, altered job seeking and hiring patterns and although many nationwide trends apply, the Riverside MSA faces unique challenges based on its L&H workforce structure. Disentangling the composition and trends of the L&H workforce yields important insights, which this study aims to provide.



DATA SOURCES

The Workforce Snapshot provides a clear depiction of the state of the industry before the COVID-19 pandemic shock by using annual data from 2009-2019 – point-in-time analysis is based on the year 2019. The significance of the pandemic is assessed on changes in 2020 versus 2019, while monthly data relative to February 2020 provides insight into the recovery. Projections for the workforce are derived from Oxford Economics Metro Service annual forecasts and the Bureau of Labor Statistics’ (BLS) Employment Projection database for the period 2020-2030.

Data is compiled for Riverside-San Bernardino-Ontario metropolitan area (MSA), California (State), and the nation (US) for the L&H industry, its sectors, and sub-sectors, as well as all other private nonfarm sectors. Data is also compiled for workers in Greater Palm Springs across all industries.

Employment and wage data to reflect the overall state of the L&H workforce comes from the Bureau of Economic Analysis (BEA). This is more comprehensive than BLS data which excludes sole-proprietors who do not require unemployment insurance. However, BLS (OEWS) data is utilized in order to achieve greater granularity of the L&H workforce (wage and salary workers) at the occupational and city level. Monthly employment data from BLS (CES) is also valuable in providing insight into the recovery.

Growth rates will often be expressed as a compound annual growth rate (CAGR) – essentially a smoothed average growth rate over a horizon time.

The analysis draws on the following data sources:

- BEA: wages (CAINC5N) and employment (CAEMP25)
- BLS-QCEW: establishments
- Census-LEHD: workforce demographics and job flows
- BLS-OEWS: occupational data
- O*NET: occupational job zones and industry classifications
- BLS-Employment Projections: national occupational employment projections
- BLS-CES: monthly employment data
- Oxford Economics Metro Service: forecast scenarios
- BLS- LAUS: city level employment
- Census-ACS: city level demographics

L&H is defined by the following NAICS sectors that encompass local and non-local demand, and fulfills tourism-related activities:

NAICS	Description
71	Arts, entertainment, and recreation
711	Performing arts and spectator sports
712	Museums, historical sites, zoos, and parks
713	Amusements, gambling, and recreation
72	Accommodation and food services
721	Accommodation
722	Food services and drinking places

ANALYTICAL SUMMARY

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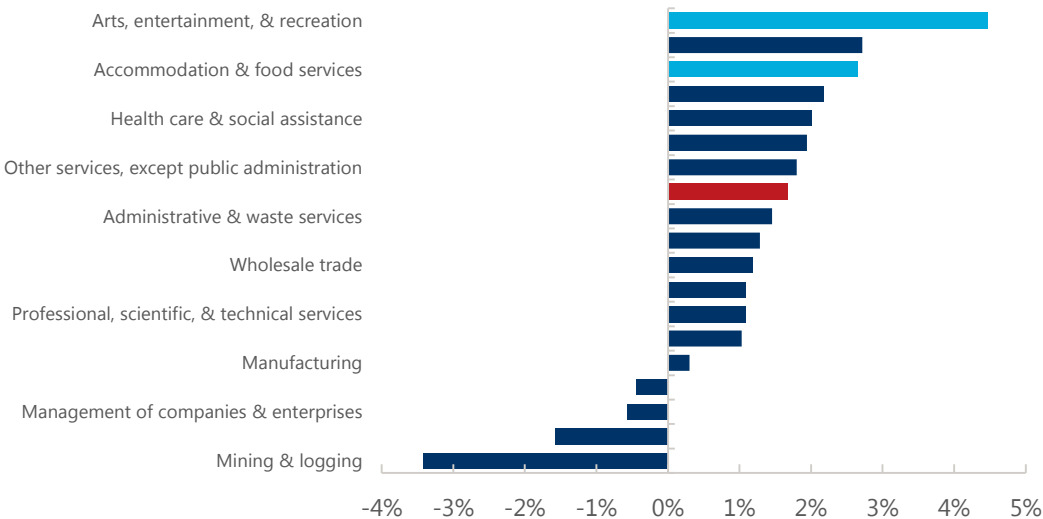
The growing L&H industry in Riverside MSA is important to young job seekers

Leisure and Hospitality (L&H) is an integral part of the Greater Palm Springs economy, which is situated in the Riverside MSA. In 2019, 11.2% of total non-farm employment in Riverside MSA was in the L&H industry (209,801 jobs). Having expanded by a compound annual growth rate (CAGR) of 3.4% between 2009-2019 – which was faster than most industries, the state of California, and the nation – the local L&H industry offers considerable opportunities for job seekers. This is true despite the impact of the COVID-19 pandemic, as demand for new workers is already recovering quickly and projected to grow fastest by industry in the coming years. Between 2024-2030 L&H job openings in the Riverside MSA are estimated to average 39,000 per year. In Greater Palm Springs, overall employment across all industries has already recovered to pre-pandemic levels.

The uptick in hiring is particularly beneficial to the younger population who make up a significant portion of the L&H workforce (53% aged 14-34) – L&H is one of the biggest employers of young workers, many of whom get their first job in the industry. The share of total employment that are aged 16-34 in Greater Palm Springs (36%) also outweighs the share at the state level (31%), pointing to a growing influence of the demands of younger-aged cohorts in the area. However, a challenge of the industry has been retaining workers throughout their careers since L&H employment falls with age in the Riverside MSA. While numerous enhancements can be made to improve the overall outcomes of the local L&H workforce, official wage and occupational data already point to diverse career pathways and pay scales that are growing in attractiveness to current and future L&H employees.

Riverside MSA L&H Employment Growth

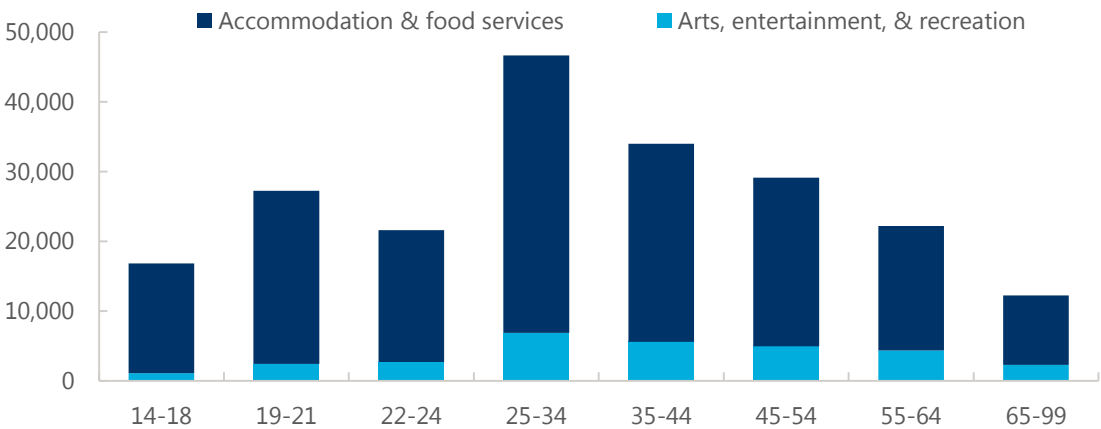
Employment CAGR 2020-2030, % change



Source: Tourism Economics, Oxford Economics

Riverside MSA L&H Employment by Age

Number of jobs (2019)



Source: Tourism Economics, US Census – LEHD

ANALYTICAL SUMMARY

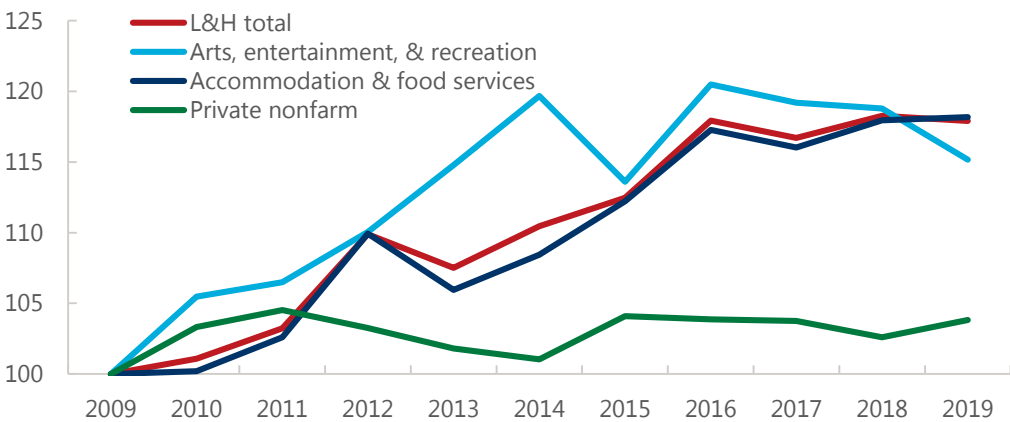
L&H workers benefit from rising wages and numerous pathways to higher paying management positions

L&H wage growth in the Riverside MSA (1.7% CAGR) strongly outpaced the rest of the economy (0.4% CAGR) before the pandemic (between 2009-2019) and will continue to rise in the aftermath (3% CAGR between 2020-2030). While non-farm wage growth in the MSA was much lower than the state of California and nation, the L&H industry and its sectors, broadly kept pace. However, a concern to workers is that the average wage at the aggregate L&H level (\$29,059 in 2019) lags other industries (\$48,366). But this is distorted by the fact that food and beverages and amusements and recreation employment together account for 88% of L&H employment while paying lower on average than other sub-sectors.

Pay structures are more complex than what is portrayed at the headline (average) level, which is why occupational data provides better insight into wage dynamics. Like any industry, L&H has a multidimensional wage structure which varies by occupation, whereby new employees work their way up the seniority and pay ladders. While wages are low for many entry-level L&H roles, there are often very few barriers to entry into career streams that lead to higher incomes, make it a compelling field for any person to start a job in L&H (regardless of background, training, or experience). Once employed within the industry, there are numerous avenues to progress towards higher-paying positions, in particular management roles. Moreover, management positions across the industry pay well above the all-industries average.

Riverside MSA L&H Employment Growth

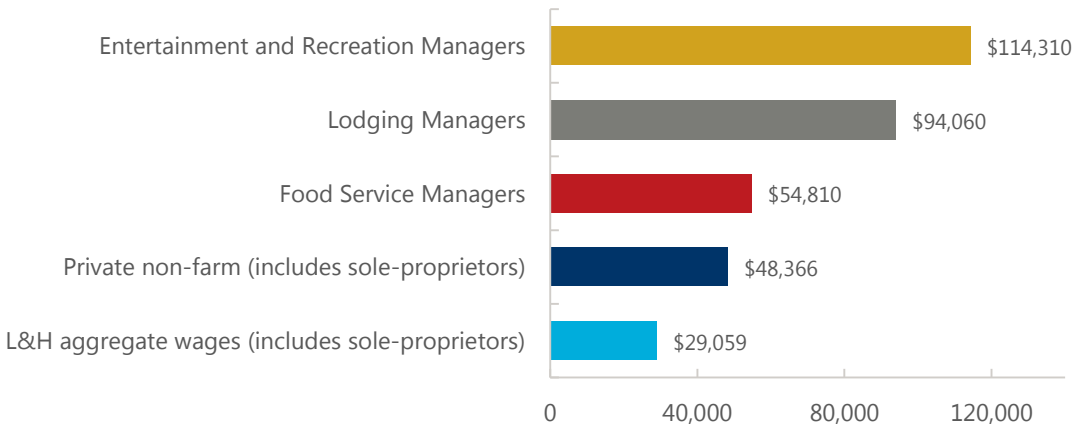
Employment CAGR 2020-2030, % change



Source: Tourism Economics, BEA

Riverside MSA L&H Manager Wages Versus Industry Average

Average annual wages, \$ (2019)



Source: Tourism Economics, BLS – OEWS, BEA

ANALYTICAL SUMMARY

Workers can benefit from greater preparation while employers and policy makers can enhance workforce conditions

Workers across all industries are often attracted to higher paying roles, but fierce competition means that those with greater preparation get greater opportunities. Therefore, another key point is that some mix of preparation (between experience, education and training) is necessary in order for L&H employees to achieve higher pay. Occupational analysis shows that a plethora of higher paying jobs exist in L&H and identifies various levels of additional training needed (defined by O*NET categories). Boosting skillsets of L&H employees is therefore vital to transforming careers and achieving higher incomes. Greater Palm Springs can draw from an already highly educated population, most of which have training beyond high school level (68%).

For employers and policy makers in the Riverside MSA, numerous considerations can be taken when looking to enhance L&H career opportunities and trajectories. Targeted policy measures may overcome inhibitors of worker demand and supply in the short- to long-term, to foster a healthy L&H labor market. In enhancing the L&H workforce, the following major themes should be considered ([Section: Workforce Enhancements](#)):

- 1) Pandemic shocks will fade in the short-term
- 2) Boost skillsets of L&H workers
- 3) Address systemic challenges
- 4) Improve wage structure awareness
- 5) Attract new types of employees
- 6) Strengthen L&H career prospects

Riverside MSA Top 30 L&H Occupations by Wage

	Average annual pay	Job Zone
Personal Service Managers, Entertainment and Recreation Managers	\$ 114,310	4
Lodging Managers	\$ 94,060	4
Technical Writers	\$ 81,530	4
Recreational Therapists	\$ 79,780	4
Producers and Directors	\$ 79,440	4
Special Effects Artists and Animators	\$ 77,330	4
Artists and Related Workers, All Other	\$ 77,260	3
Fashion Designers	\$ 76,830	3
Designers, All Other	\$ 75,810	4
Writers and Authors	\$ 75,550	4
Lighting Technicians and Media and Communication Equipment Workers	\$ 73,370	2
Editors	\$ 67,080	4
Curators	\$ 64,570	5
Broadcast Announcers and Radio Disc Jockeys	\$ 64,370	4
Chefs and Head Cooks	\$ 62,680	3
Broadcast Technicians	\$ 62,380	3
First-Line Supervisors of Gambling Services Workers	\$ 58,590	2
Camera Operators, Television, Video, and Film	\$ 57,710	3
Food Service Managers	\$ 54,810	2
Media and Communication Workers, All Other	\$ 53,580	2
Interior Designers	\$ 53,530	4
Meeting, Convention, and Event Planners	\$ 52,070	4
Audio and Video Technicians	\$ 51,560	3
Set and Exhibit Designers	\$ 51,360	5
First-Line Supervisors of Housekeeping and Janitorial Workers	\$ 50,700	2
Costume Attendants	\$ 50,300	2
Graphic Designers	\$ 49,190	4
Museum Technicians and Conservators	\$ 48,580	4
Coaches and Scouts	\$ 46,390	4
Travel Agents	\$ 45,690	3

Source: BLS – OEWS, O*NET, Tourism Economics

Note: Blue row refers to common accommodation and food service occupations

WORKFORCE ENHANCEMENTS

ENHANCEMENTS SUMMARY

Key points



Temporary factors should fade

- Risk of infection will subside
- Childcare pressures will subsequently ease
- Exhausted savings will propel job seeking
- Rising wages in L&H boost willingness to return



Address systemic challenges

- Address shrinking working-age population
- Retain prime-aged workers over their careers
- Stem pre-pandemic stagnation and losses



Attract new types of employees

- Expand hiring pool
- Encourage diversity



Boost skillsets of L&H workers

- Promote education and training
- Enhance overall skills in the accommodation and food services sector
- Encourage capital investment as a means of boosting worker productivity



Improve wage structure awareness

- Expand awareness of wages under different career trajectories
- Monitor wage disparities
- Grow high-paying arts occupations in the MSA



Strengthen L&H career prospects

- Improve L&H employee tenure
- Increase access to benefits
- Encourage greater retention within the industry
- Provide more advancement opportunities
- Foster a greater sense of meaningfulness

WORKFORCE ENHANCEMENTS

Improvements for the L&H workforce

L&H jobs were the hardest hit by the pandemic. Although the recovery has enabled a wave of re-hiring, employment remains below pre-pandemic levels.

As assessed in the [labor gap section](#), the mismatch in labor demand and supply differs in the short- and long-term. Widening gaps in L&H employment can be prevented through targeted policy measures that overcome inhibitors to both demand and supply.

In the short-term, new hirings held back by the health outlook should disappear as the pandemic subsides. However, further steps can be taken now to begin easing pressures that may persist in the long run. In the long-term, policies that encourage growth in both worker supply and demand are encouraged to sustain a healthy L&H workforce.

This section of the workforce study provides specific considerations for policy makers to enhance the L&H workforce, based on key findings from individual snapshot sections.

In enhancing the L&H workforce, the following major themes should be considered:

- 1) Pandemic shocks will fade in the short-term
- 2) Boost skillsets of L&H workers
- 3) Address systemic challenges
- 4) Improve wage structure awareness
- 5) Attract new types of employees
- 6) Strengthen L&H career prospects

#1: PANDEMIC SHOCKS WILL FADE

Worker supply constrained by lingering pandemic effects

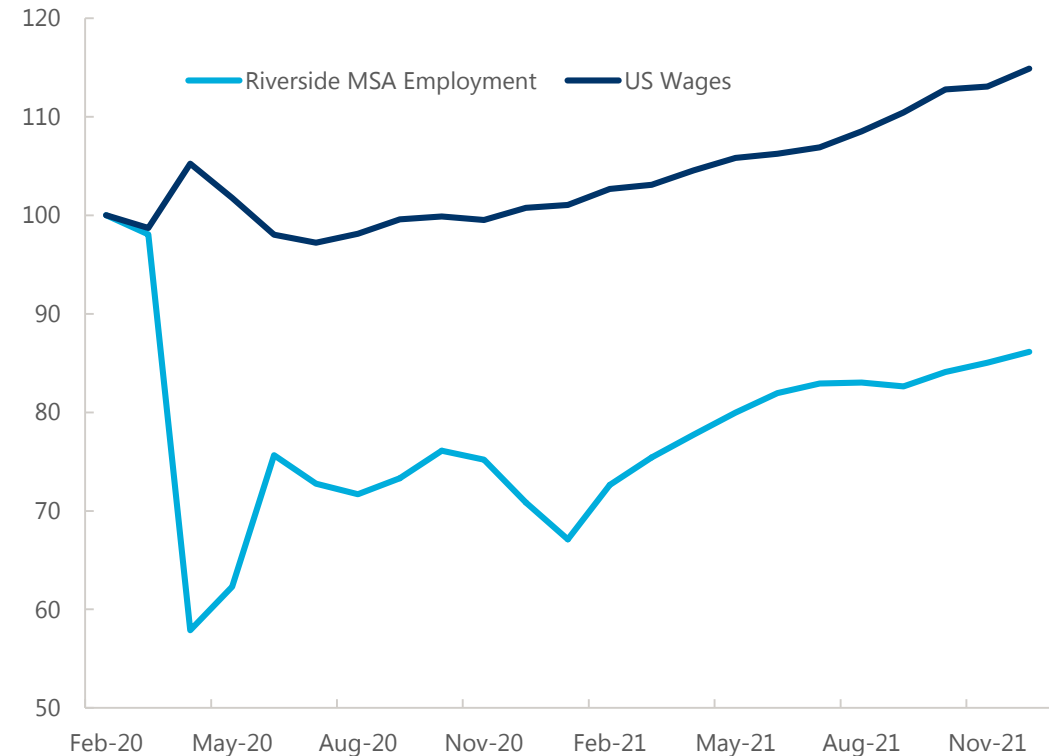
L&H employment in the MSA remains below pre-pandemic levels. Despite an uptick in re-hiring as the economy recovers, labor shortages exist. However, the limited supply of workers is due to temporary factors that will fade in the short-term as the health situation improves.

Of temporary factors, it is anticipated that:

- 1) The risk of infection will subside
- 2) Childcare pressures will subsequently ease
- 3) Exhausted savings will propel job seeking
- 4) Rising wages in L&H will boost willingness to return

Monthly L&H Recovery

Index, Feb 2020=100



Source: Tourism Economics, BLS

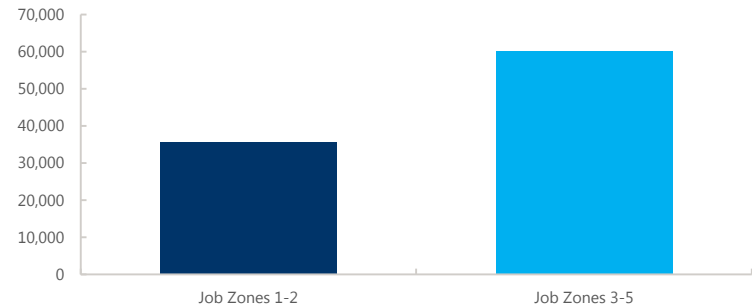
#2: BOOST SKILLSETS OF L&H WORKERS

Promote education and training – Highest paying jobs require more skills training

For most higher-paying L&H jobs, medium to extensive preparation (identified by Job Zones 3-5) is required: more education, experience, and training. Across the MSA’s L&H industry, workers with post-secondary training accounted for 31% of L&H employment compared to 38% without in 2019.

Policy makers should work with employers to promote and improve access to skills building so that clear pathways are presented to employees for career mobility and higher pay. Low wage, low skilled workers are often the hardest hit in times of downturn, so enhancing workforce abilities can improve outcomes.

MSA Average L&H Wage by Job Zone
\$, in 2019 prices (2019)

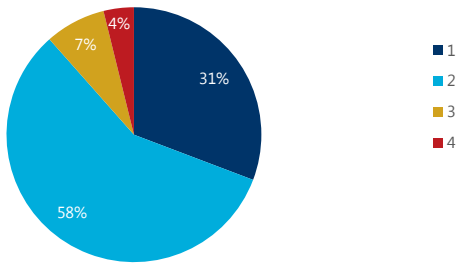


Enhance overall skills in accommodation and food services sector – Most workers are low skilled

Of 26 identified occupations in accommodations and food services, only three require medium to considerable preparation. Most accommodation and food services jobs – which account for the majority of total L&H employment – are low skills-based. Providing opportunities to grow skills and advance careers within the accommodation and food services sector will not only propel workers towards higher-paying roles but also improve the overall productivity of the sector.

Increasing and diversifying training programs, establishing apprenticeships, creating mentoring/career guidance programs, and hosting innovative learning workshops will raise standards of the entire industry.

MSA Job Zone Shares: Accommodation and Food Services

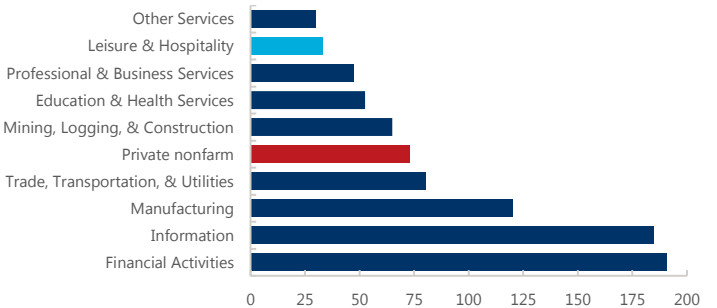


Encourage capital investment as a means of boosting worker productivity – Output per worker is low for the L&H industry

Industry GDP divided by the number of workers is a gauge of output per worker, also referred to as productivity. For L&H, output per worker averaged \$33.1 thousand in 2012 prices in the MSA during 2019. In comparison, financial activities generated \$190.6 thousand per worker.

However, both capital and labor are used to produce output, so improving the capital stock can boost productivity to the benefit of workers. For example, automatizing processes, switching to digital payment systems, or using data to optimize services can enhance the way work is done in L&H. As such, employee time and resources can be channeled into more meaningful tasks that encourage greater training for roles associated with higher pay scales.

MSA Output per Worker
\$ thousands, in 2012 prices (2019)



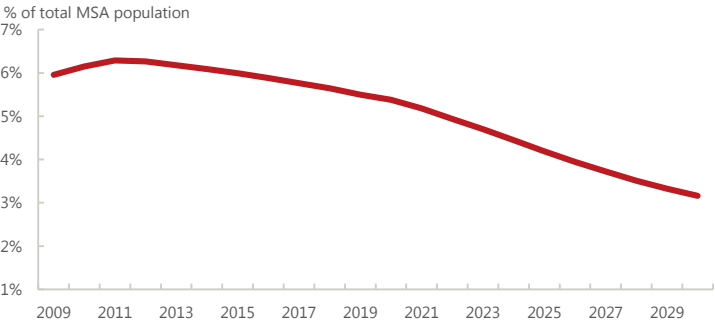
#3: ADDRESS SYSTEMIC CHALLENGES

Address shrinking working age population – Supply shortages can persist as older population retires

Persons aged 55-99 accounted for 17% of L&H employment in the MSA in 2019. The pandemic brought forward the retirement of older workers, and the working age population share in the Riverside MSA is projected to fall from 65.5% in 2019 to 63.2% in 2030 as Baby Boomers exit the workforce.

Attracting more young people to the industry and leveraging technology will help to limit supply pressures. Concurrently, L&H employers should adapt to changing expectations of the workforce and younger generations in order to attract new talent.

MSA Working-Age Population (Aged 15-64)

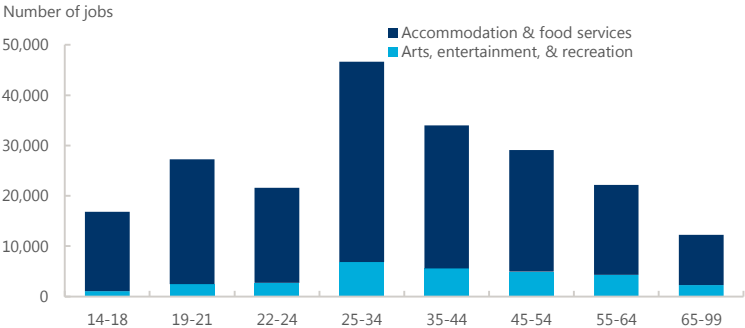


Retain prime-aged workers—The number of L&H workers fall with age

The age group 25-34 employs the most people in L&H for the MSA. However, the number of people employed in the sector falls for subsequent age groups – driven mostly by attrition in accommodation and food services.

The industry should pay close attention to the needs and aspirations of different age groups in order to tailor L&H job pathways and retain workers.

MSA L&H Employment by Age

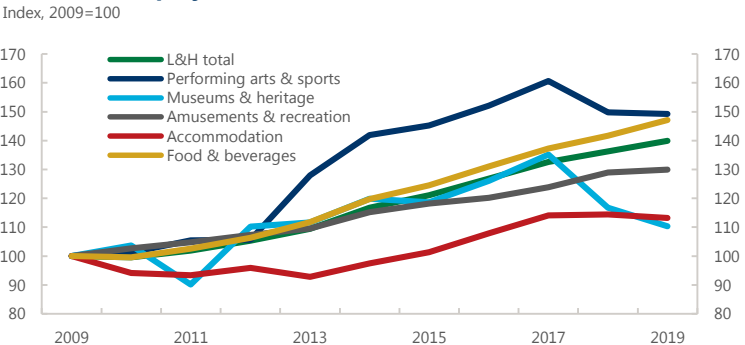


Stem pre-pandemic stagnation and losses—Pre-pandemic declines may persist if not dealt with effectively

Prior to the pandemic, job declines were occurring in the museum and heritage sub-sector and employment growth was starting to stall in the accommodation industry which historically had grown the slowest. Amusement and recreation establishments also witnessed recent declines while the arts, entertainment, and recreation sector had been experiencing falling average wages between 2016-2020, with projected wage growth to be tepid. In terms of the recovery to pre-pandemic levels, L&H employment is lagging in the US, having stalled in recent months. Forecasts point to slower L&H employment and wage growth compared to California and the US between 2020-2030.

Employers and authorities should work together to identify reasons for the stagnation/declines, what can be done to prevent future contraction, and set sectors on a healthy upward trajectory.

MSA L&H Employment



#4: IMPROVE WAGE STRUCTURE AWARENESS

Expand awareness of wages under different career trajectories –
Lower wage jobs skew L&H average due to significant size and shapes perceptions

Building awareness about the diverse salary structure that exists within L&H will foster a better understanding of the opportunities available. Education about clear trajectories to highest paying jobs and improving access to training will encourage prospective and current employees to seek long-term careers in the industry as wage expectations are better managed.

Since the two lowest paying sub-sectors in L&H (food services and amusements and recreation) account for 88% of L&H jobs, they bring down the average annual wages for the entire L&H industry, which shapes overall perceptions. However, occupational data has shown that the industry is large and diverse with numerous jobs that pay above the private nonfarm average.

Monitor wage disparities –Average MSA L&H wages lag the state and nation

The increase in L&H wages prior to the onset of the pandemic outpaced the rest of the economy. However, annual average wages in L&H for the MSA remain the lowest by industry, and lag the state and national averages – including for certain occupations.

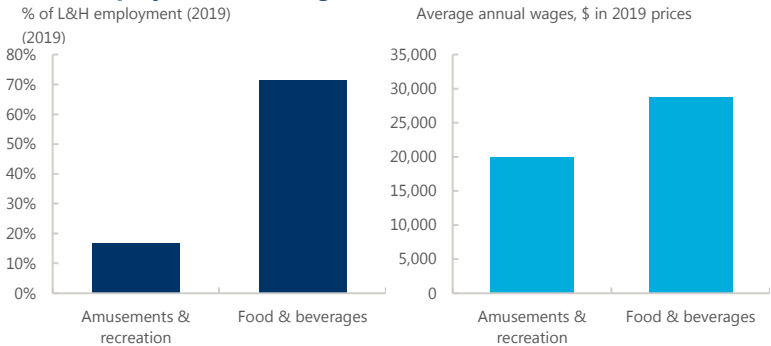
Employers should ensure wages remain competitive and in line with the cost of living in the MSA and region in order to attract and retain the best talent. In particular, the arts, entertainment, and recreation sector in the MSA pays much lower than the US and state averages. Should other industries or locations provide better opportunities for similarly skilled workers, a supply shortage may ensue if L&H workers in the MSA seek jobs elsewhere.

Grow high-paying arts occupations in MSA–
High-earning arts, entertainment, and recreation jobs are relatively underserved in the MSA

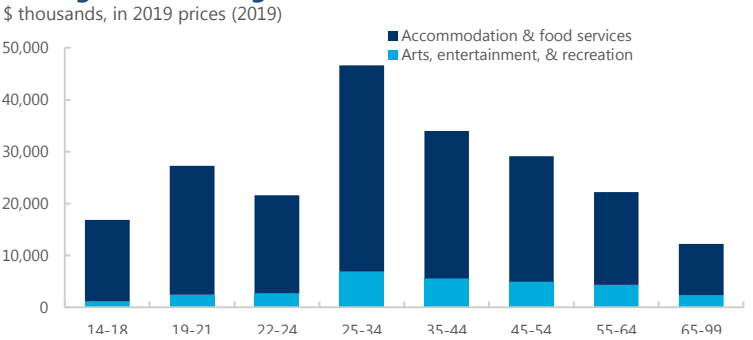
Low location quotients point to relatively small concentrations of workers in arts, entertainment, and recreation jobs – particularly in the highest paying occupations. Boosting opportunities in these higher-paying occupations offers considerable potential as they are currently much less prominent in the MSA than is the case nationwide. This will help boost average wages of the industry.

Forecasts suggest the demand for arts, entertainment, and recreation workers will grow by 55% between 2020-2030 – the fastest by sector in the MSA. As a result, supply of these workers will also need to rise significantly. Building supply will require an extensive and targeted education drive as analysis has shown that 32 of 55 identified occupations require medium to extensive preparation.

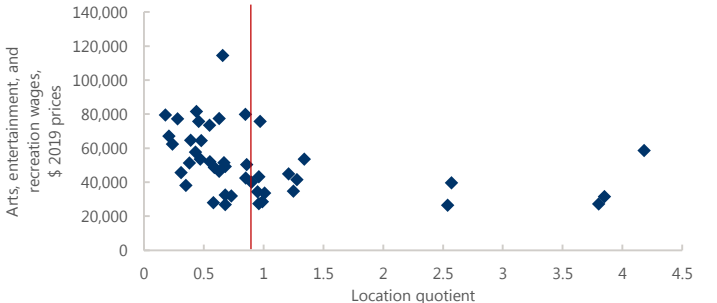
MSA Employment and Wages



Average Annual Wages



MSA Location Quotient versus Occupational Wages in 2019



#5: ATTRACT NEW TYPES OF EMPLOYEES

Expand hiring pool –

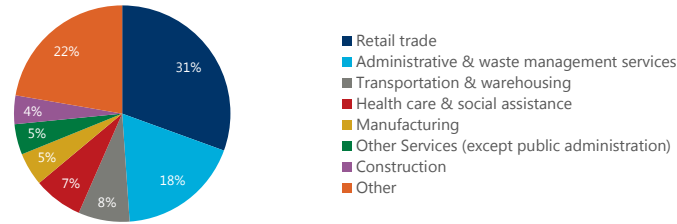
Majority of talent comes from few non-L&H sectors

Of new hires to the L&H industry, the top four source industries account for 63%. Improving the attractiveness of the L&H sector to people working in different industries will enhance worker flexibility, diversity, and boost the available talent to the industry.

Fostering greater awareness of the industry’s integration with the broader economy will help job seekers of various educational backgrounds and interests to seek a career within L&H.

MSA Job Flows to L&H

% of new hires to L&H from sector of old job in 2019



Encourage diversity –

Diverse skillsets and backgrounds are needed to grow the industry

The supply of workers to L&H jobs will be particularly impacted by the declining working-age population in the long-run. To avoid a scenario where there is excess demand for workers, policies that attract people to live and work in the Riverside MSA should be encouraged. Immigration from other places in nearby states, or wider geographies (including abroad), will help to supplement the labor force.

Of new talent, greater diversity will improve the overall skills available to the industry and provide for a more inclusive environment for visitors of all backgrounds and interest. A workforce that is multilingual, multicultural, and multiskilled will not only attract a more diverse clientele but also improve the overall capabilities of the L&H workforce.

#6: STRENGTHEN L&H CAREER PROSPECTS (1/2)

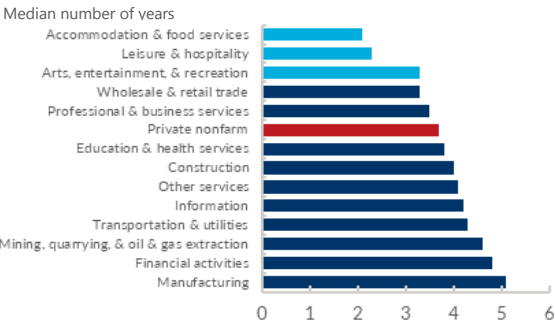
Improve L&H employee tenure—L&H workers spend the fewest years with their employer

The average time spent at a job is a good gauge of employee satisfaction.

The average L&H worker across the US spends a median of 2.3 years with their current employer. In accommodation and food services, workers spend 2.1 years, compared to 3.3 years in arts, entertainment, and recreation jobs. In comparison, the median private nonfarm worker stays for 3.7 years with an employer.

Improving measures that boost employee satisfaction, which may help retain workers for longer, will ease future demand and supply pressures.

United States: Tenure with Current Employer, 2010-20



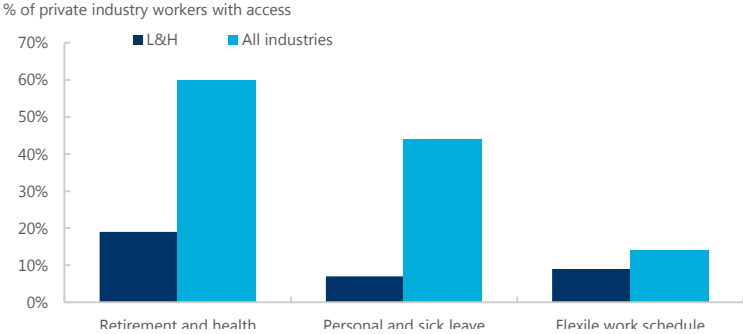
Increase access to benefits—Benefits offered in the L&H industry are substantially lower than the rest

Workers are increasingly demanding more benefits in addition to wage compensation.

For the entire US, only 19% of L&H workers have access to both retirement and health benefits, compared to 60% for the entire private sector economy.

The health crisis has also exposed the need for greater access to personal and sick days in the L&H industry, where only 7% of workers have access. Furthermore, flexible work schedules are increasingly desirable and an important consideration for employees when choosing future jobs.

United States: Employment Benefits, 2021



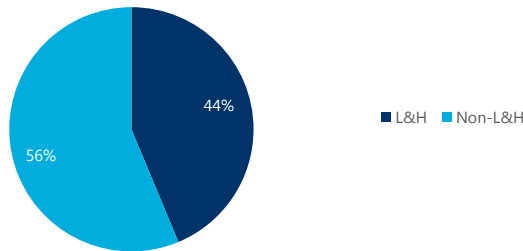
Encourage greater retention within the industry—Majority of L&H job separations leave the industry for good

Of total separations from L&H roles in the MSA, 56% found new jobs in another industry, compared to 44% who stayed. Furthermore, only 44% of new L&H hires came from outside the L&H industry. Supply of new workers can dwindle if the trend persists.

Finding avenues through which L&H workers can remain in the industry when changing roles will develop a workforce that is more involved in the long-term advancement of L&H in the MSA. Lateral and upward career shifts should be closely monitored in order to better align workers to jobs within the industry.

MSA Job Flows from L&H

% of new separations from L&H to industry of new job in 2019



#6: STRENGTHEN L&H CAREER PROSPECTS (2/2)

Provide more advancement opportunities– L&H workers feel less positive about career advancement

Surveyed L&H workers rank low in how they rate the career opportunities offered by their employer – 56% were positive about career advancement provided.

Providing workers with clear pathways and goals for career advancement will help them plan for a longer career within the industry.

Foster a greater sense of meaningfulness– Fewer L&H workers find their job meaningful

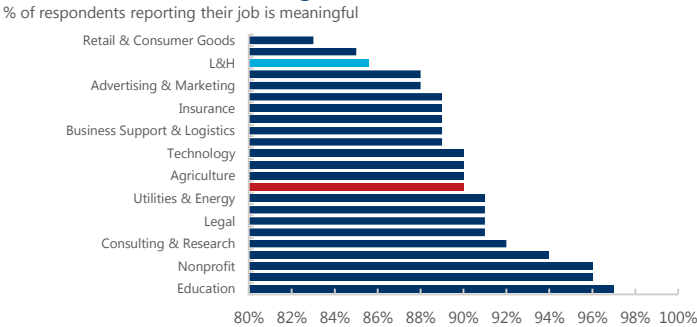
Although 86% of all L&H workers were surveyed to find their job meaningful, this was still low compared to other sectors.

Helping employees in L&H find meaning in their careers will enhance motivation and performance.

United States: Career Advancement Opportunities, Oct. 21



United States: Job Meaningfulness, Oct. 21



Source: CNBC | Mometric Workforce Happiness Index

Note: L&H respondents: 933 people. L&H combines: entertainment and leisure, food and beverages, and hospitality and tourism.

WORKFORCE SNAPSHOT

SNAPSHOT SUMMARY

(1/1)

L&H Wages

- Average annual wages (in 2019 prices) across the L&H industry rose from **\$24.6 thousand** in 2009 to **\$29.1 thousand** in 2019. Despite robust growth compared to other industries, average wages for L&H have stagnated around the current level since 2016.
- Average private nonfarm wages outperform average wages in L&H by nearly **\$20 thousand**. The average arts, entertainment, and recreation worker earned less than in accommodation and food services.
- L&H in the **Riverside MSA paid less** on average than the state (\$40.1 thousand) and nation (\$30.6 thousand).
- Aggregate L&H wages are heavily influenced by low average pay in food and beverages, and amusements and recreation – accounting for **88%** of L&H employment.

L&H Occupations

- L&H **occupations requiring most preparation rewarded workers with higher pay**. Accommodation and food services occupations generally require less preparation than in arts, entertainment, and recreation.
- Many high-paying L&H occupations exist but comprised smaller shares of total employment. **The highest earning occupations in arts generally paid more than those in accommodations**. However, the highest paid in the arts sector often fell behind the US and state averages.
- **Lower wage workers made up the majority of L&H employment** and require less preparation. Occupational detail shows there is indeed more wage variety than industry level analysis suggested, since aggregate L&H wages are pulled down by a greater share of low waged workers.

L&H Employment

- In 2019, **209,801** people were employed in Riverside MSA's L&H industry, of which **80.7%** were in the accommodation and food services sector.
- L&H employment in the MSA comprised **11.2%** of private nonfarm MSA jobs in 2019, and **8.3%** of California L&H jobs.
- Employment expanded by **3.4%** (CAGR) between 2009-2019 – **0.3** percentage points faster than total private nonfarm employment. This was faster than the state and nation.

L&H Demographics & Job Flows

- Most L&H workers in the MSA do not have a post-secondary education (**69%**) and are Caucasian (**77%**). The share of private nonfarm employment in L&H jobs falls as the age cohort increases. The concentration of L&H workers in accommodation and food services sector is highest amongst younger cohorts.
- Most L&H hires worked in L&H for their previous job (**56%**), while most workers separated from L&H jobs moved to other industries (**56%**) – pointing to lower attractiveness amongst workers of L&H jobs versus other industries. Retail, waste management, and transport and warehousing are the biggest source industries.

L&H Establishments

- There were **8,802** L&H establishments in the Riverside MSA in 2019 – **80.4%** of which are in the food and beverages sub-sector. The number of L&H establishments has grown by **37.5%** since 2009 (3.2% CAGR).

SNAPSHOT SUMMARY

(2/2)

In 2020, leisure and hospitality (L&H) employment contracted the most of any industry in the Riverside MSA – falling **18.7%** versus 2019. Monthly data shows recovery is well underway, but L&H employment remains **14%** below February 2020 levels. Food services employment is recovering fastest, while arts, entertainment, and recreation is down the most, causing MSA job gains to lag progress made at the national level. [Section: Pandemic Period](#)

In recent months, the recovery has lost some momentum. The **withdrawal of older workers from the workforce during the pandemic is compounded by hesitancy from people to return to work**, leading to a shortfall in the supply of L&H workers. **We expect specific idiosyncrasies to fade as the pandemic subsides, with MSA L&H employment returning to pre-pandemic levels by the end of 2023.** For the period 2024-2030, estimates reveal small yet healthy levels of excess worker supply (**6,900** per year) will occur to facilitate natural job churn. Approximately **39,000** L&H job openings are anticipated per year in the Riverside MSA. However, L&H worker supply can dip below demand in the long-run should certain trends become systemic. [Section: Labor Gap](#)

Between 2020-2030, L&H employment is projected to grow by a compound annual growth rate (CAGR) of **2.8%** per year – much faster than other industries. Arts, entertainment, and recreation job growth is expected to be strongest. Meanwhile, L&H wages are projected to grow **3.0%** (CAGR) per year, although slower than California and the US. [Section: Forecasts](#)

WORKFORCE SNAPSHOTS

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WAGES

WAGES SUMMARY

Key findings



Average Annual Wages

Average annual wages (in 2019 prices) across the L&H industry rose from \$24.6 thousand in 2009 to \$29.1 thousand in 2019. Despite robust growth compared to other industries, average wages for L&H have stagnated around the current level since 2016.



Wage Competitiveness

Average private nonfarm wages outperform average wages in L&H by nearly \$20 thousand. The average arts, entertainment, and recreation worker earned less than in accommodation and food services. Performing arts and sports was the only L&H sub-sector that paid higher on average than the private nonfarm average.



MSA Wages in Context

L&H in the Riverside MSA paid less on average than the state and nation, although growth between 2009-2019 kept pace with the nation. In comparison, average private nonfarm wages grew much slower than L&H and versus the California and the US.



Industry Aggregate

Aggregate L&H wages are heavily influenced by low average pay in food and beverages, and amusements and recreation – accounting for 88% of L&H employment. In fact, many high-paying occupations exist, although they are less represented – as will be highlighted in the occupational snapshot.

WAGES DETAIL

L&H personal incomes

Personal incomes for the L&H industry totaled \$6.1 billion in 2019

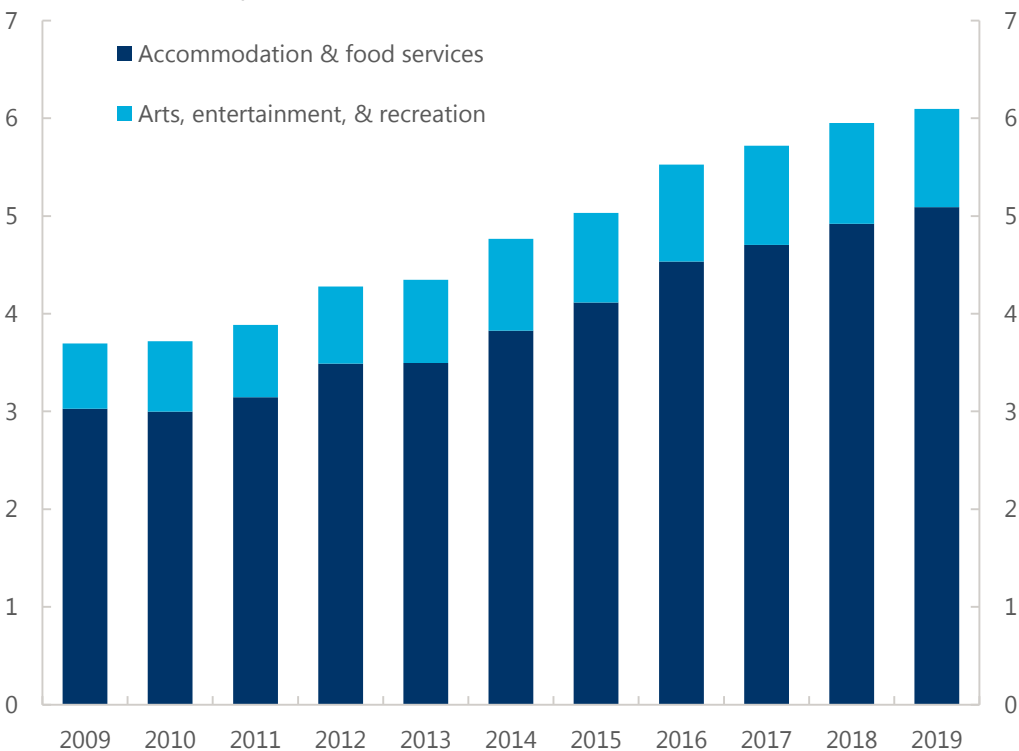
Total L&H personal incomes in 2019 prices amounted to \$6.1 billion in 2019 – compared to \$3.7 billion in 2009.

In 2019, personal incomes in the accommodation and food services sector were \$5.1 billion (83.5% of L&H PI).

Arts, entertainment, and recreation personal incomes totaled \$1.0 billion (16.5% of L&H PI).

L&H Personal Incomes

\$ billions, in 2019 prices



Source: Tourism Economics, BEA

WAGES DETAIL

L&H average annual wages

The average L&H worker earned \$29.1 thousand in wages

Average annual wages are calculated as total personal incomes (in 2019 prices) divided by total employment.

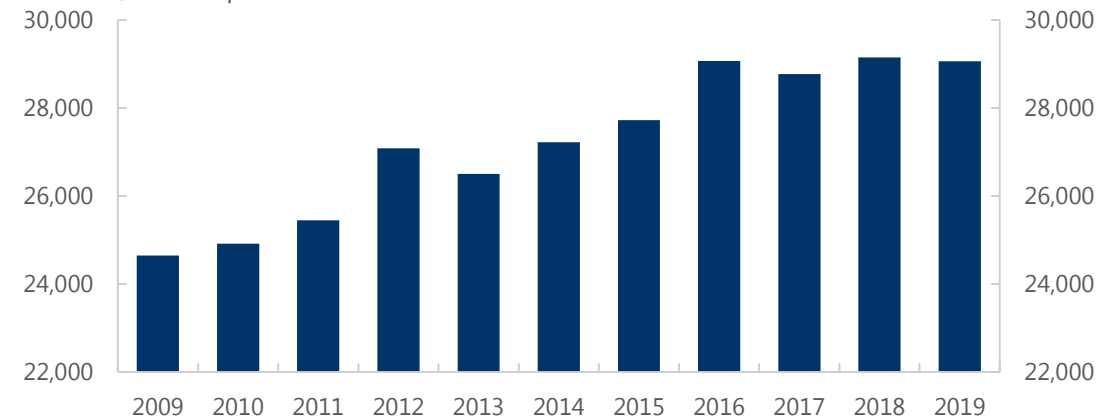
Average annual wages (in 2019 prices) across the L&H industry were \$29.1 thousand in 2019 – up from \$24.6 thousand in 2009. Average annual wages for the industry have stagnated around the current level since 2016.

The average arts, entertainment, and recreation worker earned less (\$24.9 thousand) than in accommodation and food services (\$30.0 thousand).

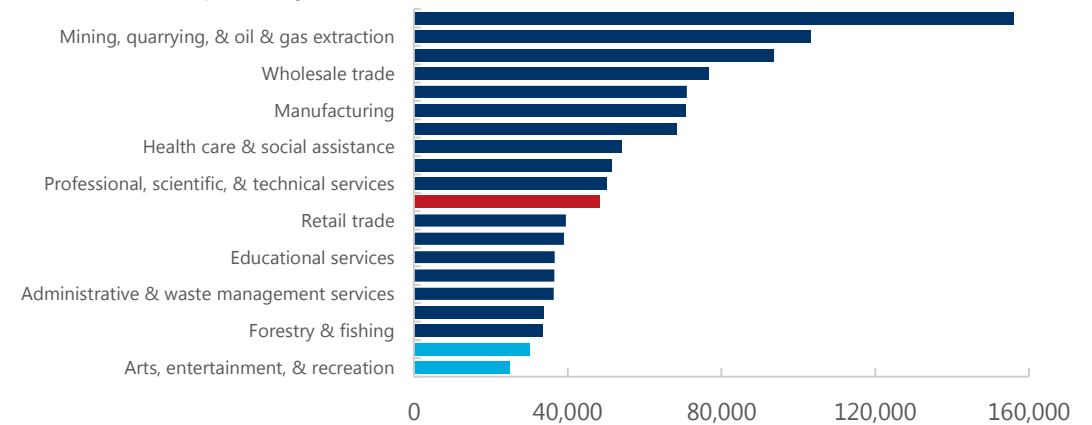
Average annual wages for the industry fall well short of the private nonfarm average (\$48.4 thousand).

L&H Average Annual Wage per Worker

\$, in 2019 prices



\$, in 2019 prices by sector (2019)



Source: Tourism Economics, BEA

WAGES DETAIL

L&H average annual wages by sub-sector

Only wages in performing arts and sports were higher than the private nonfarm average

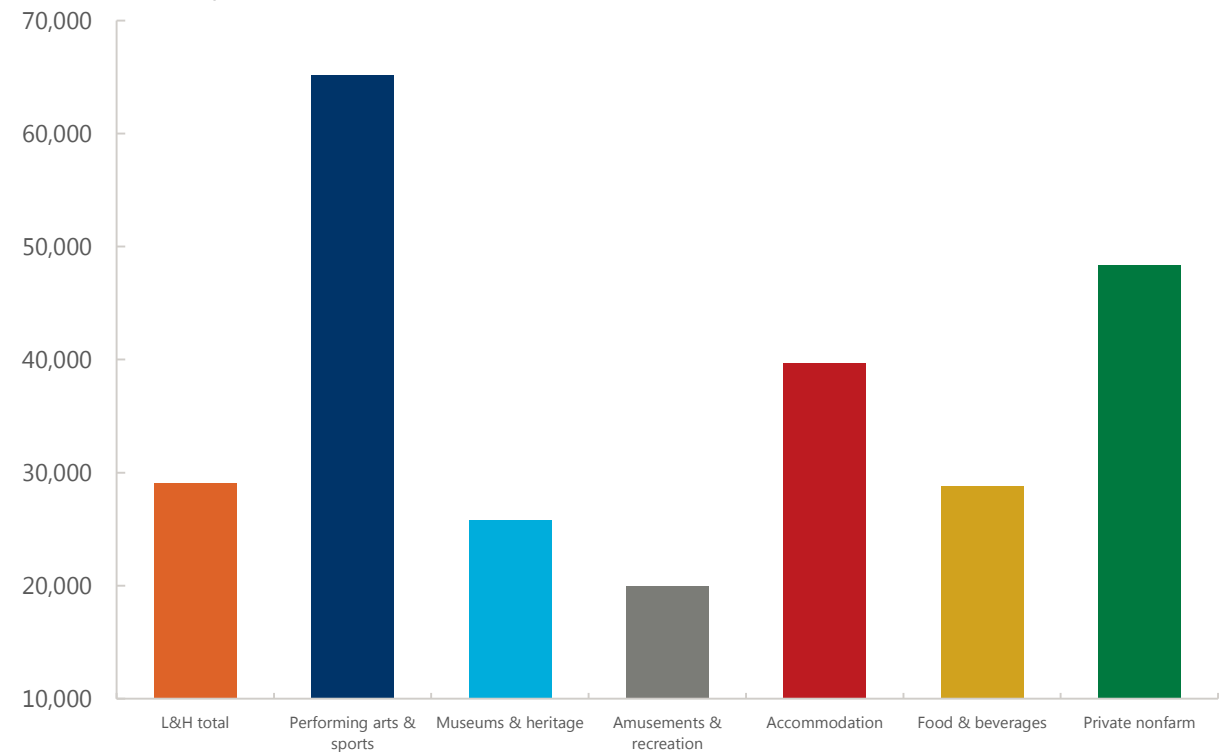
Relatively lower wages in the arts, entertainment, and recreation sector are better explained when disaggregated by sub-sector. Lower average wages in amusements and recreation (\$19.9 thousand) and museums and heritage (\$25.8 thousand) pulled down the sector average. However, performing arts and sports (\$65.1 thousand) was the only L&H sub-sector that exceeded the private nonfarm average.

Average 2019 wages in accommodation (\$39.7 thousand) was approximately \$11 thousand higher than in food and beverages (\$28.8 thousand).

A key point is that overall L&H average wages are mostly influenced by the large share of lower-paid workers – food and beverages and amusements and recreation together account for 88% of L&H employment. The occupational snapshot section will disentangle higher-paying jobs that exist in these sectors.

L&H Average Wage per Worker

\$, in 2019 prices (2019)



Source: Tourism Economics, BEA

WAGES DETAIL

L&H average annual wage growth

Relatively robust growth in L&H wages since 2009

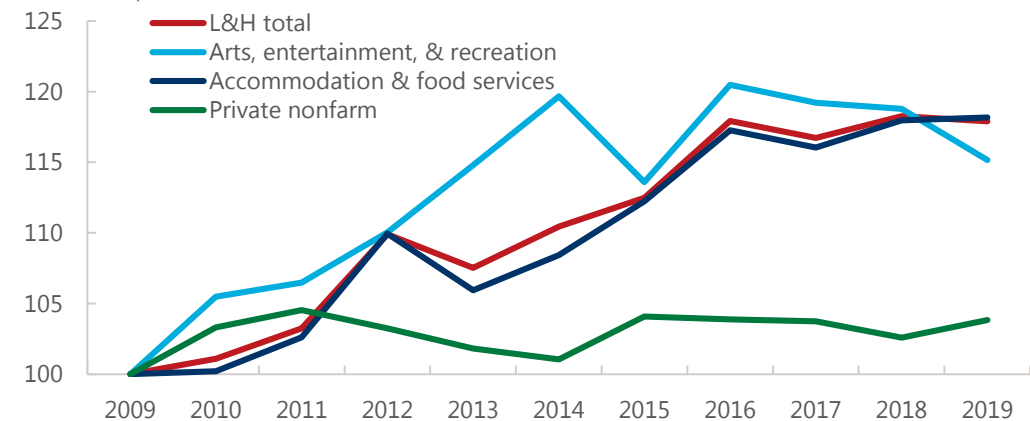
Although average private nonfarm wages were greater than L&H, growth has been more robust for L&H between 2009-2019 (1.7% CAGR), despite stagnation since 2016. Since 2009, average L&H wages have grown by 17.9%.

In comparison, average private nonfarm wages grew slower, at 0.4% (CAGR) in the period 2009-2019.

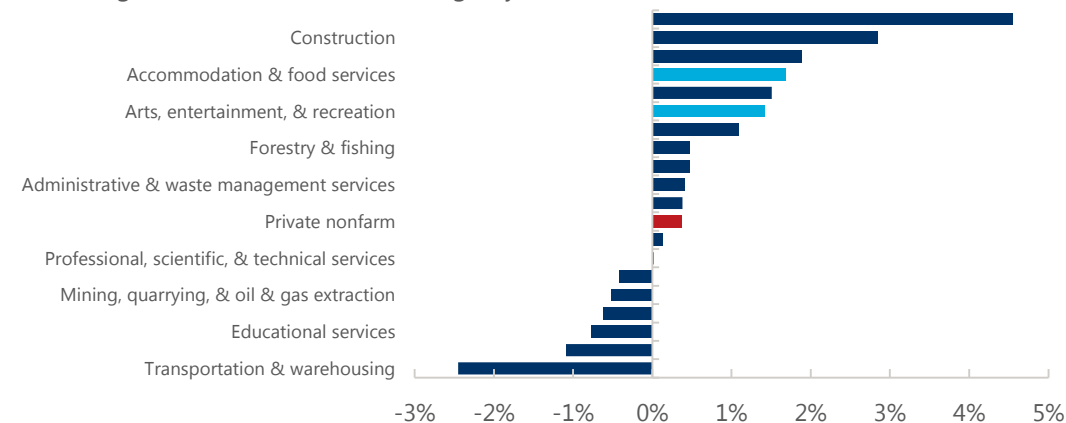
Growth in arts, entertainment, and recreation outpaced accommodation and food services until 2019, when employment remained flat and personal incomes fell for the sector.

L&H Average Annual Wage per Worker

Index, 2009=100



Wage CAGR 2009-2019, % change by sector



Source: Tourism Economics, BEA

WAGES DETAIL

L&H average annual wages compared to state and nation

L&H wages in the Riverside MSA underperform the state and national averages

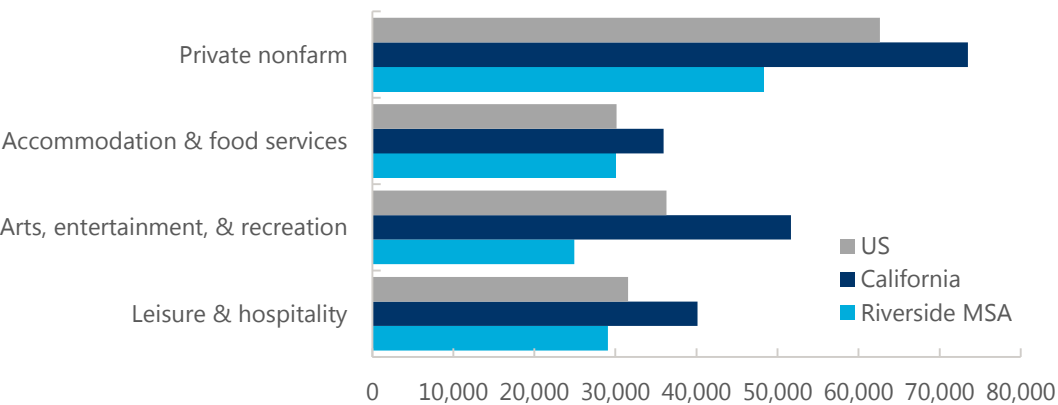
Wages in the MSA were generally below the US and California in 2019.

In terms of L&H wage growth, the MSA’s experience was similar to the nation during 2009-2019. This was helped by strong MSA gains in arts, entertainment, and recreation wages in order to catch up with the state level.

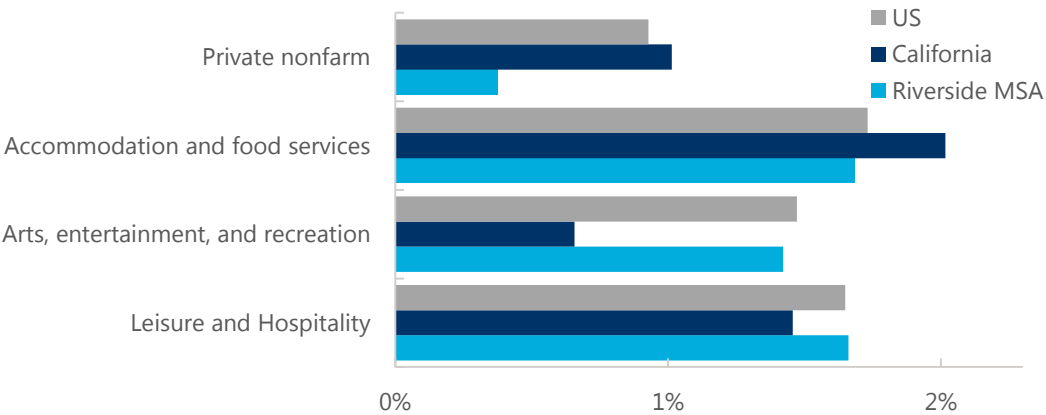
The trend is impressive for MSA L&H given the relatively weaker growth performance of total private nonfarm wages versus the state and nation.

L&H Average Annual Wage per Worker

\$, in 2019 prices (2019)



Wage CAGR 2009-2019, % change



Source: Tourism Economics, BEA

OCCUPATIONS

OCCUPATIONAL SUMMARY

Key findings



High-Skilled L&H Occupations

L&H occupations requiring most preparation rewarded workers with higher pay. Accommodation and food services occupations generally require less preparation than in arts, entertainment, and recreation.



High Paying L&H Occupations

Many high-paying L&H occupations exist but make up smaller shares of total employment. The highest earning occupations in arts generally paid more than those in accommodations. However, the highest paid in the arts sector often fell behind the US and state averages.



Low Paying L&H Occupations

Lower wage workers made up the majority of L&H employment and require less preparation. Occupational detail shows there is indeed more wage variety than industry level analysis suggests, since aggregate L&H wages are pulled down by a greater share of low waged workers.



Employment Concentrations

In highest-paying arts, entertainment, and recreation occupations, relative employment concentrations versus the US aggregate (location quotients) were low. This suggests less specialization in the MSA for high-paying arts jobs, and relatively higher concentrations for lower-paying arts jobs.

L&H OCCUPATIONS

The L&H industry consists of a wide variety of occupations. Tracking occupational staffing patterns fosters a deeper understanding of the L&H industry's strengths, weaknesses, and prospects.

Data

The occupational snapshot is based on 2019 data. The BLS provides employment and wage data at an occupational level through its Occupational Employment and Wage Statistics (OEWS) database. Due to limited data availability at the MSA level, the OEWS data:

- 1) Covers salary and wage workers but excludes the self-employed.
- 2) Does not separate L&H employment from employment in other industries. For example, an identified occupation includes employment across all industries in the location. However, this remains useful in identifying the industry-wide standard for wages in the location.
- 3) Omits certain L&H occupations due to confidentiality or failure to meet BLS standards. For example, actors and athletes are not reported for the MSA.

In the [Appendix](#), all occupations employed in L&H that are covered by OEWS for the state of California are listed to provide a broader scope of opportunities available.

Presentation

In order to assess trends in L&H occupations, O*NET OnLine's industry classifications are used to identify specific jobs that are most common to the L&H industry.

Another O*NET resource is its Job Zones database, which classifies occupations by key requirements. For highlighted occupations in the analysis, Job Zone classifications will guide policy makers and job seekers on the general pre-requisites needed for the occupation.

From the OEWS database, 26 common accommodation and food services occupations were identified, compared with 55 for arts, entertainment, and recreation (listed in the [Appendix](#)).

Based on the identified L&H occupations, rankings are made by employment share and average annual wage for separate L&H sectors for 2019. Data on location quotients are also provided.

Employment share is an occupation's share of all jobs reported in the sector. This is preferred over employment totals due to incomplete data and methodological discrepancies with BEA figures.

Location quotients (LQ) are ratios that allow the MSA's distribution of employment to be compared to the national distribution. An LQ greater than 1 indicates an occupation with a greater share of the local area employment than is the case nationwide – a specialization may exist.

O*NET JOB ZONES

O*NET Job Zone – Occupational Group Requirements

Job Zone	Experience	Education	Job Training
1: Little or No Preparation Needed	Little or no previous work-related skill, knowledge, or experience is needed for these occupations. For example, a person can become a waiter or waitress even if he/she has never worked before.	Some of these occupations may require a high school diploma or GED certificate.	Employees in these occupations need anywhere from a few days to a few months of training. Usually, an experienced worker could show you how to do the job.
2: Some Preparation Needed	Some previous work-related skill, knowledge, or experience is usually needed. For example, a driver would benefit from experience working directly with the public.	These occupations usually require a high school diploma.	Employees in these occupations need anywhere from a few months to one year of working with experienced employees. A recognized apprenticeship program may be associated with these occupations.
3: Medium Preparation Needed	Previous work-related skill, knowledge, or experience is required for these occupations. For example, an electrician must have completed three or four years of apprenticeship or several years of vocational training, and often must have passed a licensing exam, in order to perform the job.	Most occupations in this zone require training in vocational schools, related on-the-job experience, or an associate's degree.	Employees in these occupations usually need one or two years of training involving both on-the-job experience and informal training with experienced workers. A recognized apprenticeship program may be associated with these occupations.
4: Considerable Preparation Needed	A considerable amount of work-related skill, knowledge, or experience is needed for these occupations. For example, an accountant must complete four years of college and work for several years in accounting to be considered qualified.	Most of these occupations require a four-year bachelor's degree, but some do not.	Employees in these occupations usually need several years of work-related experience, on-the-job training, and/or vocational training.
5: Extensive Preparation Needed	Extensive skill, knowledge, and experience are needed for these occupations. Many require more than five years of experience. For example, surgeons must complete four years of college and an additional five to seven years of specialized medical training to be able to do their job.	Most of these occupations require graduate school. For example, they may require a master's degree, and some require a Ph.D., M.D., or J.D.	Employees may need some on-the-job training, but most of these occupations assume that the person will already have the required skills, knowledge, work-related experience, and/or training.

Source: O*NET Job Zone

SKILLED L&H OCCUPATIONS

Job Zones 3-5

Occupations requiring most preparation rewards workers with higher pay

A skilled occupation is defined as an occupation in O*NET Job Zones 3, 4, and 5, and require some level of postsecondary education.

For the majority of skilled jobs in the L&H industry, employee wages in 2019 were above or close to the MSA's average annual private nonfarm wage of \$48.4 thousand (including the self-employed). Higher-paying jobs in L&H require more preparation – therefore more education, experience, and job training.

Of the 26 jobs identified for the accommodation and food services industry, only 3 occupations (lodging managers, chefs, and concierges) require medium to extensive preparation. This compares with 32 of 55 occupations for the arts, entertainment, and recreation sector.

Riverside MSA Wages for L&H Occupations in Job Zones 3-5 (2019)

	Average annual pay	Job Zone
Curators	\$ 64,570	5
Set and Exhibit Designers	\$ 51,360	5
Personal Service Managers, All Other; Ent and Recreation Managers	\$ 114,310	4
Lodging Managers	\$ 94,060	4
Technical Writers	\$ 81,530	4
Recreational Therapists	\$ 79,780	4
Producers and Directors	\$ 79,440	4
Special Effects Artists and Animators	\$ 77,330	4
Designers, All Other	\$ 75,810	4
Writers and Authors	\$ 75,550	4
Editors	\$ 67,080	4
Broadcast Announcers and Radio Disc Jockeys	\$ 64,370	4
Interior Designers	\$ 53,530	4
Meeting, Convention, and Event Planners	\$ 52,070	4
Graphic Designers	\$ 49,190	4
Museum Technicians and Conservators	\$ 48,580	4
Coaches and Scouts	\$ 46,390	4
Art Directors	na	4
Film and Video Editors	na	4
Music Directors and Composers	na	4
Artists and Related Workers, All Other	\$ 77,260	3
Fashion Designers	\$ 76,830	3
Chefs and Head Cooks	\$ 62,680	3
Broadcast Technicians	\$ 62,380	3
Camera Operators, Television, Video, and Film	\$ 57,710	3
Audio and Video Technicians	\$ 51,560	3
Travel Agents	\$ 45,690	3
First-Line Supervisors of Personal Service and Ent and Recreation Workers	\$ 44,860	3
Exercise Trainers and Group Fitness Instructors	\$ 43,200	3
Photographers	\$ 42,530	3
Motorboat Mechanics and Service Technicians	\$ 41,470	3
Concierges	\$ 33,940	3
Merchandise Displayers and Window Trimmers	\$ 33,540	3
Musical Instrument Repairers and Tuners	\$ 32,240	3
Musicians and Singers	na	3

Source: BLS – OEWS, O*NET, Tourism Economics

Note: Job zone refers to level of preparation required to work in an occupation

Blue row refers to common accommodation and food service

ACCOMMODATION AND FOOD SERVICES

Most employed occupations

Most jobs exist under the food services umbrella and are low skilled

Fast food and counter workers in Riverside MSA comprised 27.3% of total identified accommodation and food services occupations, followed by waiters and waitresses (13.1%), fast food cooks (8.5%), and restaurant cooks (8.1%). Maids and housekeeping cleaners are responsible for 4.8% of occupations held in the sector.

Top 10 occupations in accommodation and food services – share of sector employment (2019)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Fast Food and Counter Workers	27.3%	1.16	\$ 27,580	\$ 23,250	\$ 27,830	1
Waiters and Waitresses	13.1%	0.87	\$ 28,310	\$ 26,800	\$ 32,350	2
Cooks, Fast Food	8.5%	2.74	\$ 26,190	\$ 23,530	\$ 26,740	1
Cooks, Restaurant	8.1%	0.99	\$ 28,850	\$ 28,700	\$ 32,200	2
First-Line Supervisors of Food Preparation and Serving Workers	5.5%	0.93	\$ 37,460	\$ 36,960	\$ 39,620	2
Food Preparation Workers	5.4%	1.06	\$ 28,440	\$ 25,820	\$ 29,010	1
Maids and Housekeeping Cleaners	4.8%	0.89	\$ 29,810	\$ 26,810	\$ 32,890	1
Dining Room and Cafeteria Attendants and Bartender Helpers	4.6%	1.66	\$ 25,710	\$ 25,020	\$ 28,770	1
Dishwashers	4.1%	1.35	\$ 25,580	\$ 24,410	\$ 27,260	1
Bartenders	3.1%	0.80	\$ 27,850	\$ 28,000	\$ 32,040	2

Source: BLS – OEWS, O*NET, Tourism Economics

The top 10 occupations identified in the accommodation and food services sector required some to no preparation, identified by Job Zones 1 and 2. Furthermore, average pay by occupation in the Riverside MSA is frequently less than the state average.

ACCOMMODATION AND FOOD SERVICES

Highest average annual wages

Higher Job Zone levels for highest paid

Lodging managers are the highest paid in the sector (\$94,060) and well exceed the national and state averages – they require higher education and experience (Job Zone 4). Chefs and Head Cooks follow (\$62,680). Of particular significance is the higher Job Zone level required for higher paying occupations.

Earlier sectoral analysis pointed to low wages for the food services industry in particular. However, occupational level data highlights that there are in fact several jobs which pay above or near the private nonfarm average (inclusive of the self employed) of \$48.4 thousand per year.

Top 10 occupations in accommodation and food services – average annual wage (2019)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Lodging Managers	0.2%	0.85	\$ 94,060	\$ 63,570	\$ 74,910	4
Chefs and Head Cooks	0.6%	0.77	\$ 62,680	\$ 56,310	\$ 61,040	3
Food Service Managers	2.1%	1.54	\$ 54,810	\$ 59,820	\$ 60,840	2
First-Line Supervisors of Housekeeping and Janitorial Workers	0.6%	0.66	\$ 50,700	\$ 44,160	\$ 49,360	2
Cooks, All Other	0.2%	1.34	\$ 42,400	\$ 32,240	\$ 36,320	2
First-Line Supervisors of Food Preparation and Serving Workers	5.5%	0.93	\$ 37,460	\$ 36,960	\$ 39,620	2
Driver/Sales Workers	3.0%	1.15	\$ 36,690	\$ 30,230	\$ 35,860	2
Concierges	0.1%	0.44	\$ 33,940	\$ 34,290	\$ 37,930	3
Locker Room, Coatroom, and Dressing Room Attendants	0.1%	1.51	\$ 33,930	\$ 28,230	\$ 36,470	2
Baggage Porters and Bellhops	0.2%	1.06	\$ 32,910	\$ 28,230	\$ 32,180	2

Source: BLS – OEWS, O*NET, Tourism Economics

ACCOMMODATION AND FOOD SERVICES

Lowest average annual wages

Lowest wage workers comprise most of the sector's employment and paid less than state mean

Lowest paid occupations in the MSA have low Job Zone levels and earn less than the state average, although often higher than the US. These occupations account for the majority of workers in the sector, which lends reason to the overall low averages observed.

Bottom 10 occupations in accommodation and food services – average annual wage (2019)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Dishwashers	4.1%	1.35	\$ 25,580	\$ 24,410	\$ 27,260	1
Dining Room and Cafeteria Attendants and Bartender Helpers	4.6%	1.66	\$ 25,710	\$ 25,020	\$ 28,770	1
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	2.4%	0.98	\$ 26,120	\$ 24,010	\$ 28,280	2
Cooks, Fast Food	8.5%	2.74	\$ 26,190	\$ 23,530	\$ 26,740	1
Cooks, Short Order	1.3%	1.48	\$ 27,230	\$ 26,240	\$ 30,010	2
Fast Food and Counter Workers	27.3%	1.16	\$ 27,580	\$ 23,250	\$ 27,830	1
Bartenders	3.1%	0.80	\$ 27,850	\$ 28,000	\$ 32,040	2
Laundry and Dry-Cleaning Workers	0.7%	0.56	\$ 28,190	\$ 25,420	\$ 30,140	1
Waiters and Waitresses	13.1%	0.87	\$ 28,310	\$ 26,800	\$ 32,350	2
Food Preparation Workers	5.4%	1.06	\$ 28,440	\$ 25,820	\$ 29,010	1

Source: BLS – OEWS, O*NET, Tourism Economics

ARTS, ENTERTAINMENT, AND RECREATION

Most employed occupations

Recreation workers occupy the largest share of total jobs in the sector

Recreation workers comprise 10.2% of arts, entertainment, and recreation employment, followed by amusement and recreation attendants (9.3%), exercise trainers (9.0%), and entertainment/recreation managers (8.9%).

Top 10 occupations in arts, entertainment, and recreation – share of sector employment (2010)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Recreation Workers	10.2%	0.99	\$ 28,440	\$ 29,330	\$ 32,380	2
Amusement and Recreation Attendants	9.3%	0.96	\$ 27,430	\$ 24,330	\$ 28,100	1
Exercise Trainers and Group Fitness Instructors	9.0%	0.96	\$ 43,200	\$ 45,110	\$ 51,180	3
Personal Service Managers, All Other; Ent and Recreation Managers	8.9%	0.66	\$ 114,310	\$ 118,710	\$ 146,910	4
First-Line Supervisors of Personal Service and Entertainment and Recreation	7.6%	1.21	\$ 44,860	\$ 43,400	\$ 46,200	3
Gambling Dealers	7.2%	2.54	\$ 26,440	\$ 23,980	\$ 27,430	2
Coaches and Scouts	4.3%	0.63	\$ 46,390	\$ 44,910	\$ 46,550	4
Graphic Designers	4.2%	0.68	\$ 49,190	\$ 56,510	\$ 63,710	4
Merchandise Displayers and Window Trimmers	4.1%	1.01	\$ 33,540	\$ 32,940	\$ 35,500	3
First-Line Supervisors of Gambling Services Workers	3.5%	4.18	\$ 58,590	\$ 51,850	\$ 55,070	2

Source: BLS – OEWS, O*NET, Tourism Economics

ARTS, ENTERTAINMENT, AND RECREATION

Highest average annual wages

Higher Job Zone levels for highest paid

Entertainment/recreation managers are paid the most (\$114,310) in the sector, followed by technical writers (\$81,530), and recreational therapists (\$79,780). High Job Zone levels point to greater requirements needed and LQs below 1 mean relatively low job concentrations.

Average wages of the 10 highest paid occupations in arts, entertainment, and recreation for the MSA are larger than the highest paid job in accommodation and food services (lodging managers). However, wages often fall behind the US and state averages and comprise a low share of sectoral employment.

Top 10 occupations in arts, entertainment, and recreation – average annual wage (2019)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Personal Service Managers, All Other; Ent and Recreation Managers	8.9%	0.66	\$ 114,310	\$ 118,710	\$ 146,910	4
Technical Writers	0.7%	0.44	\$ 81,530	\$ 76,860	\$ 93,830	4
Recreational Therapists	0.5%	0.85	\$ 79,780	\$ 51,130	\$ 75,370	4
Producers and Directors	0.7%	0.18	\$ 79,440	\$ 93,940	\$ 121,950	4
Special Effects Artists and Animators	0.2%	0.28	\$ 77,330	\$ 84,780	\$ 100,670	4
Artists and Related Workers, All Other	0.1%	0.63	\$ 77,260	\$ 67,750	\$ 67,180	3
Fashion Designers	na	na	\$ 76,830	\$ 86,110	\$ 93,870	3
Designers, All Other	0.3%	0.97	\$ 75,810	\$ 73,510	\$ 94,890	4
Writers and Authors	0.6%	0.46	\$ 75,550	\$ 73,860	\$ 90,970	4
Lighting Technicians and Media and Communication Equipment Workers	0.4%	0.55	\$ 73,370	\$ 73,700	\$ 77,560	2

Source: BLS – OEWS, O*NET, Tourism Economics

ARTS, ENTERTAINMENT, AND RECREATION

Lowest average annual wages

Lowest wage workers comprise the majority of sectoral employment

Similar to the accommodation and food services sector, there is more employment in lower paying jobs than the highest – pulling down average sector wages. However, of the lowest wage earners in this sector, most require some level of preparation (Job Zone 2).

As indicated in the sectoral employment snapshot, arts, entertainment, and recreation accounts for only 19.3% of L&H employment. As a result, higher wages in this sector are overshadowed by accommodation and food services at the aggregate L&H level. Occupational detail shows there is indeed more variety than the aggregate suggests.

Bottom 10 occupations in arts, entertainment, and recreation – average annual wage (2019)

	Share of sector employment	Location quotient	Average annual wage	US average annual wage	CA average annual wage	O*NET Job Zone
Gambling Dealers	7.2%	2.54	\$ 26,440	\$ 23,980	\$ 27,430	2
Ushers, Lobby Attendants, and Ticket Takers	2.7%	0.68	\$ 26,900	\$ 24,870	\$ 29,110	2
Gambling Change Persons and Booth Cashiers	2.3%	3.80	\$ 27,250	\$ 28,010	\$ 29,240	2
Amusement and Recreation Attendants	9.3%	0.96	\$ 27,430	\$ 24,330	\$ 28,100	1
Entertainment Attendants and Related Workers, All Other	na	na	\$ 27,500	\$ 31,790	\$ 31,330	1
Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	2.4%	0.58	\$ 27,960	\$ 25,380	\$ 35,660	2
Recreation Workers	10.2%	0.99	\$ 28,440	\$ 29,330	\$ 32,380	2
Gambling Service Workers, All Other	na	na	\$ 31,000	\$ 32,000	\$ 35,330	2
Gambling Cage Workers	1.6%	3.85	\$ 31,540	\$ 29,600	\$ 31,570	2
Tour and Travel Guides	1.0%	0.73	\$ 31,870	\$ 30,670	\$ 35,850	2

Source: BLS – OEWS, O*NET, Tourism Economics

DEMOGRAPHICS

DEMOGRAPHIC SUMMARY

Key findings



Gender and Age

By gender, L&H employment is slightly larger amongst females (53% of L&H jobs). By age group, the 25-34 cohort by age group was largest (22% of L&H jobs). Job holders between ages 14-21 made up 21% of total L&H jobs in 2019.



Age Breakdown

The share of private nonfarm employment in L&H jobs falls as the age cohort increases. Furthermore, the concentration of L&H workers in the accommodation and food services sector is highest amongst younger cohorts.



Greater Palm Springs Detail

The majority of employed Greater Palm Springs residents have education greater than the high school level (68%). The most employed by age cohort is the 25-34 segment (25%).



Education

Most L&H workers do not have a post-secondary education. Job holders with a bachelor's degree or higher accounted for 12% of the L&H workforce, compared to 20% with less than high-school training.



Race

The majority of L&H workers in the Riverside MSA were Caucasian (77%). Workers of Asian race comprised 10%.

DEMOGRAPHIC DETAIL

L&H gender and age composition

Employment dominant for females, by gender and the 25-34 cohort, by age group

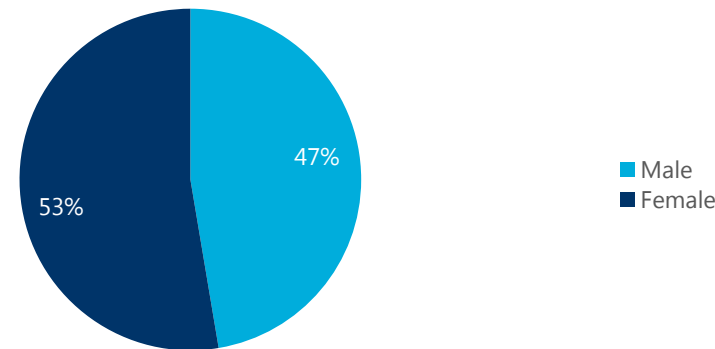
Of total L&H employment in 2019, 53% were female compared to 47% male.

By age group, the 25–34-year-old cohort occupied the largest share of L&H jobs in 2019, at 22%. In second were people aged 35–44 at 16%.

Job holders between ages 14–21 comprised 21% of total L&H jobs.

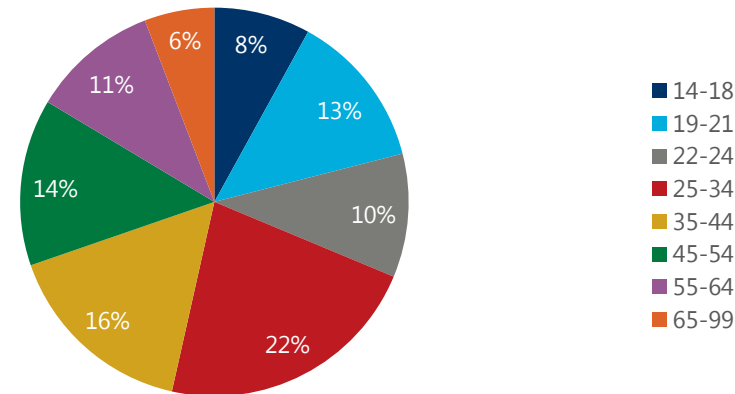
L&H Employment by Gender

Share of L&H employment in 2019



L&H Employment by Age

Share of L&H employment in 2019



Source: Tourism Economics, US Census – LEHD

DEMOGRAPHIC DETAIL

L&H age composition by industry

The share of employment in L&H jobs falls as age increases

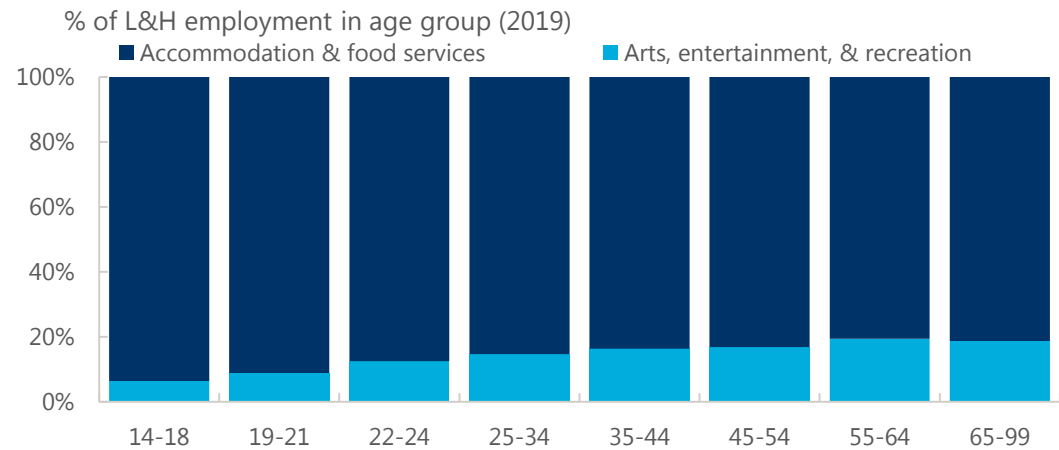
By age group, the majority of L&H workers in each cohort was concentrated in accommodation and food services.

Of 14–18-year-olds employed in L&H, 93.6% worked in accommodation and food services – the largest share by age group in this sector. The share of L&H employment in arts, entertainment and recreation was largest for the 55-64 age group (19.5%) in 2019.

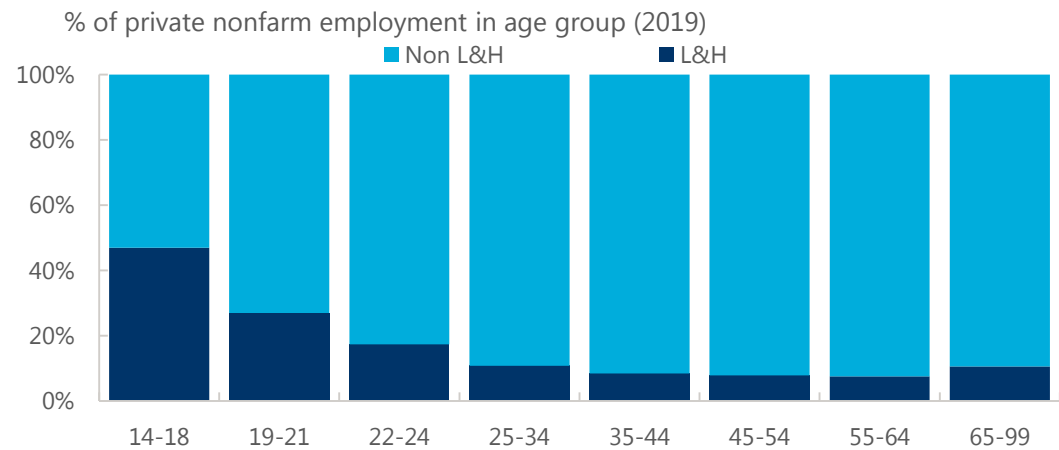
For total private nonfarm employment in the MSA, the share of job holders in the L&H industry declined for older age groups.

Of all jobs held by the 14–18-year-old segment, 47.0% were in L&H. For the most employed segment — the age group 25-34 — 10.8% of job holders were in L&H. For the oldest age group (65-99), there was a slight improvement in the share of L&H job holders (10.6%) compared to adjacent age groups.

L&H Employment by Age



Private Nonfarm Employment by Age



Source: Tourism Economics, US Census – LEHD

DEMOGRAPHIC DETAIL

L&H racial and educational attainment composition

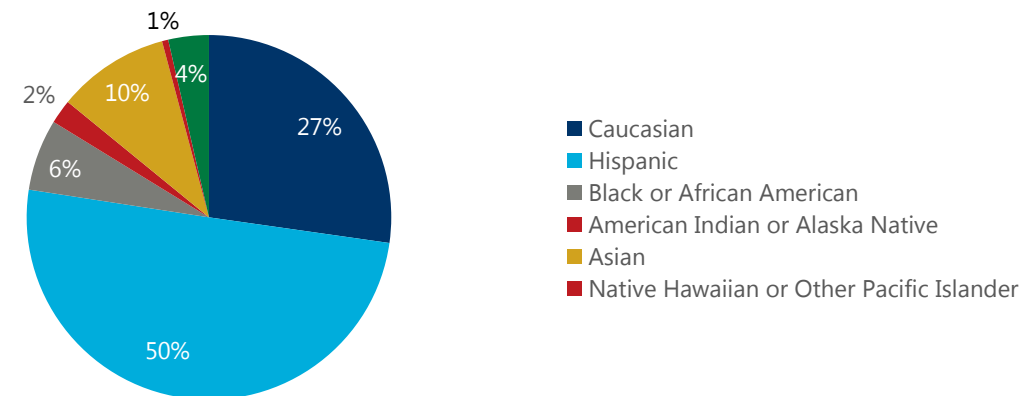
Most L&H workers do not have a post-secondary education

By race, 50% of the L&H workforce were Hispanic, compared to 27% classified as Caucasian in 2019. Black or African American workers comprised 6% of L&H employment.

Education attainment was not available for 31% of the workforce. Employees with post-secondary training accounted for 31% compared to 38% without. The share of L&H jobs was marginally highest for the cohort with less than a high school education (20%).

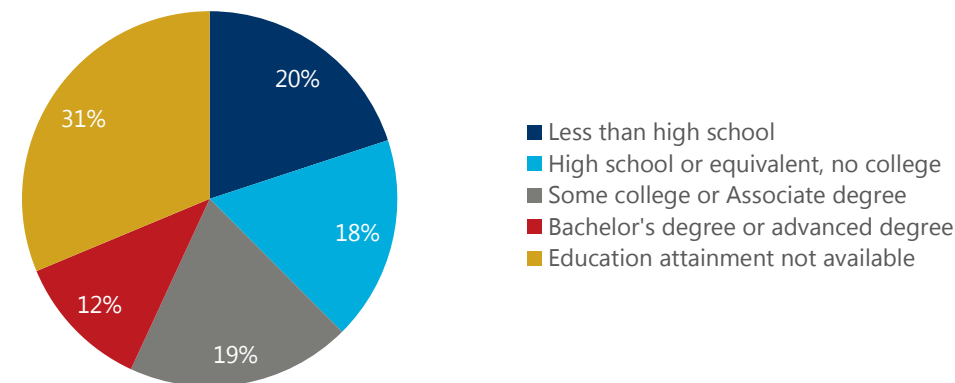
L&H Employment by Race

% of L&H employment in 2019



L&H Employment by Education

% of L&H employment in 2019



Source: Tourism Economics, US Census – LEHD

DEMOGRAPHIC DETAIL

Greater Palm Springs employment by age and education

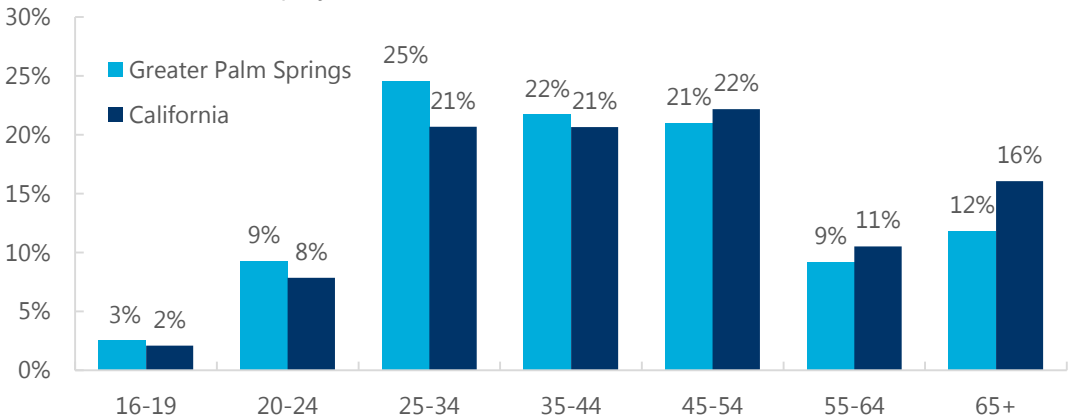
Many employed persons living in Greater Palm Springs have a bachelor's degree

Of residents in Greater Palm Springs, the most employed by age cohort is the 25-34 segment (25%). Workers aged 25-54 comprise 67% of the total employed population. In comparison, the state of California has a higher share of older residents employed.

The majority of employed Greater Palm Springs residents have education greater than the high school level (68%). Those with bachelor's degrees encompass 39% of the total employed population.

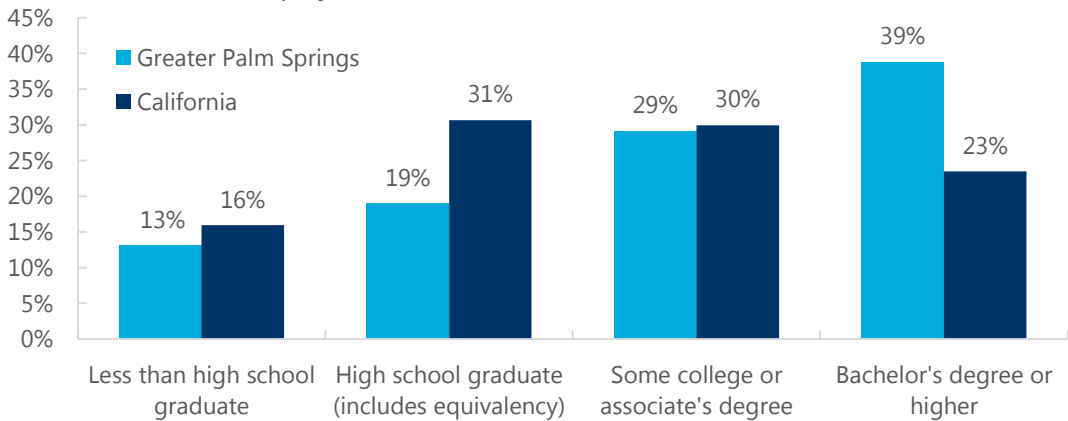
Greater Palm Springs Employment by Age

Share of total employment in 2019



Greater Palm Springs Employment by Education

Share of total employment in 2019



Source: Tourism Economics, US Census - ACS

Note: Data is for residents

EMPLOYMENT

EMPLOYMENT SUMMARY

Key findings



Total Employment

The L&H industry employed 209,801 people in 2019, of which 80.7% were in the accommodation and food services sector.



Employment Growth

Between 2009-2019, L&H employment expanded by 3.4% (CAGR) – 0.3 percentage points faster than total private nonfarm employment. Growth was robust in performing arts and sports, and food and beverages.



Employment Contributions

L&H employment in the MSA comprised 11.2% of private nonfarm MSA jobs in 2019, and 8.3% of California L&H jobs.



MSA Growth in Context

L&H employment growth in the MSA between 2009-2019 outpaced California and the nation – a trend generally seen across private nonfarm industries.



Greater Palm Springs Detail

Employment grew faster than the state in most Greater Palm Springs cities.

EMPLOYMENT DETAIL

L&H employment

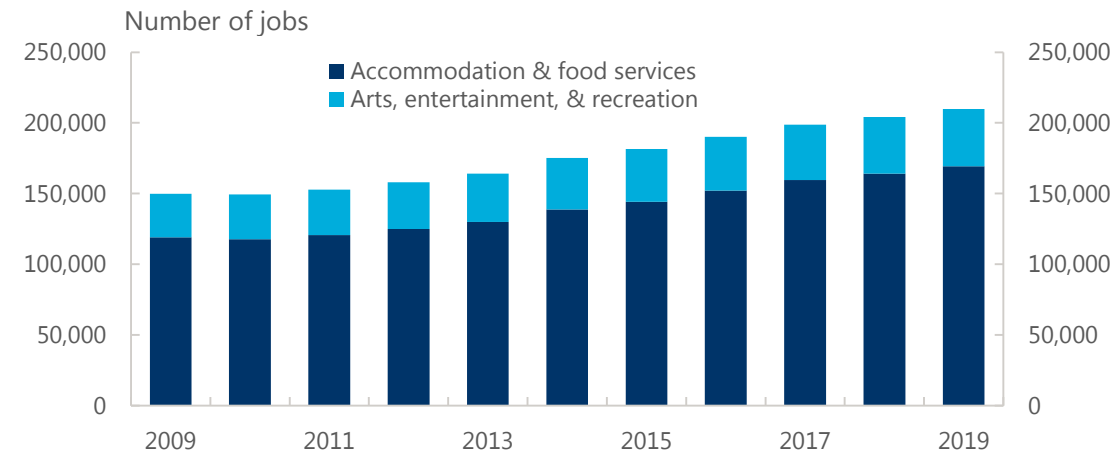
The L&H industry employed 209,801 people in 2019

The Riverside MSA employed 209,801 people in the L&H industry in 2019 – compared to 149,929 in 2009.

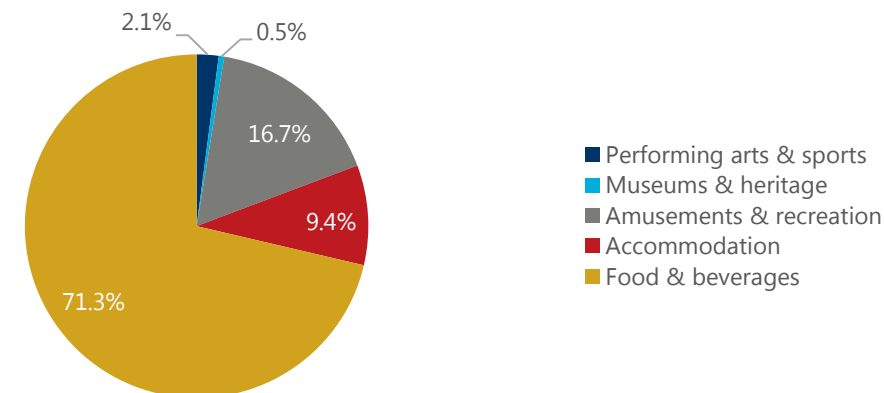
Of total L&H jobs, 80.7% were concentrated in accommodation and food services. Employment in arts, entertainment, and recreation comprised 19.3%.

By sub-sector, food and beverage employment accounted for 71.3% of all L&H jobs in 2019. Second was employment in amusements and recreation (16.7%).

L&H Employment



Sub-sector share of L&H employment in 2019, %



Source: Tourism Economics, BEA

EMPLOYMENT DETAIL

MSA employment concentrations

L&H comprised 11.2% of private nonfarm jobs in 2019

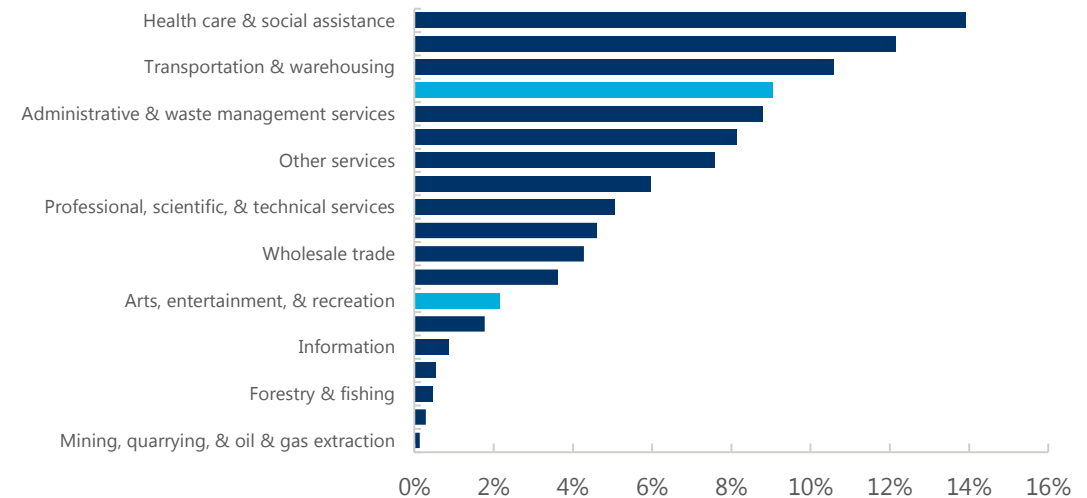
Of 1,871,649 private nonfarm jobs in the Riverside MSA, 11.2% were in the L&H industry in 2019.

By sectoral detail, health care and social assistance was the biggest employer in the Riverside MSA, followed by retail trade. The share employed in accommodation and food services was significant at 9.1% in 2019. Arts, entertainment, and recreation employment accounted for a much smaller proportion of total MSA jobs (2.2%).

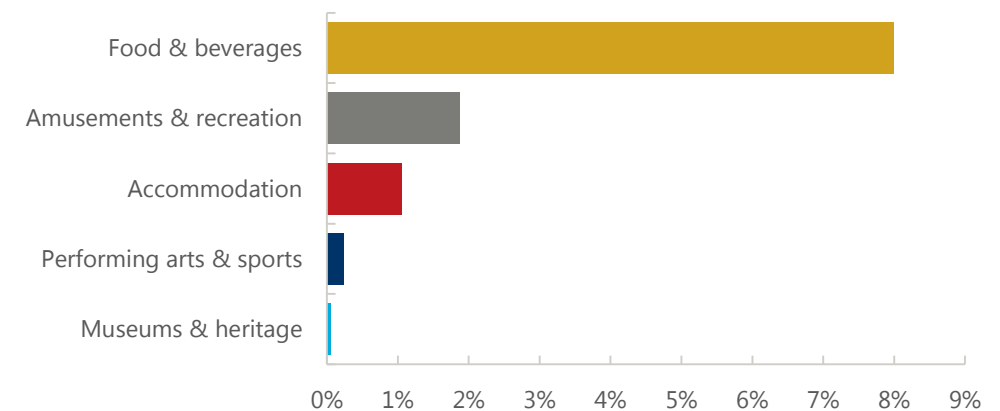
At the sub-sector level, food & beverages employment comprised 8.0% of total MSA private nonfarm employment compared to 1.9% in amusements and recreation.

MSA Employment

% of private nonfarm jobs by sector in 2019



% of private nonfarm jobs by L&H sub-sector in 2019



Source: Tourism Economics, BEA

EMPLOYMENT DETAIL

L&H employment share of state

Riverside MSA L&H jobs accounted for 8.3% of California L&H jobs in 2019

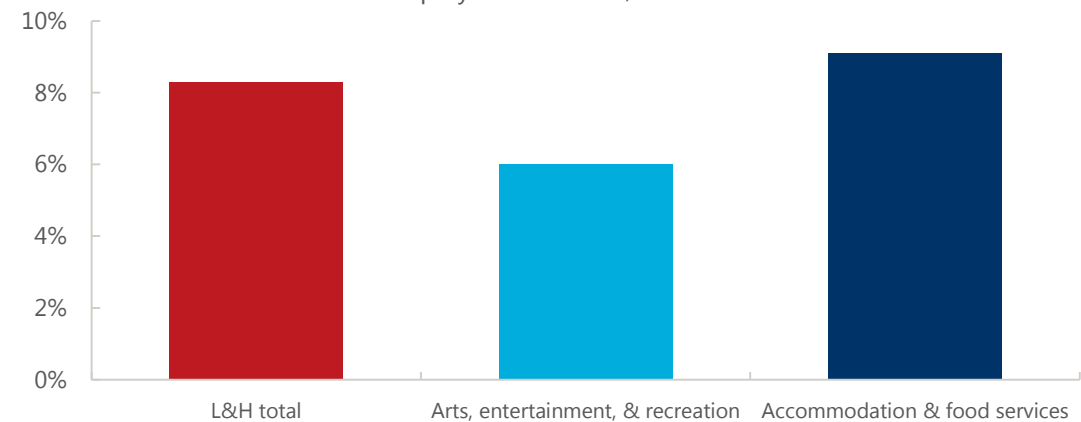
In 2019, there were 2,532,992 people employed in L&H in California, of which 8.3% were in the Riverside MSA.

MSA jobs in arts, entertainment, and recreation were 6.0% of the total state number for the sector. Accommodation and food services employment was 9.1% of the state’s sectoral total.

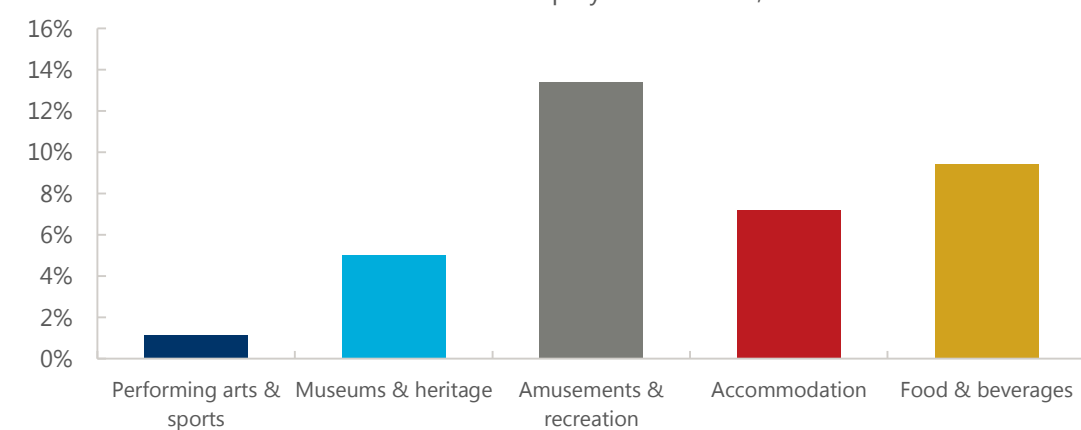
The L&H sub-sector with the largest contribution to the state sub-sector total was amusements and recreation (13.4%). Food and beverage workers comprised 9.4% of the state’s sub-sector number, followed by the accommodation sub-sector (7.2%).

L&H Employment

MSA share of State L&H employment in 2019, %



MSA share of State L&H sub-sector employment in 2019, %



Source: Tourism Economics, BEA

EMPLOYMENT DETAIL

L&H employment growth

L&H employment grew nearly 40% since 2009

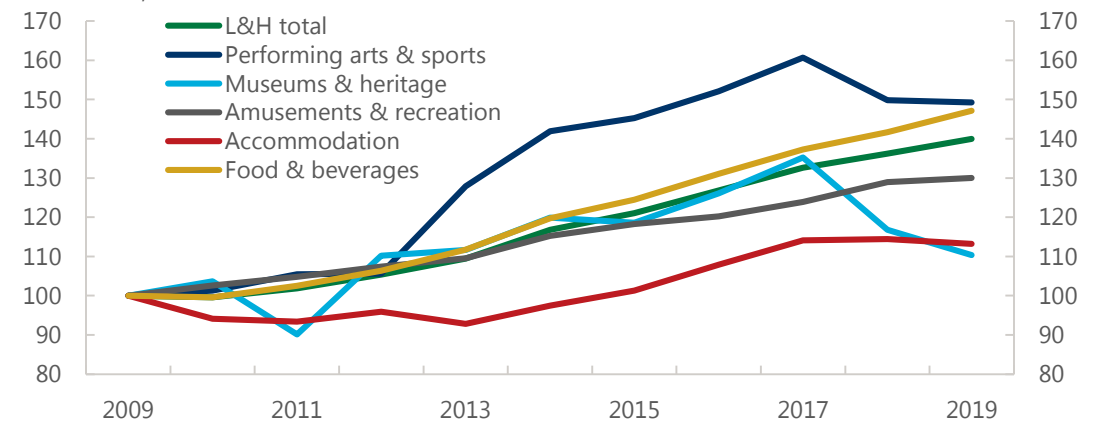
In the period 2009-2019, L&H jobs grew by a compound annual growth rate (CAGR) of 3.4%, compared to total private nonfarm employment (3.1%).

Driving the overall L&H employment trend was stronger job gains in the accommodation and food services sector (3.6% CAGR). Slower yet steady employment growth in arts, entertainment, and recreation was witnessed (2.8% CAGR).

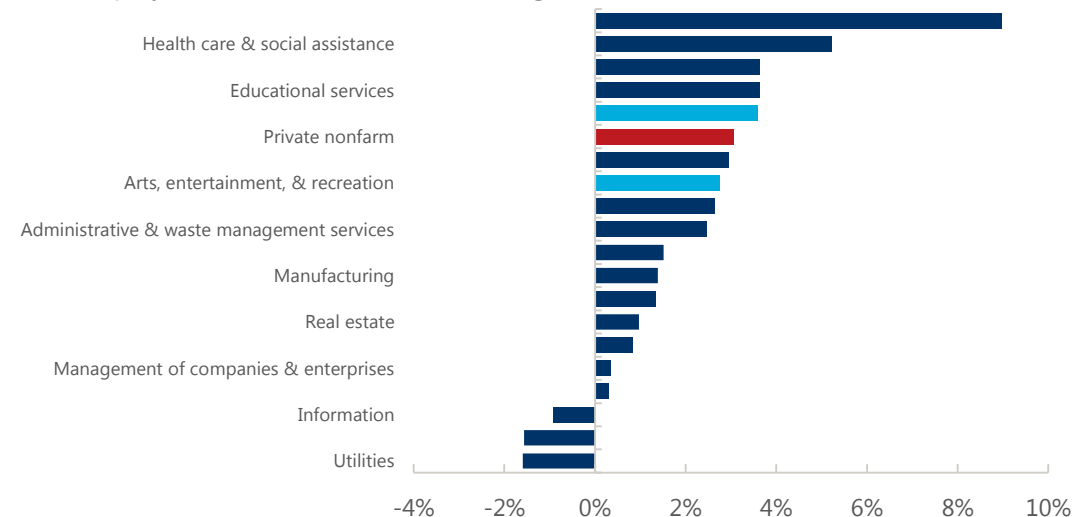
Despite its relatively small size, performing arts and sports sub-sector employment grew fastest between 2009 and 2019 (4.1% CAGR) – although having contracted each year since 2017. On the other hand, employment CAGR in the museums and heritage sub-sector was slowest at 1.0% over the sample period – largely influenced by declines in the last two years. Job growth in accommodations has also been gradual, registering 1.3% (CAGR) between 2009-2019.

L&H Employment

Index, 2009=100



Employment CAGR 2009-2019, % change



Source: Tourism Economics, BEA

EMPLOYMENT DETAIL

L&H employment compared to state and nation

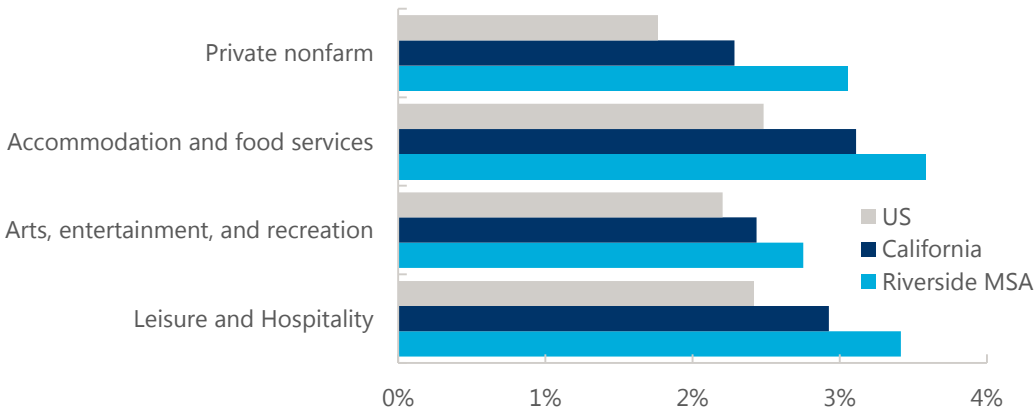
Solid L&H employment growth in the MSA outpaced state and national growth

Between 2009-2019, L&H employment growth in the MSA (3.4% CAGR) outpaced California (2.9% CAGR) and the nation (2.4% CAGR). This was also the case more generally across private nonfarm industries.

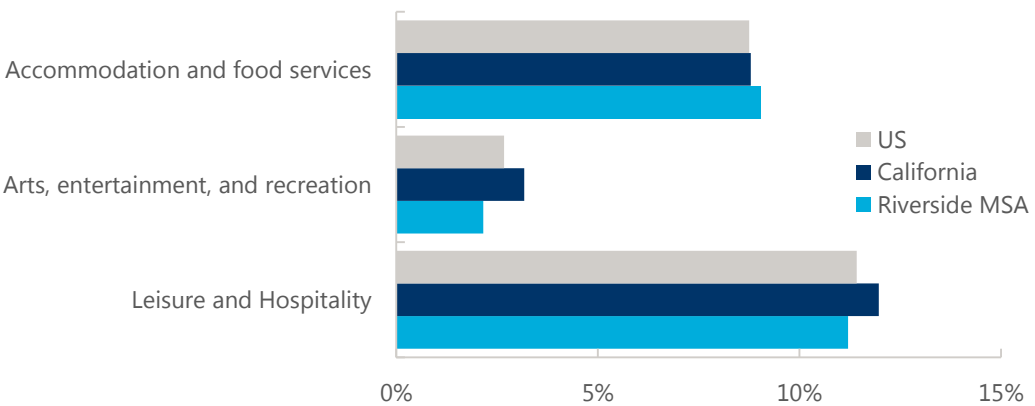
Only in the sector of accommodation and food services was the concentration of employment in private nonfarm jobs marginally greater than the state and national share.

L&H Employment

Employment CAGR 2009-2019, % change



% of private nonfarm jobs in 2019



Source: Tourism Economics, BEA

EMPLOYMENT DETAIL

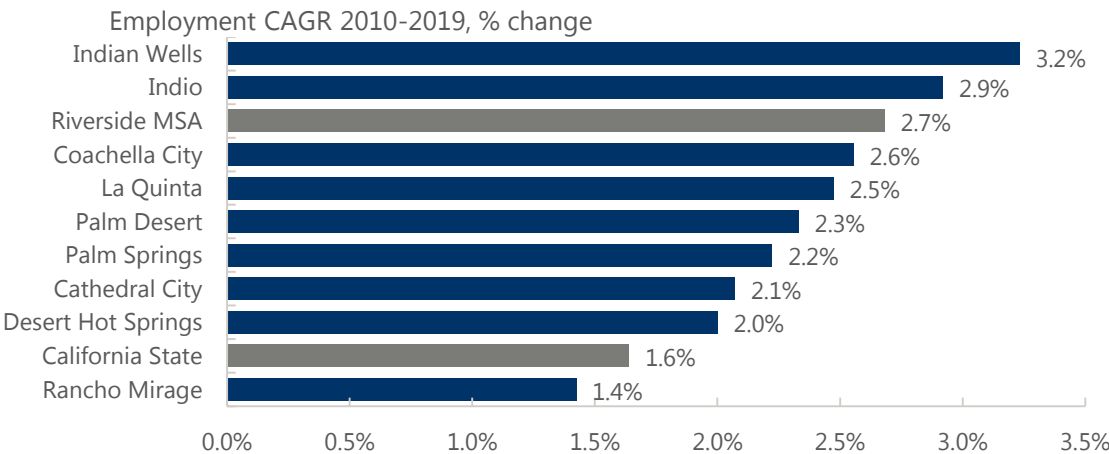
Employment patterns in Greater Palm Springs cities

Employment grew faster than the state in most Greater Palm Springs cities

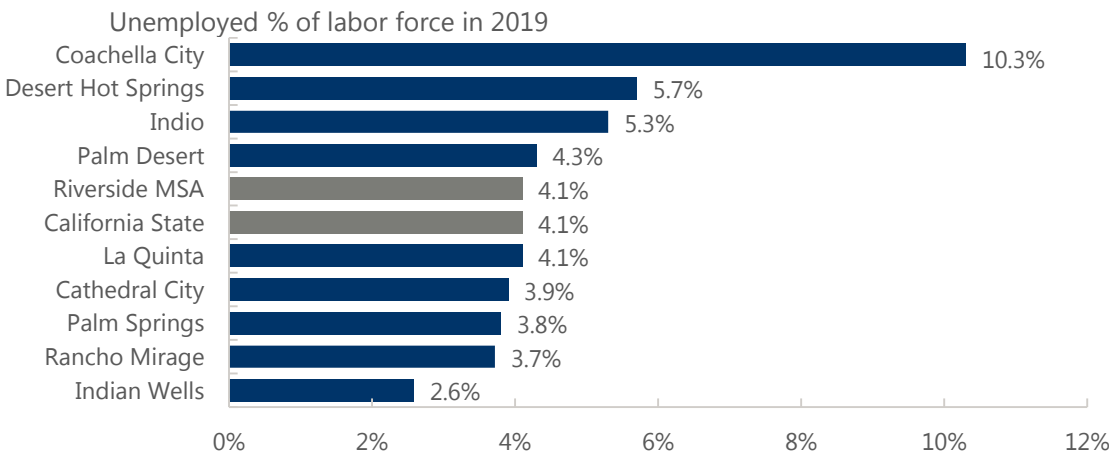
Total employment (all industries) in Indian Wells grew by a compound annual growth rate (CAGR) of 3.2% between 2010-2019 — the highest in Greater Palm Springs. While most cities in Greater Palm Springs outperformed California state (1.6%), Rancho Mirage grew slower in this period.

The unemployment rate in Coachella in 2019 was 10.3% — the highest in Greater Palm Springs — having declined from 21% in 2010. In comparison, California’s unemployment rate was 4.1% in 2019, down from 12.5% in 2010. Indian Wells had the lowest unemployment rate in 2019 (2.6%).

Total Employment in Greater Palm Springs Cities



Unemployment Rate in Greater Palm Springs Cities



Source: Tourism Economics, BLS – LAUS

Note: BLS data differs from BEA data in excluding sole proprietors.

FORECASTS

FORECAST SUMMARY

Key findings



Employment

Between 2020-2030, L&H employment is projected to grow 2.8% (CAGR) per year – much faster than other industries. Arts, entertainment, and recreation job growth is expected to be strongest. However, L&H employment growth will lag the state (3.7% CAGR).



Wages

Between 2020-2030, L&H wages are projected to grow 3.0% (CAGR) per year – slower than California and the US. Wage growth in arts, entertainment, and recreation is expected to be the slowest by sector in the MSA.



Occupations

Most of the L&H occupations projected to grow the fastest between 2020-2030, based on nationwide forecasts, are concentrated in lower-paying and lower-skilled L&H occupations.

NATIONAL OCCUPATION FORECAST

Nationwide occupation growth
2020-2030

Ushers and restaurant cook occupations will grow the most

Most of the L&H occupations projected to grow the fastest between 2020-2030 (CAGR greater than 2.0% between 2020-2030), based on nationwide forecasts, are concentrated in lower-paying and lower-skilled L&H occupations.

The top 10 high growth occupations also have lower LQs, which indicate lower specialization in the MSA.

L&H Occupations Ranked by US Occupation Growth Forecast

	Nationwide occupation growth (CAGR), 2020-2030	MSA location quotient 2019	MSA average annual pay, 2019	MSA Job Zone
Ushers, Lobby Attendants, and Ticket Takers	4.9%	0.68	\$ 26,900	2
Cooks, Restaurant	4.1%	0.99	\$ 28,850	2
Costume Attendants	3.7%	0.86	\$ 50,300	2
Exercise Trainers and Group Fitness Instructors	3.4%	0.96	\$ 43,200	3
Entertainment Attendants and Related Workers, All Other	3.1%	na	\$ 27,500	2
Miscellaneous Entertainers and Performers, Sports	3.0%	0.41	na	2
Film and Video Editors	2.9%	0.34	na	4
Bartenders	2.9%	0.80	\$ 27,850	2
Amusement and Recreation Attendants	2.8%	0.96	\$ 27,430	1
Umpires, Referees, and Other Sports Officials	2.6%	0.35	\$ 38,030	2
Tour and Travel Guides	2.6%	0.73	\$ 31,870	2
Gambling and Sports Book Writers and Runners	2.5%	0.95	\$ 34,350	2
Gambling Service Workers, All Other	2.4%	na	\$ 31,000	2
Dining Room and Cafeteria Attendants and Bartender Helpers	2.4%	1.66	\$ 25,710	1
Locker Room, Coatroom, and Dressing Room Attendants	2.4%	1.51	\$ 33,930	2
Audio and Video Technicians	2.4%	0.67	\$ 51,560	3
Coaches and Scouts	2.3%	0.63	\$ 46,390	4
Chefs and Head Cooks	2.3%	0.77	\$ 62,680	3
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	2.3%	0.98	\$ 26,120	2
Lifeguards, Ski Patrol, and Other Protective Service Workers	2.2%	0.58	\$ 27,960	2
Baggage Porters and Bellhops	2.2%	1.06	\$ 32,910	2
First-Line Supervisors of Personal Service and Ent and Rec	2.2%	1.21	\$ 44,860	3
Camera Operators, Television, Video, and Film	2.2%	0.43	\$ 57,710	3
Producers and Directors	2.2%	0.18	\$ 79,440	4
Gambling Dealers	2.2%	2.54	\$ 26,440	2
Media and Communication Workers, All Other	2.1%	1.34	\$ 53,580	2
Food Preparation and Serving Related Workers, All Other	2.1%	2.22	\$ 28,490	2
Curators	2.0%	0.39	\$ 64,570	5
First-Line Supervisors of Gambling Services Workers	2.0%	4.18	\$ 58,590	2

Source: BLS – OEWS/Economic Projections, O*NET, Tourism Economics

Note: Blue row refers to common accommodation and food service occupations

EMPLOYMENT FORECAST

Employment growth
2020-2030

L&H employment to grow 2.8% per year on average

The L&H industry was the hardest hit by job losses during the pandemic and is projected to witness strong gains amidst a wave of re-hiring.

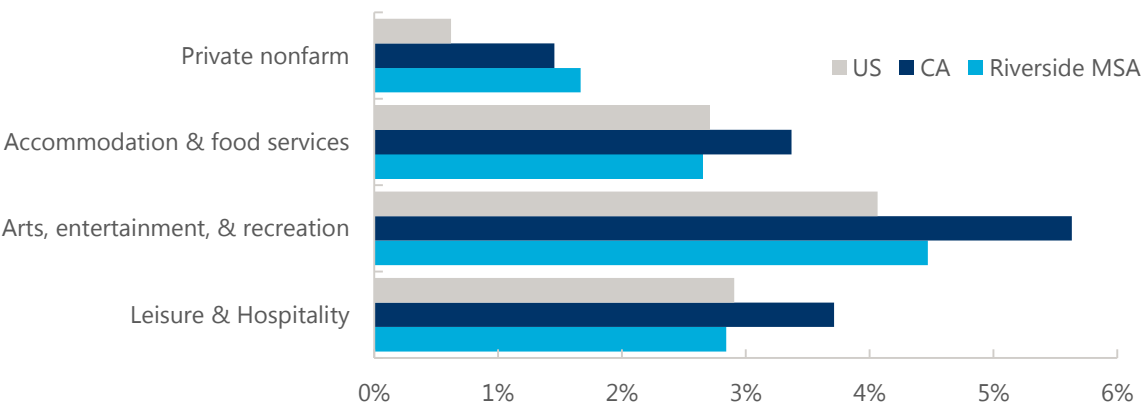
Between 2020 and 2030, L&H employment is forecasted to grow by 2.8% (CAGR) per year. Leading the increase is arts, entertainment, and recreation (4.5% CAGR), while accommodation and food services should grow by 2.7% (CAGR) per year. In comparison total private nonfarm employment should increase by 1.7% (CAGR) in the MSA.

Compared to the state of California, MSA wages are projected to grow at a slower pace between 2020-2030 for the L&H industry and sectors.

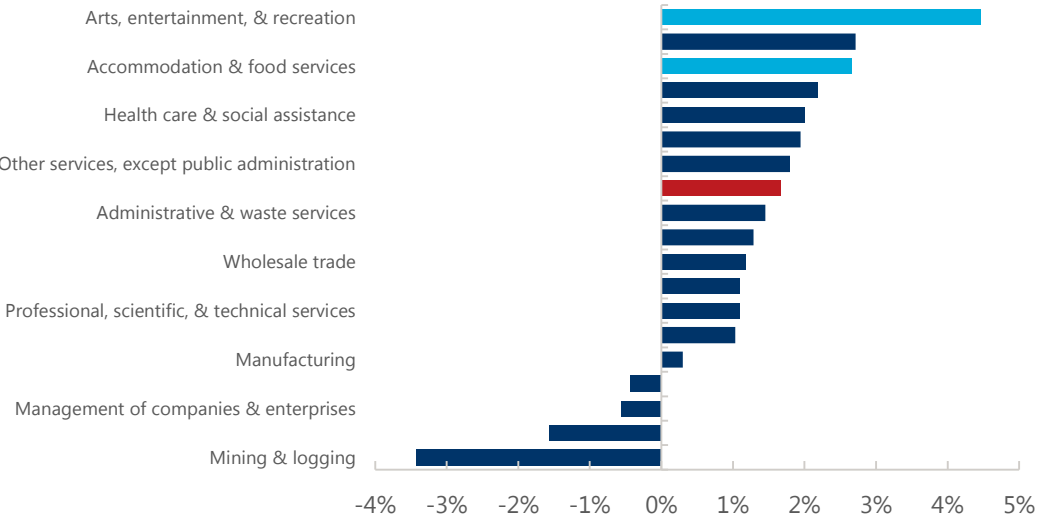
On the other hand, MSA total private nonfarm employment growth should exceed the state's projected employment growth.

L&H Employment Growth

Employment CAGR 2020-2030, % change



Employment CAGR 2020-2030, % change by sector



Source: Tourism Economics, Oxford Economics

WAGE FORECAST

L&H annual wage growth
2020-2030

L&H wages to grow 3.0% per year

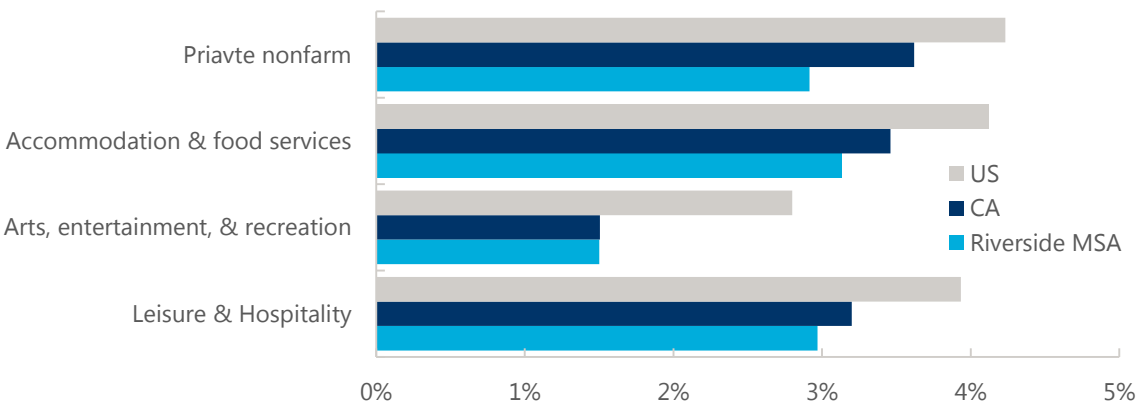
Between 2020 and 2030, L&H wages are forecasted to grow at a compound annual growth rate of 3.0%. The rate is slower than the US (3.9% CAGR) and state of California (3.2% CAGR).

Leading the increase is accommodation and food services (3.1% CAGR), while arts, entertainment, and recreation should grow by 1.5% (CAGR) per year. In comparison total private nonfarm wages should increase by 2.9% (CAGR) in the MSA.

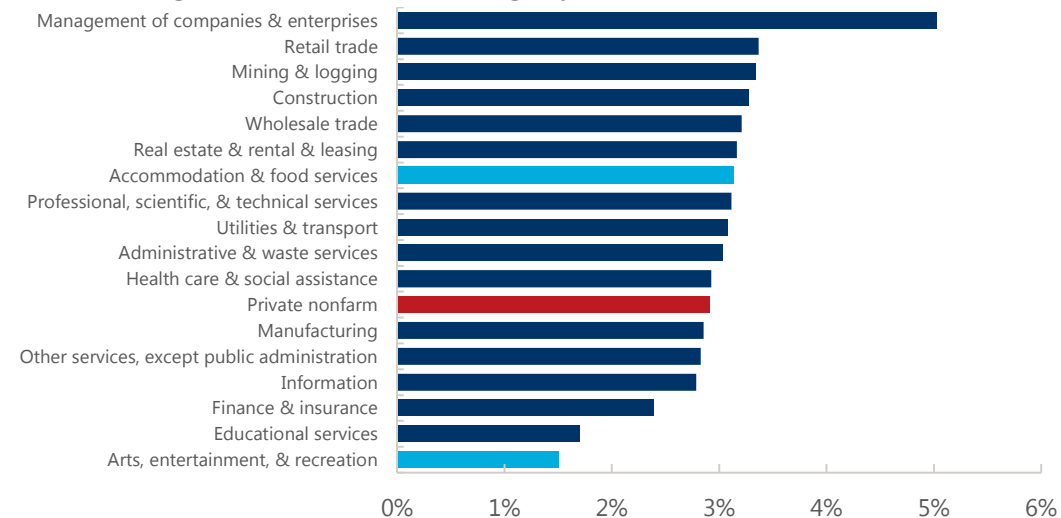
Wage growth in arts, entertainment, and recreation for the period 2020-2030 is expected to be the slowest in the MSA, but that is distorted by the rehiring of lowest income jobs that were hardest hit by the pandemic. The addition of this segment will pull down the overall average wage of the sector, but at the same time, many more high-income jobs will be added to the arts, entertainment, and recreation workforce.

L&H Wage Growth

Wage CAGR 2020-2030, % change



Wage CAGR 2020-2030, % change by sector



Source: Tourism Economics, Oxford Economics

LABOR GAP

LABOR GAP SUMMARY

Key findings



Short-Term Excess Demand

In the short-term (2020-2023), excess demand for workers exists amidst supply shortages. The withdrawal of older workers from the workforce during the pandemic is compounded by hesitancy from workers to return to work. These idiosyncrasies will fade as the pandemic subsides.



Demand and Supply

Demand is assessed as the total number of jobs employers need filled (currently held positions, replacement jobs, and new jobs). L&H labor supply is assessed as current plus potential number of L&H workers — based on natural employee growth from labor force trends.



Long-Term Labor Gap

A supply surplus of 6.9 thousand L&H jobs per year (between 2024-2030) is estimated in the baseline scenario. A small supply surplus is healthy as it allows for sufficient labor market slack to facilitate job turnover. Worsening economic conditions yield a greater supply surplus. Job demand is more sensitive than worker supply to economic shocks.



Systemic Supply Inhibitors

L&H worker supply can dip below demand in the long run should certain trends become systemic. Negative outcomes can stem from prolonged pandemic supply shocks, inability to replace void left by declining working-age population, failure by employers to adapt to changing expectations, and a decline in the MSA's L&H competitiveness.

SHORT-TERM LABOR GAP

2020-2023

Pandemic induced idiosyncrasies distort the workforce, which is experiencing excess demand in the short-term

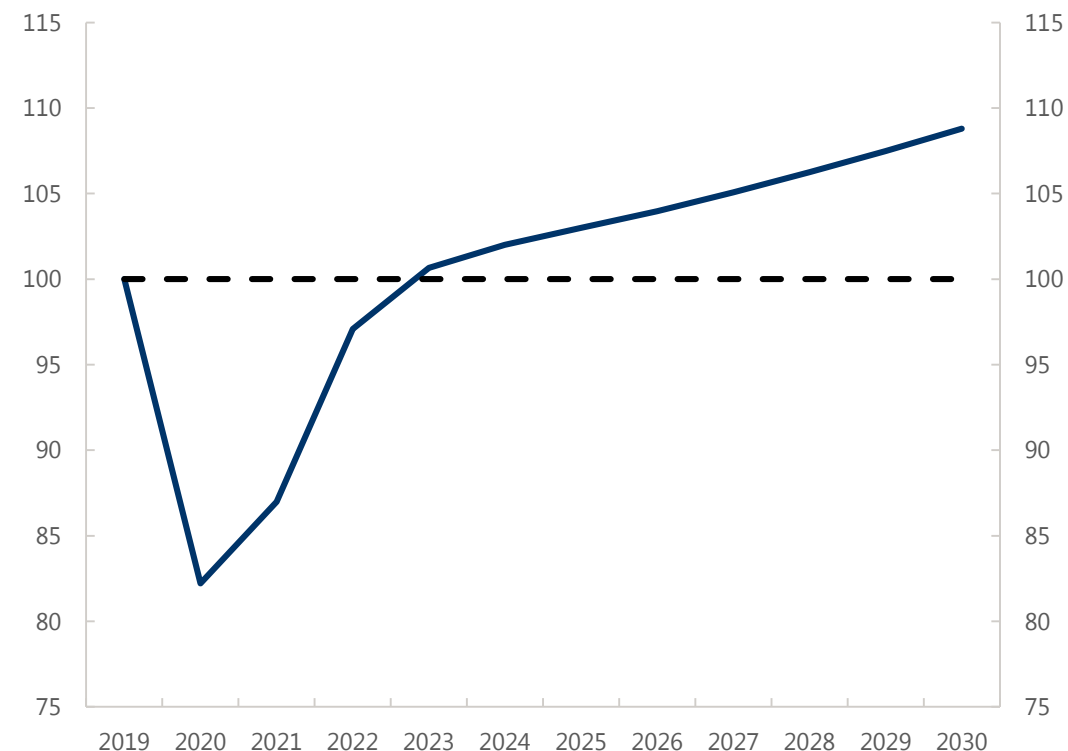
In the short-term (2020-2023), analyzing any labor mismatch is limited by idiosyncratic shocks caused by the pandemic which distort the quantitative measurement of demand and supply.

Demand for workers is recovering as establishments benefit from improving economic activity, but supply has not kept pace. Excess employer demand is therefore driven by a shortage of people willing to fill available job openings. As the risk of infection remains high, childcare pressures persist, and excess savings provide decent financial buffer, workers remain hesitant to return to work. Adding to supply pressures has been the withdrawal of older workers from the workforce although it is unclear how many may eventually return.

As idiosyncrasies fade, MSA L&H employment will experience natural gains as it returns to pre-pandemic levels by the end of 2023. The period after full recovery (2024-2030) provides a clearer snapshot of the labor gap, free of short-term distortions.

MSA L&H Employment Recovery

Index, 2019=100



Source: Tourism Economics, BLS

Note: Excludes sole proprietors.

LONG-TERM LABOR GAP

L&H workforce demand and supply

Approach

The analysis is forward-looking in scope, in order to identify whether excess employer demand or worker supply surpluses can arise in the future.

In order to assess the natural trajectory of labor demand and supply, the long-term labor gap is evaluated for the period 2024-2030. Estimates are derived as annual averages for the period of analysis.

The assessment is conducted under four unique scenarios for economic activity in the MSA:

- 1) Baseline (used in the Forecast Snapshot)
- 2) Moderate upside
- 3) Moderate downside
- 4) Severe downside

Data

The labor gap is estimated for the entire L&H workforce and is the difference between total job demand by the economy and total labor supply by current and potential workers.

Labor demand is derived from Oxford Economics forecasts of L&H employment levels, while labor supply is derived from Oxford Economics forecasts of labor force trends in the MSA.

Supply-side estimates are created by integrating projected changes in the labor force with pre-pandemic L&H employment. Estimates are dynamic to changes in the L&H work force and articulate the general trajectory of potential workers, irrespective of demand-side trends. Low barriers to entry for most L&H jobs prevent a more targeted approach to identifying job seekers. As a result, labor supply in this analysis can be understood as the natural increase in available L&H workers, rather than the entire pool of interest in L&H jobs.

The number of job openings also provides insight into the number of jobs needed to be filled. This is calculated as the sum of the change in employment levels (new jobs) and the number of separations (replacement jobs) estimated from LEHD data .

SCENARIOS

Economic events that impact L&H labor demand and supply in the MSA

Scenarios

Baseline - Omicron variant leads to only a moderate pullback in activity in 2022

- US real GDP growth a little over 4% in 2022.
- The US economy to add 4 million jobs in 2022.
- Higher inflation to remain a headwind but easing supply constraints should support growth.

Moderate Upside – Stronger rebound in consumption and enhanced productivity growth

- Economic activity surprise to the upside, with GDP growth of 6.7% in 2022 and 3.2% in 2023.
- GDP level 3.3% higher than baseline in 2025.
- Greater inflationary pressures in the near term, after which inflation returns to 2%.
- Faster recovery in employment causes unemployment rate to reach a low of 3% in early 2022.

Moderate Downside – Health concerns and supply chain disruption persists

- The economic recovery to reverse in 2022 Q1, with overall growth in 2022 just 0.9%.
- The shock to economic output sustained, with the level of GDP 4.3% below baseline in 2025.
- Employment growth weaker as a result of the shock to economic activity. The unemployment rate to rise to a peak of 7.1% in 2024.

Severe Downside – Sharp deterioration in health outlook, intensification of supply chain disruption, and global risk-off environment in financial markets

- Prolonged and severe recession, with GDP falling around 7.3% peak to trough.
- GDP 8.3% smaller than the baseline by 2030.
- Inflation to fall to a low of -1.9% y/y in 2022 Q4.
- Employment to fall sharply in line with the shock to demand, and the unemployment rate reaching a peak of 9.5% in 2023 Q3. Labor force participation permanently scarred.

JOB OPENINGS

New and replacement L&H jobs

L&H job openings under the baseline scenario average 39 thousand per year

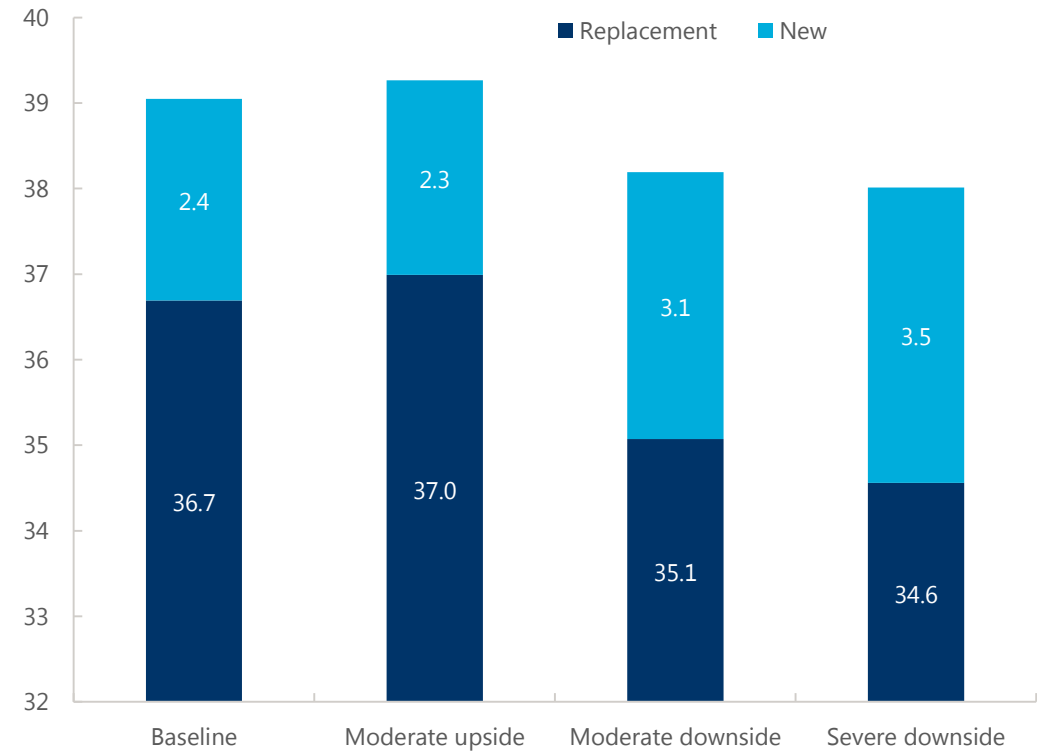
Due to high turnover in the L&H industry, replacement jobs from death, retirement, or separation make up the majority of job openings. New jobs are fresh roles created by employers.

Under the baseline scenario, estimates suggest there will be an average of 39 thousand L&H job openings per year in the Riverside MSA between 2024-2030 from replacement jobs (36.7 thousand) and new jobs (2.4 thousand).

Under more pessimistic scenarios, total job openings should be fewer. New jobs will be higher due to the need by employers to restore jobs lost due to downturn. Meanwhile, replacement jobs will naturally be lower as there are less people employed in L&H than under better economic circumstances.

L&H Job Openings, 2024-2030

Thousands of jobs per year, 2024-2030 average



Source: Tourism Economics, Oxford Economics, BEA, LEHD

DEMAND ANALYSIS

Labor demand

The average number of L&H jobs to be filled per year is 218.4 thousand in the baseline scenario

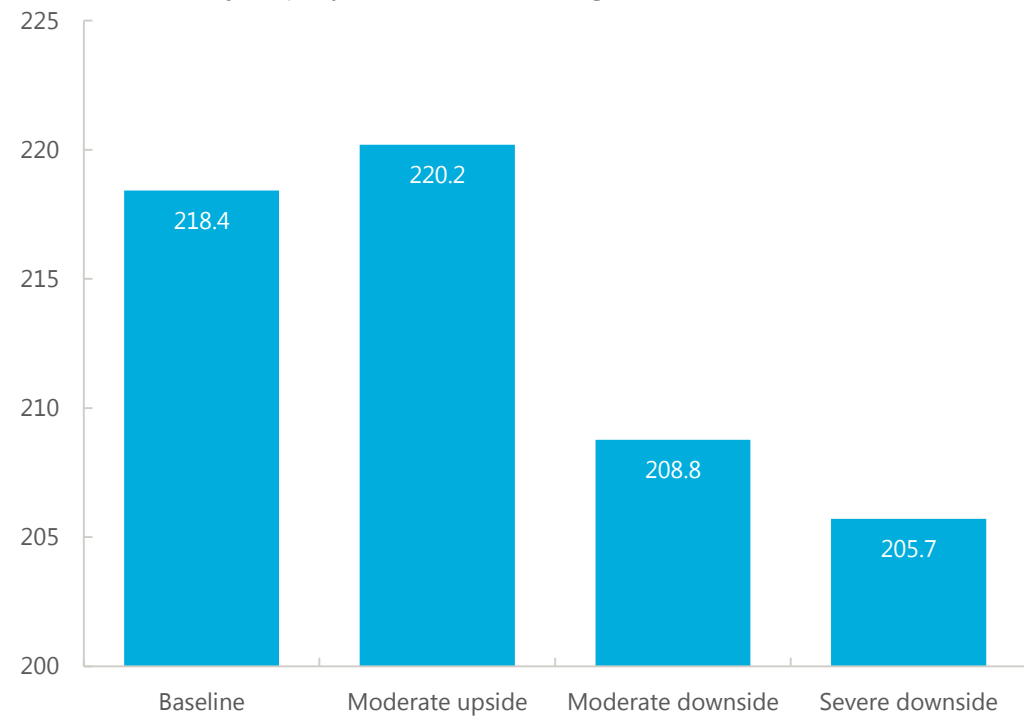
L&H labor demand is assessed as the total number of jobs employers need filled (currently held positions, replacement jobs, and new jobs).

In the baseline scenario, average annual labor demand between 2024-2030 is estimated at 218.4 thousand jobs. Moderately better economic conditions will boost demand by 1.8 thousand jobs per year.

Economic downturns will reduce economic activity – especially if the pandemic persists – and stifle job demand by establishments. In the moderate downside scenario L&H job demand is projected to fall to an average of 208.8 thousand, while annual average positions needed to be filled in the severe downside case is estimated to be 3.1 thousand lower.

L&H Labor Demand

Thousands of jobs per year, 2024-2030 average



Source: Tourism Economics, Oxford Economics, BEA, LEHD

SUPPLY ANALYSIS

Labor supply

The average number of potential L&H workers per year is 225.3 thousand in the baseline scenario

L&H labor supply is assessed as current workers and the potential number of workers available for L&H employment – based on natural employee growth from labor force trends.

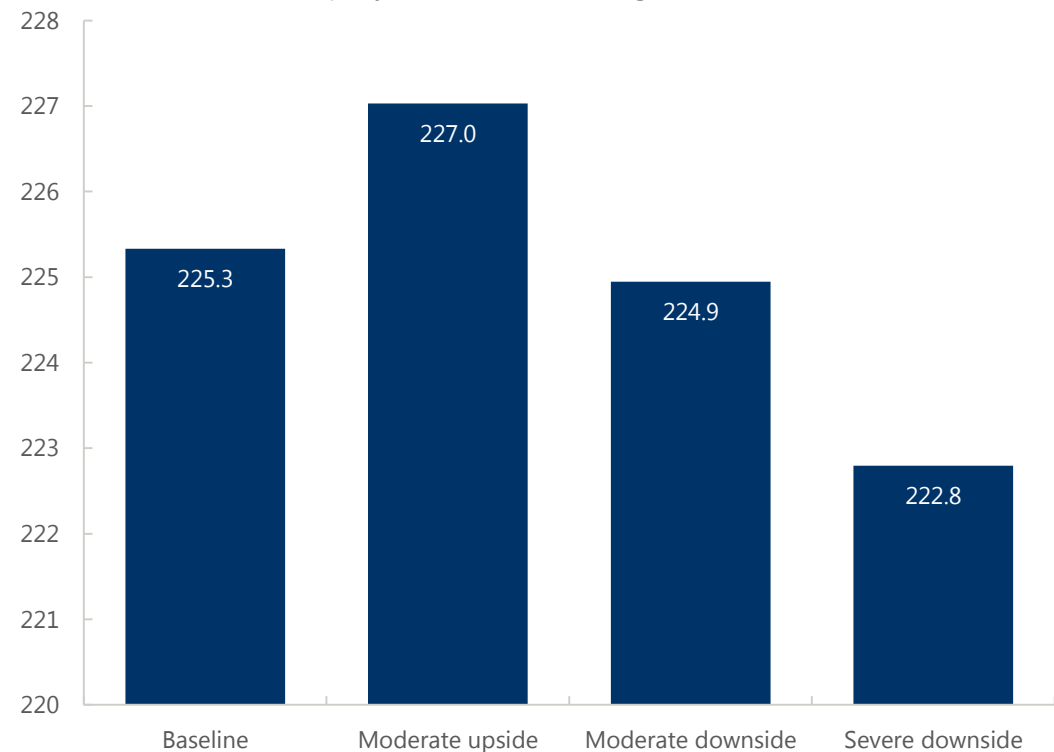
In the baseline scenario, average annual L&H labor supply between 2024-2030 is estimated at 225.3 thousand persons per year.

Estimates of labor supply are less impacted than labor demand by different scenarios of economic events. Moderately better economic conditions only boost supply by 1.7 thousand workers per year.

Economic downturns still influence some to refrain from work, force early retirement, and propel shifts to other industries or locations. In the moderate downside scenario L&H job supply is projected to fall to 224.9 thousand per year, compared to 222.8 thousand in the severe downside case.

L&H Labor Supply

Thousands of workers per year, 2024-2030 average



Source: Tourism Economics, Oxford Economics, BEA, LEHD

GAP ANALYSIS

Labor demand versus supply

A supply surplus of 6.9 thousand L&H workers per year is estimated in the baseline scenario

In each scenario, the available pool of workers exceeds the demand by employers – supply-sided gaps.

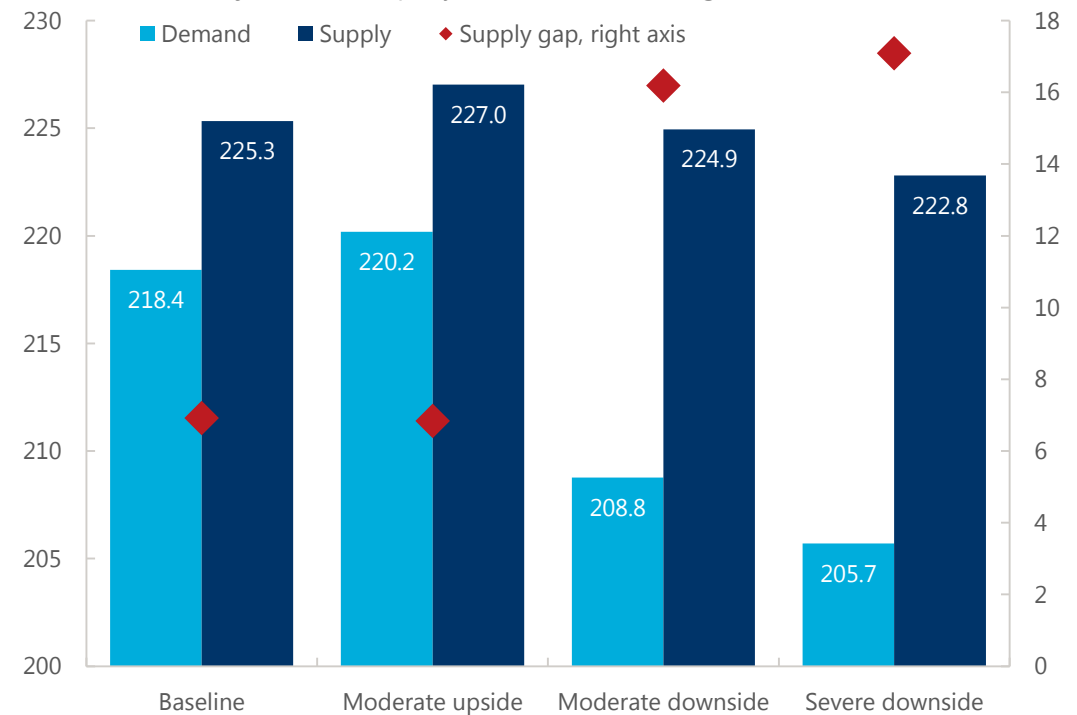
A small supply surplus is healthy as it allows for sufficient labor market slack to facilitate job turnover. In the baseline scenario there should be an average annual supply surplus of 6.9 thousand L&H workers – 3.1% of potential employees in L&H will be unemployed.

Should economic conditions deteriorate, a sharper fall in the average yearly demand for workers compared to the fall in workers seeking employment, pushes excess supply to higher levels of concern.

In the moderate downside scenario, an average annual supply surplus of 16.2 thousand workers can occur (7.2% of labor supply), compared to 17.1 thousand workers (7.7% of labor supply) in the severe downside case.

L&H Labor Gap

Thousands of jobs/workers per year, 2024-2030 average



Source: Tourism Economics, Oxford Economics, BEA, LEHD

FUTURE SUPPLY CONSTRAINTS

Forces that may limit labor supply

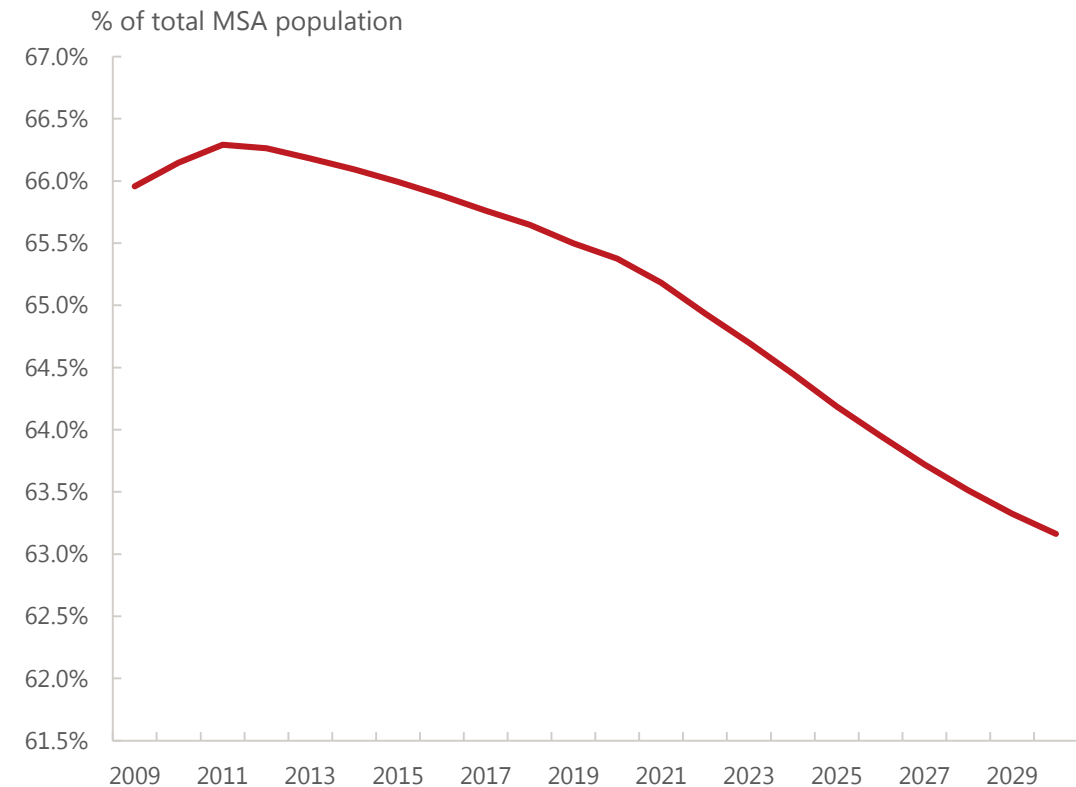
**L&H worker supply can dip below demand in the long run
should certain trends become systemic**

Although the long-run labor gap analysis pointed to an excess supply of L&H workers between 2024-2030, systemic shifts can reshape the workforce towards a case where demand outstrips supply. Such forces include:

- 1) Prolonged idiosyncratic impacts of the pandemic.
- 2) Inability to replace declining working-age population (chart).
- 3) L&H employers unable to adapt to changing expectations of the workforce and younger generations.
- 4) A decline in L&H competitiveness versus other locations and industries, in terms of opportunities and wages (forecasts suggest MSA L&H employment and wage growth will lag the state and US).

As a result, policies should aim to maintain healthy levels of both supply and demand in order to prevent unmanageable mismatches in the L&H labor force.

Working-Age Population (Aged 15-64)



Source: Tourism Economics, Oxford
Economics, BEA, LEHD

APPENDIX

RIVERSIDE MSA: COMMON L&H OCCUPATIONS

Accommodation and Food Services Occupations

Baggage Porters and Bellhops

Bakers

Bartenders

Chefs and Head Cooks

Concierges

Cooks, All Other

Cooks, Fast Food

Cooks, Restaurant

Cooks, Short Order

Dining Room and Cafeteria Attendants and Bartender Helpers

Dishwashers

Driver/Sales Workers

Fast Food and Counter Workers

First-Line Supervisors of Food Preparation and Serving Workers

First-Line Supervisors of Housekeeping and Janitorial Workers

Food Preparation and Serving Related Workers, All Other

Food Preparation Workers

Food Servers, Non-restaurant

Food Service Managers

Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop

Hotel, Motel, and Resort Desk Clerks

Laundry and Dry-Cleaning Workers

Locker Room, Coatroom, and Dressing Room Attendants

Lodging Managers

Maids and Housekeeping Cleaners

Waiters and Waitresses

Source: Tourism Economics, BLS- OEWS, O*NET.

Note: Derived from O*NET industry classification of occupations heavily concentrated in the L&H industry.

RIVERSIDE MSA: COMMON L&H OCCUPATIONS

Arts, Entertainment, and Recreation Occupations

Amusement and Recreation Attendants	Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers
Art Directors	Lighting Technicians and Media and Communication Equipment Workers, All Other
Artists and Related Workers, All Other	Media and Communication Workers, All Other
Audio and Video Technicians	Meeting, Convention, and Event Planners
Broadcast Announcers and Radio Disc Jockeys	Merchandise Displayers and Window Trimmers
Broadcast Technicians	Miscellaneous Entertainers and Performers, Sports and Related Workers
Camera Operators, Television, Video, and Film	Motorboat Mechanics and Service Technicians
Coaches and Scouts	Museum Technicians and Conservators
Coin, Vending, and Amusement Machine Servicers and Repairers	Music Directors and Composers
Costume Attendants	Musical Instrument Repairers and Tuners
Curators	Musicians and Singers
Designers, All Other	Passenger Attendants
Editors	Personal Service Managers, All Other; Entertainment and Recreation Managers
Entertainment Attendants and Related Workers, All Other	Photographers
Exercise Trainers and Group Fitness Instructors	Producers and Directors
Fashion Designers	Recreation Workers
Film and Video Editors	Recreational Therapists
First-Line Supervisors of Gambling Services Workers	Recreational Vehicle Service Technicians
First-Line Supervisors of Personal Service and Ent. and Rec. Workers	Reservation and Transportation Ticket Agents and Travel Clerks
Floral Designers	Set and Exhibit Designers
Gambling and Sports Book Writers and Runners	Special Effects Artists and Animators
Gambling Cage Workers	Technical Writers
Gambling Change Persons and Booth Cashiers	Tour and Travel Guides
Gambling Dealers	Travel Agents
Gambling Service Workers, All Other	Umpires, Referees, and Other Sports Officials
Gambling Surveillance Officers and Gambling Investigators	Ushers, Lobby Attendants, and Ticket Takers
Graphic Designers	Writers and Authors
Interior Designers	

Source: Tourism Economics, BLS- OEWS, O*NET.

Note: Derived from O*NET industry classification of occupations heavily concentrated in the L&H industry.

CALIFORNIA: ALL OCCUPATIONS IN L&H INDUSTRY

Accountants and Auditors	Computer User Support Specialists	First-Line Supervisors of Office and Administrative Support Workers
Actors	Concierges	First-Line Supervisors of Personal Service and Ent and Rec Workers
Administrative Services and Facilities Managers	Cooks, All Other	First-Line Supervisors of Production and Operating Workers
Advertising and Promotions Managers	Cooks, Fast Food	First-Line Supervisors of Retail Sales Workers
Advertising Sales Agents	Cooks, Institution and Cafeteria	First-Line Supervisors of Transportation and Material Moving Workers
Agents and Business Managers of Artists, Performers, and Athletes	Cooks, Restaurant	Food Batchmakers
Amusement and Recreation Attendants	Cooks, Short Order	Food Cooking Machine Operators and Tenders
Animal Caretakers	Costume Attendants	Food Preparation and Serving Related Workers, All Other
Animal Trainers	Counter and Rental Clerks	Food Preparation Workers
Architectural and Engineering Managers	Couriers and Messengers	Food Servers, Nonrestaurant
Archivists	Craft Artists	Food Service Managers
Art Directors	Crematory Operators and Personal Care and Service Workers, All Other	Fundraisers
Athletes and Sports Competitors	Curators	Gambling and Sports Book Writers and Runners
Athletic Trainers	Customer Service Representatives	Gambling Cage Workers
Audio and Video Technicians	Dancers	Gambling Change Persons and Booth Cashiers
Automotive and Watercraft Service Attendants	Data Entry Keyers	Gambling Dealers
Automotive Service Technicians and Mechanics	Database Administrators and Architects	Gambling Managers
Baggage Porters and Bellhops	Demonstrators and Product Promoters	Gambling Service Workers, All Other
Bakers	Designers, All Other	Gambling Surveillance Officers and Gambling Investigators
Bartenders	Dietitians and Nutritionists	General and Operations Managers
Billing and Posting Clerks	Dining Room and Cafeteria Attendants and Bartender Helpers	Graphic Designers
Biological Scientists, All Other	Dishwashers	Grounds Maintenance Workers, All Other
Bookkeeping, Accounting, and Auditing Clerks	Dispatchers, Except Police, Fire, and Ambulance	Hairdressers, Hairstylists, and Cosmetologists
Broadcast Announcers and Radio Disc Jockeys	Driver/Sales Workers	Heating, Air Conditioning, and Refrigeration Mechanics and Installers
Broadcast Technicians	Editors	Heavy and Tractor-Trailer Truck Drivers
Budget Analysts	Education Administrators, All Other	Helpers--Installation, Maintenance, and Repair Workers
Building Cleaning Workers, All Other	Electrical Engineers	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop
Butchers and Meat Cutters	Electricians	Hotel, Motel, and Resort Desk Clerks
Buyers and Purchasing Agents	Emergency Medical Technicians and Paramedics	Human Resources Assistants, Except Payroll and Timekeeping
Camera Operators, Television, Video, and Film	Entertainment Attendants and Related Workers, All Other	Human Resources Managers
Captains, Mates, and Pilots of Water Vessels	Environmental Scientists and Specialists, Including Health	Human Resources Specialists
Carpenters	Executive Secretaries and Executive Administrative Assistants	Information and Record Clerks, All Other
Cashiers	Exercise Trainers and Group Fitness Instructors	Installation, Maintenance, and Repair Workers, All Other
Chefs and Head Cooks	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	Instructional Coordinators
Chief Executives	Farmworkers, Farm, Ranch, and Aquacultural Animals	Interpreters and Translators
Childcare Workers	Fashion Designers	Interviewers, Except Eligibility and Loan
Choreographers	Fast Food and Counter Workers	Janitors and Cleaners, Except Maids and Housekeeping Cleaners
Cleaners of Vehicles and Equipment	File Clerks	Labor Relations Specialists
Coaches and Scouts	Film and Video Editors	Laborers and Freight, Stock, and Material Movers, Hand
Coin, Vending, and Amusement Machine Servicers and Repairers	Financial and Investment Analysts and Financial Specialists	Landscaping and Groundskeeping Workers
Community and Social Service Specialists, All Other	Financial Managers	Laundry and Dry-Cleaning Workers
Compensation, Benefits, and Job Analysis Specialists	Fine Artists, Including Painters, Sculptors, and Illustrators	Lawyers
Compliance Officers	First-Line Supervisors of Construction Trades and Extraction Workers	Librarians and Media Collections Specialists
Computer and Information Systems Managers	First-Line Supervisors of Food Preparation and Serving Workers	Library Assistants, Clerical
Computer Network Architects	First-Line Supervisors of Gambling Services Workers	Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers
Computer Network Support Specialists	First-Line Supervisors of Housekeeping and Janitorial Workers	Light Truck Drivers
Computer Occupations, All Other	First-Line Supervisors of Landscaping, Lawn Service, and Groundskeeping Workers	Lighting Technicians and Media and Communication Equipment Workers
Computer Programmers	First-Line Supervisors of Mechanics, Installers, and Repairers	Locker Room, Coatroom, and Dressing Room Attendants
Computer Systems Analysts	First-Line Supervisors of Non-Retail Sales Workers	Lodging Managers

Source: BLS- OEWS.

CALIFORNIA: ALL OCCUPATIONS IN L&H INDUSTRY

Maids and Housekeeping Cleaners
Mail Clerks and Mail Machine Operators, Except Postal Service
Maintenance and Repair Workers, General
Management Analysts
Manicurists and Pedicurists
Market Research Analysts and Marketing Specialists
Marketing Managers
Massage Therapists
Mechanical Engineers
Media and Communication Workers, All Other
Meeting, Convention, and Event Planners
Miscellaneous Entertainers and Performers, Sports and Related Workers
Miscellaneous First-Line Supervisors, Protective Service Workers
Mobile Heavy Equipment Mechanics, Except Engines
Motor Vehicle Operators, All Other
Motorboat Mechanics and Service Technicians
Museum Technicians and Conservators
Music Directors and Composers
Musicians and Singers
Natural Sciences Managers
Network and Computer Systems Administrators
Occupational Health and Safety Specialists
Office and Administrative Support Workers, All Other
Office Clerks, General
Operating Engineers and Other Construction Equipment Operators
Order Clerks
Outdoor Power Equipment and Other Small Engine Mechanics
Packaging and Filling Machine Operators and Tenders
Packers and Packagers, Hand
Painters, Construction and Maintenance
Parking Attendants
Passenger Vehicle Drivers, Except Bus Drivers, Transit and Intercity
Payroll and Timekeeping Clerks
Personal Service Managers, All Other; Entertainment and Recreation Managers
Pest Control Workers
Photographers
Plumbers, Pipefitters, and Steamfitters
Preschool Teachers, Except Special Education
Procurement Clerks
Producers and Directors
Production, Planning, and Expediting Clerks
Project Management Specialists and Business Operations Specialists, All Other
Property, Real Estate, and Community Association Managers
Public Relations and Fundraising Managers
Public Relations Specialists
Purchasing Managers
Receptionists and Information Clerks

Recreation Workers
Registered Nurses
Reservation and Transportation Ticket Agents and Travel Clerks
Residential Advisors
Retail Salespersons
Riggers
Sales and Related Workers, All Other
Sales Managers
Sales Representatives of Services, Except Advertising, Insurance, Financial Services, and Travel
School Bus Monitors and Protective Service Workers, All Other
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive
Security Guards
Self-Enrichment Teachers
Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders
Set and Exhibit Designers
Sewers, Hand
Sewing Machine Operators
Shipping, Receiving, and Inventory Clerks
Skincare Specialists
Social and Community Service Managers
Software Developers and Software Quality Assurance Analysts and Testers
Soil and Plant Scientists
Sound Engineering Technicians
Special Effects Artists and Animators
Stationary Engineers and Boiler Operators
Statisticians
Stockers and Order Fillers
Switchboard Operators, Including Answering Service
Tailors, Dressmakers, and Custom Sewers
Teaching Assistants, Except Postsecondary
Technical Writers
Telemarketers
Tellers
Tour and Travel Guides
Training and Development Managers
Training and Development Specialists
Transportation, Storage, and Distribution Managers
Tree Trimmers and Pruners
Tutors and Teachers and Instructors, All Other
Umpires, Referees, and Other Sports Officials
Ushers, Lobby Attendants, and Ticket Takers
Veterinary Technologists and Technicians
Waiters and Waitresses
Water and Wastewater Treatment Plant and System Operators
Web Developers and Digital Interface Designers
Writers and Authors
Zoologists and Wildlife Biologists

Source: BLS- OEWS.

ANNEX 1. JOB FLOWS

JOB FLOW SUMMARY

Key findings



New L&H Workers

Most new L&H hires worked in L&H for their previous job (56%). Retail was the largest contributor of new workers from non-L&H sectors, followed by waste management services and transportation and warehousing.



Former L&H Workers

More people are leaving the industry after separating from an L&H job (56% of separations), with retail the largest beneficiary. This pattern, coupled with that seen for new L&H hires, points to lower attractiveness amongst workers of L&H jobs versus other industry jobs.



Origin of New L&H Workers

Most new L&H workers moved from jobs located outside the MSA, with Los Angeles-Long Beach-Anaheim MSA the largest source.

JOB FLOW DETAIL

Source of new L&H workers

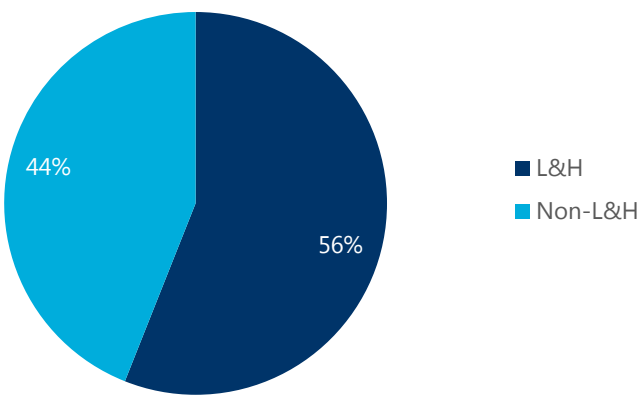
Hires from within the L&H industry accounted for 56% of total L&H hires

New hires from non-L&H industries comprised 44% of total new L&H jobs in 2019 – the majority of new L&H hires worked in L&H for their previous job (56%).

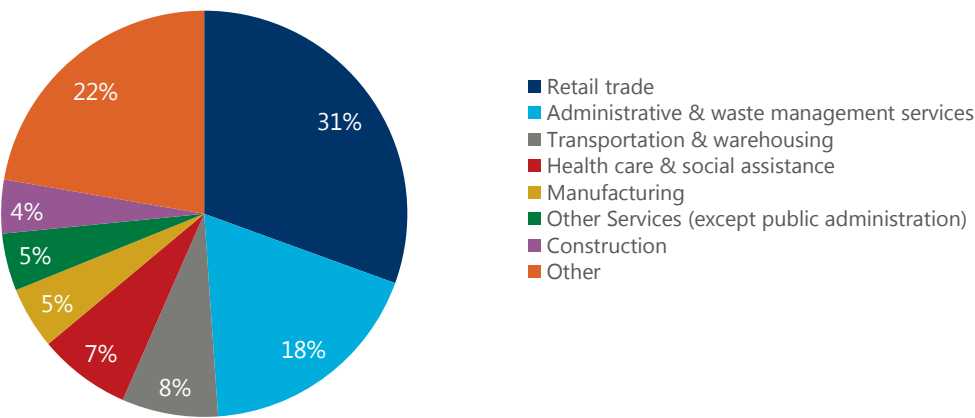
From the non-L&H industry, the biggest source sector of new jobs to L&H was retail trade – 31% of new L&H hires in 2019 came from the retail sector. Administrative and waste management services (18%) followed, then transportation and warehousing (8%).

Job Flows to L&H

% of new hires to L&H from industry of old job in 2019



% of new hires to L&H from non-L&H sector of old job in 2019



Source: Tourism Economics, US Census – LEHD

Note: Jobs flows data encompasses job-to-job hires which are hires following a separation that led to a short or no observed nonemployment spell and excludes hires from persistent unemployment.

JOB FLOW DETAIL

Destination of former L&H workers

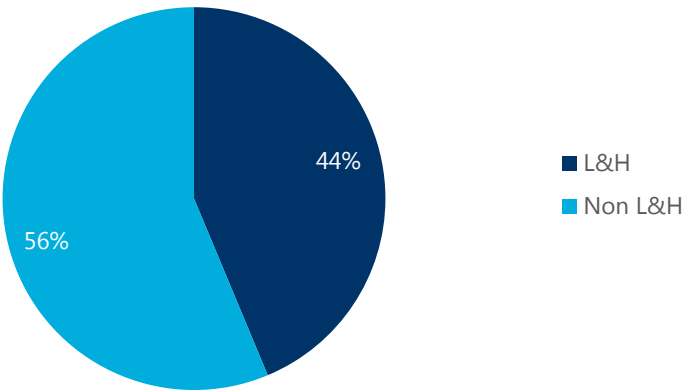
The share of job separations in L&H that remained in the L&H industry was 44%

Of total separations from jobs in the L&H industry in 2019, 56% joined new industries. Therefore, more people are leaving the industry after separating from a job in L&H. This pattern, coupled with that seen for new L&H hires, points to lower attractiveness amongst workers of L&H jobs versus other industry jobs. It is worth noting that the volume of new hires still exceeds separations.

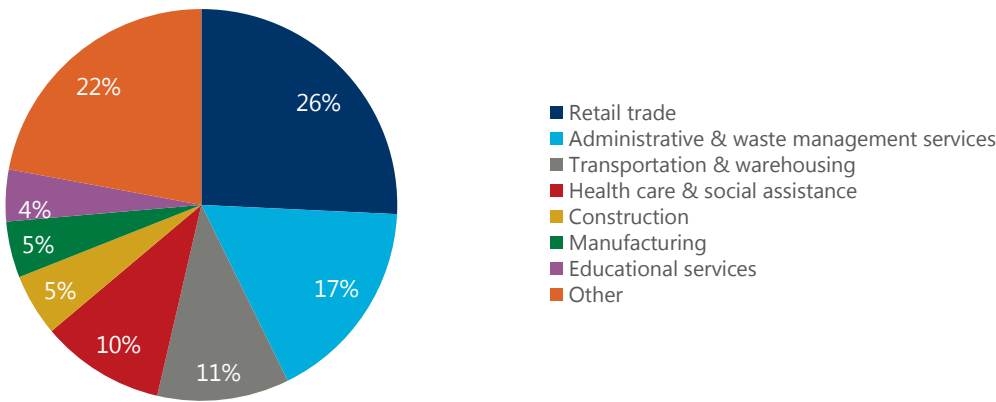
The greatest beneficiary of separations out of the L&H industry was the retail trade sector, with 26% moving into retail from L&H in 2019. Administrative and waste management services (17%) followed, then transportation and warehousing (11%).

Job Flows from L&H

% of new separations from L&H to industry of new job in 2019



% of new separations from L&H to non-L&H sector of new job in 2019



Source: Tourism Economics, US Census – LEHD

Note: Jobs flows data encompasses job-to-job hires which are hires following a separation that led to a short or no observed nonemployment spell and excludes hires from persistent unemployment.

JOB FLOW DETAIL

Source location of new L&H workers

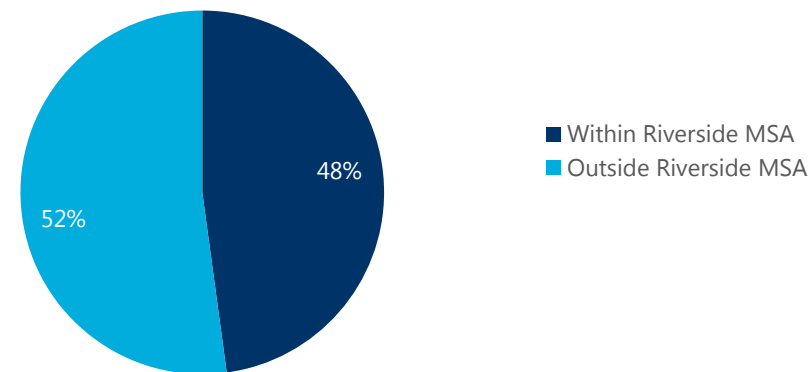
Most new L&H workers moved from jobs located outside the MSA

Of new L&H job holders in the Riverside MSA in 2019, 52% moved from jobs located outside the MSA.

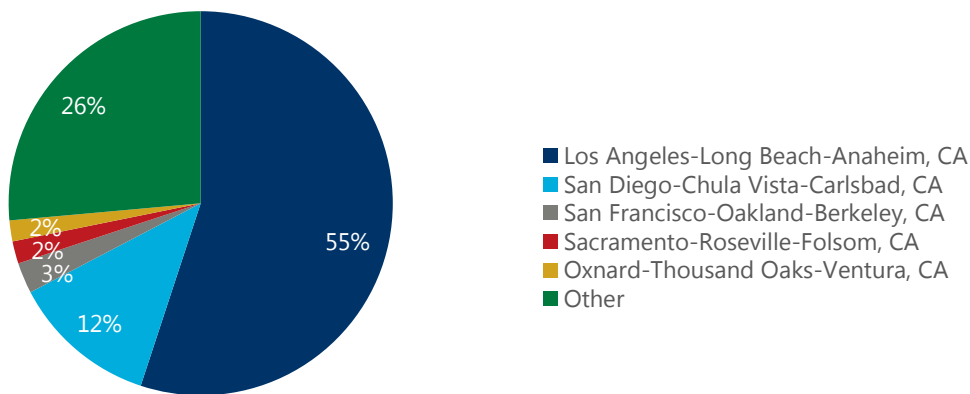
Of new L&H workers to the Riverside MSA, 55% came from jobs based in the Los Angeles-Long Beach-Anaheim MSA. Other locations comprise a much lower share, although San Diego-Chula Vista-Carlsbad MSA stands out (12%).

Job Hires by Location

% of new hires to L&H by previous job location in 2019



% of new hires to L&H by previous job locations outside MSA in 2019



Source: Tourism Economics, US Census – LEHD

Note: Jobs flows data encompasses job-to-job hires which are hires following a separation that led to a short or no observed nonemployment spell and excludes hires from persistent unemployment.

ANNEX 2. ESTABLISHMENTS

ESTABLISHMENTS SUMMARY

Key findings



Total Establishments

There were 8,802 L&H establishments in the Riverside MSA in 2019. The number of L&H establishments had grown by 37.5% since 2009 (3.2% CAGR).



L&H Establishments by Sub-Sector

Most L&H establishments exist in the food and beverages sub-sector (80.4%).



Strongest Growth by Sub-Sector

The number of accommodation establishments grew by 4.0% (CAGR) per year.



Weakest Growth by Sub-Sector

Amusements and recreation firms grew by 1.0% (CAGR) since 2009 – particularly impacted by a 6.8% decline in 2019 versus 2018.

ESTABLISHMENTS DETAIL

L&H establishments

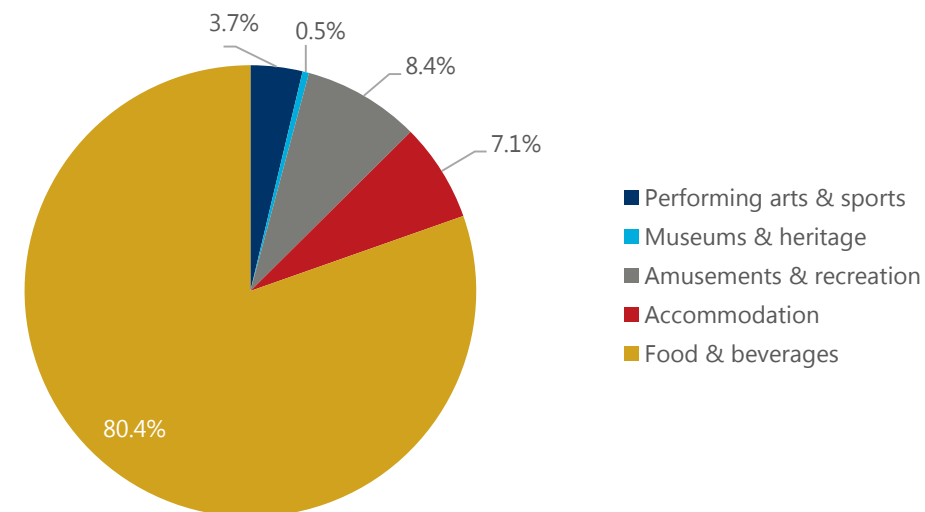
There were 8,802 L&H establishments in the MSA in 2019

An L&H establishment is categorized as a single economic unit in a single location that produces L&H services, excluding sole-proprietorships.

Most L&H establishments exist in the food and beverages sub-sector (80.4%). In the arts, entertainment, and recreation sector, amusements and recreation establishments are dominant – accounting for 8.4% of all L&H firms.

L&H Establishments

Sub-sector share of L&H establishments in 2019, %



Source: Tourism Economics, BLS

ESTABLISHMENTS DETAIL

L&H establishment growth

The number of L&H establishments grew by 3.2% CAGR between 2009-2019

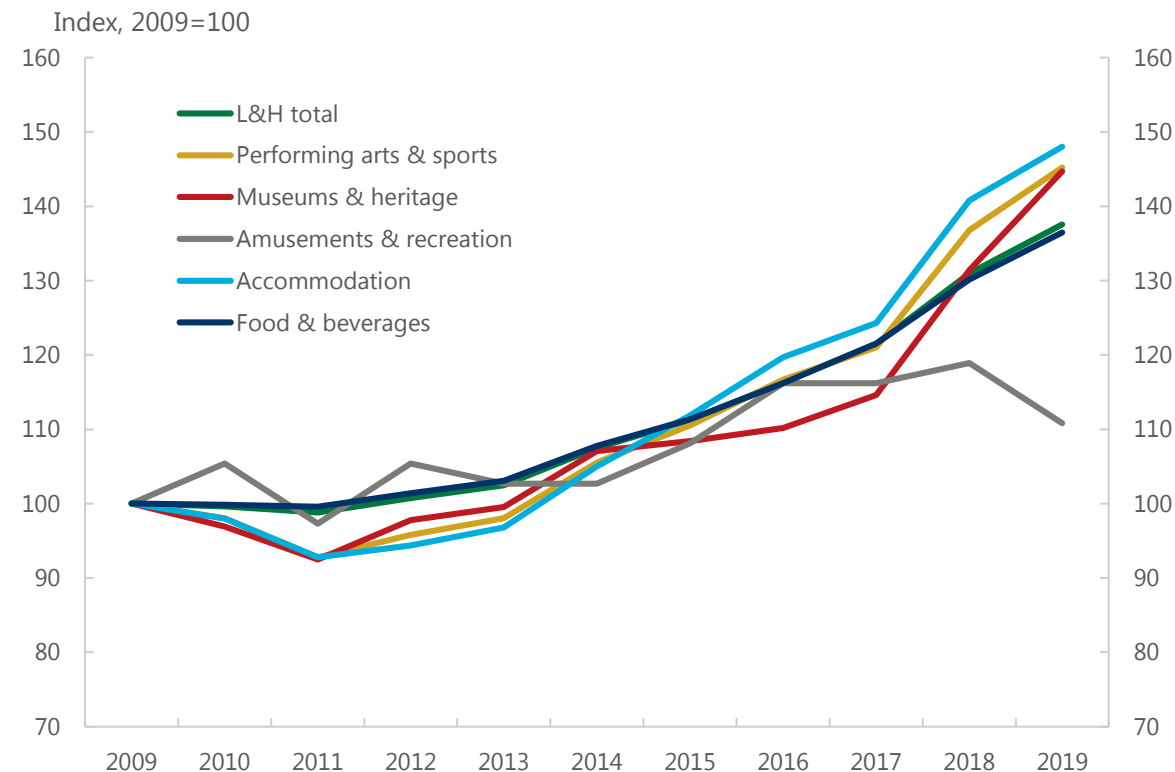
Since 2009, the number of L&H establishments have grown by 37.5% - a compound annual growth rate of 3.2%.

The number of accommodation establishments grew by 4.0% (CAGR) per year - the most in L&H by sub-sector.

Museum and heritage establishments, as well as performing arts and sports establishments, increased at a faster pace in recent years.

Amusements and recreation firms have grown the slowest (1.0% CAGR) since 2009 – particularly impacted by a 6.8% decline in 2019 from the year earlier.

L&H Establishments



Source: Tourism Economics, BLS

ANNEX 3. PANDEMIC PERIOD

PANDEMIC SUMMARY

Key findings



Employment

L&H employment contracted by 18.7% in 2020 – the most by any industry in Riverside MSA. Arts, entertainment, and recreation employment fell more than accommodation and food services. In general, employment losses in the MSA were less severe than the state and nation.



Wages

Average annual L&H wages in 2020 contracted – unlike most industries in the MSA, which improved. At the L&H aggregate level, MSA wages contracted less than for the entire US, but was outperformed by California, which witnessed solid growth.



Recovery

Total employment in the L&H industry (excluding sole proprietors) was at 86.2% of February 2020 levels in December 2021 – the second furthest behind pre-pandemic levels by industry. Food services employment is recovering fastest, while arts, entertainment, and recreation remains down the most. L&H employment recovery has been slower in the MSA than the US, having lost some momentum in recent months.



Greater Palm Springs Detail

For Greater Palm Springs, total employment (all industries) rebounded to pre-pandemic levels in December 2021. Unemployment rates across Greater Palm Springs have fallen steadily but remain slightly above their pre-pandemic levels in most instances.

PANDEMIC TRENDS

MSA employment growth

L&H employment contracted by 18.7% in 2020

Total employment in all sectors — except transportation and warehousing, utilities, and finance and insurance — contracted in 2020 versus the year prior.

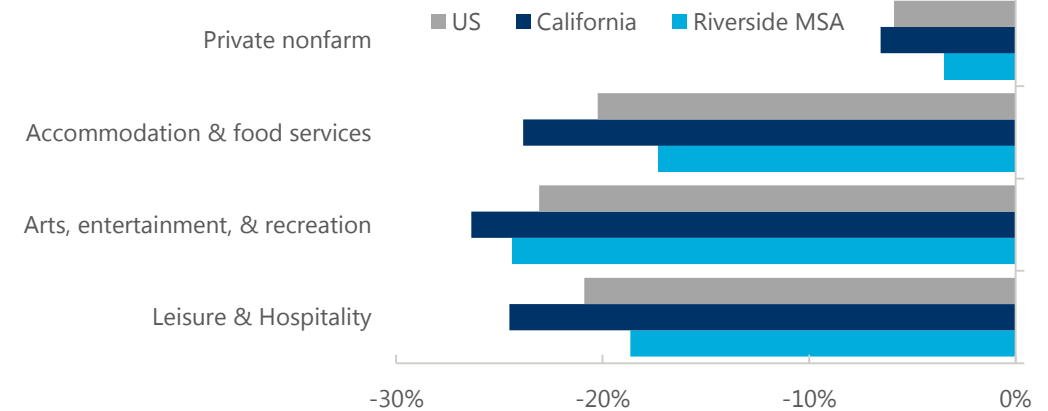
L&H jobs witness the largest contraction by industry of -18.7%. In comparison private nonfarm employment fell 3.5% versus 2019.

Arts, entertainment, and recreation declined by 24.4%, while accommodation and food services contracted 17.3% in 2020. In comparison the transportation and warehousing sector witnessed a 13.4% increase in jobs during 2020.

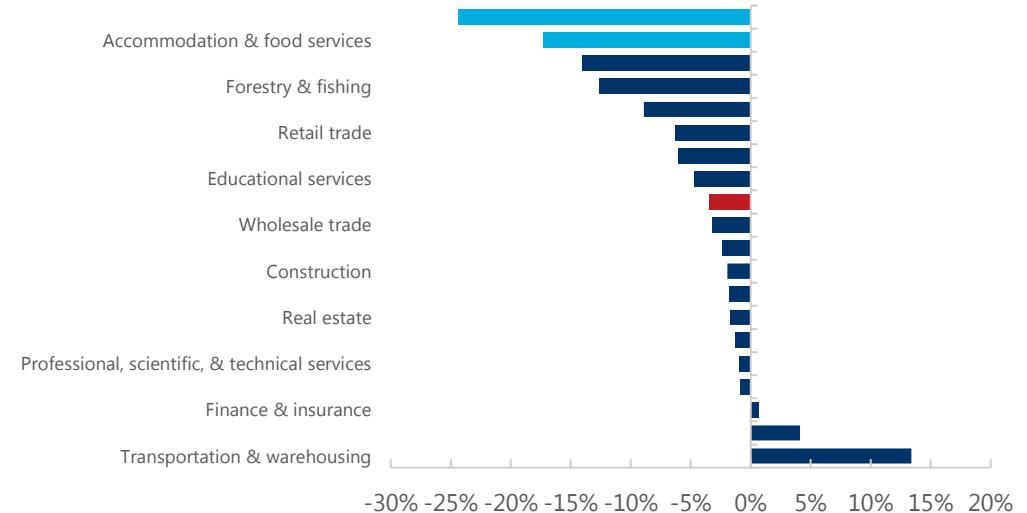
Only in the arts, entertainment, and recreation sector did employment contract more than the entire nation, as the impact of the pandemic was more contained than the state and nation.

Employment Growth in 2020 versus 2019

Employment growth, y/y % change



Employment growth, y/y % change by sector



Source: Tourism Economics, BEA

PANDEMIC TRENDS

MSA average annual wages by industry

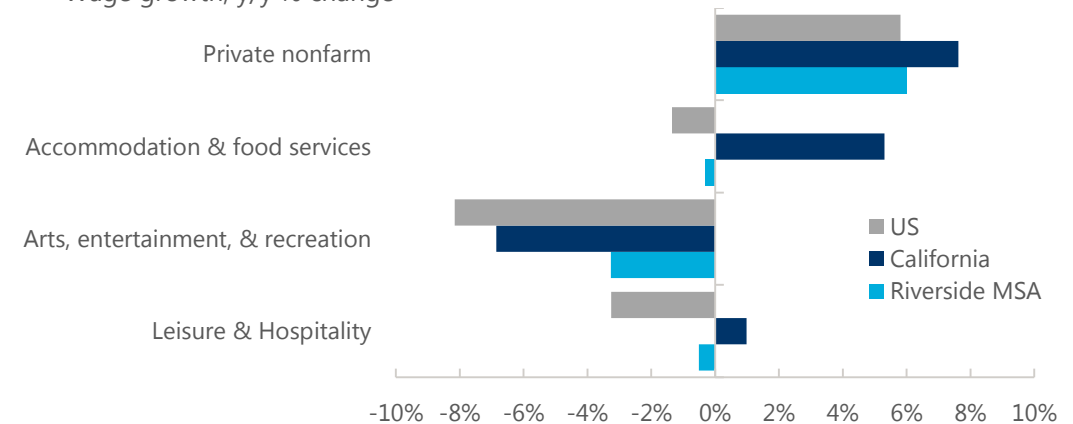
Average annual wages contracted in L&H

Average annual wages contracted (-0.5%) in the Riverside MSA in 2020. In comparison, private nonfarm wages grew by 6.0% in 2020. Each L&H sector contracted, and with mining, quarrying, and oil and gas extraction, were the only sectors in the MSA to experience wage compression in 2020.

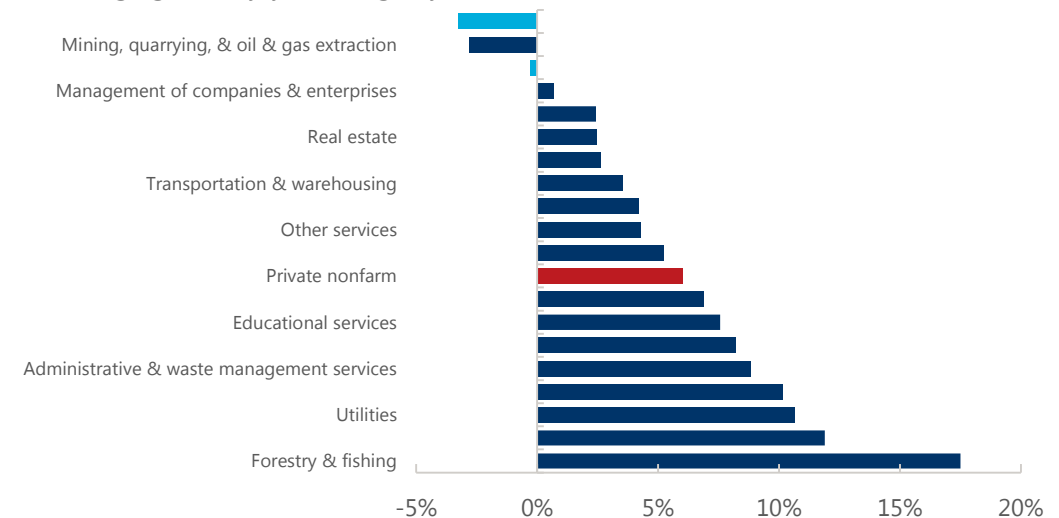
Riverside MSA wages fared better than the US in 2020 but were outperformed by the California state aggregate, driven by solid accommodation and food services wage growth in California.

Wage Growth in 2020 versus 2019

Wage growth, y/y % change



Wage growth, y/y % change by sector



Source: Tourism Economics, BEA

PANDEMIC TRENDS

L&H monthly employment recovery

Food services recovering fastest

Insight into the recovery is best explained through monthly BLS data – the data, however, excludes sole proprietors.

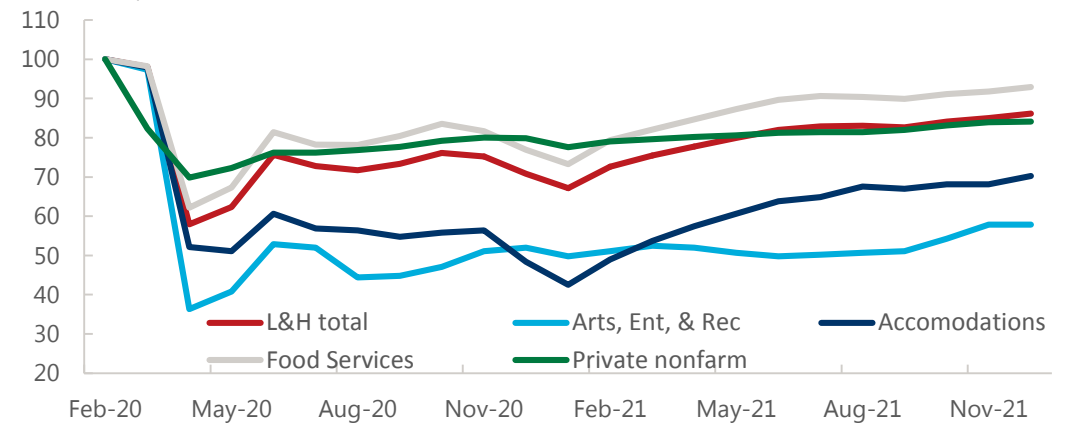
Total employment in the L&H industry was at 86.2% of February 2020 levels in December 2021.

Employment in arts, entertainment, and recreation fell the most in March 2020 and remained at 57.8% of February 2020 levels in December 2021. On the other hand, food services increased to 92.9% of the pre-pandemic benchmark in December 2021.

By industry, L&H employment recovery is the second slowest behind the information industry in the MSA. In comparison, the trade, transportation, and utilities industry was 13% above its pre-pandemic employment level.

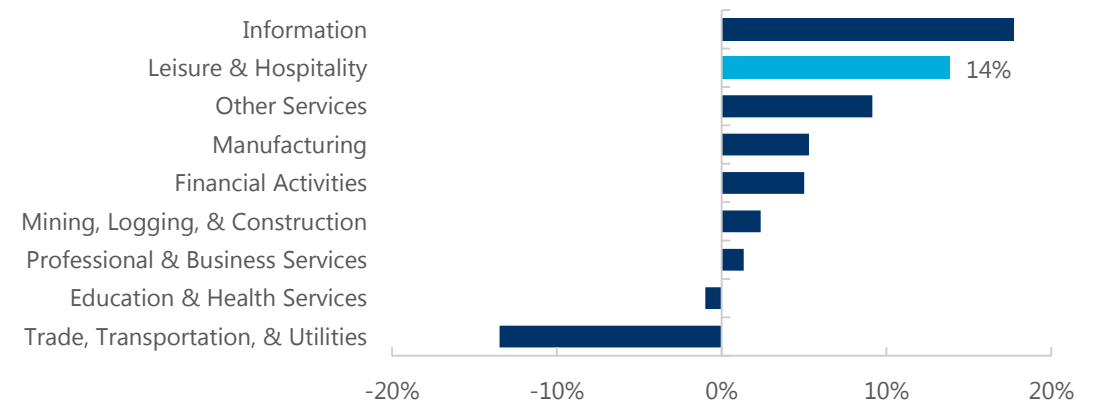
L&H Monthly Employment Recovery

Index, Feb 2020=100



MSA Monthly Employment Recovery

% below February 2020 level, as of December 2021



Source: Tourism Economics, BLS

Note: BLS data differs from BEA data in excluding sole proprietors.

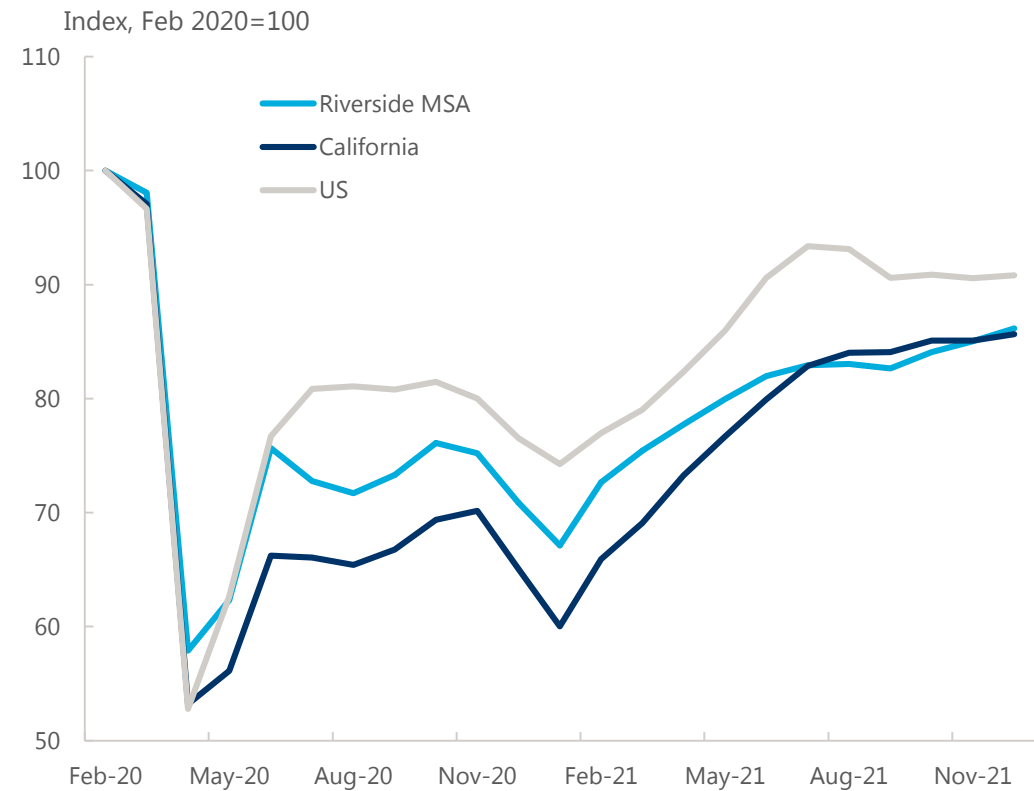
PANDEMIC TRENDS

L&H monthly employment recovery compared to state and nation

Riverside MSA recovery underway

The drop in employment in March 2020 was less severe than the declines witnessed across the US and California, and jobs started to return in 2021. However, the L&H jobs recovery has lost some momentum in recent months for the MSA, with California catching up.

L&H Monthly Employment Recovery



Source: Tourism Economics, BLS

Note: BLS data differs from BEA data in excluding sole proprietors.

PANDEMIC TRENDS

Greater Palm Springs monthly employment recovery

Total employment has recovered in Grater Palm Springs

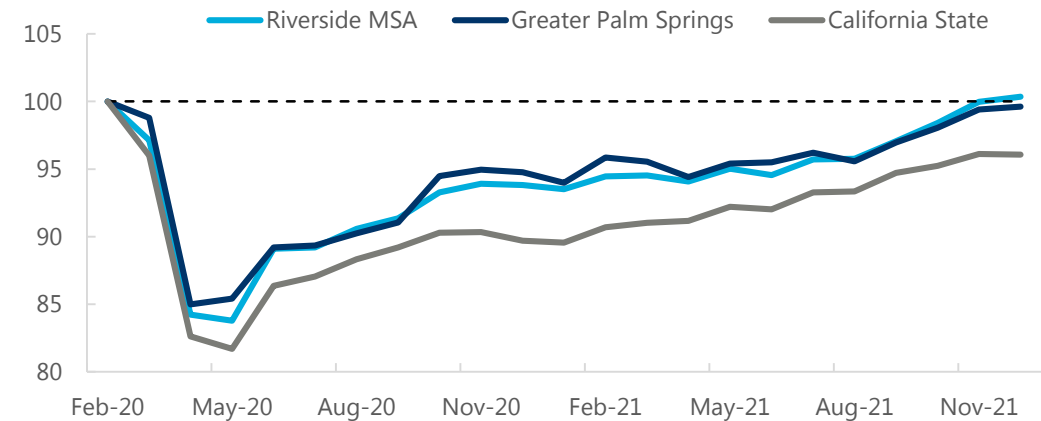
For Greater Palm Springs, total employment (all industries) rebounded to pre-pandemic levels in December 2021. Employment has rebounded faster than the state of California which is still 4% below February 2020 levels. Employment recovery for Greater Palm Springs closely follows Riverside MSA.

Unemployment rates across Greater Palm Springs have fallen steadily but remain slightly above their pre-pandemic levels in most instances.

Unemployment remains highest in Coachella and lowest in Indian Wells.

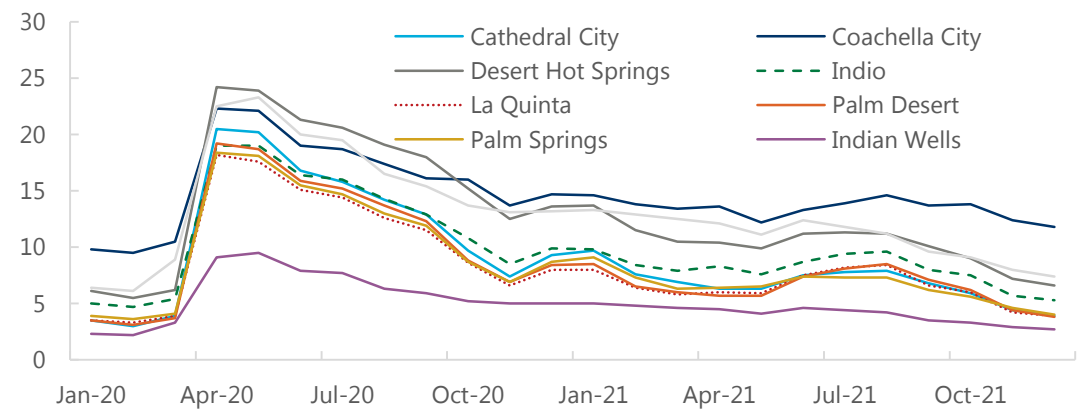
Monthly Employment Recovery

Index, Feb 2020=100



Greater Palm Springs Monthly Unemployment Rate

Unemployed % of labor force in 2019



Source: Tourism Economics, BLS – LAUS.

Note: BLS data differs from BEA data in excluding sole proprietors.

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