



# New York City's Traveler Accommodation Industry

A GUIDE FOR EDUCATION AND WORKFORCE DEVELOPMENT PROFESSIONALS



NYC **LMIS**  
LABOR MARKET  
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## EMPLOYMENT IN NEW YORK CITY'S TRAVELER ACCOMMODATION INDUSTRY

### EXECUTIVE SUMMARY

New York City is an increasingly popular destination for business and leisure travelers. In 2012, the City hosted 52 million visitors—up 44 percent from ten years earlier. Most visitors stay at hotels and other types of lodging places, making traveler accommodation an important segment of travel and tourism in New York City.

The New York City Labor Market Information Service, housed at the Center for Urban Research at the CUNY Graduate Center, undertook this research on the traveler accommodation industry on behalf of the Deputy Mayors' Workforce Collaborative, a committee of several New York City agencies responsible for local education, workforce and economic development policy. The research is intended to inform workforce preparation and encourage demand-driven programs and practices that align with the staffing needs of the industry.

Through an analysis of available statistical information, a review of business literature, and interviews and focus groups with industry experts (business owners, trade association and labor union representatives, and education and training providers), this research:<sup>1</sup>

- Reviews the nature and dynamics of the industry as it operates in New York City so that workforce professionals can anticipate employment opportunities;
- Presents, in the context of these business dynamics, where jobs are located and how

much they have grown or contracted in the recent past;

- Details the types of occupations that are available to jobseekers, the education and training these jobs typically require, how much they pay, and the number of people working in each;
- Describes how people get jobs in the industry, where and how they are trained, and once employed, how they advance; and
- Presents the demographic characteristics of the workforce in 2000 and 2010 to help readers understand important educational and age-related trends that may affect future demand.

The final section of the report includes key findings and their implications for various actors within the workforce system. They are summarized in this executive summary.

### Key Findings

#### *About the Industry*

- *Traveler accommodation is a thriving industry in New York City that has grown in recent years.* Hotel room inventory increased by 22 percent between 2006 and 2011, and is projected to grow by another seven to 10 percent between 2012 and 2014, with new hotel construction projects already underway. The industry's growth has been fueled by an increase in visitors to the City, favorable conditions for commercial real estate development, and zoning regulations that

*Employment in the traveler accommodation industry increased by 15 percent between 2006 and 2011, a much higher rate than employment in New York City's private sector as a whole.*

Average pay in the industry, at \$53,045 is above the citywide median, which is \$45,540. Pay is highest in Manhattan at \$55,390.

allow hotel construction in commercial and light manufacturing districts. Much of the increase in travel can be credited to the perception of New York City as a safe, fun place to visit, combined with efforts by the Bloomberg Administration to bring attractions to New York City and market its distinctive features.

- *The hotel industry is heavily concentrated in Manhattan; however, in recent years, there has been more development than ever in Brooklyn, Queens, and Staten Island. Job growth has been strong and is expected to continue into the next few years.*
- *The hotel industry in New York City is highly unionized, most notably in Manhattan and in full-service hotels. This workforce enjoys good pay and benefits, and the union rates influence pay and benefits in some non-union hotels.*
- *There are more limited-service hotels and boutique hotels. Within these types of hotel, the employment profile is different. There may be fewer types of jobs, and because many limited-service hotels are non-union, employees may be asked to help out in almost any area.*
- *There is more contracting out of certain functions, such as food and beverage services, and laundry services. Some opportunities for work in hotels can be found with firms that provide these types of contracted services.*

### *Employment and Wage Trends*

- *During the period between 2006 and 2011, employment in the traveler accommodation industry grew by 15*

*percent, a much higher rate than for the overall private sector in New York City, but slightly lower than the increase in hotel room capacity.*

- *Largely because of the degree of unionization, average pay, at \$53,045, is above the citywide median of \$45,540. Average pay is highest for jobs in Manhattan, at \$55,390, and lowest for jobs in Staten Island at \$21,287. Average pay has not kept pace with inflation over the past 11 years except in Manhattan.*
- *Turnover is low, especially in the unionized jobs. This is because pay is relatively good for jobs that do not require high levels of education, such as room attendant. Low turnover has resulted in a workforce that is older. In 2010, more than 50 percent of the traveler accommodation industry workforce was over the age of 45 versus 40 percent of the total employed workforce in New York City.*
- *There are employment opportunities in many different kinds of jobs, from room attendants to maintenance to front desk positions to all types of management jobs. These jobs are held by people with all levels of education, although recent trends point to higher levels of education in all types of jobs.*

### *Recruitment, Retention, Training, and Advancement*

- *To recruit and screen applicants, hiring managers use methods and organizations that have been effective for them in the past. Current hiring practices described by both hoteliers and training providers involve extensive employee selection*

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efforts. In addition to online tests, candidates commonly go through several interviews to be considered for work, and hoteliers often interview several candidates for each position.

- *In addition to listing positions on-line (or, for unionized positions, with the union in case there are people on layoff from these positions), hoteliers report a variety of recruitment relationships—with community colleges, universities, private and nonprofit organizations—that they believe work well for them.*
- *To fill vacancies, employers often recruit through their existing employees. Word-of-mouth and networking play a role in learning about jobs in the industry.*
- *Appearance can be very important. By all accounts, personal appearance and grooming is highly valued, especially for customer-facing jobs.*
- *Employers can afford to be selective. Because of the relatively good pay and benefits at unionized hotels, competition is strong. The selection process appears to be extensive, even for the most entry-level job.*
- *Employers do not report having difficulty filling positions that require less education but do report having moderate difficulty finding managers of all types, especially those with experience in the industry in New York City. Based on a review of “real time” labor market information, the greatest employment demand in the industry is for managers and guest service agents, jobs that typically require higher levels of education and, in the case of managers, experience. Several hoteliers mentioned the need for people*

to work in revenue management, as hotels are now updating prices and meeting market demands on a daily basis through advanced market analytics.

- *It appears that there is upward mobility in the industry—both in terms of increased levels of responsibility and pay—for people who are ambitious, flexible, and customer-service oriented.*
- *The employers interviewed as part of this study had little past experience with and expressed little current need to create new partnership arrangements beyond those they already have with public sector agencies for recruitment and screening. That being said, New York State Department of Labor officials report that the industry used to work with the agency to recruit individuals for the union positions. Also, the Department of Small Business Services, through NYC Business Solutions, often works with new hotels that are recruiting.*

### *Education and Training*

- *There is a broad range of education and training programs at all levels to prepare people for work in this industry. These range from top hotel management schools such as Cornell and NYU, to two- and four-year hospitality, travel/tourism and culinary arts degree programs at several colleges within CUNY and other local universities, training programs run by non-profit organizations, and hospitality-career-themed academies operated by the New York City Department of Education. In general, these institutions are well-informed about the industry and*

*The industry's workforce is diverse. They reside in all five boroughs. Most are foreign-born.*

make every effort to engage students in internships or work assignments in the industry before graduation. Internships are more common among college students, but more difficult to arrange with adults who are not in college and with high school youth.

### *Characteristics of the Current Workforce*

- *The industry's workforce is diverse.* Most (67 percent) are foreign-born. They reside in all five boroughs, with the greatest proportion living in Queens. The proportions of white, black, Hispanic and Asian workers are all in the 21 percent to 27 percent range. There are more men than women working in the industry. More than half the workforce is 45 years of age or older.

### *Implications for Workforce Development*

The following are the major implications of the research findings for different groups of professionals that help people secure jobs and meet employer demands in the industry.

#### *For Career Counselors and Jobseekers*

- Counselors should advise jobseekers that people who like a fast pace and enjoy dealing with customers/guests thrive best in the “front-of-the-house” occupations in the industry, such as food servers and guest service agents.
- There is no central clearinghouse or “cookie-cutter” way to land a job in the industry. Jobseekers need to hone their

job search and networking skills to find opportunities and land a job.

- In general, industry hiring picks up in the weeks before peak demand, in early fall and during winter holidays. Job searches in summer and early fall are likely to yield more openings than during other times of year.
- Opportunities for jobs that require comparatively less education—e.g., room attendants and wait staff—are highly competitive. Jobseekers should be prepared to make multiple efforts to “get their foot in the door,” and possibly undergo rigorous vetting during the interview process.
- Entry-level jobseekers should be coached to expect to work different jobs or off-hours/holidays until they have gained experience or seniority in the industry.
- Jobseekers and counselors should regularly visit industry and employer-specific online job boards, such as [hcareers.com](#), [highgatecareers.com](#), [careers.hershahotels.com](#) and hotel websites. LinkedIn is also a popular site for employers to advertise for office and management positions.

#### *For Program Managers and Job Developers*

- At the time of this report, there is uncertainty about future economic conditions in Europe and Asia. Providers should keep track of these conditions and how they influence consumer demand for hotels in New York City.
- Workforce providers should expect to spend more time and effort to establish

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trust and cultivate strong working relationships with human resources managers in the traveler accommodation industry than they do in other industries.

- When new lodgings open, multiple positions have to be filled. Job developers should stay current about industry conditions and identify upcoming hotel construction projects.

### *For Policy Makers*

- Postsecondary programs in hospitality and culinary arts arrange credit-bearing externships and internships with the industry. Opportunities for adults who are not in higher education—and for younger people—are much more uncommon. Agencies can be helpful by working with industry leaders to find ways of expanding internship opportunities.
- According to employers consulted in the course of this research, the industry's current recruitment, screening and hiring practices are effective at finding qualified candidates. Sector-specific workforce programs will likely have to mount convincing arguments that their services can improve upon the industry's existing practices.



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