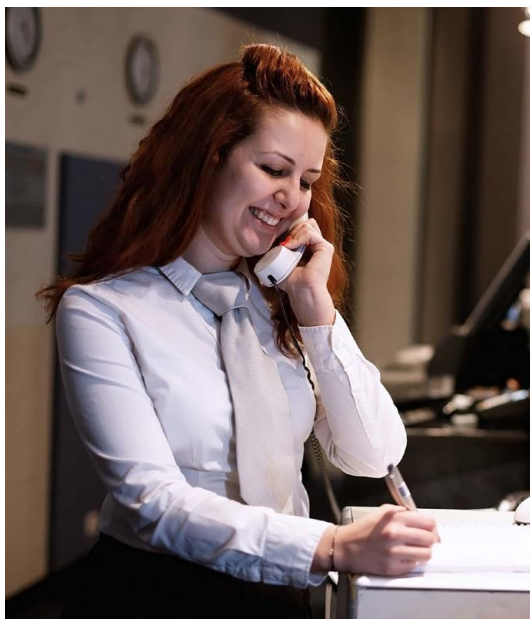




MICHIGAN HOSPITALITY AND TOURISM

INDUSTRY CLUSTER WORKFORCE ANALYSIS



MICHIGAN HOSPITALITY AND TOURISM

INDUSTRY CLUSTER
WORKFORCE ANALYSIS

TRISHA SCHLEGEL

Economic Analyst

Michigan Center for Data and Analytics

Department of Technology,
Management & Budget

schlegelt@michigan.gov

TABLE OF CONTENTS

4	Key Findings
5	Introduction
6	Employment and Wages
8	Subclusters
9	Key Occupations
12	Career Pathway
15	Real-Time Demand
19	Employment Projections
20	Workforce Demographics
24	Talent Pipeline
26	Conclusion



ABOUT THIS REPORT

This report is the product of a partnership between the Michigan Center for Data and Analytics and the Michigan Department of Labor and Economic Opportunity. It is designed to explore the Hospitality and Tourism industry cluster in Michigan through leveraging a variety of data sources. These include key occupations, education and training requirements, real-time online job ad demand, labor force projections, workforce demographics, the talent pipeline, and more. The intention of this report is to support workforce development across the state and to highlight the position of Hospitality and Tourism in Michigan.



Key Findings

- Hospitality and Tourism is responsible for almost 10 percent of all employment in Michigan. This industry cluster is prevalent in every area of the state and employment was on a steady incline before a large drop in 2020. Since then, the cluster has improved in employment (currently totaling at 394,500 individuals) but has not returned to its pre-pandemic level of 478,300.
- The cluster is highly accessible for workers due to low education requirements and numerous opportunities for employment. Occupations such as *Fast food counter workers*, *Maids and housekeeping cleaners*, and *Waiters and waitresses* all have high employment and high average annual openings. Each require no formal education credential and minimal on-the-job training.
- Following the initial shocks of the COVID-19 pandemic on employment and job opportunities, Hospitality and Tourism online job postings increased by 30 percent between 2020 and 2022. This growth was impacted by many important occupations to the cluster such as *Retail salespersons*.
- Many occupations in Hospitality and Tourism are expected to far exceed the average projected employment growth rate of 8.8 percent in Michigan. Jobs like *Restaurant cooks* are expected to increase in employment by nearly 56 percent through 2030. This is in part due to a base year where employment levels were historically low.
- Hospitality and Tourism is an industry cluster that is dominated by women. More than half of the employment in the cluster belongs to women. However, they earn far less than their male counterparts, on average, at every level of education within the cluster.



Introduction

An **industry cluster** is a strong concentration of related industries in one location.

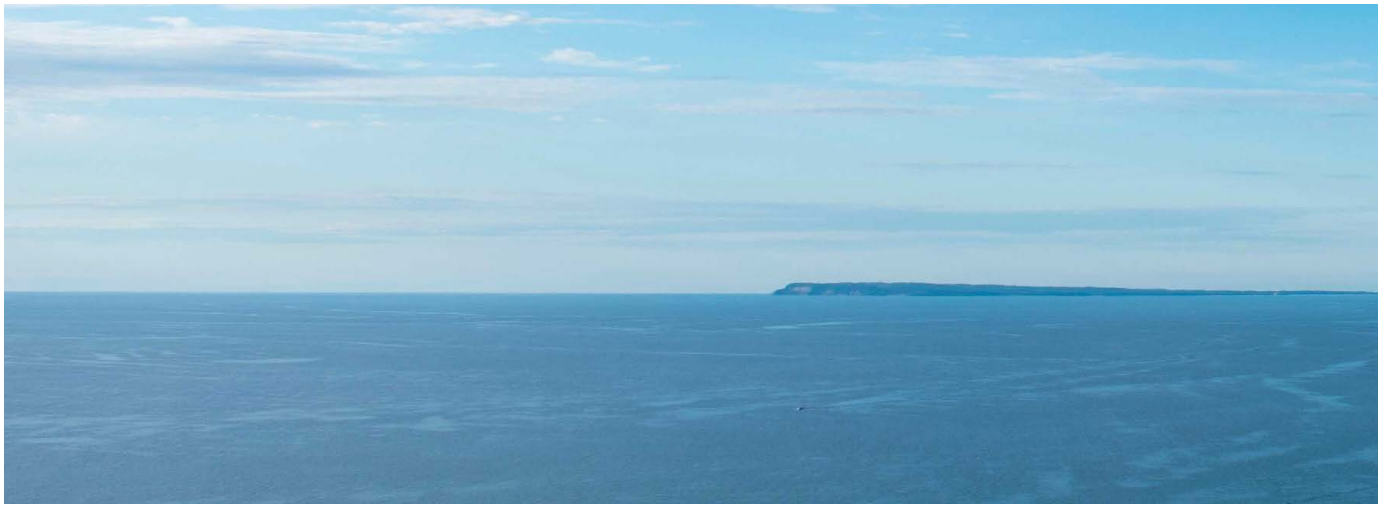
These clusters consist of related employers, suppliers, and support institutions in a product or service field. Industry clusters that are prevalent in a particular region fuel the regional economy, generate payrolls, and create innovation by leveraging the knowledge and resources of all involved.

The Hospitality and Tourism industry cluster is integrated into all parts of the Michigan economy. As the Great Lakes state, Michigan relies on employment consistency in the cluster to keep up with inner and outer state tourism. Michigan holds a unique combination of attractions that span the entire state, including Mackinac Island, Sleeping Bear Dunes National Lakeshore, the Cherry Capital and Coast Guard Cities, the University of Michigan, and the Detroit Institute of Arts. Beyond this list, Michigan is home to natural attractions, cities, universities, festivals, history, and more. Because of this, Hospitality and Tourism plays an especially important part in the success of the state—directly and indirectly affecting other industry areas.

The Hospitality and Tourism cluster consists of three subclusters:

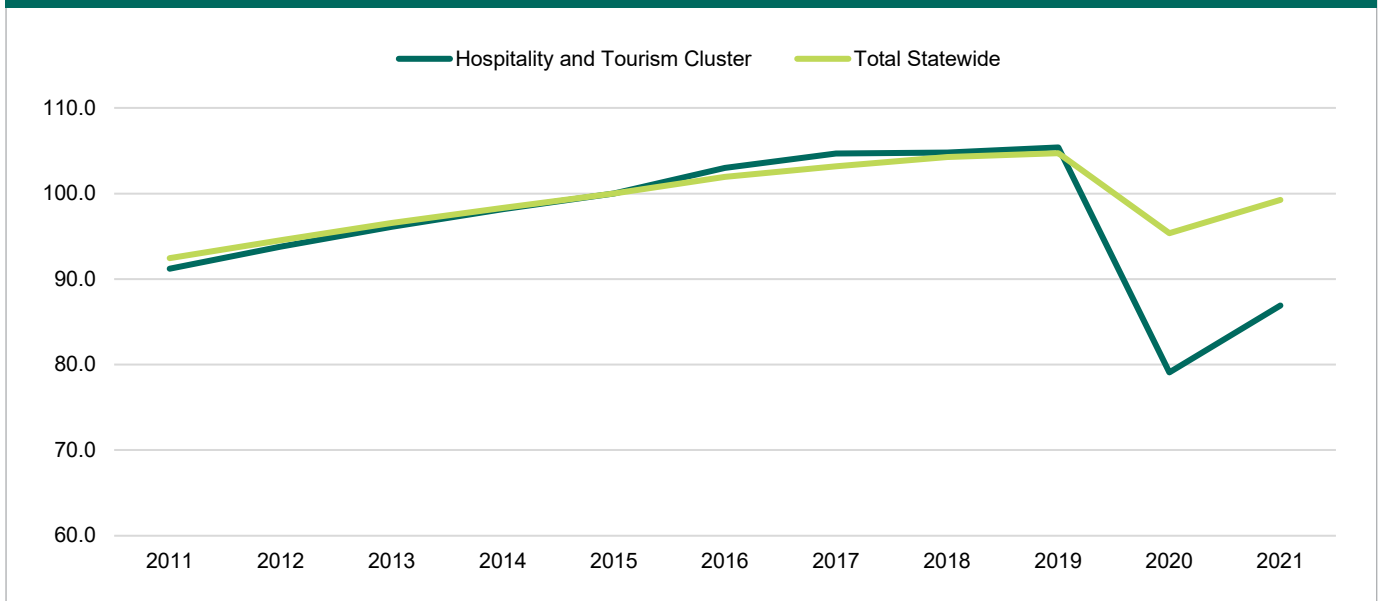
- Food Services
- Entertainment and Other Services
- Accommodation

This cluster provides a variety of employment opportunities beyond the anticipated occupations of *Waiters and waitresses* or *Hotel front desk agents*. Jobs in Hospitality and Tourism also exist for those wishing to work outside of typical customer-service driven roles, such as *Accountants* or *Graphic designers*. While positions like these are not the ones interacting with customers, they remain essential to the success of Michigan's Hospitality and Tourism industry cluster.



Employment and Wages

FIGURE 1: EMPLOYMENT INDEX, MICHIGAN HOSPITALITY AND TOURISM CLUSTER (INDEX YEAR: 2015)

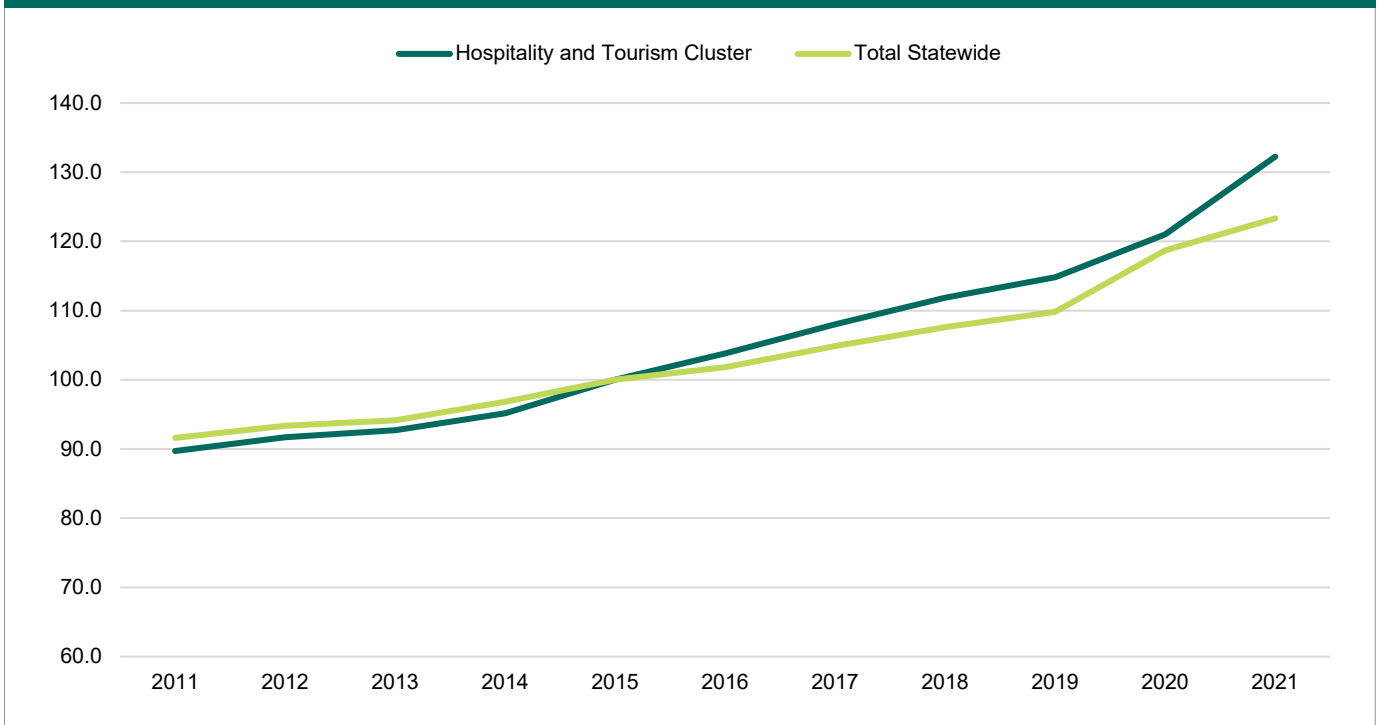


Source: Quarterly Census of Employment and Wages, Michigan Center for Data and Analytics

From 2011 to 2019, employment growth in Hospitality and Tourism was aligned with the state. In 2020, the COVID-19 pandemic most directly impacted industries which rely on in-person interaction. Goods and services involving face-to-face interaction is largely what makes up Hospitality and Tourism. Since then, employment in the cluster has not yet come close to its pre-pandemic levels. In Figure 1, employment is indexed to 2015. This means employment was set equal to 100 in 2015 and percent changes were calculated from there. As of 2021, Hospitality and Tourism is made up of 394,500 employed individuals, just 87 percent of its level in 2015 (453,900). Overall, the cluster is responsible for nearly 10 percent of all employment in the state, making it one of the most noticeable and relied on across Michigan.



FIGURE 2: NOMINAL WAGE* INDEX, MICHIGAN HOSPITALITY AND TOURISM CLUSTER (INDEX YEAR: 2015)



Source: Quarterly Census of Employment and Wages, Michigan Center for Data and Analytics
*Nominal wages are not adjusted for inflation.

Wage growth in Hospitality and Tourism began to separate slightly from the statewide trend after 2015. Since 2015, average nominal (not inflation-adjusted) wages in the cluster have grown by 32 percent while the average across the state is 23 percent. Although the cluster has shown above-average growth compared to Michigan, its annual salary in 2021 was much less than statewide. The average annual salary in Michigan (\$61,700) is more than double the earnings in Hospitality and Tourism (\$25,200). This situation has been true for the past decade, and likely before as well.

Subclusters

FIGURE 3: SUBCLUSTER EMPLOYMENT DISTRIBUTION, MICHIGAN HOSPITALITY AND TOURISM CLUSTER, 2021



Source: Quarterly Census of Employment and Wages, Michigan Center for Data and Analytics

Food Services

Food Services and Drinking Places

Food services holds the largest share of Hospitality and Tourism employment at 71.3 percent. This subcluster includes industries such as *Restaurants and other eating places*, *Drinking places (alcoholic beverages)*, and *Special food services*, like catering. This subcluster does not capture places such as *Breweries*. Total employment in this subcluster is 281,400, with average earnings of \$21,400, slightly below the overall average for the cluster. Even though this subcluster has the lowest average wages, earnings have grown just over 17 percent from pre-pandemic wages of \$18,100.

Entertainment and Other Services

Amusement, Gambling, and Recreation Industries
Museums, Historical Sites, and Similar Institutions
Other Personal Care Services
Performing Arts Companies
Personal Care Services
Spectator Sports
Travel Arrangement and Reservation Services

The *Entertainment and other services* subcluster makes up the next largest employment share in Hospitality and

Tourism with 71,600 employed. This subcluster covers a broad range including *Golf courses and country clubs* or other *Outdoor recreation* to *Hairdressers* and *Travel agencies*. This group has the highest average salary in the industry cluster at \$35,100, which is almost exactly \$10,000 higher per year than the cluster average. This is largely because of *Spectator sports*, which has an average annual salary of \$272,500, nearly eight times greater than the average salary of *Entertainment and other services*. This alone inflates the average earnings in the subcluster to appear much higher than they would be otherwise. Without *Spectator sports* earnings, the subcluster would have an average annual salary of \$28,300, which is much closer to the overall cluster average.

Accommodation

Accommodation

Although *Accommodation* is the subcluster with the lowest share of overall employment in Hospitality and Tourism, it still makes up over 10 percent of the cluster with 41,500 employees. This subcluster includes industry groups such as *Traveler accommodation*, *RV (recreational vehicle) parks and recreational camps*, and *Rooming and boarding houses*. The average annual salary in this subcluster in 2021 was \$34,100, which is up by 16 percent since 2019 (\$29,500).

Key Occupations

Occupational analysis is important to understanding an industry cluster. Key occupations are chosen by a favorable mix of criteria that include the occupation's share of the cluster's total employment, the concentration within the cluster, and the projected outlook for that occupation. Due to the occupations having large volumes within the cluster, they are generally representative of the expected wages, education, and skills within the industry cluster.

- Half of the key occupations in Hospitality and Tourism require no formal education credential and some type of on-the-job training. This makes it a highly accessible industry cluster for individuals to enter the workforce before completing a high school degree or equivalent, and higher. Younger individuals may find this industry cluster appealing when looking for an entry-level job, as evidenced by the share of workers ages 14 to 18 in the cluster.
- Hospitality and Tourism has an overall median wage of \$13.41. Although its key occupations typically have entry-level earnings just below this average, with training and experience, these positions can earn above the cluster median, and sometimes even above the statewide median (\$21.73).
- Employment in key occupations for the cluster is heavily concentrated among individuals in positions related to *Food and beverage services*. These occupations are also where the highest average annual openings are expected to be. There are projected to be over 74,800 average annual openings among these 17 key occupations between 2020 and 2030, which is almost 90 percent of the total 84,300 average annual openings expected across all 25 key occupations.



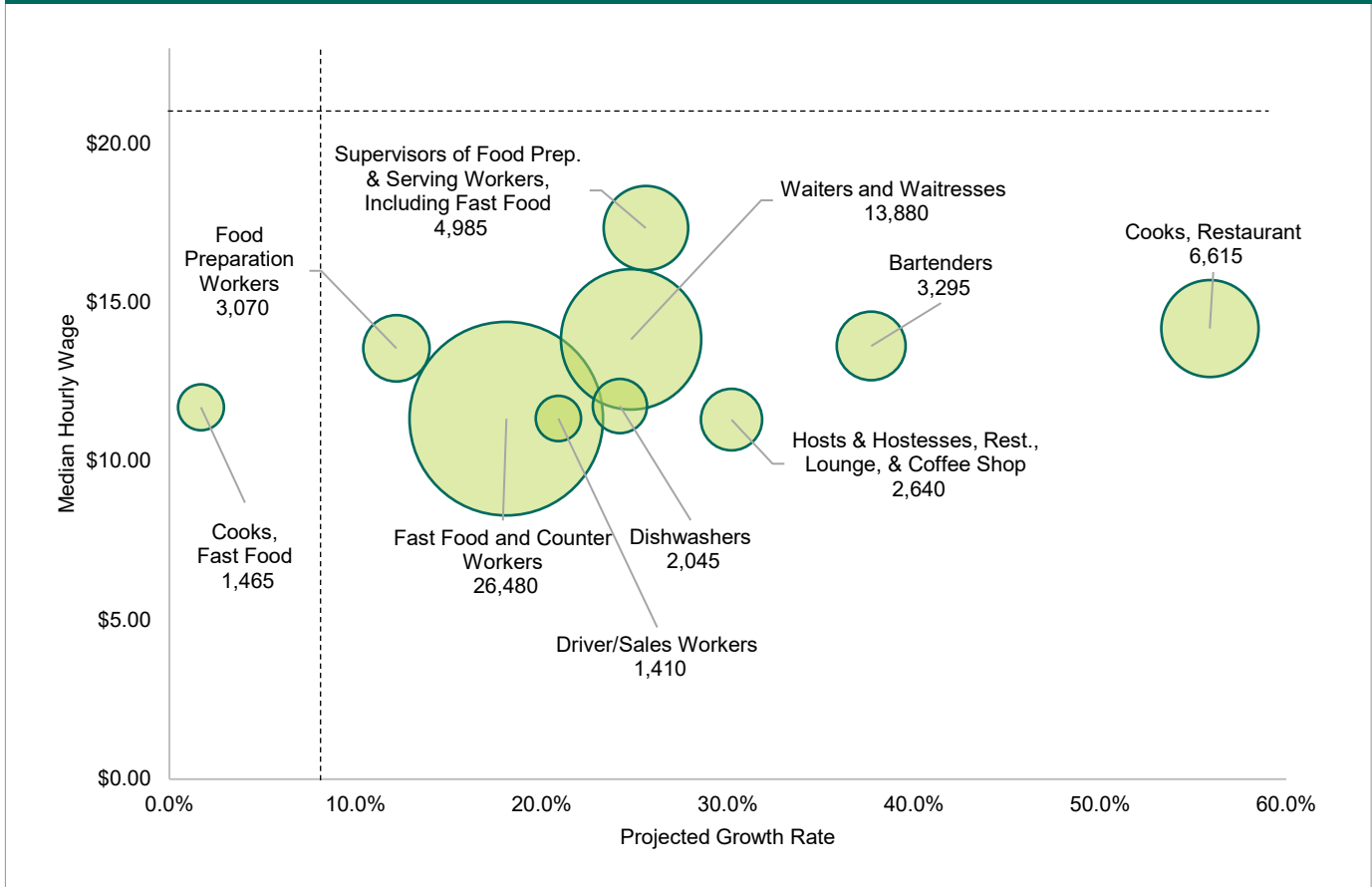
FIGURE 4: KEY OCCUPATIONS, MICHIGAN HOSPITALITY AND TOURISM CLUSTER, 2021

KEY OCCUPATION	CLUSTER EMP.	MICHIGAN EMP.	CLUSTER WAGE RANGE (HOURLY)	ANNUAL OPENINGS	TYPICAL EDUCATION AND TRAINING OJT: ON-THE-JOB TRAINING
Fast Food and Counter Workers	92,920	107,590	\$11–\$13	26,480	No Formal Education Credential and Short-term OJT
Waiters and Waitresses	43,710	48,380	\$11–\$19	13,880	No Formal Education Credential and Short-term OJT
Cooks, Restaurant	28,950	31,050	\$13–\$15	6,615	No Formal Education Credential and Moderate-term OJT
Supervisors of Food Prep. and Serving Workers, Including Fast Food	25,800	28,500	\$14–\$23	4,985	High School Diploma or Equivalent
Bartenders	10,380	12,580	\$11–\$18	3,295	No Formal Education Credential and Short-term OJT
Cooks, Fast Food	9,420	9,720	\$11–\$14	1,465	No Formal Education Credential and Short-term OJT
Driver/Sales Workers	8,110	12,710	\$11–\$14	1,410	High School Diploma or Equivalent and Short-term OJT
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	8,080	9,540	\$11–\$13	2,640	No Formal Education Credential and Short-term OJT
Food Preparation Workers	7,880	13,370	\$11–\$15	3,070	No Formal Education Credential and Short-term OJT
Dishwashers	7,690	8,990	\$11–\$14	2,045	No Formal Education Credential and Short-term OJT
Dining Room and Cafeteria Attendants	7,350	8,460	\$11–\$14	2,610	No Formal Education Credential and Short-term OJT
Maids and Housekeeping Cleaners	7,270	16,750	\$11–\$14	3,640	No Formal Education Credential and Short-term OJT
Hairdressers, Hairstylists, and Cosmetologists	7,210	8,300	\$11–\$22	2,035	Postsecondary Nondegree Award
Food Service Managers	6,330	7,450	\$23–\$36	920	High School Diploma or Equivalent
Amusement and Recreation Attendants	5,800	7,670	\$11–\$13	2,200	No Formal Education Credential and Short-term OJT
Hotel, Motel, and Resort Desk Clerks	5,130	5,600	\$11–\$14	905	High School Diploma or Equivalent and Short-term OJT
Chefs and Head Cooks	3,110	3,650	\$19–\$29	390	High School Diploma or Equivalent
Animal Caretakers	3,070	5,430	\$11–\$15	1,605	High School Diploma or Equivalent and Short-term OJT
Exercise Trainers and Group Fitness Instructors	2,650	4,080	\$17–\$29	1,330	High School Diploma or Equivalent and Short-term OJT
Gambling Dealers	1,910	1,940	\$11–\$22	355	High School Diploma or Equivalent and Short-term OJT
Bakers	1,250	6,650	\$12–\$15	830	No Formal Education Credential and Long-term OJT
Supervisors of Entertainment and Rec. Workers	1,170	2,180	\$15–\$29	915	High School Diploma or Equivalent
Lodging Managers	1,060	1,140	\$23–\$37	110	High School Diploma or Equivalent
Meeting, Convention, and Event Planners	830	3,210	\$18–\$35	500	Bachelor's Degree
Locker Room, Coatroom, and Dressing Room Attendants	810	830	\$11–\$14	45	High School Diploma or Equivalent and Short-term OJT

Source: Cluster employment, Michigan employment, and Wage range: Occupational Employment and Wage Statistics, Michigan Center for Data and Analytics (2021); Annual Openings: 2020–2030 Long-term Occupational Projections, Michigan Center for Data and Analytics; Typical Education and Training: U.S. Bureau of Labor Statistics

Note: Cluster employment is the total count of the occupation within the defined industry cluster, while Michigan employment is the total count of that occupation in the state across all industries.

FIGURE 5: KEY OCCUPATIONS, MICHIGAN HOSPITALITY AND TOURISM CLUSTER, 2021



Source: 2021 Occupational Employment and Wage Statistics, Michigan Center for Data and Analytics (Wages); 2020–2030 Long-term Occupational Projections, Michigan Center for Data and Analytics (Projected Growth Rate and Annual Openings)

Many of the key occupations for the cluster are displayed in Figure 5. They show a mix of projected long-term growth, projected average annual openings, and statewide median wages. The circle sizes are determined by the number of average annual openings. The lines at 8.8 percent and \$21.73 indicate statewide projected employment growth through 2030 and the statewide median wage from 2021.

Among the displayed occupations, none of them have a negative growth rate, which means they are all projected to have higher levels of employment by 2030. This is in part due to a base year of 2020, where employment was historically low. All occupations shown have a higher expected employment growth than the state, except for *Cooks, fast food*.

Despite having higher expected growth than Michigan, all occupations shown for Hospitality and Tourism fall below the statewide earnings average. This is to be expected with minimal to no educational requirements for the occupations making up Hospitality and Tourism. It is also possible that average hourly earnings are not fully represented in the data due to an industry cluster that is more likely to involve cash tips, which are unable to be captured unless formally reported.



Typical Education and Training: U.S. Bureau of Labor Statistics

High School Diploma or Equivalent or Short-term Training

Bartenders
Dishwashers
Fast Food and Counter Workers
Maids and Housekeeping Cleaners
Waiters and Waitresses

This tier of education and training is where most of the occupations in Hospitality and Tourism can be found. Each of the occupations listed are also part of the key occupations for the cluster. These occupations can either have no formal educational credential or a high school diploma and equivalent, but there is always a short-term training requirement (often less than one month). These occupations are in line with the cluster median wage and do not exceed the statewide median. The occupations in this group are high in employment and are vital to the success of the Hospitality and Tourism cluster, meaning there should never be a shortage of opportunities.

High School Diploma or Equivalent and Work Experience

Chefs and Head Cooks
First-Line Supervisors of Food Preparation and Serving Workers
First-Line Supervisors of Personal Service Workers
Food Service Managers
Lodging Managers

Some occupations in Hospitality and Tourism depend more on experience rather than on-the-job training. Each of the occupations, except *Chefs and head cooks*, listed in this category require a high school diploma or equivalent and less than five years of experience. *Chefs and head cooks* still require a high school degree but need more than five years of experience. These occupations all have median hourly earnings above the cluster median (\$13.41) and many in this category also exceed the statewide median hourly wage. This shows that the more time spent in Hospitality and Tourism, the more opportunities there will be to advance within the cluster and earn wages comparable to the Michigan average.

Postsecondary Certificate or Moderate-term Training

Cooks, Restaurant
Hairdressers, Hairstylists, and Cosmetologists
Massage Therapists
Skincare Specialists
Tour and Travel Guides

This education and training tier is largely made up of occupations focused on *Personal care services*, such as *Hairdressers, hairstylists, and cosmetologists*. Occupations outside of that industry area are placed here due to moderate-term on-the-job training, which is typically anywhere from one to 12 months in length. These occupations typically have higher average wages than the cluster median, but only some, like *Massage therapists*, exceed the statewide median.

Bachelor's Degree or Higher

Accountants and Auditors
Entertainment and Recreation Managers, Except Gambling
General and Operations Managers
Marketing Research Analysts and Marketing Specialists
Meeting, Convention, and Event Planners

Very few occupations in the Hospitality and Tourism industry cluster require a bachelor's degree or higher. The occupations that do require this level of educational attainment also typically involve some level of work experience. These occupations are lower in average employment compared to other areas of the cluster, but all pay above the cluster median hourly wage, and most will pay above the average statewide median (\$21.73). Occupations in this education tier have earnings ranging from \$14 to \$47 per hour.



Real-Time Demand

Real-time demand is measured as the number of job advertisements posted online for an occupation or industry. The data is provided by Burning Glass Technologies and The Conference Board Help Wanted Online. Over time, online job advertisements have become more prevalent as technology becomes a more prominent method of communication. The use of online job postings still varies by industry with some areas of the economy being more reliant on methods such as word of mouth or local advertisements. Online job advertisements, however, can provide a mix of information about an industry cluster such as total available ads, top requested skills and certifications, minimum education requirements, and more.

Hospitality and Tourism cluster online job advertisements have been on an upward trend since 2015, with growth rates well above the statewide average. In Figure 6, online job advertisements in the Hospitality and Tourism cluster and the state are indexed to 2015. Each level of 2015 online job advertisements were set equal to 100 and the changes were calculated from there. In 2022, there were 2.2 online job advertisements for every one in 2015. This marks a high influx in online demand for workers in this cluster since the index year. It also indicates that Hospitality and Tourism has likely increased its use of online applicant sourcing compared to methods such as local advertisements.

Real-time demand is measured as the number of job advertisements posted online for an occupation or industry.

FIGURE 6: ONLINE JOB ADVERTISEMENTS INDEX, MICHIGAN HOSPITALITY AND TOURISM CLUSTER (INDEX YEAR: 2015)



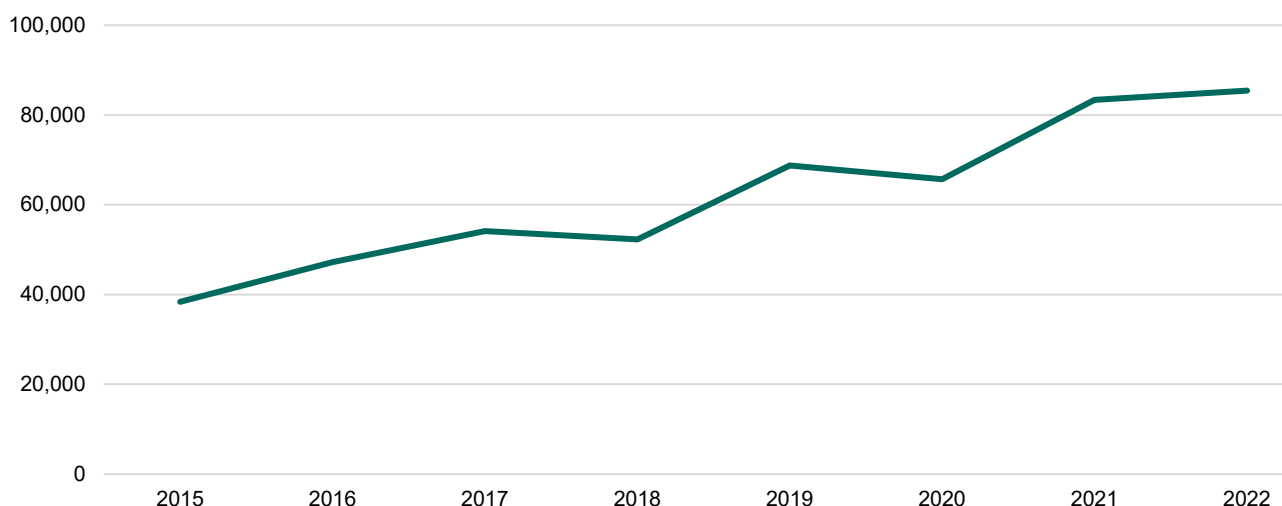
Source: The Conference Board Help Wanted OnLine, Burning Glass Technologies

The industry cluster has shown a steady increase in online job advertisements since 2015, with 2022 advertisements totaling more than double 2015 ads (Figure 7). A few occupations leading this increase numerically are *Food service managers*; *Combined food preparation and serving workers*; and *Waiters and waitresses*. In terms of percent growth, three of the standout occupations are *Hosts and hostesses*; *Receptionists and information clerks*; and *Laborers and freight, stock, and material movers*. Some of the overall growth in the cluster can be attributed to the recovery from COVID-19 impacts to Hospitality and Tourism in early 2020. This industry cluster was heavily affected by the pandemic and has been working hard to recover from the effects. Between 2020 and 2022 alone, the industry cluster had a growth rate of 30.0 percent in online job advertisements.

Higher education does not play a critical role in the Hospitality and Tourism industry cluster online job ads. The minimum education requirements for online job postings in the cluster are overwhelmingly for those with a high school diploma or equivalent, at 83 percent of all ads. The other 17 percent is split between jobs requiring all other degree levels. It is worth noting that Burning Glass Technologies does not gather data on job advertising for those with less than a high school diploma, which is the minimum level of education in many Hospitality and Tourism positions.



FIGURE 7: ONLINE JOB ADVERTISEMENTS, MICHIGAN HOSPITALITY AND TOURISM CLUSTER



Source: The Conference Board Help Wanted OnLine, Burning Glass Technologies



The top 10 certifications and baseline or specialized skills are determined from the number of times the skill or certification is listed in an online job advertisement for a specific time period (July 2021 to June 2022). Certifications are designated credentials earned by an individual to verify skills or knowledge gained to perform a job. Baseline skills are often called foundational skills and are defined as the common, nonspecialized skills that cut across a broad range of occupations. Lastly, specialized skills include professional and job-specific skills requested in job advertisements.

Certifications and Skills Requested in Michigan Hospitality and Tourism Cluster Online Job Ads

Top 10 Certifications

Adjuster License
Casino Gaming License
Chartered Property Casualty Underwriter (CPCU)
Cosmetology License
First Aid CPR AED
Food Handler Certification
Food Service Certification
Licensed Barber
ServSafe
Training for Intervention Procedures (TIPS) Certification

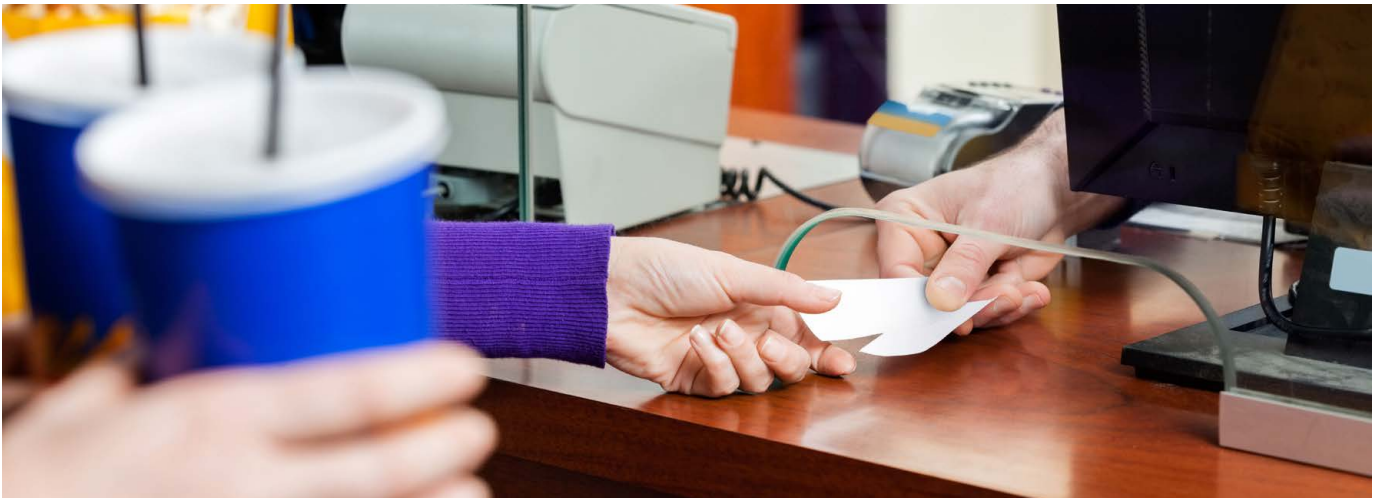
Note: Driver's license is not listed here but did appear in the top 10 certifications for every industry cluster.

Top 10 Baseline Skills

Communication Skills
Computer Literacy
Detail-Oriented
Multi-Tasking
Organizational Skills
Physical Abilities
Planning
Positive Disposition
Problem Solving
Teamwork/Collaboration

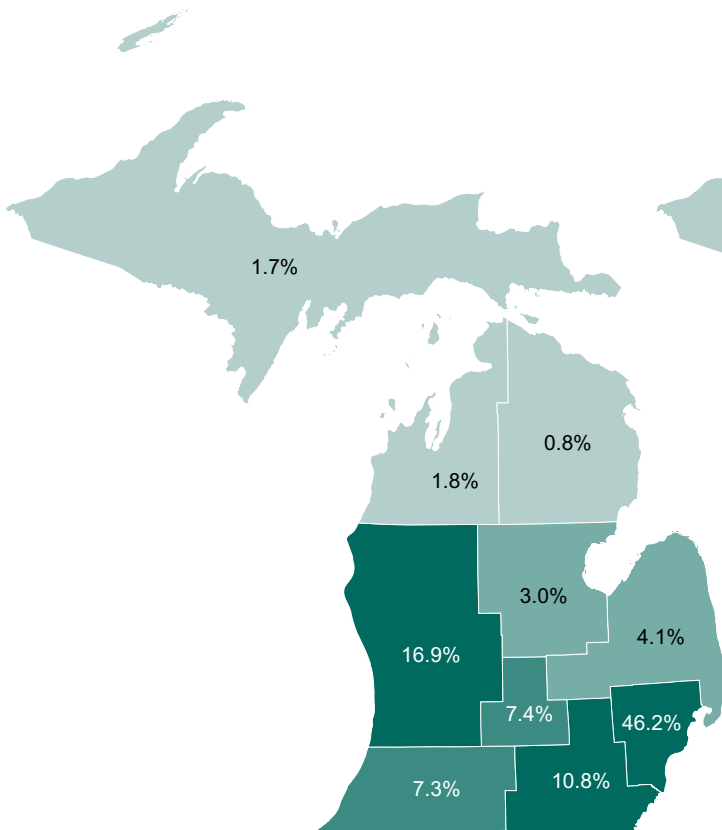
Top 10 Specialized Skills

Cash Handling
Cleaning
Cooking
Customer Service
Food Preparation
Food Safety
Guest Services
Restaurant Management
Sales
Scheduling

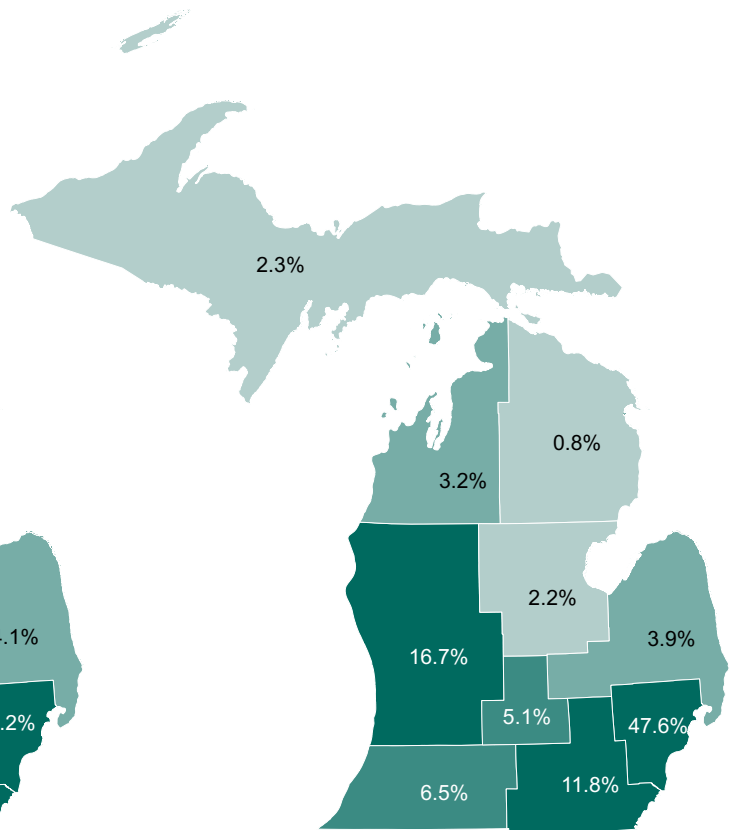


Percent shares of Hospitality and Tourism job advertisements across Michigan prosperity regions generally match the overall statewide shares. Two regions that stand out are the Upper Peninsula and Northwest Michigan. These two regions have slightly higher shares of Hospitality and Tourism online job ads compared to their overall statewide share of ads. Northern Michigan plays a critical role in tourism for the state, especially during the summer months, so it makes sense that these regions would have slightly higher shares of ads in the cluster.

Share of Total Job Advertisements by Michigan Prosperity Region, July 2021 to June 2022



Share of Hospitality and Tourism Cluster Job Advertisements by Michigan Prosperity Region, July 2021 to June 2022



Source: The Conference Board Help Wanted OnLine, Burning Glass Technologies

Employment Projections

Projections do not exist for industry clusters, but they do exist for industries and occupations that make up the industry cluster. Although projections through 2030 show nearly 9 percent growth in total statewide employment, it is important to remember that these projections begin with a base year of 2020, where total employment was down compared to prior years.

Occupations shown in Figure 8 are the top five occupations in Hospitality and Tourism in terms of projected employment growth between 2020 and 2030. All but *Ushers, lobby attendants, and ticket takers* appear in the key occupations for the cluster. None of these occupations have an education requirement further than a high school diploma or equivalent and all of

them require some type of on-the-job training under 12 months. Together, these five occupations are projected to increase employment by 23,660 through 2030.

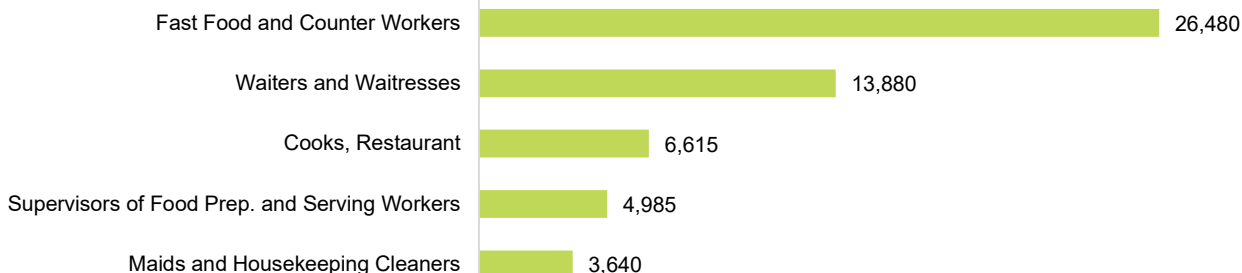
The top five occupations shown in Figure 9 are determined by the highest number of average annual openings projected through 2030. *Fast food and counter workers* have the highest employment of the top five occupations displayed and is also the occupation with the second highest employment in the state, just behind *Retail salespersons*. Understandably, this occupation also has the greatest number of expected average annual openings. Together, these five occupations are expected to provide 55,600 average annual openings through 2030.

FIGURE 8: MICHIGAN HOSPITALITY AND TOURISM CLUSTER OCCUPATIONS WITH THE MOST PROJECTED GROWTH THROUGH 2030



Source: 2020–2030 Occupational Employment Projections, Michigan Center for Data and Analytics

FIGURE 9: MICHIGAN HOSPITALITY AND TOURISM CLUSTER OCCUPATIONS WITH THE MOST PROJECTED ANNUAL OPENINGS THROUGH 2030



Source: 2020–2030 Occupational Employment Projections, Michigan Center for Data and Analytics

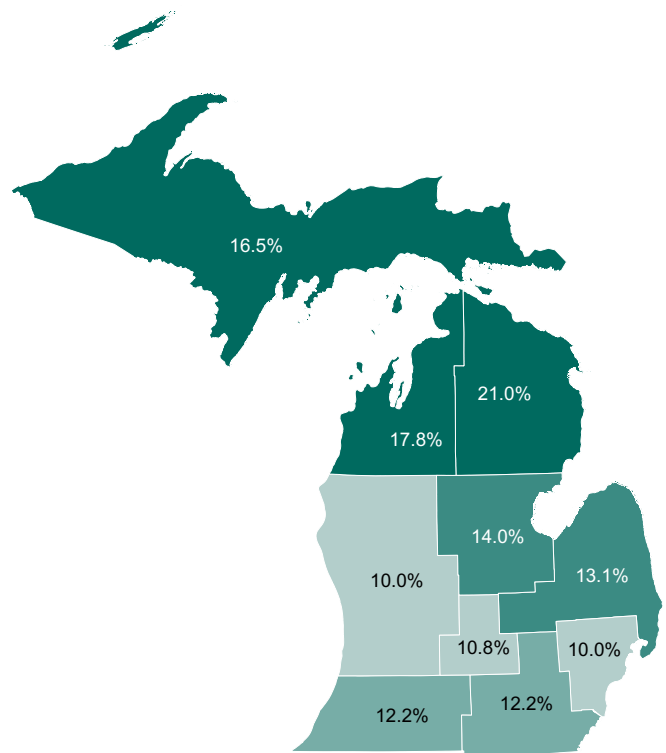


Workforce Demographics

Data on workforce demographics such as gender, age, education, and race and ethnicity are important to identifying industry cluster characteristics and evaluating potential disparities. Understanding and addressing gaps in education and skills across demographic groups can aid in the growth of an industry cluster. In order to maintain a young workforce across an industry cluster, employers may need to acclimate to what their workforce values, such as opportunities for financial and professional gain. The following section displays characteristics of the Hospitality and Tourism workforce in Michigan. These data analyses rely on the Longitudinal Employer-Household Dynamics and may vary slightly from industry data published by the Quarterly Census of Employment and Wages due to limitations in data availability and differences in collection time periods.

Hospitality and Tourism makes up a large proportion of employment in every region of the state. Even the regions with the lowest shares have over one-tenth of their employment belonging to Hospitality and Tourism. This cluster is more reliant on seasonality, compared to other clusters such as Healthcare, and may see dips in employment levels during other parts of the year. As can be expected, the most highly concentrated areas are in the northernmost regions of the state. These three regions are not only attractive to Michigan's

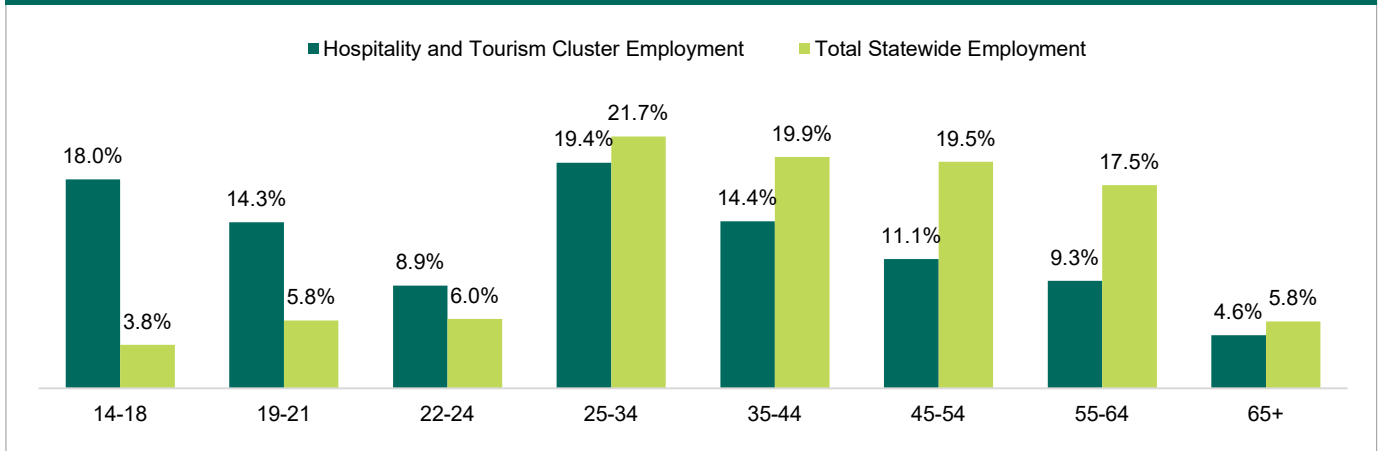
Hospitality and Tourism Cluster Share of Total Employment by Michigan Prosperity Region



Source: Longitudinal Employer-Household Dynamics, U.S. Census Bureau

residents, but out-of-state tourists as well. These areas of the state hold many state parks, wineries, Great Lakes shorelines, port towns, and more.

FIGURE 10: MICHIGAN HOSPITALITY AND TOURISM CLUSTER EMPLOYMENT BY AGE, THIRD QUARTER 2021

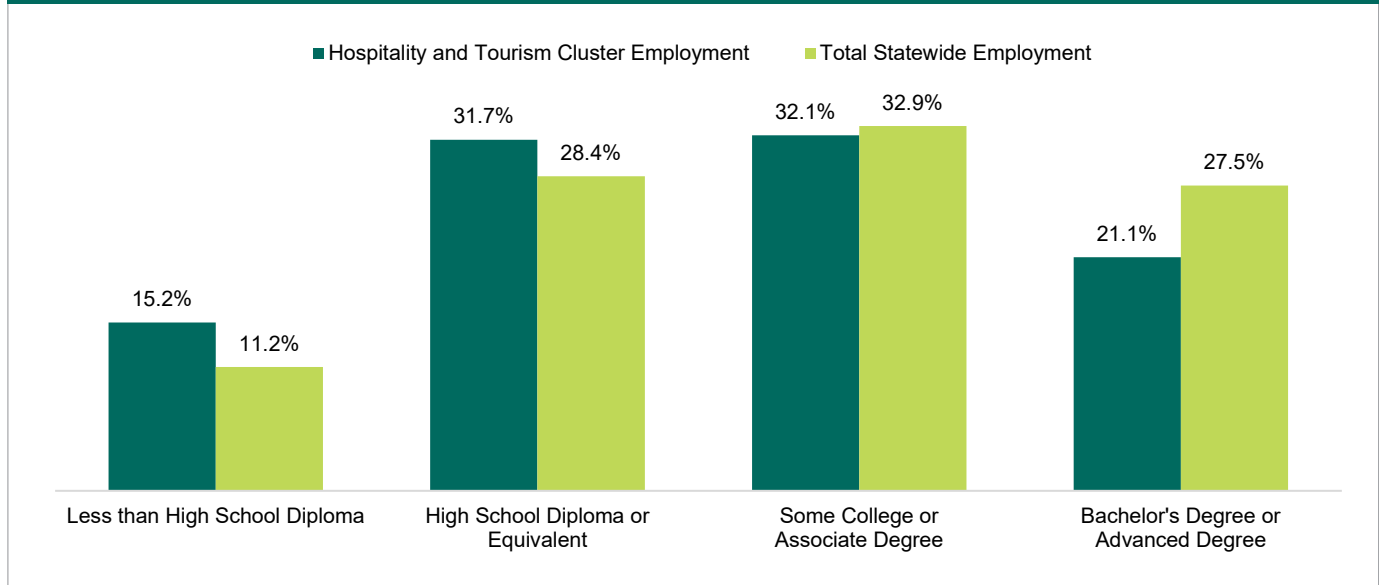


Source: Third Quarter 2021 Longitudinal Employer-Household Dynamics program, U.S. Census Bureau

Hospitality and Tourism is the industry cluster most heavily reliant on young workers. In Figure 10, the 14-to-24 age group was broken down into smaller age categories to show the level of dependency on workers in the 14-to-18 age group, specifically. If combined, workers ages 14 to 24 would make up more than 40 percent of the cluster employment. Hospitality and Tourism is comprised of many jobs that involve being on your feet and employment shares expectedly drop as workers age and are less willing to keep up with physically demanding jobs.

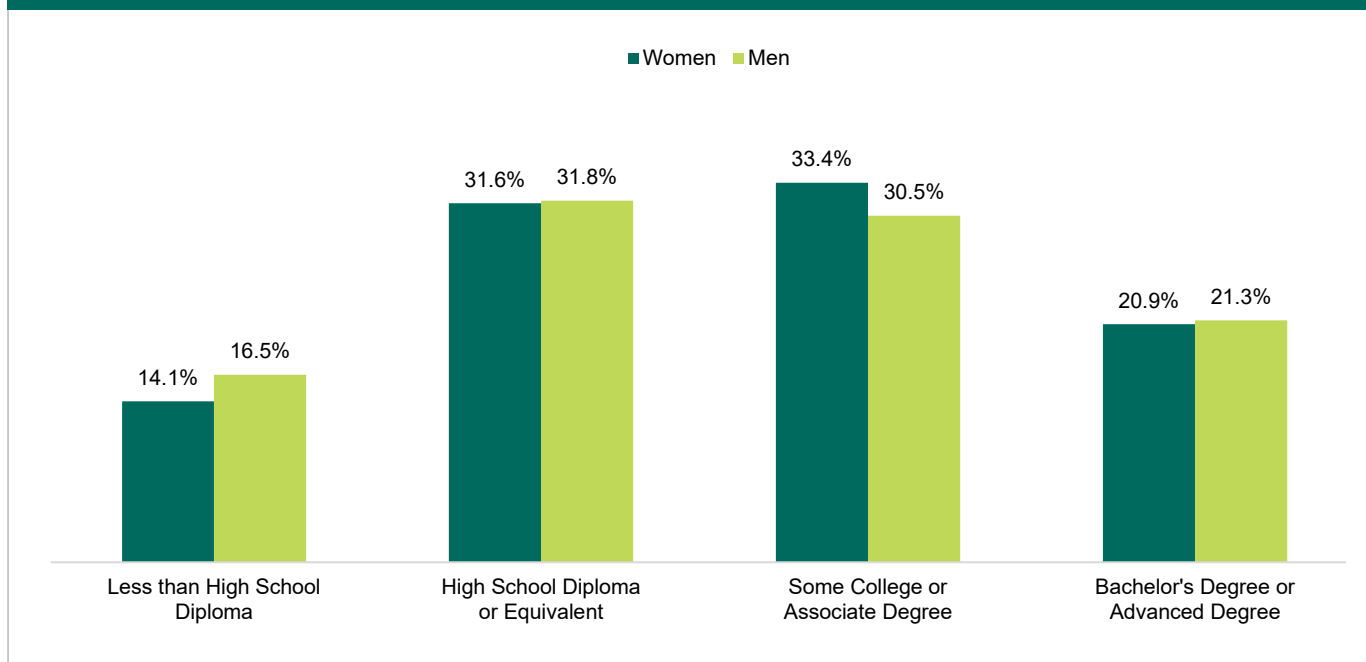
As discussed in earlier sections, Hospitality and Tourism has a large share of occupations that require a high school diploma or equivalent or less than a high school diploma. This is evident in Figure 11, as the cluster shows higher shares of individuals with these levels of education compared to the statewide average. Comparatively, the industry cluster shows lower shares of employment in higher education tiers, with 6.5 percentage points less than the state in those with a bachelor's degree or higher.

FIGURE 11: MICHIGAN HOSPITALITY AND TOURISM CLUSTER EMPLOYMENT BY EDUCATION, THIRD QUARTER 2021



Source: Third Quarter 2021 Longitudinal Employer-Household Dynamics program, U.S. Census Bureau

FIGURE 12: MICHIGAN HOSPITALITY AND TOURISM CLUSTER EMPLOYMENT BY EDUCATION AND GENDER, THIRD QUARTER 2021

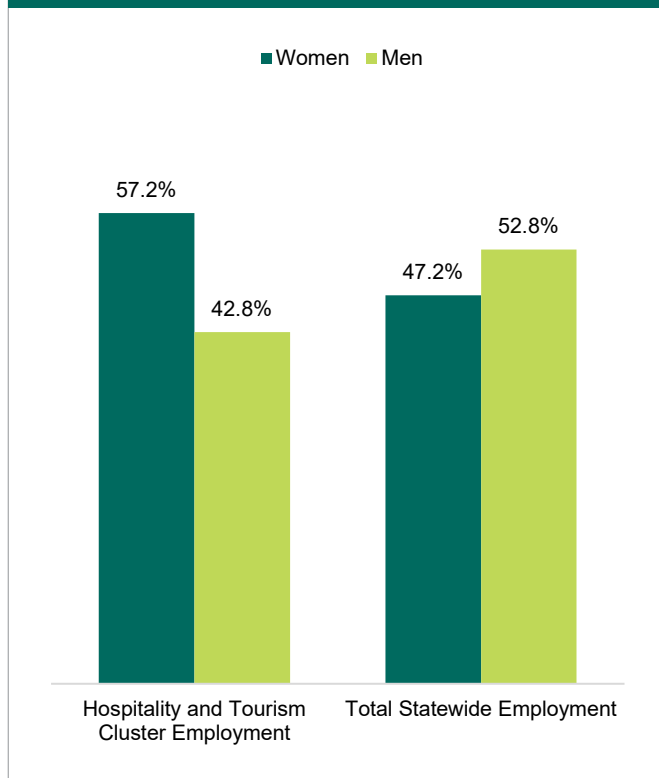


Source: Third Quarter 2021 Longitudinal Employer-Household Dynamics program, U.S. Census Bureau

Employment by educational attainment in the cluster is similar for both men and women. Slight disparities are shown in those with less than a high school diploma and some college or associate degree. Percent shares are nearly exact for both groups with a high school diploma or equivalent and those with a bachelor's degree or higher. Despite similar levels of educational attainment, there are large earnings disparities at every level between men and women in the cluster. A woman with a bachelor's degree in Hospitality and Tourism earns a few hundred dollars less per month, on average, than a man with less than a high school diploma in the cluster.

The Hospitality and Tourism industry cluster is different than the state in terms of employment share by men and women. Women make up 57 percent of all employment in the cluster, over 14 percentage points higher than men. Healthcare is the only other cluster where women show greater levels of employment. At the statewide level, men's share of employment is just under 6 percentage points greater than women.

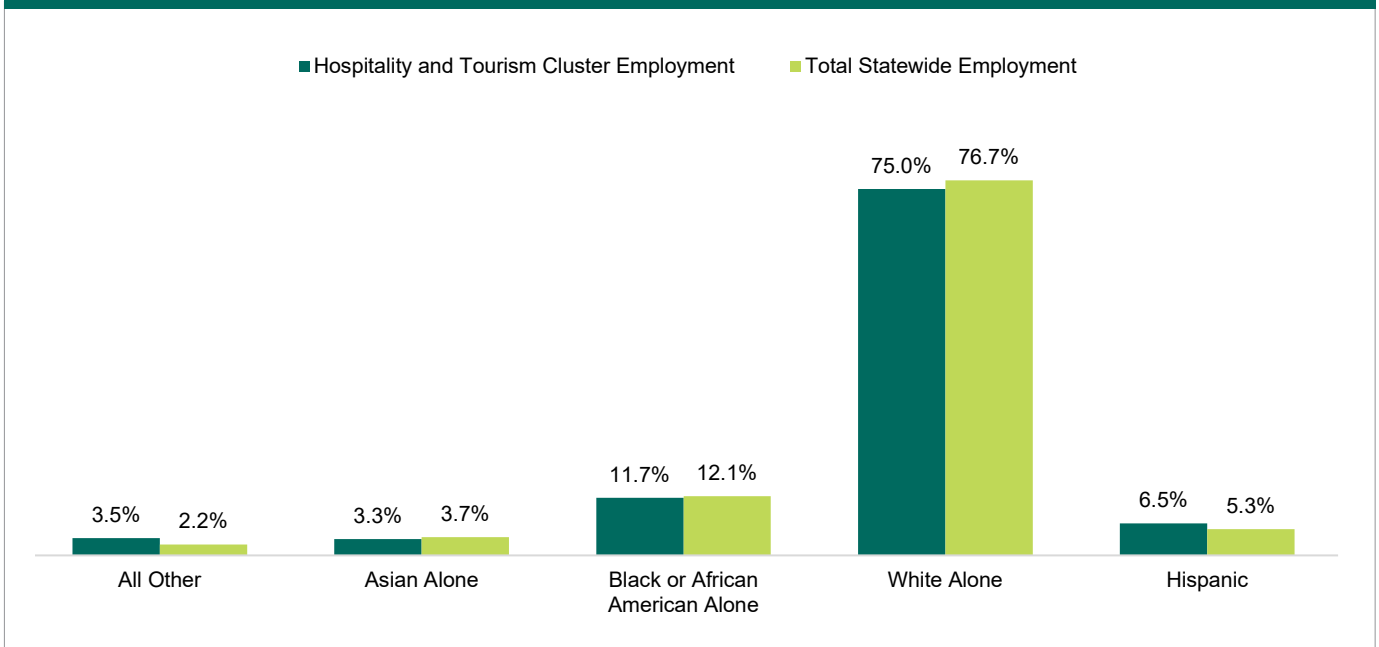
FIGURE 13: MICHIGAN HOSPITALITY AND TOURISM CLUSTER EMPLOYMENT BY GENDER, THIRD QUARTER 2021



Source: Third Quarter 2021 Longitudinal Employer-Household Dynamics program, U.S. Census Bureau



FIGURE 14: MICHIGAN HOSPITALITY AND TOURISM CLUSTER EMPLOYMENT BY RACE AND ETHNICITY, THIRD QUARTER 2021



Source: Third Quarter 2021 Longitudinal Employer-Household Dynamics program, U.S. Census Bureau

Employment by race and ethnicity in the cluster is nearly in line with Michigan averages. Hospitality and Tourism shows slightly higher shares in Hispanic and All Other. The largest difference is employment by white alone, where the cluster has a share nearly 2 percentage points less than the state average.

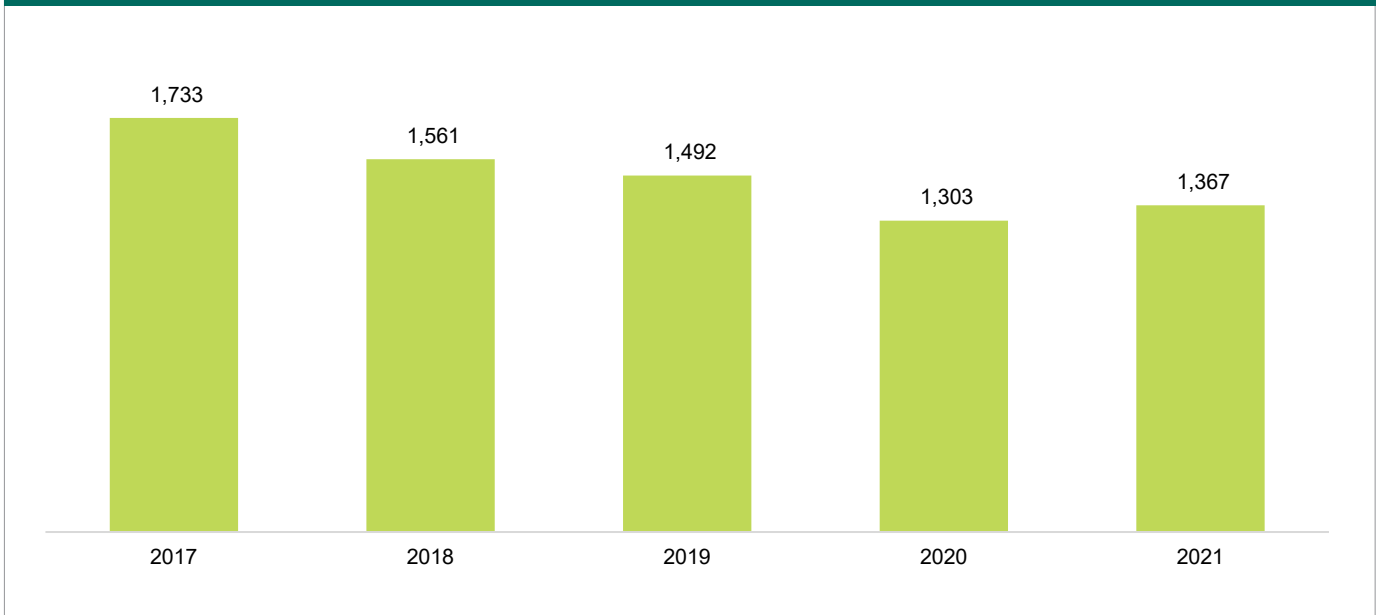


Talent Pipeline

Data for education program completers of instructional programs are available from the National Center for Education Statistics. These data can be used to estimate ever-changing levels of supply for some occupations in the labor market. There are no officially defined programs for clusters. Certain programs are more likely to lead to work in the Hospitality and Tourism cluster than others, but there are opportunities across the educational spectrum including business, social work, and manufacturing programs to name a few. This section will highlight only a few of hundreds of possible programs that can lead to a job in the Hospitality and Tourism cluster. Many factors can shift completers, such as increase in student enrollment during periods of high unemployment or difficulties attending school during a pandemic. For example, demand for workers may be causing upward pressures on programs while other factors such as a lack of instructors are causing total completers to decrease.

The most common bachelor's degree program in Hospitality and Tourism is *Business administration and management, general*. This program had just under 3,000 completers in 2021, led by the University of Michigan-Ann Arbor, Northwood University, and Baker College. Typically speaking, those who have completed this program, and intend to work within Hospitality and Tourism, will become *General and operations managers*. These are important positions in the cluster that are vastly different from the expected levels of pay and educational attainment within Hospitality and Tourism. Other common bachelor's degree programs for the cluster include *Finance, general*; *Sport and fitness administration and management*; and *International business, trade, and commerce*.

FIGURE 15: MICHIGAN COSMETOLOGY/COSMETOLOGIST, GENERAL PROGRAM COMPLETERS



Source: National Center for Education Statistics, Integrated Postsecondary Education Data System

As mentioned previously, Hospitality and Tourism offers a wide range of opportunities that do not require bachelor's degrees and above. Postsecondary awards and certificates are also prevalent within the cluster. The leading certificate program is *Cosmetology/cosmetologist, general*. In 2021, there were just over 1,300 completers within this program, led by the West Michigan College of Barbering and Beauty. This program expectedly can lead into careers as *Hairdressers, hairstylists, and cosmetologists*, which is a standout occupation within the cluster. Other notable programs at this level include *Baking and pastry arts*; *Cooking and related culinary arts general*; and *Accounting technology/technician and bookkeeping*.

Overall, the number of program completers in Hospitality and Tourism has been on a downward trend and programs such as *Cosmetology/cosmetologist, general*, have followed that. However, 2021 saw a slight uptick in the cosmetology completions, indicating a possible increase of interest in the career.

Conclusion

Strengths

High Concentration

Hospitality and Tourism opportunities are ubiquitous in Michigan. Although some prosperity regions have a higher concentration of jobs in the cluster than others, it is still heavily prevalent in each. The jobs in this sector are accessible, growing, and do not require relocation. This contrasts with some industry clusters in the state which are low in total employment and not a common job opportunity in every region of Michigan.

Low Education Requirements

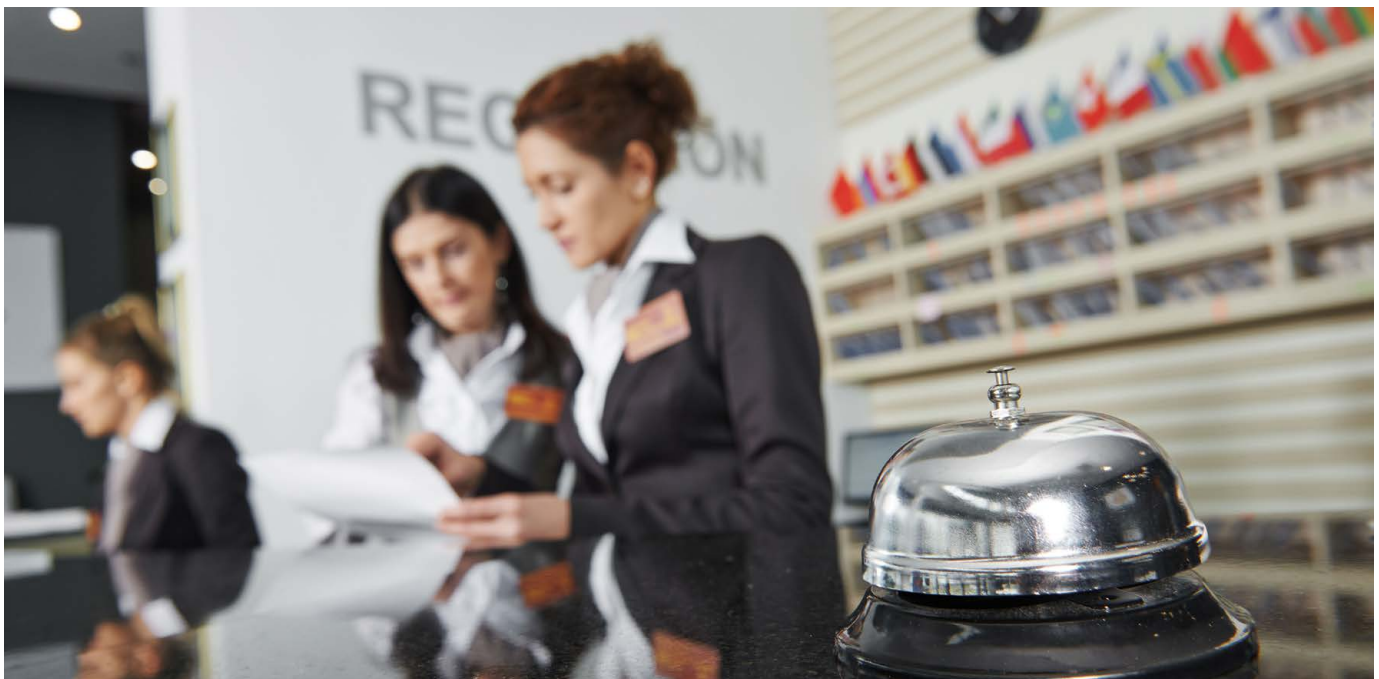
Jobs in this industry cluster are attainable for everyone, regardless of educational background. Most occupations in Hospitality and Tourism require a high school diploma or equivalent, or less. Some on-the-job training is typically necessary but often takes less than 12 months. This presents a plethora of options for individuals who are not looking to further their education beyond high school or may even still be working toward their high school diploma or GED and want to gain work experience and earnings.

Young Workforce

Hospitality and Tourism has the highest share of younger workers compared to all other industry clusters in Michigan. On the contrary, this industry has a low portion of workers nearing retirement age. This means that this cluster does not have to worry about filling large amounts of vacancies created by those who retire. However, Hospitality and Tourism does need to continue to attract a large number of young people, especially during peak seasons.

Michigan Tourism

Michigan holds interest for many different types of in-state and out-of-state travelers. In the warmer seasons, the state can count on an influx of people and revenue to its main attractions such as natural areas, cities, and more. Because of its unique recognition as a tourist state, Michigan will always be able to offer employment opportunities within Hospitality and Tourism.





Challenges

Low-Paying Jobs

Hospitality and Tourism is the lowest paid industry cluster in Michigan. Individuals employed in this area face median wages well below the statewide average and may require years of experience and/or higher education to meet or exceed Michigan's median hourly wage. Unfortunately, this is to be expected as this industry cluster is heavily reliant on jobs that require minimal educational attainment and younger workers.

Limited Mobility

Although the cluster presents great variety of opportunities for individuals without higher education credentials, it also offers limited mobility because of this. Most chances for a worker in Hospitality and Tourism to advance in their career will come from years of experience. Although advancement opportunities exist with dedicated time in Hospitality and Tourism, it can be challenging for an individual to earn above-average wages on the job without a bachelor's degree or higher. The downside of this is that there are typically lower levels of employment in positions requiring postsecondary education and these positions may be difficult to move into.

Gender Disparities

Hospitality and Tourism employment is largely made up of women. However, women earn far less than their male counterparts despite higher employment and nearly equivalent levels of education. This cluster is one of two (including Healthcare) where women make up most of the employment. However, the pay gap issue exists across all other industry clusters.

Pandemic Recovery

This industry cluster was among the hardest hit in terms of employment at the beginning of the COVID-19 pandemic. After facing such a steep drop in employment levels, the cluster has struggled to regain all that was lost. As travel and interest in services continues to pick up, Hospitality and Tourism employers will need to find ways to attract individuals to fill the gaps in employment.



TRISHA SCHLEGEL

Economic Analyst
schlegelt@michigan.gov



STATE OF MICHIGAN

Department of Technology, Management & Budget

Michigan Center for Data and Analytics

Detroit Office

Cadillac Place

3032 West Grand Boulevard

Suite 9-150

Detroit, Michigan 48202

Lansing Office

Romney Building 5th Floor

Capitol Complex

111 S. Capital Avenue

Lansing, Michigan 48933

In accordance with Michigan Law and the Americans with Disabilities Act requirements, an alternate format of this printed material may be obtained by contacting: Hailey Barrus, communications representative, Department of Technology, Management & Budget, Michigan Center for Data and Analytics, (517) 230-8273 or barrush1@michigan.gov.