TOURISM AND HOSPITALITY TALENT: Human Capital and Economic Contributions in Metro Detroit

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

The Detroit Metro Convention & Visitors Bureau (DMCVB) is the only organization that promotes metro Detroit regionally, nationally and internationally as a convention, business meeting and tourism destination. Since 2009, more than 235,000 jobs have been added to the metro Detroit area including Macomb, Oakland and Wayne counties in a variety of sectors, ranging from auto manufacturing, information technology and professional services. Detroit’s bustling downtown is home to four professional sports teams, one of the largest theater districts in the United States just behind New York City’s Broadway district and more than 300 restaurant and bar establishments with bites and libations suitable for any palate preference. The city has experienced an economic and cultural renaissance following the Great Recession and is returning to its former status as a powerhouse town on the bank of the Detroit River. Each year, an increasing number of people visit Detroit annually for both business and leisure. Most recently, more than 19 million people visited metro Detroit in 2015. The increased travel has created greater demand for workers in tourism and hospitality. This report will highlight labor market statistics such as employment, wages and demographics for 123 occupations in 10 sectors related to tourism and hospitality. Whereas other reports study the economic impact of the tourism industry to a certain region, this report will analyze the valuable economic contributions of workers in tourism and hospitality in metro Detroit.
IN THIS REPORT

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

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

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

PRIMARY VS. SECONDARY OCCUPATIONS

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

STAY  SHOP  DINE  PLAY

+$ JOBS

TAXES / UTILITIES  LIFESTYLE  SKILLS

METRO DETROIT
LANDMARK FINDINGS

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

The tourism and hospitality industry directly contributes

228,152

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

56% of the talent in tourism and hospitality is female

48% of the total labor force in the region is female

2.3% more African-Americans are employed in tourism and hospitality than other jobs in the region

1% more Hispanics are employed in tourism and hospitality than other jobs in the region

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

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

56% of tourism and hospitality workers are employed directly in the city of Detroit

$12.75 million fuel taxes paid each year

$50.6 million State of Michigan income taxes paid annually

$13.7 million City of Detroit income taxes paid annually

$55.2 million local property taxes paid by individuals annually

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

8,940 total spin-off jobs in the state of Michigan are supported by wages paid to workers in tourism and hospitality jobs within metro Detroit.

8,940
DETROIT IS A POWERHOUSE THAT’S HEALTHY, GROWING AND READY FOR MORE. READY FOR YOU.
EMPLOYMENT IN TOURISM AND HOSPITALITY OCCUPATIONS IN METRO DETROIT 2001-2016

EMPLOYMENT AND DEMOGRAPHICS

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

- Employment in these occupations reached its lowest point (400,693 workers) during the Great Recession in 2010 (-13% below 2001 levels)

- Currently, 444,426 individuals are employed in tourism and hospitality occupations, just 4% below 2001 levels and 10% above the recession low

- Comparatively, employment in all occupations in the region has only recovered to 91% of 2001 levels

- The tourism and hospitality industry directly contributes 228,152 jobs to metro Detroit, but that figure nearly doubles to 444,426 workers when analyzed as occupations related to tourism and hospitality

Source: Bureau of Labor Statistics
Analysis: Workforce Intelligence Network
**RACE/ETHNICITY OF WORKERS IN TOURISM AND HOSPITALITY IN METRO DETROIT 2016**

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

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

![Race/Ethnicity Pie Chart](chart)

**AGE OF WORKERS IN TOURISM AND HOSPITALITY IN METRO DETROIT 2016**

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

![Age Pie Chart](chart)

Source: Bureau of Labor Statistics
Analysis: Workforce Intelligence Network
The average tourism and hospitality worker earns less than other workers in metro Detroit, but many tourism and hospitality jobs are entry-level and require less education and experience than other occupations.

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

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

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

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

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

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