

Media Relations

November 16, 2012

UNH Lodging Index: Executives Less Optimistic About Business Conditions

DURHAM, N.H. – U.S. lodging executives are less optimistic about present general business conditions, although this was offset by more optimism about the next 12 months, according to the University of New Hampshire Lodging Executives Sentiment Index (LESI) for the current month ending September 2012. The index slipped from 60.7 in September 2012 to 56.3 in October 2012.

Managed by the Department of Hospitality Management at the UNH Whittemore School of Business and Economics, LESI is based on a monthly survey of 20 lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions of the United States -- more than 55 percent of all U.S. rooms.

Executives are asked about the present and future conditions of the market. Executives also are asked to report their outlook during the next 12 months about room reservations and employment practices, such as an increase or decrease of their non-managerial work force.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline and the distance from 50 in either direction is indicating the strength of the expansion or decline. During this same period of time, the ISM Index increased slightly from 51.5 to 51.7.

“This decrease results from lodging executives’ less than positive opinions of the present general business conditions for their properties. This is offset, in part, by a slight decrease in their sentiment for how they view general business conditions twelve months in the future and the large month over month increase of their expectations that room reservations will increase over the same twelve month period,” said Nelson Barber, associate professor of hospitality management who manages the index.

Less than half, or 31 percent, of lodging executives indicated current business conditions were good, down from 43 percent in September 2012, while 50 percent indicated conditions were normal, up from 43 percent during the previous month. Nineteen percent of the executives indicated such conditions were bad, a deterioration over last month’s reading of 14 percent.

Looking forward, 19 percent of the executives thought conditions will be better in the next 12 months, while 75 percent indicated they will be the same. This month, 6 percent thought they would be worse, an improvement from last month’s reading of 14 percent. These future results were mixed compared to September 2012 where 29 percent thought the future would be better, 57 percent thought the future would be the same, and 14 percent thought the future would be worse.

Looking forward 12 months, lodging executives expect to add fewer non-managerial employees, representing a decrease in expectations for lodging executives reporting in September 2012. This is in line with the increase of the national unemployment rate (7.8 percent in September 2012 to 7.9 percent in October 2012) as reported by the Bureau of Labor Statistics. This is also in line with the ISM Employment Index, which decreased by 2.6 percentage points, registering 52.1 percent.

For more information about LESI, visit <http://wsbe.unh.edu/LESI>.

The UNH Whittemore School of Business and Economics offers a full complement of high-quality programs in business, economics, accounting, finance, information systems management, marketing, and hospitality management. Programs are offered at the undergraduate, graduate, and executive development levels. The school is accredited by the Association to Advance Collegiate Schools of Business, the premier accrediting agency for business schools worldwide. In January 2013, the business school will move into its new state-of-the-art facility and become the Peter T. Paul College of Business and Economics.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

-30-

Editors and Reporters: Nelson Barber, associate professor of hospitality management, is available to discuss the September LESI report. He can be reached at nelson.barber@unh.edu. The most recent LESI report is available at <http://wsbe.unh.edu/LESI>

Media Contact: [Lori Wright](#) | 603-862-0574 | UNH Media Relations

UNH Experts available for comment:

- [Nelson Barber](#)

Copyright © 2018, The University of New Hampshire • Durham, NH 03824 • UNH main directory: (603) 862-1234.
[Media Relations](#) is a unit of [Communications & Public Affairs](#) which is a division of University Advancement.
[ADA Acknowledgement](#) | [Contact the Webmaster](#) | [UNH Today](#) | [UNH Social Media Index](#)