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Media Relations

December 18, 2012

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DURHAM, N.H. – U.S. lodging executives continue to be less optimistic about present general business conditions, according to the University of New Hampshire Lodging Executives Sentiment Index (LESI) for the current month ending November 2012. The index slipped from 56.3 in October 2012 to 50.1 in November 2012.

“This decrease results from lodging executives’ less than positive opinions of the present general business conditions for their properties, as well as the continued decline in their sentiment for how they view general business conditions 12 months in the future. Expectations about room reservations during the same 12-month period also declined,” said Nelson Barber, associate professor of hospitality management who manages the index.

Only 7 percent of lodging executives indicated current business conditions were good, down from 31 percent in October 2012, while 79 percent indicated conditions were normal, up from 50 percent during the previous month. Fourteen percent of the executives indicated such conditions were bad, an improvement over last month’s reading of 19 percent.

Managed by the Department of Hospitality Management at the UNH Whittemore School of Business and Economics, LESI is based on a monthly survey of 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 decreased from 51.7 to 49.5.

Looking forward, 14 percent of the executives thought conditions will be better in the next 12 months, while 79 percent indicated they will be the same. This month, 7 percent thought they would be worse, an decline from last month’s reading of 6 percent. These future results were mixed compared to October 2012 where 19 percent thought the future would be better, 75 percent thought the future would be the same, and 6 percent thought the future would be worse.

Looking forward 12 months, lodging executives expect to add fewer non-managerial employees, representing a continued decrease in expectations for lodging executives reporting in October 2012. This periods decline is also in-line with the ISM Employment Index, which decreased by 3.7 percentage points, registering 48.4 percent. However, this is counter to the decrease of the national unemployment rate (7.7 percent in October 2012 from 7.8 percent in September 2012) as reported by BLS (Bureau of Labor Statistics).

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.

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