

Media Relations

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UNH Lodging Index Ticks Up in December

DURHAM, N.H. – U.S. lodging executives were more optimistic about general business conditions in December than the prior month, according to the University of New Hampshire Lodging Executives Sentiment Index (LESI) for the current month ending December 2012. The index increased from 50.1 in November 2012 to 53.8 in December 2012.

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

Fifteen percent of lodging executives indicated current business conditions were good, an improvement from the 7 percent in November 2012, while 69 percent indicated conditions were normal, down from 79 percent during the same period. Fifteen percent of the executives indicated such conditions were bad, a slight change from last period’s reading of 14 percent.

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College 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 increased from 49.5 to 50.7.

Looking forward, Barber said 15 percent of the executives thought conditions will be better in the next 12 months, while 85 percent indicated they will be the same. This period, no one thought they would be worse, an improvement from last period’s reading of 7 percent. These future results were an improvement compared to the November 2012 period where 14 percent thought the future would be better, 79 percent thought the future would be the same, and 7 percent thought the future would be worse.

Looking forward 12 months, lodging executives do not expect to add more nonmanagerial employees, representing no change in expectations for lodging executives reporting in November

2012, according to Barber. This period's no change is not in line with the ISM Employment Index, which increased by 4.3 percentage points, registering 52.7 percent; however is in line with the national unemployment rate which stayed at 7.8 percent in December 2012 compared to November 2012 as reported by the Bureau of Labor Statistics.

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

The UNH Peter T. Paul College 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.

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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