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## UNH: LESI Falls as Present and Future Business Conditions Weaken

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*UNH Media Relations*

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## Media Relations

July 24, 2013

### UNH: LESI Falls as Present and Future Business Conditions Weaken

DURHAM, N.H. – U.S. lodging executives were less optimistic about present and future business conditions in June, according to the University of New Hampshire Lodging Executives Sentiment Index. The index declined from 71.2 in May 2013 to 65.3 in June 2013.

From May to June 2013, lodging executives were less optimistic about present general business conditions, with optimism falling 11.7 percent. They also were less optimistic about general business conditions in the next 12 months, with future sentiment falling by 5.1.

“Some lodging executives were concerned about the economic conditions and the impact of the sequestration, particularly on the Washington, D.C., market. Future business conditions were influenced by the 6.1 percent decline in expectations about room reservations over the same 12-month period,” said Nelson Barber, associate professor of hospitality management, who manages the index. ;

Twenty-eight percent of lodging executives indicated current business conditions were good, a decrease from 38 percent last period, while 66 percent indicated conditions were normal, down from 72 percent during the same period. Six percent of the executives in the June period indicated such conditions were bad, a decline in sentiment from last period’s reading of zero.

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 the June period of time, the ISM Index increased to 50.9 from 49.0 in May 2013.

Looking forward, 39 percent of the executives thought conditions will be better in the next 12 months versus 46 percent last month, while 61 percent indicated they will be the same versus 54 percent last month. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward 12 months, lodging executives expect a pull back on hiring of non-managerial employees, representing a continued decline in expectations for lodging executives’ reporting from May 2013. This period’s change is in line with the ISM Employment Index, which decreased by 1.4 percentage points, registering 48.7 percent and supports the national unemployment rate which remained at 7.6 percent in June 2013 compared to May 2013 as reported by the Bureau of Labor Statistics.

For more information about LESI, visit <http://paulcollege.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 college 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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*Nelson Barber, associate professor of hospitality management, is available to discuss the June LESI report. He can be reached at [nelson.barber@unh.edu](mailto:nelson.barber@unh.edu). The most recent LESI report is available at <http://paulcollege.unh.edu/LESI>.*

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