

Media Relations

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UNH: LESI Remains Flat as Lodging Executives Sentiment Continues to Slip

DURHAM, N.H. – The Lodging Executives Sentiment Index (LESI) for the current period ending August 2014 remained flat at 72.9 from July's 72.9 reading. Overall the lodging executives' sentiment for Present Business Conditions fell significantly during this current period. LESI is managed by the University of New Hampshire.

"Lodging executives' expectations for present business conditions again dropped month over month as fall leisure demand is softer than expected. In conjunction with this decline, future employment sentiment regarding hiring of non-managerial employees also decreased," said Nelson Barber, associate professor of hospitality management, who manages the index.

Fifty percent of lodging executives indicated current business conditions were good, a decrease from 58 percent last period, while 42 percent indicated conditions were normal, no change from last period. During the current period, 8 percent of executives expressed present conditions were bad, an increase from last period.

Managed by the department of hospitality management at UNH, the 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 business conditions, and 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 August period of time, the ISM Index increased to 59.0 from 57.1 in July 2014.

Looking forward 12 months, lodging executives' future employment sentiment regarding hiring of non-managerial employees decreased to 50.0 in August 2014 from 54.2 in July 2014. Lodging executives appear to be holding off on adding employees given the current business demand. The ISM Employment Index remained nearly flat at 58.1, from 58.2 in July 2014, suggesting manufacturing is anticipating a slowdown in hiring. These two measures are in line with the reported August unemployment rate, published by the Bureau of Labor Statistics (BLS), which declined in August 2014.

Looking forward, 50 percent of the executives thought business conditions will be better in the next 12 months, an increase from 33 percent last period while 50 percent indicated they will be the same; down from 67 percent last month. During the two periods, no executives indicated future conditions were bad.

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.

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

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