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Media Relations

April 27, 2015

UNH: LESI Strengthens on Present Business Expectations

DURHAM, NH - The Lodging Executives Sentiment Index (LESI) for the current period ending March 2015 increased to 85.4 from 80.4 in December 2014. Overall the lodging executives' sentiment for present business conditions strengthened considerably during this three-month period.

"Lodging executives expectations for present business conditions strengthened as there is anticipation of a very busy spring and summer season with increased in-bound international guests," said Nelson Barber, program chair and associate professor of hospitality management, who manages the index.

One hundred percent of lodging executives indicated current business conditions were good, an increase from 79 percent from the December period. During the current period, none of the executives expressed present conditions were bad, an improvement from the December period when seven percent of the executives reporting considered conditions bad.

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics, 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 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 March period of time, the ISM Index decreased to 51.5 from 55.5 in December 2014.

Twelve months from now, lodging executives' future employment sentiment of hiring of non-managerial employees decreased to 54.2 in March 2015 from 64.3 in December 2014. Lodging executives appear to be holding back on adding new employees despite the present business demand which may be linked to their sentiment of the future business conditions. The ISM employment index decreased to 51.5, from 56.8 in December 2014, suggesting manufacturing is of the same sentiment as lodging executives. The Bureau of Labor Statistics reported the March unemployment rate at 5.5 percent down ever so slightly from 5.6 in December. Since December, the BLS unemployment rate as not changed that much suggesting a possible leveling off of hiring.

Looking forward, 42 percent of the executives thought business conditions will be better in the next 12 months, a decrease from 50 percent during the December period while 58 percent indicated they will be the same; up from 50 percent during the December period. 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, management, information systems and business analytics, entrepreneurship, 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. For more information, visit paulcollege.unh.edu.

The [University of New Hampshire](http://www.unh.edu), 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 13,000 undergraduate and 2,500 graduate students.

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EDITORS AND REPORTERS: Nelson Barber, chair and associate professor of hospitality management, is available to discuss the March 2015 LESI report. He can be reached at nelson.barber@unh.edu. The most recent LESI report is available at <http://paulcollege.unh.edu/LESI>.

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