UNH: LESI Expands on Present Business Sentiment

Erika Mantz
UNH Media Relations

Follow this and additional works at: https://scholars.unh.edu/news

Recommended Citation
https://scholars.unh.edu/news/4747

This Article is brought to you for free and open access by the Administrative Offices at University of New Hampshire Scholars' Repository. It has been accepted for inclusion in Media Relations by an authorized administrator of University of New Hampshire Scholars' Repository. For more information, please contact nicole.hentz@unh.edu.
DURHAM, N.H. - The Lodging Executives Sentiment Index, for the current period ending September 2015, increased to 83.3 from June’s 80.6 reading. Overall the lodging executives’ sentiment for Present Business Conditions strengthened considerably during this three-month period, while the sentiment for Future Business Conditions remain flat.

“Lodging Executives expectations for present business conditions strengthened, while their sentiment about future hiring 12 months out remained flat. The summer season was overall the strongest in decades,” said Nelson Barber, program chair and associate professor of hospitality management at the University of New Hampshire, who manages the index.

One hundred percent of lodging executives indicated current business conditions were good, an increase from the 89 percent from the June 2015 period, while none of the lodging executives indicated conditions would be the same, a change from the 11 percent in the June period. During the current period, none of the executives expressed present conditions were bad, the same as reported the June 2015 period where none 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 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 September period of time, the ISM Index decreased to 50.2 from 53.5 in June 2015.

Twelve months from now, lodging executives’ future employment sentiment of hiring of non-managerial employees remained flat from the 50.0 reported in the June. With 11 percent of lodging executives suggesting future business sentiment may be potentially bad and 67 percent suggesting it
will stay the same, adding new employees at this time appears on hold. The ISM Employment Index
decreased in the September period to 50.5, from 55.5 in June 2015, suggesting the manufacturing
sector has a similar outlook. The Bureau of Labor Statistics (BLS), on the other hand, reported the
September unemployment rate at 5.1 percent down ever so slightly from 5.3 in June. In fact, since
August, the BLS unemployment rate as not changed suggesting a possible leveling off on hiring.

Looking forward, 44 percent of the executives thought business conditions will be better in the next
12 months, an improvement from the 33 percent reported in the June 2015 period, while 45 percent
of lodging executives in the September period indicated they will be the same; down from the 67
percent during the June 2015 period. Eleven percent in the current period indicated the future
conditions would be bad, while no executives indicated future conditions were bad in the June
period.

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 AACSB, 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, 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.

-30-

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

Media Contact: Erika Mantz | 603-862-1567 | UNH Media Relations | @unhnews