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UNH Media Relations

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September 30, 2014

UNH: LESI Falls as Lodging Executives Present and Future Sentiment Wanes

DURHAM, N.H. – The Lodging Executives Sentiment Index for the current period ending July 2014 decreased to 72.9 from June's 79.5 reading. Overall the lodging executives' sentiment for Present Business Conditions and Business Conditions 12 months in the future fell significantly during this current period.

"Lodging executives expectations for present business conditions, as well as future business conditions 12 months in the future, dropped month over month. However, future employment sentiment regarding hiring of non-managerial employees increased. Overall executives are suggesting a normal operational state currently and over the next 12 months," said Nelson Barber, associate professor of hospitality management, who manages the index.

Fifty-eight percent of lodging executives indicated current business conditions were good, a decrease from 73 percent last period, while 42 percent indicated conditions were normal, an increase from 27 percent last period. During the current and prior periods, no executives expressed present conditions were 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 July period of time, the ISM Index increased to 57.1 from 55.3 in June 2014.

Looking forward twelve months, lodging executives' future employment sentiment regarding hiring of non-managerial employees increased from 50.0 in June 2014 to 54.2 in July 2014. Lodging Executives appear to be adding employees to satisfy current business demand. The ISM Employment Index increased to 58.2, from 52.8 in June 2014, suggesting manufacturing is anticipating a hiring increase. These two measures are in line with the reported July unemployment rate, published by the Bureau of Labor Statistics (BLS).

Looking forward, 33 percent of the executives thought business conditions will be better in the next 12 months, a decrease from 45 percent last period while 67 percent indicated they will be the same; up from 55 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.

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