

COVID-19 Crushed NJ Leisure & Hospitality Industry

By Nicole M. Sandelier, Executive Director of Focus NJ

Although every industry in New Jersey has experienced hardships because of the historic economic fallout from the COVID-19 pandemic, the leisure & hospitality industry and its workers have been hit particularly hard.

Employment: The leisure & hospitality industry gained 62,265 jobs from 2010 to 2019, with total industry employment increasing to just over 400,000 jobs in 2019, according to the US Bureau of Labor Statistics (BLS). Prior to COVID-19, the industry employed 404,000 individuals or 9% of the state's civilian labor force.

At the onset of the pandemic, New Jersey issued stay at home orders and closed all non-essential businesses from March 21 to June 15, 2020. During that time, the leisure & hospitality industry experienced a 64% decline in employment, according to the BLS. Industry employment hit rock bottom in April, with only 145,100 workers throughout the entire state.

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Since lifting non-essential business closure orders, the industry has been forced to operate under various restrictions, including limits on capacity. As a result, the industry has been slow to recover to pre-pandemic employment numbers.



Currently, the industry employs about 294,000 individuals, which equates to a 27% reduction in staff compared to pre-pandemic employment, according to the BLS.

Establishments: The number of leisure & hospitality establishments increased from 22,910 in 2010 to 24,526 in 2019, according to the BLS. Prior to the pandemic in Q1 2020, the industry's total number of establishments increased to 24,911.

During state mandated non-essential business closures, it is estimated that the number of open leisure & hospitality businesses decreased by more than 54%, according to Opportunity Insights Economic Tracker, a platform based at Harvard University that was launched to analyze the economic impact of COVID-19 in the United States. Today, despite the government allowing businesses

to open at limited capacity, it is estimated that the number of open leisure & hospitality businesses in New Jersey has decreased 46% compared to January 2020. This means nearly half the state's leisure & hospitality businesses are closed, either temporarily or permanently.

Industry Recovery: The Brookings Institute says that, "essentially, the industry blew up," as a result of the coronavirus pandemic, "... and then, as we are putting it back together, people were asked to go back to work in the flames, for the sake of the economy."

As the industry attempts to recover and redefine itself, the institute's recommendations for small and medium-sized businesses include expanded PPP relief and equity, increased technical assistance, and targeted assistance for Main Street, mom-and-pop shops. **NJB**