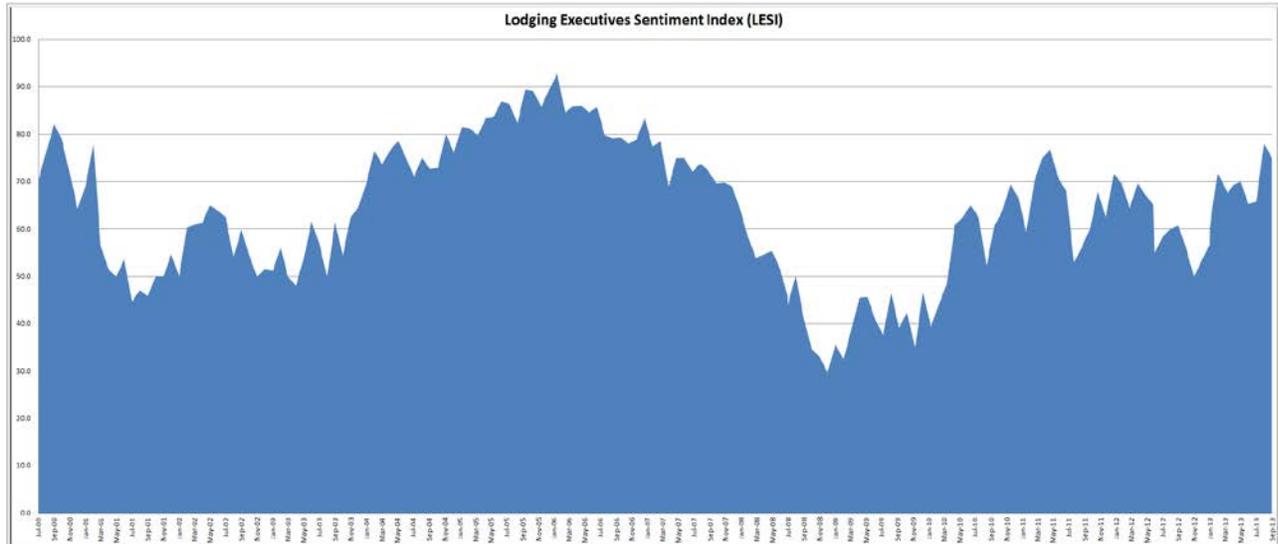


LESI Increases Despite Flat Future Outlook

The Lodging Executives Sentiment Index for the current period ending November 2013 moved up slightly to 80.0 from 75.0 in October, 2013. Overall the lodging executives' sentiment for Present Business Conditions was up during this current period while future business conditions remained flat. There appears to be continued concern among executives surrounding future business conditions in particular.



Seventy-three percent of lodging executives indicated current business conditions were good, an increase from fifty-three percent last period, while twenty-seven percent indicated conditions were normal, down from forty-seven percent during the same period. No executive indicated such conditions were bad in either period.

Looking forward, forty-seven percent of the executives thought business conditions will be better in the next 12 months, while fifty-three percent indicated they will be the same; both measures the same percentage compared to last month. Executive sentiment for this period revealed that no executive thought business conditions would be worse.

Looking forward twelve months, lodging executives expect the hiring of non-managerial employees to remain flat as compared to October 2013. November's unemployment rate, published by the Bureau of Labor Statistics (BLS), dropped to 7.0 from 7.3 in October. The BLS rate and the ISM Employment Index, which increased by 3.3 percentage points to 56.5 percent, showed similar improvement.

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 increased to 57.3 from 56.4 in September 2013.

Lodging Executive Sentiment at a Glance					
Sentiment Indicator	Current Period	Last Period	Change	Direction of Business Activity	Speed of Change in Business Activity
ISM Index	57.3	56.4	0.9	Expanding	Very Slightly Faster
LESI Index	80.0	75.0	5.0	Expanding	Faster
Present Business Sentiment	86.7	76.7	10.0	Expanding	Faster
Future Business Sentiment	73.3	73.3	0.0	Expanding	Unchanged
Future Rooms Reservation Sentiment	86.7	80.0	6.7	Expanding	Faster
Future Employment Sentiment	60.0	60.0	0.0	Expanding	Unchanged
Source: Department of Hospitality Management, Peter T. Paul College of Business and Economics					

The most recent published issue of the *Cornell Hospitality Quarterly* (November 2013; 54 (4)) includes an article written by three professors in the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics (formerly the Whittemore School of Business and Economics) where the LESI is used to forecast interest rates, the stock market and retail sales. The article demonstrates the accuracy of the LESI in forecasting the above well beyond currently-existing leading indicators.

The Lodging Executive Sentiment Index (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 in the United States represents more than 55 percent of all U.S. sleeping rooms.