

## LODGING EXECUTIVE SENTIMENT INDEX CONTINUES TO DECLINE IN NOVEMBER

The Lodging Executives Sentiment Index for the current period ending November 2012 continued its decline to 50.1 from 56.3 in October 2012. This decrease (6.2) results from lodging executives' less than positive opinions of the present general business conditions for their properties as well as the continued decrease in their sentiment for how they view general business conditions twelve months in the future. Expectations about room reservations over the same twelve month period also declined.



Only 7 percent of lodging executives indicated current business conditions were good, down from 31 percent last period, while 79 percent indicated conditions were normal, up from 50 percent during the same period. Fourteen percent of the executives indicated such conditions were bad, an improvement over last period's reading of 19 percent.

Looking forward, 14 percent of the executives thought conditions will be better in the next 12 months, while 79 percent indicated they will be the same. This period, 7 percent thought they would be worse, a decline from last period's reading of 6 percent. These future results were mixed compared to the previous period where 19 percent thought the future would be better, 75 percent thought the future would be the same, and 6 percent thought the future would be worse.

Looking forward twelve months, lodging executives expect to add fewer non-managerial employees, representing a decrease in expectations for lodging executives reporting in October 2012. This period's decline is also in-line with the ISM Employment Index, which decreased by 3.7 percentage points, registering 48.4 percent. However, this is counter to the decrease of the national unemployment rate (7.7% in October 2012 from 7.8% in September 2012) as reported by BLS (Bureau of Labor Statistics).

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 this same period of time, the ISM Index decreased to a slightly negative 49.5 from a slightly positive 51.7.

<b>Lodging Executive Sentiment at a Glance</b>				
<b>Sentiment Indicator</b>	<b>Current Period</b>	<b>Last Period</b>	<b>Direction of Business Activity</b>	<b>Speed of Change in Business Activity</b>
ISM Index	49.5	51.7	Contracting	Very Slightly Slower
LESI Index	50.1	56.3	Expanding	Slower
Present Business Sentiment	46.4	56.3	Contracting	Slower
Future Business Sentiment	53.6	56.3	Expanding	Very Slightly Slower
Future Rooms Reservation Sentiment	64.3	65.6	Expanding	Slightly Slower
Future Employment Sentiment	50.0	56.3	Expanding	Slightly Slower
Source: Department of Hospitality Management, Whittemore School of Business and Economics				

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics (formerly the Whittemore School of Business and Economics), 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 of the United States --representing more than 55 percent of all U.S. rooms.