

MILLENNIALS IN THE HOTEL INDUSTRY

Vast Opportunities for Training,
Fast-Track Promotions,
Good Pay and Benefits to
Attract and Retain Millennial Employees



Executive Summary

The American Hotel & Lodging Association (AHLA) partnered with WageWatch, Inc. to conduct two national surveys to identify how best to recruit and retain millennials in the hotel and lodging industry now and in the future. As the largest demographic class in America's workforce, which will become the dominant generation within five years, millennials already represent the largest single class in the hotel and lodging industry, representing 44 percent of the workforce. To ensure impending and unwavering success in the hotel and lodging industry, it is critical to continue to attract and secure millennials who are both currently in the workforce and the students who are deciding on their future career paths.

This survey reveals that the lodging sector is well-suited for the millennial employee. Key findings include:

- On-the-job training, workforce development and fast-track promotional opportunities are some of the most effective and appealing qualities to attract and retain millennials in the hotel industry.
- Hotels' good pay and benefits programs are also rated among the top reasons why hospitality students choose careers in the industry.

Indeed, the survey underscores the vast opportunities for growth, long-term professional engagement, and workforce flexibility for America's most dominant generation.

Methodology

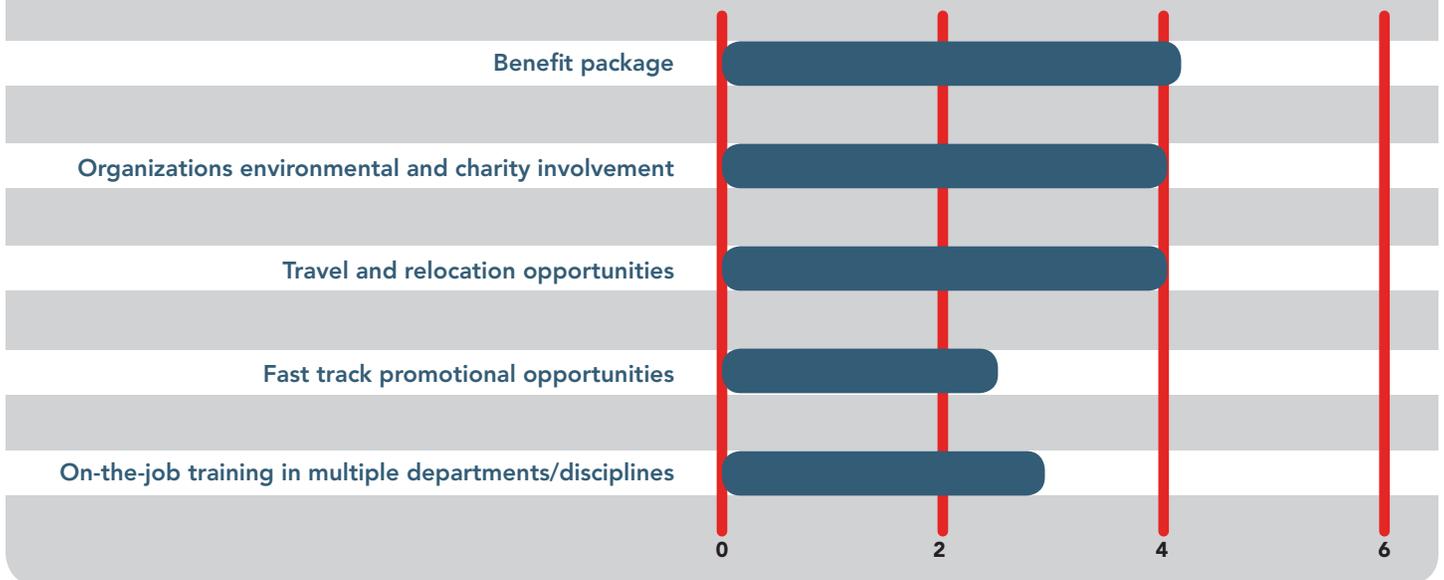
A total of 29 management companies operating hotels in 22 states and several individual hotels totaling over 120,000 employees responded to the survey focused on millennial employees. A similar survey was conducted to ask students from 36 universities to respond to a sister survey. The surveys were conducted by WageWatch and funded through a grant provided by the American Hotel & Lodging Educational Foundation (AHLEF). Both surveys were conducted from May 2016 to November 2016.

Survey Results

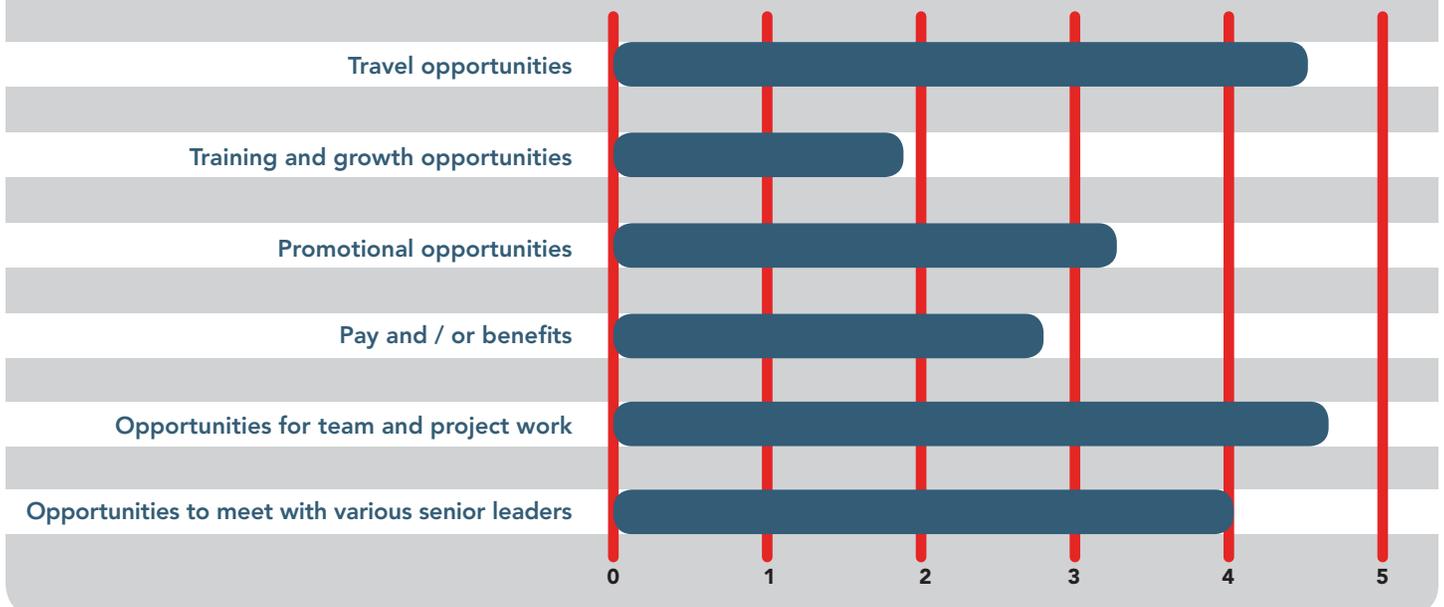
MOST EFFECTIVE RECRUITING RETENTION METHODS

Both hotel company respondents and hospitality students rated on-the-job training and fast-track promotional opportunities as the most effective and appealing qualities for recruitment and retention. Training and growth, flexible schedules and pay and benefits were also ranked highly by students. The following charts present the results for hotels and hospitality students, respectively.

HOTEL SURVEY: What attraction / recruiting and retention methods have been most effective with millennial prospects and employees? (Ranking: Question 1 is most important)



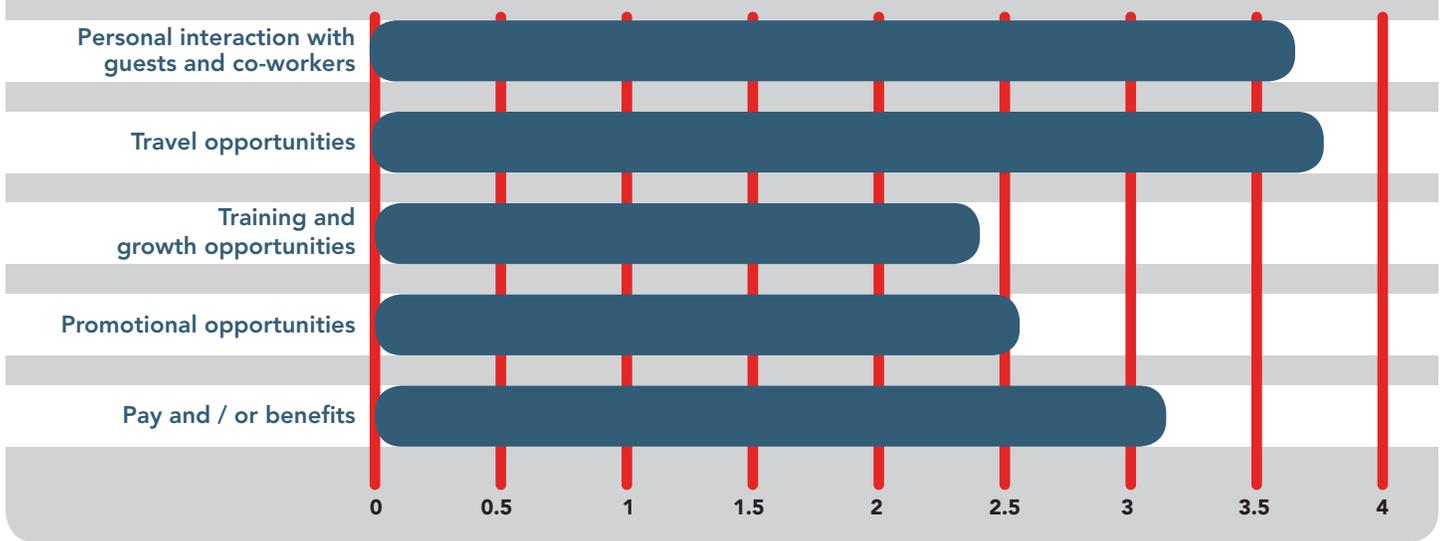
STUDENT SURVEY: What aspects of a job are most important to you when looking for a position?



MOST IMPORTANT ASPECTS OF A HOTEL POSITION

Both hotel company respondents and hospitality students ranked the hotel industry’s training and growth opportunities and fast track promotional opportunities as their top reasons for working in hotels. The good pay and benefits offered by hotels was also rated very highly by hospitality students as an important reason for choosing a career in hotels. The following charts present the results for hotels and hospitality students, respectively.

HOTEL SURVEY: What would your millennial employees say they liked best about their jobs and / or the hospitality industry?



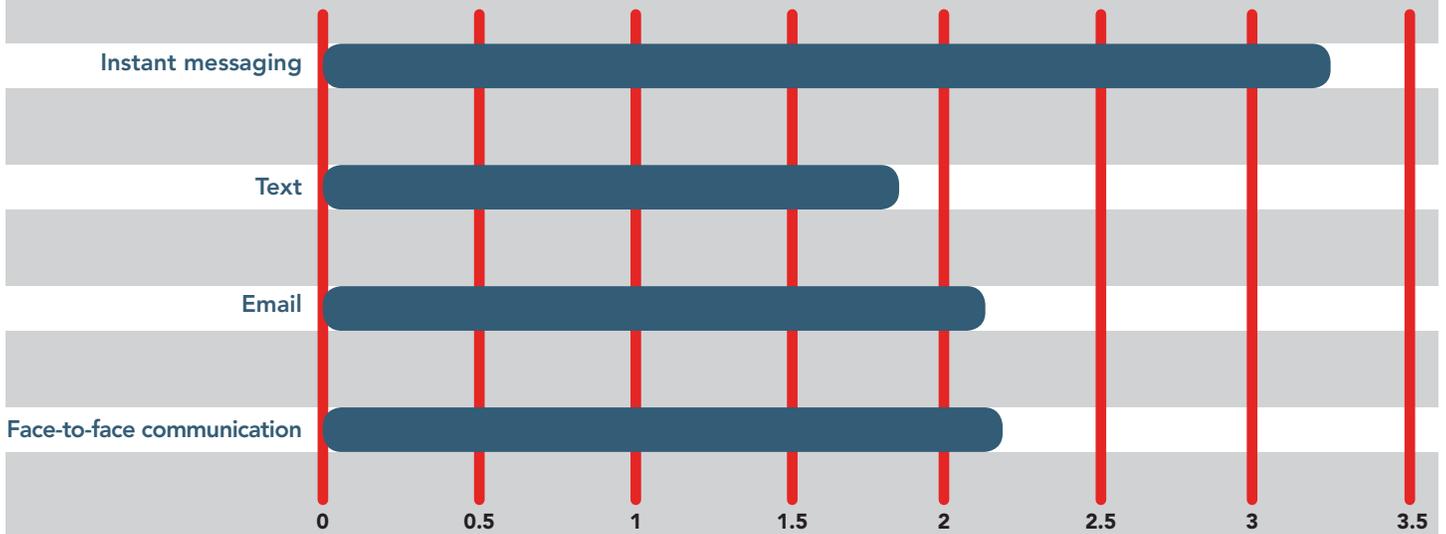
STUDENT SURVEY: Which aspects below of working in the lodging industry would you find most appealing?



PREFERRED COMMUNICATION METHODS AT WORK

Hotel company respondents marked Instant Messaging as the number one way to communicate with millennials, while hospitality students marked face-to-face communication as their preferred communication method. Lodging companies that find the right balance between face-to-face and technology to communicate will be best-suited to attract and retain millennial employees.

HOTEL SURVEY: What communication methods have you found work best for your millennials?



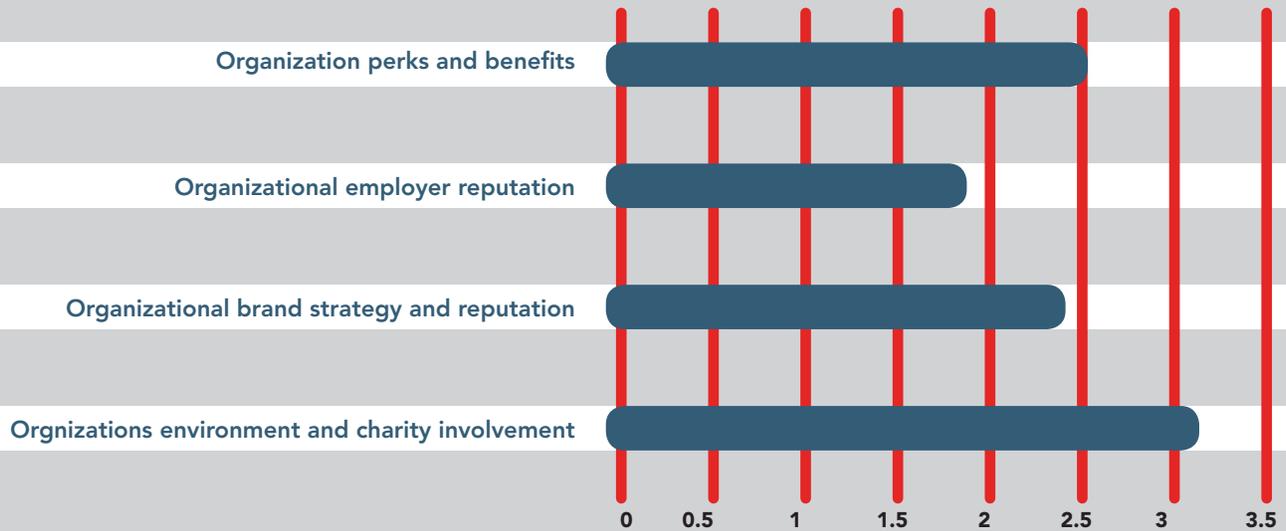
STUDENT SURVEY: What communication methods do you prefer?



WHAT MILLENNIALS LOOK FOR IN AN EMPLOYER ORGANIZATION

When looking for a job, hospitality students ranked employer reputation as the most important aspect to consider, which provides highly-regarded hotel companies with a strong edge in recruiting millennials.

STUDENT SURVEY: What aspects of an Organization are most important to you when looking for a job?



WHAT MILLENNIALS LOOK FOR IN AN EMPLOYER ORGANIZATION

HOTEL SURVEY: Is there anything else that your organization has found to be successful with millennial employees? Please provide details.

| % | Responses |
|-----|---|
| 30% | Communication, frequent feedback, open, honest, upfront |
| 22% | Training, developing and mentoring |
| 13% | Recognition—frequent, public, plentiful |
| 9% | Team work |
| 9% | Application—100% mobile and easy |

83%

| | |
|-----|--|
| | Video messaging |
| | Work-life balance |
| 17% | Diversity |
| | Healthy upbeat workplace |
| | Listen and value their input and ideas |

100%

About the American Hotel and Lodging Association

Serving the hospitality industry for more than a century, the American Hotel & Lodging Association (AHLA) is the sole national association representing all segments of the 8 million jobs the U.S. lodging industry supports, including hotel owners, REITs, chains, franchisees, management companies, independent properties, bed and breakfasts, state hotel associations, and industry suppliers. Headquartered in Washington, D.C., AHLA focuses on strategic advocacy, communications support, and educational resources for an industry that advances long-term career opportunities for employees, invests in local communities across the country and hosts more than one billion guests' stays in American hotels every year. AHLA proudly represents a dynamic hotel industry of more than 54,000 properties that supports \$1.1 trillion in U.S. sales and generates nearly \$170 billion in taxes to local, state and federal governments. Learn more at www.AHLA.com.



About WageWatch

For over a decade, industry associations, trade groups and employers have recognized WageWatch, Inc. as a leader in providing detailed, accurate Web-based compensation surveys reports. WageWatch conducts compensation and benefits surveys for a number of industries including lodging, healthcare, gaming, non-profit, and universities. Our PeerMark™ compensation survey enables subscribers to retrieve detailed industry and geo/market specific compensation reports that are customized to each company's needs.

Our lodging salary survey is conducted with employers and disseminated via the WageWatch website (www.wagewatch.com), and is the most comprehensive database with over 5,000 hotels reporting wages for over 400,000 incumbents in our 2015 Hospitality PeerMark™ Survey.

Our consulting team is comprised of accounting, compensation, and information technology professionals who provide wage and salary reports and analysis to our clients in multiple industries. WageWatch routinely conducts compensation studies and analysis of market competitiveness for its subscribers and association partners. We help our clients understand the metrics and explain what the data and related statistics mean for their business so they can make informed decisions.

