



# Hospitality, Leisure & Entertainment

Pennsylvania defines industry clusters to serve as the basis for data-driven workforce development policies. An industry cluster includes industries closely linked by common products, labor pools, technologies, supplier chains and training needs. They take on strategic importance for long-term economic planning as changes that benefit one group member will generally impact other members of the cluster.

Industry clusters are comprised of specific six-digit North American Industry Classification System, or NAICS, codes. They are mutually exclusive, so that no two clusters contain the same NAICS code. Currently, there are 12 clusters identified, along with several critical sub-clusters. Combined, these 12 industry clusters account for nearly 83 percent of all employment in the commonwealth.

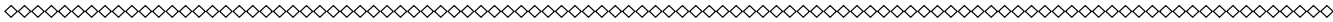
## Cluster Summary

The Hospitality, Leisure & Entertainment (HLE) cluster is comprised of industries that cater to tourism and recreation throughout the commonwealth. In addition to hotels and restaurants, this cluster includes casinos, golf courses, museums, racetracks, bowling centers and caterers. Many industries in this cluster are seasonal with part-time or tip-based employment. For that reason, wages are lower than other clusters and employment is much more volatile if analyzed on a quarterly basis.

	2015	2019	2020
Employer Units	37,111	38,207	37,879
Number of Jobs	596,385	623,645	458,257
Percent of Total Pennsylvania Jobs	10.5%	10.5%	8.3%
Average Annual Wages	\$20,120	\$22,418	\$23,530
Location Quotient (LQ)	0.87	0.85	0.82

LQs greater than one suggest a competitive advantage.

Cluster employment has greatly decreased in Pennsylvania (23.0%) over the last five years. The state still maintains a Location Quotient (LQ) well below one, and most Workforce Development Areas (WDAs) have seen very little change in their own LQ (as seen on page 3). While wages have increased (17.0%), the cluster still pays well below the statewide average for all jobs (\$62,070).

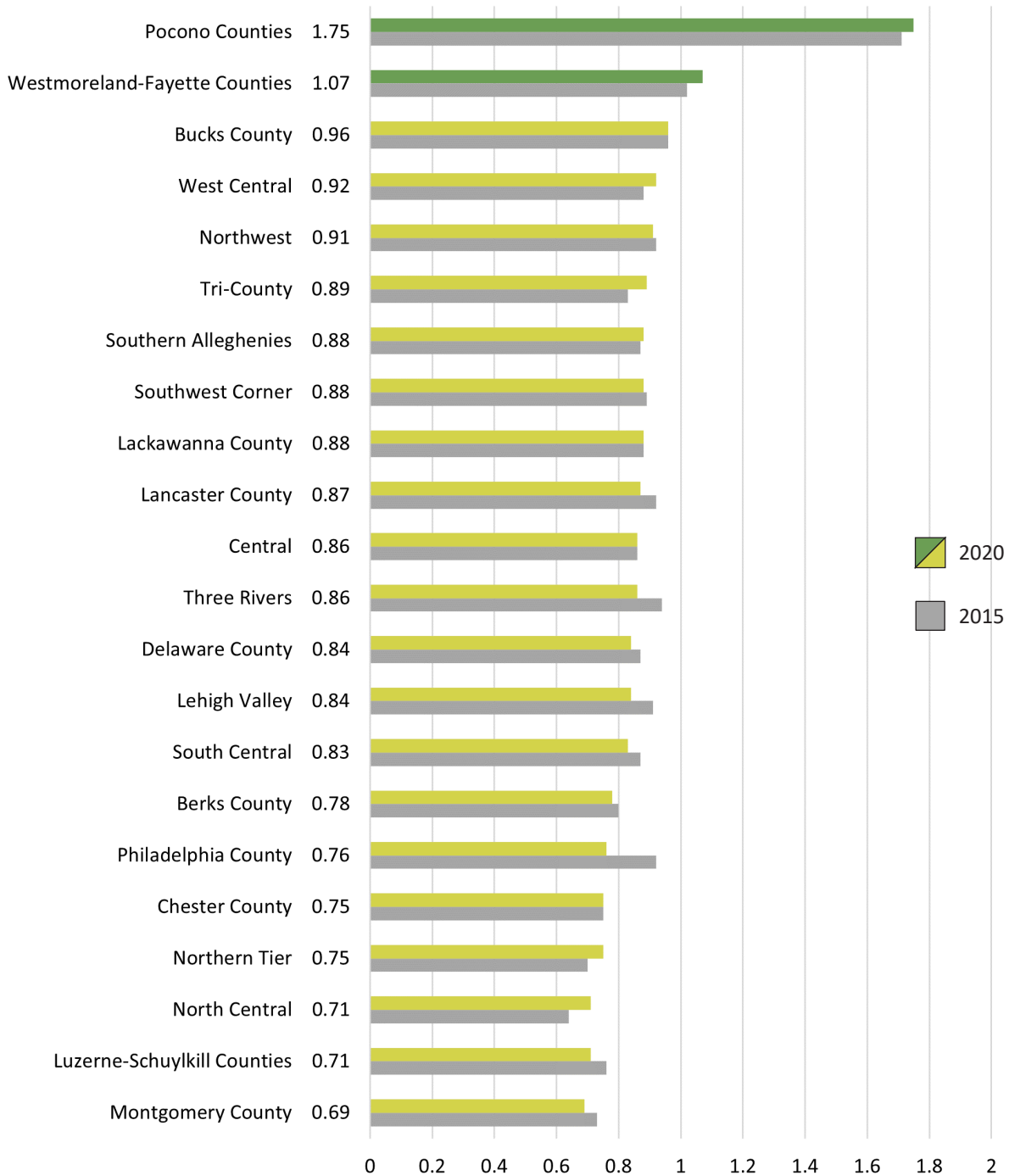


Note: The 2020 employment and wages data, as presented in this publication, reflect the effects of business and school closures implemented to mitigate the spread of Coronavirus (COVID-19).



## Employment Concentration

A location quotient, or LQ, compares a cluster's share of local employment to its share of national employment. This value can be used when evaluating the strength of an industry cluster within an area. An LQ greater than one indicates that the cluster has, on average, more employees locally than typically expected implying a possible competitive advantage. Only the Pocono Counties and Westmoreland-Fayette Counties WDAs have an LQ greater than one and are more competitive since 2015.



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