Executive Summary

In 2018, the Accommodation and Food Services sector comprised 8.0 percent of all public and private sector employment in Iowa with 123,859 jobs and an annual average wage of $16,719. Wages in this sector are 64.8 percent lower than the statewide average of $47,511 for all industries; however, there is a greater ratio of part-time employment in addition to lower hourly rates than in other industries. Further, it should be kept in mind that the average wage does not include tips or gratuities earned by wait staff, bell hops, and bartenders, when not reported to their employers.

Employment in this sector has grown by 11.3 percent since reaching a recession-low of 111,298 in 2010. Wages have also increased in recent years, rising 31.9 percent from $12,671 in 2010 to its current level in 2018. The rise in both employment and wages can be attributed partially to a comfortable consumer with more disposable money for luxuries.

While younger workers comprise much of the employment in this industry, older workers do make up a sizeable portion of the workforce. Also, women accounted for 56.6 percent of all workers in this industry.
What is Accommodation and Food Services?

The Accommodation and Food Services sector comprises firms that provide customers with lodging and/or prepare meals, snacks and beverages for immediate consumption. The sector includes both accommodation and food services because the two activities are often combined at the same establishment.

Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.

Source: www.bls.gov/cew/bls_naics/bls_naics_app.htm
In 2018, employers in the Accommodation and Food Services sector averaged 7,188 locations across Iowa. The sector’s employment is distributed between two major categories. The larger of the two, Food service and drinking places, employed 102,375 workers, or 82.7 percent.

Wages in Food services and drinking places averaged $15,046 in 2018; however, this wage includes part-time and seasonal help. The average wage for the 21,484 Accommodation employees was much higher, averaging $24,687 per year over the same period.
2018 Average Annual Wage for Covered Employment in Accommodation & Food Services

State Comparisons by Private Ownership

North Dakota $18,135
South Dakota $16,743
Nebraska $16,441
Kansas $16,331
Missouri $18,310
Minnesota $19,677
Wisconsin $15,899
Iowa $16,581
Illinois $21,504
Indiana $16,635
Ohio $16,894
Michigan $18,709
United States Average: $21,559

Source: Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics

Industry Distribution by Age and Gender, 2nd Quarter 2018

Source: Local Employment Dynamics, Iowa Workforce Development and U.S. Census Bureau
https://lehd.ces.census.gov/