**WAGE DIFFERENTIALS AND THEIR DETERMINANTS IN US TOURISM AND TOURISM ASSOCIATED INDUSTRIES**

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**ABSTRACT**

This paper examines variations in wages for tourism and tourism associated industries in the US for the period 2004-2009. It critically assesses the extent to which tourism and tourism associated activities conform to their low wage stereotype and finds this to be true in general but not universally. It then considers the possibility that wages in US tourism and tourism associated industries can be explained by observable characteristics of these industries. Recent research has suggested that the use of wage data at the level of highly detailed occupations is an effective alternative to other ways of capturing underlying skill differences. In line with this literature data from the US *Occupational Employment Statistics* (OES) were used to provide this detail. The results strongly support the importance of difference between occupations in wages in understanding differences between industries. They also support the importance of a number of industry characteristics including profitability, multi-factor productivity and demand growth.

The paper also considers the relevance of an industry wage premium or discount for tourism and tourism associated activities in the US over the same period. To assess this it estimates an industry wage model separately for five individual occupations across all industries which employ the occupation concerned. Within the small number of occupations covered the analysis find that workers in the two more highly paid occupations exhibit evidence of a tourism and tourism associated discount but that workers in the three more lowly paid occupations exhibit a tourism and tourism associated wage premium.