



September 19, 2022

The summer season is in most small business owners' rear-view mirrors now, and in heavily touristed spots, it was at least an easier year than 2021. The ongoing seasonal labor shortage wasn't quite as bad, but it's still a concern. "That's been an ongoing issue since COVID, said David Loewenberg, a 30-year veteran restaurant owner on the tony East End of New York's Long Island. "It's been really hard to find good quality people – for a number of reasons."

For the past two summers, factors affecting the seasonal labor market included, of course, COVID, which kept diners and hotel guests away from many vacation spots and also affected workers' decisions to seek seasonal jobs. Inflation and competition for higher wages kept some workers away, as well.

A March overhaul and expansion of a federal seasonal worker visa program eased labor market pressures for many small businesses, enough that the summer of 2022 may have been tough in many respects but not the grim slog of the summer season in 2021. The H-2B visa, which allows employers to hire foreign workers for nonfarm seasonal jobs, long has been a crucial piece of the summer labor puzzle for restaurants, hotels, amusement parks and other seasonal, tourist-oriented businesses. After expanding the number of visas in April 2021 and again in December, the Biden administration approved an additional 35,000 visas for the 2022 summer season, more than double the 33,000 allotted for the first six months of the fiscal year.

For small businesses, even a few more workers made a huge difference, said Shawn Cross, manager of the Kimball Terrace Inn on Mount Desert Island in Maine. The inn applied to hire from the new pool of additional H-2B visa recipients early this summer, and through a lottery (see "Who Can Petition for the Additional H-2B Visas") were able to hire three women from Jamaica to help with housecleaning and

laundry. Their arrival didn't bring the family-owned hotel up to its full summer staff complement of about 10 housekeepers and laundry workers, but it made the summer merely challenging compared with the grueling 2021 season, he said.

"There were many nights where we'd have only two laundry people and they'd be here until 6 or 7 o'clock," Cross said of summer 2021. "I'd finish my shift at the front desk at 11, and I'd go down to the laundry and be there until 2 or 3 in the morning. It was bad." It forced the inn to push its check-in time back from 3 p.m. to 4 p.m., as the smaller staff didn't have time to clean all 70 rooms with a total of about 150 beds. Cross said the inn decided to keep the later check-in time in 2022, which made daily operations a bit easier. "We were so short-staffed," he said of 2021. "Room rentals were consistent, but as far as people cleaning them, it really wasn't, at least last year."

The family-owned inn is also a landlord to a small business, leasing out a restaurant on its grounds. The Nor'Easter Pound & Market's management also entered the lottery to hire seasonal H-2B workers and found eight staff members for its busy summer season.

Loewenberg – who owns Sag Harbor's summertime-only restaurant The Beacon and year-round spot Bell & Anchor; Red|Bar Brasserie and Little|Red in Southampton; and East Hampton mainstay Fresno – had different labor issues. High housing costs make it difficult for workers to live in easy reach of the restaurants and discouraged some from returning in 2021 and this summer. His full summer staff is about 100 people. Among them are a handful of year-round workers and some multiyear seasonal veterans. He's found others by referral from other employees and through the J-1 visa program for work-study exchange, which doesn't require employer sponsorship.

Loewenberg said his 15% staffing gap forced some changes in operations. "It's been really, really difficult because we just don't have the bodies, so we run just a little bit leaner," he said. "We are now open six days a week instead of seven days a week, and each restaurant is closed on a different day."

He said customers have been understanding, largely because his restaurants are part of the East End's dining establishment. Serving a customer base that remains concerned about COVID meant has meant explaining changes to diners when asked and shifting the bar crowd from "the mosh pits we had before" to reservation-only spots. "They've become sought after, and we find that's kind of cool," he said.

Still, there are plenty of other pressures for small businesses that rely on seasonal tourism. They can take advantage of the H2-B visa program or find J-1 visa holders who can work legally to access a broader labor market, and they can trim operating hours. Other strategies that help strike a balance between retaining customers and preserving some level of seasonal profits include:

shrinkflation: The practice of reducing the sizes of servings or products while keeping prices steady is now so commonly employed that “shrinkflation” was one of 370 terms added to the Merriam-Webster dictionary this month.

raising prices: At the Kimball Terrace Inn, where summer rates ranged from \$140 to \$260 a night, there’s usually an annual increase of \$5 to \$10 per room. This year, Cross said, that price hike barely covered the increased cost of guest soaps and shampoos and other supplies, whose prices rose because supply chains were stretched thin. Incidentally, Merriam-Webster also added “supply chain” this month.

technology upgrades: While the initial cost of hardware and software may seem steep, even small businesses can benefit from improved inventory management and procurement programs, says Raymond Keating, chief economist at the Small Business and Entrepreneurship Council. New tech can help with marketing, loyalty programs and customer retention.

reluctantly biting the bullet: Sometimes it’s better to let margins get squeezed than it is to raise prices and risk alienating established, repeat customers. It was a real struggle for restaurants, which were beset by food prices that increased every month of the summer. “A bag of potatoes is \$85,” Loewenberg said. “Two-and-a-half months ago, it was \$50. It’s ridiculous.”

With the best of the past three summers behind them, owners of seasonally dependent businesses are resting, closing some parts of their operations, turning off their cell phones and exhaling.

In a stubbornly inflationary climate, with threats of recession and other economic obstacles still a real threat, are owners of seasonal small businesses making projections about Memorial Day weekend of 2023? Sort of. “We’ll do our best to make people happy,” said Loewenberg, “but I think it’s too far away to do much more.”

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