

Economic Impact on Florida Tourism

July 13th 2020

Destinations Florida
and
Downs & St. Germain Research



Study Purpose & Methodology

- This study is designed to track the impact of the economic shutdown on the tourism industry of Florida.
- Wave 1 – March 19th – March 24th
 - 995 tourism businesses representing 37 counties responded.
- Wave 2 – April 15th – April 28th
 - 1,009 tourism businesses representing 36 counties responded.
- Wave 3 – June 9th – June 29th
 - 210 tourism businesses representing 24 counties responded.
- This study is a collaboration between Destinations Florida and Downs & St. Germain Research, which donated its time and expertise to this project.
- No attempt was made to weight results by county.

The Tourism Industry & the Economic Shutdown - Overview

The pain of the economic shutdown due has lessened, but is still very damaging:

- Occupancy:
 - Down 71% points Y-O-Y in mid-April vs. down 35% in June
- Average bookings 30-days out:
 - Down 80% points Y-O-Y in mid-April vs. down 59% in June
- Average bookings 60-days out:
 - Down 68% points Y-O-Y in mid-April vs. down 60% in June
- Revenue for tourism businesses:
 - Down 82% points Y-O-Y in mid-April vs. down 45% in June
- Profit for tourism businesses:
 - Down 83% points Y-O-Y in mid-April vs. down 51% in June

The Tourism Industry & the Economic Shutdown - Overview

Help is (slowly) coming

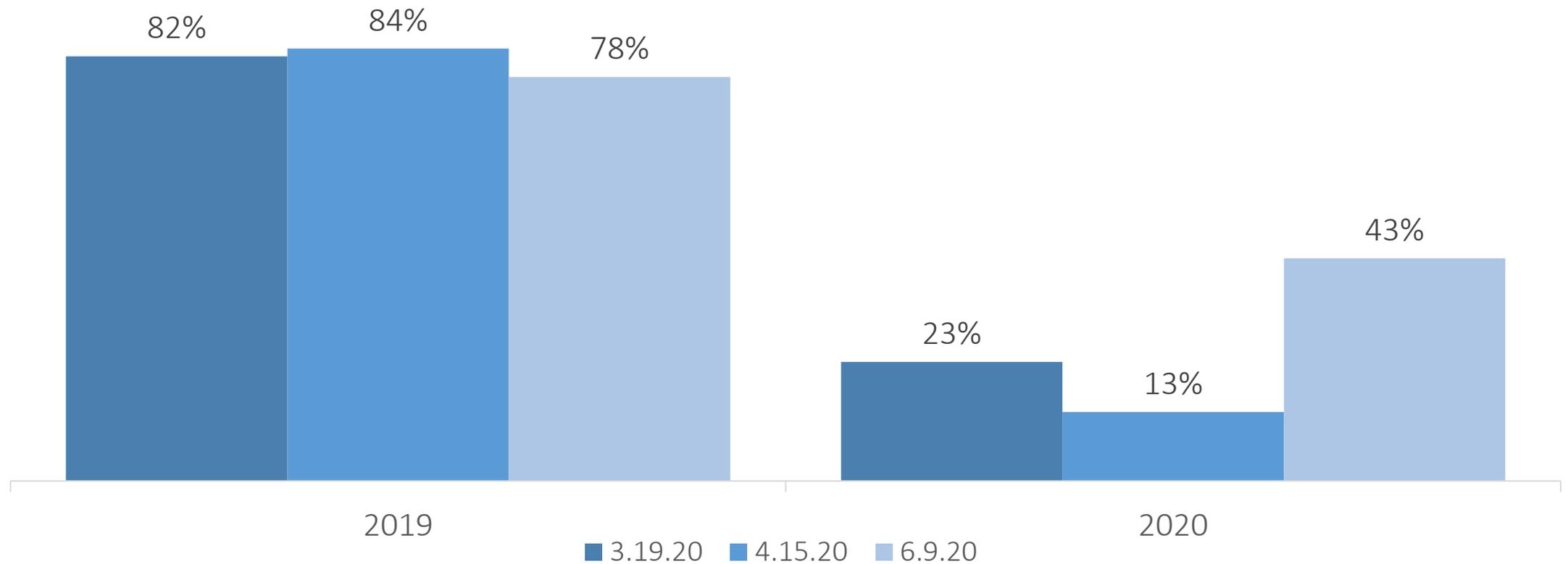
- 75% of tourism businesses have applied for financial stimulus; 81% have received it
- Since the reopening of the state, average occupancy levels have increased along with revenue and profit
- More than 7 in 10 tourism stakeholders do not believe the economic shutdown will end until at least 2021

Average Occupancy: 2019 vs. 2020

59% points – Average annual occupancy drop as of March 19

71% points – Average annual occupancy drop as of April 15

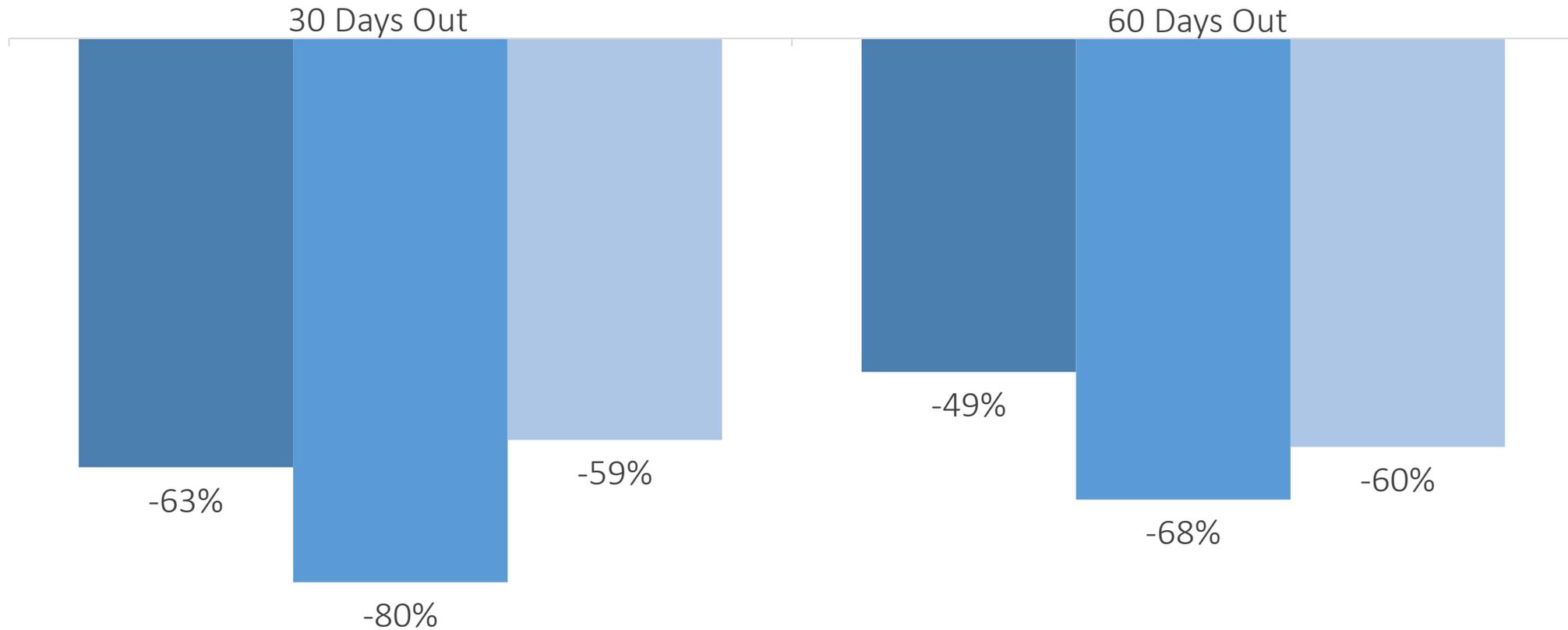
35% points – Average annual occupancy drop as of June 9



Bookings: 2019 vs 2020

As of April 15, average bookings 30-days out were down 80%; this changed to 59% down by June 9.

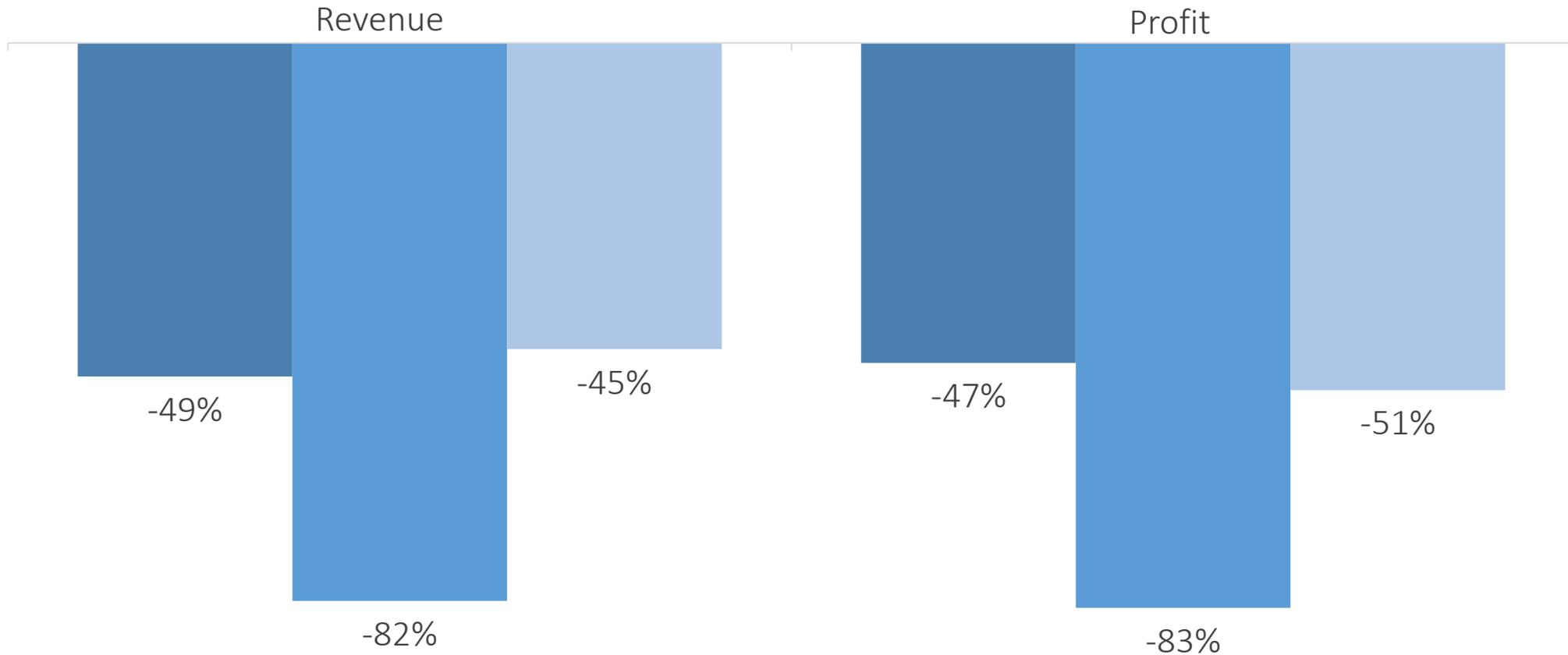
As of April 15, average bookings 60-days out were down 68%; this changed to 60% down by June 9.



Revenue and Profit: 2019 vs. 2020

As of April 15, revenue was down by 82%;
this changed to 45% down by June 9.

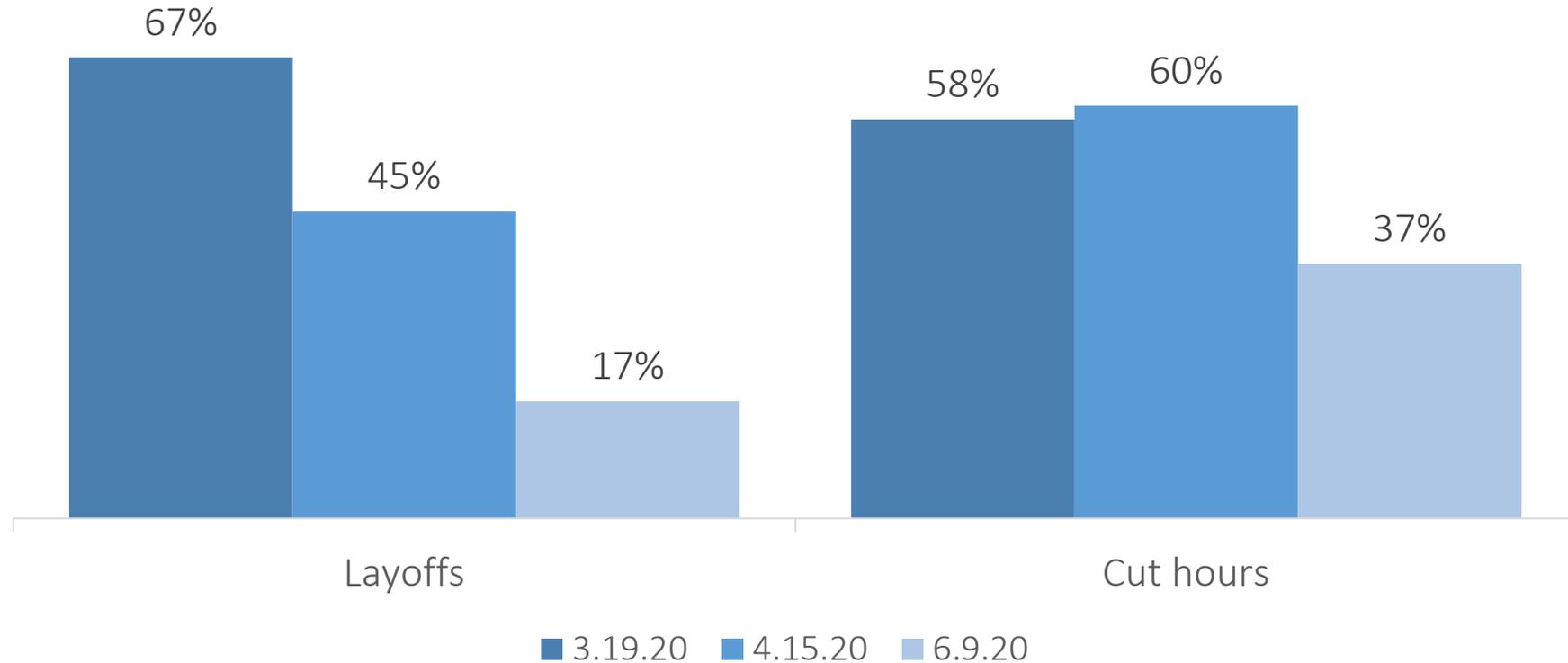
As of April 15, profit was down by 83%;
this changed to 51% down by June 9.



Layoffs & Hours¹

Have you laid any employees off or cut employees hours in the last three weeks?

17% of firms laid off employees: Those firms laid off, on average, 40% of their employees

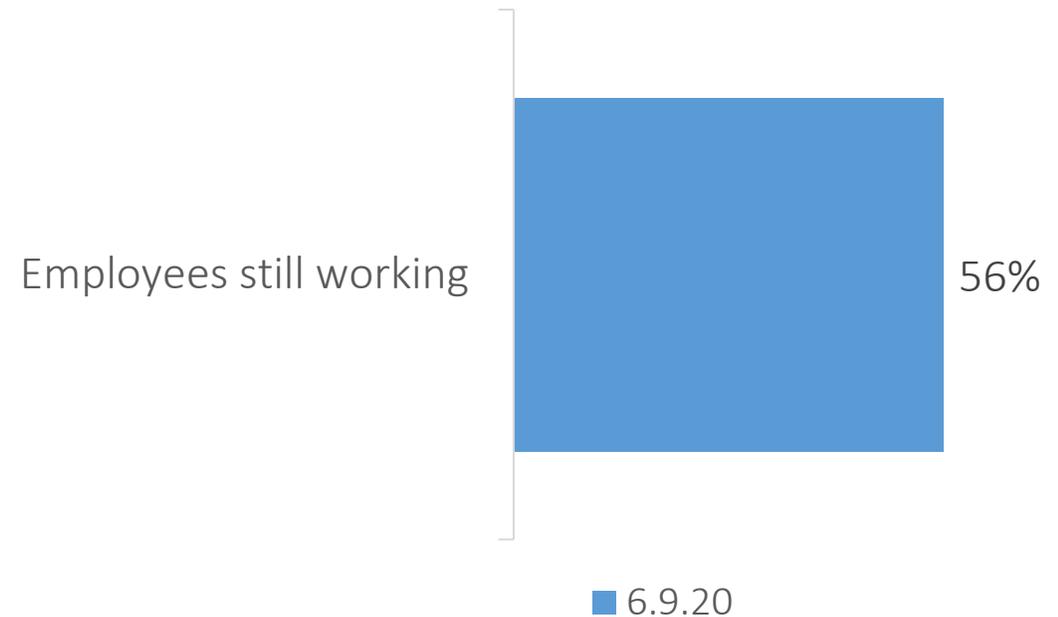


Employees Retention¹



37% of firms cut employee hours: Of those firms, on average, 56% of their employees have remained

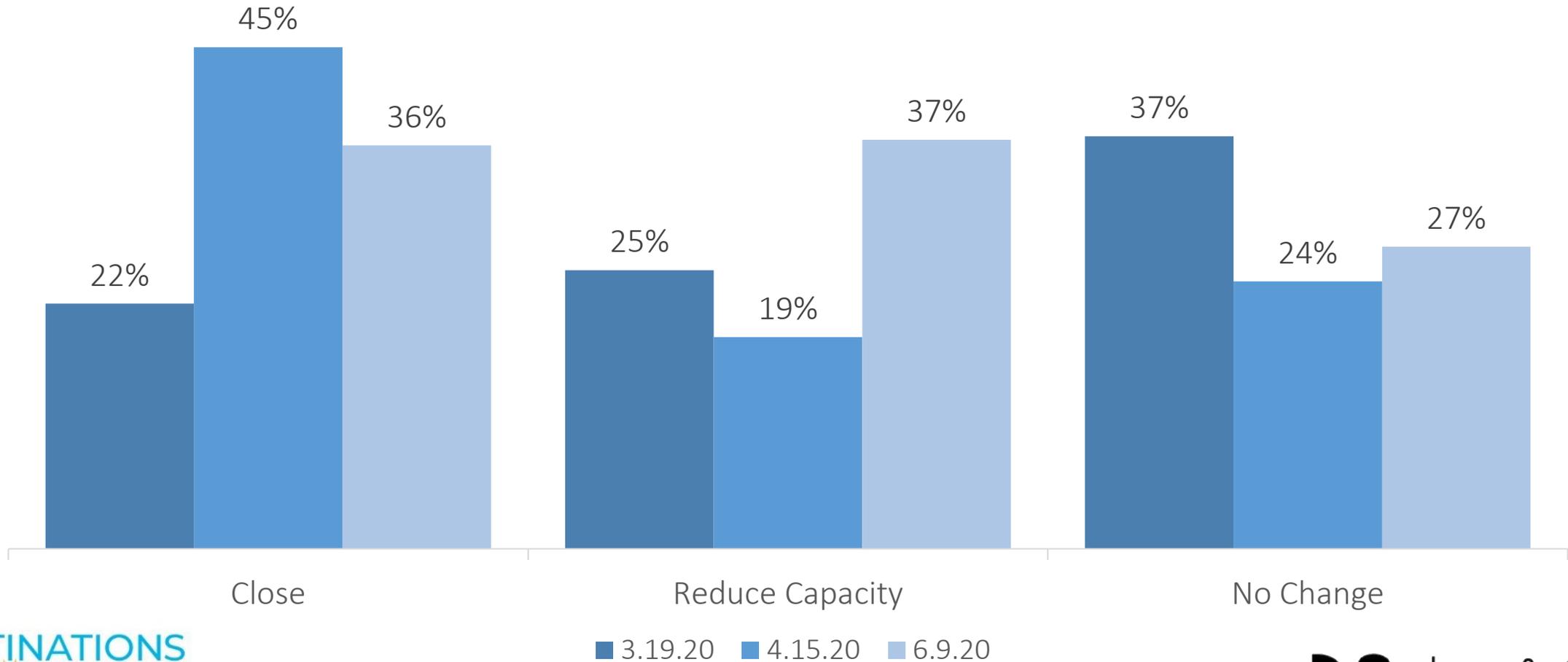
Compared to the number of employees you had before COVID-19, say back in February, what percentage of your employees are still working?



Government Required Actions

Since April 15, fewer businesses (36%) have been closed by government than were closed prior to that date (45%). Conversely, more businesses (37%) have been forced to reduce capacity during June.

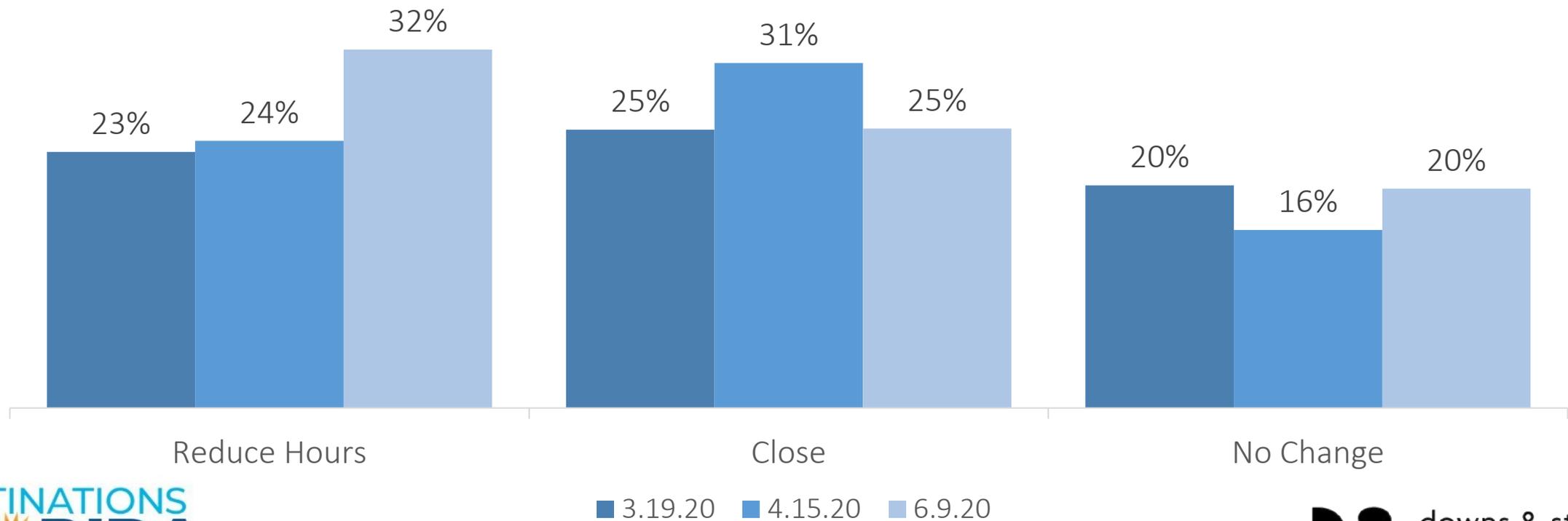
Because of the pandemic, have you been required by government agencies to:



Voluntary Actions

Since April 15, fewer businesses (25%) have voluntarily closed than closed prior to that date (31%). Conversely, a higher percentage of businesses (32%) voluntarily reduced hours during June.

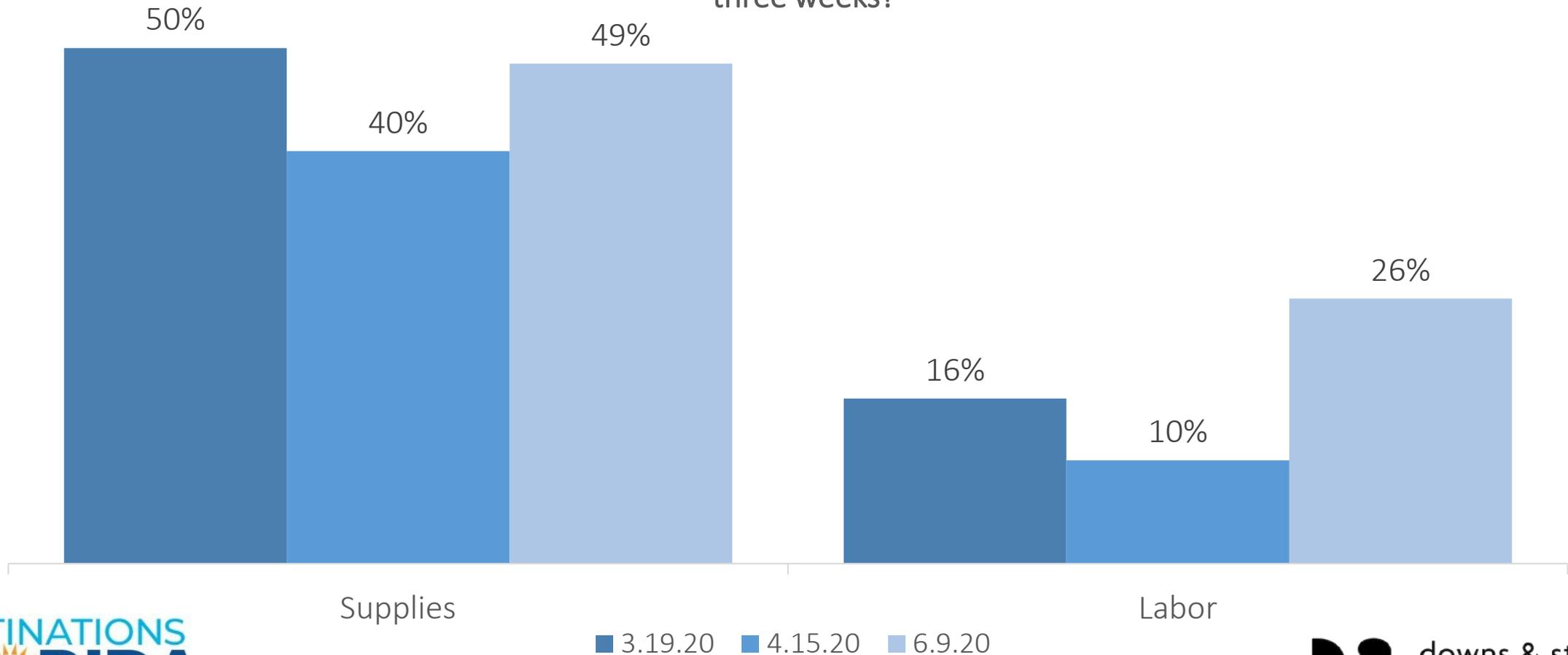
Because of the pandemic, have you decided on your own to:



Supplies and Labor

More businesses in June (49%) had difficulty finding supplies than in April (40%).
Labor shortages were higher in June at 26%.

Have you had difficulty securing critical supplies or have employees report to work in the last three weeks?

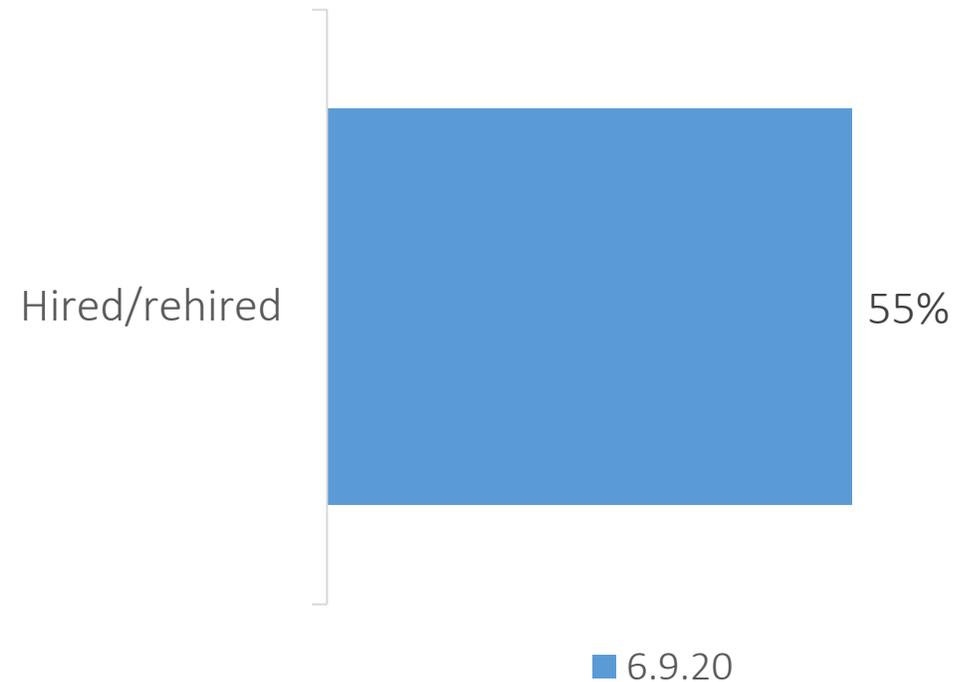


Employee Rehire¹



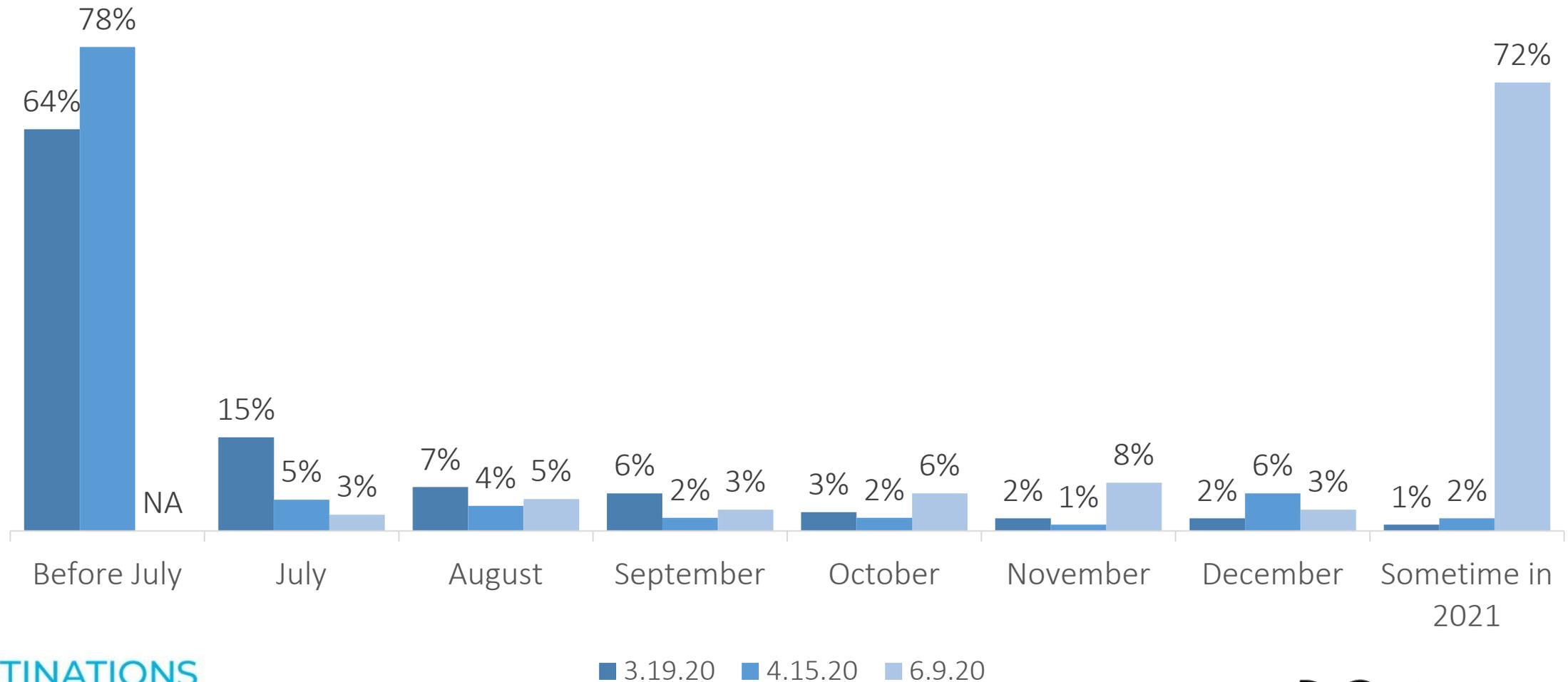
55% of firms have hired or rehired employees in the last 3 weeks

Have you hired or rehired any employees in the last 3 weeks?



When Will the Economic Shutdown End

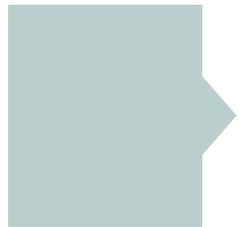
Tourism business executives were less optimistic in June as 72% thought the economic shutdown would end sometime in 2021 compared to 2% who felt this way in Mid-April.



Financial Stimulus



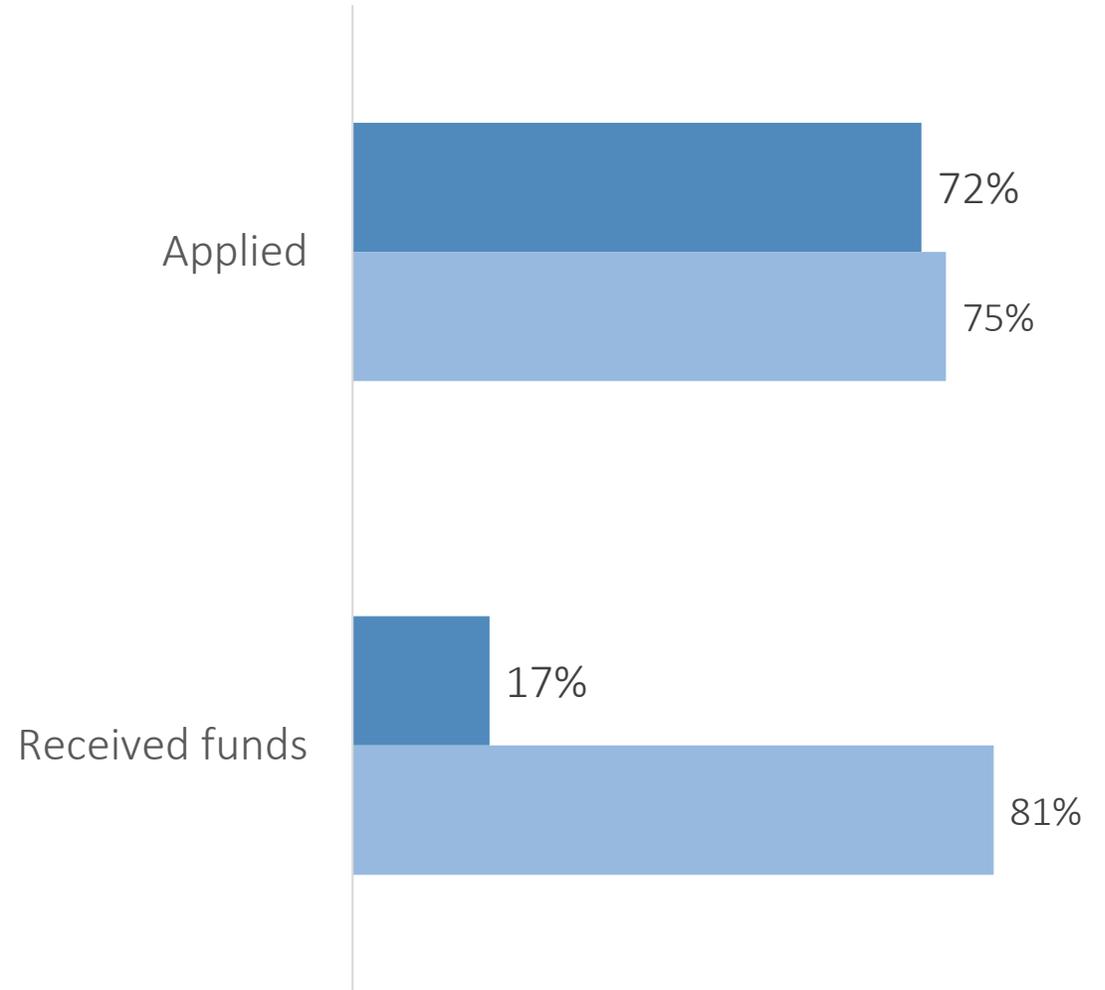
Economic Shutdown Financial Stimulus¹



75% of businesses applied for financial stimulus

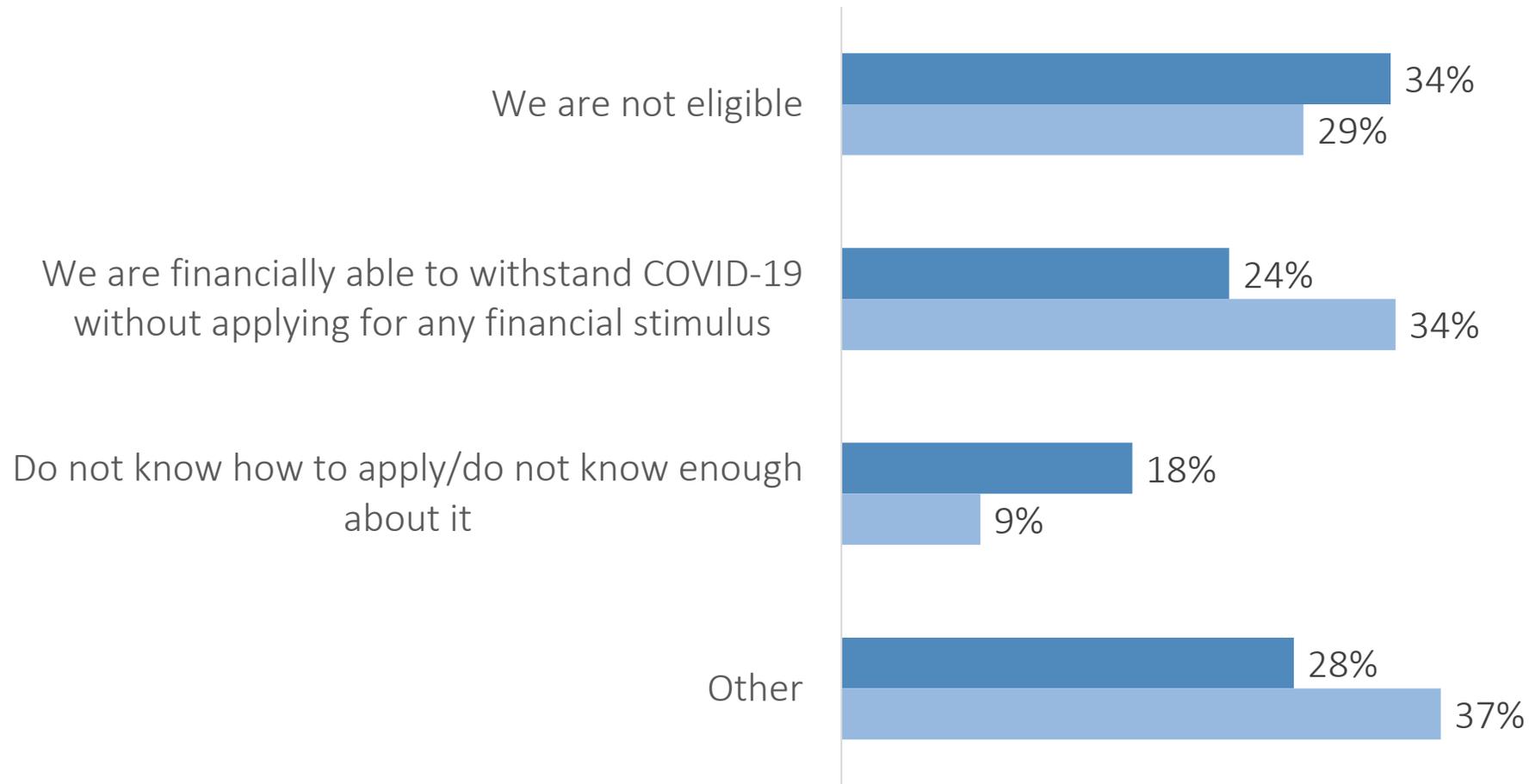


81% of those who applied have received funds



Economic Shutdown Financial Stimulus¹

Why have you not applied?

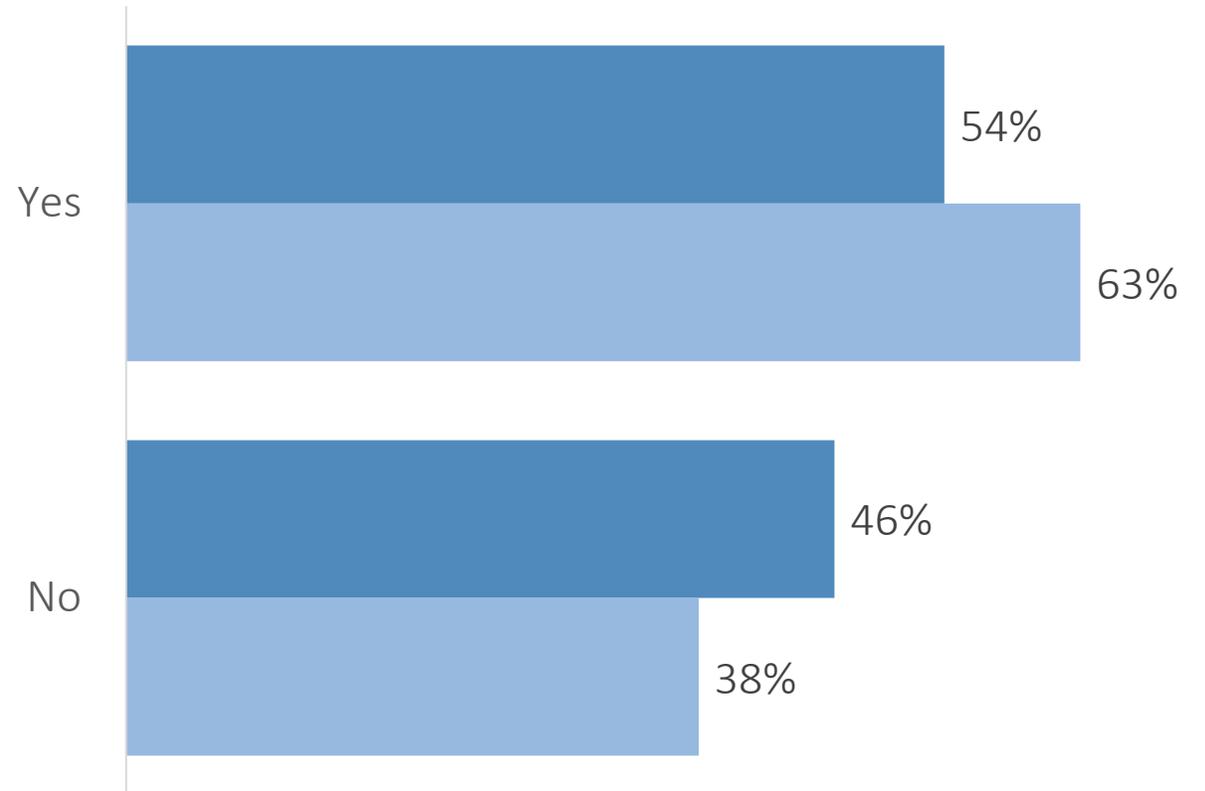


Economic Shutdown Financial Stimulus¹

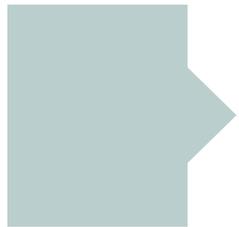


63% of businesses have a clear understanding of what percentage of economic shutdown stimulus will be forgiven

Do you have a clear understanding of what % of the COVID-19 funding you (will) received will be forgiven?

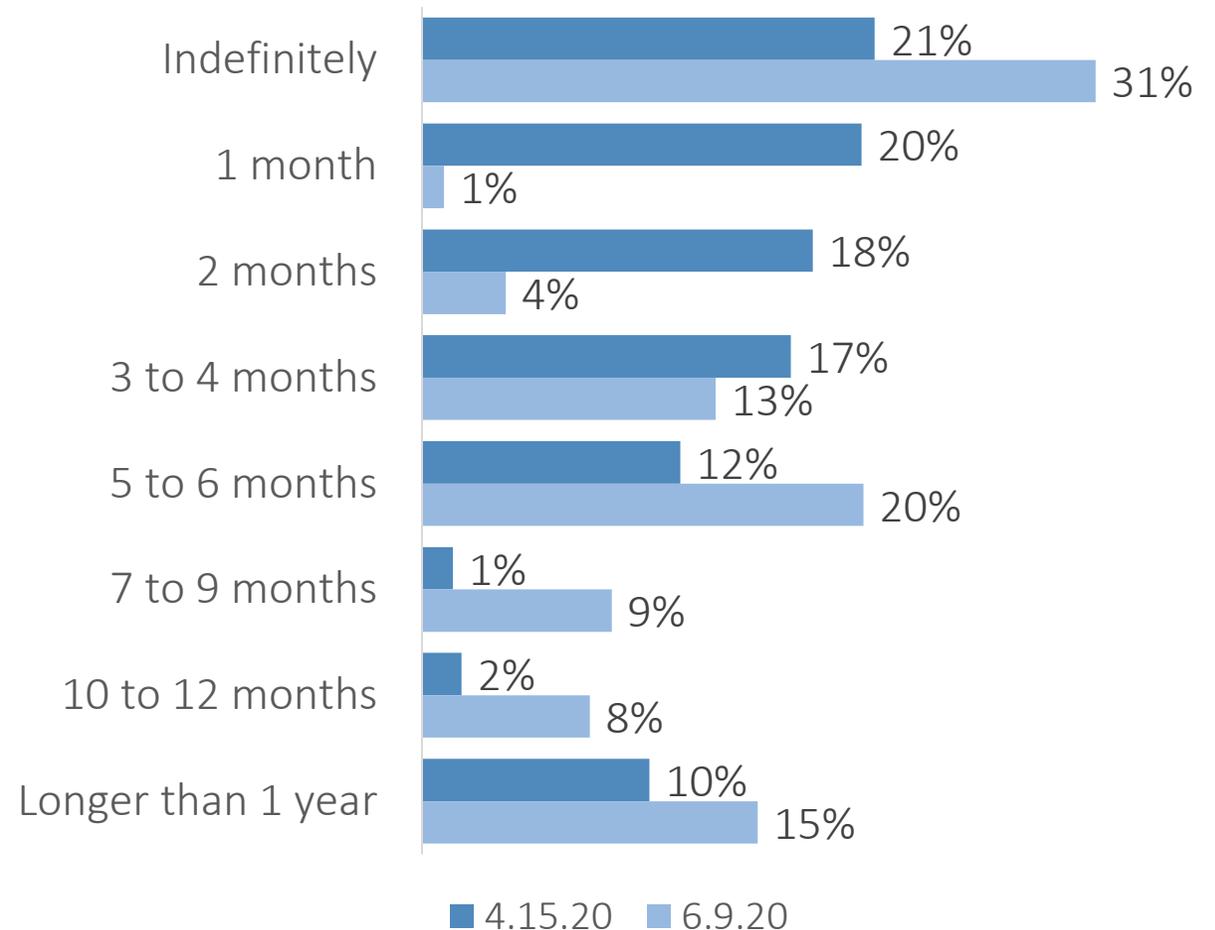


Economic Shutdown Financial Stimulus¹



1 in 3 businesses say they can keep their **doors open indefinitely** without additional funding, while another **20%** can only stay open for **5-6 months**

How long can you keep your doors open without additional funding?



Tourism Business Profile

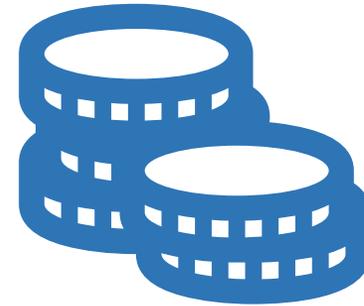


Tourism Business Size and Revenue

Typical firms in Waves 1, 2 & 3 are small businesses
(fewer than 10 employees and less than \$1 million in annual revenue)

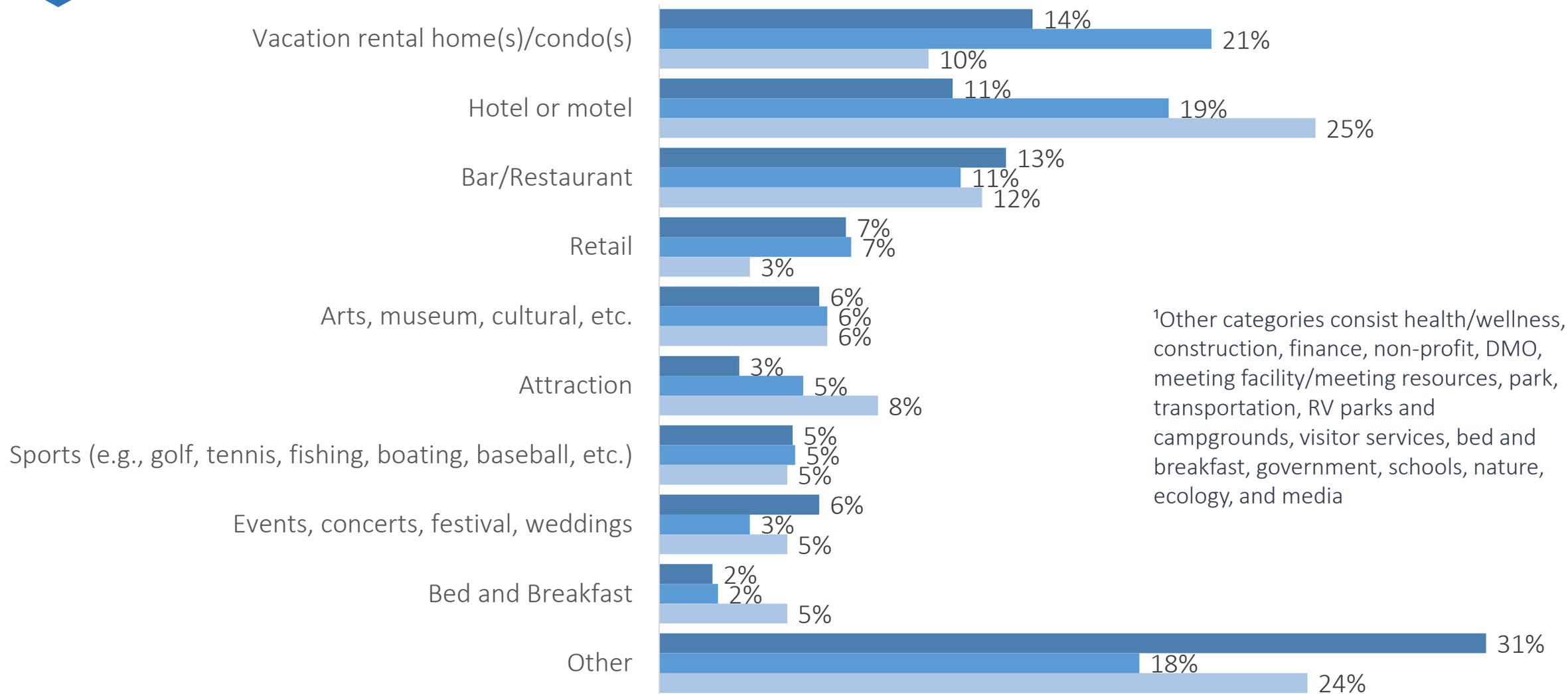


Average number of
employees:
<10



Average annual
revenue:
< \$1 million

Types of Tourism Businesses¹



¹Other categories consist health/wellness, construction, finance, non-profit, DMO, meeting facility/meeting resources, park, transportation, RV parks and campgrounds, visitor services, bed and breakfast, government, schools, nature, ecology, and media

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