

Economic Impact on Florida Tourism

April 29th 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
 - 995 tourism businesses representing 37 counties responded.
- Wave 2 – April 15th
 - 1,009 tourism businesses representing 36 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 to the tourism industry has increased dramatically:

- Occupancy:
 - -59% points in mid-March vs. -71% points in mid-April
- Average bookings 30-days out:
 - -63% in mid-March vs. -80% in mid-April
- Average bookings 60-days out:
 - -49% in mid-March vs. -68% in mid-April
- Revenue for tourism businesses:
 - -49% points in mid-March vs. -82% in mid-April
- Profit for tourism businesses:
 - -47% in mid-March vs. -83% in mid-April

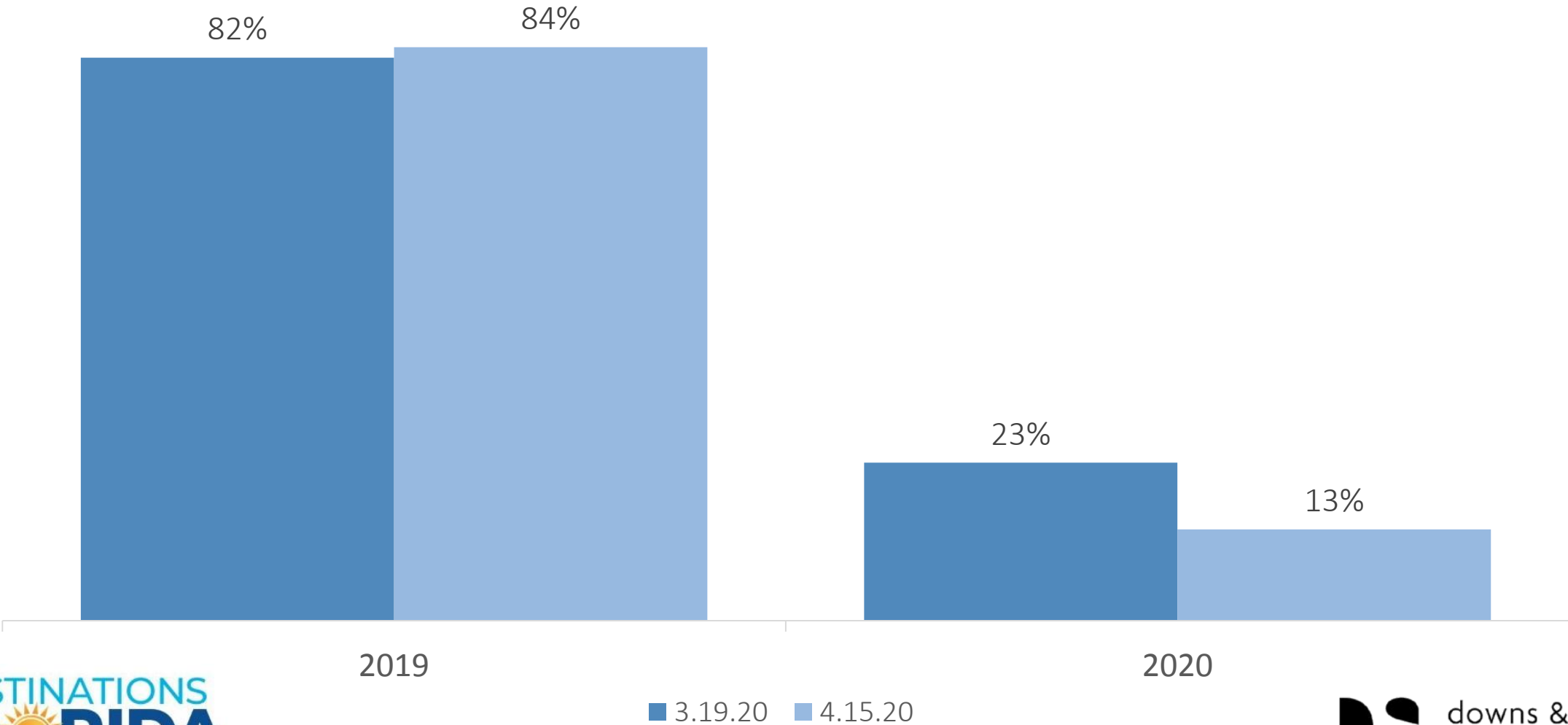
The Tourism Industry & the Economic Shutdown - Overview

Help is not coming

- 72% of tourism businesses have applied for financial stimulus; only 17% have received it
- Continued restrictions on restaurants, retail establishments and short-term rentals negatively affect the tourism industry's ability to recover

Average Occupancy: 2019 vs. 2020

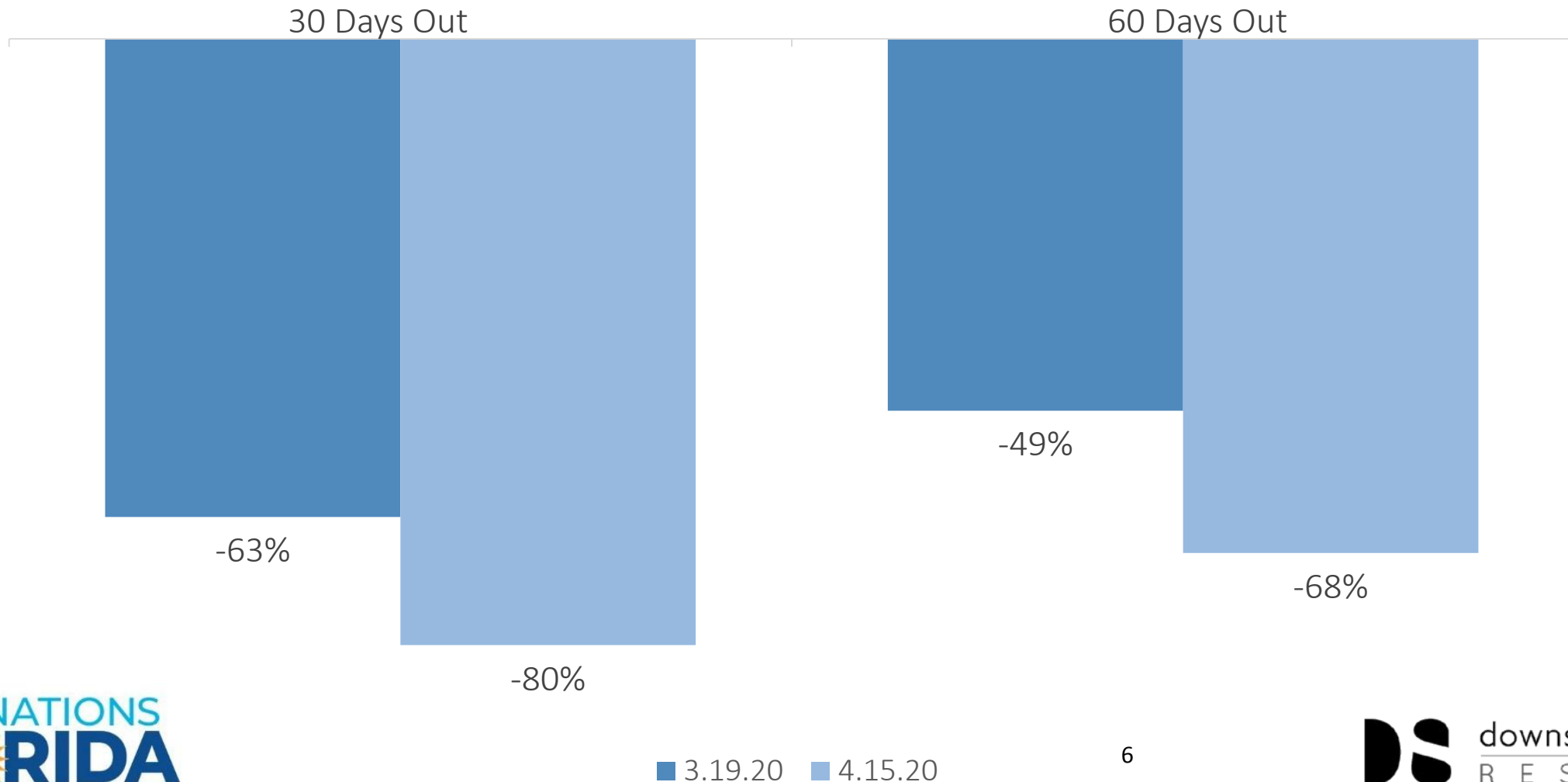
59% points – Average annual occupancy drop as of March 19
71% points – Average annual occupancy drop as of April 15



Bookings: 2019 vs 2020

As of March 19, average bookings 30-days out were down 63%; this changed to 80% down by April 15.

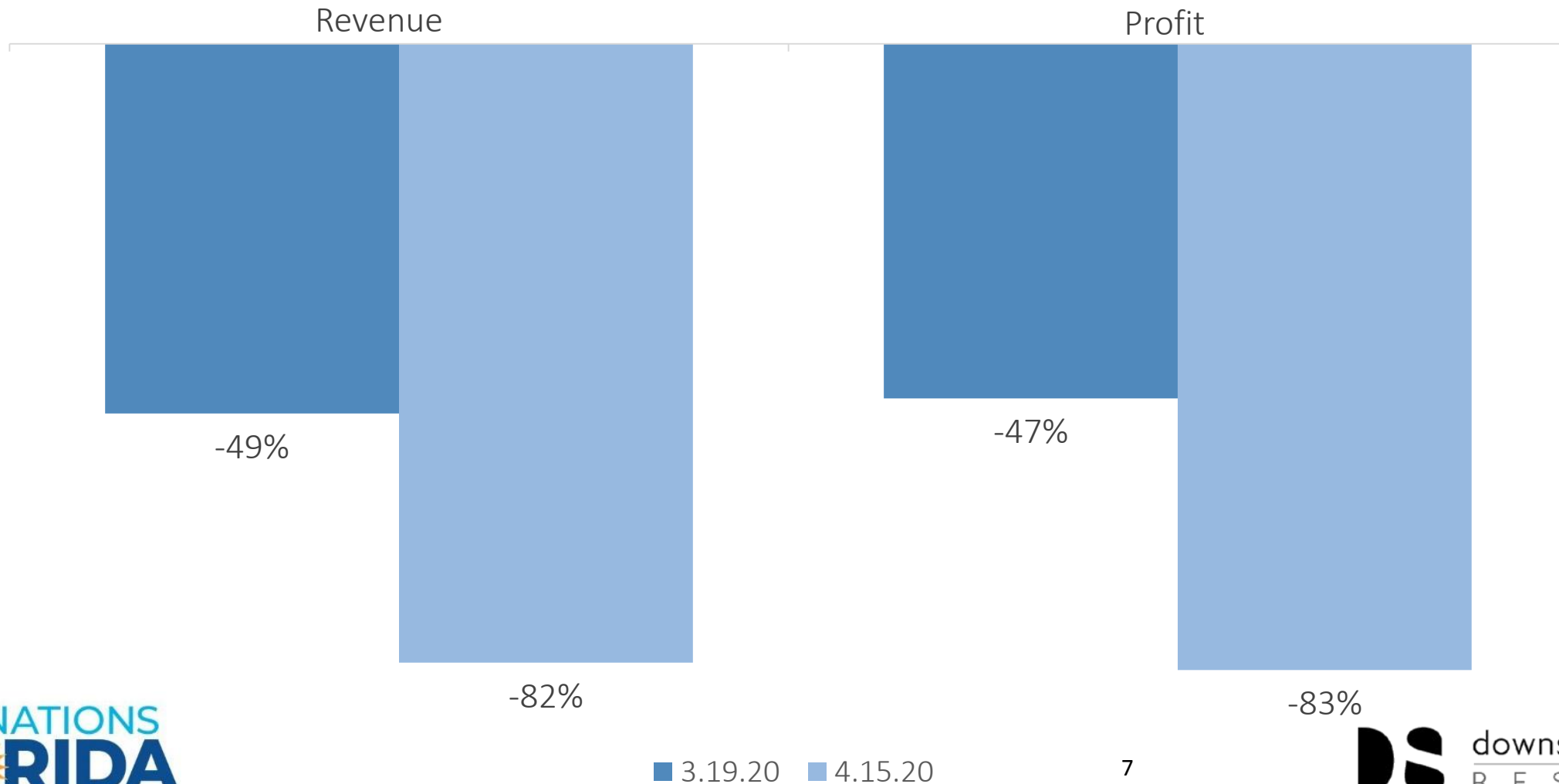
As of March 19, average bookings 60-days out were down 49%; this changed to 68% down by April 15.



Revenue and Profit: 2019 vs. 2020

As of March 19, revenue down 49%;
this changed to 82% down by April 15

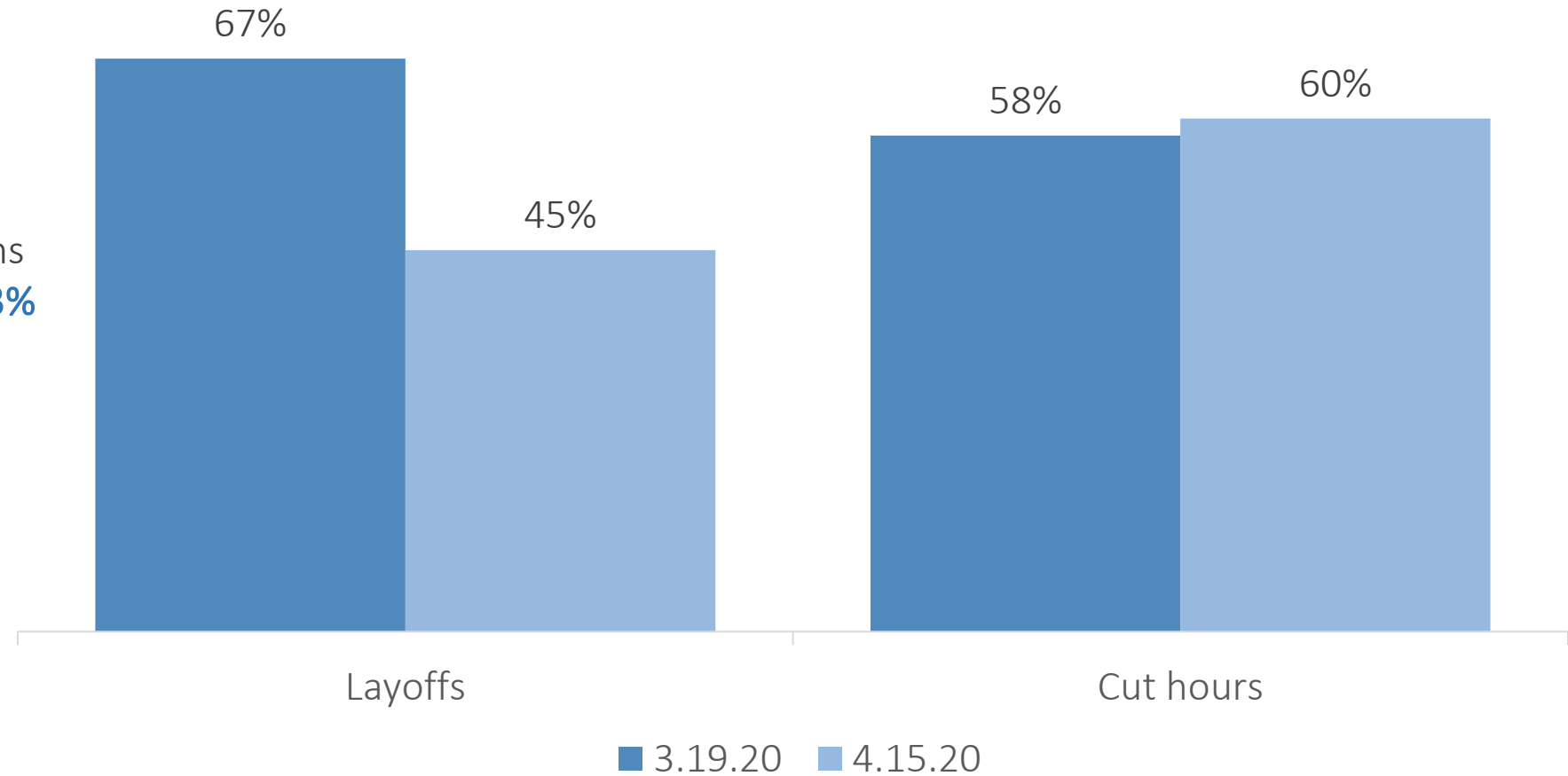
As of March 19, profit was down 47%;
this changed to 83% down by April 15.



Layoffs & Hours¹

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

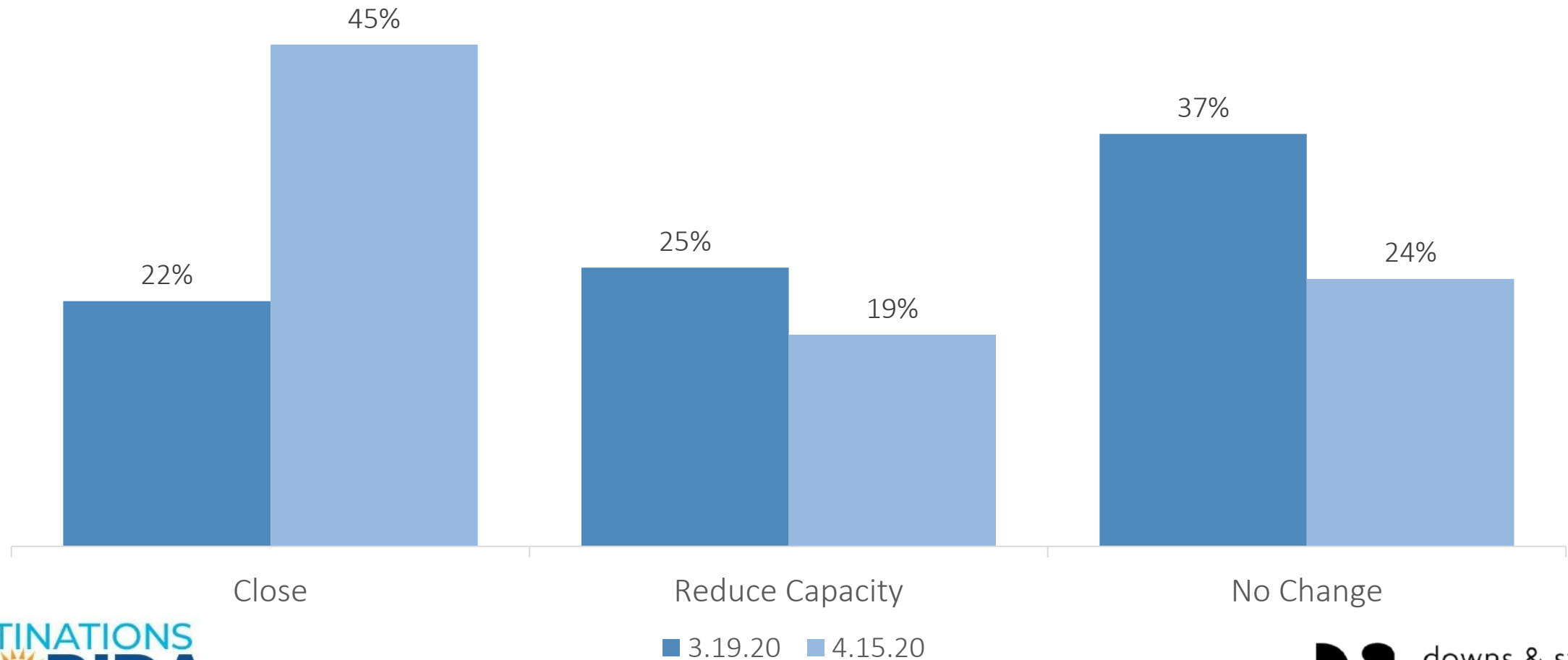
45% of firms laid off employees: Those firms laid off, on average, 73% of their employees



Government Required Actions

Since March 19, more businesses (45%) have been closed by government than were closed prior to that date (22%). Conversely, fewer businesses (19%) have been forced to reduce capacity during April.

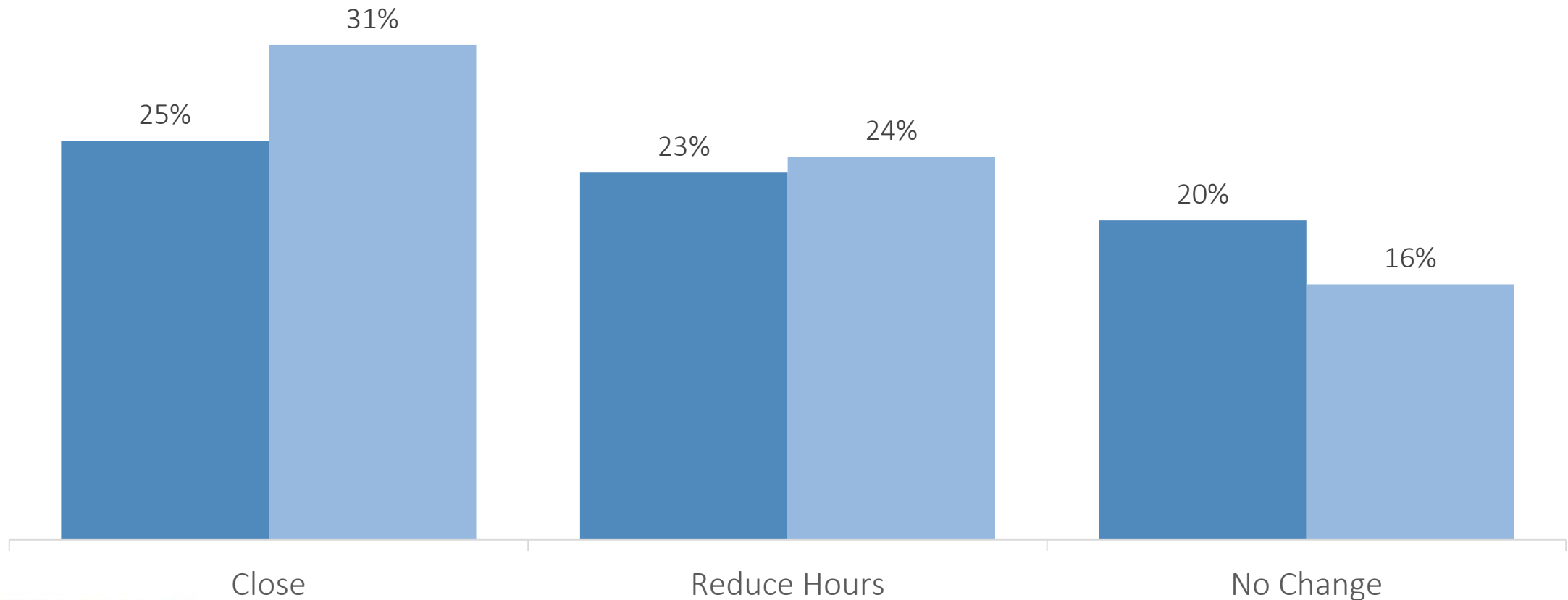
Because of the pandemic, have you been required by government agencies to:



Voluntary Actions

Since March 19, more businesses (31%) have voluntarily closed than closed prior to that date (25%). Likewise, about the same percentage of businesses (24%) voluntarily reduced capacity during April.

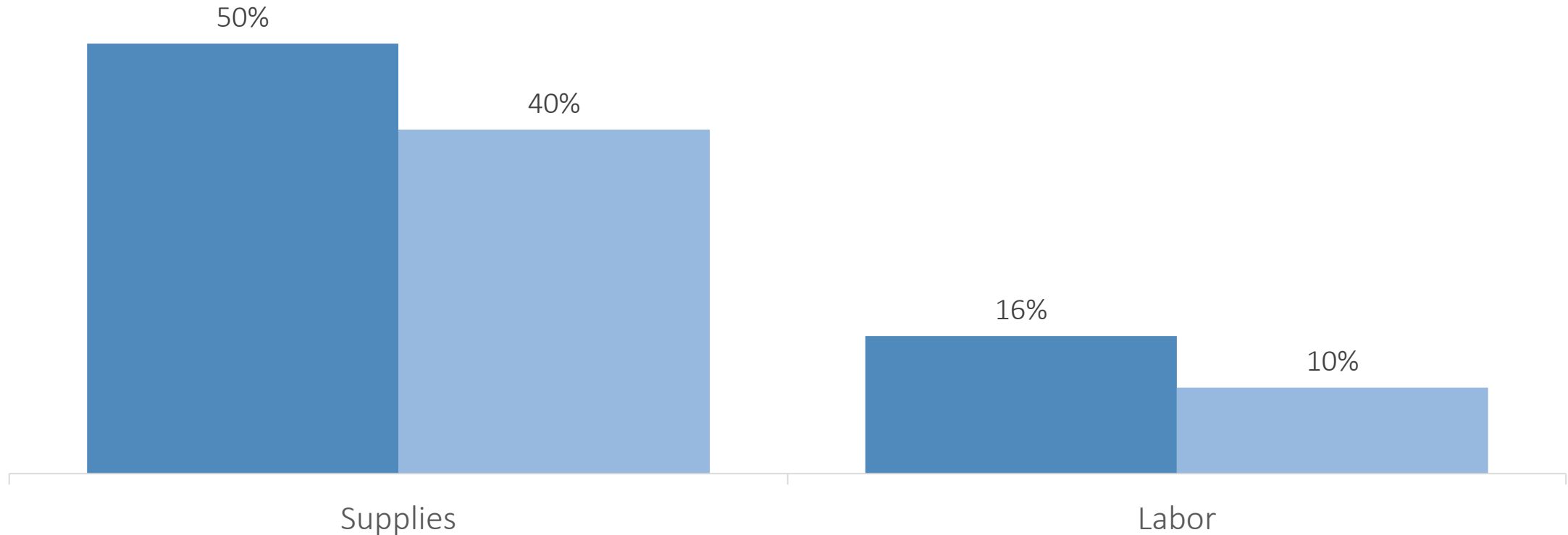
Because of the pandemic, have you decided on your own to:



Supplies and Labor

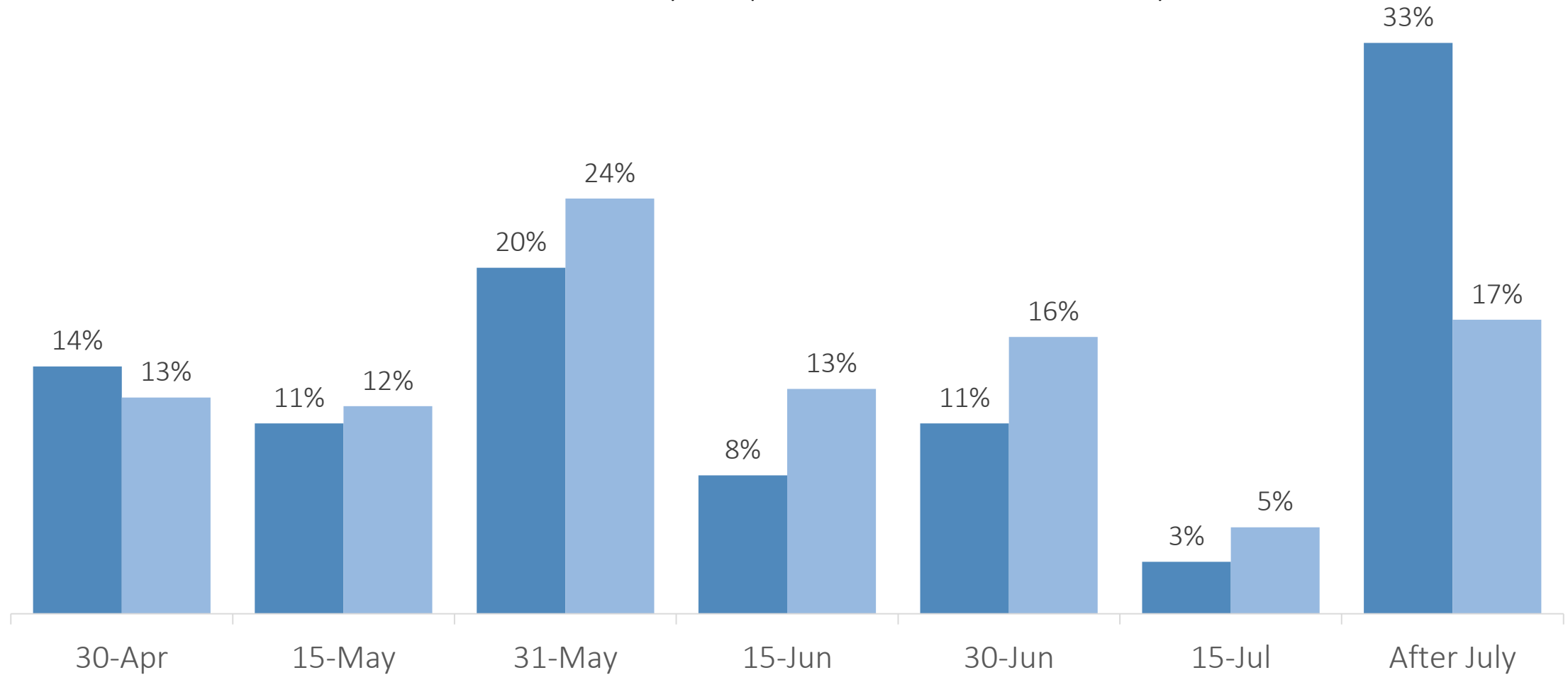
Fewer businesses in mid-April (40%) had difficulty finding supplies than in March (50%).
Labor shortages were also less acute in April.

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



When Will the Economic Shutdown End

Tourism business executives were more optimistic in mid-April as only 17% thought the economic shutdown would end after July compared to 33% who felt this way in Mid-March.



Financial Stimulus



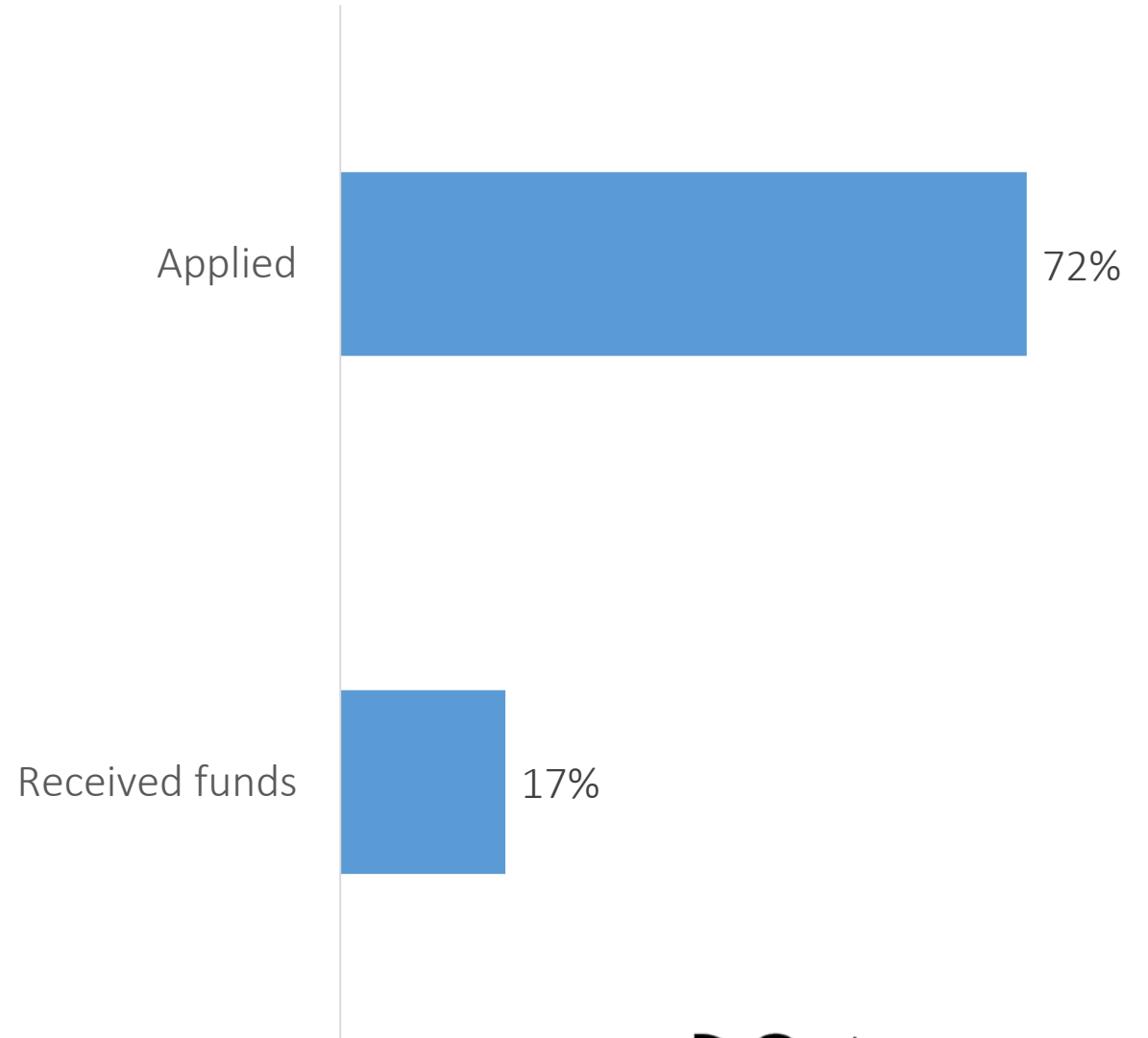
Economic Shutdown Financial Stimulus¹



72% of businesses applied for financial stimulus.

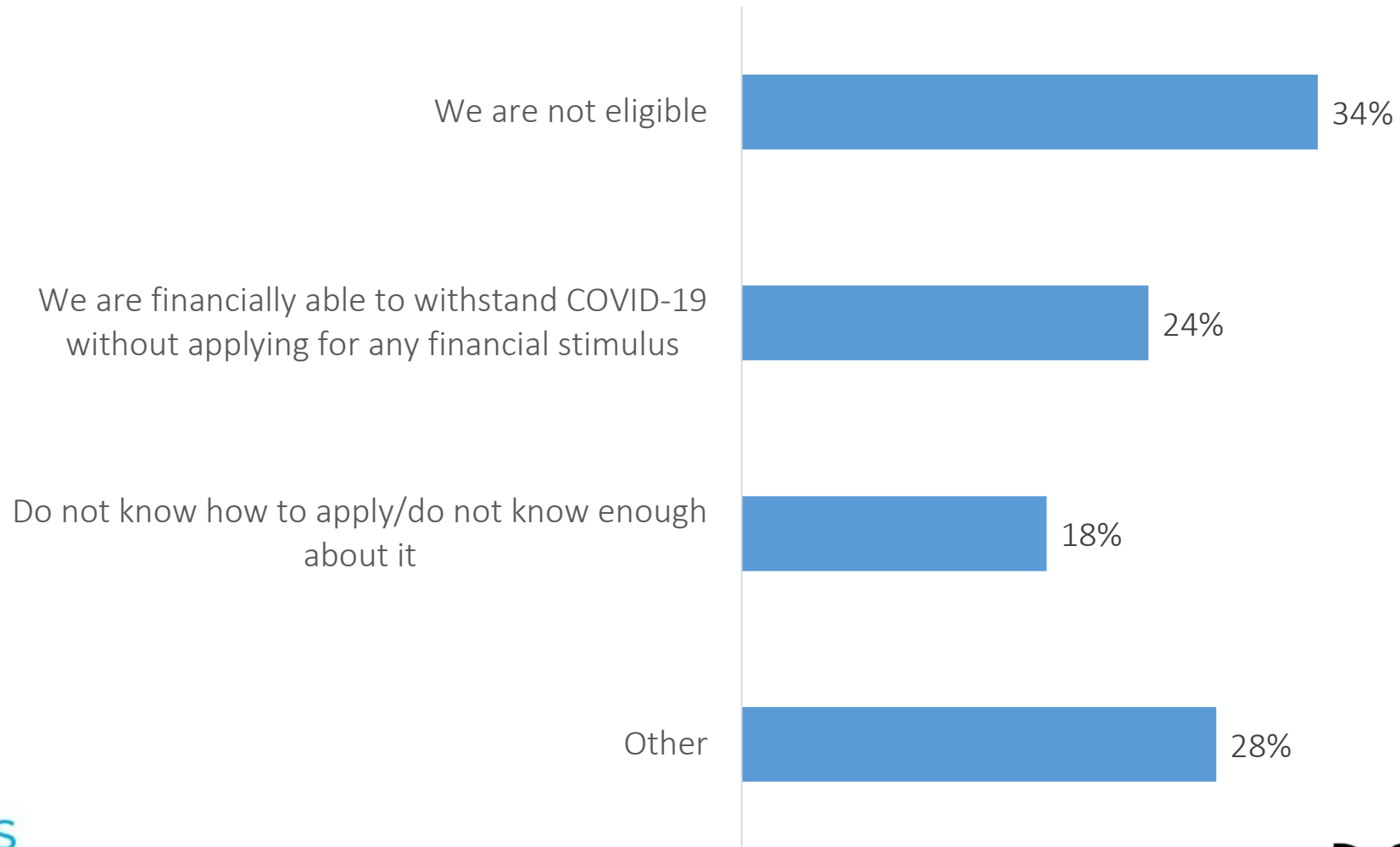


Only 17% of those who applied have received funds.




Economic Shutdown Financial Stimulus¹

Why have you not applied?




¹Asked only in Wave 2, April 15, 2020

Economic Shutdown Financial Stimulus¹

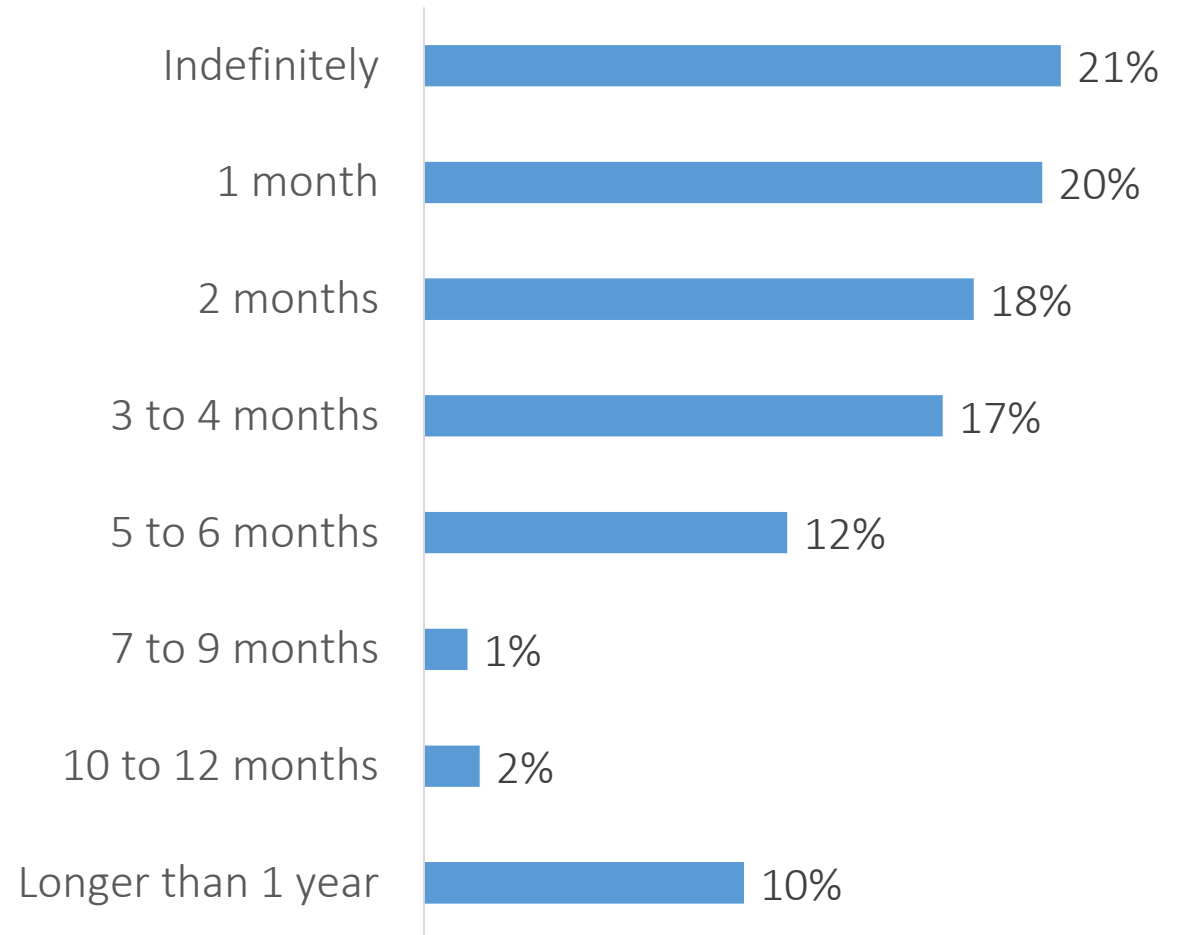


54% of businesses have a clear understanding of what percentage of economic shutdown stimulus will be forgiven



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

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



Tourism Business Profile

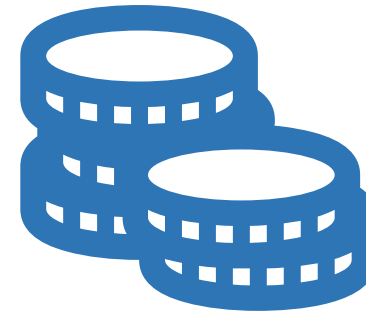


Tourism Business Size and Revenue

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

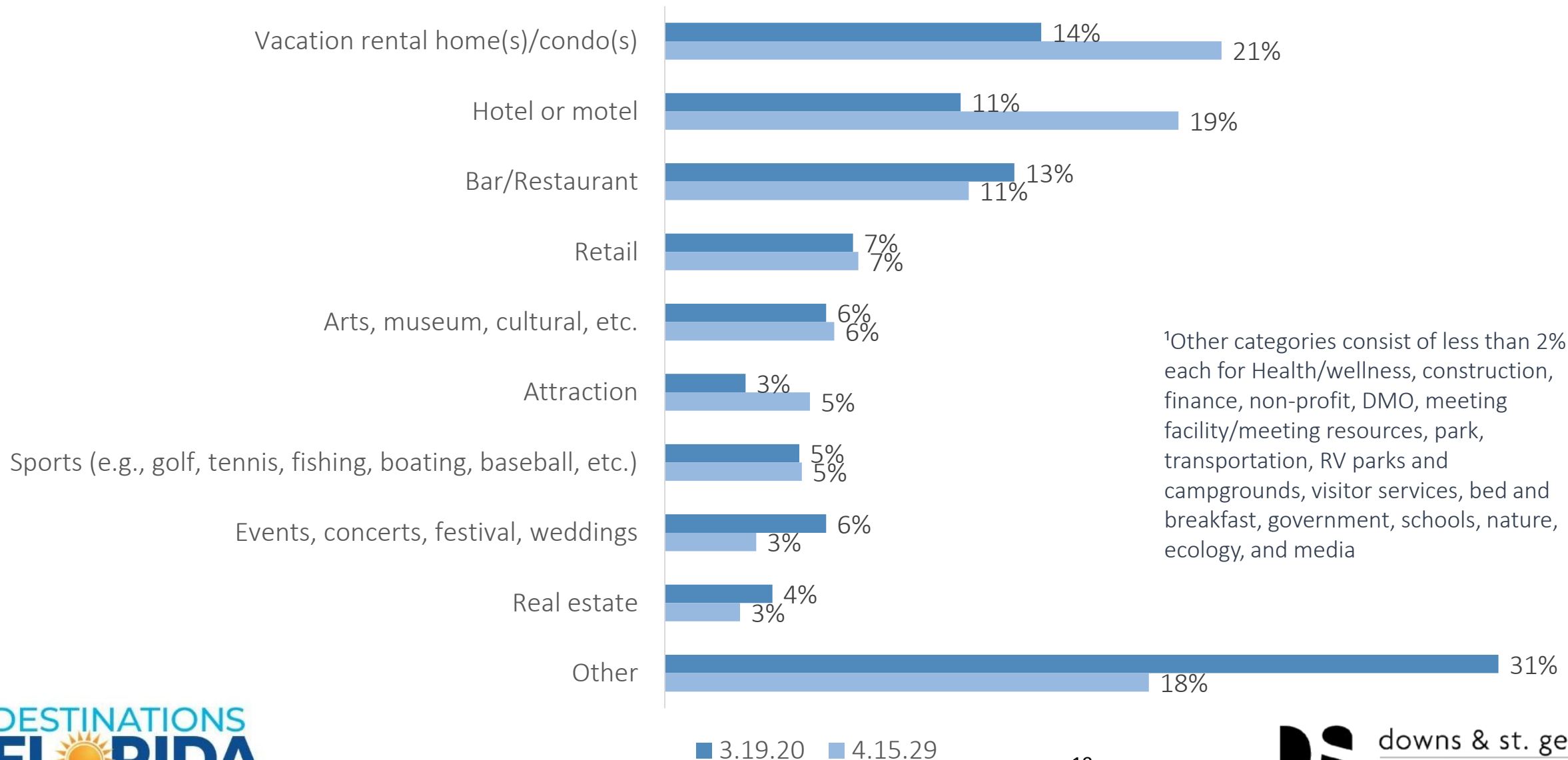


Average number of
employees:
<10



Average annual
revenue:
< \$1 million

Types of Tourism Businesses¹



¹Other categories consist of less than 2% each for 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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