

COVID-19 Impact on Walton County Tourism

May 1st 2020

Destinations Florida
and
Downs & St. Germain Research



Study Purpose & Methodology

- This study is designed to track the impact of COVID-19 on the tourism industry of Florida. This report focuses on Walton County.
- Wave 1 – March 19th
 - 163 tourism businesses responded.
- Wave 2 – April 15th
 - 220 tourism businesses responded.
- This study is a collaboration between Destinations Florida and Downs & St. Germain Research, which donated its time and expertise to this project.

Value of Tourism in Walton County

Tourism in Walton County & COVID-19: Overview

- Visitors to Walton County spent \$3.5 billion in 2019; anticipated spending \$3.8 billion in 2020 before COVID-19
- Total economic impact was \$5.2 billion in 2019
- 23,700 jobs in Walton County were supported by tourism in 2019
- Tourism accounts for 75% of Walton County's economy

Tourism in Walton County & COVID-19: Economic Impact

Spring season accounts for 25% of South Walton's tourism

- Estimated Spring season losses to Walton County from COVID-19:
 - \$575 million in direct spending from visitors will be lost through May under current conditions
 - 10,000 jobs will be lost under current conditions through May

Summer season accounts for 50% of South Walton's tourism

- Estimated Spring & Summer season losses to Walton County from COVID-19:
 - \$1.925 billion in direct spending from visitors will be lost from March through August under current conditions
 - 15,000 jobs will be lost from March through August under current conditions

The Tourism Industry & COVID-19 - Overview

The economic pain COVID-19 has caused the tourism industry has increased dramatically:

- Occupancy:
 - -58% points in mid-March vs. -68% points in mid-April
- Average bookings 30-days out:
 - -73% in mid-March vs. -63% in mid-April
- Average bookings 60-days out:
 - -49% in mid-March vs. -52% in mid-April
- Revenue for tourism businesses:
 - -55% points in mid-March vs. -90% in mid-April
- Profit for tourism businesses:
 - -59% in mid-March vs. -90% in mid-April

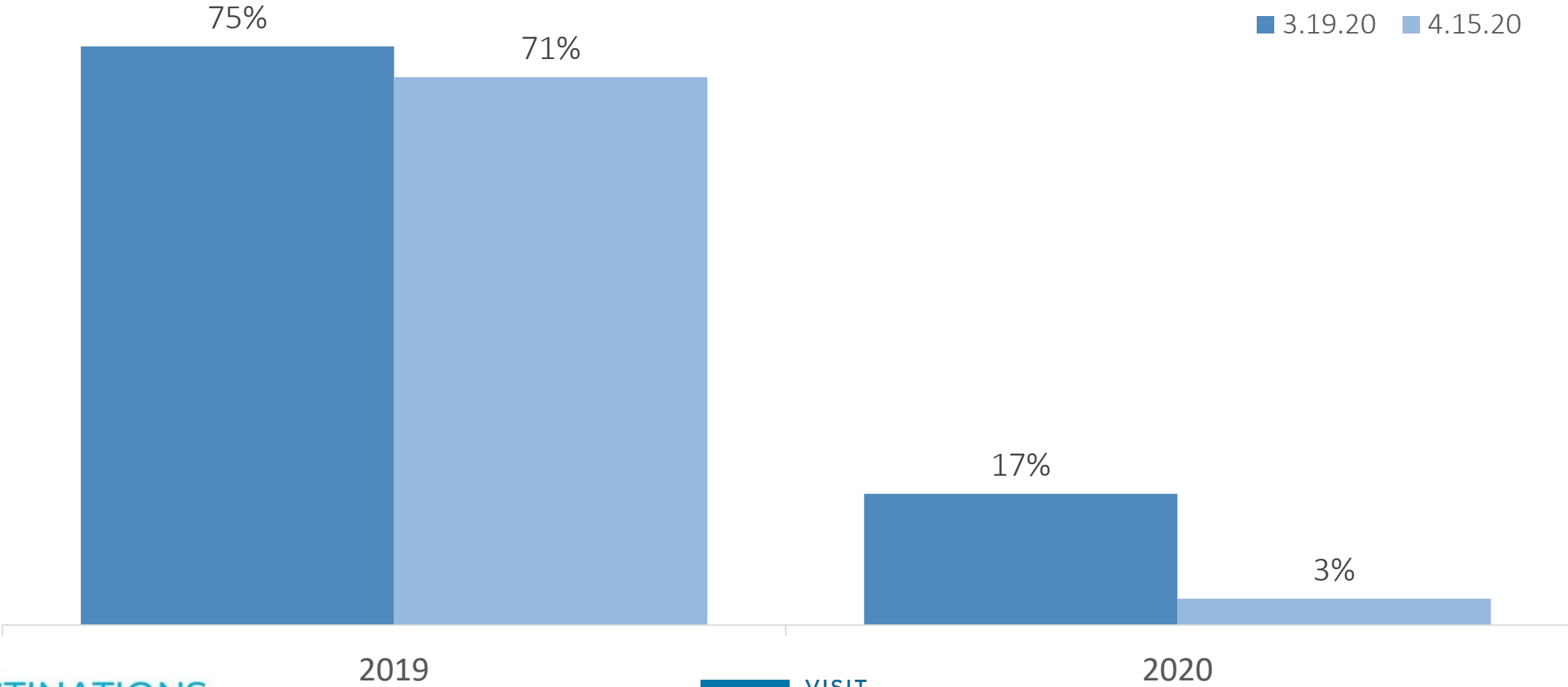
The Tourism Industry & COVID-19 - Overview

Help is not coming

- Only 3% of tourism businesses in Walton County are operating at full capacity
- 71% of tourism businesses have applied for financial stimulus; only 30% 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

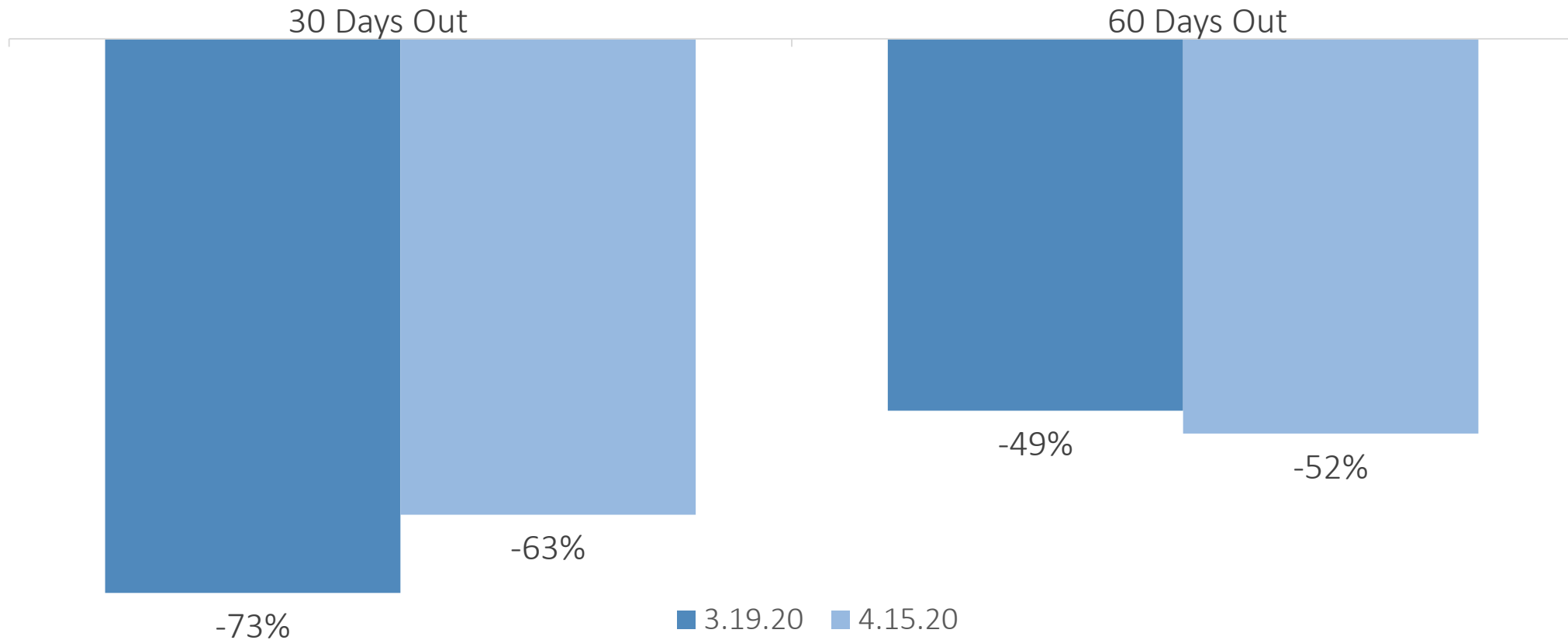
58% points – Average annual occupancy drop as of March 19
68% points – Average annual occupancy drop as of April 15



Bookings: 2019 vs 2020

As of March 19, average bookings 30-days out were down 73%; this changed to 63% down by April 15.

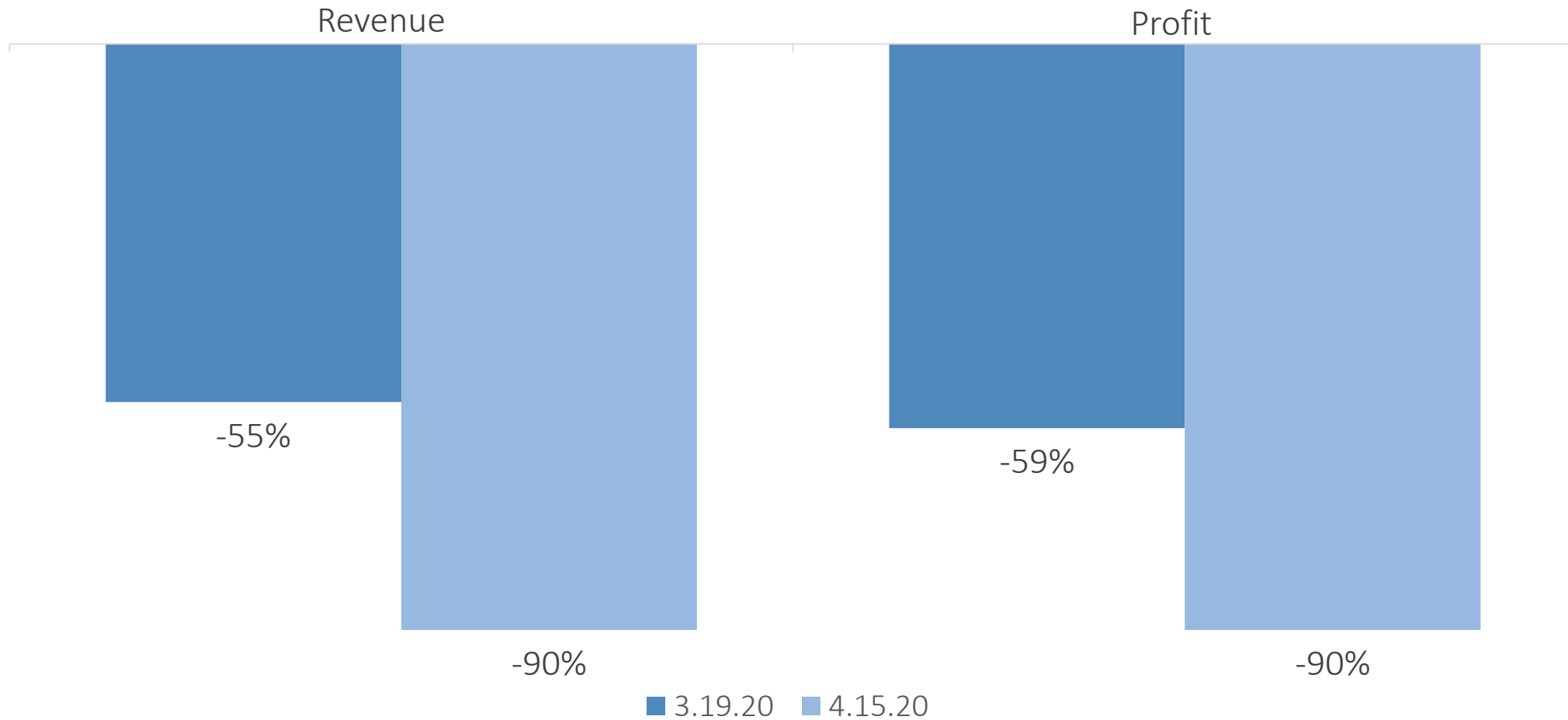
As of March 19, average bookings 60-days out were down 49%; this changed to 52% down by April 15.



Revenue and Profit: 2019 vs. 2020

As of March 19, revenue was down 55%;
this changed to 90% down by April 15

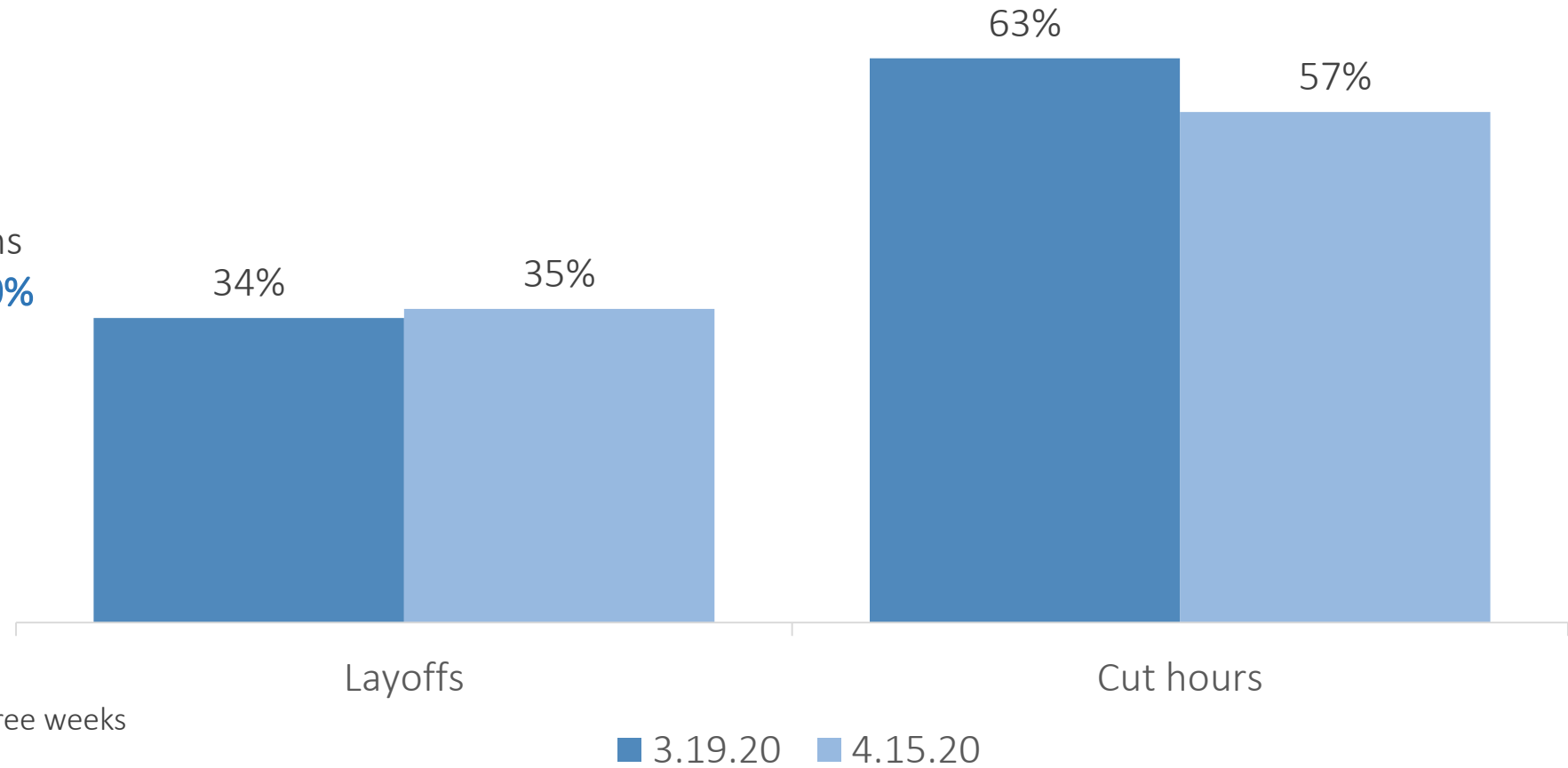
As of March 19, profit was down 59%;
this changed to 90% down by April 15.



Layoffs & Hours¹

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

35% of firms² laid off employees: Those firms laid off, on average, 80% of their employees



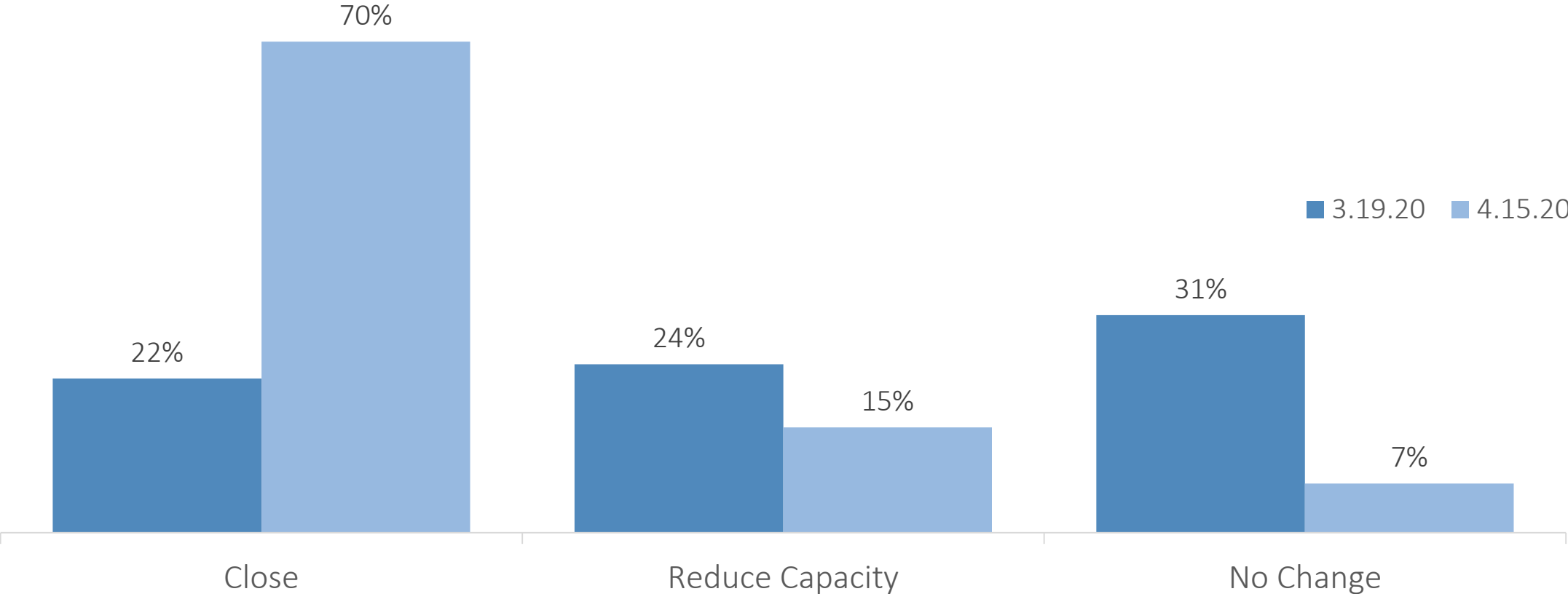
¹ Laid off or cut employees hours in the past three weeks

² Firms that have not closed

Government Required Actions

Since March 19, more businesses (70%) have been closed by government than were closed prior to that date (22%). Conversely, fewer businesses (15%) have been forced to reduce capacity during April.

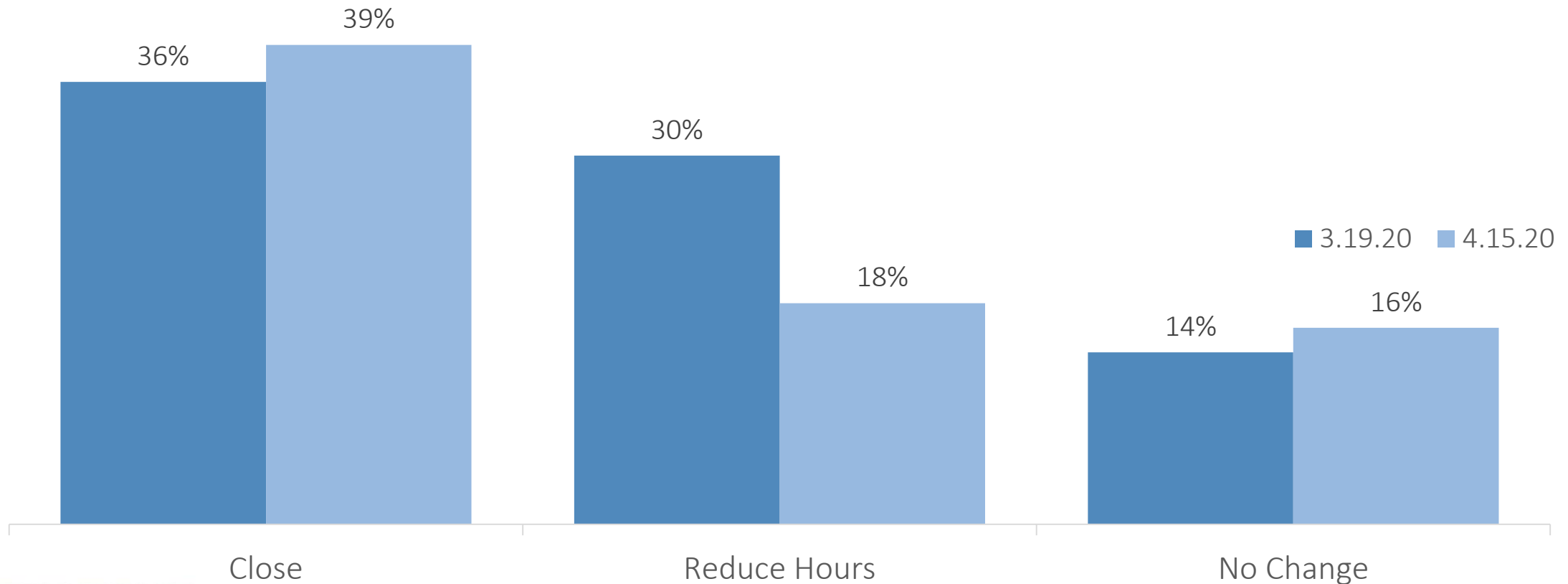
Because of COVID – 19, have you been required by government agencies to:



Voluntary Actions

Since March 19, more businesses (39%) have voluntarily closed than closed prior to that date (36%). Conversely, fewer businesses (18%) have been forced to reduce capacity during April.

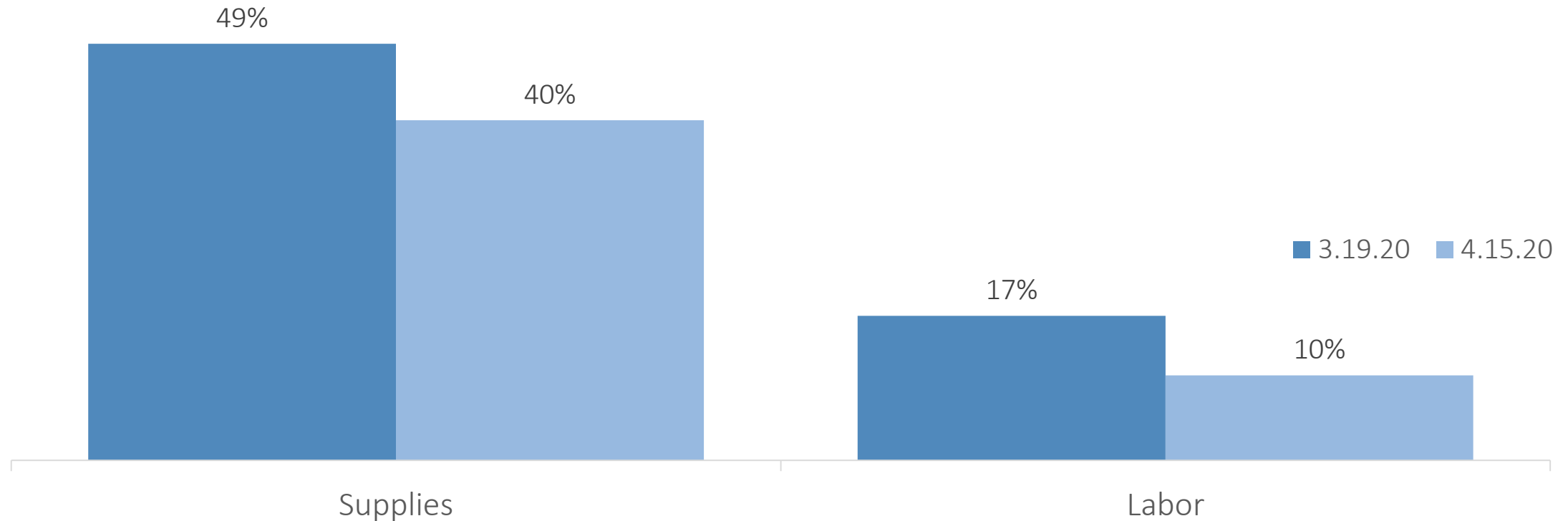
Because of COVID – 19, have you decided on your own to:



Supplies and Labor

Fewer businesses in mid-April (40%) had difficulty finding supplies than in March (49%).
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?

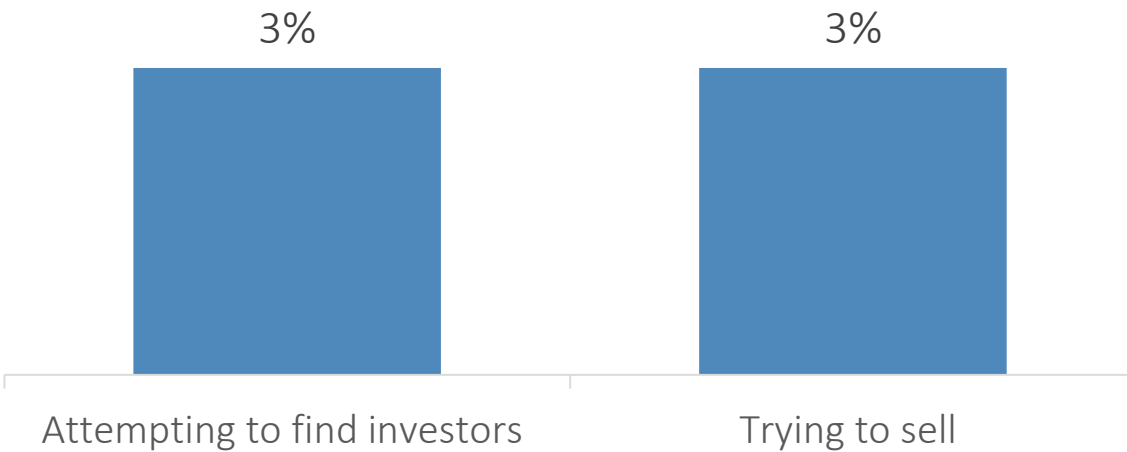


Walton County Tourism Businesses

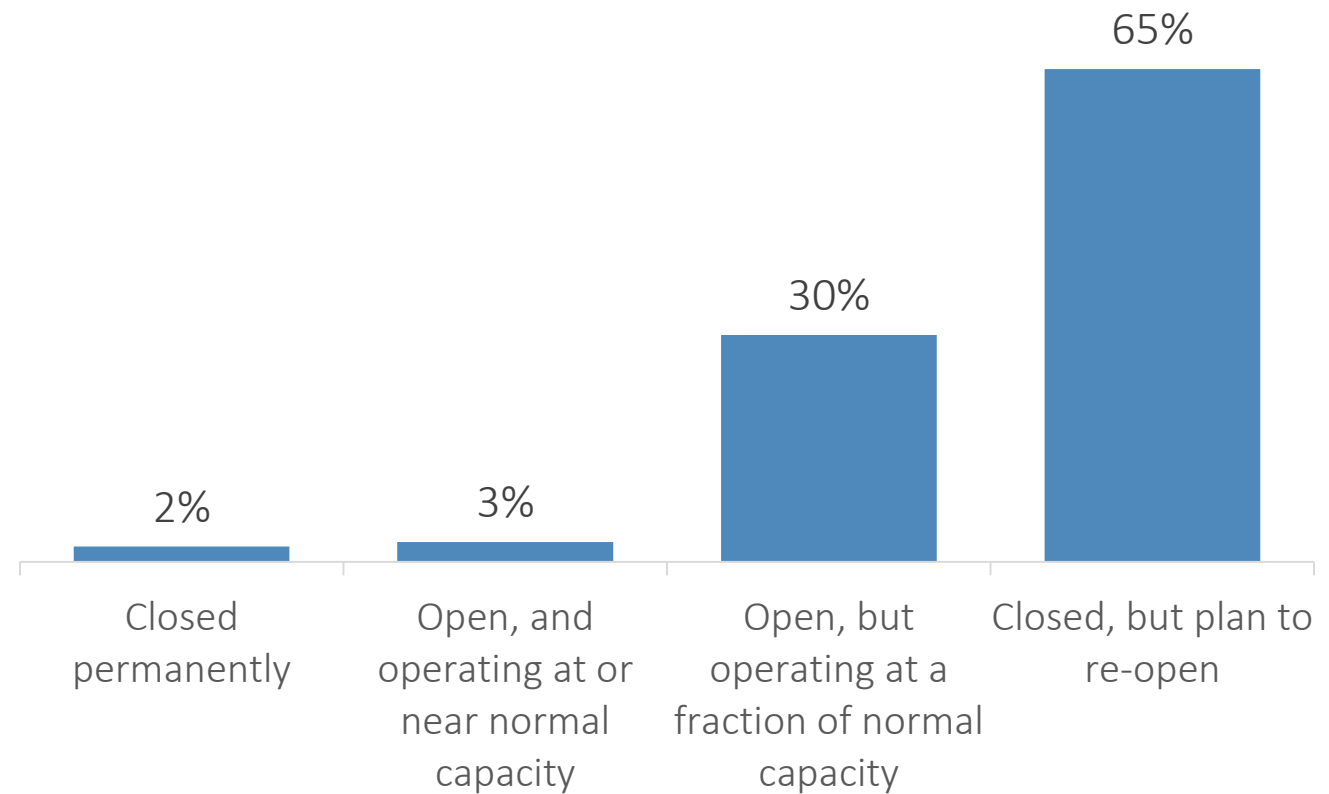


Business Operations¹

Are you actively trying to sell your business or find investors or partners?



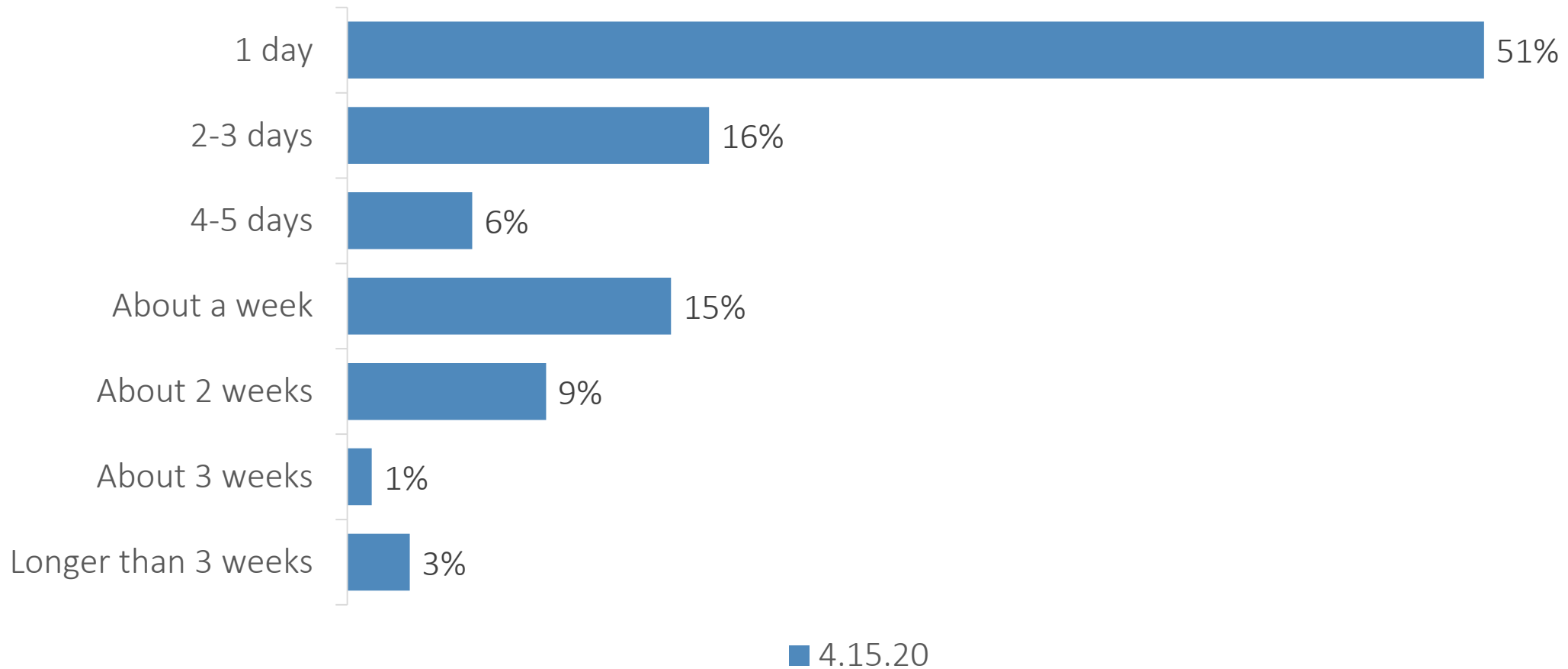
What is the status of your business during the COVID-19 crisis?



¹Asked only in Wave 2, April 15, 2020

Business Operations¹

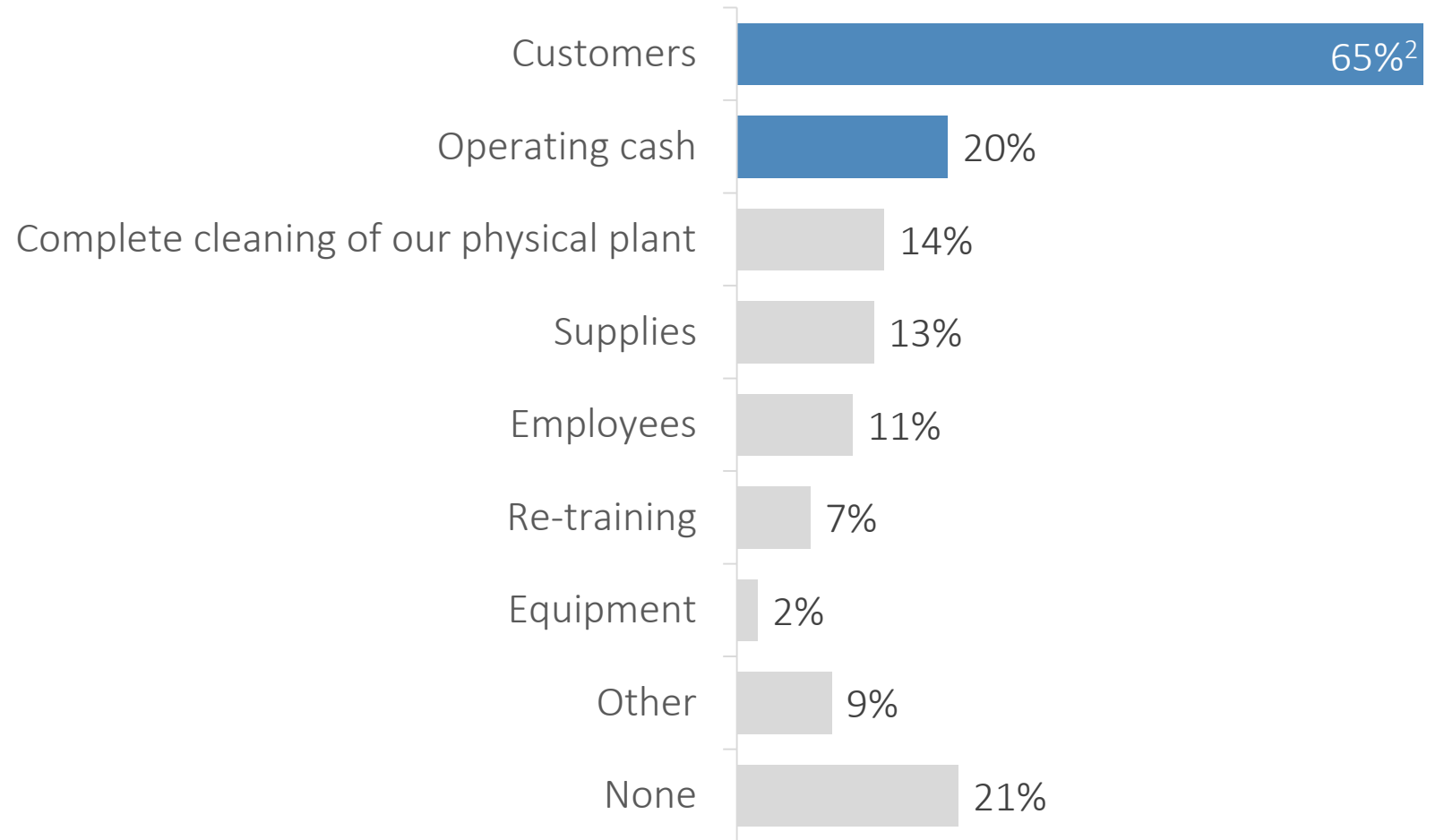
When the order is given to reopen the economy, how much lead time will you need to prepare for re-opening?



Business Re-Opening¹

65% of business say lack of customers would delay re-opening, while another 1 in 5 business say they are not lacking anything that will delay re-opening.

What are you lacking that will delay your re-opening?



¹Asked only in Wave 2, April 15, 2020

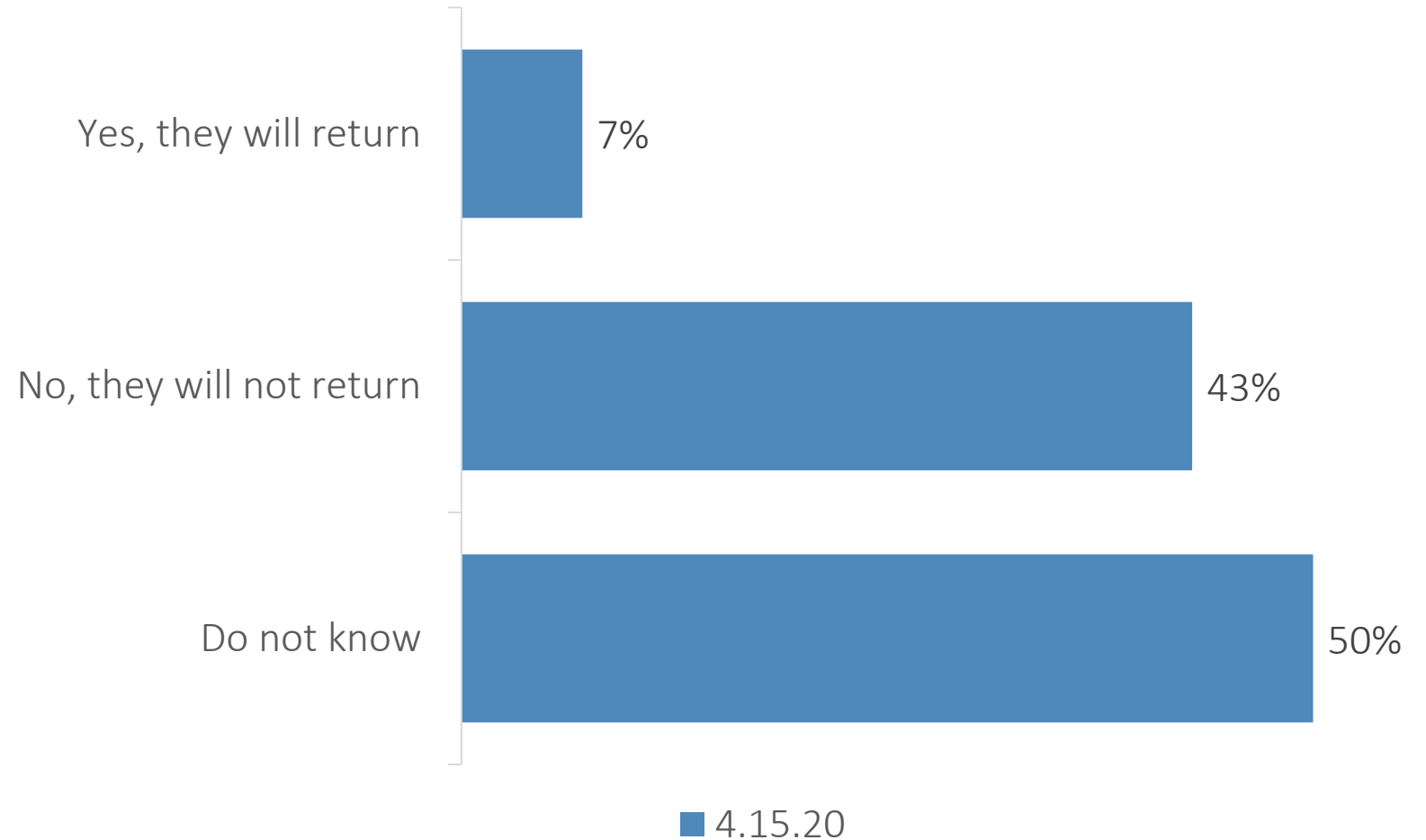
²Multiple responses permitted

Employees Leaving the Area¹

7% of business say laid off employees have left the area due to COVID-19.

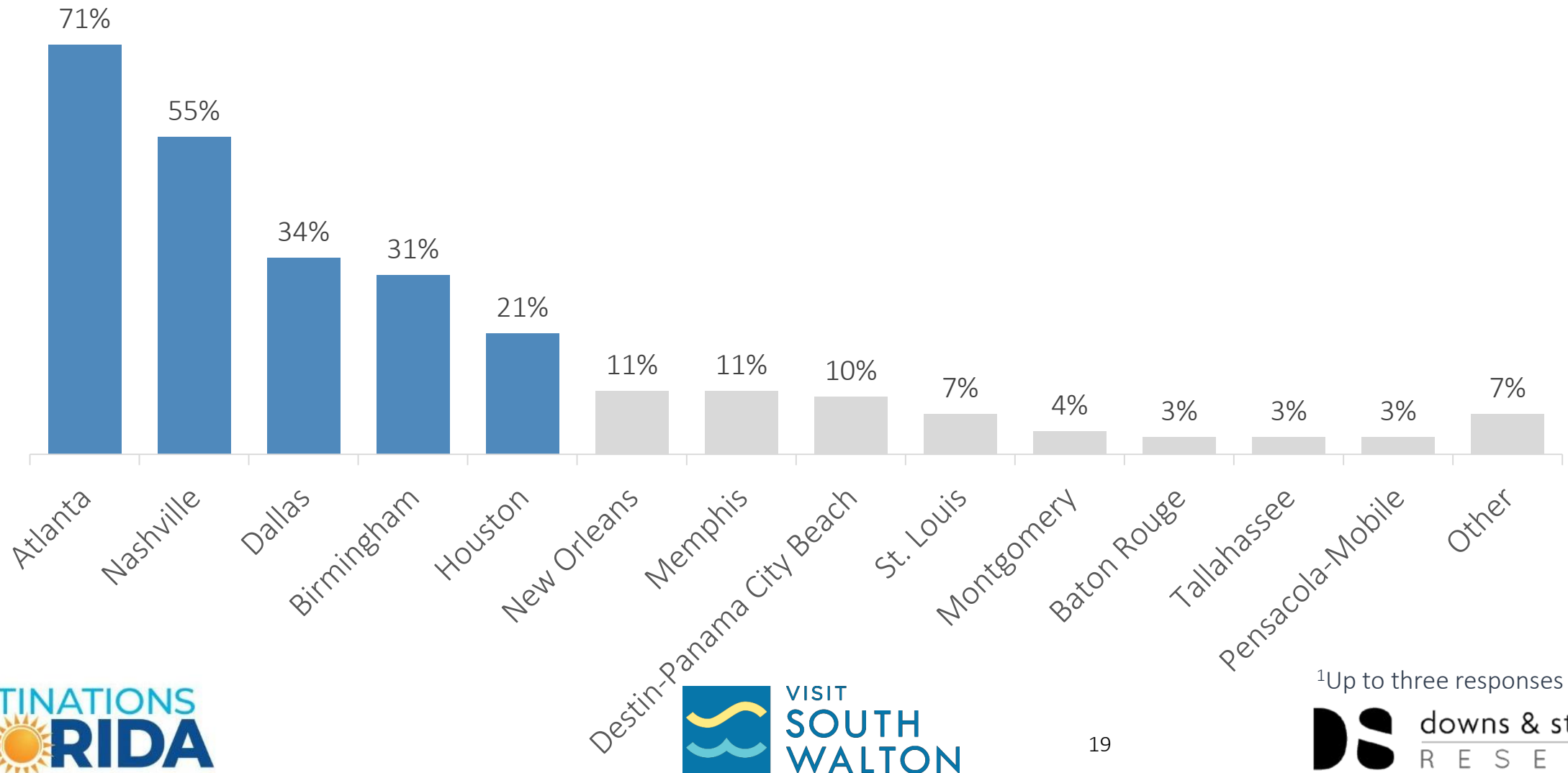
Almost half of businesses say laid off employees who left the area **will not return**.

Do you know if they will return after COVID-19



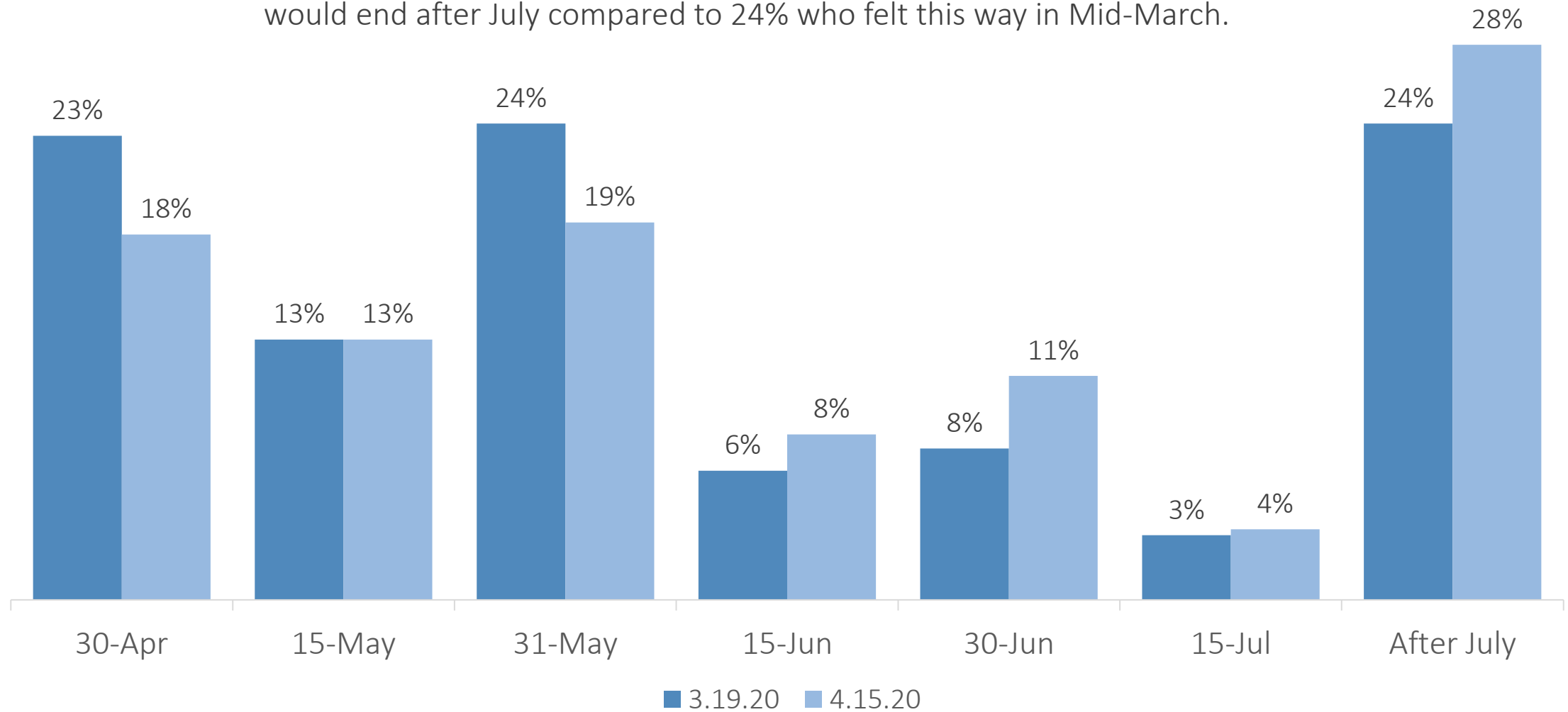
Marketing focus by Visit South Walton¹

Which markets should Visit South Walton focus its marketing on that will lead to the fastest recovery?

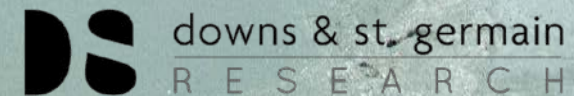


When Will COVID-19 End

Tourism business executives were less optimistic in mid-April as 28% thought COVID-19 would end after July compared to 24% who felt this way in Mid-March.



Financial Stimulus



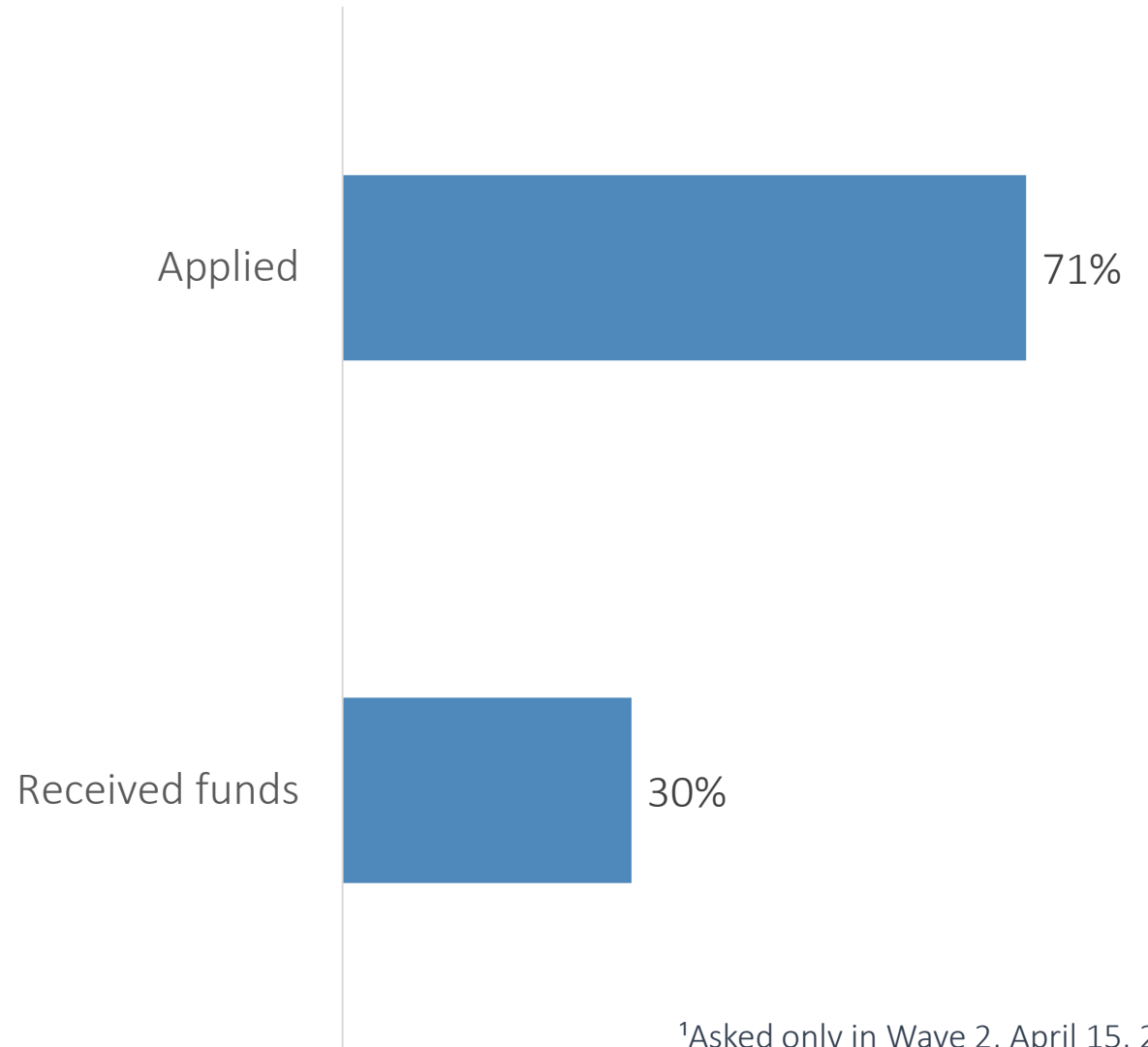
COVID-19 Financial Stimulus¹



71% of businesses applied for financial stimulus.



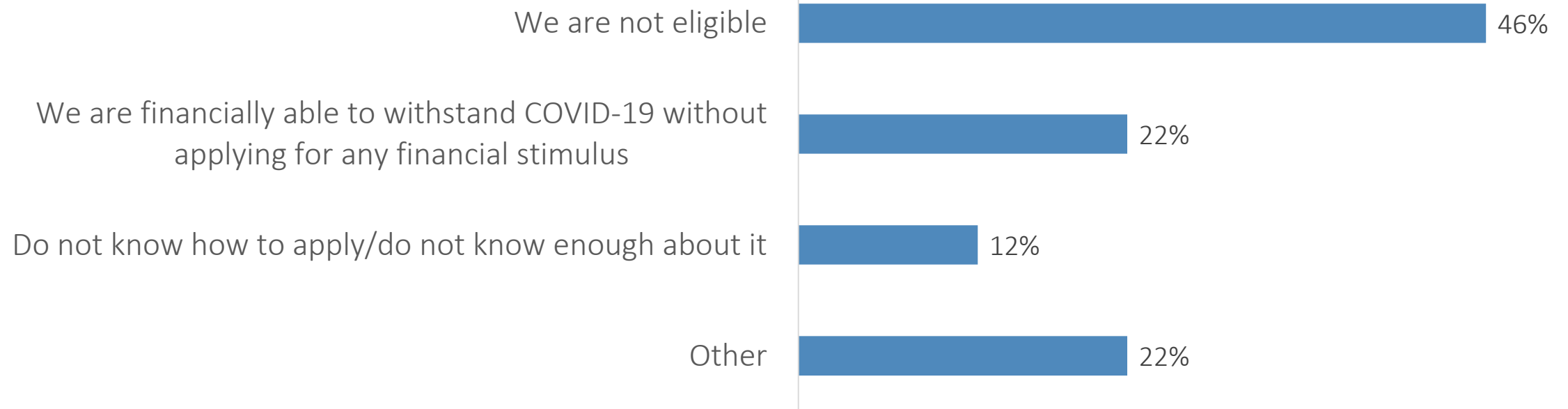
30% of those who applied have received funds.



¹Asked only in Wave 2, April 15, 2020

COVID-19 Financial Stimulus¹

Why have you not applied for financial stimulus?



58% of businesses have a clear understanding of what percentage of COVID-19 stimulus dollars will be forgiven

COVID-19 Financial Stimulus¹

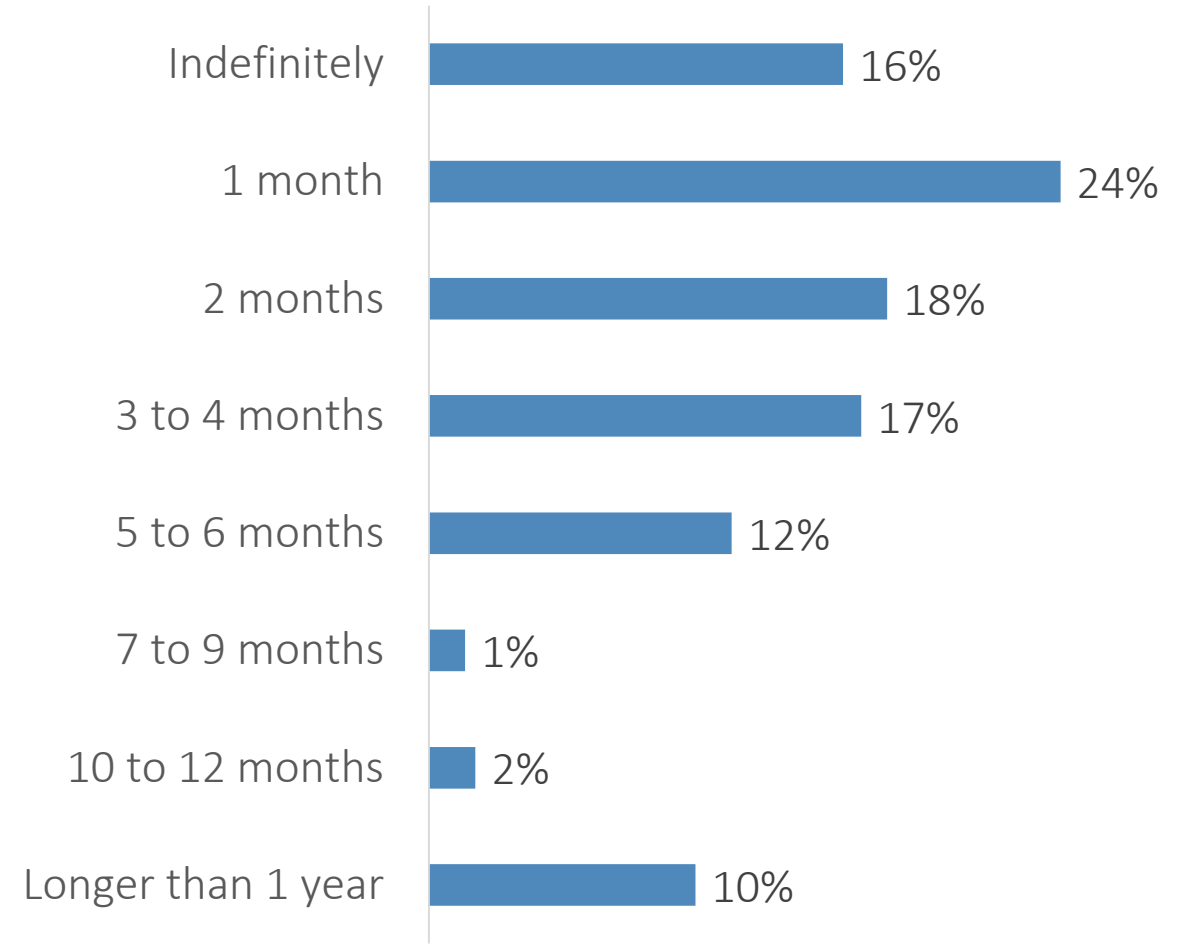


16% of businesses say they can keep their doors open indefinitely



42% of businesses can only last a month or two without additional funding or a return to normalcy.

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



¹Asked only in Wave 2, April 15, 2020

Tourism Business Profile

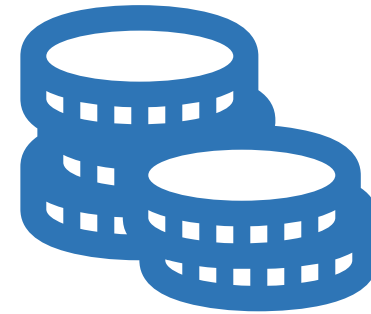


Tourism Business Size and Revenue

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

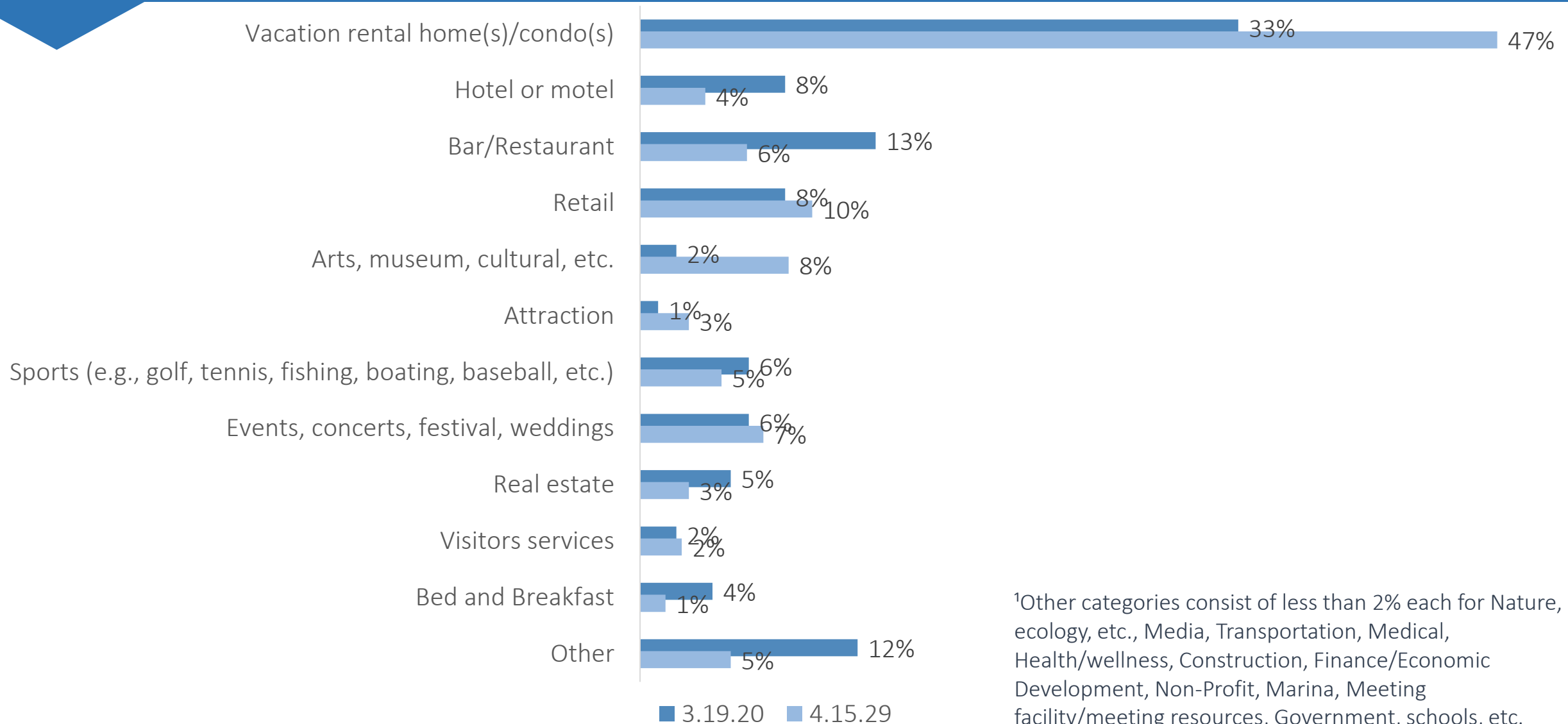


Average number of
employees:
<10



Average annual
revenue:
< \$1 million

Types of Tourism Businesses¹



¹Other categories consist of less than 2% each for Nature, ecology, etc., Media, Transportation, Medical, Health/wellness, Construction, Finance/Economic Development, Non-Profit, Marina, Meeting facility/meeting resources, Government, schools, etc.

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