

# COVID-19 Impact on Walton County Tourism

May 1<sup>st</sup> 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 19<sup>th</sup>
  - 163 tourism businesses responded.
- Wave 2 – April 15<sup>th</sup>
  - 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

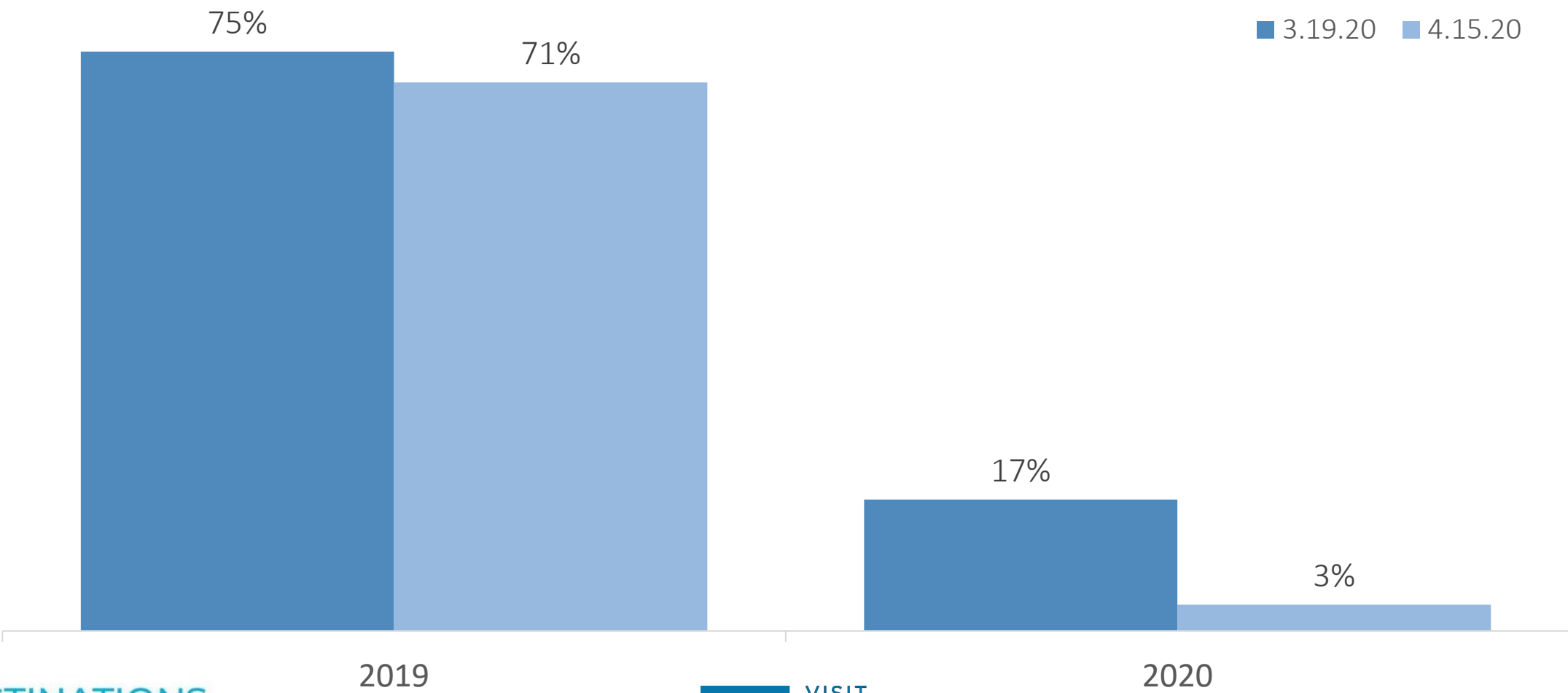
# The Tourism Industry & COVID-19 - Overview

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

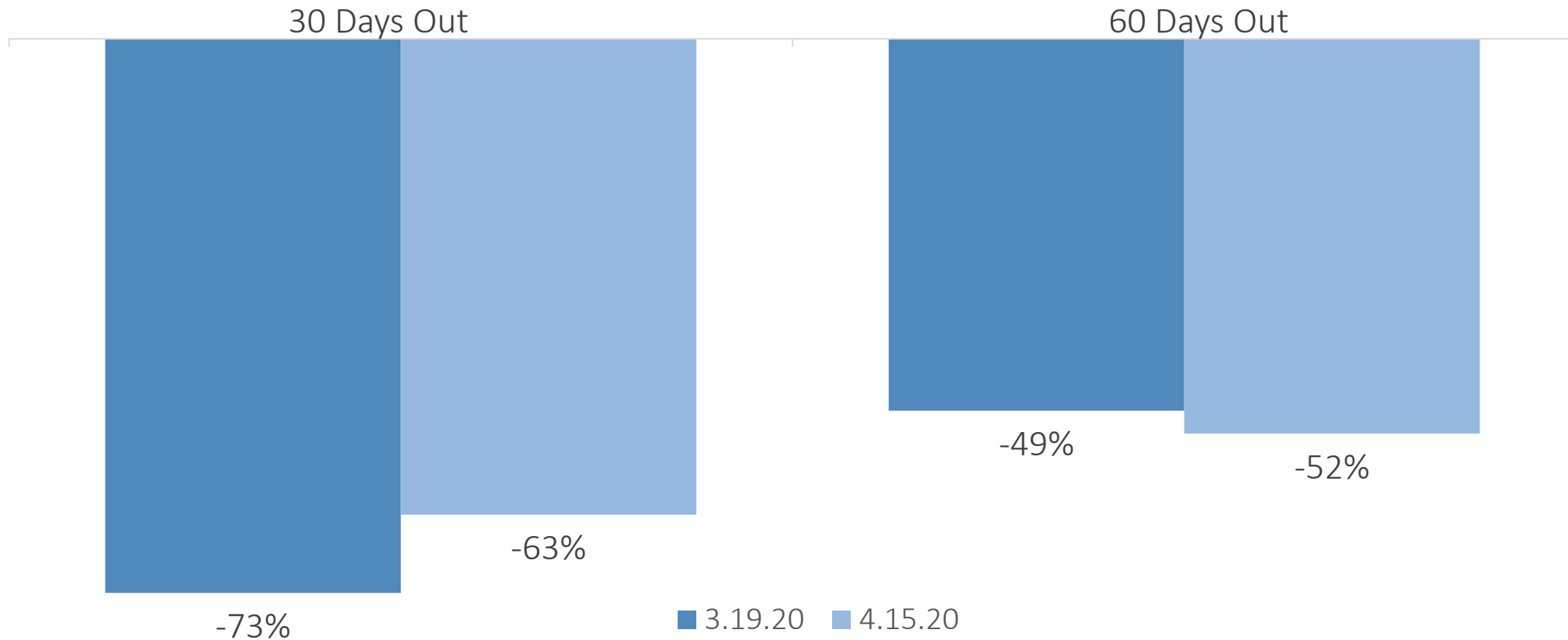
58% points – Average annual occupancy drop as of March 19  
68% points – Average annual occupancy drop as of April 15



# 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.

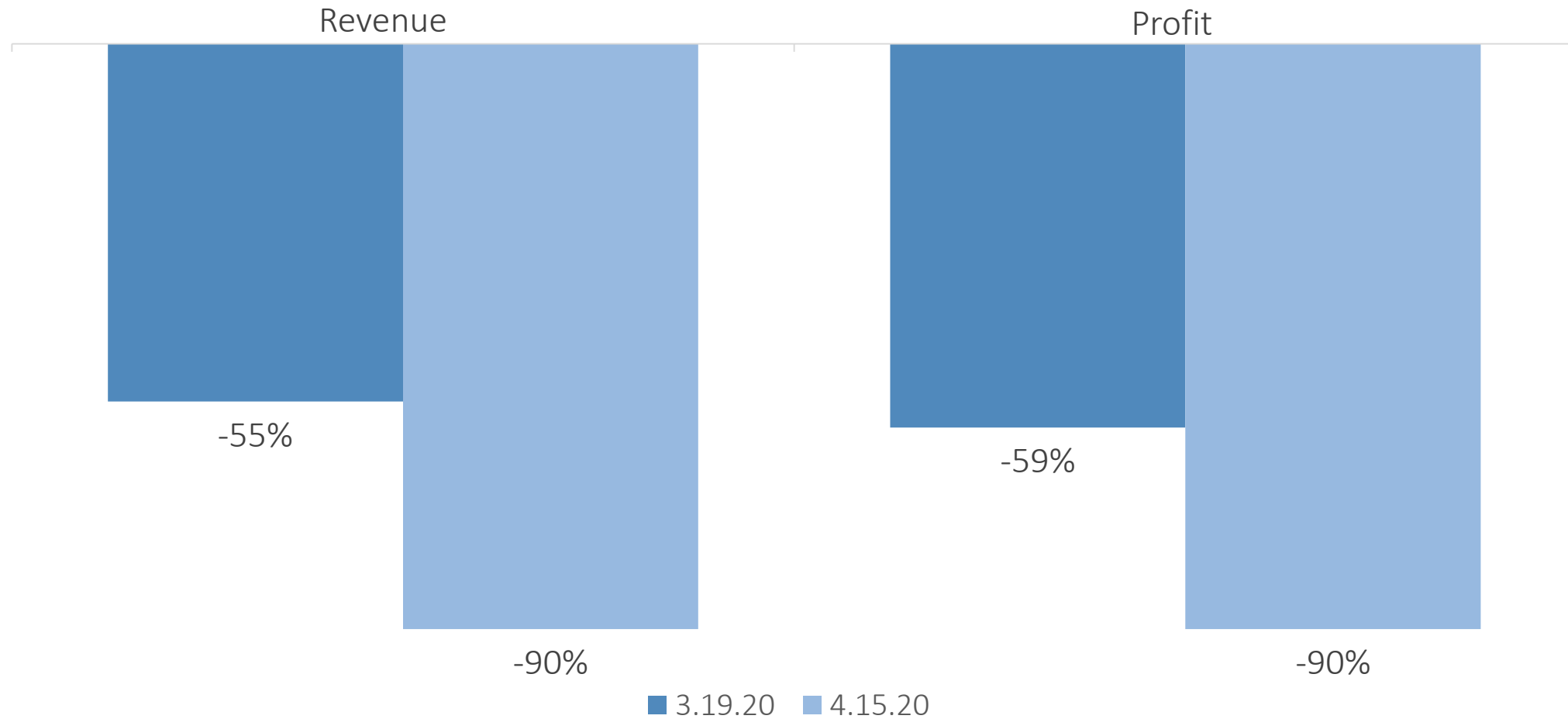




# Revenue and Profit: 2019 vs. 2020

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

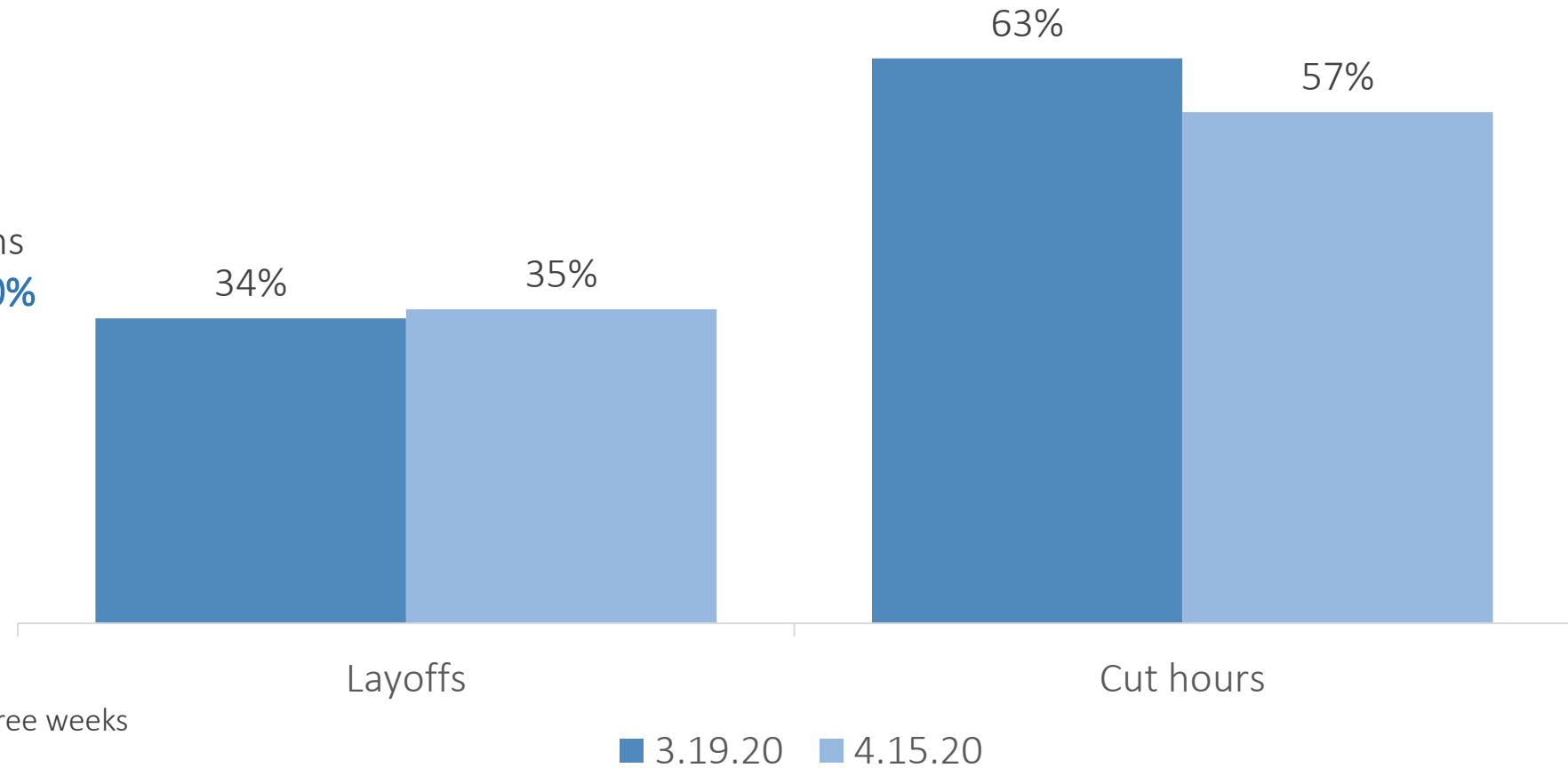
As of March 19, profit was down 59%;  
this changed to 90% down by April 15.



# Layoffs & Hours<sup>1</sup>

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

**35%** of firms<sup>2</sup> laid off employees: Those firms laid off, on average, **80%** of their employees



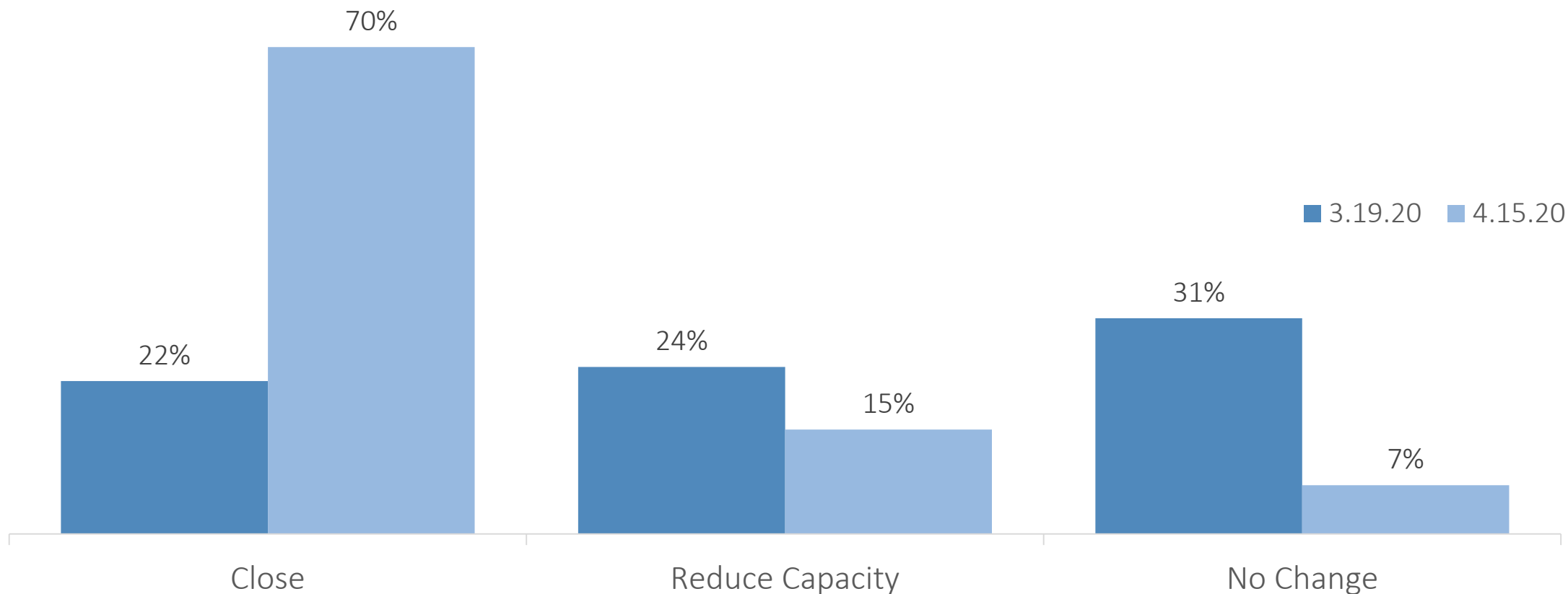
<sup>1</sup> Laid off or cut employees hours in the past three weeks

<sup>2</sup> 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.

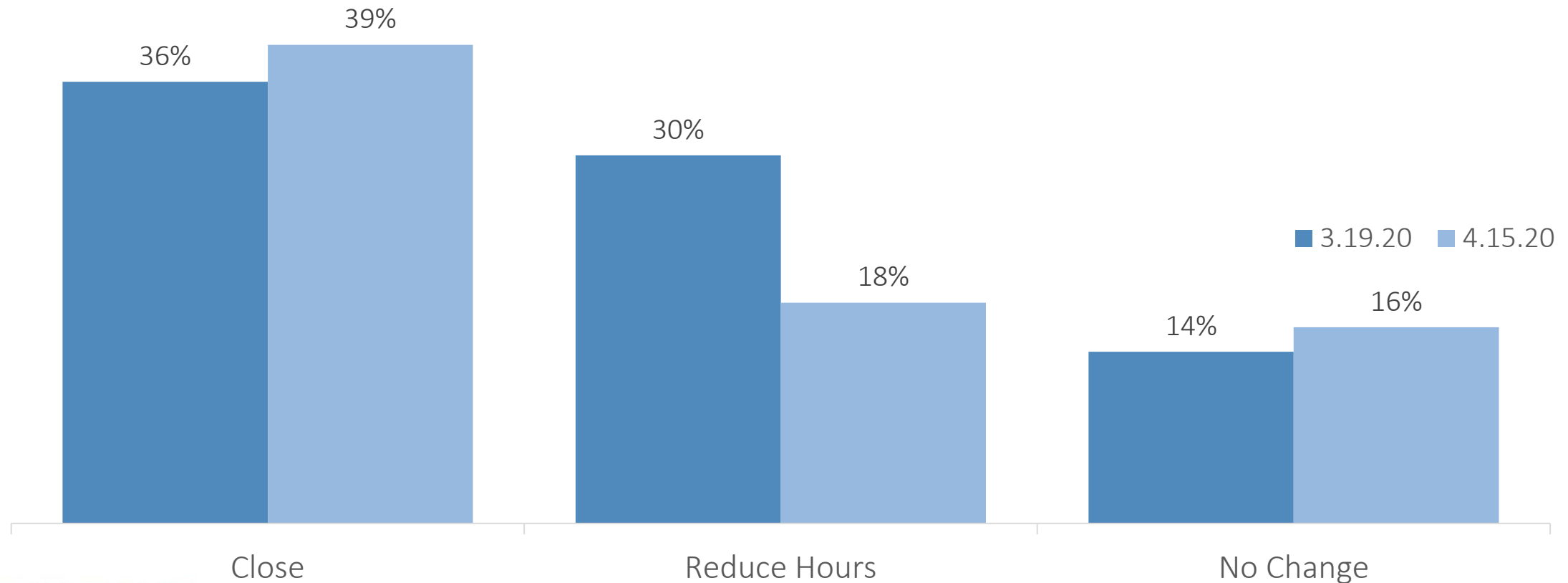
Because of COVID – 19, have you been required by government agencies to:



# 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.

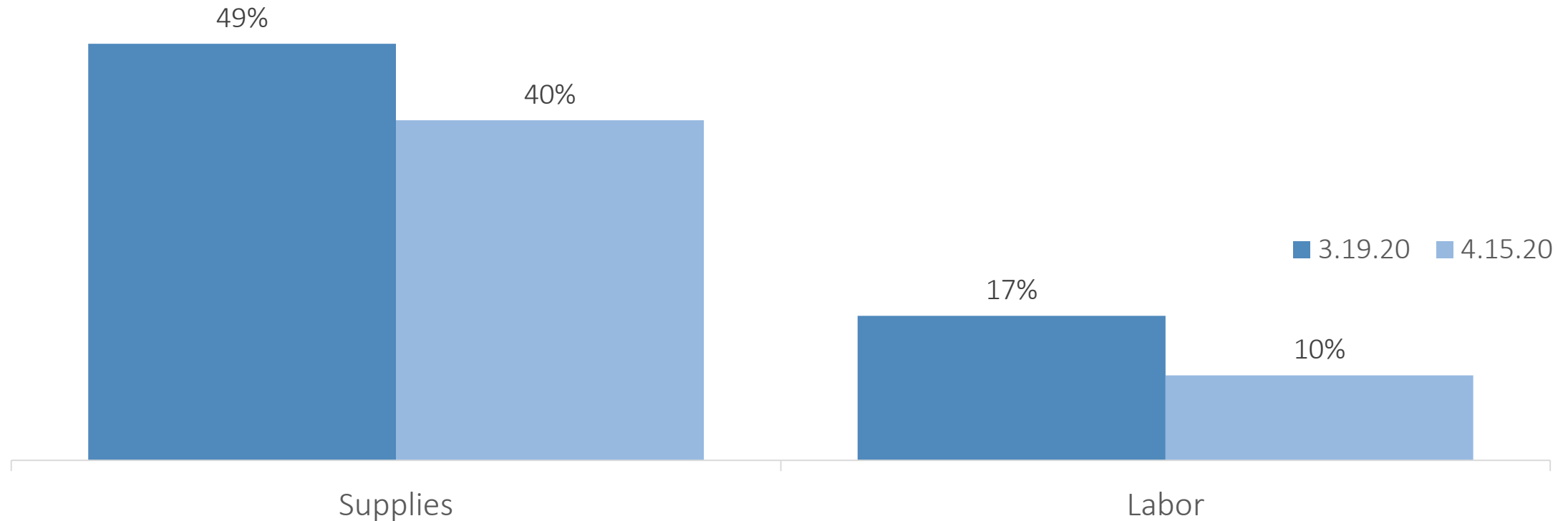
Because of COVID – 19, have you decided on your own to:



# 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?

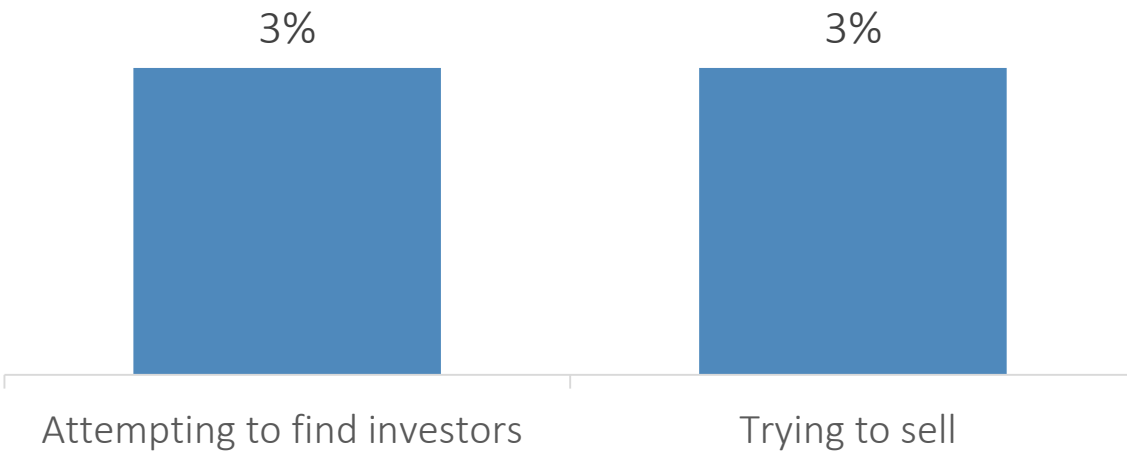


# Walton County Tourism Businesses

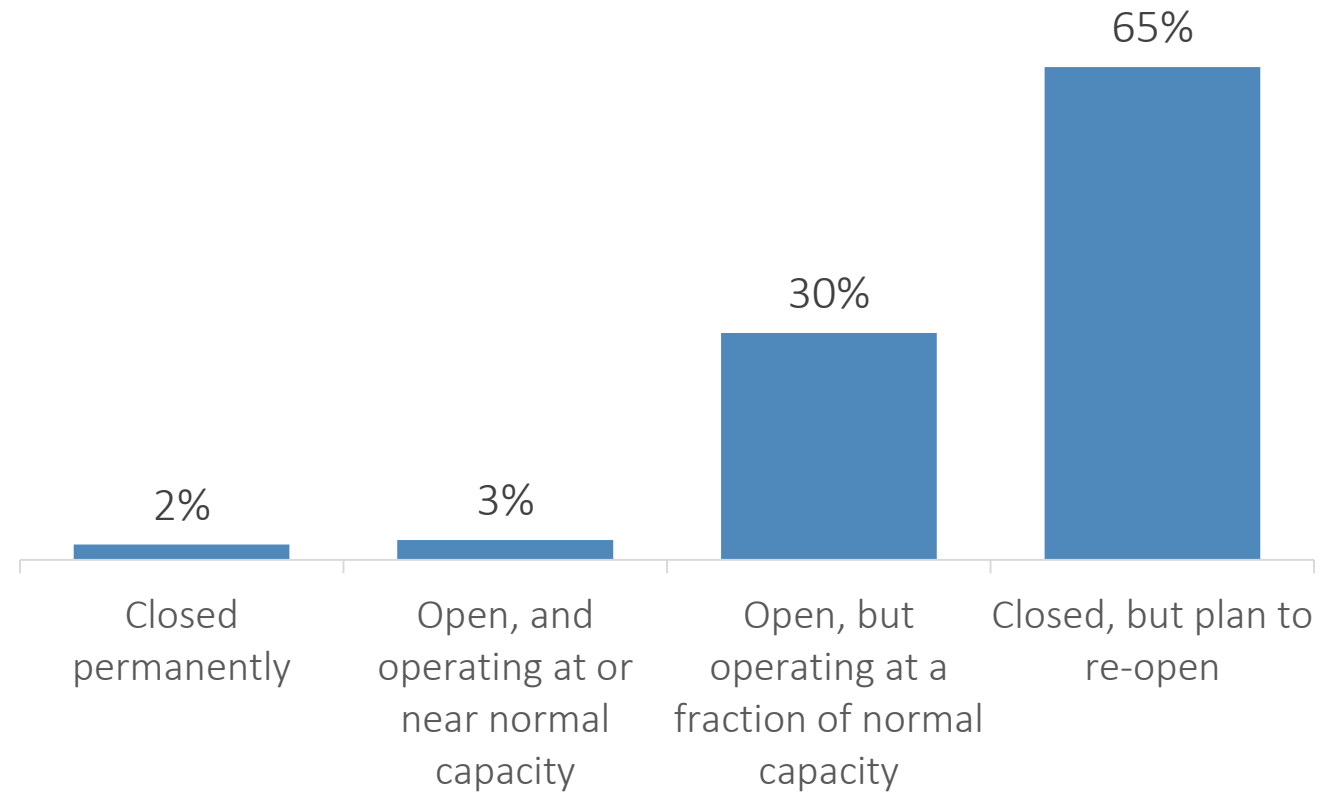


# Business Operations<sup>1</sup>

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



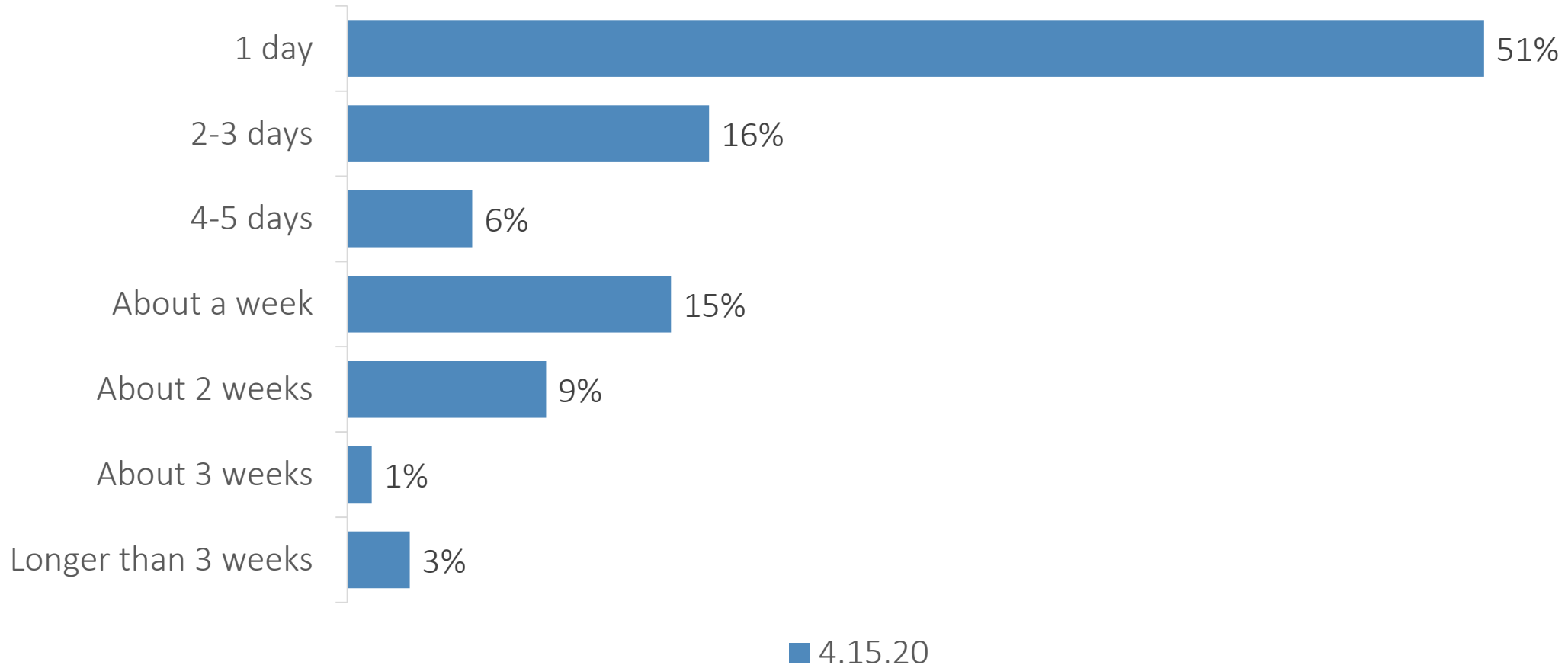
What is the status of your business during the COVID-19 crisis?



<sup>1</sup>Asked only in Wave 2, April 15, 2020

# Business Operations<sup>1</sup>


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



<sup>1</sup>Asked only in Wave 2, April 15, 2020

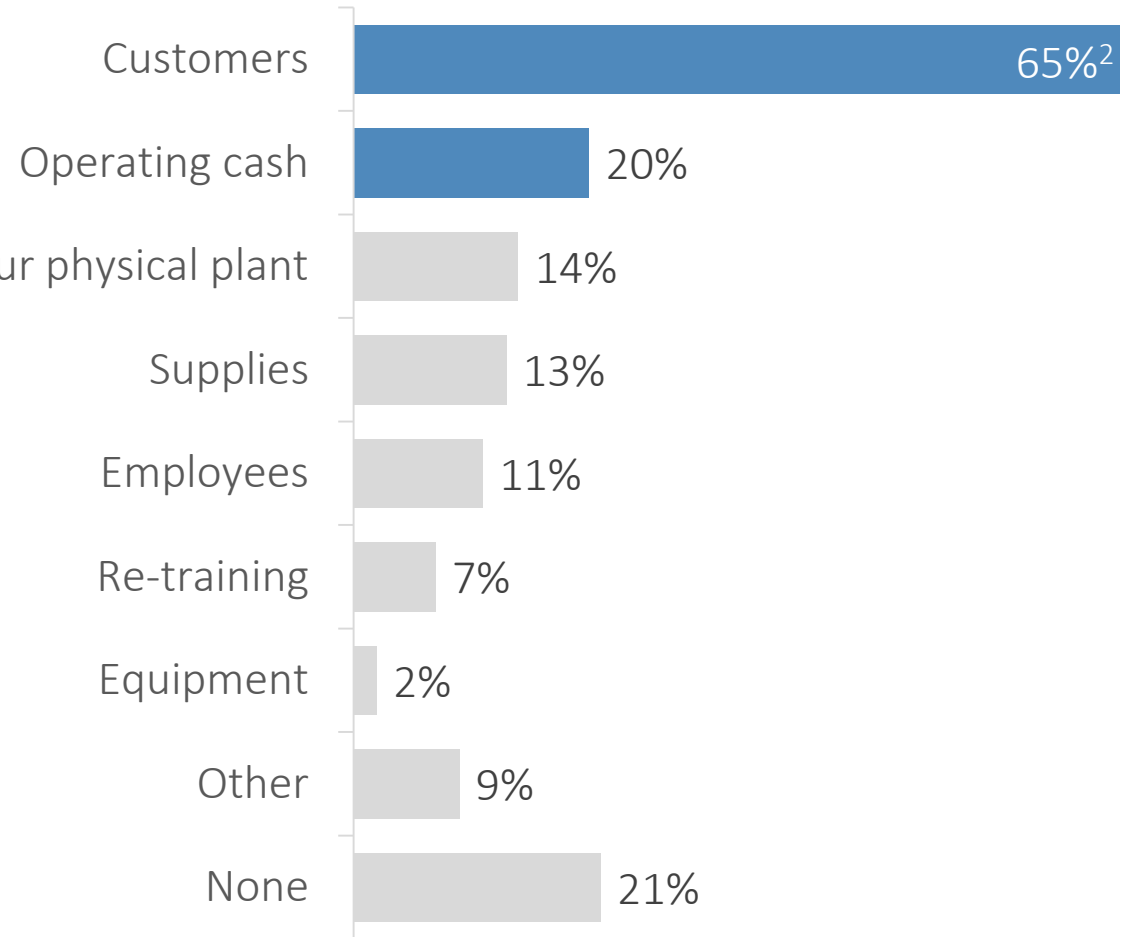


# Business Re-Opening<sup>1</sup>



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?



<sup>1</sup>Asked only in Wave 2, April 15, 2020

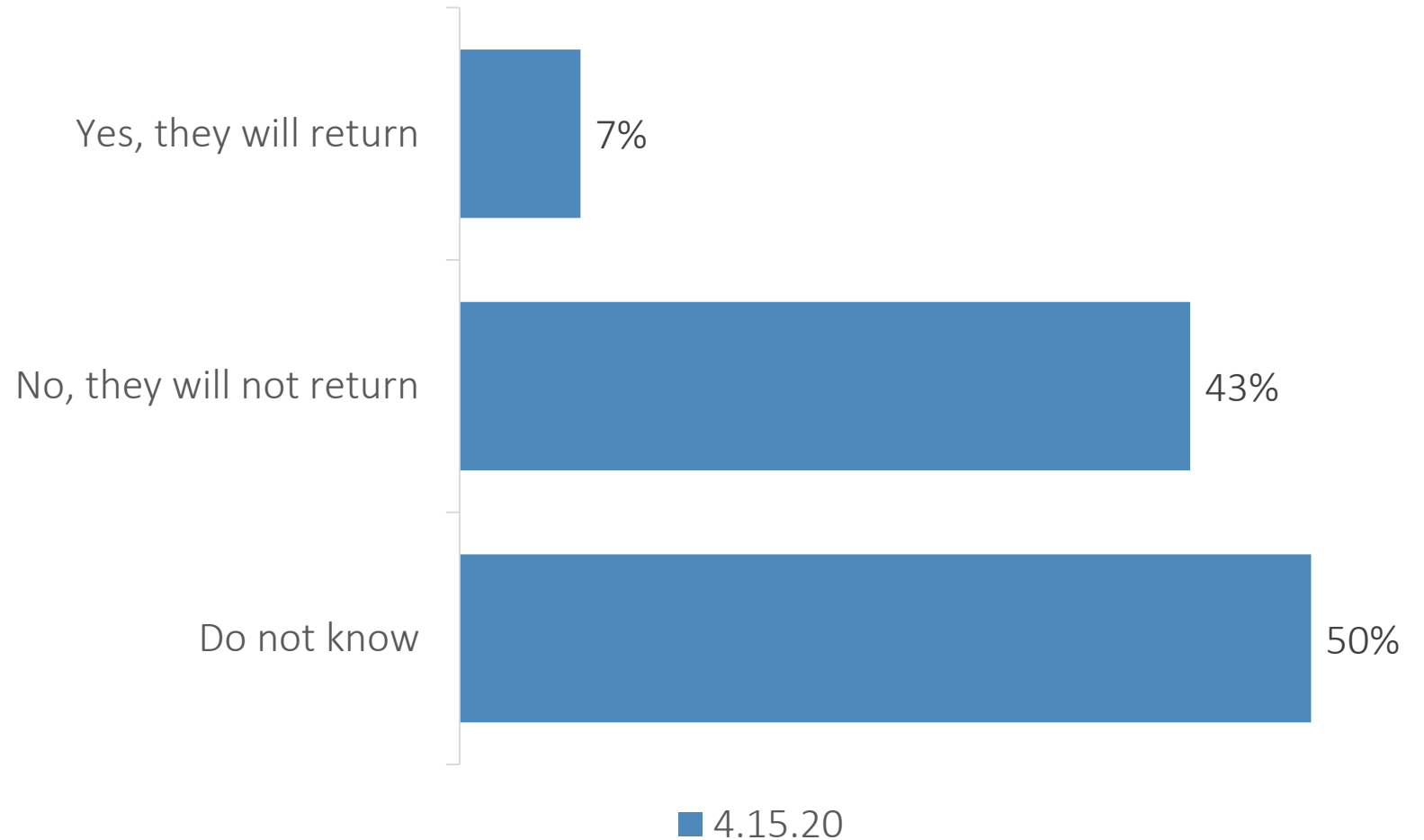
<sup>2</sup>Multiple responses permitted

# Employees Leaving the Area<sup>1</sup>

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

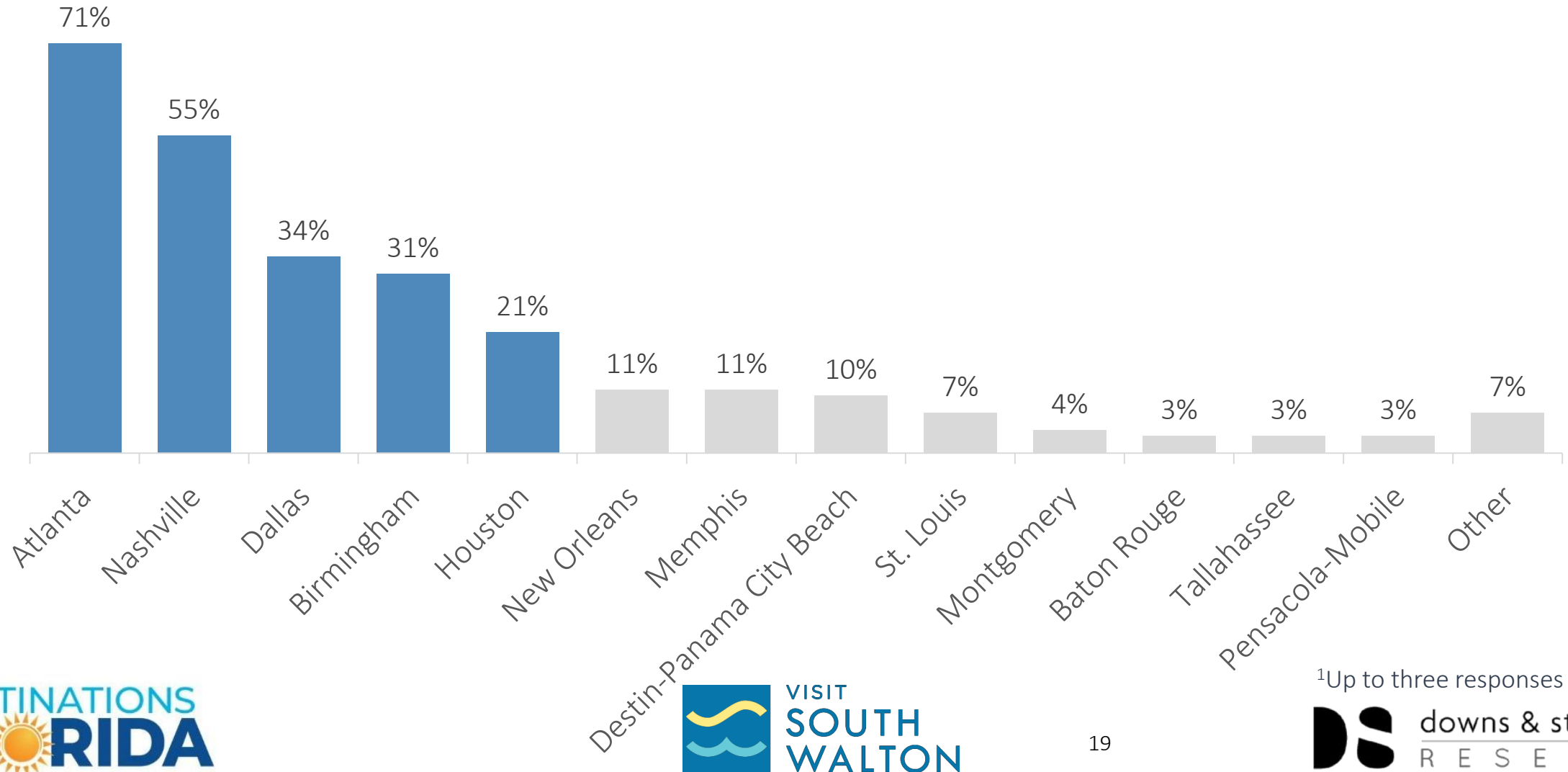
Almost half of businesses say laid off employees who left the area **will not return**.

Do you know if they will return after COVID-19



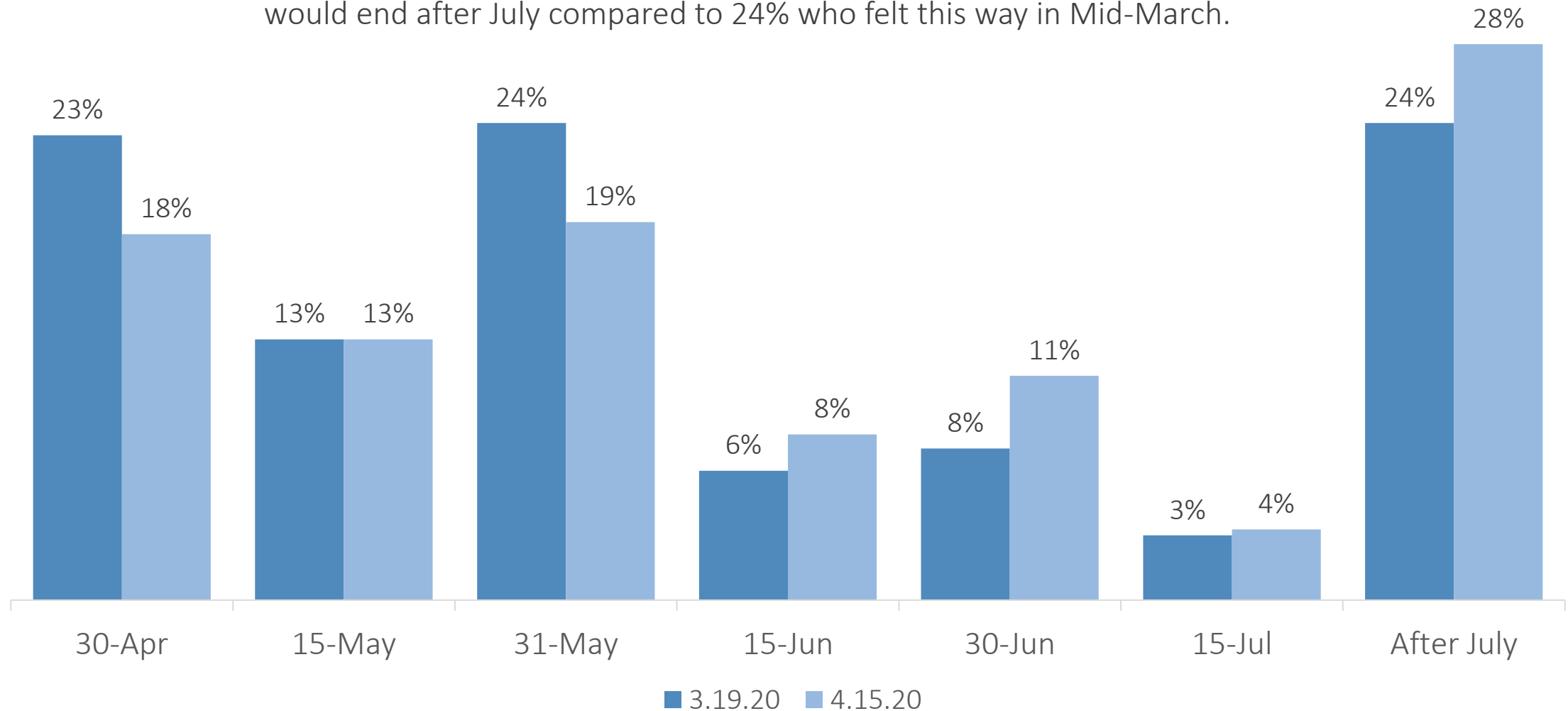
# Marketing focus by Visit South Walton<sup>1</sup>

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 Stimulus<sup>1</sup>



**71%** of businesses applied for financial stimulus.



**30%** of those who applied have received funds.

Applied

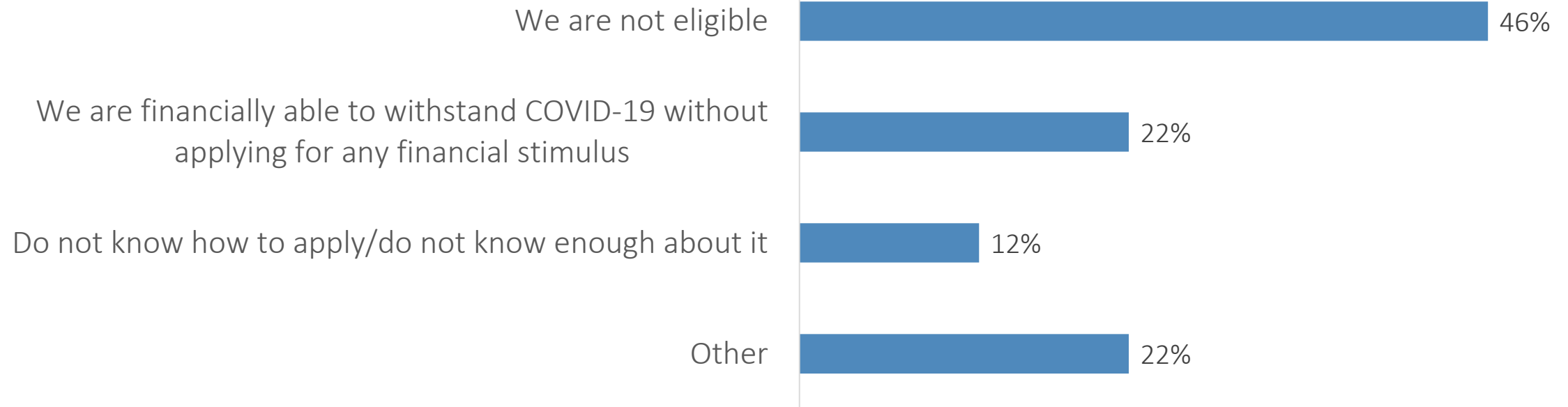


Received funds



# COVID-19 Financial Stimulus<sup>1</sup>

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 Stimulus<sup>1</sup>

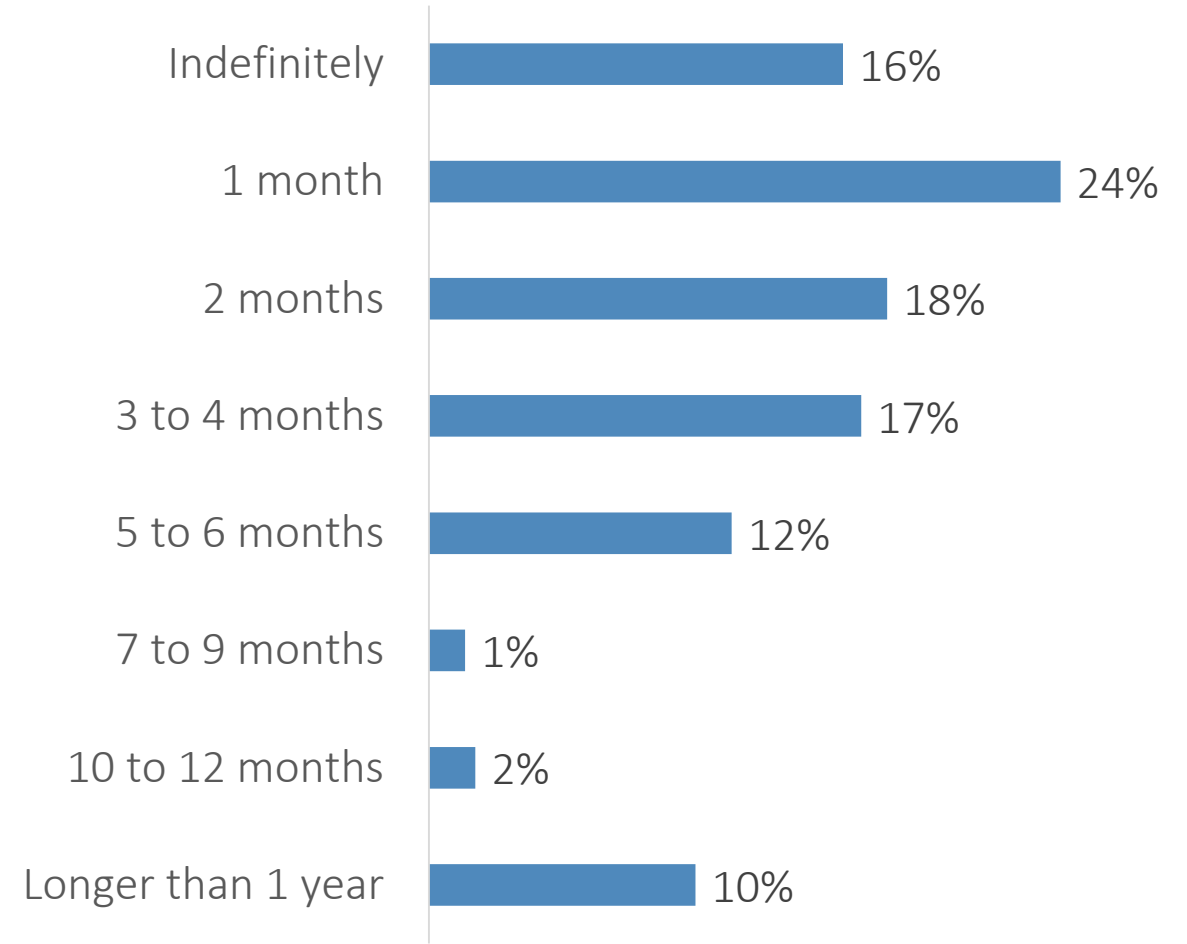


**16%** of businesses say they can keep their doors open indefinitely



**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?



<sup>1</sup>Asked only in Wave 2, April 15, 2020



# Tourism Business Profile

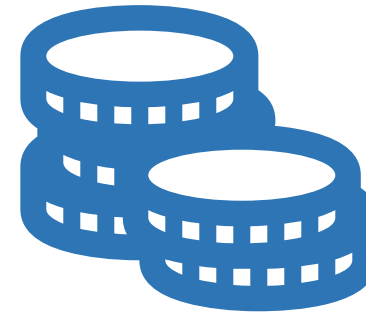


# Tourism Business Size and Revenue

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

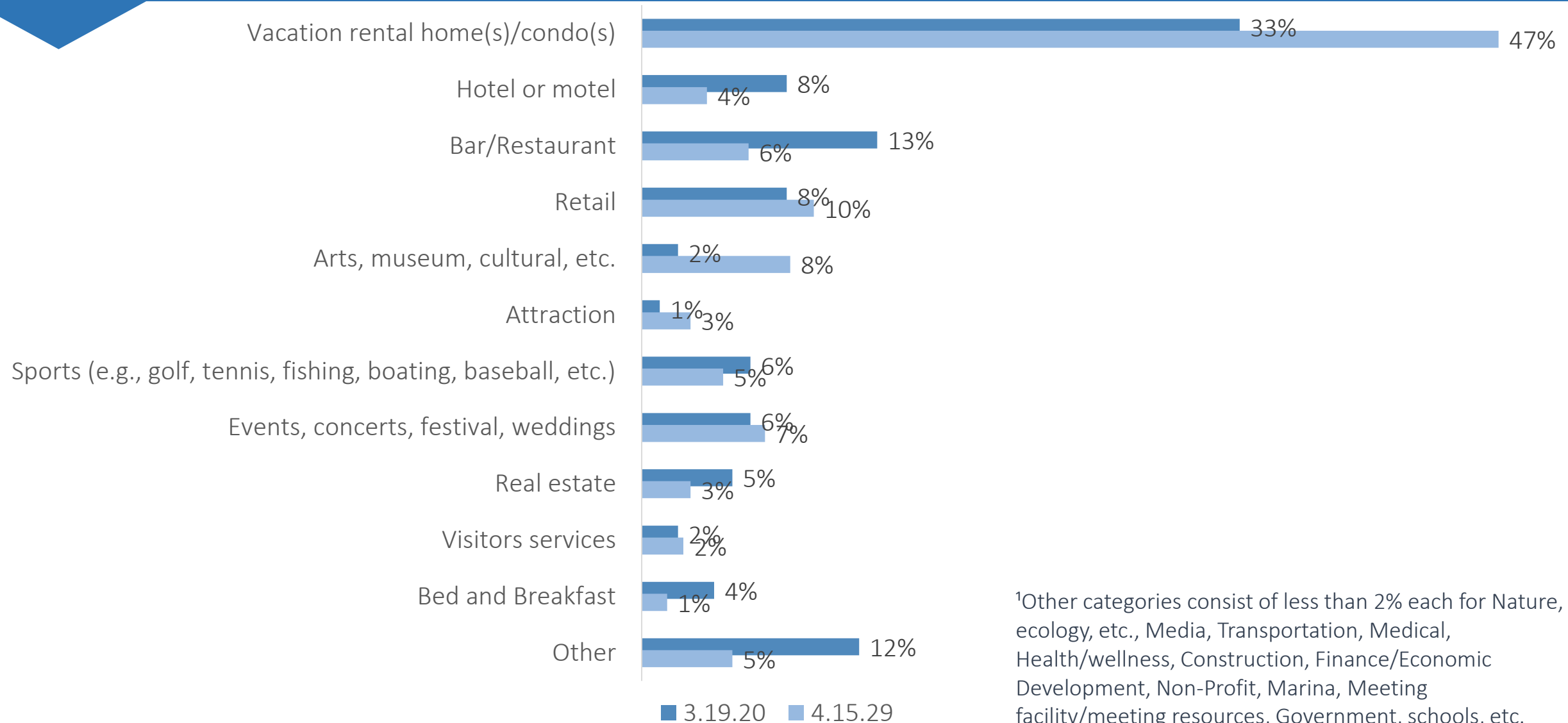


Average number of  
employees:  
<10



Average annual  
revenue:  
< \$1 million

# Types of Tourism Businesses<sup>1</sup>



<sup>1</sup>Other 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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