

Economic Impact on Walton County Tourism

July 16th 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. This report focuses on Walton County.
- Wave 1 – March 19th – March 24th
 - 163 tourism businesses responded.
- Wave 2 – April 15th – April 28th
 - 220 tourism businesses responded.
- Wave 3 – June 9th – June 29th
 - 28 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.

The Tourism Industry & the Economic Shutdown - Overview

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

- Occupancy:
 - Down 68% points Y-O-Y in mid-April vs. down 31% in June
- Average bookings 30-days out:
 - Down 63% points Y-O-Y in mid-April vs. down 38% in June
- Average bookings 60-days out:
 - Down 52% points Y-O-Y in mid-April vs. down 51% in June
- Revenue for tourism businesses:
 - Down 90% points Y-O-Y in mid-April vs. down 20% in June
- Profit for tourism businesses:
 - Down 90% points Y-O-Y in mid-April vs. down 25% in June

The Tourism Industry & the Economic Shutdown - Overview

Help is (slowly) coming

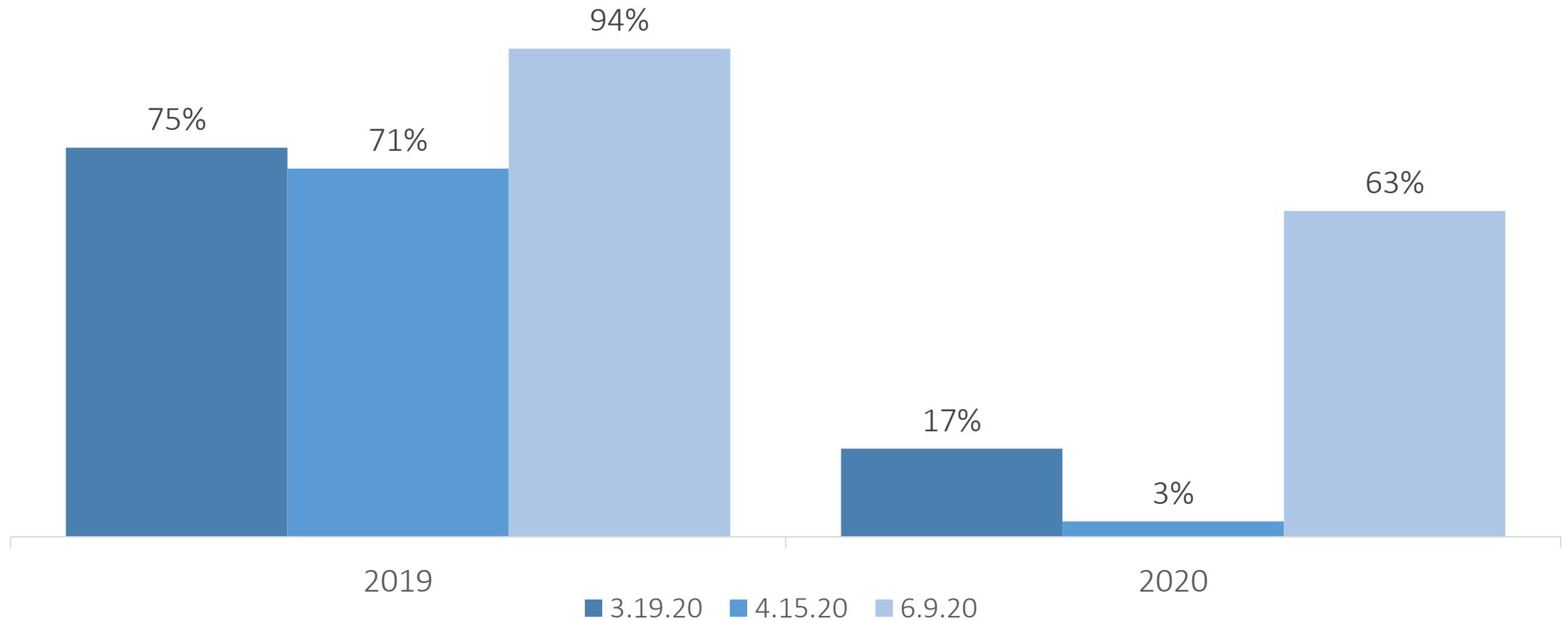
- 67% of tourism businesses have applied for financial stimulus; 75% have received it
- Since the reopening of the state, average occupancy levels have increased along with revenue and profit
- More than 3 in 5 tourism stakeholders do not believe the economic shutdown will end until at least 2021

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

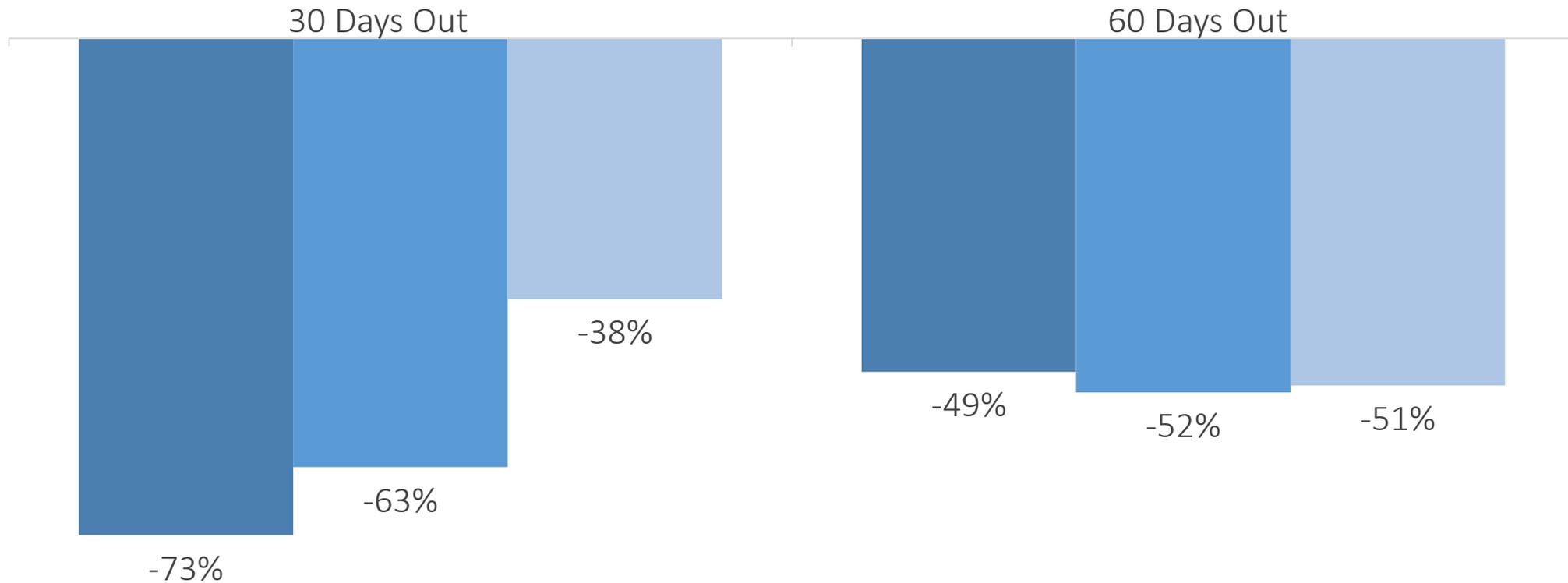
31% points – Average annual occupancy drop as of June 9



Bookings: 2019 vs 2020

As of April 15, average bookings 30-days out were down 63%; this changed to 38% down by June 9.

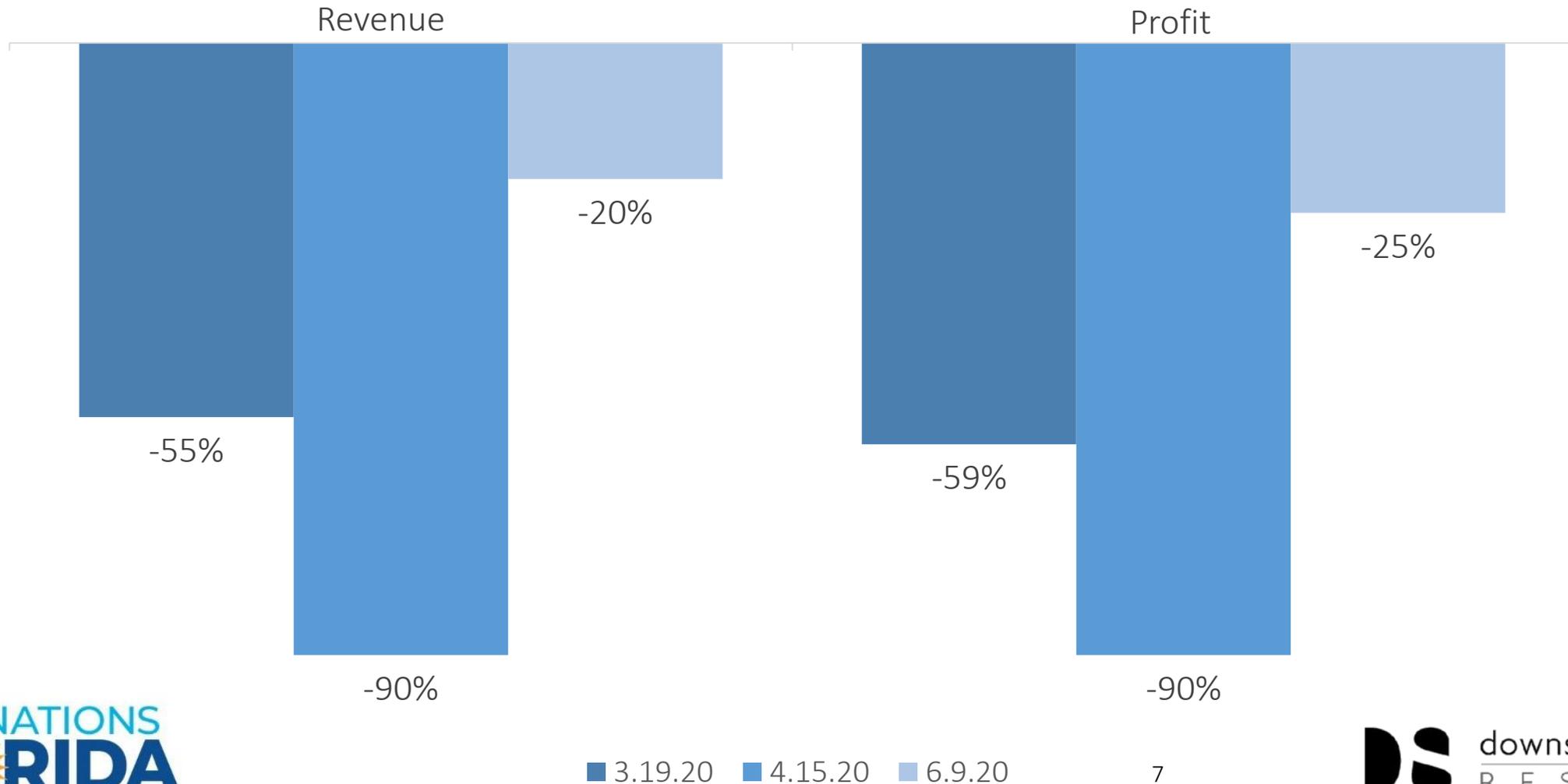
As of April 15, average bookings 60-days out were down 52%; this changed to 51% down by June 9.



Revenue and Profit: 2019 vs. 2020

As of April 15, revenue was down by 90%;
this changed to 20% down by June 9.

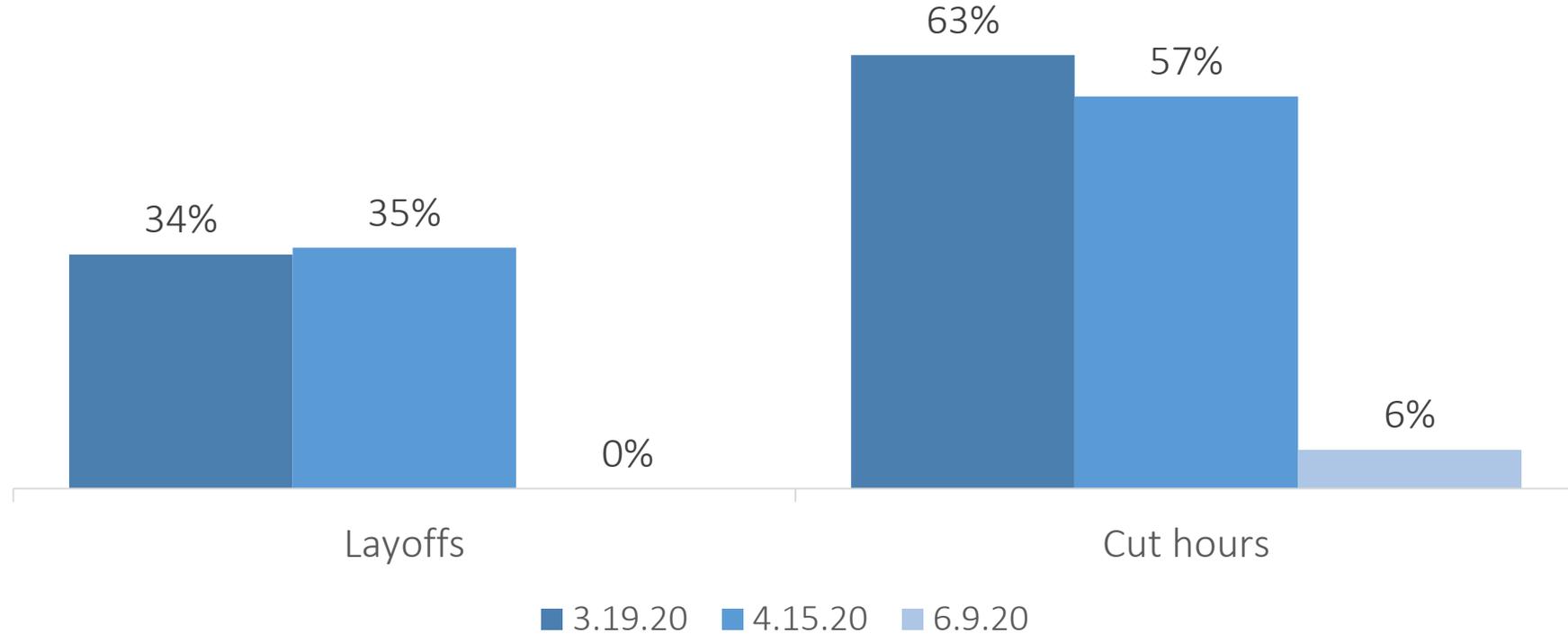
As of April 15, profit was down by 90%;
this changed to 25% down by June 9.



Layoffs & Hours¹

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

None of the firms surveyed laid off employees in the past three weeks

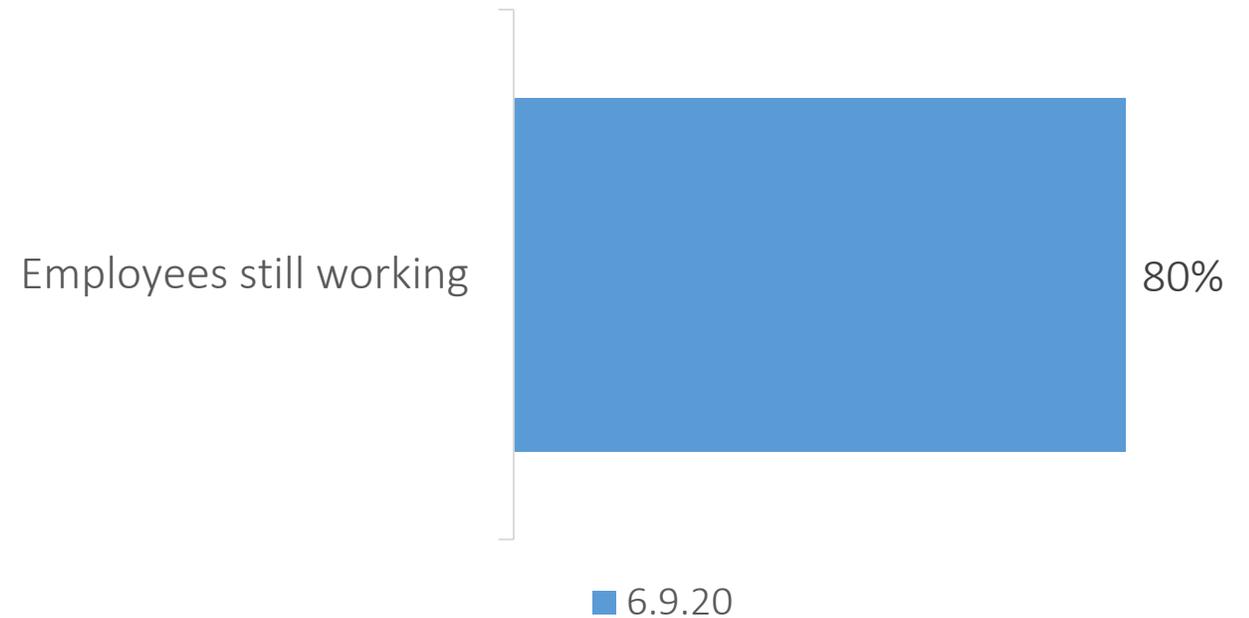


Employees Retention¹



6% of firms cut employee hours: Of those firms, on average, 80% of their employees have remained

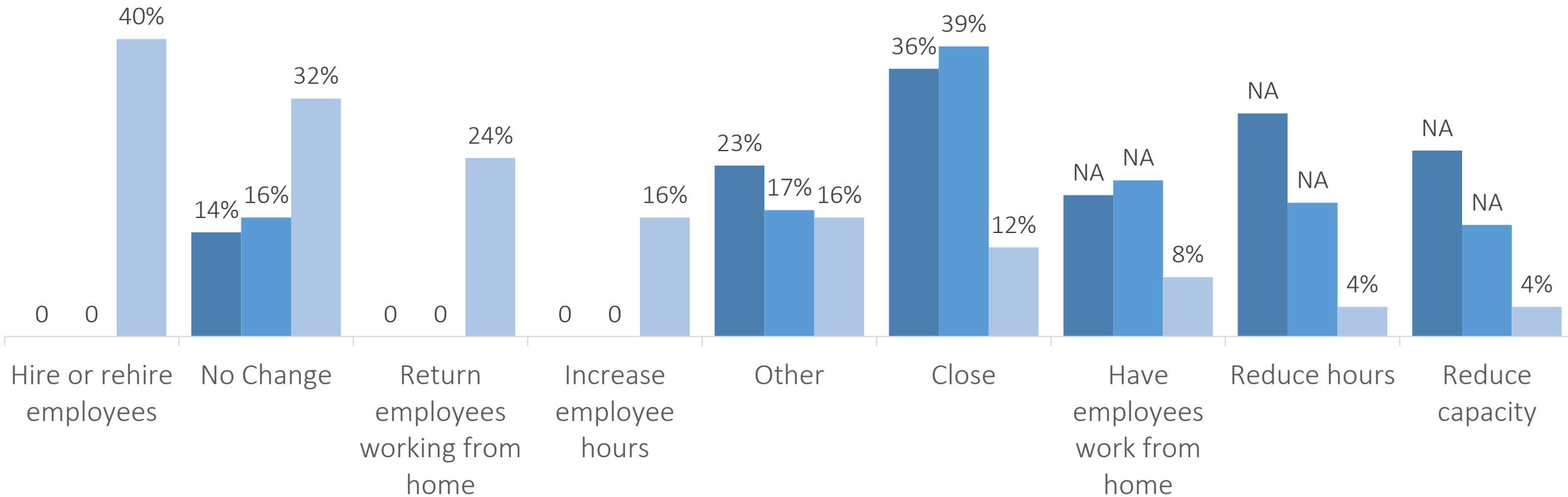
Compared to the number of employees you had before COVID-19, say back in February, what percentage of your employees are still working?



Voluntary Actions¹

Since April 15, fewer businesses (12%) have voluntarily closed than closed prior to that date (39%).
A high percentage of businesses (40%) voluntarily hired or rehired employees during June.

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

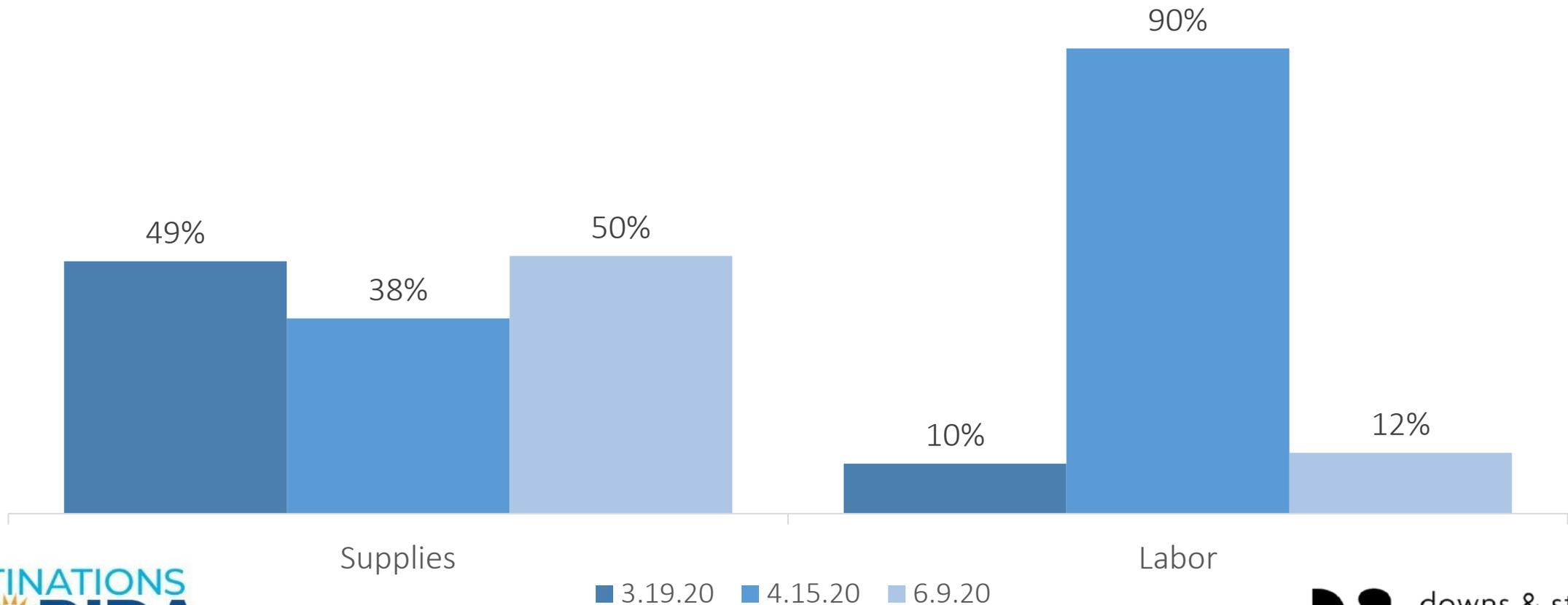


¹Additional options were added in Wave 3, June 9, 2020

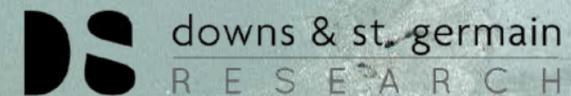
Supplies and Labor

More businesses in June (50%) had difficulty finding supplies than in April (38%).
Labor shortages have decreased in June at 12%.

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

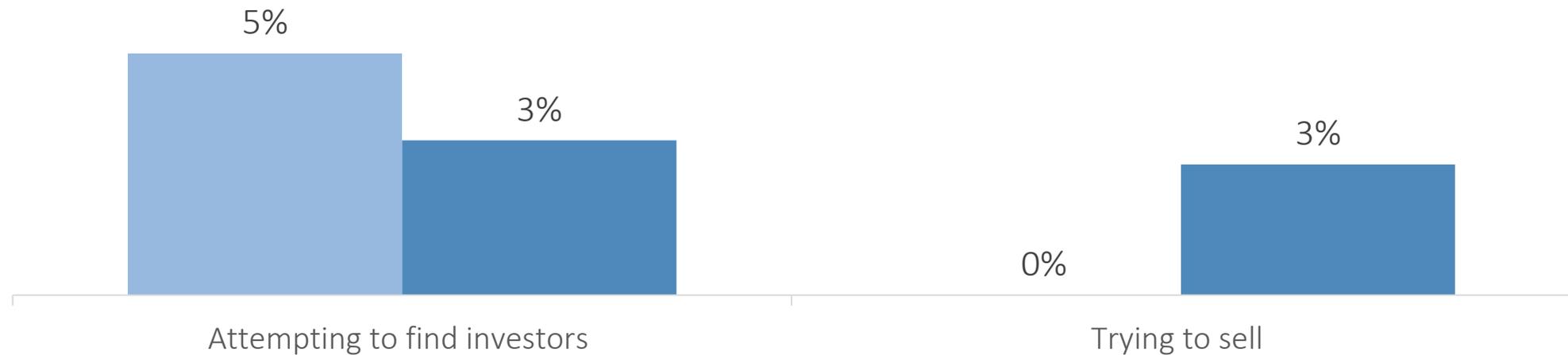


Walton County Tourism Businesses



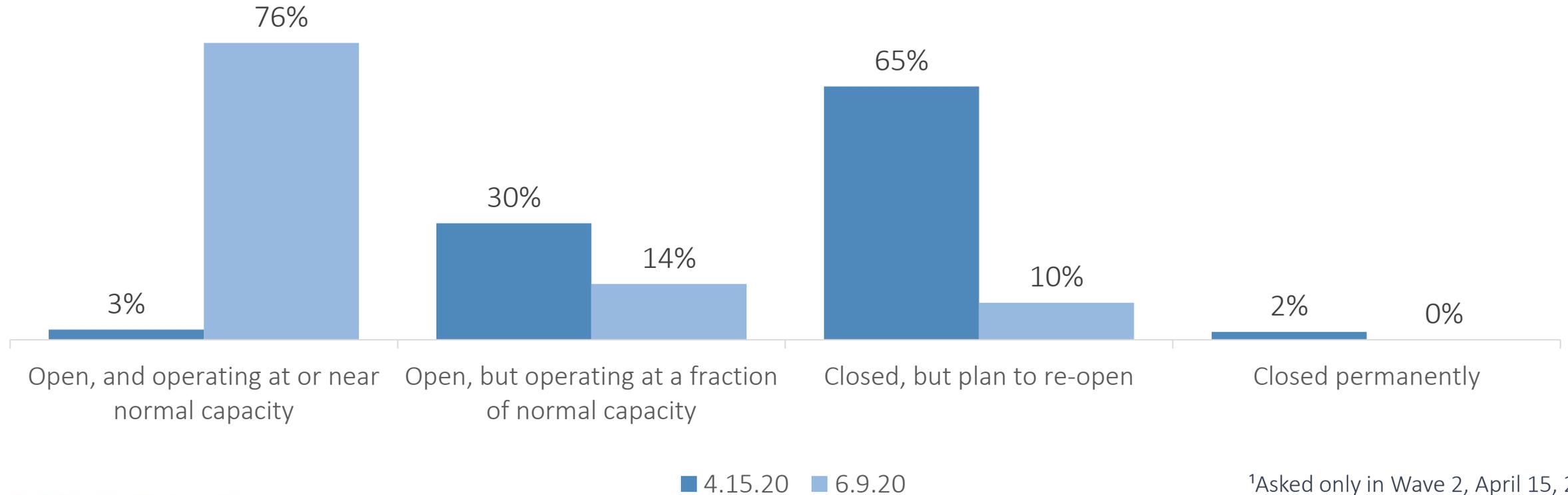
Business Operations¹

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



Business Operations¹

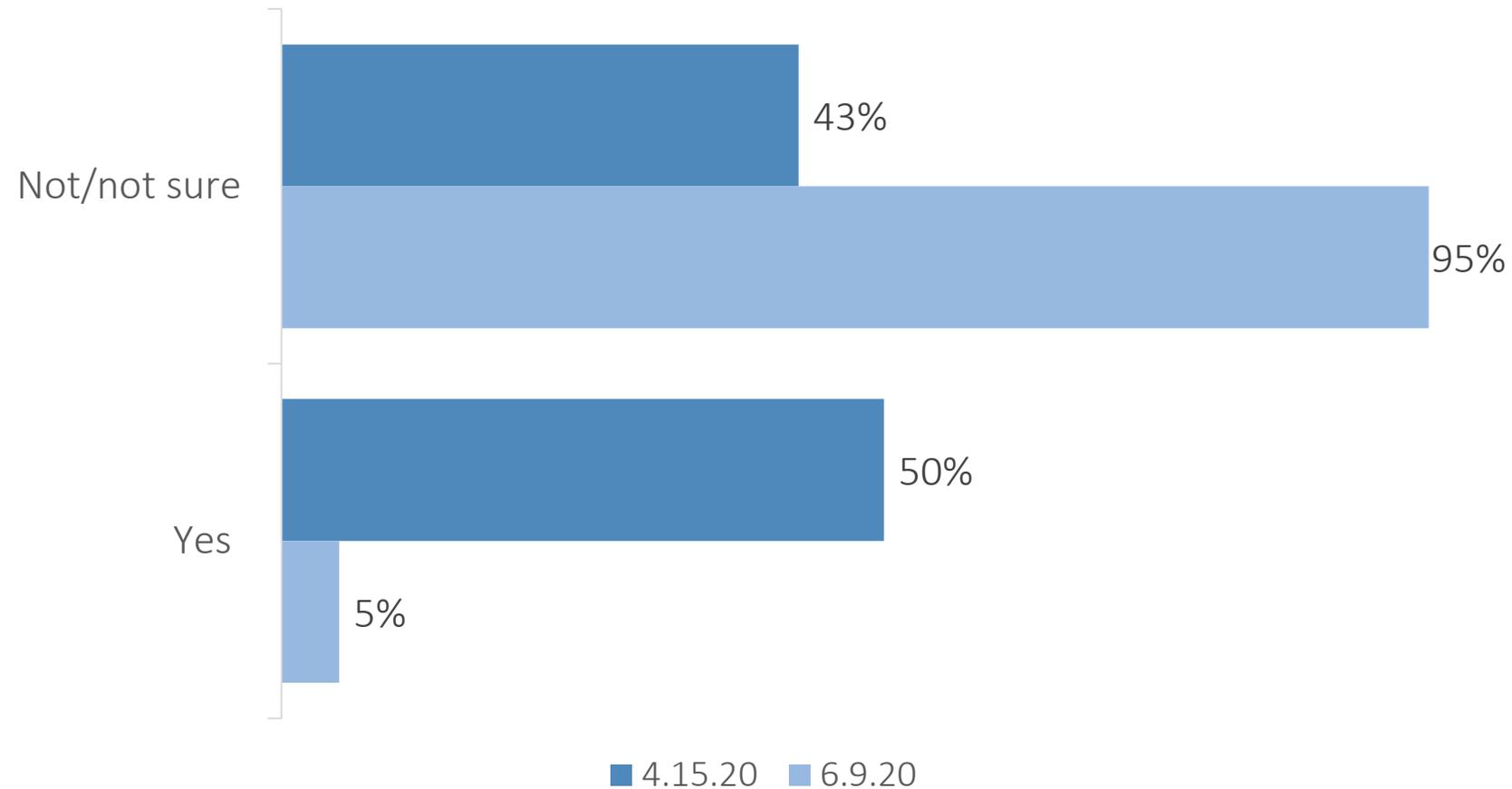
What is the status of your business during the COVID-19 crisis?



Employees Leaving the Area¹

5% of business say laid off employees have left the area due to COVID-19.

Do you know if any of your employees have left the area because of COVID-19?

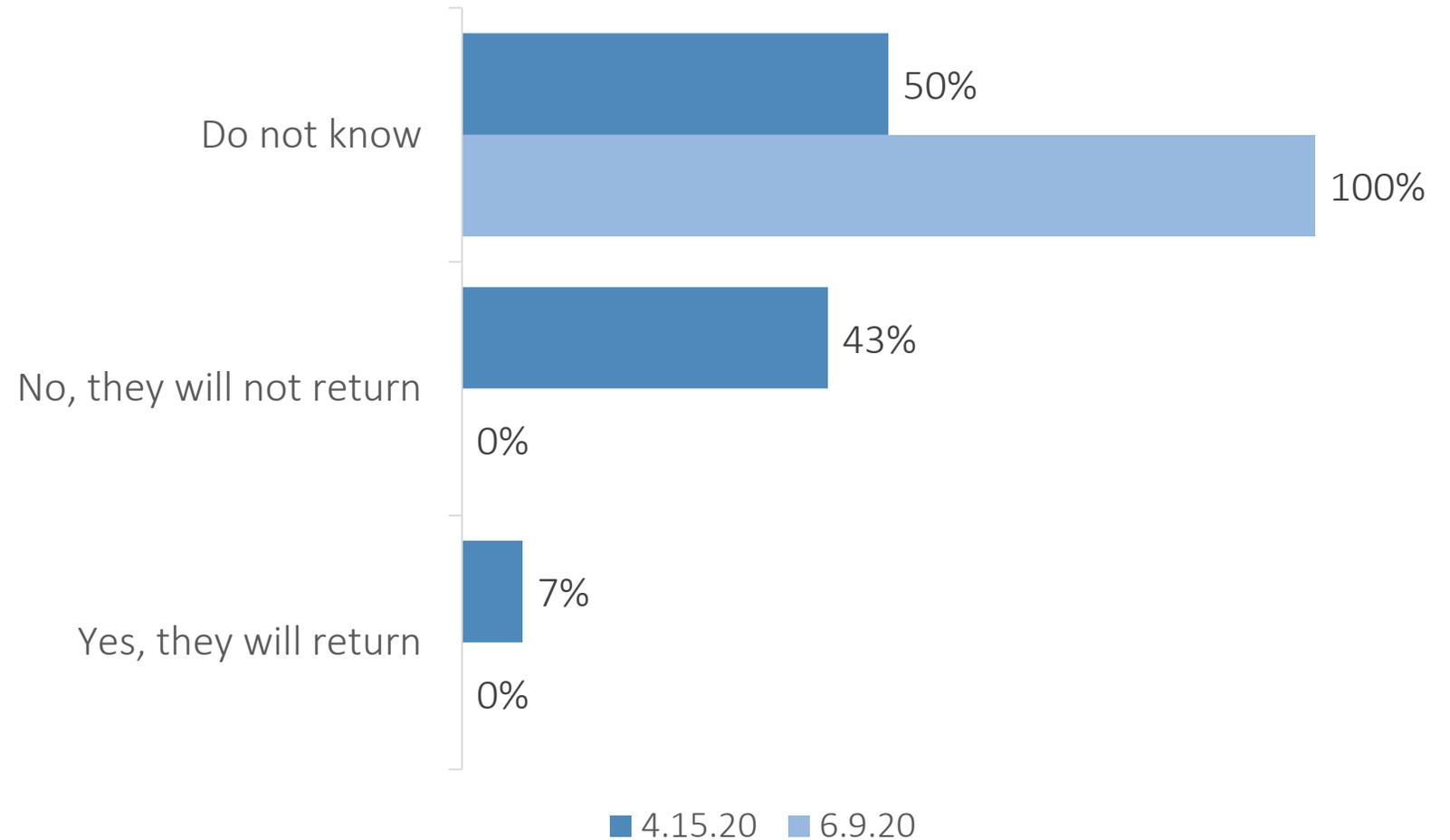


¹Asked only in Waves 2 + 3

Employees Leaving the Area¹

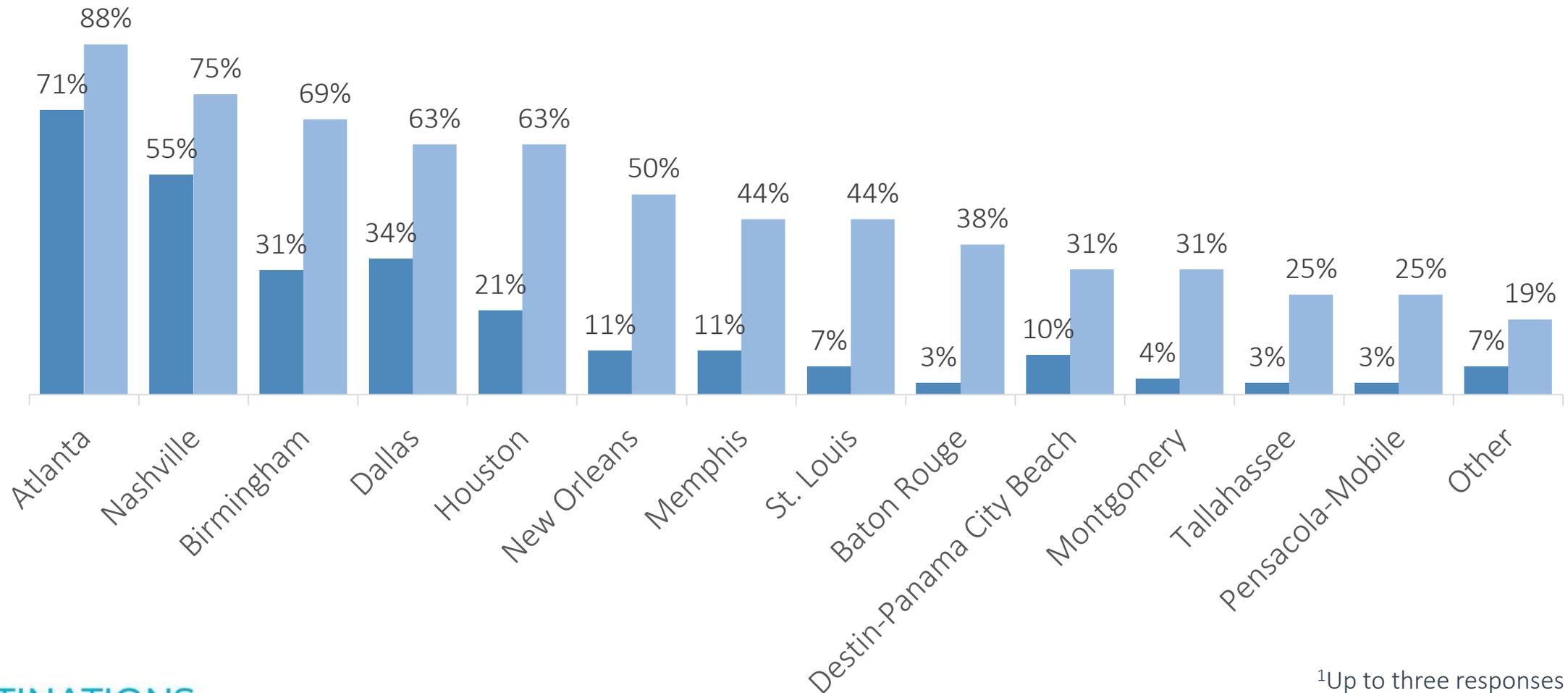
All of businesses who responded say they **do not know** if laid off employees who left the area will return.

Do you know if they will return after COVID-19



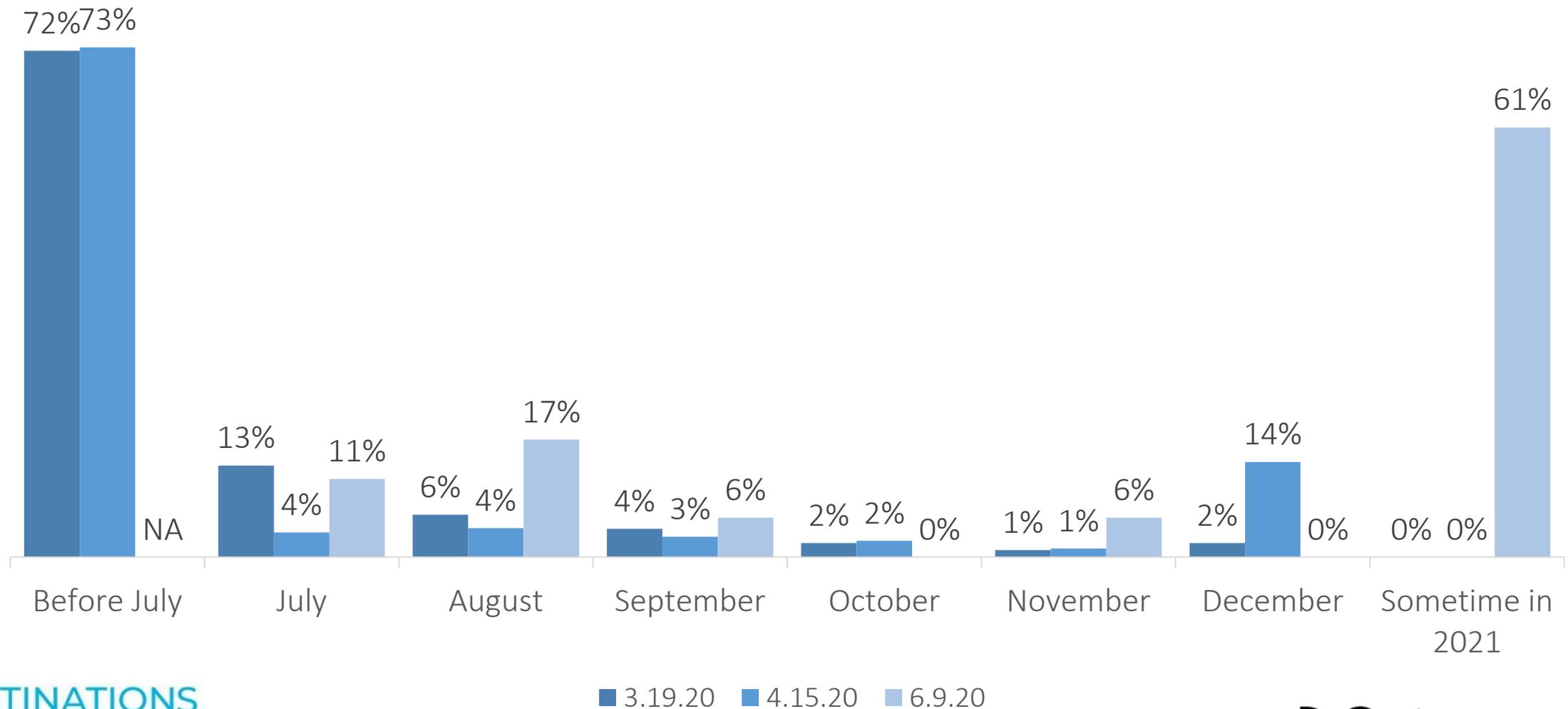
Marketing Focus by Visit South Walton¹

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

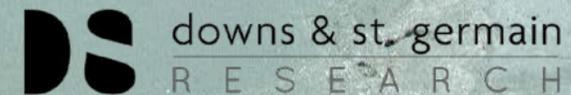


When Will the Economic Shutdown End

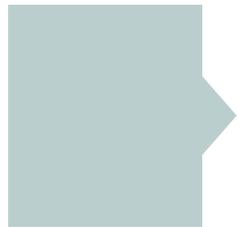
Tourism business executives were less optimistic in June as 61% thought the economic shutdown would end sometime in 2021 compared to 0% who felt this way in Mid-April.



Financial Stimulus



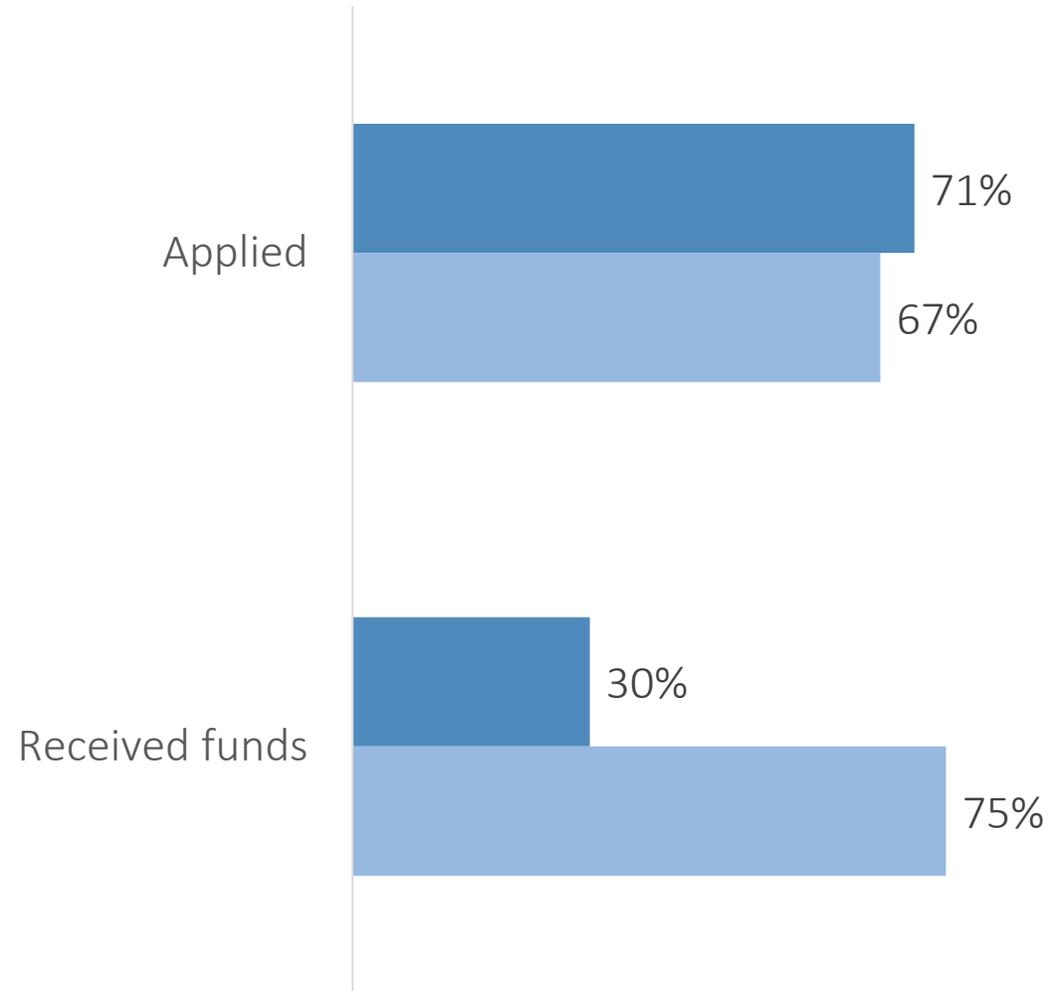
Economic Shutdown Financial Stimulus¹



67% of businesses applied for financial stimulus

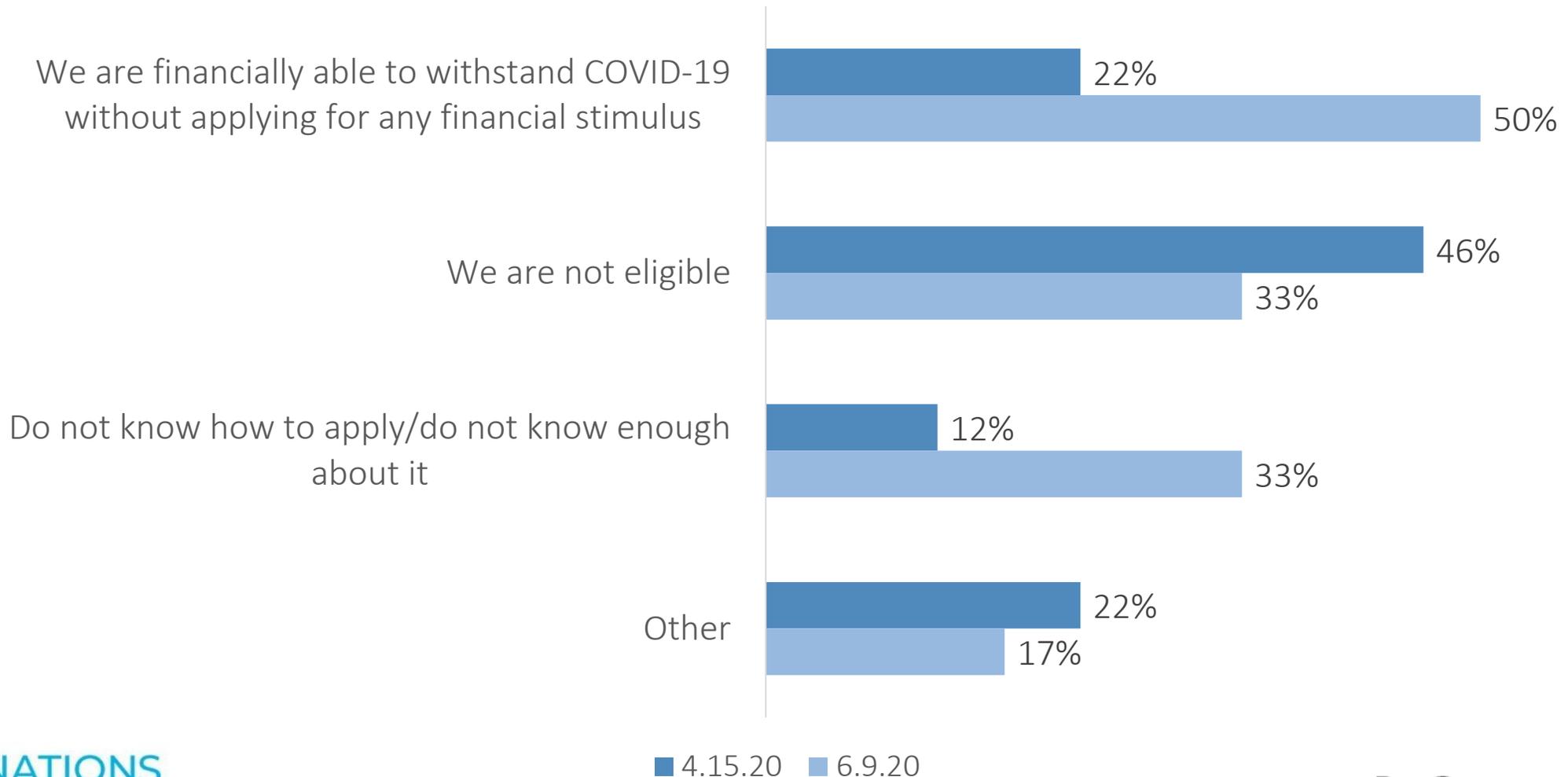


75% of those who applied have received funds



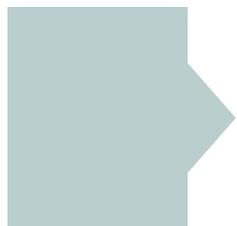
Economic Shutdown Financial Stimulus¹

Why have you not applied?



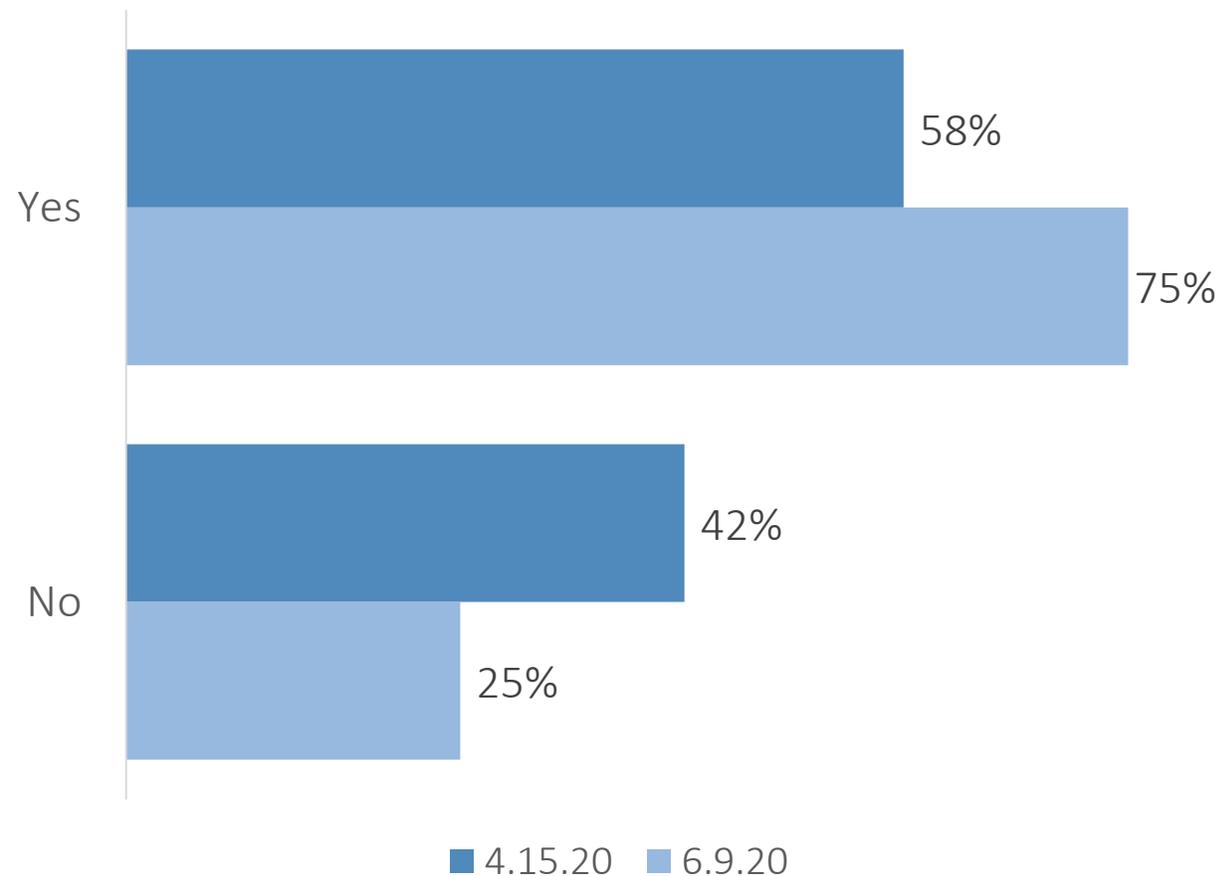
¹Asked only in Wave 2 & 3

Economic Shutdown Financial Stimulus¹



75% of businesses have a clear understanding of what percentage of economic shutdown stimulus will be forgiven

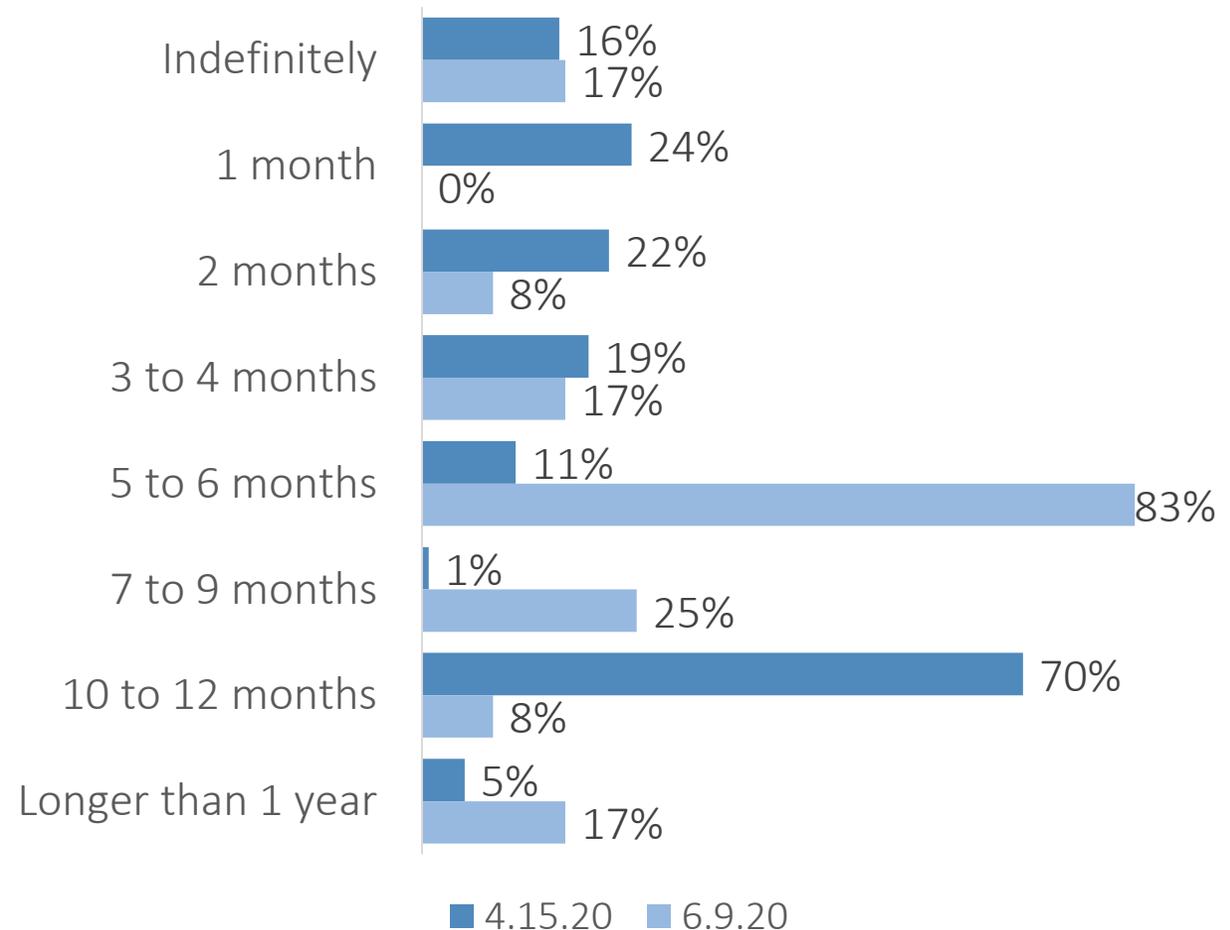
Do you have a clear understanding of what % of the COVID-19 funding you (will) received will be forgiven?



Economic Shutdown Financial Stimulus¹

Almost 1 in 5 businesses say they can keep their **doors open indefinitely** without additional funding, while another **83%** can only stay open for **5-6 months**

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



Tourism Business Profile

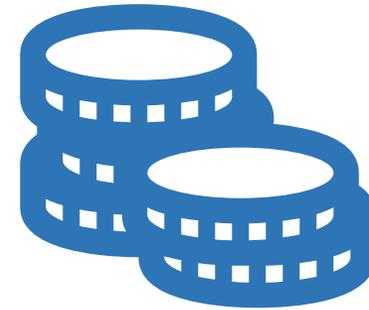


Tourism Business Size and Revenue

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

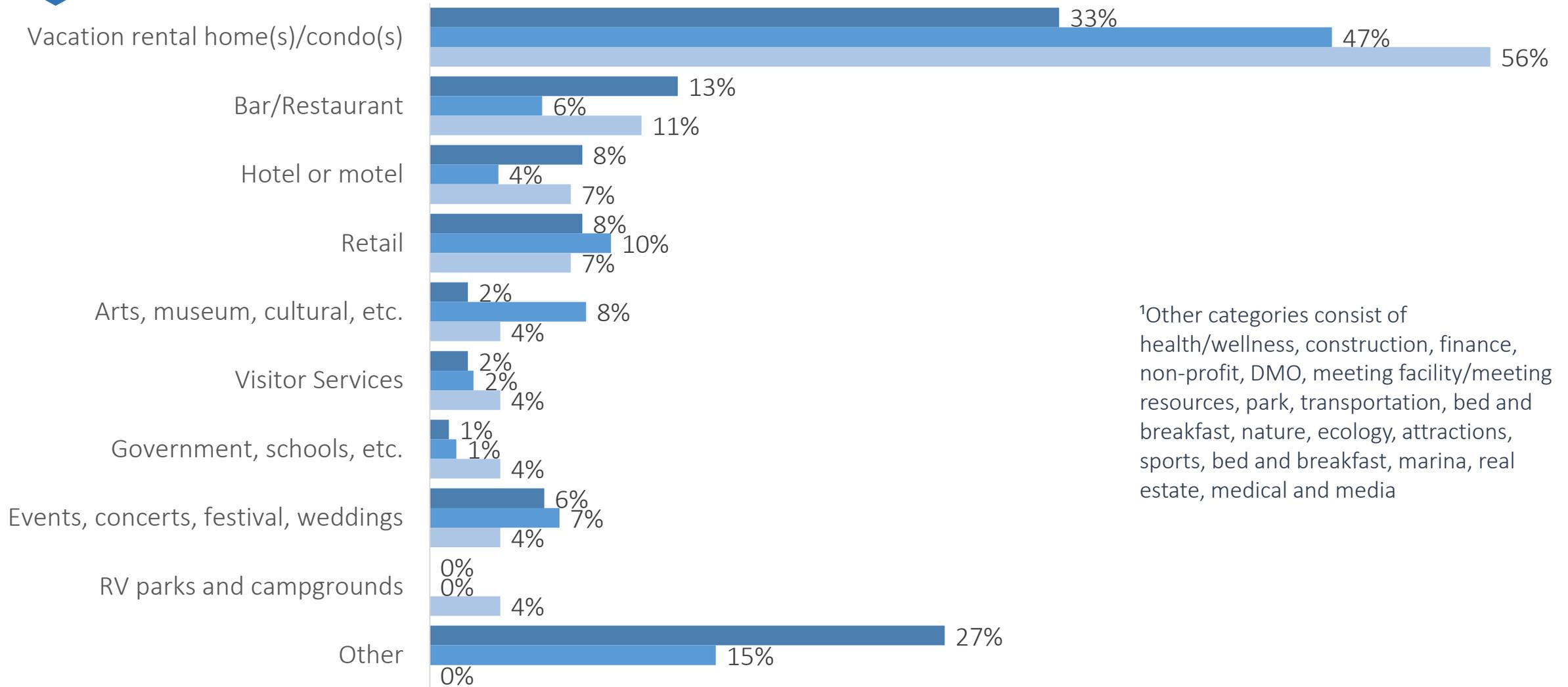


Average number of
employees:
<10



Average annual
revenue:
< \$1 million

Types of Tourism Businesses¹



¹Other categories consist of health/wellness, construction, finance, non-profit, DMO, meeting facility/meeting resources, park, transportation, bed and breakfast, nature, ecology, attractions, sports, bed and breakfast, marina, real estate, medical and media

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