

COVID-19

South Carolina Tourism Economy Impacts & Revenues CY2020 & FY20/21

Presented to South Carolina BEA

August 24, 2020

South Carolina Department of Parks, Recreation & Tourism



South Carolina Tourism During Covid-19

Three main points:

- How does SC tourism look based on the latest available data?
- The Good, the Bad and the Unknown
(What factors are affecting tourism currently and what will affect it in the next 6 to 12 months?)
- What is the forecasted impact on revenues?

How Does SC Tourism Look Now?

South Carolina Tourism During Covid-19

SC hotels are outperforming rest of the country and vacation rentals are outperforming hotels.

Source: STR Inc, AirDNA

Restaurants are getting about 85% of the foot traffic that they did in March 2020.

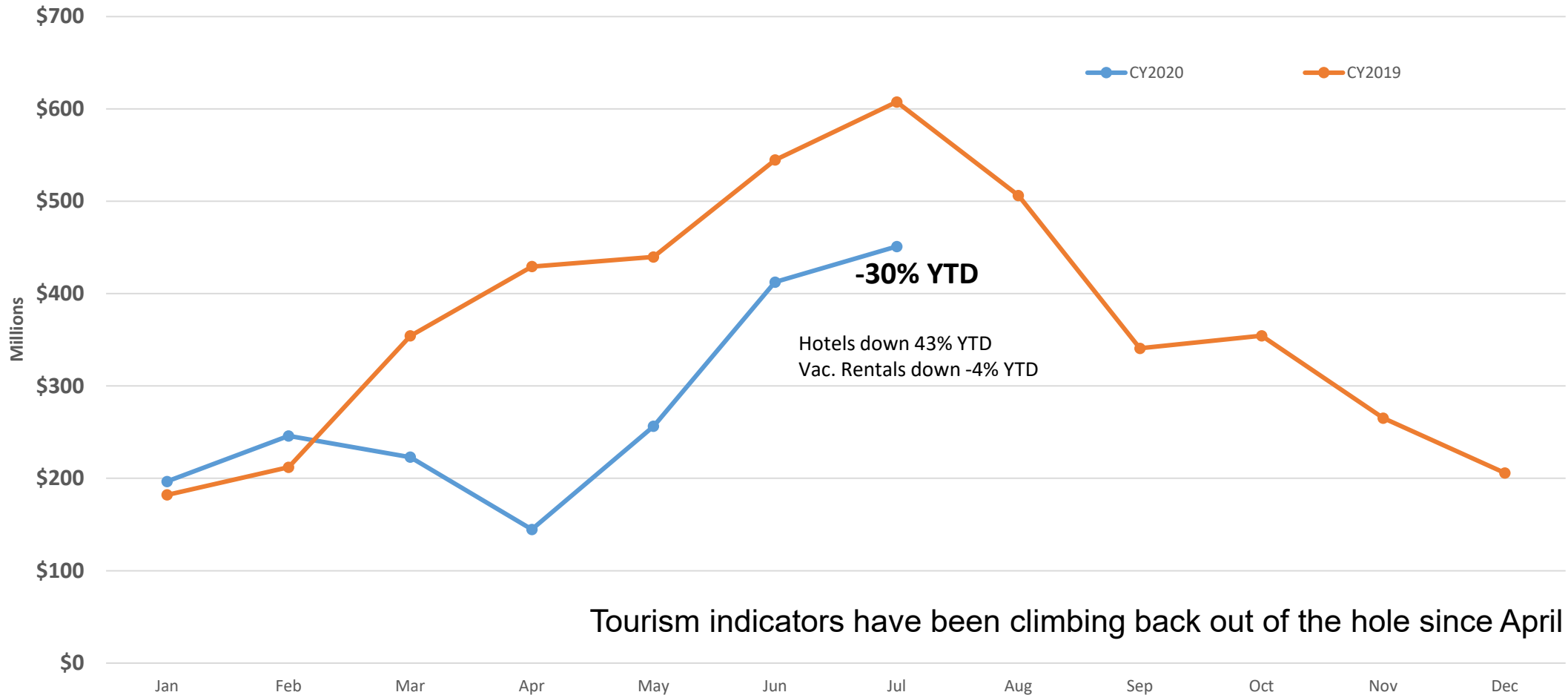
Source: SafeGraph

Statewide YTD golf rounds are down 15% but the month of June was up 16% compared to last year.

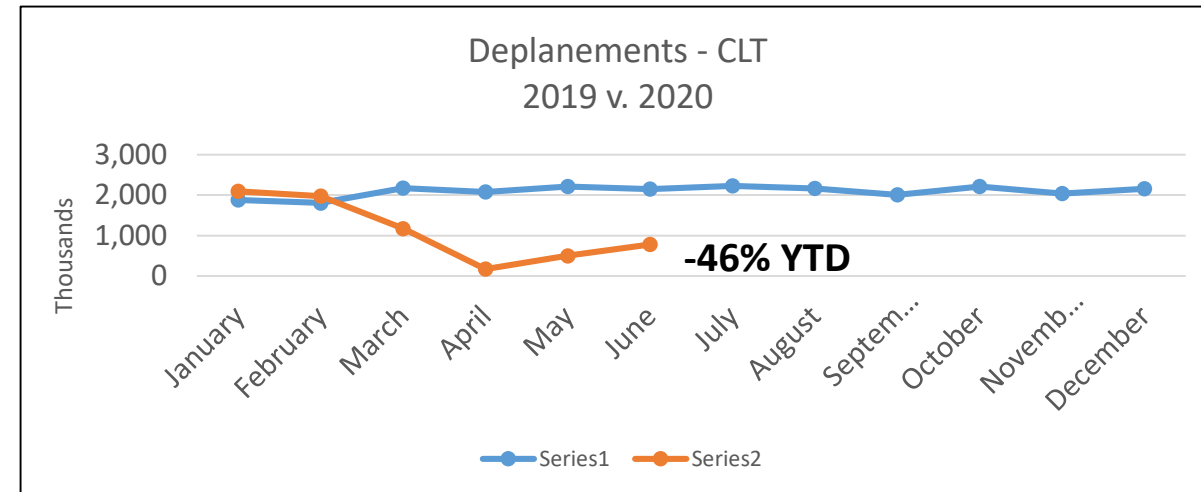
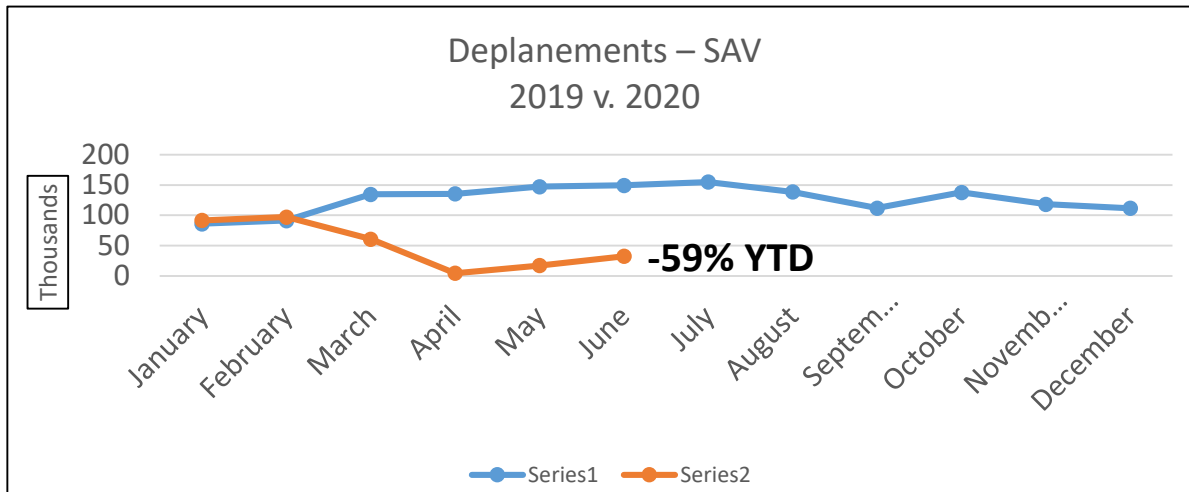
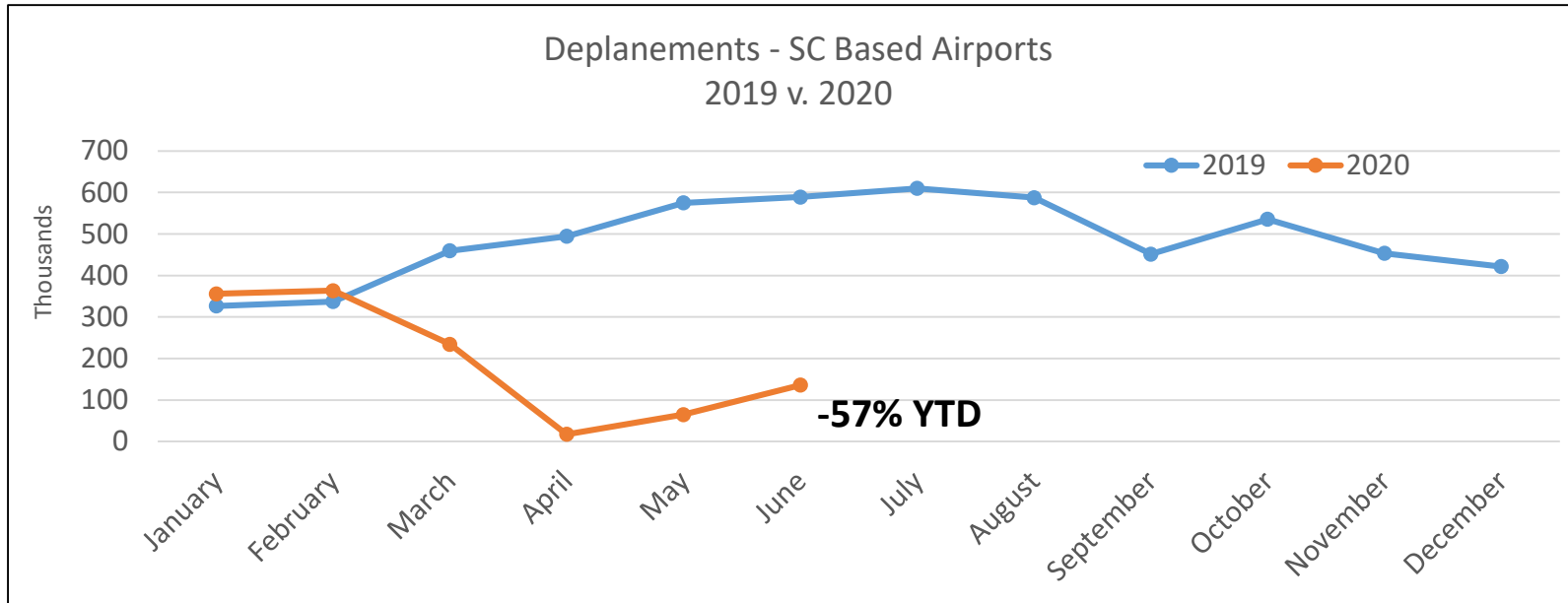
Source: GolfDataTech

Percent Change in Occupancy January - July 2020		
	Hotels	Vacation Rentals
United States	-35%	-6%
South Atlantic	-34%	-9%
South Carolina	-31%	-6%

South Carolina Monthly Lodging Revenues Hotels and Vacation Rentals

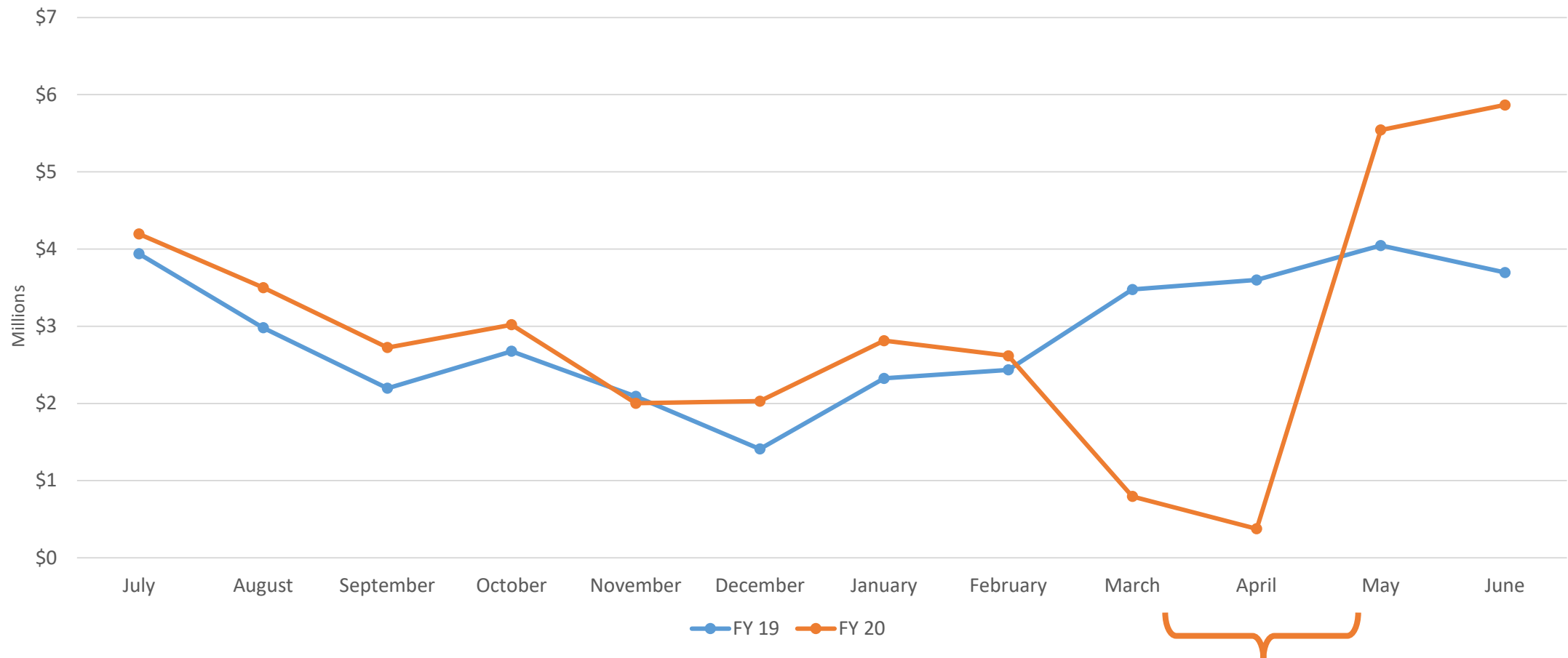


South Carolina Air Traffic



SC State Parks Revenue FY 19 vs FY 20

South Carolina State Parks were closed to the public from March 27 – April 30, 2020. State Parks reopened for day-use on May 1, 2020. Overnight use (i.e., camping/cabin rentals) were resumed on a staggered basis throughout May.



SC State Parks issued \$3,366,871.81 in refunds from March 9 – April 30, 2020.

The Good, The Bad & The Unknown

Current and Future Factors Affecting South Carolina Tourism

The Good, The Bad & The Unknown

Pent-up Travel Demand

Temperate Weather

Diversity of Tourism Product

COVID Case Trends in SC and in Key Out-of-State Markets

Employment/Unemployment Trends in SC and Key Out-of-State Markets

Business Travel Trends & Conference Capacity Limitations

In-Person & Virtual Education

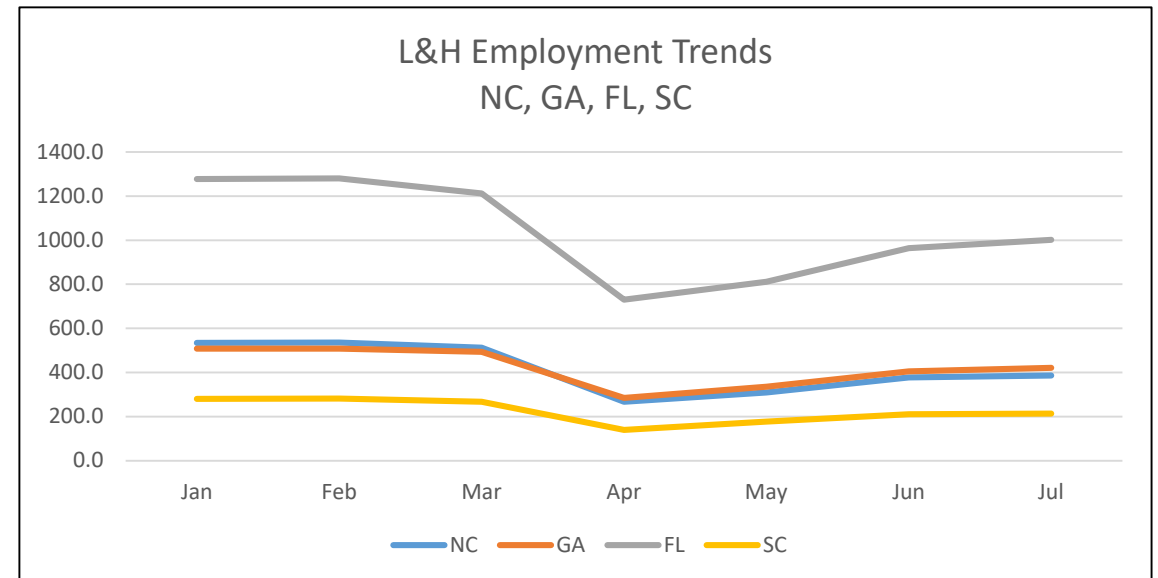
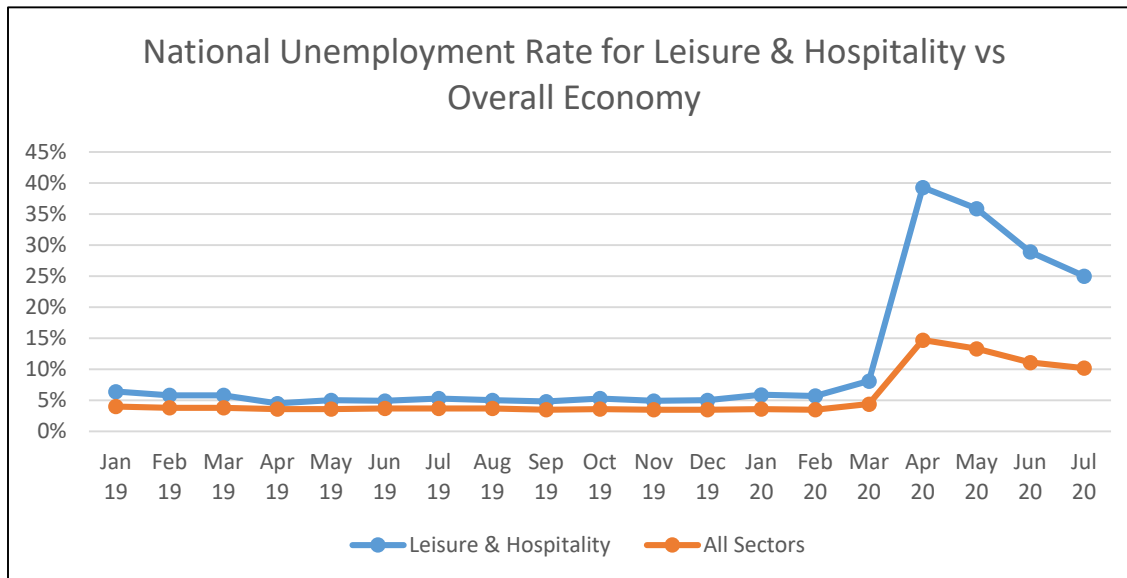
College Football & Fall Travel

Hurricane Season & Impact on Visitor Perceptions

Tourism (L&H) Employment

State							% Change	% Change
	Feb. 2020	Mar. 2020	Apr. 2020	May-20	Jun-20	July 2020 (P)	Feb-July	July 2019-July2020
South Carolina	2217.1	2,197.7	1,921.8	1,986.9	2,059.4	2,071.5	-6.6%	-5.5%
Construction	109.9	109.0	102.7	106.9	107.4	106.9	-2.7%	-0.1%
Manufacturing	258.2	258.4	244.9	244.8	252.3	252.7	-2.1%	-2.7%
Trade, Transportation & Utilities	410.2	408.7	376.6	388.2	398.0	392.3	-4.4%	-4.0%
Financial Activities	104	103.4	100.0	102.1	103.2	103.2	-0.8%	-1.9%
Professional & Business Services	305.4	303.8	264.9	268.2	280.5	286.8	-6.1%	-3.9%
Education & Health Services	259.7	258.3	228.5	238.3	245.4	247.6	-4.7%	-4.1%
Leisure & Hospitality	281.7	267.7	139.9	176.7	210.7	213.2	-24.3%	-21.6%
Government	376.6	377.6	363.2	357.0	357.0	355.3	-5.7%	-3.8%

Source: Bureau of Labor Statistics



Tourism Recovery Efforts



Social Distancing:

Park Staff & Our Visitors

Our staff takes pride in being customer friendly and approachable, but during these uncertain times, we must take precautions to protect their safety and well-being, as well as that of our park visitors.

- **Park staff and visitors will be encouraged to limit group size to less than 3 and to stay six feet apart and should avoid handshakes, hugs and other physical contact.**

We are happy to be able to provide a location for people to get outdoors during this time. We are all part of the solution and working together, we can ensure parks remain open during these times when parks are needed most. For more information, please visit: [cdc.gov](https://www.cdc.gov) or [scdhec.gov](https://www.scdhec.gov).

An illustration showing a park staff member on the left wearing a green uniform and a tan hat, and a visitor on the right. A dashed line between them is labeled "6'", indicating the required social distancing distance. A sign between them reads "SOUTH CAROLINA STATE PARKS COME OUT & PLAY".

South Carolina Tourism Looking Forward

Has business bottomed out or will it fall further?

Will fall demand be depressed or will it come back?

How will employment look?

How are partners affected by PPP loans/CARES Act Funds?

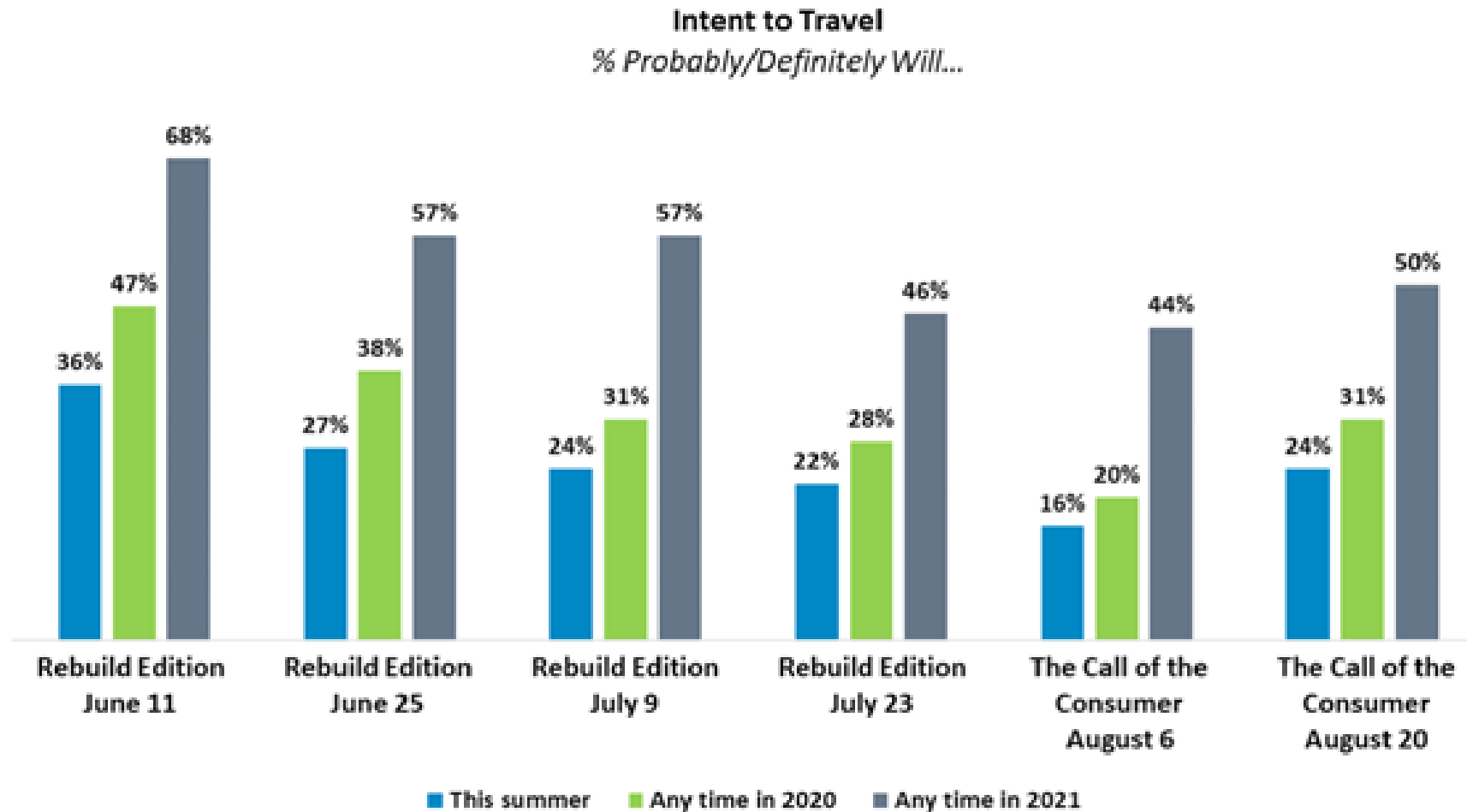
Forecasted Impact on Revenues

Tourism Revenues for 2020 and FY20/21

Travel demand for the next twelve months depends on...

- Consumer Disposable Income
- Perceived Safety of Travel
- Restrictions Imposed Due to Covid Cases
- Tourism Supply and Labor Markets – Can businesses provide services?
- Uncertainty or Unrest around November Election

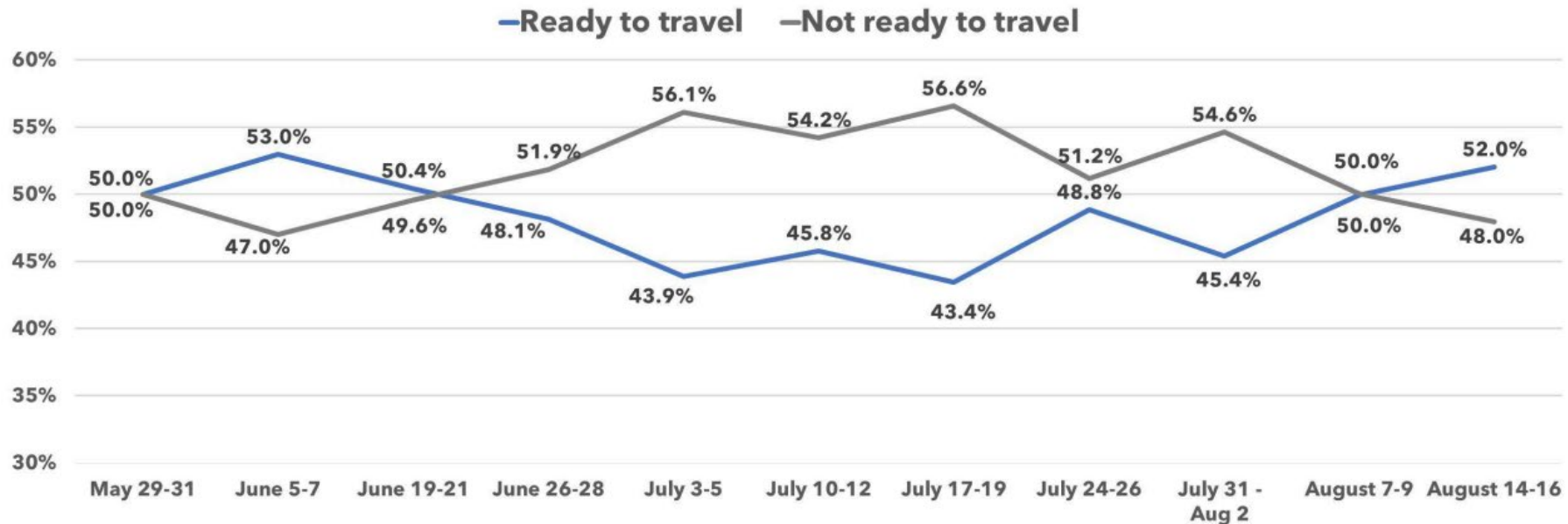
Measures of Future Travel Intent



Source: H2R Research

Measures of Future Travel Intent

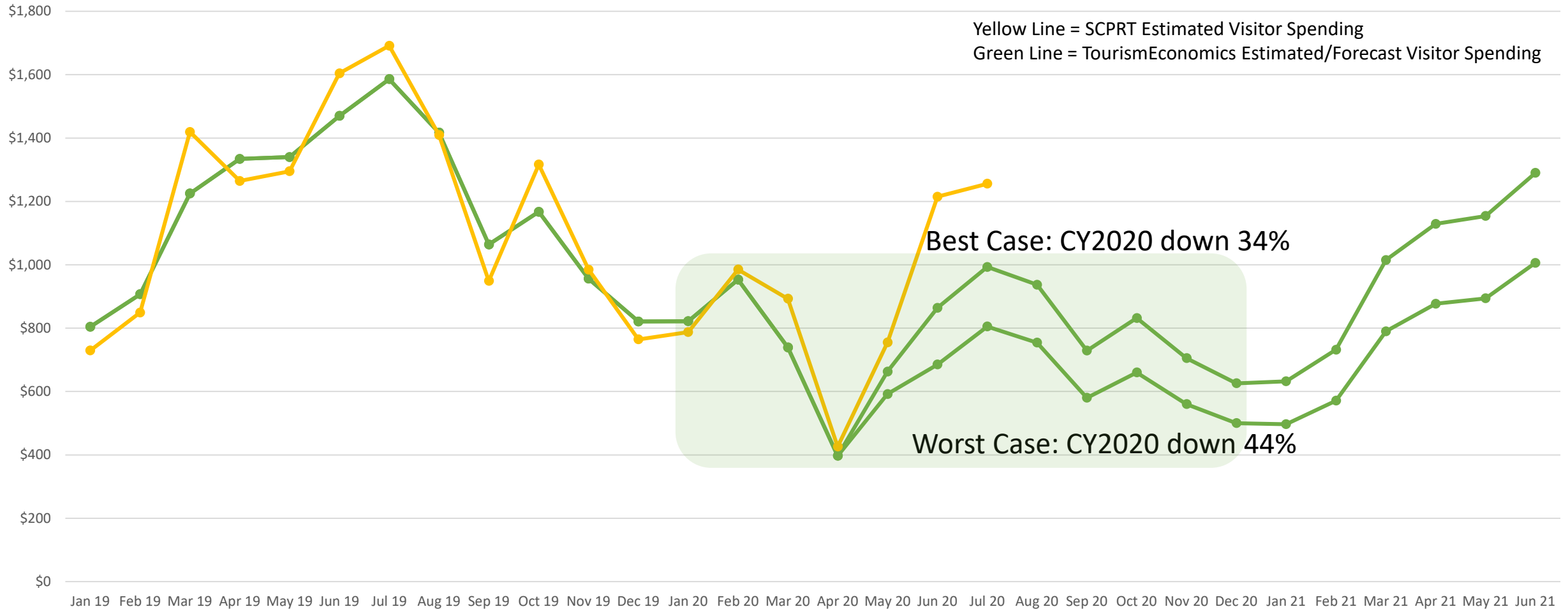
QUESTION: WHEN IT COMES TO GETTING BACK OUT AND TRAVELING AGAIN, WHICH BEST DESCRIBES YOUR CURRENT STATE OF MIND? (SELECT ONE)



(Base: Waves 12-13 and 15-23. All respondents, 1,257, 1,214, 1,205, 1,231, 1,365, 1,213, 1,200, 1,206, 1,224, 1,201 and 1,202 completed surveys. Data collection May 29-31, June 5-7, 19-21, 26-28, July 3-5, 10-12, 17-19, 24-26, July 31-Aug 2, Aug 7-9, Aug 14-16, 2020)

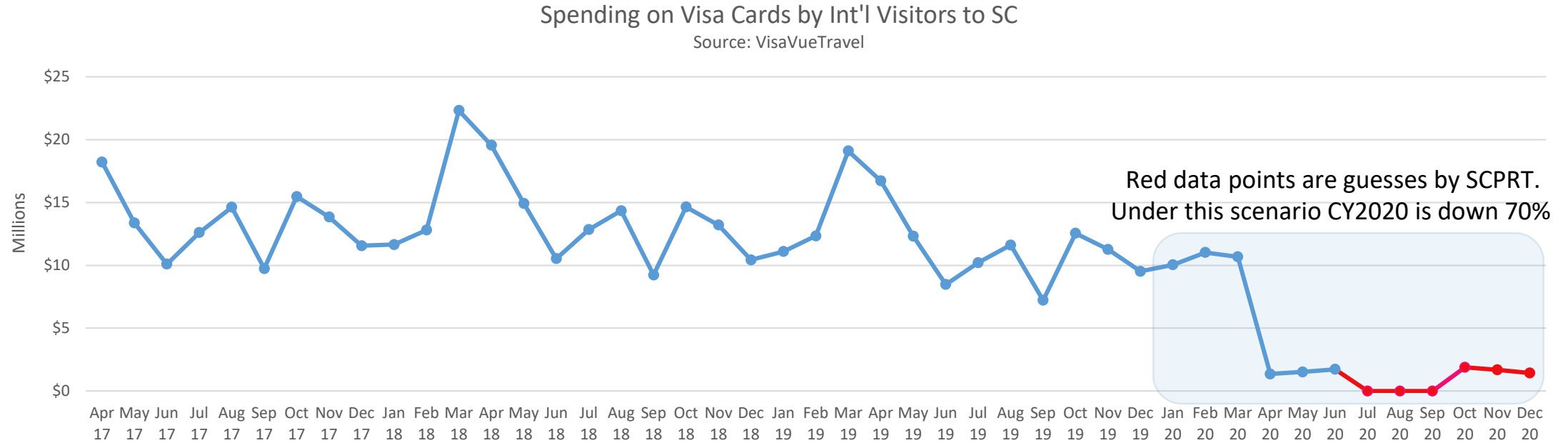
Source: DestinationAnalysts

South Carolina Visitor Spending Forecast



Source: TourismEconomics and SCPR T

Other Indicators of South Carolina Tourism



- Valuations of hotel projects permitted from January through June 2020 are up 57% while valuations of all projects permitted are down 20%.

Source: FW Dodge

Tourism Economy Forecast

SC Gross Tourism Spending by Source and Year				
	CY2018 TTSA Results	CY2019 Projected	CY2020 Forecast	2020 vs 2019 % Change
SC Resident Travel Spending in SC	\$4.0B	\$4.1B	\$4.9B	20%
Travel Spending by Out-of-State Visitors to SC	\$12.0B	\$12.4B	\$6.0B	-50%
Travel Spending by International Visitors to SC	\$900M	\$930M	\$279M	-70%
State & Local Government Spending on Tourism in SC	\$516M	\$530M	\$213M	-60%
Tourism-Related Capital Investment in SC	\$880M	\$910M	\$728M	-20%
Exports of Tourism Merchandise Manufactured in SC	\$5.5B	\$5.7B	\$2.9B	-50%
Total Gross Tourism-Related Spending in SC	\$23.8B	\$24.5B	\$15.0B	-40%

} -34%

Tourism Economy Forecast

Our Best Guess right now...

CY2020 Tourism Revenues ~40% below 2019

~\$300 million less Sales & Use Tax than 2019

~\$160 million less Income Tax than 2019

FY20/21 Tourism Revenues ~30% below 2019