

November 2020

COVID-19 has had an impact on businesses and consumer behavior overall, but tourism was identified as one of the hardest-hit sectors in the region amid the pandemic.

The local Tourism Sector in the San Diego region is made up of a diverse array of industries, including hotels, motels, recreational vehicle parks, restaurants, bars, caterers, food trucks, casinos, amusement parks, museums, zoos, professional sports, performing artists, and music venues.

This SANDAG Infobits report takes a deeper dive to examine data from various sources over time to better

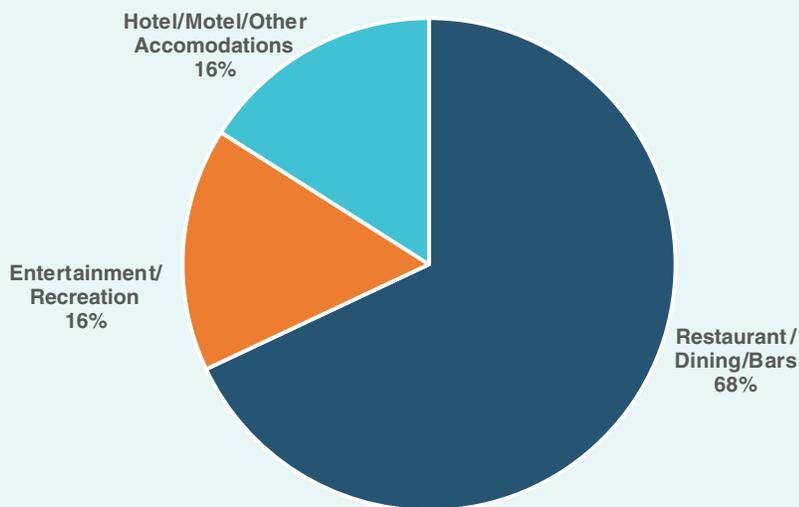
understand how job loss in the Tourism Sector has affected the entire region.

### How has the pandemic affected tourism in the San Diego region?

Tourism<sup>1</sup> has been the hardest-hit employment sector since the statewide stay home order began. Before the pandemic,

- an estimated two-thirds (68%) of jobs in tourism were in restaurants, other dining establishments, and bars;
- 16% were in hotels, motels, and other accommodations; and
- 16% were in entertainment and recreation. (Figure 1).

FIGURE 1  
**Employment in Tourism Pre-COVID-19**



SOURCE: SANDAG estimates have been generated using August 2019 and August 2020 Employment Development Department Industry employment Release date September 18, 2020; and Applied Geographic Solutions, Inc., Thousand Oaks, California, Weekly Release September 14, 2020. Note: Does not include uniformed service military employment.

### Did you know?



2 in 3 (68%) jobs in the Tourism Sector pre-pandemic were in restaurants, other dining establishments, and bars.



Consumer spending at restaurants and hotels is down 36.5% in the region, trending below the national average.



For every 100 jobs lost in the Tourism Sector, an estimated 28 are lost in other sectors as part of a ripple effect.

<sup>1</sup> "Tourism Sector" refers to the Bureau of Labor Statistics supersector Leisure and Hospitality, which includes NAICS codes 71 (Arts, Entertainment and Recreation) and 72 (Accommodations and Food Service).

## How has the San Diego region's tourism industry been affected versus the national average?

Data from Track the Recovery (tracktherecovery.org) show that leisure and hospitality industries in the San Diego region have been more negatively impacted when compared to the national average. As seen in Figure 2, consumer spending<sup>2</sup>, small business revenue, the number of small businesses open, and job postings were all considered in this analysis.

### As of November 1, 2020,

- consumer spending for restaurants and hotels was down 36.5% in the San Diego region;
- small business revenue and the number of small businesses open for leisure and hospitality as of the end of September were down 54.0% and 31.3%, respectively;
- and the number of job postings in the leisure and hospitality industries was down 40.1% (as of November 6, 2020).

## What else do we know about how the Tourism Sector has been affected in the San Diego region?

SANDAG considered two additional data sources surrounding consumer behavior: foot traffic around restaurants, hotels, and recreational activities and economic data examining how the loss of jobs in tourism can cause a ripple effect in job loss to other sectors.

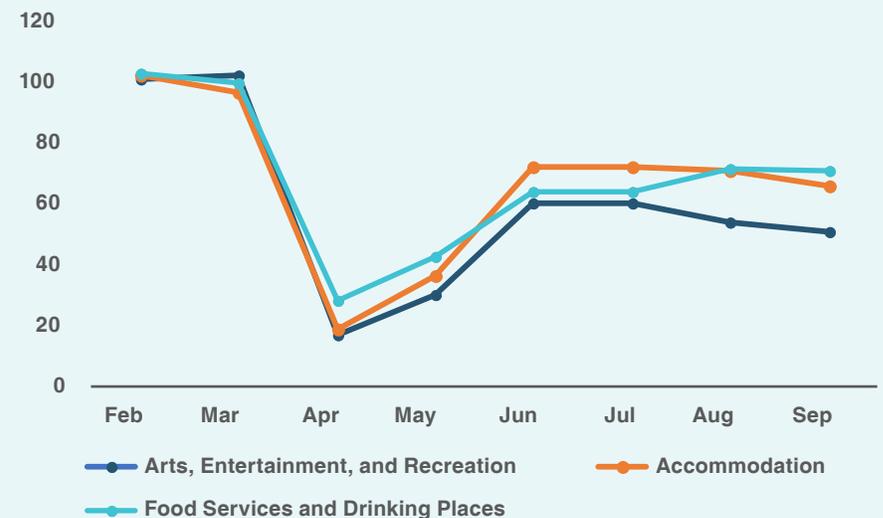
In Figure 3, foot traffic data from a private vendor was analyzed to compare month over month at three different types of tourism

FIGURE 2  
COVID-19 Impacts on Leisure and Hospitality in the San Diego Region Versus National Average



SOURCE: "The Economic Impacts of COVID-19: Evidence from a New Public Database Built from Private Sector Data", by Raj Chetty, John Friedman, Nathaniel Hendren, Michael Stepner, and the Opportunity Insights Team. September 2020. Available at: [https://opportunityinsights.org/wp-content/uploads/2020/05/tracker\\_paper.pdf](https://opportunityinsights.org/wp-content/uploads/2020/05/tracker_paper.pdf)

FIGURE 3  
Tourism Foot Traffic Down since February 2020



SOURCE: SANDAG calculations based on SafeGraph COVID-19 Response Dataset - Weekly Patterns.

locations. Because the baseline volume of foot traffic was significantly greater around arts, entertainment, and recreation venues, the data were

analyzed from a February 2020 baseline of 100. As this figure shows, foot traffic dropped considerably from March to April, increased in May

<sup>2</sup> Data from tracktherecovery.org was compiled on November 17, 2020. For consumer spending, data are presented for the category of restaurants and hotels, and for the other three measures, the category selected was leisure and hospitality. Data based on credit card/debit card spending is the proxy used for consumer spending. Additional data on consumer spending not shown in Figure 3 includes a greater decrease in the entertainment and recreation category in the San Diego region (-62.1%, compared to -56.8% nationwide).

and June, and was stable in July. In August, there was an increase around food service and drinking establishments, but there was a decrease in the other two categories and in September, there was a continued downward trend in all three categories, compared to the previous month (-6% recreation, -7% accommodations, and -1% restaurants).

The ripple effect of job loss in tourism also can be seen in other sectors. When unemployed workers do not have wages to spend, consumer spending goes down. Industries who depend on businesses who cater to tourism are also affected. For instance, farmers who provide produce to restaurants, or retailers who provide supplies to hotels are also seeing a downturn.

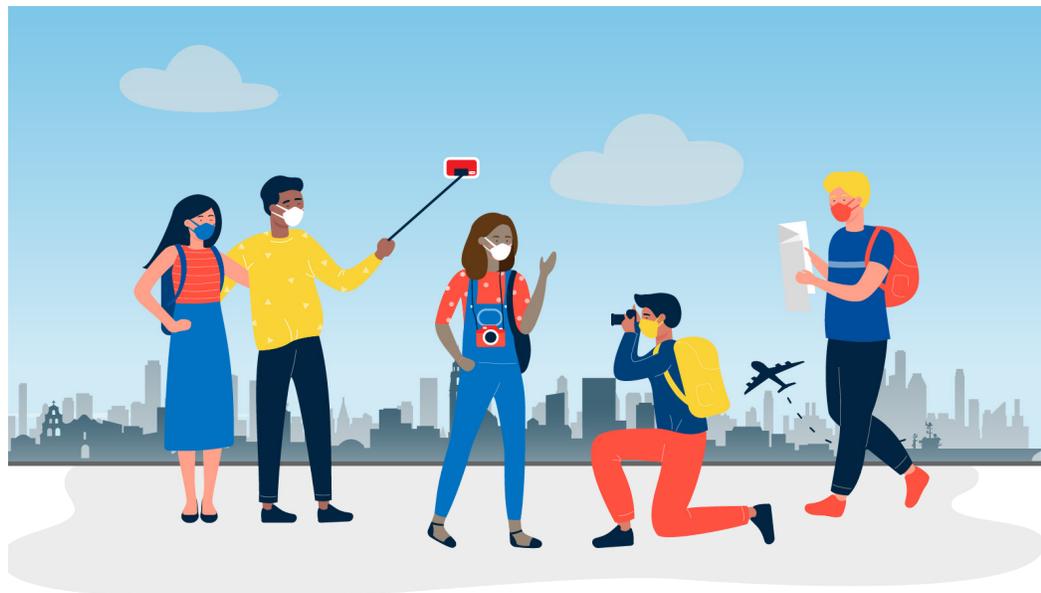
As Figure 4 shows, according to current estimates, for every 100 jobs that are lost in the Tourism Sector, another 28 could be lost in other sectors, including Finance, Professional and Information Services; Retail; and Health.

FIGURE 4

**For Every 100 Jobs Lost in Tourism, How Many are Possibly Lost in Other Sectors**



SOURCE: This analysis used IMPLAN 2018 Data for the San Diego region and applied IMPLAN sector contribution analysis to the tourism sector as a whole (NACIS 71-72)



*The San Diego region’s Tourism Sector has been hit harder than the national average. Nearly eight months into the pandemic, consumer spending and foot traffic remain down, and the impact of unemployment in tourism has created a ripple effect on other sectors, including Finance, Professional, and Information Services. As the global health crisis continues with no end in sight, a road to recovery is unclear.*

About info**bits**

SANDAG serves as the region’s clearinghouse for information and data. InfoBits publish timely, relevant information informing the public while providing context on complex issues facing the region.

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