

COVID-19 Tourism Workforce **Impact Report**

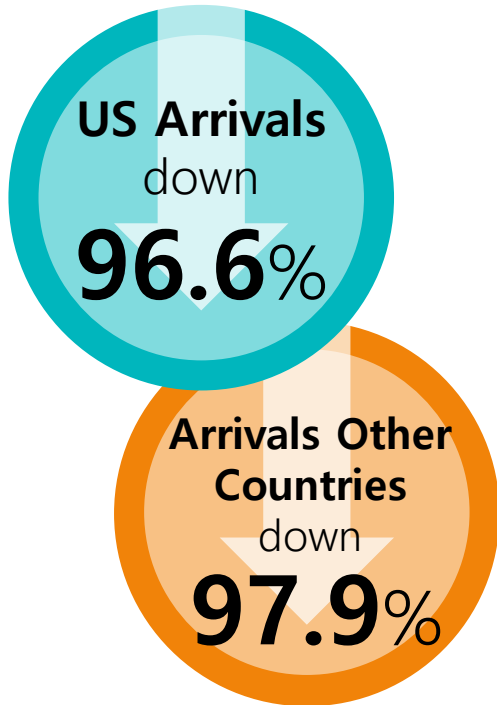
PRELIMINARY FINDINGS

Tourism **HR**
Canada



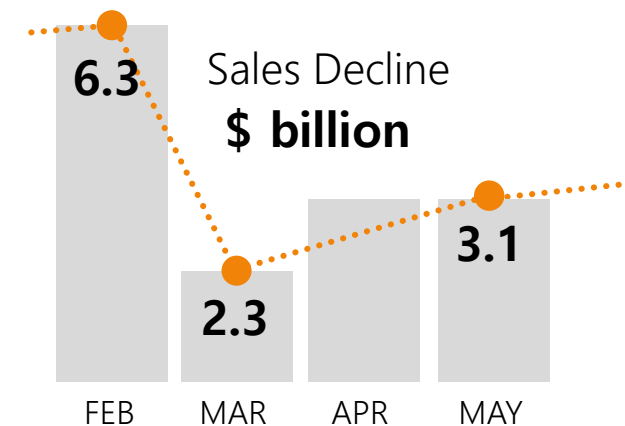
RH Tourisme
Canada

Devastating Impact



Tourism has been severely limited since COVID-19 closed international borders. Statistics Canada's tracking of travel to and from Canada showed that international travel came to a standstill by the end of March, with trips to Canada by travellers from abroad down 54.2% from February. International travel remained low in May, the latest month for which complete data is available, as arrivals from the United States were down 96.6% from May 2019 and arrivals from other countries were down 97.9%.¹ Leading indicators of cross border travel and air arrivals for June indicate that little change in these trends should be expected this summer.

The impact on the tourism sector has been massive. The food services industry saw the value of sales decline from \$6.3 billion in February to \$2.3 billion in March before rebounding to \$3.1 billion in May.² On average, the restaurant industry gets about 20% of its demand from tourists. The industry has the capacity to rebound with increasing demand from locals, but physical distancing requirements will limit demand due to reduced number of customers.

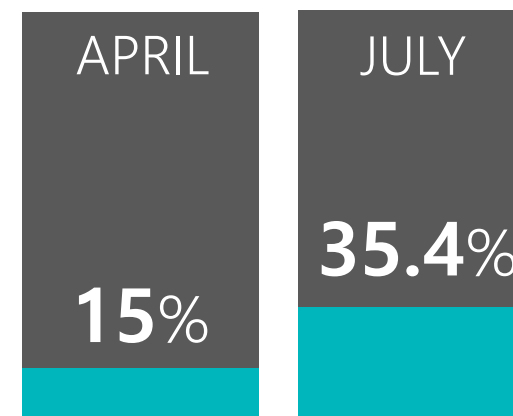


1. Statistics Canada, Travel between Canada and other Countries, May 2020

2. Statistics Canada, Food services and drinking places, May 2020

Industries that rely more on travellers face significant challenges. Weekly hotel occupancy data shows that occupancy dropped below 15% in April and had only recovered to 35.4% as of July 25.³

This data shows the demand drivers on just some industries within the tourism sector. Recreation facilities and museums are struggling to reopen. Some have chosen not to as it is a better financial choice to avoid the cost of opening when demand is so low. However, businesses with fixed costs related to rent and maintenance cannot as easily balance their operating costs.



Hotel Occupancy Rate

605

June 10 to July 12

Between June 10 and July 12, Tourism HR Canada fielded the COVID-19 Tourism Workforce Impact Survey and collected 605 responses from tourism operators across Canada. Responses were received from all provinces and the territories as well as 28 responses from national businesses that were providing information for locations across the country.

The survey was designed to measure the effect of COVID-19 on operational status and staffing needs, as well as the ability to access government supports such as the Canadian Emergency Wage Subsidy (CEWS) and the Regional Relief and Recovery Fund.





Results show that only a fraction of the tourism businesses are operating at full capacity. Many remain closed and many intend to remain closed this summer. Those that have reopened or expanded operations since the strictest COVID-19 containment measures have been lifted are hiring back former staff, but employment is expected to remain well below the levels seen in 2019.

Despite the many people out of work, some businesses are still concerned they will be challenged to find workers this summer, and they also face challenges adapting to the new protocols and regulations they must follow.

Most businesses are finding ways to adapt, however, and many are utilizing—or plan to utilize—available support programs such as the Canadian Emergency Wage Subsidy. Over half of respondents had applied for coverage with almost all being approved. A smaller number of respondents utilized the Regional Relief and Recovery Fund due to a lack of awareness of the program or because they had already been able to access the Canadian Emergency Business Account.



Summer Outlook

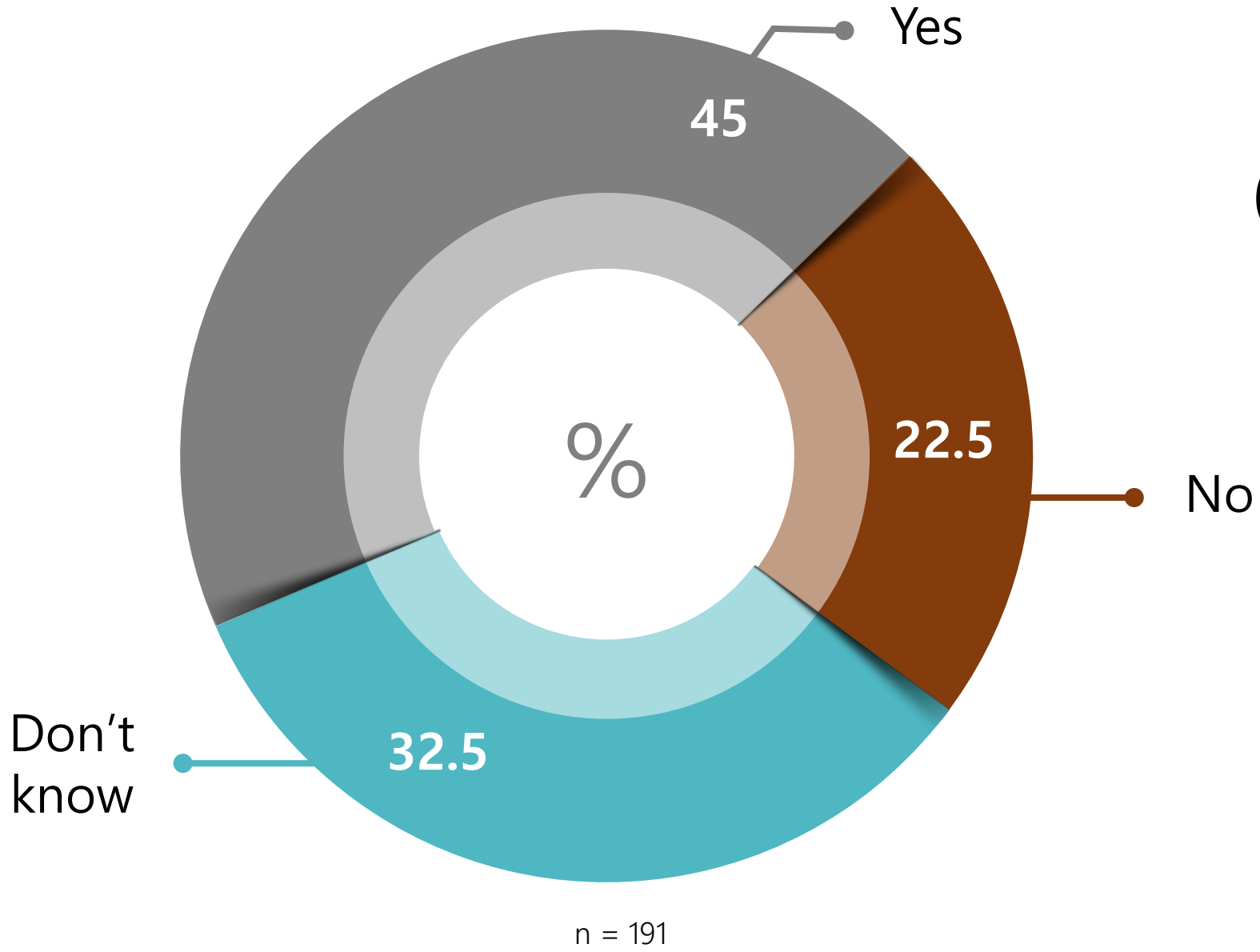
6.2% fully open

60% operating with limitations

30.5% temporarily closed



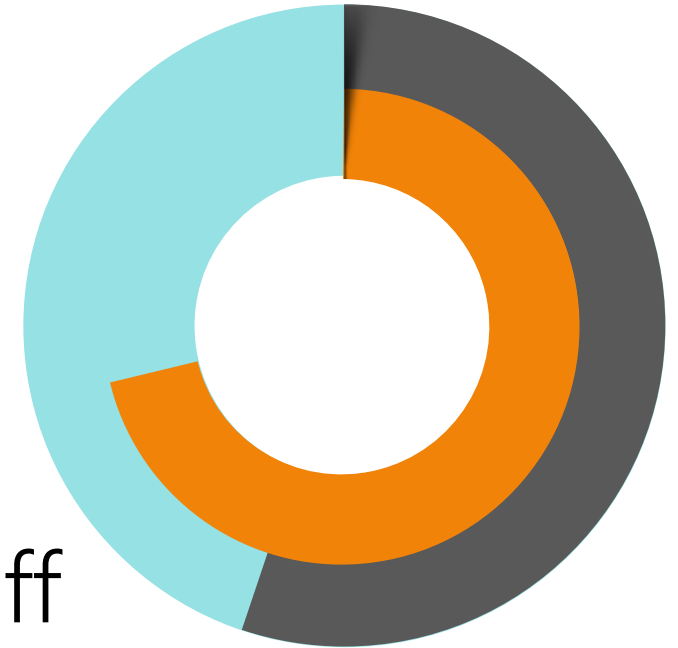
Opening this summer ?



Employment Levels

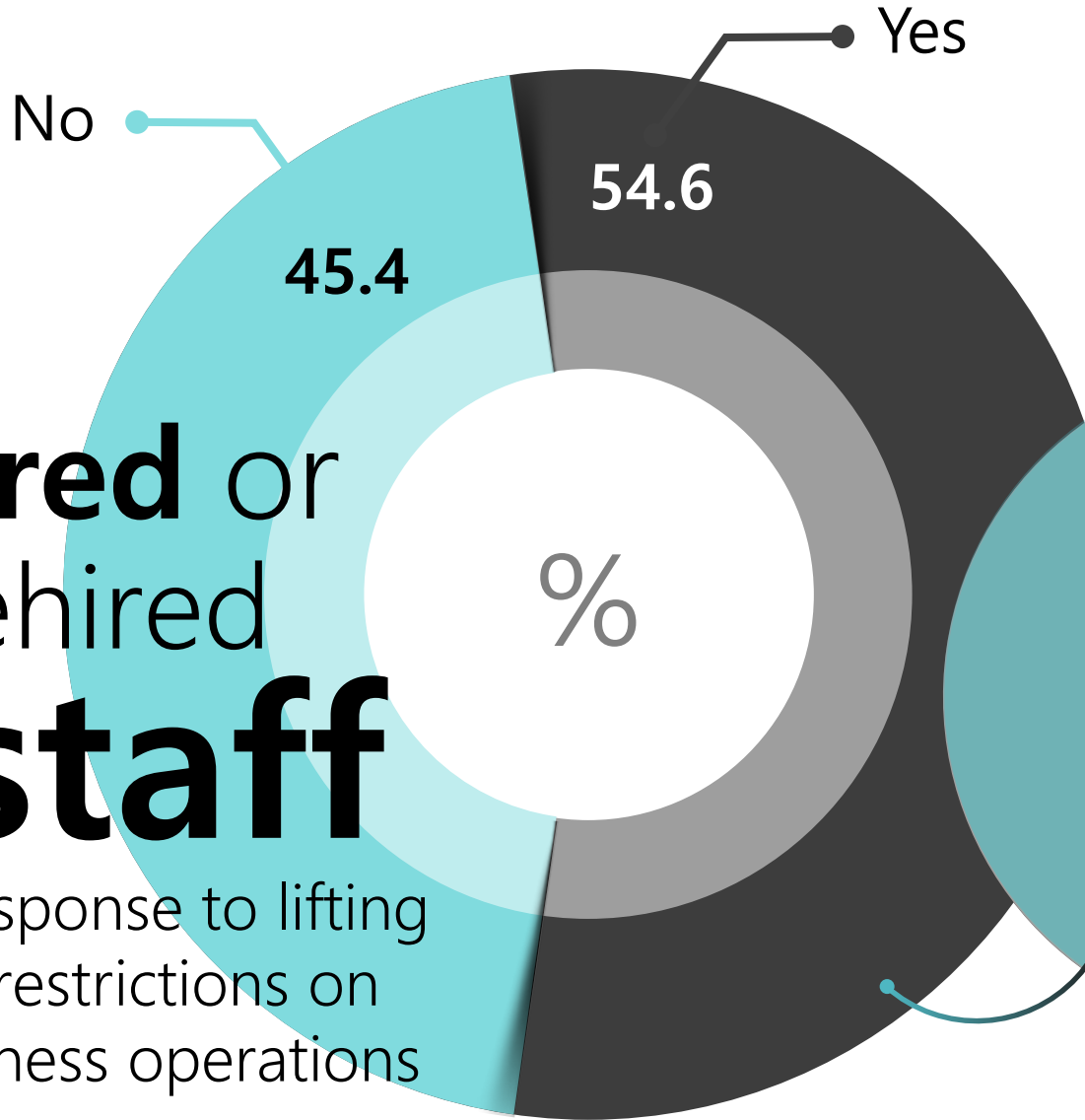
54.6% rehired staff

71.8% said at least 75% of the hires were returning staff



Hired or rehired staff

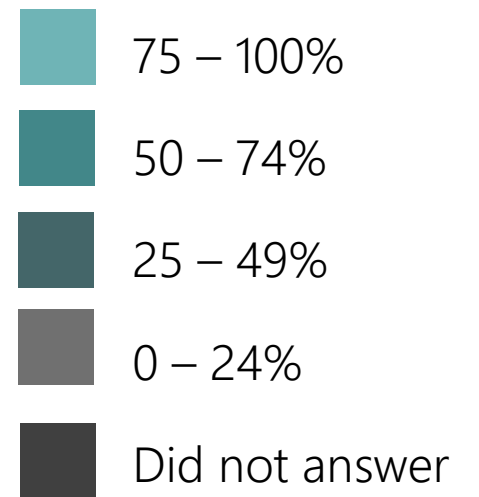
in response to lifting of restrictions on business operations



% of hires that were former staff

laid off due to COVID-19

% that were former staff

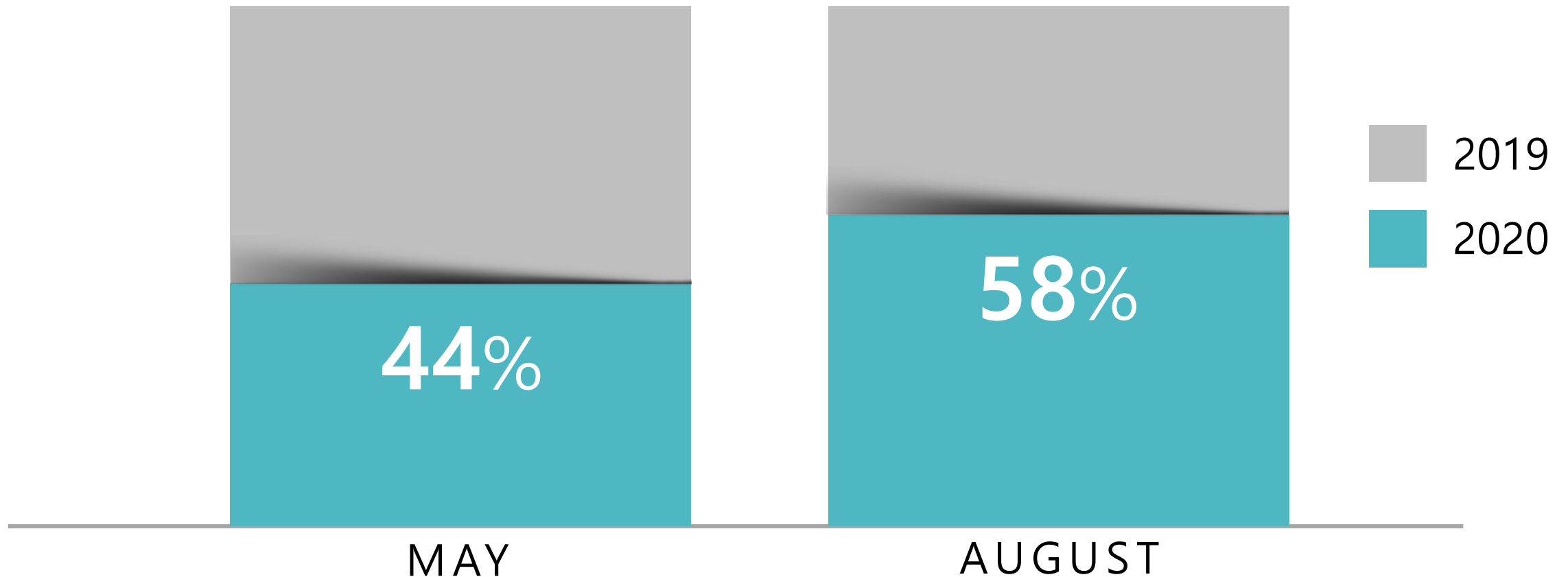


n = 500



Of the businesses that were open...

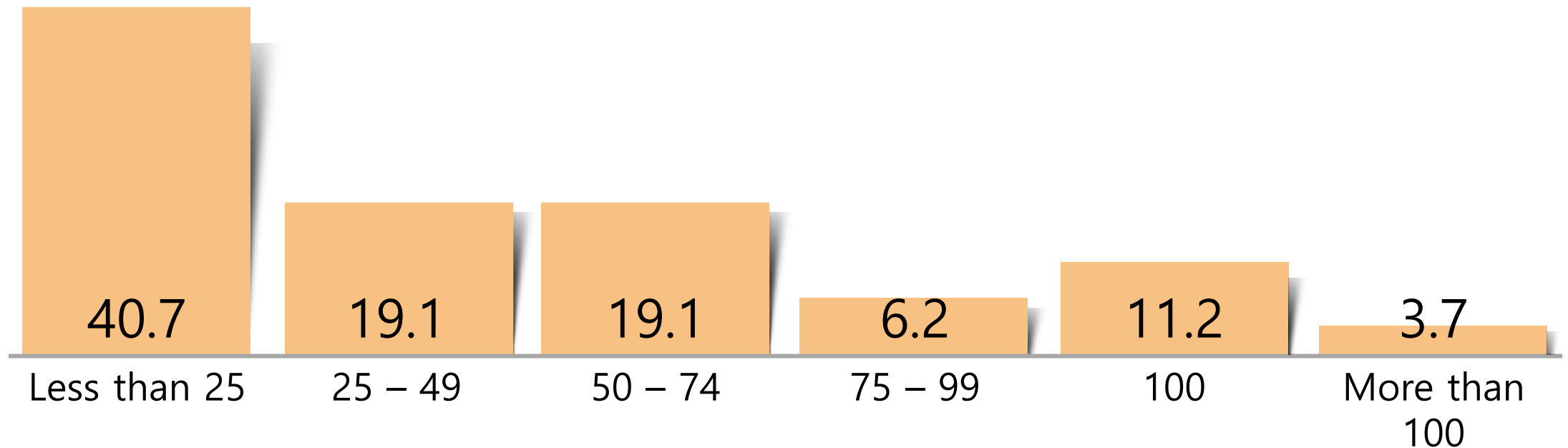
% of workers compared to same time last year



May Employment Levels

2020 levels as a percent of 2019

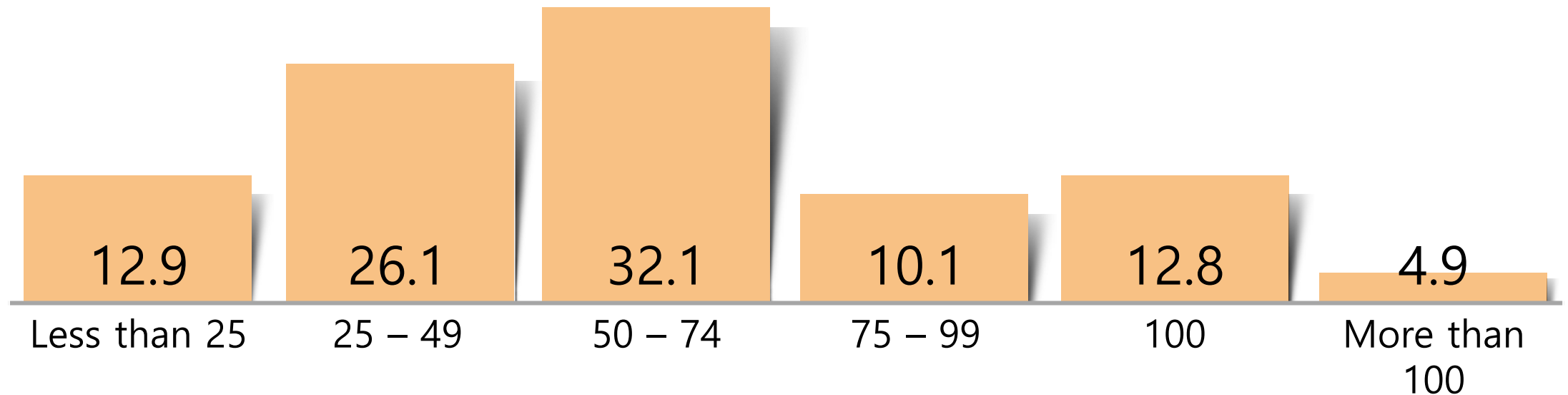
(of the respondents who were open or planned to open for the summer)



August Employment Levels

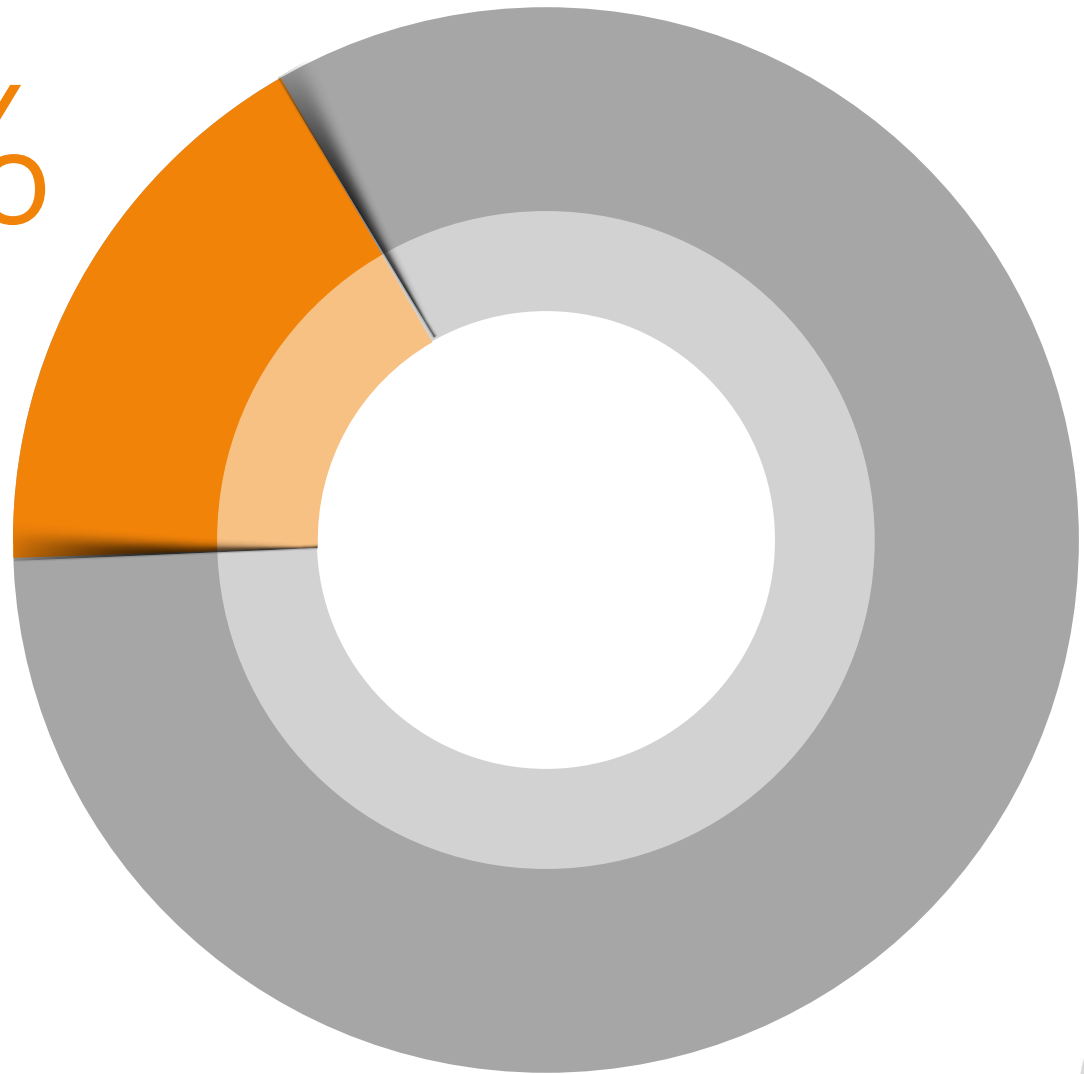
2020 levels as a percent of 2019

(of the respondents who were open or planned to open for the summer)

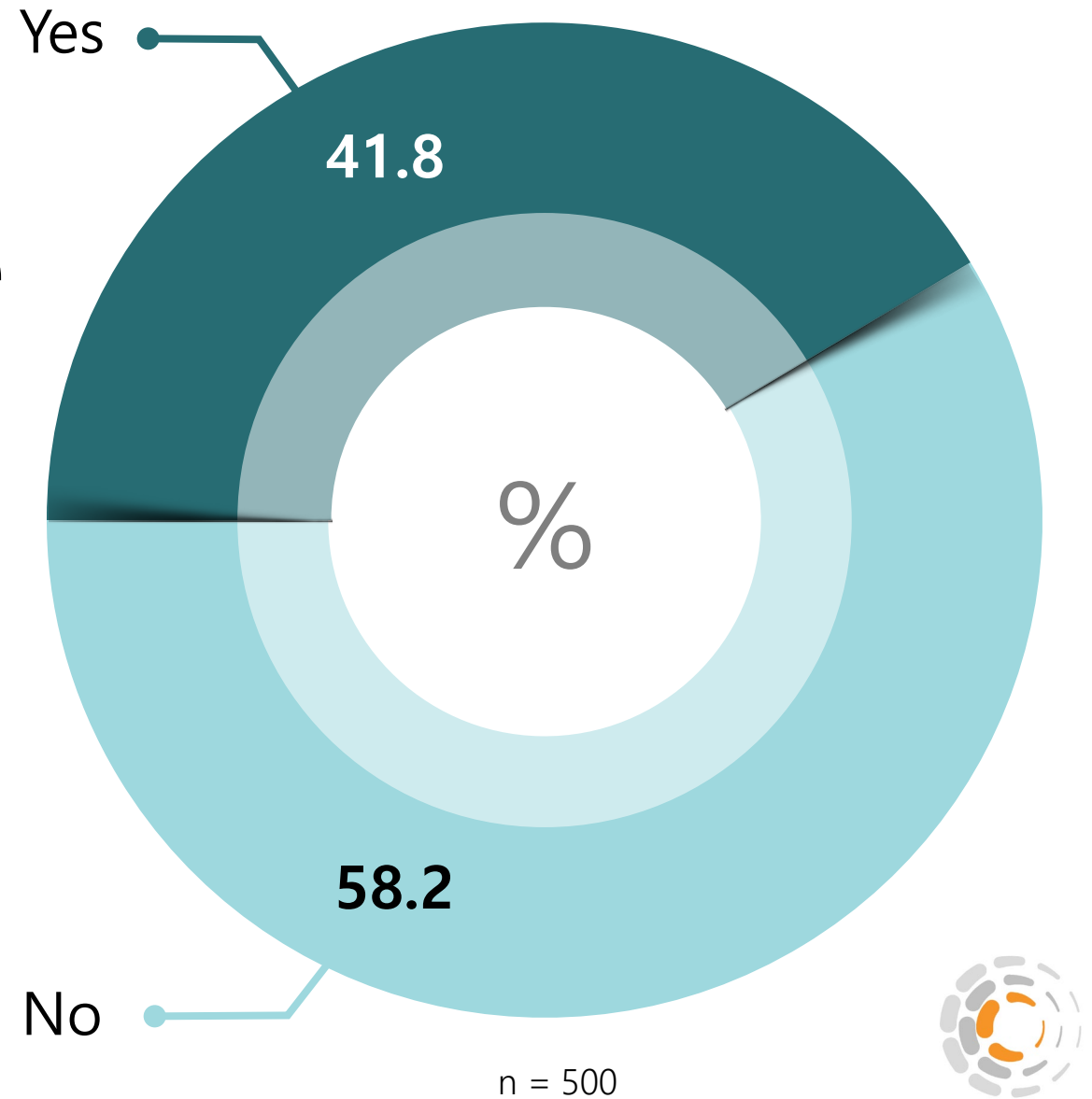


Businesses
expecting
the same level
or more workers
in August 2020
compared to
August 2019

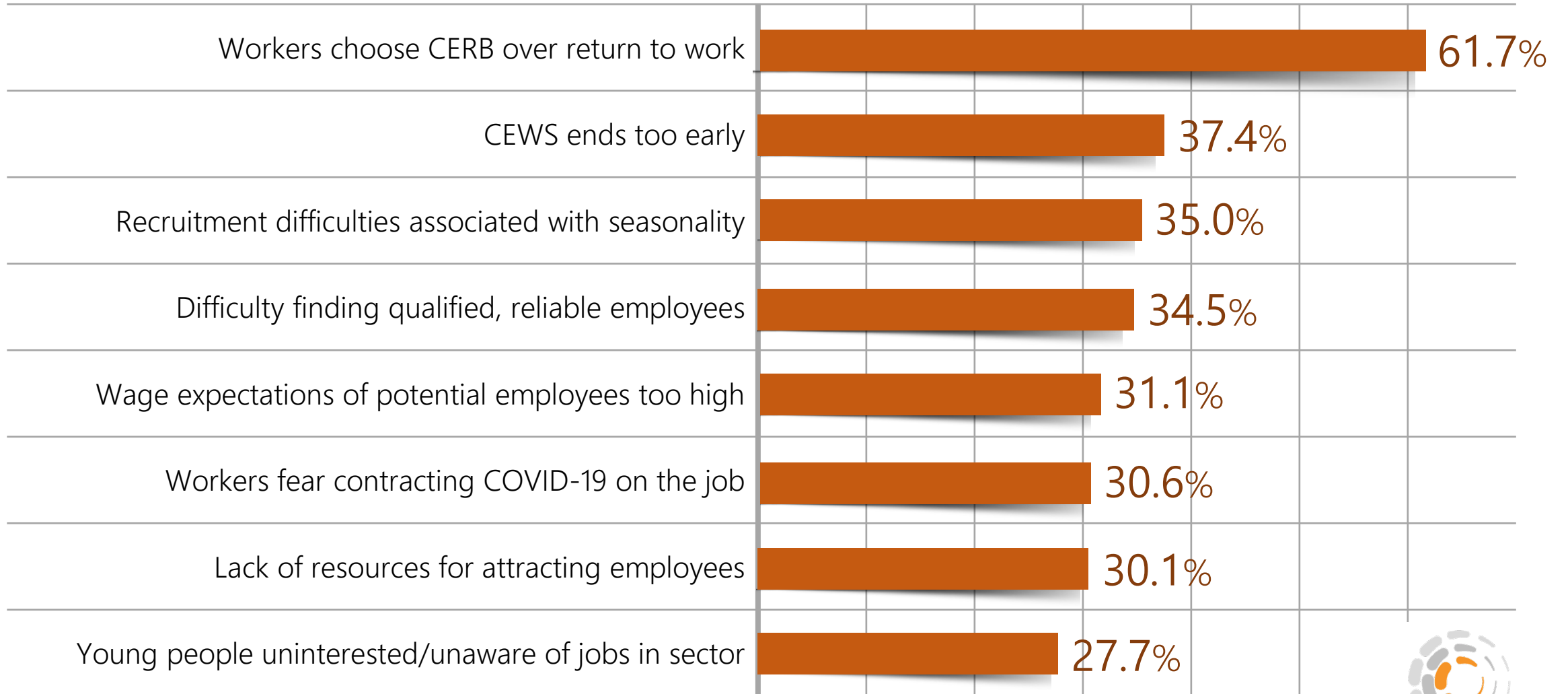
17%



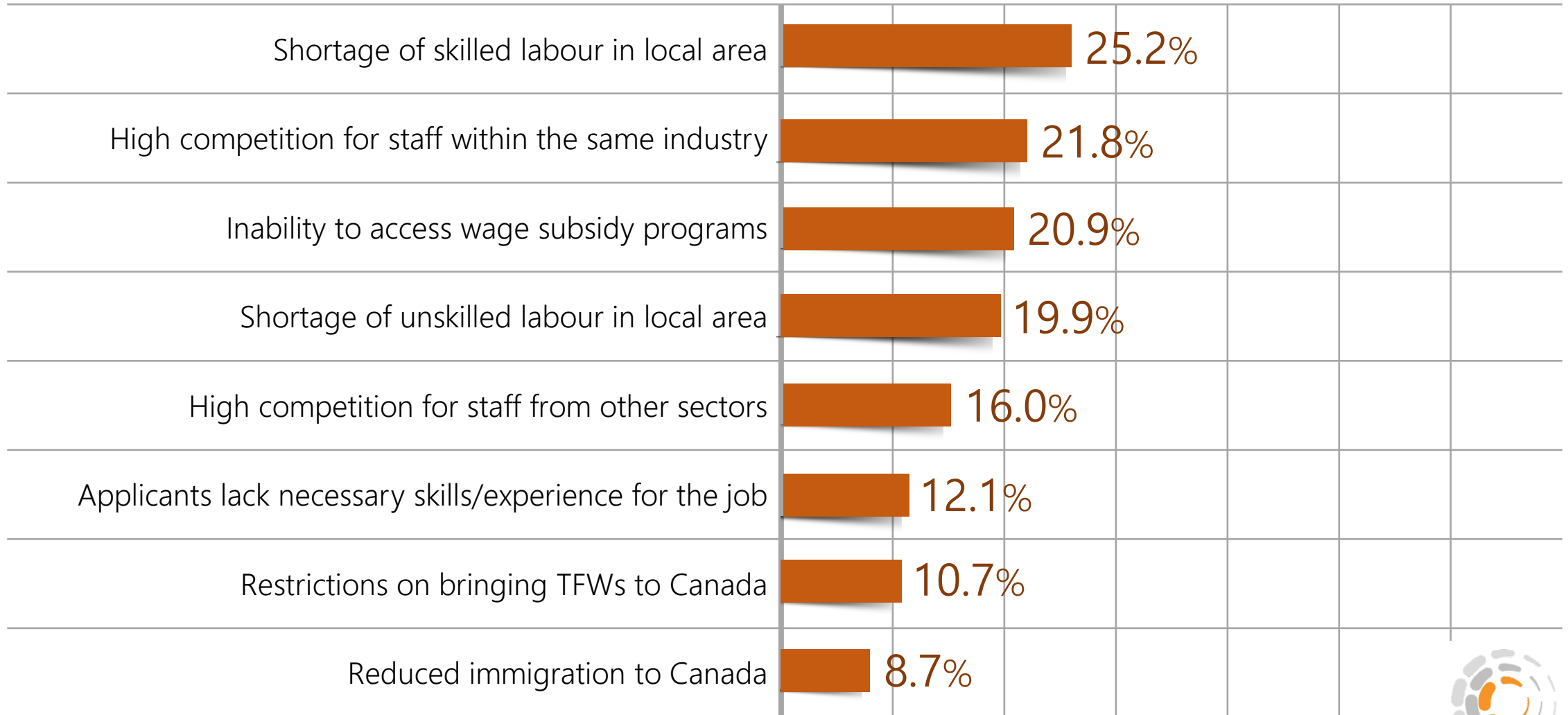
Employers
concerned they will be
unable
to hire enough
employees
this **summer**



Which of the following do you believe will be a **barrier to finding enough workers** for your business this summer?



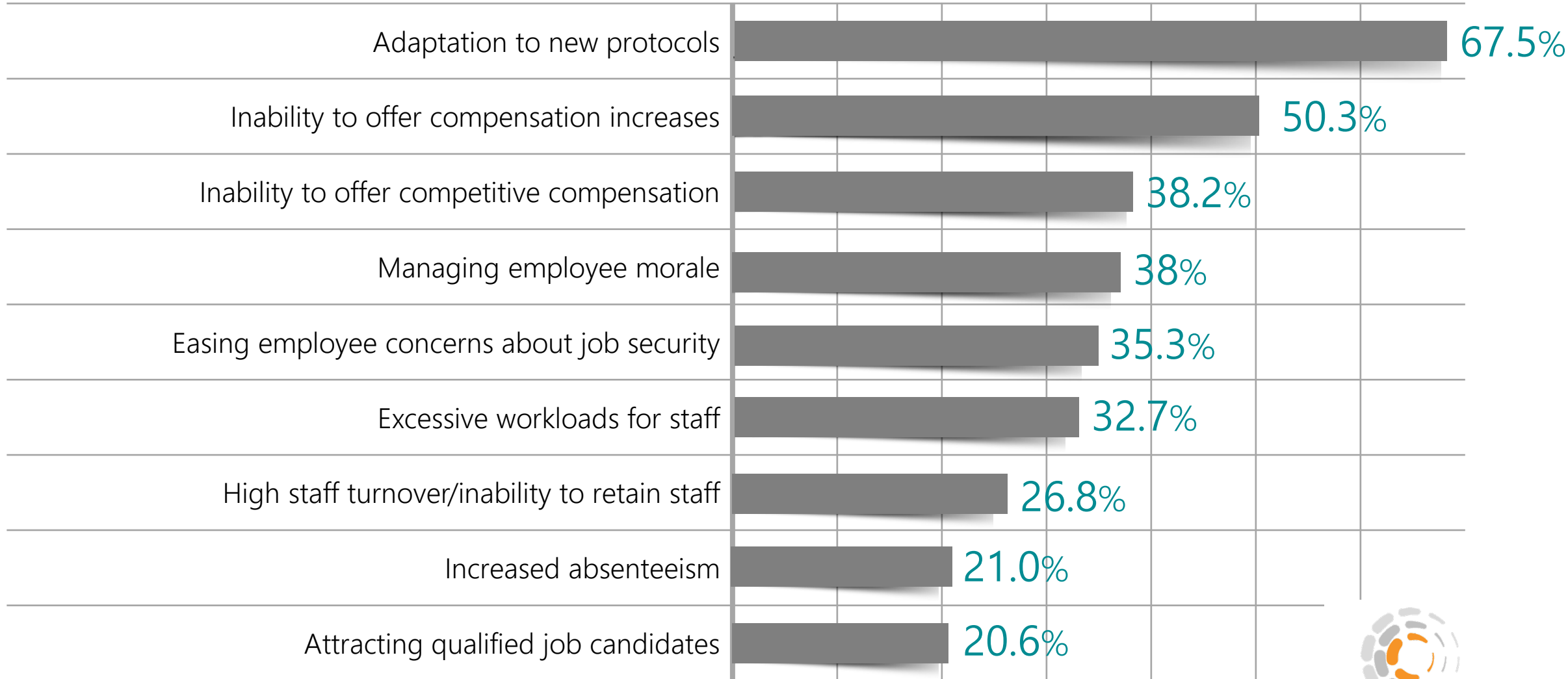
Which of the following do you believe will be a **barrier to finding enough workers** for your business this summer?



Employers are facing many
employee challenges due to COVID-19:
compensation, morale, job security,
turnover, workloads...



Business Challenges



Business Challenges

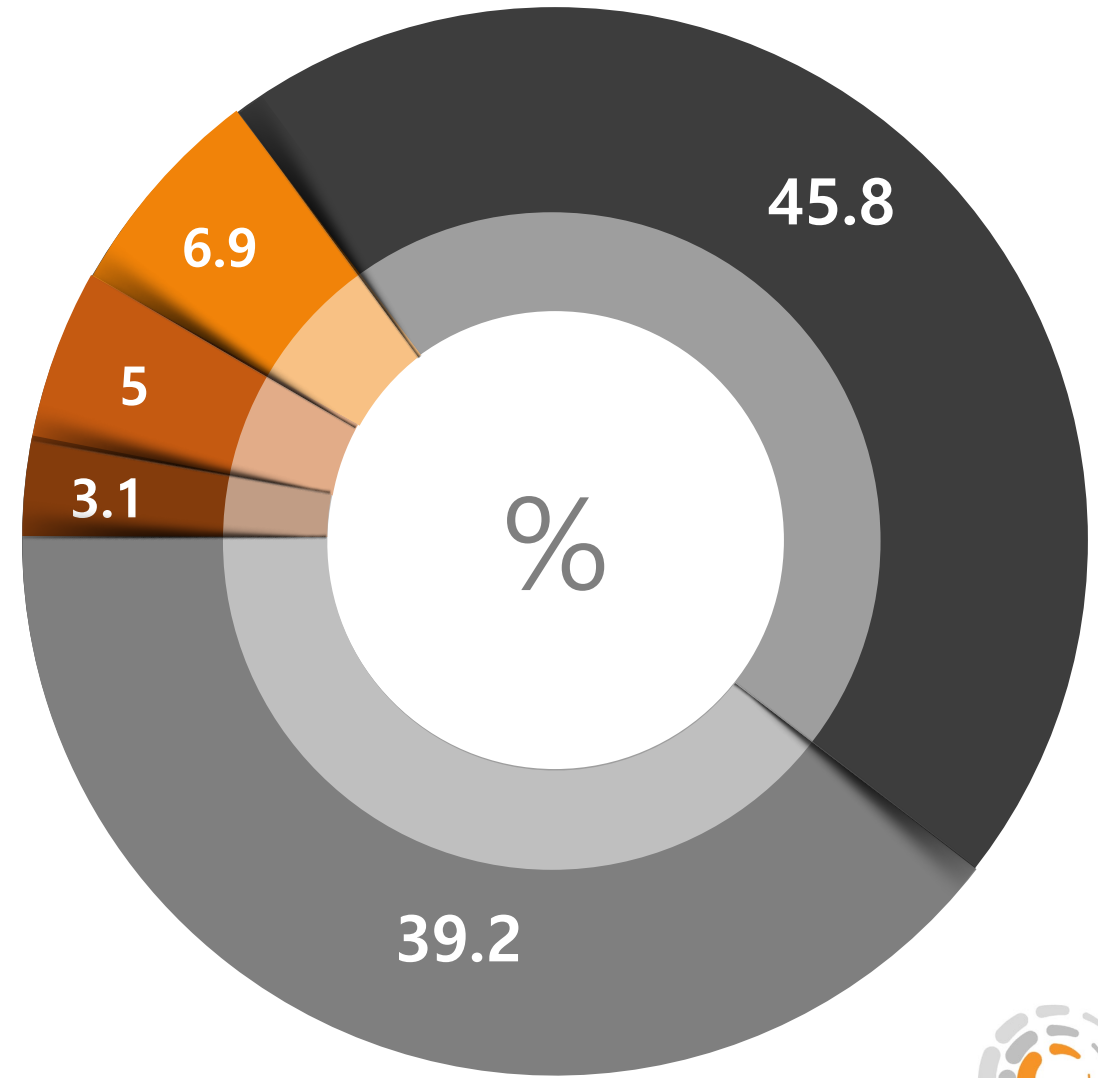


Despite concerns that adapting to new protocols or regulations will be challenging, employers are confident about what needs to be done.



I have a good understanding of the **COVID-19** related **protocols** & regulations to put in **place**

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

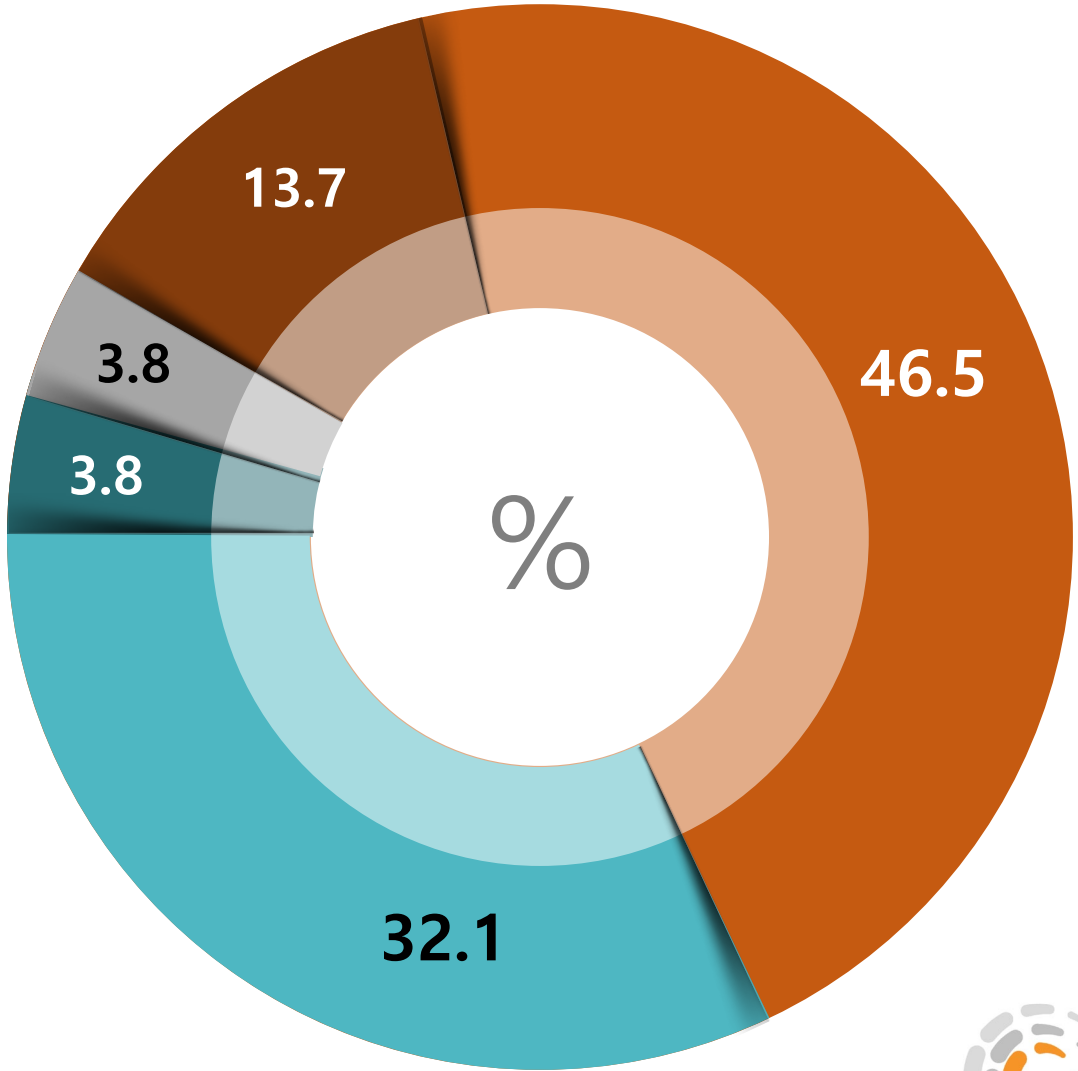


n = 605



I am confident that I will be able to **properly implement** these new protocols & **regulations**

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

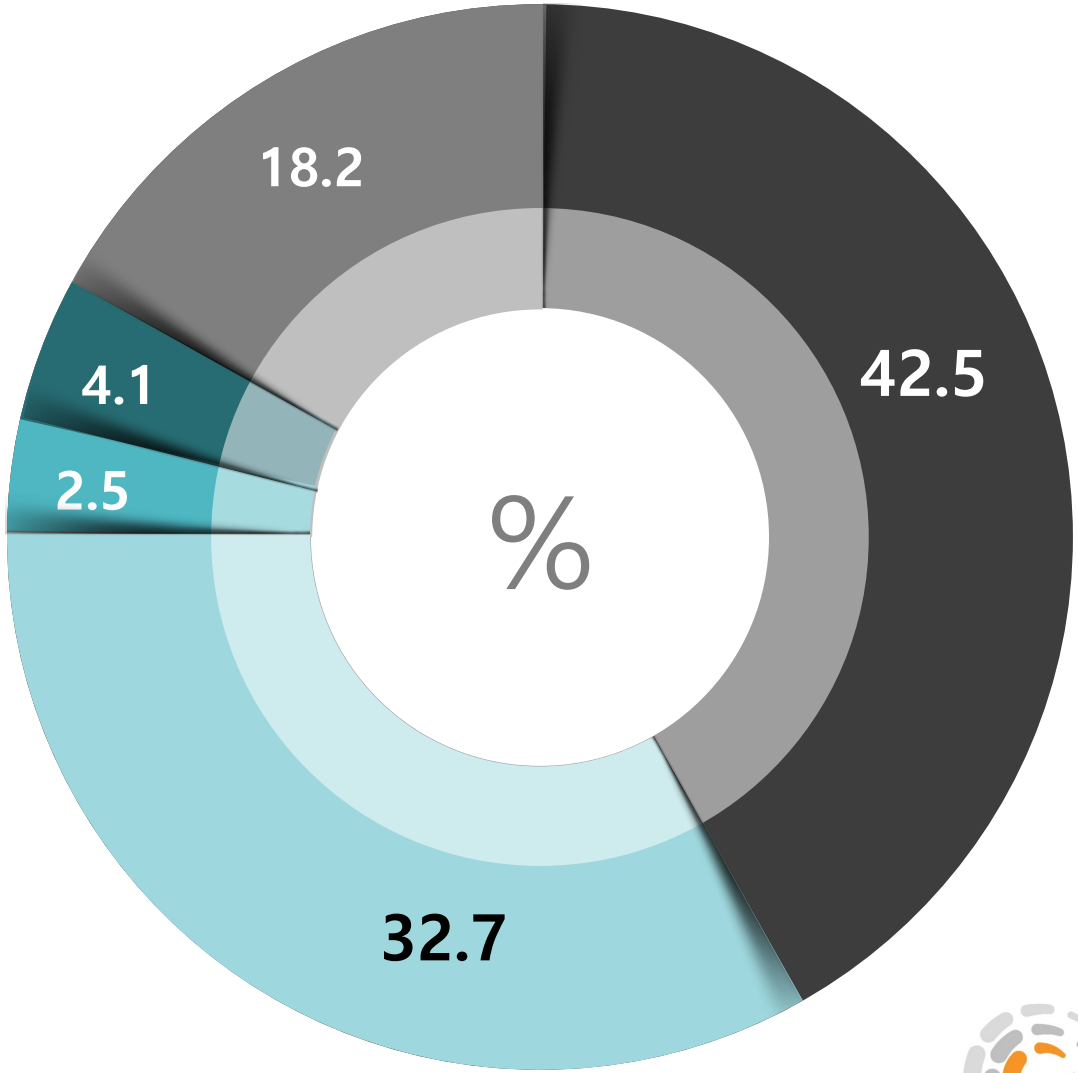


n = 605



I am confident that the **protocols & regulations** I am implementing will make customers feel **safe**

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

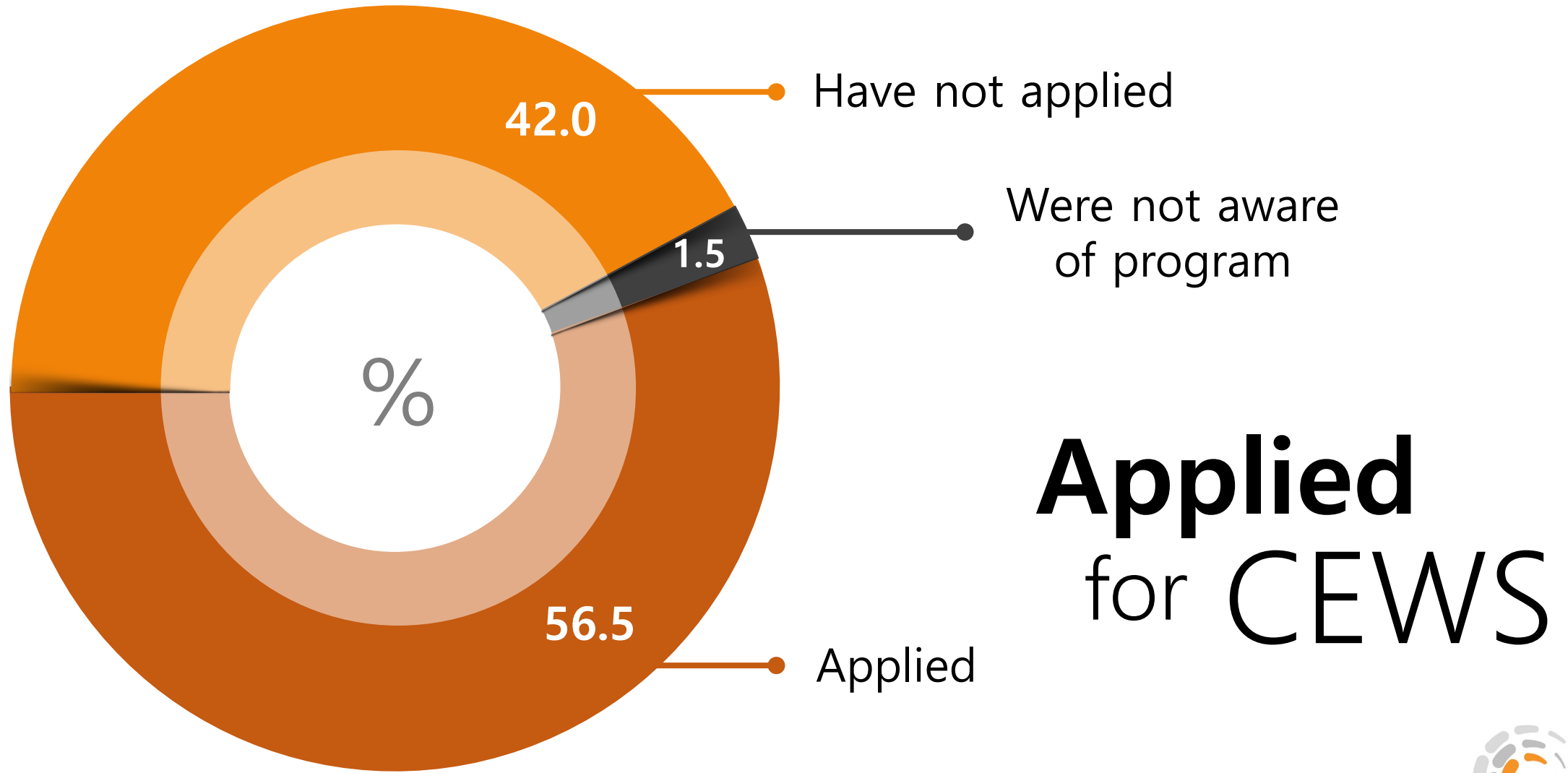


n = 603



Over half of the survey
respondents applied for the
Canadian Emergency Wage Subsidy Program.

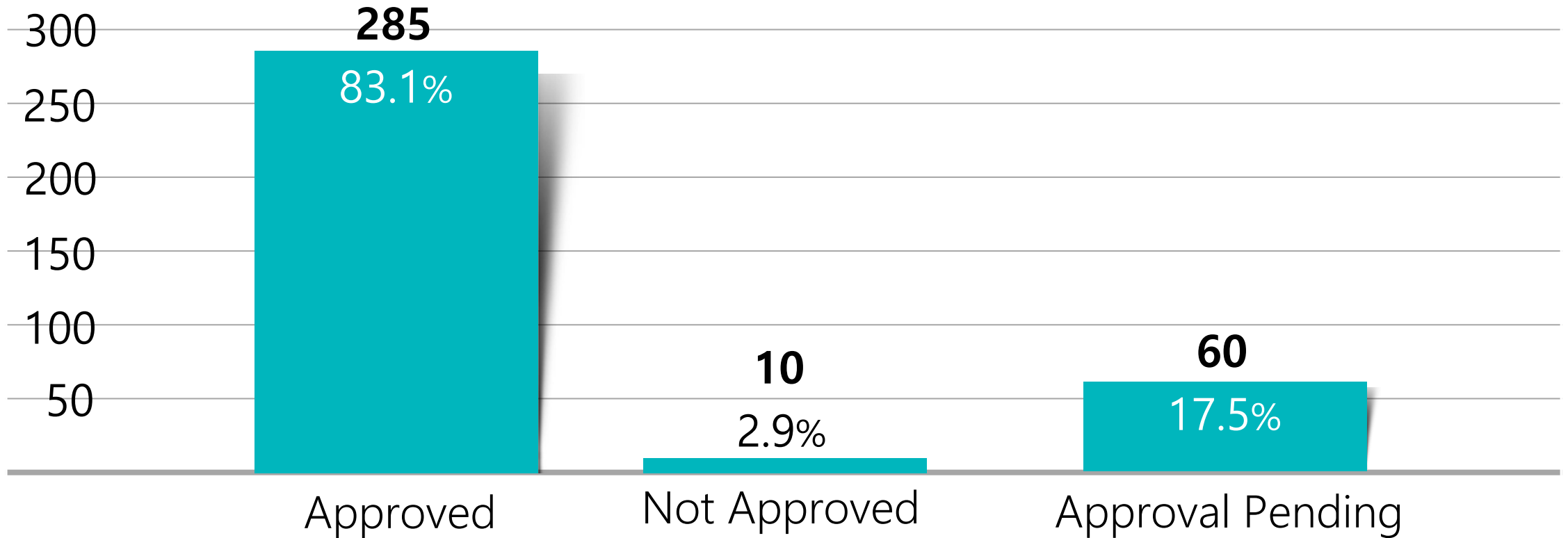




Applied for CEWS



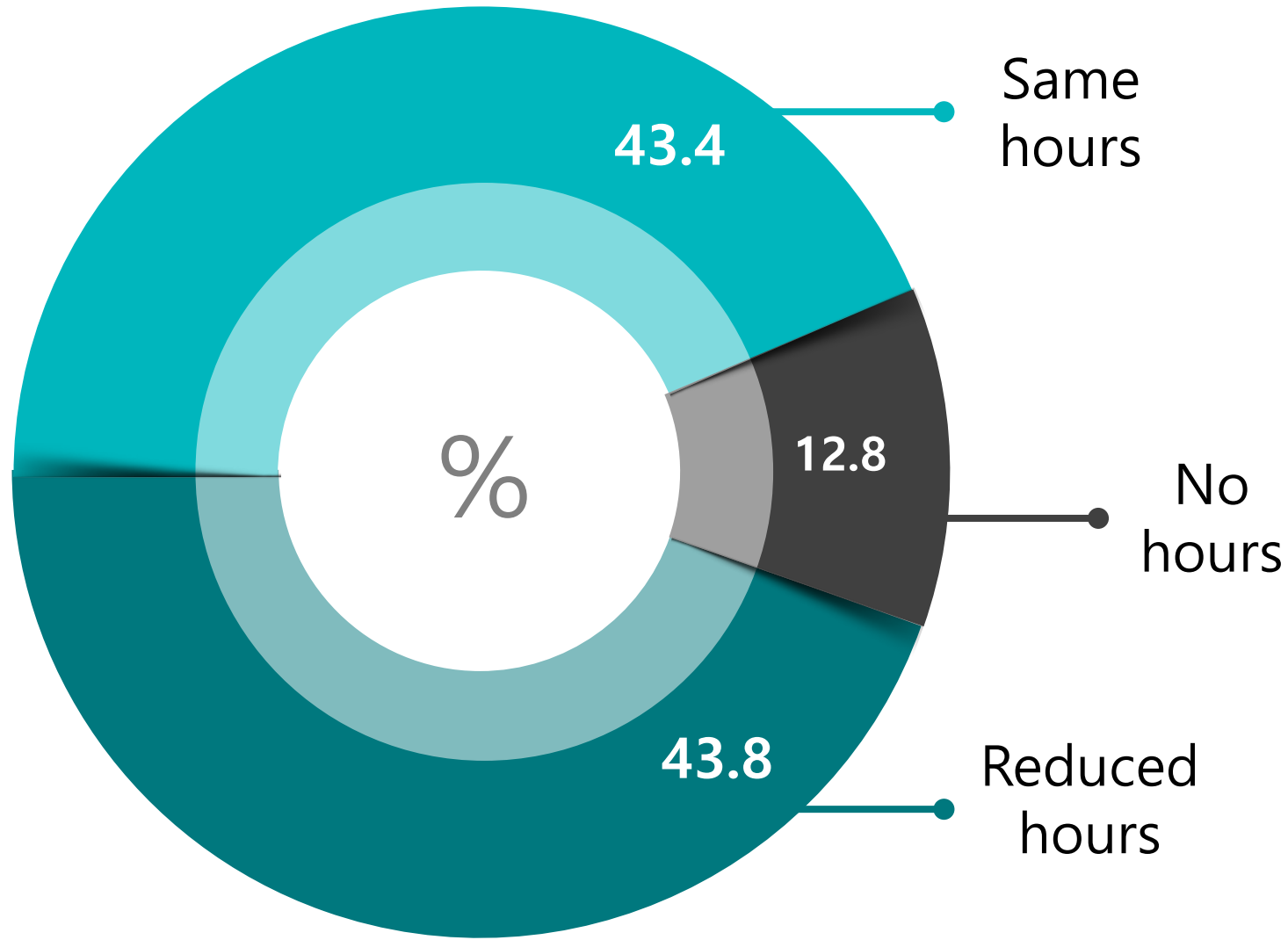
Outcome of the **Canadian Emergency Wage Subsidy** Applications



Over half of respondents that applied for CEWS used the subsidy for at least 75% of their staff.
44% used the subsidy for all their staff.



For **employees**
covered by CEWS:
working
same, fewer, or no
hours?



n = 605



Percent of Employees Subsidized by CEWS

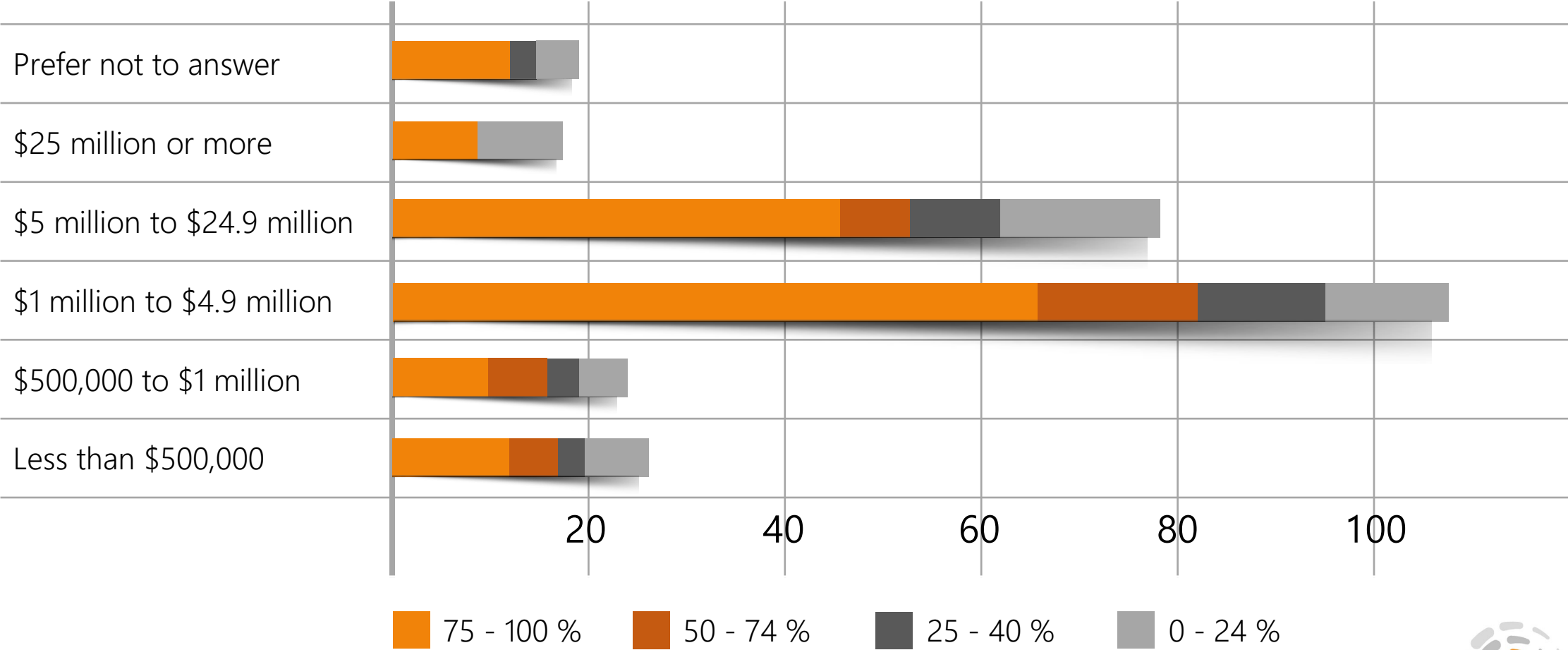
by Gross Annual Revenue

	Less than \$1 million	\$1 to \$4.9 million	\$5 to \$24.9 million	\$25 million or more	Total
75 – 100%	44.0	61.7	59.0	50.0	56.6
50 – 74%	22.0	15.0	90.0	0.0	13.4
25 – 49%	12.0	12.1	11.5	0.0	11.1
0 – 24%	22.0	11.2	20.5	50.0	19.0

%



Staff Subsidized by CEWS



Employers used the wage subsidy
for a large range of occupations.



Examples of **Occupations Subsidized** by **Canadian Emergency Wage Subsidy** by Industry

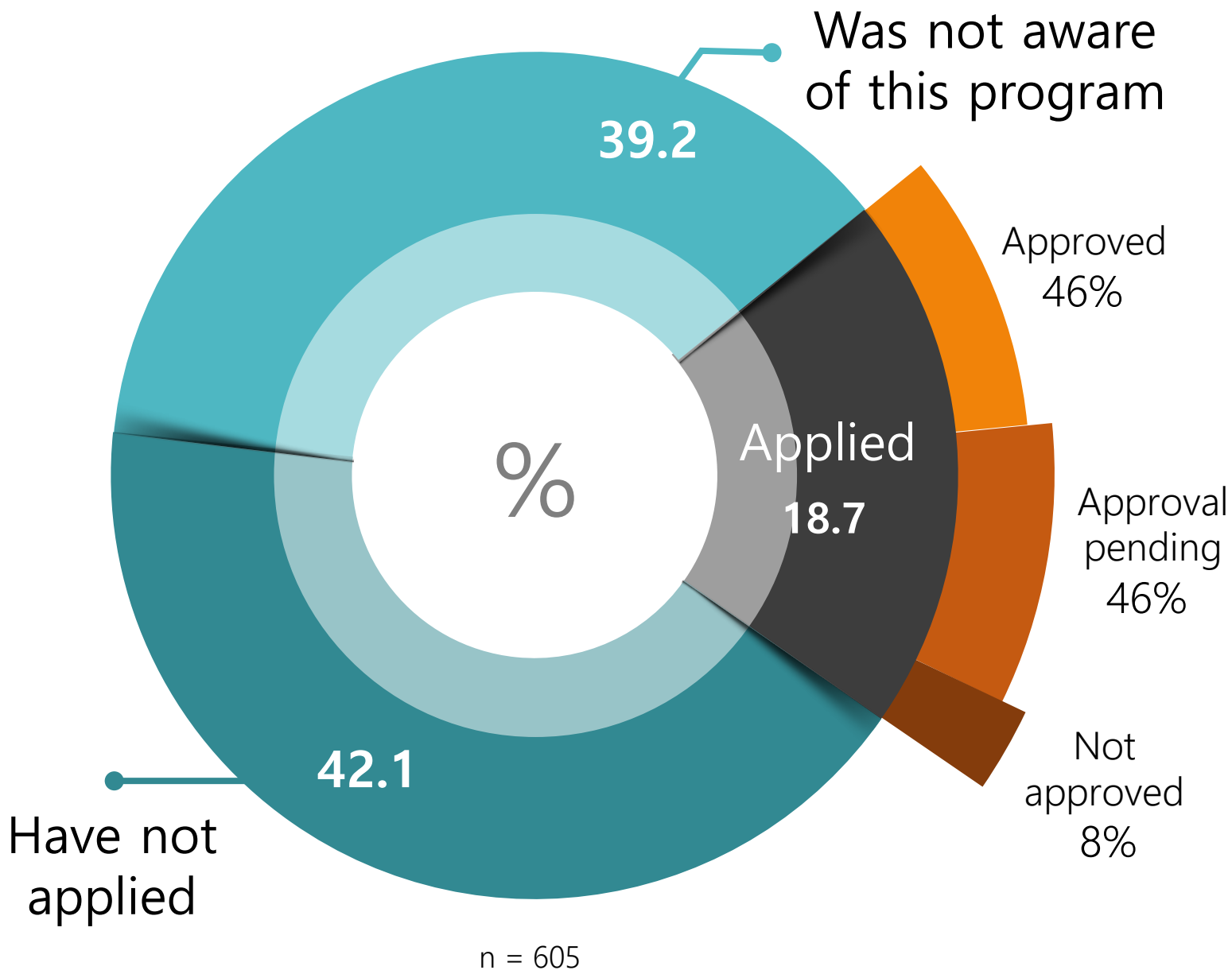
Transportation	Accommodation	Food & Beverage	Recreation & Entertainment	Travel Services
Transportation managers	Accommodation service managers	Cooks	Facility operation and maintenance mgrs	Retail trade managers
Bus drivers, transit operators	Room attendants, light duty cleaners	Restaurant, catering managers	Caretakers	Travel counsellors
Technicians and mechanics	Front desk agents	Food counter attendants	Retail salespeople	Supervisors
Airline sales and service agents	Executive chefs	F&B service supervisors	Landscaping and grounds people	Outdoor adventure guides
Taxi and limousine drivers	Food & beverage servers	Bakers	Security guards	Tour guides



Only 19% of respondents applied for the
Regional Relief and Recovery Fund,
and 40% were not aware of the program.



Applied for Regional Relief & Recovery Fund



About This Survey

The COVID-19 Tourism Workforce Impact Survey was open to tourism businesses from June 10 to July 12, 2020, and collected 605 valid responses from across Canada. Responses were received from all provinces and the territories, in addition to 28 responses from national businesses that were providing information for locations across the country.

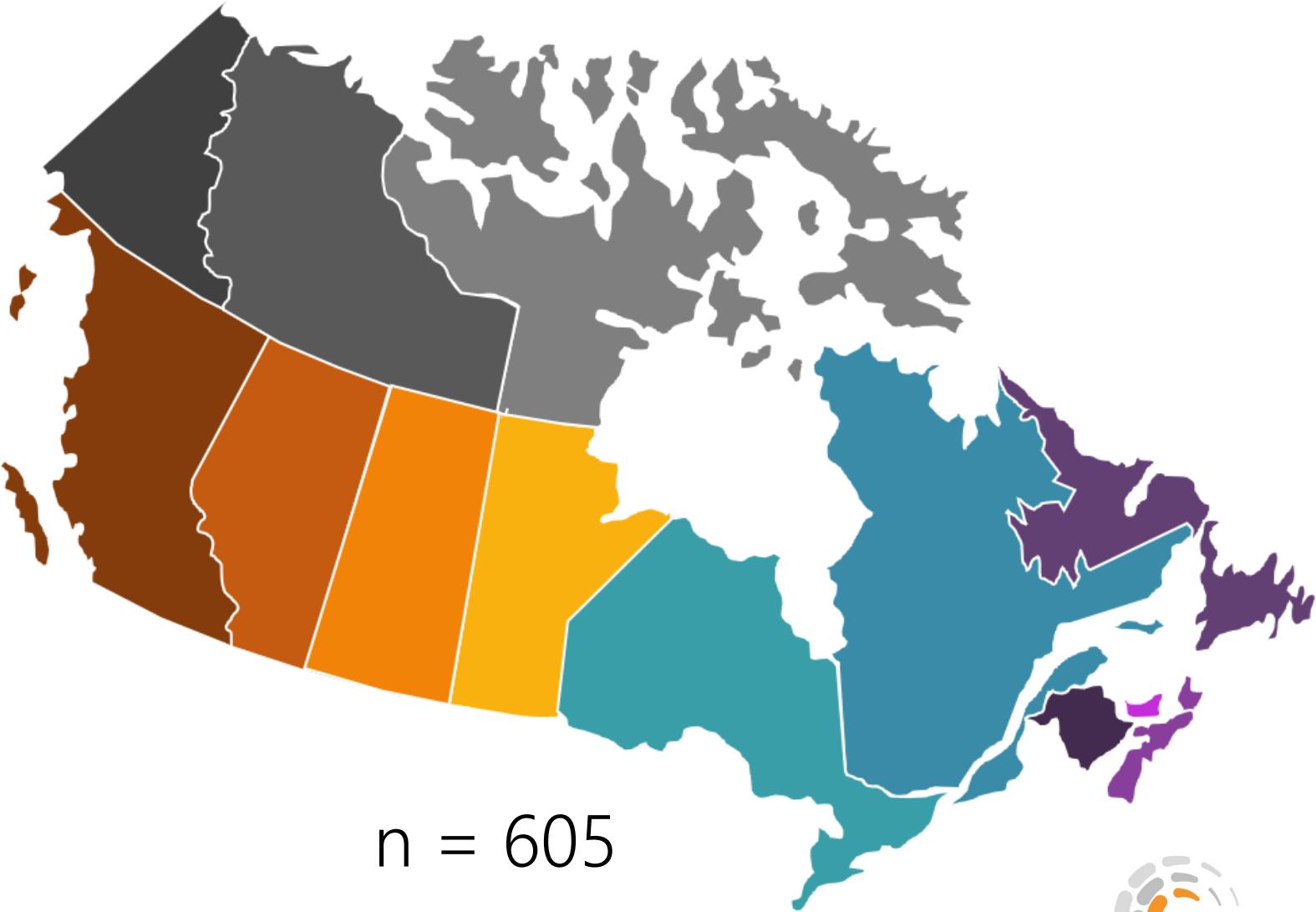
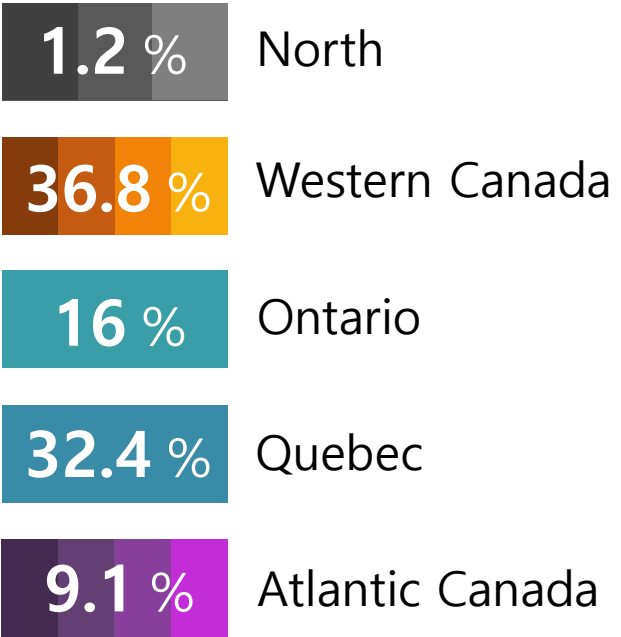
Responses were received from all five industry groups that make up the tourism sector. The majority of responses came from the Accommodation industry (45.5%), followed by Recreation and Entertainment (22.1%), Food and Beverage Services (15.9%), Travel Services (13.9%), and Transportation (1.5%).

Businesses covered a range of geographic locations, including tourism businesses located in rural areas, villages, towns, and medium to large cities. Over 30 businesses had locations in different types of urban and rural settings. Most respondents were from non-franchise owner-operated businesses, with an additional 13.7% from franchises that were owner operated.

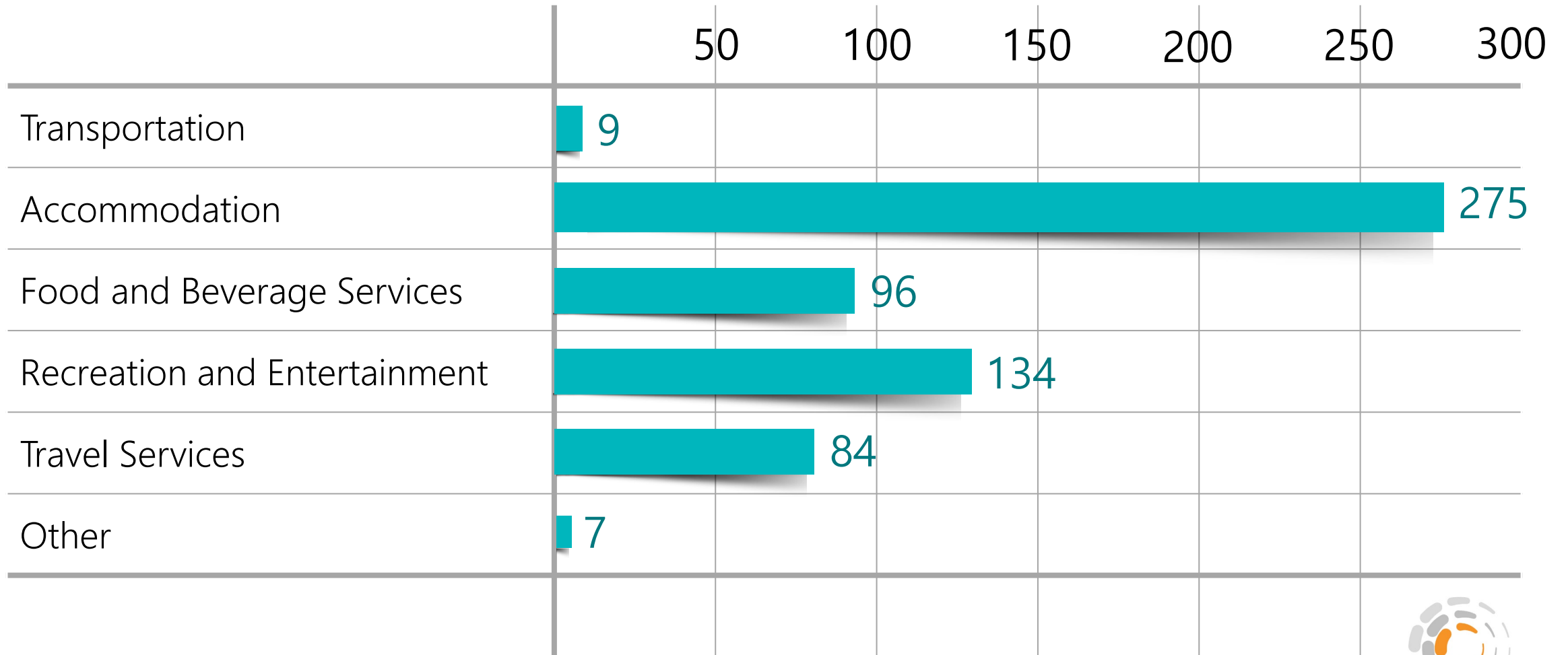
Over three-quarters of businesses were open year-round. Almost all were open in summer, with a majority open for at least part of the spring and fall. Only 12.4% reported they were open for the winter. Most businesses were small businesses earning under \$1 million in gross annual revenue. Nearly 60% were in operation for more than 20 years; only 13% were operating fewer than 5 years.



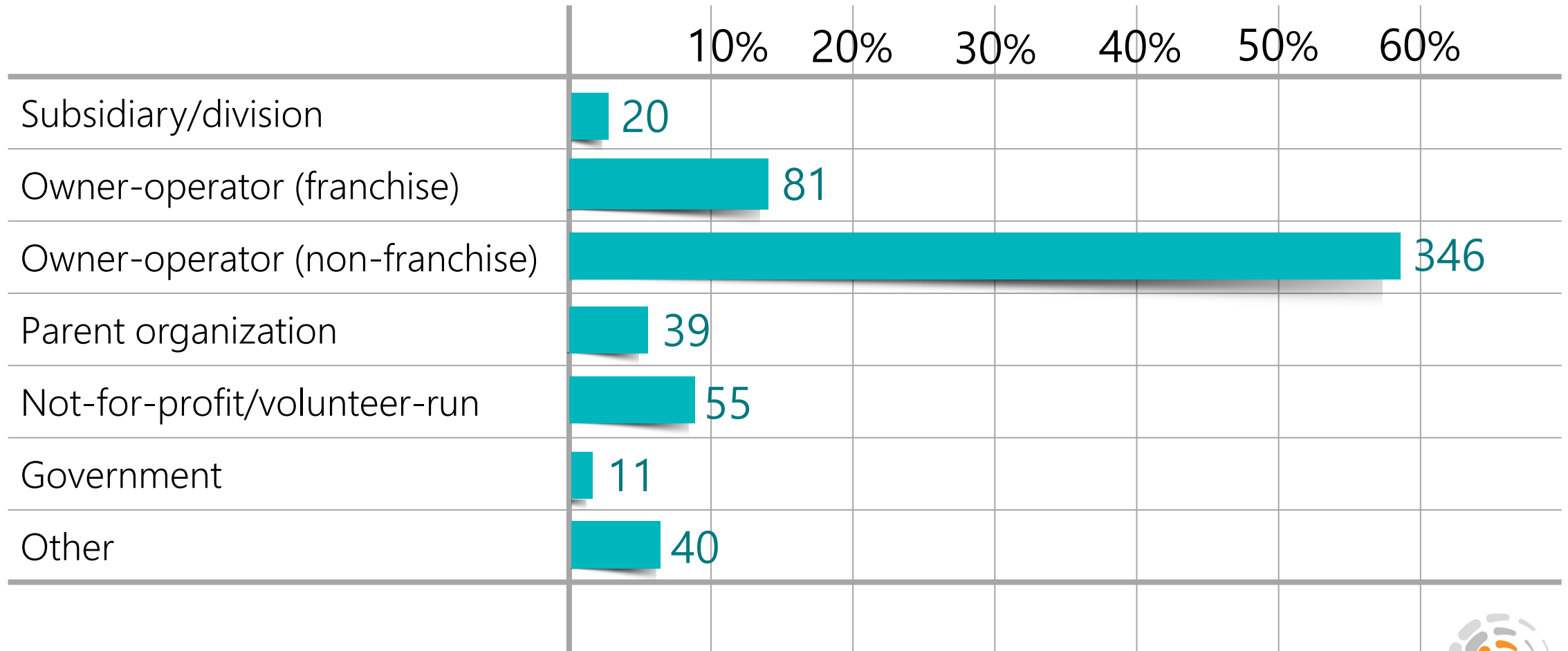
Response rate by region



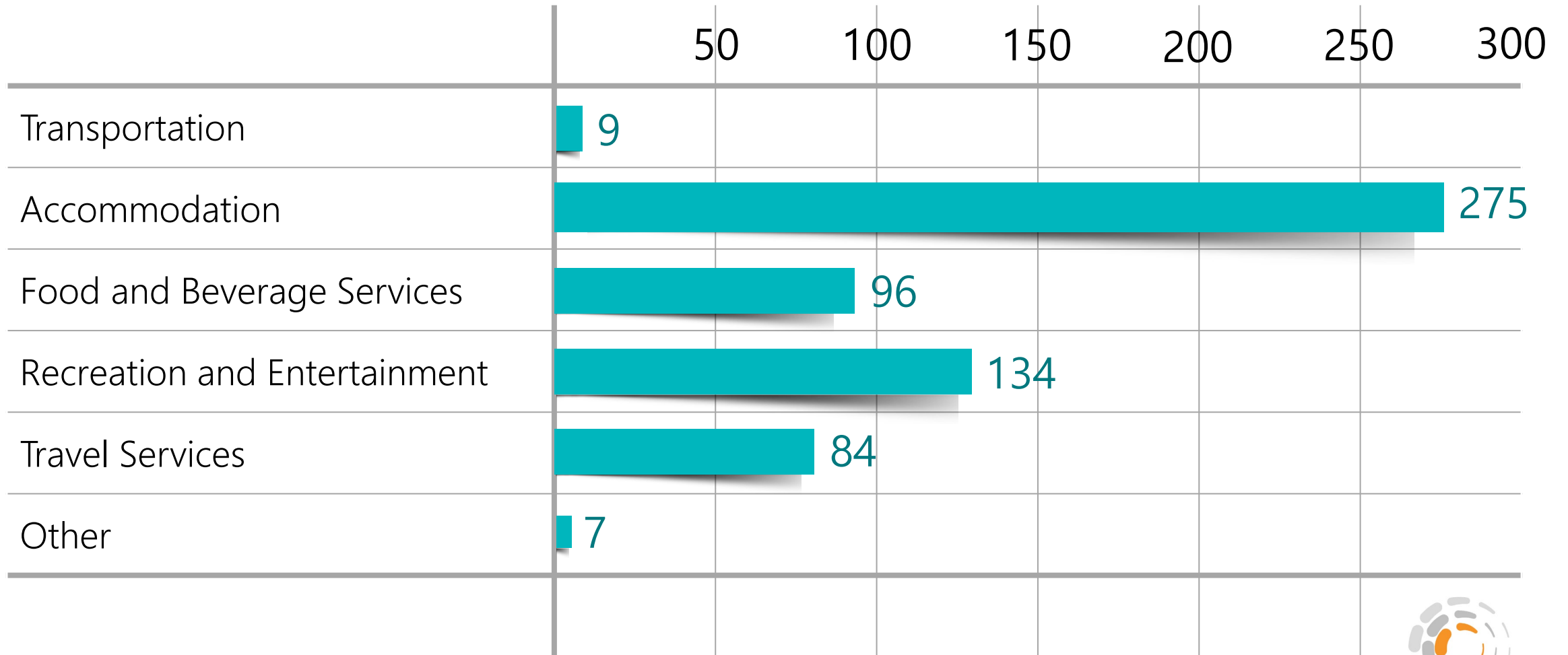
Please select the **industry that best describes your business**



Management Structure

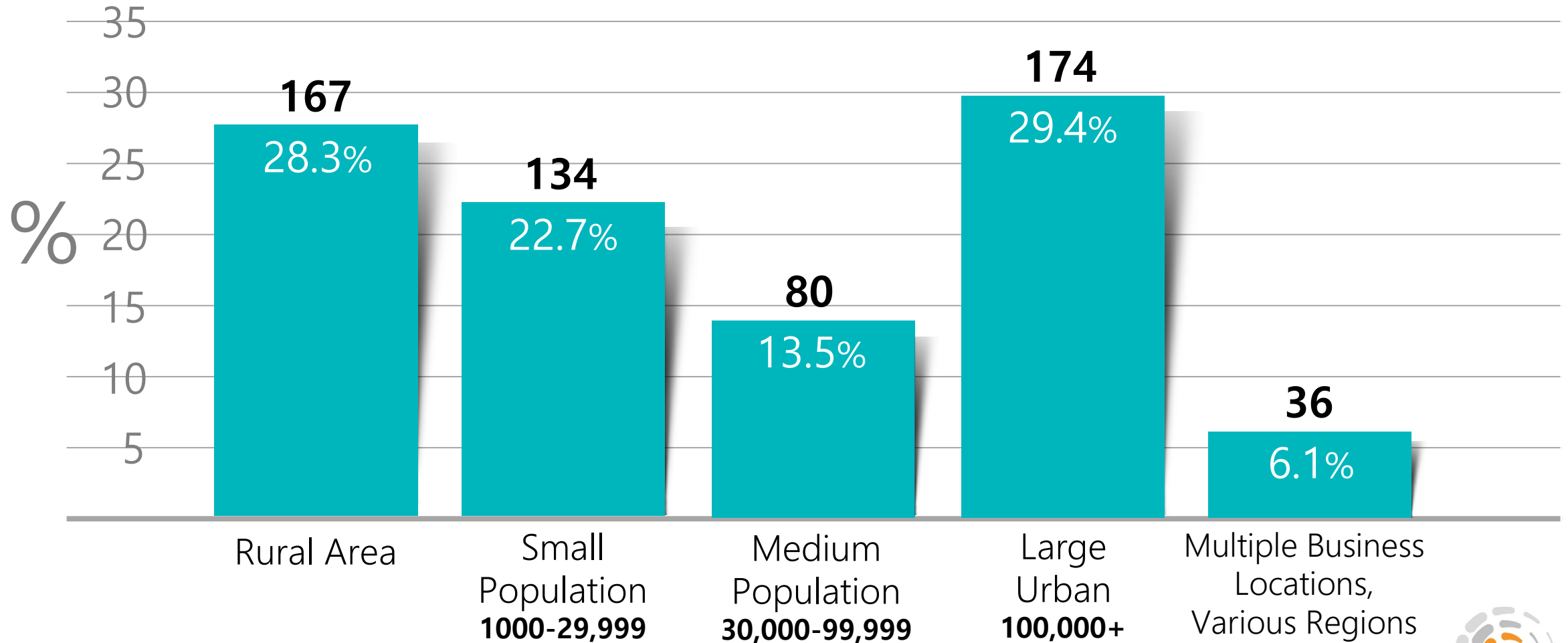


Please select the **industry that best describes your business**

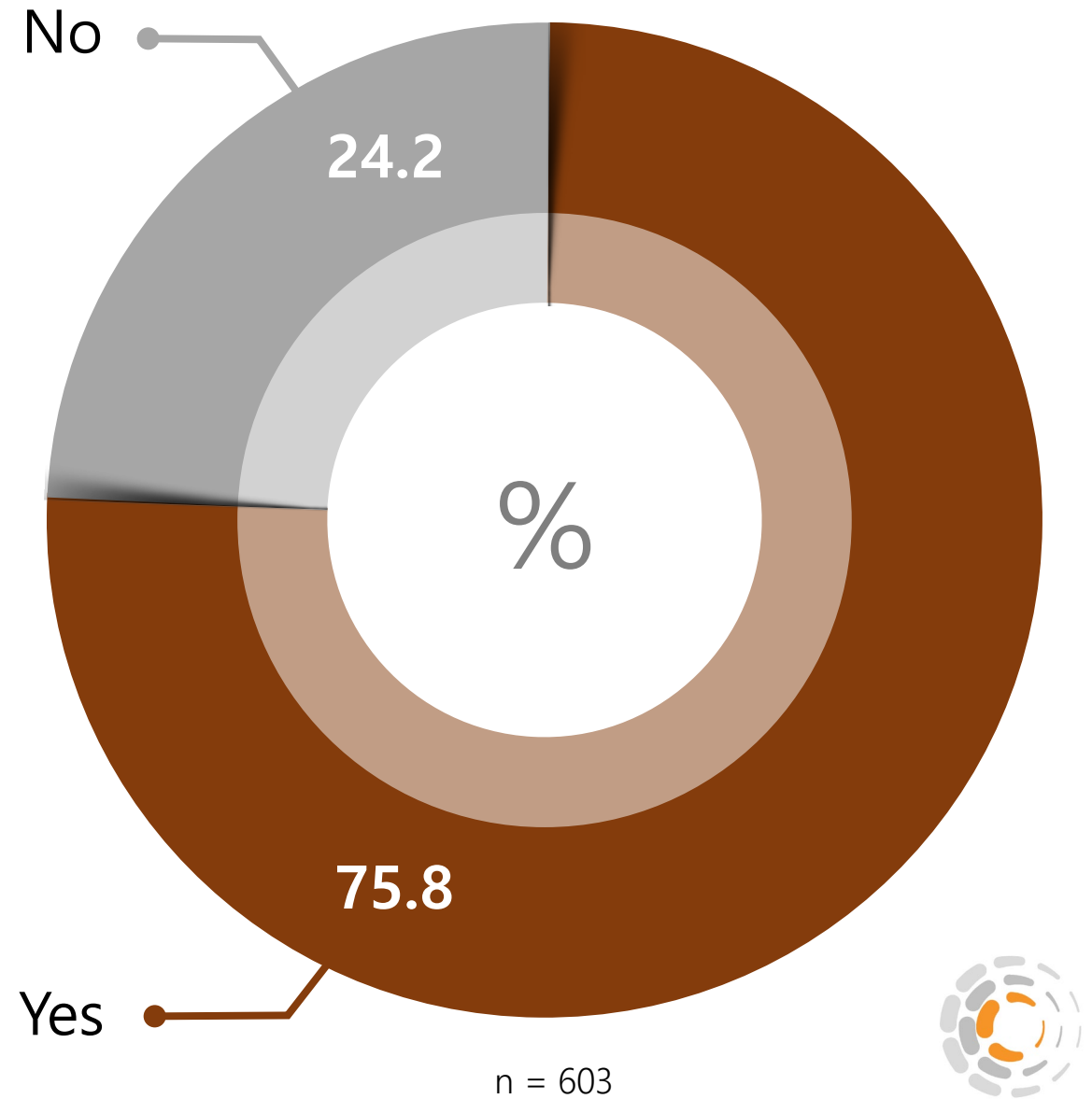


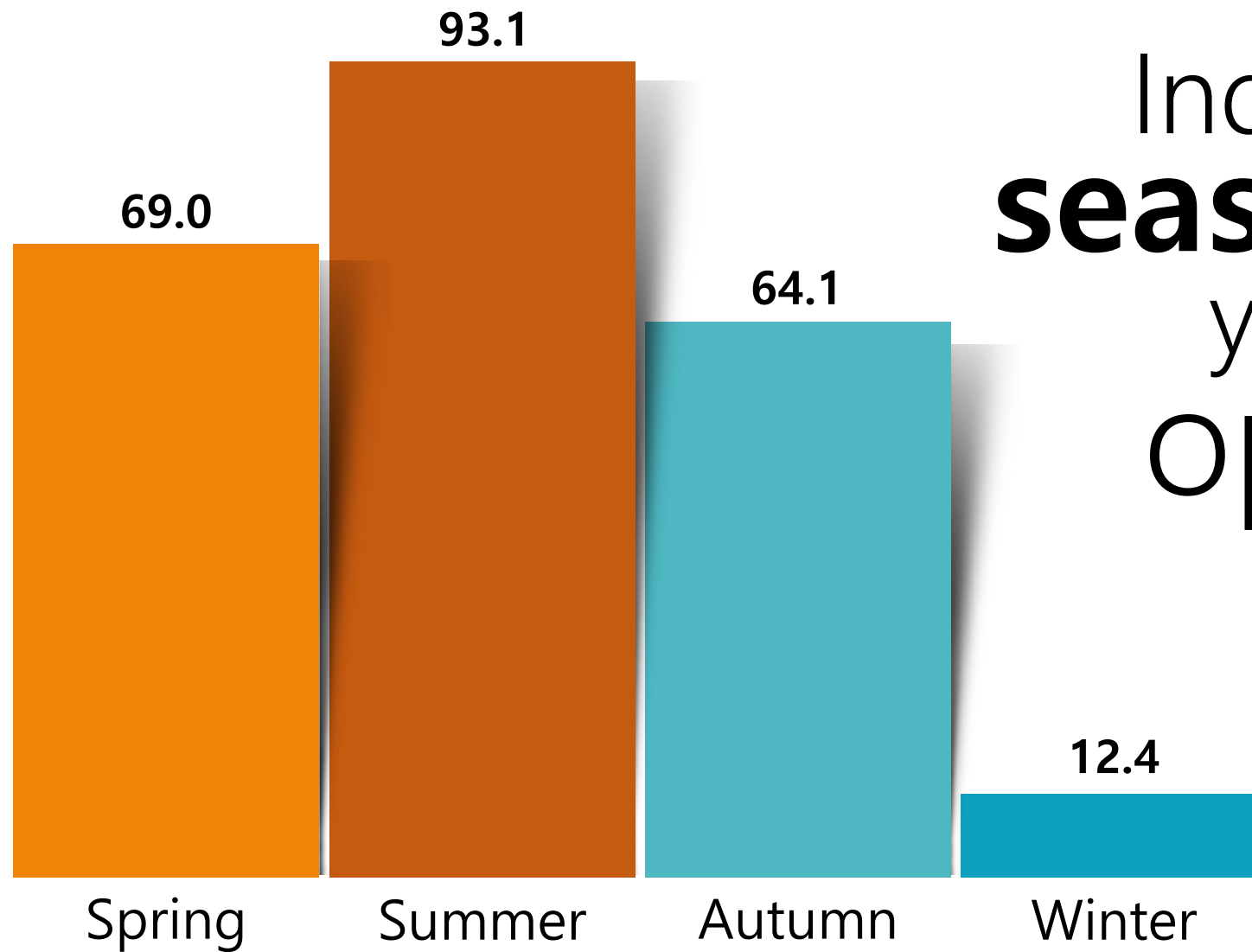
Business Locations

n = 591



Business open year-round?



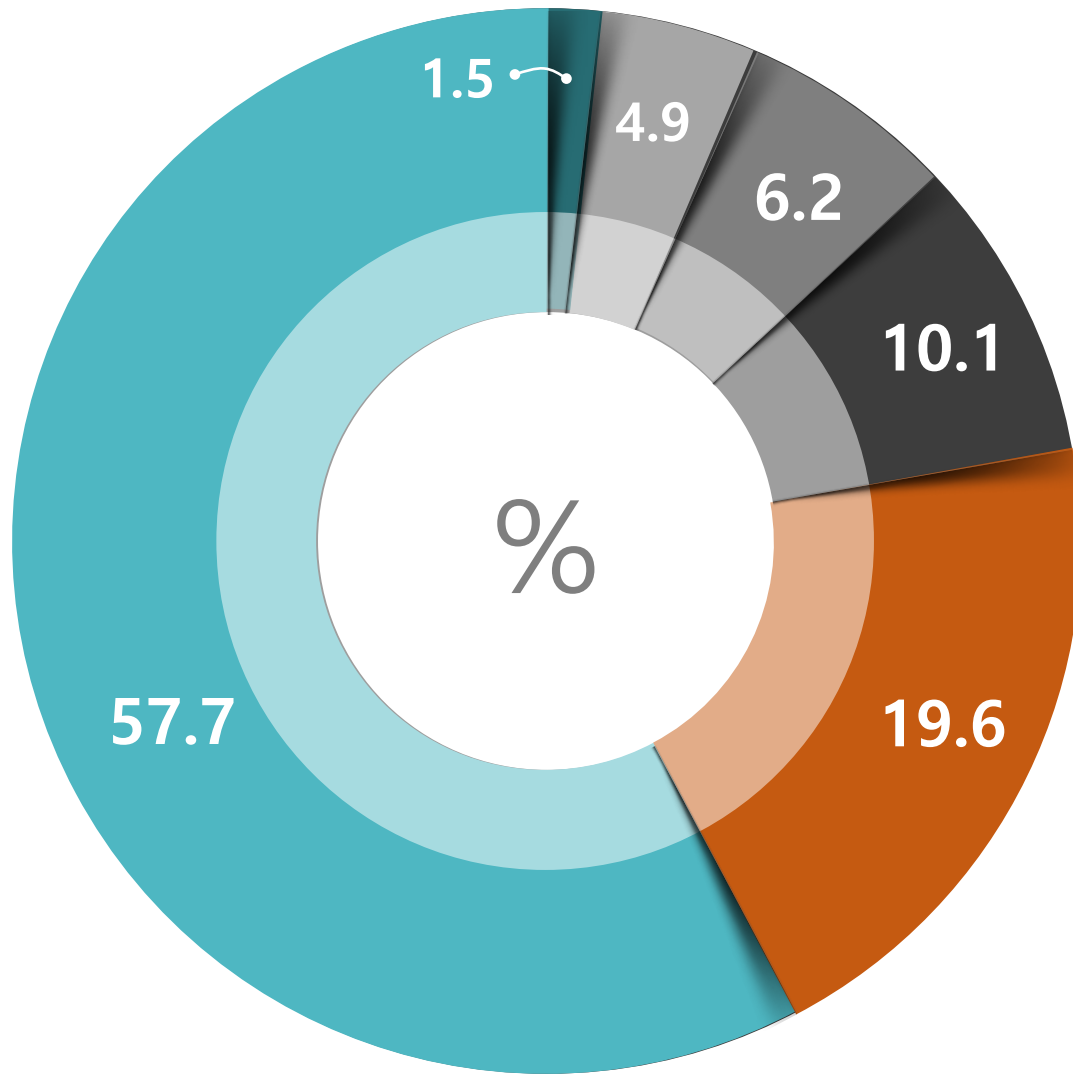


Indicate
seasons
you are
open

n = 145



Years of operation



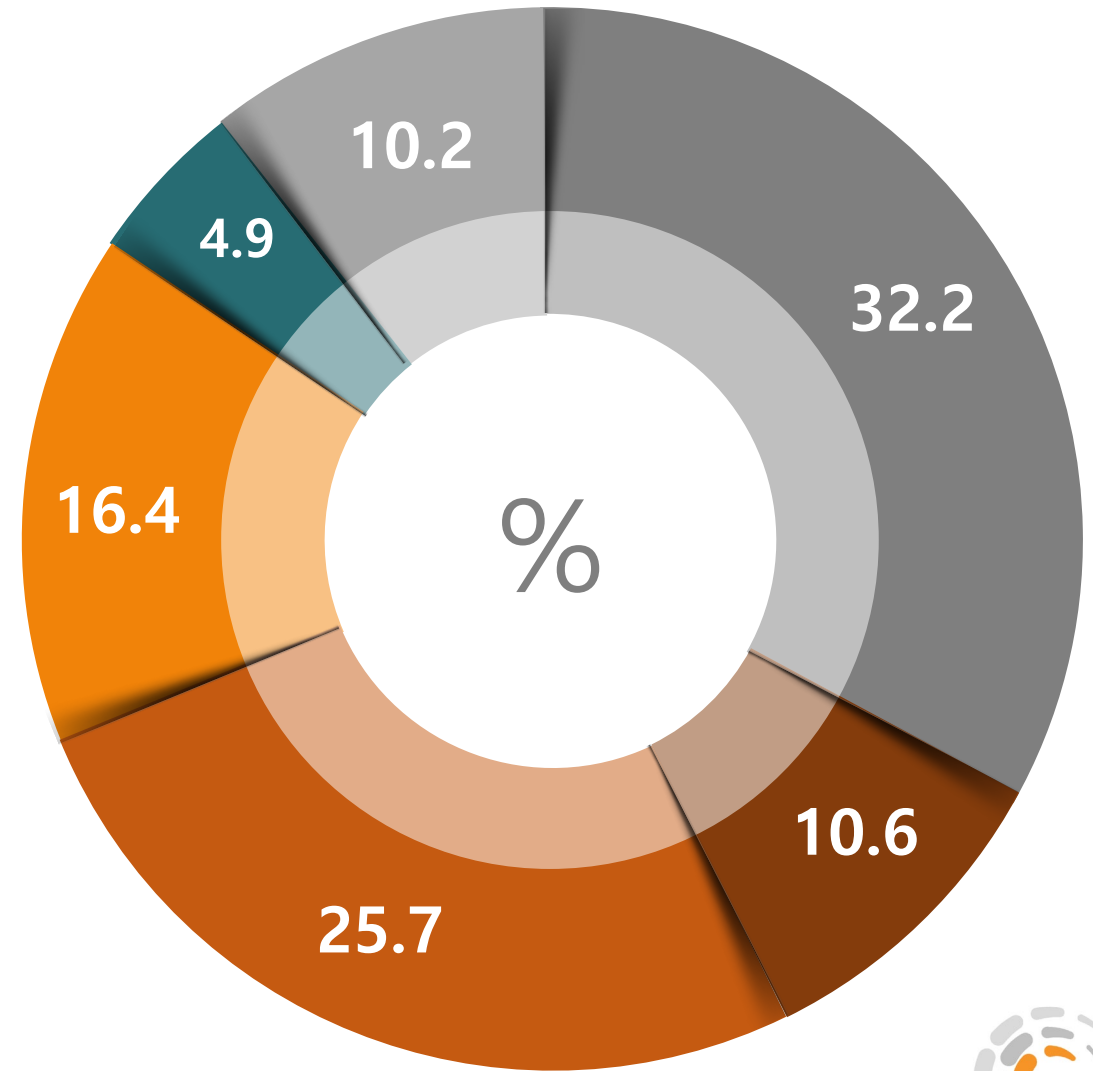
- Less than 1 year
- 1 – 3 years
- 3 – 5 years
- 6 – 9 years
- 10 – 19 years
- 20+ years

n = 596



Gross annual revenue

- Under \$500,000
- \$500,000 – 1 million
- \$1 million – 4.9 million
- \$5 million – 24.9 million
- \$25 million +
- Don't know/prefer not to answer



n = 596



Tourism **HR**
Canada



RH Tourisme
Canada

Funded by the Government of Canada
Financé par le gouvernement du Canada

| **Canada** 