

**Informing and Engaging Colorado's Economy**

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**Colorado Tourism  
COVID-Response Report  
June 2020**

The COVID-19 pandemic, caused by the novel coronavirus, is a global health concern that has impacted all facets of economic and community development. CSU's Regional Economic Development Institute (REDI) is tracking and analyzing the broader implications of this public health event on different sectors of Colorado's economy. A recent Brookings Institution report exposed the vulnerability of the US tourism sector and its employees to current events (Table 1). This compels us to investigate how Colorado's tourism sector has been impacted by the current pandemic and provide resources for recovery at the state and regional levels.

Colorado-specific unemployment insurance claim data show that increases in unemployment in tourism sectors outpace other sectors of the state's economy (Figure 1). Tourism is key for Colorado!

In 2018 direct travel spending was over \$22.3 billion dollars and supported over 174,000 jobs (Dean Runyan Associates, 2019). Consumer spending—which supports 70% of the US economy—has declined precipitously in community after community, as US and global citizens have foregone their normal lives and spending patterns to support the public call to mitigate the spread of the current pandemic. According to the Colorado Tourism Office, traveler dollars were down more than \$4 billion in the initial 11 weeks of the pandemic (Colorado Connection, 2020). Currently (as of June 2020), Colorado is opening up for tourism again, albeit with a different focus and momentum. Colorado will begin outreach to Coloradans with the message, “When we hike up our mountains, we lift up our neighbors. When we travel nearby, we help others go farther.”

Table 1. Industries at highest risk from COVID-19

Industry	Jobs (thousands), 2019	Share of all jobs, 2019
Mining	686	0.5%
Transportation	3,381	2.3%
Employment services	3,624	2.5%
Travel arrangements	219	0.1%
Leisure & hospitality	16,331	11.1%
<b>Total</b>	<b>24,241</b>	<b>16.5%</b>

Source: Zandi, “COVID-19: A Fiscal Stimulus Plan,” (Moody's Analytics, 2020) and Brookings analysis of Emsi data

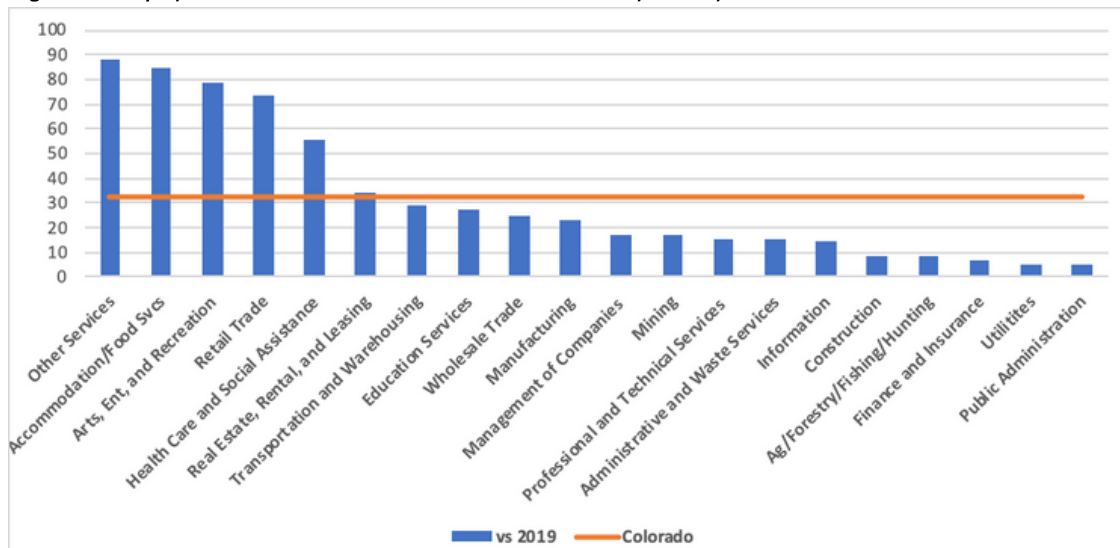


One indicator of changes in economic activity can be seen in Google's mobility reports which show that, as of May 16, traffic to retail and recreation businesses (restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters) was down 31% compared to a baseline established before the pandemic. By May 29, retail and recreation traffic was still down 22% statewide and, in Colorado's visitor-dependent mountain communities, travel was still down 38% in Eagle county, 34% in Gunnison, 74% in Pitkin and 61% in Summit.



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Figure 1: Unemployment Insurance claim increases from 2019 levels, by industry



Although the Payroll Protection Program (PPP) provided federal relief to businesses across the country, the Census Bureau’s Small Business Pulse Survey found that many small businesses (the backbone of much of the tourism industry’s restaurants, historical and cultural sites, and recreation opportunities), experienced delays in receiving PPP funding, with Colorado businesses citing that approximately 56% were approved for funding (below the national average of 58.6% as of April 25, 2020) (see Figure 2). Furthermore, roughly 72% of Colorado businesses in the arts, entertainment and recreation sector, and those in accommodations and eating places, indicated that the pandemic has had a large negative impact on their viability (U.S. Census Bureau, 2020). The recovery for these businesses, even in the face of growing demand for tourism experiences and the summer peak travel season, may be slow. Labor market information data from 2000-2018 for jobs and wages reported by

the arts, entertainment, and recreation sector and accommodations and food service sector, show slow job growth following the 2008 recession (in fact no job growth from 2010-2011, following two years of job losses), and even slower growth in wages post-recession in Colorado (QCEW, 2020). May 2020 national survey data from Destination Analysts show us that, while 6% of Americans are already traveling and nearly 15% are ready to travel with no hesitation, 79% still need more time to return to travel (see Figure 3).

Figure 3. Americans’ travel state of mind

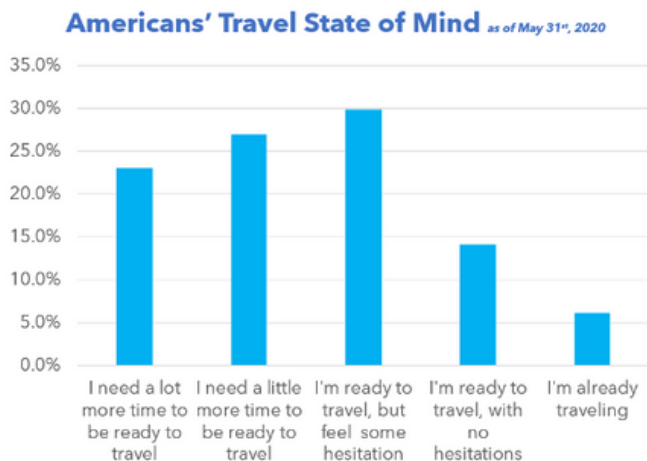
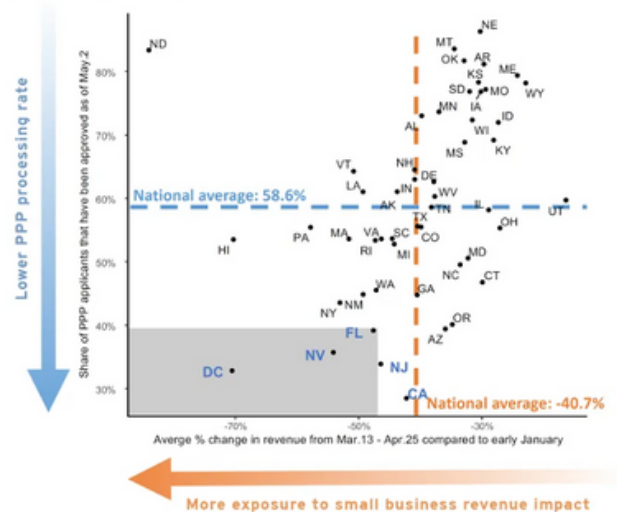


Figure 2. State-level small business revenue impact

Some states are more exposed to small business revenue impact, and slow to process PPP applications



Source: Brookings analysis of Opportunity Insights Economic Tracker and the U.S. Census Bureau’s May 2 Small Business Pulse Survey. Metropolitan Policy Program at BROOKINGS

American travelers indicate, however, that they will be willing to take a next trip by car sooner than a trip by air (see Figure 4). In fact, Colorado is adopting a phased approach to responsible tourism as the Colorado Tourism Office prepares destinations and travelers for appreciating the state’s natural, cultural and historic assets. This includes emphasizing how road trips fit into an outdoor, public-health conscious reintroduction to travel through two new web-based itinerary planning sites (a Colo-Road Trips microsite with more than 200 online itineraries to destinations across Colorado, and a new Scenic & Historic Byways microsite for guidance to traveling Colorado’s 26 byways--see Figure 5).

Figure 4. Month of next road and air trip, as of May 31, 2020

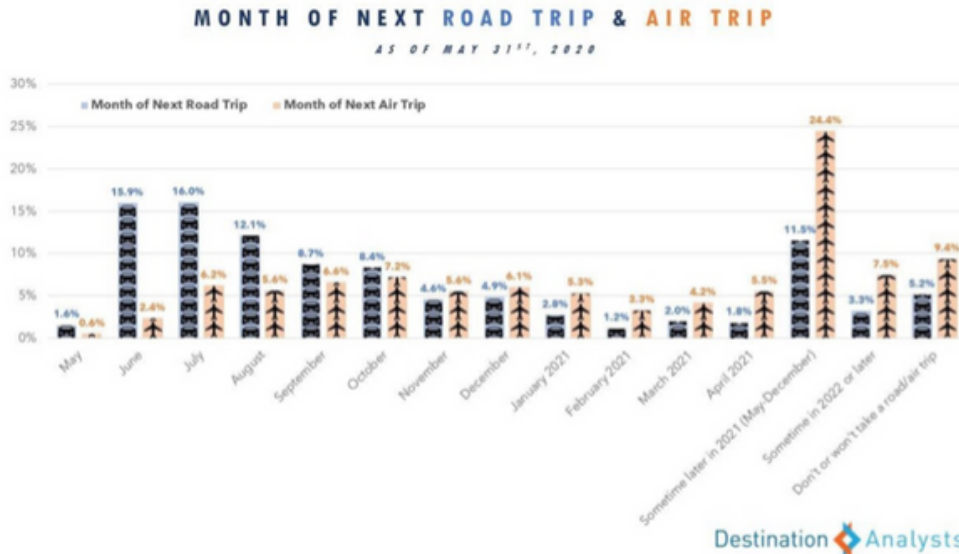


Figure 5: Colorado itinerary planning sites



Colorado’s governor has allowed for the reopening of the state’s tourism economy, but there is still much uncertainty about how individual businesses will manage and benefit from visitors while there are still limitations on group sizes and capacity at destinations. Colorado may have an advantage in that its tourism industry is built on the outdoors, which provides opportunities for natural physical distancing. However, for tourism as well as other sectors of the economy, the road to normal economic activity will be long as businesses and their customers adapt to new ways of enjoying Colorado’s tourism resources in the face of ongoing concerns about COVID-19.

## COVID RESOURCES for Colorado's Tourism Partners

### Colorado Tourism Office

The Colorado Tourism Office (CTO) delivers a highly integrated multi-million-dollar array of marketing initiatives to national and international audiences to build awareness of Colorado as a superlative travel destination. CTO recognizes the safety of travelers and residents is the highest priority but is providing talking points and guidance in response to COVID-19 and Governor Jared Polis’ statewide "Safer at Home" order (<https://industry.colorado.com/what-know-about-covid-19-and-colorado-travel>). CTO also urges affected tourism-related small businesses to use the new relief and assistance resources available for those most impacted by this event, and those reliant on visitors have a strong case to build about how this pandemic has affected them, given the vulnerabilities discussed above (<https://industry.colorado.com/new-support-covid-impacted-small-businesses>). CTO's international team has been tracking information from industry partners and providing access to these helpful materials in a google drive folder that can be accessed here: [https://drive.google.com/drive/folders/1pBSwO04V7Ku\\_-Bb4ZbkVnStTRxctQHw](https://drive.google.com/drive/folders/1pBSwO04V7Ku_-Bb4ZbkVnStTRxctQHw).

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