

The novel coronavirus, or COVID-19, pandemic is a global health concern and the focus of many efforts to understand, contain, and treat this disease. In addition to these tremendous efforts, we must also consider the coronavirus' impact on Missouri's economy. Like the health impact data, timely indicators are limited at the moment. However, this periodic Missouri Economy Indicators Update series will highlight some figures to watch and potential resources that can help businesses navigate this situation.

Hotel Occupancy Rates and Room Revenue

Decreasing hotel occupancy rates are an early indicator of declining travel. With the World Health Organization declaring COVID-19 a global pandemic and the U.S. restricting more travel last week, hotels are being negatively impacted. The firm STR tracks U.S. hotel and hospitality industry data on a weekly basis.

In a recent news release, STR reported the following trends covering the second week in March 2020:

- **Occupancy Rates are down 24.4%** from same time last year
- **Occupancy Rates are 53.0%**, which is lower than the 61.8% reported the last week
- **Revenue per Available Room is down 32.5%** from same time last year

Source: STR news release at: <https://str.com/press-release/str-us-hotel-results-week-ending-14-march>

Given that Missouri often follows national trends, hotel occupancy rate and revenue declines probably impacts the state similarly. Detailed Missouri hotel and tourism-related sales data will be available in the coming months, but an analysis of the initial economic shocks following the 9/11 attacks may provide one reference point for potential impacts as it quickly impacted travel behavior.

An analysis of taxable sales in the three months following 9/11 shows that the hotel industry was impacted particularly hard. Hotel taxable sales declined by over 11 percent, whereas all taxable sales were down by just over 1 percent.

Missouri Taxable Sales Following 9/11

Missouri Taxable Sales Three Months after September 2001	All Sectors Taxable Sales	Hotel Taxable Sales
October 2001 - December 2001 Taxable Sales	\$16,686,774,144	\$261,351,356
Change from Same Period a Year Earlier	(\$181,604,318)	(\$33,689,191)
Percent Change	-1.1%	-11.4%

Source: Missouri Department of Revenue. Figures adjusted for inflation.

Taxable sales in 2001 were also impacted by a mild U.S. economic recession, March through November, and possibly other factors so direct comparisons to the current situation are limited. The COVID-19 economic impacts could also occur over a longer time period, which would extend sales losses to the hotel industry.

Movie Ticket Sales

Another current indicator of consumer group behavior can be movie ticket sales. National data on gross ticket sales is released weekly by Box Office Mojo, an IMDbPro.com company, which tracks the motion picture industry. Cumulative figures from the eleventh week of 2020 (week ending March 19) show:

- **U.S. Gross Cumulative Ticket Sales of over \$1.7 billion, down 12.7%** from the same week last year in nominal terms.
- The decline accelerated from last week's drop of 6.7% in cumulative ticket sales due, in large part, to theaters closing voluntarily or based on state/local government restrictions.

As more movie theaters temporarily close to limit the spread of COVID-19, the cumulative sales of tickets will continue to decline substantially in the coming weeks.

Additional Resources

The Missouri Small Business Development Centers (SBDC) are a resource for business owners and provide counseling, training, and other services to help our companies grow. SBDC staff have recently developed a COVID-19 website to provide information about the virus and articles targeted for businesses and employees: <https://sbdcmo.org/news/how-might-your-business-be-affected-by-the-covid-19-corona-virus-4414>

The American Hotel and Lodging Association has a COVID-19 resource page for its members available at: <https://www.ahla.com/facts-about-coronavirus>

This brief is the first in a series to explore economic indicators, impacts associated with the COVID-19 pandemic, and to highlight resources that may help our businesses during this difficult time. Future updates will be available in the coming weeks at: <https://tinyurl.com/ExceedEconomyIndicators>

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