

The Employment Impact of COVID-19 on the U.S. Attractions Industry

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February 2021

Data current as of February 2, 2021



Introduction

- In the wake of the COVID-19 pandemic, the attractions industry has faced its greatest crisis since World War II.
- At one point in April, nearly every attraction in the world was closed as the pandemic spread globally.
- Once attractions began to reopen in May, with new safety protocols in place, they were hampered by capacity limitations, staffing shortages, consumer reluctance and government restrictions that precluded many from even opening.
- These limitations have had a severe impact on industry employment in the United States with employment falling to levels not seen in decades.
- This analysis will use government data to look at the impact of the COVID-19 pandemic on employment for the key IAAPA constituent groups for which government employment data are available.

Methodology

- To analyze the employment impact, data was utilized from the U.S. Bureau of Labor Statistics' Current Employment Statistics (CES) program. Each month CES surveys about 150,000 businesses and government agencies, representing approximately 390,000 individual worksites, in order to provide data on employment.
- Advantages of CES include:
 - Most current source of employment data with time lag of only a few weeks.
 - Data released on a monthly basis.
 - Data availability back to at least 1990.
- Among its key disadvantages are:
 - It does not permit as detailed an industry breakdown as other sources (i.e. Amusement and theme parks and Amusement arcades are combined).
 - Data are only available down to metropolitan area and state level.
 - Since CES is survey based, the level of industry detail available is limited to only a few subnational areas.
- Within key IAAPA constituent groups the following industries are included:
 - Amusement parks and arcades
 - Historical sites, zoos, botanical gardens, nature parks and similar institutions
 - Museums
- Subnational attractions industry data are limited to:
 - California (Amusement Parks and Arcades; Museums, Historical Sites, Zoos and Similar Institutions)
 - Florida (Amusement Parks and Arcades)

Methodology (continued)

- Wage data was analyzed using the Bureau of Labor Statistics' Census of Employment and Wages (CEW). It is a quarterly census of employment in the United States, covering over eight million employers subject to state unemployment insurance (UI) laws and from Federal agencies subject to the Unemployment Compensation for Federal Employees (UCFE) program.
- Advantages of CEW include:
 - Considered a more accurate reflection of industry employment as it is based on unemployment compensation filings of establishments.
 - Highly detailed industry data at a national level. Data available to the county level.
 - Data available back to 1990.
- Disadvantages of CEW include:
 - Lag in data availability – typically about six to seven months.
 - Non-disclosure policies make it difficult to get data for smaller industries at a subnational level.
- At a national level, IAAPA's constituencies can be found in six broad industry groups tracked by the CEW:
 - Amusement and theme parks
 - Amusement arcades
 - Historical parks
 - Museums
 - Nature parks and other similar institutions
 - Zoos and botanical gardens

Key Findings

- Attraction shutdowns occurred just as the facilities were ramping up seasonal hiring. Rather than seeing employment increase, the three constituent industries saw a combined drop in employment of 127,200 people in two months. Even as facilities reopened through the summer of 2020, the employment rebound was not enough to return to March levels let alone traditional seasonal highs, which occur in July.
- Even with many facilities returning to operation during July, employment in the Amusement Parks and Arcades sector totaled just 162,300, the lowest July employment since 1990 and over 112,000 (41%) lower than the previous year.
- In recent years, July employment in the Historical, Sites, Zoos and Similar Institutions was steady in the 75,000 to 80,000 range. However, in July, employment dropped to its lowest level since 2006, falling 22% below 2019 levels.
- In July 2019, the Museum sector reached record employment of 110,300. In 2020, however, employment totaled 76,900, a drop of 30% and the lowest July employment since 2006.

Key Findings (continued)

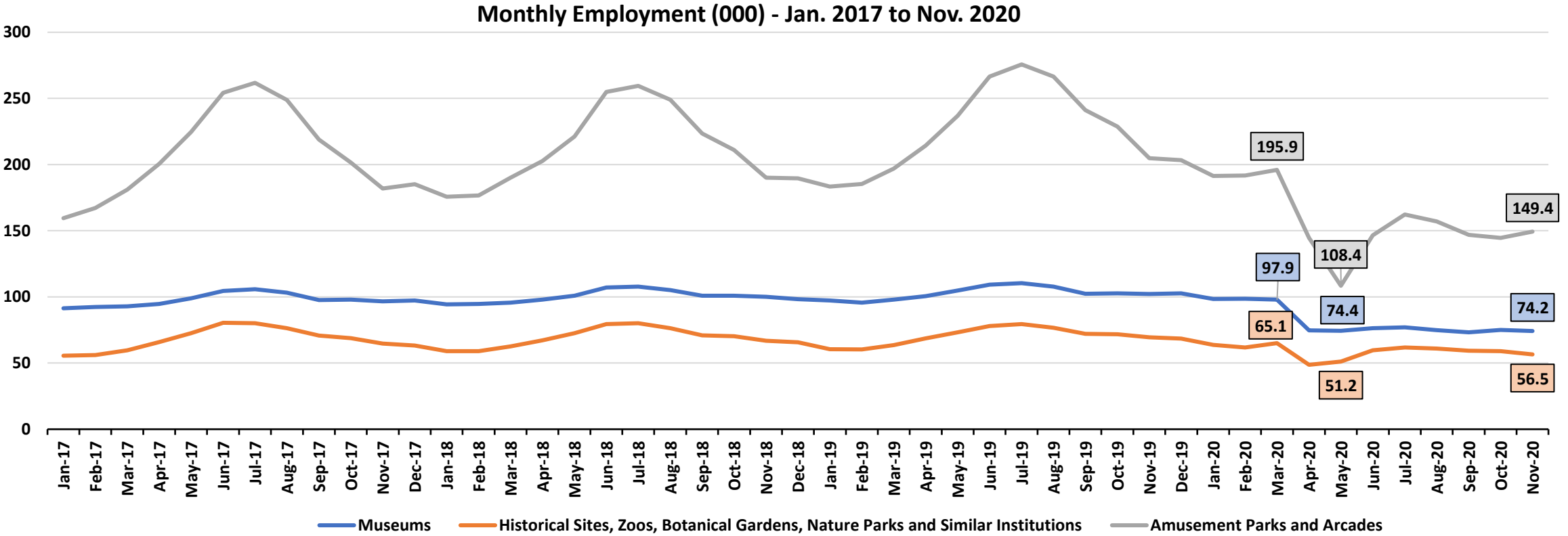
- Nationally, within the IAAPA constituent industries, Amusement Parks and Arcades' share of the employment loss (the loss index) was more than five times larger (533) than the average for all industries. The Museum employment loss index was 393 or nearly four times the national average, while Historical Sites, Zoos and Similar Institutions experienced nearly three times the job loss relative to the size of the industry.
- Total wages for Amusement and Theme Parks in the second quarter of 2020 (the most recent available) fell by more than 50% when compared to the second quarter of 2019. Amusement arcades saw a 57% drop over the same period.
 - In comparison, the total wage loss for all industries in the United States was just 4%, while it fell nearly 40% for the Leisure and Hospitality sector.
 - Total wages lost within IAAPA's constituent industries during the second quarter of 2020 was nearly \$1.1 billion.
- When comparing employment trends in California and Florida, the impact of government policies is evident:
 - Amusement Parks and Arcades initially experienced 80%+ drops in year-over-year employment in May 2020 in both California and Florida.
 - Florida worked quickly to reopen their facilities and since July has seen monthly drops of 32 to 34% compared to 2019.
 - California has largely kept its amusement parks closed resulting in 60%+ drops in monthly employment since May although it narrowed slightly in November.

Key Findings (continued)

- As a result, peak month employment (July) at Amusement Parks and Arcades in California was the lowest on record, and in Florida was the lowest since 2012.
 - Combined, these two states typically account for roughly half of total Amusement Park and Arcade employment in July and more in off peak months such as January.
- The 48 states outside California and Florida typically reach peak season employment of around 125,000 to 135,000 each July. In 2020, as facilities began to reopen in late Spring employment quickly increased and hit 117,600, close to historic levels.
 - But those numbers quickly dropped as attendance fell short of projections and many attractions scaled back operating hours.
- In July 2019, California and Florida accounted for half of the Amusement Park and Arcade peak month employment. In July 2020, that share had fallen to 44% with all of the erosion coming from California as its share fell from 21% to 9%.
 - Nearly four in ten jobs at Amusement Parks and Arcade that were lost between July 2019 and July 2020 were in California. Florida accounted for another 24% of lost jobs.

The 2020 Impact

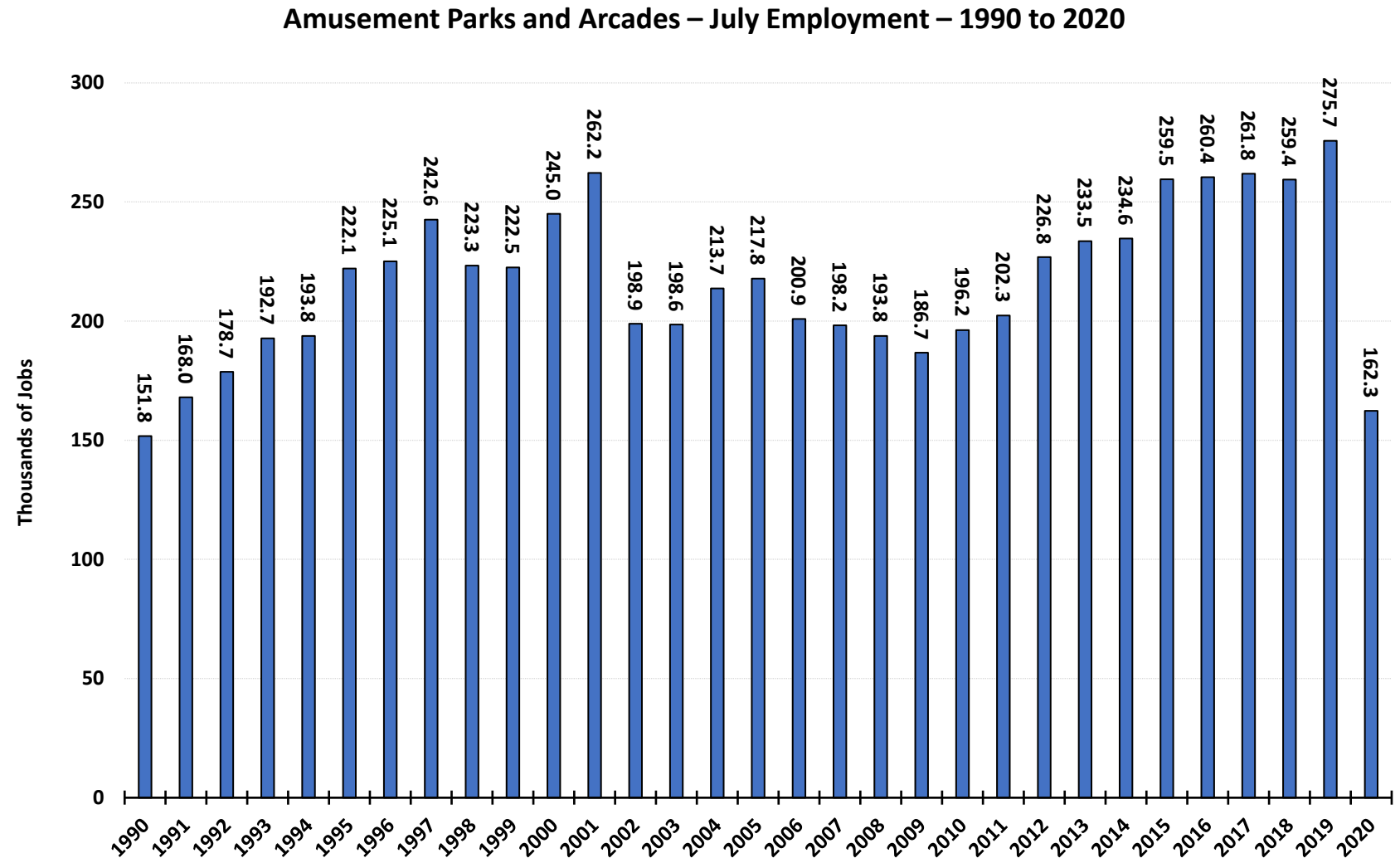
Attractions industry employment is highly seasonal, peaking in July. This is particularly evident within the Amusement Parks and Arcades sector, where employment fluctuates on average 60% between January and July. In 2020, however, just as Amusement Parks and Arcades; Historical Sites, Zoos and Similar Attractions; and Museums were ramping up seasonal hiring, the economy shut down resulted in a sudden and immediate drop in employment. Rather than seeing employment increase, the three industries saw a combined drop in employment of 125,000 people from March to May 2020. Even as facilities reopened through the summer, the employment rebound was not enough to return to March levels let alone traditional seasonal highs.



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

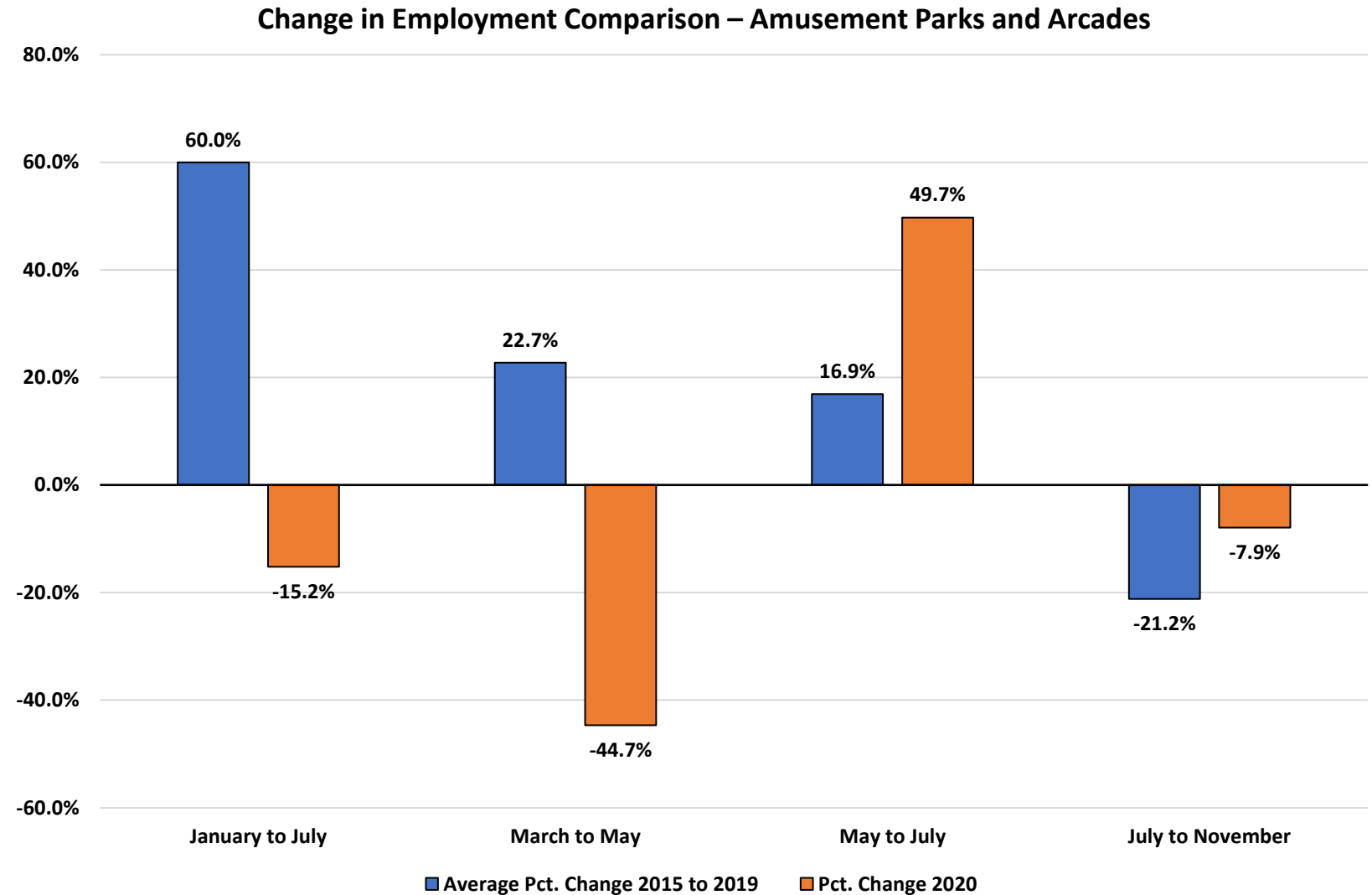
Amusement Parks and Arcades – New Lows

- Nationwide, employment in Amusement Parks and Arcades achieves its annual high in employment during July and then tapers off afterward.
- In July 2019, the industry reached record high employment at 275,700.
- Even with many facilities returning to operation during the month, employment totaled just 162,300, the lowest July employment since 1990 and over 112,000 (41%) lower than the previous year.



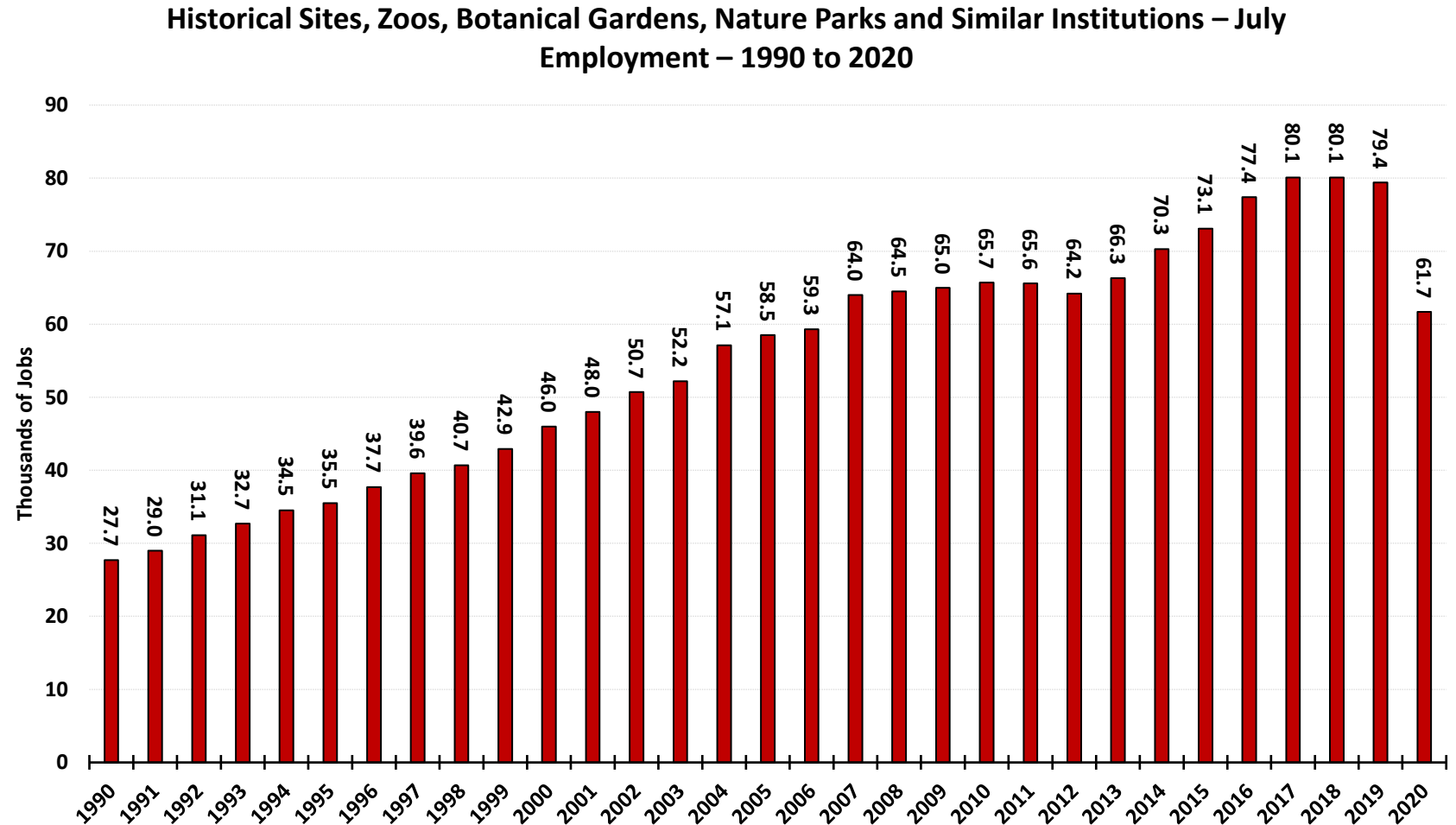
A Summer Rebound Wasn't Enough

- The Amusement Parks and Arcades industry is highly seasonal, traditionally showing a 60% difference in employment between January and July. However, in 2020, employment actually dropped by nearly 16%.
- Between March and May when facilities are typically ramping up seasonal hiring, employment dropped by 44.7% in 2020 as nearly every facility closed due to COVID restrictions.
- Between May and July as facilities reopened, employment rebounded by nearly 50%, well above historical trends.
- From July to November employment dropped at a smaller rate than the 2015 to 2019 period, but with employment already reduced, it was to be anticipated.



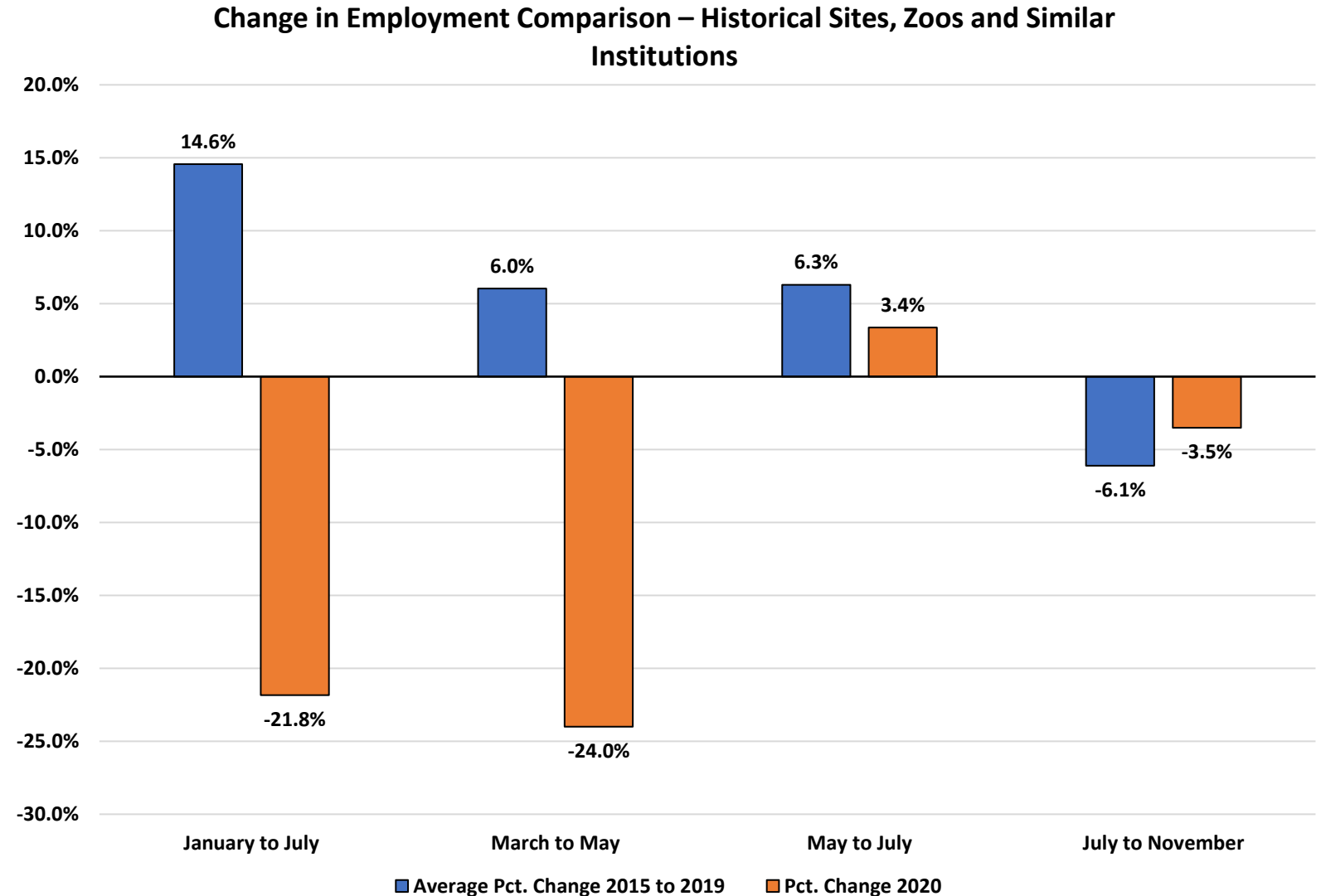
Historical Sites, Zoos, and Similar Institutions – Lowest of the Decade

- This industry does not experience extreme seasonal fluctuations, but still experiences its annual peak in July.
- For the last few years, July employment was steady in the 75,000 to 80,000 range.
- In 2020, July employment fell to its lowest level since 2006, falling 22% below 2019 levels to 61,700, a drop of 17,700 jobs.



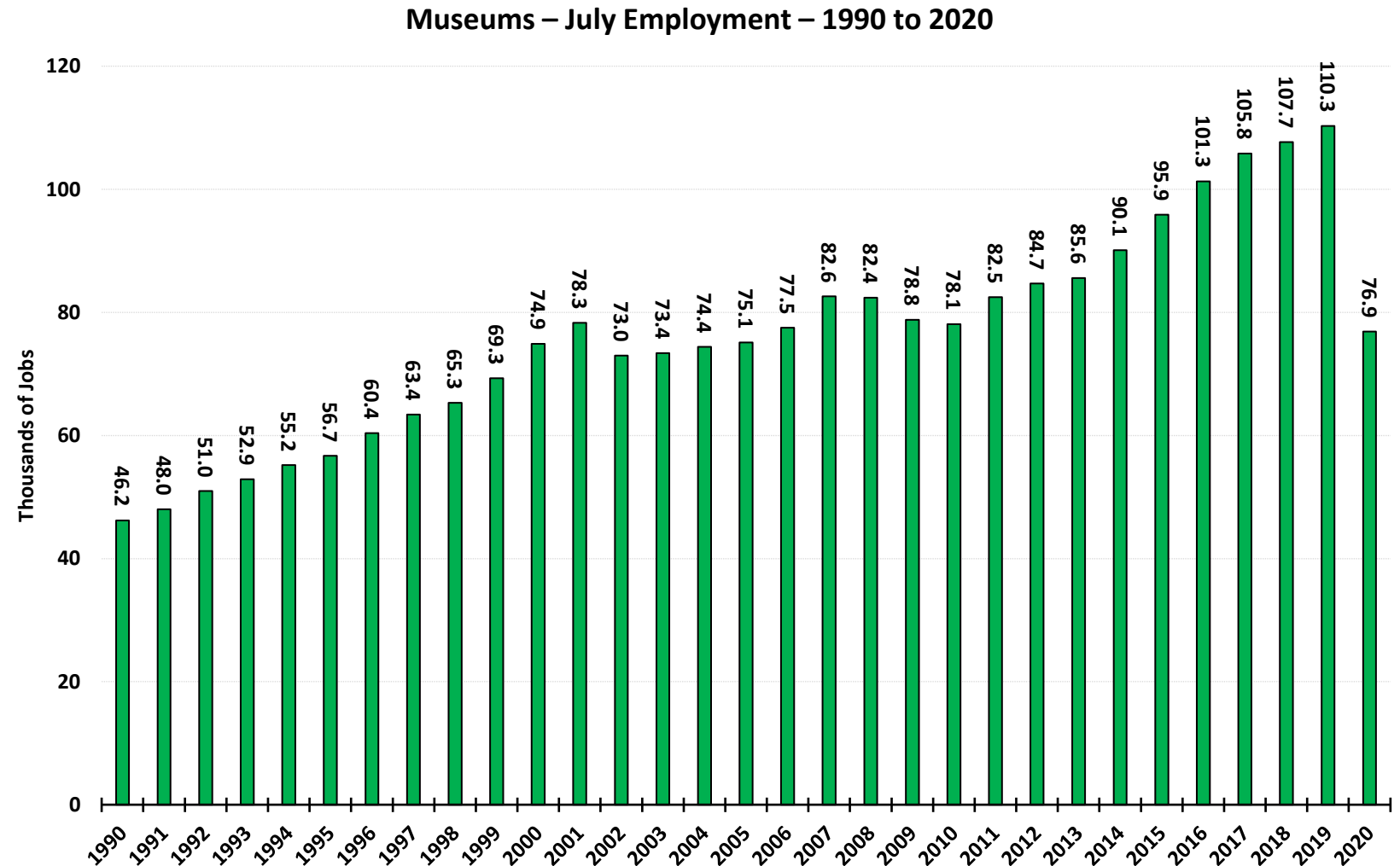
A Summer Rebound that Never Came

- Traditionally employment among Historic Sites, Zoos and Similar Institutions increases by 14.6% over the January to July period.
- In 2020, however, employment fell by 21.8% over the period.
- The March to May seasonal hiring period saw employment drop by 24.0% in 2020, compared to an average 6.0% increase over the 2015 to 2019 period.
- Even as facilities reopened in the May to July period, attractions hired at roughly half the rate of historical trends.
- The seasonal decrease between July and November was smaller than historic trends reflecting a decreased employment base over the course of the summer.



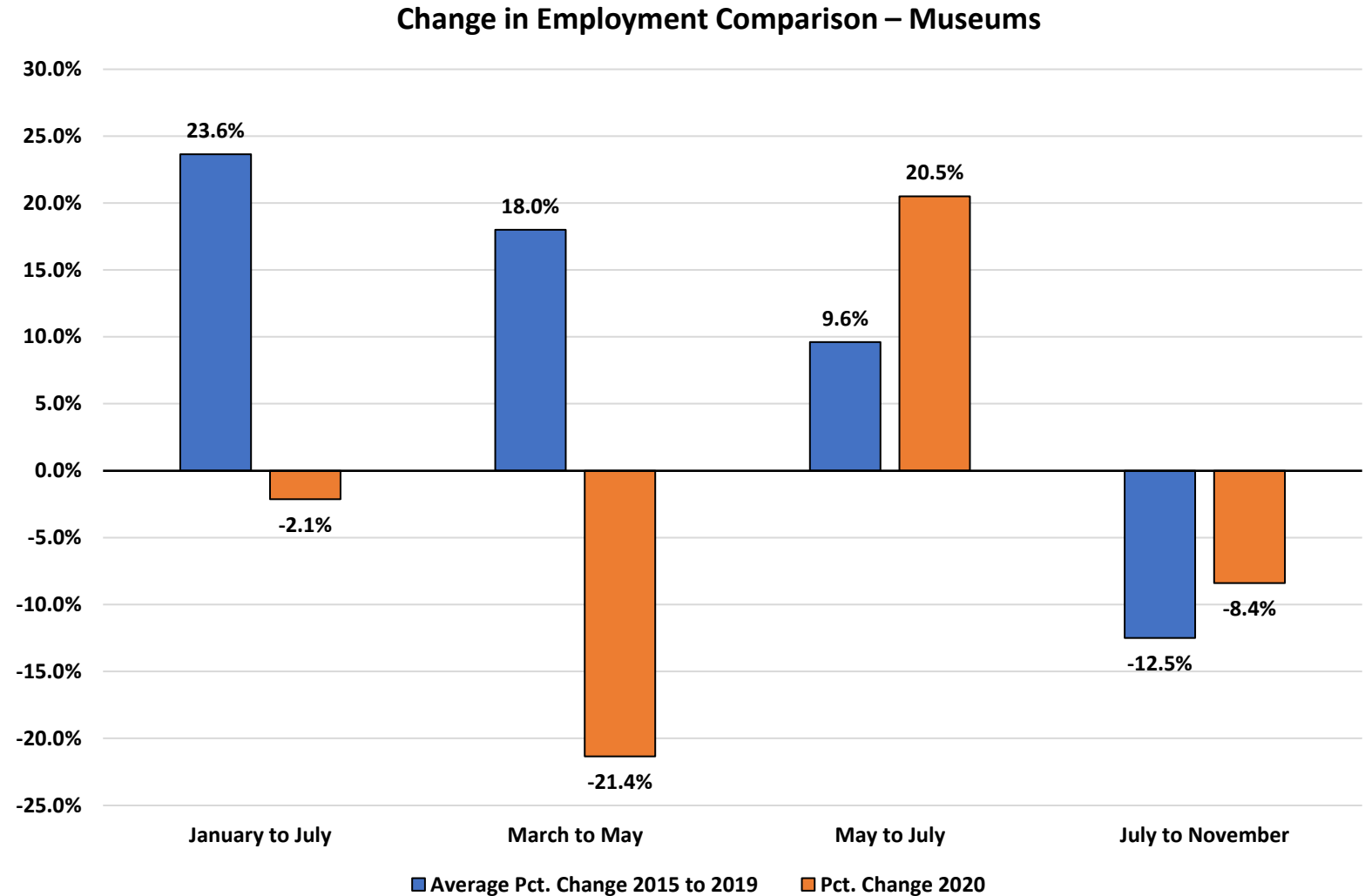
Museums – Lowest Since the Last Decade

- Museums tend to have the least seasonality of the IAAPA constituent industries tracked by the BLS. But that did not lessen the impact of COVID-19 related operational restrictions.
- In July 2019, the museum sector reached record employment of 110,300.
- In July 2020, employment totaled 76,900, a drop of 30% and the lowest July employment since 2006.



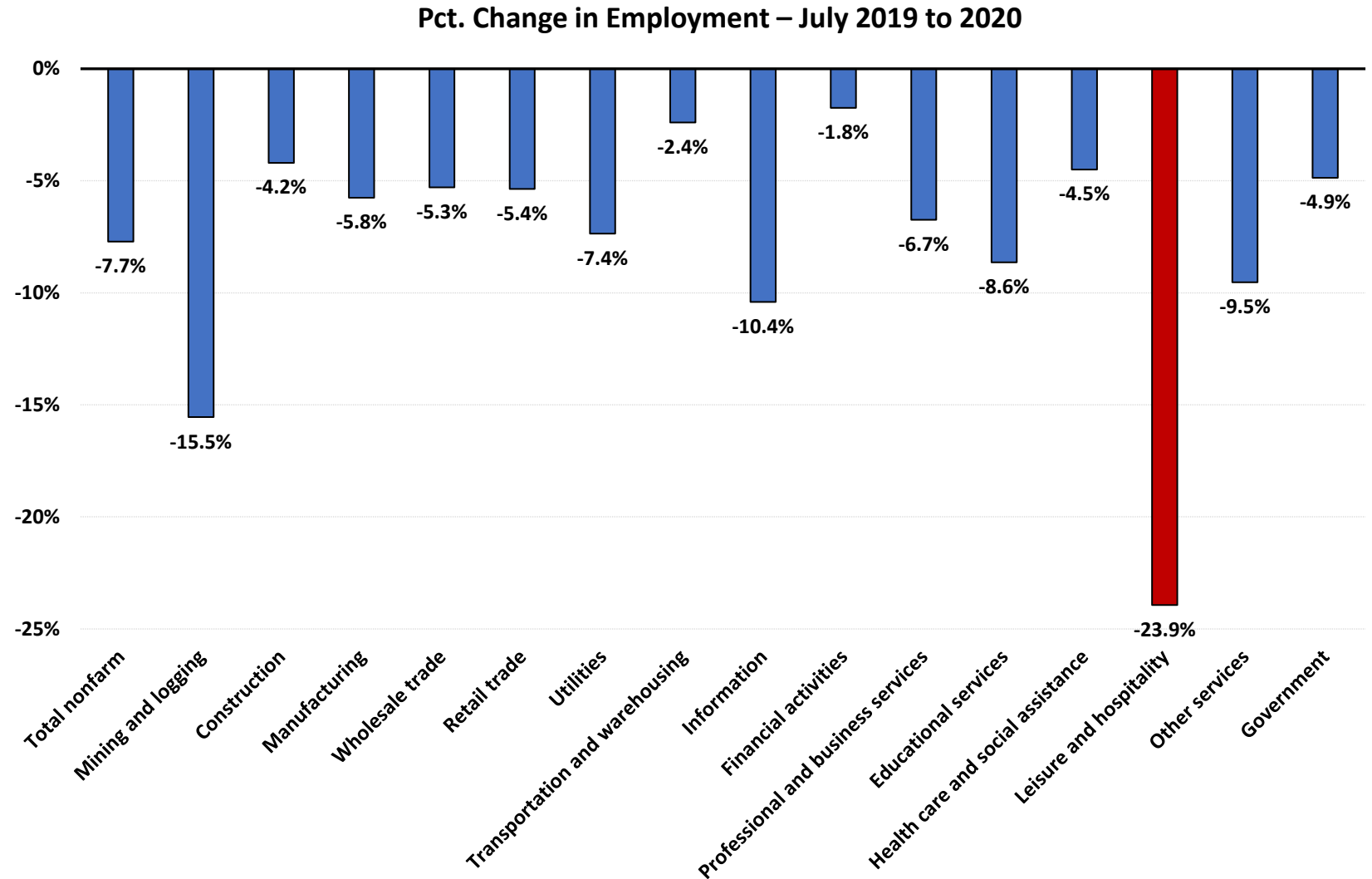
Bouncing Back in the Summer

- Museums did not see as severe an employment impact as other constituent groups. While their employment traditionally increased by 23.6% between January and July, in 2020 the drop was just 2.1%.
- As facilities were closed starting in March, employment fell by 21.4%, compared to an average 18.0% increase over the 2015 to 2019 period.
- During the reopening period, employment grew at twice the rate as historical averages, 20.5% vs. 9.6%.
- The seasonal July to November drop was roughly two-thirds of historical averages in 2020.



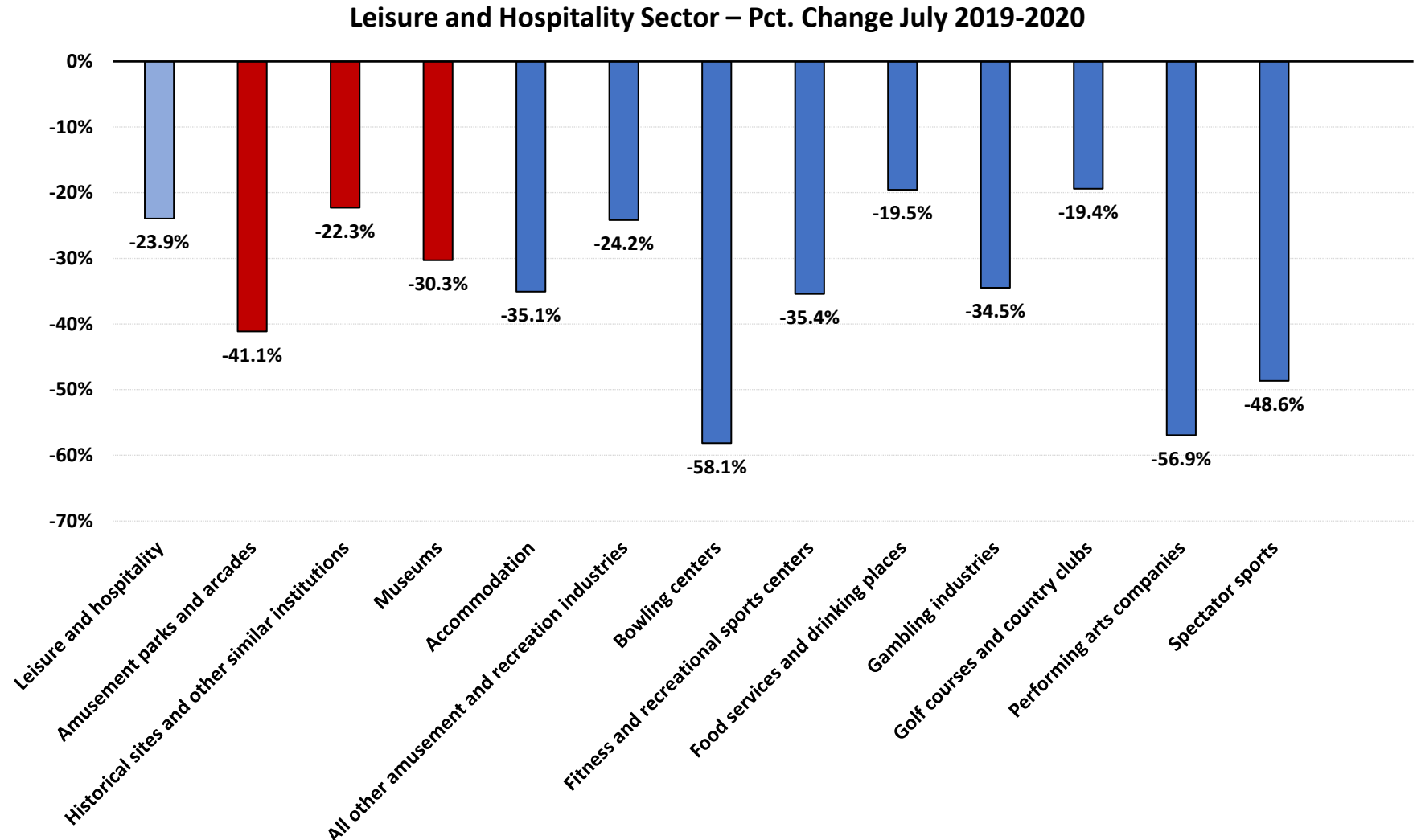
Attractions - Part of the Hardest Hit Industry

- The vast majority of IAAPA's facility members fall within the Leisure and Hospitality industry, which has been the hardest hit industry in the wake of the pandemic economic downturn.
- In July, typically the industry's peak employment month, employment in 2020 was 23.9% below 2019 levels, by far the highest of any industry.



Amusement Parks and Arcades Were Among the Hardest Hit

- Among main industry sectors within the Leisure and Hospitality industry, the 41.1% drop in July employment among Amusement Parks and Arcades was exceeded only by Bowling Centers, Performing Arts Companies and Spectator Sports.
- The drop among Museums was among the smallest and in line with the industry average. The drop for Historic Sites, Zoos and Similar Institutions was slightly higher.

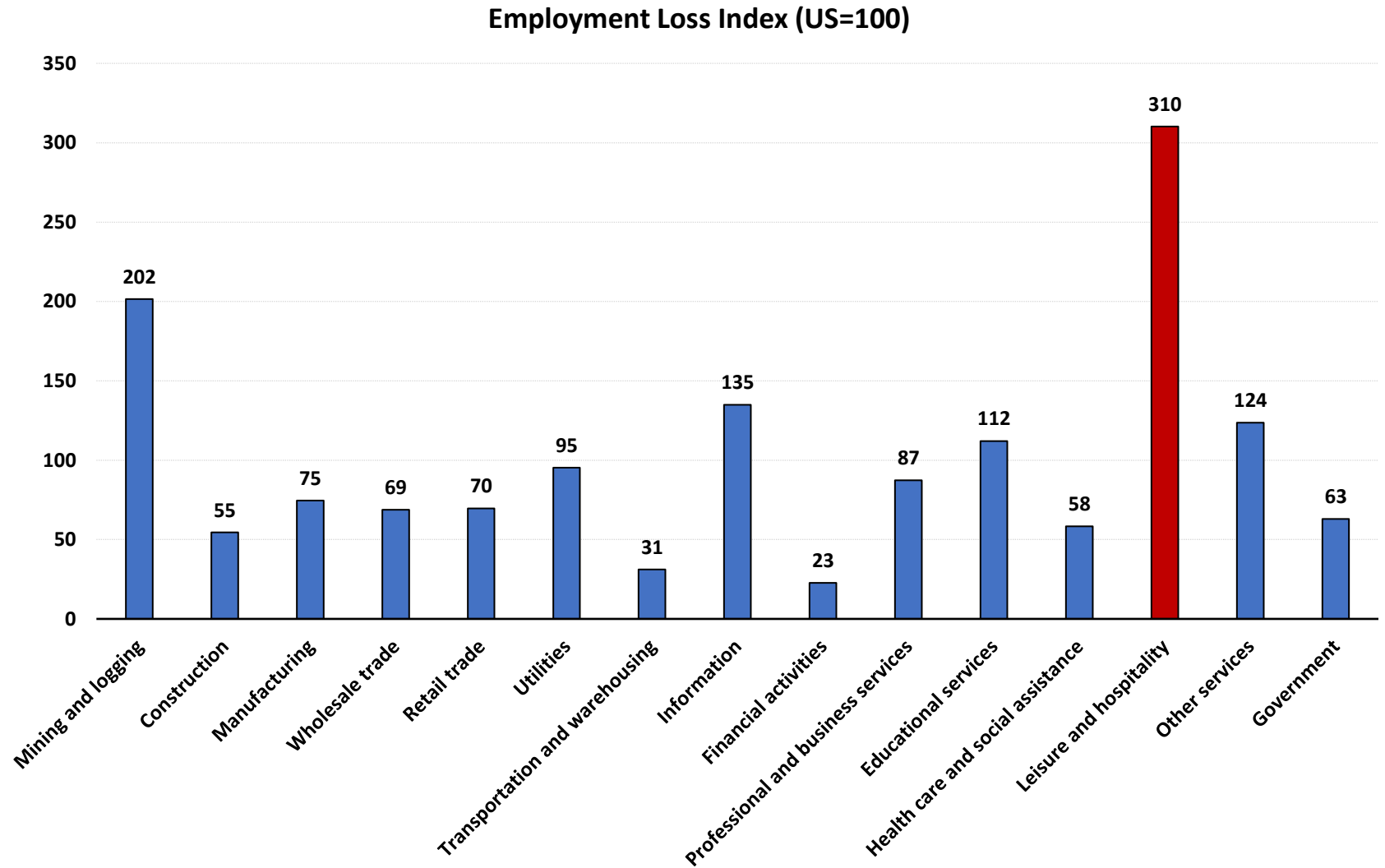


Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled December 2020

Losing More than Their Share

- Indexing the percent of national employment loss in each industry to the percent of total industry employment in July 2019, shows that the Leisure and Hospitality industry was disproportionately impacted by the economic downturn.
- With an employment loss index of 310, the Leisure and Hospitality industry accounted for more than three times the employment loss than the all-industry average.

The **Employment Loss Index** is a measure of the share of an industry's national employment loss divided by the industry's share of national employment in July 2019 (a traditional peak employment month). An index of greater than 100 indicates that an industry has been disproportionately impacted.

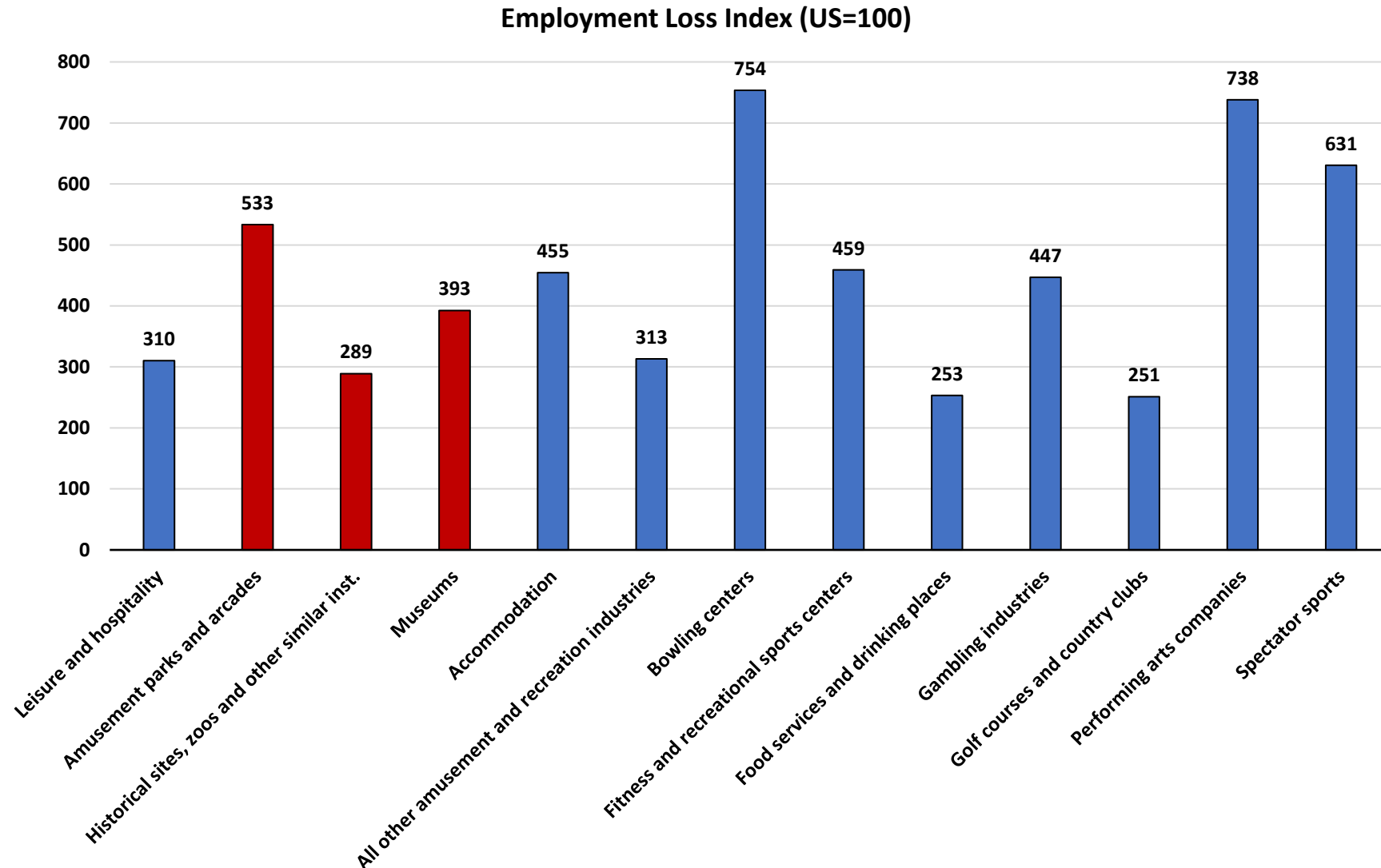


Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled December 2020

The Disproportionate Job Loss for Constituents

- Within the IAAPA constituent industries, Amusement Parks and Arcades' share of the national employment loss was more than five times greater than its share of national employment in July 2019.
- Museum employment loss index was 393, above the industry index of 310, while Historical Sites, Zoos and Similar Institutions performed better than the Leisure and Hospitality industry as a whole, but still suffered nearly three times the job loss relative to the size of the industry.

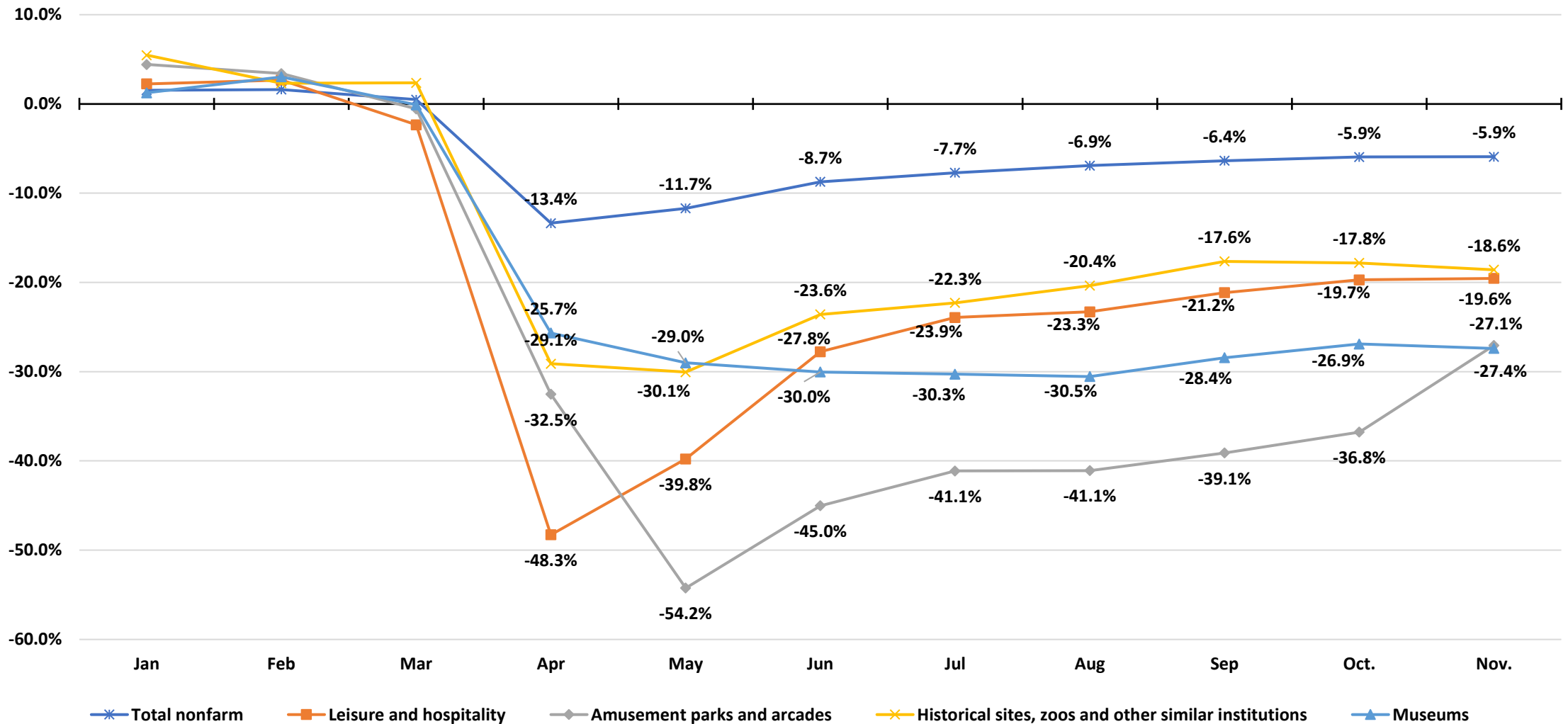
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Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled December 2020

A Delayed Recovery for Amusement Parks

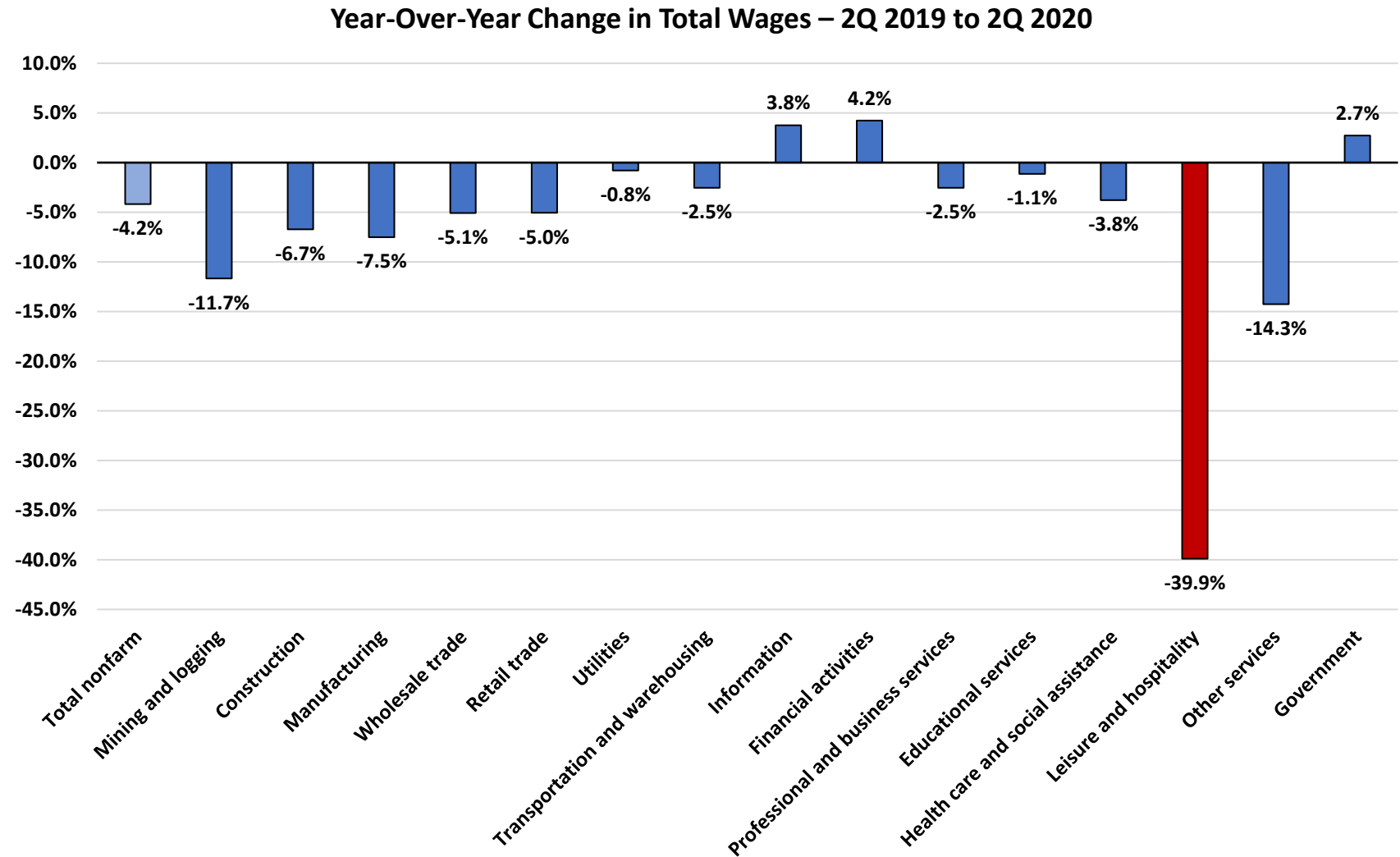
Year-Over-Year Change in Employment by Month



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

The Leisure and Hospitality Industry Lost Significantly More Wages in 2Q 2020 than Other Industries

- The Bureau of Labor Statistics' Census of Employment and Wages measures employment, establishments and wages using state Unemployment Insurance records.
- During the second quarter (the most recent available), total wages in the Leisure and Hospitality Industry fell by 40% over the previous year. This was almost three times greater than the next most impacted industry.

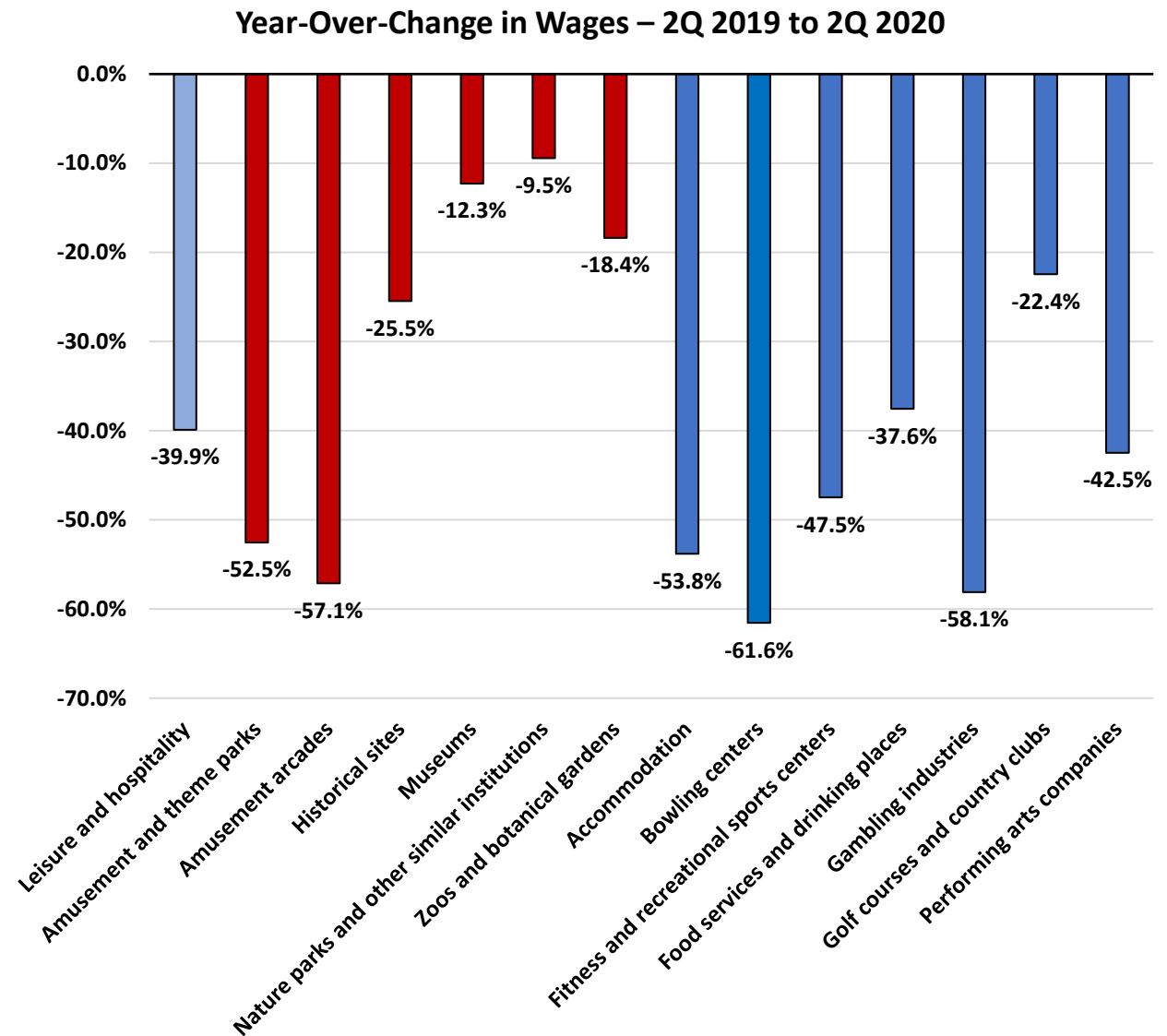


Source: U.S. Bureau of Labor Statistics, Census of Employment and Wages, compiled January 2021

IAAPA Constituent Industries Among the Hardest Hit

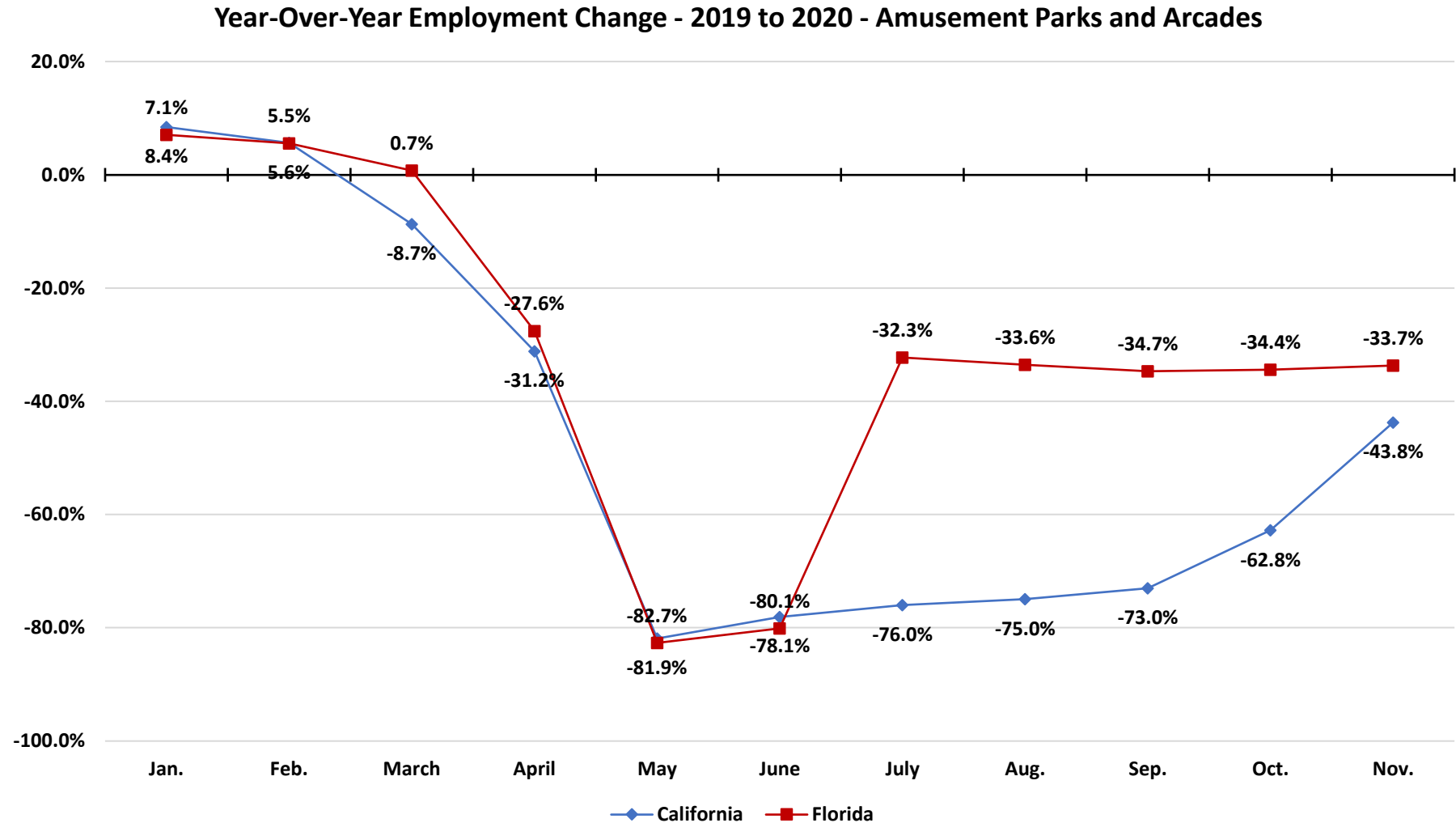
- Several IAAPA Constituent industries including Amusement and Theme Parks and Amusement Arcades saw a disproportionate loss in wages in the second quarter of 2020, when compared to the second quarter 2019.
- Overall, the six constituent industries saw wages fall by nearly \$1.1 billion with Amusement and Theme Parks accounting for 70% of the lost constituent wages.

	Aggregate Wages (\$mil)		Change 2Q 2019-2Q 2020	
	2Q 2019	2Q 2020	\$mil	Pct.
Leisure and hospitality	\$101,423.1	\$60,964.8	-\$40,458.2	-39.9%
Amusement and theme parks	\$1,438.8	\$682.9	-\$755.9	-52.5%
Amusement arcades	\$125.8	\$54.0	-\$71.8	-57.1%
Historical sites	\$118.1	\$88.0	-\$30.1	-25.5%
Museums	\$979.0	\$858.7	-\$120.3	-12.3%
Nature parks and other similar institutions	\$92.4	\$83.7	-\$8.7	-9.5%
Zoos and botanical gardens	\$380.8	\$310.8	-\$70.0	-18.4%
Total Constituent Industries	\$3,134.9	\$2,078.0	-\$1,056.9	-33.7%



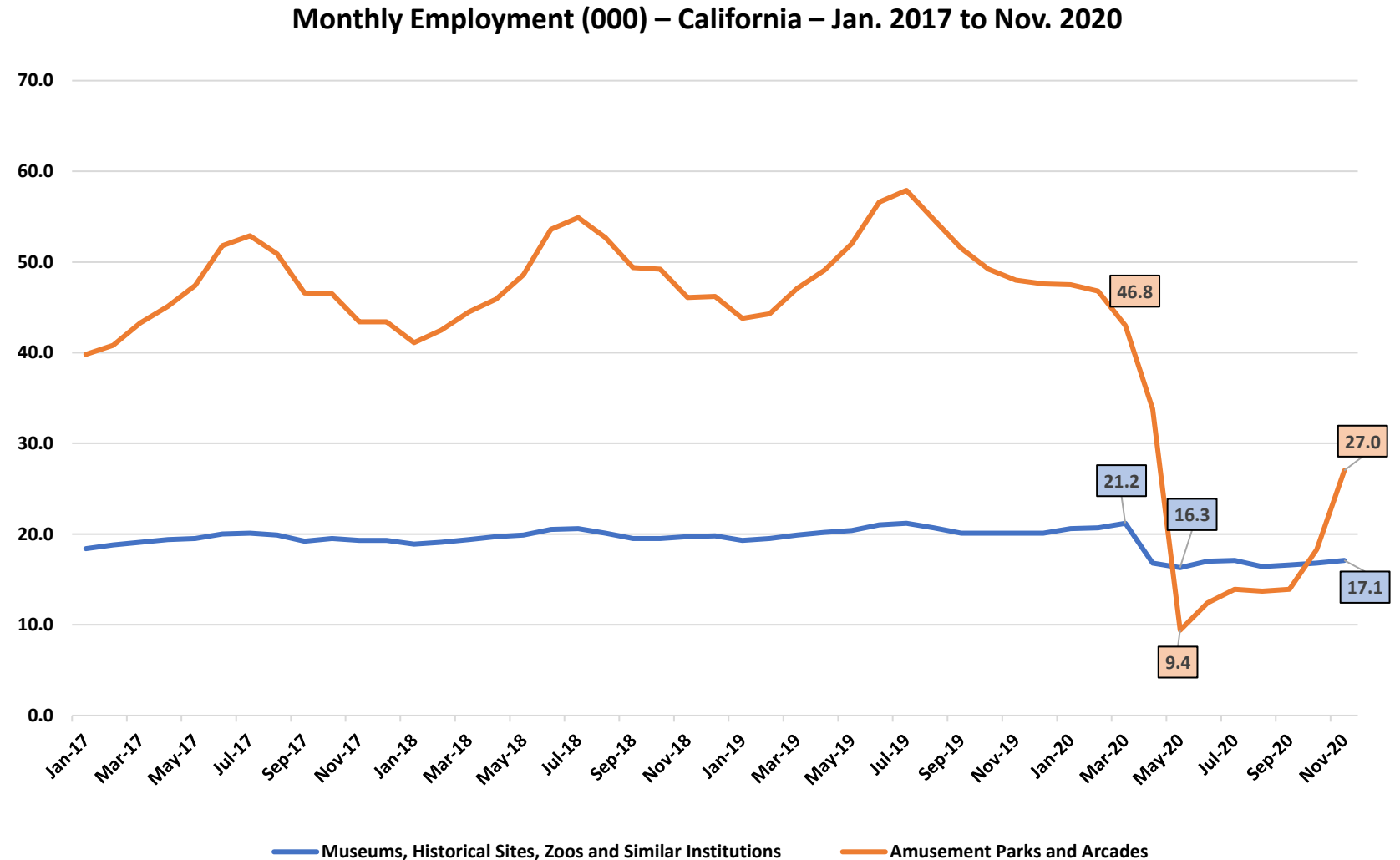
A Tale of Two States

- California and Florida are the two largest employers in the Amusement Parks and Arcades industry, accounting for 38% of peak season employment. However, they took very different approaches to the pandemic.
- Both states initially experienced an 80+ percent drops in year-over-year employment in May 2020.
- Florida worked quickly to reopen their facilities and since July has seen monthly drops of 32 to 34%.
- California has largely kept its amusement parks closed resulting in 60%+ drops in monthly employment between May and October, but it closed to -44% in November.



No Recovery in California

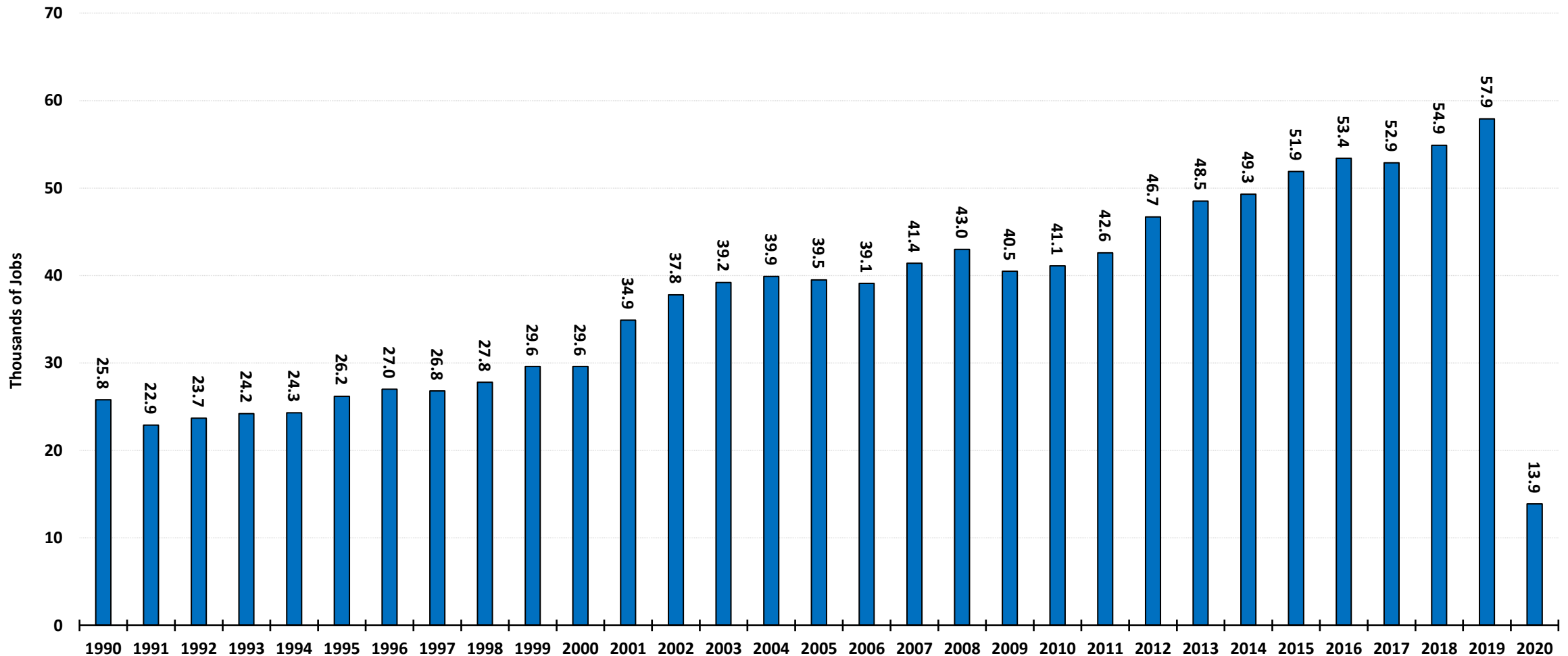
- While Amusement Parks and Arcades have experienced a slight rebound in employment since May 2020, November 2020 employment is just slightly more than half its traditional levels despite picking up 8,700 jobs between October and November.
- After its initial March to April drop of 21%, employment among Museums, Historical Sites, Zoos and Similar Institutions has been steady.



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

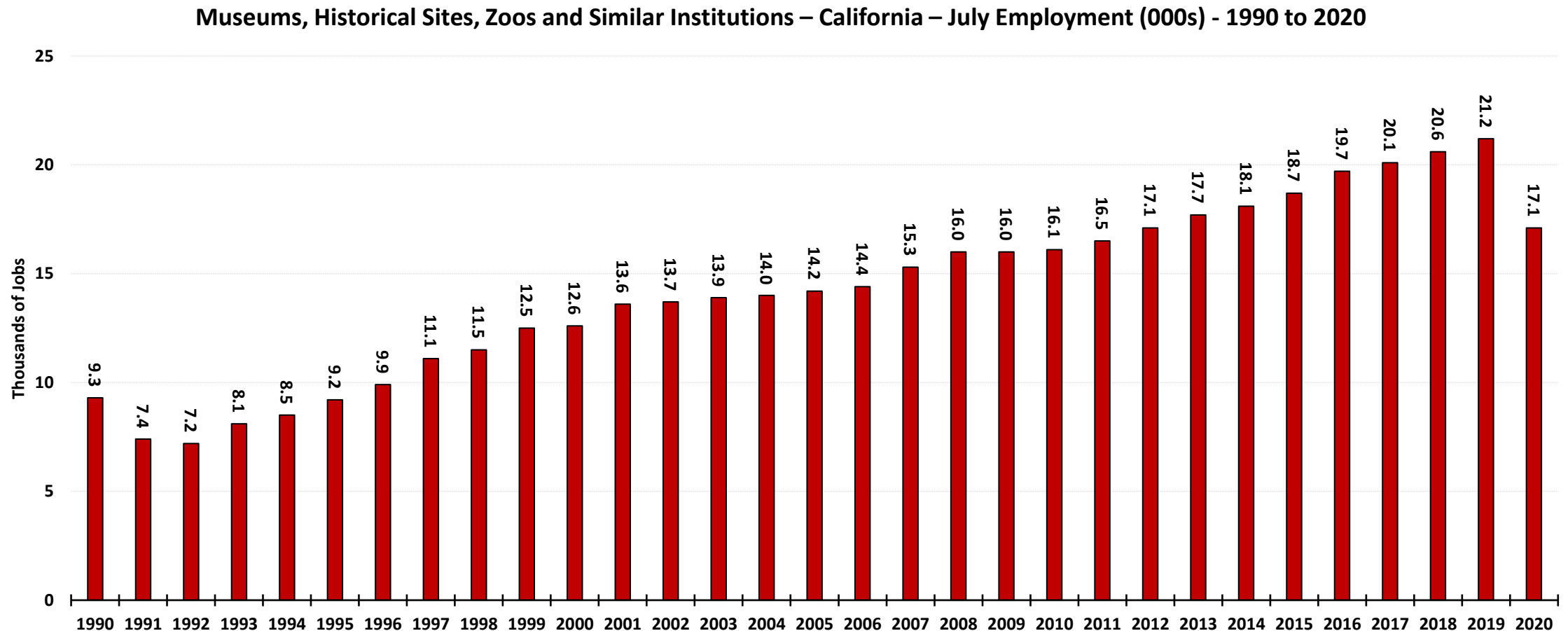
California – Amusement Parks and Arcades – Lowest July Employment on Record

Amusement Parks and Arcades - July Employment (000s) – California – 1990 to 2020



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled December 2020

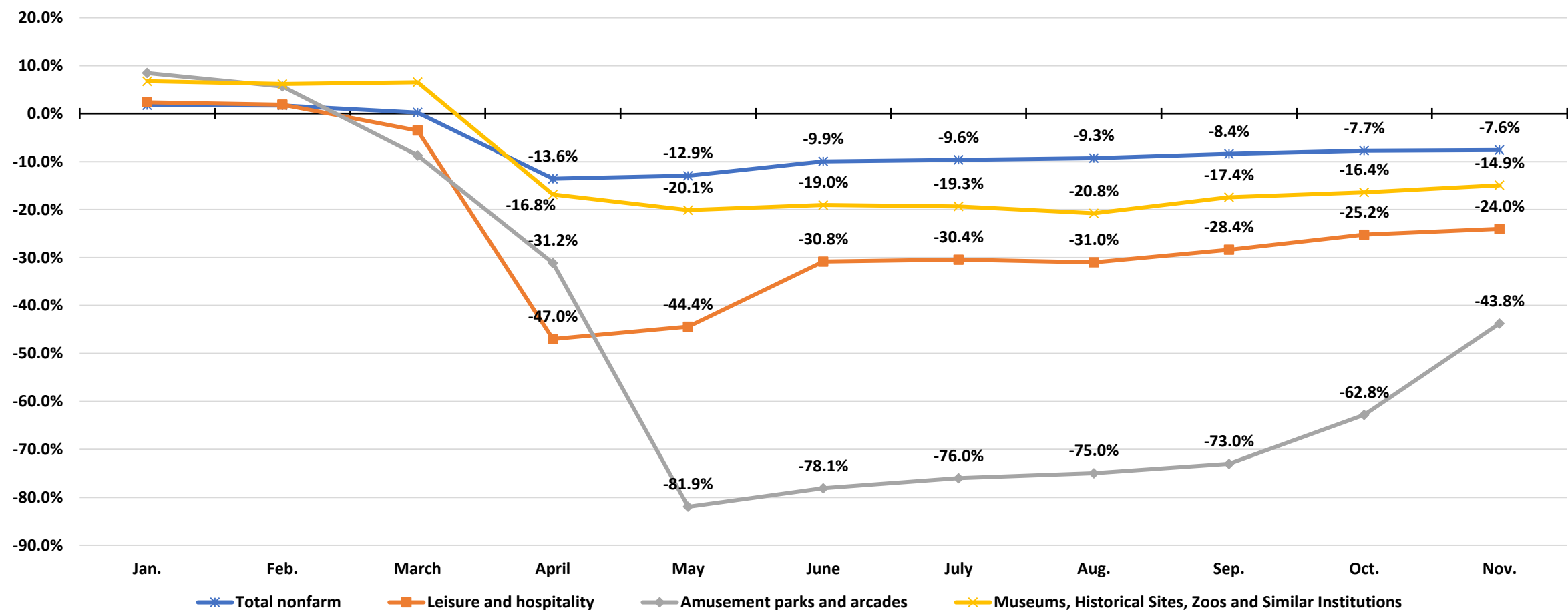
California – Museums, Historical Sites, Zoos and Similar Institutions – Lowest July Employment Since 2012



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled December 2020

Amusement Parks and Arcades in California – Performing Worse Than its Industry

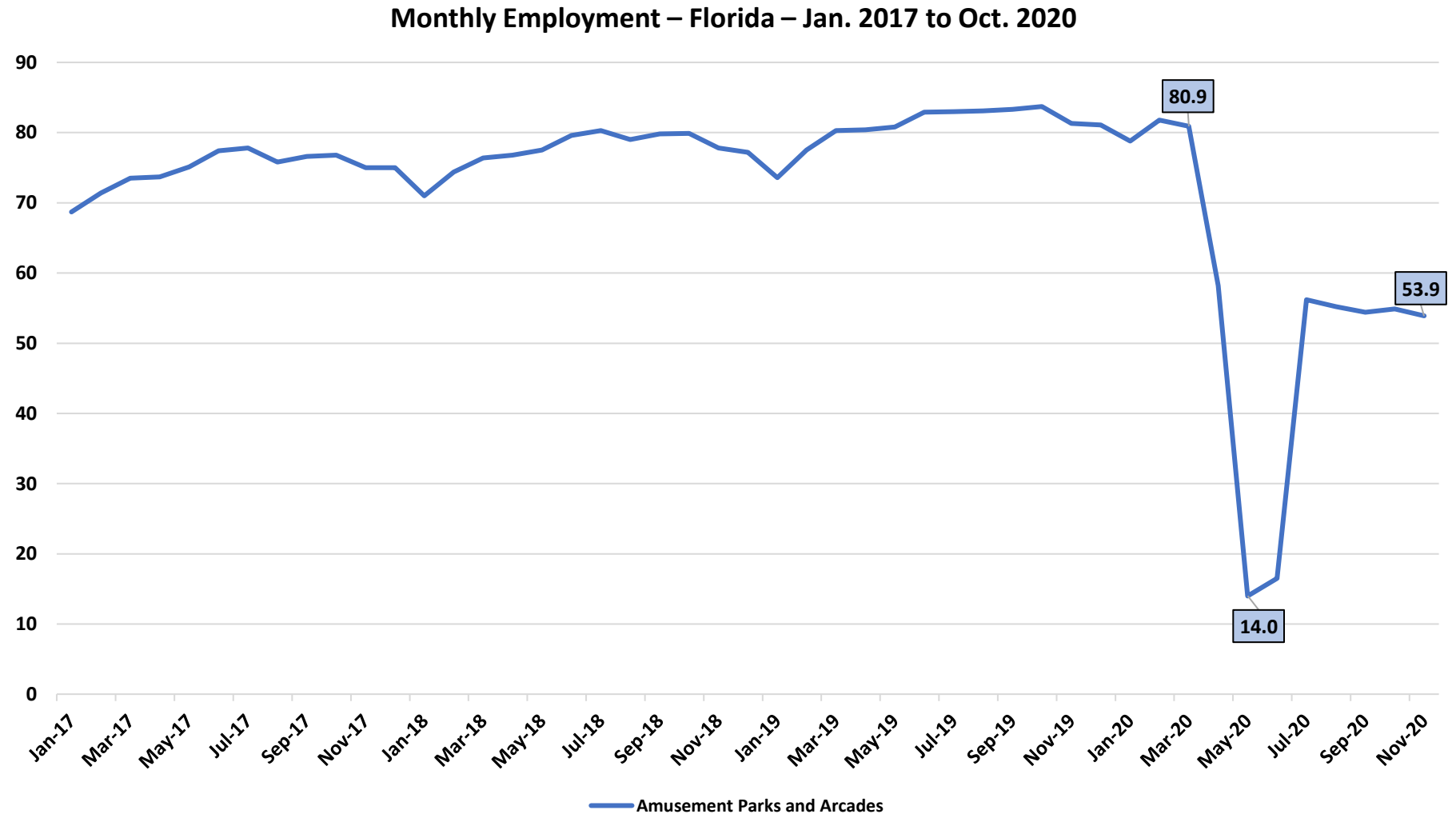
Year-Over-Year Employment Change by Month – California – 2019 to 2020



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

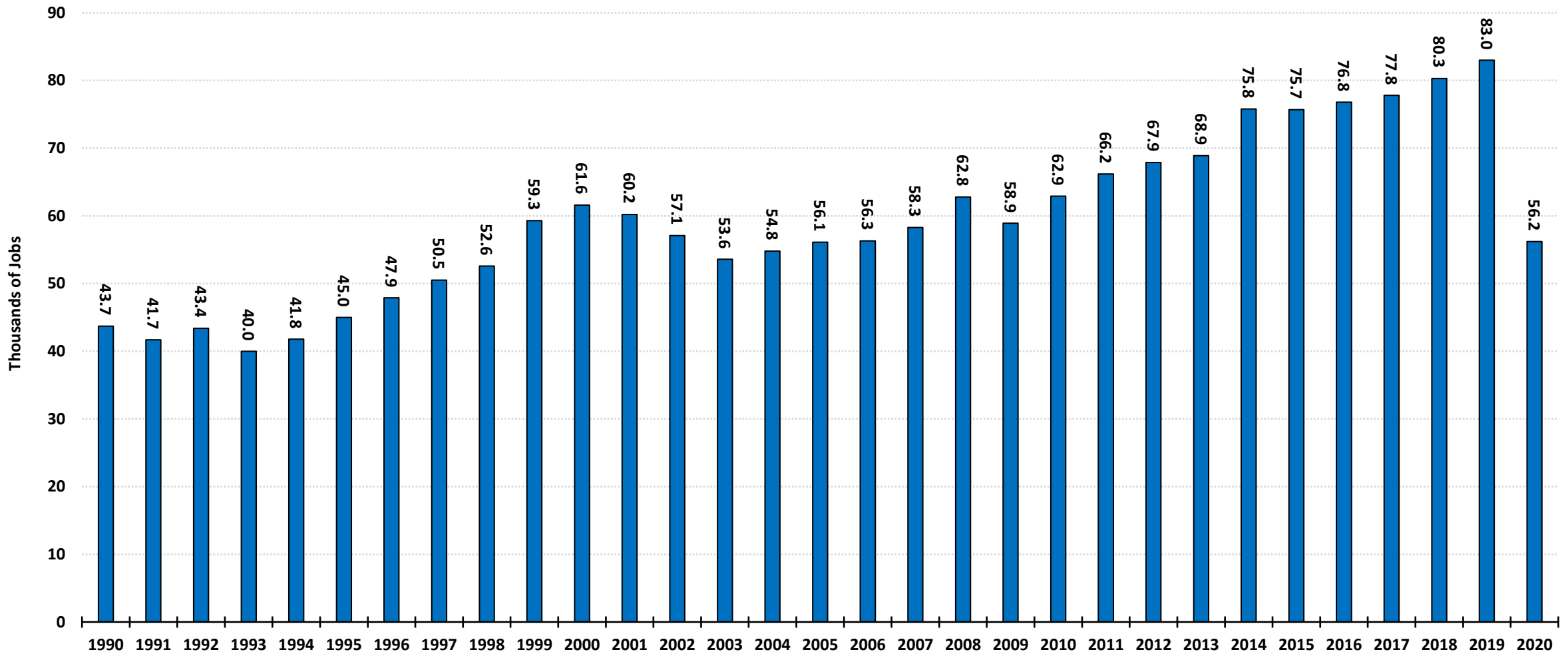
A Rebound in Florida

- After an initial drop of 83% between March and May 2020, employment for Amusement Parks and Arcades in Florida rebounded, as facilities reopened in June and July. As a result, employment stabilized at roughly 70% of its traditional levels through November.



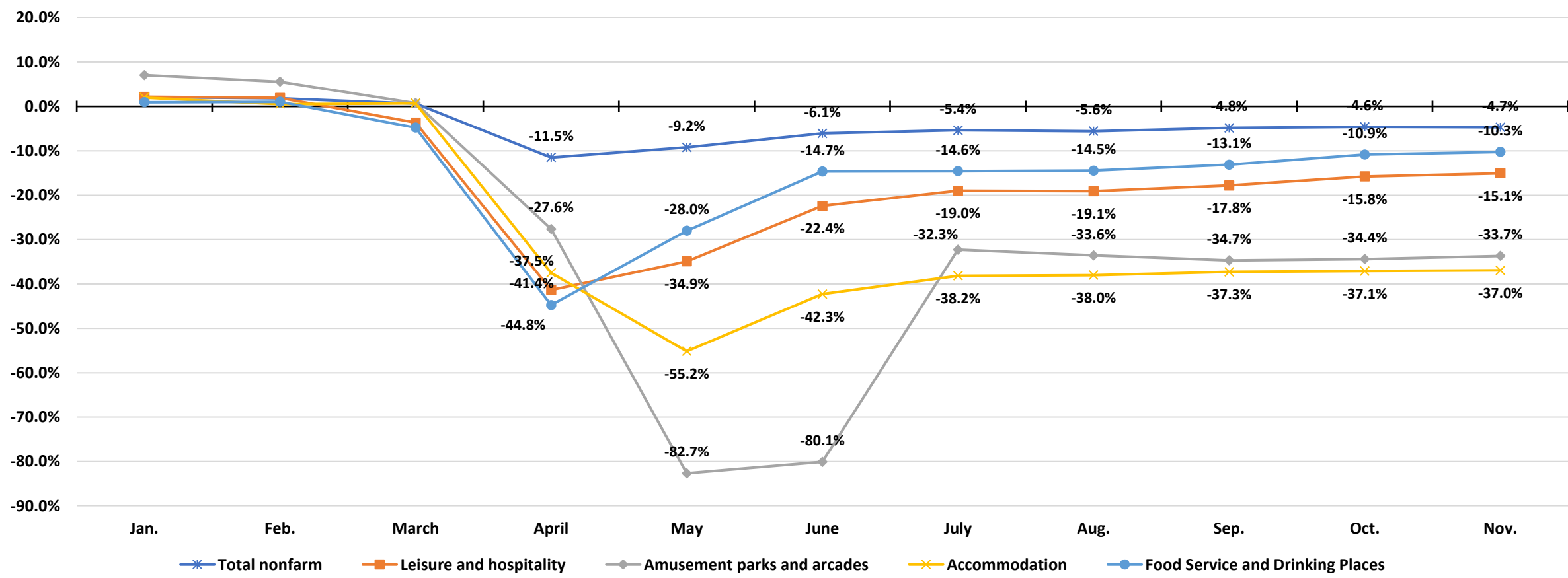
Florida – Amusement Parks and Arcades – Lowest July Employment Since 2005

Amusement Parks and Arcades – Florida – July Employment (000s) – 1990 to 2020



Amusement Parks and Arcades – Outperforming Accommodations in Florida, but Still Lagging the Overall Economy

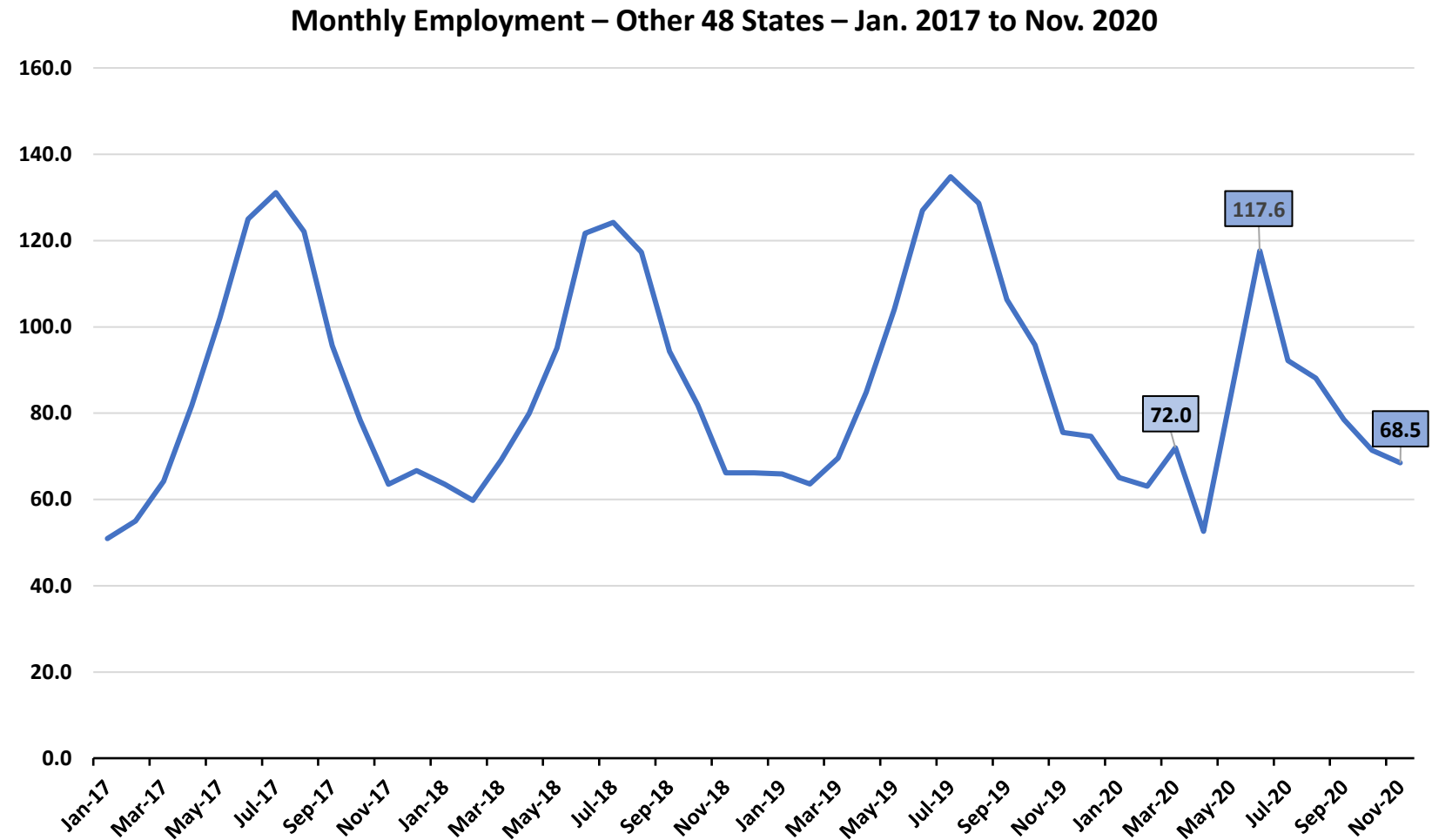
Year-Over-Year Employment Change by Month – Florida – 2019 to 2020



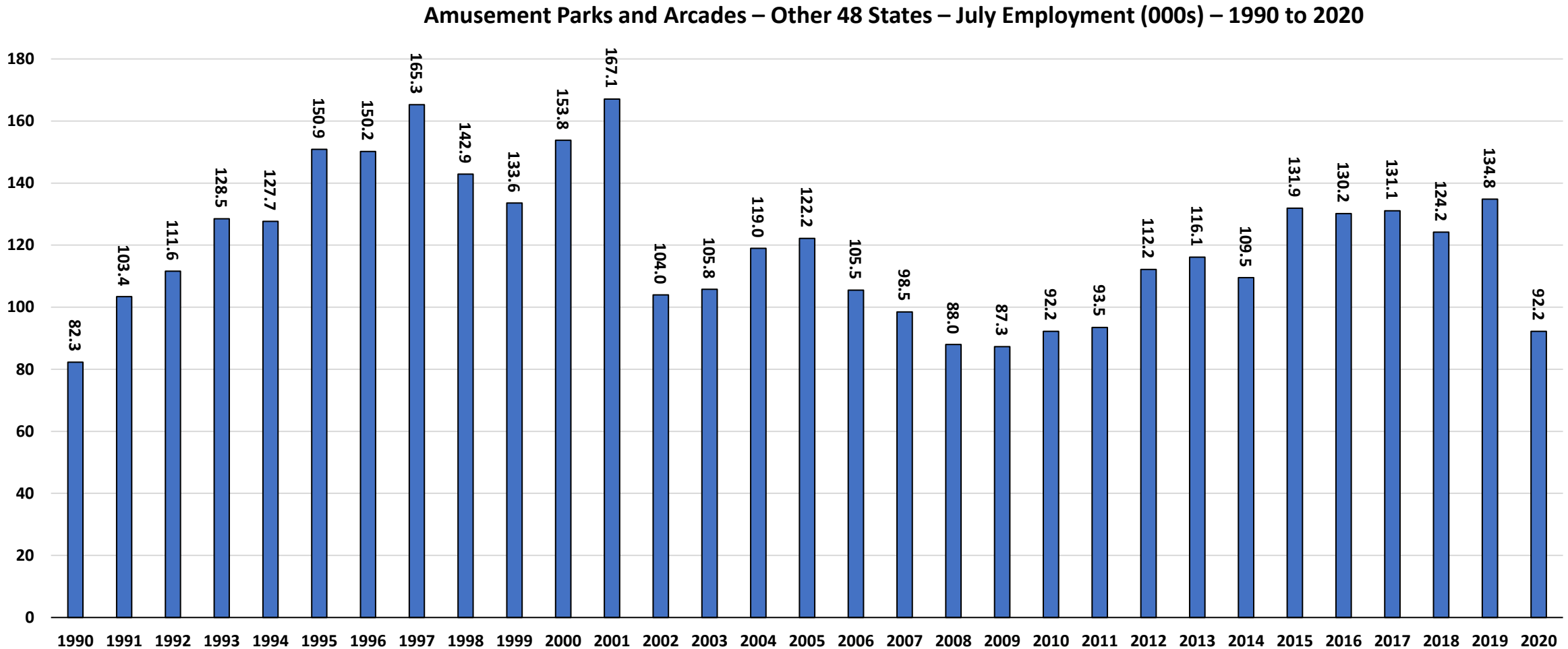
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

Other 48 States – Quick Rebound But A Gradual Decline

- Historically the 48 states outside California and Florida reach peak season employment of around 125,000 to 135,000 each July. In 2020, as they were ramping up seasonal hiring, restrictions were imposed and employment from traditional levels in March (72,000) to 52,600.
- As facilities began to reopen employment quickly increased and hit 117,600, close to historic levels.
- But those numbers quickly dropped as attendance fell short of projections and many attractions scaled back operating hours.

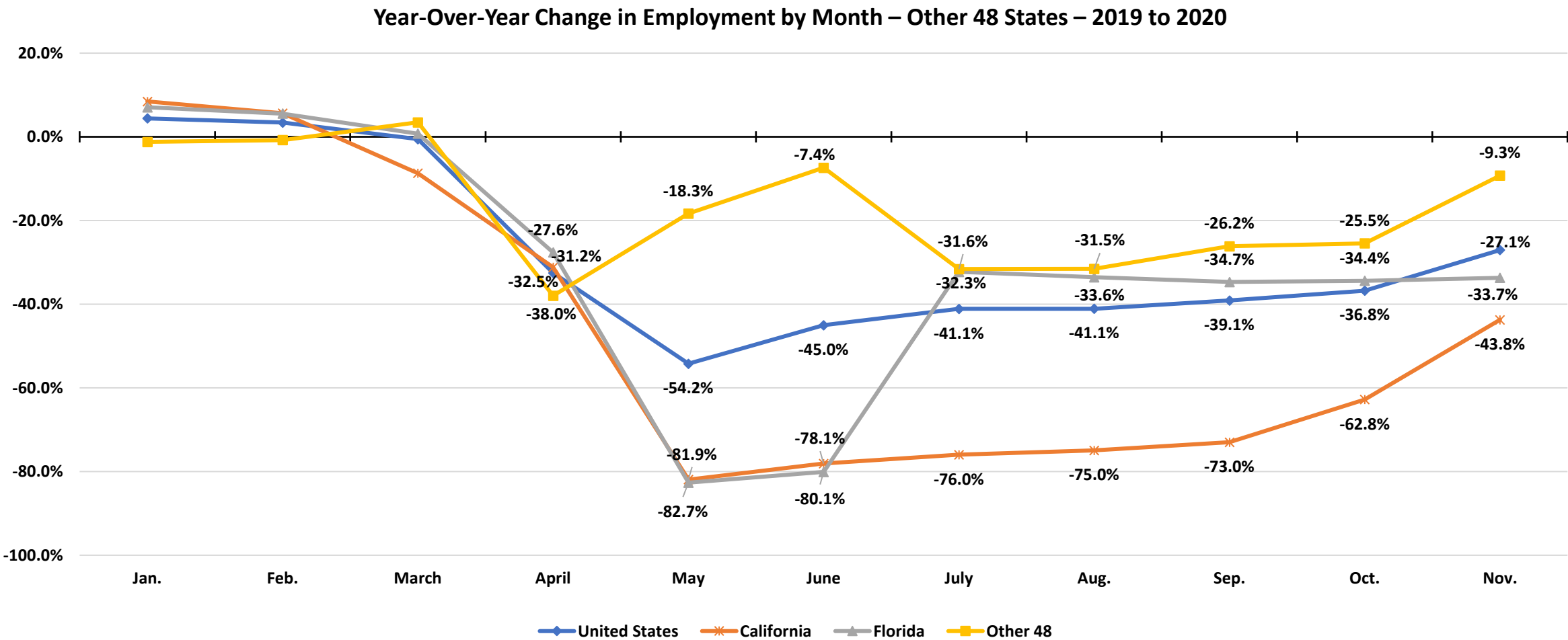


Other 48 States – Lowest July Employment Since 2010



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

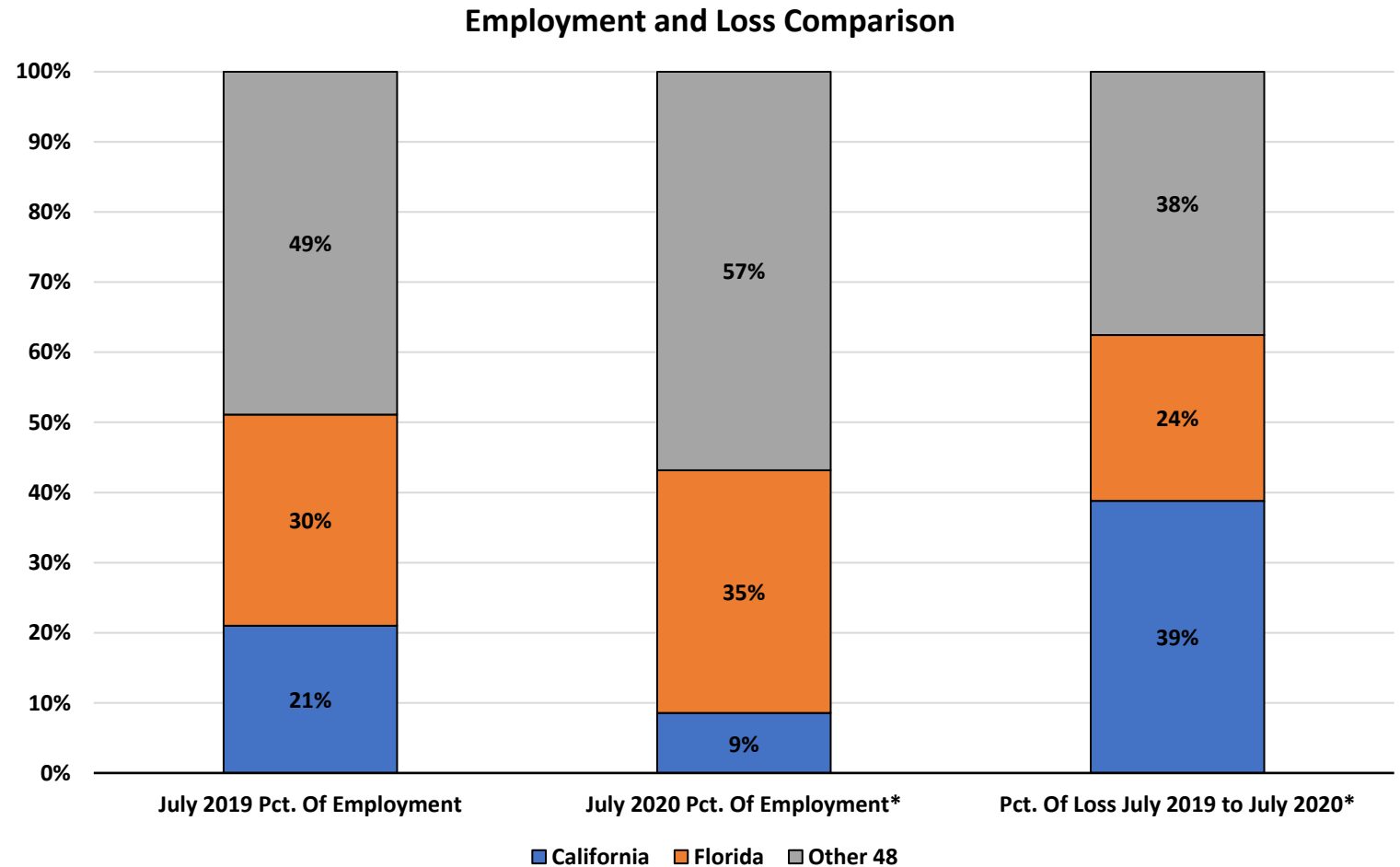
Employment in the Other 48 States Was Not As Severely Impacted As California and Florida



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, compiled January 2021

California is Bearing the Brunt of the Employment Loss

- In July 2019, California and Florida accounted for half of the Amusement Park and Arcade peak month employment. In July 2020, that share had fallen to 44% with all of the share erosion coming from California as its share fell from 21% to 9%.
- Nearly four in ten Amusement Parks and Arcade jobs that were lost between July 2019 and July 2020 were in California. Florida accounted for another 24% of lost jobs.



* Does not sum to 100% due to rounding.