SURVEY RESULTS
Government Relief Measures
June 30 – July 14, 2020
Profile of respondents

489 responses

Accommodations 42%

Non-accommodations 58%
PROFILE OF NON-ACCOMMODATIONS RESPONDENTS

- Attractions, Recreation & Entertainment: 30%
- Tour Operators (local, receptive & inbound): 24%
- Meetings & Conventions: 10%
- Destination Marketing Organizations: 11%
- Transportation: 10%
- Food & Beverage Services: 10%
- Suppliers & Other: 5%
- Destination Marketing Organizations: 11%
PROFILE OF RESPONDENTS

- 42% of all respondents in rural areas
- 58% of all accommodations in rural areas
- 46% of all non-accommodations in major cities
PROFILE OF RESPONDENTS

- 64% of all respondents employ between 1-20 employees (same data for accommodations and non-accommodations)
- 79% of all respondents are small business operators with $5 million or less in annual revenue

- 84% of accommodations are considered small business operators
- 75% of non-accommodations respondents are considered small business operators
82% of all respondents experienced between 61% and 100% revenue decline
REVENUE DECLINE

ACCOMMODATIONS Revenue Decline Over the Last Month (compared to last year)

79% of accommodations experienced between 61 and 100% revenue decline
84% of non-accommodation respondents experienced between 61 and 100% revenue decline.
68% of all respondents say without access to government supported financing, they will be **unable to stay in business**

**The Future – “Out of Business”**

**Accommodations**
- Less than a month: 7%
- 1 Year+: 8%
- 9-12 months: 8%
- 6-9 months: 9%
- 3-6 months: 28%
- 60-90 days: 23%
- 60-90 days: 17%

**Non-Accommodations**
- Less than a month: 4%
- 1 Year+: 8%
- 9-12 months: 11%
- 6-9 months: 13%
- 3-6 months: 16%
- 60-90 days: 19%
- 60-90 days: 29%
3 MONTHS UNTIL CASH RUNS OUT

42% of all respondents will only be able to operate for a maximum of 3 months without government support

47% of ACCOMMODATIONS will only be able to operate a maximum of 3 months without government support

39% of NON-ACCOMMODATIONS will only be able to operate a maximum of 3 months without government support
EMPELOYEES

56% of all respondents have only employed up to 40% of their staff on payroll as compared to the same time last year.

### Accommodations

**% of Staff on Payroll (compared to last year)**

- 81-100%
- 61-80%
- 41-60%
- 21-40%
- 1-20%
- 0%

### Non-Accommodations

**% of Staff on Payroll (compared to last year)**

- 81-100%
- 61-80%
- 41-60%
- 21-40%
- 1-20%
- 0%

0% means business is closed or has not brought back salary staff.
38% of all respondents are **NOT CURRENT** with their rent or mortgage.

The rent relief program (CECRA) is due to end July 31, no further extension has been announced.

Many mortgage deferrals are ending soon.
“Some landlords don't qualify for CECRA or are unwilling to participate. Would like to see an option for funds to be provided directly to tenants. Many programs expire in August, but for tourism and transportation, we will not see any significant recovery prior to 2021.

TRANSPORTATION – VANCOUVER, BRITISH COLUMBIA
RENT & MORTGAGE STATUS

While most Accommodations and Campground / RV Park respondents were current with property taxes – only 50% of other respondents are current with their property taxes including Attractions, Tour Operators and Food Services.
“Loans will only ensure my failure at a later date! My business relies 99% on tourists. At the moment (July 8) we are getting about 2% of our normal business. If my current domestic business quadrupled or even grew by 10x I would still never be able to pay back a loan.”

TOUR OPERATOR – BLUE RIVER, BC
60% of all respondents qualified for and obtained a $40,000 loan under CEBA.

+70% of Food & Beverage Services, Suppliers & Other and Tour Operators were successful in qualifying and obtaining a loan under CEBA. Other tourism subsector success rates were significantly lower:

- 60% Accommodations
- 49% Attractions, Recreation & Entertainment
- 38% Destination Marketing Organization
- 32% Meetings & Conventions
- 46% Transportation
QUALIFYING FOR CEBA FUNDING

While CEBA is a valuable resource, it does not seem to make a discernable difference in the current state of operations for tourism businesses. In fact:

- **74.6%** of those who obtained a CEBA loan can only pay their expenses for a maximum of 6 months – **44.25%** for less than 90 days.

- **72.4%** of these respondents can only pay their expenses for a maximum of 6 months – **46.55%** for less than 90 days.

Liquidity is still a major issue for all businesses with ongoing government support.
“The challenges are not solely whether there is available funding, but whether we have the customers to support our tour operation. Without tourism, we can't sustain our business and the debt that will occur if we don't have the customers!”

**FOOD & BEVERAGE SERVICES — MURRAY RIVER, PEI**
“Our Credit Union won't submit anymore applications to BCAP as all previous ones were rejected. We're desperately looking for financial assistance but can't seem to get anywhere.”

ACCOMMODATIONS— RUSSELL, MB
45% of all respondents have applied for a loan through BCAP
BCAP — ACCEPTED, DENIED & STILL WAITING

Of the 45% that applied, the majority of respondents who responded ‘waiting’ have been doing so over 30 days.

- **Accepted**: 12.5%
  - 16% Accommodations
  - 10% Non-Accommodations

- **Waiting**: 38%
  - 33% Accommodations
  - 43% Non-Accommodations

- **Denied**: 43%
  - 44% Accommodations
  - 41% Non-Accommodations
BCAP – NOT WORKING AS INTENDED

• **50%** of operators waited up to 3 months to learn about their loan
• **21%** of respondents sought non-government financial assistance due to better terms; easier process and existing relationship with lender
• **44%** of respondents who sought out non-government financial assistance were successful in obtaining non-government funding
“Our Borders are closed to the rest of Canada until there is a vaccine! The relief northern fund is set to be terminated July 31st. With only the local population of Yellowknife to market, there is not enough demand to survive. We need our borders open to the rest of Canada to make it a go. We need the relief fund to be extended ASAP for a longer period of time.”

TOURISM OPERATOR – YELLOWKNIFE, NORTHWEST TERRITORIES
“The recent performance of our company (owing to 2017 wildfire) and the fact that we rely on international visitors – the bank thinks we're not going to make it with these uncertainties, therefore not worth a loan.”

ACCOMMODATIONS – THOMPSON-NICOLA E, BC
Canada Emergency Wage Subsidy (CEWS)

61% of all respondents are using the CEWS Program

Breakdown by sub-sector:
- 61% Accommodations
- 59% Attractions, Recreation & Entertainment
- 78% Destination Marketing Organization
- 79% Food & Beverage Services
- 56% Meetings & Conventions
- 68% Supplier & Others
- 54% Tour Operators (local, receptive & inbound)
- 69% Transportation
“The government funding seems to be skewed towards corporations that have payroll accounts and business bank accounts - they seem to be ignoring the smaller mom & pop seasonal businesses that support local hiring and local businesses.”

ACCOMMODATIONS – TICHBORNE, ONTARIO
“Because we were in the tourism industry, the bank did not extend financing as they said tourism was the hardest hit.”

ACCOMMODATIONS – ST. JOHN’S, NL
Regional Development Agency (RDA) Relief Programs (RRRF & Community Futures)

Only 32% respondents attempted to access funding support through their RDA.

34% Successful
34% Denied
32% Awaiting

Percentage of denials by region:
- 27% – WD (MB/SK/AB/BC)
- 29% – FedDev Ontario & FedNor (ON)
- 25% – CED (QC)
- 19% – ACOA (NB/NS/NFLD/PEI)
- 0% – CanNor (NU/NT/YT)
RDA RELIEF PROGRAM — REASON FOR DENIAL

- “Not combinable with federal assistance”
- “Was told nothing was available”
- “Must be on a coop request basis”
- “No programs to provide financial support to businesses wanting to move operations online, no grant support to SMEs in BC.”
THANK YOU TO ALL WHO PARTICIPATED

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TIAC/AITC