

# Indiana Leisure & Travel-Related Sector Index: COVID-19 Recovery

Indiana COVID-19 LT-R Sector Index: Wave # 7



ROCKPORT  
ANALYTICS

**INDIANA**  
*Est. 1816*



## **About the Indiana Destination Development Corporation (IDDC):**

The mission of the Indiana Destination Development Corporation (IDDC) is to promote, brand, and tell Indiana's authentic story to attract and retain talent, students, business, and visitors. This quasi-government agency was established in July 2020 and replaced the Indiana Office of Tourism Development.

## **About the Study**

On behalf of the IDDC, Rockport Analytics has constructed a composite index of several high frequency indicators that speak to the direction and pace of recovery in Indiana's leisure and travel-related sectors. One aspect of the Index included the development and deployment of two surveys to gather valuable insight regarding how Indiana residents and businesses have been impacted by the Covid-19 pandemic. These first series of surveys were administered online in five weekly waves from May 5 to June 5 in 2020 and then two additional surveys were fielded, one during the last week of November 2020 and then one in late April/early May 2021.

The study was intended to achieve the following objectives.

1. To track the progression of the pandemic as Indiana searches for a bottom and begins to recover.
2. Understand how LT-R businesses in Indiana have been impacted by the pandemic and what their main concerns are as they move to reopen their establishments to the public.
3. Understand how Indiana residents have been impacted by the pandemic and what their sentiment is toward travel and other leisure and hospitality activities.

## Business Survey Methodology

For the first five weeks of this research study, a weekly Business Sentiment Survey was sent to a compiled list of Indiana LTR business owners/managers. The list contained around 3,700 Indiana restaurant, retail, accommodation, arts & entertainment, and transportation businesses. The questions covered several COVID-19-related topics including financial impact, viability, stimulus receipt, reopening, and future expectations. Data from these businesses were collected in five weekly waves through online surveys administered between May 5 & June 5, 2020. Results from this analysis are based on responses from 987 completed surveys. The survey margin of error was +/- 3.1%.

	Wave 1: 5/5-5/8	Wave 2: 5/12-5/15	Wave 3: 5/19-5/22	Wave 4: 5/26-5/29	Wave 5: 6/2-6/5
Sample Size	235	174	190	207	181

## Consumer Survey Methodology

The online weekly Consumer Sentiment Survey was sent to a representative sample of Indiana residents asking a battery of questions about how COVID-19 has affected their lives. Respondents were asked for their opinions on safety, restrictions, employment status, stimulus, and reopening. These questions were set up to allow for monitoring of trends, a few of which are directly included in the Indiana COVID-19 LTR Sector Index. Data from residents were collected through a series of online surveys administered between May 5<sup>th</sup>, 2020 and June 5<sup>th</sup>, 2020. There were then two later waves, one conducted from November 19<sup>th</sup> to the 30<sup>th</sup>, 2020 and then the last wave conducted from April 27<sup>th</sup> to May 10<sup>th</sup>, 2021. Results from this analysis are based on responses from 2,443 completed surveys. The survey margin of error was +/- 1.99%.

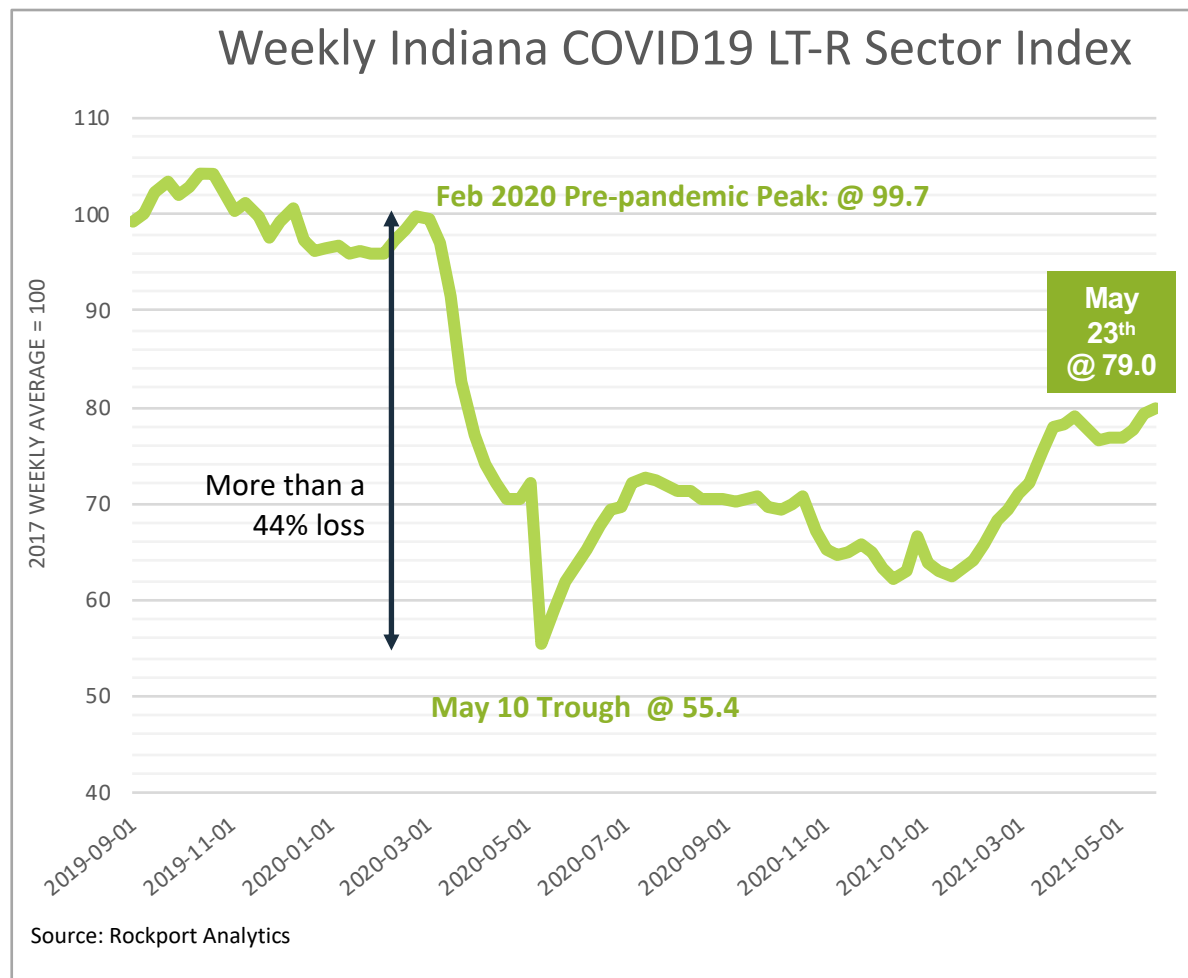
One challenge with online surveys is collecting a sample that is representative of the population and does not include bias by underrepresenting or overrepresenting certain population subgroups. To account for bias, we (1) set quotas on key demographic groups and (2) we applied post-stratification frequency weights based on census-reported demographic parameters for Indiana.

	Wave 1: 5/5-5/8	Wave 2: 5/12-5/15	Wave 3: 5/19-5/22	Wave 4: 5/26-5/29	Wave 5: 6/2-6/5	Wave 6: 11/19-11/30	Wave 7: 4/27-5/10
Sample Size	352	349	348	350	342	362	340

# IN COVID-19 LTR Composite Index Reaches 79. Best Showing Since Late March 2020

*In order to provide additional insight into the pace of Indiana's COVID-19 economic recovery, Rockport Analytics has constructed a composite index of several high frequency indicators that track the direction and pace of Indiana's Leisure & Travel-Related (LT-R) industries.*

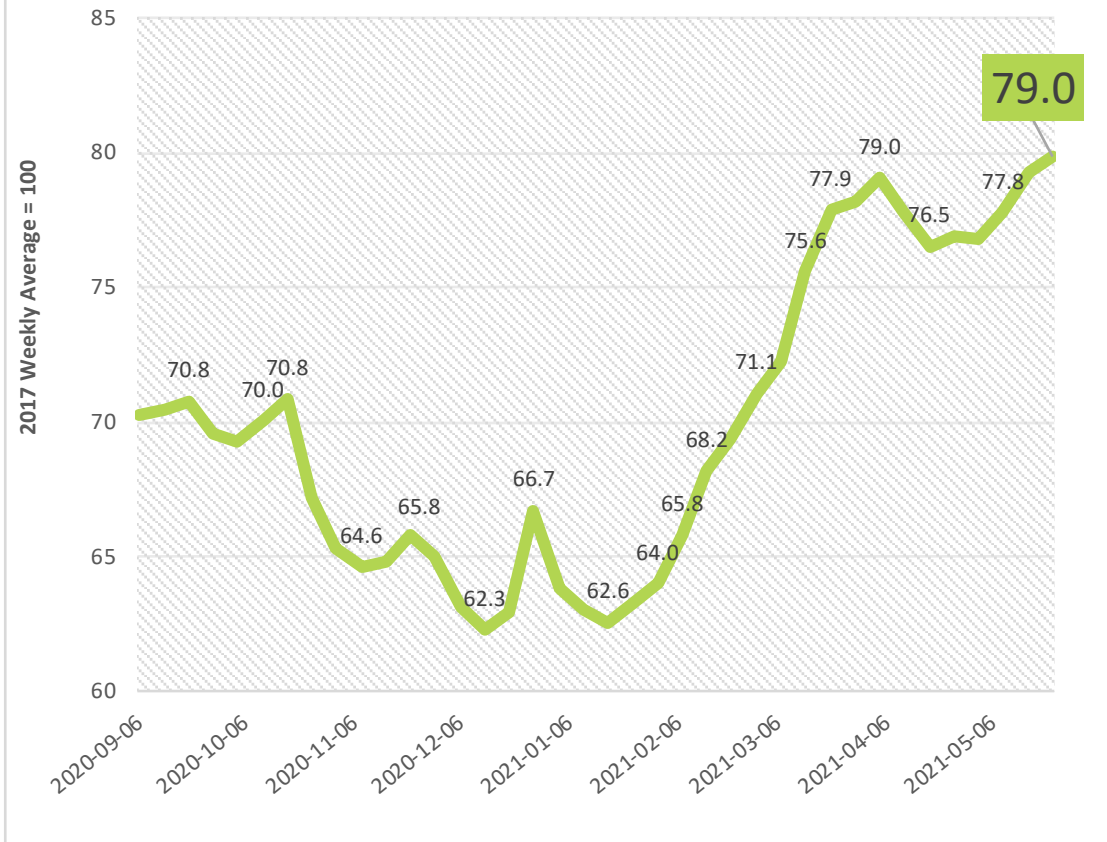
- The IN COVID-19 LTR Composite Index is a weighted combination of **high-frequency travel, epidemiology, labor stress, business strain, and consumer sentiment indicators**.
- **As of May 23<sup>rd</sup>, the Index stands at 79.0.** This is relative to average weekly values for 2017, a period designated as “normal” and set to 100. The LT-R sector is currently operating at slightly less than 80% of pre-pandemic normal.
- **The index had experienced a loss of more than 44% from its peak in Feb 2020 to a trough during the week of May 10<sup>th</sup>** that same year. The recovery began with a nice bounce-back but stalled in late July and trended downward through mid-January of this year.
- **A steeper recovery ensued with a slight hiccup in early April. More recent outtakes have been back on track, however.** The components most responsible for May's improved performance are the Covid mortality rate and travel disruption. Labor/Job Stress and Consumer Sentiment have risen less robustly during that period.



# Indiana's Leisure & Travel-Related Sector Back to 80% of Pre-pandemic Normal

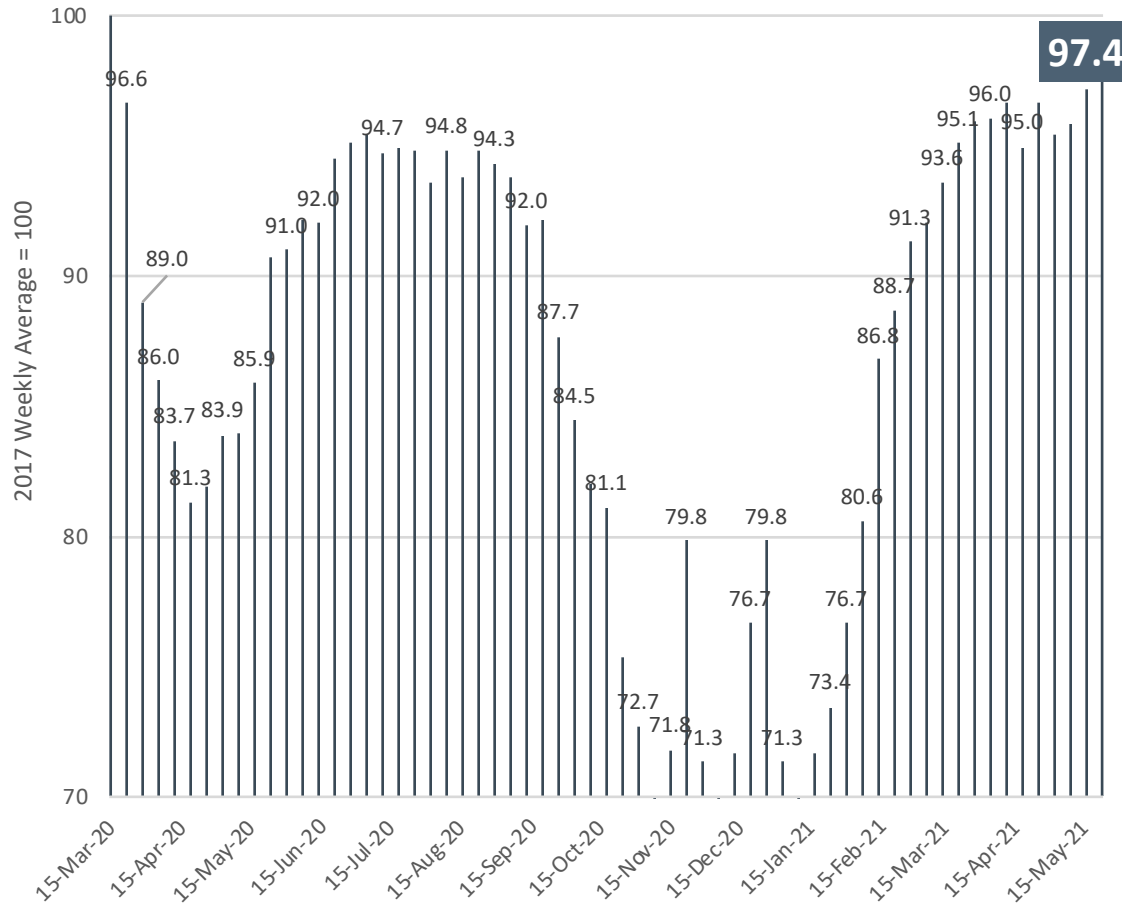
- **As of May 23<sup>rd</sup>, the Index stands at 79.** This is relative to average weekly values for 2017, a period designated as “normal” and set to 100.
- Unfortunately, the travel disruption, epidemiology, and labor stress components all retrenched during the 4<sup>th</sup> quarter of last year and into the latter part of January. The result was an overall Index of just 62.6 at Jan 17<sup>th</sup>.
- Since that time things have improved markedly. All components showed a steady rise through early April, at which time the travel disruption component fell back slightly and the overall Index gave back 2.5 basis points.
- May 2021 registered gains in all components pushing the Index up to nearly 80 ending the week of the 23<sup>rd</sup>. Essentially, IN's LT-R sector is back to 80% of normal.

**Sharper Improvement in the Index Began in Late January 2021**



# IN LT-R Sector COVID-19 Index: Epidemiology Component

Indiana COVID19 Epidemiology Component Index

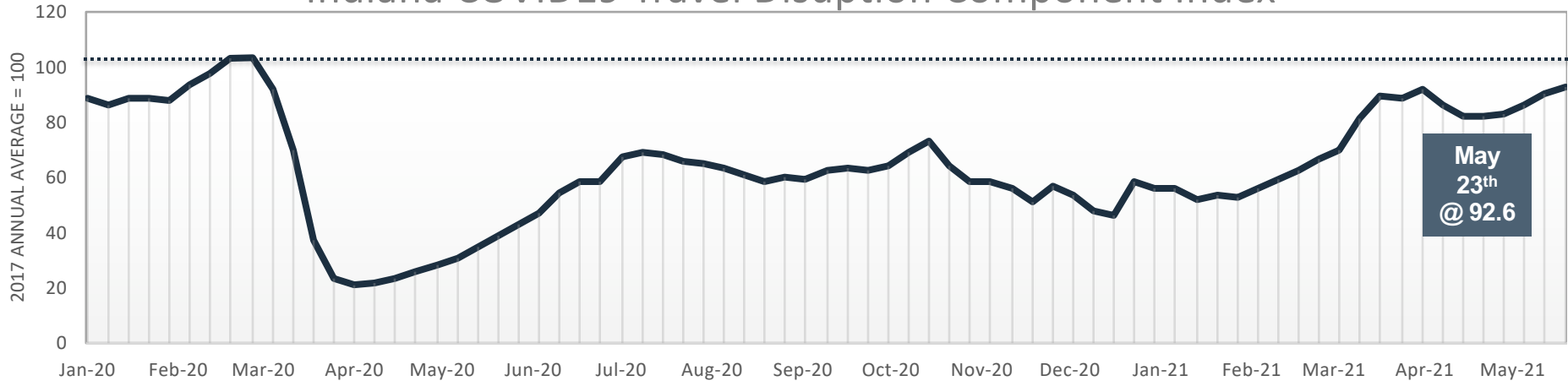


Source: Indiana State Department of Health, Rockport Analytics

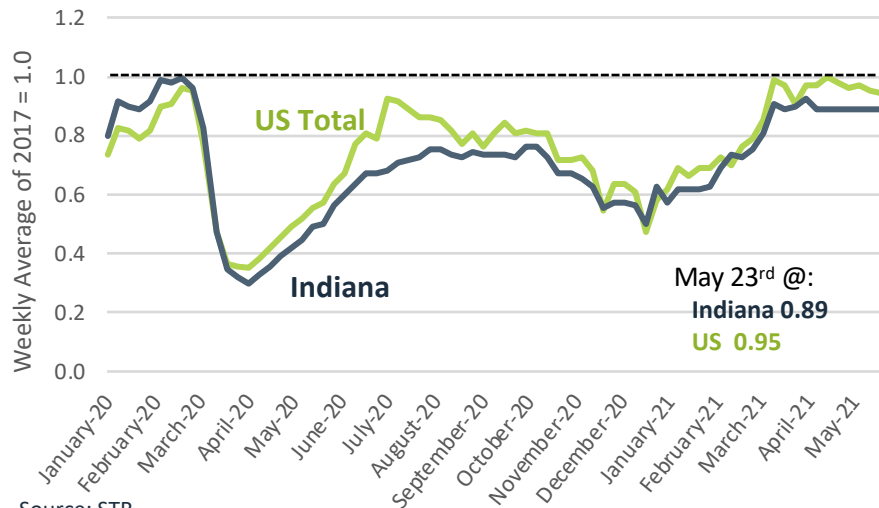
- Rockport examined several COVID-19 case and mortality variables for inclusion in the composite index. The Indiana mortality rate was ultimately chosen over the case numbers due to the impact of increased testing efforts across the state. The concern was that rising case numbers would be reflective of better testing, not just true incidence.
- Rockport has revised the calculation of this component to focus more on changes in mortality versus total COVID-19 deaths. **This component index has also been inverted** since rising deaths are a negative factor.
- At 97.4 for the week of May 23<sup>rd</sup>, the Indiana overall mortality rate has nearly returned to “normal”, meaning a weekly rate in line with pre-pandemic (2017) averages.**
- For the week of May 23<sup>rd</sup>, COVID-19 cases reached only 4,815. Deaths fell to 33 from a weekly high of 559 during the week of December 12<sup>th</sup>, 2020.**

# Travel Activity Nearly Back to Normal

## Indiana COVID19 Travel Disruption Component Index

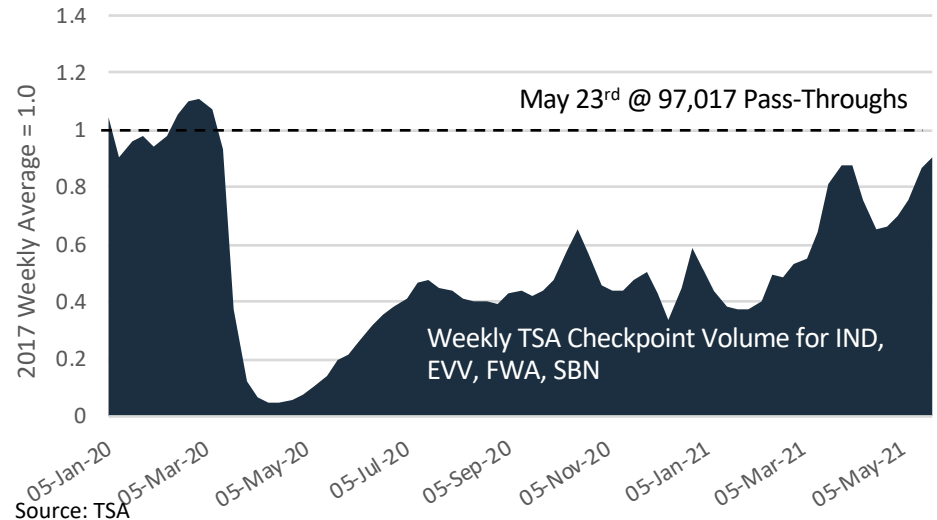


## Weekly Hotel Room Demand Comparison



Source: STR

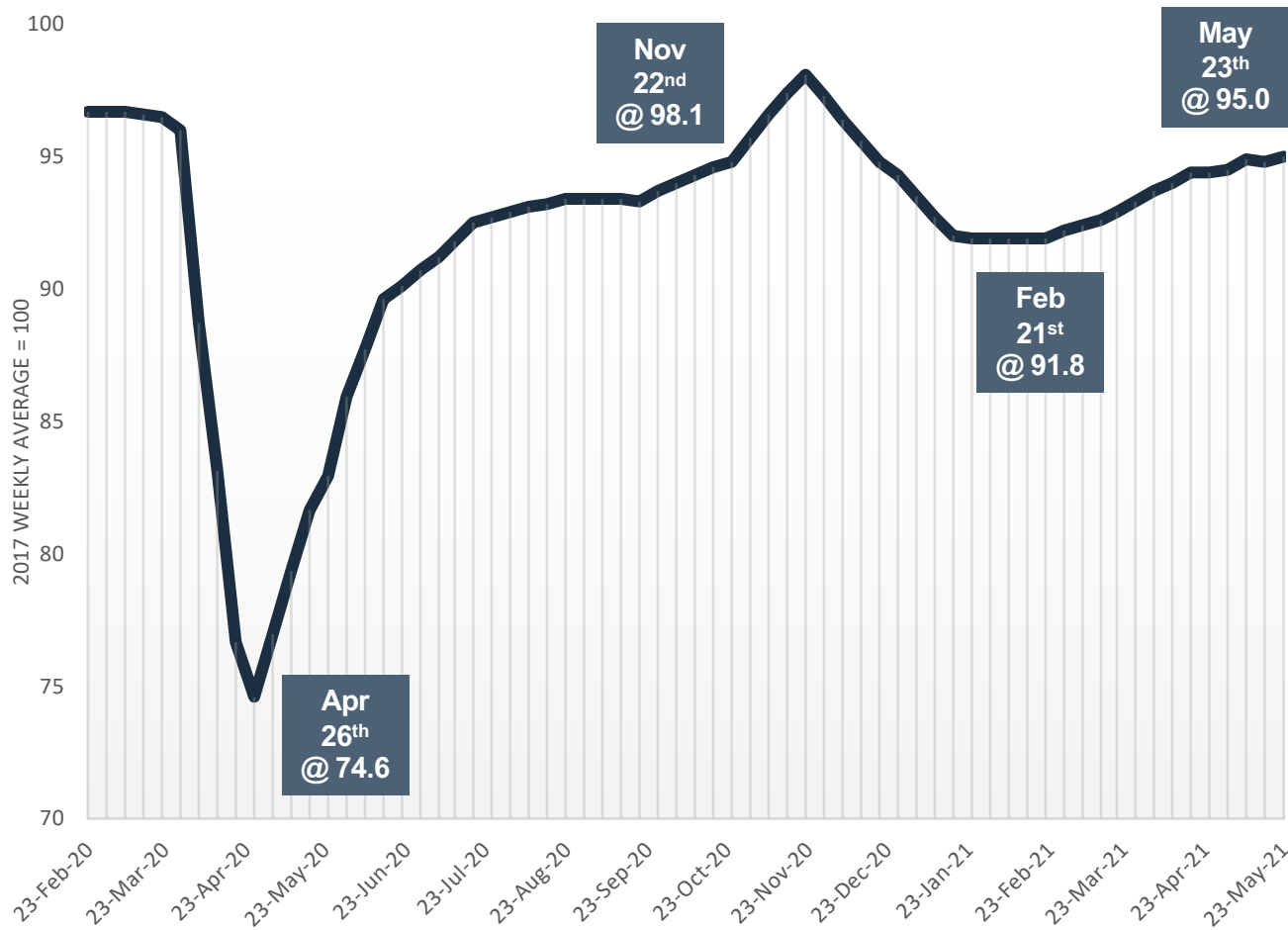
## TSA Throughput Approaching Pre-pandemic Levels



Source: TSA

# IN LT-R Sector COVID-19 Index: Labor Stress Component

Indiana COVID19 Labor Stress Component Index



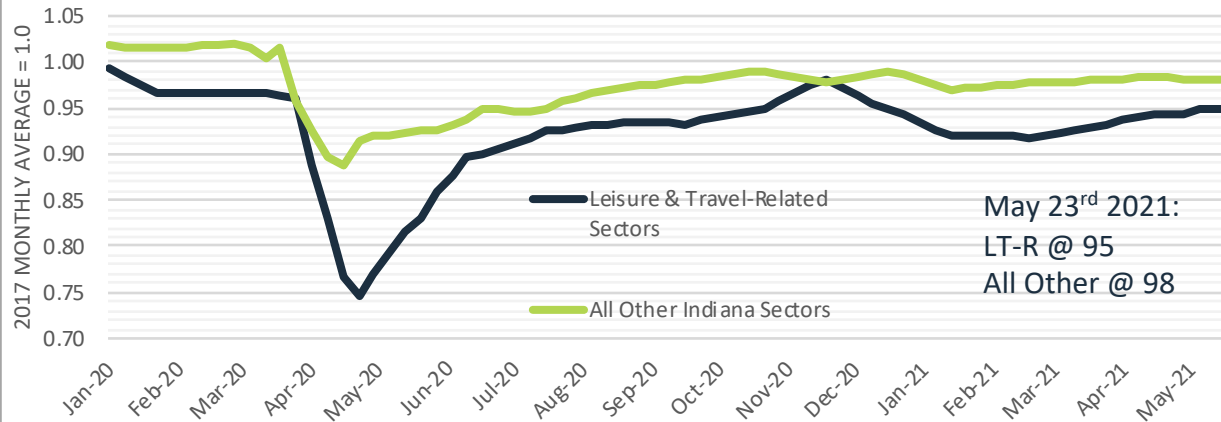
Source: Rockport Analytics

- **The Labor Stress Component Index value reached 95 on May 23<sup>rd</sup>,** up 20 points since the COVID trough of 74.6 in late April 2020. This can be interpreted as a return to 95% of the average for all of 2017, a period considered “normal” and set to 100.
- **After reaching 98.1 last November, the index again lost ground** through late February on weaker jobs and stubborn unemployment claims performance.
- The Leisure & Travel-Related Labor Market Stress Component Index is a combination of IN LT-R sector employment levels and IN weekly LT-R Unemployment Insurance Claims.



# Getting Closer: IN LT-R Labor Market Nearly Back to Pre-pandemic Normals

## Indiana LT-R Pandemic Job Performance



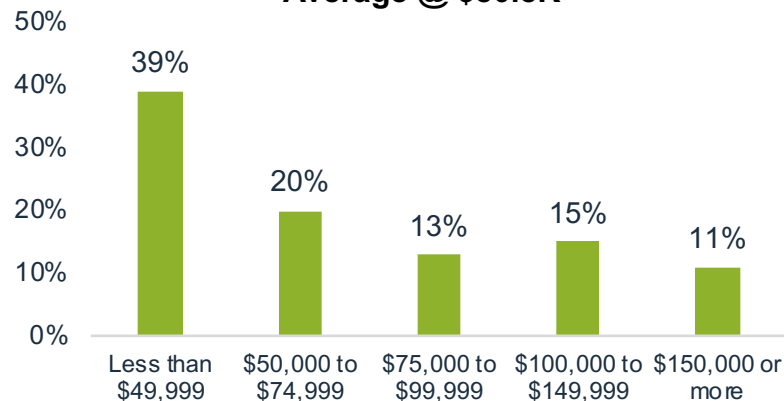
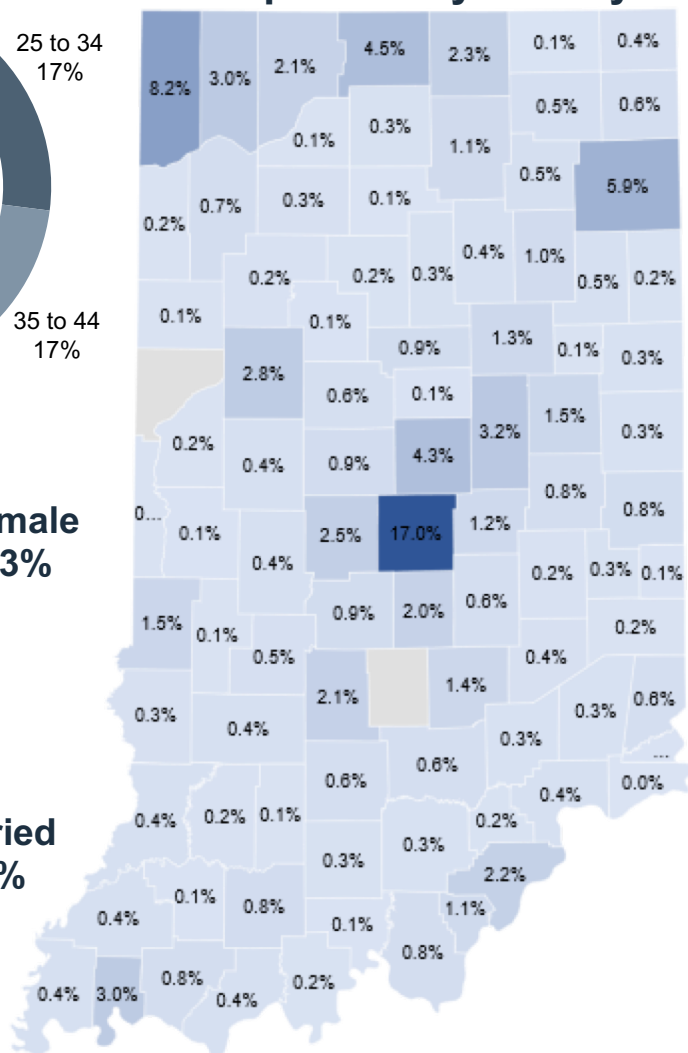
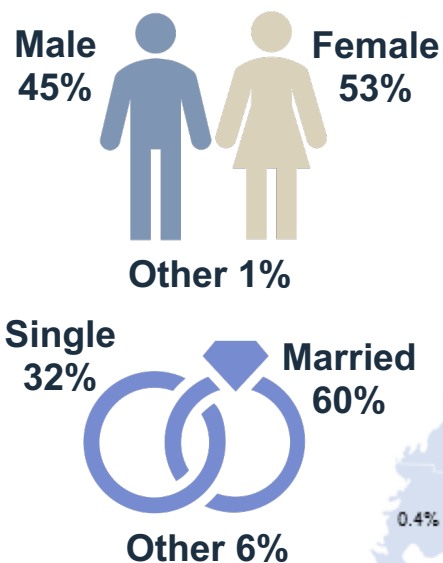
Source: Indiana Dept. of Labor, Rockport Analytics

## Indiana LT-R Sector Continuing Weekly

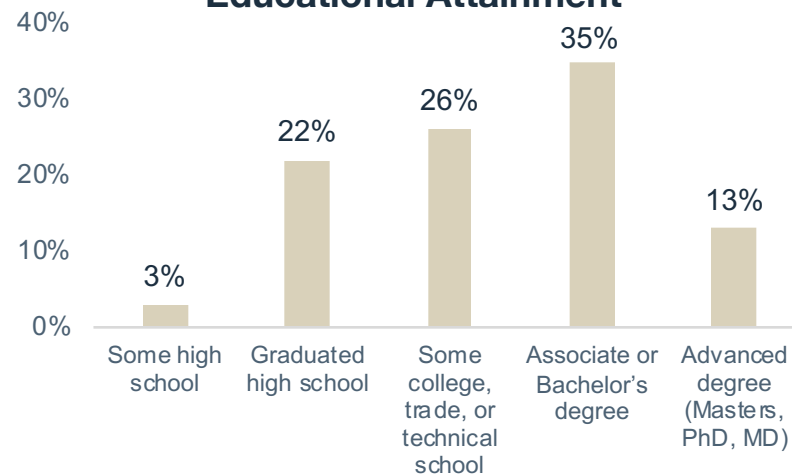


Source: Indiana Dept. of Labor, Rockport Analytics

- **Indiana Leisure & Travel-Related Jobs** reached an estimated **746,000** on **May 23<sup>rd</sup>** (last reported monthly value @ 744,000 on April 17<sup>th</sup>). This is 95% of pre-pandemic normal.
- **Most of the LT-R jobs gains** since the pandemic trough (Apr 2020) have been in **Accommodations & Food (+78,100)** and **Retail (+39,300)**.
- Other IN sectors have recovered more quickly but still remain slightly below pre-pandemic normal (98%).
- **As of May 15th, slightly more than 58,000 Hoosiers** were collecting **unemployment benefits**, of which **8,400** were **LT-R workers** (14.4%). The long-term average for LT-R Claims is about 8,600 per week.



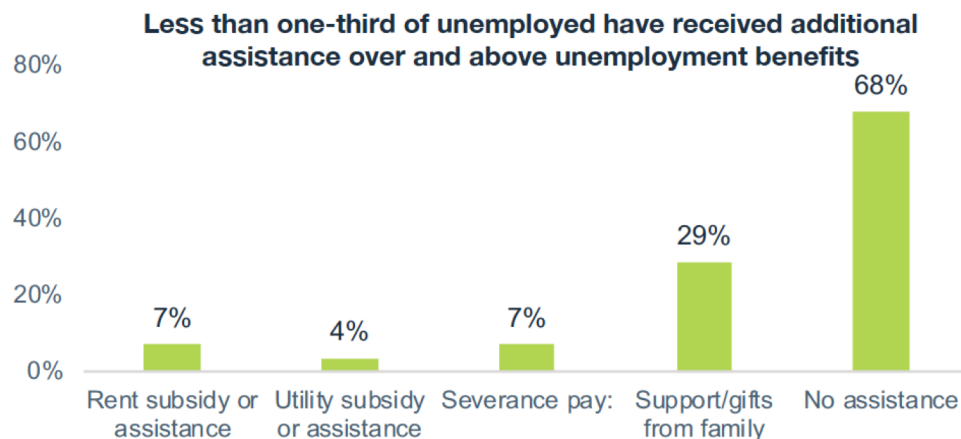
## Educational Attainment



Q: What is your highest level of educational attainment?

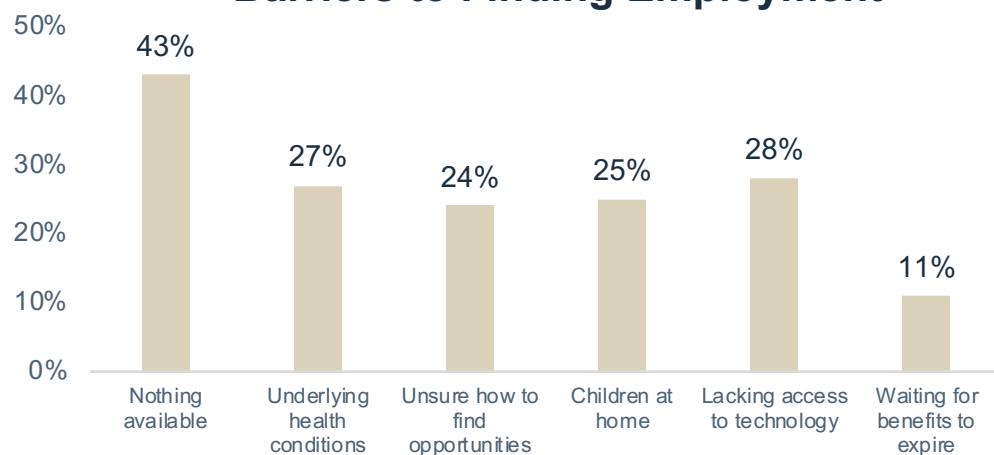
## COVID Employment Impact: By the Numbers

- Since the start of the pandemic, **22% of Hoosiers** reported being laid off or furloughed
- **49%** of those who lost their jobs or had been furloughed **are back to work**
- **28%** of those who lost their jobs **were laid off for less than one month**
- **43%** of those who lost their jobs **have been unemployed for 3 months or more**
- **About 49%** of unemployed Hoosiers have filed for unemployment benefits



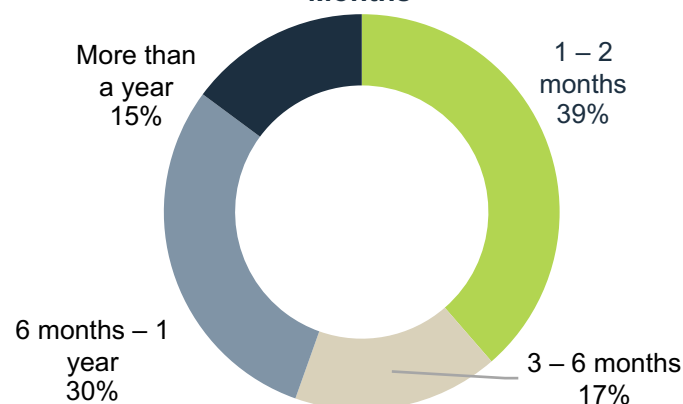
Q: What other financial assistance have you received? (select all that apply)

## Barriers to Finding Employment



Q: If you have had difficulty in finding a job, what are the barriers you have encountered? (select all that apply)

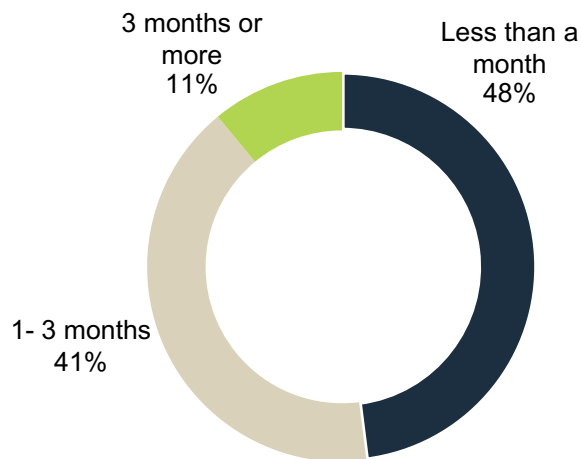
## 56% Of Unemployed Hoosiers Expect to Find a Job or Be Rehired Within 6 Months



Q: How long do you expect it will be before you can find a new job or be rehired?

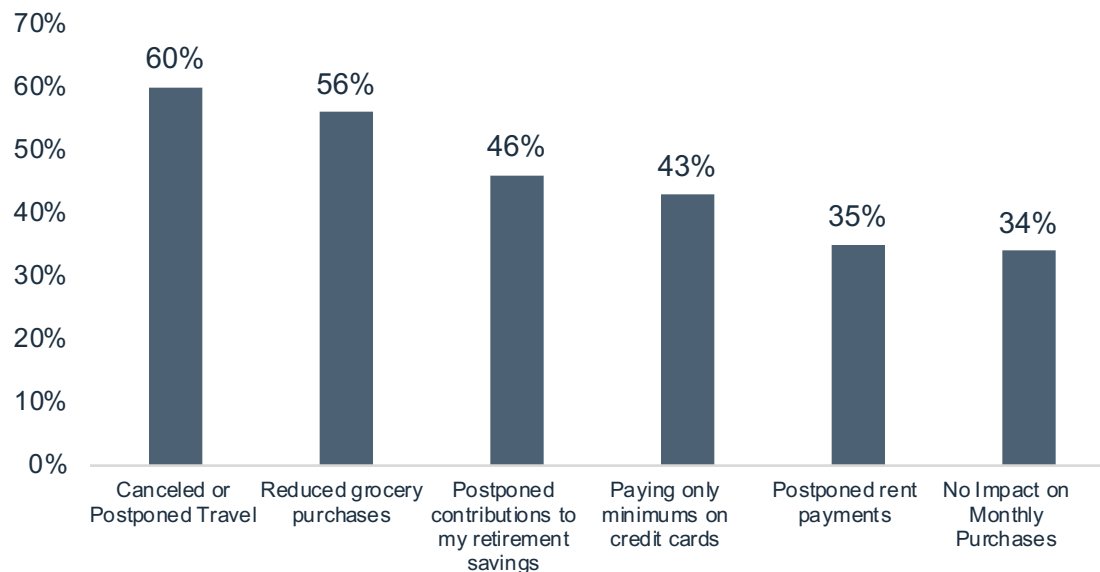
# Unemployment Impacts on Resident Quality of Life

## 89% of Unemployed Households Can Maintain for a Maximum of 3 Months



*Q: Between unemployment insurance benefits, any stimulus monies received and household savings, how long can your household maintain without returning to work?*

## How has your normal monthly budget been impacted?






*Q: If you have experienced a COVID-19-related layoff or reduction in hours, how has your normal monthly budget been impacted? (select all that apply)*

- Nearly half of unemployed respondents reported that they could only maintain less than a month before returning to work with another 41% reporting that they can maintain 1 – 3 months.
- We asked respondents that have experienced a COVID-19 layoff how they have had to modify their monthly budgets. Over one-third have had difficulty paying rent and 43% have resorted to paying only paying their monthly minimums on their credit cards. Nearly half have (46%) postponed retired contributions and over half (56%) have had to reduce their spending on grocery items. These proportions are all up significantly from last wave (November 2020).



# Consumer Sentiment: Expectations Regarding Household Economic Activity After the Pandemic

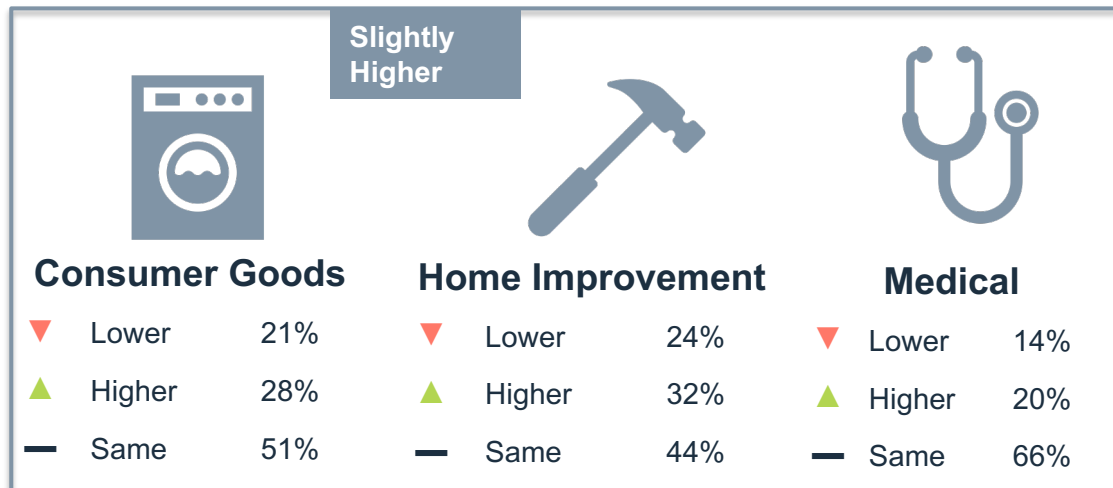
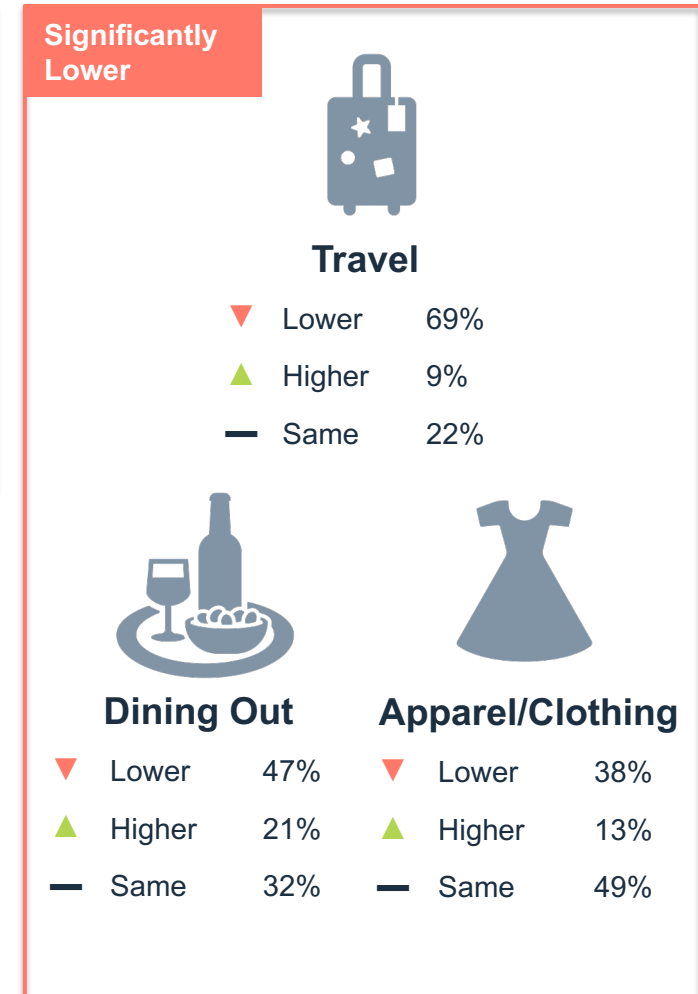
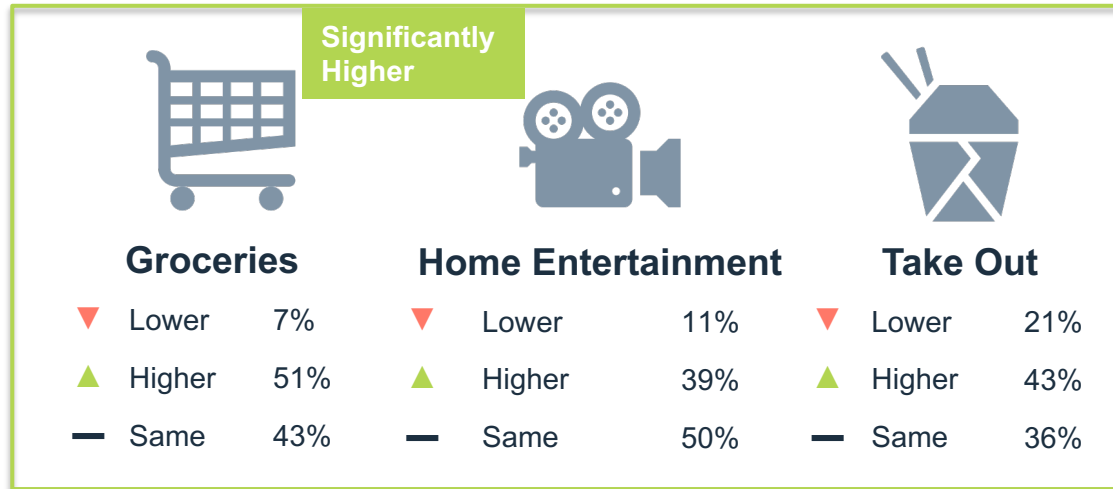
**Compared to before Covid-19, how do you anticipate the following will change after the pandemic?**

		Lower	Higher	About the same	Higher/Lower Net Difference	<u>Wave 7</u> Change in Expectations
Household Income	Wave 6 (Nov 2020)	23%	15%	62%	-8%	 +5%
	Wave 7 (May 2021)	19%	16%	65%	-3%	
Household Expenditures	Wave 6 (Nov 2020)	16%	25%	59%	+9%	 +16%
	Wave 7 (May 2021)	11%	36%	53%	+25%	
Household Savings	Wave 6 (Nov 2020)	35%	14%	51%	-21%	 +17%
	Wave 7 (May 2021)	24%	20%	57%	-4%	

- Wave 7 results show that 81% of Indiana residents feel their household income levels will be about the same or higher following the pandemic. There was a 5-point improvement in the net difference between those expecting higher incomes and those expecting lower income from the survey conducted in June.
- Responses from the latest survey show that 89% of Hoosiers expect spending levels to be the same or higher following the pandemic compared to 84% in November. The net difference between those expecting to spend more and those expecting to spend less rose by 16 points over the last 6 months.
- There was also a significant improvement in savings expectations. While there are still more Hoosiers who expect to have lower savings following the pandemic than there are those who expect to have higher savings, the net difference between the two groups improved by 17 points since the last wave.

# Shifting Spending Patterns: Household Purchasing Activity During the Pandemic

During the pandemic, my spending on the following items has been?



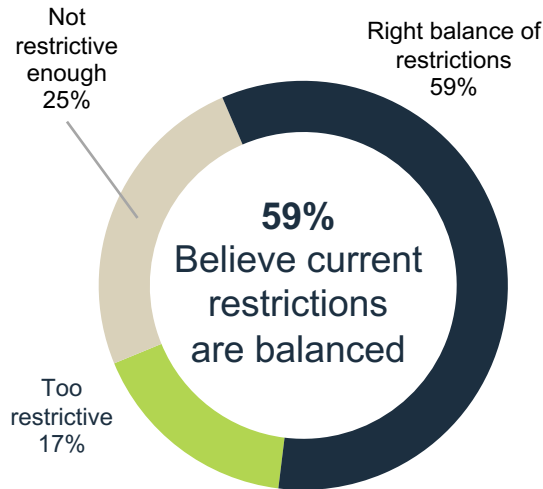
# Consumer Sentiment: Expectations Regarding Future Expenditure More Optimistic

## How do you anticipate your household spending will change on the following items after the pandemic?

	Percentage Expecting to Spend <b>About the Same</b> or <b>More</b> on Various Goods & Services		
	Wave 5 (June 2020)	Wave 6 (November 2020)	Wave 7 (May 2021)
Medical care	85%	84%	89%
Groceries	78%	82%	84%
Consumer electronics	71%	79%	82%
Apparel	65%	78%	86%
Bars & restaurants	53%	76%	77%
Movies/shows/concerts	53%	69%	78%
Leisure travel	54%	78%	78%

- Resident spending expectations continue to shift away from consumer staples and towards more discretionary goods and services following the pandemic. This is likely the result of additional pent-up demand and increased wealth and income among many Indiana households.
- Looking across all different spending categories, there has been an upward trend in spending expectations across the board with increasingly more households planning to spend more on goods and services following the pandemic.

# Opinions Regarding Restrictions, Reopening & Vaccination



Q: How would you describe Indiana's social distancing and stay-at-home restrictions?

**61%**  
of Hoosiers reported having received at least one vaccine shot

**48%**  
of those who have not received the vaccine do not plan to get vaccinated

**Nearly all residents are now venturing out to re-opened business\***

May 2020: **79%**  
June 2020: **77%**  
Nov 2020: **71%**  
May 2021: **88%**



Q: Will you and your family venture out to reopened businesses?:  
\*Top 2 box responses: Yes, and Yes, but to those with precautions.

## Safety Measures That Help People Feel Safe

Requiring Face Masks  
**64%**



Temperature Checks  
**43%**



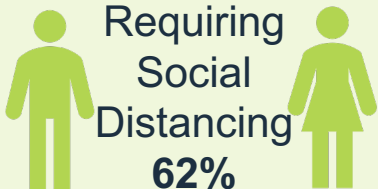
Plexiglass Shields  
**47%**



Negative Test Certification  
**46%**



Requiring Social Distancing  
**62%**



Vaccine Certification  
**52%**



Cashless Checkout  
**54%**

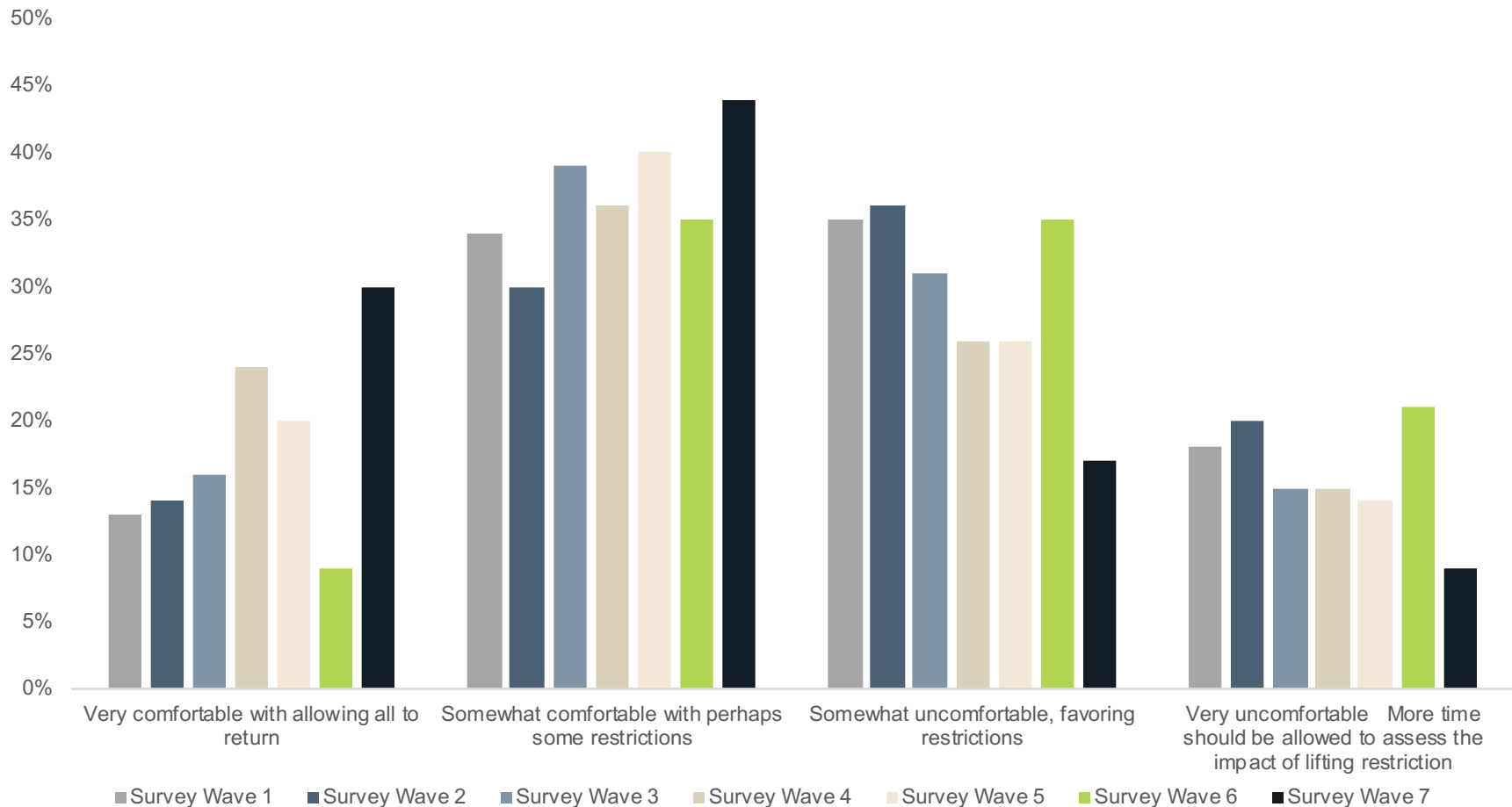


Q: On a scale of 1 to 5 with 5 being the most comfortable and 1 being the least, which of the following proactive business precautions makes you feel the most safe when venturing out?



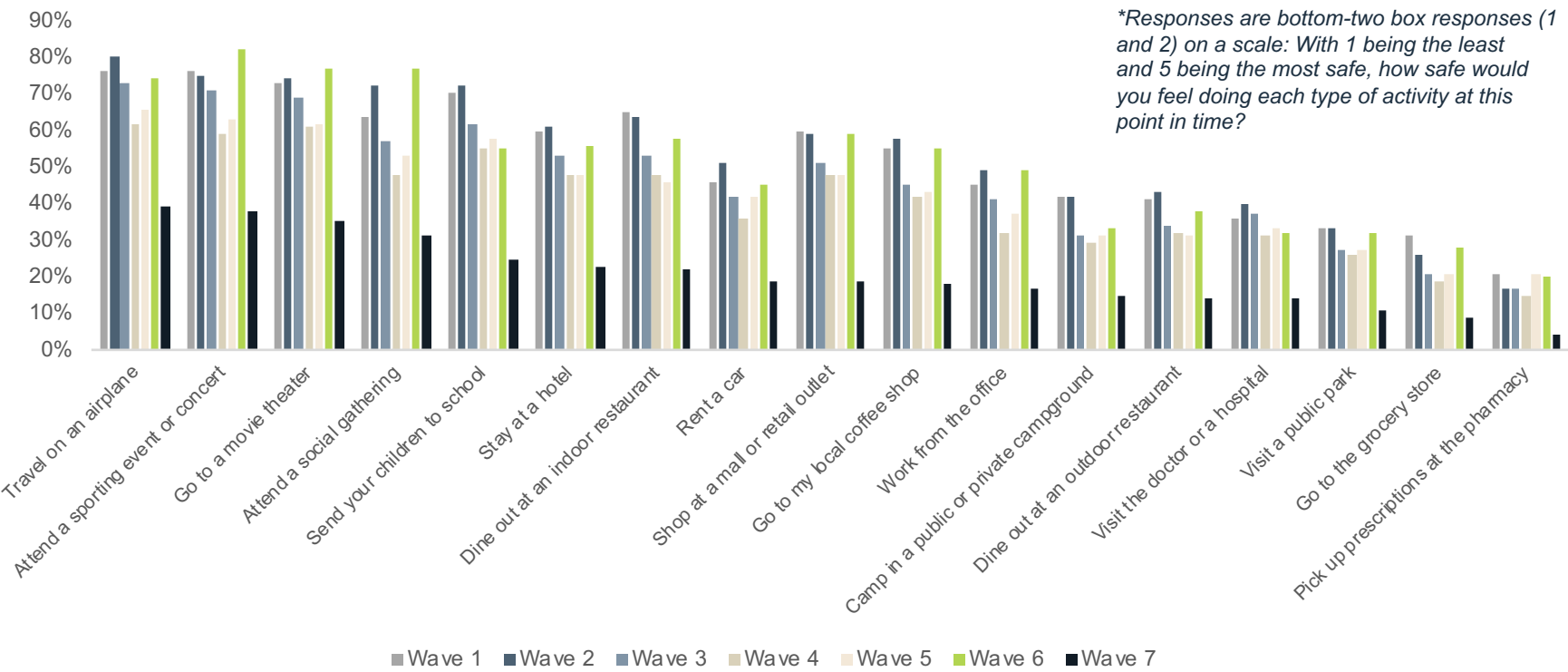
# Residents Very Comfortable with Visitors Returning to Indiana

Nearly Three-Quarters of Indiana Residents are Comfortable\* with Visitors Returning to the State



\*Very comfortable + somewhat comfortable

# Percentage of Residents Feeling Unsafe\* Conducting Various Activities



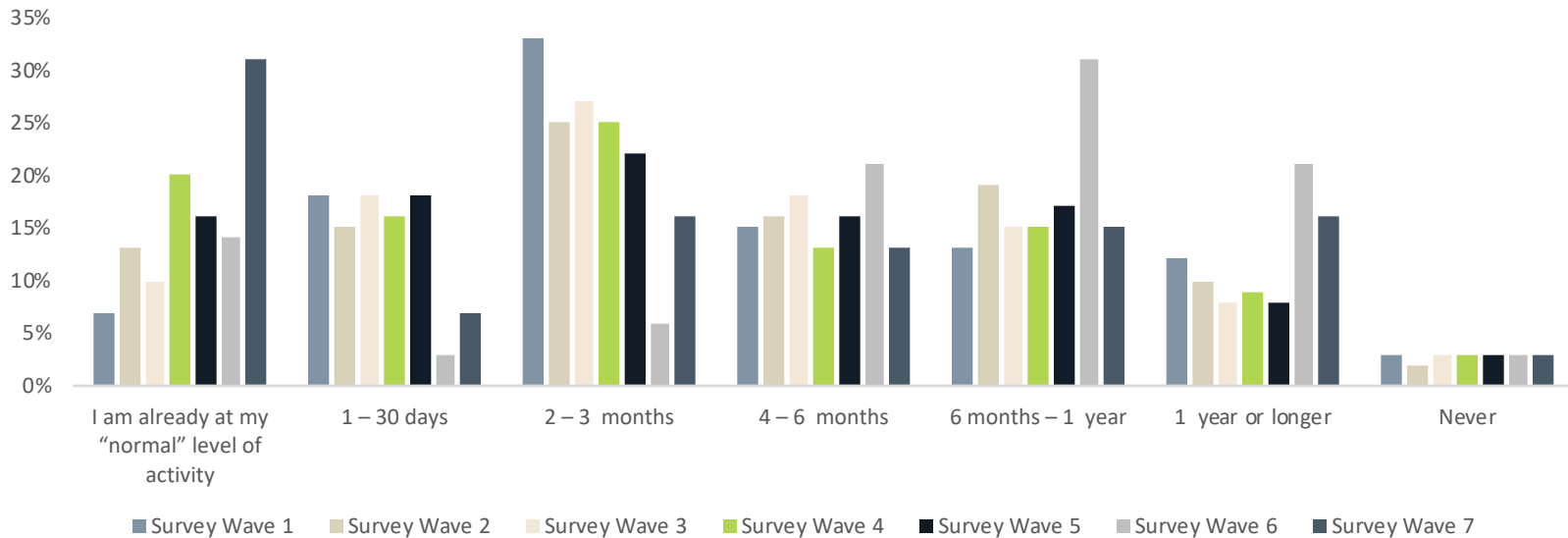
In each survey wave we have asked respondents how safe they feel conducting various activities. Not surprisingly, the responses have trended with the path of the virus with the percentage of people feeling unsafe across various activities trending down through Wave 4 (May 2020) and then rising though Wave 6 (Nov 2020). With the national vaccination effort is underway and case numbers declining residents feel significantly safer conducting all of these activities. We expect this is a leading indicator and signifies a strong return in demand to these various goods and services.

# Anticipating Recovery: When Do Residents Expect to Return to “Normal”

With the vaccination effort well underway, there has been a spike in proportion of residents reporting that they are back to their “normal” levels of social activity. There have also been significant increases in the proportion of residents expecting to be back to their normal levels over the next *three months*, growing from 23% of residents in November to 54% of residents in May. Two-thirds of residents expect to be back to their normal levels of activity over the next 6 months.

Expectations to return to “normal”	Nov 2020	May 2021	Difference
in the next <b>30 days</b>	17%	38%	+21
In the next <b>90 days</b>	23%	54%	+29
in the next <b>6 months</b>	44%	67%	+23

## Over Half of Indiana Residents Expect to be Back to their Normal Levels of Social Activity Over the Next Three Months



*Q: When do you anticipate you will go back to your normal level of social activity (i.e., your level of activity before coronavirus)?*

# Expectations Regarding Future LT-R Activities Witnesses Major Shift

**As the restrictions are relaxed and businesses reopen, how long will it take you to do the following?**

Wave 7 vs Wave 6 Change in Willingness to Participate within 30 Days	Activities	Less than one month	2-3 Months	4-6 Months	6 Months – 1 year	1 year or Longer	Never
29%	Eat at a restaurant	68%	16%	5%	6%	3%	1%
30%	Visit outdoor attractions or parks	63%	14%	7%	8%	4%	2%
28%	Take a vacation by car	56%	14%	8%	10%	7%	5%
34%	Stay at a hotel	52%	13%	9%	12%	9%	5%
21%	Visit indoor attractions	44%	19%	10%	12%	13%	1%
24%	Attend a movie/show/concert	39%	18%	12%	12%	14%	5%
20%	Take public transportation	32%	11%	12%	9%	10%	26%
19%	Visit a casino	31%	13%	7%	10%	12%	27%
22%	Fly on an airplane	32%	17%	13%	11%	14%	15%
12%	Travel outside the country	19%	7%	7%	12%	24%	30%

In previous surveys we saw that most Hoosiers had been feeling increasingly ready to return to LT-R activities. This trend slowed in our November survey which show that expectations to return to LT-R activities were nearly identical as the expectations in early June 2020. The upward momentum resumed over the past few months with every category measured seeing a spike in those that are either immediately patronizing these businesses or expecting to patronize them over the next 30 days. Over half of residents plan to eat at a restaurant, visit an outdoor attraction, or take a vacation by car and stay at a hotel over the next 30 days. We expect this trend to continue over the coming weeks and months as more residents get vaccinated.



## What is the Indiana COVID-19 Leisure & Travel-Related (LT-R) Sector Index?

The IN COVID-19 LT-R Sector Index is a composite index of several high frequency (weekly) indicators covering various touchpoints of the coronavirus' progress and impact on frontline Indiana businesses. These businesses are engaged retail, food services, accommodations, arts & entertainment, and transportation. The Index effort also includes a weekly Indiana consumer and business sentiment survey currently planned for 5 weeks.

## Why did we develop the IN COVID-19 LT-R Sector Index?

COVID-19's impact on Indiana's LT-R sector has been unprecedented. The goal of the Index is to help anticipate the LT-R Sector's bottom and track the recovery. The data gathered on behalf of the Index will also help to indicate which subsectors are the most deeply impacted and where support is most needed.

## What data is included in the Index and how is it constructed?

The composite index is comprised of 4 categories of indicators: (1) Epidemiology, (2) Labor Market Stress, (3) Consumer & Business Sentiment, and (4) Travel Disruption. Each component's recent performance is compared to a more normal period of performance, in this case 2017. In the early going, the component indicators are equally weighted but weighting schemes may be introduced later given insight learned from evolving conditions, new contextual data, and the business and consumer sentiment surveys. As weekly data is released for each component, a new composite value will be derived, compared, and reported.

## What does the Index tell us about conditions in Indiana?

The component indexes and their supporting contextual data will immediately help Indiana businesses, workers, consumers, and government entities understand just how far the LT-R sector has fallen and how fast. Tracking progress of the Index can yield insight into when we have bottomed and how quickly and robustly recovery will begin. Finally, knowing which components have turned first can help stakeholders anticipate when it is appropriate for them to begin to take action to participate in the recovery.

## How can my organization use the IN COVID-19 LT-R Sector Index?

Tracking weekly progress of the IN COVID-19 LT-R Sector Index can help every organization know when recovery has truly begun and how quickly it will come to your sector, business, or organization.

### How can I interpret the Indiana COVID-19 LTR Sector Index values?

This composite index combines a set of weekly indicators from four categories: (1) epidemiology (e.g. COVID-19 mortality), (2) labor market stress (e.g. LTR unemployment insurance claims), (3) travel interruption (e.g. hotel room demand), and (4) Hoosier consumer and business sentiment (e.g. mean losses in LTR business revenue and workforce). The Index examines COVID-19 impacts/progress from several views. Each indicator's historic values are compared to their performance in more "normal" times, in this case their weekly average for 2017. This transformation allows direct percentage comparisons between where we are now versus what might be considered as normal.

### How can I interpret the Indiana COVID-19 LTR Sector Epidemiology Component Index values?

This component of the overall Index is based upon COVID-19's impact on the normal weekly mortality rate among Indiana's population. Rockport used the weekly mortality rate during 2017 as a baseline and compared the new (and rising) rate of Hoosier deaths caused by COVID-19. This component index has been inverted since rising mortality is a negative factor and can, therefore, be added together with the other Index components. The most recent value for this Index is 77.9. This means that the current Hoosier weekly mortality rate is 22% higher than normal (2017) due to COVID-19.

### How can I interpret the Indiana COVID-19 LTR Sector Travel Disruption Component Index values?

This component of the overall Index is a combination of weekly Indiana hotel, air, and travel sentiment indicators. For example, weekly hotel room demand is divided into the weekly average of room demand for 2017, the chosen "normal" period. Likewise for the other indicators included in this component. The Travel Disruption Component Index is interpreted as a direct comparison between where we are now versus when travel activity was "normal". For example, the May 23<sup>rd</sup> value of this Index is 92.6. This means that travel activity is 92.6% of normal activity.

### How can I interpret the Indiana COVID-19 LTR Sector Labor Stress Component Index values?

The Labor Stress component is a combination of LTR jobs and LTR unemployment claims data. Essentially, it captures the labor market losses associated with COVID-19. Like other components, it is calculated by comparing current values for LTR labor market indicators with a period designated as "normal" (2017). Interpret these component index values a percent of normal performance. For example, on June 6<sup>th</sup>, the Labor Stress Index value is 95. This means that we are currently at 95% of 2017, or that labor market conditions are down about 5% from normal.

## **Why are previous values of the Indiana COVID-19 LTR Sector Index and its components sometimes revised?**

Both the overall and composite indexes are built from several high frequency (weekly) private and public data series. Reporting on some of these indicators lags others. Moreover, some of the original sources revise their data to reflect new information received after original publication. For some of the indicators, Rockport must “estimate” the latest week of data until the source reports an actual. Moreover, revised values from the original source are also immediately incorporated. The result can be slight revisions to Index values for the previous week.

## **A weekly consumer and business sentiment survey also played a role in this research effort. How was each survey conducted?**

The online IDDC/Rockport Weekly Consumer Sentiment Survey is sent to a representative sample of Indiana residents asking a battery of questions about how COVID-19 has effected their lives. Respondents are asked for their opinions on safety, restrictions, employment status, stimulus, and reopening. Many questions are set up to allow for monitoring of trends, a few of which are directly included in the Indiana COVID-19 LTR Sector Index. Four weekly waves have been completed to date with between 380 and 400 responses per. The responses are weighted to reflect Indiana’s population and demographic profile and are representative of all Hoosiers.

The IDDC/Rockport Weekly Business Sentiment Survey is sent to a compiled list of Indiana LTR business owners/managers. The list contains about 3,700 Indiana restaurant, retail, accommodation, arts & entertainment, and transportation businesses. Four weekly waves have been completed to date with between 240-380 responses per. Questions cover several COVID-19-related topics including financial impact, viability, stimulus receipt, reopening, and future expectations. Trends in many of these questions are being monitored with some explicitly included in the Indiana COVID-19 LTR Sector Index.



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