

Greetings from
The Florida Keys & Key West

Study of Monroe County's Tourism Workforce

August 22, 2006

Monroe County Tourist Development Council

Marketing Research Department



Presentation Overview

- Background
- Key Findings of Surveys
 - Tourism Workers
 - Tourism Employers
 - Visitors
- Conclusions

Background

- Shift in resident loss to workforce loss
 - Residents population decreasing since 2000
 - Resident Workforce had actually increased until 2003
 - 2003 to 2005 net loss of over 1,000 resident workers
- Businesses began vocalizing staffing shortage
- **What does this mean for the tourism industry?**
 - This is the subject of our study
 - Scope is tourism industry, i.e. direct tourism employment

Study Organization

- Study results organized in three segments
 - Forward/Summary
 - 10 page summary of findings
 - Report
 - Methodology
 - More detailed results, graphical representations
 - Conclusion
 - Appendix
 - Supplementary data



Focus of Presentation

- Primary research results
 - Over 1,600 surveys collected for this study
 - 915 tourism worker surveys
 - 212 tourism employer surveys
 - 502 visitor surveys

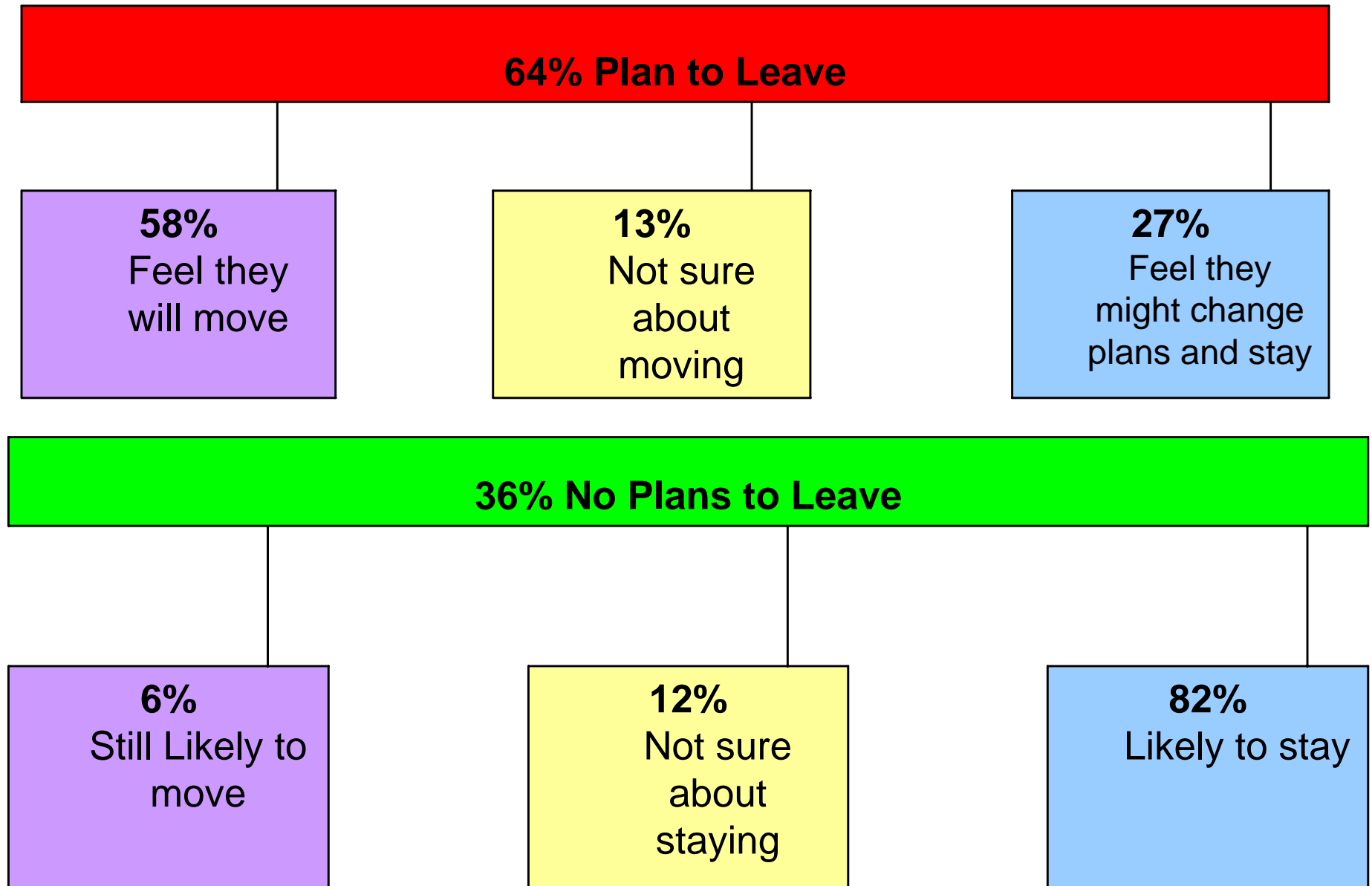
Tourism Worker Results – How many may relocate?

- Three out of every five planning to leave (64%)
 - In total, est. 8,000 workers
 - Plus family members = 13,000 residents
- Turnover cost of \$96.9 million
 - Pre-departure costs, recruiting costs, selection costs, orientation/training, lost productivity
- When?
 - By Spring 2007 – 17% or 2,120 workers
 - *Equates to 11 people per day or 1 every other hour*
 - By Spring 2008 – 15% or 1,871 workers
 - By Spring 2010 – 19% or 2,370 workers
 - By Spring 2011 – 13% or 1,621 workers

Net Population Impact

- Results = 13,000 residents relocating during the next 5 years
- Monroe County population impact?
Depends on off-set from in-migration
- Given current in-migration rates
 - est. net loss of 3,640 residents from tourism workers HH alone
- Conclusion: population loss during next five years likely higher than last five years

How likely are they to leave?



Who is leaving?

- Predominance of relocation was across almost all groupings
- Residency Grouping
 - Newest residents most likely to relocate
 - May be factor of predetermination or more customer service/front-line jobs among group
 - Longest residents least likely to relocate
 - One grouping that didn't have predominance of relocaters; 27% likely to leave; 48% have plans to



More Relocation by Groupings

- Job category grouping
 - All were at average of 64% planning to move or higher
 - Customer service/front-line was highest 67%
- Business type grouping
 - Hotel, restaurant and bar employees highest rate of plans to leave the Keys (67%)
 - Retail had lowest (53%)

Relocation Groupings Continued

- District grouping
 - DAC IV lowest rate, DAC V highest

District I	66%
District II	63%
District III	58%
District IV	55%
District V	70%

Conclusion: Effects will be felt across all tourism business types, areas & worker categories

Why are workers planning to leave?

Top Factors

1. **HOUSING COST** - **94%** *selected one or more housing factor*
 - 56% current rent cost
 - 51% can't afford to buy house
 - 40% current home cost
 - 3.2% Enticement of lower cost housing elsewhere
2. **PAY** – **55%** *selected one or more pay factor*
 - 32% pay is inadequate
 - 31.2% having to work multiple jobs to make enough
 - 10.3% pay is too inconsistent/seasonal

Why are workers planning to leave?

Top Factors

3. **HURRICANES** - **41%** *selected one or more hurricane factor*
 - Stress from hurricane seasons 37% plus damage from prior storms 9%
4. **MEDICAL CARE COSTS** - **31%**
5. **FAMILY REASONS** – **28%** *selected one or more family factor*
6. **JOB SATISFACTION** – **23%** *selected one or job satisfaction factor*
7. **PRE-DETERMINED RELOCATION** – **11%** *selected one or more pre-determined short residency factor*



How can workers be influenced to stay in the Keys?

Factors with highest rate of being “*very likely*” to entice workers to stay:

1. Increased pay
2. Workforce/Affordable housing programs (purchase or rent)
3. Market rate housing purchase
4. Medical care cost reduction



How can workers be influenced to stay in the Keys?

Other factors with positive influence
(ranging from “*somewhat likely*” to “*very likely*”)

- Job promotion
- Increased job satisfaction
- Hurricane activity reduction
- Improved medical care

What could negatively impact residency?

More workers move; move faster

Factors with highest rate of being
“*very likely*” to entice workers to leave:

1. Lost job due to employer closing business
2. Offered better job in the mainland
3. Personal or family illness

What could negatively impact residency?

More workers move; move faster

Other factors with negative influence
(“*somewhat likely*” to “*very likely*”)

- Tourism levels decreased
- Hurricane damaged worker's residence
- Hurricane Wilma type flood
- Nearest hospital closed



The Business Perspective

Tourism Employer Survey Key Findings

Does a workforce shortage currently exist?

In terms of worker *volume*

- For most our workforce is too small (84%)
- About one out of two businesses are short staffed
- There are about 1,030 vacant tourism jobs today
 - 36%, or 370, have been vacant more than 30 days or must be continually recruited

The Business Perspective Continued

Does a workforce shortage currently exist?

In terms of worker *skills* – Satisfaction Levels

Job Category	Current staff	Applicant pool
Management/executive	86%	23%
Professional/office	80%	20%
Operational	74%	17%
Customer service/front-line	63%	15%

Bottom line:

- Employers far more satisfied with current employees than their potential replacements
- Given disparity, beneficial to retain current workers

Business Perspective – How are worker needs being fulfilled?

- **Guest Workers**
 - Usually small percent of business' workers (average 6%)
 - Largely employed by lodging, bars & restaurants
 - Used most in DAC I (27%)
- **Commuters – mainland residents physically or virtually commuting to work**
 - Est. 2,280 of tourism jobs held by commuters
 - Physical commuters predominately employed in Upper and Middle Keys
 - DAC V, 47% of tourism employers; DAC IV 53%
- **Monroe County residents working multiple jobs**
 - Est. 3,024 of tourism jobs are second or third jobs held by Monroe County residents



Visitor Perspective

- New approach to examining visitor satisfaction
 - Meeting or exceeding expectations = satisfaction
 - Not meeting expectations = dissatisfaction



Measuring Visitor Satisfaction

Example:

- You're going on vacation
- You have high expectations for your lodging and the beaches (5 out of 5, excellent)
- You have low expectations for the shopping and nightlife (2 out of 5, not good)
- You are motivated by high quality lodging and environment (beaches). You are not seeking shopping and nightlife.

Measuring Visitor Satisfaction

- After your visit, you rated all four a “4” or “good”

How did the destination do?

- Just look at rating, “4” or *good*, = it’s good!
- But look closer, it failed to meet expectations on the most important attributes
 - Visitor wanted excellent, got good
 - Not what they expected = disappointment
 - Disappointment = dissatisfaction
- Less likely to repeat or recommend

So how did the Keys do?

- 86% visitors' vacation "overall" met or exceeded their expectations
- 4 out of 5 will recommend the Keys to their friends and family
 - positive word of mouth
- Some district differences
 - DAC III "overall" most often met expectations (99%)
 - DAC I "overall" least often met or expectations (79%)

Keys visitors ratings continued

- “Product” scored higher than “Customer Service”
 - Lodging, dining, shopping, attractions & activities
 - Improved service = improved satisfaction rates
- Results by differed by **Lodging Tier**
 - Tiers: economy to midprice (up to \$164)
upscale (\$165 to \$233)
luxury (\$234 & up)
 - Overall visitor experience highest for upscale (91%), lowest for luxury (78%)
- **Repeat Visitor** expectations met or exceeded (92%) more than **New Visitor** (83%)



Keys visitor results Competitive Analysis

Keys Faired
Better

- Hawaii 68% satisfaction vs. Keys 86%
- Bahamas, 61% likely to recommend destination vs. 72% Keys

Competitor
Faired Better

- Miami, 90% satisfaction
- Fort Myers – Sanibel, 99%

Looking Forward, during the next 5 years

- Worker needs = *Increasing*
 - Florida tourism est. to increase 2 to 3 percent per year
 - Businesses say worker needs will somewhat increase each year over the next 5 years
- Worker supply = *Decreasing*
 - Four out of five businesses see our population decreasing during the next five years
 - Worker survey results point toward decreasing supply
 - 64% plan to leave – 8,000 workers for total

Conclusion – worker shortages expected to increase during the next five years

Looking forward, other impacts...


- **Brain-drain:** Educated, talented, highly trained individuals leave an area taking knowledge & skills with them
 - Especially a concern given high rate of managers/supervisors (63%) and professional staff (62%) planning to leave
- **Cultural-drain:** When resident loss, particularly native residents, results in loss of culture and traditions
 - Most workers planning to leave (64% of 8,000) have resided in the Keys for more than 5 years
 - 11% of those planning to leave are 20+ or lifelong residents (about half of that group)

Looking forward, other impacts...

- Both brain-drain and cultural-drain can negatively impact tourist product
 - Brain-drain - loss of marketing and sales staff
 - Cultural-drain - loss of unique Keys culture
- Further staffing shortages, brain-drain & cultural drain may decrease visitor satisfaction
- Decrease in visitor satisfaction hurts marketing efforts
 - Less expensive to retain visitor than to attract new visitors
 - Positive visitor experience = visitor becomes positive marketing force via positive word-of-mouth
 - Negative visitor experience = visitor becomes *negative* marketing force via negative word-of-mouth

What can be done?

- 94% of employees leaving because of housing costs. Can be retained by:
 - Workforce/Affordable housing programs
 - Market rate housing assistance
- Other factors could retain employees:
 - Higher pay
 - Medical care cost reduction
- Wherever mitigation is less than 30% of employees' salary, business likely saving \$\$\$
- Else, other programs such as in-migration (mainland recruitment), commuters, guest workers will need to fulfill shortages



For a copy of the study, visit TDC page on
County web site

www.monroecounty-fl.gov

For more information contact:

Jessica Bennett

research@fla-keys.com

305-296-1552



Research Process

- Step 2: Define Scope
 - Tourism Industry
- Step 3: Develop approach
 - Drafted 5 research questions
 - Formulated 3 hypotheses
- Step 4: Expand into Outline
 - Approved March, 2006
- Step 5: Gather Data
 - Primary research collection
- Step 6: Analyze Data
- Step 7: Report Findings & Conclusions



Data Gathering: How do we answer our research Questions?

- Take a 360° view
 - Tourism Workers, Tourism Employers, Visitors
- Gather primary and secondary research
 - Primary research: gathered by us for this specific study
 - Will provide the highly localized data we need
- Three surveys needed



How we gathered primary data

Tourism Worker and Tourism Employers

- Identified sampling frame – InfoUSA
- Identified population
 - 1,150 tourism businesses
 - 14,760 workers (@12,500 residents)
- Do census style survey: i.e. survey everyone
- Offer mail and internet surveys
 - Mailed to tourism businesses



Boosting Participation

- Pre-survey notification campaign
 - Raise awareness
 - PR firm sent PSA, fax blast
 - Three local print stories, one radio story
 - Received over 100 internet responses
- Reminder Campaign
 - Again, PR assisted. Four more news stories



Boosting Participation Continued

- Solicited help from local organizations
 - Chambers of Commerce, Lodging Association
 - Sent email blast to members, included in newsletters and meetings
 - Invited us to speak at their meetings
- Also sent fax & email blasts reminders



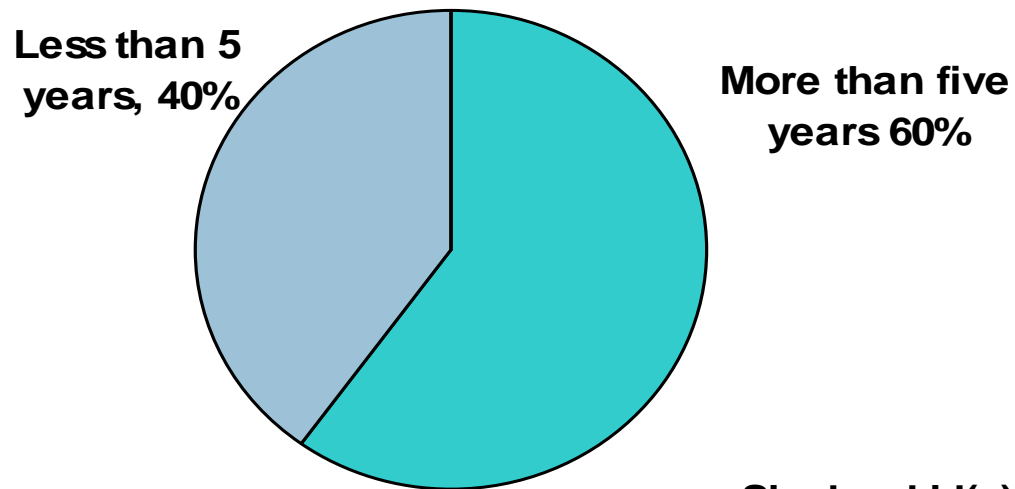
Gathering Visitor Data

- Visitor Intercept interviews through Insights Inc.
 - No additional cost
 - Ensure visitor perspective is current
 - Revised Visitor Profile Survey questionnaire
 - Now tracts more complex visitor matrix going forward

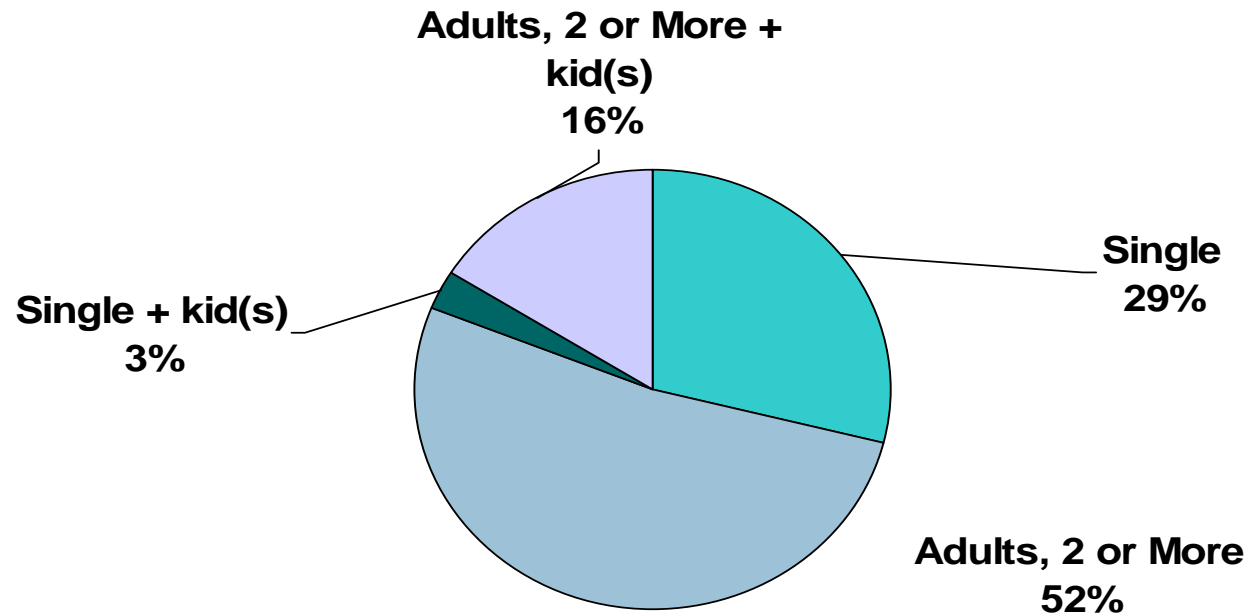
Key Findings: Worker Survey Results

Who are our tourism workers? - Demographics

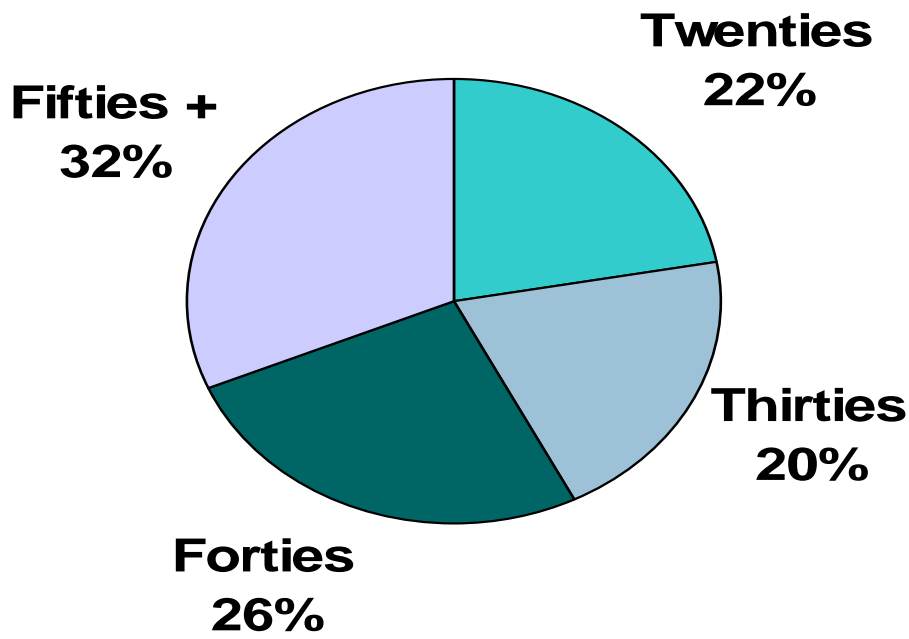
Keys Residency



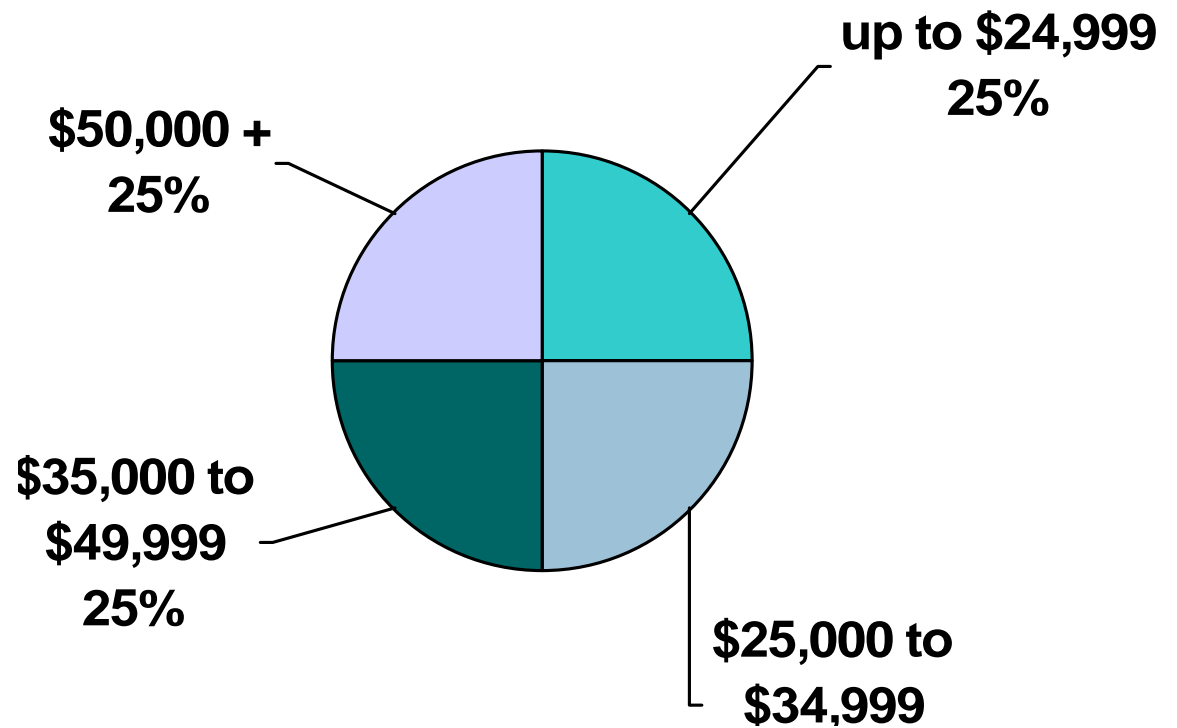
Household



Age Group

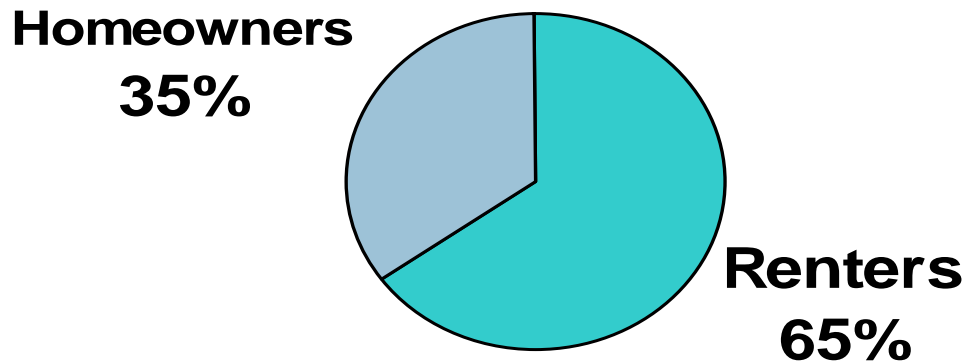


Income

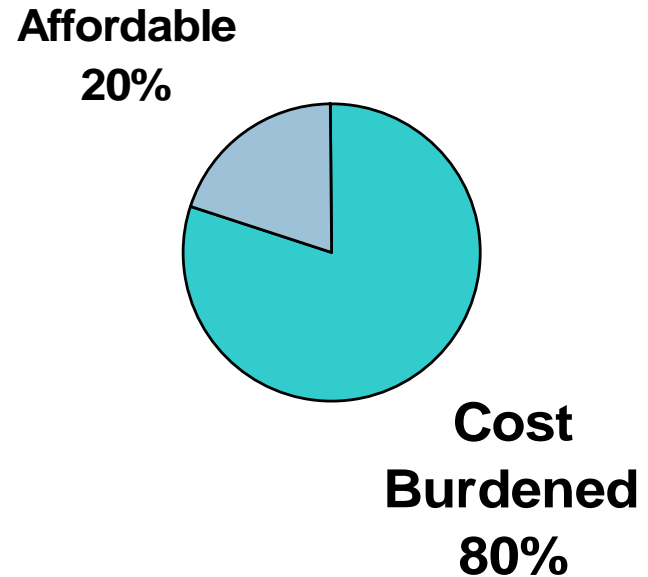


Housing Situation

Housing Type

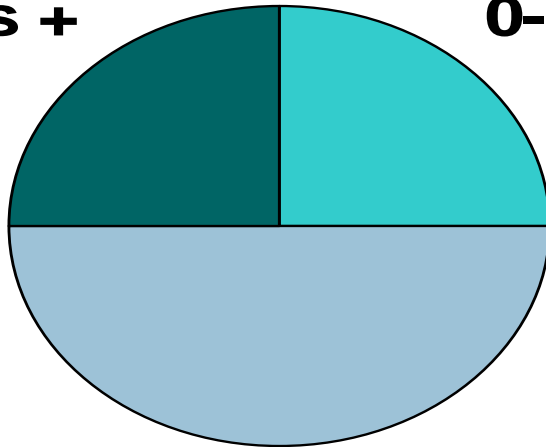


Housing Expenses Affordability



Experience

15 years +



0-3 years

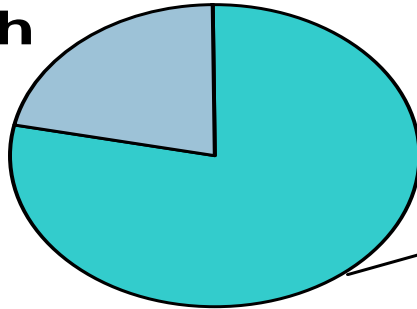
<3 to <15

Worker Demographics

Education	
Some High School	3%
High School Grad	11%
Some Technical School	3%
Tech School Grad	5%
Some College	34%
College Grad	32%
Some post graduate	6%
Post graduate degree	6%

Employee Skills Matching Job Requirements

Skill Mis-Match
22%

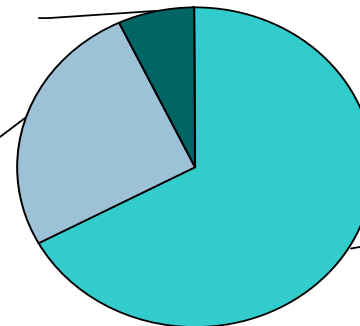


Skills Match
78%

Number of Jobs Held

**More than
2 jobs**
7%

2 Jobs
26%



One Job
67%

Employee Satisfaction

