Introduction

Restaurants and hotels in the Hospitality & Tourism industry (HTM) generate $9.3 trillion dollars to the world economy, account for 10% of U.S. GDP, and have a payroll exceeding $167 billion US dollars. Natural disasters threaten the already fragile thread of HTM survival (reported mortality rates of 20-90% in the first five years). HTMs’ competitive advantage frequently results from the exceptions of geographical locations, thus increasing their risk of exposure to natural disasters.

Little is known about HTM business survival after natural disasters.

The effects of community capital (resources) on family and individual resilience have been documented in other studies (Danes, Stafford, & Haynes, 2008; Mayunga, 2007). Community capital may have a significant effect on business resilience.

Previous HTM studies are: 1) primarily case studies; 2) limited in geographic scope; 3) include only a single disaster; 4) implement atheoretical analyses.

Objectives

Aim: Understand the factors that enhance resilience of hospitality and tourism industry after natural disasters.

The problem: We have no generalizable quantitative estimates of the effects of natural disasters on the industry.

The solution: Develop a theory-based model of HTM resilience as a function of community capital.

Objective [1]: Estimate the effects of natural disasters on hospitality and tourism industry resilience.

Objective [2]: Estimate the impact of community capital (resources) on hospitality and tourism industry resilience.

Data

All 983 counties in the North Central Region (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and South Dakota) *Years 1997 - 2000.

Data Sources

The following data sources were merged to create a new, first-of-its-kind dataset:

HTM business information: County Business Patterns from U.S. Census

Natural disasters measures: Spatial Hazard and Events Losses Data (SHEDLUS) from University of South Carolina

Community capital measures: Social capital from Northeast Regional Center for Rural Development (NERCRD) at Pennsylvania State University, human, economic, physical, and natural capital from NC-1030

Theoretical Frame

General Systems Theory (Boulding, 1956)

Systems interact via the exchange of capitals, resources.

Sustainable Livelihoods Approach (Department for International Development, 2001)

Capitals either positively or negatively impact peoples’ livelihood outcomes.

Capital Approach (Mayunga, 2007)

The more capital a community possesses the higher their propensity for resiliency.

Variables/Analysis

Dependent Variables

Resiliency Measures

Change in # businesses; annual payroll; # jobs for Foodservice and Hotel segments of HTM industry

Independent Variables

Community Capital

Human % College educated
Social Voter participation rate
Economic HH median income
Natural Natural amenity rank
Physical Property tax $

Natural Disasters

# of disasters
Damage $

Analysis

Multiple Regression in SPSS
One-tailed tests

RESULTS:

Predictors of HTM Industry Resiliency

<table>
<thead>
<tr>
<th>Significant Effects of Capital on HTM Industry</th>
<th>Δ # Firms Hospitality/Tourism</th>
<th>Δ Payroll (H)/(T)</th>
<th>Δ Jobs (H)/(T)</th>
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<tr>
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<td>(H) (+)(T)-</td>
<td>(H) (+)(T)+</td>
</tr>
<tr>
<td>Human</td>
<td>(H) (+)(T)+</td>
<td>(H) (+)(T)-</td>
<td>(H) (+)(T)-</td>
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<tr>
<td>Natural</td>
<td>(H)+</td>
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</table>

References


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