

Despite pandemic, Charleston tourism had bigger impact in 2021 than before COVID

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Charleston's tourism industry not only got its hoped-for recovery in 2021. It broke a new record for economic impact, new figures show.

After shrinking by about a third during the first year of the pandemic, the sector more than regained its footing and heft last year and exceeded \$10 billion in economic impact for the first time, according to a new analysis from the College of Charleston.

Tourism had an estimated \$10.62 billion economic impact on the region in 2021, the college's Office of Tourism Analysis found — about \$4.5 billion more than in 2020, when the hospitality sector experienced the worst impacts of the pandemic. Its impact was nearly \$1 billion higher than the previous record-setting performance in 2019.

By the numbers

Some key takeaways about the Charleston region's tourism industry last year.

- **\$10.62 billion:** Total estimated economic impact
- **7.23 million:** Number of visitors
- **\$962:** Average spent per adult per trip
- **\$167:** Hotel average daily rate

Overall visitation to the region was slightly lower last year than it had been before the health crisis, but it was still well above the first year of the pandemic, at 7.23 million. Slightly more than 5 million tourists came to the Charleston area during 2020.

“We’ve never advocated a volume strategy,” said Helen Hill, CEO of Explore Charleston, the area’s primary tourism marketing agency.

Instead, she said, the focus is more on the spending and tax revenue tourism generates. “We don’t judge our success on the number of visitors,” she said.

Despite the lingering effects from COVID-19, the region last year saw “numbers beyond what we’ve ever seen before,” said Daniel Guttentag, director of the College of Charleston tourism analysis office that compiles the annual data.

Last year initially seemed like an unlikely period for breaking records. During the first quarter of 2021, many U.S. residents weren’t vaccinated yet, and figures like hotel occupancy in the Charleston area were lagging behind 2019 numbers.

Also, the critical spring event calendar was mostly empty. Both the Southeastern Wildlife Exposition and Charleston Wine + Food festival took the year off.

But the region’s tourism recovery strengthened after the coronavirus vaccine became more widely available. Other factors increased overall visitor spending and made up the difference — and then some.

Hotel room rates, for example, reached record highs for the Charleston region last year. The average daily rate was \$167 for 2021, compared to \$155 in 2019 and \$123 in 2020. Tourists spent, on average, \$456 on accommodations last year.

Overall, the total spent per adult per trip to the Charleston area was \$962 last year, up from \$779 in 2020 and \$878 pre-pandemic.

Part of the increase in spend per visitor came from the recovery of air travel in 2021. Charleston International saw nearly 4.2 million arrivals and departures at its gates — about 2.2 million more than in 2020. An added boost is that airline passengers tend to spend more during their stays, Guttentag said.

“You’re not going to fly here for 48 hours and not do much,” he said. “Air travelers are high-value visitors.”

New York and Philadelphia were among the top cities tourists were traveling from last year, an indicator that those core “fly market” visitors in the Northeast were back. Tampa and Orlando also made the list and were both connected to Charleston via Silver Airways routes that launched in 2020. Startup carrier Breeze Airways introduced a Charleston-Tampa route last year.

While travel in 2020 was largely defined by beach vacations and other outdoor activities, visitors fell back into more normal patterns in 2021, Guttentag said. Attendance at the region’s most popular attractions nearly doubled last year from the previous 12 months. Spending on dining jumped to an average of \$220 per person per trip, up from \$169 the previous year.

Visitor center traffic exceeded numbers from 2019 despite the total number of tourists being slightly lower — a possible indicator that the makeover of the downtown hub, unveiled in October 2020, was having its intended effect.

Employment in the tourism industry showed significant recovery in 2021, going from an average of 41,100 workers in 2020 to 46,200 throughout last year, but that still trails the pre-pandemic average of almost 51,000 from 2019. Guttentag said last year’s numbers lagged for a couple reasons: In the first quarter of 2021,

business was still slow. Then, when activity picked up over the summer, hotels, restaurants and others in the sector said they were struggling to fill open positions.

Some former hospitality employees had found work in other industries after being laid off during the pandemic. Others were concerned about going back to work in-person and being exposed to COVID-19.

Only recently, Guttentag said, employment in the sector is starting to return to where it was before the pandemic.

Hill at Explore Charleston said the 2021 numbers show the industry's resiliency. The year was "as good as we hoped it would be," she said.

So far, 2022 is shaping up to be the "first year back to real normalcy," Guttentag said. It's also had a much more fortuitous start than 2021: Hotels started off the season strong in February, group and conference travel is beginning to come back, multiple new flights have been announced and Charleston has been resuming its regular slate of spring events that pull in visitors from far and wide.