

# White Paper on the Early Impacts of COVID-19 on the rural Pennsylvania Wilds Initiative



*An Early Summary Report for Stakeholders  
PA Wilds Center for Entrepreneurship, Inc.  
Published May 8, 2020*



## GOAL OF THIS WHITE PAPER

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- To share with stakeholders the results of the PA Wilds Center's recent outreach to businesses in its network and how they are being impacted by COVID-19.
- To put these results in the context of larger challenges and opportunities the PA Wilds regional revitalization effort faces amid the crisis.
- To share action steps PA Wilds Center is taking.

## SUMMARY

The rural Pennsylvania Wilds region (PA Wilds) has taken a huge economic blow to its tourism industry because of the novel coronavirus. These losses are exacerbated by the fact that this 13- county region is economically-distressed, lacking in broadband infrastructure in many areas, and was already trying to recover from decades of population decline when the coronavirus crisis hit. But changing travel trends and positive public sentiment toward many of the core tenets of the PA Wilds strategy -- supporting local businesses, the value of the outdoor experience and public lands, stewardship of the environment, creative partnerships -- mean the PA Wilds will be in a position to make a strong tourism recovery once the crisis passes. By redoubling our efforts now, partners involved in the PA Wilds can help the region's communities leverage this moment for a better and more sustainable tomorrow.

## BACKGROUND

Tourism is a significant economic driver in rural communities in the PA Wilds - a \$1.8B annual industry that comprises about 11 percent of the region's economy, according to Tourism Economics, the research firm that compiles the Commonwealth's "Economic Impact of Travel in Pennsylvania" reports each year.

Many restaurants, retailers, outfitters, makers, lodges, breweries, wineries, distilleries and other small businesses in the 13-county PA Wilds region depend on visitor foot traffic and visitor dollars to stay in operation.

Many of these companies actively participate in the regional effort to grow the PA Wilds as a destination and lifestyle brand to help revitalize rural communities. They do so through a rural value chain program called **The Wilds Cooperative of PA (WCO)**.

In March 2020, the PA Wilds Center for Entrepreneurship (PA Wilds Center), the state's lead nonprofit for the PA Wilds Conservation Landscape revitalization effort, set out to survey these small businesses to better understand how they are being impacted by the COVID-19 crisis.

As one of the state's 11 official tourism regions, and one of its eight Conservation Landscapes, the PA Wilds contains the largest concentration of public lands in the Commonwealth – more than Yellowstone National Park – as well as 16,000 miles of streams and rivers, the largest wild elk herd in the Northeast, and some of the darkest night skies in the country. Outdoor recreation is the region's primary tourism draw.

Visitation to the PA Wilds starts to climb with the trout opener in April, peaks through the summer months and into September and October with the Little League World Series, elk rut and fall leaf-peeping. The peak is bookended in November by archery and rifle hunting seasons, which are followed by a slower but still important winter activities season that includes a few major events such as Groundhog's Day.

# TROUBLING ECONOMIC IMPACTS SO FAR

As COVID-19 cases began to climb across the nation in March, hotel occupancy in Pennsylvania crashed 72 percent, to its lowest level ever, according to **new data released from the PA State Tourism Office**. Visitor spending followed a similar trajectory. No region was spared. Hotel occupancy plummeted nearly 70 percent in the PA Wilds from March 29-April 4, the report shows, noting that “losses were not confined to PA’s hotel sector, but experienced throughout the state’s entire travel and tourism industry from the lack of travelers and their spending.”

The Center’s outreach to small businesses in the PA Wilds supports this finding. In the days following the mandated shutdown of non-essential businesses in Pennsylvania, PA Wilds Center staff contacted more than 150 companies participating in The Wilds Cooperative with surveys. With nearly 60 percent of responses in, the data shows that in less than a month, more than 100 jobs were shed and nearly \$500,000 in revenues were lost. Additional findings are highlighted below.

The economic impact to the U.S. travel and tourism industry from COVID-19 is expected to be seven times that of 9/11, according to Tourism Economics. **The U.S. Travel Association** pegs it at nine times worse.

COVID-related job and revenue losses in the PA Wilds, across all industries, are further exacerbated by the fact that the region is economically-distressed, lacks adequate broadband in many communities, and has been battling decades of population decline. Rural PA is not alone in this reality. As Federal Communications Commissioner Jessica Rosenworcel told **NPR this month**: “I don’t think this crisis creates as many new problems as it does expose existing ones... we need a rural digitization act now.”

As a regional nonprofit doing business across a highly rural landscape the size of Massachusetts, PA Wilds Center shares this concern. Broadband technology is as essential to the future of the region’s communities as water, sewer and electricity, and this crisis has only amplified that. This infrastructure is critical to businesses, schools, local governments and would also support telemedicine capabilities, which ultimately builds capacity for our rural health providers. Several businesses in our value chain underscored the importance of this infrastructure, noting the increasing importance of selling online, and that pivoting in that direction was sometimes hampered by a lack of broadband access.

Sports competitions, outdoor races, festivals, county fairs, and similar events are all important to tourism in the PA Wilds. Many makers in our value chain report that events they typically sell at in the summer have been cancelled or postponed. Outreach to the region’s local visitor bureaus, called Destination Marketing Organizations, or DMOs, confirms that many events across the region have been cancelled. This is a double-hit for this sector, having lost access to wholesale/retail markets as well. PA Wilds Center is working with its maker community to possibly do online shows to help these small businesses get their products to market while helping to promote other businesses and rural Main Streets. Similar efforts are being tried elsewhere in the country with some success. The maker community is of course only a small fraction of the businesses that will take a hit from cancelled and postponed events in the region this summer. The cancellation of the 74th annual Little League World Series in Williamsport alone is projected to have a **\$35 million to \$40 million impact**, officials there told PennLive, noting that “it was the right thing to do” and that the community “will rebound.” The 2021 event is already on the calendar, and is slated to be “bigger and better than ever,” fielding a record 20 teams.

The region’s seven DMOs, which rely heavily on hotel tax revenue to fund marketing activities, have taken huge hits to their budgets as the COVID crisis has unfolded. Some report layoffs and are looking at loan options to help them survive the crisis. The DMOs are important marketing partners in regional tourism efforts; many in the short-term have turned inward, helping to get the word out locally about restaurants and stores offering curbside and delivery, making business-to-business introductions to help facilitate the location of high-demand products and services, and similar efforts.

Small businesses like those found in the service sector in the PA Wilds typically have short cash runways – some studies suggest as short as **16 to 21 days** before they start to hit red with no new income. An overwhelming majority of the businesses contacted through the Center’s outreach said they rely heavily on the tourism season to sustain their operations. Given this, it is reasonable to assume that many of these businesses will not survive if they are unable to be open for the 2020 peak summer and fall tourism season due to COVID-19. This would be devastating to many individuals’ livelihoods, to quality of life in rural communities, and to the overall effort to grow nature and heritage tourism in the region. Already, the PA Wilds is doing 15 times its population in visitation and there are gaps in services. Some DMOs and county planners, another core partner type in the regional PA Wilds effort, have already reported some businesses closing for good.



# RECOVERY STRATEGIES

Recent actions support that it hopefully will not come to this and that the region will have some semblance of a tourism season. Gov. Tom Wolf has announced a **Phased Opening** of parts of the Commonwealth where COVID-19 cases are low. For now, this includes all 13 counties in the PA Wilds. Starting May 8, many types of businesses in these counties will be allowed to open while following aggressive mitigation guidelines.

The reopening of facilities at the region's 29 state parks, eight state forests, the 500,000-acre Allegheny National Forest and star conservation attractions like the Elk Country Visitor, Kinzua Bridge Skywalk, PA Lumber Museum and Wildlife Center at Sinnemahoning State Park will also greatly impact the region's tourism season. In 2018, state parks in the PA Wilds saw nearly 3.5 million visitors; the Elk Country Visitor Center in Elk County and Kinzua Skywalk in McKean County combined see almost a million visitors per year. The Allegheny National Forest attracts almost a million visitors a year.

Facilities on many **state lands** in the region are slated to start a phased reopening soon but high-touch areas such as playgrounds and interpretive exhibits are expected to remain closed. The **Allegheny National Forest** has also announced that it is starting to reopen facilities.

Aggressive mitigation by both visitors and local businesses and residents in the PA Wilds will be incredibly important as the region starts to reopen given that the PA Wilds has limited hospital capacity and an older population, which is shown to be most vulnerable to serious complications associated with the coronavirus. As the mayor in one of the region's largest cities – St. Marys, whose hospital serves multiple rural counties -- aptly put it to **WHYY/PBS recently**: "We have ... four ICU beds and five ventilators, so I get it. It's on us to make sure we're successful at [social distancing]."

Reopening will come with its own challenges for small businesses. Like many of its partner organizations, PA Wilds Center has worked to keep its business network informed of state and federal disaster aid programs, reopening guidelines, and other resources, such as The Conservation Fund's **guidance for gateway communities**, which builds on The Fund's "Balancing Nature and Commerce" workshops, which many community teams from the PAWilds have attended over the last decade.

Several businesses in our value chain report applying for disaster aid; some have received it. Media reports show that **some rural businesses** are still waiting for aid to come through.

To further help accelerate the recovery conversation among the region's entrepreneurs, PA Wilds Center on May 4 launched a Facebook live series, **The Wilds Are Working: Rural Entrepreneurship in Uncharted Times**, paying small businesses in the region \$250 to share their pivots and stories with each other through short interviews. The goal of the series is to help cross-pollinate best practices and support a sense of community among the region's rural entrepreneurs.

## PA Wilds

- 29 State Parks
- 8 State Forests
- 1 National Forest
- 16,000 miles of streams and rivers

## Annual Visitation:

- 15.2 times our population in day trips
- 8.8 times our population in overnight trips

## RECOVERY STRATEGIES (continued)

PA Wilds Center has several technology-related initiatives underway that will help with recovery efforts in rural communities. Through a grant from the U.S. Economic Development Administration, PA Wilds Center is in the process of developing a PA Wilds-branded maker marketplace that would allow small businesses in its rural value chain to sell online and drop ship from their locations. Several makers in our value chain said this marketplace will be an important tool to help them access markets during and after the pandemic. The marketplace is being developed in partnership with the Erie-based MakerPlace Inc., and is about a year away from launching. This online marketplace builds on the Center's brick-and-mortar PA Wilds Conservation Shop locations, which also focus on getting locally-made products to market. The Center hopes to reopen its Conservation Shop at Kinzua Bridge State Park in mid-May; a second location, at Leonard Harrison State Park in Tioga County, is still on track to open in 2021. The Center looks to expand the shops from one to six units over the next decade, improving visitor services and access to markets for dozens of rural businesses.

### *A PA Wilds-branded online maker marketplace is under development.*

Other tech and commerce related projects that will be important to recovery include the launch of the PA Wilds Media Lab, a 5000-square foot workforce development hub in Kane, PA, to support the Center's growing network of entrepreneurs through tools, technologies, and professional development opportunities, as well as support the Center's PA Wilds-branded commerce and storytelling platforms, like the regional visitor site [pawilds.com](https://pawilds.com). The Center is also working with Ben Franklin Technology Partners, PennTAP, and several Small Business Development Centers serving the region to pursue federal funds to support three Big 'Green' Idea contests for businesses to help highlight the region's forest-based economy and ready rural PA for more technology innovations and investments. This proposal builds on a **recent Penn State study** that shows innovation is widespread even in rural places not typically thought of as innovative and brings economic benefits to businesses and communities.

## ADDITIONAL CHALLENGES AND OPPORTUNITIES

Conservation is a pillar of the PA Wilds effort and marrying it with economic development is central to the Center's mission.

COVID-19 has raised awareness both locally and nationally about the importance of public lands, the environment and outdoor recreation to building sustainable communities. This is fantastic and creates opportunities to bring new partners and supporters for the regional PA Wilds effort into the fold.

Increased use of public lands in the region also brings more wear and tear. The PA Parks and Forest Foundation (PPFF) has already documented more than **\$500 million in maintenance backlogs** at state parks and forests in the PA Wilds region. Looking to be part of the solution, PA Wilds Center last year began a charity checkout campaign at its brick-and-mortar and online stores that focus on selling local products. Funds collected through the program are donated to PPFF per a Memorandum of Understanding between the two organizations, for reinvestment in state parks and forests in the region. These donations are down for 2020 due to coronavirus but are forecast to reach \$25,000 per retail location once things normalize again.

Other conservation challenges amid the crisis include that some critical conservation organizations, such as the Keystone Elk Country Alliance (KECA), which operates the Elk Country Visitor Center under its mission to enhance Pennsylvania's elk country for future generations, have taken a hit in their ability to raise funds to support their mission, at least during the mandated shutdown period. The Center and KECA are currently collaborating on recovery ideas, but it is likely some habitat projects and visitor education programs KECA had planned will not happen in 2020 due to COVID-19. Other conservation groups likely face similar challenges.

# CHANGING TRAVEL TRENDS

COVID-19 is changing travel trends across the nation and globe, and many of these trends are in favor of outdoor recreation destinations like the PA Wilds.

For example, a new report by Penn State University, done in conjunction with Leave No Trace Center for Outdoor Ethics, shows that COVID-19 is changing how Americans recreate, including a growing interest in utilizing public lands.

"37.7% of respondents perceive that the COVID-19 pandemic will change their outdoor recreation behaviors long into the future," the report says. "The most salient changes include utilizing local public lands more often, diversifying their recreation activities, and participating in more fitness-based activities."

Travel Pulse, an industry resource, wrote on April 4: "The prevailing opinion among the travel industry leaders we surveyed is that, initially, Americans will opt for experiences closer-to-home, concentrating on getting out-of-doors, seeking off-the-beaten-path locations, avoiding modes of mass transportation and traveling with small groups of trusted companions."

Destination Analysts, another industry resource, wrote on April 20: "The number of American travelers saying they will choose regional rather than long-haul destinations for leisure travel this year continues to grow."

Bargains and discounts will also be important to travelers during this uncertain time, industry experts say.

As a low-cost destination based on the outdoor experience, within a day's drive of a quarter of the nation's population, the PA Wilds has the potential to make a strong tourism recovery once we are safely beyond this coronavirus pandemic.



***37.7% of respondents perceive that the COVID-19 pandemic will change their outdoor recreation behaviors long into the future.***

## CONCLUSION

Like all tourism destinations, the PA Wilds region has taken a huge economic hit because of the novel coronavirus. These losses are exacerbated by the fact that the region is economically-distressed, lacking in broadband infrastructure in many areas, and was already trying to recover from decades of population decline when the coronavirus crisis hit. It will take many people and organizations working together to keep residents and visitors safe and small rural businesses in business until the crisis passes.


PA Wilds Center has been grateful these past few weeks for the tremendous foundation work so many partners have done over the last 15 years to establish the PA Wilds strategy, because going forward it will be critical to helping our communities recover. Indeed, in a post-covid world, outdoor recreation and our public lands may become even more of an economic and stewardship driver for our rural region than they already are.

PA Wilds Center is committed to working with partners to support our rural communities during recovery.

Thank you for your support and please let us know if you have any questions.

Respectfully submitted,  
Ta Enos, PA Wilds Center CEO  
[tenos@pawildscenter.org](mailto:tenos@pawildscenter.org)

# SURVEY RESULTS



Dates surveyed:  
 March 30 - April 7, 2020  
 Businesses Contacted: 150  
 Response as of April 27: 85

## MAKERS /PRODUCERS

- The upcoming tourism season plays a critical role in the success of the region's maker community through sales opportunities at festivals/shows, wholesale orders, and overall foot traffic for those makers with brick-and-mortar shops.
- Many makers report that events and festivals where they planned to sell this summer have been cancelled, and they are looking for new venues to sell through.
- Several makers noted that they look forward to the launch of the PA Wilds Maker Marketplace, which will allow them to sell under the PA Wilds brand online and drop ship from their locations.
- Makers are adapting to the current situation by updating/creating new products and are preparing for reopening by building their current assortments.
- Several makers are finding that they are unable to get supplies to create items due to high demand or because those businesses have been closed.
- Makers are relying on social media, email, and their websites to reach their base and generate sales.
- For some of our makers, their business is a second income; therefore, they aren't interested in applying for assistance because "others need it more than they do" or in situations where they are interested, they are not sure what, if any assistance applies to them (farmer, sole proprietor, retiree). For some who expressed interest in applying, they found the information to be very confusing. They do not want to incur further debt because they still have to pay their monthly expenses- debt forgiveness was suggested by some. Others had applied, but had not heard anything back and were becoming frustrated.
- Several makers noted that they are grateful for the support of others and appreciate seeing how strangers are coming together to help one another.

## SERVICE SECTOR

- Businesses in our rural value chain, The Wilds Cooperative of PA, reported laying off more than 100 employees and revenues losses of more than \$500,000 in the first few weeks of the pandemic.
- The mandated shutdown is occurring during what is still considered the 'slow' season for many small businesses.
- An overwhelming number of the small businesses surveyed said they rely heavily on the upcoming tourism season.
- Online means of revenue and communication have become even more important, but stable internet connections are lacking in some areas.
- Local chambers, Small Business Development Centers, Local Development Districts, Covation Center, and private lenders were mentioned numerous times by companies as being critical to helping them understand and access state and federal disaster aid programs.
- Some businesses are having problems getting aid (funds dried up in places) or are concerned any loan would add to their debt.
- Many businesses are looking for clear and concise messaging and timelines from government entities.
- Lodgings and brick-and-mortar service sector companies are struggling to pay fixed expenses (utility costs, mortgages, rent, and insurance) while being closed, while also trying to leverage the downtime to do needed facility maintenance, cleaning, repair and improvement projects, which also cost money.
- A handful of business owners are concerned with a misunderstanding or total defiance of social distancing and/or stay-at-home orders.
- Shutdowns are especially hard on small businesses like lodgings and restaurants that may still be open but whose guests and customers are affected so they're not utilizing these businesses.
- General ideas on things that would help include: payment freeze/deferral, extensions, small business/nonprofit stimulus money, tax breaks, outreach to policymakers, and promotion/marketing of the businesses to consumers, such as through pawilds.com.
- Many business owners have noted people offering money, purchases, and pre-payments by customers looking to help keep their businesses going. This has meant a lot to them.



**Many businesses are looking for clear and concise messaging and timelines from government entities.**



# EARLY ACTIONS ON RECOVERY

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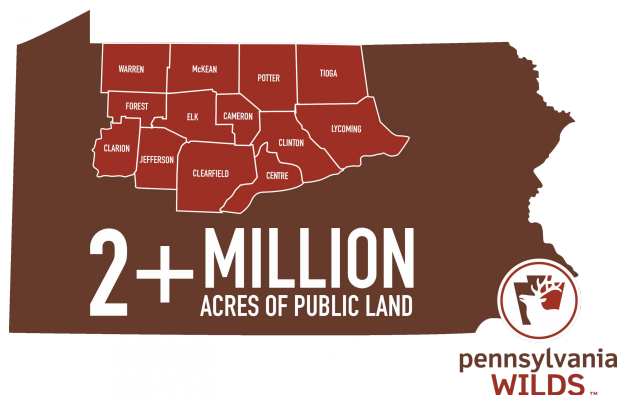
Below are actions the PA Wilds Center is taking to help rural communities in the PA Wilds recover from the COVID-19 pandemic.

As always, we welcome and appreciate partner support and collaborations in these efforts.

- 1 As the region begins to reopen, promote how important aggressive mitigation is to keeping residents and visitors safe, and rural small businesses viable. Assist in guiding audiences to trusted resources for the latest information.
- 2 Look for opportunities to add the PA Wilds Center's voice and data sets in a more direct way to partner efforts to get rural PA wired with broadband technology.
- 3 Continue to seek investment and partnerships to scale the PA Wilds entrepreneurial ecosystem and commerce platforms to help rural entrepreneurs connect to markets and resources so they can thrive.
- 4 Continue to raise awareness about the importance of small businesses to the region's rural economy, community character, and quality of life.
- 5 Raise awareness about how travel trends are changing and the long-term economic opportunities this presents for rural communities in the PA Wilds and ways this can be leveraged toward local revitalization goals.
- 6 Continue to encourage businesses and communities to use the PA Wilds brand and to align marketing efforts with the region's tremendous outdoor recreation opportunities on public lands and waterways.
- 7 Continue to invest in regional partnerships and strategies. PA Wilds Center, and the regional PA Wilds revitalization strategy it spearheads, is made stronger and more competitive through its partnerships with other organizations at the local, state, and federal levels. The Center will continue to invest in these partnerships.
- 8 Continue to promote and support asset-based development projects and community character stewardship in the PA Wilds.
- 9 Seize this moment of national interest in public lands and the environment to build awareness about the role of the PA Wilds as a large working forest and what that means for climate resiliency, clean water, wildlife habitat, and community health.

## About PA Wilds Center and the PA Wilds

The PA Wilds is one of the Commonwealth's 11 designated tourism regions. It covers about a quarter of the Commonwealth and includes the counties of Cameron, Clarion, Clearfield, Clinton, Elk, Forest, Jefferson, Lycoming, McKean, Potter, Tioga, Warren and northern Centre. The region is economically-distressed and home to the greatest concentration of public lands in the Commonwealth.



For more than 15 years, public- and private-sector partners have made coordinated investments to establish the 13-county PA Wilds region as an outdoor recreation destination to help diversify rural economies, create jobs, improve quality of life, and inspire stewardship. These include investments in small business development, branding and marketing, community character stewardship, regional planning, youth outreach, and recreation infrastructure.

Through increased visitation and thoughtful investments in rural communities, the PA Wilds strategy is helping the region recover from decades of divestment and population decline by building rooted local wealth through entrepreneurship while celebrating and igniting a stewardship ethic. These investments, in turn, make our rural communities – and the major employers in them – more competitive.

As the coordinating nonprofit for the PA Wilds effort, the PA Wilds Center, a 501(c)(3), works closely with the PA Department of Conservation and Natural Resources (DCNR), the PA Department of Community and Economic Development (DCED) and other public and private-sector partners at the local, state, and federal levels. The Center is also the administrative home to a ground-breaking Intergovernmental Cooperation Agreement (ICA), the largest geographically of its kind in PA, which brings together the region's 13 county governments and other partners around the PA Wilds strategy. The Center's Board of Directors is a mix of public- and private-sector leaders across a range of industries.

The Center's mission is to integrate conservation and economic development to strengthen and inspire communities in the PA Wilds. The nonprofit is sustained through partnerships, program fees, philanthropic giving, grants, and entrepreneurial activities related to the PA Wilds brand. Major funding partners in the Wilds strategy include the region's county governments, DCNR, DCED, PA Council on the Arts, Appalachian Regional Commission, USDA, and the U.S. Economic Development Administration.

The PA Wilds work has been held up as a model in three recent state and national studies, "Pennsylvania Conservation Landscapes – Models for Successful Collaboration (2020)"; Strengthening Economic Resilience in Appalachia (2019) and Rural Prosperity Through the Arts & Creative Sector: A Rural Action Guide for Governors and States (2019).



To learn more, please visit:

Our Org Site: [pawildscenter.org](http://pawildscenter.org)

Our Visitor Site: [pawilds.com](http://pawilds.com)

Our Value Chain of Businesses: [WildsCoPA.org](http://WildsCoPA.org)

Our Marketplace: [ShopthePAwilds.com](http://ShopthePAwilds.com)