

SWFL Holiday Trip Index

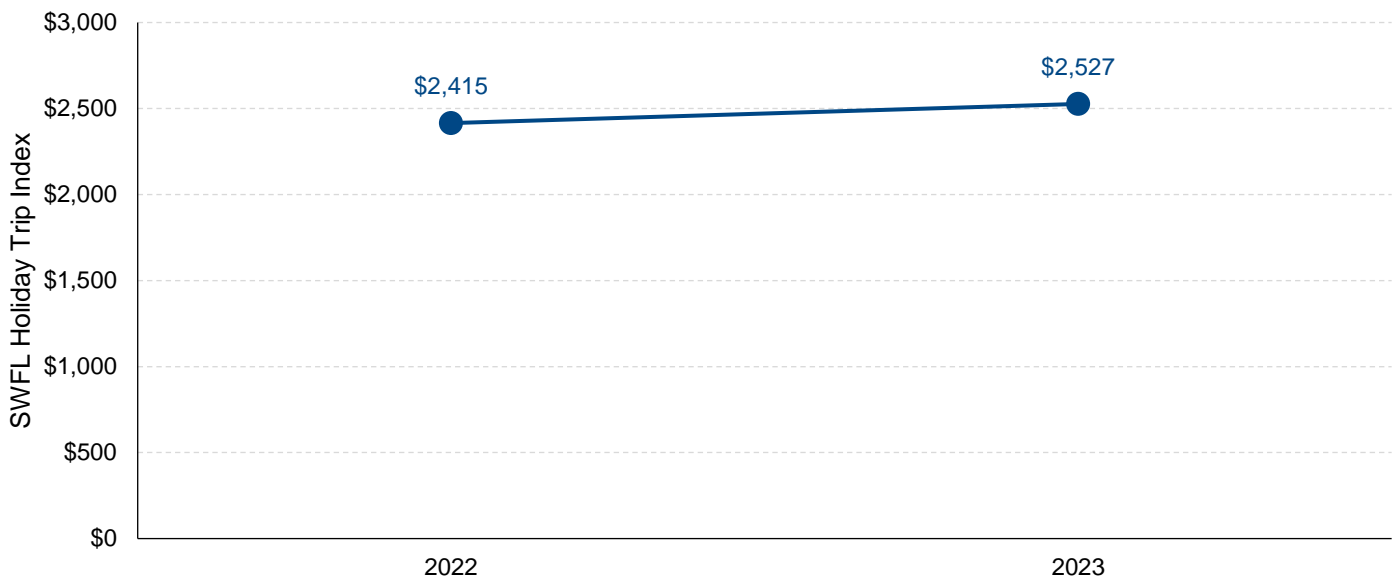
December 2023

Introduction

With the holidays fast approaching, the Southwest Florida region will begin to see an influx of visitors from northern states and internationally to celebrate the holiday season. These visitors play a vital role in the regional economy, directly supporting the leisure and hospitality sector, one of the largest sectors in the region.

But how much will it cost to celebrate the holiday season down in Southwest Florida this year? This question led to a collaboration between Moran Wealth Management® and the Lutgert College of Business to develop the SWFL Holiday Trip Index. The goal of the index is to understand how prices that visitors face have changed since 2022. We look at four components to calculate the index – airfare, accommodations, restaurants and entertainment.

Chart 1. SWFL Holiday Trip Index



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from local hotels, restaurants, CoStar and U.S. Bureau of Labor Statistics

Celebrating the holiday season in Southwest Florida increased in cost from 2022 to 2023, as shown in Chart 1. Our research found that the price increased 4.6 percent year-to-year, from \$2,415 to \$2,527 for a party of two traveling to the region between December 23rd and December 26th. Three of the four components used to calculate the index increased, including accommodations (up 12.6 percent), restaurants (8.6 percent) and entertainment (3.6 percent). Airfare was the lone component to decline year-to-year, down 5.3 percent.

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Methodology

The Southwest Florida Holiday Index is calculated to determine the approximate cost to celebrate the December holiday season in Southwest Florida. With this in mind, we make the following assumptions to arrive at the index:

1. The index is calculated assuming a party of two people flying into the region from outside the state on December 23rd and leaving December 26th.
2. The party will stay at a hotel in Southwest Florida for the entire duration.

The index is comprised of four parts – airfare, accommodations, restaurants and entertainment. The price of each component is approximated and summed determine the average cost for celebrating the Holiday season down in Southwest Florida each year. Below we detail how we arrive at the price for each component.

Airfare

Prices for airfare were calculated using the cost of flying into and out of RSW airport. Using data from the Lee County Visitor and Convention Bureau Visitor Profile Reports, we identified the top origin markets from visitors to Lee County. The eight areas identified in their report -- New York, Chicago, Minneapolis, Atlanta, Indianapolis, Detroit, Washington DC, and Milwaukee. Collier and Charlotte VCB only provided data on a larger geographical level but overall distributions are similar.

Next, we identified the price of a round-trip flight in economy for each origin market. These prices were gathered on December 4th, 2023. We then took the average of the nine prices to calculate an estimate for an average round trip flight for one person to and from Southwest Florida. Finally, we multiply this price by two to calculate the price for a party of two to fly to and from Southwest Florida.

Because we did not have 2022 airfare prices available, we approximate 2022 prices by deflating 2023 data using national Consumer Price Index (CPI) data on airline fares.

Accommodations

Local hotels in Southwest Florida spanning various submarkets were identified for determining accommodation prices.¹ These hotels were identified with assistance from CoStar data. We next visited each hotel website on the last Monday of November and obtained the price for booking a standard double queen bedroom from December 23rd to December 26th. The average of the per night prices were obtained to calculate the average price for renting an accommodation in Southwest Florida.

Prices for 2022 were approximated using accommodation data obtained from CoStar. The average price for an accommodation rental in each of the submarkets was calculated for 2022 and 2023, and the percent change between the two years was determined. This value was used to deflate 2023 values to 2022.

Restaurants

Eleven different restaurants in Southwest Florida were identified for calculating the restaurant component of the index. The menu prices for appetizers, entrees, desserts, and wines were averaged to obtain an average price for each category. Finally, we assume that a meal at a restaurant for one person consists of one appetizer, one entrée, one dessert and two glasses of wine. This average dinner price was multiplied by two to approximate the price of dinner for one night, and further multiplied by three to account for three dinners.

¹ A complete list of hotels identified can be found in the Appendix.

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Because we did not have 2022 restaurant prices available, we approximate 2022 prices by deflating 2023 data using CPI data on food away from home in both the Miami-Fort Lauderdale-West Palm Beach, FL and the Tampa-St. Petersburg-Clearwater, FL metropolitan areas.

Entertainment

The entertainment component was calculated by identifying the cost of various holiday attractions and events occurring in December in Southwest Florida. These events were identified between November 9th and November 16th, and prices were available for both 2022 and 2023. The total price for attending every event was calculated for both 2022 and 2023.

Considerations

The inaugural year of the index poses a separate challenge due to the lack of historical data available from certain resources. To account for this, we use data from the CPI to deflate 2023 prices to estimate 2022 prices. Moving forward, the index will be calculated using actual prices each year.

Research Team

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