

Social Amplification of Risk in Coastal Tourism Destinations with Harmful Algae Blooms

Sergio Alvarez, Ph.D.

Rosen College of Hospitality Management / National Center for Integrated Coastal Research

University of Central Florida

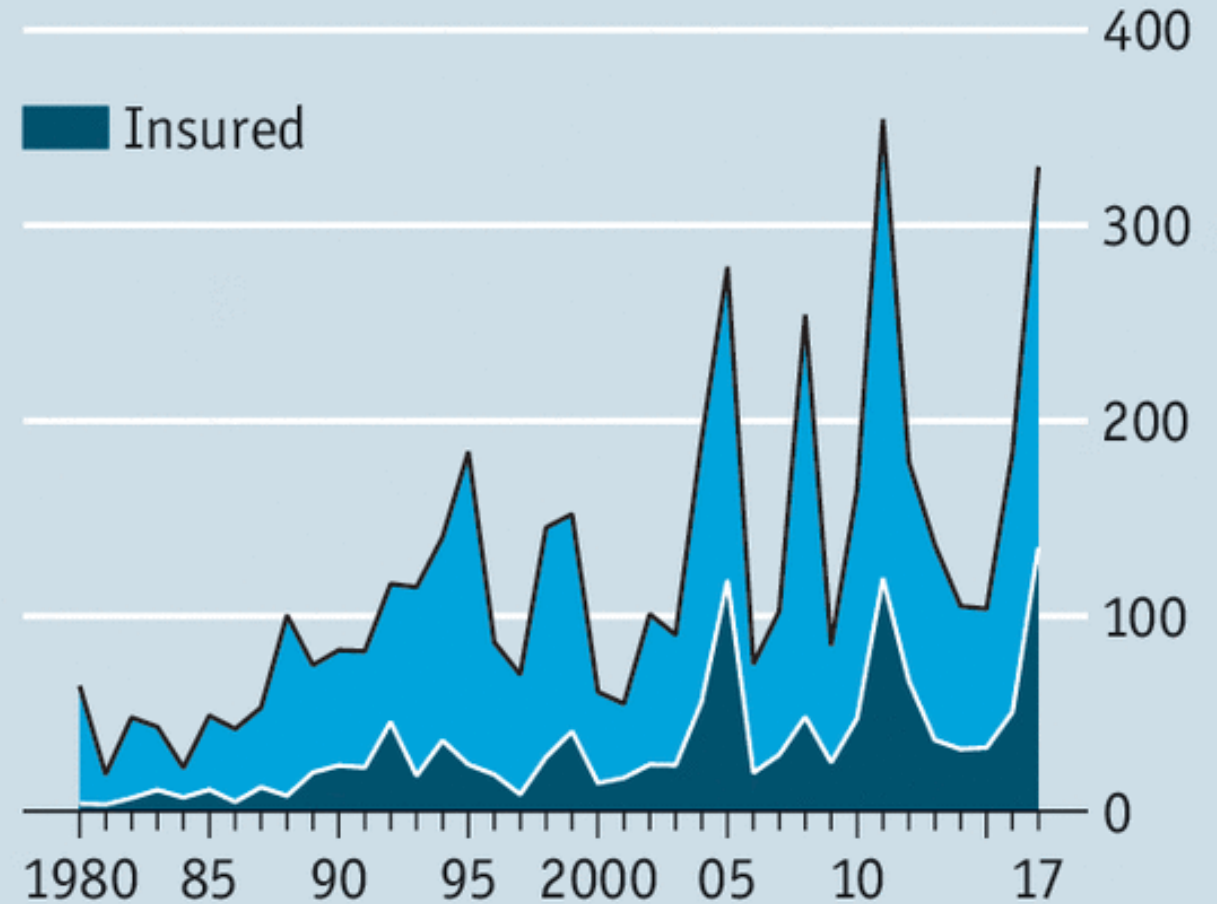
Trends in economic losses from natural disasters

The inflation corrected economic losses of natural disasters have been increasing over the last few decades (Botzen et al., 2019).

The main contribution to the upward trend in losses comes from socio-economic and demographic factors such as population growth, ongoing urbanization, and increasing values being exposed (Hoeppe, 2016).

Calamity pain

Worldwide catastrophe losses
2016 prices, \$bn



Source: Munich Re

Types of economic losses traditionally considered

Direct losses or impacts refer to the *damage to the assets* caused *directly* by a natural disaster, with the losses occurring at the time of the disaster or shortly thereafter (e.g., destruction of residences, businesses, productive capital, infrastructure, crops, livestock, and monetized physical and mental health impacts).

Direct impacts can lead to *indirect impacts*.

Indirect losses or impacts refer to changes in economic activity that *follow* the disaster. These include interruptions of economic activities and spillover effects due to the substitution of production and the demand for reconstruction.

Source: Botzen et al., 2019



Limitations of the current conceptualization of natural disasters



A natural disaster involves destruction of physical assets.

(Physical bias)

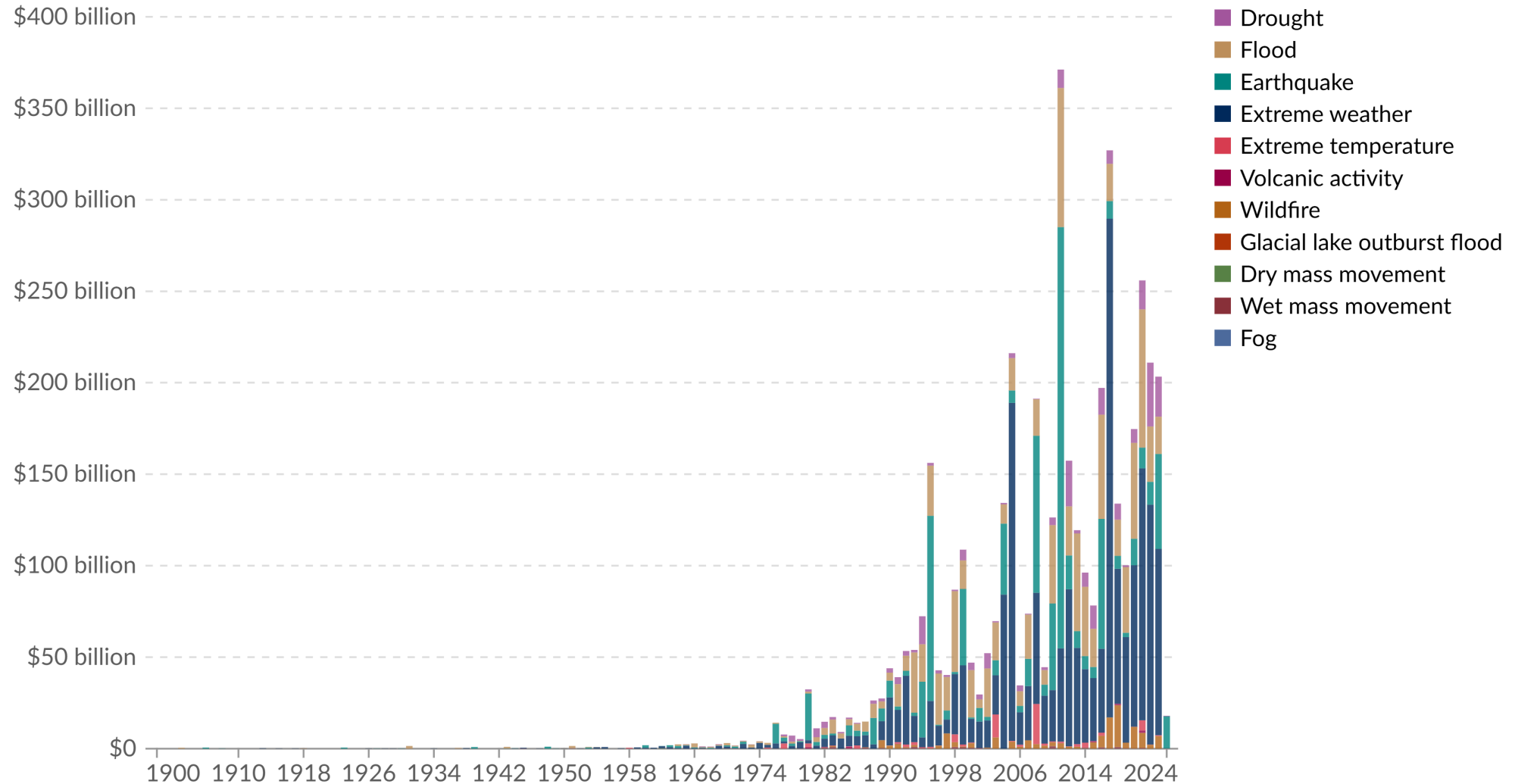


Changes in economic activity attributed to the disaster arise from the physical impacts and are driven by changes in production activities or reconstruction/rebuilding.

(Reconstruction bias)

Economic damage by natural disaster type, 1900 to 2024

Global economic damage from natural disasters, differentiated by disaster category and measured in US\$ per year.



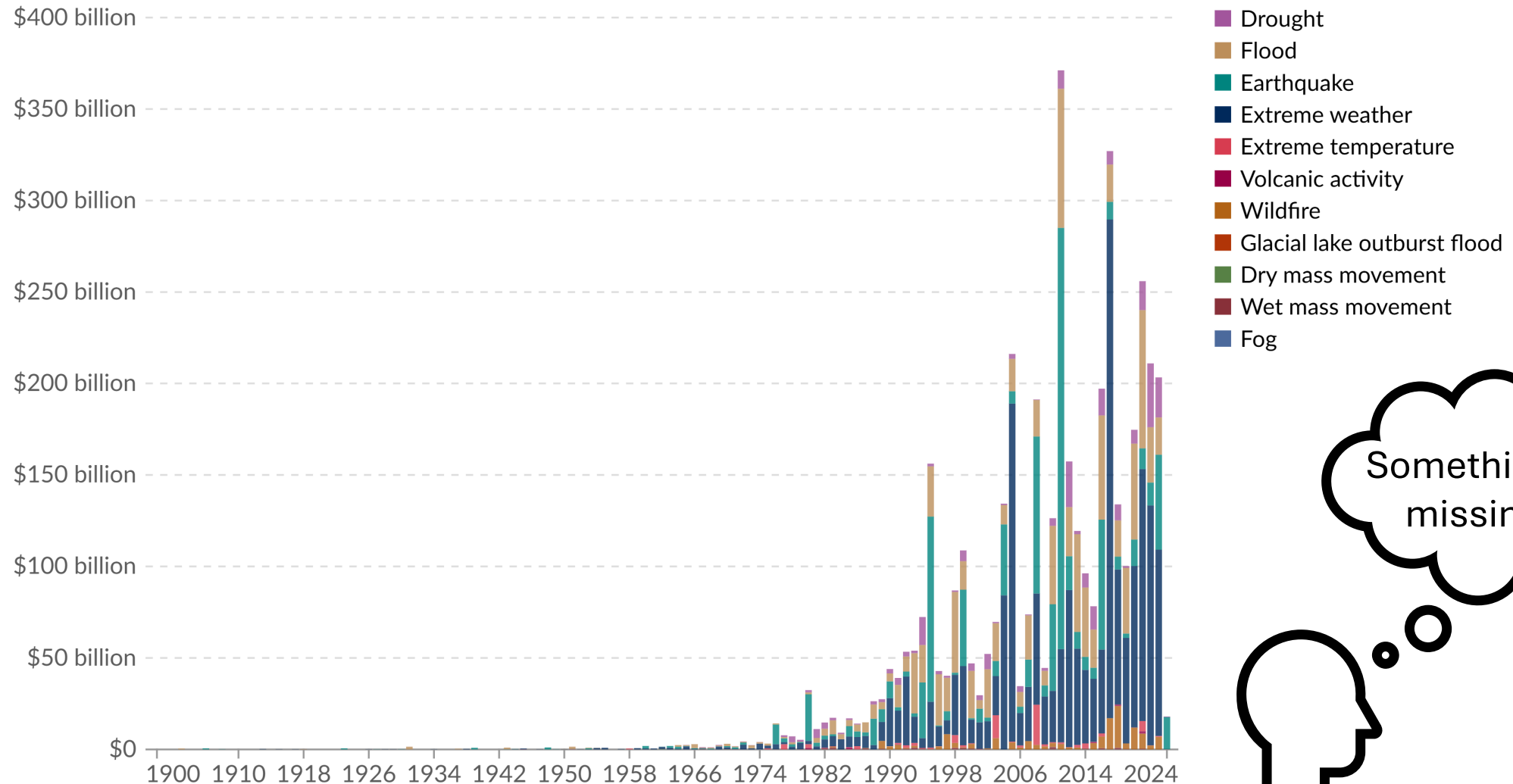
Data source: EM-DAT, CRED / UCLouvain (2024)

OurWorldinData.org/natural-disasters | CC BY

Note: Data includes disasters recorded up to April 2024.

Economic damage by natural disaster type, 1900 to 2024

Global economic damage from natural disasters, differentiated by disaster category and measured in US\$ per year.



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Harmful Algae Blooms (HABs) as a natural disaster

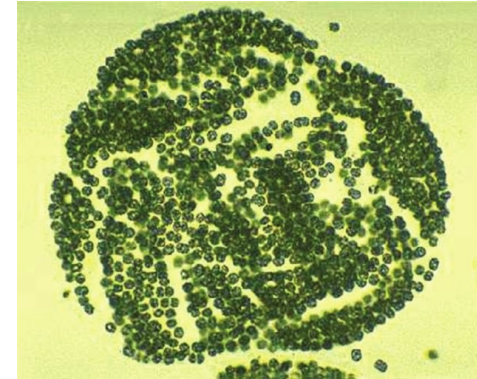
Naturally occurring
microscopic organisms in water
("algae")

Become a nuisance because

- Produce **toxins**
- Unsightly or smelly
- Kill fish and other wildlife

There are **several types** of
organisms that can cause HABs

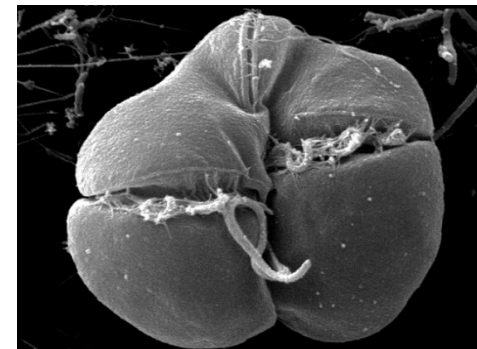
- Over 60 species identified
worldwide



Microcystis spp.
a.k.a. Blue-green algae



Aureoumbra lagunensis
a.k.a. Brown tide



Karenia brevis
a.k.a. Red tide



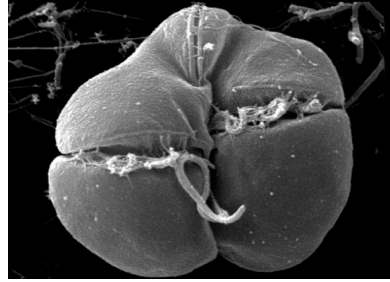
Anabaena spp.
a.k.a. Blue-green algae



Casey Key (Sarasota County) Before and During Red Tide
Photos by Cody Johnson



Florida Red Tide



Dinoflagellate *Karenia brevis* produces **brevetoxins** that **kill wildlife** and cause **irritation** in humans

Brevetoxins can affect the **neurological, gastrointestinal, cardiovascular, or respiratory systems.**

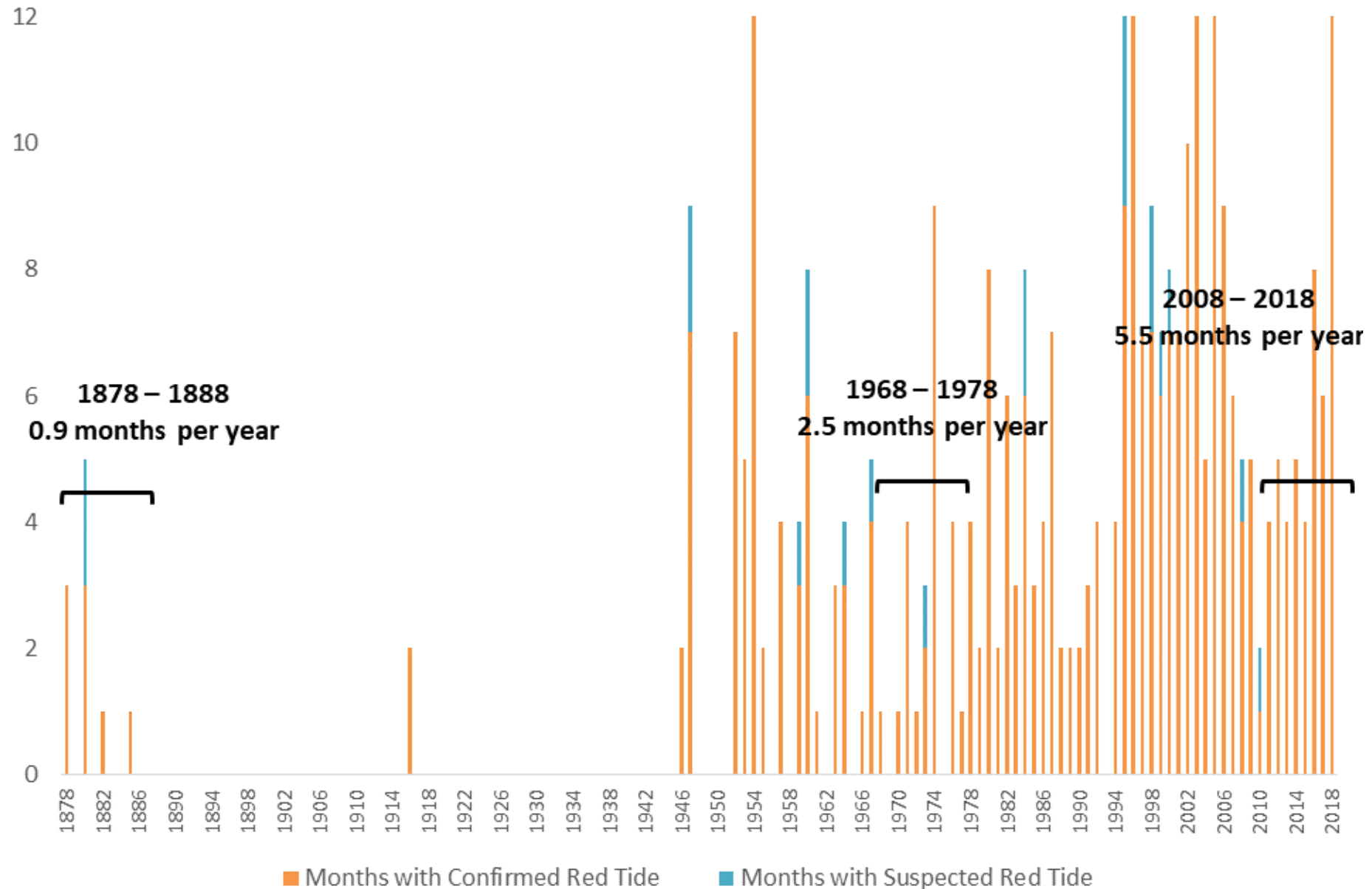
Eating fish poisoned with brevetoxins can cause **neurotoxic shellfish poisoning**

Blooms **occur naturally** along the Gulf Coast

Winds and **water currents** can push the blooms toward the shoreline

Blooms near the coast may be **further fueled** by excess nutrients from rural and urban runoff

Number of Months (per year) with Confirmed or Suspected Red Tide Blooms in Florida



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Buchanan, Soto Introduce Bill to Mitigate Harmful Algal Blooms

March 27, 2025

Legislation Defines Harmful Algal Blooms as “Major Disaster,” Unlocks FEMA Assistance

Follows Recent Health Alerts Linked to Red Tide in Southwest Florida

WASHINGTON — Today, Congressman Vern Buchanan, Co-Chairman of the bipartisan Florida delegation, and Rep. Darren Soto (D-Fla.), introduced legislation to protect Southwest Florida’s economy and environment from harmful algal blooms like red tide. The *Protecting Local Communities from Harmful Algal Blooms Act* would include algal blooms in the definition of a “major disaster,” providing both technical and financial assistance from the federal government to states suffering from outbreaks of harmful algal blooms.

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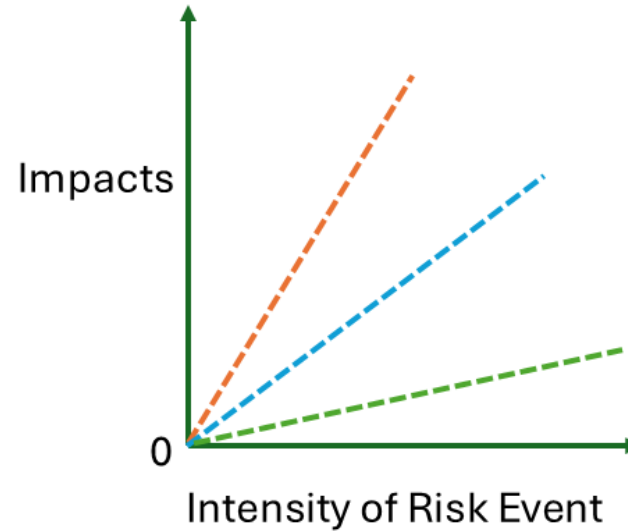
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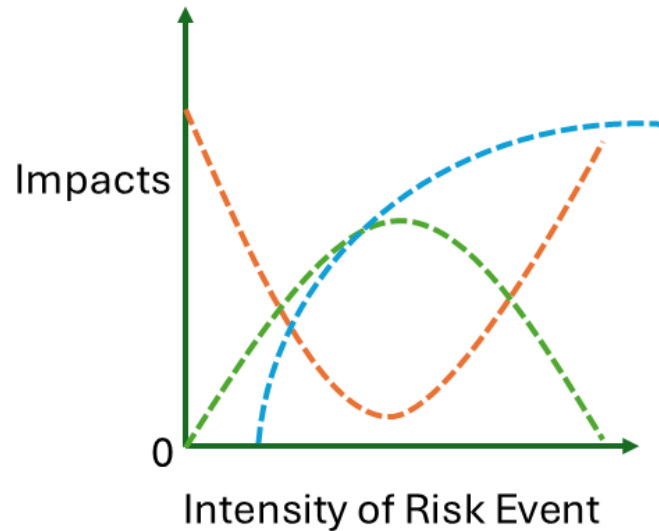
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Challenging the physical and reconstruction bias of natural disaster conceptualization:

The case of Harmful Algae Blooms



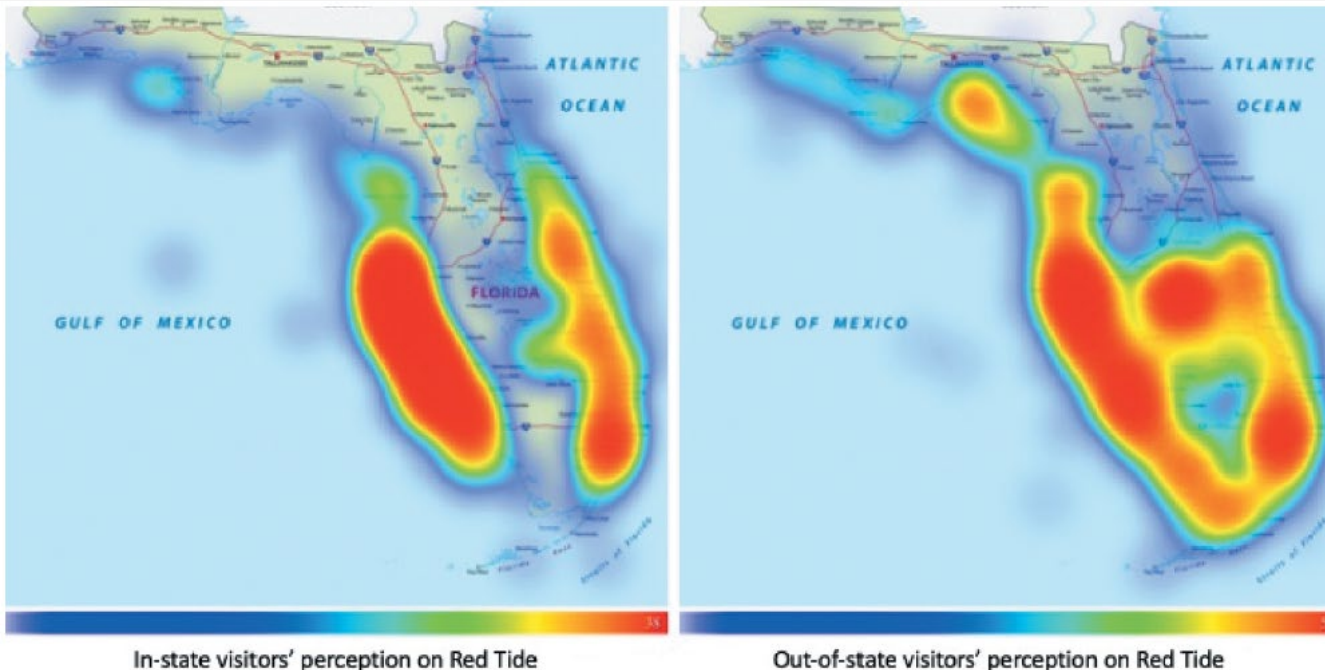
H1: Impacts increase linearly and proportionally as the intensity of the risk event increases.



H2: Impacts of risk events respond nonlinearly as the intensity of the risk event increases.

Proposition 1: HABs Affect Destination Image

Cahyanto and Liu-Lastres (2020) examined the relationships between media exposure, risk perception, and visitor's behavioral responses.



ARTICLE



Risk perception, media exposure, and visitor's behavior responses to Florida Red Tide

Ignatius Cahyanto^a and Bingjie Liu-Lastres^b

^aDepartment of Management, B.I. Moody III College of Business Administration, University of Louisiana at Lafayette, Lafayette, LA, USA;

^bDepartment of Tourism, Event, and Sport Management, School of Health and Human Science, Indiana University-Purdue University Indianapolis, Indianapolis, IN

ABSTRACT

Florida's Red Tide outbreak, a major environmental disturbance in 2018, not only garnered nationwide attention but also affected both in-state and out-of-state visitors. Guided by the Social Amplification of Risk Framework (SARF), this study examined the relationships between media exposure, risk perception, and visitors' behavioral responses. Data were gathered from two surveys in late 2018. The findings validate the practicality of applying SARF to the current context. This study also found that both perceived consequences and access to the community are significant predictors of visitor behavior. This study further discussed how to market destinations during turbulent times.

ARTICLE HISTORY

Received 23 July 2019
Revised 8 May 2020
Accepted 11 June 2020

KEYWORDS

Red Tide; Florida; tourism; risk; media; SARF; Harmful Algal Blooms; destination marketing; tourism crisis; social amplification of risk



Exploring the host-Guest interaction in tourism crisis communication

Bingjie Liu-Lastres^a and Ignatius P. Cahyanto^b

^aDepartment of Tourism, Event and Sport Management, Indiana University-Purdue University Indianapolis, Indianapolis, IN, USA; ^bDepartment of Marketing and Hospitality, University of Louisiana at Lafayette, Lafayette, LA, USA

ABSTRACT

The purpose of this study was to explore the host-guest interaction in tourism crisis communication. Guided by a practice-based approach, our study used the recent event of the 2018 Florida Red Tide as the context. It explored both visitors' and residents' information-acquiring and sharing practices in crisis communication. A total of 969 potential visitors and 460 Florida residents were surveyed, respectively. The findings of our study show that visitors preferred residents as their primary information sources in the crisis communication process. Repeat visitors who have no children and are the primary decision-maker are more likely to rely on residents for risk information than first-time visitors. The results further indicate that most respondents in the resident sample have shared Red Tide information with visitors through various channels. Knowledge and social identity influenced their information-sharing behaviour. The findings suggest that residents can act as risk insiders in tourism crisis communication. A new research direction involving the guest-host interaction in tourism crisis management is proposed. This study offers practical implications for promoting effective risk and crisis communication in destinations and incorporating residents in tourism crisis communication and management.

ARTICLE HISTORY

Received 9 September 2019
Accepted 26 August 2020

KEYWORDS

Guest-host interaction; tourism crisis communication; risk insiders; Florida; Red Tide

Proposition 2: HABs Impact the Housing Market

Florida's housing market is in part driven by long and short term out-of-state visitors in search of mild winter weather.

If economic losses are driven by damage to physical assets or reconstruction, there should be no losses in the housing market from HABs.

Bechard (2020, 2021) used Zillow data analyzed with hedonic valuation methods to examine changes in housing prices resulting from HABs.

Findings indicate that **housing sale prices decrease** in areas impacted by blooms.

- 10% - 30% impact in sale price for properties located 1 – 5 miles from the shore.

Longer blooms result in larger reductions in sale prices, but the relationship between bloom duration and reduction in sale prices is **non-linear**.



External costs of harmful algal blooms using hedonic valuation: The impact of *karenia brevis* on Southwest Florida

Andrew Bechard¹

University of Rhode Island, USA



ARTICLE INFO

Keywords:

Harmful algal blooms
Karenia brevis
Red tide
Florida gulf coast
Econometrics
Hedonic valuation

ABSTRACT

We use a hedonic valuation method to measure the costs of harmful algal blooms to properties in Southwest Florida. Persistent blooms of “red tide” have lasted for over months at a time and can render the appeal of the Gulf Coast useless, usually a valuable amenity to property prices in the area. We study property prices over a sixteen-year period during which, four major blooms plagued the coast. We find property prices within five miles of the coast decline about 10% during a persistent bloom. Property prices also decrease more, in a non-linear fashion as blooms persist for additional months. Our estimate of local costs, although the first of its kind for this region and this type of algae, is similar to those found elsewhere in the literature for different algae across the country. Our results show the importance of mitigation, as counties face tight budgets and must realize the full external costs of these blooms.

J Real Estate Finan Econ (2021) 62:242–257
<https://doi.org/10.1007/s11146-020-09749-6>

Gone with the Wind: Declines in Property Values as Harmful Algal Blooms Are Blown Towards the Shore

Andrew Bechard¹

Published online: 14 February 2020
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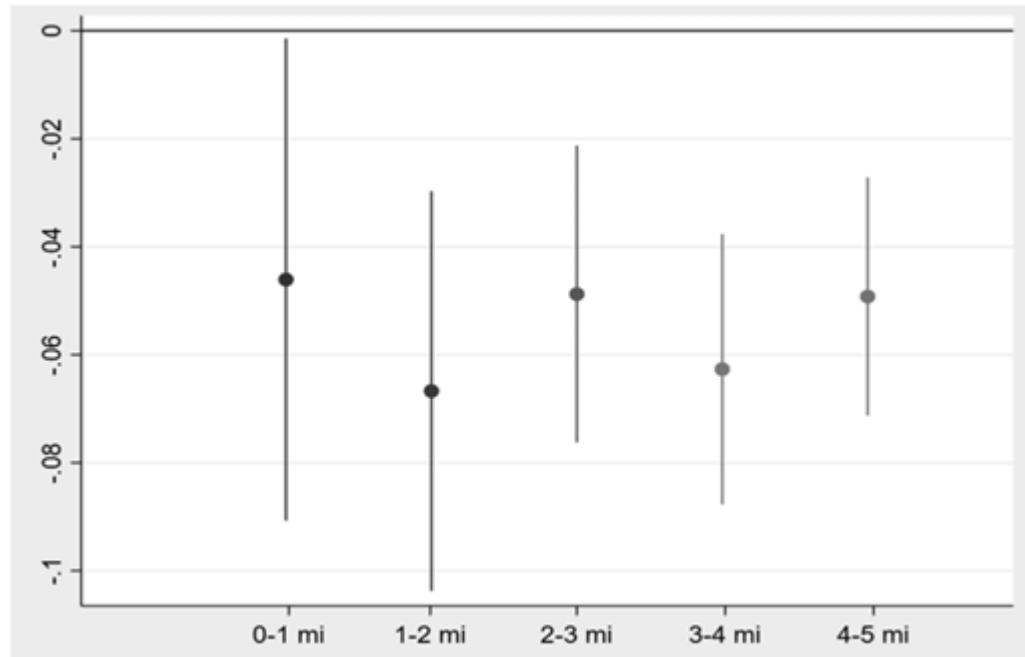
Abstract

Florida's Gulf Coast is known as a retirement hotspot, with property values along the coast rising faster than almost anywhere else in the country. However, the coastal amenities that help boost prices, quickly turn to dis-amenities when there is a prolonged red tide bloom in the Gulf. Using a difference in differences hedonic valuation model, we examine six Southwestern Florida counties heavily impacted by four major algal bloom in the past 20 years. We find that affected properties within 1 mile of the coast sell for up to 30% less compared to similar homes sold during the same month in an unaffected county. With red tide predicted to increase in frequency and severity, mitigation of the effects must be paramount for these counties. Losses occur in almost all sectors of the economy, and for a state that relies so much on the health of the environment, declines in property values are a sign that action must be taken against these blooms.

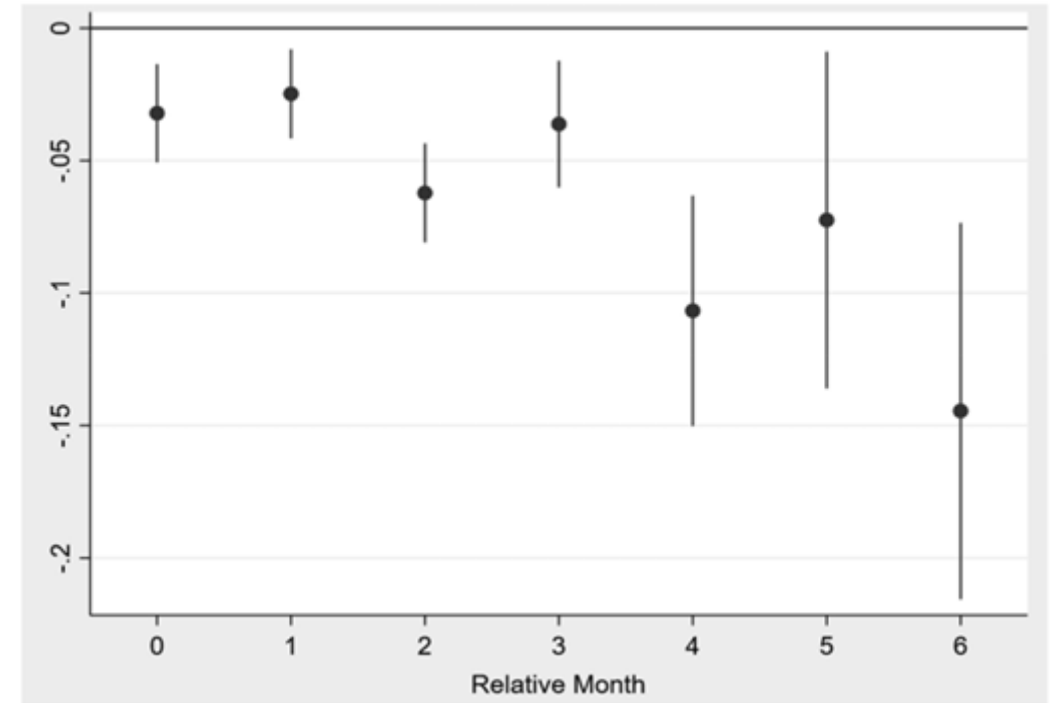
Keywords Harmful algal blooms · Karenia brevis · Red tide · Florida Gulf Coast · Difference-in-differences · Econometrics · Hedonic valuation



Bechard, A. (2020). External costs of harmful algal blooms using hedonic valuation: The impact of *Karenia brevis* on Southwest Florida. *Environmental and Sustainability Indicators*, 5, 100019.



Estimates of the effect of red tide on housing prices **by mile range**, along with 95% Confidence Intervals for all property types.



Estimates and 95% Confidence Intervals **for each month duration** of a bloom on housing prices compared to unaffected months for all property types.

* Two property types considered: Single family and multi-family

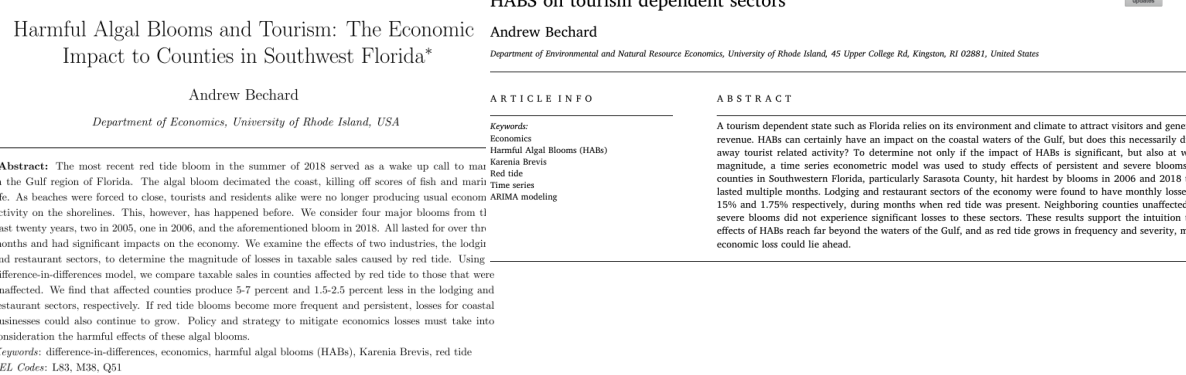
Proposition 3: HABs Reduce Visitation and Spending in Coastal Destinations

Studies by Bechard (2019, 2020) and Alvarez et al. (2024) that use panel data methods rely on data from the Florida Department of Revenue and the Florida Fish and Wildlife Conservation Commission.

Different econometric approaches have consistently shown that even though HABs do not destroy physical assets or drive reconstruction efforts, they do result in billion-dollar losses to the service industry.

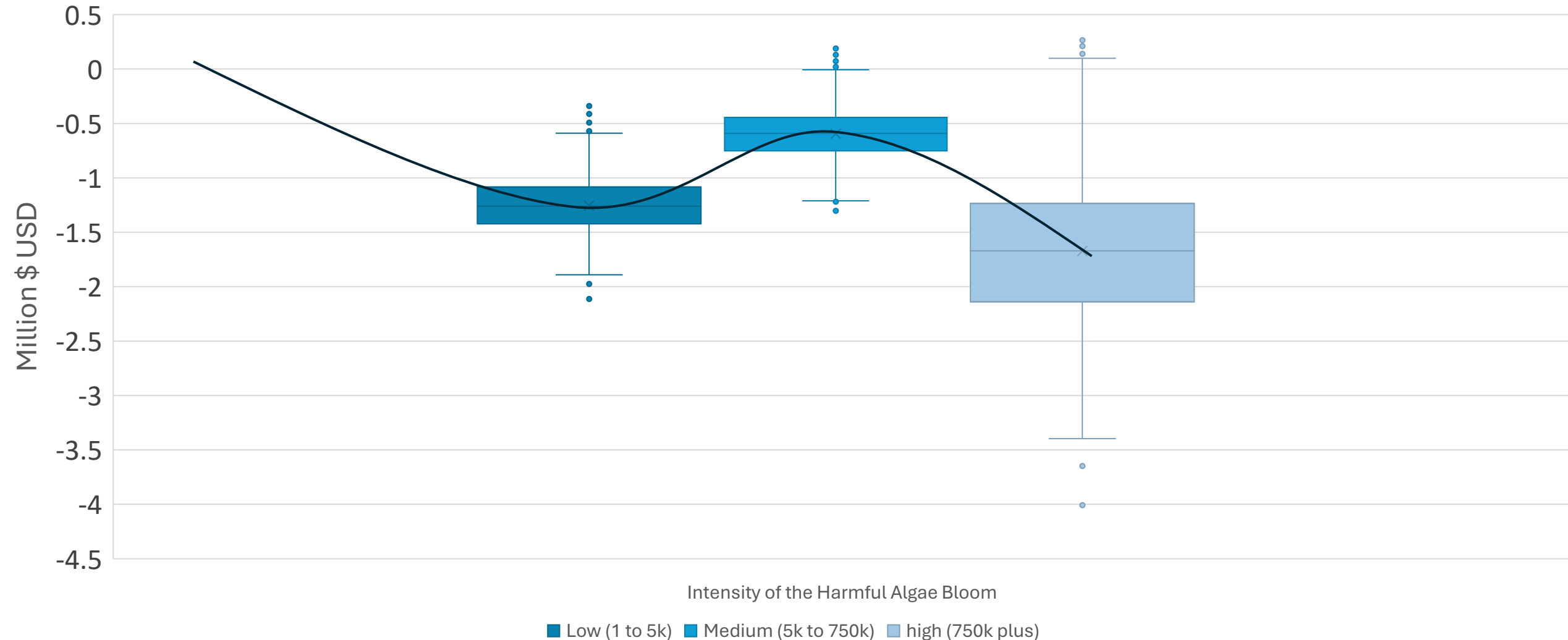
Alvarez et al. (2024) estimated statewide losses from red tide in 2018 at **\$2.7 billion**.

Higher concentrations of the red tide organism do not necessarily result in higher economic losses.



Alvarez, S., Brown, C. E., Diaz, M. G., O'Leary, H., & Solís, D. (2024). Non-linear impacts of harmful algae blooms on the coastal tourism economy. *Journal of Environmental Management*, 351, 119811.

Market impact of an additional day of red tide on the tourism economy of counties in coastal Southwest Florida.



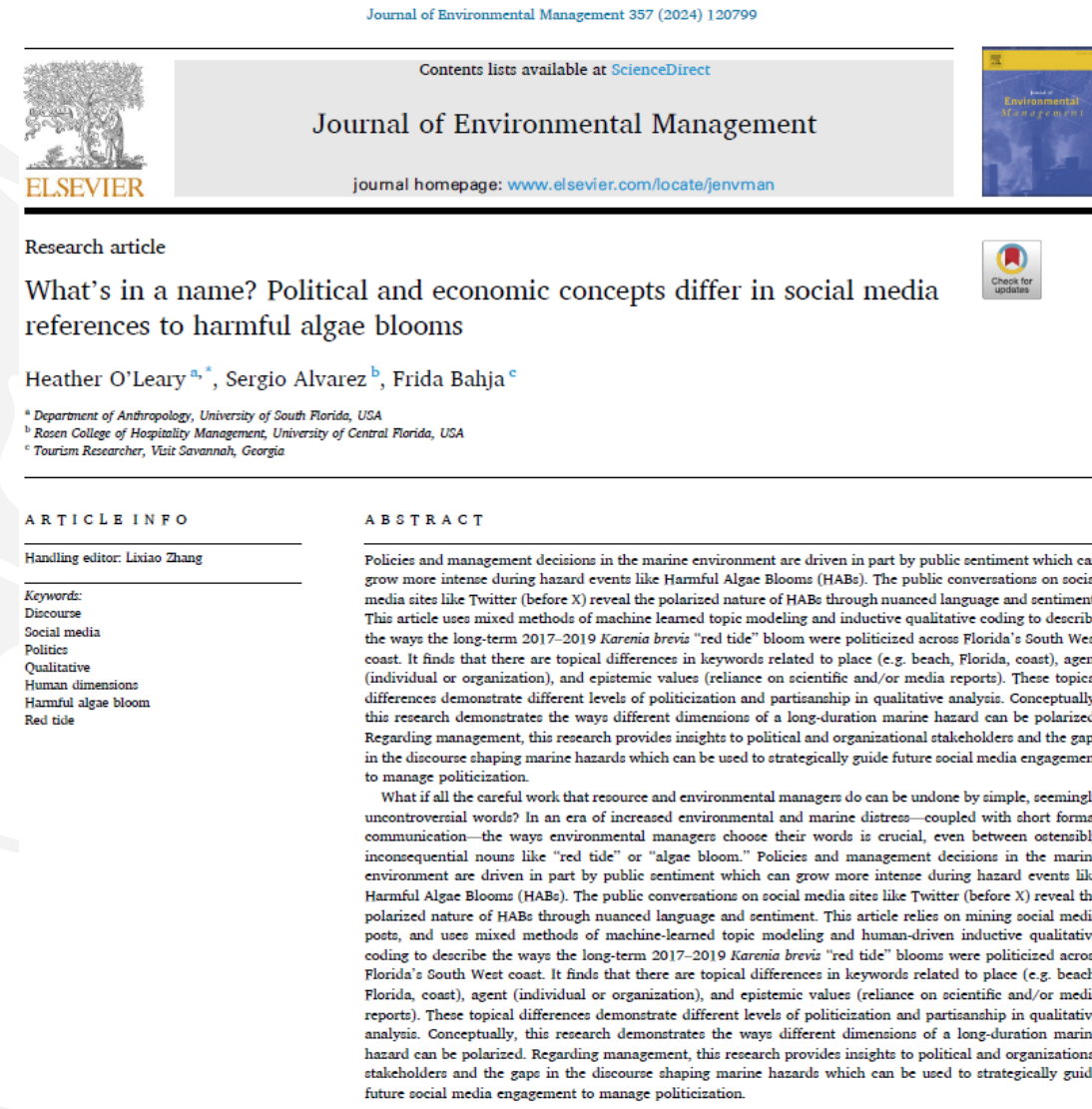
Proposition 4: HABs Foster Social and Political Division and Polarization

Policies and management decisions in the marine environment are driven in part by public sentiment, which can grow more intense during hazard events like HABs.

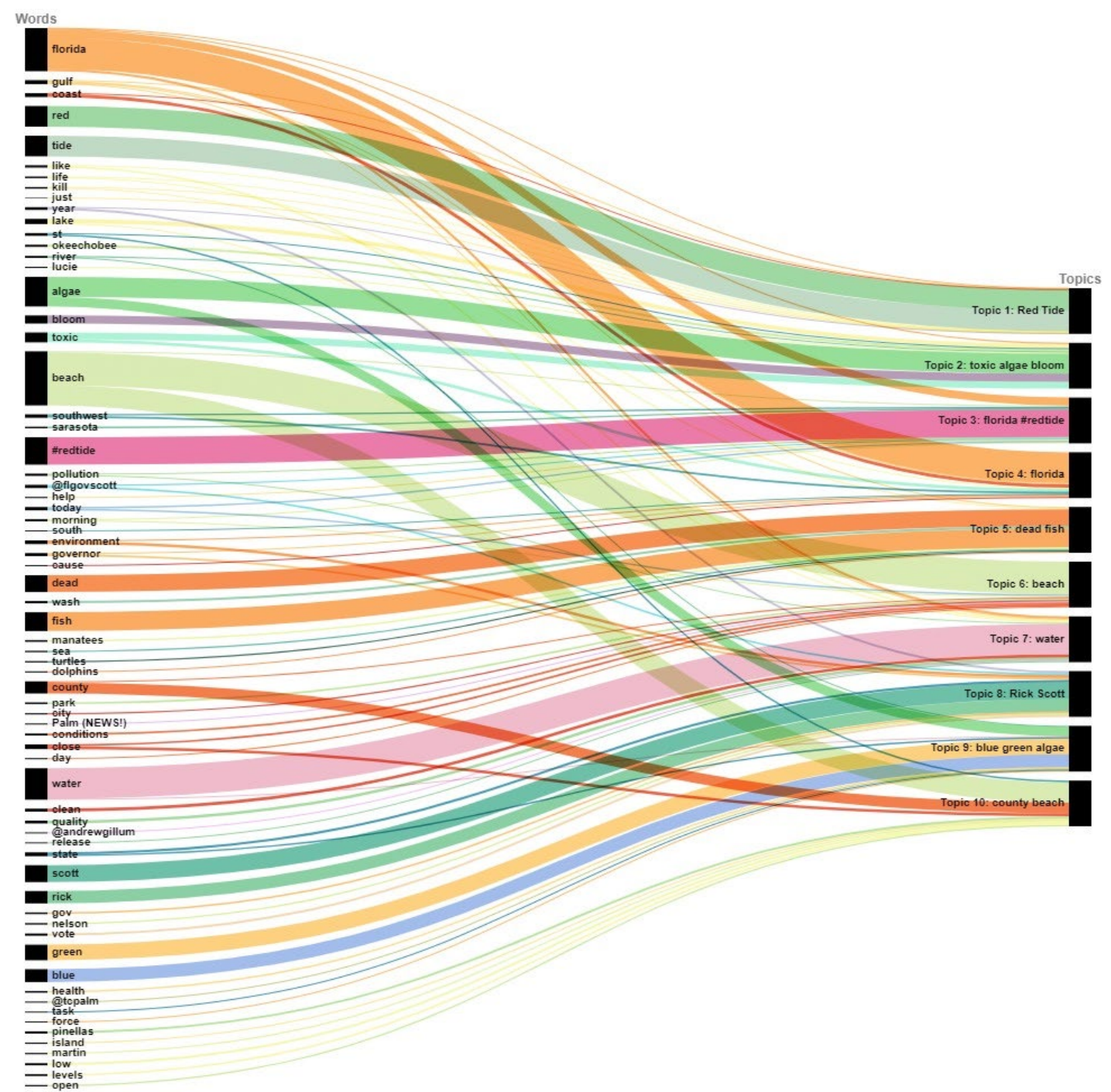
Oleary et al. (2024) used machine learning to mine and analyze Twitter posts surrounding the 2017–2019 Florida red tide bloom.

The public conversations on social media sites reveal the polarized nature of HABs through nuanced language and sentiment.

Results show that there are topical differences in keywords related to place (e.g. beach, Florida, coast), agent (individual or organization), and epistemic values (reliance on scientific and/or media reports). These topical differences demonstrate different levels of politicization and partisanship.



O'Leary, H., Alvarez, S., & Bahja, F. (2024). What's in a name? Political and economic concepts differ in social media references to harmful algae blooms. Journal of Environmental Management, 357, 120799.

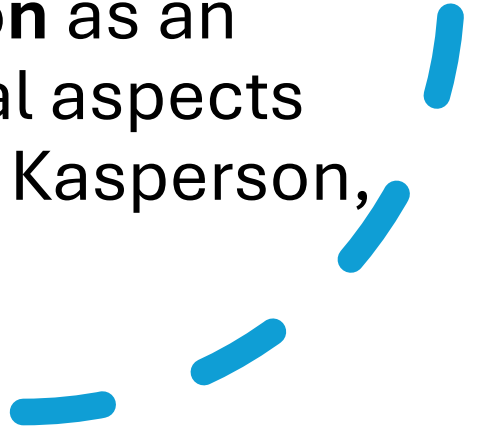


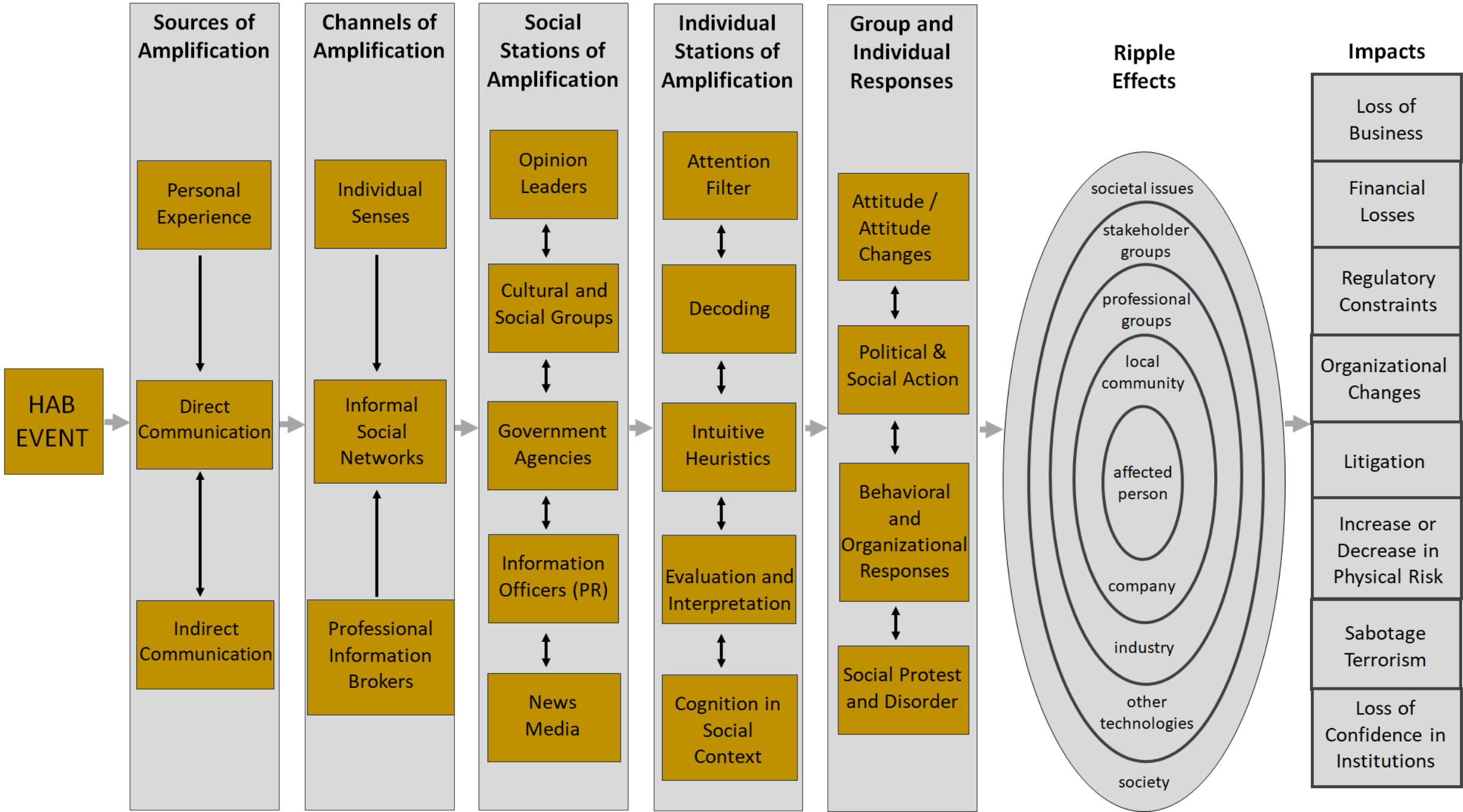
Are HABs
unique, or is
conventional
wisdom
missing
something?

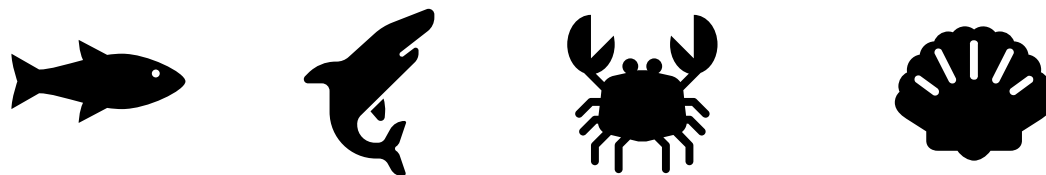
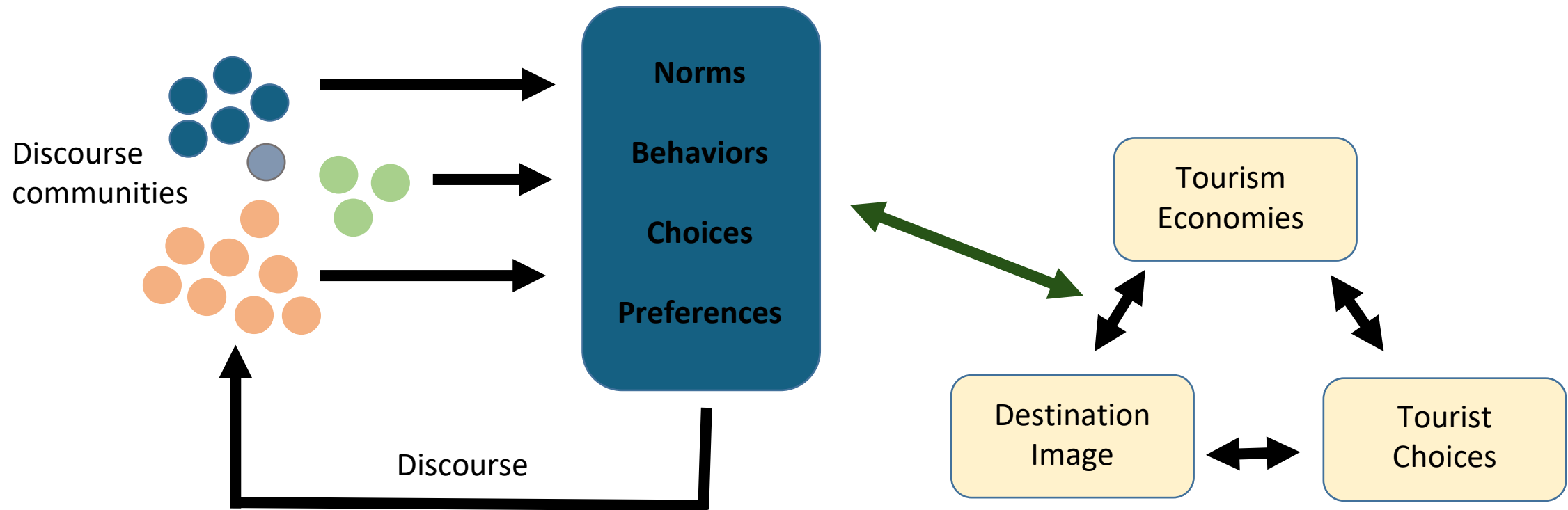
The theory of **social amplification of risk** (Kasperson et al. 1988) posits that social aspects could be responsible for the amplification or attenuation of risk.

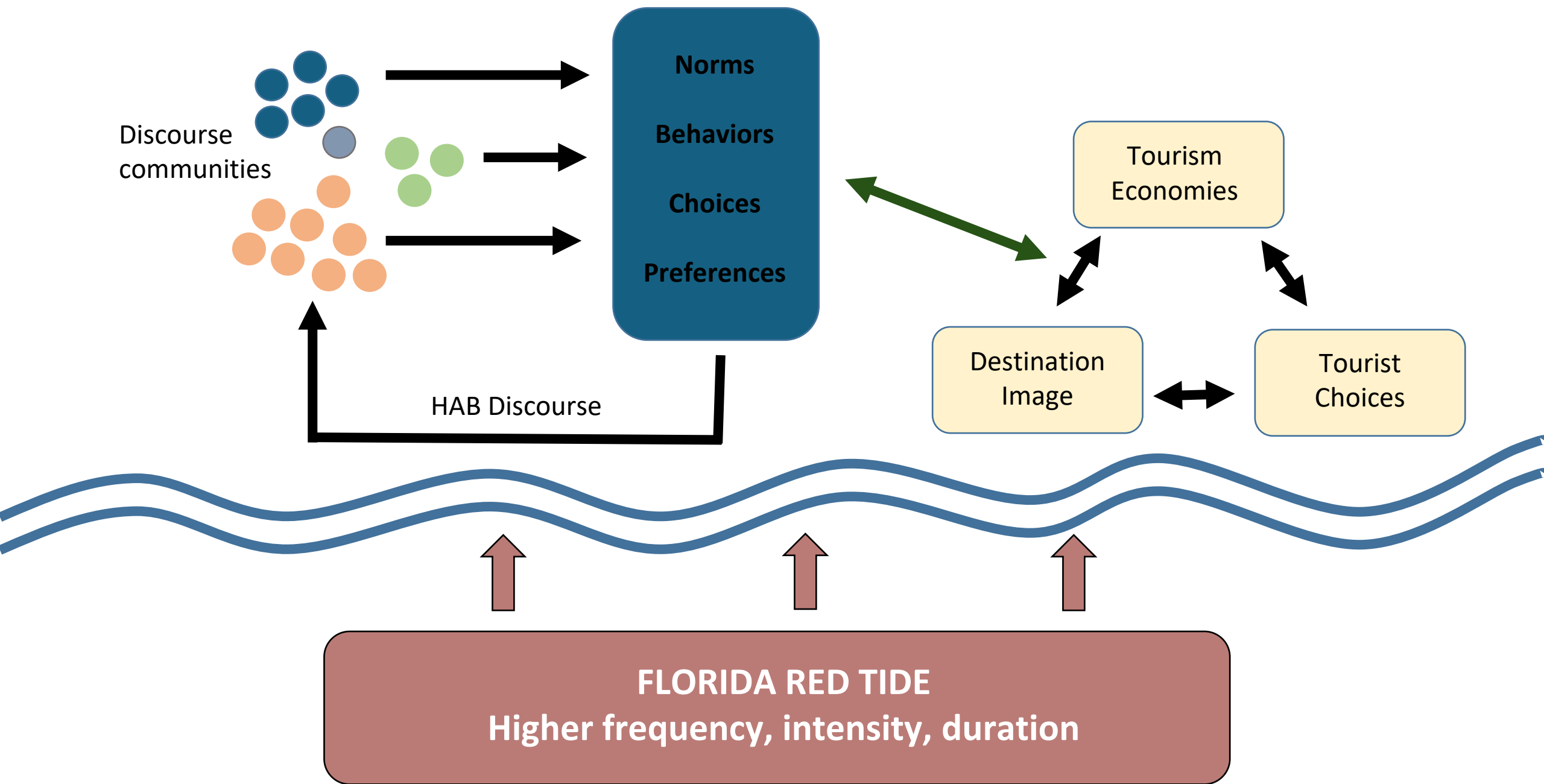
In other words, the **magnitude of impacts** from risk events—relative to the event's biophysical characteristics—could be increased or decreased by social factors.

The theory highlighted the **role of information** and **communication** as an **amplifier of risk**, but other social aspects of risk have been identified (e.g., Kasperson, 2014).





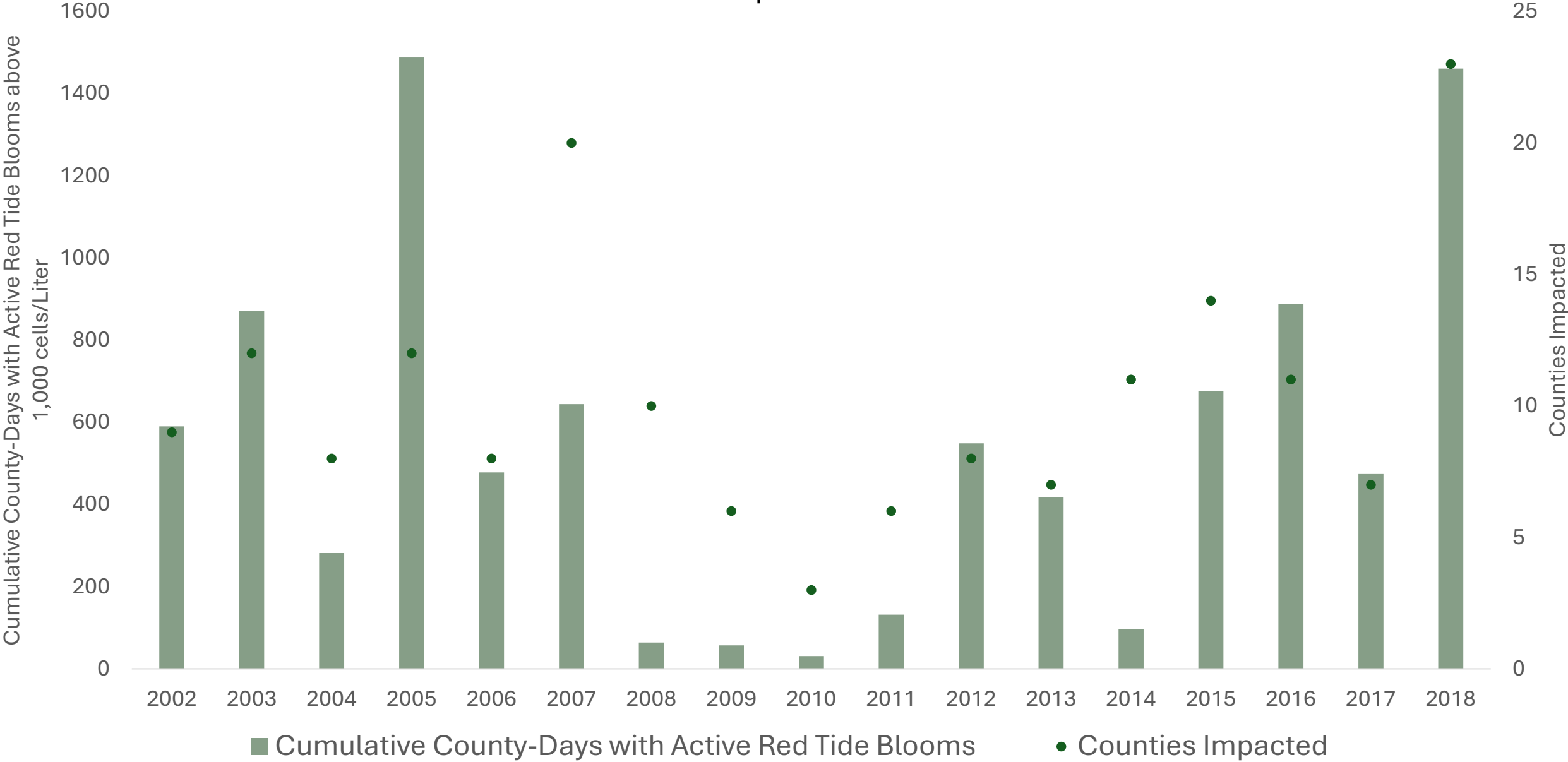




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Numbers of Days with Red Tide (daily county mean *K. Brevis* > 1,000 cells/L) and counties impacted



Statewide *Karenia brevis*
concentrations
October 1 - 31, 2018

***Karenia brevis* (cells/liter)**

- not present/background (0-1,000)
- very low (>1,000-10,000)
- low (>10,000-100,000)
- medium (>100,000-1,000,000)
- high (>1,000,000)

Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat / Copernicus



Google earth