

Research Articles

Economic Disruptions, Entrepreneurial Opportunities, and the Wine Country of Northern California

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The global COVID-19 pandemic initially devastated the economy, particularly impacting tourism and service sectors, along with causing supply chain shortages. Even the wine industry, vital for the U.S. wine sector, faced significant strain. While California's wine tourism industry suffered severely, it began rebounding in 2022 and is expected to continue recovering after 2024. Our research aims to understand if pandemic-induced economic disruptions, coupled with shifting work and vacation trends, aided in the wine country's recovery and local entrepreneurship efforts through case studies of counties in Northern California.

Contrary to expectations, all three northern California wine counties experienced population declines by 2024, undermining the notion of wine country status mitigating population loss. Despite this, the tourism industry exhibited robust growth in domestic visitors, with rebound percentages ranging from 13% to over 100%, indicating a rapid recovery. For instance, Sonoma County surpassed Napa County in overall tourism spending for 2023, with tourism spending in Mendocino County also showing signs of recovery, nearing pre-pandemic levels by 2023.

We acknowledge the context-bound nature of our case study research. It was conducted in three counties of Northern California renowned for their wine industry and so we urge readers to consider the applicability of the findings to other regions and industries before extending our results to additional areas. This context bounded nature also leads to avenues for future research such as examining different areas in California, or wine industry areas in different states or nations.

INTRODUCTION

Economic disruptions, such as the global COVID-19 pandemic, have both positive and negative consequences. Initially detrimental, the pandemic significantly affected the global economy, particularly hitting the tourism and service industries hard (Chen et al., 2023). Moreover, subsequent global supply chain shortages further compounded economic challenges worldwide (Lafrogne-Joussier et al., 2023). The wine industry, including the wine tourism that is crucial for the U.S. wine sector (Dunham, 2022), also faced strain (Canavati et al., 2020). Following the economy in general (Mastercard Economics Institute, 2023), California's wine tourism industry was severely impacted but began rebounding in 2022 (Dunham, 2022; Sarfaty, 2022). The recovery is expected to continue after 2024 (Walsh, 2023). This prolonged recovery may be attributed to the reliance of U.S. wineries on downstream relationships with distributors and customers (Niklas et al., 2022). While issues beyond the pandemic could affect the wine industry (Carl, 2023), the focus here is on examining the question, "Did the economic disruptions caused by the pandemic, along

with changes in work expectations and vacation destinations, aid the recovery of the recognized Northern California Wine Country and influence local entrepreneurship efforts?" After examining publicly available data from 2019 to 2022, case studies will be presented to analyze the potential impact on three counties in the Northern California's Wine Country to determine if there might be expected changes in economic activity.

Theory and Hypothesis

This descriptive case study leverages multiple established frameworks to explore the interplay between economic disruption, entrepreneurship, and regional development. It starts with the foundational concept that environmental changes that create economic disruptions, such as those caused by the COVID-19 pandemic, create new entrepreneurial opportunities (McMullen & Shepherd, 2006). These opportunities are enhanced by the presence of business clusters—a concentration of industry players within a specific geographic area. In such scenarios, the external factor of location becomes more significant to the

development of new innovations and the competitive success of entrepreneurs (Porter, 1998). The California wine industry exemplifies this, with its numerous grape growers, wineries, suppliers, and wine institutions (Porter, 1998). The study further explores the linkages to the tourism sector, with a particular focus on the role of wine tourism in rural economies. This underscores the hypothesis that changes in tourism patterns, influenced by evolving preferences and behaviors regarding where individuals want to live and work, can significantly impact the economic environments of regions (Ratten, 2020).

The study also examines the mental model theory in the context of the rise of remote work and its implications for economic geography and spatial economics. Societal changes, such as alterations in living and working conditions, can enhance entrepreneurial thinking, sparking innovative ideas to adapt to new lifestyles (Ratten, 2020). This supports the mental model theory, which posits that individuals reason by envisioning possibilities compatible with their knowledge or beliefs (Johnson-Laird, 2013). One result of the pandemic was a shift in the mental model of what it means to be at work. When faced with the need to stay at home and be apart from each other, a new mental model emerged, suggesting that remote work from home is a legitimate alternative to on-site work. This shift challenges the old model and adapts to the new reality of distance work being considered a viable option.

Combining these theoretical frameworks with concepts from behavioral economics provides a solid foundation for understanding the migration of workers to less densely populated areas. It also helps analyze how pandemic-related disruptions altered individual preferences and behaviors regarding work and travel, subsequently impacting tourism and economic development. Together, these perspectives offer a theoretical understanding of how shifts in economic and social conditions can spur entrepreneurial innovation and growth in rural and quasi-rural areas. To strengthen the linkages, the disruptive trends from the pandemic must be further explored.

Trends from the Pandemic

Entrepreneurship is widely recognized as a key economic driver. During the pandemic, online businesses stimulated economic activity in densely populated areas (Mossberger et al., 2023), suggesting that online entities were less affected than physical locations. Two location-based trends—shifts in preferred work locations and vacation destination patterns—may have lessened the negative impacts of COVID-19 on local economies through supporting existing businesses or by developing new entrepreneurship opportunities. By examining these trends that emerged resulting from the pandemic, we will evaluate whether location-based trends and entrepreneurial opportunities played a role in the recovery.

Shifts In Preferred Work Location

The COVID-19 pandemic has been described as “an unplanned experiment in work from home” (McKinsey &

Company Staff, 2022). A McKinsey & Company (2022) survey found that 58 percent of Americans worked from home at least once a week, with 35 percent working entirely remotely. However, by 2023, Forbes reported that 90 percent of employers who initially allowed remote work were ending these arrangements (Hyken, 2023). This contrasts with McKinsey’s findings, which indicated that when offered the option to work “flexibly” (partially or fully from home), 87 percent of employees chose this arrangement (McKinsey & Company Staff, 2022). Furthermore, research highlights the link between remote work and improved work-life balance, with 98 percent of workers expressing a desire for remote opportunities in at least part of their careers (Gilbert, 2023). The necessity of remote work during the pandemic demonstrated that many jobs could be performed from home, with flexibility cited as a primary motivator for job changes during that time (McKinsey & Company Staff, 2022). Interestingly, Forbes predicts that by the end of 2024, over two-thirds of companies will ease onsite requirements, adopting flexible or fully remote work models (Dennison, 2024).

In other interesting news about working from home, Prodoscore, a company that provides productivity software, announced that employees working from home during the pandemic had a 47 percent improvement in productivity growth (Businesswire: A Berkshire Hathaway Company, 2020). Other sources, even earlier, reported productivity improvements as well (Wright, 2015). A decade ago, working from home was typically limited to low-paying customer service or telemarketing roles (Hamingson, 2023). Today, however, remote work is more commonly associated with higher-income earners, particularly those in technology-based positions (McKinsey & Company Staff, 2022). Recent analyses of Google search trends using terms like “remote work” and “work from home” suggest that this mode of work remains highly desired by employees and is likely here to stay (Iacurci, 2023; Shepherd, 2023; Tsipursky, 2023). This trend is partly driven by the widespread availability of high-speed internet and the adoption of technologies such as videoconferencing and cloud-based software (Iacurci, 2023).

The disruption caused by COVID-19 led to a mandatory shift to remote work, prompting many workers to prefer working virtually from less densely populated areas with lower living costs (Gilbert, 2023). This trend was already encouraged before the pandemic, as some areas with declining populations offered grants to attract remote workers (Lein, 2019). A late-2022 report by the Kenan Institute of Private Enterprise highlighted significant out-migration between 2020 and 2021 from major urban counties and some nearby suburban areas with higher living costs (Ouimet, 2022). This suggests that lower-cost suburban, quasi-rural, and rural areas with robust IT infrastructures have the potential to attract new residents. Communities that invest in such infrastructure can leverage this trend to foster economic ecosystem growth, not only by drawing remote workers but also by supporting entrepreneurship development in their areas (Mossberger et al., 2023).

The most recent developments in remote working trends indicate that changes are still evolving. Liu (2024) discusses the “year of the mandate,” where many large companies such as Amazon, Citigroup, Walmart, and UPS, which initially embraced work from home, are now mandating employees to return to the office (RTO). Employees are not responding as desired, with some choosing to resign and seek more flexible work arrangements. Liu (2024) references a new report from Owl Labs, a video conferencing technology company, indicating that more people are reporting they work remotely or have a hybrid work option, both up from 2023. However, there are more restrictions and employee tracking for both scenarios. Frank Weishaupt, CEO of Owl Labs, expects further changes in 2025 with more RTO mandates and employee tracking enforcement, predicting that “it will create a trust barrier between employers and employees” (Liu, 2024, p. 3). This pandemic induced trend is still evolving and will continue to impact the economy into the future.

Shifts In Vacation Destination

Becoming a vacation destination is essential for many rural and quasi-rural areas with unique attractions, as tourism often boosts local small businesses and fosters new entrepreneurial ventures. Some destination areas reported pre-pandemic tourist spending reaching as high as USD 2 billion (Staff Reporter, 2019). These economic contributions, coupled with the entrepreneurial opportunities they create, can significantly benefit local economies. During the pandemic, government-imposed travel restrictions led many individuals to opt for vacations closer to home, commonly referred to as “staycations” (Korstrom, 2020). Industry experts acknowledged that tourism recovery would largely depend on the lifting of pandemic lockdown measures (Gallagher, 2020; OECD, 2020). The need for social distancing resulted in an initial shift away from cities and suburbs sparking a growing preference among vacationers to avoid crowded urban areas (Abualzolof, 2022; Bomberger, 2021). As a result, travel spending across the United States rebounded to exceed pre-pandemic 2019 levels, although international travel recovery lagged behind (U.S. Travel Association Staff, 2022). Rural communities near national parks and natural attractions, such as beaches, have reported tourism growth, with anecdotal evidence indicating a surge during and after the pandemic (Hu et al., 2022). Scholars are now considering the pandemic’s lasting effects on tourism preferences (Singh, 2021; Walsh, 2023). For example, a synthesis of remote work trends suggests that individuals may now look for destinations where they can combine their remote work capability with leisure travel (Chevtava et al., 2023).

Entrepreneurship and the Local Economy

Entrepreneurs identify opportunities within specific locations and industries and take action to pursue them, whether through traditional small businesses or innovative IT-based ventures (Welter et al., 2016). These opportunities are typically contextualized by location and industry. The

pandemic’s unintended consequences have expanded the concept of location to include virtual workspaces that can be based in rural areas. The result is that some industries are negatively impacted (in our example, the urban tourism industry) and other industries are finding new opportunities and ways to live (the work from home trend). Remote work and changing employment structures has given rise to lifestyle entrepreneurship opportunities, allowing individuals to choose a business location based on their preferred living environment (Ratten, 2020). If successful, these lifestyle entrepreneurs tend to attract other entrepreneurs to the area playing a crucial role in fostering a thriving economy through innovation and commerce (Ratten, 2020).

Entrepreneurs have long been recognized as major contributors to economies through small businesses and new start-ups (Lin et al., 2022; Office of Advocacy, 2019). This is particularly true in the tourism industry (O’Sullivan et al., 2003). However, during negative economic conditions, there is often churn, with some small businesses forced to close due to external pressures. The recent COVID-19 pandemic and the resulting negative economic impact were no exception (Bartik et al., 2020; Lin et al., 2022). At the same time, others found this environment to be fertile for their start up dreams (Kauffman Indicators of Entrepreneurship, 2022a). Across the United States, the rate of new entrepreneurs entering the economy was 0.38 percent in 2020 and 0.36 percent in 2021 (Kauffman Indicators of Entrepreneurship, 2022a). In California, the state has consistently had more startups than the national average since 1996, with the figure reaching 0.43 percent (Kauffman Indicators of Entrepreneurship, 2022a). In 2021, the 1-year survival rate of those who started in 2020 was 81.70 percent (Kauffman Indicators of Entrepreneurship, 2022b). This indicates that entrepreneurs are consistently ready and willing to take actions that can lead to their success.

The question is whether the high number of startups and continuation rates observed during the COVID-19 pandemic are also occurring in areas experiencing other pandemic-related trends. Targeting a well-known area for the wine tourism industry, this study is a report of case comparisons of select counties from the Northern California Wine Country. Given the positive impact of wine tourism during the pandemic and the trend of people moving to rural areas, we hypothesize that these counties will show stronger post-COVID results compared to nearby urban areas.

We will examine three counties, noting demographic differences such as initial population size, town size, and initial contributions from wine tourism or general tourism if specific wine tourism data is unavailable. We will compare data from 2019 (pre-COVID) and 2022 (post-COVID) for tourism and economic activity, including population changes, tourism numbers, average housing selling prices, new housing starts, average rents, and the number of entrepreneurial startups. We will also assess the percentage contributions to the local economy from wine tourism or the broader tourism industry, depending on data availability.

Before delving into the local data, some statewide and region-specific trends should be acknowledged. Tourism

spending peaked right before COVID-19 (CA DOT Staff, 2021; Visit California Staff, 2023). Since then, lodging vacancies have been high, particularly in Napa County, where two hotels have filed for bankruptcy (Carl, 2023). In the broader U.S. context, consumer views of the economy are less optimistic than some forecasts indicate with many people holding back due to higher levels of inflation in 2023 (Hsu, 2023). High oil prices have curtailed many travel plans, and the rising value of the U.S. dollar has made travel to the U.S. and U.S. products more expensive compared to other countries (Carl, 2023).

Considering these trends, we chose to look at winery tourism for potential impacts. Wineries, typically located in rural areas, are essential to the wine tourism industry (Back et al., 2020). Thus, the attraction of moving to a less densely populated area and the idea of vacationing in an area with an outdoor draw of agriculture tourism can also be considered (Han et al., 2022).

Winery Tourism in the U. S.

In 2022, the wine industry in general was recognized to contribute over USD 275 billion to the United States gross domestic product paying its workers over 95 billion (Dunham, 2022). All 50 states produce wine and there are over 10,637 wine producers with an associated 119,520 independent vineyard acres which collectively have almost 50 million tourism visits (Dunham, 2022). California produces about 80 percent of the wine for the U.S. from 4,795 wineries (Dunham, 2022) some of which have been purchased by large international companies and run by their small business founders. The wine industry sales actually grew during the pandemic from USD 220 billion in 2017 to USD 275 billion in 2022 (Latham, 2022). In California, there was a growth of 27 percent while nation-wide there was a growth of 49 percent between 2017 and 2023 (Staff Reporter, 2022).

Winery tourism, a sub-section of the wine industry, calculates its economic contribution by the number of tourists who visit (Dunham, 2022). National calculations are based on visitors to the Napa Valley in Northern California (Dunham, 2022). While vineyards and wineries have over 135,000 employees, the related tourism industry has another 155,000 employees (Dunham, 2022). These statistics clearly show that winery tourism presents a valuable opportunity for wineries (Dudić et al., 2024) and serves as a significant contributor to the local economy where they are located.

Northern California Wine Country

The Northern California Wine Country is the name of the largest and most prominent wine regions within the United States (Mossberger et al., 2023). This area consists of Napa Valley (located in Napa County), Sonoma County, and Mendocino County. Napa Valley has over 500 wineries with tasting rooms and over 1700 registered wineries (CWA Staff, 2021), Sonoma County has over 250 wineries (Sonoma County Vintners, 2022), and Mendocino County has 108 wineries (Mendocino Winegrowers, 2020). It is important to acknowledge that the vast majority of wineries in Napa Val-

ley require appointments for on-site tastings. Napa Valley Vintners (n.d.) provides a map of the Napa Valley wineries that indicate there are 366 wineries that require an appointment versus 45 that do not. This requirement suggest individuals will need to take time to develop a travel plan and with effective marketing online, additional stops throughout the region can be incorporated.

In addition to the wineries, there are a much larger number of actual vineyards and supporting small businesses. These counties are situated in more rural areas, but they are within driving distance from San Francisco (Marin County), north of the city across the Golden Gate Bridge. Sonoma and Mendocino Counties are directly north along Interstate 101 and Napa County is east via Highways 37 and 29.

California is the source of 80 percent of all domestic wine production in the U.S. with the wine industry generating approximately USD 88 billion resulting in a 27 percent growth in total economic activity for California (John Dunham and Associates, 2022). Also, the Northern Wine Country, primarily in State Senate District 3, attracts 8 million tourist visits to wineries, generating USD 223.7 million in annual tourism spending (John Dunham and Associates, 2022).

METHODS

This paper uses a descriptive case study methodology to explore the impact of economic disruptions, such as the global COVID-19 pandemic, on the wine tourism industry in three counties within the Northern California Wine Country. This region is widely known as an exemplary area that provides a critical example for studying the economic impact from wine tourism. These descriptive case studies analyze publicly available data from 2019 to 2022 to examine how economic disruptions affect the local economic activity and the opportunities for entrepreneurship. The descriptive case study method is used to build theory by closely examining individual cases in detail. This approach is highly iterative, meaning it involves repeated cycles of analysis, and it remains closely tied to the data, allowing for the continuous refinement of concepts and theories (Yin, 2014). This methodology is particularly effective in exploring new or under-researched areas (Takahashi & Araujo, 2019), such as the impact of COVID-19, as it can be used to generate descriptive theories. These theories can then be compared to what happened in other contexts, ultimately helping to build empirically valid theories (Eisenhardt, 1989).

Due to Napa Valley's significant reputation and size, the analysis will begin with Napa County, then move west to Sonoma County and north to Mendocino County. After presenting data from two different points in time, pre-COVID and post-COVID, the analysis will determine if the pandemic influenced winery tourism in the region. It is acknowledged that economies are complex and influenced by multiple factors; therefore, the focus is limited to one area, the North Bay Wine Country, and examines the three counties significantly impacted by winery tourism to help control for other variables.

County Demographic Comparison

The demographics for all three counties are shown in [Table 1](#) for comparison purposes. Both Sonoma County and Napa County are considered suburban or small metro counties, while Mendocino is considered a rural county (Parker et al., 2018). The Napa Metropolitan Statistical Area is in Napa County, with population numbers reported by the United States Census Bureau as 138,019 in 2020 and 134,300 in 2022 (U.S. Census Bureau Staff, 2022b). The Santa Rosa-Petaluma Metropolitan Statistical Area is in Sonoma County, with population numbers of 488,875 in 2020 and 482,650 in 2022 (U.S. Census Bureau Staff, 2022c). Both the Santa Rosa-Petaluma and Napa Metropolitan Statistical Areas are included in the Bay Area (San Francisco Bay Area) Census, which encompasses nine counties (Bay Area Census Staff, 2010). For rural Mendocino County, the United States Census Bureau reports population numbers of 91,601 in 2020 and 89,783 in 2022 (U.S. Census Bureau Staff, 2022a).

During this same period, the population of California decreased from 39,583,223 in 2020 to 39,029,342 in 2022 (U. S. Census Bureau, 2022a). This represents a 1.4 percent drop for the state. In comparison, Napa County had a 2.7 percent drop, Sonoma County had a 1.3 percent drop, and Mendocino County had a 2 percent drop. This suggests that Napa and Mendocino Counties experienced a larger population decline compared to the state average, while Sonoma County's decline was slightly below the state average.

Impact of Tourism by County

The economic impact of tourism in California is highlighted in [Table 2](#) below. Examining data from 2019 to 2022, which includes visitor spending, travel industry earnings, travel industry employment, and local travel related tax receipts, reveals clear trends for all three counties. In general, the data shows strong pre-COVID levels in 2019, followed by a drastic drop during the COVID-restricted year of 2020. This decline was expected due to the limited ability to host tastings and provide group tours. Data for 2021 was not available, but by 2022, all three categories had rebounded close or above pre-COVID levels. Earlier reports indicate that wine tourism can boost a local economy by 20 percent (McClain, 2022). Using this report and applying it to the tourism data in the table, it suggests that wine tourism has significantly assisted these rural areas to rebound after the pandemic. This is also supported by the 2022 travel industry earnings and the local travel related tax receipts which are above pre-COVID levels for all three counties. This suggests that tourists are also purchasing goods and services within the county during their visit. The travel employment numbers have rebounded nicely but a slightly below 2019 levels. Other supporting data for Napa Valley's strong rebound in tourism numbers, comes from a 36 percent increase in visitors to the Napa Valley Welcome Center over 2021 and a 17 percent increase in hotel room occupancy (Wilde, 2022), along with some sales of wineries to foreign companies. For Sonoma County, the rebound of the wine tourism is implied in the largest receipt of transient occu-

pancy tax (i.e. taxes on hotels, motels, etc.) with a 103 percent increase from 2020 to 2022 (Sonoma County Economic Development Board, 2022a). In summary, the wine industry in Napa Valley contributes almost USD 8 billion dollars to the local economy including tourism dollars of USD 1.67 million (Smith, 2022). In Sonoma County, the wine industry's gross economic impact in 2022 (Sonoma County Economic Development Board, 2022b) was USD 1.22 billion. While not showing a differential from not having wine tourism, Mendocino County's contribution from the wine industry is well over USD 300 million (Byrne, 2022).

All these data points collectively show that winery tourism in these counties have rebounded from COVID-19 and remains a strong contributor to their local economies. As of the end of 2022, Sonoma County exceeded pre-COVID levels with the largest amount of economic impact from tourism. Both Napa County and Mendocino County have rebounded with visitor spending almost reaching pre-COVID levels.

There are several other factors potentially impacting Napa County that might explain the slower rebound of wine tourism and the reduction in the population. These factors include the closure of hotels and the soaring home prices, which continue to rise and reached as high as USD 903,189 in 2023 (Naidu, 2023). These prices have made affordable housing a distant dream for many who might otherwise choose to live in wine country (Carl, 2023). Additionally, there are market threats for all three counties, with information suggesting that public alcohol preferences are shifting. Spirits are now displacing wine as the second most popular alcoholic beverage, while beer remains the top choice (Carl, 2023). These additional factors suggest that, although wineries remain vital to local economies, the future requires careful management due to an emerging overabundance of wineries and a decline in wine's appeal to the public.

RESULTS

Recall our research question: "Did the economic disruptions caused by the pandemic, along with changes in work expectations and vacation destinations, aid the recovery of the recognized wine country and influence local entrepreneurship efforts?" The result of the case studies identified new research gaps and contribute to the ongoing discussion centered on disruptions, recovery, and entrepreneurship as it relates to pandemic-induced trends in employee and consumer behavior. With respect to expectations related to working virtually, we find that rather than having a stable population base or even an increase in population as might be expected with an influx of individuals looking to use the three northern California wine counties as a remote work site, we found that all three counties experienced drops in population and, in all cases, by 2024, the decrease was larger than the state's loss in population. Therefore, being classified as "wine country" did not offset a population loss and thus there was no help for COVID-19 recovery from population stability. For example, the shift from urban to rural locations by virtual workers does not appear to have impacted any of the North Bay

Table 1. Demographic Differences by County (U.S. Census Bureau, n.d.)

	Population		Median Value of Owner-Occupied Housing	Median Gross Rent	Per Capita Income	Median Household Income	Total Employer Establishments	Population per Square mile
	2020 (Census)	2022 (Estimate)	2017-2021	2017-2021	2021 USD	2021 USD	2021	2020
Napa County	138,019	134,300	\$685,500	\$1,880	\$49,641	\$97,498	4,404	184.4
Sonoma County	488,863	482,650	\$665,800	\$1,856	\$47,580	\$91,607	14,399	310.3
Mendocino County	91,601	89,783	\$417,100	\$1,176	\$31,324	\$56,378	2,437	26.1

Table 2. Economic Impact of Tourism in California 2019, 2020 and 2022 (Dean Runyan Associates, 2024)

	Visitor Spending (in USD Millions)			Travel Industry Earnings (in USD Millions)			Travel Industry Employment (Jobs)			Local Tax Receipts Generated by Travel (in USD Millions)		
	2019	2020	2022	2019	2020	2022	2019	2020	2022	2019	2020	2022
Napa County	1,784	959	1,640	848	566	870	18,850	12,730	18,050	103	63	115
Sonoma County	2,054	1,161	2,127	863	653	931	22,360	16,290	21,154	110	74	130
Mendocino County	466.8	294.1	455.0	228.6	169.5	230.8	6,400	4,570	5,740	24.3	19.6	26.5

wine region as there have been declines in population in all three counties since 2020 (Staff Reporter, 2024). As of 2024, the population of Napa County and Sonoma County have each dropped the same 2.2 percent since 2020 with Mendocino County's population 2.3 percent below its 2020 population (Staff Reporter, 2024).

However, the potential negative effects of the pandemic on the tourism industry were offset by strong growth in domestic visitors and tourism in general with rebound growth ranging from 13 percent to over 100 percent. Therefore, the tourism industry did rapidly rebound. For example, Sonoma County rose above Napa County in overall tourism spending for 2023. Tourism spending in Sonoma County was USD 2.3 billion a drop of 0.9 percent from 2022 with tourism spending in Napa County at USD 1.7 billion in 2023 an increase of 1.0 percent from 2022 (Sarfaty, 2024). Tourism spending in Mendocino County was USD 517 million in 2023 a drop of 2.5 percent from 2022. These numbers show that tourism in the Northern California wine country appears to have recovered from the pandemic. Domestic tourism spending has rebounded since the pandemic with 2023 spending higher than 2019 in Sonoma County and almost to 2019 levels in Napa County (Sarfaty, 2024). It seems that the established wine tourism cluster was the driver of economic stability for the area and had a significant impact on the quick recovery experienced in the region. These tourists could be individuals combining their remote work with a vacation but as there seems to be a mandate for return to the office, domestic tourism might diminish. It is evident that there is still much more research needed to determine the long-term economic impacts of the changes induced by COVID-19 to the way we live and work.

Limitations

This was a three-county study in one region of California known for its wine industry and which typically has a high cost of living. Case study research like all qualitative research is bound by its context; therefore, you as the reader must determine whether the conditions found in Northern California are similar enough to another geographic region to be applicable. This also opens up further research opportunities using other geographic or industry contexts to see if these results will be relevant to another location.

DISCUSSION

These findings from our descriptive case studies suggest that while the wine industry, particularly through wine tourism, continues to contribute to the economies of these three counties, opportunities for new entrepreneurs in this sector are uncertain. Traditional paths like starting a new winery or vineyard may not be the future growth areas. Given current alcohol purchasing trends moving away from wine toward hard spirits, new entrepreneurship opportunities might be a better option. These might include diversi-

fication strategies for the wineries or the creation of new innovative spirit-based distilleries. These related options might emerge alongside wineries, increasing the existing cluster of alcohol related beverages and attracting another segment of the market to the region. Additionally, the unavailability of affordable housing indicates potential opportunity for business growth in the home construction industry. Despite individual challenges, entrepreneurs and small businesses in this area seem to remain resilient overall and the economy is rebounding from the pandemic.

Conclusion

When we began our research, the focus was on how COVID-19 affected a specific area in the U.S. known for its wine tourism industry. While there were mutual impacts between efforts to manage COVID-19 and the wineries and wine tourism, we did not see the anticipated negative impacts being offset with trends that could be considered positive (i.e. the move to virtual work and the desire of many to live in more rural areas near natural attractions).

We acknowledge that our examination of one historic wine country region in the U. S. does not imply that other countries and wineries were not affected too (Wilson & Haros, 2022). Those in other areas made recoveries using some of the trends to virtual environments, such as the rise of social media (Wilson & Haros, 2022), but we were especially interested in finding out if the changes caused by the pandemic, like how people work and where they go for vacation, helped a famous wine area recover from the pandemic through supporting local businesses or seeing opportunity in the area and starting new ones.

We understand that in small communities, changes in one company or industry can have significant effects. As discussed earlier, there were unexpected ripple effects, such as alcohol consumers showing a shift in preferences of from wine to hard spirits. Additionally, in California, high housing costs led people to move away from even well-known wine regions in search of more affordable living, despite the appeal of "wine country."

The conclusion of this research highlights that COVID-19 has fundamentally changed how we think about where we want to work and live. While more research is needed to understand the full impact of these societal shifts on regional economic development, one thing is clear: resilience and innovation will be key. Some areas may face challenges, but new opportunities will arise. It is the entrepreneurial mindset within individuals that will drive recovery and growth, turning disruption into a catalyst for positive change and economic revitalization.

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