

The Economic Impact of Travel

Portland Region

2020 Preliminary Estimates

May 2021

PREPARED FOR
Travel Portland



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2020 Preliminary Estimates

Travel Portland

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PRIMARY RESEARCH CONDUCTED BY

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Table of Contents

Summary.....	6
Direct Travel Impacts.....	7
Direct Spending Real and Current Dollars.....	8
Air Passenger Visitor Arrivals.....	9
Overnight Volume.....	9
Direct Travel Impacts Detail (Spending).....	10
Direct Travel Impacts Detail (Emp.,Earnings,Tax Receipts).....	11
Average Expenditures.....	12
Visitor Volume.....	13
Glossary.....	14
Methodology.....	15



Portland Region

2020p

Portland Region / Summary

Travel Impacts 2020p

Portland Region includes (West) Clackamas, (West) Multnomah, Columbia, & Washington Counties.

During 2020, the COVID-19 pandemic caused global economic hardship. The travel industry has been especially hard hit, even more so than during the Great Recession. Oregon travel spending declined an estimated 49.5% in 2020. The Portland travel industry was even more affected, experiencing an estimated decline of 57.5% in travel spending.

- Travel Spending (\$Current) declined 57.5% from \$5.6 billion in 2019 to \$2.4 billion in 2020.
- Direct employment experienced a loss of approximately 10,500 jobs across the region. This represents a 28.4% decline in travel employment. The largest amount of job losses occurred within accommodations and food services sector, which lost 7,240 travel-generated jobs.
- Tax receipts generated by travel spending are down 43.7% compared to 2019. Local and state taxes have declined 57.9% and 29.6% respectively.
- Overnight visitor volume has decreased from 8.8 million person trips to 5.1 million person trips. This represents a decline of 41.8%.

Oregon's travel industry **contracted 49.5% in 2020**, whereas the Portland region travel economy **declined 57.5%**.

These preliminary estimates for the Portland region are subject to revision as more complete source data becomes available.



Portland Region / Trend

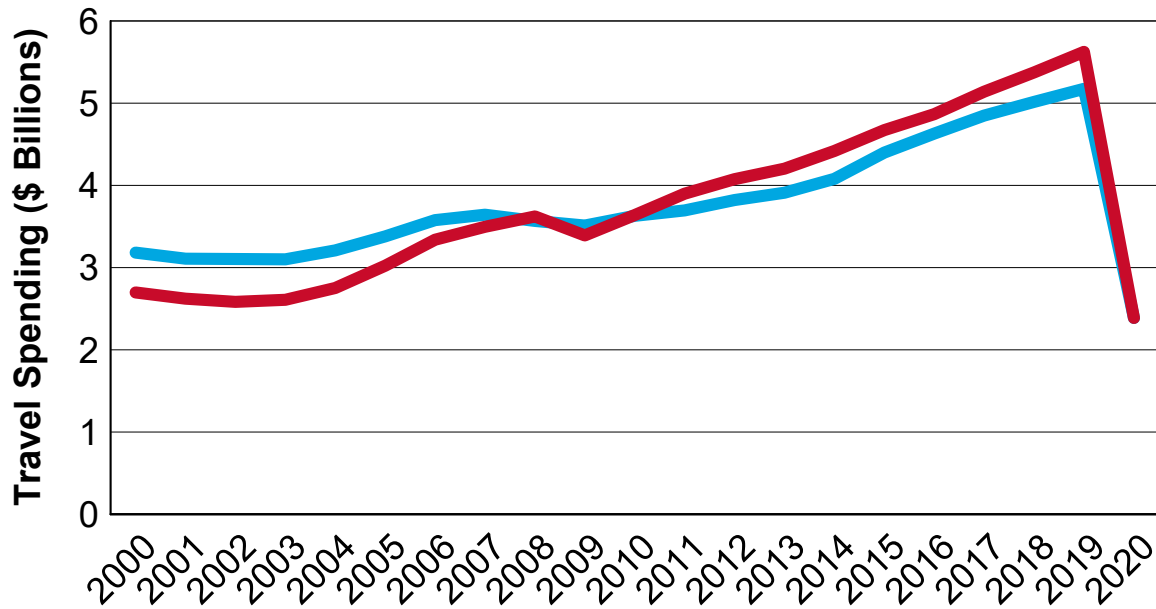
Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Avg. Annual % Chg.	
											2019-20	2011-20
Spending (\$Millions)												
Total (Current \$)	3,899	4,076	4,204	4,418	4,672	4,867	5,139	5,373	5,625	2,388	▼ -57.5%	▼ -5.3%
Other	1,058	1,079	1,086	1,142	1,181	1,223	1,298	1,376	1,515	566	▼ -62.6%	▼ -6.7%
Visitor	2,840	2,997	3,118	3,276	3,490	3,644	3,841	3,997	4,110	1,822	▼ -55.7%	▼ -4.8%
Non-transportation	1,790	1,913	1,997	2,102	2,286	2,447	2,575	2,647	2,728	1,294	▼ -52.6%	▼ -3.5%
Transportation	1,051	1,084	1,121	1,174	1,204	1,197	1,265	1,350	1,382	528	▼ -61.8%	▼ -7.4%
Earnings (\$Millions)												
Earnings (Current \$)	882	931	967	1,039	1,134	1,239	1,353	1,458	1,566	1,190	▼ -24.0%	▲ 3.4%
Employment (000's)												
Employment	28.6	29.4	30.3	31.5	32.8	34.5	35.3	36.2	36.9	26.4	▼ -28.4%	▼ -0.9%
Tax Revenue (\$Millions)												
Total (Current \$)	160	169	185	198	222	234	259	269	278	156	▼ -43.7%	▼ -0.2%
Local	76	82	95	104	122	125	134	137	139	58	▼ -57.9%	▼ -2.9%
State	84	87	90	94	100	109	125	132	139	98	▼ -29.6%	▲ 1.8%



Portland Region / Trend

Direct Spending / Real and Current Dollars



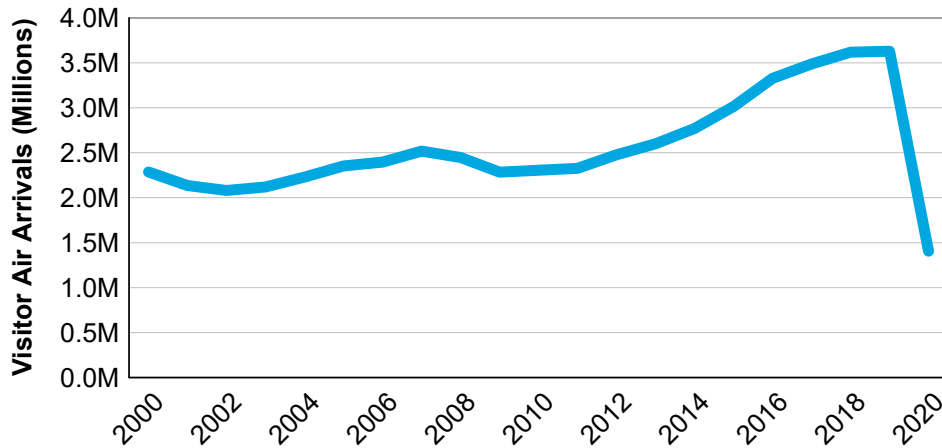
Adjusted for inflation the real dollar decline in travel spending is 53.8% compared to a 57.5% decline in current dollars.

Sources: Bureau of Labor Statistics CPI, Dean Runyan Associates



Portland Region / Trend

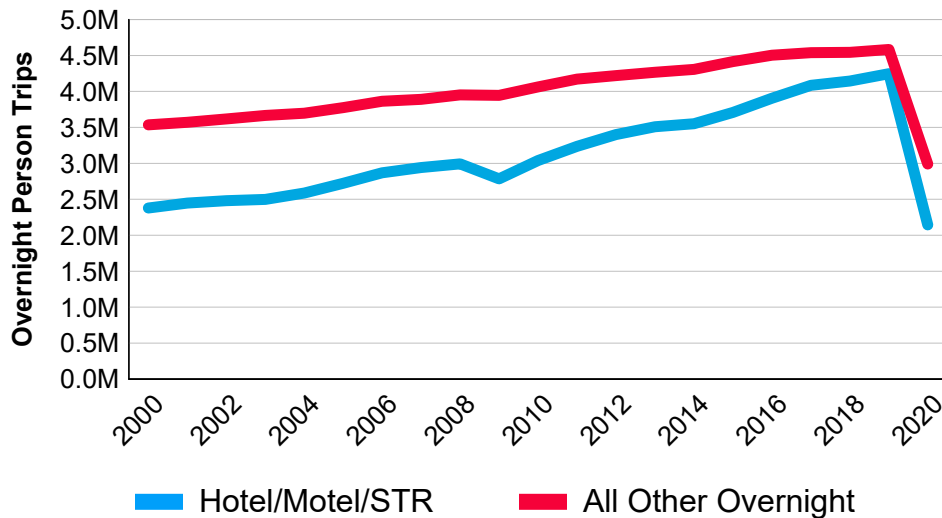
Air Passenger Visitor Arrivals / U.S. Air Carriers



1.4 million domestic visitors traveled to Portland by air in 2020. This is a decline of 61.2% from 2019 visitation of 3.6 million.

Sources: Bureau of Transportation Statistics, Dean Runyan Associates

Overnight Volume / Portland Region



Overnight visitor volume has decreased 41.8% in 2020. Visitors who stay in hotels, motels, or short term rentals declined 49.5%. All other overnight visitors camping, stays with friends and family, and second home use has fallen 34.7%.

Sources: Oregon Department of Revenue, Dean Runyan Associates, Omnitrak Group, STR LLC.

Portland Region / Detail Trend

Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2019-2020
Direct Travel Spending (\$Millions)											
Destination Spending	2,840	2,997	3,118	3,276	3,490	3,644	3,841	3,997	4,110	1,822	▼ -55.7%
Other Travel*	1,058	1,079	1,086	1,142	1,181	1,223	1,298	1,376	1,515	566	▼ -62.6%
TOTAL	3,899	4,076	4,204	4,418	4,672	4,867	5,139	5,373	5,625	2,388	▼ -57.5%
Visitor Spending by Type of Traveler Accommodation (\$Millions)											
Hotel, Motel, STR	1,593	1,708	1,793	1,908	2,074	2,190	2,328	2,422	2,489	1,016	▼ -59.2%
Private Home	791	813	833	866	902	920	956	997	1,024	550	▼ -46.3%
Campground	18	19	20	21	21	21	21	22	23	12	▼ -50.4%
2nd Home	8	9	9	9	9	9	9	10	10	7	▼ -23.5%
Day Travel	430	448	462	472	485	504	527	547	564	237	▼ -57.9%
TOTAL	2,840	2,997	3,118	3,276	3,490	3,644	3,841	3,997	4,110	1,822	▼ -55.7%
Visitor Spending by Commodity Purchased (\$Millions)											
Accommodations	554	607	641	705	811	886	944	963	977	405	▼ -58.6%
Food Service	604	647	679	707	757	815	867	908	956	413	▼ -56.8%
Food Stores	119	125	129	134	141	144	147	149	153	149	▼ -2.5%
Local Tran. & Gas	493	513	523	529	498	484	523	573	580	261	▼ -55.0%
Arts, Ent. & Rec.	188	196	201	206	215	226	234	239	245	131	▼ -46.7%
Retail Sales	324	339	347	350	363	375	384	388	396	197	▼ -50.3%
Visitor Air Tran.	558	571	598	645	706	713	742	777	802	267	▼ -66.7%
TOTAL	2,840	2,997	3,118	3,276	3,490	3,644	3,841	3,997	4,110	1,822	▼ -55.7%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes resident air travel, travel arrangement, and convention/ trade shows.



Portland Region / Detail Trend

Direct Travel Impacts 2011-2020p

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2019-2020
Industry Earnings Generated by Travel Spending (\$Millions)											
Accom. & Food Serv.	420	451	478	511	559	615	665	726	781	538	▼ -31.1%
Arts, Ent. & Rec.	58	65	64	67	71	75	80	84	90	70	▼ -21.6%
Retail**	59	62	64	66	71	75	80	84	87	69	▼ -20.6%
Ground Tran.	37	38	39	42	46	47	51	52	57	36	▼ -36.8%
Visitor Air Tran.	100	101	108	119	134	145	163	175	177	169	▼ -4.6%
Other Travel*	208	214	215	234	254	281	315	337	375	308	▼ -17.8%
TOTAL	882	931	967	1,039	1,134	1,239	1,353	1,458	1,566	1,190	▼ -24.0%
Industry Employment Generated by Travel Spending (Jobs)											
Accom. & Food Serv.	17,220	17,970	18,650	19,360	20,160	21,280	21,780	22,360	22,770	15,530	▼ -31.8%
Arts, Ent. & Rec.	2,660	2,610	2,680	2,770	2,840	3,030	3,090	3,080	3,150	2,250	▼ -28.5%
Retail**	2,190	2,250	2,310	2,340	2,390	2,450	2,560	2,580	2,570	1,950	▼ -24.3%
Ground Tran.	1,250	1,280	1,300	1,340	1,420	1,360	1,410	1,400	1,450	900	▼ -37.9%
Visitor Air Tran.	1,520	1,550	1,600	1,690	1,860	1,980	2,000	2,110	2,100	1,920	▼ -8.5%
Other Travel*	3,710	3,740	3,800	3,980	4,160	4,430	4,440	4,690	4,870	3,880	▼ -20.2%
TOTAL	28,560	29,400	30,340	31,480	32,830	34,530	35,290	36,220	36,910	26,440	▼ -28.4%
Tax Receipts Generated by Travel Spending (\$Millions)											
Local Tax Receipts	76	82	95	104	122	125	134	137	139	58	▼ -57.9%
State Tax Receipts	84	87	90	94	100	109	125	132	139	98	▼ -29.6%
TOTAL	160	169	185	198	222	234	259	269	278	156	▼ -43.7%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes resident air travel, travel arrangement, and convention/ trade shows.

**Retail includes gasoline.

Earnings and employment include CARES act support, data limitations prevent disaggregation.

Portland Region / Average Expenditures

Average Expenditures 2020p

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel, STR						
All Modes	\$179	\$449	\$406	\$1,052	2.3	2.6
Air	\$225	\$634	\$471	\$1,326	2.1	2.8
Ground	\$197	\$403	\$528	\$1,081	2.7	2.0
Private Home						
All Modes	\$47	\$201	\$91	\$389	1.9	4.3
Air	\$65	\$394	\$104	\$635	1.6	6.1
Ground	\$35	\$144	\$68	\$281	2.0	4.2
Other Overnight						
All Modes	\$35	\$135	\$82	\$323	2.4	3.9
All Overnight						
All Modes	\$89	\$309	\$180	\$650	2.0	3.6
Day						
All Modes	\$67	\$67	\$104	\$104	1.6	1.0




Portland Region / Visitor Volume

Visitor Volume

Visitor Volume estimates for the Portland region is based on cross-referencing visitor surveys, visitor air travel, and lodging data. Volume estimates therefore will differ from methodologies that rely solely on visitor surveys. Visitor Spending is a more reliable metric to Visitor Volume in accounting for changes in the travel industry, as it is more closely tied to economic data and lessens the variability from visitor surveys.

Visitor Volume, 2018-2020p

	Person-Trips			Party-Trips		
	2018	2019	2020	2018	2019	2020
Hotel, Motel, STR	4.1	4.2	2.3	1.9	2.0	1.0
Private Home	4.3	4.4	2.7	2.2	2.2	1.4
Other Overnight	0.2	0.2	0.1	0.1	0.1	0.1
Day	3.8	3.8	3.5	2.7	2.7	2.3
Visitor Volume	12.5	12.7	8.7	6.8	6.9	4.7



26%
Hotel, Motel, STR
share of total
person-trips

	Person-Nights			Party-Nights		
	2018	2019	2020	2018	2019	2020
Hotel, Motel, STR	9.9	10.2	5.7	4.7	4.8	2.5
Private Home	15.8	16.0	11.6	8.1	8.2	6.1
Other Overnight	0.8	0.8	0.5	0.3	0.3	0.2
Day	3.8	3.8	3.5	2.7	2.7	2.3
Visitor Volume	30.4	30.8	21.4	15.8	16.0	11.1

Glossary

Term	Definition
Hotel, Motel, STR	Accommodation types that house transient lodging activity.
Private Home	Personal residences used to host visiting friends and family overnight.
Other Overnight	Combination of other overnight visitors who stay in campgrounds or 2nd homes.
Day Travel	Greater than 50 miles traveled non-routine to the destination.
Visitor Spending	Direct spending made by visitors in a destination.
Other Spending	Spending by residents on travel arrangement services, or spending for convention activity.
Direct Spending	Expenditures made by consumers, combination of Visitor Spending and Other Spending.
Direct Earnings	Total after-tax net income from travel. It includes wage and salary disbursements, proprietor income, and other earned income or benefits.
Direct Employment	Employment generated by direct spending; Includes full time, part time, seasonal, and proprietors.
Local Taxes	City and county taxes generated by travel spending.
State Taxes	State taxes generated by travel spending.
Destination Spending	See Visitor Spending.
STR	Short Term Rental, private and semi-private lodging rented by owners or property management companies (e.g. AirBnB, VRBO).
2nd Home	Homes under private ownership for personal use as a vacation property.



Assumptions / Methodology

Travel Impacts Methodology

Dean Runyan Associates uses our proprietary Regional Travel Impact Model (RTIM) to generate the data presented in this report. This input-output model uses a fiscal based approach to accurately quantify travel and reduce reliance and variability of survey data. Each accommodation type (Hotel/Motel/STR, Private Home, Vacation Home, Camping, and Day) is modeled uniquely to capture the different types of economic contributions from these visitors. Earnings and employment data are derived from the relationship between business income and employee expenses. Tax receipts are generated based on each unique tax rate that applies to the underlying economic activity.

Our approach starts at local levels of geography building up to state findings.

The RTIM is in use in 12 states covering over 400 counties and local jurisdictions. Findings from this study are directly comparable to any of our research publications.

Travel Impacts Assumptions

- The distribution of commodity expenditures by visitors tracks closely with the larger geographic region of Contra Costa County.
- Overnight visitors are defined as non-local overnight visitation utilizing accommodations that are Hotels/Motels, Short Term Rentals (STR), Camping, Private Home (VFR), and 2nd homes.
- Day visitors include anyone traveling 50 miles or more one way for non-routine travel (e.g. commuting or regular shopping trips).
- Travel contains tourism activity, business activity, and other transient activity.
- Source data is accurate and complete. (Sources include: Bureau of Labor Statistics, Census Bureau, Bureau of Economic Analysis, STR LLC., U.S. Department of Transportation, Omnitrak Group)