

**Portland Region**  
***Travel Impacts***  
***2018p***

***June 2019***

*Prepared for*

Travel Portland

## Executive Summary

This report provides detailed travel impact estimates for the Portland Region from 1991 to 2018. For purposes of this analysis, the Portland Region is defined as the cities of Portland and Gresham, plus Washington, Columbia, and metropolitan Clackamas counties. Almost three-fourths of travel spending and travel-generated earnings in the Portland Region occurs in Multnomah County. This is due to the location of Portland International Airport and the volume of business and convention travel in the county. However, the appeal of the Portland Region as a visitor destination is based on attractions throughout the region. With respect to employment impacts, residents of all three counties commute to work at locations throughout the metro area. The estimates for 2018 are preliminary. These estimates were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The estimates are comparable to the U.S. Travel and Tourism Satellite Accounts produced by the U.S. Bureau of Economic Analysis.

- **Overview.** Visitation and travel spending in the Portland Metro area increased for the ninth year in a row and employment increased for the eighth consecutive year.
- **Spending.** Travel spending (\$5.3 billion in 2018) in the Portland Metro area increased by 4.0 percent for the year in current dollars. In real (inflation-adjusted) dollars, the increase was 2.9 percent.
- **Employment.** Travel-generated employment (36,100 jobs in 2018) increased by 2.2 percent for the year. The average annual rate of employment growth over the past five years has been 3.8 percent.
- **Travel Activity.** There were 8.7 million overnight person-trips to the Portland Region in 2018, a 1 percent increase over 2017. Visitor air arrivals on domestic airlines were up 4.1 percent for the year, compared to a 5.1 percent increase the preceding year.

1. Estimates for 1991 through 1999 and other years not reported are available upon request.

## Recent Travel Trends in the Portland Region

Total direct travel spending in the Portland Region was \$5.3 billion in 2018p. This represents a 4.0 percent increase over the preceding year in current dollars. Travel-generated employment increased by 2.2 percent, the eighth consecutive year of employment growth.

The following table represents travel trends in the Portland Region. All 2018 estimates are preliminary and subject to revision.

<b>Portland Region</b>									
<b>Direct Travel Impacts, 2010-2018p</b>									
Cities of Portland and Gresham, plus Washington, Columbia, and metropolitan Clackamas counties									
							<b>Avg. Annual Chg.</b>		
<b>Spending (\$M)</b>	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>17-18</b>	<b>10-18</b>	
Total (Current \$)	3,639	4,076	4,418	4,867	5,139	5,346	4.0%	4.9%	
Other	1,025	1,079	1,142	1,223	1,298	1,365	5.2%	3.7%	
Visitor	2,614	2,997	3,276	3,644	3,841	3,981	3.6%	5.4%	
Non-transportation	1,628	1,913	2,102	2,447	2,575	2,644	2.7%	6.2%	
Transportation	986	1,084	1,174	1,197	1,265	1,337	5.7%	3.9%	
<b>Earnings (\$M)</b>									
Earnings (Current \$)	808	931	1,039	1,239	1,354	1,478	9.1%	7.8%	
<b>Employment (Jobs)</b>									
Employment	26,700	29,400	31,490	34,510	35,310	36,100	2.2%	3.8%	
<b>Tax Revenue (\$M)</b>									
Total (Current \$)	140	169	198	236	256	265	3.8%	8.4%	
Local	67	82	104	125	134	137	2.6%	9.3%	
State	72	87	94	111	122	128	5.1%	7.4%	

**Other spending** includes resident air travel, travel arrangement and reservation services, and convention and trade show organizers. **Non-transportation visitor spending** includes accommodations, food services, retail, food stores, and arts, entertainment & recreation. **Visitor transportation spending** includes private auto, auto rental, other local ground transportation and one-way fares.

**Earnings** include wages & salaries, earned benefits and proprietor income.

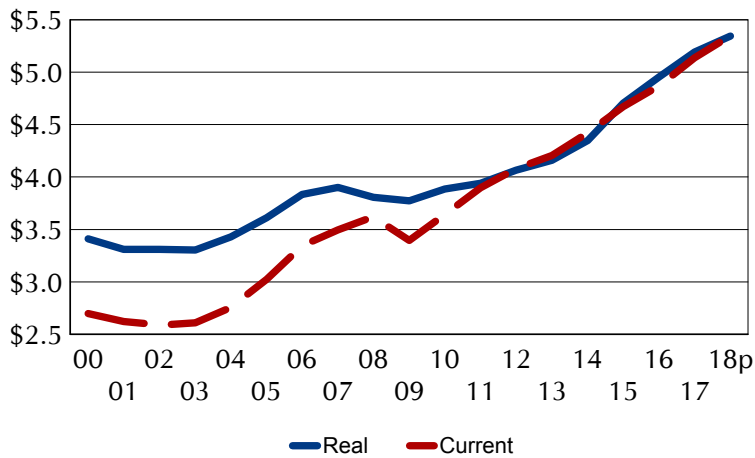
**Employment** includes all full- and part-time employment of payroll employees and proprietors.

**Local tax revenue** includes lodging taxes, auto rental taxes and airport passenger facility charges paid by visitors.

**State tax revenue** includes lodging, and motor fuel tax payments of visitors, and the income tax and payments attributable to the travel industry income of businesses and employees.

**Federal tax revenue** includes motor fuel excise taxes and airline ticket taxes paid by visitors, and the payroll and income taxes attributable to the travel industry income of employees and businesses.

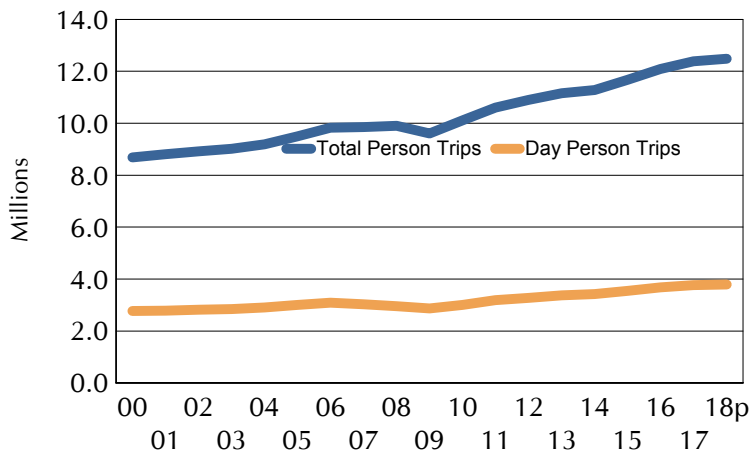
**Travel Spending (Millions)**



The top graph shows travel spending in current dollars (no inflation adjustment) and real dollars (adjusted for inflation). In real dollars, travel spending increased by 4.0 percent from 2017 to 2018. In current dollars, spending increased by 2.9 percent.

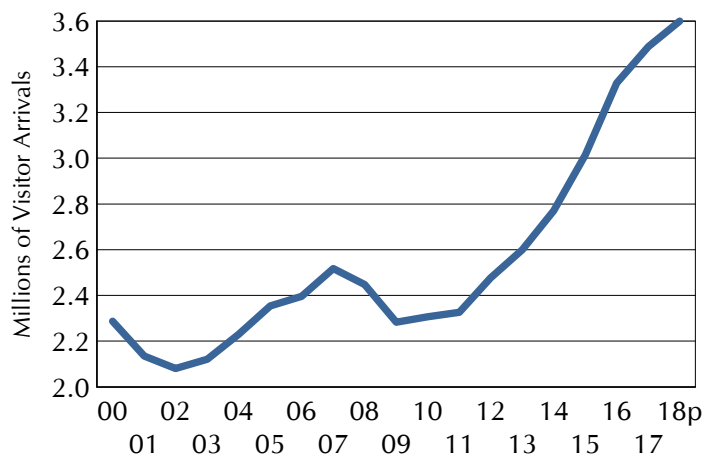
Sources: Bureau of Labor Statistics CPI, STR Inc., Energy Information Administration and Bureau of Transportation Origin and Destination Survey.

**Total & Day Person Trips**



Total person trips increased 2.5 percent from 2017 to 2018p. Day person trips increased 2.3 percent during the same time period. Since 2010, total person trips have increased by 3 percent per year. *(A more detailed breakout of overnight visitor volume is shown on page 7)*

**Visitor Air Arrivals (Millions)**



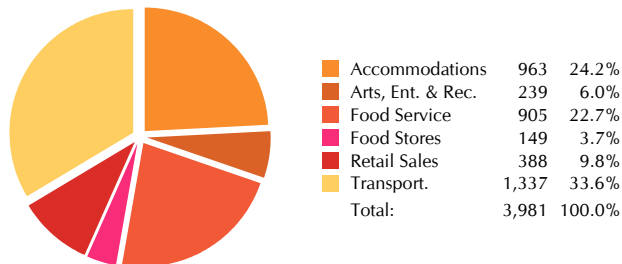
Visitor air arrivals on domestic airlines are shown in the bottom graph for the years 2000 through 2018p. Visitor arrivals increased by 4.5 percent in the recent year following a 10.4 percent increase from 2015 to 2016.

Source: Bureau of Transportation Origin and Destination Survey

## Detailed Travel Impacts

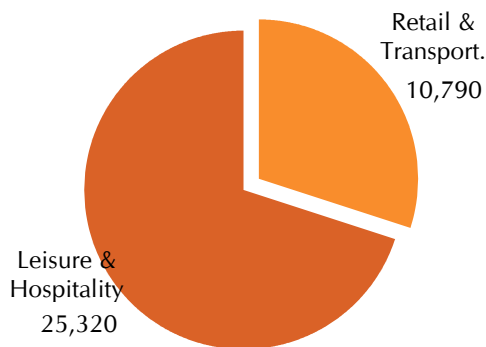
### Visitor Spending by Type of Commodity

(Millions)



**Spending.** Nearly one-third of all visitor spending was on air and ground transportation (including gas service) in 2018. The leisure and hospitality sector (lodging; food services; and arts, entertainment and recreation) accounted for more than one-half of all visitor spending.

### Travel-Generated Employment by Industry Sector



**Employment.** The leisure and hospitality sector accounts for a much higher proportion of employment (71 percent) because it is more labor-intensive and service-oriented.

*Leisure and Hospitality (71%) Retail & Transport. (29%)*

**Arts, Entertainment & Recreation.** Visitors spent \$239 million on arts, entertainment and recreation in 2018. This spending supported 3,090 jobs with earnings of \$84 million. Slightly more than one-half of this visitor spending (\$127 million) was on cultural tourism, including theater, music, and art and science exhibits. Other recreational activities (\$112 million) include cruises, tours, biking, hikes and sporting events.

**Tax Revenue.** Travel spending in the Portland Region generated \$137.3 million in local tax revenues in 2018. Local taxes include city lodging taxes, county lodging and auto rental taxes, and passenger facility charges for visitors traveling by air to Portland International airport.[1] Property taxes are not included. The state tax receipts generated by travel spending (\$128 million in 2017) include the motor fuel tax, the state one-percent lodging tax and income tax revenues attributable to travel supported income of individuals and businesses.

Detailed travel impacts, average spending and visitor volume for the Portland Region are shown on the following two pages.

[1] The \$6 per day customer facility charge on rental cars at Portland International Airport is not included.

## Portland Region

### Travel Impacts, 2010-2018p

<b>Total Direct Travel Spending (\$Million)</b>							
	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Destination Spending	2,614.2	2,996.9	3,275.8	3,490.5	3,643.7	3,840.6	3,980.8
Other Travel*	1,024.8	1,079.3	1,142.1	1,181.4	1,222.9	1,298.2	1,365.2
<b>Total</b>	<b>3,639.0</b>	<b>4,076.2</b>	<b>4,417.9</b>	<b>4,671.9</b>	<b>4,866.6</b>	<b>5,138.8</b>	<b>5,346.0</b>

<b>Visitor Spending By Commodity Purchased (\$Million)</b>							
	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Accommodations	471.5	607.3	705.1	811.1	886.2	943.8	962.9
Food Service	563.4	646.6	706.6	756.8	814.8	866.5	904.5
Food Stores	109.2	124.5	134.2	141.1	144.3	146.8	148.6
Local Tran. & Gas	426.1	512.6	529.2	497.9	483.7	523.0	564.3
Arts, Ent. & Rec.	177.8	195.9	205.5	214.6	226.0	234.1	239.1
Retail Sales	306.5	338.6	350.2	362.6	375.3	384.0	388.5
Visitor Air Tran.	559.7	571.4	645.1	706.3	713.5	742.3	772.9
<b>Total</b>	<b>2,614.2</b>	<b>2,996.9</b>	<b>3,275.8</b>	<b>3,490.5</b>	<b>3,643.7</b>	<b>3,840.6</b>	<b>3,980.8</b>

<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Accom. & Food Serv.	375.3	451.1	510.7	558.6	614.4	666.3	725.1
Arts, Ent. & Rec.	54.7	64.8	67.3	71.0	75.4	80.1	84.3
Retail**	55.2	61.6	66.2	70.5	75.1	79.7	83.3
Ground Tran.	33.4	37.9	42.0	46.2	47.2	50.7	52.4
Visitor Air Tran.	92.9	101.5	119.0	134.2	144.9	162.9	184.7
Other Travel*	196.5	214.2	233.7	253.7	281.5	314.6	348.1
<b>Total</b>	<b>808.1</b>	<b>931.1</b>	<b>1,039.0</b>	<b>1,134.3</b>	<b>1,238.5</b>	<b>1,354.3</b>	<b>1,478.0</b>

<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Accom. & Food Serv.	15,760	17,970	19,370	20,160	21,260	21,800	22,230
Arts, Ent. & Rec.	2,430	2,610	2,770	2,840	3,030	3,090	3,090
Retail**	2,080	2,250	2,340	2,390	2,450	2,560	2,560
Ground Tran.	1,170	1,280	1,340	1,420	1,360	1,410	1,400
Visitor Air Tran.	1,540	1,550	1,690	1,860	1,980	2,000	2,130
Other Travel*	3,710	3,740	3,980	4,160	4,430	4,440	4,700
<b>Total</b>	<b>26,700</b>	<b>29,400</b>	<b>31,490</b>	<b>32,830</b>	<b>34,510</b>	<b>35,310</b>	<b>36,100</b>

<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
	<b>2010</b>	<b>2012</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Local Tax Receipts	67.2	82.2	104.4	121.6	125.2	133.8	137.3
State Tax Receipts	72.3	86.9	93.5	100.4	111.3	121.9	128.1
<b>Total</b>	<b>139.5</b>	<b>169.0</b>	<b>197.9</b>	<b>222.0</b>	<b>236.5</b>	<b>255.7</b>	<b>265.3</b>

Details may not add to total due to rounding. \* Other Travel includes ground transportation and air travel impacts for travel to other Oregon visitor destinations and travel arrangement services. \*\* Retail includes gasoline. Federal tax receipts not included.

Travel impact estimates are subject to historical revisions due to new data availability, third party data revisions and/or methodology improvements.

## Spending by Type of Accommodation & Overnight Visitor Volume

### Visitor Spending by Type of Traveler Accommodation (\$Million)

	2010	2012	2014	2016	2017	2018
<b>Total Destination Spending</b>	<b>2,614</b>	<b>2,997</b>	<b>3,276</b>	<b>3,644</b>	<b>3,841</b>	<b>3,981</b>
All Overnight	2,222	2,549	2,803	3,140	3,314	3,436
Hotel, Motel, STVR*	1,439	1,708	1,908	2,190	2,328	2,414
Private Home	757	813	866	920	956	991
Other Overnight	26	28	29	30	30	32
Day Travel	392	448	472	504	527	544
Day Travel	392	448	472	504	527	544

### Average Expenditures for Overnight Visitors, 2018p

By Type of Accommodation and Mode of Transportation

	Party		Person		Party Size	Length of Stay
	Day	Trip	Day	Trip		
<b>Hotel, Motel, STVR*</b>						
All Modes	\$510	\$1,254	\$243	\$582	2.1	2.5
Air	\$515	\$1,576	\$279	\$853	1.8	3.1
Ground	\$502	\$1,021	\$212	\$430	2.4	2.0
<b>Private Home</b>						
All Modes	\$122	\$458	\$63	\$228	2.0	3.8
Air	\$128	\$707	\$73	\$403	1.8	5.5
Ground	\$76	\$223	\$36	\$105	2.1	2.9
<b>Other Overnight</b>						
All Modes	\$122	\$485	\$40	\$159	3.0	4.0
<b>All Overnight</b>						
All Modes	\$262	\$827	\$129	\$396	2.0	3.2
<b>Day</b>						
All Modes	\$202	\$202	\$143	\$143	1.4	1.0

### Overnight Visitor Volume, 2016-2018p

	Person-Nights (000)			Party-Nights (000)		
	2016	2017	2018	2016	2017	2018
Hotel, Motel, STVR*	9,375	9,806	9,948	4,448	4,655	4,737
Private Home	15,709	15,844	15,848	7,999	8,091	8,117
Other Overnight	782	778	787	258	257	260
All Overnight	25,866	26,429	26,583	12,705	13,003	13,115
Day	3,678	3,764	3,796	2,608	2,669	2,692
Total Nights	29,543	30,193	30,380	15,313	15,673	15,807

	Person-Trips (000)			Party-Trips (000)		
	2016	2017	2018	2016	2017	2018
Hotel, Motel, STVR*	3,905	4,085	4,144	1,808	1,892	1,924
Private Home	4,305	4,342	4,343	2,137	2,159	2,164
Other Overnight	198	197	199	65	64	65
All Overnight	8,408	8,624	8,687	4,010	4,116	4,154
Day	3,678	3,764	3,796	2,608	2,669	2,692
Total Trips	12,086	12,388	12,483	6,618	6,785	6,846



## APPENDICES

*Appendix A. Key Terms and Definitions*

*Appendix B. Relationship Between Spending and Volume*

*Appendix C. Regional Travel Impact Model*

*Appendix D: Travel Impact Industries Matched to 2007 NAICS*

*Appendix E. Recreation Activities in Portland Metro Area*

## KEY TERMS AND DEFINITIONS

### ECONOMIC IMPACTS

**Commodity:** A classification of a product or service, such as lodging or food service. An establishment or industry may produce more than one commodity.

**Direct Impacts:** Employment, earnings and tax receipts *directly* generated by travel spending, as distinguished from secondary and total impacts.

**Earnings:** Earnings include wage and salary disbursements, other earned income or benefits, and proprietor income. Only the earnings attributable to travel expenditures are included.

**Employment:** Industry employment (jobs) associated with travel-generated *earnings*. Includes both full-time and part-time positions, and salaried or self-employed individuals. Employment is reported as an average for a time period, typically annual. (Unless otherwise noted, the employment estimates refer to establishment or industry employment at place of work, not the employment status or residence of the individual.)

**Industry:** A classification of business or government establishments based on their primary technological process. (See NAICS Appendix table.)

**Local Taxes:** City and county lodging auto rental taxes. Passenger Facility Charges attributable to visitors (a fee imposed on airline tickets) who traveled by air. Property taxes are not included.

**Other spending:** See *Travel spending*.

**Private Home:** Unpaid overnight accommodations of friends and relatives.

**Receipts:** Travel expenditures less the sales and excise taxes paid by the consumer.

**State Taxes:** Lodging, motor fuel, and business and personal income taxes imposed by the state of Oregon.

**Travel spending:** The sum of visitor and other spending related to travel. Other spending includes spending by residents on ground and air transportation for the purpose of travel to other destinations, travel arrangement & reservation services, and convention & trade show organizers.

**Visitor spending:** All spending on goods & services by visitors at the destination. Also referred to as destination spending.

## VISITOR VOLUME

**Length of Stay:** The number of nights that a visitor or travel party is away from home on a trip.

**Night:** Applies to overnight visitors only. The number of nights on a trip is the length of stay. The count of days and nights is generally equivalent for overnight visitors. (See trips.)

**Party trips:** The number of trips to the destination by travel parties. Party-trips are equal to the number of Visitor-trips divided by the average party size.

**Party nights:** The number of nights or days that travel parties stayed at the destination. Party-nights are equal to the number of visitor-nights divided by the average party size or the number of party-trips multiplied by the average length of stay.

**Party Size:** The number of individuals (adults and children, including non-household members) that are traveling together and are sharing the costs of travel.

**Person trips:** The number of trips to the destination by visitors or persons. This is also equivalent to as the total number of *visits*.

**Person nights:** The number of nights or days that visitors (persons) stayed at the destination. Visitor-nights are equal to the number of visitor-trips multiplied by the average length of stay.

**Room Demand:** A count of the number of hotel/motel rooms that are sold on a nightly basis over a given period of time. Also referred to as *room nights sold*.

**Travel party:** A *travel party* includes all *visitors* (adults and children) traveling together. The *party size* represents the average number of visitors or persons in the travel party.

**Trip:** A trip may include more than one day or night at a destination. For overnight visitor categories, the total number of trips will be less than the number of nights. The *length of stay* for the trip represents the number of nights (or days) at the destination.

**Visitor:** An individual traveler that stays overnight away from home in paid or unpaid accommodations, or a day visitor that travels at least fifty miles one-way from home on non-routine trip.

**Visitor Air Arrival:** A passenger who travels by air and initiated the trip at another location. Visitor air arrivals do not include passengers who are returning home from a trip to another destination or passengers that are making a connection to another flight.

**RELATIONSHIP BETWEEN SPENDING AND VOLUME**

The Spending, Average Expenditures and Volume tables are computationally related as shown below.

- **Spending equals Average Expenditures multiplied by Volume** for comparable party/person and night/trip categories
- **Travel parties and persons** are related by division or multiplication with **Party Size**
- **Trips and nights** are related by division or multiplication with **Length of Stay**

**Visitor Spending by Type of Accommodation (\$Million), YEAR**

		YEAR
All Overnight	<b>656,000 x \$79 = \$56,100,000 (calculated from person-trips)</b>	<b>56.1</b>
Hotel, Motel	160,000 x \$200 = \$32,000,000 (calculated from party-nights)	32.0
Private Home	1,030,000 x \$20 = \$20,600,000 (calculated from person-nights)	20.6
Other Overnight	<b>10,000 x \$350 = \$3,500,000 (calculated from party-trips)</b>	<b>3.5</b>
Campground		3.0
Vacation Home		0.5
Day Travel		30.0
Spending at Destination		86.1

**Average Expenditures for Overnight Visitors, YEAR**

	Travel Party		Person		Party Size	Length of Stay (nights)
	Nights	Trip	Nights	Trip		
Hotel, Motel	<b>\$200</b>	\$340	\$83	\$142	<b>2.4</b>	1.7
Private Home	\$50	\$130	<b>\$20</b>	\$52	2.5	<b>2.6</b>
Other Overnight	\$117	<b>\$350</b>	\$34	\$103	3.4	3.0
All Overnight	\$494	\$214	\$197	<b>\$86</b>	2.5	2.3

**Overnight Visitor Volume, YEAR**

	Person-Nights (000)		Party-Nights (000)	
	YEAR		YEAR	
Hotel, Motel	<b>160 x 2.4 =</b>	384		<b>160</b>
Private Home		1,030		412
Other Overnight		102		30
All Overnight		1,516		602

	Person-Trips (000)		Party-Trips (000)	
	YEAR		YEAR	
Hotel, Motel		226		94
Private Home	<b>1,030 / 2.6 =</b>	396		158
Other Overnight		34		<b>10</b>
All Overnight		<b>656</b>		263

REGIONAL TRAVEL IMPACT MODEL

PRIMARY DATA SOURCES

Room Demand,  
Visitor Surveys,  
Population,  
Inventory/Use of  
Campsites &  
Second Homes,  
Visitor air  
arrivals



**Visitor Volume**  
(Travel Party Days by  
Type of  
Accommodation)



ECONOMIC IMPACTS OF TRAVEL

Accommodation  
Sales,  
Visitor Surveys,  
Airtfares



**Visitor Spending**  
(Type of  
Accommodation and  
Type of Commodity)



**Point of Sale Taxes**  
(Sales and Excise Taxes  
associated with Visitor  
Spending)



*Note: Receipts equals  
Spending less  
POS Taxes*



**Business Receipts**  
(not reported)



**Business Taxes**  
(Taxes on business  
income or receipts)

Ratio of  
Earnings to  
Receipts for  
relevant  
Industry



**Earnings**  
(By Industry)



**Personal Taxes**  
(Local, state and  
federal income and  
payroll taxes)

Average  
Annual  
Earnings per  
job for  
relevant  
industry



**Employment**  
(By Industry)

*Note: Most estimates of taxes  
are based on implicit tax rates  
applied to visitor spending,  
business receipts, and  
employee earnings. Lodging  
tax receipts reflect actual tax  
collections.*

TRAVEL IMPACT INDUSTRIES MATCHED TO NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodation & Food Services	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and rural bus transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)
Air Transportation	Scheduled Air Passenger Transportation (481111) Support Activities for Air Transportation (4881)
Other Travel	Travel Arrangement & Reservation Services (NAICS 56151) Convention and Trade Show Organizers (NAICS 56192) (Other travel also includes a portion of transportation.)

Notes: \*Government enterprizes (e.g., park systems) are included in this classification.  
 \*\*Includes parts of industries in other sectors (e.g., accommodation, charter bus).  
 A more detailed description of these industries can be found at <http://www.ntis.gov/naics>.

## RECREATIONAL ACTIVITIES IN PORTLAND METRO AREA

### Cultural Tourism activities

- Museums
- Zoo
- Art Gallery
- Fair/exhibition/festival
- Historic sites
- Science exhibit
- Theater/dance/symphony/opera
- Winery/vineyard
- Microbrewery tour
- Bar/disco/nightclub (part)

### Other recreational activities

- Day cruise
- Short guided tour
- Power boating/sailing
- Viewing wildlife/birds
- Professional/college sports
- Bicycling
- Golf
- Photography
- National/state park
- Hiking/backpacking
- Snow skiing
- Fishing
- Bar/disco/nightclub (part)

Source: Longwoods International Visitor Survey conducted for the Oregon Tourism Commission.