

Travel Oregon Quarterly Forecast

***ECONOMIC IMPACTS, Q1-Q4, CY 2020***

January 2021

Travel Oregon Quarterly Forecast  
Economic Impacts, Q1-Q4, CY 2020

Prepared for

Travel Oregon

Prepared by

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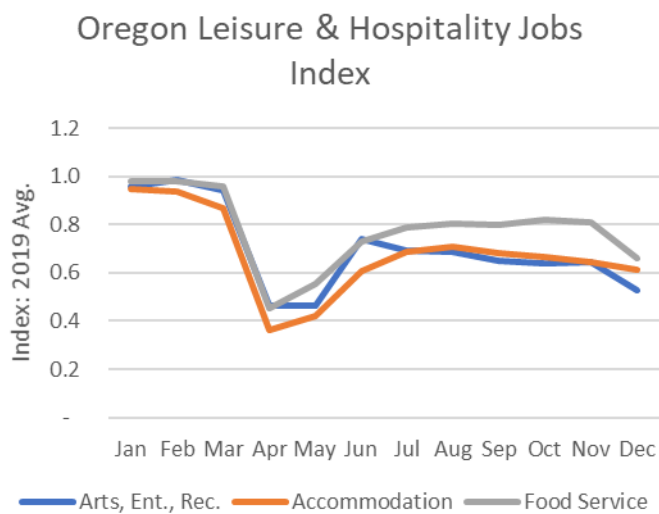
## TRAVEL OREGON ECONOMIC IMPACTS, Q1-Q4 2020

The global travel industry is facing an unprecedented economic decline due to the COVID-19 pandemic. National research has painted a picture of steep declines in travel throughout 2020 with slow recovery forecasted over the next few years.

The state of Oregon reached a record high \$12.8 billion in direct travel expenditures generating 117.5 thousand jobs in 2019.

Detailed regional and county estimates will be available in spring 2021 with the release of the annual report.

### LEISURE & HOSPITALITY EMPLOYMENT



Although not directly indicative of travel activity, Leisure & Hospitality jobs are important to the overall health of the industries that most directly benefit from visitors. Recovery starting in the spring peaking in the summer months. The fall and winter experienced mild declines in industry employment. Arts, Ent., & Rec., and food service have higher volatility in recent months which may be indicative of decreased resident activity.

Source: Bureau of Labor Statistics CES

### CONSIDERATIONS OF IMPACT ESTIMATES

Users of this report should be aware of several considerations regarding the interpretation of reported impact estimates:

- Direct Spending is for trips in Oregon during which the traveler spent money in the state. Travelers include individuals who stay in commercial lodging, campgrounds, visit friends or family overnight, stay in second owned homes, or non-routine day travel exceeding 50 miles one way.
- This study estimates economic impacts at the state & regional level. Local economic effects will vary in intensity across the state.
- Economic impacts represented in this report are direct effects only. Secondary impacts generated by business and employee spending are not included.

## HISTORICAL ECONOMIC IMPACTS

All measures of direct economic impacts reached an all time high in 2019.<sup>1</sup>

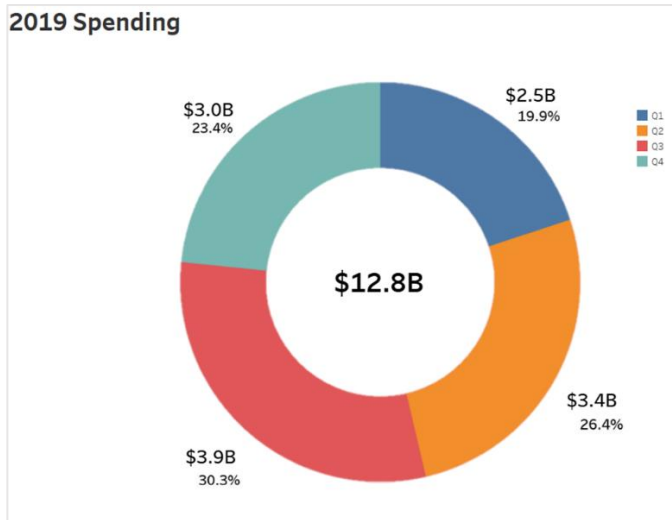
### Direct Travel Impacts 1991-2019

	Direct Spending (Billions)	Earnings (Billions)	Employment (Thousands)	Local Tax Revenue (Millions)	State Tax Revenue (Millions)
1991	\$3.8	\$1.0	71.6	\$30.7	\$94.8
1992	\$4.0	\$1.1	71.5	\$35.6	\$104.2
1993	\$4.3	\$1.1	73.1	\$46.6	\$111.0
1994	\$4.5	\$1.2	74.2	\$51.2	\$116.7
1995	\$4.7	\$1.2	76.0	\$55.7	\$122.0
1996	\$5.0	\$1.3	77.5	\$60.7	\$125.2
1997	\$5.4	\$1.4	78.1	\$65.1	\$129.2
1998	\$5.5	\$1.4	80.8	\$68.2	\$132.5
1999	\$5.9	\$1.5	81.8	\$72.1	\$138.5
2000	\$6.2	\$1.6	83.5	\$81.7	\$147.5
2001	\$6.2	\$1.6	85.1	\$84.7	\$148.8
2002	\$6.4	\$1.7	86.6	\$89.1	\$149.8
2003	\$6.5	\$1.7	85.6	\$89.9	\$152.2
2004	\$6.9	\$1.7	85.8	\$95.0	\$165.3
2005	\$7.4	\$1.8	86.9	\$103.4	\$173.9
2006	\$8.2	\$2.0	92.0	\$116.9	\$189.8
2007	\$8.5	\$2.1	95.0	\$124.8	\$198.5
2008	\$8.8	\$2.2	96.4	\$127.0	\$203.7
2009	\$8.2	\$2.1	90.7	\$121.4	\$190.8
2010	\$8.7	\$2.1	89.9	\$122.4	\$197.2
2011	\$9.2	\$2.2	92.8	\$133.2	\$224.2
2012	\$9.6	\$2.3	95.1	\$141.9	\$231.1
2013	\$9.9	\$2.4	98.1	\$159.9	\$238.5
2014	\$10.3	\$2.6	101.2	\$175.1	\$247.3
2015	\$10.8	\$2.8	105.5	\$200.9	\$262.9
2016	\$11.2	\$3.1	109.8	\$211.3	\$288.9
2017	\$11.8	\$3.3	112.2	\$224.4	\$322.8
2018	\$12.3	\$3.6	115.9	\$230.8	\$341.1
2019	\$12.8	\$3.8	117.5	\$237.4	\$355.0

<sup>1</sup> Oregon Travel Impacts, 1992-2019p (April 2020). Prepared by Dean Runyan Associates for Travel Oregon.

## SEASONALITY

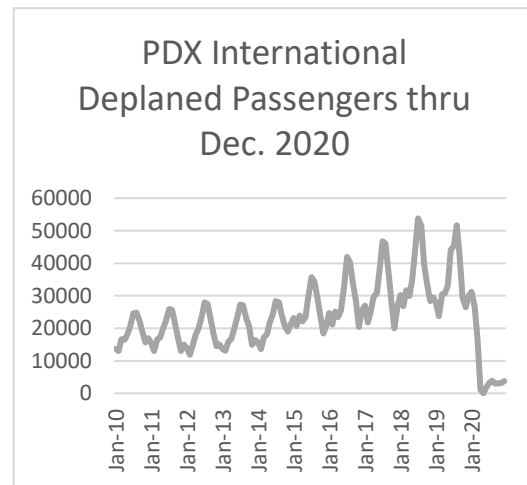
Oregon experiences the highest level of direct travel spending and employment between July and September (Q3). Roughly 30 percent of spending occurs during this time period. The second highest quarter is between April and June (Q2). The largest negative effects from COVID-19 are estimated to occur in Q2. This seasonality effect is consistent historically.



Oregon has a mostly even distribution of travel spending throughout the year. In 2020 the first “shut down” order was put in place during Q2. This quarter is the 2nd largest in terms of magnitude historically. The second half of the year will be important to the overall measurement of travel impacts.

## INTERNATIONAL TRAVEL

International Travel is estimated to be 10 percent of annual travel impact spending in 2019. COVID-19 has prompted travel restrictions originating from the White House. Currently entry of foreign nationals is restricted from China, Iran, the European Schengen area (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Monaco, San Marino, Vatican City), United Kingdom, Republic of Ireland, and Brazil.<sup>2</sup> As of this report the new administration has not reversed any of the travel restrictions. In addition to the countries listed above there are non-essential travel bans on the U.S. land borders with Canada and Mexico. In 2019, approximately 65 percent of international spending by visitors in Oregon originate from these countries.<sup>3</sup> **The share of international spending declined to 4.9 percent in 2020.**



The Port of Portland reported 0 arrivals for the month of May in 2020. Since May international arrivals have hovered around 3,000 deplanements per month<sup>4</sup>.

<sup>2</sup> Centers for Disease Control and Prevention, U.S. Department of Health & Human Services

<sup>3</sup> Tourism Economics

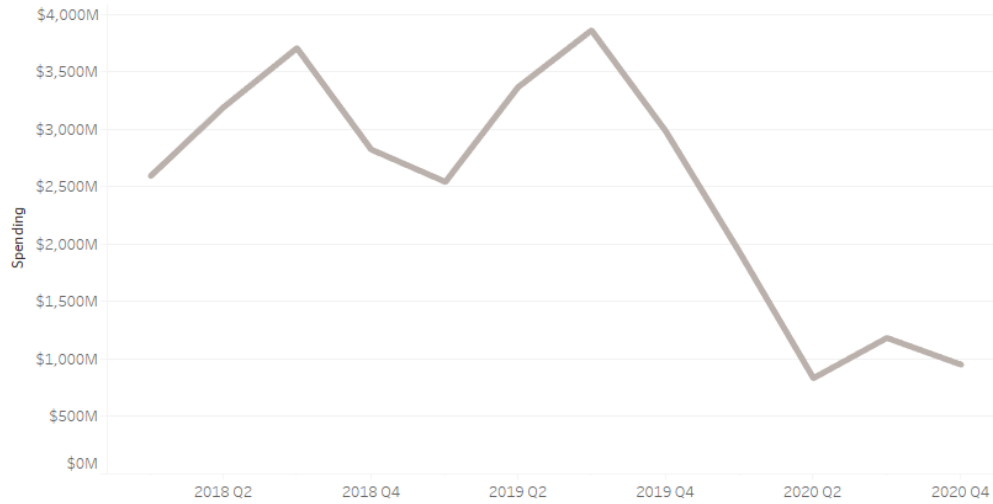
<sup>4</sup> Port of Portland Finance & Statistics

## 2020 QUARTERLY ESTIMATES

Oregon travel spending declined 58% in 2020. Most of this decline occurred in between April and June. During these months travel spending dropped 75% year over year. Between July and December the industry started on a slow road to recovery. The Portland Region will likely not see accelerated recovery until air travel picks up, this region accounted for approximately 44% of direct travel spending in Oregon in the years prior to 2020.

### DIRECT TRAVEL SPENDING

Spending Trend

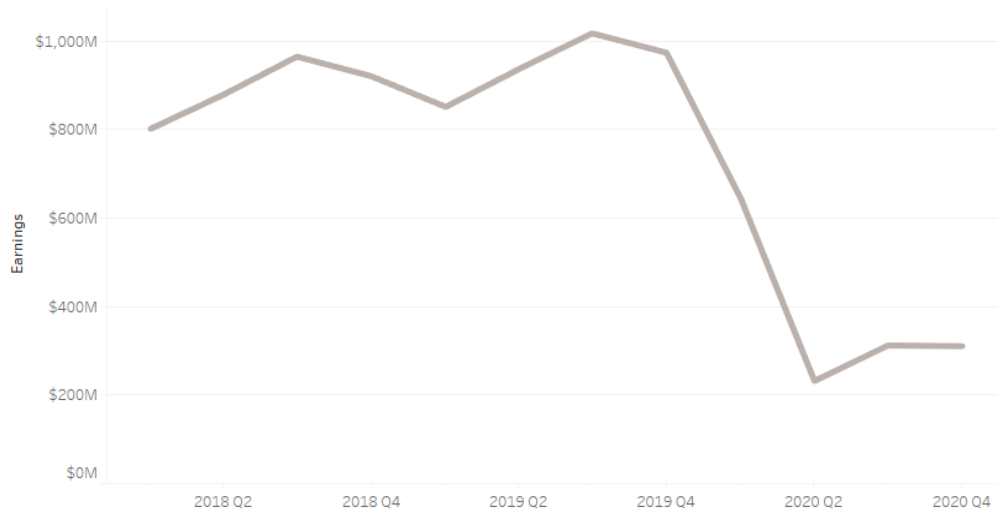


Direct Travel Spending (Billions)

	18 Q1	18 Q2	18 Q3	18 Q4	19 Q1	19 Q2	19 Q3	19 Q4	20 Q1	20 Q2	20 Q3	20 Q4	2018 A	2019 A	2020 A
Reference	\$2.6	\$3.2	\$3.7	\$2.8	\$2.5	\$3.4	\$3.9	\$3.0	\$1.8	\$0.8	\$1.6	\$1.2	\$12.3	\$12.8	\$5.4

## DIRECT TRAVEL GENERATED EARNINGS & EMPLOYMENT

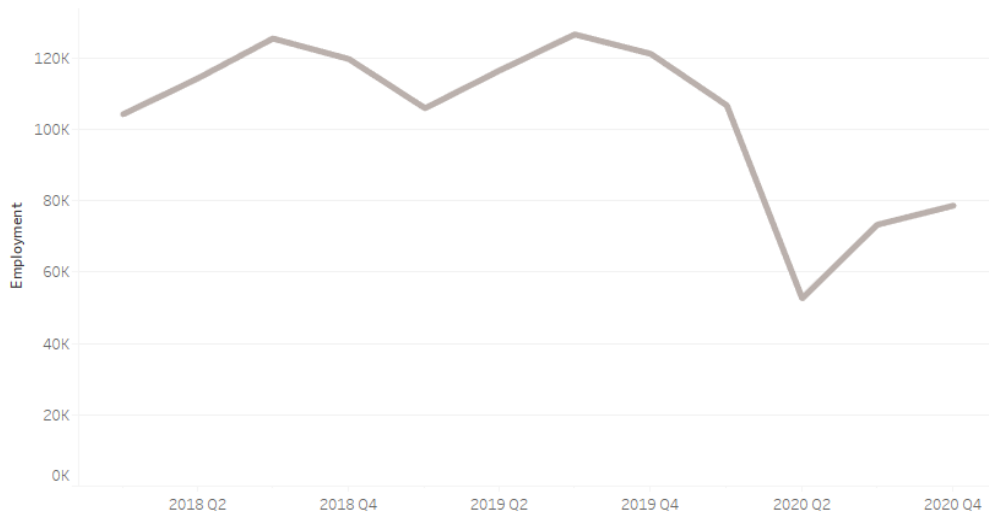
### Earnings Forecast



### Direct Travel Generated Earnings (Millions)

	18 Q1	18 Q2	18 Q3	18 Q4	19 Q1	19 Q2	19 Q3	19 Q4	20 Q1	20 Q2	20 Q3	20 Q4	2018 A	2019 A	2020 A
Reference	\$802	\$879	\$965	\$921	\$851	\$936	\$1,018	\$974	\$966	\$532	\$706	\$777	\$3,566	\$3,806	\$2,982

### Employment Trend

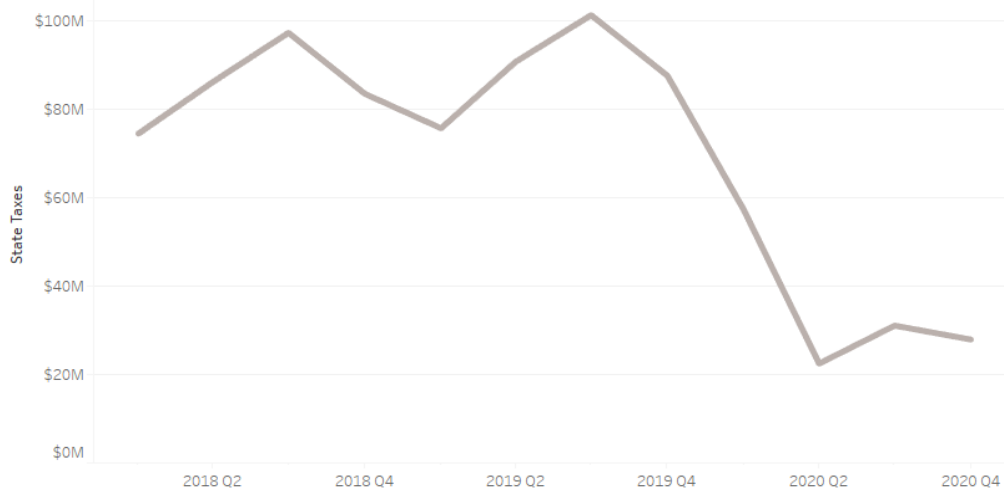


### Direct Travel Generated Employment (Thousands)

	18 Q1	18 Q2	18 Q3	18 Q4	19 Q1	19 Q2	19 Q3	19 Q4	20 Q1	20 Q2	20 Q3	20 Q4	2018 A	2019 A	2020 A
Reference	104.2	114.2	125.4	119.7	105.9	116.5	126.6	121.1	115.6	63.7	84.5	93.0	115.9	118.3	89.2

# DIRECT TRAVEL GENERATED STATE & LOCAL TAX REVENUE

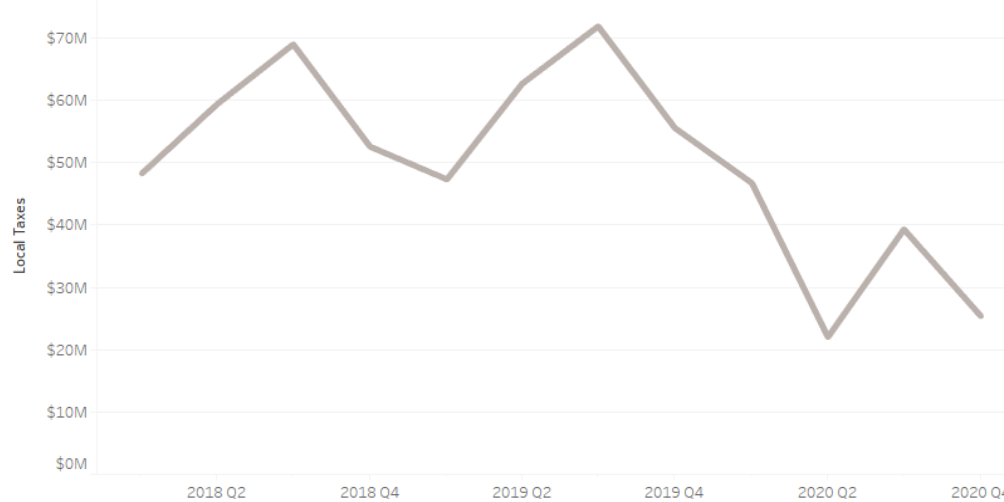
## State Taxes Trend



State Travel Generated Tax Revenue (Millions)

	18 Q1	18 Q2	18 Q3	18 Q4	19 Q1	19 Q2	19 Q3	19 Q4	20 Q1	20 Q2	20 Q3	20 Q4	2018 A	2019 A	2020 A
Reference	\$74.4	\$86.1	\$97.2	\$83.4	\$75.6	\$90.7	\$101.2	\$87.5	\$71.8	\$39.4	\$64.6	\$58.9	\$341.1	\$357.0	\$234.7

## Local Taxes Trend



Local Travel Generated Tax Revenue (Millions)

	18 Q1	18 Q2	18 Q3	18 Q4	19 Q1	19 Q2	19 Q3	19 Q4	20 Q1	20 Q2	20 Q3	20 Q4	2018 A	2019 A	2020 A
Reference	\$48.3	\$59.4	\$69.0	\$52.6	\$47.3	\$62.7	\$71.9	\$55.5	\$31.4	\$17.1	\$40.0	\$26.9	\$229.2	\$237.3	\$115.4



**DATA TABLE**

## 2018Q1-2020Q4 - Direct Travel Impacts

**Direct Travel Impacts by Quarter**

	Spending (\$M)	Earnings (\$M)	Employment (000's)	State Tax (\$M)	Local Tax (\$M)
2018 Q1	\$2,595	\$802	104	74	48
2018 Q2	\$3,192	\$879	114	86	59
2018 Q3	\$3,707	\$965	125	97	69
2018 Q4	\$2,825	\$921	120	83	53
2019 Q1	\$2,559	\$851	106	76	48
2019 Q2	\$3,388	\$936	116	91	63
2019 Q3	\$3,885	\$1,018	127	101	72
2019 Q4	\$3,003	\$974	121	88	56
2020 Q1	\$1,754	\$966	116	72	31
2020 Q2	\$842	\$532	64	39	17
2020 Q3	\$1,622	\$706	85	65	40
2020 Q4	\$1,224	\$777	93	59	27

**Direct Travel Impacts Annual**

	Spending	Earnings	Employment	State Tax	Local Tax
2018 Annual	\$12,319	\$3,566	116	\$341	\$229
2019 Annual	\$12,834	\$3,806	118	\$357	\$237
2020 Annual	\$5,442	\$2,982	89	\$235	\$115

**Percent Change Year over Year**

	Spending	Earnings	Employment	State Tax	Local Tax
2018-2019	4.2%	6.7%	1.4%	4.8%	3.4%
2019-2020	-57.6%	-21.7%	-24.1%	-34.3%	-51.3%

**Percent Change Quarter over Quarter**

	Spending	Earnings	Employment	State Tax	Local Tax
2019 Q1-2020 Q1	-31%	13%	9%	-5%	-34%
2019 Q2-2020 Q2	-75%	-43%	-45%	-57%	-73%
2019 Q3-2020 Q3	-58%	-31%	-33%	-36%	-45%
2019 Q4-2020 Q4	-59%	-20%	-23%	-33%	-52%

## REGIONAL TRAVEL IMPACTS

### 2019 Q1-2020 Q4 – Direct Travel Impacts

Regional estimates are an advanced estimate subject to revision

Preliminary Direct Spending Oregon Regions (\$Million)								
	Central	Eastern	Mt. Hood/Gorge	Portland	Southern	Willamette Valley	Coast	State
2019 Q1	\$172	\$79	\$93	\$1,108	\$220	\$445	\$442	\$2,559
2019 Q2	\$264	\$108	\$117	\$1,113	\$302	\$497	\$585	\$3,388
2019 Q3	\$363	\$129	\$137	\$1,115	\$343	\$551	\$683	\$3,885
2019 Q4	\$223	\$90	\$100	\$1,111	\$267	\$493	\$428	\$3,003
2020 Q1	\$107	\$49	\$46	\$848	\$155	\$299	\$252	\$1,754
2020 Q2	\$77	\$47	\$33	\$260	\$140	\$135	\$149	\$842
2020 Q3	\$225	\$75	\$83	\$294	\$186	\$293	\$465	\$1,622
2020 Q4	\$109	\$53	\$49	\$387	\$160	\$228	\$237	\$1,224
2019 Q1-2020 Q1	-38%	-38%	-51%	-24%	-29%	-33%	-43%	-31%
2019 Q2-2020 Q2	-71%	-57%	-71%	-77%	-54%	-73%	-74%	-75%
2019 Q3-2020 Q3	-38%	-42%	-39%	-74%	-46%	-47%	-32%	-58%
2019 Q4-2020 Q4	-51%	-41%	-51%	-65%	-40%	-54%	-45%	-59%
2019 - 2020 YOY	-49%	-45%	-53%	-60%	-43%	-52%	-48%	-58%

Preliminary Employment Generated by Travel Spend Oregon Regions (Jobs)								
	Central	Eastern	Mt. Hood/Gorge	Portland	Southern	Willamette Valley	Coast	State
2019 Q1	8,834	5,337	4,839	34,095	10,915	20,341	21,542	105,901
2019 Q2	9,710	6,198	5,238	37,070	12,460	22,157	23,626	116,460
2019 Q3	11,516	6,990	5,631	39,314	13,327	23,762	26,042	126,582
2019 Q4	9,949	6,452	5,524	37,006	13,330	23,072	25,809	121,141
2020 Q1	8,992	6,059	5,136	38,743	9,755	20,724	21,790	115,647
2020 Q2	6,040	4,871	2,660	16,338	8,804	13,383	10,554	63,666
2020 Q3	10,737	6,766	5,151	20,232	11,748	16,312	24,815	84,542
2020 Q4	8,156	5,523	3,896	23,364	10,080	15,809	20,714	93,020
2019 Q1-2020 Q1	2%	14%	6%	14%	-11%	2%	1%	9%
2019 Q2-2020 Q2	-38%	-21%	-49%	-56%	-29%	-40%	-55%	-45%
2019 Q3-2020 Q3	-7%	-3%	-9%	-49%	-12%	-31%	-5%	-33%
2019 Q4-2020 Q4	-18%	-14%	-29%	-37%	-24%	-31%	-20%	-23%
2019 - 2020 YTD	-15%	-7%	-21%	-33%	-19%	-26%	-20%	-25%