We will be starting shortly.
PANELISTS

Adam Sacks
President, Tourism Economics

Scott Bricker
Interim VP of Destination Development, Travel Oregon

Teresa O’Neill
VP of Global Strategic Partnerships, Travel Oregon

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Project Manager of Strategy, Travel Oregon
PLANNING FOR THE RECOVERY

Adam Sacks
President
Tourism Economics
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March 2021
Dismal but improving situation

US COVID Deaths and Hospitalizations
“It is said that the darkest hour of the night comes just before the dawn.”

Thomas Fuller, 1608-1661
English churchman and historian

Penned within a travelogue of the Holy Land

Died at age 53 of epidemic infectious disease
The dawn is in sight

US: Estimated vaccine distribution

Millions of doses

% of population vaccinated

Source: Oxford Economics/CDC
Three snapshots of the US travel landscape

Travel performance
Year-over-year % change

Air pax (-64%)
Auto trips (-7%)
Hotel room demand (-32%)

Source: TSA, Arrivalist, STR
Travel confidence remains low

I Feel Safe Traveling Outside My Community
Comparison of Travelers Who Strongly Agree or Agree

Travel Sentiment Study Wave 31
How will the economy influence the travel recovery?
After recovering about half of losses, jobs plateau

**US: Nonfarm payroll employment**

Source: Oxford Economics/Haver Analytics
Unemployment rate still near recession peaks

US: U3 unemployment rate

Average of 7 prior recessions

Source: Oxford Economics/Haver Analytics
Participation rate at its lowest since the 1970s

US: Labor force participation rate

Source: Oxford Economics/Haver Analytics

US: Unemployment rates

Source: Oxford Economics/Haver Analytics
Employment should pick up over spring/summer

US: Employment recovery paths

Peak pre-recession employment = 100

Source: BLS/Oxford Economics/Haver Analytics
Fed policy acting as wind in the sails
Large and rapid fiscal stimulus without precedent

US: Funds authorized by Congress

- $1.9tn: American Rescue Plan* (proposed, not passed)
- $900bn: Covid relief bill
- $480bn: PPP & Healthcare Enhancement Act
- $2.4tn: CARES Act
- $8bn: Preparedness bill
- $190bn: Stimulus bill
- $152bn: Stimulus bill
- $300 bn: Mortgage-guarantee bill
- $787bn: American Recovery and Reinvestment Act (80 weeks after crisis began)
- $700bn: TARP
- $900bn: Covid relief bill
- $1.9tn: American Rescue Plan* (proposed, not passed)

Source: Oxford Economics/CBO
Policy upside risk shouldn’t be discounted

- Congress will likely pass, on a bipartisan basis, additional stimulus checks totaling $1,400/person on top of the $600 checks passed at the end last year.
- President Biden will attempt to pass some of his spending and tax proposals via the budget reconciliation process requiring only a simple majority.
- GDP lift of 0.7%

Source: Oxford Economics
When will travel recover?
Assumptions: Baseline

• **2021 Q1**
  - Difficult start to year. Concerted efforts to get disease under control

• **2021 Q2-Q3**
  - Vaccination programs make a meaningful impact
  - Leisure travel picks up headed into summer

• **2021 Q4**
  - Context for business travel and group events has normalized substantially.
  - Group and business travel returns (but at 20%-30% below 2019 levels)
Will higher income households support recovery?

Share of leisure lodging spending by income

Households earning $100k+ account for 24% of households... but 59% of leisure spending on lodging

Unemployment rate (October):
- Bachelor’s or higher: 4.2%
- High school grad: 8.1%

Note: Lodging spending is based on recent three-year average (2015 to 2018). Consumer spending represents leisure trips. Pre-tax annual income, in thousands.
Source: BLS; Tourism Economics
A massive $1.6tn cash stash for households

US: Cumulative household savings

$ billion, since January 2020

Source: Oxford Economics
Major reshuffling of the deck

Influence of COVID-19 on Travel Plans in the Next Six Months

I am choosing destinations I can drive to as opposed to fly  31%
I am reducing the number of trips I’m taking  30%
I am traveling within the U.S. instead of internationally  25%
I am choosing not to travel at all  21%
I am choosing rural destinations over city destinations  15%
I am canceling trips  15%

16% COVID-19 is not influencing my travel plans

Travel Sentiment Study Wave 31
Domestic trips nearly back in 2022, international will take longer

Domestic and international trips
Index (2019=100)

Source: U.S. Travel Association, Tourism Economics
Leisure travel will fuel the recovery

**Business and leisure trips**
Index (2019=100)

- **Leisure back to 2019 levels in 2022**
- **Business nearly back in 2024**

Note: Only domestic trips
Source: U.S. Travel Association, Tourism Economics
The second half of the year will look very different

Room demand
Quarterly, relative to 2019

Strong recovery in second half of 2021 to demand levels about 15% below 2019.
Recovery after a pandemic: 14-17 months

2003 SARS outbreak in Hong Kong
International arrivals (thousands)

- 14 months from crisis to recovery
- 1,362,000 lost arrivals

2003 SARS outbreak in Singapore
International arrivals (thousands)

- 17 months from crisis to recovery
- 1,472,000 lost arrivals

80% of travellers indicate return within six months of virus containment according to recent IATA survey

Source: Tourism Economics
How do we advocate for the industry during this crisis?
Reminder: the travel sector was a leader of Oregon job growth

### L&H employment in Oregon

Index (2010=100)

<table>
<thead>
<tr>
<th>Year</th>
<th>OR L&amp;H</th>
<th>OR</th>
<th>US</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>100</td>
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<td>2011</td>
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<td>2018</td>
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<tr>
<td>2019</td>
<td>134</td>
<td>133</td>
<td>133</td>
</tr>
</tbody>
</table>

**Source:** BLS
Industry in crisis: no sector has been hit as hard at travel

Oregon employment loss by industry
% of industry lost since February

- Leisure & hospitality: 37%
- Other services: 9%
- Information: 9%
- Government
- Mining & logging
- Manufacturing
- Education & health services
- Financial activities
- Construction
- Professional & business services
- Trade, transportation, and utilities

Source: BLS
Travel must be our focus for an economic recovery

Share of total OR employment loss by industry
% of all jobs lost since February

- Leisure & hospitality: 53%
- Government: 17%
- Manufacturing: 8%
- Education & health services
- Other services
- Professional & business...
- Financial activities
- Information
- Construction
- Trade, transportation, and...
- Mining & logging

Source: BLS
Considerations for recovery

1. **All indicators point to a strong leisure travel rebound**
   This will drive a recovery in the labor market

2. **Oregon’s domestic market mix is encouraging**
   High shares of leisure and drive visitors will boost the recovery

3. **Oregon’s international market mix is encouraging**
   Canada and China will rebound faster than most other markets
Will there be an enduring legacy of this crisis?

Gratitude.
THANK YOU!

Adam Sacks
President
Tourism Economics
adam@tourismeconomics.com
While recovery will be a slow process, there are already favorable signs. The worst appears to be behind us, and, while currently in a health-related stall, room revenue is generally increasing.
### Scenario Drivers

Tourism Economics analyzed three different recovery scenarios.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Virus-related inhibitions on travel in the first half of 2021</th>
<th>Key economic indicators (forecast current as of January 24th, 2020)</th>
<th>Economic drag</th>
<th>Virus drag</th>
<th>Combined impact to travel</th>
</tr>
</thead>
</table>
| **Upside** | • Virus moderately contained, travel restrictions continue to ease  
  • Traveler risk aversion remains moderate to high through 2021                                                                | • National unemployment rate in Q4 2021 - 4.8%  
  • National GDP grows 7.3% in 2021  
  • GDP returns to 2019 Q4 level in 2021 Q2                                                                                       | ![Economic Drag](image1.png) | ![Virus Drag](image2.png) | ![Combined Impact](image3.png) |
| **Baseline** | • Virus contained in some regions, however many restrictions and containment measures remain through 2021  
  • In some areas, groups permitted to meet with modifications, but risk aversion reduces attendance | • National unemployment rate in Q4 2021 - 5.7%  
  • National GDP grows 4.2% in 2021  
  • GDP returns to 2019 Q4 level in 2021 Q3                                                                                       | ![Economic Drag](image1.png) | ![Virus Drag](image2.png) | ![Combined Impact](image3.png) |
| **Downside** | • Virus not well contained, many restrictions and many containment measures remain in place until the summer  
  • Very limited group travel, greater risk aversion, many public places closed/limited, restaurants more limited | • National unemployment rate in Q4 2021 - 6.9%  
  • National GDP grows 0.2% in 2021  
  • GDP returns to 2019 Q4 level in 2022 Q1                                                                                       | ![Economic Drag](image1.png) | ![Virus Drag](image2.png) | ![Combined Impact](image3.png) |

Sources: Tourism Economics; STR
KEY FACTORS DRIVING OREGON’S FORECAST

Compared to the U.S., Oregon has several factors that indicate the state will recover faster than the nation.

**POSITIVES**

- Favorable market mix
  - High leisure share
  - High drive share
  - High domestic share
- Numerous attractions that allow for physical distancing (hiking, parks, etc.)
- West coast source markets will recover faster economically

**NEGATIVES**

- Oregon may reopen more cautiously than the rest of the country

Sources: Tourism Economics; STR
LOST ROOM REVENUE IN OREGON

Room revenue losses will be massive and persistent. In our baseline forecast, room revenue in 2022 is still down 21% from its 2019 level.

Sources: Tourism Economics; STR
# TLT Revenue Growth in Three Scenarios

We created a baseline model along with two other scenarios to create a range of potential outcomes. Our baseline model forecasts TLT revenues to reach $29 million in FY2022.

## TLT Revenue Growth in Three Scenarios

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upside</td>
<td>$41.6</td>
<td>$40.3</td>
<td>$21.4</td>
<td>$31.0</td>
<td>$33.9</td>
</tr>
<tr>
<td>Baseline</td>
<td>$41.6</td>
<td>$40.3</td>
<td>$21.1</td>
<td>$29.1</td>
<td>$32.5</td>
</tr>
<tr>
<td>Downside</td>
<td>$41.6</td>
<td>$40.3</td>
<td>$20.9</td>
<td>$25.9</td>
<td>$29.6</td>
</tr>
<tr>
<td><strong>Percent of FY2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upside</td>
<td>--</td>
<td>96.9%</td>
<td>51.5%</td>
<td>74.6%</td>
<td>81.7%</td>
</tr>
<tr>
<td>Baseline</td>
<td>--</td>
<td>96.9%</td>
<td>50.8%</td>
<td>70.0%</td>
<td>78.3%</td>
</tr>
<tr>
<td>Downside</td>
<td>--</td>
<td>96.9%</td>
<td>50.3%</td>
<td>62.4%</td>
<td>71.2%</td>
</tr>
</tbody>
</table>

Sources: Tourism Economics; STR; Oregon DoR
2019-21 ADOPTED BUDGET MODIFICATION

- Regional Program $800,000 (statutory)
- Grants Program $400,000 (statutory)
- Destination Development
  - Destination Ready: $200,000
- Global Strategic Partnerships
  - Regional Recovery & Stability Fund: $1,500,000
  - Additional Grants: $1,000,000
  - Destination Ready Grants: $650,000
SHORT-TERM PRIORITIES

Q: Please identify the three areas that you believe should be emphasized for immediate (6 – 12 months) recovery from COVID-19, wildfires, and related economic conditions:

<table>
<thead>
<tr>
<th>Area</th>
<th>Top priority</th>
<th>Second priority</th>
<th>Third priority</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and funding resources</td>
<td>31%</td>
<td>16%</td>
<td>11%</td>
<td>58%</td>
</tr>
<tr>
<td>COVID-friendly visitor experience development</td>
<td>28%</td>
<td>17%</td>
<td>12%</td>
<td>57%</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>11%</td>
<td>16%</td>
<td>14%</td>
<td>41%</td>
</tr>
<tr>
<td>Tourism-related infrastructure</td>
<td>8%</td>
<td>12%</td>
<td>13%</td>
<td>34%</td>
</tr>
<tr>
<td>Visitor management solutions</td>
<td>5%</td>
<td>9%</td>
<td>13%</td>
<td>27%</td>
</tr>
<tr>
<td>Stakeholder engagement &amp; collaboration</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
<td>24%</td>
</tr>
<tr>
<td>Tourism strategies for climate change resilience</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Tourism research &amp; market insight</td>
<td>2%</td>
<td>5%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Training and education programs</td>
<td>5%</td>
<td>6%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Transportation options</td>
<td>2%</td>
<td>5%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>5%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

Source: 2020 Oregon Tourism Industry Stakeholder Survey
DESTINATION READY PROGRAM

• Provides direct funding and technical assistance that develops and bolsters COVID-19 appropriate visitor experiences.

• Focuses on the development, enhancement and stewardship of destinations.

• Supports implementation of $10,000-$50,000 local or regional projects.

• Aids in Oregon’s tourism industry recovery while enhancing local livability.

• Provides access to a diversity of explorers.
ELIGIBLE PROJECTS

• Oregon Food Trails or Culinary/Farm Trails
  Examples: Brochure updates and distribution, business engagement, signage, and more.

• Water Recreation
  Examples: Boat launch and ADA improvements, water trail mapping, signage, and clean-ups.

• High-Use and Critical Outdoor Recreation
  Examples: Trail development, recreation signage, parking and garbage management, and responsible messaging.

• Bike-Friendly Destinations
  Examples: Route development, bike hub infrastructure.

• Small Business Marketing & Technical Support
  Examples: Digital footprint audit & assistance.

• Business District & Main Street Improvement
  Examples: Downtown cleanup, beautification project, outdoor dining or shopping plazas.
SUBMISSION OVERVIEW

Total submissions: $3,914,374 and 135 Projects

Total amount awarded: $913,000

Destination awards: 34
• Leveraged funds: $805,214
• Leveraged in-kind: $521,685
PROJECT AWARDS

PROJECTS BY REGION $

- Willamette: $184,270
- Southern: $113,093
- Coast: $136,254
- Hood/Gorge: $162,475
- Portland: $126,200
- Eastern: $126,212
- Statewide: $11,500
- Central: $52,500

PROJECT CATEGORIES

- Outdoor Recreation: $311,655
- Main Street: $286,964
- Water Recreation: $108,387
- Bike Friendly: $107,806
- Culinary & Agritourism: $52,900
- Small Business...: $42,800
PROJECT SNAPSHOT

EASTERN OREGON VISITORS ASSOCIATION
Land Stewardship and Maintenance - $20,000

CASCADE VOLUNTEERS
McKenzie Regenerative Travel Project - $18,175

CITY OF PORTLAND
Portland Healthy Business Plaza - $47,600

VISIT CENTRAL OREGON
Navigate Oregon Transportation Pilot Project - $40,000

THE DALLES MAIN STREET PROGRAM
Parklet Expansion for Outdoor Dining - $50,000

CITY OF FLORENCE
Old Town Outdoor Plaza Improvements - $44,161

ROGUE VALLEY VINTNERS
Digital Footprint Audit and Assistance - $31,300
GLOBAL MARKETING
2020 was a challenging year for Oregon.

<table>
<thead>
<tr>
<th>MARCH</th>
<th>LATE MARCH</th>
<th>MAY</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
<th>NOVEMBER</th>
<th>DECEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pandemic hit Oregon</td>
<td>Launch of recovery campaign postponed</td>
<td>Planned and began execution of Safe Travel campaign</td>
<td>Travel Oregon activates travel alerts and assists in wildfire recovery</td>
<td>Launch “Give the Gift of Oregon” in partnership with Business Oregon, at request of Governor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Briefed new campaign**
- **Launch of recovery campaign postponed**
- **Travel Oregon activates travel alerts and assists in wildfire recovery**
- **Launch “Give the Gift of Oregon” in partnership with Business Oregon, at request of Governor**
2021 brings a sense of hope.

**JANUARY**

- Continued safe travel, get tools and resources to plan your trip

**MARCH**

- Responsible recreation – relaunch of Take Care Out There

**MAY**

- Launch Welcome to Oregon Again

**JUNE**

- Launch regional direct investment

**AUGUST**

- Launch Only Slightly Exaggerated

*Timing subject to approval from Governor’s office*
Oregon, Only Slightly Exaggerated Campaign Toolkit

Inspired by the viral success of the Only Slightly Exaggerated campaign last spring, on April 15 & 16, Travel Oregon is launching part two of the animated campaign that gives viewers a creative glimpse of the magical feeling of being in Oregon.

The campaign will run through May 31 in our primary and secondary markets of Seattle, San Francisco, Portland, Boise, Tri-Cities, Eugene and Bend. The new 1:45 minute video continues a visual narrative, showcasing different locations, experiences and thrilling adventures in Oregon—from venturing deep into the Crater National Monument to paragliding over the Steens Mountain. Like the original, this new video features a cast of animated human characters, native flora and fauna and a few new fantastical beings, including mystical cloud people and a sleepy rock creature, to name a few.

The following assets have been created to help you share the magic of Oregon and to inspire visitors to plan their next adventure.

WHAT YOU CAN DO WITH THE NEW CREATIVE:

1. Share the video across your marketing channels to encourage travel in and around your region.
2. Take a look at the style guide and the media rules to see where you can leverage Travel Oregon's assets.
DRIVE BUSINESS WITH LOCL

JOIN US MARCH 11, 2021

Learn how to maximize your business profile on Google using Locl's optimization tools and insights.

REGISTER HERE:
industry.traveloregon.com/drivebusiness
TRAVEL OREGON GRANT PROGRAM
“Travel Oregon funds allowed Tamástslikt to continue full time employment for two at risk employees. These employees were engaged in remote work assignments that produced replica objects for our exhibits, masks for employees, and video recordings of cultural interpretation.”

– Tamástslikt Cultural Institute
TRAVEL OREGON
GRANT PROGRAM

• $2.3 million available
• Online application open March 15-31
• Award announcement by April 30
• Requests up to $100,000, no match is required
• Projects must be complete by Nov. 30, 2021
OREGON WINE COUNTRY LICENSE PLATES MATCHING GRANTS PROGRAM

- $400,000 available
- Online application open May 10-June 2
- Award announcement by early July
- Projects must be complete by June 30, 2022
View Grant Program Guidelines:
industry.traveloregon.com/recoverygrants
STRATEGIC PLANNING & INDUSTRY ENGAGEMENT

TWO-PHASED APPROACH

• Rebuild Plan > Transformational Plan extending to 2025

WHY

• Fluidity + uncertainty of current economic environment
• COVID-19 Crisis > Rebuild
• Rebuild > Longer-range vision
• Robust industry engagement
• Equity lens
STRATEGIC PLANNING & INDUSTRY ENGAGEMENT

- **Stakeholder Survey**
- **RFP**
- **Engagement Sessions**
- **Comment Period**
- **Stakeholder Interviews**
- **Focus Groups, Co-Creation Labs & Equity Assessment**

**2020**
- **Feb. OTC Meeting**
  - Adopt Revenue Forecast
  - Rebuild Planning Launch
- **Dec. OTC Meeting**
  - Survey Results

**2021**
- **Jun. OTC Meeting & Governor’s Conference**
  - Rebuild Plan & Budget Adoption
  - Transformational Planning Launch
- **May OTC Meeting**
  - Draft Rebuild Plan & Budget Public Hearing
- **Fall OTC Meeting**
  - Planning Update
OREGON TOURISM ENGAGEMENT SESSIONS

- March 15, 10-11:30 a.m. – Southern Oregon
- March 16, 9:30-11 a.m. – Central Oregon
- March 16, 2-3:30 p.m. – Hood/Gorge
- March 18, 3:30-5 p.m. – Willamette Valley
- March 30, 9-10:30 a.m. – Eastern Oregon
- March 30, 3:30-5 p.m. – Oregon Coast
- TBA - Portland Region

REGISTRATION REQUIRED:
industry.traveloregon.com/opportunities/events
Thank you
industry.traveloregon.com