

TRAVEL



OREGON

We will be starting shortly.

**STATE OF THE OREGON
TOURISM INDUSTRY
WEBINAR**

03.02.21

Credit: Jak Wonderly







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



Kevin Wright
VP of Global
Marketing,
Travel Oregon



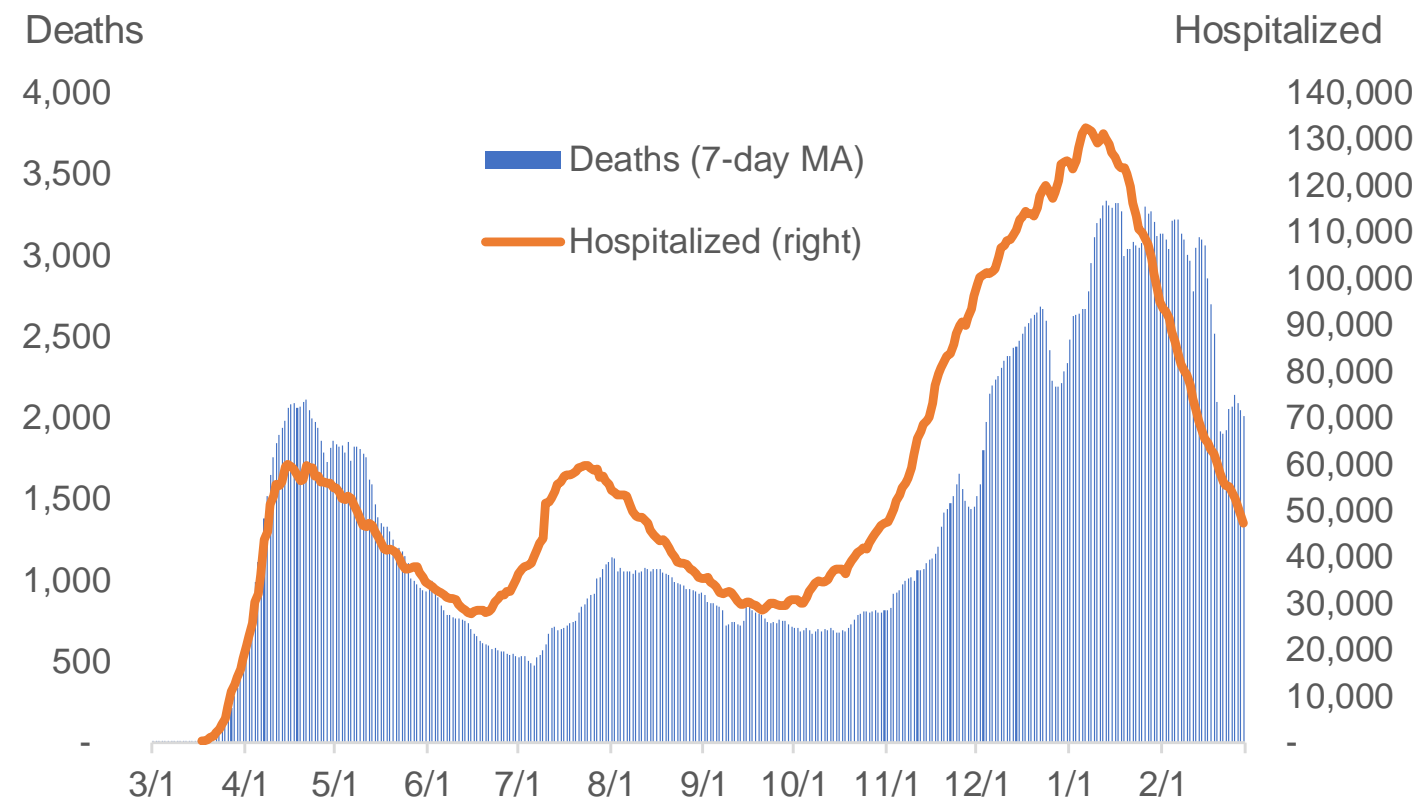
Nastassja Olson
Project Manager
of Strategy,
Travel Oregon

PLANNING FOR THE RECOVERY

Adam Sacks
President
Tourism Economics
adam@tourismeconomics.com

Dismal but improving situation

US COVID Deaths and Hospitalizations





“It is said that the darkest hour of the night comes just before the dawn.”

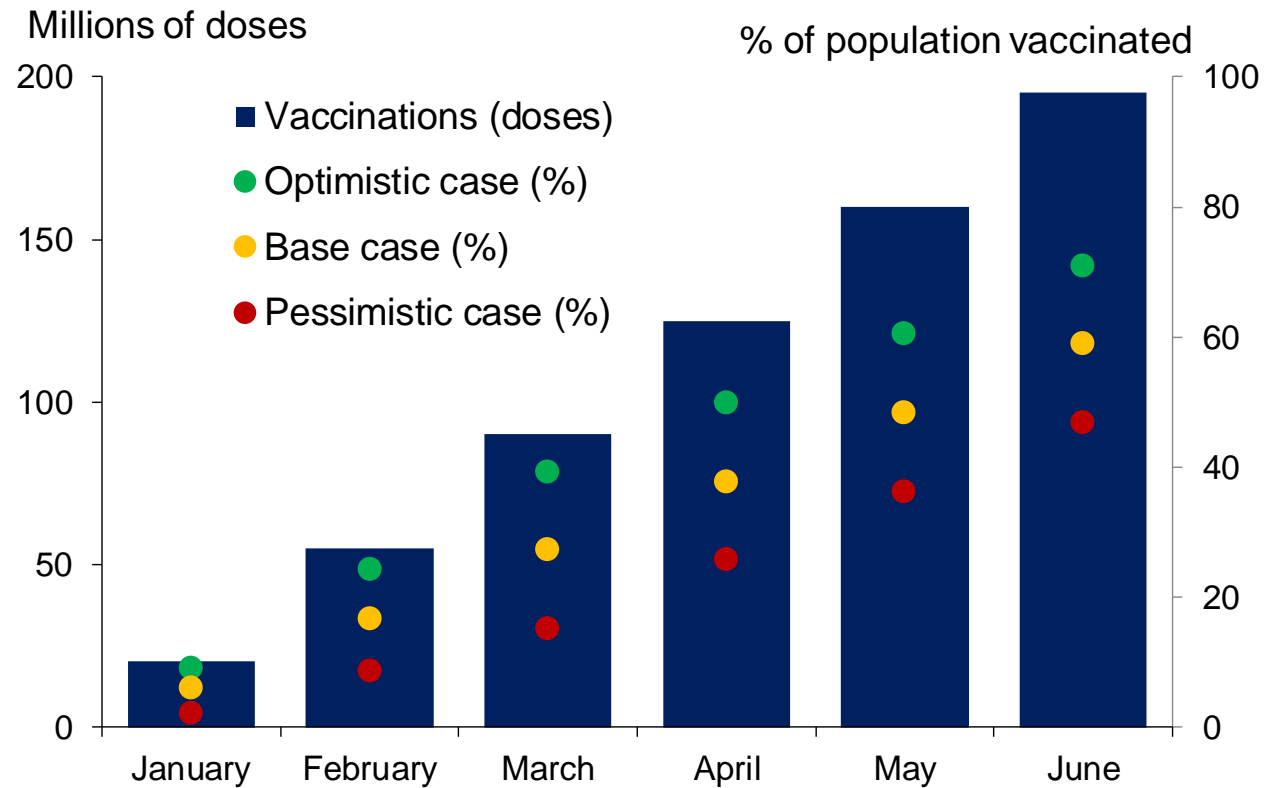
Thomas Fuller, 1608-1661
English churchman and historian

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

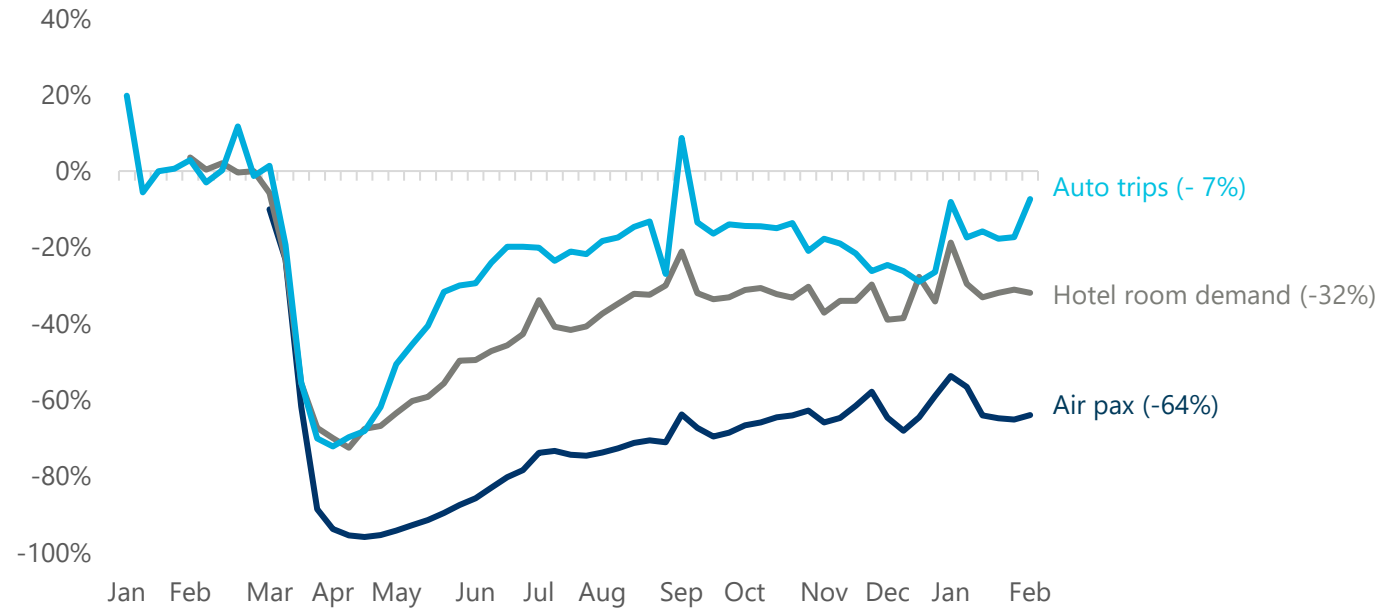


Source: Oxford Economics/CDC

Three snapshots of the US travel landscape

Travel performance

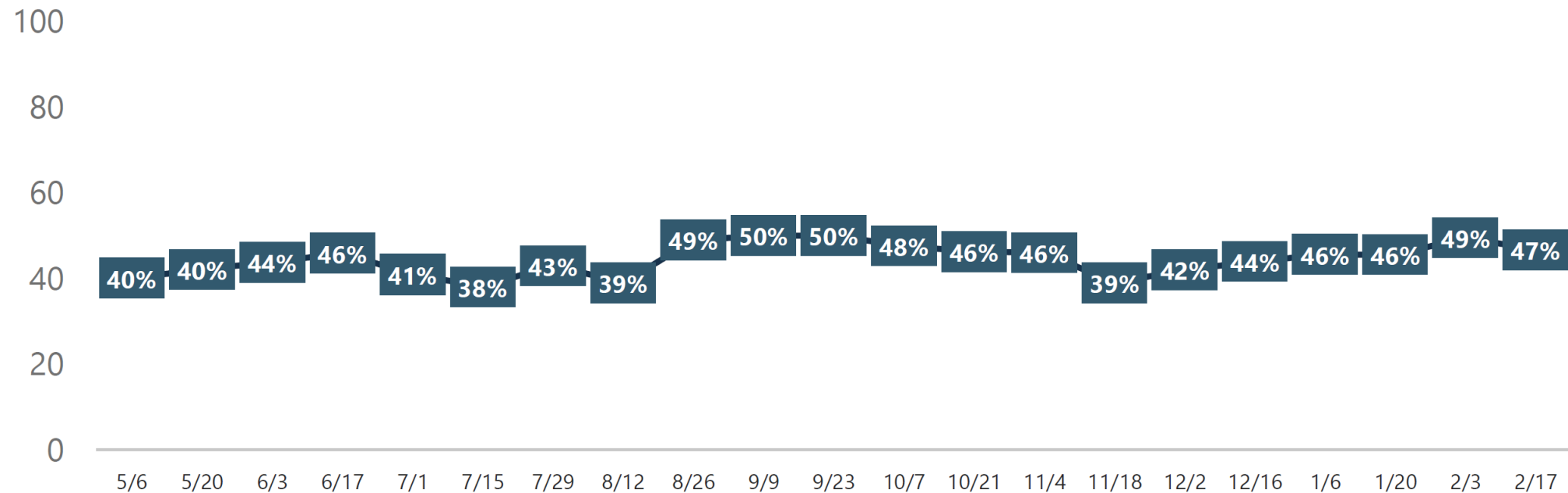
Year-over-year % change



Source: TSA, Arrivalist, STR

Travel confidence remains low

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

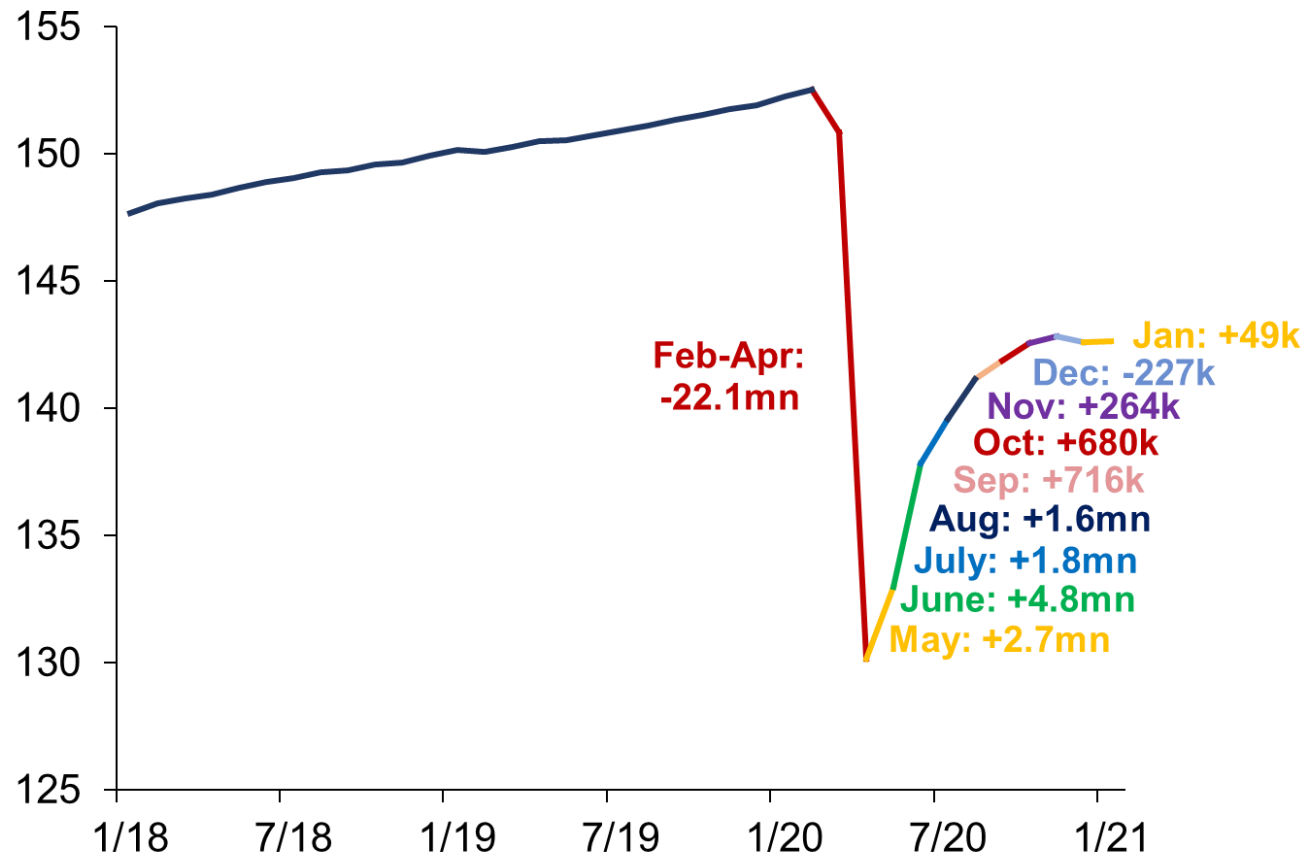


How will the economy influence the travel recovery?

After recovering about half of losses, jobs plateau

US: Nonfarm payroll employment

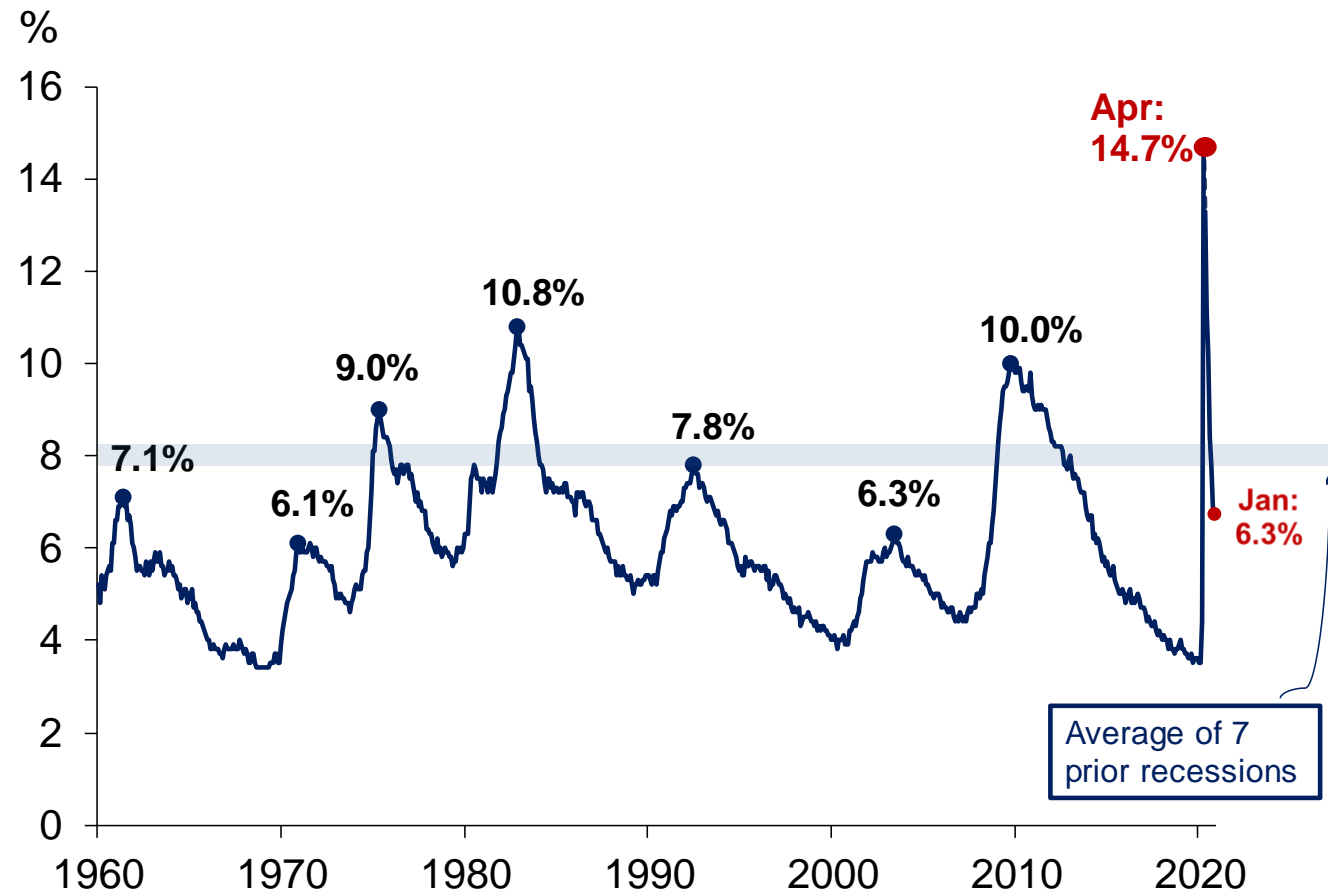
Millions



Source: Oxford Economics/Haver Analytics

Unemployment rate still near recession peaks

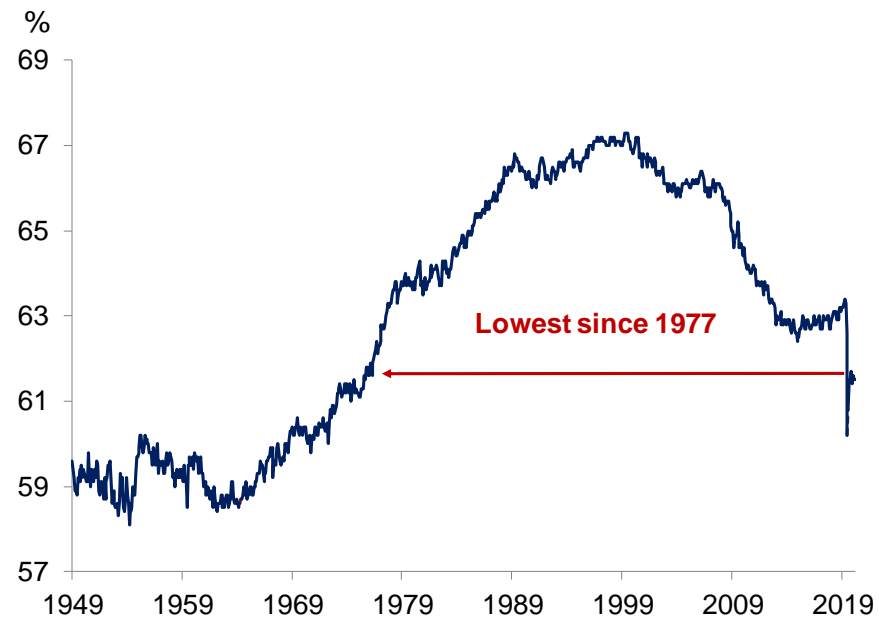
US: U3 unemployment rate



Source: Oxford Economics/Haver Analytics

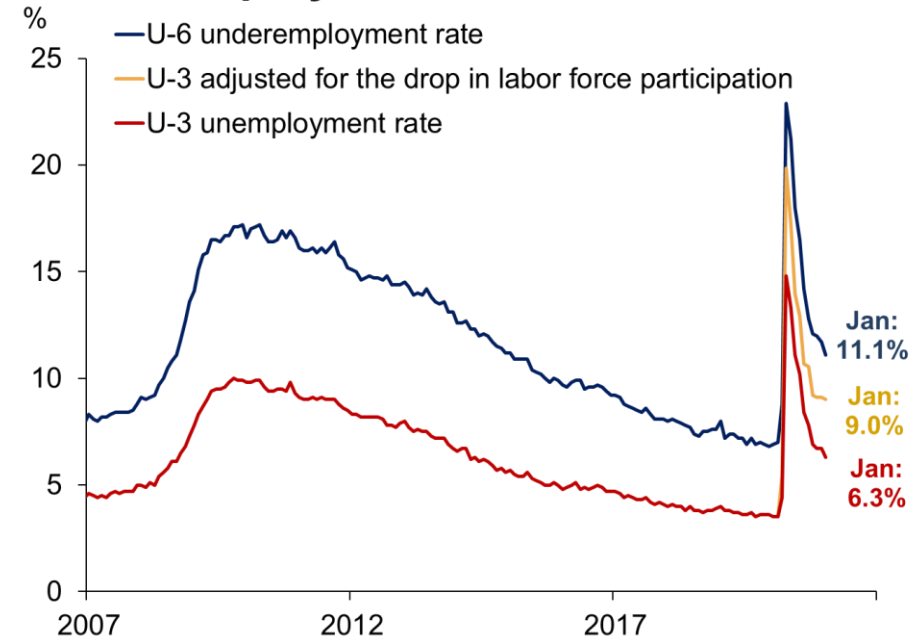
Participation rate at its lowest since the 1970s

US: Labor force participation rate



Source: Oxford Economics/Haver Analytics

US: Unemployment rates

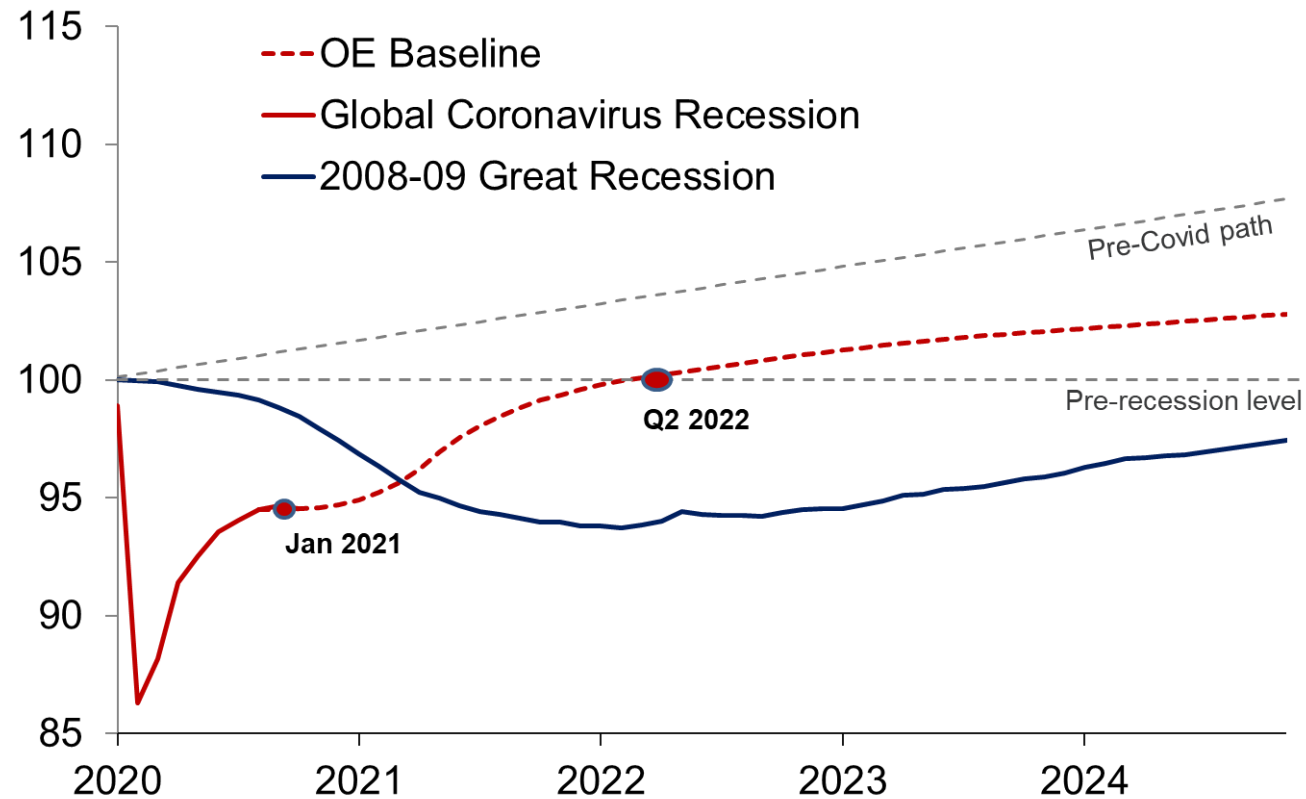


Source : Oxford Economics/Haver Analytics

Employment should pick up over spring/summer

US: Employment recovery paths

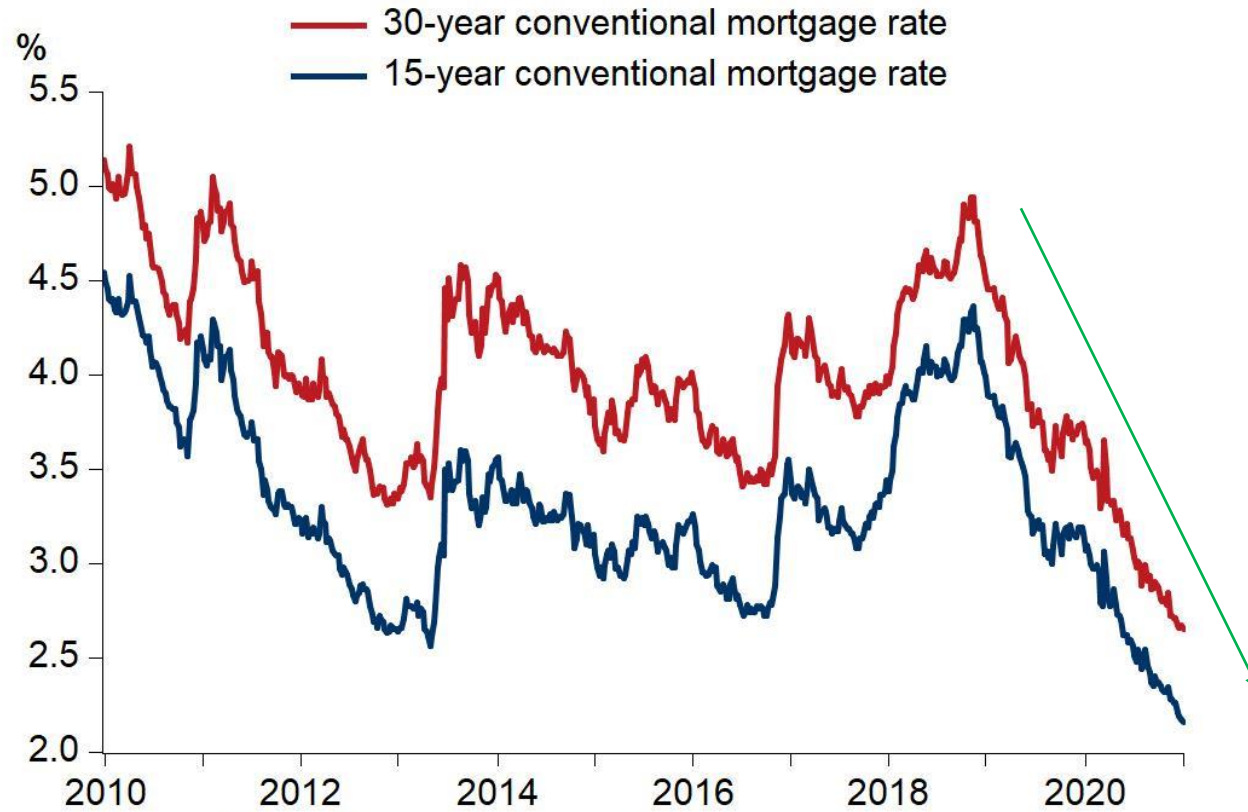
Peak pre-recession employment = 100



Source: BLS/Oxford Economics/Haver Analytics

Fed policy acting as wind in the sails

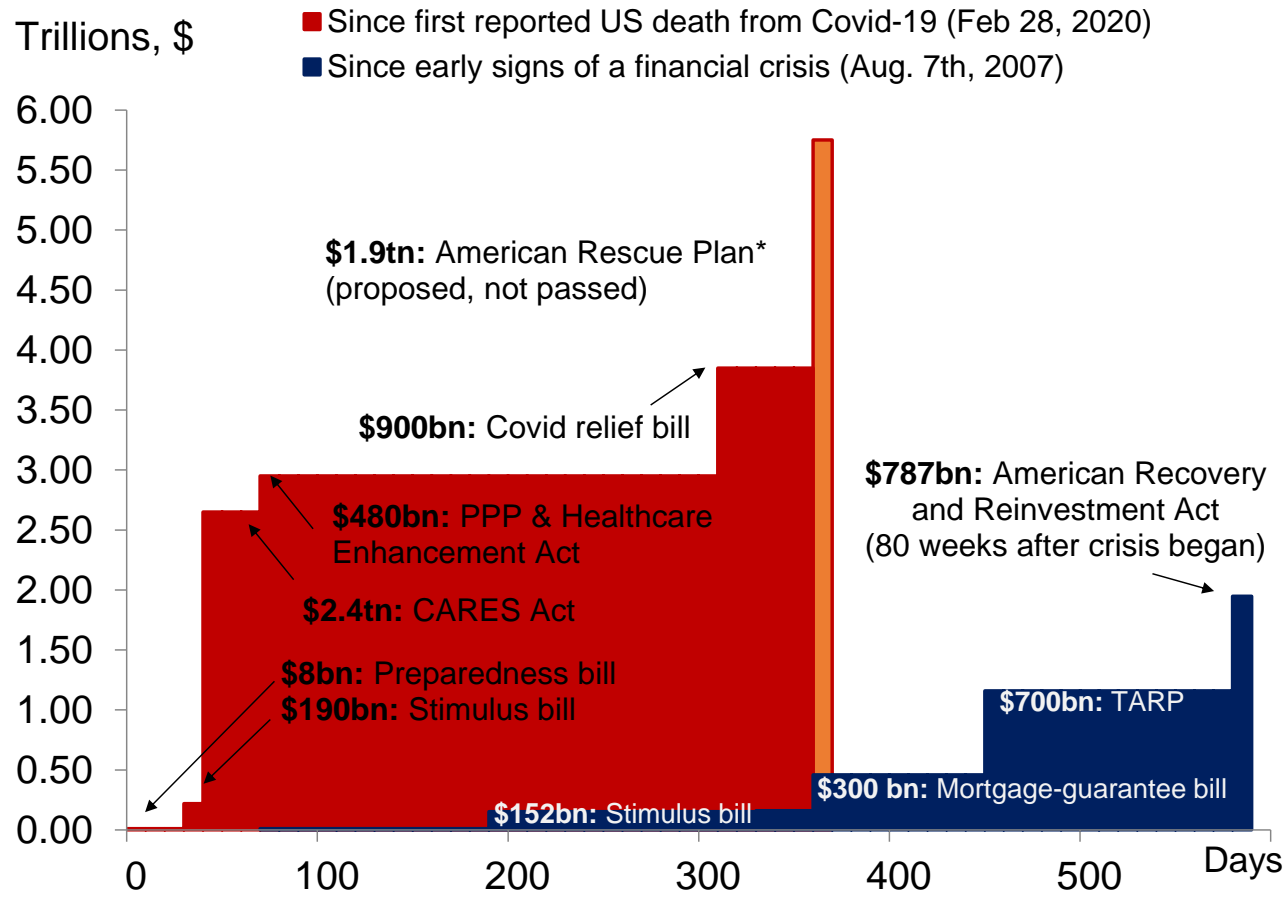
US: Weekly mortgage rates



Source: Oxford Economics/Haver Analytics

Large and rapid fiscal stimulus without precedent

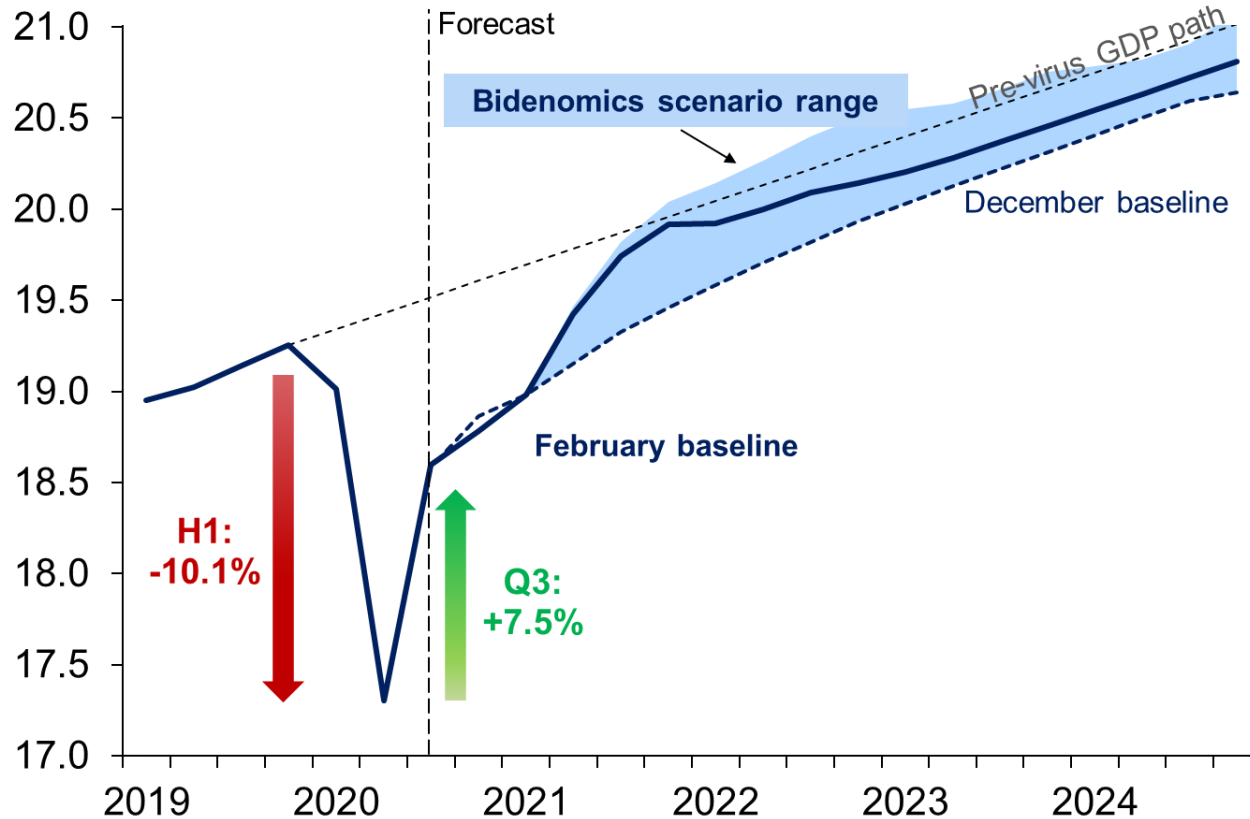
US: Funds authorized by Congress



Policy upside risk shouldn't be discounted

US: Real GDP

\$, trillion



Source : Oxford Economics

- 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%

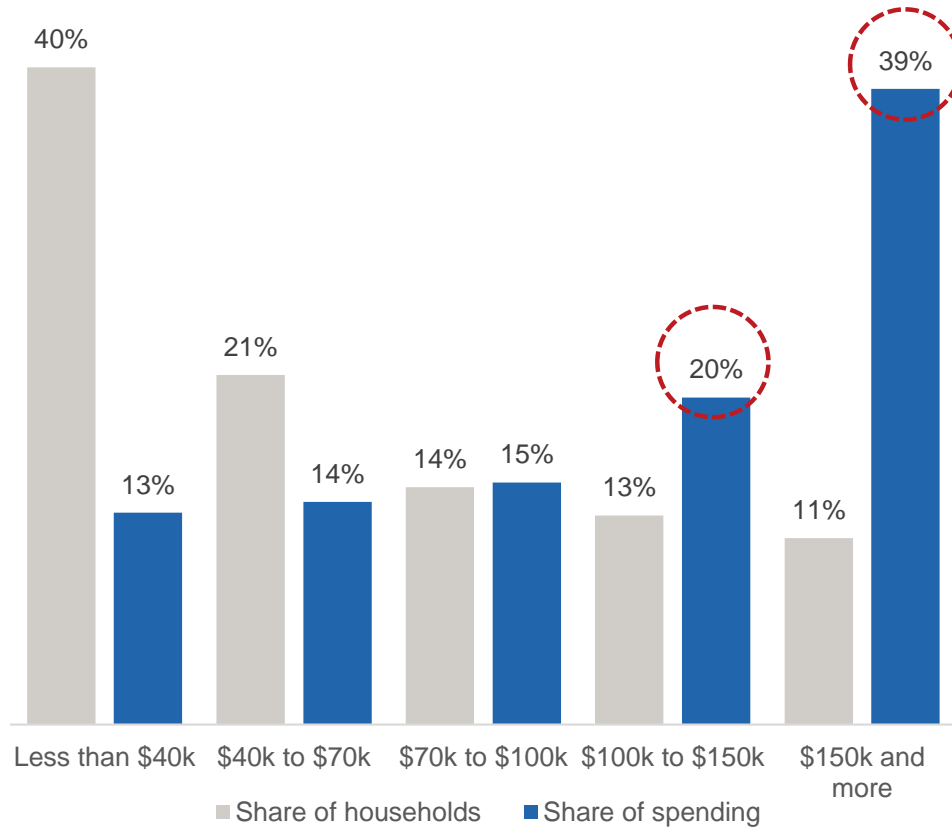
When will travel recover?

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):

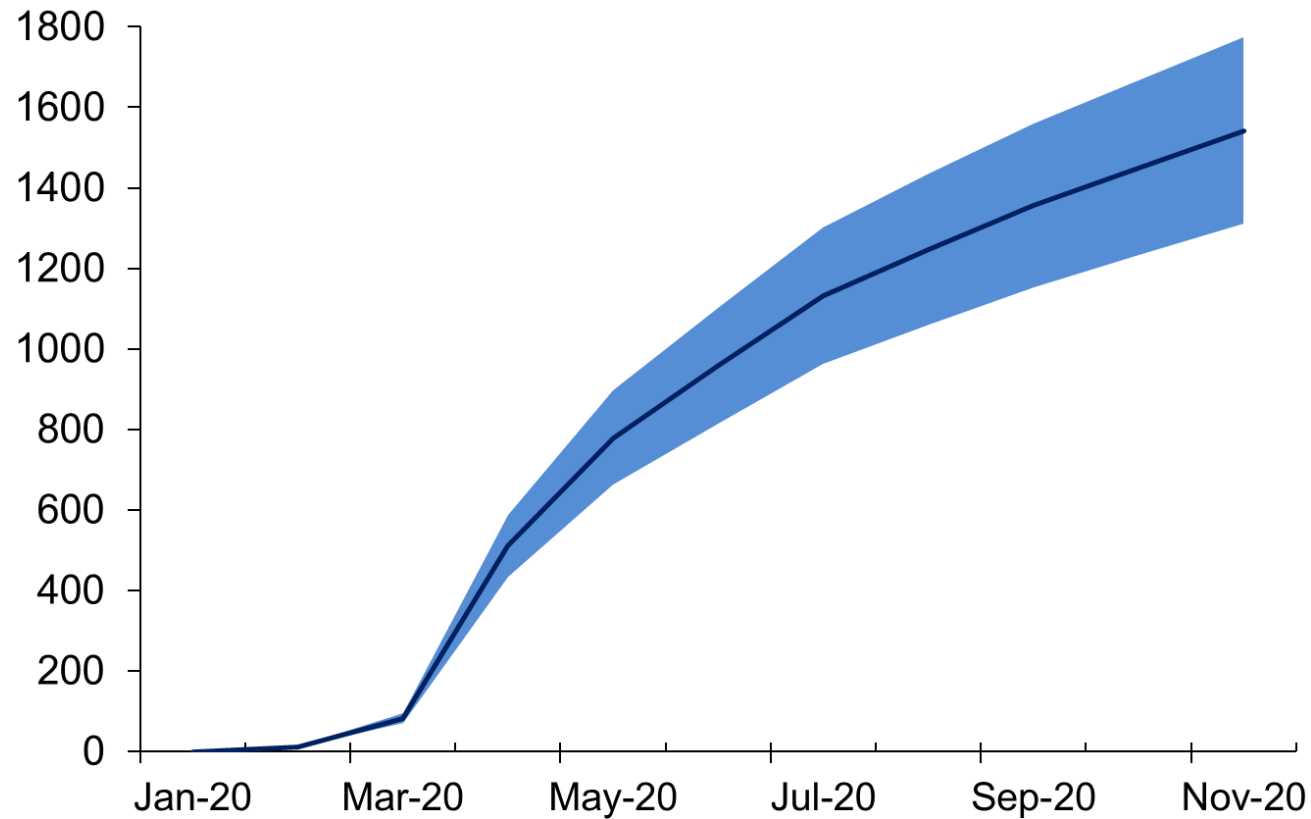
- Bachelor's or higher: 4.2%
- High school grad: 8.1%

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

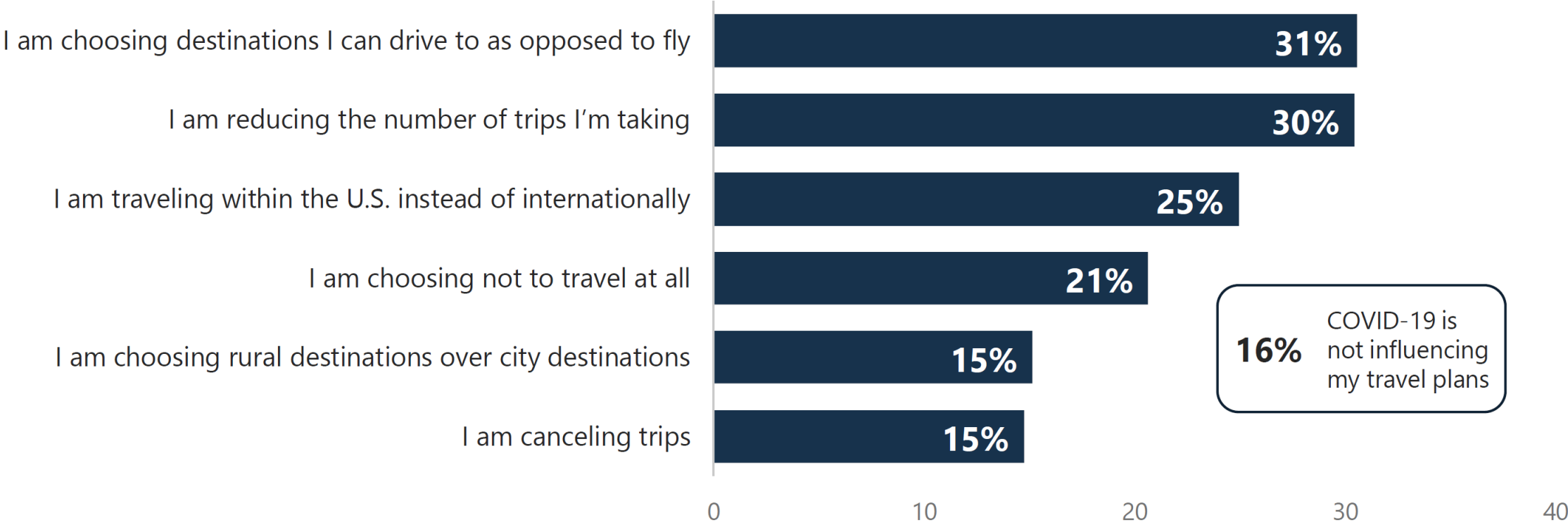
\$, billion, since January 2020



Source: Oxford Economics

Major reshuffling of the deck

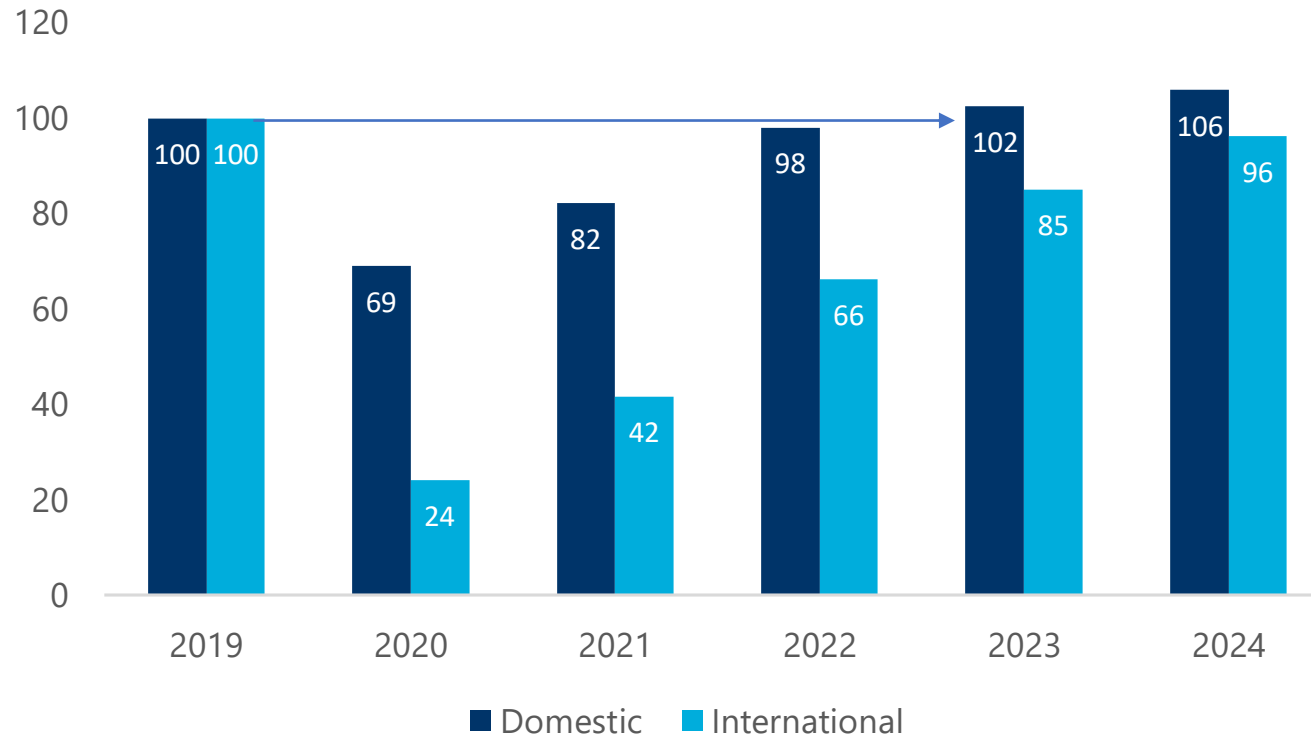
Influence of COVID-19 on Travel Plans in the Next Six Months



Domestic trips nearly back in 2022, international will take longer

Domestic and international trips

Index (2019=100)

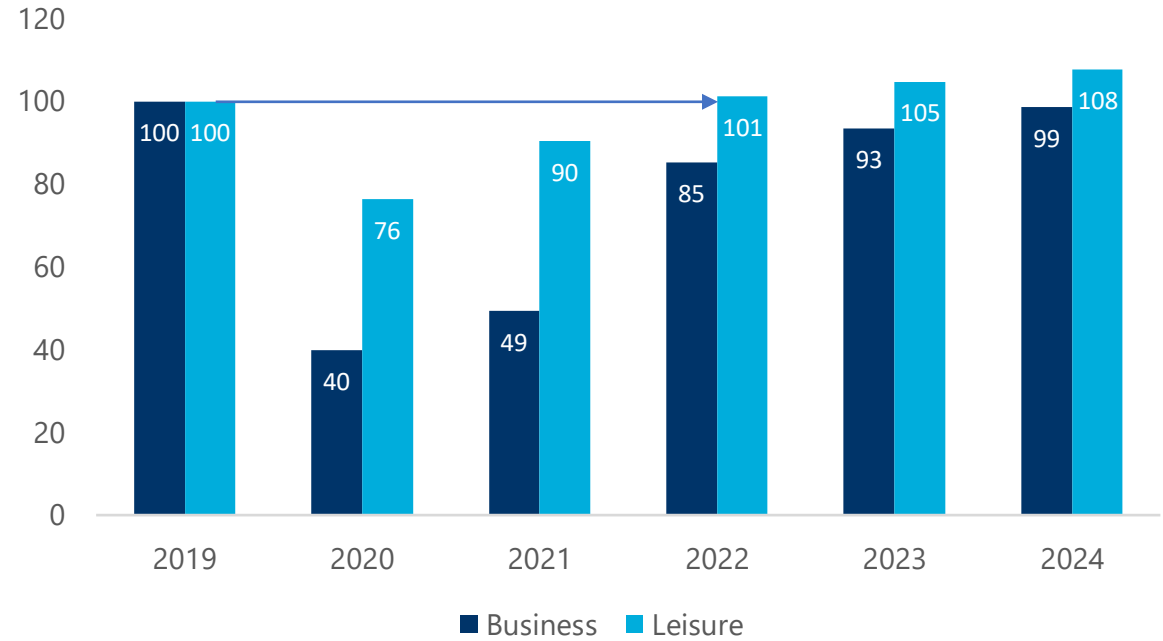


Source: U.S. Travel Association, Tourism Economics

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**

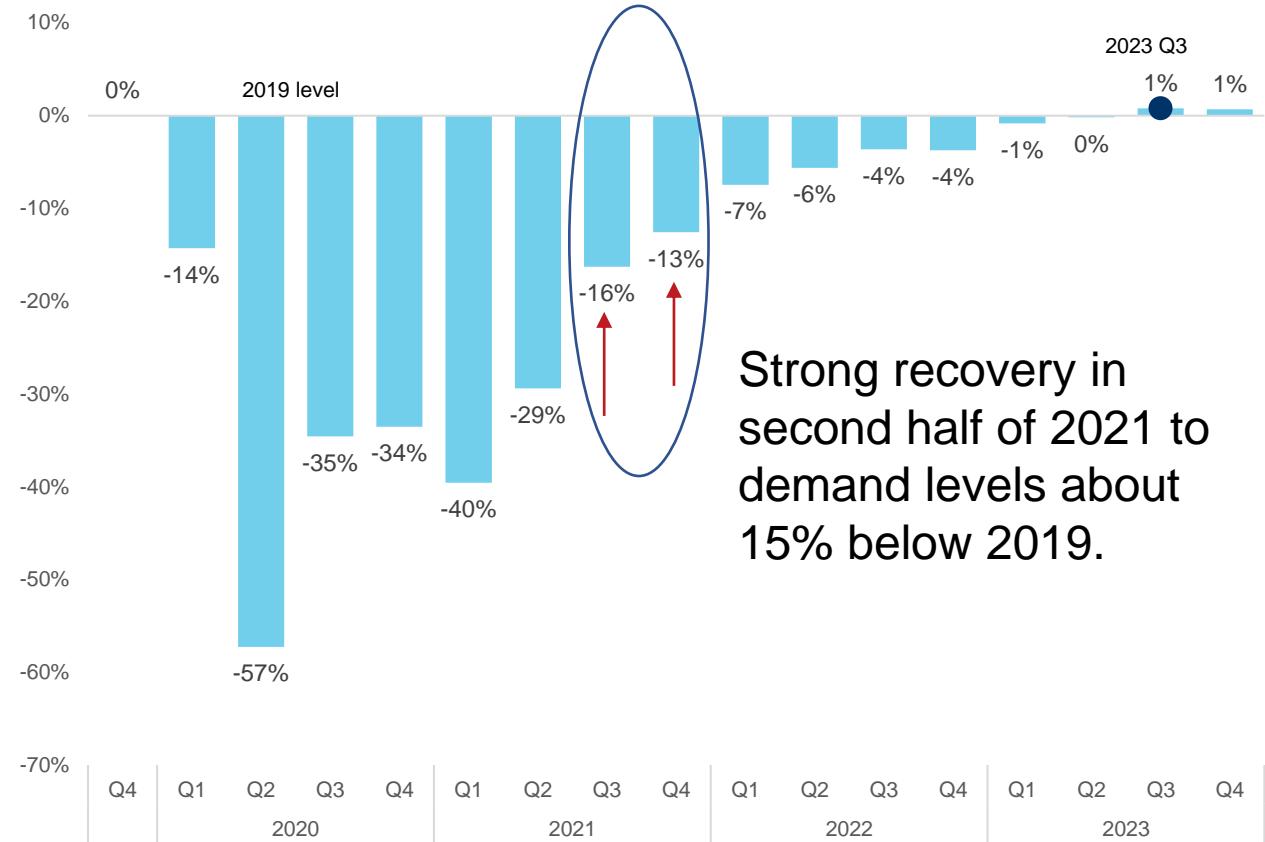
Note: Only domestic trips

Source: U.S. Travel Association, Tourism Economics

The second half of the year will look very different

Room demand

Quarterly, relative to 2019



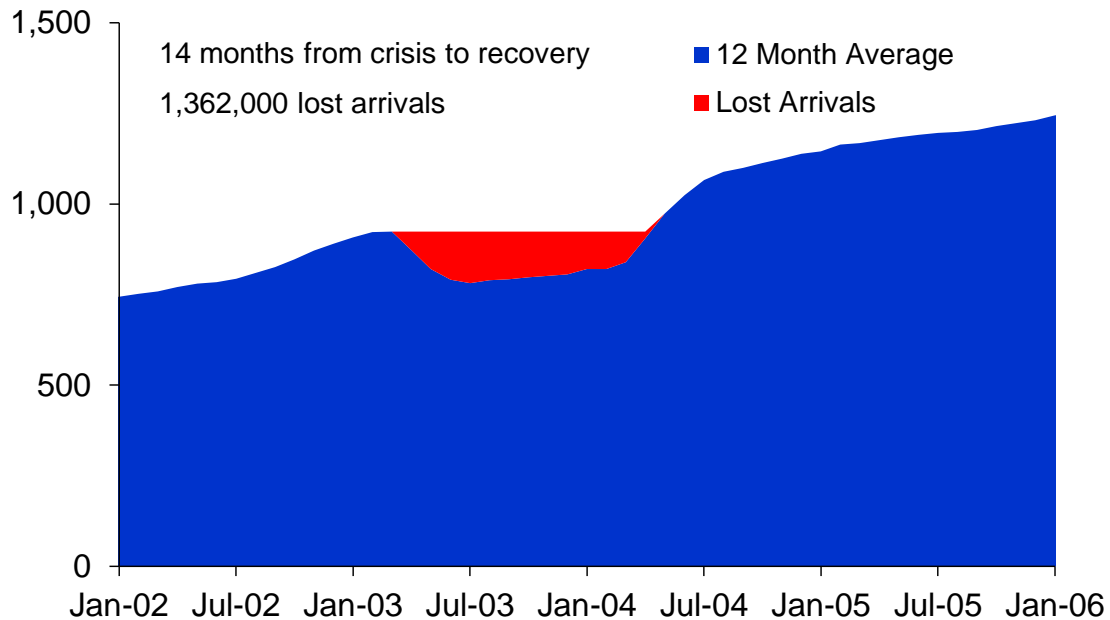
Source: STR; Tourism Economics



Recovery after a pandemic: 14-17 months

2003 SARS outbreak in Hong Kong

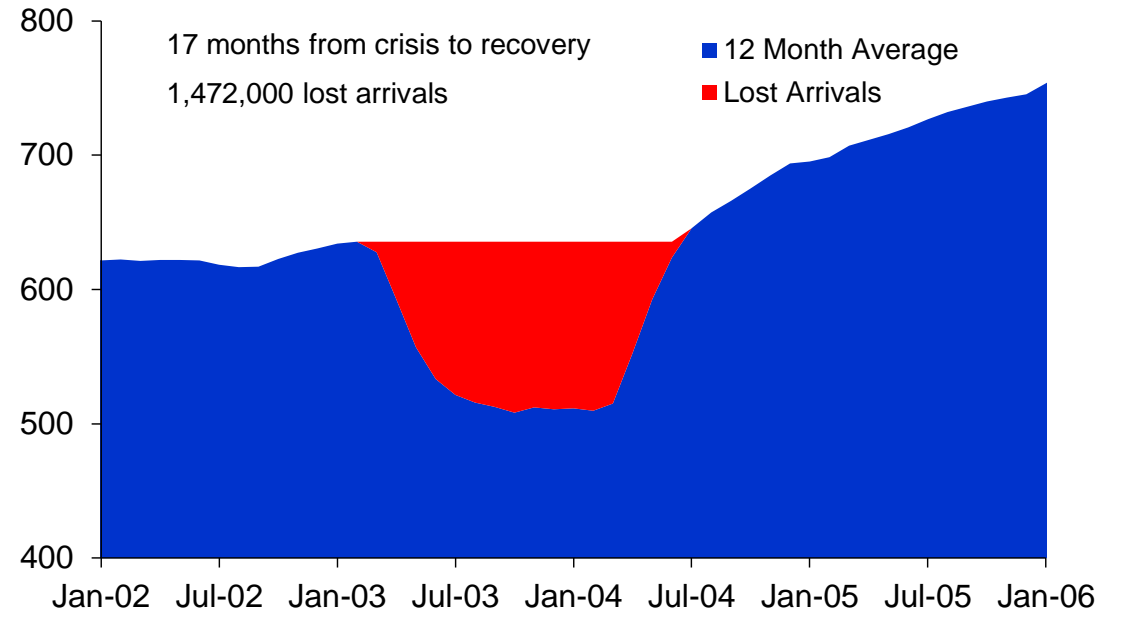
International arrivals (thousands)



Source: Tourism Economics

2003 SARS outbreak in Singapore

International arrivals (thousands)

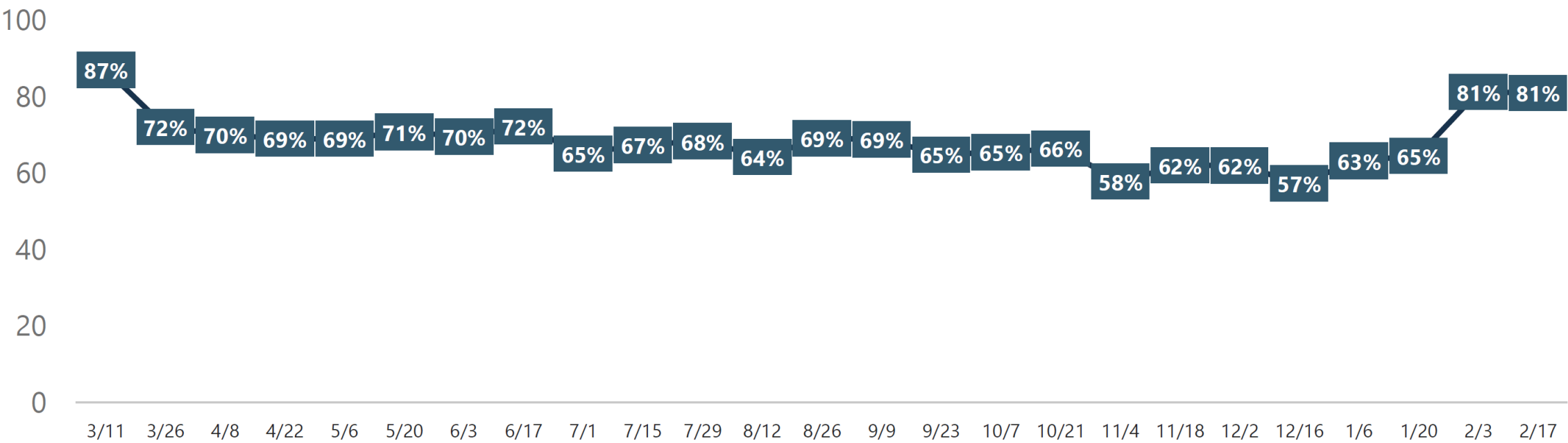


Source: Tourism Economics

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

Intentions to travel are already rising

Travelers with Travel Plans in the Next Six Months Comparison

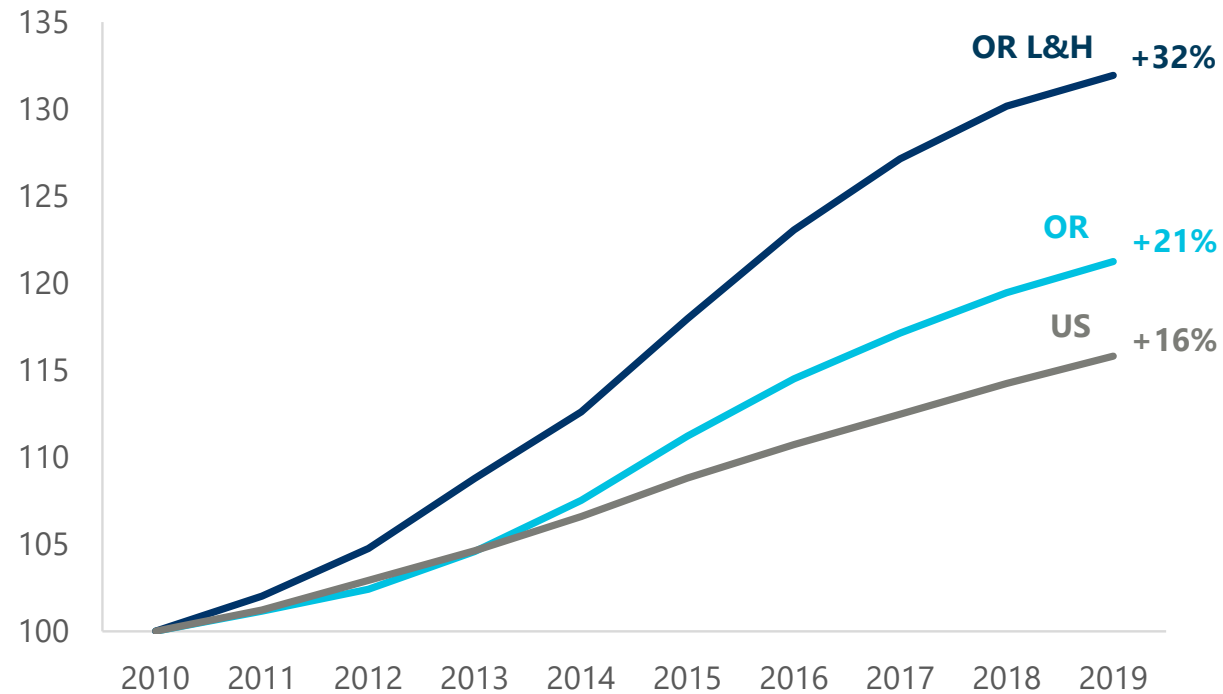


**How do we advocate for
the industry during this
crisis?**

Reminder: the travel sector was a leader of Oregon job growth

L&H employment in Oregon

Index (2010=100)

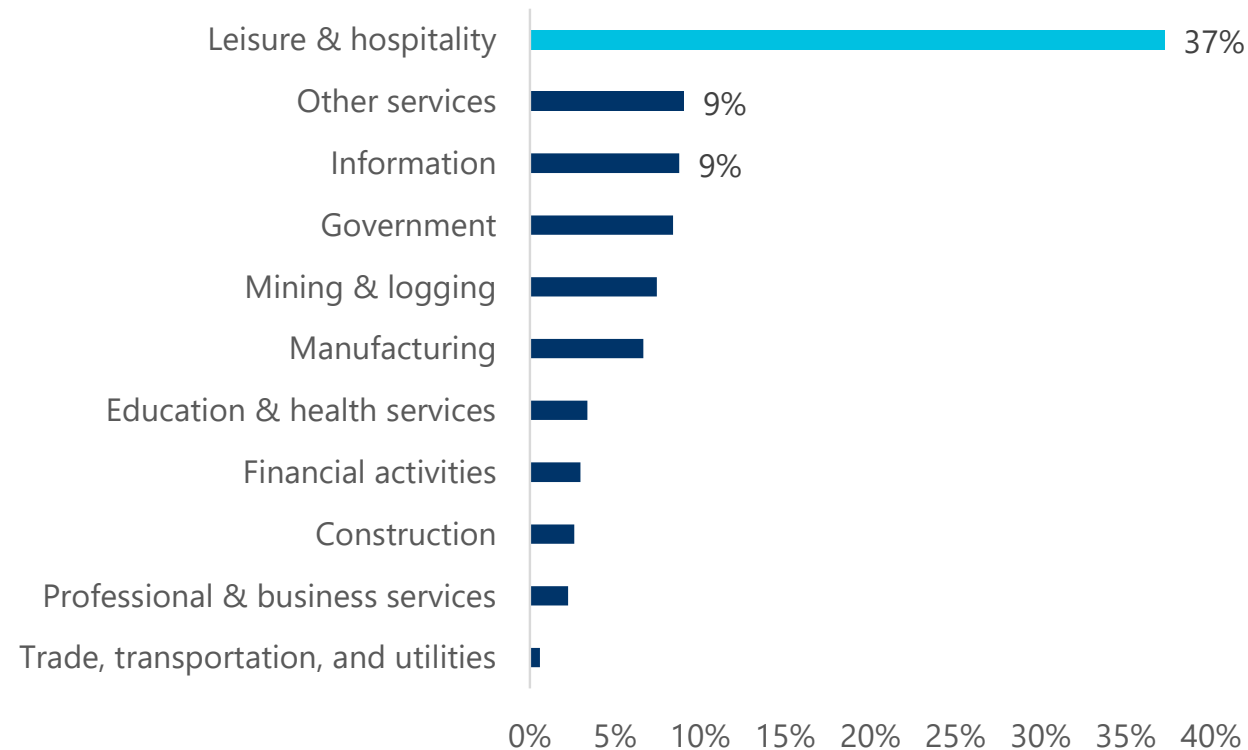


Source: BLS

Industry in crisis: no sector has been hit as hard as travel

Oregon employment loss by industry

% of industry lost since February

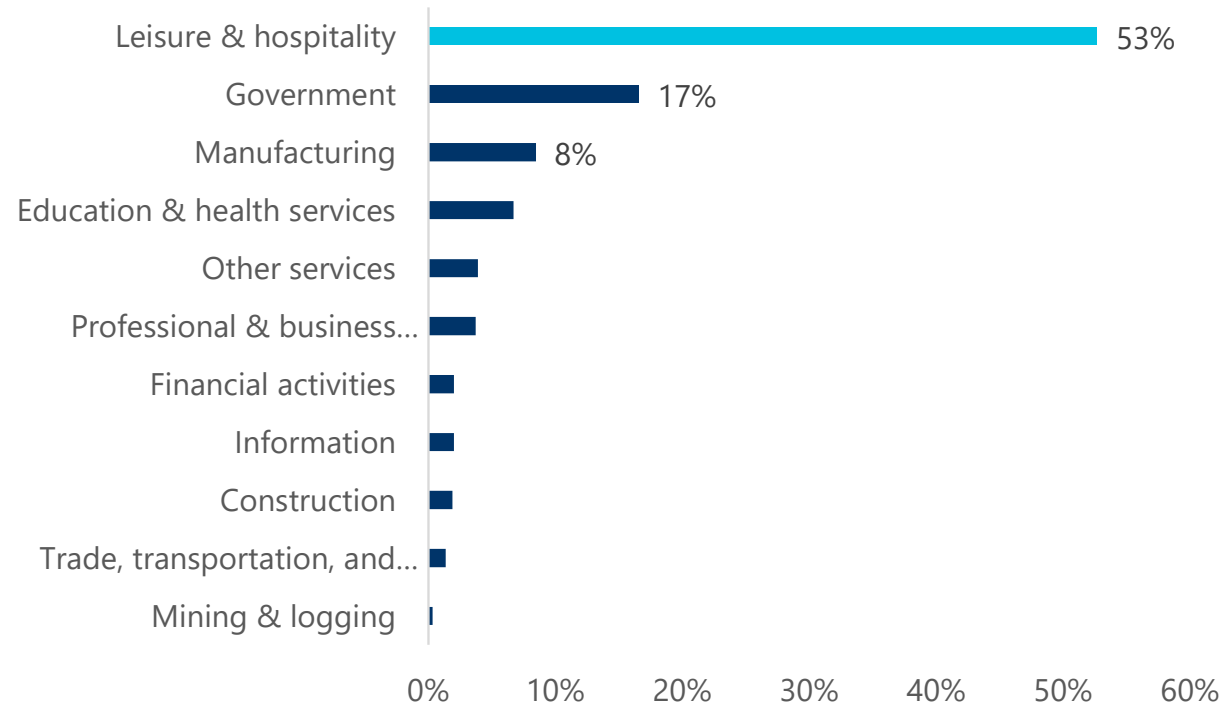


Source: BLS

Travel must be our focus for an economic recovery

Share of total OR employment loss by industry

% of all jobs lost since February



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



March 2021

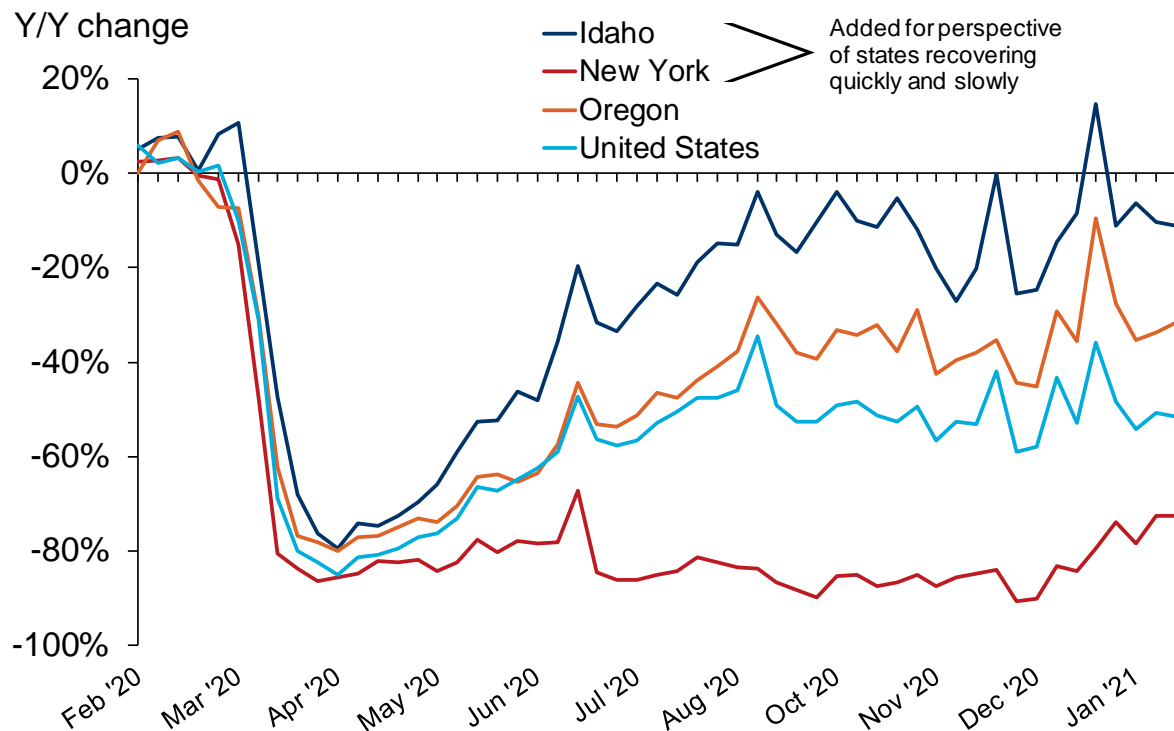
TRAVEL OREGON BIENNIAL FORECAST



CHANGE IN ROOM REVENUE



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.

Scenario	Virus-related inhibitions on travel in the first half of 2021	Key economic indicators (forecast current as of January 24th, 2020)	Economic drag	Virus drag	Combined impact to travel
Upside	<ul style="list-style-type: none"> Virus moderately contained, travel restrictions continue to ease Traveler risk aversion remains moderate to high through 2021 	<ul style="list-style-type: none"> National unemployment rate in Q4 2021 - 4.8% National GDP grows 7.3% in 2021 GDP returns to 2019 Q4 level in 2021 Q2 			
Baseline	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> National unemployment rate in Q4 2021 - 5.7% National GDP grows 4.2% in 2021 GDP returns to 2019 Q4 level in 2021 Q3 			
Downside	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> National unemployment rate in Q4 2021 - 6.9% National GDP grows 0.2% in 2021 GDP returns to 2019 Q4 level in 2022 Q1 			

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

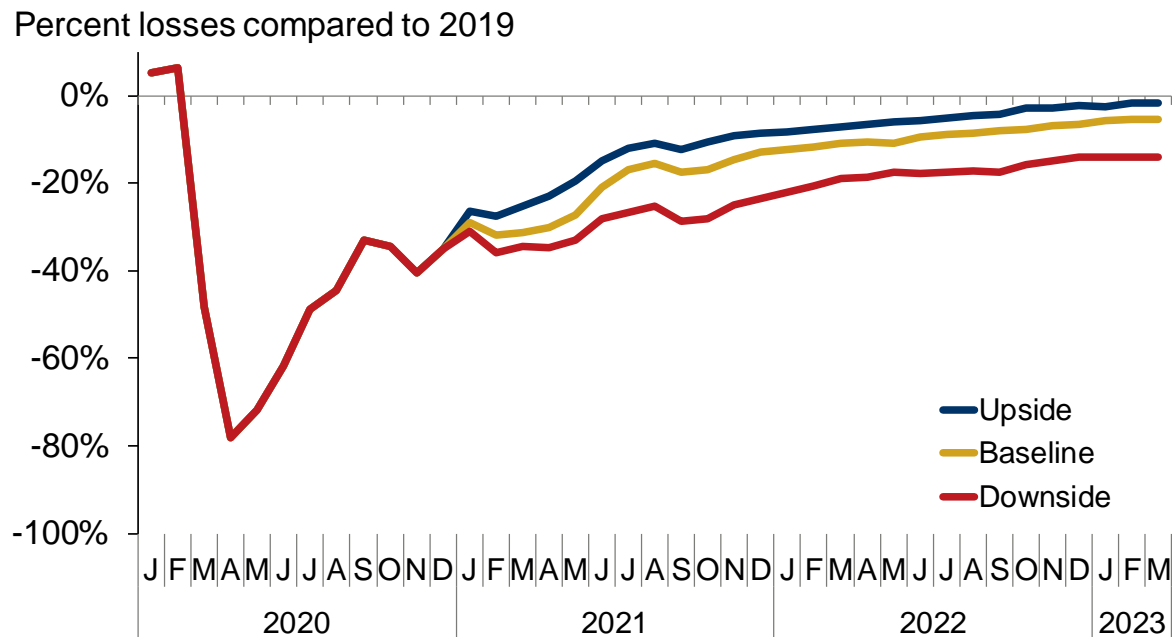
NEGATIVES

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

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.



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

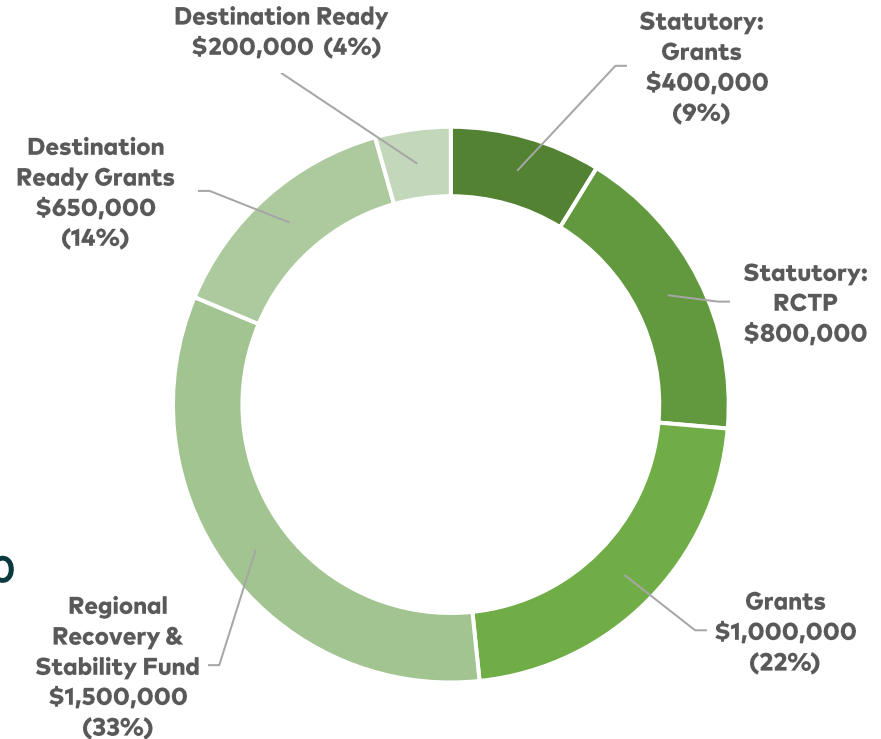
TLT revenue growth in three scenarios

	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue (millions)					
Upside	\$41.6	\$40.3	\$21.4	\$31.0	\$33.9
Baseline	\$41.6	\$40.3	\$21.1	\$29.1	\$32.5
Downside	\$41.6	\$40.3	\$20.9	\$25.9	\$29.6
Percent of FY2019					
Upside	--	96.9%	51.5%	74.6%	81.7%
Baseline	--	96.9%	50.8%	70.0%	78.3%
Downside	--	96.9%	50.3%	62.4%	71.2%

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

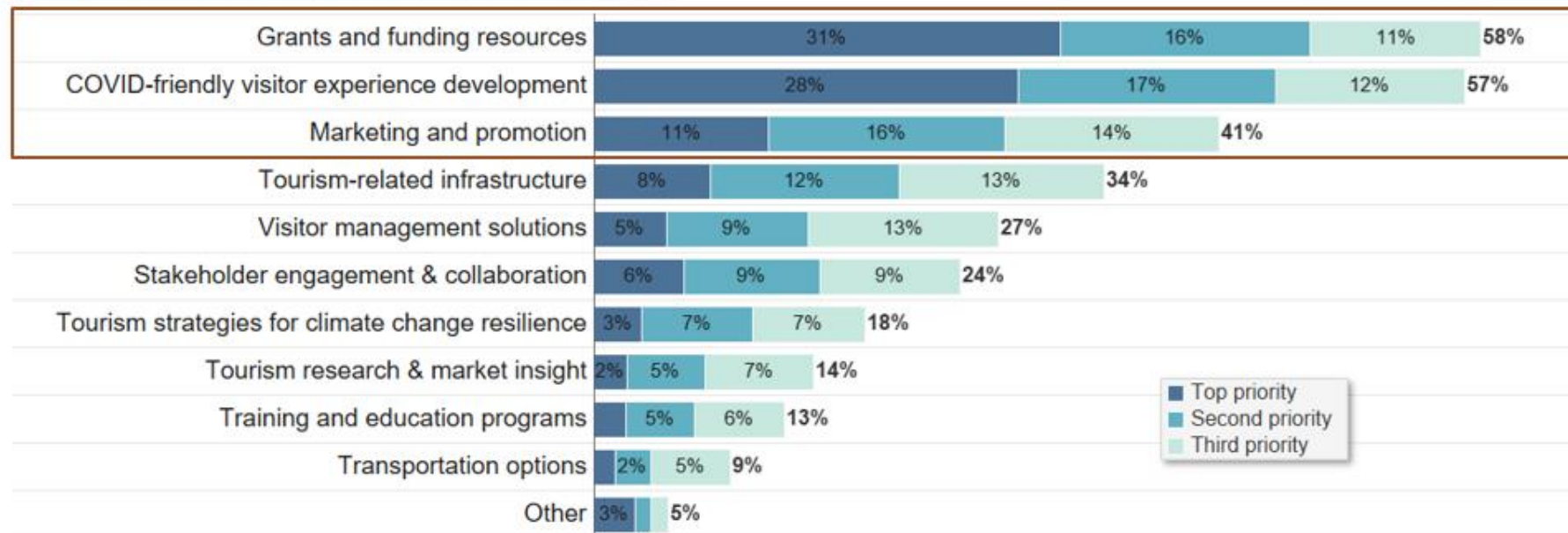


DESTINATION READY PROGRAM OVERVIEW



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:



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

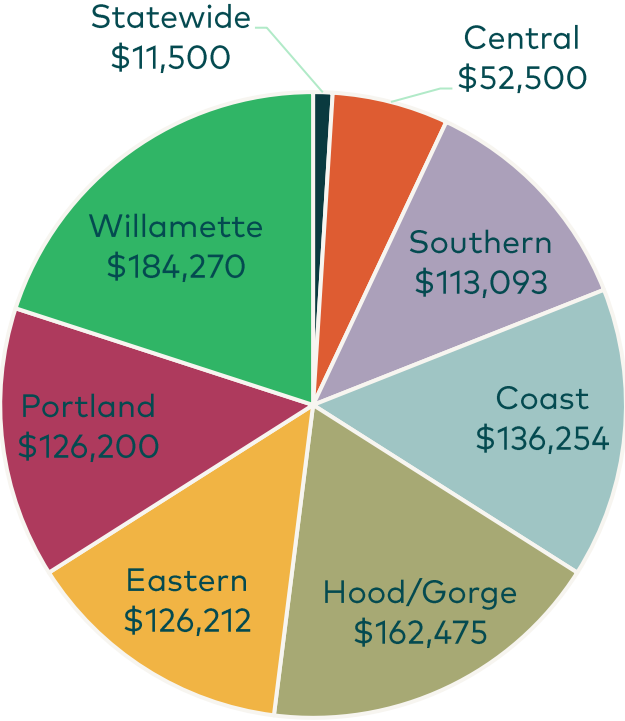
Destination awards: 34

- Leveraged funds: \$805,214
- Leveraged in-kind: \$521,685

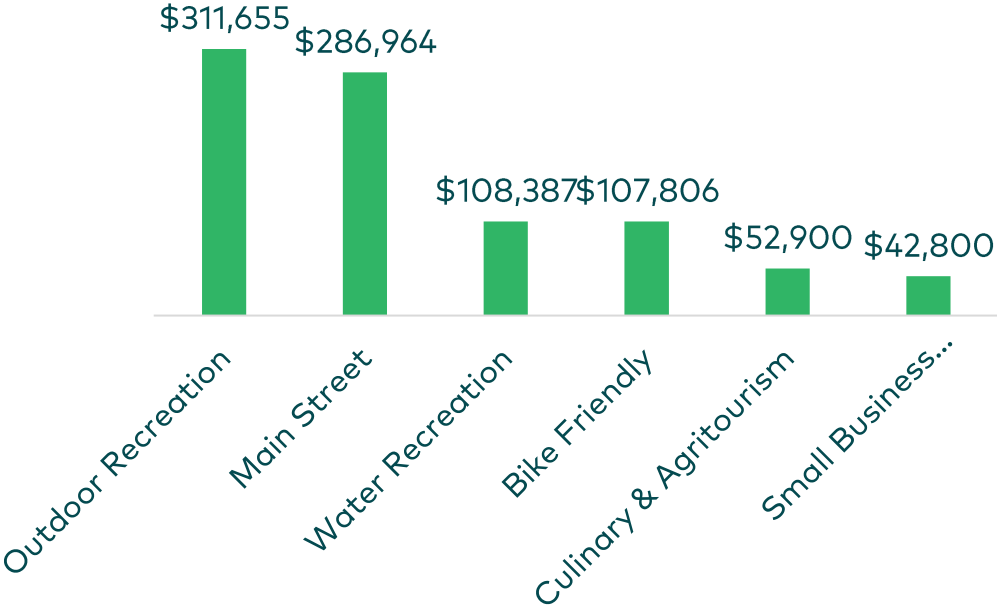


PROJECT AWARDS

PROJECTS BY REGION \$



PROJECT CATEGORIES



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.



Briefed new campaign



Planned and began execution of Safe Travel campaign



Launch "Give the Gift of Oregon" in partnership with Business Oregon, at request of Governor

MARCH

LATE MARCH

MAY

AUGUST

SEPTEMBER

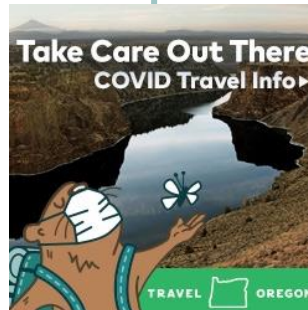
NOVEMBER

DECEMBER

The pandemic hit Oregon

Launch of recovery campaign postponed

Travel Oregon activates travel alerts and assists in wildfire recovery



2021 brings a sense of hope.



Responsible recreation –
relaunch of
Take Care Out There

JANUARY

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

MARCH



MAY

Launch Welcome to
Oregon Again*

Launch regional direct
investment

JUNE



AUGUST


Launch Only Slightly
Exaggerated 3*



*Timing subject to approval
from Governor's office

RESOURCES






ConferencesPress RoomGrants

OpportunitiesResourcesRegionsAbout


Access the COVID-19 Toolkit →



Home > Opportunities > Marketing Co-Ops & Toolkits > Toolkits > Oregon, Only Slightly Exaggerated Campaign ToolkitWallenstokes from Spring Campaign 2019

Oregon, Only Slightly Exaggerated Campaign Toolkit

Questions?Reach out to our staff



Kelda Schmidt
Marketing Services Manager
kelda@traveloregon.com

Inspired by the viral success of the [Only Slightly Exaggerated](#) campaign last spring, on April 5 & 6, 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 Caves 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 [videos](#) across your marketing channels to encourage travel in and around your region.
2. Take a look at the [style guide](#) and the [media plans](#) to see where you can leverage Travel

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



Let's get started.

First Name *



Last Name *



Contact Email *



Password *



Your password must include 6 characters.

By proceeding you agree to our [Terms of Service](#)

Submit

Already have an account, [Login here](#)



TRAVEL
OREGON



TRAVEL OREGON GRANT PROGRAM



COVID-19 EMERGENCY RESPONSE GRANT AWARDEE QUOTES

“Travel Oregon funds allowed Tamástslíkt 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.”

– Tamástslíkt Cultural Institute



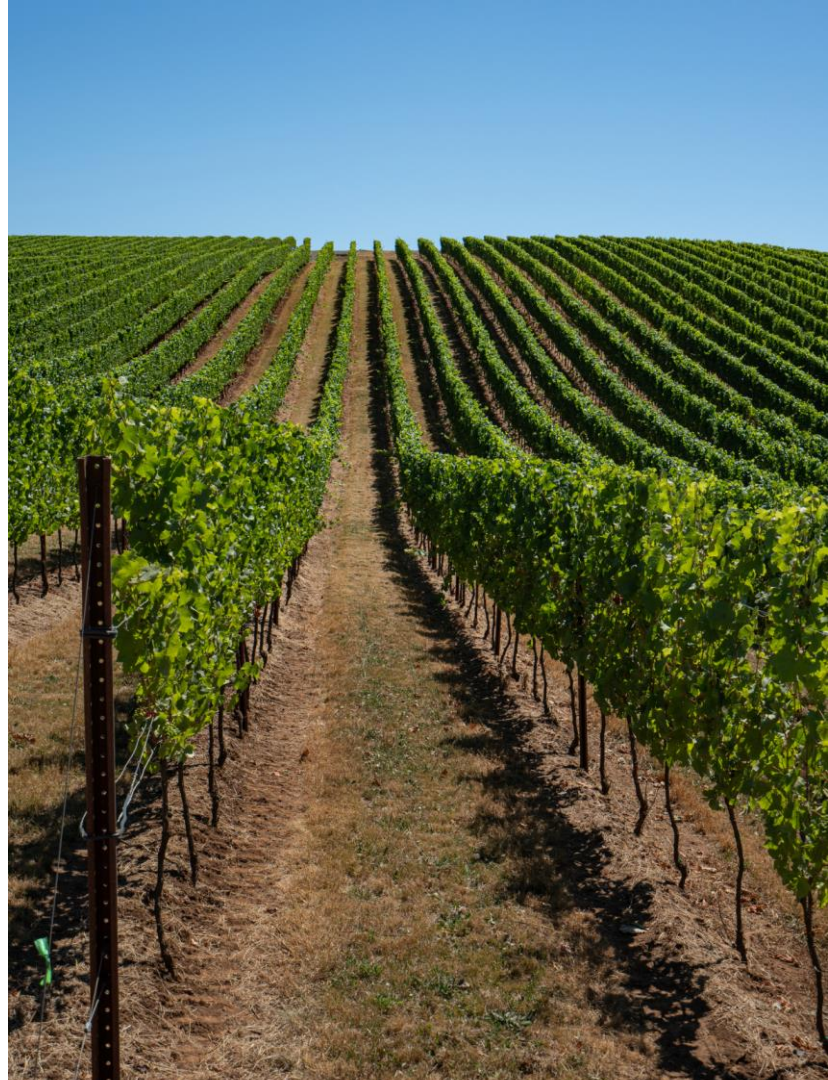
TRAVEL OREGON GRANT PROGRAM

- \$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

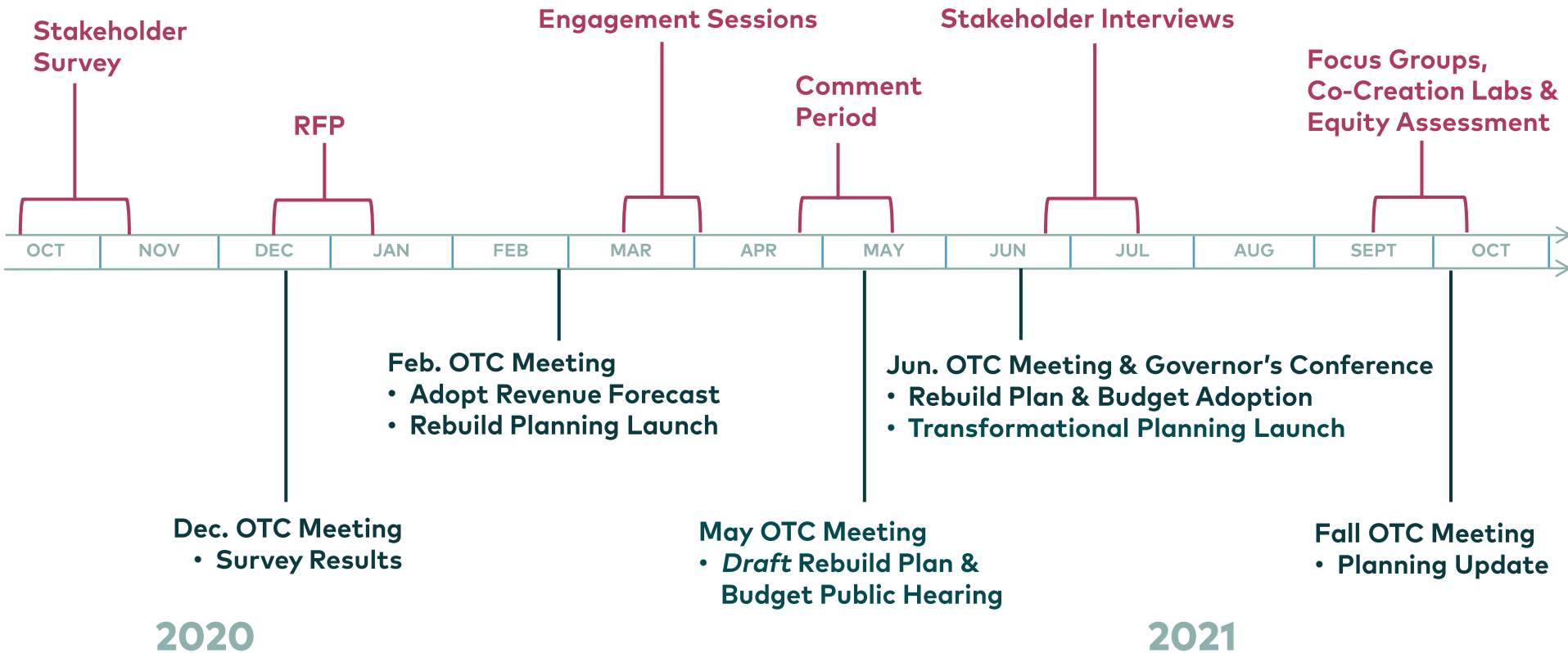
- Rebuild Plan > Transformational Plan
extending to 2025

WHY

- Fluidity + uncertainty of current economic environment
- COVID-19 Crisis > Rebuild
- Rebuild > Longer-range vision
- Robust industry engagement
- Equity lens



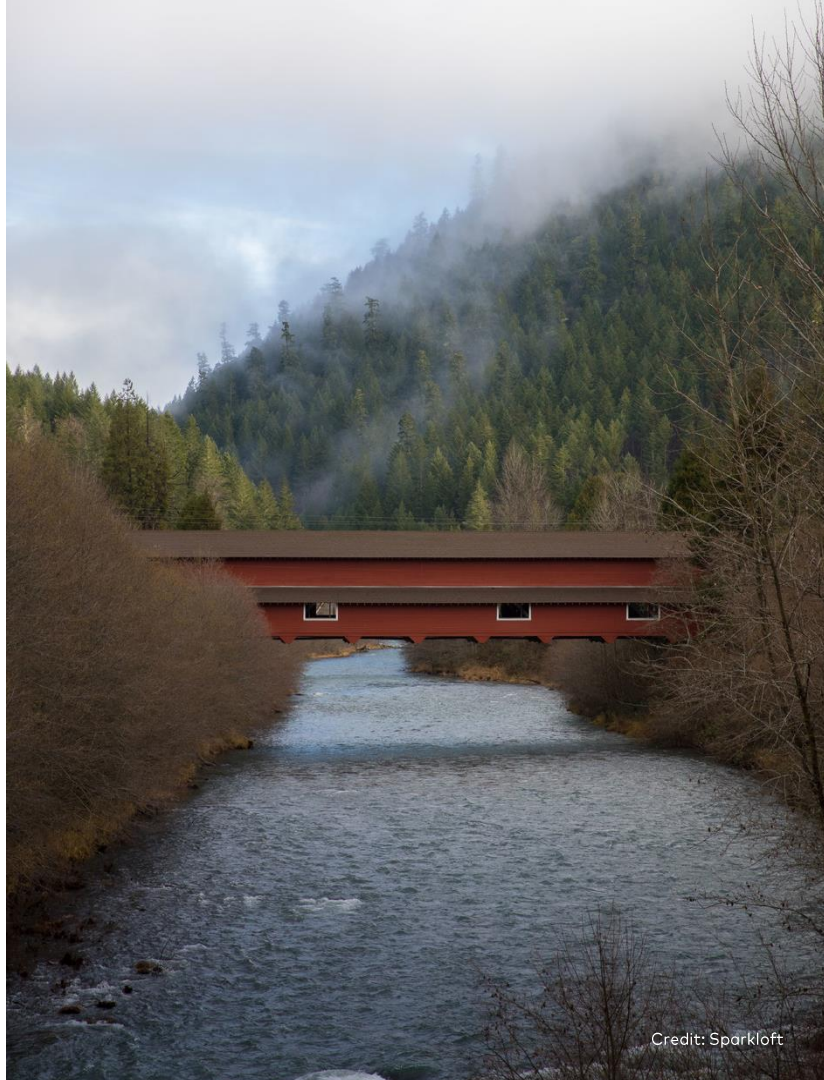
STRATEGIC PLANNING & INDUSTRY ENGAGEMENT



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