

The Economic Impact of Travel

Oregon

2023p (Statewide preliminary)

February 2024

PREPARED FOR
Travel Oregon



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2023p (Statewide preliminary)

Travel Oregon

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State Impacts

2023p

Oregon / Summary

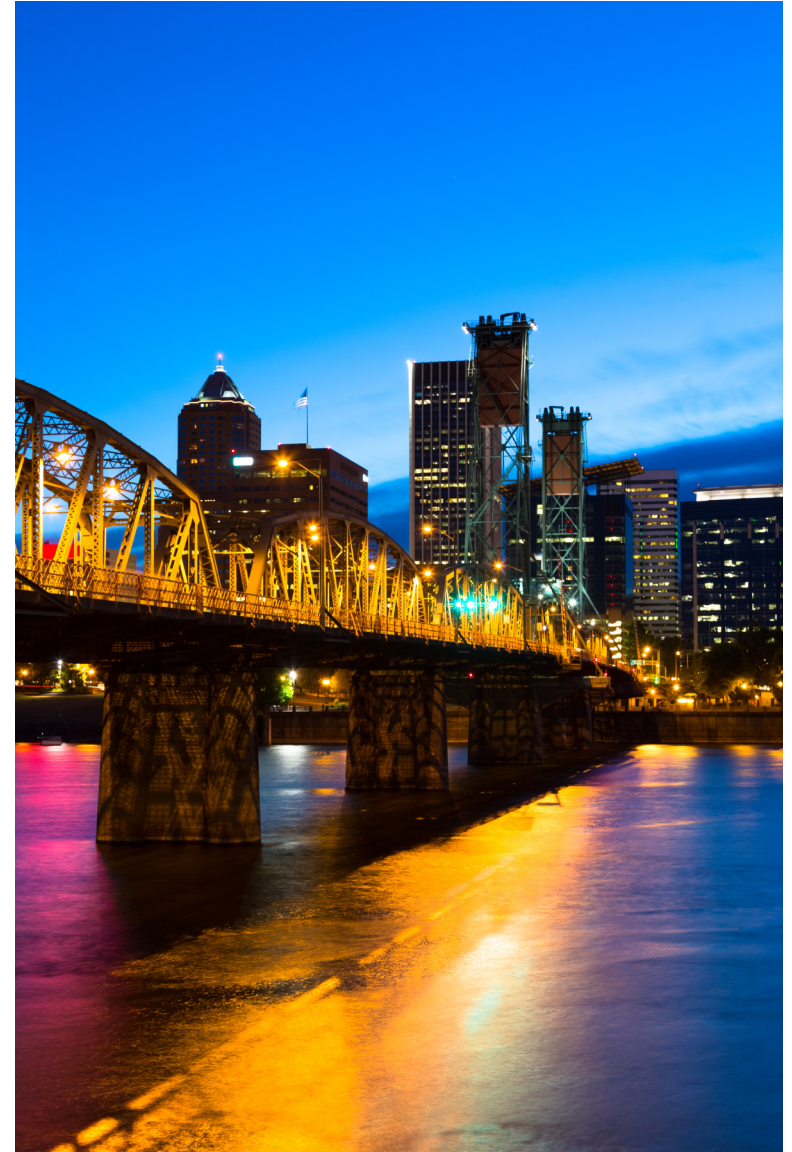
State Travel Impacts 2023p

Oregon's travel economy exhibited a slowdown in 2023 due to declines in paid lodging occupancy and reductions in prices for commodities such as airfares and gasoline. Although there was minimal growth in direct travel spending, there was steady growth in travel industry employment, which, coupled with an increase in average wages, led to higher annual earnings.

- Direct travel spending in Oregon has a modest year-over-year increase of 0.7%, rising from \$13.9 billion to \$14.0 billion.
- Industry employment grew by 2,200 travel-generated jobs, bringing the total travel-generated employment to 18,500 jobs for the year, representing a growth rate of 1.9% compared to the previous year. Industry earnings of employees and proprietors increased by 8.2% during the same period.
- Tax revenue from travel activity increased 2.0% overall in 2023, amounting to \$12.9 million more than in 2022. Local tax revenue saw a slight decline of 0.5%, equivalent to \$1.2 million, primarily due to decreases in taxable lodging revenue. In contrast, state taxes increased 3.8% or \$14.2 million, supported by growth in taxable income.
- Oregon welcomed 29.9 million overnight visitors in 2023, marking a 1.4% increase from the previous year's figure of 29.5 million overnight stays.

Direct travel spending in Oregon was **\$14 billion** in 2023, a **\$99 million** increase compared to the previous year.

Note: This report describes the travel impacts within Oregon. Estimates are subject to revision when or if more complete data becomes available. All economic impacts in this report are reflective of direct impacts only.



Oregon / Direct Travel Impacts

Summary Table

	2003	2016	2017	2018	2019	2020	2021	2022	2023	Percent Chg.		% Chg. per year
										2022-23	2019-22	2003-23
Spending (\$Millions)												
Total (Current \$)	6,525	11,234	11,765	12,324	12,834	6,609	10,967	13,917	14,016	0.7%	9.2%	3.9%
Other	787	1,436	1,521	1,624	1,765	690	1,110	1,806	1,767	-2.1%	0.1%	4.1%
Visitor	5,738	9,798	10,243	10,700	11,069	5,919	9,857	12,111	12,249	1.1%	10.7%	3.9%
Non-transportation	4,470	7,620	7,897	8,115	8,427	4,791	7,778	9,087	9,354	2.9%	11.0%	3.8%
Transportation	1,268	2,178	2,347	2,585	2,643	1,128	2,079	3,024	2,895	-4.3%	9.6%	4.2%
Earnings (\$Millions)												
Earnings (Current \$)	1,673	3,063	3,290	3,569	3,807	3,089	3,427	4,190	4,533	8.2%	19.1%	5.1%
Employment (000's)												
Employment	85.6	109.8	112.2	116.0	118.5	93.8	100.9	116.3	118.5	1.9%	0.0%	1.6%
Tax Revenue (\$Millions)												
Total (Current \$)	242	496	549	574	598	404	531	636	649	2.0%	8.6%	5.1%
Local	90	213	226	233	240	153	216	262	261	-0.5%	8.7%	5.5%
State	152	283	323	341	357	252	316	374	388	3.8%	8.5%	4.8%

Notes:

The figures for 2022 were revised since the 2022p report because additional data became available.

(Current \$) reflects dollar amounts that are not adjusted for inflation.

The category "Other" represents a portion of resident spending on air travel to leave Oregon and travel arrangement activity.

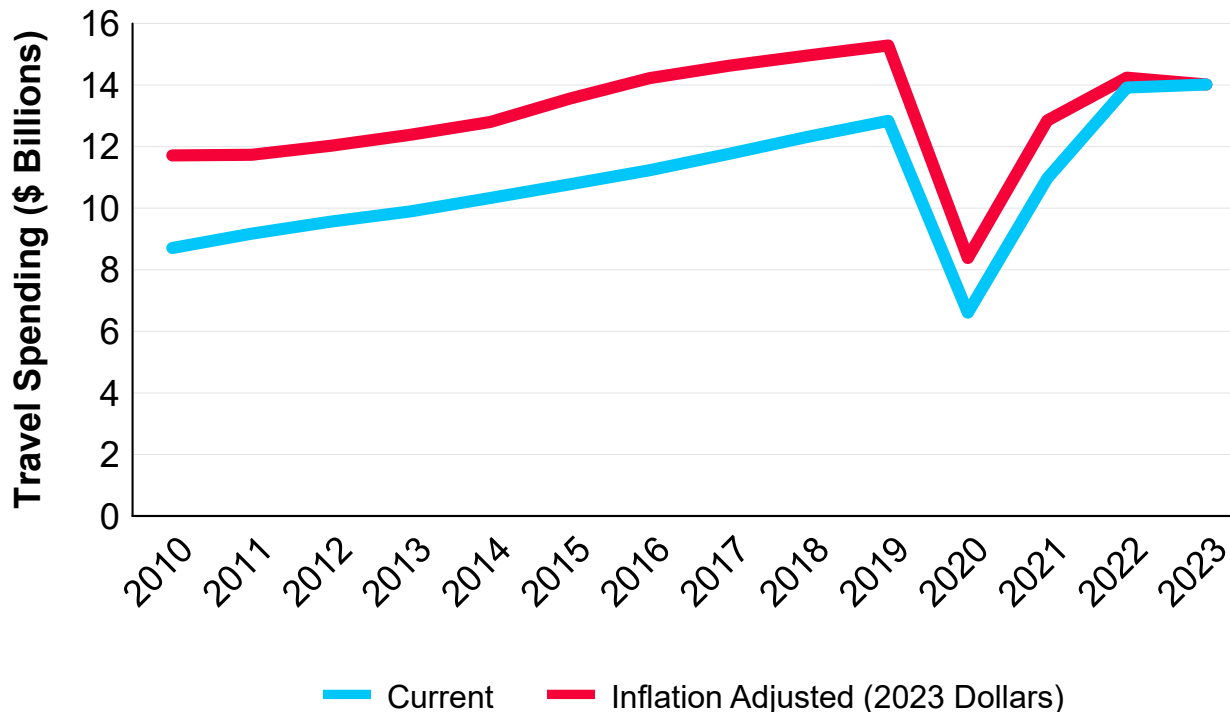
Local taxes include lodging tax (TLT), food & beverage tax (where applicable), auto rental tax (where applicable) and airport facility charges (where applicable).

State taxes include lodging tax (TLT), personal & business income tax and motor fuel excise taxes.



Oregon / Direct Spending

Current and Inflation-Adjusted Dollars



How does inflation affect the travel industry?

Inflation is the rate of increase in prices of goods and services. An increase in the rate of inflation translates into reduced purchasing power for consumers. To track the quantity of goods and services that consumers purchase when they travel, we report the “Inflation Adjusted” travel spending in the chart to the left. This is also known as “real” spending, as it shows the quantity of goods and services that were purchased while keeping the purchasing power constant across time.

U.S. CPI (annual % chg.)

2022: 8.0%

2023: 4.1%

Target: 2%

Inflation adjusted direct travel spending was 1.6% less in 2023 compared to the previous year and 8.3% less than direct spending in 2019.

Sources: Bureau of Labor Statistics CPI, Dean Runyan Associates



Oregon 2023 Selected Prices (% Chg.)

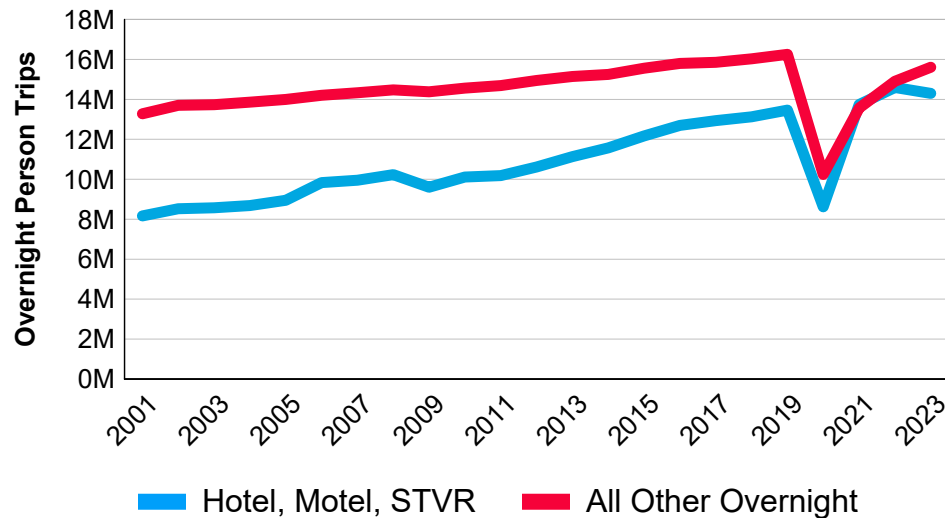
Hotel & STVR Room Rates: 2%

Gasoline Prices: -7.5%

Air Fares: -5%

Oregon / Travel Activity Trends

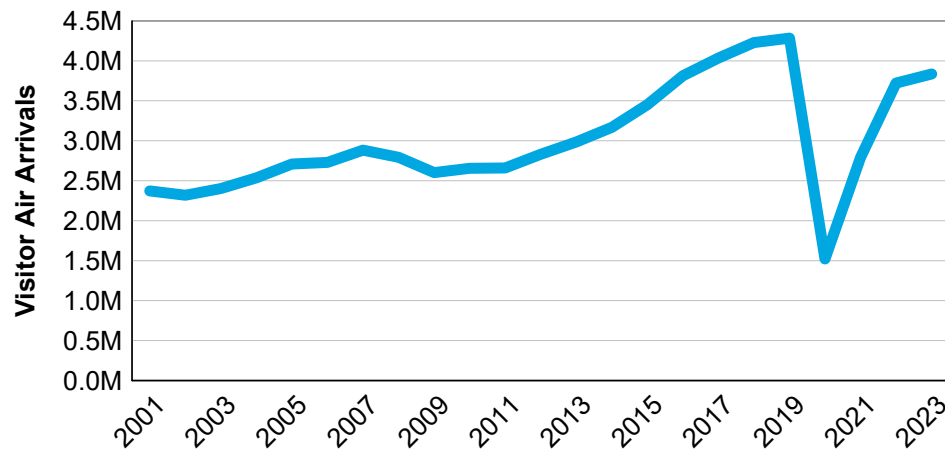
Overnight Visitor Volume



Overall, overnight visitor volume grew by 1.4% in 2023 compared to the previous year. The number of visitors who stayed in a hotel, motel, or STVR decreased by 2% and the number of visitors who camped, stayed with friends and family, or stayed in a second home grew by 4.7%.

Sources: Oregon Department of Revenue, Dean Runyan Associates, Omnitrak Group, Oregon State Parks, STR LLC., KeyData Dashboard, AirDNA, U.S. Census Bureau

Air Passenger Visitor Arrivals / U.S. Air Carriers



Oregon welcomed 3.8 million U.S. visitors who traveled to the state by plane, a 3% increase compared to the previous year. This is still 450 thousand less than the visitors who traveled to Oregon by plane in 2019.

Sources: Bureau of Transportation Statistics, Dean Runyan Associates