

# **WASHINGTON COUNTY TRAVEL IMPACTS, 1991-2009P**



Photo courtesy of Washington County Visitors Association © Joel Zak

April 2010

*Prepared for the*

Washington County Visitors Association  
Beaverton, Oregon

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TRAVEL IMPACTS, 1991-2009P**

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# WASHINGTON COUNTY TRAVEL IMPACTS, 1991-2009P

This study, prepared for the Washington County Visitors Association, documents the economic significance of the travel industry in Washington County from 1991 through 2009 (preliminary). The report also provides summary estimates of selected areas within the county, and a countywide estimate of visitor volume and average visitor spending. The Washington County estimates for 1991 through 2009p are identical to those found in the *Oregon Travel Impacts 1991-2009p* report.

In interpreting the findings, it should be noted that:

- The monetary estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- The economic impact measurements represent only direct economic impacts generated by travel spending. Secondary effects related to the additional spending of businesses and employees from travel-generated income are not included.
- The employment estimates in this report are estimates of the total number of full and part-time number of jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates.
- Some small (upward) revisions were made to the estimates previously reported. The time series reported here supersedes all earlier estimates.

## TRAVEL TRENDS IN WASHINGTON COUNTY

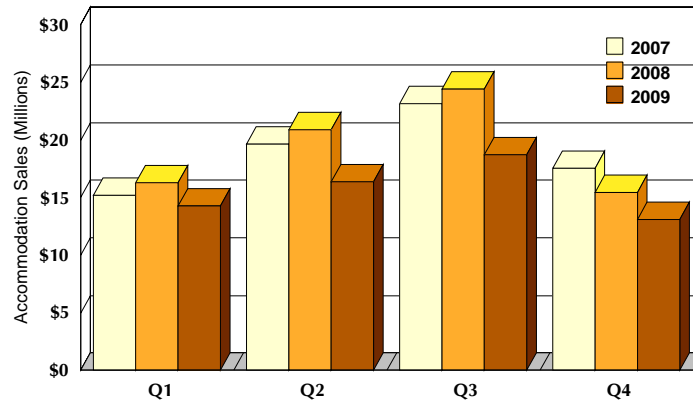
The worldwide recession has had a profound effect on the travel industry in general. Private households have curtailed their spending on most goods and services, including travel, and businesses have reduced their travel budgets. Most indicators of the travel industry (including spending, employment, tax receipts and visitor volume) reflect the severity of this recession. This downturn began in the latter half of 2008, and most indicators of travel activity are still below the levels of 2007.<sup>1</sup>

The following graph on the following page shows quarterly sales of overnight accommodations in Washington County from 2007 to 2009. Beginning with the 4<sup>th</sup> quarter of 2008, accommodation sales have decreased in each subsequent quarter (compared to the same quarter of the preceding year).

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<sup>1</sup> See *Oregon Travel Impacts 1991-2009p* prepared by Dean Runyan Associates for the Oregon Tourism Commission for a review of national and state travel trends.

### Accommodation Sales in Washington County, 2007-2009



Source: Washington County Finance Department and Dean Runyan Associates.

On an annual basis, travel spending in Washington County declined by 14.4 percent from 2008 to 2009. It should be emphasized that a substantial portion of this decrease in spending is due to lower room rates and gasoline prices. The fact that employment and earnings are roughly at the level of three to five years previous (2004 – 2006) is typical of the travel industry nationally.

### Washington County Travel Impacts, 1991-2009p

	Spending (\$Million)	Earnings (\$Million)	Employment (Thousand)	Tax Receipts (\$Million)		
				Local	State	Total
1991	187	47	3.3	2.1	7.2	9.3
1992	203	50	3.3	2.3	7.8	10.1
1993	218	54	3.5	2.4	8.3	10.8
1994	236	59	3.6	2.7	8.9	11.6
1995	265	67	3.9	3.2	9.5	12.6
1996	292	73	4.2	3.6	9.8	13.4
1997	310	78	4.3	3.8	10.1	13.9
1998	310	81	4.4	3.8	10.3	14.1
1999	328	84	4.4	3.9	10.7	14.6
2000	373	93	4.7	4.4	11.8	16.2
2001	364	90	4.6	3.9	11.7	15.6
2002	360	89	4.4	3.6	11.3	14.9
2003	389	96	4.6	3.8	12.0	15.8
2004	409	99	4.6	3.8	13.1	16.9
2005	442	105	4.8	4.2	13.7	18.0
2006	483	112	4.9	5.6	14.5	20.1
2007	507	121	5.2	6.8	15.1	21.9
2008	519	124	5.3	6.9	15.1	22.1
2009p	445	114	4.7	5.6	14.2	19.8
<i>Annual Percentage Change</i>						
08-09p	-14.4	-8.4	-10.0	-19.0	-6.1	-10.1
91-09p	4.9	5.1	2.1	5.8	3.8	4.3

Estimates for 2009p are preliminary.

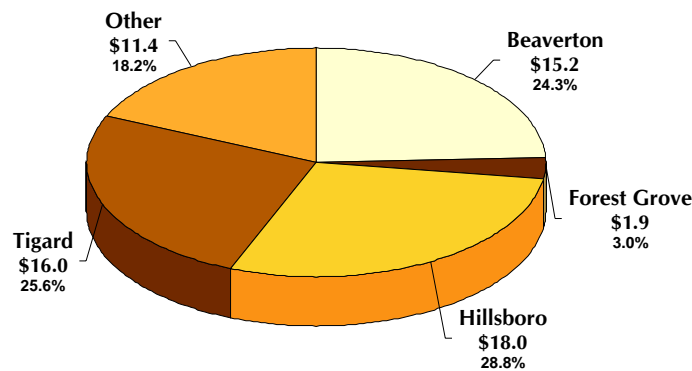
## TRAVEL IMPACTS WITHIN WASHINGTON COUNTY

The detailed breakouts of travel impacts for areas within Washington County are based upon the distribution of room sales in the county. This provides a simple estimate of the distribution of the broader travel impacts within the County. However, this procedure does not account for the fact that visitors who purchase accommodations in one place within the county may spend money on other commodities elsewhere. It also assumes that the spending pattern of day visitors and visitors staying overnight in unpaid accommodations is identical to the room sales distribution. While in reality the spending behavior of visitors within Washington County will not strictly follow these assumptions, other available data (reported in *1991-2007p Washington County Travel Impacts*) suggests that these estimates are probably reasonable.

### Distribution of Travel Impacts in Washington County, 2009p (Based on Distribution of Room Sales)

	Spending	Earnings	Employment	Tax Receipts (Million)		
	(Million)	(Million)	(Thousand)	Local	State	Total
Beaverton	\$108	\$28	1.2	\$1.4	\$3.5	\$4.8
Forest Grove	\$14	\$3	0.1	\$0.2	\$0.4	\$0.6
Hillsboro	\$128	\$33	1.4	\$1.6	\$4.1	\$5.7
Tigard	\$114	\$29	1.2	\$1.4	\$3.6	\$5.1
All Other	\$81	\$21	0.9	\$1.0	\$2.6	\$3.6
Washington Co.	\$445	\$114	4.7	\$5.6	\$14.2	\$19.8

### 2009 Accommodation Sales in Washington County



Source: Washington County Finance Department and Dean Runyan Associates. Estimates based on tax receipts.

## VISITOR VOLUME

Visitor volume and average visitor spending estimates for Washington County are shown in the table below. These estimates are derived from the total travel spending estimates and visitor survey data for the larger Portland metro area. Because this survey was not designed to measure the trip characteristics of Washington county visitors, both the spending and volume estimates should be viewed as approximations.

### Washington County Visitor Volume, 2009p

	Travel Parties		Persons		
	Days (Millions)	Size (persons)	Days (Millions)	Avg. Stay (days)	Trips (Millions)
Accommodation					
Overnight	1.5	1.9	2.9	2.6	1.1
Hotel/Motel	0.6	1.8	1.1	2.0	0.5
Other Overnight	0.9	2.0	1.8	3.0	0.6
Day	0.3	2.0	0.6	1.0	0.6
Total	1.8	1.9	3.5	2.0	1.7

### Washington County Average Spending, 2009p

Accommodation	Total (Millions)	Travel Party		Person	
		Per Day	Per Trip	Per Day	Per Trip
Overnight	\$233.3	\$156	\$408	\$81	\$213
Hotel/Motel	\$161.5	\$267	\$534	\$148	\$296
Other Overnight	\$71.8	\$80	\$241	\$40	\$121
Day	\$45.4	\$153	\$153	\$76	\$76
Day & Overnight	\$278.6	\$155	\$311	\$80	\$161
Transportation	\$145.0				
Total	\$423.7	\$236	\$472	\$122	\$244

Note: \*Spending on transportation is not included in accommodation categories. Spending on travel agencies in Washington County not included. (See Visitor Spending at Destination in detailed table, page 7.)

## Washington County Travel Impacts, 1991-2003

	1991	1993	1995	1997	1999	2001	2003
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	178.2	208.7	253.4	297.1	313.0	349.9	372.9
Other Travel*	9.3	9.7	11.5	13.3	15.1	14.5	16.4
Total Direct Spending	187.5	218.4	264.9	310.4	328.1	364.4	389.3
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	98.3	116.8	149.1	178.6	182.6	199.6	210.0
Private Campground	2.0	2.1	2.2	2.3	2.4	2.6	2.7
Public Campground	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private Home	50.0	57.1	63.2	70.8	78.3	90.6	98.4
Vacation Home	1.0	1.3	1.9	2.6	3.5	4.6	5.0
Day Travel	26.9	31.2	36.9	42.8	46.2	52.5	56.7
Spending at Destination	178.2	208.7	253.4	297.1	313.0	349.9	372.9
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	32.0	38.0	49.2	59.3	61.5	60.1	58.9
Food & Beverage Services	41.4	48.4	58.9	69.2	74.6	82.9	91.0
Food Stores	6.7	7.9	9.5	11.2	12.1	13.7	14.9
Ground Tran. & Motor Fuel	54.0	63.0	73.4	84.4	86.3	105.2	115.1
Arts, Entertainment & Recreation	15.1	17.6	21.3	24.9	26.9	30.2	32.5
Retail Sales	28.9	33.8	41.1	48.2	51.6	57.9	60.5
Spending at Destination	178.2	208.7	253.4	297.1	313.0	349.9	372.9
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	28.8	33.8	42.1	49.9	53.0	56.2	59.4
Arts, Entertainment & Recreation	4.3	5.0	6.1	7.1	7.7	8.6	9.3
Retail**	5.8	6.6	7.7	8.8	9.7	10.5	11.3
Auto Rental & other ground tran.	2.5	3.3	4.4	5.0	5.5	6.2	6.7
Other Travel*	5.2	5.5	6.5	7.5	8.5	8.2	9.2
Total Direct Earnings	46.6	54.2	66.7	78.4	84.4	89.8	96.0
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodations & Food Service	2,070	2,220	2,520	2,800	2,800	2,950	2,980
Arts, Entertainment & Recreation	370	390	440	460	500	540	580
Retail**	390	400	430	460	470	500	520
Auto Rental & other ground tran.	180	210	250	270	260	310	300
Other Travel*	280	270	300	320	320	280	270
Total Direct Employment	3,280	3,490	3,940	4,310	4,350	4,580	4,650
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	2.1	2.4	3.2	3.8	3.9	3.9	3.8
State Tax Receipts	7.2	8.3	9.5	10.1	10.7	11.7	12.0
Total Direct Tax Receipts	9.3	10.8	12.6	13.9	14.6	15.6	15.8

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

**Washington County  
Travel Impacts, 2004-2009p**

	2004	2005	2006	2007	2008	2009p
<b>Total Direct Travel Spending (\$Million)</b>						
Visitor Spending at Destination	392.3	425.1	465.6	488.7	498.7	423.7
Other Travel*	17.2	17.2	17.7	18.5	20.6	20.9
Total Direct Spending	409.5	442.4	483.3	507.3	519.4	444.5
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>						
Hotel, Motel	220.7	242.5	270.4	287.1	294.8	244.6
Private Campground	2.9	3.0	3.2	3.3	3.5	3.1
Public Campground	0.0	0.0	0.0	0.0	0.0	0.0
Private Home	104.4	111.6	119.3	125.1	128.6	111.8
Vacation Home	5.2	5.5	5.9	6.2	6.7	6.5
Day Travel	59.1	62.5	66.8	67.0	65.1	57.6
Spending at Destination	392.3	425.1	465.6	488.7	498.7	423.7
<b>Visitor Spending by Commodity Purchased (\$Million)</b>						
Accommodations	60.2	66.3	76.2	84.1	85.9	69.7
Food & Beverage Services	94.9	101.0	108.4	113.3	113.0	104.4
Food Stores	15.8	16.3	17.2	18.0	18.3	16.5
Ground Tran. & Motor Fuel	128.0	145.2	162.3	171.3	183.7	145.0
Arts, Entertainment & Recreation	33.3	34.2	36.1	36.5	35.2	31.6
Retail Sales	60.2	62.1	65.4	65.5	62.5	56.4
Spending at Destination	392.3	425.1	465.6	488.7	498.7	423.7
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>						
Accommodations & Food Service	61.4	65.9	71.9	78.0	80.1	71.7
Arts, Entertainment & Recreation	9.3	9.6	10.3	11.6	11.8	11.1
Retail**	11.7	12.1	12.7	13.1	13.1	12.1
Auto Rental & other ground tran.	7.1	7.3	7.4	7.6	7.6	7.2
Other Travel*	9.7	9.7	10.0	10.4	11.6	11.8
Total Direct Earnings	99.2	104.6	112.3	120.8	124.3	113.8
<b>Industry Employment Generated by Travel Spending (Jobs)</b>						
Accommodations & Food Service	2,980	3,100	3,230	3,410	3,450	3,060
Arts, Entertainment & Recreation	550	570	580	640	640	600
Retail**	530	550	570	580	560	500
Auto Rental & other ground tran.	300	300	310	310	310	290
Other Travel*	260	260	250	260	310	290
Total Direct Employment	4,630	4,770	4,940	5,190	5,270	4,740
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>						
Local Tax Receipts	3.8	4.2	5.6	6.8	6.9	5.6
State Tax Receipts	13.1	13.7	14.5	15.1	15.1	14.2
Total Direct Tax Receipts	16.9	18.0	20.1	21.9	22.1	19.8

Details may not add to totals due to rounding. \*Other Travel includes resident air travel and travel agencies. \*\*Retail includes gasoline.

## **APPENDICES**

*APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY*

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

**REGIONAL TRAVEL IMPACT MODEL (RTIM)  
TRAVEL IMPACT ESTIMATION PROCEDURES**

**TRAVEL SPENDING**

**Hotel, Motel, B&B.** Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections at the city/county jurisdictional level. Spending by hotel and motel guests in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data. The spending distribution shows how travelers divide their spending between lodging and other purchases.

**Private Campground.** Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites and the average daily expenditures of visitor camp parties reported in survey data. Spending in other business categories is estimated in the same way as for hotel guests.

**Public Campground.** Spending by campers using public campgrounds is estimated from visitor counts at national and state parks, national forests, and state and federally managed recreation areas and then multiplying the visitation by daily spending estimates from the visitor survey.

**Private Home.** Spending by private home guests is determined from visitor survey data estimating the number of visitors staying as guests of friends and relatives and applying these rates to the household population base in individual counties.

**Vacation Home.** Estimated spending by vacation home renters and owners is based on a ratio derived between the number of visitors staying in commercial accommodations and those staying in vacation homes and the relative expenditure levels for each type of visitor. The state total is distributed among the counties using housing data from the U.S. Bureau of the Census.

**Day Travel.** The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

**Travel Arrangement Services.** This category consists of travel agents, tour operators, and other travel arrangement and reservation services. Employment and earnings are estimated from covered employment and wage data. Sales estimates are not included in this report.

## **RELATED TRAVEL IMPACTS**

Spending by travelers generates jobs, payroll, and state and local tax revenue.

**Earnings** generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2002 Economic Census and earnings estimates from the Bureau of Economic Analysis.

**Employment** in each business category is calculated from wage data supplied by the Oregon Employment Department and earnings estimates from the Bureau of Economic Analysis.

**Local Taxes** consist of local room taxes, or transient lodging taxes as well as local taxes applicable to traveler purchases in eating and drinking establishments and on automobile rentals.

**State Taxes** consist of the statewide lodging tax (beginning in 2004), corporate income taxes and gasoline taxes attributable to travel expenditures, and personal income taxes based on the associated travel-generated employment.

Personal income taxes are estimated by applying the average state personal income tax rate to payrolls resulting from traveler spending. Corporate income taxes are estimated by applying an implicit tax rate to the business receipts, or sales, generated from traveler spending.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 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)
Travel Agencies	Travel Agencies (56151)

Notes: \*Government enterprises (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>.