

**WASHINGTON COUNTY**  
***TRAVEL IMPACTS, 1991-2010P***

June 2011



WASHINGTON COUNTY  
**OREGON**  
VISITORS ASSOCIATION

**WASHINGTON COUNTY  
TRAVEL IMPACTS, 1991-2010P**

*Prepared for the*

Washington County Visitors Association  
11000 SW Stratus Street, Ste. 170  
Beaverton, OR 97008

*Prepared by*

Dean Runyan Associates  
833 S.W. Eleventh Avenue, Suite 920  
Portland, Oregon 97205  
503.226.2973  
[www.deanrunyan.com](http://www.deanrunyan.com)

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## WASHINGTON COUNTY TRAVEL IMPACTS, 1991-2010P

This study, prepared for the Washington County Visitors Association, documents the economic significance of the travel industry in Washington County from 1991 through 2010 (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 2010p are identical to those found in the *Oregon Travel Impacts 1991-2010p* 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.
- This year's report is based on a revised methodology and new source data. The economic impact estimates are similar to those reported in previous years. The visitor volume and average visitor spending estimates are different from previous estimates. The time series reported here supersedes all earlier estimates. (See Appendix A, page 7, for an explanation of these revisions.)

### TRAVEL TRENDS IN WASHINGTON COUNTY

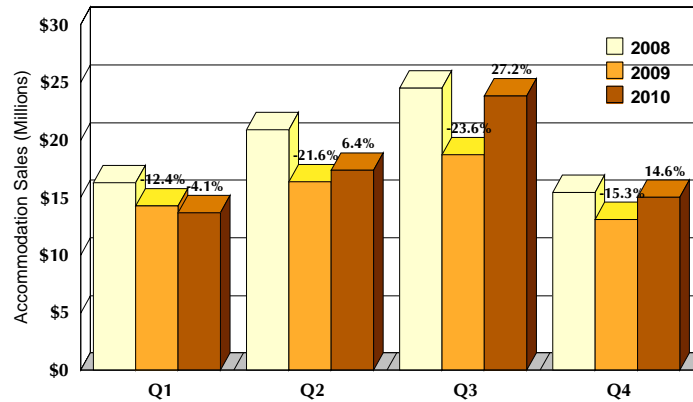
Total direct travel spending in Washington County was \$566 million in 2010. This represents a 14.5 percent increase over the preceding year in current dollars. The growth in spending has not immediately generated new employment. This is typical following deep recessions as employers initially improve balance sheets and more efficiently utilize existing employees before hiring new workers. Travel generated employment and earnings should improve in the current year providing that the broader economy and travel continue to expand.

It is important to emphasize that the 14.5 percent increase in travel spending is largely attributable to the growth in visitation rather than inflation. Significant price increases occurred only for transportation (motor fuel and airfares). According to Smith Travel Research, room demand increased by 14.9 percent from 2009 to 2010. Total overnight visitor volume increased by 11.8 percent (Dean Runyan Associates estimate).<sup>1</sup>

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<sup>1</sup> Smith Travel Research report prepared for Washington County Visitors Association.

## Accommodation Sales in Washington County, 2007-2010



Source: Washington County Finance Department and Dean Runyan Associates.

On an annual basis, travel spending in Washington County increased by 14.9 percent from 2009 to 2010. Most of the increase is related to increased visitation to the county. Room rates were essentially unchanged from 2009. Motor fuel was the only commodity that experienced a significant price increase.

### Washington County Travel Impacts, 1991-2010p

	Spending (\$Million)	Earnings (\$Million)	Employment	Tax Receipts (\$Million)		
				Local	State	Total
1991	218	58	4,100	2.1	6.8	8.9
1992	234	62	4,100	2.3	7.6	9.8
1993	249	66	4,240	2.5	8.1	10.6
1994	265	70	4,350	2.7	8.7	11.4
1995	293	78	4,660	3.2	9.4	12.6
1996	315	84	4,860	3.6	9.7	13.3
1997	328	88	4,860	3.8	10.0	13.8
1998	324	89	4,840	3.9	10.0	13.9
1999	353	96	4,990	4.0	10.6	14.6
2000	401	106	5,440	4.4	12.0	16.4
2001	394	104	5,320	3.9	11.9	15.8
2002	385	101	5,110	3.6	11.6	15.3
2003	412	108	5,310	3.8	12.3	16.1
2004	429	111	5,210	3.8	13.2	17.0
2005	473	119	5,490	4.2	14.1	18.4
2006	513	127	5,630	5.6	15.2	20.7
2007	537	137	5,900	6.8	15.8	22.6
2008	564	144	6,140	6.9	16.4	23.4
2009	495	134	5,770	5.6	15.5	21.1
2010p	566	138	5,780	6.3	16.5	22.7
<i>Annual Percentage Change</i>						
09-10p	14.5%	2.4%	0.2%	11.9%	6.2%	7.7%
91-10p	5.2%	4.7%	1.8%	6.0%	4.7%	5.1%

## Washington County Travel Impacts, 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
<b>Total Direct Travel Spending (\$Million)</b>							
Destination Spending	351	339	363	424	454	412	470
Other Travel*	50	46	66	89	110	82	96
Total Direct Spending	401	385	429	513	564	495	566
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	67	56	59	75	85	69	77
Food Service	100	103	111	128	137	133	150
Food Stores	26	27	29	32	35	34	37
Local Tran. & Gas	38	36	44	58	68	54	67
Arts, Ent. & Rec.	44	44	46	50	50	48	53
Retail Sales	76	75	74	81	79	76	86
Destination Spending	351	339	363	424	454	412	470
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accom. & Food Serv.	66	64	68	81	92	85	87
Arts, Ent. & Rec.	13	13	13	14	17	16	16
Retail**	12	12	13	14	15	14	15
Ground Tran.	5	5	5	6	6	7	7
Other Travel*	10	9	12	12	14	13	12
Total Direct Earnings	106	101	111	127	144	134	138
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accom. & Food Serv.	3,500	3,300	3,340	3,640	3,970	3,690	3,680
Arts, Ent. & Rec.	790	780	760	800	910	890	880
Retail**	510	480	500	550	580	540	580
Ground Tran.	210	210	210	220	220	230	240
Other Travel*	420	340	400	410	460	420	390
Total Direct Employment	5,440	5,110	5,210	5,630	6,140	5,770	5,780
<b>Government Revenue Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	4.4	3.6	3.8	5.6	6.9	5.6	6.3
State Tax Receipts	12.0	11.6	13.2	15.2	16.4	15.5	16.5
Total Local & State	16.4	15.3	17.0	20.7	23.4	21.1	22.7

Details may not add to totals due to rounding.

\*Other Travel includes ground transportation spending and related impacts for travel to other Oregon visitor destinations, and travel agencies. \*\*Retail includes gasoline.

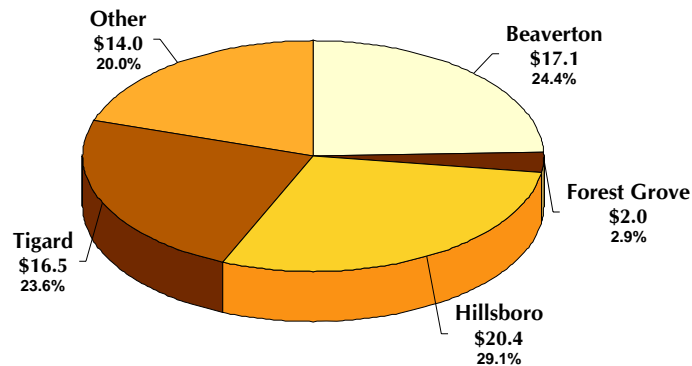
## TRAVEL IMPACTS WITHIN WASHINGTON COUNTY

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, such as the 2007 Economic Census, suggests that these estimates are reasonable.

### Distribution of Travel Impacts in Washington County, 2010p (Based on Distribution of Room Sales)

	Spending (Million)	Earnings (Million)	Employment	Tax Receipts (Million)		
				Local	State	Total
Beaverton	\$139	\$34	1,410	\$1.5	\$4.0	\$5.6
Forest Grove	\$16	\$4	170	\$0.2	\$0.5	\$0.6
Hillsboro	\$165	\$40	1,680	\$1.8	\$4.8	\$6.6
Tigard	\$134	\$32	1,360	\$1.5	\$3.9	\$5.4
All Other	\$113	\$27	1,150	\$1.3	\$3.3	\$4.5
Washington Co.	\$566	\$138	5,780	\$6.3	\$16.5	\$22.7

### 2010 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 below. The tables are mathematically related: The total visitor spending estimates in the first table are equivalent to the average spending estimates in the second table multiplied by the appropriate measure of visitor volume in the third table.

### Visitor Spending by Type of Traveler Accommodation (\$Million), 2000-2010p

	2000	2002	2004	2006	2008	2009	2010p
All Overnight	258	244	263	310	341	305	348
Hotel, Motel	142	126	136	166	184	155	177
Private Home	114	115	123	140	152	146	166
Other Overnight	3.0	3.6	3.9	4.1	4.6	4.6	4.7
Campground	1.4	2.0	2.1	2.2	2.5	2.4	2.5
Vacation Home	1.5	1.6	1.8	1.9	2.2	2.2	2.2
Day Travel	93	95	101	114	113	107	122
Spending at Destination	351	339	363	424	454	412	470

### Average Expenditures for Overnight Visitors, 2010p

	Travel Party		Person		Party Size	Length of Stay (nights)
	Day	Trip	Day	Trip		
Hotel, Motel	\$239	\$488	\$111	\$227	2.2	2.0
Private Home	\$58	\$181	\$30	\$92	2.0	3.1
Other Overnight	\$88	\$307	\$31	\$106	2.9	3.5
All Overnight	\$95	\$268	\$47	\$132	2.0	2.8

### Overnight Visitor Volume, 2008-2010p

	Person-Nights (000)			Party-Nights (000)		
	2008	2009	2010	2008	2009	2010
Hotel, Motel	1,589	1,407	1,597	738	653	742
Private Home	5,186	5,057	5,641	2,627	2,561	2,857
Other Overnight	150	151	151	52	53	53
All Overnight	6,925	6,615	7,389	3,417	3,267	3,652

	Person-Trips (000)			Party-Trips (000)		
	2008	2009	2010	2008	2009	2010
Hotel, Motel	779	689	783	362	320	363
Private Home	1,672	1,630	1,819	847	826	921
Other Overnight	44	44	44	15	15	15
All Overnight	2,494	2,364	2,645	1,224	1,161	1,300

## **APPENDICES**

*APPENDIX A. REVISIONS TO 2010 REPORT*

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

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

## REVISIONS TO 2010 REPORT

Substantial revisions were made to this year's report in order to incorporate new and more reliable source data and to permit consistent average overnight visitor spending and volume estimates for counties and regions throughout Oregon. The primary revisions were:

- Four year's of visitor survey data provided by TNS TravelsAmerica was utilized revised spending and visitation profiles.
- Smith Travel Research reports prepared for the Oregon Tourism Commission and other entities in the state were used to refine lodging expenditures and validate volume estimates in conjunction with lodging tax data.
- Estimates of spending on ground transportation for counties and regions were revised to more accurately reflect the origin and destination of the visitor. Only that portion of ground transportation spending that was estimated to occur at the destination was allocated to destination spending. The remaining portion was allocated to the "other travel" category based on the county distribution of population within the state.

As a consequence of these revisions in methodology and source data, all prior impact estimates have also been revised in order to maintain a consistent time series. Users of these estimates should note that:

- All county level impact estimates have been revised. However, the total spending estimates and related impacts for Washington County are not substantially different from previous estimates.
- Washington County now has a lower estimate of destination or visitor spending because of the new procedure for allocating a portion of ground transportation spending to the "other travel" category.
- The overnight visitor volume estimates for Washington County are now greater than previous estimates. Concurrently, the average spending estimates per visitor are lower than previously estimated.

**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.

**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. 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 Washington County.

**Vacation Home.** Estimated spending by vacation home renters and owners is based on housing data from the U.S. Bureau of the Census and visitor survey data.

**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 2007 Economic Census and earnings estimates from the Bureau of Economic Analysis.

**Employment** in each business category is calculated from county level wage data supplied by the U.S. Bureau of Labor Statistics 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)

Notes: \*Government enterprizes (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>.