

The Economic Impact of Travel

City of Bend

2021

September 2022

PREPARED FOR
Visit Bend



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The Economic Impact of Travel in the City of Bend

2021

Visit Bend

9/21/2022

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Photo: Nate Wyeth Photography / Visit Bend cropped by DRA

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City of Bend

2021

Bend / Summary

Travel Impacts 2021

Located along the Deschutes River, Bend is the largest city in central Oregon and a year-round destination in close proximity to many outdoor recreation opportunities.

During 2021, strong demand for overnight accommodations and increased commodity prices led to large gains in visitor spending. Overall, Oregon travel spending grew an estimated 64.8% in 2021. Bend grew less year over year as the decline in travel spending due to the COVID-19 pandemic was less drastic than the state-wide decline.

- Travel spending in Bend increased 45.2%, from \$231.6 million in 2020 to \$336.3 million in 2021.
- Direct travel-generated employment grew to 2,860 jobs, a 6.3% increase over 2020.
- Direct travel-generated earnings increased to \$83.9 million, a gain of 18.1% compared to 2020.
- Tax receipts generated by travel spending increased to \$22.4 million, up 47.8% compared to 2020.

Bend's travel economy **increased 45.2%** in **2021**. Travel spending exceeded 2019 levels by 9.8%

Note: Current year data are preliminary and subject to change as new source data becomes available.

Photo: Sun County Tours / Visit Bend cropped by DRA



Central Oregon / Regional Impacts

Oregon Regional Comparison

To further understand the importance and size of the travel economy in the City of Bend our economic impact estimates can be compared to the larger region.

The table highlights the size of the travel industry in the city compared to the larger region. The city is 32% of all the direct travel spending in the region and 31% of all direct travel employment. In terms of local tax revenue the city is 53% of all local revenue generated by travel activity. The primary difference between cities will be the various tax rates applied to the available commodities and the availability of paid lodging opportunities.

Deschutes County accounts for approximately 86% of the region's travel spend.

The Central Oregon region encompassing the counties of Crook, Deschutes, Jefferson, and Wasco (Partial) accounted for approximately 10% of all travel spending in the state for calendar year 2021. In Oregon most of the travel activity is concentrated along the population centers in the I-5 corridor running through Portland, the Willamette Valley, and Southern Oregon.

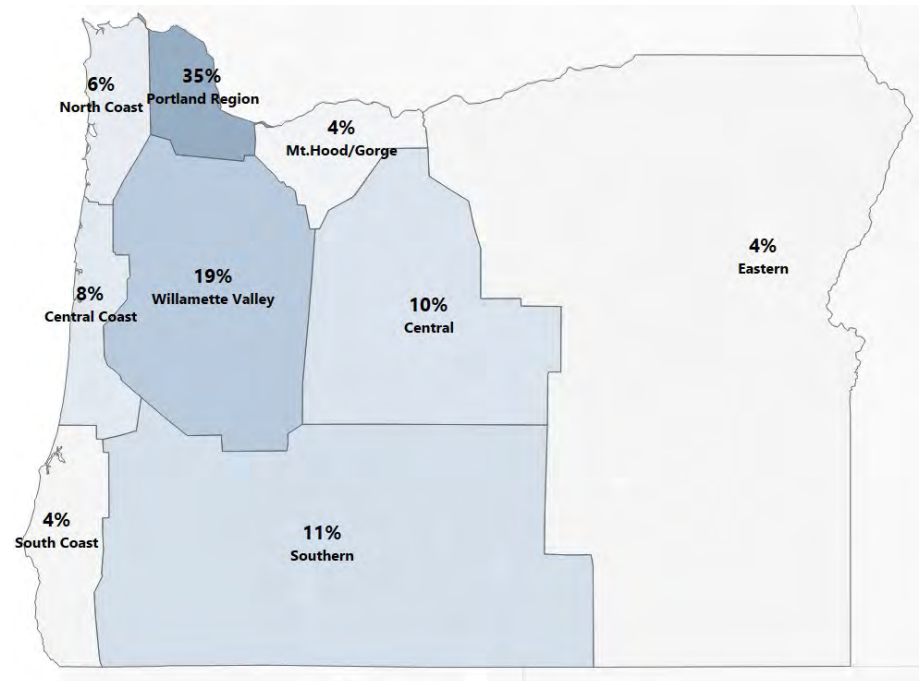
Additional information detailing the travel impacts produced for Travel Oregon is available at www.travelstats.com/oregon.

Direct Travel Impacts, 2021

	Central Oregon	City of Bend	Share of Region
Spending (\$M)	\$1,056.4	\$336.3	32%
Earnings (\$M)	\$308.4	\$83.9	27%
Employment (Jobs)	9,250	2,860	31%
State Tax Revenue (\$M)	\$29.9	\$8.9	30%
Local Tax Revenue (\$M)	\$25.2	\$13.4	53%
Visitor Volume* (Thousands)	3,105	1,361	44%

Sources: Dean Runyan Associates

*Visitor volume calculated as overnight person trips. Total region volume will be less than the sum of the individual cities within the region due to cross-city visitation patterns. Visitor volume estimates based primarily on underlying economic data, this may result in differences in estimates compared to other travel research methodologies. Economic activity is a more reliable gauge of visitor activity than visitor volume.



Bend / Impacts, Summary

Direct Travel Impacts 2016-2021p

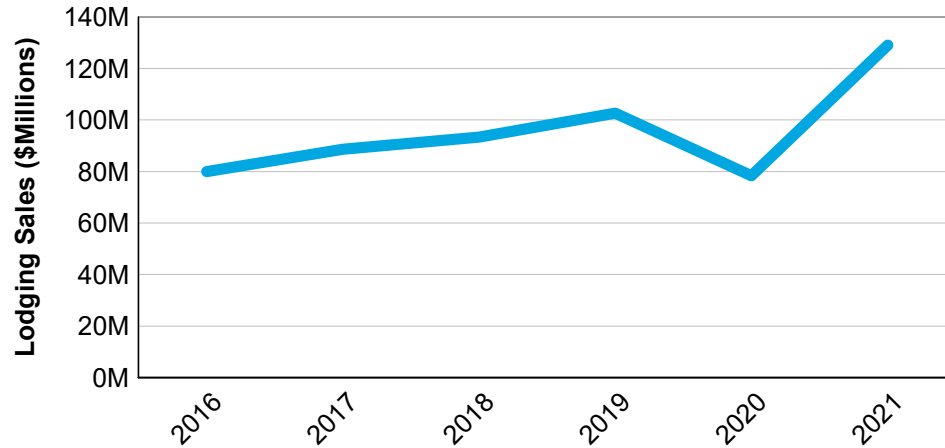
	2016	2017	2018	2019	2020	2021	Avg. Annual % Chg.	
							2020-21	2016-21
Spending (\$Millions)								
Total (Current \$)	266.7	290.4	287.8	306.4	231.6	336.3	▲ 45.2%	▲ 4.7%
Other	27.1	28.9	10.6	11.4	8.6	9.6	▲ 11.3%	▼ -18.8%
Visitor	239.6	261.5	277.2	295.0	222.9	326.7	▲ 46.6%	▲ 6.4%
Non-transportation	221.0	240.3	253.1	270.5	206.9	301.3	▲ 45.7%	▲ 6.4%
Transportation	18.6	21.1	24.1	24.5	16.1	25.4	▲ 58.2%	▲ 6.4%
Earnings (\$Millions)								
Earnings (Current \$)	70.2	75.8	73.6	80.5	71.1	83.9	▲ 18.1%	▲ 3.6%
Employment (Jobs)								
Employment	3,180	3,270	3,120	3,200	2,690	2,860	▲ 6.1%	▼ -2.1%
Tax Revenue (\$Millions)								
Total (Current \$)	15.0	17.3	17.8	19.4	15.1	22.4	▲ 47.8%	▲ 8.3%
Local	8.3	9.2	9.7	10.7	8.1	13.4	▲ 64.7%	▲ 10.1%
State	6.7	8.1	8.0	8.7	7.0	8.9	▲ 28.2%	▲ 5.9%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.
Employment and earnings include fiscal stimulus support.



Bend / Travel Activity Trends

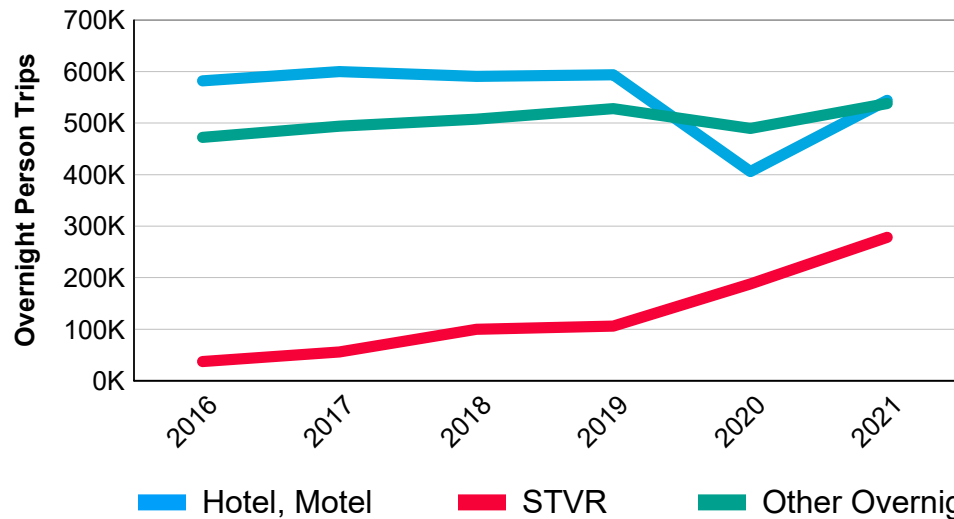
Taxable Lodging Sales



Taxable lodging sales grew to \$129 million in 2021, an increase of 65% compared to 2020.

Sources: City of Bend, Dean Runyan Associates

Overnight Volume

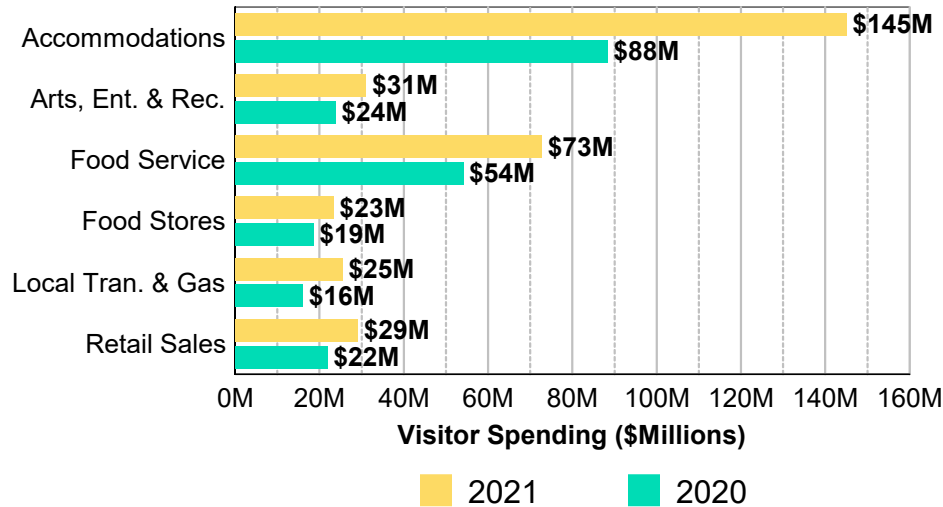


Overnight visitor volume grew to 1.4 million person-trips in 2021, an increase of nearly 26% compared to 2020.

Sources: City of Bend, Census Bureau, AirDNA, STR LLC., Dean Runyan Associates, Omnitrak Group LLC.

Bend / Spending

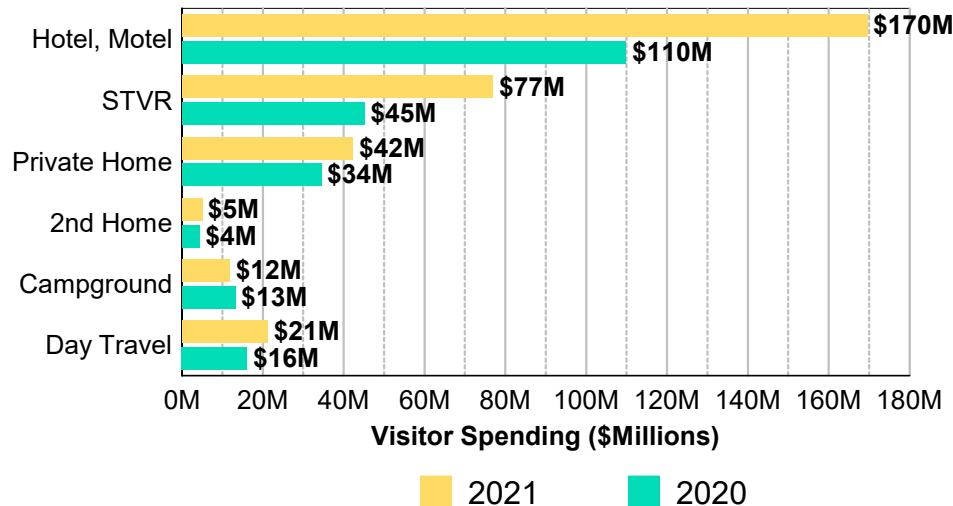
Visitor Spending by Commodity Purchased



Spending on Accommodations grew to \$145 million in 2021, an increase of 64.2% compared to 2020.

Sources: City of Bend, Dean Runyan Associates, Omnitrak Group

Visitor Spending by Accommodation Type



Visitors who stay in a Hotel, Motel, or Short Term Vacation Rental (STVR) spent a combined \$246 million in 2021, an increase of 59.1%.

Sources: City of Bend, AirDNA, Dean Runyan Associates, Omnitrak Group, STR LLC.
 Note: Private Home represents visitors staying with friends or family. (Glossary on page 17)

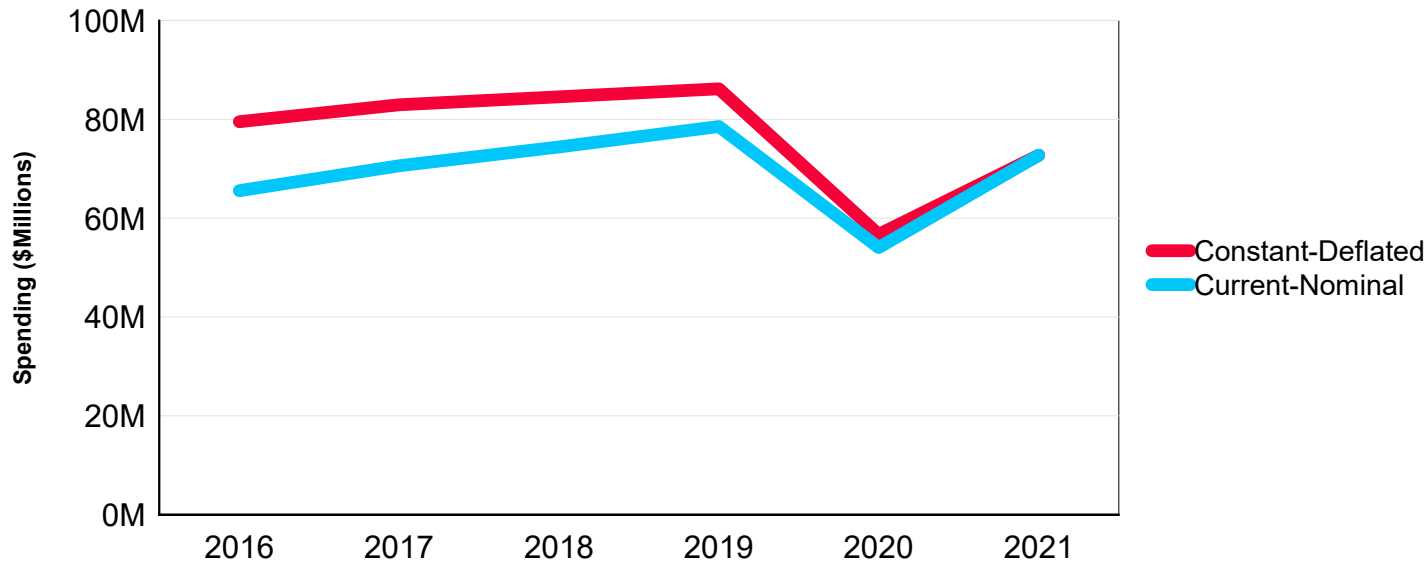


Bend / Spending

Inflation Effects

Food Service Spending

Represented in 2021 dollars

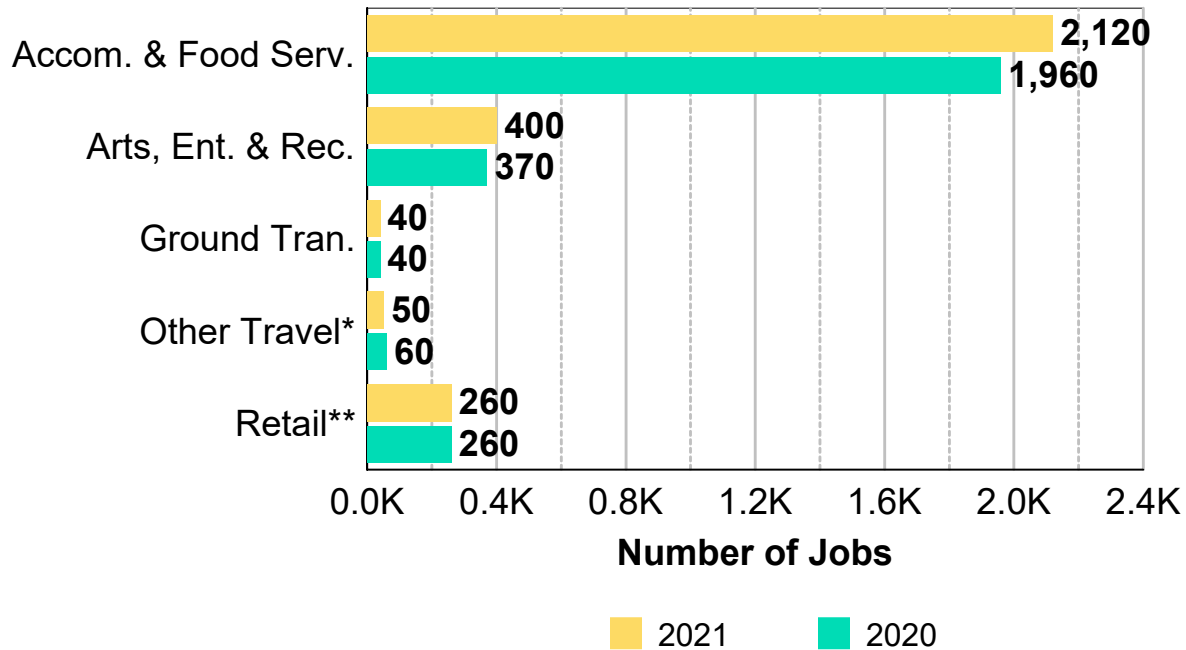


Visitor spending on commodities are affected by more than just the volume of visitors. Inflationary pressure related to each commodity can cause spending to rise too. Compared above is visitor spending on Food Service (restaurants, bars, etc.). In current dollars (not adjusted for inflation) Food Service spending in 2021 recovered past 2017 levels of activity. In contrast, constant dollars (adjusted for inflation) Food Service spending is approximately 12% less than 2017 levels of activity.

Sources: Bureau of Labor Statistics CPI, Dean Runyan Associates

Bend / Employment

Travel Industry Employment



*Other Travel includes travel arrangement services and convention services
 **Retail includes gasoline station employment.
 Employment can include fiscal stimulus support.

Travel spending generated 2,860 jobs in 2021. Overall, travel industry employment grew by 6.3%.

Sources: Dean Runyan Associates, Bureau of Labor Statistics, Bureau of Economic Analysis

Photo: Nate Wyeth Photography / Visit Bend cropped by DRA



Bend / Impacts, Detailed

Direct Travel Impacts 2016-2021p

	2016	2017	2018	2019	2020	2021	2020-21	2019-20
Direct Travel Spending (\$Millions)								
Destination Spending	239.6	261.5	277.2	295.0	222.9	326.7	46.6%	-24.4%
Other Travel*	27.1	28.9	10.6	11.4	8.6	9.6	11.3%	-24.5%
TOTAL	266.7	290.4	287.8	306.4	231.6	336.3	45.2%	-24.4%
Visitor Spending by Type of Traveler Accommodation (\$Millions)								
Hotel, Motel, STVR	169.8	186.9	198.2	212.0	154.9	246.4	59.1%	-26.9%
Hotel, Motel	161.1	173.4	174.0	184.7	109.8	169.5	54.4%	-40.6%
Short Term Vacation Rental	8.6	13.4	24.2	27.3	45.1	76.9	70.5%	65.4%
Private Home	36.2	38.1	40.1	42.5	34.5	42.3	22.7%	-19.0%
Campground	11.6	12.5	13.5	13.3	13.2	11.9	-9.8%	-0.7%
Vacation Home	4.3	4.9	4.9	5.7	4.3	5.0	16.0%	-24.6%
Day Travel	17.8	19.1	20.5	21.5	16.1	21.2	31.6%	-25.1%
TOTAL	239.6	261.5	277.2	295.0	222.9	326.7	46.6%	-24.4%
Visitor Spending by Commodity Purchased (\$Millions)								
Accommodations	89.6	100.1	105.3	116.0	88.3	145.1	64.2%	-23.8%
Food Service	65.6	70.7	74.4	78.6	54.1	72.7	34.5%	-31.2%
Food Stores	16.6	17.6	18.9	19.8	18.6	23.4	25.6%	-5.7%
Local Tran. & Gas	18.6	21.1	24.1	24.5	16.1	25.4	58.2%	-34.4%
Arts, Ent. & Rec.	24.7	26.3	27.9	28.8	23.9	31.0	30.1%	-17.1%
Retail Sales	24.5	25.7	26.5	27.4	21.9	29.1	32.5%	-19.9%
TOTAL	239.6	261.5	277.2	295.0	222.9	326.7	46.6%	-24.4%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes travel arrangement and convention/ trade shows.



Bend / Impacts, Detailed

Direct Travel Impacts 2016-2021p

	2016	2017	2018	2019	2020	2021	2020-21	2019-20
Travel Industry Earnings (\$Millions)								
Accom. & Food Serv.	48.5	52.6	55.4	62.1	53.8	65.1	20.9%	-13.3%
Arts, Ent. & Rec.	6.7	7.2	7.3	6.9	6.2	7.2	15.3%	-9.8%
Retail**	5.4	5.8	6.1	6.4	7.0	7.5	6.3%	10.5%
Ground Tran.	1.1	1.2	1.4	1.5	1.3	1.1	-9.6%	-18.4%
Other Travel*	8.5	9.0	3.3	3.6	2.7	3.0	11.3%	-24.5%
TOTAL	70.2	75.8	73.6	80.5	71.1	83.9	18.1%	-11.7%
Travel Industry Employment (Jobs)								
Accom. & Food Serv.	2,210	2,250	2,230	2,340	1,960	2,120	7.9%	-16.2%
Arts, Ent. & Rec.	500	530	520	480	370	400	6.8%	-22.6%
Retail**	250	260	270	260	260	260	-1.0%	0.3%
Ground Tran.	50	50	50	50	40	40	-9.3%	-13.7%
Other Travel*	190	190	60	70	60	50	-12.5%	-13.8%
TOTAL	3,180	3,270	3,120	3,200	2,690	2,860	6.1%	-15.7%
Tax Receipts Generated by Travel Spending (\$Millions)								
Local Tax Receipts	8.3	9.2	9.7	10.7	8.1	13.4	64.7%	-23.7%
State Tax Receipts	6.7	8.1	8.0	8.7	7.0	8.9	28.2%	-19.6%
TOTAL	15.0	17.3	17.8	19.4	15.1	22.4	47.8%	-21.9%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.

*Other Travel includes travel arrangement and convention/ trade shows.

**Retail includes gasoline.



Deschutes County / Secondary Effects

Travel spending brings money into the community in the form of business receipts. Portions of these receipts are spent within the area for labor and supplies. Employees, in turn, spend a portion of their earnings on goods and services in the state. Spending on intermediate goods and re-spending of travel-related revenues creates indirect and induced impacts.

Direct impacts represent effects attributable to traveler expenditures.

Indirect impacts represent effects associated with industries that supply goods and services to the direct businesses.

Induced impacts represent effects of purchases made by employees in both the direct and indirect businesses.

The impacts in this section are presented in thirteen major industry groups. These industry groups are similar but not identical to the business categories presented elsewhere in this report.

It should be emphasized that the estimates of indirect and induced impacts reported here apply to the entire Deschutes County area and do not necessarily reflect economic patterns for individual cities within. In general, geographic areas with lower levels of economic activity will have smaller secondary impacts within those same geographic boundaries.

Largest Secondary Industries 2021

Professional Services (380 jobs and \$14.2 million in earnings) A variety of administrative services (e.g., accounting and advertising) are utilized by travel businesses. Employees of these businesses also purchase professional services.

Education & Health Services (150 jobs and \$9.7 million in earnings) The secondary effects are primarily induced, such as employees of travel-related businesses use of medical services.

Financial Activities (60 jobs and \$3.1 million in earnings) Both businesses and individuals make use of banking and insurance institutions.

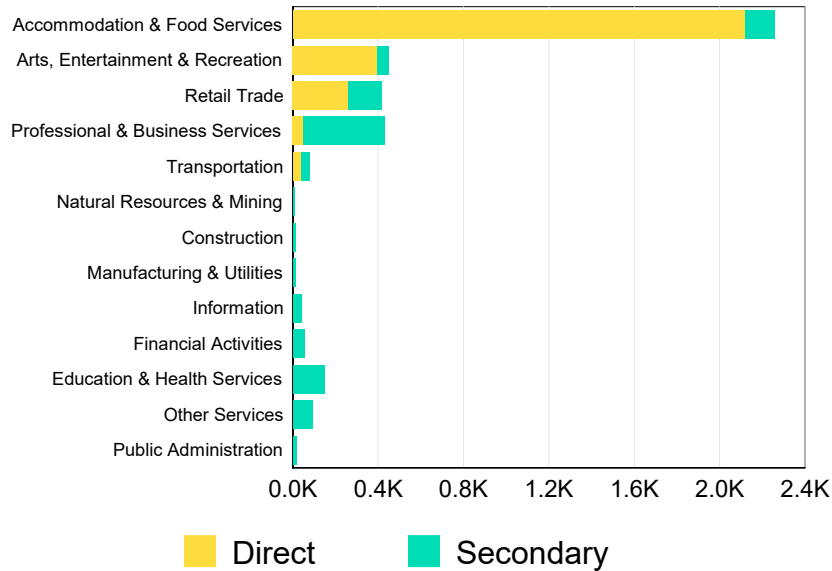
Other Services (90 jobs and \$2.9 million in earnings) Employees and travel businesses utilize a number of service providers such as repair shops, laundry, maintenance, and business services.



Deschutes County / Secondary Effects

Total Employment 2021

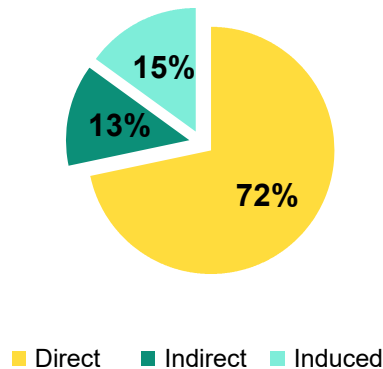
Direct & Secondary Employment



Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	2,120	60	70	140	2,260
Arts, Entertainment & Recreation	400	30	20	50	450
Trade	260	40	120	160	420
Professional & Business Services	50	280	100	380	430
Transportation	40	20	20	40	80
Natural Resources & Mining	0	0	0	10	10
Construction	0	10	0	10	10
Manufacturing & Utilities	0	10	0	10	10
Information	0	30	20	40	40
Financial Activities	0	20	30	60	60
Education and Health Services	0	0	150	150	150
Other Services	0	30	60	90	90
Public Administration	0	10	10	20	20
All Industries	2,860	540	620	1,160	4,020

Values may not add to totals due to rounding.
Employment and Earnings include CARES Act support.

Share of Total Employment





MOST DIRECT JOBS
Accommodation & Food Services



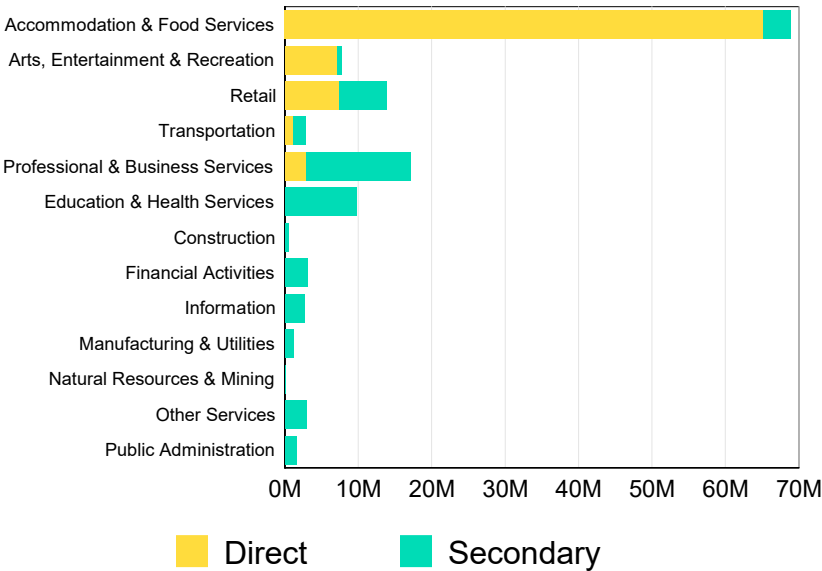
MOST SECONDARY JOBS
Professional & Business Services



Deschutes County / Secondary Effects

Total Earnings 2021

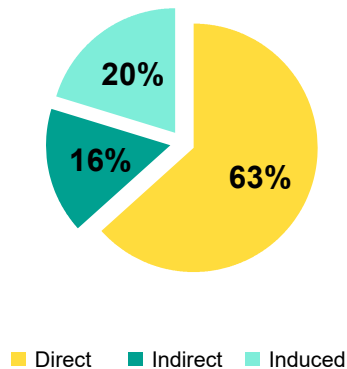
Direct & Secondary Earnings



Industry Group	Direct	Secondary			Grand Total
		Indirect	Induced	Total	
Accommodation & Food Services	65.1	1.8	1.9	3.7	68.8
Trade	7.5	1.9	4.5	6.4	13.9
Arts, Entertainment & Recreation	7.2	0.2	0.4	0.6	7.8
Professional & Business Services	3.0	10.8	3.4	14.2	17.2
Transportation	1.1	0.9	0.8	1.7	2.8
Natural Resources & Mining	0.0	0.0	0.0	0.0	0.0
Construction	0.0	0.3	0.2	0.5	0.5
Manufacturing & Utilities	0.0	0.8	0.3	1.1	1.1
Information	0.0	1.5	1.2	2.7	2.7
Financial Activities	0.0	1.4	1.7	3.1	3.1
Education and Health Services	0.0	0.1	9.7	9.7	9.7
Other Services	0.0	0.9	2.1	2.9	2.9
Public Administration	0.0	1.1	0.5	1.6	1.6
All Industries	83.9	21.7	26.6	48.4	132.3

Values may not add to totals due to rounding. (\$Millions)
 Employment and Earnings include fiscal stimulus support.

Share of Total Earnings





MOST DIRECT Earnings
 Accommodation & Food Services




MOST SECONDARY Earnings
 Professional & Business Services

Bend / Overnight Visitor Details

Overnight Visitor Volume and Average Spending

Overnight visitor volume for Bend is based on cross-referencing visitor surveys and lodging data. Volume estimates therefore will differ from methodologies that rely solely on visitor surveys. Visitor Spending is a more reliable metric to Visitor Volume in accounting for changes in the travel industry, as it is more closely tied to economic data and lessens the variability from visitor surveys. Day travel estimates are not included because of data limitations.

 **40%**
Hotel, Motel, STVR share of overnight person-trips

Average Expenditure for Overnight Visitors, 2021

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel	\$165	\$312	\$403	\$762	2.4	1.9
STVR	\$105	\$276	\$298	\$781	2.8	2.6
Private Home	\$33	\$101	\$86	\$263	2.6	3.0
Other Overnight	\$43	\$142	\$142	\$469	3.3	3.3
All Overnight	\$89	\$225	\$237	\$590	2.7	2.5

Overnight Visitor Volume, 2019-2021

	Person-Trips			Party-Trips		
	2019	2020	2021	2019	2020	2021
Hotel, Motel	593,900	405,700	543,900	243,000	166,000	222,500
STVR	106,200	187,700	278,500	37,500	66,300	98,400
Private Home	394,700	363,800	419,400	151,500	139,600	161,000
Other Overnight	133,300	125,800	118,700	40,300	37,900	36,000
Overnight Volume	1,228,000	1,083,000	1,360,500	472,200	409,700	517,800

	Person-Days			Party-Days		
	2019	2020	2021	2019	2020	2021
Hotel, Motel	1,123,400	767,400	1,028,800	459,500	313,900	420,900
STVR	278,600	492,400	730,800	98,400	174,000	258,200
Private Home	1,200,300	1,106,400	1,275,600	460,700	424,600	489,500
Other Overnight	438,600	413,100	391,400	132,900	124,600	119,000
Overnight Volume	3,040,900	2,779,300	3,426,600	1,151,500	1,037,200	1,287,600

Note: Private Home represents visitors staying with friends or family. (Glossary on page 17). Other Overnight represents all camping and private vacation homes.

Bend / Industry Comparison

Economic Census 2017

NAICS	Establishments	Sales (\$1,000)	Payroll (\$1,000)	Employees
42 Wholesale trade	141	891,206	64,910	1,204
44-45 Retail trade	597	2,596,591	250,402	8,285
48-49 Transportation and warehousing (106)	74	106,108	31,923	776
51 Information	119	N/D	103,831	1,718
52 Finance and insurance	251	N/D	119,503	1,817
53 Real estate and rental and leasing	323	212,057	34,350	808
54 Professional, scientific, and technical services	638	383,849	151,939	2,520
56 Administrative and support and waste management	239	294,919	136,949	3,959
61 Educational services	51	18,516	7,252	399
62 Health care and social assistance	533	1,387,573	551,473	9,929
71 Arts, entertainment, and recreation	87	86,375	24,526	1,770
72 Accommodation and food services	382	434,804	139,367	6,525
81 Other services (except public administration)	260	163,531	44,796	1,326
2017 Travel Industry*		277,907	66,324	2,680

N/D fields are non-disclosed due to size.

*Travel Industry is a combination of sectors and is estimated by Dean Runyan Associates. Payroll and employees are less than earnings/employment presented in other report tables. For comparison purposes we removed the additional benefits and sole proprietorships that are included in our analysis.

Source: U.S. Census Bureau



Glossary

Term

Hotel, Motel

Private Home

Other Overnight

Day Travel

Visitor Spending

Other Spending

Direct Spending

Direct Earnings

Direct Employment

Local Taxes

State Taxes

Destination Spending

STVR

2nd Home

Definition

Accommodation types that house transient lodging activity.

Unpaid overnight accommodations used to host visiting friends and family overnight.

Combination of other overnight visitors who stay in campgrounds or 2nd homes.

Greater than 50 miles traveled non-routine to the destination.

Direct spending made by visitors in a destination.

Spending by residents on travel arrangement services, or spending for convention activity.

Expenditures made by consumers, combination of Visitor Spending and Other Spending.

Total after-tax net income from travel. It includes wage and salary disbursements, proprietor income, and other earned income or benefits.

Employment generated by direct spending; Includes full time, part time, seasonal, and proprietors.

City and county taxes generated by travel spending.

State taxes generated by travel spending.

Interchangeable with Visitor Spending. Direct spending made by visitors in a destination.

Short Term Vacation Rental, private and semi-private lodging rented by owners or property management companies (e.g. Airbnb, VRBO).

Homes under private ownership for personal use as a seasonal property where a lodging tax is not collected. Only includes spending during trip.



Methodology

Travel Impacts Methodology

Primary travel impact analysis will make use of the Regional Travel Impact Model (RTIM), prepared and maintained by Dean Runyan Associates and used for most of our travel impact analysis since 1985. This model was developed to provide robust impact findings at small geography without reliance on annual survey research. This is a “bottom up” approach whereby analysis is conducted at the county level, then aggregated to regions and the state, allowing us to use the most detailed tax, employment, wages, and other data that are available. Our clients have selected this approach to provide particularly detailed and defensible findings for all parts of their constituency.

Because the model does not rely on annual survey research for its primary inputs, we work in other states with a variety of other visitor profile providers, including national panel managers or those making use of intercept or regional web methodology. Analysis is conducted separately by type of visitor lodging, making use of data and modeling appropriate to each. Impact analysis associated with visitors staying in commercial lodging makes use of lodging tax data to calculate lodging sales, then employs expenditure distribution data for these types of visitors to calculate total sales and the distribution among expenditure categories. We maintain our own expenditure distribution database for each state we work in, but also make use of historic and current expenditure data, as available. Rental cabins, condos and other property are included in this category if lodging tax has been applied to sales.

Earnings, employment, and tax receipts are calculated using employment and wage data by business category, for each county, plus the applicable taxes on each type of expenditure. Tax impacts, such as for restaurant, fuel, and retail purchases, are calculated from spending amounts; totals will be checked against data from state sources.

Sales attributed to campers are calculated from campground inventory (separately for public and commercial campgrounds), camping occupancy data and average expenditures for camping parties. Expenditure data will be from expenditure databases that we maintain, augmented by visitor survey data available for Oregon, as available.

Other impacts are calculated in a manner like those for commercial accommodation travelers. Sales attributable to travelers staying in their own second homes, or in rented condo, cabin, and other accommodations, are calculated from inventories of these types of lodging and the associated utilization and expenditure data. Findings are made consistent if some of these sales have been subject to lodging tax. Second home inventories are from US Census sources and any local/regional data available. Other impacts are calculated in a manner like those for commercial accommodation travelers.

(Continued on next page)



Methodology / Continued

Travel Impacts Methodology

Day travel spending is calculated as a factor of overnight spending, with the proportions based on visitor data for Oregon travelers. This analysis will rely the most on visitor profile data provided by the profile contractor. Other impacts are calculated in a similar way as those for commercial accommodation travelers.

All spending estimates are summed for each county and separately for each business category with applicable data then used to calculate earnings, employment, and tax receipts. County totals will be mapped to regions using address and other location data for lodging, camping, and other rental accommodations using separate methods for each type of lodging.

In all cases, our data and methodology are transparent, allowing for reliable error trapping and effective review of findings. All findings are also checked against available comparable data, such as county-level employment data by industry from the US Bureau of Labor Statistics and lodging sales data from STR and Key Data.



Methodology / Continued

RTIM Industries mapped to NAICS

The following categorization is intended as a high level overview of how our reported industries map to the North American Industry Classification System. It should be noted the NAICS codes are based on responses from individual organizations and are not always an exact 1:1 alignment with our analysis.

Travel Impact Industry	NAICS Industry Code
Accommodation & Food Service	Accommodation (721) Food Services and Drinking Places (722) Residential Property Managers (531311) Breweries, Wineries, Distilleries (312120, 312130, 312140)
Arts, Entertainment & Recreation	Arts, Ent., Recreation (71) Scenic and Sightseeing Transportation (487) Motion picture and video exhibition (51213) Recreational goods rental (532292) Tour operators (56152)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories (448) Sporting Goods, Hobby, Book and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Transportation	Rail Transportation (482114) Water Transportation (4831) Urban transit systems (4851) Interurban and rural bus transportation (4852) Taxi and limousine service (4853) Charter bus industry (4855) Passenger car rental (532111) Truck, trailer, and RV rental and leasing (53212) Parking Lots and Garages (812930)
Air Transportation	Scheduled passenger air transportation (481111) Support activities for air transportation (4881)
Other Travel	Travel agencies (56151) Convention and Trade Show Organizers (56192)

