

The Economic Impact of Travel

McMinnville, OR

2021

July 2022

PREPARED FOR
Visit McMinnville



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The Economic Impact of Travel in McMinnville

2021

Visit McMinnville

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McMinnville

2021

McMinnville / Summary

Travel Impacts 2021

This report provides detailed travel impact estimates for the City of McMinnville from 2015 to 2021. The estimates for 2021 are preliminary. These estimates were produced using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates.

- **Overview.** Visitation, travel spending, employment and tax revenue all grew during 2021, recovering much of what was lost in 2020 during the beginning of the COVID-19 global pandemic.
- **Spending.** McMinnville travel spending, \$37.3 million in 2021, increased by 56.9% for the year. Non-transportation visitor spending increased by 55.8% in 2021. This spending has increased by 9.6% percent per year since 2015. Large increases in spending between 2018 and 2017 are related to new lodging supply in the city.
- **Employment.** Travel-generated employment, 340 jobs in 2021, grew 6.3% compared to 2020. The travel industry lost 110 jobs in 2020 due to the affects of the pandemic. In 2021 the industry regained approximately 18% of that loss. Travel-generated employment in the McMinnville represents about 3 percent of all employment in the city.
- **Visitor Volume.** There were 259,000 overnight person trips to the McMinnville in 2021. About 46 percent of these overnight visitors stayed in hotels, motels, short term rentals, and similar paid accommodations. The other 54 percent of these visitors stay in second homes or with friends and family.
- **Average Spending.** Each overnight visitor spent on average \$52 per day while in the McMinnville. Visitors staying in paid lodging spent on average \$109 per day on lodging, food service, recreation and shopping. Visitors who stay in paid lodging spend roughly 3.5 times more on a trip than visitors who stay elsewhere.
- **City and County Travel Impacts.** About 30 percent of all Yamhill county travel impacts occur within the McMinnville. The employment generated provides for jobs for all county residents, regardless of whether they live within the city.

Oregon's travel industry **increased 65% in 2021**, whereas McMinnville's travel economy **grew by 57%.***

Note: These estimates for McMinnville are subject to revision if more complete data becomes available. *McMinnville declined less in 2020 than the state.

McMinnville / Summary Table

Direct Travel Impacts 2015-2021

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | YOY Chg. | Avg. Chg. Per Year | |
|---------------------------------|------|------|------|------|------|------|------|----------|--------------------|-------|
| | | | | | | | | 20-21 | 19-21 | 15-21 |
| Spending (\$Millions) | | | | | | | | | | |
| Total | 21.7 | 22.0 | 27.7 | 38.5 | 38.9 | 23.8 | 37.3 | 56.9% | -4.0% | 9.4% |
| Other | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 25.7% | 1.7% | 3.9% |
| Visitor | 21.4 | 21.7 | 27.4 | 38.2 | 38.5 | 23.5 | 37.0 | 57.3% | -4.1% | 9.5% |
| Non-transportation | 19.6 | 20.0 | 25.2 | 35.3 | 35.6 | 21.9 | 34.0 | 55.8% | -4.4% | 9.6% |
| Transportation | 1.8 | 1.7 | 2.2 | 2.9 | 2.9 | 1.7 | 2.9 | 76.7% | -0.3% | 8.0% |
| Earnings (\$Millions) | | | | | | | | | | |
| Earnings | 5.7 | 6.1 | 7.8 | 10.6 | 11.0 | 8.7 | 10.0 | 15.0% | -9.5% | 9.7% |
| Employment | | | | | | | | | | |
| Employment | 260 | 260 | 310 | 430 | 430 | 320 | 340 | 6.3% | -20.9% | 4.6% |
| Tax Revenue (\$Millions) | | | | | | | | | | |
| Total | 1.0 | 1.0 | 1.6 | 2.5 | 2.5 | 1.5 | 2.2 | 43.2% | -12.5% | 14.5% |
| Local | 0.5 | 0.5 | 0.8 | 1.4 | 1.4 | 0.8 | 1.3 | 57.4% | -12.5% | 18.1% |
| State | 0.5 | 0.5 | 0.8 | 1.1 | 1.1 | 0.7 | 0.9 | 27.9% | -12.5% | 10.7% |

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

Other spending includes transportation to other visitor destinations and travel arrangement services.

Earnings include wages & salaries, earned benefits, and proprietor income.

Employment includes all full and part time employment of payroll employees and proprietors.

Local tax revenue includes lodging taxes

State tax revenue includes lodging, motor fuel taxes, and income taxes attributable to travel industry businesses and employees.



McMinnville / Detailed Table

Direct Travel Impacts 2015-2021

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total Direct Travel Spending (\$Million) | | | | | | | |
| Visitor Spending | 21.4 | 21.7 | 27.4 | 38.2 | 38.5 | 23.5 | 37.0 |
| Other Travel* | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Direct Spending | 21.7 | 22.0 | 27.7 | 38.5 | 38.9 | 23.8 | 37.3 |
| Visitor Spending by Type of Accommodation (\$Million) | | | | | | | |
| All Overnight | 15.8 | 16.0 | 20.9 | 30.5 | 30.7 | 18.4 | 28.9 |
| Hotel, Motel, STVR | 9.4 | 9.6 | 14.1 | 23.3 | 23.5 | 14.0 | 21.4 |
| Private Home (VFR) | 6.3 | 6.3 | 6.7 | 7.0 | 7.0 | 4.3 | 7.3 |
| Other Overnight | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Day Travel | 5.7 | 5.7 | 6.5 | 7.8 | 7.9 | 5.1 | 8.1 |
| Visitor Spending | 21.4 | 21.7 | 27.4 | 38.2 | 38.5 | 23.5 | 37.0 |
| Visitor Spending by Commodity Purchased (\$Million) | | | | | | | |
| Accommodations | 6.3 | 6.5 | 9.7 | 16.1 | 16.1 | 8.9 | 14.0 |
| Food Service | 6.1 | 6.3 | 7.5 | 9.8 | 10.1 | 6.5 | 10.0 |
| Food Stores | 2.8 | 2.8 | 3.0 | 3.4 | 3.4 | 2.4 | 3.8 |
| Local Tran. & Gas | 1.8 | 1.7 | 2.2 | 2.9 | 2.9 | 1.7 | 2.9 |
| Arts, Ent. & Rec. | 1.5 | 1.5 | 1.7 | 2.2 | 2.2 | 1.5 | 2.2 |
| Retail Sales | 2.9 | 2.9 | 3.2 | 3.8 | 3.8 | 2.6 | 4.1 |
| Visitor Spending | 21.4 | 21.7 | 27.4 | 38.2 | 38.5 | 23.5 | 37.0 |

Details may not add to totals due to rounding.

*Other Travel spending includes transportation spending related to travel to other destinations and travel arrangement services.

McMinnville / Detailed Table

Direct Travel Impacts 2015-2021

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------|------------|------------|-------------|-------------|------------|-------------|
| Industry Earnings Generated by Travel Spending (\$Million) | | | | | | | |
| Accom. & Food Serv. | 4.6 | 4.9 | 6.4 | 8.9 | 9.3 | 7.2 | 8.5 |
| Arts, Ent. & Rec. | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 | 0.4 | 0.4 |
| Retail** | 0.7 | 0.8 | 0.9 | 1.0 | 1.0 | 0.9 | 1.0 |
| Ground Tran. & Other Travel | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.1 | 0.1 |
| Total Direct Earnings | 5.7 | 6.1 | 7.8 | 10.6 | 11.0 | 8.7 | 10.0 |
| Industry Employment Generated by Travel Spending (Jobs) | | | | | | | |
| Accom. & Food Serv. | 210 | 210 | 260 | 360 | 360 | 270 | 290 |
| Arts, Ent. & Rec. | 10 | 10 | 10 | 20 | 20 | 10 | 10 |
| Retail** | 30 | 30 | 30 | 40 | 40 | 30 | 30 |
| Ground Tran. & Other Travel | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Total Direct Employment | 260 | 260 | 310 | 430 | 430 | 320 | 340 |
| Government Revenue Generated by Travel Spending (\$Millions) | | | | | | | |
| Local Tax Receipts | 0.5 | 0.5 | 0.8 | 1.4 | 1.4 | 0.8 | 1.3 |
| State Tax Receipts | 0.5 | 0.5 | 0.8 | 1.1 | 1.1 | 0.7 | 0.9 |
| Total Local & State | 1.0 | 1.0 | 1.6 | 2.5 | 2.5 | 1.5 | 2.2 |

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

**Retail includes gasoline.


Employment and earnings include fiscal stimulus support.



McMinnville / Overnight Visitor Details

Overnight Visitor Volume and Average Spending

Overnight visitor volume for McMinnville 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.

 **46%**
Hotel, Motel, STVR
share of overnight
person-trips

Average Expenditure for Overnight Visitors, 2021

| | Party | | Person | | Party Size | Length of Stay |
|----------------------|--------------|--------------|-------------|--------------|------------|----------------|
| | Day | Trip | Day | Trip | | |
| Hotel, Motel, STR | \$268 | \$445 | \$109 | \$181 | 2.5 | 1.7 |
| Private Home (VFR) | \$53 | \$136 | \$21 | \$53 | 2.6 | 2.6 |
| Other Overnight | \$58 | \$148 | \$19 | \$48 | 3.1 | 2.6 |
| All Overnight | \$131 | \$281 | \$52 | \$112 | 2.5 | 2.1 |

Overnight Visitor Volume, 2019-2021

| | Person-Nights (000) | | | Party-Nights (000) | | |
|----------------------|---------------------|------------|------------|--------------------|------------|------------|
| | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Hotel, Motel, STR | 199 | 144 | 197 | 81 | 59 | 80 |
| Private Home (VFR) | 348 | 222 | 354 | 136 | 87 | 138 |
| Other Overnight | 6 | 6 | 7 | 2 | 2 | 2 |
| All Overnight | 553 | 372 | 557 | 219 | 147 | 221 |

| | Person-Trips (000) | | | Party-Trips (000) | | |
|----------------------|--------------------|------------|------------|-------------------|-----------|------------|
| | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Hotel, Motel, STR | 120 | 87 | 118 | 49 | 35 | 48 |
| Private Home (VFR) | 135 | 86 | 138 | 53 | 34 | 54 |
| Other Overnight | 3 | 2 | 3 | 1 | 1 | 1 |
| All Overnight | 257 | 175 | 259 | 102 | 70 | 103 |

Note: Private Home represents visitors staying with friends or family.



Glossary

Term

Hotel, Motel, STVR

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

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.

Methodology

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.

Day travel spending is calculated as a factor of overnight spending, with the proportions based on visitor data for Oregon travelers. Other impacts are calculated in a similar way as those for commercial accommodation travelers.

All spending estimates are summed for each business category with applicable data then used to calculate earnings, employment, and tax receipts.

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.