

# Bucks County Tourism 2021 Visitation and Impact Metrics

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September 2022



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# 1. Visitation and Economic Impact

Tourism activity brings millions of visitors and their spending power into Bucks County each year. Travel activity and hospitality jobs were among the hardest hit sectors of the economy at the onset of the COVID-19 pandemic, underscoring the many ways in which visitor activity supports local jobs, as well as local business and amenities that Bucks County residents also enjoy. The indicators in Section 1 below show the strong recovery of the Bucks County tourism industry in 2021, as travel restrictions lifted and travelers in key markets like the New York, Washington and Philadelphia metros sought to experience travel again. Section 2 reviews the most current information and projections as the travel recovery continues in 2022.

In 2021, more than 7.58 million people visited Bucks County, generating a total economic impact of \$986 million and supporting a leisure and hospitality workforce of 25,300. This reflects a 19 percent increase in visitation and a 25 percent increase in visitor spending from 2020 levels.

## 1.1. Domestic Visitation

Visitation tracks the number of visitors to Bucks County and the region each year, including domestic overnight and day visitation measured in “person-trips,” which are defined as one trip taken by one visitor. A travel party with multiple people represents multiple person-trips, and the same visitor can account for multiple person-trips within a year if they visit Bucks County on multiple separate occasions.

Figure 1.1 shows visitation trends for Bucks County and the 5-County Greater Philadelphia region (defined as Bucks, Chester, Delaware, Montgomery and Philadelphia counties) from 2019 through 2021.

- Visitation to Bucks County is estimated at 7.58 million for 2021. This represents an 8 percent decline from 8.28 million in 2019 and reflects a strong rebound from 6.36 million in 2020 (+19 percent).
- COVID-related impacts on travel to Bucks County appear to be less severe than for the region as a whole, with a stronger recovery relative to 2019 benchmarks for Bucks County in overnight, day and total domestic visitation.

Figure 1.1 – Domestic Visitation to Bucks County and Greater Philadelphia, 2019-2021 (Millions)

	Overnight Visitors	Day Visitors	Total Domestic Visitors
Bucks County 2019	3.28	5.00	8.28
Bucks County 2020	2.30	4.06	6.36
Bucks County 2021	3.05	4.53	7.58
% Chg 2019-2021	-7%	-9%	-8%
% Chg 2020-2021	+33%	+12%	+19%
*5-County 2019	18.08	26.35	44.43
*5-County 2020	10.70	19.27	29.96
*5-County 2021	14.63	21.57	36.20
% Chg 2019-2021	-19%	-18%	-19%
% Chg 2020-2021	+37%	+12%	+21%

\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties

Figure 1.2 shows the share of regional travelers who visited Bucks County. A traveler who visits multiple counties on the same trip is counted only once in the regional total but is included in the totals of each county they visit. Therefore, the sum of visits to the county is greater than the unique total of visits to the region.

- Bucks County has increased its share of regional and suburban visitation since 2019, due to the lesser decline and stronger recovery in Bucks County relative to the region.

Figure 1.2 – Bucks County Share of Regional Visitation, 2019-2021 (in Millions)

	Bucks County Visitation	*5-County Visitation	Bucks County % of 5-County	Suburban Counties Visitation	Bucks County % of Suburban Counties
<b>2019</b>					
Overnight Visitors	3.28	18.09	18%	9.60	34%
Day Visitors	5.01	26.34	19%	12.16	41%
Total Domestic Visitors	8.29	44.43	19%	21.76	38%
<b>2020</b>					
Overnight Visitors	2.30	10.70	22%	5.82	40%
Day Visitors	4.06	19.27	21%	9.33	44%
Total Domestic Visitors	6.36	29.96	21%	15.15	42%
<b>2021</b>					
Overnight Visitors	3.05	14.63	21%	7.95	38%
Day Visitors	4.53	21.57	21%	10.58	43%
Total Domestic Visitors	7.58	36.20	21%	18.53	41%

\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties

## National Context

The U.S. Travel Association publishes annual estimates of travel volumes in the United States. This information provides a benchmark for shifts observed for Bucks County and for the Philadelphia region over the period from 2019 through 2021.

Figure 1.3 shows national trip volumes for domestic visitors by trip purpose (leisure and business).

- Domestic travel in 2021 was 13 percent down from 2019 levels.
- The Greater Philadelphia region has experienced greater decline than the national benchmark (-19 percent from 2019 levels), whereas Bucks County has rebounded more significantly (-8 percent)
- Nationally, business travel remains 46 percent below 2019 levels, while leisure travel is down by only 4 percent.

Figure 1.3 – National Travel Volumes, 2019-2021 (in Billions)

Visitor Type	2019 Visitation	2020 Visitation	2021 Visitation	2021 vs. 2019	2021 vs. 2020
Domestic	2.32	1.58	2.02	-13%	+28%
Leisure	1.85	1.40	1.77	-4%	+26%
Business	0.46	0.18	0.25	-46%	+38%
International	79.4	19.2	22.1	-72%	+15%

Source: U.S. Travel Association ([Summer 2022 Forecast](#))

## 1.2. Visitor Spending

Direct visitor spending refers to point of sale purchases by visitors, prior to any indirect or induced economic effects. Traveler spending brings new dollars from outside the local area into the local economy, which are concentrated primarily in tourist-serving sectors.

Figure 1.4 shows direct visitor spending in Bucks County for 2021 by sector.

- Visitor spending in Bucks County is estimated at \$563 million for 2021, representing a 25 percent increase from the 2020 total of \$449 million. However, spending remains 16 percent below the 2019 high of \$666 million.
- Increases in visitor spending relative to 2020 are seen across all sectors.
- Relative to 2019, the strongest recovery has been in transportation spending (down by 5 percent). This recovery driven in part by increases in fuel prices, which were 15 percent above 2019 levels (and nearly 40 percent above 2020 levels) in 2021.

Figure 1.4 – Bucks County Direct Visitor Spend by Sector, 2019-2021 (\$ Millions)

Sector	2019	2020	2021	% Chg 2019-2021	% Chg 2020-2021
Food & Beverage	\$203	\$135	\$171	-16%	+27%
Lodging	\$155	\$97	\$121	-22%	+25%
Transportation	\$90	\$68	\$86	-5%	+26%
Retail	\$121	\$81	\$102	-16%	+26%
Recreation	\$91	\$65	\$78	-14%	+20%
Other	\$7	\$3	\$5	-29%	+67%
<b>Total</b>	<b>\$666</b>	<b>\$449</b>	<b>\$563</b>	<b>-16%</b>	<b>+25%</b>

Figure 1.5 shows the share of visitor spending by sector in Bucks County in 2021.

- Visitor spending is primarily concentrated in five sectors of the economy, with food and beverage and lodging accounting for about half of total spending between them.
- Compared to in the region as a whole, visitors traveling to Bucks County spend more on food and beverage, retail, and recreation (which includes attractions like museums and historical sites, performances, amusement parks, sports, and outdoor activities). They spend less than the regional average on transportation and lodging.

Figure 1.5 – Bucks County Visitor Spending by Sector, 2021

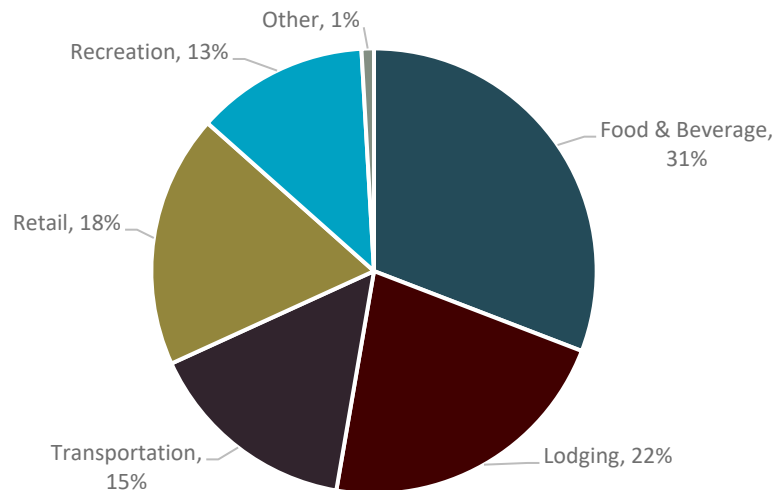


Figure 1.6 shows the share of regional visitor spending in each sector taking place in Bucks County.<sup>1</sup>

- Bucks County captures the highest shares of regional visitor spending in the retail, recreation and food & beverage sectors.

Figure 1.6 – Bucks County Share of Regional Visitor Spending (in Millions), 2019-2021

<b>2019</b>	<b>Bucks County Spending</b>	<b>*5-County Spending</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties Spending</b>	<b>Bucks County % of Suburban Counties</b>
Food & Beverage	\$203	\$2,025	10%	\$881	23%
Lodging	\$155	\$1,915	8%	\$812	19%
Transportation	\$90	\$1,611	6%	\$623	14%
Retail	\$121	\$1,154	11%	\$513	24%
Recreation	\$91	\$860	11%	\$376	24%
Other	\$7	\$77	9%	\$32	22%
<b>Total</b>	<b>\$666</b>	<b>\$7,641</b>	<b>9%</b>	<b>\$3,328</b>	<b>20%</b>
<b>2020</b>	<b>Bucks County Spending</b>	<b>*5-County Spending</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties Spending</b>	<b>Bucks County % of Suburban Counties</b>
Food & Beverage	\$135	\$1,097	12%	\$543	25%
Lodging	\$97	\$929	10%	\$469	21%
Transportation	\$68	\$906	8%	\$411	17%
Retail	\$81	\$649	13%	\$318	25%
Recreation	\$65	\$521	13%	\$250	26%
Other	\$3	\$28	11%	\$13	24%
<b>Total</b>	<b>\$449</b>	<b>\$4,130</b>	<b>11%</b>	<b>\$2,003</b>	<b>22%</b>
<b>2021</b>	<b>Bucks County Spending</b>	<b>*5-County Spending</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties Spending</b>	<b>Bucks County % of Suburban Counties</b>
Food & Beverage	\$171	\$1,366	13%	\$688	25%
Lodging	\$121	\$1,210	10%	\$584	21%
Transportation	\$86	\$1,178	7%	\$523	16%
Retail	\$102	\$800	13%	\$399	26%
Recreation	\$78	\$607	13%	\$298	26%
Other	\$5	\$44	11%	\$21	24%
<b>Total</b>	<b>\$563</b>	<b>\$5,204</b>	<b>11%</b>	<b>\$2,513</b>	<b>22%</b>

\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties

\*\*Suburban Counties: Bucks, Chester, Delaware and Montgomery Counties

<sup>1</sup> Note that while visitors may travel to multiple counties in the region in the course of their trip, their spending occurs uniquely in one county. As a result, county level results sum to match the regional total.

## National Context

The U.S. Travel Association publishes annual estimates of spending by domestic travelers and international visitors to the United States (see Figure 1.7).

- National traveler spending was \$886 billion in 2021, which remained 24 percent below the \$1.17 trillion in spending in 2019. The visitor spending recovery in Bucks County is above this benchmark (-16 percent relative to 2019), while the regional decline is more severe (-32 percent).
- The national decline in spending has been concentrated among domestic business and international travelers, with domestic leisure visitor spending recovering to the 2019 benchmark in 2021.

Figure 1.7 – National Traveler Spending, 2019-2021 (in Billions)

Visitor Type	2019 Spending	2020 Spending	2021 Spending	2019 vs. 2021	2020 vs. 2021
Domestic	\$992 billion	\$682 billion	\$846 billion	-15%	+24%
Leisure	\$722 billion	\$589 billion	\$731 billion	+1%	+24%
Business	\$270 billion	\$93 billion	\$115 billion	-57%	+24%
International	\$181 billion	\$41 billion	\$40 billion	-78%	-2%
<b>Total</b>	<b>\$1,173 billion</b>	<b>\$722 billion</b>	<b>\$886 billion</b>	<b>-24%</b>	<b>+23%</b>

Source: U.S. Travel Association ([Summer 2022 Travel Forecast](#))

## 1.3. Economic Impact

The economic impact of visitor spending in Bucks County is the total of the direct spending by tourists plus the effects that those dollars have on the Bucks County economy, which include indirect and induced effects. These impacts include the total economic activity attributable to visitor spending as well as the employment and earnings that this activity supports.

Figures 1.8 through 1.10 show the economic, employment, and earnings impact of direct and spillover activity attributable to visitor spending in Bucks County and the Greater Philadelphia region.

- The economic impact of visitor spending within Bucks County (including direct spending within Bucks County as well as the spillover effects from visitor spending elsewhere in the region) is estimated at \$986 million in 2021.
- The represents an increase of 25 percent (or \$199 million) from \$787 million in 2020 but remains about 8 percent below the 2019 benchmark of \$1.075 billion.



Figure 1.8 – Bucks County and Regional Tourism Economic Impact, 2019-2021 (Millions)

<b>Impact Type</b>	<b>Bucks County 2019</b>	<b>Bucks County 2020</b>	<b>Bucks County 2021</b>
Direct Impact	\$666	\$449	\$563
Indirect and Induced	\$409	\$338	\$423
<b>Total Economic Impact</b>	<b>\$1,075</b>	<b>\$787</b>	<b>\$986</b>
% Chg vs. 2019			-8%
% Chg vs. 2020			+25%

<b>Impact Type</b>	<b>*5-County 2019</b>	<b>*5-County 2020</b>	<b>*5-County 2021</b>
Direct Impact	\$7,641	\$4,130	\$5,204
Indirect and Induced	\$4,691	\$2,676	\$3,404
<b>Total Economic Impact</b>	<b>\$12,331</b>	<b>\$6,806</b>	<b>\$8,608</b>
% Chg vs. 2019			-30%
% Chg vs. 2020			+26%

*\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties*

## Employment and Earnings

The direct and spillover economic activity from visitor spending supports jobs and earnings within the Bucks County economy.

- Tourism spending directly and indirectly supported 76,700 jobs across the region in 2021, including approximately 10,000 jobs within Bucks County.<sup>2</sup>
- While the region’s visitor-supported employment remains 27 percent below the 2019 benchmark, Bucks County has experienced a comparatively strong recovery. Visitor-supported employment grew by 35 percent in 2021 relative to 2020, recovery to 9 percent below the 2019 level.

<sup>2</sup> This employment metric is derived from the direct and indirect effects of visitor spending, which extend beyond the hospitality industry. It is distinct from leisure and hospitality industry employment (discussed in Section 2), which is supported by a mix of visitor and local spending.

Figure 1.9 – Bucks County and Regional Visitor-Supported Employment, 2019-2021 (Jobs)

<b>Employment Type</b>	<b>Bucks County 2019</b>	<b>Bucks County 2020</b>	<b>Bucks County 2021</b>
Direct Employment	8,030	5,420	7,390
Indirect and Induced	3,020	1,980	2,620
<b>Total Employment</b>	<b>11,050</b>	<b>7,400</b>	<b>10,010</b>
% Chg vs. 2019			-9%
% Chg vs. 2020			+35%
<b>Employment Type</b>	<b>*5-County 2019</b>	<b>*5-County 2020</b>	<b>*5-County 2021</b>
Direct Employment	77,820	43,250	58,750
Indirect and Induced	27,640	12,270	17,950
<b>Total Employment</b>	<b>105,460</b>	<b>56,520</b>	<b>76,700</b>
% Chg vs. 2019			-27%
% Chg vs. 2020			+36%

*\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties*

- Visitor-supported employment generated \$288 million in earnings (including wages and benefits) within Bucks County in 2021, an increase of 15 percent from \$250 million in 2020, but 11 percent below the 2019 benchmark of \$322 million.

Figure 1.10 – Bucks County and Regional Visitor-Supported Earnings, 2019-2021 (Millions)

<b>Earnings Type</b>	<b>Bucks County 2019</b>	<b>Bucks County 2020</b>	<b>Bucks County 2021</b>
Direct Earnings	\$193	\$144	\$158
Indirect and Induced	\$129	\$106	\$129
<b>Total Earnings</b>	<b>\$322</b>	<b>\$250</b>	<b>\$288</b>
% Chg vs. 2019			-11%
% Chg vs. 2020			+15%
<b>Earnings Type</b>	<b>*5-County 2019</b>	<b>5-County 2020</b>	<b>5-County 2021</b>
Direct Earnings	\$2,228	\$1,423	\$1,602
Indirect and Induced	\$1,493	\$852	\$1,067
<b>Total Earnings</b>	<b>\$3,721</b>	<b>\$2,275</b>	<b>\$2,668</b>
% Chg vs. 2019			-28%
% Chg vs. 2020			+17%

*\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties*

Figure 1.11 shows key tourism metrics for Bucks County as a share of the both the five-county region as well as the regional group of suburban counties (Bucks, Chester, Delaware, and Montgomery counties).

- In 2020, Bucks County increased its share in all metrics within each of these geographies. This indicates that while Bucks County experienced losses in visitor spending and associated jobs and earnings, these losses were less severe than declines in other counties within the region.
- Bucks County largely maintained these shares of regional economic impact in 2021, indicating that the bounce back in activity in 2021 was largely in line with regional trends, despite a “softer” decline in 2020. As a result, shares of regional and suburban activity in 2021 in Bucks County remained above 2019 benchmark levels.

Figure 1.11 – Bucks County Share of Regional Economic Impact, 2019-2021

<b>2019</b>	<b>Bucks County</b>	<b>*5-County</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties</b>	<b>Bucks County % of Suburban Counties</b>
Economic Impact (\$M)	\$1,075	\$12,331	9%	\$5,226	21%
Supported Employment	11,050	105,460	11%	49,350	22%
Supported Earnings (\$M)	\$322	\$3,721	9%	\$1,668	19%
<b>2020</b>	<b>Bucks County</b>	<b>*5-County</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties</b>	<b>Bucks County % of Suburban Counties</b>
Economic Impact (\$M)	\$787	\$6,806	12%	\$3,553	22%
Supported Employment	7,400	56,520	13%	30,420	24%
Supported Earnings (\$M)	\$250	\$2,275	11%	\$1,184	21%
<b>2021</b>	<b>Bucks County</b>	<b>*5-County</b>	<b>Bucks County % of 5-County</b>	<b>**Suburban Counties</b>	<b>Bucks County % of Suburban Counties</b>
Economic Impact (\$M)	\$986	\$8,608	11%	\$4,456	22%
Supported Employment	10,010	76,700	13%	41,180	24%
Supported Earnings (\$M)	\$288	\$2,668	11%	\$1,367	21%

\*5 County: Bucks, Chester, Delaware, Montgomery and Philadelphia Counties.

\*\*Suburban Counties: Bucks, Chester, Delaware and Montgomery Counties

## 2. Industry Employment and Hotel Indicators

In addition to visitation and visitor spending numbers given in the previous section, trends in leisure and hospitality employment and hotel performance also offer important context about the recovery of local tourism activity and its impact on the economy of Bucks County. Hotel data from the first half of 2022 (as well as forward-looking projections) also provide more recent information on the current state of the industry recovery in Bucks County. For the purpose of comparison, recovery metrics in this section are shown relative to both regionally and to national trends where possible.

### 2.1. Leisure and Hospitality Employment

Employment estimates in Section 1 reflect jobs supported directly or indirectly by visitor spending. Industry employment impacts can also be measured through estimates from the Bureau of Labor Statistics of jobs counts in the Leisure and Hospitality industry (comprised of the Accommodation & Food Services and Arts, Entertainment, & Recreation sectors). These industry jobs are supported by a mix of spending by visitors and spending by local residents and businesses.

Figure 2.1 shows private sector employment trends in Bucks County by industry in the decade following the Great Recession (2009-2019) and in the initial portion of the COVID-19 pandemic (2020 and 2021).

- The leisure and hospitality industry added 5,400 jobs from 2009-2019, the second fastest growth of any sector over this time period (behind only education and health).
- Leisure and hospitality was the hardest hit industry at the outset of the pandemic, with employment falling by 7,300 jobs in 2020 (or about 30 percent). Industry employment rebounded by 3,400 jobs in 2021, for a total of 25,300 jobs in 2021. With a loss of about 4,000 jobs (or 13 percent) compared to the 2019 level, Bucks County’s leisure and hospitality industry has experienced a substantial but incomplete recovery.
- Overall private sector employment in Bucks County in 2021 was about 15,200 jobs (or 6 percent) below the 2019 levels.

Figure 2.1 – Bucks County Private Sector Employment by Industry

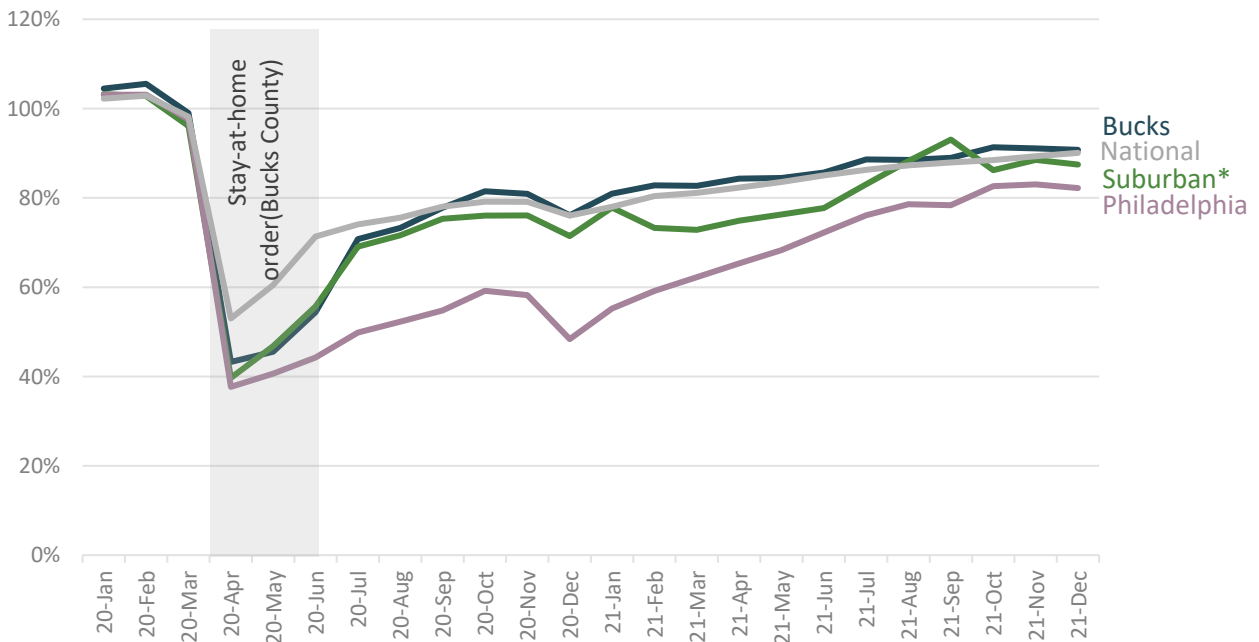
Sector	2021	2020	2019	2009	Chg 2020-2021	Chg 2019-2021	Chg 2009-2019
Education and Health	53,800	54,100	58,500	42,700	-300	-4,700	+15,800
Trade and Transport	53,800	51,800	55,800	55,700	+2,000	-2,000	+100
Professional Services	30,400	30,100	32,000	33,500	+300	-1,600	-1,500
Manufacturing	26,400	25,600	27,600	27,200	+800	-1,200	+400
<b>Leisure and Hospitality</b>	<b>25,300</b>	<b>21,900</b>	<b>29,200</b>	<b>23,800</b>	<b>+3,400</b>	<b>-3,900</b>	<b>+5,400</b>
Construction	16,400	15,200	16,400	14,600	+1,200	0	+1,800
Financial Activities	11,300	10,900	11,100	11,400	+400	+200	-300
Other Sectors	13,500	12,400	15,500	15,600	+1,100	-2,000	-100
<b>Private Sector Total</b>	<b>230,900</b>	<b>222,000</b>	<b>246,100</b>	<b>224,500</b>	<b>+8,900</b>	<b>-15,200</b>	<b>21,500</b>

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW)

Figure 2.2 shows the monthly decline and subsequent rebound in leisure and hospitality employment from 2019 to 2021 in Bucks County. It includes comparison to trends in neighboring Chester, Delaware and Montgomery counties (labeled as “Suburban” in charts and graphs on the following pages of this report), the City of Philadelphia, and nationally. Industry employment is shown as a share of the employment count for same calendar month in 2019 (which represents 100%).

- Nationally, leisure and hospitality employment fell in April 2020 by about 7.5 million, a loss of nearly 50 percent of jobs. Industry job losses in Bucks County and elsewhere in the Philadelphia region were greater than 50 percent compared to April 2019.
- Bucks County has experienced a steady, though incomplete, recovery of leisure and hospitality jobs since the initial drop. As of the final quarter of 2021, the county had recovered 91% of the 2019 sector jobs.
- The recovery level in Bucks County is consistent with national trends, slightly ahead of the recovery levels in neighboring suburban counties, and well ahead of the recovery pace within the City of Philadelphia.
- Leisure and hospitality employment in Bucks County in 2020 and 2021 broadly followed pre-pandemic seasonal trends, with more jobs in the summer and fewer in the winter. The employment recovery has therefore been steady when compared to the same months in 2019, even though absolute counts have at times dropped due to seasonal patterns.

Figure 2.2 – Bucks County Jobs in Leisure and Hospitality (2020-2021), Indexed to 2019



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW)

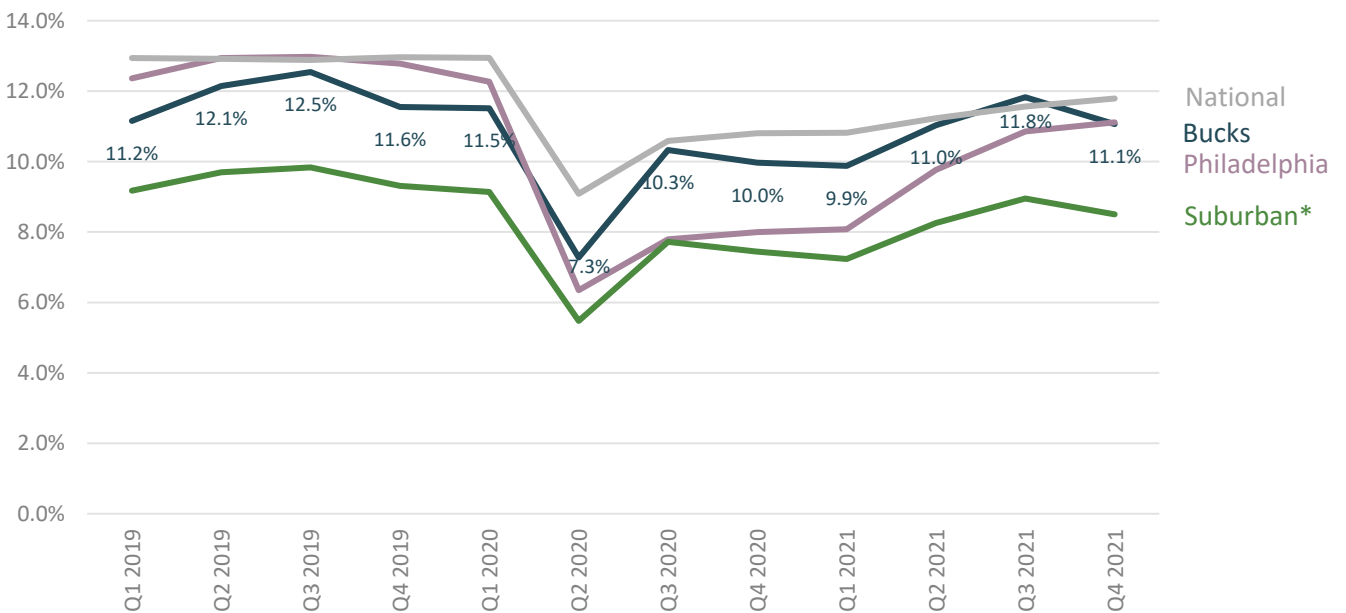
\*Suburban = Chester, Delaware and Montgomery Counties

## Share of Private Sector Employment

Figure 2.3 below shows the share of all private sector jobs represented by the leisure and hospitality industry in each of these geographies prior to and during the pandemic.

- In 2019, leisure and hospitality accounted for about 12 percent of all private sector employment in Bucks County, slightly below the national share of around 13 percent. Shares in Q2 and Q3 were higher than Q1 and Q4, reflecting seasonal patterns in the industry.
- Bucks County’s share of leisure and hospitality employment dropped to 7 percent during initial wave of the pandemic in Q2 2020, before recovering to around 10 percent for the remainder of 2020.
- In 2021, the share of leisure and hospitality employment in Bucks County recovered to around 11 percent, on par with Philadelphia and slightly below the national rate of around 12 percent. The share of employment in neighboring suburban counties was 8 to 9 percent in 2021.
- A jump in the Bucks leisure and hospitality share to nearly 12 percent in Q3 2021 indicates a return of seasonal patterns evident prior to the pandemic.

Figure 2.3 – Bucks County Jobs in Leisure and Hospitality as Share of All Private Jobs, 2019-2021



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW)

\*Suburban = Chester, Delaware and Montgomery Counties

## 2.2. Hotel Indicators

Hotel market data provides another measure to benchmark trends for Bucks County against regional and national trends using a comparable data source and methodology. Hotel data provider Smith Travel Research (STR) provides regular reports on hotel industry performance, based on anonymized data reported by lodging properties. This enables a comparison on performance across time and geographies on key metrics like Hotel Occupancy (the share of available rooms that are occupied), Average Daily Rate (cost per occupied room) and Revenue per Available Room (cost per available room).

This measure does not include other lodging options available in Bucks County: some bed & breakfasts, guest cottages, and bookings through home sharing sites like Airbnb are excluded.

Figure 2.4 below shows key hotel performance measures for Bucks County and the national market for 2019 to 2021.

- Bucks County exceeded 2020 figures in hotel occupancy, average daily rate, and revenue per available room in 2021. This aligns with nationwide trends and indicates a partial recovery from the lows seen during the first year of the pandemic.
- Occupancy rates remain about 2.4 percentage points below 2019 levels, at 66.1 percent. However, this reflects less steep of a decrease than the national average, with 2021 occupancy rates 7.2 percentage points below 2019 levels.
- Average room rates in Bucks County in 2021 (\$110) exceeded 2019 rates (\$105), fueling a slight increase in revenue per room in 2021 relative to 2019 in nominal terms.
- Nationally, average daily rate and RevPAR in 2021 remained below 2019 levels, while Bucks County RevPAR increased slightly. However, ADR and RevPAR calculations do not account for inflation. Inflationary growth over this time period was greater than 2 percent, meaning that Bucks County RevPAR did not fully recover in 2021 in real terms.

Figure 2.4 – Key Hotel Performance Indicators, Bucks County and National, 2019-2021

Metric	Bucks County			National		
	2019	2020	2021	2019	2020	2021
Hotel Occupancy	68.5%	50.2%	66.1%	64.8%	44.0%	57.6%
Average Daily Rate (ADR)	\$105.4	\$89.6	\$110.2	\$130.9	\$103.3	\$124.7
Revenue per Avail Room (RevPAR)	\$72.2	\$45.0	\$72.9	\$85.9	\$45.4	\$71.9
RevPAR vs. 2019	--	-38%	+2%	--	-47%	-16%

Source: Smith Travel Research

### Hotel Recovery Trends

Data from the first half (January – June) of 2022 provides additional context on the pace of industry recovery. Figure 2.5 compares key hotel metrics for Bucks County and nationally for the first half of each year from 2019 to 2022. Due to seasonal patterns, Bucks County hotel indicators for the first half of the year are typically lower than annual metrics.

- Bucks County hotel occupancy for the first half of 2022 was 63 percent, trending towards the benchmark level of 66 percent for the same months in 2019 and running slightly ahead of the national occupancy over the same months.
- Average daily rates in Bucks County and nationally increased substantially in the first half of 2022 and now exceed the 2019 benchmark in nominal terms. The increase in hotel rates of about 20 percent in Bucks County and about 30 percent nationally was substantially above the overall inflation rate of about 9 percent during this period, indicating growth in real terms.

Figure 2.5 – January to June Hotel Performance Indicators, Bucks County and National, 2019-2022

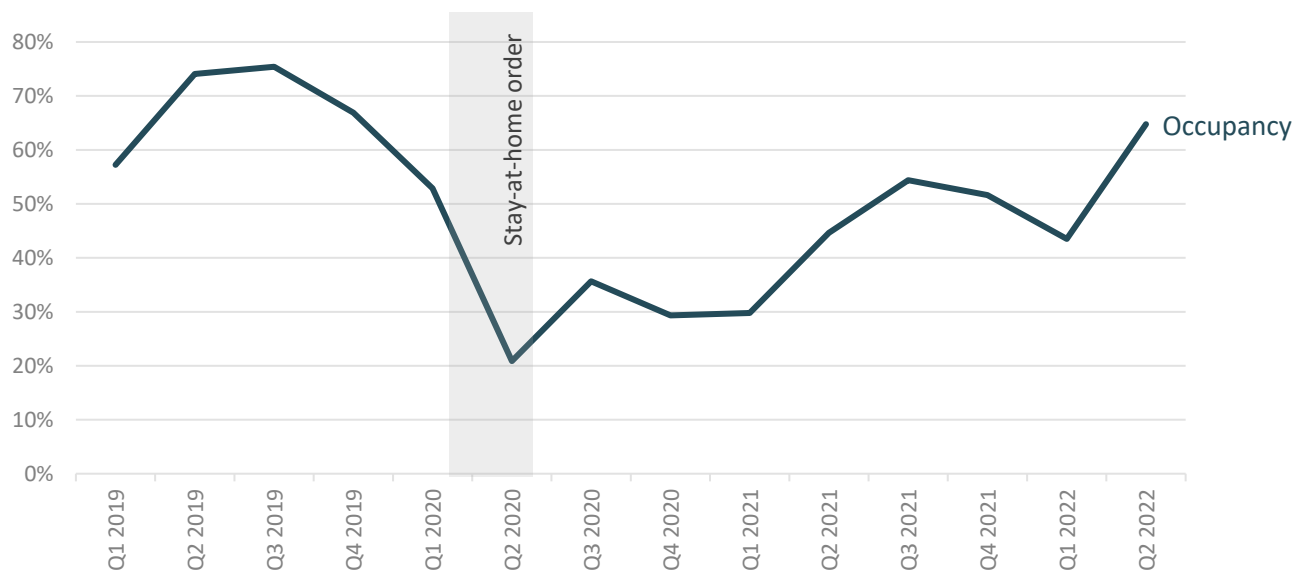
Metric	Bucks County				National			
	2019 (Jan-Jun)	2020 (Jan-Jun)	2021 (Jan-Jun)	2022 (Jan-Jun)	2019 (Jan-Jun)	2020 (Jan-Jun)	2021 (Jan-Jun)	2022 (Jan-Jun)
Hotel Occupancy	65.8%	45.9%	60.8%	63.3%	65.8%	43.1%	53.6%	61.6%
Average Daily Rate (ADR)	\$103	\$86	\$99	\$119	\$131	\$109	\$112	\$145
Rev per Avail Room (RevPAR)	\$68	\$39	\$60	\$75	\$86	\$47	\$60	\$89
RevPAR vs. 2019		-42%	-11%	+12%		-46%	-31%	+4%

Source: Smith Travel Research

Figure 2.6 below shows quarterly trends in hotel occupancy in Bucks County from Q1 2019 to Q2 2022. The pre-COVID data is indicative of the seasonal patterns in Bucks County, with stronger occupancy levels in Q2 and Q3.

- Occupancy rates grew in 2021 from the substantially depressed levels of 2020 and have continued to climb in 2022 relative to the seasonal benchmark in 2019.

Figure 2.6 – Bucks County Quarterly Hotel Occupancy, Q1 2019 – Q2 2022



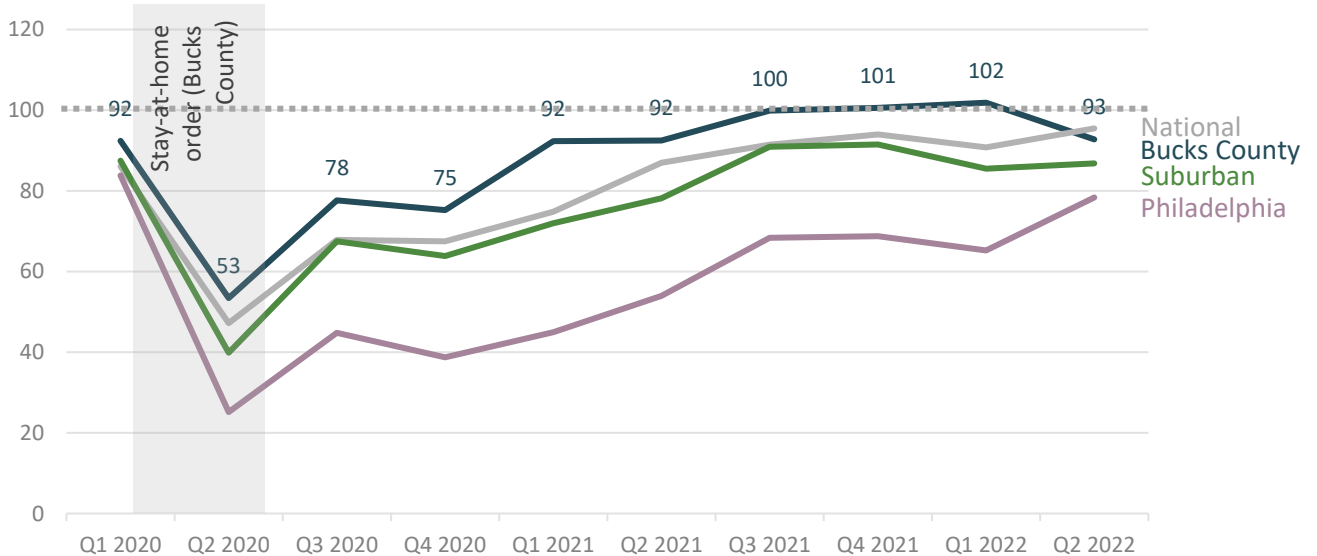
Source: Smith Travel Research



Figure 2.7 below shows the recovery in quarterly hotel occupancy relative to the benchmark year of 2019 (which is represented as 100). Bucks County’s recovery is shown relative to the trends nationally, in neighboring suburban counties (Chester, Delaware and Montgomery).

- Bucks County occupancy fell to 53 percent of the 2019 levels in Q2 2020 though the relative decline was more moderate in Bucks County than in the remaining geographies.
- Occupancy rates in Bucks County recovered more rapidly than the national trend or nearby geographies in the second half of 2020 and throughout 2021.
- Through the second half of 2021 and the first quarter of 2022, occupancy rates in Bucks County met or slightly exceeded 2019 occupancy rates. Figures for the most recent quarter show a slight dip relative to the benchmark year, with indexed rates for the second quarter of 2022 at 93 percent of 2019 occupancy rates.

Figure 2.7 – Bucks County Hotel Occupancy Recovery (Indexed to 2019 = 100)



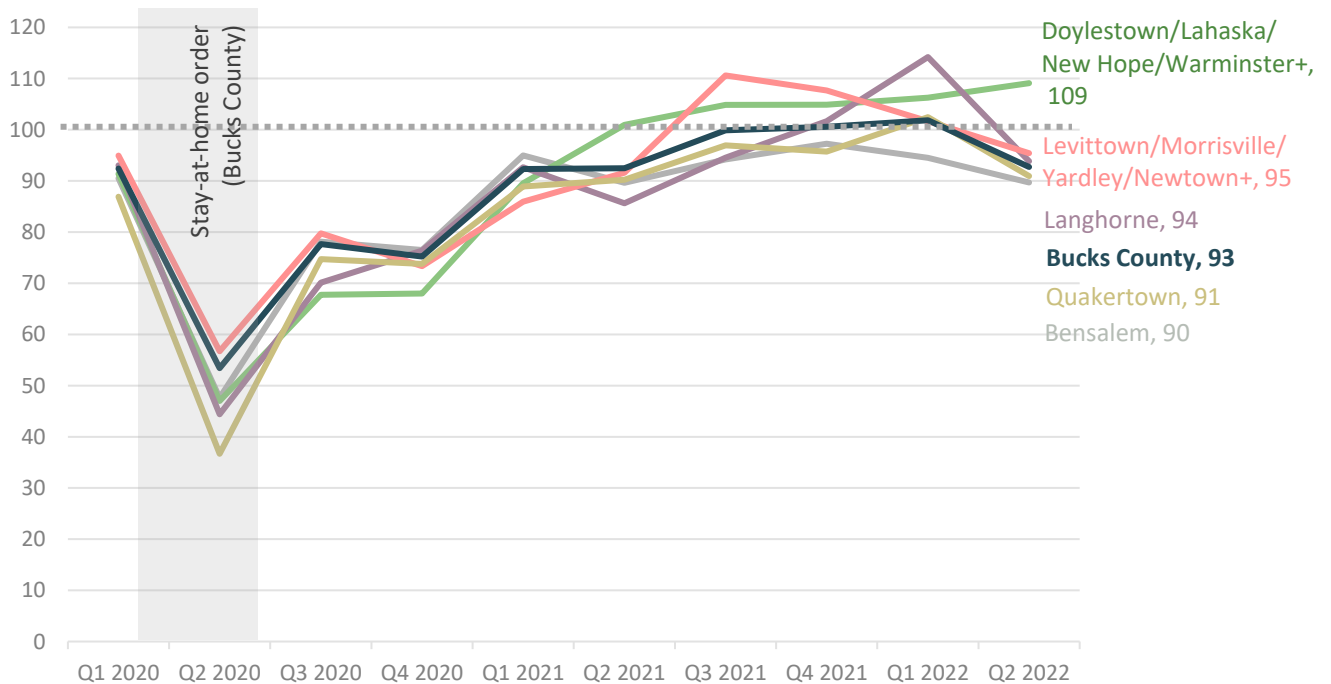
Source: Smith Travel Research

\*Suburban = Chester, Delaware and Montgomery Counties

Figure 2.8 below shows the recovery in hotel occupancy within the Bucks County sub-markets. Occupancy levels are again indexed to the same quarter in the benchmark year 2019, which is represented as 100.

- All submarkets saw significant declines in Q2 2020, with the steepest initial drop in the Quakertown area.
- The Doylestown area (including Doylestown, Lahaska, New Hope, and Warminster) lagged in 2020 but is currently seeing the healthiest recovery, with an average hotel occupancy recovery rate meeting or exceeding 2019 rates since the second quarter of 2021.
- Langhorne has experienced the greatest volatility, with occupancy spiking to 1.14 times its corresponding 2019 rate in the first quarter of 2022, but other quarters falling below the 2019 benchmark.
- Bensalem has seen the slowest recovery and is the only area for which quarterly occupancy is yet to exceed the 2019 benchmark. Occupancy for Q2 2022 was 90 percent of the 2019 benchmark in this sub-market.

Figure 2.8 – Hotel Occupancy Recovery, Bucks County Sub-Markets (Indexed to 2019 = 100)



Source: Smith Travel Research

## Hotel Forecast

Figure 2.9 below shows projections developed by Tourism Economics for Visit Bucks County for quarterly hotel performance metrics for Bucks County through the end of 2023. Quarterly projections are shown alongside actual performance for Q1 and Q2 2022 and compared to the benchmark quarter in 2019.

- The projections envision strong demand in the upcoming quarters, with occupancy forecast to run around 1 percent ahead of the 2019 benchmark. This is similar to levels seen in Q4 2021 and Q1 2022, before a relative drop in Q2 2022.
- Average daily rates are anticipated to remain significantly elevated, growing by 13 to 17 percent relative to 2019 levels in nominal terms, consistent with recent quarters. These rates drive strong projected RevPAR metrics relative to 2019.
- The analysis identifies elevated inflation and geopolitical tensions, including supply chain issues, as current challenges to the hotel industry. The influence of COVID is expected to be less than previous years, but still present, according to this analysis.

Figure 2.9 – Key Hotel Performance Indicator Projections, Bucks County

Metric	Actual		Q3 2022	Q4 2022	Projected			
	Q1 2022	Q2 2022			Q1 2023	Q2 2023	Q3 2023	Q4 2023
Hotel Occupancy	58.1%	68.5%	76.2%	67.5%	57.7%	74.8%	76.3%	67.9%
Occupancy vs. 2019	+1.5%	-7.6%	+1.0%	+0.8%	+0.8%	+1.0%	+1.1%	+1.5%
Average Daily Rate (ADR)	\$107.3	\$128.7	\$125.8	\$116.9	\$107.6	\$127.1	\$129.8	\$120.9
ADR vs. 2019	+14.6%	+17.2%	+13.0%	+13.1%	+14.9%	+15.8%	+16.5%	+17.0%
Rev per Avail Room (RevPAR)	\$62.4	\$88.2	\$95.9	\$78.9	\$62.1	\$95.1	\$99.1	\$82.1
RevPAR vs. 2019	+16.3%	+8.3%	+14.0%	+14.1%	+15.9%	+16.9%	+17.8%	+18.7%

Source: Tourism Economics for Visit Bucks County

# Appendix

## Methodology Overview

Visitation, spending and economic impact results for Bucks County are derivative of regional visitation and impact estimates produced for Visit Philadelphia. These estimates encompass the five-county region of Bucks, Chester, Delaware, Montgomery and Philadelphia counties, and further segment activity between the City of Philadelphia and suburban region comprised of Bucks, Chester, Delaware and Montgomery counties. This analysis extends the methodology framework of the regional analysis to estimate the share of suburban activity in each category taking place in Bucks County. Results are consistent with the regional metrics presented in that analysis.

## Visitor Volume

Visitation measures track the number of travelers to a given geography over a given time period. Visitation is measured in “person-trips,” which are defined as one trip taken by one visitor, inclusive of both day and overnight trips.

This analysis adopts the definition of a visit employed by Longwoods International in their Travel USA® panel survey, which defines overnight and day trips as follows:

- An overnight trip is any journey for business or pleasure outside your community and not part of your normal routine, where you spend one or more nights away from home.
- A day trip is any journey for business or pleasure, outside your community and not part of your normal routine that did not include an overnight stay. Day trips involve travel of more than 50 miles from home.

Regional domestic visitation has been estimated in prior years through an “index modeling” approach, which uses the historic relationship between industry inputs (hotel demand, attraction attendance, transportation metrics, industry employment) and travel to estimate visitation. Due to the unusual nature of travel activity in 2020 caused by COVID-19 related travel restrictions, these historic relationships are not directly applicable for travel years 2020 and 2021. As a result, domestic visitation and spending for travel years 2020 and 2021 are estimated by benchmarking trends for the Philadelphia to national estimates of year over year changes in travel activity.

Indicators of relative travel activity are then used to estimate the share of visitation occurring by county. Inputs include hotel demand and leisure and hospitality employment.

## Visitor Spending

Direct visitor spending refers to point of sale purchases by visitors. Direct visitor spending occurs primarily in five sectors of the economy: food and beverage, lodging, transportation, recreation and retail.

Regional changes in visitor spending are a function of year over year changes in the level of visitation and changes in the average spending profile of visitors (inclusive of inflation). Changes in visitation by segment were crucial to modeling spending for 2020 and 2021, because visitor segments saw significant differentials in activity change, and purchasing levels and patterns vary by visitor type. Initial estimates of visitor spending derived from visitor-type modeling were reconciled to sector level estimates to produce overall spending estimates by category for the region.

Similarly, modeling of changes in spending patterns by county are based on the level and composition (day and overnight visitors) in the relative share of visitation for Bucks County among the regional suburban counties. Relative changes in the shares are matched to spending estimates by sector for 2019, to capture unique purchase patterns for visitors by county.

## Economic Impact and Visitor-Supported Employment

Each direct dollar spent in the region has “spillover” impacts throughout the supply chain (indirect impacts) and as earnings are recirculated in the form of household spending (induced impacts). The total economic impact is calculated as the sum of these direct and spillover impacts.

Input-output modeling is used to estimate the spillover impacts of that direct spending within the regional economy, using the industry standard IMPLAN framework. This framework is also used to translate direct and spillover economic output into associated employment and labor earnings supported.

Modeling is undertaken by geography, with direct and spillover expenditures modeled in either Philadelphia County, or the suburban counties (Bucks, Chester, Delaware, Montgomery) as a group. Due to the economic linkages across the region, direct spending in Philadelphia has indirect and induced impacts both within Philadelphia and also within the suburban counties (and vice-versa). The indirect and induced spillover impacts for Bucks County itself (as compared to the suburban counties as a whole) are based on the size of each industry in Bucks County relative to the overall suburban region. The indirect and induced impacts generated by direct spending within Bucks County are distributed among the five-county region based on the relative share of the direct tourism spending in each industry that takes place within Bucks County. This share remaining in Bucks County is added to Bucks County’s share of the spillover impacts from direct spending in other counties in the region, for the total indirect and induced impact.

Jobs and earnings associated with the total economic impact are allocated based on relative activity levels and earnings by county.



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