

The Economic Impact of Travel

Temecula Valley

2022 Preliminary Estimates

June 2023

PREPARED FOR

Temecula Valley Convention and Visitors Bureau



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2022 Preliminary Estimates

Temecula Valley Convention and Visitors Bureau

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Photo: Visit Temecula

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Temecula Valley

2022p

Temecula Valley / Summary

Direct Travel Impacts 2022p

Visitor activity in Temecula Valley aligned with national travel trends in 2022. Temecula Valley welcomed more overnight and day visitors compared to 2021 but spending associated with these travelers was still 11.1% below the pre-pandemic high of \$1.1 billion in 2019. The growth of travel-related spending in 2022 can be attributed to increased visitation and price inflation of goods and services- gasoline and accommodations showing the largest inflation levels.

- Travel spending in Temecula Valley increased 46.2%, from \$683.8 million in 2021 to \$999.7 million in 2022.
- Direct travel-generated employment grew by 1,320 jobs, a 16.9% increase over 2021.
- Direct travel-generated earnings increased to \$345.3 million, a gain of 22.2% compared to 2021.
- Tax receipts generated by travel spending increased to \$43.0 million, up 33.6% compared to 2021.
- Overall, travel spending in Temecula Valley contributes approximately \$156 per resident household in local tax receipts.

Temecula Valley's travel economy **increased 46.2%** in **2022**. Travel spending was still \$125 million less than the amount spent in 2019.

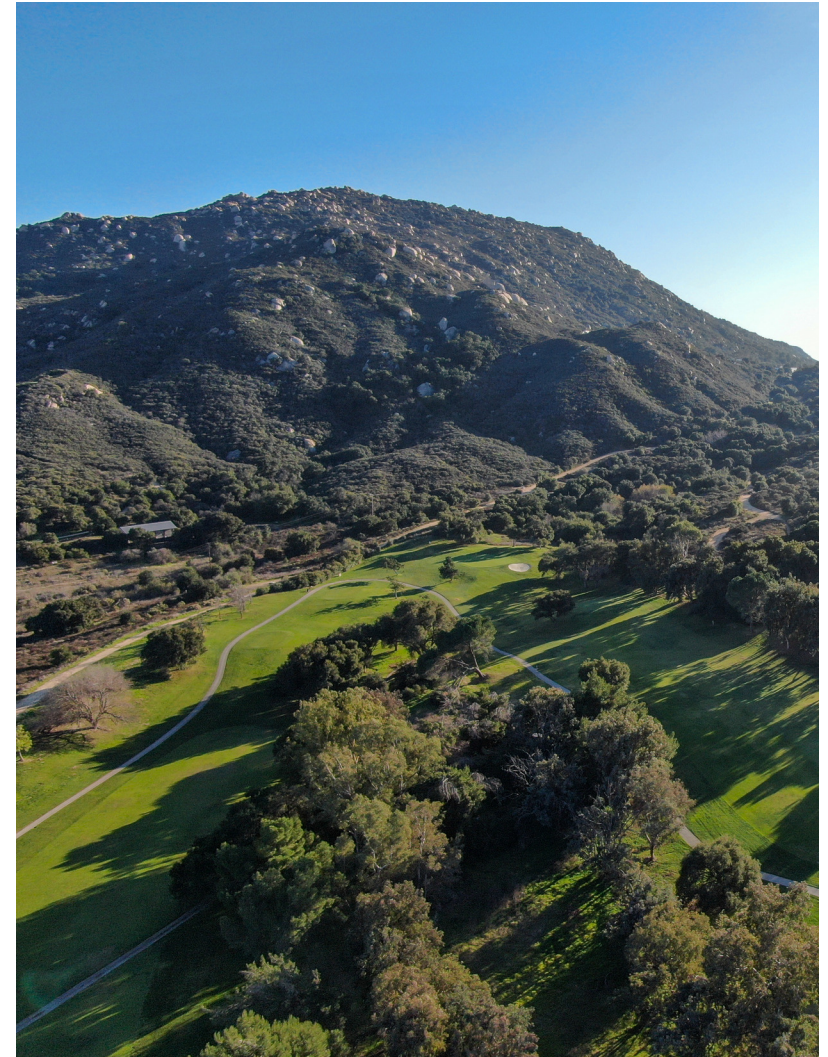


Photo: Visit Temecula

Note: This report describes the travel impacts within Temecula Valley which includes the City of Temecula and the surrounding wine district (zip codes 92950-92592, 92562-92563). Estimates are subject to revision if more complete data becomes available. All economic impacts reported are direct impacts only. Expenditures made by visitors staying outside city limits are classified as "Day Travel".

Temecula Valley / Direct Travel Impacts

Summary Table

	2014	2015	2016	2017	2018	2019	2020	2021	2022	21-22	19-22
Spending (\$Millions)											
Visitor	673.7	704.3	720.8	839.6	1,061.8	1,125.1	520.3	683.8	999.7	46.2%	-11.1%
Earnings (\$Millions)											
Earnings	202.8	216.9	228.4	275.6	292.5	310.0	224.0	282.6	345.3	22.2%	11.4%
Employment (Jobs)											
Employment	7,040	7,280	7,300	8,550	8,850	9,150	6,430	7,830	9,160	16.9%	0.0%
Tax Revenue (\$Millions)											
State	22.3	22.4	21.9	25.2	33.1	35.6	17.8	20.7	28.9	39.6%	-18.8%
Local	7.1	7.7	8.0	10.4	10.9	11.8	6.8	11.4	14.1	22.9%	19.3%
Total	29.3	30.1	29.9	35.5	44.1	47.4	24.6	32.2	43.0	33.6%	-9.3%

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



Temecula Valley / Direct Travel Impacts

Detailed Table

	2014	2015	2016	2017	2018	2019	2020	2021	2022	21-22	19-22
Direct Travel Spending (\$Millions)											
Visitor Spending	520.3	1,125.1	1,061.8	839.6	1,061.8	1,125.1	520.3	683.8	999.7	46.2%	-11.1%
Visitor Spending by Type of Traveler Accommodation (\$Millions)											
Hotel, Motel, STVR	405.8	751.8	705.2	537.9	705.2	751.8	405.8	523.9	644.4	23.0%	-14.3%
Private Home (VFR)	11.6	45.6	43.0	42.9	43.0	45.6	11.6	25.3	47.0	86.0%	3.2%
Seasonal Home (2nd Home)	2.9	3.1	3.0	2.9	3.0	3.1	2.9	2.4	2.7	11.1%	-13.0%
Campground	23.7	29.6	29.2	24.7	29.2	29.6	23.7	31.2	36.7	17.7%	24.2%
Day Travel	76.3	295.0	281.5	231.3	281.5	295.0	76.3	101.0	268.8	166.1%	-8.9%
	520.3	1,125.1	1,061.8	839.6	1,061.8	1,125.1	520.3	683.8	999.7	46.2%	-11.1%
Visitor Spending by Commodity Purchased (\$Millions)											
Accommodations	70.5	124.6	116.8	94.6	116.8	124.6	70.5	128.4	157.8	22.9%	26.7%
Food Service	96.3	212.0	197.6	156.0	197.6	212.0	96.3	120.3	183.4	52.5%	-13.5%
Food Stores	60.4	134.0	127.4	103.7	127.4	134.0	60.4	73.1	118.5	62.1%	-11.6%
Arts, Ent. & Rec.	204.6	429.5	408.7	320.1	408.7	429.5	204.6	239.4	324.6	35.6%	-24.4%
Retail Sales	43.7	111.5	105.2	88.9	105.2	111.5	43.7	56.3	96.4	71.3%	-13.5%
Local Tran. & Gas	44.8	113.4	106.2	76.4	106.2	113.4	44.8	66.3	119.0	79.3%	4.9%
	520.3	1,125.1	1,061.8	839.6	1,061.8	1,125.1	520.3	683.8	999.7	46.2%	-11.1%

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

For more information, see Glossary on page 14.

Temecula Valley / Direct Travel Impacts

Detailed Table

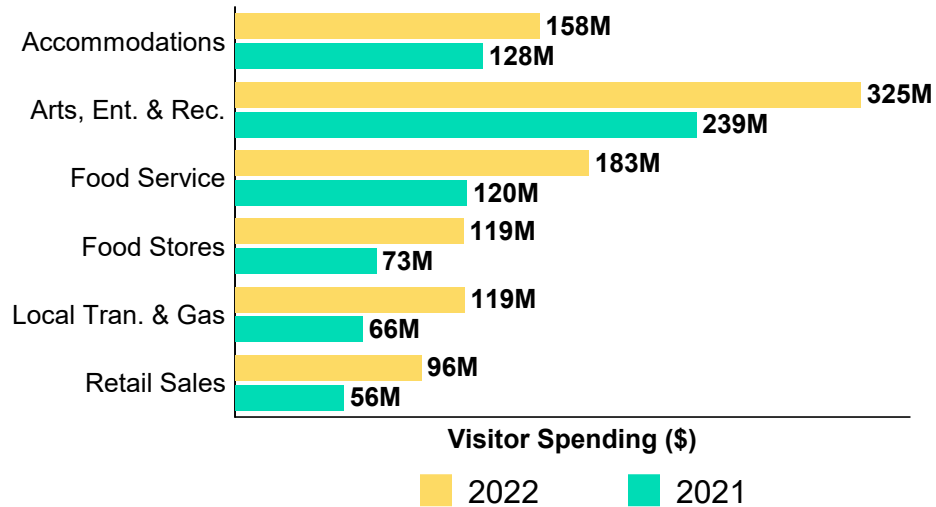
	2014	2015	2016	2017	2018	2019	2020	2021	2022	21-22	19-22
Travel Industry Earnings (\$Millions)											
Accom. & Food Serv.	79.1	86.8	89.4	108.6	122.1	130.8	104.6	132.0	153.9	16.5%	17.7%
Arts, Ent. & Rec.	89.4	94.2	103.1	125.8	129.3	135.9	100.8	119.9	143.1	19.3%	5.3%
Retail	34.3	35.9	35.9	41.3	41.1	43.4	18.7	30.7	48.3	57.7%	11.5%
	202.8	216.9	228.4	275.6	292.5	310.0	224.0	282.6	345.3	22.2%	11.4%
Travel Industry Employment (Jobs)											
Accom. & Food Serv.	2,730	2,850	2,770	3,230	3,480	3,580	2,940	3,380	3,670	8.7%	2.7%
Arts, Ent. & Rec.	3,140	3,270	3,420	4,040	4,110	4,270	2,980	3,640	4,280	17.7%	0.4%
Retail	1,170	1,160	1,120	1,280	1,270	1,310	520	810	1,200	47.6%	-8.3%
	7,040	7,280	7,300	8,550	8,850	9,150	6,430	7,830	9,160	16.9%	0.0%
Tax Receipts Generated by Travel Spending (\$Millions)											
County Tax Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	2.2	60.4%	0.0%
City Tax Receipts	7.1	7.7	8.0	10.4	10.9	11.8	6.8	10.1	11.9	17.9%	0.9%
State Tax Receipts	22.3	22.4	21.9	25.2	33.1	35.6	17.8	20.7	28.9	39.6%	-18.8%
	29.3	30.1	29.9	35.5	44.1	47.4	24.6	32.2	43.0	33.6%	-9.3%

Note: Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Retail earnings and employment include gas station businesses. City and County Tax Receipts include city and county sales taxes, state sales taxes distributed to local governments, lodging tax collections, property taxes, and sales tax payments attributable to the travel industry income of employees and businesses. State Tax Receipts include lodging taxes, sales taxes, and motor fuel taxes paid by visitors. It also includes income and sales tax payments attributable to the travel industry income of businesses and employees.

For more information, see Glossary on page 14.

Temecula Valley / Direct Spending

Visitor Spending by Commodity Purchased

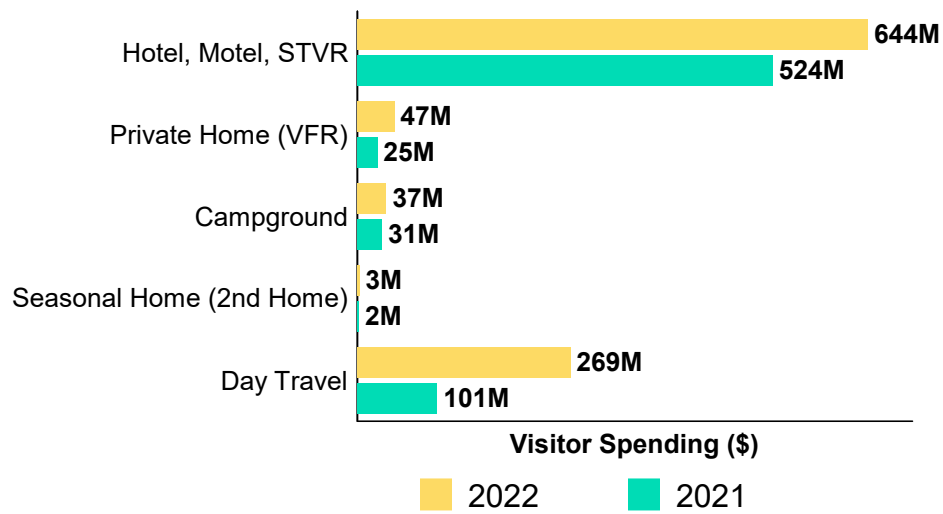


Spending on Accommodations was \$158 million in 2022, a **22.9% increase** compared to 2021.

Sources: Dean Runyan Associates, Omnitrak Group, Energy Information Administration, Bureau of Transportation Statistics

Note: Figures in chart are rounded to the nearest million.

Visitor Spending by Accommodation Type

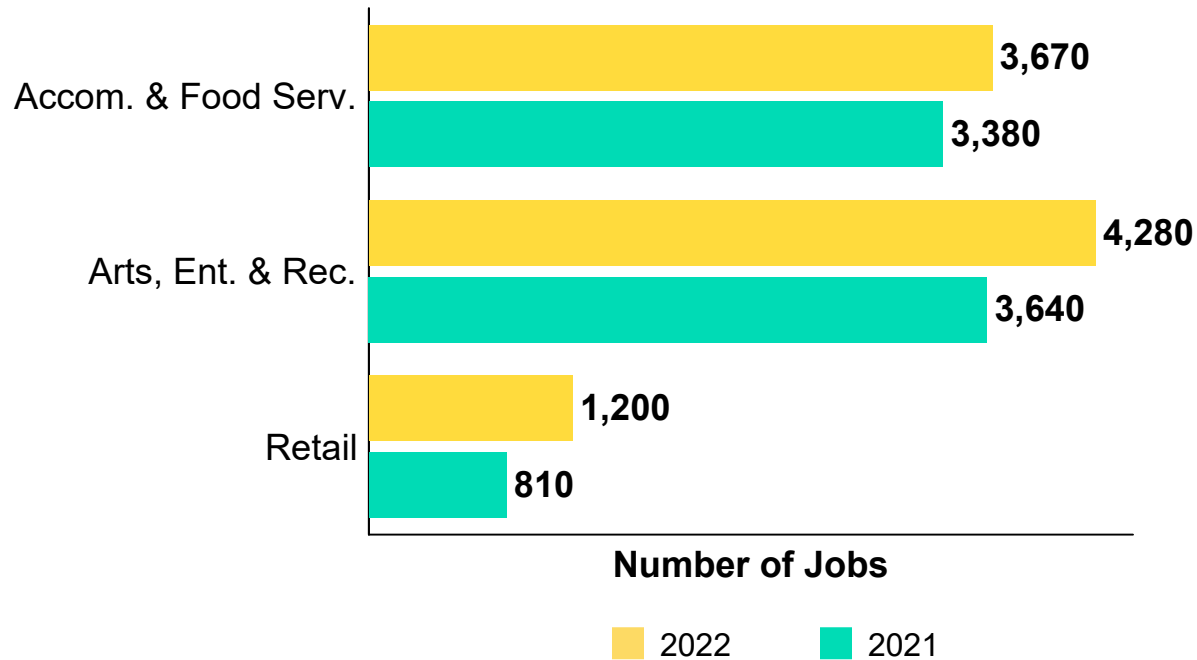


Visitors who stayed in a Hotel, Motel, or Short Term Vacation Rental (STVR) spent a combined \$644 million in 2022, **up 23.0%** compared to 2021.

Sources: Dean Runyan Associates, Omnitrak Group, STR, AirDNA, Census Bureau

Temecula Valley / Direct Employment

Travel Industry Employment



Note: Retail includes gas station employment. Figures represent an annual average employment level and are rounded to the nearest 10. Values less than 5 are rounded to 0.

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

Overall, the travel industry **gained 1,320 jobs, an increase of 16.9%** compared to 2021.



Photo by Mizuno K

Temecula Valley / Overnight Visitor Details

Overnight Visitor Volume and Average Expenditure

The overnight visitor volume reported for Temecula Valley are estimated by cross-referencing visitor surveys and lodging data. Because of this, visitor volume estimated solely from visitor surveys will vary from the volumes reported here.

Although knowing Visitor Volume can be valuable, Visitor Spending is a more reliable metric to account for changes in the travel industry, as it is more closely tied to economic data and lessens the variability from visitor surveys.



49%

Hotel, Motel, STVR
share of overnight
person-trips

Average Expenditure for Overnight Visitors, 2022p

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel, STVR	\$412	\$622	\$866	\$1,288	2.1	1.5
Private Home (VFR)	\$42	\$107	\$147	\$373	3.5	2.5
Other Overnight	\$76	\$191	\$265	\$670	3.5	2.5
All Overnight	\$228	\$434	\$603	\$1,067	2.6	1.9

Overnight Visitor Volume, 2020-2022p

	Person-Trips			Party-Trips		
	2020	2021	2022	2020	2021	2022
Hotel, Motel, STVR	697,500	779,400	881,300	348,800	377,400	425,200
Private Home (VFR)	98,100	223,900	375,400	28,000	64,000	107,300
Other Overnight	128,800	173,100	174,900	42,200	49,500	50,000
All Overnight	924,400	1,176,400	1,431,700	418,900	490,900	582,400

	Person-Nights			Party-Nights		
	2020	2021	2022	2020	2021	2022
Hotel, Motel, STVR	1,185,800	1,375,800	1,562,400	592,900	658,300	743,800
Private Home (VFR)	291,800	666,200	1,116,900	83,400	190,300	319,100
Other Overnight	439,000	515,000	520,500	125,400	147,100	148,700
All Overnight	1,916,600	2,557,000	3,199,800	801,700	995,800	1,211,700

Note: Day travel volume estimates are not included because of data limitations.

Glossary

Term	Definition
2nd Home	Homes under private ownership for personal use as a seasonal property where a lodging tax is not collected. Only includes spending during trip.
Day Travel	Greater than 50 miles traveled non-routine to the destination.
Destination Spending	Interchangeable with Visitor Spending. Direct spending made by visitors in a destination.
State Taxes	State taxes generated by travel spending.
Local Taxes	City and county taxes generated by travel spending.
Direct Employment	Employment generated by direct spending; includes full time, part time, seasonal, and proprietors.
Direct Earnings	Total after-tax net income for travel. It includes wages and salary disbursements, proprietor income, and other earned income or benefits.
Other Spending	Spending by residents on travel arrangement services, or spending for convention activity.
Visitor Spending	Direct spending made by visitors in a destination.
Hotel, Motel, STVR	Accommodation types that house transient lodging activity.
Direct Spending	Expenditures made by consumers, combination of Visitor Spending and Other Spending.
Private Home	Personal residences used to host visiting friends and family overnight.
NAICS	North American Industry Classification System.
Person Trips	Individual trips to the destination for all age groups.
Vacation Home Rental	Accommodation types that house transient lodging activity.
Other Overnight	Combination of other overnight visitors who stay in campgrounds or second homes.
STVR	Short-Term Vacation Rental, private and semi-private lodging rented by owners or property management companies (e.g., Airbnb, VRBO).
Seasonal Home	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

The direct travel impacts reported in this analysis were estimated using DRA's Regional Travel Impact Model (RTIM). First developed in 1985, this model estimates direct impacts at a local level without relying on annual survey research. The “bottom up” approach of the RTIM involves modeling of private and public data at the county level, ensuring that the final findings correspond closely with the various travel indicators available for each respective county. Results are then aggregated to regions and the state or disaggregated to the city level based on relevant indicators at these geographic levels. The result is a detailed profile of taxes, employment, wages, and spending that can be tracked consistently over time.

The economic impact associated with day visitors and overnight visitors is a primary breakout included in this report. Lodging tax data and survey data on visitor expenditures inform estimates of total spending associated with overnight visitors who stay in commercial lodging in the studied region. DRA maintains its own expenditure distribution database for each state we work in, with input from multiple major survey providers. Inventory of campgrounds are collected for commercial and public sites, and occupancy is modeled based on a representative subset of sites. Sales attributable to travelers staying in their second homes are calculated from inventories from the US Census and public information on average utilization rates. Visitation of friends and relatives (VFR) is generally stable across time and geography, the primary driver for a destination being the local resident population. Estimates of visitor spending related to day travel can be driven by several factors, including proximity to nearby populous areas, opportunities for recreation and shopping, and inventory of lodging options compared to surrounding areas. Baseline estimates for day visitation are calculated as a factor of overnight visitation, the factor being derived from regional results of national visitor profile data.

Spending on travel-related activities translates into jobs, earnings, and taxes. Calculation of these direct impacts relies on public data on jobs, wages, and business receipts by industry for each geographical area. State and local taxes on travel-related business also factor into triangulating direct travel impacts.

Findings in this report have been compared to various public and private data sources to ensure that the economic impacts estimates are as accurate as possible. Key private data sources used for purposes of this analysis include STR, KeyData, AirDNA, and OmniTrak. Public data sources include the US Census, Bureau of Economic Analysis (BEA), Bureau of Labor Statistics (BLS), Energy Information Administration (EIA), Bureau of Transportation Statistics (BTS), California Employment Development Department (EDD), and the City of Temecula Valley.

