

# The Economic Impact of Travel

## Santa Ana, California

2022p

May 2023

**PREPARED FOR**  
Travel Santa Ana



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# The Economic Impact of Travel in Santa Ana, California

2022p



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City of Santa Ana

2022p

# Santa Ana / Summary

## Direct Travel Impacts 2022p

Visitor activity in Santa Ana aligned with national travel trends in 2022. The City of Santa Ana welcomed more overnight and day visitors compared to 2021; however, spending associated with these travelers was still 19.08% below the pre-pandemic high of \$430.7 million in 2019. The growth of travel-related spending in 2022 compared to 2021 can be attributed to increased visitation and price inflation of goods and services- gasoline and accommodations showing the largest inflation levels.

- Travel spending in Santa Ana increased 19.8%, from \$290.9 million in 2021 to \$348.5 million in 2022.
- Direct travel-generated employment grew by 620 jobs, a 29.1% increase over 2021.
- Direct travel-generated earnings increased to \$117.4 million, a gain of 26.6% compared to 2021.
- Tax receipts generated by travel spending increased to \$24.9 million, up 27.2% compared to 2021.
- Overall, travel spending in Santa Ana contributes approximately \$356 per resident household in local tax receipts.

Santa Ana's travel economy **increased 19.8% in 2022**. Travel spending is **still below** the amount spent in **2019** by **\$82 million**.

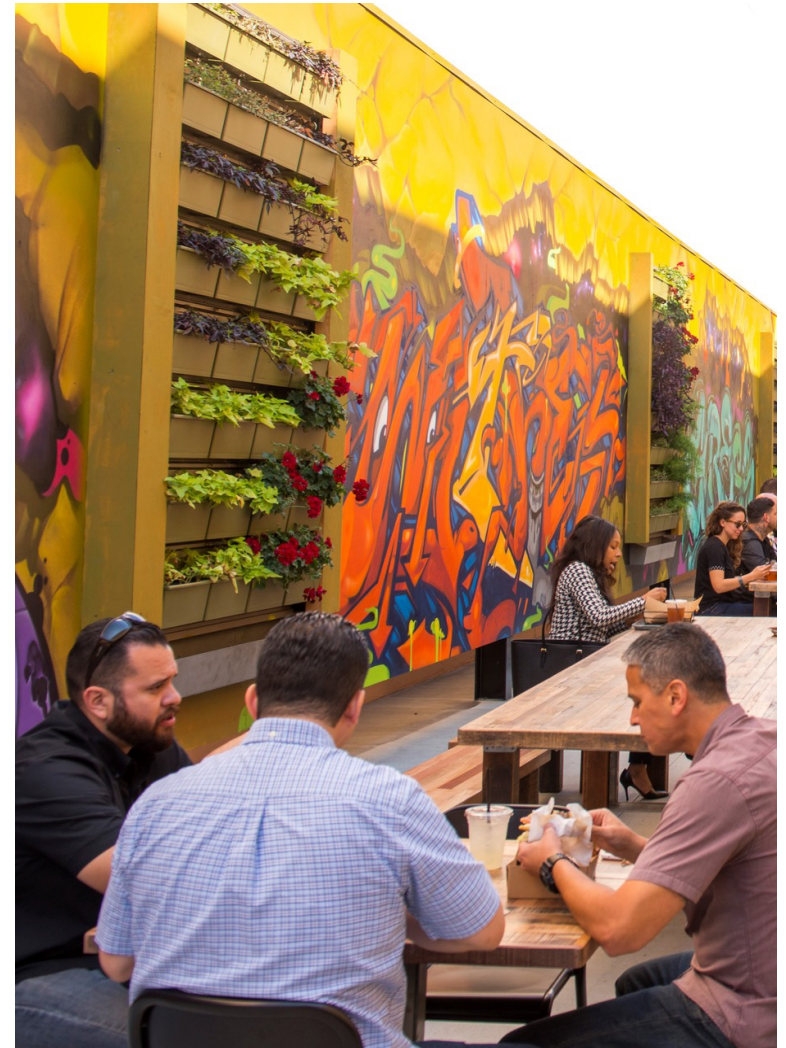


Photo: Travel Santa Ana

**Note:** This report describes the travel impacts within Santa Ana city limits. Estimates are subject to revision if more complete data become available. All economic impacts in this report are direct effects only. Expenditures made by visitors staying outside city limits are classified as "Day Travel".

# Santa Ana / Direct Travel Impacts

## Direct Travel Impacts Summary Table

	2018	2019	2020	2021	2022	21-22	19-22
<b>Spending (\$Millions)</b>							
Visitor	402.2	430.7	167.2	290.9	348.5	19.8%	-19.1%
<b>Earnings (\$Millions)</b>							
Earnings	137.0	148.5	86.9	92.7	117.4	26.6%	-20.9%
<b>Employment (Jobs)</b>							
Employment	3,350	3,530	2,080	2,140	2,760	29.1%	-21.9%
<b>Tax Revenue (\$Millions)</b>							
State	13.3	14.5	6.4	10.6	13.0	22.3%	-10.5%
Local	11.4	12.1	5.0	8.9	11.9	33.1%	-1.8%
Total	24.7	26.6	11.4	19.5	24.9	27.2%	-6.5%

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



# Santa Ana / Direct Travel Impacts

## Direct Spending Detailed Table

	2018	2019	2020	2021	2022	21-22	19-22
<b>Direct Travel Spending (\$Millions)</b>							
Visitor Spending	402.2	430.7	167.2	290.9	348.5	19.8%	-19.1%
<b>Visitor Spending by Type of Traveler Accommodation (\$Millions)</b>							
Hotel, Motel	201.5	217.0	102.1	153.1	194.0	26.8%	-10.6%
Private Home (VFR)	64.3	69.7	31.4	69.4	77.4	11.5%	11.1%
Seasonal Home (2nd Home)	1.5	1.1	1.5	1.2	1.3	9.4%	12.3%
Day Travel	134.9	142.9	32.1	67.2	75.8	12.7%	-47.0%
	402.2	430.7	167.2	290.9	348.5	19.8%	-19.1%
<b>Visitor Spending by Commodity Purchased (\$Millions)</b>							
Accommodations	93.1	98.1	40.9	60.1	82.7	37.7%	-15.7%
Food Service	98.6	107.0	44.0	79.3	90.0	13.4%	-15.9%
Food Stores	14.9	15.6	6.5	13.4	15.3	14.4%	-2.2%
Arts, Ent. & Rec.	96.4	101.8	35.4	62.2	68.3	9.9%	-32.9%
Retail Sales	34.1	38.0	15.6	28.5	32.3	13.5%	-15.1%
Local Tran. & Gas	65.2	70.1	24.8	47.5	60.0	26.1%	-14.4%
	402.2	430.7	167.2	290.9	348.5	19.8%	-19.1%

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

For more information, see Glossary on page 14.





# Santa Ana / Direct Travel Impacts

## Earnings, Employment, and Tax Revenue Detailed Table

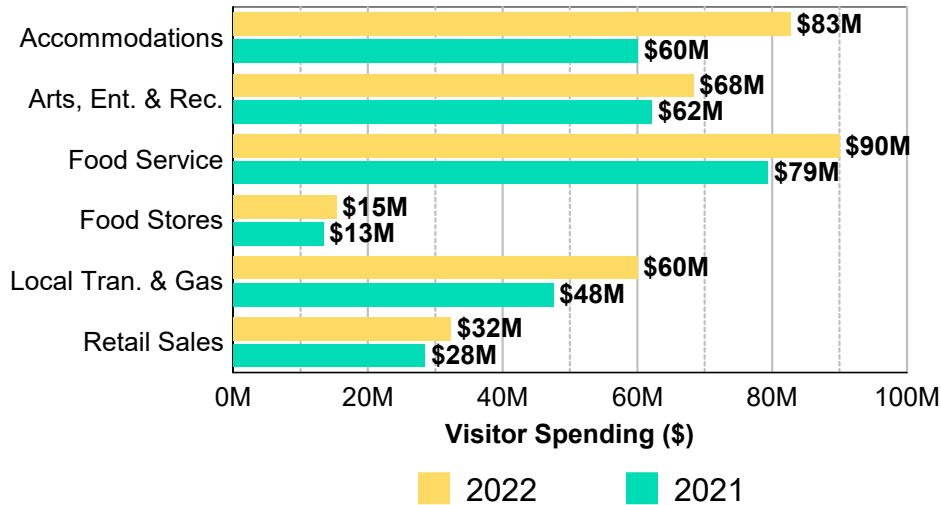
	2018	2019	2020	2021	2022	21-22	19-22
<b>Travel Industry Earnings (\$Millions)</b>							
Accom. & Food Serv.	91.1	99.0	63.5	64.4	87.1	35.4%	-12.0%
Arts, Ent. & Rec.	33.2	35.5	14.4	15.1	17.7	17.3%	-50.1%
Retail	7.8	8.3	7.0	11.1	9.5	-15.0%	13.9%
Trans. & Other Travel	5.0	5.6	2.0	2.1	3.1	44.9%	-45.5%
	137.0	148.5	86.9	92.7	117.4	26.6%	-20.9%
<b>Travel Industry Employment (Jobs)</b>							
Accom. & Food Serv.	2,200	2,320	1,490	1,530	1,930	26.1%	-16.8%
Arts, Ent. & Rec.	840	890	350	360	550	54.3%	-37.9%
Retail	210	220	170	180	180	4.6%	-16.1%
Trans. & Other Travel	90	110	70	70	90	27.8%	-14.0%
	3,350	3,530	2,080	2,140	2,760	29.1%	-21.9%
<b>Tax Receipts Generated by Travel Spending (\$Millions)</b>							
County Tax Receipts	0.3	0.3	0.1	0.3	0.3	13.4%	-1.9%
City Tax Receipts	11.1	11.7	4.9	8.6	11.5	33.8%	-1.8%
State Tax Receipts	13.3	14.5	6.4	10.6	13.0	22.3%	-10.5%
	24.7	26.6	11.4	19.5	24.9	27.2%	-6.5%

**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.

# Santa Ana / Direct Spending

## Visitor Spending by Commodity Purchased

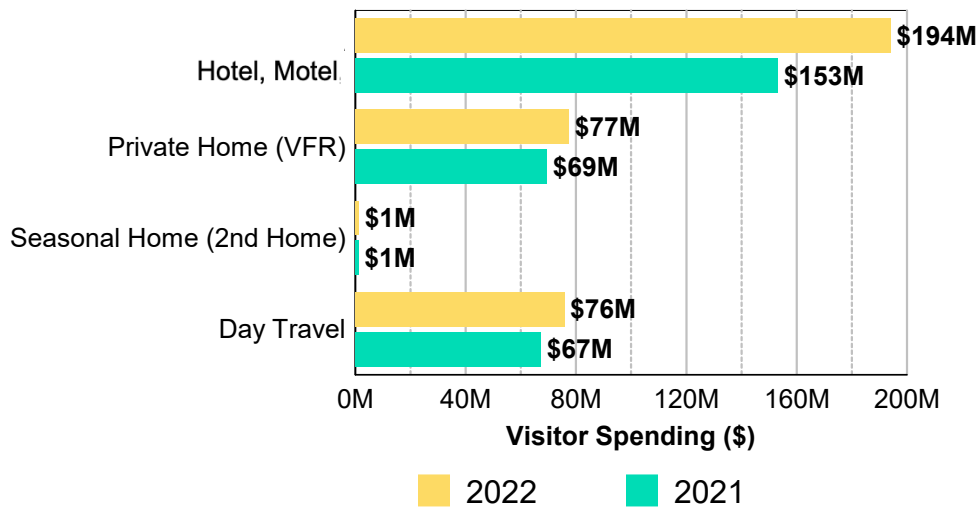


Spending on Accommodations grew to \$83 million in 2022, an increase of 37.7% compared to 2021.

**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

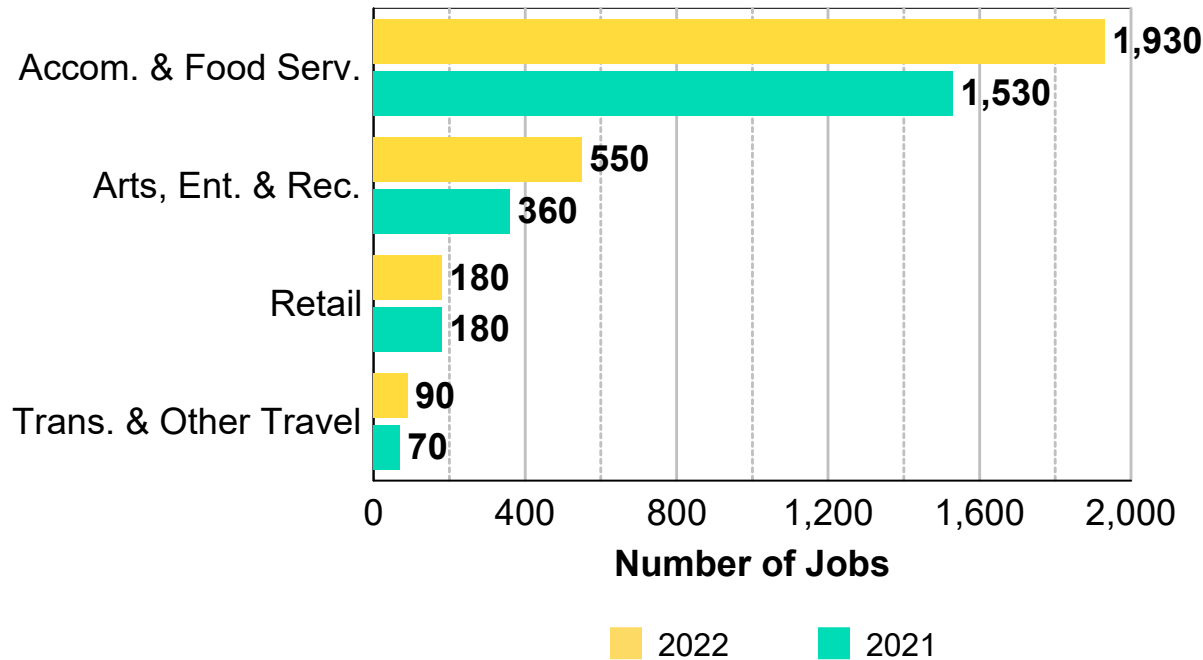


Visitors who stayed in a Hotel or Motel spent a combined \$194 million in 2022, up 26.8% compared to 2021.

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

# Santa Ana / Direct Employment

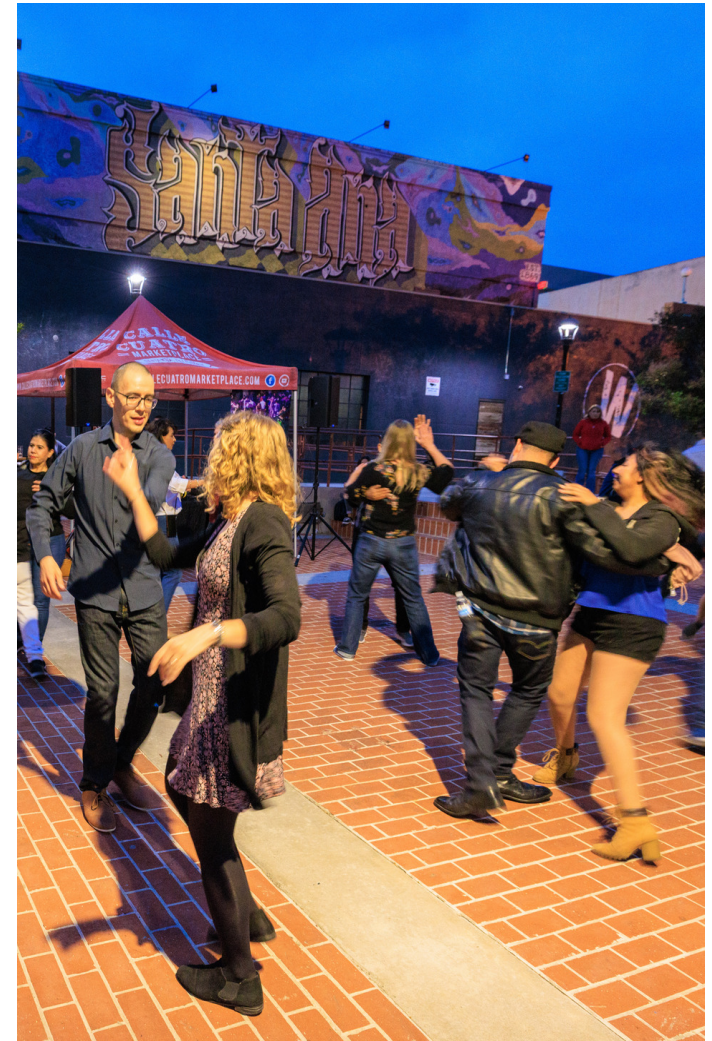
## Travel Industry Employment



**Note:** Retail includes gasoline station employment. "Other Travel" includes travel arrangement services, convention/trade shows and a portion of ground transportation. Figures represent an annual average employment level and are rounded to the nearest 10. Values less than 5 are rounded to 0.

Travel industry employment increased in all categories except retail from 2021 to 2022. Overall, the travel industry gained 620 jobs, an increase of 29.1% compared to 2021.

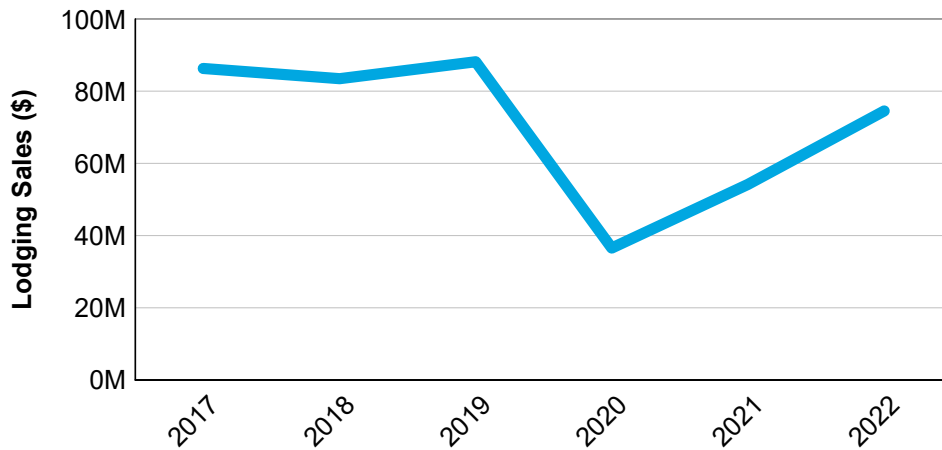
**Sources:** Dean Runyan Associates, Bureau of Labor Statistics, Bureau of Economic Analysis



**Photo:** Travel Santa Ana

# Santa Ana / Travel Activity Trends

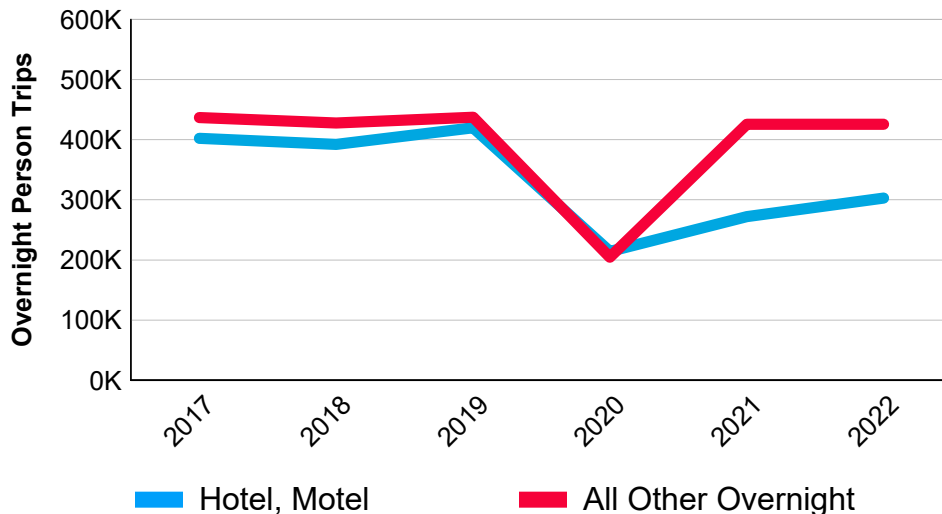
## Taxable Lodging Sales



Taxable lodging sales grew to \$74.5 million in 2022, an increase of 37.7% compared to 2021. Sales remain 15.5% below pre-pandemic high of \$88.1 million in 2019.

Sources: City of Santa Ana Economic Development Division, Dean Runyan Associates

## Overnight Visitor Volume



Overnight visitor volume increased by 4.4% to 729 thousand person-trips in 2022. Of this total, Hotel, Motel volume grew by 11.3% and All Other Overnight volume grew by 0.0%.

Sources: City of Santa Ana Economic Development Division, Census Bureau, AirDNA, STR, Omnitrak Group, Dean Runyan Associates

# Santa Ana / Overnight Visitor Details

## Overnight Visitor Volume and Average Spending

Overnight visitor volume for Santa Ana 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 volume estimates are not included because of data limitations.

### Average Expenditure for Overnight Visitors, 2022

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel	\$184	\$463	\$541	\$1,363	2.9	2.5
Private Home (VFR)	\$43	\$133	\$92	\$287	2.2	3.1
Other Overnight	\$51	\$174	\$157	\$539	3.1	3.4
<b>All Overnight</b>	<b>\$94</b>	<b>\$270</b>	<b>\$226</b>	<b>\$658</b>	<b>2.4</b>	<b>2.9</b>

### Overnight Visitor Volume, 2020-2022

	Person-Trips			Party-Trips		
	2020	2021	2022	2020	2021	2022
Hotel, Motel	251,900	320,200	356,400	78,400	108,700	121,000
Private Home (VFR)	234,700	494,700	494,700	99,000	229,000	229,000
Other Overnight	6,300	6,300	6,300	2,000	2,000	2,000
<b>All Overnight</b>	<b>492,900</b>	<b>821,200</b>	<b>857,400</b>	<b>179,400</b>	<b>339,800</b>	<b>352,100</b>

	Person-Nights			Party-Nights		
	2020	2021	2022	2020	2021	2022
Hotel, Motel	746,300	948,600	1,055,800	232,400	322,100	358,500
Private Home (VFR)	860,700	1,814,200	1,814,200	362,900	839,900	839,900
Other Overnight	25,200	25,200	25,200	8,100	8,100	8,100
<b>All Overnight</b>	<b>1,632,200</b>	<b>2,788,000</b>	<b>2,895,200</b>	<b>603,400</b>	<b>1,170,200</b>	<b>1,206,600</b>



**49%**  
Hotel, Motel share of overnight person-trips

# Glossary

<b>Term</b>	<b>Definition</b>
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.
STVR	Short Term Vacation Rental, private and semi-private lodging rented by owners or property management companies (e.g. Airbnb, VRBO).
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	Accommodation types that house transient lodging activity.
Direct Spending	Expenditures made by consumers, combination of Visitor Spending and Other Spending.
Other Overnight	Combination of other overnight visitors who stay in campgrounds or 2nd homes.
Private Home	Personal residences used to host visiting friends and family overnight.
NAICS	North American Industry Classification System.
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.
Person Trips	Individual trips to the destination for all age groups.
Vacation Home Rental	Accommodation types that house transient lodging activity.



# 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 City of Santa Ana.