

# The Economic Impact of Travel

## Santa Ana, California

2023

May, 2024

PREPARED FOR

Travel Santa Ana



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# The Economic Impact of Travel in Santa Ana, California

2023



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## PRIMARY RESEARCH CONDUCTED BY

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# Table of Contents

<b><u>DIRECT TRAVEL IMPACTS- HISTORICAL TRENDS</u></b> .....	<b>7</b>
<u>SUMMARY TABLE</u> .....	7
<u>SPENDING DETAILED TABLE</u> .....	8
<u>IMPACT DETAILED TABLE</u> .....	9
<b><u>DIRECT SPENDING</u></b> .....	<b>10</b>
<u>VISITOR SPENDING BY COMMODITY PURCHASED</u> .....	10
<u>VISITOR SPENDING BY ACCOMMODATION TYPE</u> .....	10
<b><u>DIRECT EMPLOYMENT</u></b> .....	<b>11</b>
<u>TRAVEL INDUSTRY EMPLOYMENT</u> .....	11
<b><u>TRAVEL ACTIVITY TRENDS</u></b> .....	<b>12</b>
<u>TAXABLE LODGING SALES</u> .....	12
<u>OVERNIGHT VISITOR VOLUME</u> .....	12
<b><u>OVERNIGHT VISITOR DETAILS</u></b> .....	<b>13</b>
<u>AVERAGE DAILY SPEND</u> .....	13
<u>OVERNIGHT VISITOR TRIPS</u> .....	13
<u>OVERNIGHT VISITOR NIGHTS</u> .....	13
<b><u>GLOSSARY</u></b> .....	<b>14</b>
<b><u>METHODOLOGY</u></b> .....	<b>15</b>



Santa Ana, CA

2023

## Executive Summary

Travel spending in Santa Ana grew by \$35.0 million in 2023, surpassing the previous year by 9.2% and outpacing the 5.6% increase of travel spending statewide. Growth of Santa Ana's travel economy can be attributed to the volume of overnight visitors increasing 5.0% and price inflation of goods and services, with food services and accommodations having the highest inflationary increases.

- **Direct travel-related spending** increased 9.2% from \$379.6 million in 2022 to \$414.7 million in 2023.
- **Direct travel generated employment** gained 200 jobs in 2023, a 7.3% increase compared to the previous year.
- **Direct earnings** generated by travel grew 15.6% from \$117.4 million in 2022 to \$135.6 million in 2023.
- **Taxes receipts** generated by direct travel-related spending totaled \$28.9 million in 2023, a 9.9% increase compared to 2022.
- **Visitor Volume** increased 5.0% from 895,509 person trips in 2022 to 940,341 person trips in 2023.
- **Local tax revenue** generated by travel activity contributes approximately \$195 per local household.

In 2023, direct travel related spending was \$414.7 million, a **\$35.0 million or 9.2% increase** compared to the previous year.

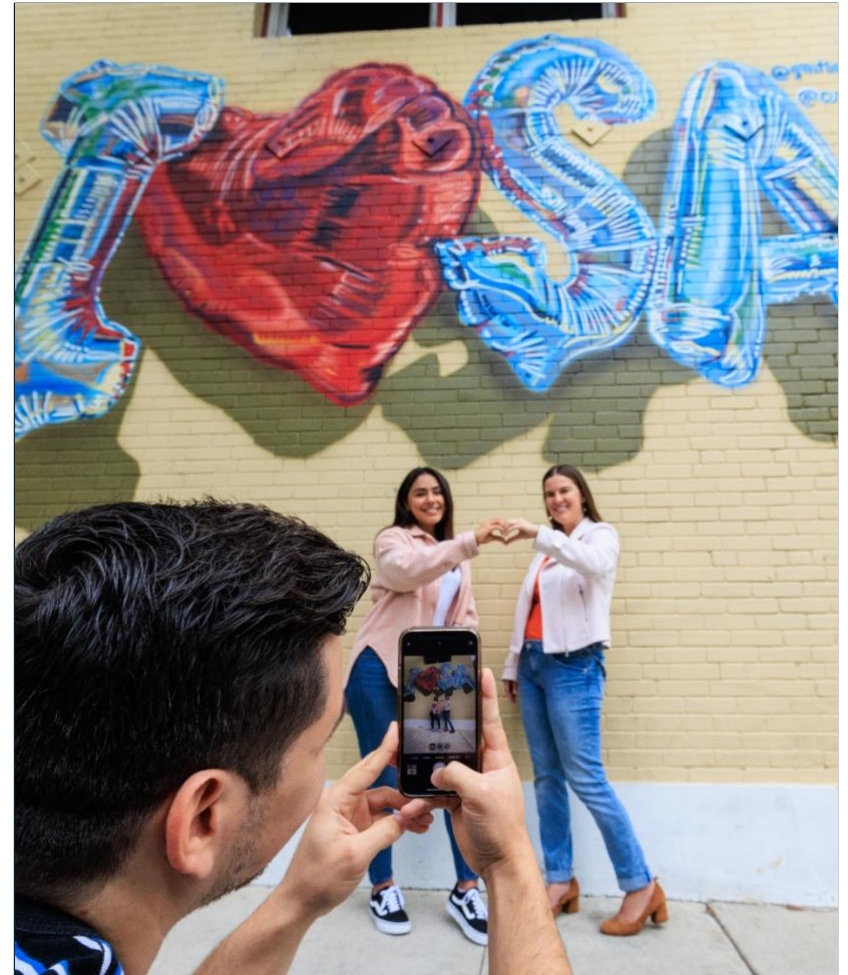


Photo by Travel Santa Ana

**Note:** Estimates included in this report are subject to revision of more complete data becomes available. All economic impacts are reported as direct impacts. Expenditures made by visitors staying outside city limits are classified as "Day Travel".

# Direct Travel Impacts- Historical Trends

## Summary Table

	2018	2019	2020	2021	2022	2023	annual % change	
							22-23	19-23
<b>Spending (\$Millions)</b>								
Visitor	402.2	430.7	167.2	290.9	379.6	414.7	9.2%	-3.7%
<b>Earnings (\$Millions)</b>								
Earnings	137.0	148.5	86.9	92.7	117.4	135.6	15.6%	-8.6%
<b>Employment</b>								
Employment	3,350	3,530	2,080	2,140	2,760	2,960	7.3%	-16.2%
<b>Tax Revenue (\$Millions)</b>								
State	13.3	14.5	6.4	11.0	12.9	13.7	6.7%	-5.5%
Local	11.4	12.1	5.0	8.9	13.4	15.2	12.9%	25.7%
Total	24.7	26.6	11.4	20.0	26.3	28.9	9.9%	8.6%

**Note:** Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Employment figures represent an annual average and are rounded to the nearest 10.



# Direct Travel Impacts

## Spending Detailed Table

	2018	2019	2020	2021	2022	2023	annual % change	
							22-23	19-23
<b>Spending (\$Millions)</b>								
Visitor	402.2	430.7	167.2	290.9	379.6	414.7	9.2%	-3.7%
<b>Visitor Spending by Type of Traveler Accommodation (\$Millions)</b>								
Hotel, Motel	201.5	217.0	102.1	153.1	227.5	254.7	11.9%	17.4%
Private Home (VFR)	64.3	69.7	31.4	69.4	72.6	75.2	3.6%	8.0%
Seasonal Home (2nd Home)	1.5	1.1	1.5	1.2	2.6	2.7	3.9%	135.5%
Day Travel	134.9	142.9	32.1	67.2	76.9	82.1	6.8%	-42.5%
Total	402.2	430.7	167.2	290.9	379.6	414.7	9.2%	-3.7%
<b>Visitor Spending by Commodity Purchased (\$Millions)</b>								
Accommodations	93.1	98.1	40.9	60.1	97.0	107.3	10.6%	9.3%
Food Service	98.6	107.0	44.0	79.3	96.3	109.1	13.3%	1.9%
Food Stores	14.9	15.6	6.5	13.4	15.5	16.7	8.2%	7.1%
Arts, Ent. & Rec.	96.4	101.8	35.4	62.2	73.1	81.5	11.5%	-19.9%
Retail Sales	34.1	38.0	15.6	28.5	34.5	36.8	6.7%	-3.2%
Local Tran. & Gas	65.2	70.1	24.8	47.5	63.2	63.2	0.0%	-9.7%
Total	402.2	430.7	167.2	290.9	379.6	414.7	9.2%	-3.7%

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

For more information, see Glossary on page 14.





# Direct Travel Impacts

## Impact Detailed Table

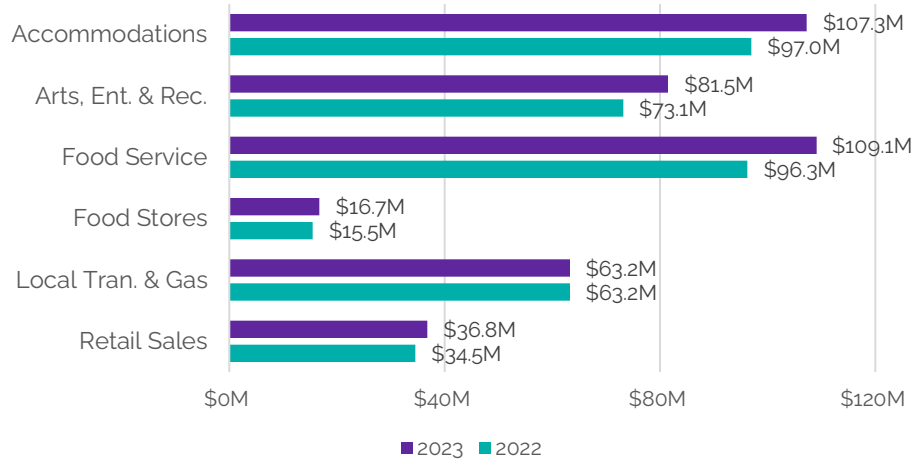
	2018	2019	2020	2021	2022	2023	annual % change	
							22-23	19-23
<b>Travel Industry Earnings (\$Millions)</b>								
Accom. & Food Serv.	91.1	99.0	63.5	64.4	87.1	100.7	15.5%	2.6%
Arts, Ent. & Rec.	33.2	35.5	14.4	15.1	17.7	20.7	16.9%	-41.6%
Retail	7.8	8.3	7.0	11.1	9.5	11.2	17.8%	34.2%
Ground Trans.	5.0	5.6	2.0	2.1	3.1	3.1	1.6%	-44.6%
Total	137.0	148.5	86.9	92.7	117.4	135.6	15.6%	-8.6%
<b>Travel Industry Employment (Jobs)</b>								
Accom. & Food Serv.	2,200	2,320	1,490	1,530	1,930	2,040	5.8%	-11.9%
Arts, Ent. & Rec.	840	890	350	360	550	610	10.7%	-31.2%
Retail	210	220	170	180	180	220	18.6%	-0.5%
Ground Trans.	90	110	70	70	90	90	-3.3%	-16.8%
Total	3,340	3,540	2,080	2,140	2,760	2,960	7.3%	-16.2%
<b>Tax Receipts Generated by Travel Spending (\$Millions)</b>								
City Tax Receipts	11.1	11.7	4.9	8.6	13.1	14.8	13.0%	26.0%
County Tax Receipts	0.3	0.3	0.1	0.3	0.4	0.4	10.1%	15.9%
State Tax Receipts	13.3	14.5	6.4	11.0	12.9	13.7	6.7%	-5.5%
Total	24.7	26.6	11.4	20.0	26.3	28.9	9.9%	8.6%

**Note:** Details may not add to totals due to rounding. Percent change calculated on unrounded figures. Employment figures represent an annual average and are rounded to the nearest 10. 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.

# Direct Spending

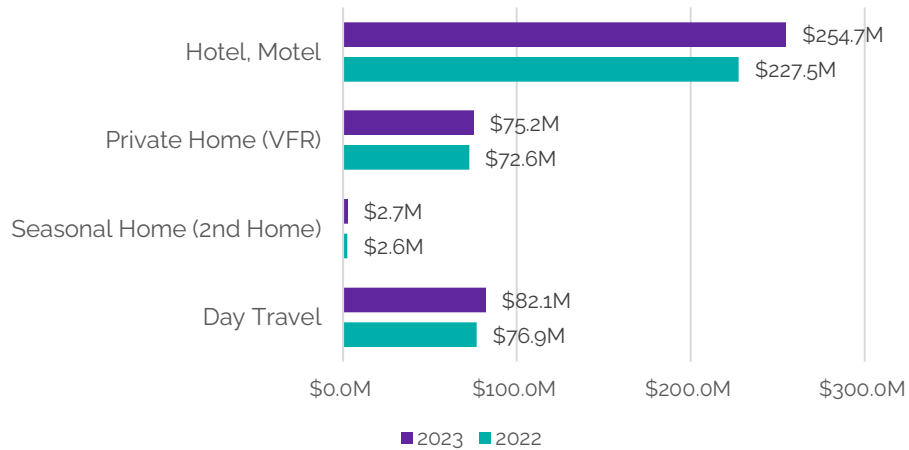
## Visitor Spending by Commodity Purchased



Visitors spent \$107.3 million on Accommodations in 2023, a **\$10.3 million or 10.6% increase** compared to the previous year.

**Sources:** Dean Runyan Associates, OmniTrak Group, Energy Information Administration, Bureau of Transportation Statistics  
**Note:** Figures in chart are rounded to the nearest tenth of a million.

## Visitor Spending by Accommodation Type



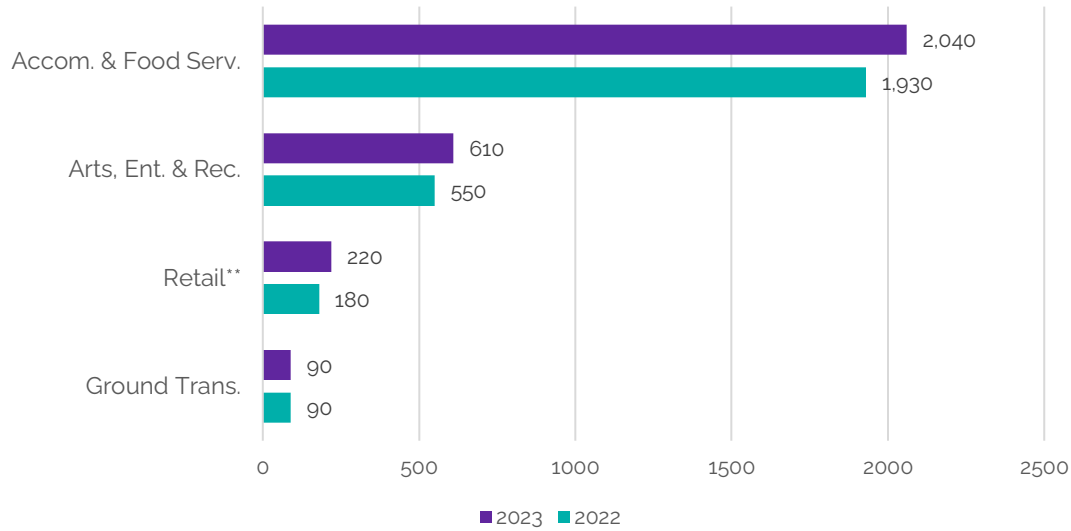
Visitors who stayed in a Hotel, Motel contributed \$254.7 million of Visitor Spending, a **\$27.1 million or 11.9% increase** compared to the previous year.

**Sources:** Dean Runyan Associates, OmniTrak Group, Census Bureau  
**Note:** Figures in chart are rounded to the nearest tenth of a million.



# Direct Employment

## Travel Industry Employment



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

The Accommodations and Food Service industry **gained 110 jobs in 2023, a 5.8% increase** compared to the previous year.

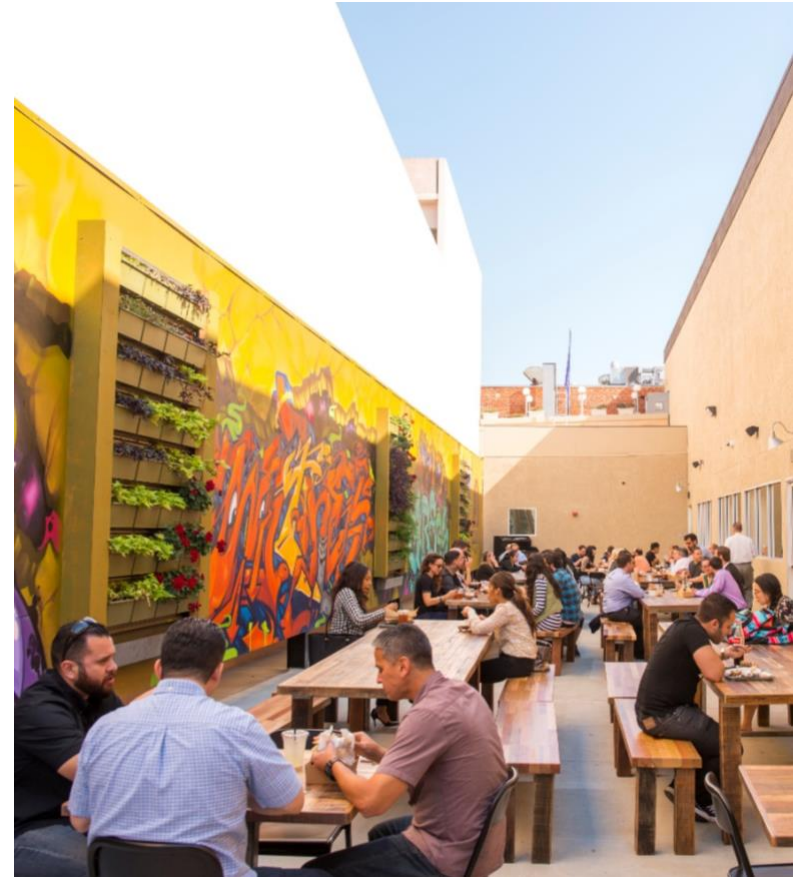


Photo by Travel Santa Ana

# Travel Activity Trends

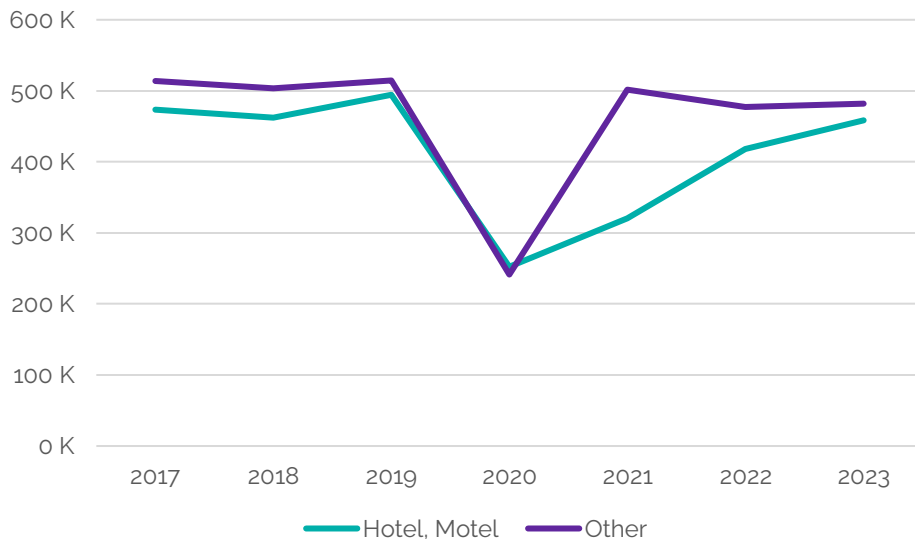
## Taxable Lodging Sales



Taxable lodging sales reached \$96.6 million in 2023, a **\$9.3 million or 10.6% increase** compared to the previous year.

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

## Overnight Visitor Volume



The volume of visitors who stayed in a **hotel or motel increased 4.6%** and volume of visitors who stayed in **other overnight accommodations increased 1.0%**.

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

Note: Visitor volume reported in terms of person trips.



## Overnight Visitor Details

### Average Daily Spend

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel	\$188	\$556	\$553	\$1,637	3.3	3.3
Private Home (VFR)	\$44	\$161	\$95	\$347	2.6	3.9
Other Overnight	\$53	\$213	\$163	\$659	3.4	4.3
All Overnight	\$53	\$177	\$131	\$442	2.5	3.3

Visitors who stayed overnight in a hotel or motel spent \$188 on average per day and stay approximately 3 days.

### Overnight Visitor Trips

	Person Trips			Party Trips		
	2021	2022	2023	2021	2022	2023
Hotel, Motel	320,723	418,552	458,592	110,150	143,541	157,167
Private Home (VFR)	494,878	464,113	468,898	229,348	215,133	217,355
Other Overnight	6,444	12,844	12,852	2,599	4,713	4,737
All Overnight	822,045	895,509	940,341	342,097	363,387	379,259

In 2023, 48.7% of overnight person-trips were in a hotel or motel.

### Overnight Visitor Nights

	Person Nights			Party Nights		
	2021	2022	2023	2021	2022	2023
Hotel, Motel	948,808	1,238,428	1,357,005	322,596	420,997	461,272
Private Home (VFR)	1,814,192	1,701,323	1,718,856	839,969	787,722	795,841
Other Overnight	25,288	51,038	51,040	8,289	16,610	16,616
All Overnight	2,788,287	2,990,789	3,126,901	1,170,854	1,225,330	1,273,729

**Note:** DRA estimates overnight visitor volume by cross-referencing visitor surveys and lodging data. Because of this, the volume estimates reported here may not align with estimates 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.

## Glossary

Term	Definition
Hotel, Motel, STVR	Accommodation types that house transient lodging activity
Private Home	Personal residences used to host visiting friends and family overnight
Other Overnight	Combination of overnight visitors who stay in campgrounds or 2nd homes
Day Travel	Greater than 50 miles traveled non-routine to the destination
Visitor Spending	Direct spending made by visitors in a destination
Other Spending	Spending by residents on travel arrangement services, or spending for convention activities
Direct Spending	Expenditures made by consumers; a combination of Visitor Spending and Other Spending
Direct Earnings	Total after-tax net income for travel. Includes wages and salary disbursements, proprietor income, and other earned income or benefits
Direct Employment	Employment generated by direct spending; includes full time, part time, seasonal, and proprietors
Local Taxes	City and county taxes generated by travel spending
State Taxes	State taxes generated by travel spending
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)
2nd home	Homes under private ownership for personal use as a vacation property



## 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. The inventory of campgrounds is 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 the 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.

