

The Economic Impact of Travel

Temecula Valley

2021 Preliminary Estimates

May 2022

PREPARED FOR

Temecula Valley Convention and Visitors Bureau



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The Economic Impact of Travel in Temecula Valley

2021 Preliminary Estimates

Temecula Valley Convention and Visitors Bureau

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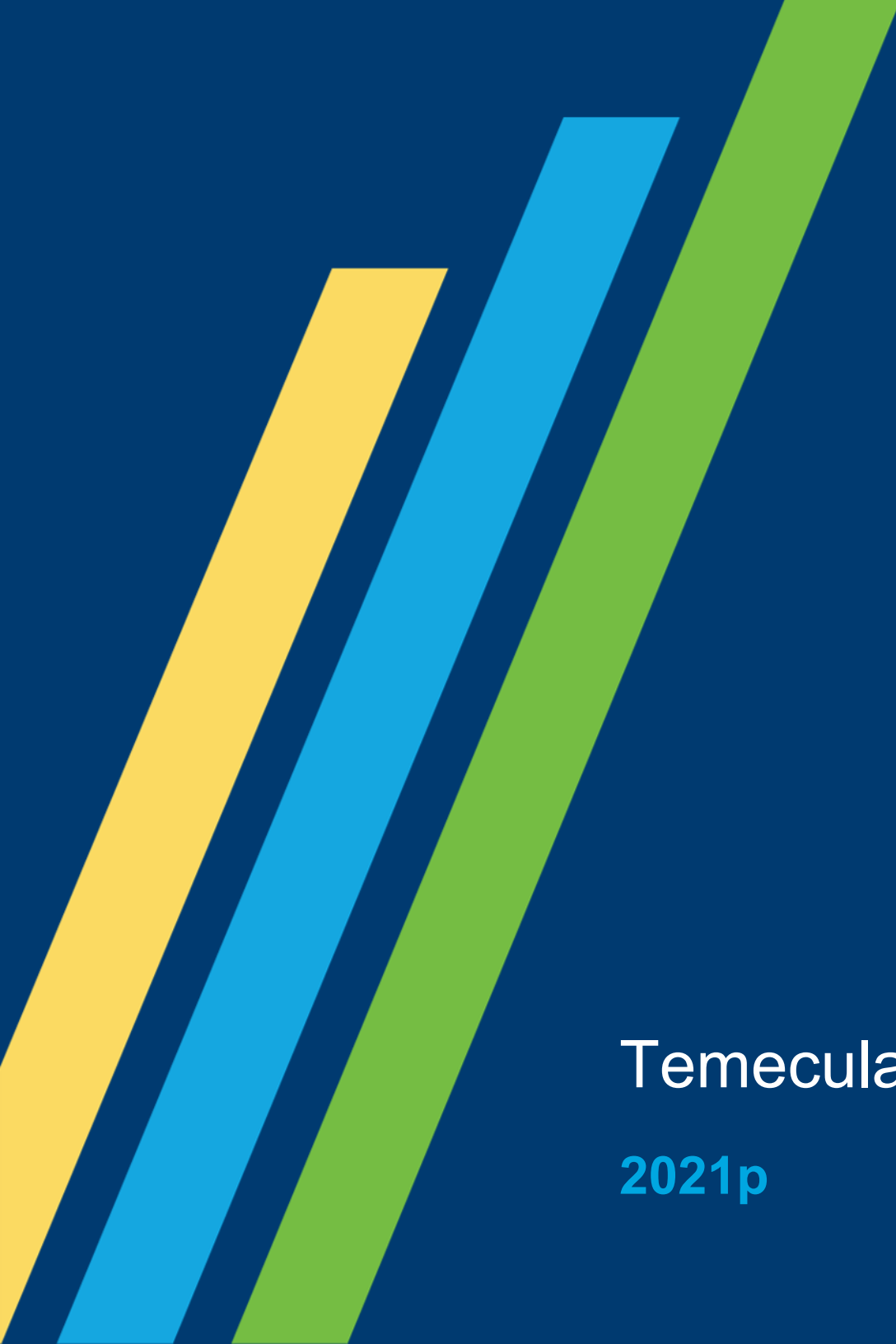
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Photo: Visit Temecula

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Temecula Valley

2021p

Temecula Valley / Summary

Travel Impacts 2021p

Located in Southern California just 58 miles north of San Diego and 85 southeast of downtown Los Angeles, Temecula Valley in Riverside County is a resort destination, with the Temecula Valley Wine Country, Old Town Temecula, Pechanga Resort Casino, and a myriad of arts, cultural, and recreational opportunities.

During 2021, California as a whole continued to recover much of what was lost in 2020. Strong demand for overnight accommodations and increased commodity prices led to large gains in visitor spending. California travel spending grew an estimated 46.3% in 2021.

- Travel spending in Temecula Valley increased 18.0% from \$520.3 million in 2020 to \$614.0 million in 2021.
- Direct travel-generated employment experienced a gain of approximately 1,000 jobs, a 16.1% increase in travel-generated employment.
- Direct travel-generated earnings experienced a gain of \$46.8 million, a 20.9% increase.
- Tax receipts generated by travel spending are up 25.5% compared to 2020.

California's travel industry **increased 46% in 2021**, whereas Temecula's travel economy **grew by 18%**.

Note: These estimates for Temecula are subject to revision if more complete data becomes available.

Photo: Visit Temecula



Temecula Valley / Summary Table

Direct Travel Impacts 2012-2021p

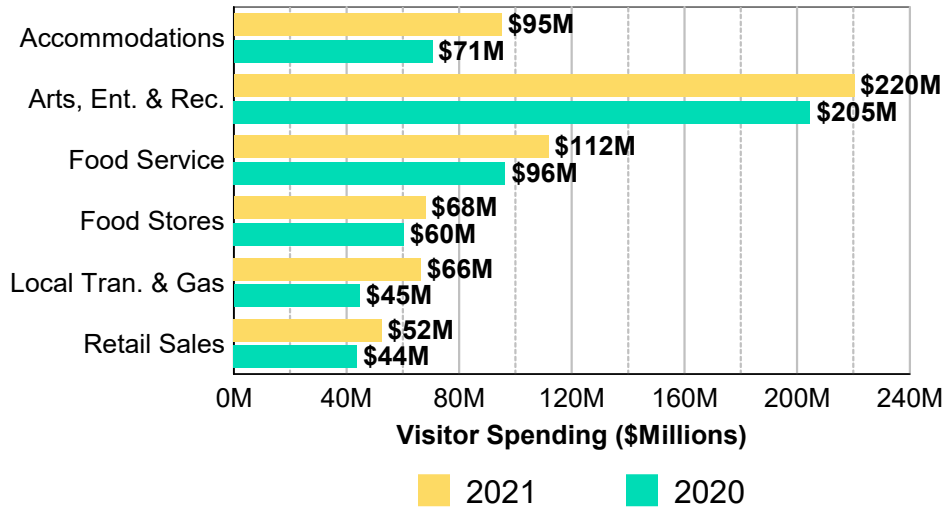
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Avg. Annual % Chg.	
											2020-21	2012-21
Spending (\$Millions)												
Total (Current \$)	655.0	658.9	673.7	701.8	705.4	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%	▼ -0.7%
Visitor	655.0	658.9	673.7	701.8	705.4	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%	▼ -0.7%
Non-transportation	568.4	575.7	596.3	632.0	644.6	763.2	955.7	1,011.7	475.5	547.6	▲ 15.2%	▼ -0.4%
Transportation	86.6	83.2	77.4	69.8	60.8	76.4	106.2	113.4	44.8	66.4	▲ 48.4%	▼ -2.9%
Earnings (\$Millions)												
Earnings (Current \$)	187.5	194.6	202.8	216.9	228.4	275.6	292.5	310.0	224.0	270.8	▲ 20.9%	▲ 4.2%
Employment (Jobs)												
Employment	6680	6890	7040	7,290	7,300	8,560	8,860	9,160	6,440	7,480	▲ 16.1%	▲ 1.3%
Tax Revenue (\$Millions)												
Total (Current \$)	27.8	28.8	29.3	30.1	29.9	35.5	44.1	47.4	24.6	30.9	▲ 25.5%	▲ 1.2%
Local	6.4	6.6	7.1	7.7	8.0	10.4	10.9	11.8	6.8	8.6	▲ 26.4%	▲ 3.4%
State	21.4	22.2	22.3	22.4	21.9	25.2	33.1	35.6	17.8	22.3	▲ 25.2%	▲ 0.4%

Details may not add to totals due to rounding. Percent change calculated on unrounded figures.
Employment and earnings include CARES Act support.



Temecula Valley / Spending

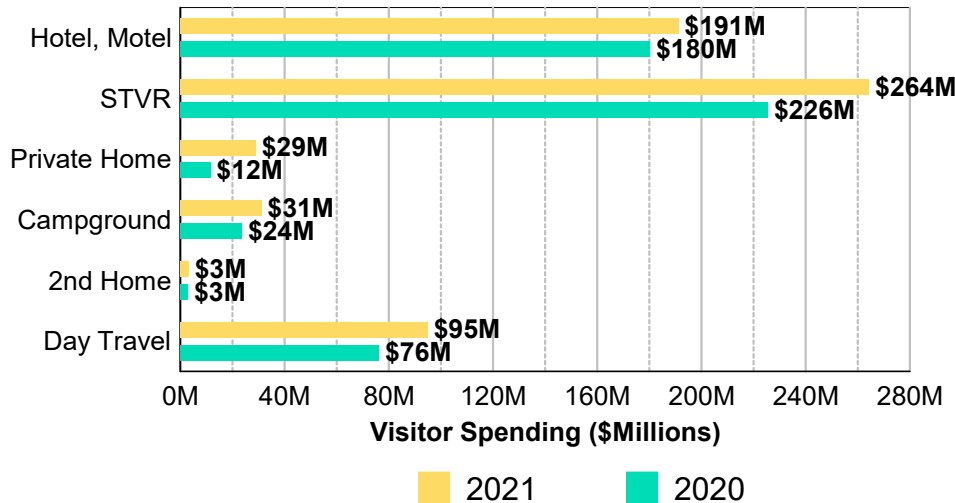
Visitor Spending by Commodity Purchased



The largest gain occurred in Accommodations -- \$24.6 million more in travel spending was added in 2021 compared to 2020, an increase of 34.8%.

Sources: City of Temecula, Dean Runyan Associates, Omnitrak Group

Visitor Spending by Accommodation Type / Temecula Valley



Visitors who stayed in a Hotel, Motel spent \$191.2 million in 2021, an increase of 6%.

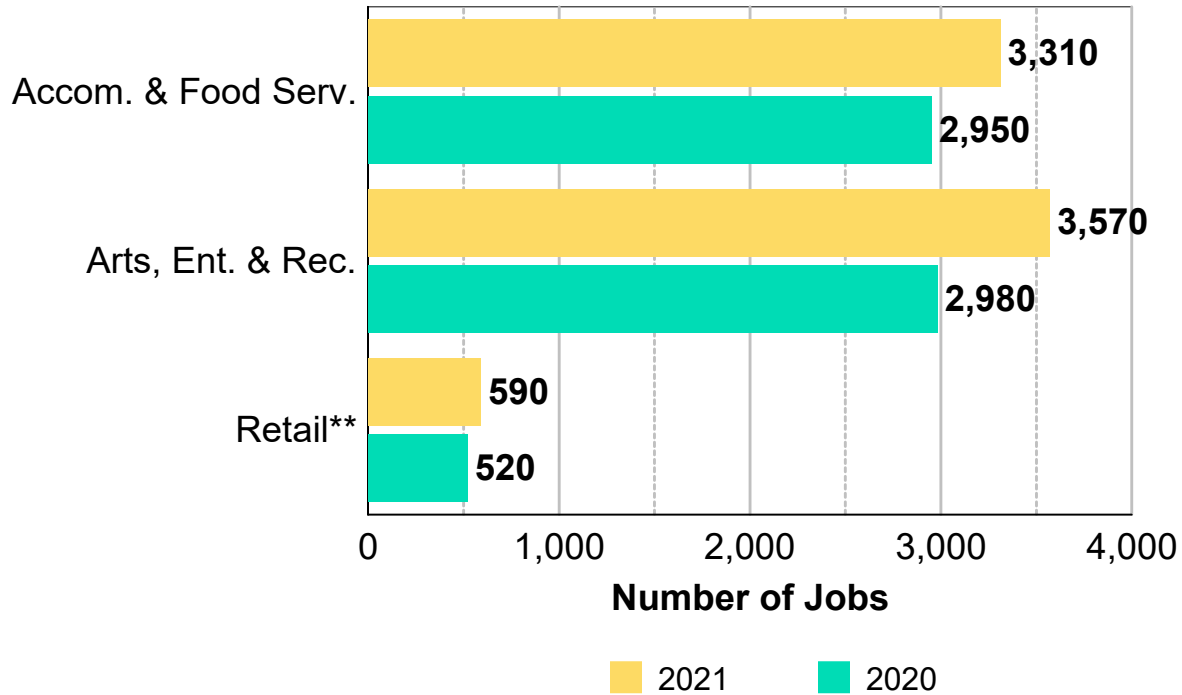
Visitors who stayed in STVR spent \$264.5 million, an increase of 17.3%.

Sources: City of Temecula, Dean Runyan Associates, Omnitrak Group, STR LLC.

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)

Temecula Valley / Employment

Travel Industry Employment

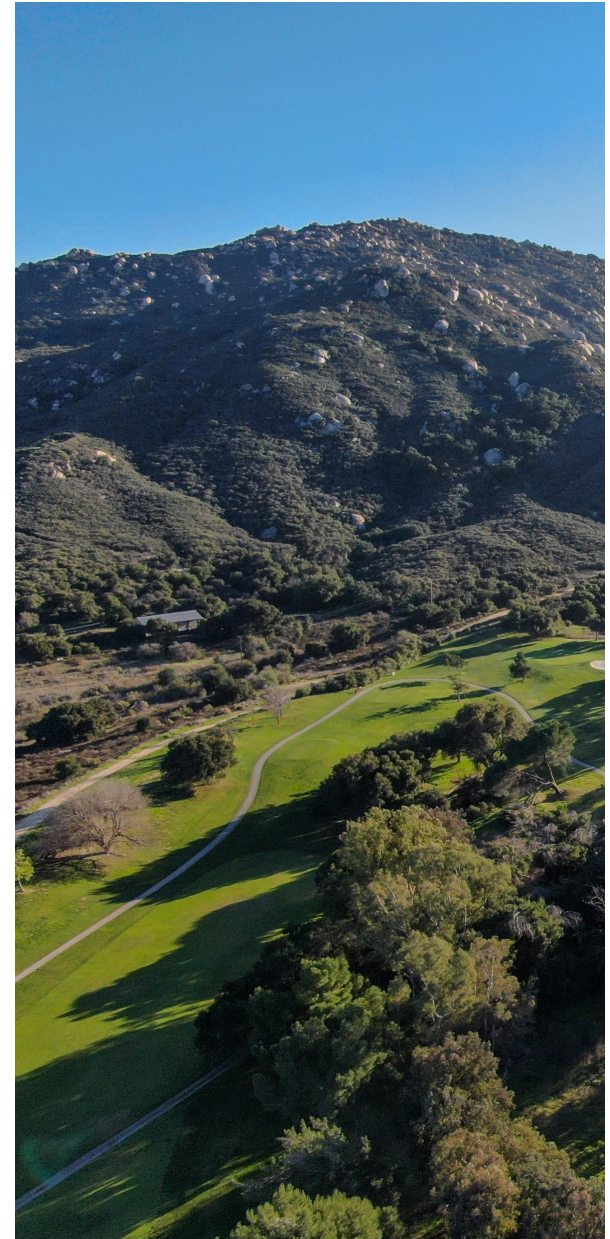


**Retail includes gasoline station employment.
Employment includes CARES Act support.

Travel to Temecula generated 7,480 jobs in 2021. Overall, travel industry employment grew by 16.1%.

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

Photo: Visit Temecula



Temecula Valley / Detailed Table

Direct Travel Impacts 2012-2021p

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2019-2020
Direct Travel Spending (\$Million)											
Destination Spending	655.0	658.9	673.7	701.8	705.4	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%
TOTAL	655.0	659.0	673.7	701.8	705.4	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%
Visitor Spending by Type of Traveler Accommodation (\$Million)											
Hotel, Motel	396.4	401.2	411.8	433.5	428.0	458.2	565.5	560.2			
Hotel, Motel, STVR									405.8	455.7	▲ 12.3%
Short Term Vacation Rental				4.4	17.8	79.7	139.7	191.6			
Private Home	41.3	41.0	41.3	41.5	40.3	42.9	43.0	45.6	11.6	28.9	▲ 149.8%
Campground	25.6	24.7	24.5	23.6	23.1	24.7	29.2	29.6	23.7	31.2	▲ 31.8%
2nd Home	2.8	2.7	2.7	2.7	2.8	2.9	3.0	3.1	2.9	3.2	▲ 9.8%
Day Travel	188.9	189.2	193.4	200.4	208.9	231.3	281.5	295.0	76.3	95.0	▲ 24.6%
TOTAL	655.0	659.0	673.7	706.1	720.8	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%
Visitor Spending by Commodity Purchased (\$Million)											
Accommodations	63.9	66.2	69.8	74.9	76.7	94.6	116.8	124.6	70.5	95.1	▲ 34.8%
Food Service	110.7	111.8	117.0	125.8	131.1	156.0	197.6	212.0	96.3	111.7	▲ 16.0%
Food Stores	80.1	80.8	84.8	90.1	90.4	103.7	127.4	134.0	60.4	68.0	▲ 12.7%
Local Tran. & Gas	86.6	83.2	77.4	69.8	60.8	76.4	106.2	113.4	44.8	66.4	▲ 48.4%
Arts, Ent. & Rec.	240.9	243.7	250.2	263.7	267.7	320.1	408.7	429.5	204.6	220.3	▲ 7.6%
Retail Sales	72.8	73.3	74.5	77.5	78.7	88.9	105.2	111.5	43.7	52.5	▲ 20.1%
TOTAL	655.0	659.0	673.7	701.8	705.4	839.6	1,061.8	1,125.1	520.3	614.0	▲ 18.0%

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

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)



Temecula Valley / Detailed Table

Direct Travel Impacts 2012-2021p

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2019-2020
Travel Industry Earnings (\$Million)											
Accom. & Food Serv.	67.0	72.6	79.1	86.8	89.4	108.6	122.1	130.8	104.6	129.0	▲ 23.4%
Arts, Ent. & Rec.	87.6	88.8	89.4	94.2	103.1	125.8	129.3	135.9	100.8	120.0	▲ 19.1%
Retail**	33.0	33.2	34.3	35.9	35.9	41.3	41.1	43.4	18.7	21.8	▲ 16.4%
TOTAL	187.0	195.0	203.0	216.9	228.4	275.6	292.5	310.0	224.0	270.8	▲ 20.9%
Travel Industry Employment (Jobs)											
Accom. & Food Serv.	2,350	2,570	2,730	2,850	2,770	3,230	3,480	3,580	2,950	3,310	▲ 12.4%
Arts, Ent. & Rec.	3,200	3,180	3,140	3,270	3,420	4,040	4,110	4,270	2,980	3,570	▲ 20.1%
Retail**	1,130	1,130	1,180	1,160	1,120	1,280	1,270	1,310	520	590	▲ 14.9%
TOTAL	6,680	6,890	7,040	7,290	7,300	8,560	8,860	9,160	6,440	7,480	▲ 16.1%
Tax Receipts Generated by Travel Spending (\$Million)											
Local Tax Receipts	6.4	6.6	7.1	7.7	8.0	10.4	10.9	11.8	6.8	8.6	▲ 26.4%
State Tax Receipts	21.4	22.2	22.3	22.4	21.9	25.2	33.1	35.6	17.8	22.3	▲ 25.2%
TOTAL	28.0	29.0	29.0	30.1	29.9	35.5	44.1	47.4	24.6	30.9	▲ 25.5%

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

**Retail includes gasoline.

Employment and earnings include CARES Act support.

Temecula Valley / Overnight Visitor Details

Overnight Visitor Volume and Average Spending


Overnight visitor volume for Temecula Valley 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.

Average Expenditure for Overnight Visitors, 2021p

	Person		Party		Party Size	Length of Stay
	Day	Trip	Day	Trip		
Hotel, Motel, STVR	\$378	\$757	\$757	\$1,513	2.0	2.0
Private Home	\$44	\$153	\$153	\$537	3.5	3.5
Other Overnight	\$67	\$271	\$236	\$826	3.5	3.5
All Overnight	\$219	\$565	\$554	\$1,308	2.5	2.4

Overnight Visitor Volume, 2019-2021p

	Person-Trips			Party-Trips		
	2019	2020	2021	2019	2020	2021
Hotel, Motel, STVR	940,100	592,900	602,200	470,100	296,400	301,100
Private Home	310,900	83,400	188,700	88,800	23,800	53,900
Other Overnight	118,700	109,400	127,100	38,900	35,800	41,700
All Overnight	1,369,800	785,700	918,000	597,800	356,100	396,700



66%
Hotel, Motel, STR share of overnight person-trips

	Person-Nights			Party-Nights		
	2019	2020	2021	2019	2020	2021
Hotel, Motel, STVR	1,880,300	1,185,800	1,204,300	940,100	592,900	602,200
Private Home	1,088,200	291,800	660,300	310,900	83,400	188,700
Other Overnight	476,500	439,000	510,600	136,200	125,400	145,900
All Overnight	3,445,000	1,916,600	2,375,300	1,387,200	801,700	936,700

Note: Private Home represents visitors staying with friends or family. (Glossary on page 13)



Glossary

Term	Definition
Hotel, Motel	Accommodation types that house transient lodging activity.
Private Home	Unpaid overnight accommodations used to host visiting friends and family overnight.
Other Overnight	Combination of other 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 activity.
Direct Spending	Expenditures made by consumers, combination of Visitor Spending and Other Spending.
Direct Earnings	Total after-tax net income from travel. It includes wage 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 seasonal property where a lodging tax is not collected. Only includes spending during trip.

Assumptions / Methodology

Travel Impacts Methodology

Dean Runyan Associates uses our proprietary Regional Travel Impact Model (RTIM) to generate the data presented in this report. This input-output model uses a fiscal based approach to accurately quantify travel and reduce reliance and variability of survey data. Each accommodation type (Hotel/Motel, STVR, Private Home, Vacation Home, Camping, and Day) is modeled uniquely to capture the different types of economic contributions from these visitors. Earnings and employment data are derived from the relationship between business income and employee expenses. Tax receipts are generated based on each unique tax rate that applies to the underlying economic activity.

Our approach starts at local levels of geography building up to state findings.

The RTIM is in use in 12 states covering over 400 counties and local jurisdictions. Findings from this study are directly comparable to any of our research publications.

Travel Impacts Assumptions

- The distribution of commodity expenditures by visitors tracks closely with the larger geographic region of Riverside County.
- Overnight visitors are defined as non-local overnight visitation utilizing accommodations that are Hotels/Motels, Short Term Rentals (STR), Camping, Private Home (VFR), and 2nd homes.
- Day visitors include anyone traveling 50 miles or more one way for non-routine travel (e.g. commuting or regular shopping trips).
- Travel contains tourism activity, business activity, and other transient activity.
- Source data is accurate and complete. (Sources include: Bureau of Labor Statistics, Census Bureau, Bureau of Economic Analysis, STR LLC., U.S. Department of Transportation, Omnitrak Group)