

ISLAND COUNTY TRAVEL IMPACTS 2015-2020P

April 2021

Prepared for

Whidbey and Camano Islands Tourism

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Prepared by

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INTRODUCTION

This study, prepared for the Whidbey and Camano Islands Tourism, documents the economic significance of the travel industry in Island County from 2015 through 2020. This report provides preliminary 2020 estimates for Island County and estimates of areas within the county.

MEASUREMENT OF TRAVEL IMPACTS

The impact estimates associated with traveler spending were measured using the Regional Travel Impact Model (RTIM) developed by Dean Runyan Associates. The RTIM was calibrated specifically to represent the unique characteristics of the travel industry in Island County. The estimates for 2020 are designated as preliminary due to some incomplete source data for the calendar year, however any future revisions will be minor.

INTERPRETATION OF IMPACT ESTIMATES

Users of this report should be aware of several issues regarding the interpretation of reported impact estimates:

- All estimates contained in this report supersede those previously published.
- The estimates in this report are expressed in *current* dollars. There is no adjustment for inflation.
- Economic impact measurements reported herein represent only direct economic impacts. Direct economic impacts include only the spending by travelers and the employment generated by that spending. Secondary effects related to source materials purchased by tourism businesses and the induced spending of their employees are not included.
- The employment estimates in this report are estimates of the total number of full and part-time jobs directly generated by travel spending, rather than the number of individuals employed. Both payroll and self-employment are included in these estimates. Caution should therefore be used in comparing these estimates with other employment data series.

RECENT TRAVEL TRENDS IN ISLAND COUNTY

Travel related spending in Island County totaled \$205.6 million in 2020, a 17.8 percent decrease from 2019. Employment decreased 19.8% year over year to 2,430 jobs and total earnings decreased by 15.7% to \$70.6 million. Local level and state level tax receipts declined year over year, down 5.3% and 14.5% respectively.

Island County Direct Travel Impacts, 2015-2020p

	Spending	Earnings	Employment	Tax Receipts (\$Million)		
	(\$Million)	(\$Million)		Local	State	Total
2015	187.7	58.0	2,610	5.8	12.4	18.2
2016	203.6	64.0	2,790	6.5	13.9	20.4
2017	210.4	70.6	2,820	6.6	14.4	21.0
2018	232.2	78.5	2,980	7.1	15.5	22.6
2019	250.1	83.8	3,030	7.3	16.4	23.7
2020p	205.6	69.2	2,430	7.0	14.0	21.0
<i>Annual Percentage Change</i>						
19-20p	-17.8%	-17.5%	-19.8%	-5.3%	-14.5%	-11.6%
15-20p	1.8%	3.6%	-1.4%	3.7%	2.5%	2.9%

Estimates for 2020 are preliminary while all other figures supersede data from previous reports.

Detailed travel impacts for 2015 through 2020p follow.

COUNTY TRAVEL IMPACTS AND VISITOR VOLUME QUICK FACTS

Visitor Spending Impacts

Amount of Visitor Spending that supports 1 job	\$80,882
Employee Earnings generated by \$100 Visitor Spending	\$35
Local Tax Revenues generated by \$100 Visitor Spending	\$3.5

Visitor Volume

Additional Spending if each resident household encouraged one additional overnight visitor (in thousands)	\$6,388
Additional employment if each resident household encouraged one additional overnight visitor	79

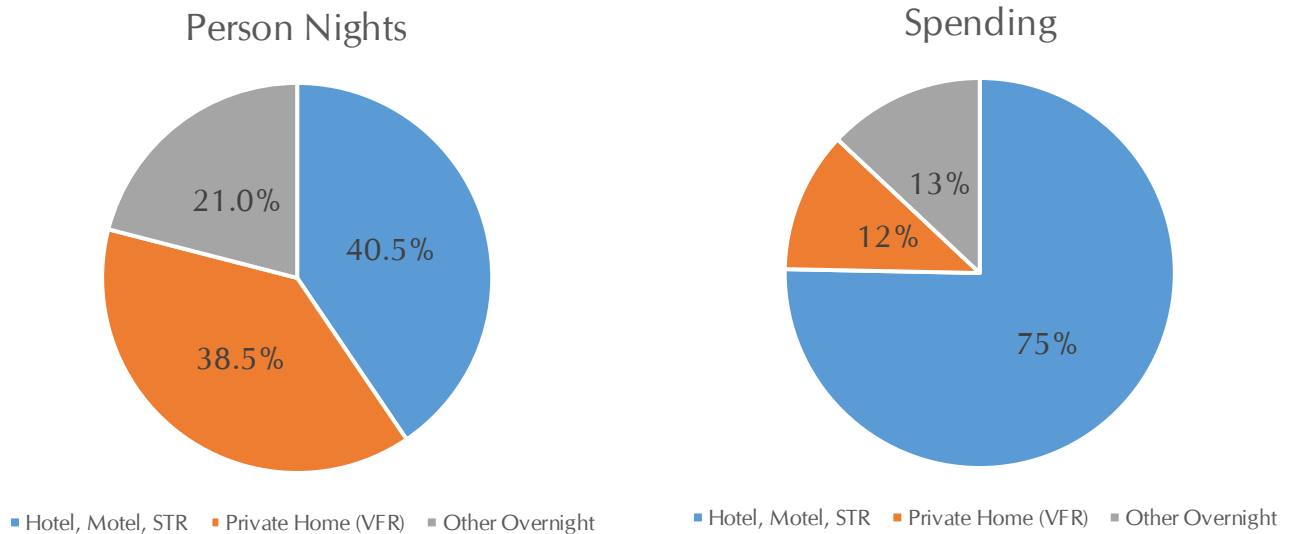
Visitor Shares

Travel Share of Total Employment (2020)*	7%
Visitor Share of Taxable Sales (2019)**	13%

*Source: Bureau of Economic Analysis & Dean Runyan Associates, 2020 has been estimated by DRA.

**Source: Washington Department of Revenue, 2019 is the most current annual figure available as of this report.

Overnight Visitor Spending and Volume



Visitors who stay in private homes typically comprise the largest share of overnight visitor volume. Visitors who stay overnight in commercial lodging typically have the greatest economic impact. There is substantial variation among destinations, however. Most rural and suburban areas have high shares of private home visitation. Urban areas tend to have greater shares of hotel/motel stays.

2020p	Person Trips (000)	Person Nights (000)	Visitor Spending (\$M)
Hotel, Motel, STR	482.2	756.4	129.9
Private Home (VFR)	332.9	718.6	20.2
Other Overnight	144.0	391.7	22.4
All Overnight	959.2	1,866.7	172.5

Island County Travel Impacts, 2015-2020p

	2015	2016	2017	2018	2019	2020p
Total Direct Travel Spending (\$Million)						
Destination Spending	180.6	196.7	202.4	223.2	240.7	199.3
Other Travel*	7.1	6.8	7.9	9.1	9.4	6.3
Total Direct Spending	187.7	203.6	210.4	232.2	250.1	205.6
Visitor Spending by Type of Traveler Accommodation (\$Million)						
Hotel,Motel, STR	74.3	86.2	89.7	103.0	116.3	129.9
Private Home (VFR)	34.8	35.7	36.2	38.6	39.5	20.2
Campground	11.6	11.9	12.3	12.8	13.0	11.0
Vacation Home	10.4	10.8	11.0	11.4	11.7	11.4
Day Travel	49.5	52.1	53.2	57.4	60.1	26.8
Destination Spending	180.6	196.7	202.4	223.2	240.7	199.3
Visitor Spending by Type of Commodity Purchased (\$Million)						
Accommodations	28.3	31.9	32.7	35.5	39.6	39.1
Food Service	61.1	68.6	71.5	80.7	88.8	80.3
Food Stores	23.7	24.5	24.4	25.7	26.9	17.6
Local Tran. & Gas	15.9	16.1	17.8	20.7	21.1	12.9
Arts, Ent. & Rec.	23.6	25.7	26.1	28.5	30.3	24.5
Retail Sales	28.1	29.9	29.9	32.1	33.9	24.9
Destination Spending	180.6	196.7	202.4	223.2	240.7	199.3
Industry Earnings Generated by Travel Spending (\$Million)						
Accom. & Food Serv.	33.3	37.5	43.3	48.0	51.5	41.3
Arts, Ent. & Rec.	12.9	14.0	14.2	16.1	17.1	14.5
Retail**	9.2	9.6	10.0	10.9	11.5	10.6
Transportation	2.3	2.4	2.6	3.1	3.2	2.3
Other Travel*	0.4	0.4	0.4	0.4	0.5	0.4
Total Direct Earnings	58.0	64.0	70.6	78.5	83.8	69.2
Industry Employment Generated by Travel Spending (Thousand Jobs)						
Accom. & Food Serv.	1,250	1,360	1,450	1,490	1,510	1,200
Arts, Ent. & Rec.	920	990	930	1,020	1,040	810
Retail**	350	350	360	380	390	340
Ground Tran.	70	70	70	70	80	70
Other Travel*	10	10	10	10	10	10
Total Direct Employment	2,600	2,780	2,820	2,970	3,030	2,430
Government Revenue Generated by Travel Spending (\$Million)						
Local Tax Receipts	5.8	6.5	6.6	7.1	7.3	7.0
State Tax Receipts	12.4	13.9	14.4	15.5	16.4	14.0

*Other travel includes travel arrangement services and transportation spending to leave the destination

**Retail includes gasoline stations.

ISLAND COUNTY VISITOR VOLUME AND VISITOR SPENDING

Visitor Spending by type of Accommodation

	2015	2016	2017	2018	2019	2020p
Total Destination Spending	180.6	196.7	202.4	223.2	240.7	199.3
All Overnight	131.1	144.6	149.3	165.7	180.5	172.5
Hotel, Motel, STR	74.3	86.2	89.7	103.0	116.3	129.9
Private Home (VFR)	34.8	35.7	36.2	38.6	39.5	20.2
Other Overnight	22.0	22.6	23.3	24.1	24.7	22.4
Day Travel	49.5	52.1	53.2	57.4	60.1	26.8

Note: Other Overnight includes camping and vacation home (2nd homes)

Average Expenditures for Overnight Visitors, 2020p

	Travel Party		Person		Party Size	Length of Stay (Nights)
	Day	Trip	Day	Trip		
Hotel, Motel, STR	\$430.2	\$674.7	\$171.8	\$269.4	2.5	1.6
Private Home (VFR)	\$68.5	\$147.8	\$28.1	\$60.6	2.4	2.2
Other Overnight	\$158.8	\$431.5	\$57.2	\$155.6	2.8	2.7
All Overnight	\$186.6	\$372.3	\$74.5	\$149.1	2.5	2.0

Overnight Visitor Volume, 2018-2020p

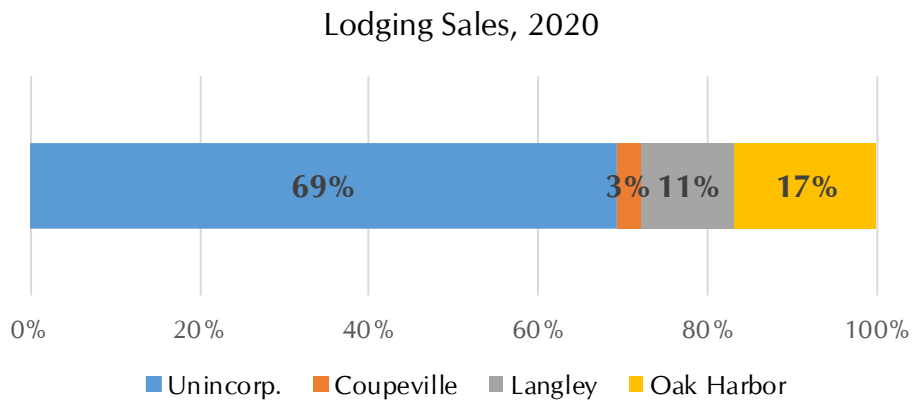
	Person-Nights (000)			Party-Nights (000)		
	2018	2019	2020p	2018	2019	2020p
Hotel, Motel, STR	604.9	666.3	756.4	241.6	266.1	302.1
Private Home (VFR)	1,411.1	1,422.5	718.6	578.6	583.3	294.7
Other Overnight	430.9	434.9	391.7	155.1	156.6	141.2
All Overnight	2,447.0	2,523.6	1,866.7	975.3	1,005.9	737.9

	Person-Trips (000)			Party-Trips (000)		
	2018	2019	2020p	2018	2019	2020p
Hotel, Motel, STR	385.7	424.8	482.2	154.0	169.6	192.6
Private Home (VFR)	653.7	659.0	332.9	268.0	270.2	136.5
Other Overnight	157.5	158.9	144.0	56.7	57.3	51.9
All Overnight	1,196.9	1,242.7	959.2	478.8	497.1	381.0

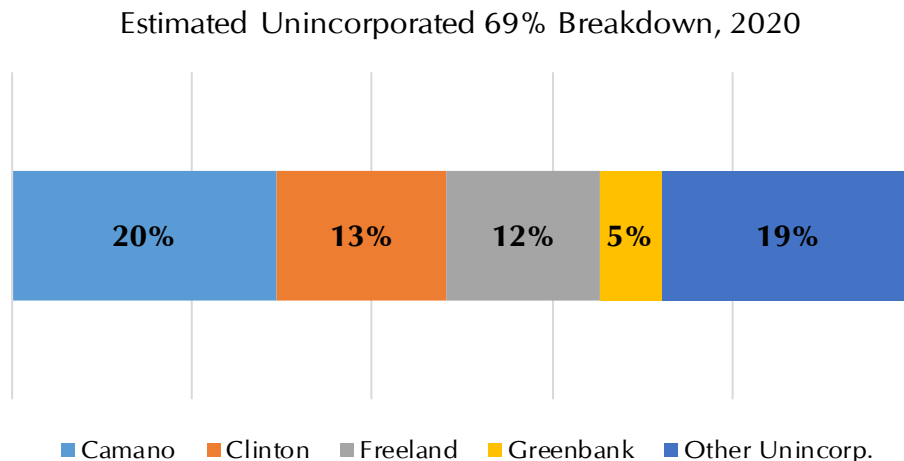
TRAVEL IMPACTS WITHIN ISLAND COUNTY

Summary breakouts for eight areas and both islands within Island County are reported in this section. Based on room tax receipts and sales tax figures from the Washington Department of Revenue, zip code county business pattern data from the U.S. Census Bureau, and short term lodging data from AirDNA, these figures are reasonable estimates of the distribution of travel impacts within the county. As small area estimates are necessarily less precise than countywide estimates, detailed breakouts by accommodation, commodity, and industry are not shown. Visitors do not necessarily recognize geographic boundaries and may visit multiple places during their stay, due to this nature the economic impacts should be interpreted as approximate estimates.

The unincorporated section of the islands had 69 percent of the taxable lodging sales in 2020. This is a 7% increase in share over 2019 (62%).



Source: Washington Department of Revenue



Source: Dean Runyan Associates, AirDNA

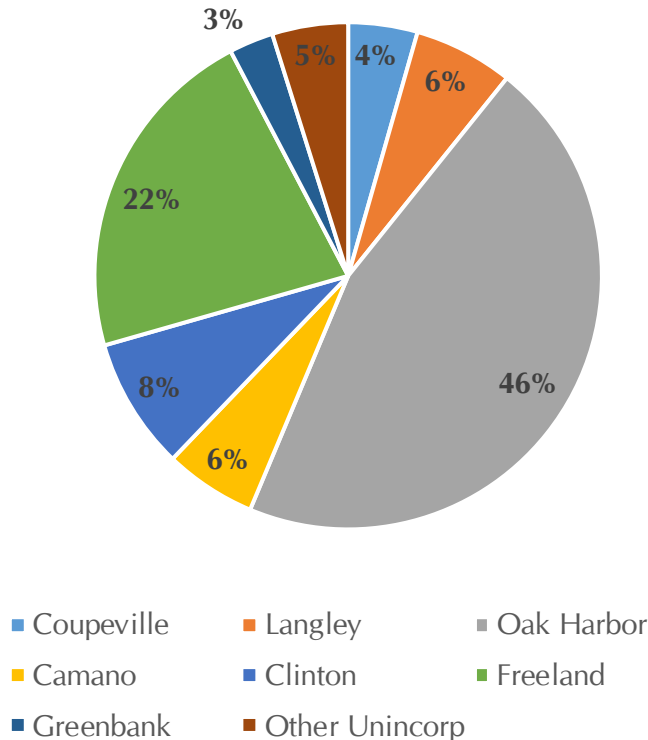
Areas defined as: Greenbank, zip code 98253; Freeland, zip code 98249; Clinton, zip code 98236; Camano, zip code 98282; Other Unincorp., unincorporated areas of zip codes 98260, 98239, 98277, 98278.

Travel Impacts within Island County, 2020p

	Spending	Earnings	Employment	Tax Receipts (\$M)		
	(\$Million)	(\$Million)	Jobs	Local	State	Total
Total	199.3	69.2	2,430	7.0	14.0	21.0
Incorporated Areas	112.2	37.8	1,230	3.9	7.9	11.8
Coupeville	8.8	2.9	90	0.3	0.6	0.9
Langley	12.6	4.4	140	0.4	0.9	1.3
Oak Harbor	90.8	30.6	1,000	3.2	6.4	9.6
Unincorporated Areas	87.1	31.4	1,200	3.0	6.1	9.2
Clinton	16.8	6.3	220	0.6	1.2	1.8
Freeland	43.4	15.6	600	1.5	3.1	4.6
Greenbank	5.6	2.5	100	0.2	0.4	0.6
Other Unincorp.	9.6	3.4	100	0.3	0.7	1.0
Camano Island	11.7	3.7	180	0.4	0.8	1.2
Camano	11.7	3.7	180	0.4	0.8	1.2

Note: Camano, Clinton, Freeland, Greenbank, and Other Unincorp. are representative of the entire unincorporated area of Island County. These are broken out to give additional insights and are estimates based on the data available.

Share of Travel Spending



APPENDICES

APPENDIX A. REGIONAL TRAVEL IMPACT MODEL (RTIM) METHODOLOGY

APPENDIX B: TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

**REGIONAL TRAVEL IMPACT MODEL (RTIM)
TRAVEL IMPACT ESTIMATION PROCEDURES**

TRAVEL SPENDING

Hotel, Motel, STR. Spending on commercial accommodations by hotel and motel guests is estimated from transient lodging tax collections at the city/county jurisdictional level.

Campgrounds. Spending by campers using commercial campgrounds is estimated from the number of commercial campsites, the average occupancy of these campsites. Spending by campers using public campgrounds is estimated from visitor counts at federal, state, and locally managed campsites and recreation areas, and the average daily expenditures of visitor camp parties reported in survey data.

Private Home. Spending by private home guests staying with friends or family is determined from census data and visitor survey data. The average number of days per year visitors hosted by residents and the average daily spending of these visitors are estimated from visitor survey data.

Vacation Home. The estimated spending by vacation home owners is also based on census data and visitor survey data.

Day Travel. The share of day visits as a percentage of total travel is estimated from visitor survey data and applied to average daily spending estimates to produce day visitor spending.

Spending by visitors in other business categories, such as food and transportation, is estimated using spending distributions reported in the visitor survey data.

RELATED TRAVEL IMPACTS

Spending by travelers generates jobs, payroll, and state and local tax revenue.

Earnings generated directly from traveler expenditures are estimated from a payroll-to-receipts ratio obtained from the 2012 Economic Census and earnings estimates from the Bureau of Economic Analysis.

Employment in each business category is calculated from wage data supplied by the U.S. Department of Labor and earnings estimates from the Bureau of Economic Analysis.

Local Taxes consist of local room taxes and sales taxes attributable to visitor spending and property and sales taxes attributable to travel industry employees and businesses.

State Taxes consist of sales taxes and motor fuel taxes attributable to visitors and income and sales taxes attributable to travel industry employees.

TRAVEL IMPACT INDUSTRIES MATCHED TO 2007 NAICS

TRAVEL IMPACT INDUSTRY	NAICS INDUSTRIES* (code)
Accommodations & Food Services	Accommodations (721) Food Services and Drinking Places (722) Residential Property Managers (531311)
Arts, Entertainment & Recreation	Performing Arts, Spectator Sports (711) Museums (712) Amusement, Gambling (713) Scenic and Sightseeing Transportation (487) Miscellaneous Industries (see note**)
Retail	Food & Beverage Stores (445) Gasoline Stations (447) Clothing and Clothing Accessories Stores (448) Sporting Goods, Hobby, Book, and Music Stores (451) General Merchandise Stores (452) Miscellaneous Store Retailers (453)
Ground Transportation	Interurban and Rural Bus Transportation (4852) Taxi and Limousine Service (4853) Charter Bus Industry (4855) Passenger Car Rental (532111) Parking Lots and Garages (812930)

Notes: *Government enterprises (e.g., park systems) are included in this classification

**Includes parts of industries in other sectors (e.g., accommodation, charter bus).

A more detailed description of these industries can be found at <http://www.ntis.gov/naics>