The data points in this report are meant to help to illustrate the impact of the pandemic on the Texas travel industry and chart a road to recovery.

There are many signals that the U.S. and Texas recovery is picking up pace, especially among domestic leisure travelers. Travel sentiment, transportation and hotel indicators are all trending positively.

From 2011-2019, the travel industry experienced a decade of expansion and was an economic driver for Texas. The industry was among the hardest hit by the pandemic.

Preliminary economic impact estimates show that in 2020 direct travel spending in Texas was $56.9 billion – a decline of -31.5% from 2019. The drop in travel spending resulted in a loss of -$53.5 billion in economic activity.

Questions or comments? Please send us a message.
Data Points

- Domestic Travel Intent and Sentiment
- Texas Transportation Trends
- Texas Hotel Performance
- Texas Taxes and Leisure and Hospitality Jobs
- Texas Travel Economic Impact
- Links
DOMESTIC TRAVEL INTENT AND SENTIMENT
Excitement and Openness to Travel Promotion

Excitement to travel and openness to travel promotion has trended upward since the start of the year and is now showing some of the highest agreement since the start of the pandemic.

Source: Destination Analysts; Data is collected weekly and tabulated by month
Upcoming Travel Plans

9 in 10 American travelers have at least tentative leisure travel plans right now, with the highest incidence in July and August. Nearly 80% have travel plans in the next three months.
Month of Next Road Trip and Next Airline Trip

Travelers next road trip is likely to occur before their next commercial flight with high rates in June kicking off the summer travel season. Roughly one in three respondents (31%) are not planning their next airline trip until next year compared to one in ten (11.4%) for their next road trip.

Source: Destination Analysts; Data Collected: 5/26-5/28
A number of Texas airports have recently announced new routes and scheduled daily flights for the summer are trending back to pre-pandemic levels.
Travelers are beginning to take to the skies again. Daily passenger throughputs at Texas airports have exceeded Spring Break for most of May and are approaching pre-pandemic levels.
Drive Market

Geolocation data for daily domestic road trips to and within Texas, tabulated by month, shows that travel in April 2021 and May 2021 exceeded 2019 levels.
TEXAS HOTEL PERFORMANCE
Hotel Performance – Weekly Occupancy Rates

Weekly occupancies for May continued to exceed national averages. Weekend occupancies (5/28 and 5/29) over Memorial Day Weekend were 81.1% statewide.

**Occupancy Rate** is the percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. Data is tabulated by week. Source: STR
Hotel Performance – Demand

Statewide hotel demand continues to show signs of recovery with between 2.0-2.5 million room nights sold per week since mid-February.

Demand is the number of rooms sold in a specified time period (excludes complimentary rooms). Data is tabulated by week. Source: STR
Hotel Performance – Average Daily Rate

Average daily rates (ADR) are increasing as hotel demand picks up. Towards the end of May weekly ADR nearly reached $100, which is a high mark for the pandemic.
Hotel Performance – Revenue

Hotel revenues reached $226.5 million the week of May 23-29, continuing a trend of increasing revenues since the end of March.

Revenue is the total room revenue generated from the guestroom rentals or sales. Data is tabulated by week. Source: STR
Tax Collections Percent Change by Month

The tax categories most impacted by travel saw their steepest declines during spring shutdowns. The chart below illustrates percent change by month compared to the same month in 2019 and includes spending by both visitors and residents.

For monthly filers, reports are due on the 20th of the month following the reporting month. For example, the April sales tax report is due May 20.

Source: Texas Comptroller
Leisure and Hospitality Sector

Texas leisure and hospitality sector employment which includes jobs in hotels, food services, entertainment, arts and recreation added 14,100 jobs in April 2021, growing annually at 46.1%. Since April 2020 around **+393,400 jobs** have been returned as these businesses continue to recover.

6.7% Unemployment Rate in April
Direct Travel Spending

From 2011-2019, the travel industry experienced a decade of expansion and was an economic driver for Texas. 2019 spending was $83 billion before declining -31.5% in 2020 to $56.9 billion due to the pandemic. Spending on transportation declined more than any other commodity.

Source: Dean Runyan and Associates
Travel Generated Taxes

In 2019, direct travel spending generated $4.7 billion in state taxes with the majority in sales, motor fuel and hotel occupancy taxes. Preliminary estimates for 2020 show a decline of -22.6% to $3.6 billion in state taxes generated.

2019 State Taxes Generated by Category

Source: Dean Runyan and Associates
Economic Impact

Travel spending impacts many sectors of the economy through direct and secondary (indirect and induced) impacts. The economic impact of travel in 2019 was estimated at $169.8 billion. In 2020, economic impact was **$116.3 billion** – a decline of **-$53.5 billion** in economic activity.

2019 Direct and Secondary Impacts by Sector (Billions)

Source: Dean Runyan and Associates
Travel Industry Jobs

Texas jobs and earnings created by the economic impact of travel are estimated below as annual averages. Despite government stimulus, the travel industry shows clear signs of contraction. Most employment losses are direct jobs in the leisure and hospitality sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>Texas Jobs Created by Travel</th>
<th>Travel Generated Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.3 Million</td>
<td>$63 Billion</td>
</tr>
<tr>
<td>2020</td>
<td>1.0 Million</td>
<td>$53.5 Billion</td>
</tr>
</tbody>
</table>

Source: Dean Runyan and Associates
Links

General Research

• Travel Texas Research: https://gov.texas.gov/travel-texas/page/travel-research
• Travel and Tourism Research Association: https://ttra.com/resources/covid-19-travel-and-tourism-research-resources/
• U.S. Travel Association: https://www.ustravel.org/toolkit/covid-19-travel-industry-research

Travel Intent and Sentiment

• Destination Analysts https://www.destinationanalysts.com/covid-19-insights/
• Longwoods https://longwoods-intl.com/covid-19
• MMGY Travel Intelligence https://www.mmgyglobal.com/covid-19/
Links

Texas Hotel Performance

- AirDNA: https://www.airdna.co/covid-19-data-center

Texas Transportation Trends

- TSA: https://www.tsa.gov/coronavirus/passenger-throughput
- Airline Data Inc: https://www.airlinedata.com/
- Arrivalist: https://www.arrivalist.com/daily-travel-index/
Links

Economic Impact

• Dean Runyan and Associates: https://www.deanrunyan.com/

• Texas Workforce Commission
  • Labor Market Information: https://www.twc.texas.gov/businesses/labor-market-information

• Texas Comptroller Monthly revenue watch: https://comptroller.texas.gov/transparency/revenue/watch/all-funds/