• 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 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.
Upcoming Travel Plans

9 in 10 American travelers have at least tentative leisure travel plans right now, with the highest incidence in July. More than 80% have travel plans in the next three months.

Source: Destination Analysts; Data Collected: 4/30-5/2
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 spring and summer. More are expecting to fly this year compared to a month ago, with the percentage waiting until 2022 or later dropping to around 25%.
TEXAS TRANSPORTATION TRENDS
Average Daily Flights

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 through puts at Texas airports have increased to the highest levels of the pandemic. There was a significant increase during Spring Break that has continued through mid-April.
Drive Market

Geolocation data for domestic road trips to and within Texas shows sharp declines at the start of the pandemic and during Winter Storm Uri. Following the storm, weekly trips increased to the highest levels of the pandemic during Spring Break.
TEXAS HOTEL PERFORMANCE
Hotel Performance – Weekly Occupancy Rates

Statewide hotel occupancy during Spring Break (3/14-3/20) was the highest of the pandemic at 71.6% Weekly occupancies for March and April exceeded the U.S. average. Weekend occupancies have exceeded 80% in many destinations indicating leisure travel recovery.

**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 hit a pandemic high during Spring Break (3/14-3/20) at more than 2.5 million roomnights. Weekly roomnights sold have been around 2.2 million for all of April.
Hotel Performance – Average Daily Rate

Average daily rates (ADR) are increasing as hotel demand picks up. From mid-March through April, weekly ADR has been around $90 which are the highest levels of the pandemic but still below historic levels.

Average Daily Rate (ADR) is a measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. Data is tabulated by week. Source: STR
Hotel Performance – Revenue

Hotel revenues reached $234 million over Spring Break (3/14-3/20), the highest level of the pandemic. For the month of April, weekly revenues exceeded $200 million which is a promising indicator heading into the summer travel season.
TEXAS TRAVEL ECONOMIC IMPACT
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
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 July sales tax report is due August 20.

Source: Texas Comptroller
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>Jobs Created</th>
<th>Earnings Generated</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
Leisure and Hospitality Sector

Texas leisure and hospitality sector employment which includes jobs in hotels, food services, entertainment, arts and recreation led the state in March 2021 with +23,100 jobs added. Since a low point in April 2020 around +380,000 jobs have been returned as these businesses continue to recover.

6.9% Unemployment Rate in March
Unemployment Claims

Texas unemployment claims were highest at the beginning of the pandemic and remain elevated more than a year later. Unemployment claims by week in April declined compared to March.

Source: Texas Workforce Commission, Data is tabulated by week.
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
  • Unemployment: https://www.twc.texas.gov/news/unemployment-claims-numbers#unemploymentClaimsFiled

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