2020-2021 RESEARCH ROUNDUP

Last updated: December 2021
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.

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 $56.5 billion – a decline of -32% from 2019. The drop in travel spending resulted in a loss of -$54.2 billion in economic activity.

Hotel performance in the summer and fall approached pre-pandemic levels driven by domestic leisure travel. National forecasts predict that business and international travel may not fully recover until 2024 or 2025.

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 increased throughout the fall before declining in December as consumers became less optimistic about the coronavirus situation within the U.S. and experienced a regression in safety perceptions.

Source: Destination Analysts; Data is collected weekly and tabulated by month
The Omicron variant is negatively impacting trips, planning and booking. Despite declines in sentiment, 76% of American travelers remain in a ready-to-travel state of mind. About 30% plan to take a trip over the Christmas holiday, up from 17.4% in 2020.
Average Daily Flights

Average daily flights to Texas destinations were gradually returning to pre-pandemic levels through the first ten months of the year before declining slightly in November and December.

Source: Airline Data, Inc., Data Accessed 12/14/21
Travelers are beginning to take to the skies again. Daily passenger throughputs at Texas airports approached pre-pandemic levels. Passenger traffic decreased in August, with a rebound in the fall.
Drive Market

Geolocation data for daily domestic Texas road trips including an overnight stay shows growth through the fall following a decline in August. Road trips have recovered to pre-pandemic benchmarks.
TEXAS HOTEL PERFORMANCE
Weekly occupancies statewide for the summer through the end of the year were similar to pre-pandemic levels. Weekend occupancies are driving demand due with domestic leisure travel being the first segment to recover.

**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 through the end of the year.

Demand is the number of rooms sold in a specified time period (excludes complimentary rooms). Data is tabulated by week. Source: STR
Average daily rates (ADR) are increasing as hotel demand picks up. Weekly ADR’s passed $100 the first week of June and have met or exceeded pre-pandemic levels through the end of the year.

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

Weekly hotel revenues increased throughout the first half of 2021 and approached pre-pandemic levels in the summer and fall. Statewide revenues the weeks of July 18-24 and October 17-23 both exceeded $263 million and set high marks for the year.

Revenue is the total room revenue generated from the guestroom rentals or sales. Data is tabulated by week. Source: STR
TEXAS TAXES AND LEISURE AND HOSPITALITY JOBS
The chart below illustrates tax collections as a percentage of the same month in 2019 for the categories most impacted by travel spending. Hotel occupancy tax collections have made a dramatic recovery starting in March 2021 through the end of the year.
Leisure and Hospitality Sector

In November 2021, the Texas labor market surpassed its previous pre-pandemic employment record. The Leisure and Hospitality sector is now at roughly 94% of pre-pandemic employment with 482,200 jobs returned since a low point in April 2020.

5.2% Unemployment Rate in November 2021
TEXAS TRAVEL ECONOMIC IMPACT
Direct Travel Spending

From 2011-2019, the Texas travel industry experienced a decade of expansion and was an economic driver for Texas. 2019 spending was $83 billion before declining -32% in 2020 to $56.5 billion due to the pandemic resulting in a loss of -$54.2 billion in economic activity.

Source: Dean Runyan and Associates
Travel spending has been uneven and Texas has been resilient. The chart below shows monthly travel spending estimates compared to 2019 for the U.S. and state’s with the largest tourism industries. Texas has exceeded national averages throughout the pandemic.

Source: U.S. Travel Association, Tourism Economics
Travel Forecast (U.S.)

The recovery for different travel segments is forecast below as share of 2019 trips. U.S. leisure travel is leading the recovery while business and international travel may not fully recover until 2024 and 2025 respectively.

Links

General Research

• Travel Texas Research: https://gov.texas.gov/travel-texas/page/travel-research
• Travel and Tourism Research Association: https://ttra.com/
• 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/
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/

• U.S. Travel Association Research: https://www.ustravel.org/research