

The State of the Oregon Hospitality Industry

OLCC Commission Meeting

April 21, 2022



Background

Oregon Restaurant & Lodging Association (ORLA):

- Serves as the leading industry advocate, striving to protect, improve and promote Oregon hospitality
- As a not-for-profit trade organization, ORLA represents over 2,800 members, and advocates for approximately 10,000 foodservice locations and more than 2,000 lodging establishments in Oregon
- Second largest private sector industry in Oregon behind healthcare

Restaurants

- Every dollar spent in the table service segment contributes \$1.87 to the state economy
- Every dollar spent in the limited-service segment contributes \$1.61 to the state economy
- Restaurant and foodservice jobs in Oregon in 2019 = 11% of employment in the state

Lodging

In 2019, local transient lodging taxes generated more than \$200 million dollars across the state; about 82% of local transient lodging tax spending was used for general services, tourism-related facilities and promotion
Share of total jobs supported by hotel industry in Oregon is 4.5%



Employment in Hospitality

Leisure and Hospitality is Projected to Grow the Fastest & Add the Largest Number of Jobs

- 46% growth which represents a gain of 73,800 jobs is projected through 2030
- Leisure & Hospitality lost 51,700 jobs in 2020
- 7 out of 10 jobs that are projected to be added through 2030 will replace the jobs lost due to the Covid-19 Pandemic in 2020



Current State of Oregon Restaurants

Closure/Opening Data provided by CHD Expert

Total Restaurant Closures in 2020 – **1,185**

Total Restaurant Re-Openings in 2020 – **770**

Total Restaurant Closures in 2021 – **1,043**

Permanent Closures – 606

Temporary Closures – 437

Restaurant Re-Openings in 2021 - **805**

Net Loss of Restaurants in Oregon since March 2020 – 653*

*does not include 2022 data



Where we Stand Right Now – High Level Takeaways

1. Although net restaurant closures are lower than initially anticipated, thousands of restaurants are carrying debt loads they've never carried before. The Payroll Protection Program and Employee Retention Tax Credit programs have helped soften the blow.
2. The \$28.6 billion Restaurant Revitalization Fund provided transformative relief for 2,337 restaurant operators in Oregon. Another 2,593 restaurant operators received none of this relief – inequity in relief response is palpable.
3. The lodging industry in many regions is realizing significant gains and, in some cases, record breaking revenue. The Portland region is THE challenge with higher debt loads and underperforming business travel demands. Group business and conference confirmations will be critical for the Portland lodging ecosystem.
4. New hospitality concepts will continue to emerge with growing technological adaptations. We will all experience more menu access, order acceptance, and payment processing through mobile devices while visiting restaurants. And technological adaptations will not correlate to food quality.
5. Supply chain constraints & workforce recovery efforts will persist in 2022 but modest gains continue month to month.



Questions & ORLA Contact Information

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