

# Economic Impact and Tax Revenue Forecasts: 2022-2026

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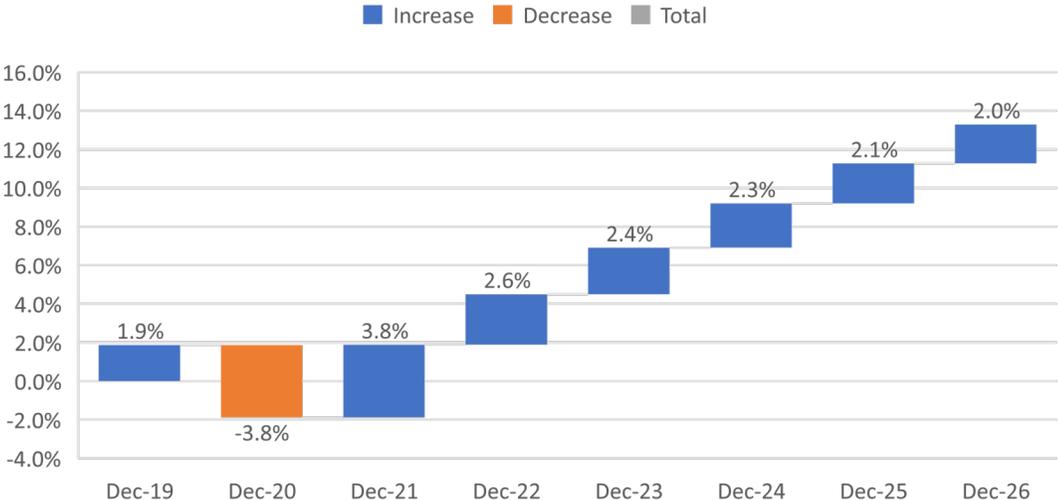
# Overall Context

- Improvement in public health and economic recovery are inextricably connected, as vaccinations and herd immunity (hopefully) will translate into resumption of “normal” economic activity.
- Significant near-term factors
  - Unprecedented stimulus
    - Direct household cash payments/expanded unemployment
    - PPP/Economic Injury Disaster Loan/Industry-Specific Support
    - Infrastructure/Other Priorities (pending)
    - Historically low interest rates
  - High level of pent-up demand
    - Isolation and enforced savings creates desire for entertainment/social activity/travel
- Longer-term factors
  - Inflation?
    - Record levels of debt
    - Demand out-stripping supply chains
    - Housing shortage
  - Changes in patterns of work and travel
    - Permanent remote/digital nomads
    - Group/business travel?

# Employment Forecast (December Figures in 000s)

|                                | 2019           | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           | 2026           |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Mining, Logging                | 10.0           | 6.2            | 6.2            | 6.3            | 6.4            | 6.5            | 6.5            | 6.6            |
| Construction                   | 57.9           | 55.5           | 59.7           | 61.9           | 63.8           | 65.6           | 67.3           | 69.1           |
| Manufacturing                  | 51.9           | 51.0           | 52.0           | 53.2           | 54.4           | 55.6           | 56.9           | 58.0           |
| Wholesale Trade                | 38.0           | 35.9           | 37.5           | 38.4           | 39.1           | 40.0           | 40.9           | 41.7           |
| Retail Trade                   | 117.7          | 112.7          | 116.1          | 118.2          | 119.9          | 121.7          | 123.3          | 124.9          |
| Transportation/Utilities       | 35.2           | 40.1           | 43.4           | 45.2           | 46.6           | 47.9           | 49.1           | 50.2           |
| Information                    | 19.9           | 18.3           | 18.0           | 18.0           | 18.2           | 18.5           | 18.6           | 18.8           |
| Financial Activities           | 77.4           | 78.9           | 81.4           | 83.7           | 85.9           | 87.9           | 90.0           | 92.1           |
| Real Estate                    | 17.8           | 15.7           | 16.6           | 17.1           | 17.5           | 18.0           | 18.4           | 18.8           |
| Professional/Business Services | 144.0          | 155.8          | 161.3          | 166.4          | 171.4          | 176.2          | 180.8          | 185.3          |
| Education/Health Services      | 171.1          | 159.6          | 165.2          | 170.6          | 175.9          | 181.7          | 186.8          | 191.7          |
| Leisure/Hospitality            | 136.5          | 114.6          | 122.3          | 125.9          | 129.2          | 132.1          | 134.7          | 137.4          |
| Other Services                 | 40.0           | 34.7           | 37.1           | 38.2           | 39.2           | 40.3           | 41.2           | 42.0           |
| Government                     | 177.6          | 174.9          | 176.8          | 179.1          | 181.6          | 183.6          | 185.5          | 187.3          |
| <b>TOTAL</b>                   | <b>1,095.0</b> | <b>1,053.9</b> | <b>1,093.6</b> | <b>1,122.2</b> | <b>1,149.3</b> | <b>1,175.6</b> | <b>1,200.0</b> | <b>1,224.1</b> |

12-Month Growth



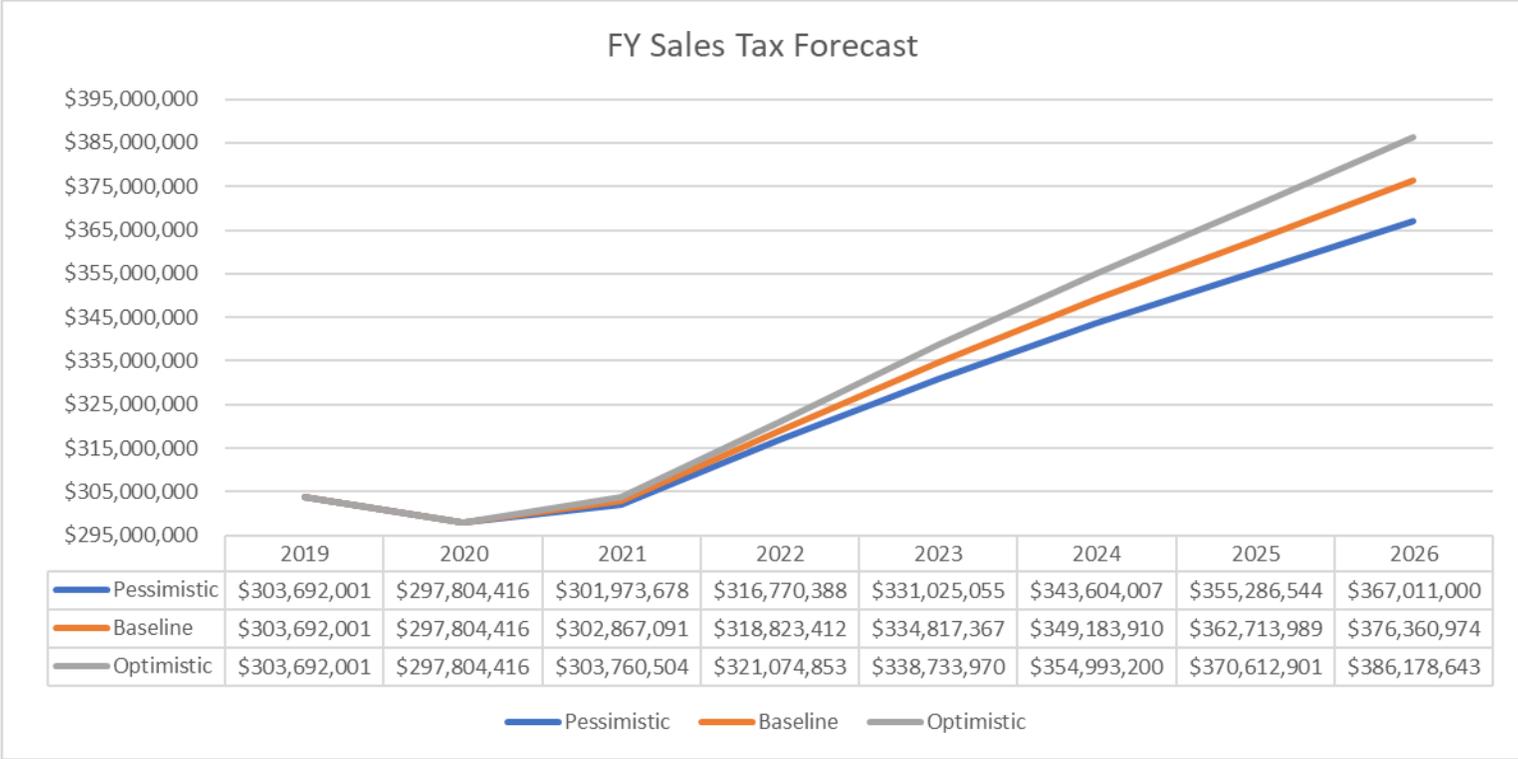
# Sales/Property Tax Approach

- Traditional metric: Establish the correlation and overall relationship between job gain/loss and tax gain/loss for the City. Outcome: for every percentage point gain/lost in employment, tax moves up/down X percentage points.
- Post-COVID, mitigating factors that support consumer spending assume greater importance for sales tax
  - As of now, the equivalent of about one-third national annual economic activity has been injected into the economy.
  - Pent-up demand and increased hiring
- In addition to an improving economy, there are countervailing forces influencing property values.
  - Rising house prices and shortage of housing product
  - Reduced demand for office space
  - Multi-year challenges for hotels/lodging
- General approach – use short-term trends for the near-term, connection to expected job growth for the medium term, and layering in impact of structural change and over-hang of excess supply of commercial real estate to moderate growth rates in the longer-term

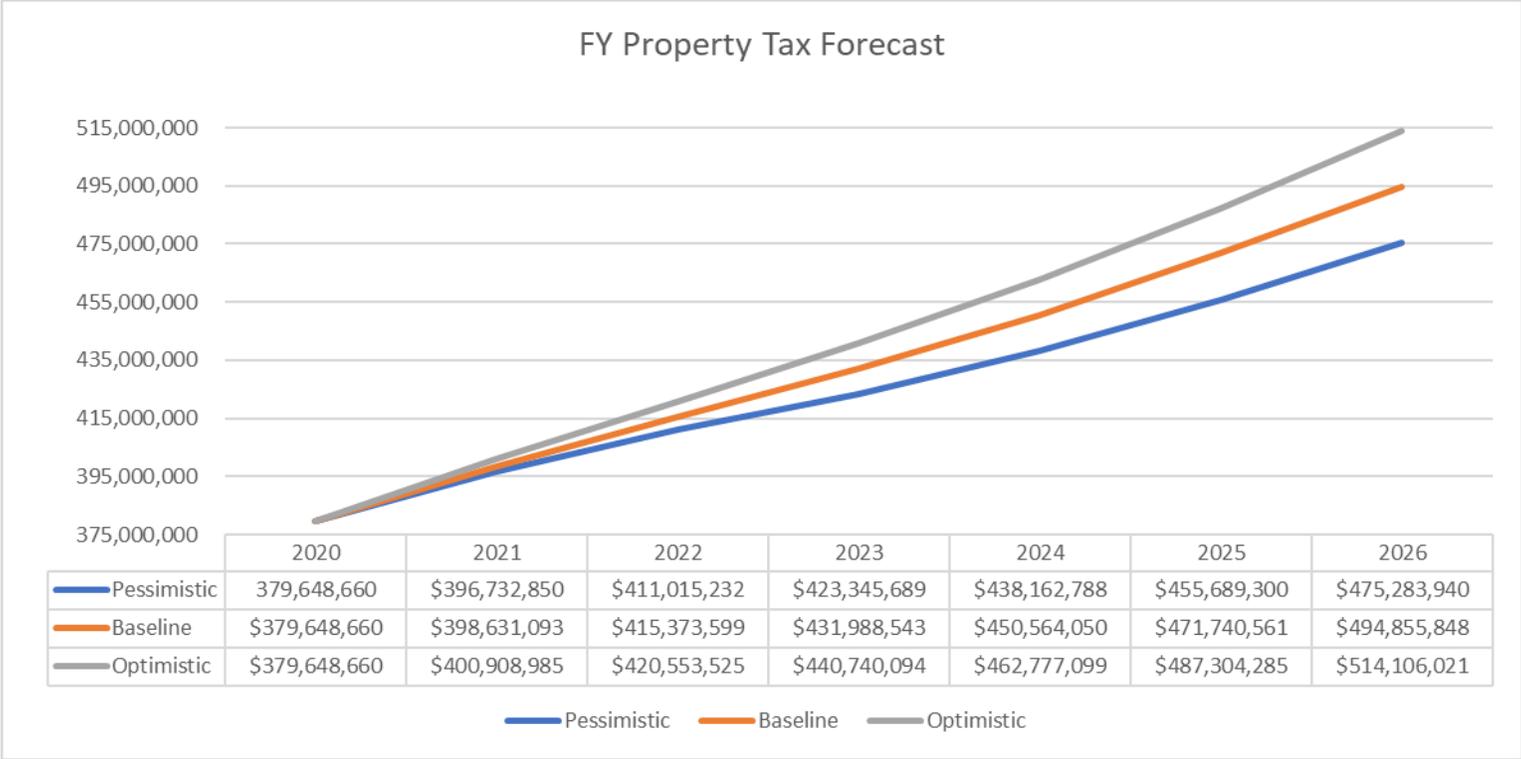
# Scenarios

- In light of the economic context, there are three general scenarios related to the reopening of the economy and the forecasts of tax revenues:
  - Optimistic: the return to “normalcy” sets loose high levels of pent-up demand for both spending and domestic travel. Inflation remains under control, economic growth surges, and San Antonio experiences the benefits of being a desirable, affordable community for both population and economic growth.
  - Baseline: Public health allows the trend toward increased economic activity to continue which is enhanced by the desire to travel and limitations doing so internationally. However, challenges remain around changing patterns of work which influence commercial property values and shopping patterns.
  - Pessimistic: Inflation surges, dampening economic growth. COVID variants and vaccine hesitancy undermine the pace of reopening. Problems in commercial real estate spill over into finance and the equity markets.

# Sales Tax Forecasts



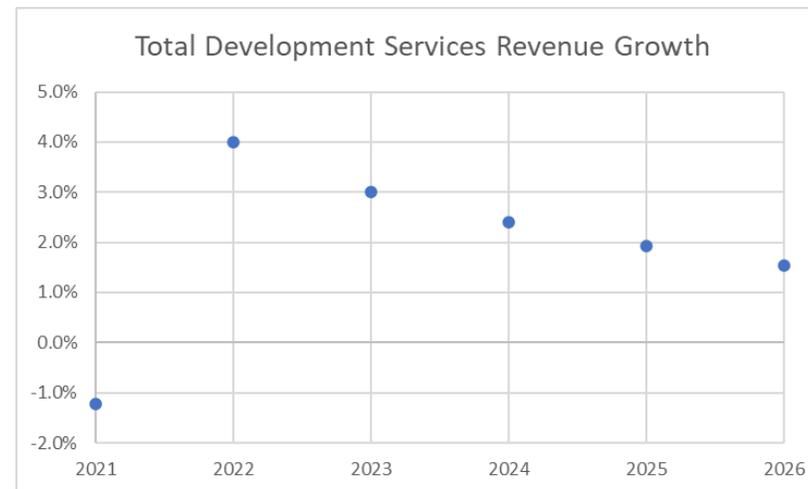
# Current Property Tax Forecasts



# Development Services Revenue

- Correlated with expected patterns of construction activity, as reflected in construction employment forecasts for the region:
  - Building Permits: Bifurcation between residential and non-residential, as there is a shortage of housing and strong demand. On the non-residential side, medical and industrial should do fairly well, but office and hospitality are facing challenges.
  - Other Income: Forecasts here are predicated on historic shares of Other Income vs Building Permits.

|      | Total Bldg Permits |          | Other    |
|------|--------------------|----------|----------|
| 2020 | \$39,671           | \$20,836 | \$18,835 |
| 2021 | \$39,184           | \$20,580 | \$18,604 |
| 2022 | \$40,751           | \$21,598 | \$19,153 |
| 2023 | \$41,974           | \$22,456 | \$19,518 |
| 2024 | \$42,981           | \$23,210 | \$19,771 |
| 2025 | \$43,806           | \$23,874 | \$19,932 |
| 2026 | \$44,479           | \$24,463 | \$20,016 |



# Context to HOT Revenues Scenarios

“Consumers are anxious to start ‘revenge’ spending on the things they have been denied over the last year – like travel, dining and in-person entertainment.”\*

“Just over half (51%) of American travelers report that their first trip this year will be to visit friends and relatives and the vast majority of trips will be by car.”\*

“COVID-19 is transforming traveller inclinations and behaviors toward the familiar, predictable, trusted, and even low risk. Domestic and regional vacations, extensive research and planning, and the outdoors will reign in the short-term...”\*\*

Sources:

\*U.S. Travel Association. Jan. 2021. “COVID-19 Travel Industry Research.” <https://www.ustravel.org/toolkit/covid-19-travel-industry-research>

\*\*\*World Travel & Tourism Council and Oliver Wyman. Sept. 2020. *To Recovery & Beyond: The Future of Travel & Tourism in the Wake of COVID-19*. p. 9

# Context to HOT Revenues Scenarios

- Since San Antonio is a large leisure travel market, the relatively quick recovery of leisure travel will help with a quicker recovery of HOT revenues.
- There is evidence that many of the initial trips by travelers will be by car. This will likely help hasten the recovery in the hospitality sector in San Antonio since it is largely a drive-in market.
- As more people are vaccinated, confidence in the safety of travel and staying in hotels will increase (including locals venturing to hotels for staycations) leading to increasing hotel occupancy rates.
- Travel to conventions and conferences is also likely to lag leisure and general business travel due to a continuation of preference for online offerings into the near future.
- International travel is also likely to take an extended period of time to recover, but this is a relatively small portion of travel to San Antonio. For instance, international passengers accounted for 4.5% of all passengers enplaning or deplaning through San Antonio International airport.\*

Sources:

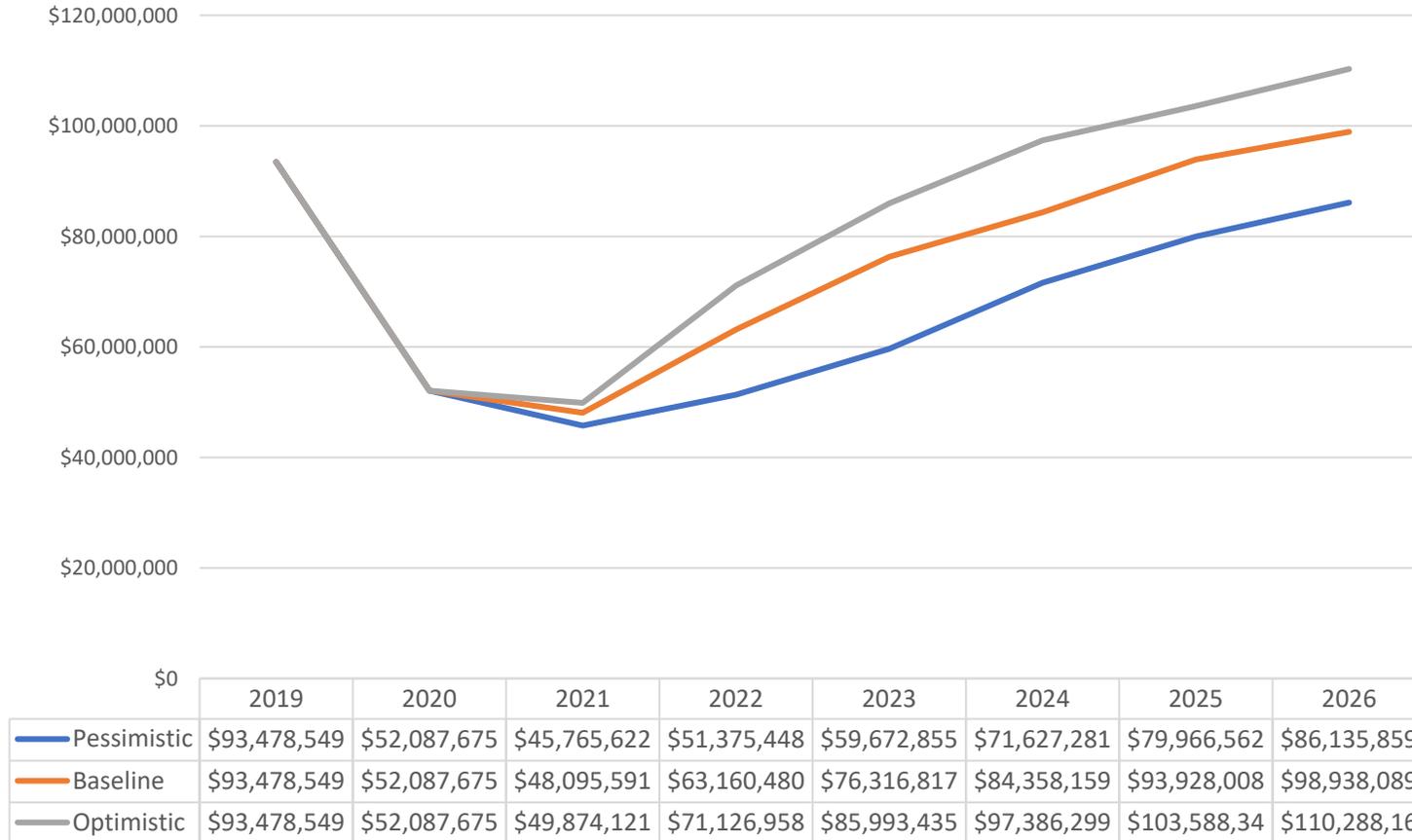
\*Based on calculations from data sourced at <https://flysanantonio.com/wp-content/uploads/2020/04/2019-DEC-Stats.pdf>

# HOT Scenarios

- In light of the economic context, there are three general scenarios related to the reopening of the economy and the forecasts of tax revenues. As of February 2021, the ADR was at 70% of its pre-pandemic level, and room demand was at 66% of its pre-pandemic level. Growth of both ADR and room demand in each of these scenarios is assumed to proceed at a linear rate.
  - Optimistic: This scenario assumes a release of pent-up demand for travel facilitated by San Antonio being mainly a drive-in market and a quick recovery of business travel. Room demand recovers to pre-pandemic levels by the end of 2022 and then grows at a rate 25% above average Y/Y growth from 2010-2019. ADR recovers to pre-pandemic levels by the end of 2023 and then grows at rate 25% above average Y/Y growth from 2010-2019. The above average growth reflects continued economic expansion and acceleration in both leisure and business travel.
  - Baseline: This scenario reflects growth in travel as vaccinate rates increase with some travelers remaining hesitant and a slower recovery of business and international travel compared to the optimist scenario. Room demand is projected to recover to pre-pandemic levels by the end of 2023 and then grow at a rate equal to average Y/Y growth from 2010-2019. ADR is projected to attain its pre-pandemic level by the end of 2024 and then grow at a rate equal to average Y/Y growth from 2010-2019.
  - Pessimistic: Room demand recovers to 95% of pre-pandemic levels by end of 2024 to account for permanent loss in business travel due to online meetings and slower recovery of international travel and then grows at a rate 25% less than average Y/Y growth from 2010-2019. ADR recovers to pre-pandemic levels by end of 2025 and then grows at rate 25% less than average Y/Y growth from 2010-2019. The below average growth rate reflects persistent hesitancy for business travel and smaller conventions.

# HOT Forecasts

HOT Revenues Forecast



# Hotel Occupancy Tax Revenues: Projected Percent Change from Pre-Pandemic

| <i>Scenario</i> | Percent Change from 2019 |             |             |             |             |             |
|-----------------|--------------------------|-------------|-------------|-------------|-------------|-------------|
|                 | <i>2021</i>              | <i>2022</i> | <i>2023</i> | <i>2024</i> | <i>2025</i> | <i>2026</i> |
| Pessimistic     | -51%                     | -45%        | -36%        | -23%        | -14%        | -8%         |
| Baseline        | -49%                     | -32%        | -18%        | -10%        | 0%          | 6%          |
| Optimistic      | -47%                     | -24%        | -8%         | 4%          | 11%         | 18%         |

# Hotel Occupancy Tax Revenues: Baseline Scenario Forecast

Projected Hotel Occupancy Tax Revenues: Baseline Scenario

|       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Oct   | \$6,973,024  | \$7,262,648  | \$4,063,416  | \$4,439,101  | \$5,998,193  | \$7,075,999  | \$7,779,241  | \$8,307,866  |
| Nov   | \$7,391,983  | \$7,321,878  | \$1,613,404  | \$4,359,762  | \$5,272,588  | \$6,204,487  | \$7,006,263  | \$7,578,840  |
| Dec   | \$6,591,698  | \$6,578,878  | \$2,763,098  | \$4,317,410  | \$5,221,367  | \$6,144,213  | \$6,839,832  | \$7,193,992  |
| Jan   | \$6,129,557  | \$6,737,185  | \$2,918,334  | \$4,099,462  | \$4,957,787  | \$5,573,411  | \$6,338,291  | \$6,713,957  |
| Feb   | \$7,600,055  | \$7,812,618  | \$3,398,733  | \$4,844,026  | \$5,840,744  | \$6,578,023  | \$7,342,898  | \$7,683,498  |
| Mar   | \$10,790,978 | \$2,341,691  | \$6,816,474  | \$7,168,721  | \$8,618,485  | \$9,543,989  | \$10,853,513 | \$11,456,048 |
| Apr   | \$10,148,067 | \$2,184,335  | \$4,659,740  | \$6,026,064  | \$7,223,981  | \$7,818,415  | \$8,906,765  | \$9,368,853  |
| May   | \$7,272,732  | \$922,812    | \$4,208,286  | \$5,178,323  | \$6,190,287  | \$6,614,226  | \$7,474,780  | \$7,882,417  |
| Jun   | \$7,291,570  | \$2,928,968  | \$4,810,123  | \$6,032,963  | \$7,192,096  | \$7,572,855  | \$8,373,373  | \$8,722,638  |
| Jul   | \$10,639,245 | \$3,759,038  | \$5,092,308  | \$6,508,740  | \$7,738,353  | \$8,086,027  | \$8,793,032  | \$9,135,044  |
| Aug   | \$5,341,026  | \$1,208,231  | \$4,017,265  | \$5,231,657  | \$6,203,557  | \$6,696,329  | \$7,224,239  | \$7,502,922  |
| Sep   | \$7,308,616  | \$3,029,392  | \$3,734,411  | \$4,954,252  | \$5,859,380  | \$6,450,186  | \$6,995,781  | \$7,392,015  |
| Total | \$93,478,549 | \$52,087,675 | \$48,095,591 | \$63,160,480 | \$76,316,817 | \$84,358,159 | \$93,928,008 | \$98,938,089 |

# Hotel Occupancy Tax Revenues: Pessimistic Scenario Forecast

| Projected Hotel Occupancy Tax Revenues: Pessimistic Scenario |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         |
| Oct  | \$6,973,024  | \$7,262,648  | \$4,063,416  | \$4,143,161  | \$4,678,979  | \$5,600,891  | \$6,705,789  | \$7,357,930  |
| Nov  | \$7,391,983  | \$7,321,878  | \$1,613,404  | \$3,576,368  | \$4,091,364  | \$4,921,082  | \$5,889,085  | \$6,503,052  |
| Dec  | \$6,591,698  | \$6,578,878  | \$2,763,098  | \$3,541,625  | \$4,051,619  | \$4,873,276  | \$5,831,876  | \$6,399,295  |
| Jan  | \$6,129,557  | \$6,737,185  | \$2,918,334  | \$3,362,840  | \$3,847,089  | \$4,627,268  | \$5,070,845  | \$5,636,799  |
| Feb  | \$7,600,055  | \$7,812,618  | \$3,398,733  | \$3,950,367  | \$4,542,905  | \$5,461,219  | \$5,970,486  | \$6,560,362  |
| Mar  | \$10,790,978 | \$2,341,691  | \$6,816,474  | \$5,812,409  | \$6,718,942  | \$8,072,799  | \$8,829,697  | \$9,618,411  |
| Apr  | \$10,148,067 | \$2,184,335  | \$4,393,469  | \$4,858,058  | \$5,644,622  | \$6,778,430  | \$7,420,559  | \$8,017,770  |
| May  | \$7,272,732  | \$922,812    | \$3,703,291  | \$4,151,098  | \$4,847,765  | \$5,818,492  | \$6,377,207  | \$6,837,046  |
| Jun  | \$7,291,570  | \$2,928,968  | \$4,297,043  | \$4,809,268  | \$5,644,733  | \$6,771,584  | \$7,404,038  | \$7,848,883  |
| Jul  | \$10,639,245 | \$3,759,038  | \$4,617,026  | \$5,159,989  | \$6,086,653  | \$7,298,052  | \$7,970,882  | \$8,366,492  |
| Aug  | \$5,341,026  | \$1,208,231  | \$3,695,884  | \$4,124,992  | \$4,889,879  | \$5,860,186  | \$6,407,391  | \$6,674,189  |
| Sep  | \$7,308,616  | \$3,029,392  | \$3,485,450  | \$3,885,274  | \$4,628,306  | \$5,544,003  | \$6,088,706  | \$6,315,630  |
| Total  | \$93,478,549 | \$52,087,675 | \$45,765,622 | \$51,375,448 | \$59,672,855 | \$71,627,281 | \$79,966,562 | \$86,135,859 |

# Hotel Occupancy Tax Revenues: Optimistic Scenario Forecast

**Projected Hotel Occupancy Tax Revenues: Optimistic Scenario**

|       | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025          | 2026          |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Oct   | \$6,973,024  | \$7,262,648  | \$4,063,416  | \$5,366,380  | \$6,813,567  | \$7,919,479  | \$8,443,888   | \$8,994,434   |
| Nov   | \$7,391,983  | \$7,321,878  | \$1,613,404  | \$4,741,242  | \$6,002,167  | \$7,178,053  | \$7,795,157   | \$8,534,235   |
| Dec   | \$6,591,698  | \$6,578,878  | \$2,763,098  | \$4,803,118  | \$5,943,859  | \$6,896,863  | \$7,314,460   | \$7,789,197   |
| Jan   | \$6,129,557  | \$6,737,185  | \$2,918,334  | \$4,560,652  | \$5,700,814  | \$6,775,789  | \$7,279,001   | \$7,819,585   |
| Feb   | \$7,600,055  | \$7,812,618  | \$3,398,733  | \$5,402,284  | \$6,677,730  | \$7,742,356  | \$8,192,211   | \$8,668,204   |
| Mar   | \$10,790,978 | \$2,341,691  | \$6,816,474  | \$8,014,316  | \$9,797,452  | \$11,235,584 | \$12,017,710  | \$12,854,281  |
| Apr   | \$10,148,067 | \$2,184,335  | \$4,659,740  | \$6,752,983  | \$8,165,639  | \$9,282,592  | \$9,886,134   | \$10,528,917  |
| May   | \$7,272,732  | \$922,812    | \$4,264,396  | \$5,816,636  | \$6,957,699  | \$7,852,642  | \$8,389,337   | \$8,962,712   |
| Jun   | \$7,291,570  | \$2,928,968  | \$5,004,238  | \$6,792,321  | \$8,038,250  | \$8,853,931  | \$9,316,589   | \$9,803,423   |
| Jul   | \$10,639,245 | \$3,759,038  | \$5,506,935  | \$7,344,693  | \$8,600,343  | \$9,304,092  | \$9,757,509   | \$10,233,024  |
| Aug   | \$5,341,026  | \$1,208,231  | \$4,512,192  | \$5,916,842  | \$6,856,132  | \$7,364,039  | \$7,719,899   | \$8,092,956   |
| Sep   | \$7,308,616  | \$3,029,392  | \$4,353,161  | \$5,615,491  | \$6,439,784  | \$6,980,879  | \$7,476,449   | \$8,007,200   |
| Total | \$93,478,549 | \$52,087,675 | \$49,874,121 | \$71,126,958 | \$85,993,435 | \$97,386,299 | \$103,588,345 | \$110,288,167 |

# Airport Revenues: Methodology

- From 2011 to 2019 there is a 95% correlation between total passengers and total airport revenues.
- This relationship forms the basis of the forecast of revenues.
- Total passengers were forecast for each month under three scenarios – baseline, pessimistic, and optimistic (assumptions described below).
- The change in passengers was forecast for each year, and the monthly number of passengers was calculated by multiplying the annual number of passengers by the average proportion of passengers in each month to the total in the respective year (see table on following slide).

# Airport Revenues: Methodology

## Proportion of Passengers in Each Month to Annual Total

|           |      |
|-----------|------|
| January   | 7.2% |
| February  | 6.8% |
| March     | 8.6% |
| April     | 8.3% |
| May       | 8.6% |
| June      | 9.1% |
| July      | 9.4% |
| August    | 8.5% |
| September | 7.6% |
| October   | 8.7% |
| November  | 8.4% |
| December  | 8.5% |

# Context to Airport Revenues Scenarios

A survey of meeting planners by the U.S. Travel Association showed:

- 1) “Close to six in 10 (58%) do not anticipate resuming face-to-events until the second half of 2021...”
- 2) “More than eight in 10 (81%) believe it will take until 2023 to return to at least 80% of pre-COVID-19 annual event levels.”\*

“...Corporate travel will be 20 per cent lower over the next two years compared with pre-pandemic levels, with questions over whether business class will ever make a complete recovery, Shari Weiss [CEO of Virgin Atlantic] said in a *Financial Times* interview.”\*\*

“Jeffrey Goh, chief executive of Star Alliance, the world’s largest airline group, has told the FT he expects up to a third of trips to disappear, but airlines including Lufthansa and Delta have been more bullish over a snapback in demand once the crisis is over.”\*\*

“While business travel will not be the first segment in travel to recover, it is resilient and essential to the global economy. From the 9/11 attacks to the 2008 global financial crisis, global business travel was able to effectively rebound from these shocks...As for leisure travel, domestic business travel will likely resume first, followed by regional travel...and intercontinental travel.”\*\*\*

Sources:

\*U.S. Travel Association. Jan. 2021. “COVID-19 Travel Industry Research.” <https://www.ustravel.org/toolkit/covid-19-travel-industry-research>

\*\*Georgiadis, Philip. April 12, 2021. “Virgin Atlantic Boss Warns of Long-term Hit to Business Travel.” *Financial Times*.

<https://www.ft.com/content/b8766e60-1a20-41ee-871d-6b97dbec71e8>

\*\*\*World Travel & Tourism Council and Oliver Wyman. Sept. 2020. *To Recovery & Beyond: The Future of Travel & Tourism in the Wake of COVID-19*. p. 11

# Context to Airport Revenues Scenarios

- Leisure travel will likely recover quicker than business travel as pent-up demand for travel is released with an increasing number of people getting COVID-19 vaccinations and as the economy continues to recover.
- As more people are vaccinated, confidence in the safety of travel, including air travel, will continue to grow. However, another spike in COVID-19 cases could slow the growth in confidence and lengthen the recovery.
- Some business air travel may not return at all as online meetings will likely continue to replace some travel in the future, but economic growth over time may offset some of the decline in business air travel.
- Travel to conventions and conferences is also likely to lag leisure and general business travel due to a continuation of preference for online offerings into the near future.
- International travel is also likely to take an extended period of time to recover, but this is a relatively small portion of travel to San Antonio. For instance, international passengers accounted for 4.5% of all passengers enplaning or deplaning through San Antonio International airport.\*

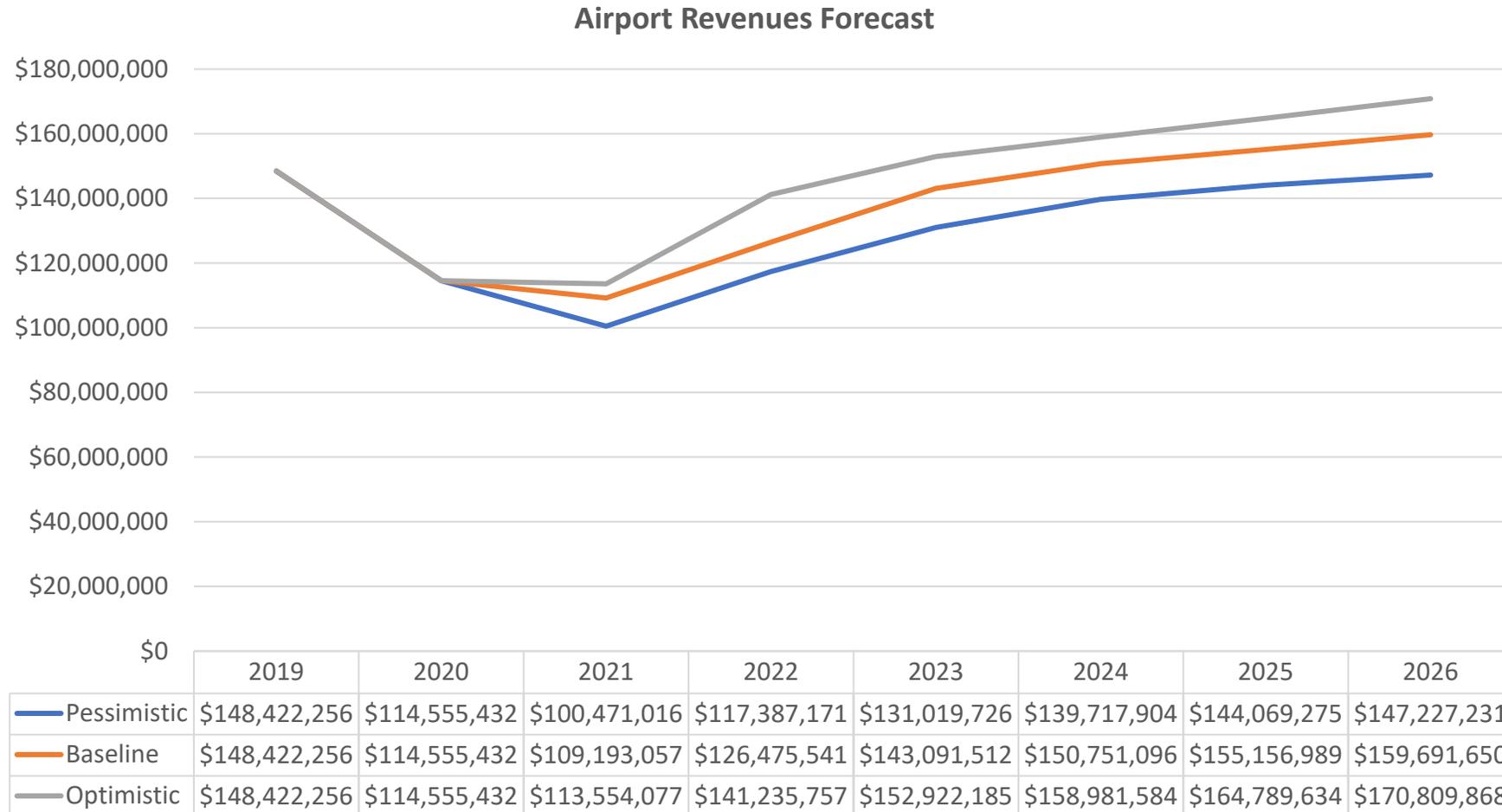
Sources:

\*Based on calculations from data sourced at <https://flysanantonio.com/wp-content/uploads/2020/04/2019-DEC-Stats.pdf>

# Airport Revenue Scenarios

- In light of the economic context, there are three general scenarios related to the reopening of the economy and the forecasts of tax revenues:
  - Optimistic: Airport revenues return to pre-pandemic levels in 2022 due to return of business air travel and released pent-up demand by leisure travelers. Acceleration of growth continues into 2023 and then settles into a Y/Y growth rate of 3.7%, equivalent to 25% above the average Y/Y growth from 2010-2019 of 2.9%.
  - Baseline: Airport revenues remain below pre-pandemic levels in 2021 and 2022 with improvements in 2022. This reflects a hesitancy for air travel by leisure visitors and an even slower return to business flights. Airport revenues recover to pre-pandemic levels in 2023 with slight growth reflecting a full recovery of business travel and convention business. In 2024-2026, revenues grow at a rate equal to average Y/Y growth from 2010-2019 of 2.9%.
  - Pessimistic: Recovery in airport revenues is slower due to long delay in return of confidence of safety of air travel with leisure visitors and a permanent reduction in air travel by businesses with the shift to online meetings. Revenues grow at a Y/Y rate of 2.2%, equivalent to 25% below the average Y/Y growth from 2010-2019 of 2.9%.

# Airport Revenues Forecast



NOTE: The 2021 revenues do not include CARES funding in order to maintain consistency across all years.

# Total Passengers: Baseline Scenario

Total Passengers: Baseline Scenario

| <i>Calendar Year</i> | <i>Total Passengers</i> | <i>Change from 2019</i> | <i>Year-over-Year Change</i> |
|----------------------|-------------------------|-------------------------|------------------------------|
| 2019                 | 10,363,040              |                         |                              |
| 2020                 | 4,028,564               | -61%                    | -61%                         |
| 2021                 | 7,952,339               | -23%                    | 97%                          |
| 2022                 | 9,298,059               | -10%                    | 17%                          |
| 2023                 | 10,537,801              | 2%                      | 13%                          |
| 2024                 | 10,845,781              | 5%                      | 2.9%                         |
| 2025                 | 11,162,763              | 8%                      | 2.9%                         |
| 2026                 | 11,489,009              | 11%                     | 2.9%                         |

# Airport Revenues: Baseline Scenario

**Projected Airport Revenues: Baseline Scenario**

|       | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026          |
|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Oct   | \$10,762,386  | \$18,893,335  | \$6,459,622   | \$10,045,175  | \$11,300,822  | \$12,807,598  | \$13,181,917  | \$13,567,175  |
| Nov   | \$14,067,519  | \$8,891,839   | \$9,223,138   | \$9,767,636   | \$10,988,590  | \$12,453,736  | \$12,817,712  | \$13,192,326  |
| Dec   | \$11,653,924  | \$11,842,631  | \$7,224,855   | \$9,879,282   | \$11,114,192  | \$12,596,084  | \$12,964,221  | \$13,343,117  |
| Jan   | \$10,089,339  | \$12,765,945  | \$9,449,140   | \$9,450,578   | \$10,710,655  | \$11,023,687  | \$11,345,869  | \$11,677,466  |
| Feb   | \$9,273,242   | \$11,031,565  | \$7,059,979   | \$8,834,508   | \$10,012,442  | \$10,305,068  | \$10,606,247  | \$10,916,228  |
| Mar   | \$12,716,037  | \$9,570,667   | \$10,003,929  | \$11,254,420  | \$12,755,009  | \$13,127,791  | \$13,511,467  | \$13,906,357  |
| Apr   | \$12,278,293  | \$4,316,409   | \$9,587,723   | \$10,786,188  | \$12,224,347  | \$12,581,619  | \$12,949,333  | \$13,327,794  |
| May   | \$12,340,168  | \$6,041,963   | \$9,928,536   | \$11,169,603  | \$12,658,883  | \$13,028,855  | \$13,409,640  | \$13,801,554  |
| Jun   | \$11,483,739  | \$7,201,650   | \$10,618,770  | \$11,946,116  | \$13,538,932  | \$13,934,624  | \$14,341,882  | \$14,761,041  |
| Jul   | \$13,854,885  | \$1,129,218   | \$10,921,325  | \$12,286,490  | \$13,924,689  | \$14,331,656  | \$14,750,517  | \$15,181,619  |
| Aug   | \$10,621,113  | \$7,131,956   | \$9,856,574   | \$11,088,646  | \$12,567,132  | \$12,934,422  | \$13,312,447  | \$13,701,521  |
| Sep   | \$19,281,610  | \$15,738,254  | \$8,859,466   | \$9,966,900   | \$11,295,820  | \$11,625,954  | \$11,965,738  | \$12,315,452  |
| Total | \$148,422,256 | \$114,555,432 | \$109,193,057 | \$126,475,541 | \$143,091,512 | \$150,751,096 | \$155,156,989 | \$159,691,650 |

# Total Passengers: Pessimistic Scenario

| <b>Total Passengers: Pessimistic Scenario</b> |                         |                         |                              |
|---|-------------------------|-------------------------|------------------------------|
| <i>Calendar Year</i>                          | <i>Total Passengers</i> | <i>Change from 2019</i> | <i>Year-over-Year Change</i> |
| 2019  | 10,363,040              |                         |                              |
| 2020  | 4,028,564               | -61%                    | -61%                         |
| 2021  | 6,994,217               | -33%                    | 74%                          |
| 2022  | 8,781,501               | -15%                    | 26%                          |
| 2023  | 9,556,339               | -8%                     | 9%                           |
| 2024  | 10,124,554              | -2%                     | 6%                           |
| 2025  | 10,346,481              | 0%                      | 2.2%                         |
| 2026  | 10,573,273              | 2%                      | 2.2%                         |

# Airport Revenues: Pessimistic Scenario

**Projected Airport Revenues: Pessimistic Scenario**

|       | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026          |
|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Oct   | \$10,762,386  | \$18,893,335  | \$6,459,622   | \$8,789,528   | \$10,672,999  | \$11,614,734  | \$12,305,340  | \$12,575,069  |
| Nov   | \$14,067,519  | \$8,891,839   | \$9,223,138   | \$8,546,681   | \$10,378,113  | \$11,293,829  | \$11,965,354  | \$12,227,631  |
| Dec   | \$11,653,924  | \$11,842,631  | \$7,224,855   | \$8,644,371   | \$10,496,737  | \$11,422,919  | \$12,102,120  | \$12,367,395  |
| Jan   | \$10,089,339  | \$12,765,945  | \$9,449,140   | \$8,925,546   | \$9,713,094   | \$10,290,629  | \$10,516,197  | \$10,746,709  |
| Feb   | \$9,273,242   | \$11,031,565  | \$7,059,979   | \$8,343,702   | \$9,079,911   | \$9,619,797   | \$9,830,660   | \$10,046,145  |
| Mar   | \$12,716,037  | \$9,570,667   | \$8,753,438   | \$10,629,174  | \$11,567,043  | \$12,254,813  | \$12,523,435  | \$12,797,945  |
| Apr   | \$12,278,293  | \$4,316,409   | \$8,389,258   | \$10,186,956  | \$11,085,805  | \$11,744,961  | \$12,002,407  | \$12,265,496  |
| May   | \$12,340,168  | \$6,041,963   | \$8,687,469   | \$10,549,069  | \$11,479,870  | \$12,162,456  | \$12,429,054  | \$12,701,495  |
| Jun   | \$11,483,739  | \$7,201,650   | \$9,291,424   | \$11,282,443  | \$12,277,953  | \$13,007,993  | \$13,293,125  | \$13,584,506  |
| Jul   | \$13,854,885  | \$1,129,218   | \$9,556,159   | \$11,603,907  | \$12,627,782  | \$13,378,623  | \$13,671,878  | \$13,971,562  |
| Aug   | \$10,621,113  | \$7,131,956   | \$8,624,502   | \$10,472,610  | \$11,396,664  | \$12,074,303  | \$12,338,968  | \$12,609,435  |
| Sep   | \$19,281,610  | \$15,738,254  | \$7,752,033   | \$9,413,183   | \$10,243,758  | \$10,852,846  | \$11,090,737  | \$11,333,843  |
| Total | \$148,422,256 | \$114,555,432 | \$100,471,016 | \$117,387,171 | \$131,019,726 | \$139,717,904 | \$144,069,275 | \$147,227,231 |

# Total Passengers: Optimistic Scenario

| Total Passengers: Optimistic Scenario |                         |                         |                              |
|---------------------------------------|-------------------------|-------------------------|------------------------------|
| <i>Calendar Year</i>                  | <i>Total Passengers</i> | <i>Change from 2019</i> | <i>Year-over-Year Change</i> |
| 2019                                  | 10,363,040              |                         |                              |
| 2020                                  | 4,028,564               | -61%                    | -61%                         |
| 2021                                  | 8,431,399               | -19%                    | 109%                         |
| 2022                                  | 10,537,801              | 2%                      | 25%                          |
| 2023                                  | 11,054,359              | 7%                      | 5%                           |
| 2024                                  | 11,458,207              | 11%                     | 3.7%                         |
| 2025                                  | 11,876,808              | 15%                     | 3.7%                         |
| 2026                                  | 12,310,701              | 19%                     | 3.7%                         |

# Airport Revenues: Optimistic Scenario

**Projected Airport Revenues: Optimistic Scenario**

|       | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          | 2026          |
|-------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Oct   | \$10,762,386  | \$18,893,335  | \$6,459,622   | \$10,672,999  | \$12,807,598  | \$13,435,422  | \$13,926,256  | \$14,435,022  |
| Nov   | \$14,067,519  | \$8,891,839   | \$9,223,138   | \$10,378,113  | \$12,453,736  | \$13,064,213  | \$13,541,486  | \$14,036,195  |
| Dec   | \$11,653,924  | \$11,842,631  | \$7,224,855   | \$10,496,737  | \$12,596,084  | \$13,213,539  | \$13,696,267  | \$14,196,631  |
| Jan   | \$10,089,339  | \$12,765,945  | \$9,449,140   | \$10,710,655  | \$11,235,687  | \$11,646,159  | \$12,071,626  | \$12,512,637  |
| Feb   | \$9,273,242   | \$11,031,565  | \$7,059,979   | \$10,012,442  | \$10,503,248  | \$10,886,961  | \$11,284,693  | \$11,696,955  |
| Mar   | \$12,716,037  | \$9,570,667   | \$10,629,174  | \$12,755,009  | \$13,380,255  | \$13,869,074  | \$14,375,750  | \$14,900,938  |
| Apr   | \$12,278,293  | \$4,316,409   | \$10,186,956  | \$12,224,347  | \$12,823,580  | \$13,292,061  | \$13,777,658  | \$14,280,995  |
| May   | \$12,340,168  | \$6,041,963   | \$10,549,069  | \$12,658,883  | \$13,279,417  | \$13,764,552  | \$14,267,410  | \$14,788,639  |
| Jun   | \$11,483,739  | \$7,201,650   | \$11,282,443  | \$13,538,932  | \$14,202,605  | \$14,721,467  | \$15,259,284  | \$15,816,749  |
| Jul   | \$13,854,885  | \$1,129,218   | \$11,603,907  | \$13,924,689  | \$14,607,272  | \$15,140,917  | \$15,694,058  | \$16,267,406  |
| Aug   | \$10,621,113  | \$7,131,956   | \$10,472,610  | \$12,567,132  | \$13,183,168  | \$13,664,786  | \$14,164,000  | \$14,681,451  |
| Sep   | \$19,281,610  | \$15,738,254  | \$9,413,183   | \$11,295,820  | \$11,849,536  | \$12,282,433  | \$12,731,146  | \$13,196,251  |
| Total | \$148,422,256 | \$114,555,432 | \$113,554,077 | \$141,235,757 | \$152,922,185 | \$158,981,584 | \$164,789,634 | \$170,809,868 |

# Number of Businesses Permanently Closed: Methodology

- $A = (\# \text{ jobs lost from closing establishments})_i / (\text{total job losses})_i = \text{Proportion of jobs lost from closing establishments in industry } i \text{ relative to total jobs lost in the industry}$ 
  - Jobs lost from closing establishments and total job losses were calculated as the average in each industry from Q1 2007 – Q4 2009 to capture the period of the Great Recession.
  - Data source: U.S. Bureau of Labor Statistics – Business Employment Dynamics
- $B = (A)(\text{jobs lost in industry } i \text{ in 2020}) = \text{jobs lost in industry } i \text{ from closing establishments}$
- $C = (\# \text{ establishments in industry } i \text{ with employment lost by closing}) / (\text{job losses from closing establishments in industry } i) = \text{establishments per job lost}$ 
  - Number of establishments with employment lost by closing and jobs lost from closing establishments were calculated as the average in each industry from Q1 2007 – Q4 2009 to capture the period of the Great Recession.
  - Data source: U.S. Bureau of Labor Statistics – Business Employment Dynamics
- $\# \text{ businesses lost} = (B)(C)$

# Small Businesses Permanently Closed: Methodology

- To project the number of small businesses that will permanently close:
  - Used the Small Business Administration (SBA) definition of small business by industry. The SBA defines small businesses by either or employment or revenue by six-digit NAICS code, but for this study, the average by two-digit NAICS code was used.
  - Data from Infogroup on all businesses in the San Antonio MSA was used.
  - Using the definition of small business, the proportion of small businesses to all businesses in each industry was calculated.
  - The proportion of small businesses was multiplied by the number of establishments lost to get the number of these establishments that are projected to be small businesses.
  - A similar analysis was conducted to calculate the number of microbusinesses lost. Microbusinesses are defined as those with 25 or fewer employees.

# Nonprofits Permanently Closed: Methodology

- To project the number of establishments lost that will be nonprofits:
  - Data were pulled from the BLS on the number of nonprofit establishments in the San Antonio MSA in 2017 (most recent data available).
  - The proportion of nonprofit establishments to total number of private establishments was calculated by industry.
  - This proportion was multiplied by the number of establishments lost to get the number of these establishments that are projected to be nonprofits.
  - Nonprofits do not exist in every industry or data could not be reported due to disclosure restrictions (probably due to the existence of too few nonprofits in that industry).

# Establishments Permanently Closed: 2020

## Establishments Lost Due to Pandemic: 2020

| <i>Industry</i>                | <i>Establishments</i> | <i>% of All<br/>Establishments</i> | <i>Small<br/>Businesses</i> | <i>Microbusinesses</i> | <i>Nonprofits</i> |
|--------------------------------|-----------------------|------------------------------------|-----------------------------|------------------------|-------------------|
| Mining, Logging                | 86                    | 51.7%                              | 86                          | 79                     | N/A               |
| Construction                   | 96                    | 1.7%                               | 95                          | 90                     | N/A               |
| Manufacturing                  | 16                    | 0.8%                               | 16                          | 14                     | N/A               |
| Wholesale Trade                | 137                   | 6.6%                               | 136                         | 127                    | N/A               |
| Retail Trade                   | 152                   | 2.2%                               | 151                         | 148                    | N/A               |
| Transportation/Utilities       | 0                     | 0.0%                               | 0                           | 0                      | 0                 |
| Information                    | 60                    | 6.9%                               | 59                          | 54                     | N/A               |
| Financial Activities           | 0                     | 0.0%                               | 0                           | 0                      | 0                 |
| Real Estate                    | 171                   | 4.9%                               | 171                         | 168                    | N/A               |
| Professional/Business Services | 0                     | 0.0%                               | 0                           | 0                      | 0                 |
| Education/Health Services      | 433                   | 2.7%                               | 432                         | 424                    | 53                |
| Leisure/Hospitality            | 473                   | 9.8%                               | 472                         | 438                    | 33                |
| Other Services                 | 320                   | 6.4%                               | 319                         | 313                    | 9                 |
| Total                          | 1,943                 | 3.3%                               | 1,936                       | 1,855                  | 95                |

# Businesses Permanently Closed by Gender and Ethnicity of Ownership: 2020

- To calculate the impacts by gender and ethnicity:
  - The Infogroup data provide the gender and ethnicity of the owner, although not all firms reported data.
  - The Infogroup data categorize the data into 168 different race/ethnicities, which cannot be summarized into broader categories like white, African-American, Asian. However, Hispanic is provided, so the number of businesses with a Hispanic owners as a proportion of all businesses by industry was calculated, and all other ethnicities were included in an “Other” category.
  - The proportions were multiplied by the number of establishments lost to get the number of establishments that are projected to go out of business by gender and race/ethnicity.

# Establishments Permanently Closed by Gender: 2020

## Establishments Lost by Gender of Ownership: 2020

| <i>Industry</i>                | <u>Gender</u> |             |
|--------------------------------|---------------|-------------|
|                                | <i>Female</i> | <i>Male</i> |
| Mining, Logging                | 15            | 71          |
| Construction                   | 14            | 82          |
| Manufacturing                  | 3             | 13          |
| Wholesale Trade                | 22            | 115         |
| Retail Trade                   | 49            | 103         |
| Transportation/Utilities       | 0             | 0           |
| Information                    | 14            | 46          |
| Financial Activities           | 0             | 0           |
| Real Estate                    | 86            | 85          |
| Professional/Business Services | 0             | 0           |
| Education/Health Services      | 228           | 204         |
| Leisure/Hospitality            | 169           | 305         |
| Other Services                 | 121           | 199         |
| Total                          | 721           | 1,222       |

# Establishments Permanently Closed by Race/Ethnicity: 2020

## Establishments Lost by Race/Ethnicity of Ownership: 2020

| <i>Industry</i>                | <u>Race/Ethnicity</u>   |              |                 |   |              |
|--------------------------------|-------------------------|--------------|-----------------|---|--------------|
|                                | <i>African American</i> | <i>Asian</i> | <i>Hispanic</i> | <i>Native American/Pacific Islander</i> | <i>Other</i> |
| Mining, Logging                | 0                       | 0            | 9               | 1                                       | 10           |
| Construction                   | 1                       | 1            | 30              | 0                                       | 6            |
| Manufacturing                  | 0                       | 0            | 4               | 0                                       | 1            |
| Wholesale Trade                | 0                       | 1            | 33              | 0                                       | 9            |
| Retail Trade                   | 1                       | 6            | 48              | 1                                       | 12           |
| Transportation/Utilities       | 0                       | 0            | 0               | 0                                       | 0            |
| Information                    | 0                       | 2            | 14              | 0                                       | 4            |
| Financial Activities           | 0                       | 0            | 0               | 0                                       | 0            |
| Real Estate                    | 1                       | 2            | 45              | 1                                       | 12           |
| Professional/Business Services | 0                       | 0            | 0               | 0                                       | 0            |
| Education/Health Services      | 3                       | 21           | 107             | 1                                       | 29           |
| Leisure/Hospitality            | 4                       | 30           | 159             | 3                                       | 35           |
| Other Services                 | 2                       | 26           | 113             | 1                                       | 19           |
| Total                          | 14                      | 89           | 561             | 8                                       | 137          |

# Jobs Forecasting - Gender Ratios

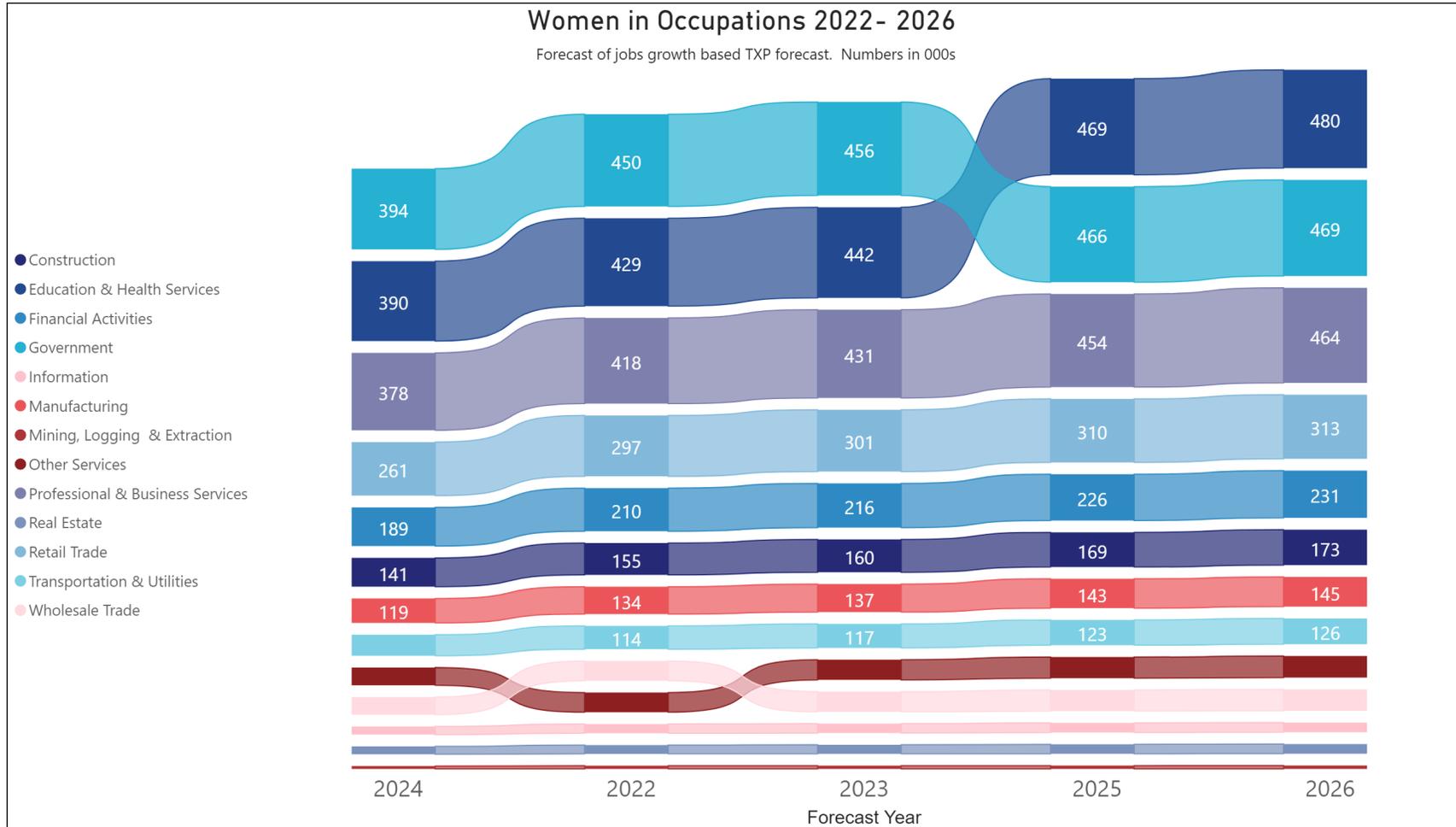
- Sources for all Gender and Race/Ethnicity estimates are:
  - Workforce Solutions Alamo (WSA) and TXP employment projections
- WSA provided internal data on number of unemployment insurance claims filed for the period February 2020 through February 2021.
- These included data on Industry, Gender and Ethnicity
  - We estimated a female/male ratio of 51/49, meaning 51% of claims were by women and 49 % were by men. These numbers were rounded to the nearest whole number.
- These ratios were applied to each industry
  - Differences in the level of disaggregation between TXP data and WSA data necessitated averaging.

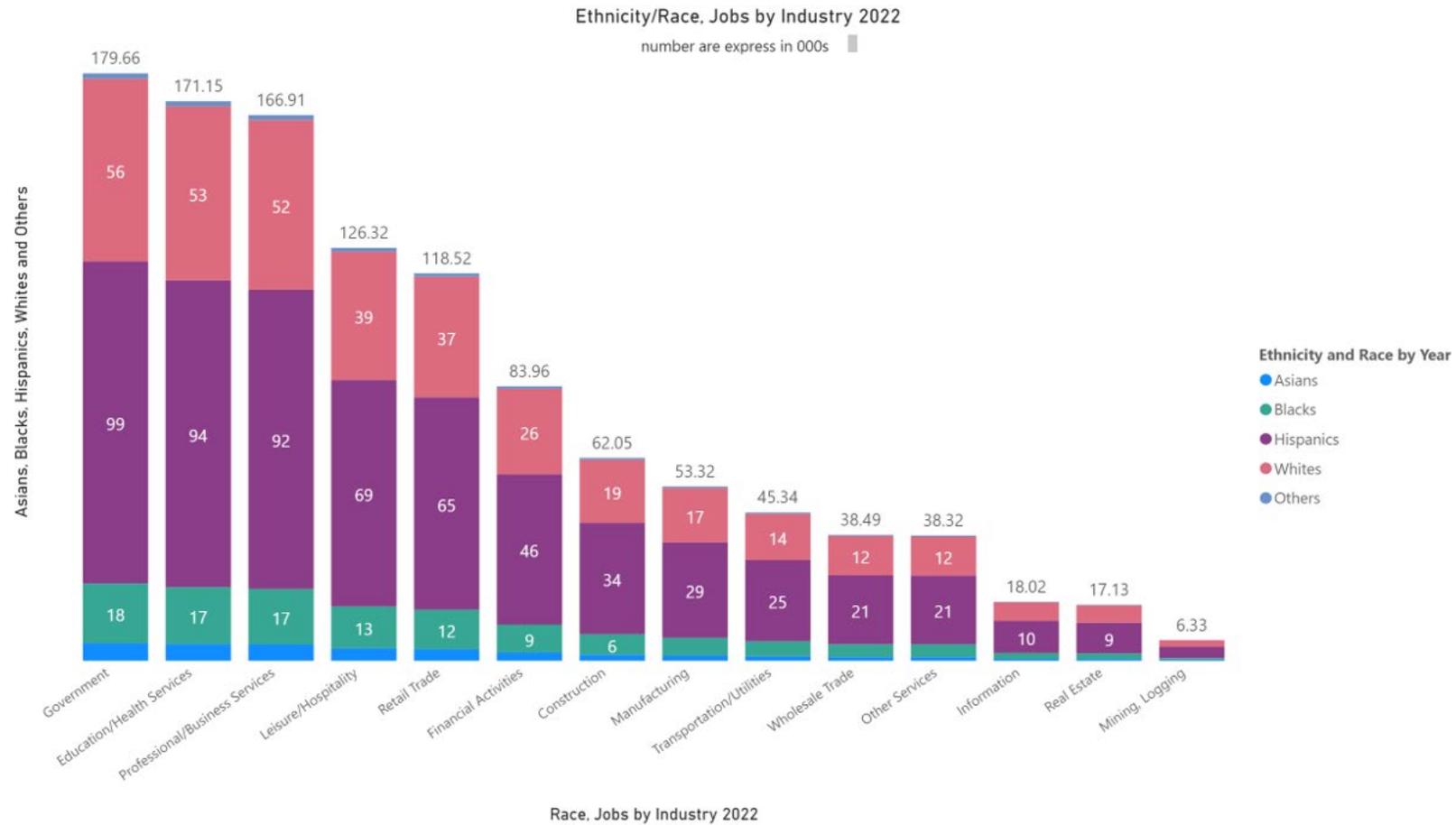
# Future of Jobs for Women by Industry - Race/Ethnicity Ratios

- Using same TXP projections and WSA internal data:
  - We calculated the average Ethnic and Race Composition for all jobs assuming previous losses recorded in the WSA data are indicative of race/ethnicity ratios
    - Data included Gender and Race/Ethnicity by Industry
    - Example: Hispanic job losses are an average of job losses in all Industries
    - Estimated average was 51%
  - This was done to accommodate differing levels of disaggregation between TXP projections and Alamo Workforce data
  - Native, Pacific and Other are group as Other because of small scale.
  - Averages by Race and Ethnicity were applied to each Industry.
  - Next slides are short version of the study

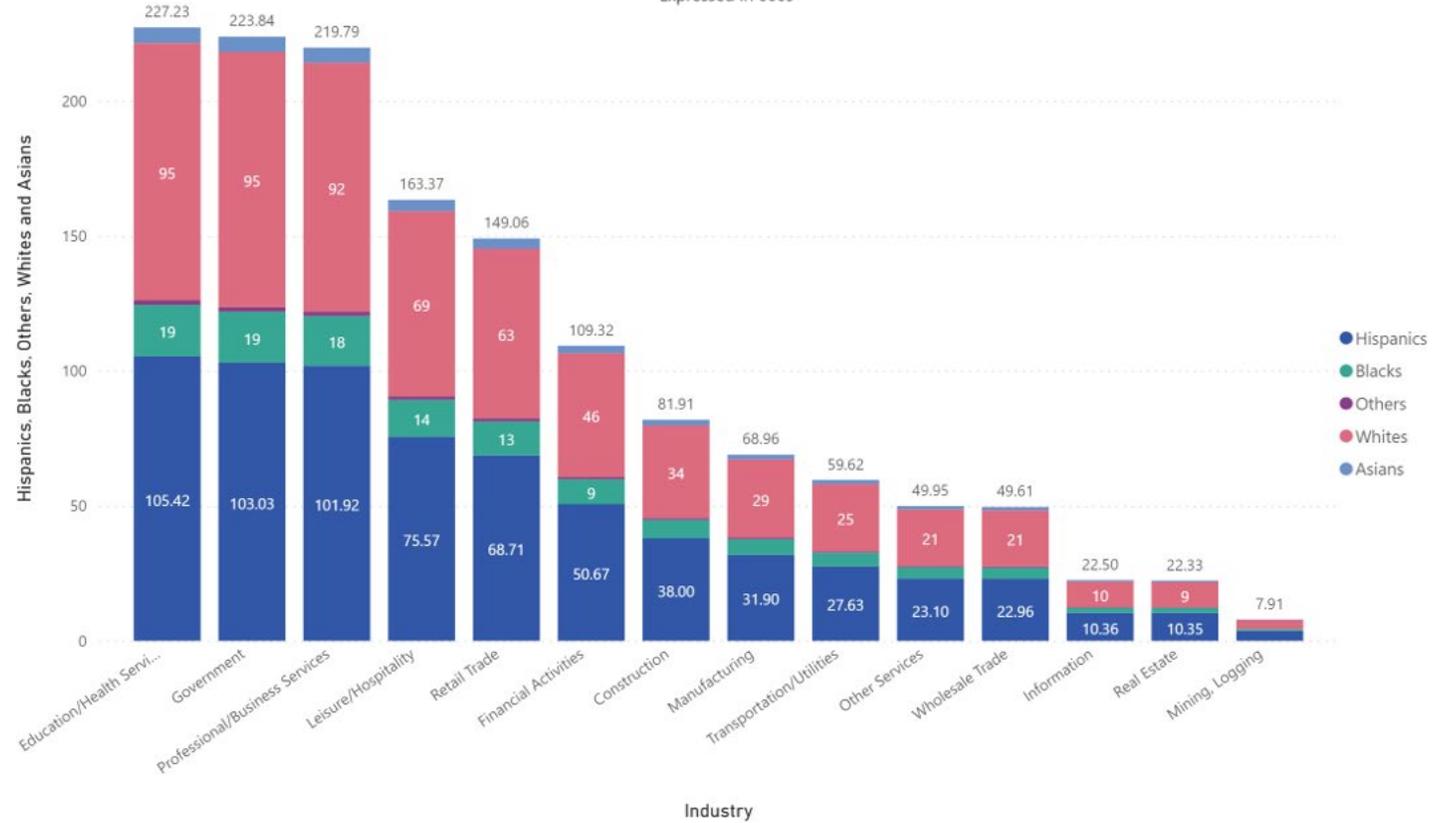
# Women's Jobs Growth Forecast: 2022 -2026

|                                | <i>Year</i> |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                | <i>2022</i> | <i>2023</i> | <i>2024</i> | <i>2025</i> | <i>2026</i> |
| Mining, Logging                | 1.00%       | 1.10%       | 1.20%       | 1.30%       | 1.40%       |
| Construction                   | 3.60%       | 3.10%       | 2.80%       | 2.70%       | 2.60%       |
| Manufacturing                  | 2.20%       | 2.40%       | 2.20%       | 2.20%       | 2.00%       |
| Wholesale Trade                | 2.40%       | 2.00%       | 2.20%       | 2.20%       | 2.10%       |
| Retail Trade                   | 1.80%       | 1.50%       | 1.50%       | 1.30%       | 1.30%       |
| Transportation/Utilities       | 4.10%       | 3.00%       | 2.80%       | 2.50%       | 2.40%       |
| Information                    | 0.00%       | 1.50%       | 1.20%       | 1.00%       | 1.00%       |
| Financial Activities           | 2.80%       | 2.60%       | 2.40%       | 2.30%       | 2.40%       |
| Real Estate                    | 2.90%       | 2.70%       | 2.50%       | 2.30%       | 2.30%       |
| Professional/Business Services | 3.20%       | 3.00%       | 2.80%       | 2.60%       | 2.50%       |
| Education/Health Services      | 3.30%       | 3.10%       | 3.30%       | 2.80%       | 2.60%       |
| Leisure/Hospitality            | 3.00%       | 2.60%       | 2.20%       | 2.00%       | 2.00%       |
| Other Services                 | 3.00%       | 2.50%       | 3.00%       | 2.10%       | 2.00%       |
| Government                     | 1.30%       | 1.40%       | 1.10%       | 1.00%       | 1.00%       |
| Average Overall Industries     | 2.47%       | 2.32%       | 2.23%       | 2.02%       | 1.97%       |





Race/Ethnicity Jobs by Industry 2026  
Expressed in 000s



# Race and Ethnicity Forecast

The estimate is for approximately 2% overall growth over the next five years.

There will be changes in the occupational and industrial composition of jobs

Education and Health Services will eventually rebound

The ethnic and racial composition of the jobs market will remain relatively constant over the next five years

- Demographic changes may require additional analysis