

BUSINESS

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Central Oregon air travel

Leaving, on a jet plane

Passenger numbers through Redmond Airport return to pre-pandemic levels

BY MICHAEL KOHN
The Bulletin

On a recent walk through the Redmond Airport, Zachary Bass beamed as he pointed out the airport's various new features: a third TSA check-in line, a new parking facility and, to the north, a new operations building.

But what pleases Bass most are the lines. People, many of them, lined up to board planes. Around a thousand luggage-toting travelers sweep through the doors before 8 a.m. For Bass, the director of the airport, it's a welcome sight.

"We think a lot of it is pent-up demand for leisure travel," said Bass, head of the airport since 2015. "We are expecting the summer to be pretty busy."

More than a year after the pandemic decimated the travel industry, the Redmond Airport is again showing promising signs of life. The number of travelers in the month of May

was nearly equal to the number in May 2019 — around 38,000 passengers.

The return of passengers to the airport in 2021 is a relief compared to a year ago, when numbers, and revenue, plummeted around 90%. In March and April of 2020, only around 60 to 70 people checked in to flights each day. Now 1,200 to 1,500 passengers a day are flying.

What's the most noticeable change for those who haven't flown since before the pandemic? Masks, said Bass. Masks will be a federal requirement in all 50 states until Sept. 15 even if individual states drop their mask mandate.

Just walking into an airport may feel strange for some if they haven't traveled since the start of the pandemic.

"First-time fliers coming back are hesitant, they don't know what to expect," said Bass, who previously ran operations at U.S. Air Force bases, including a deployment to Iraq. "Then when they come back through, 'Awesome' (they say), you guys are taking

all the right precautions."

Where are people headed?

Bend-based travel agent Bernie Reumann, chief executive officer of Getaways Travel, said U.S. destinations are still top of the list. Florida and California are top spots, but really it's open season across the country.

"It's all over, people just want to go," he said.

Some are making inquiries about overseas travel.

"The pent-up demand is definitely there," said Reumann. "People who had prior trips planned are rescheduling and getting on with it."

When it comes to overseas travel, Reumann said 80% of his clients are asking about Europe.

"Other places like Australia and New Zealand are not open yet," said Reumann. "South America is not open; you don't want to go down there right now. South Africa is open, so the adventurers are looking to go to Africa. So it's a hit-and-miss situation."

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Travelers deplane at the Redmond Municipal Airport on Tuesday.
Dean Guernsey/The Bulletin



For better results to come, invest domestically and globally

I began in the investment business 30 years ago at EF Hutton (a brokerage firm long since gobbled up by a firm that's been long since gobbled up and so on, and so on). I'll never forget pulling into the parking lot one day and seeing a cherry red Corvette whose license plate read, "SOLD HI." Isn't that gross? The owner

FACTS ON FINANCE

By William Valentine



wanted us all to know that he bought his 'vette with the proceeds from a stock "sold high." This was my introduction to the stock market adage that the

goal of investors was to "buy low, sell high."

I share this silly anecdote for two reasons.

One, I chuckle (and gag a little) every time I think about the "SOLD HI" car.

But also, I want to talk about buying low and selling high in the current investment environment. That's because my

concern going forward is that it will be harder and harder to find investments that can be sold high given how long stocks have done well. In order to expand your investment opportunity set, it will require you to think outside our stock market.

One way to measure the low vs. high of a stock is to look at

its "expensiveness" or valuation. The most common metric is the price-to-earnings ratio. At present, the average P/E ratio of U.S. stocks is 22. In Europe, the average is 17. Asian stocks have a P/E of 16. Historically, the average valuation is about 14 — so stocks are not cheap. Not here, and not necessarily abroad.

Looking forward, it will be trickier to find opportunities that provide good returns. Another way to look at this dilemma is to consider the components of stock market returns.

Stock returns historically have averaged about 10%, derived from four components.

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