

# 2024

## Economic Impact of Visitors to Tennessee



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## Introduction

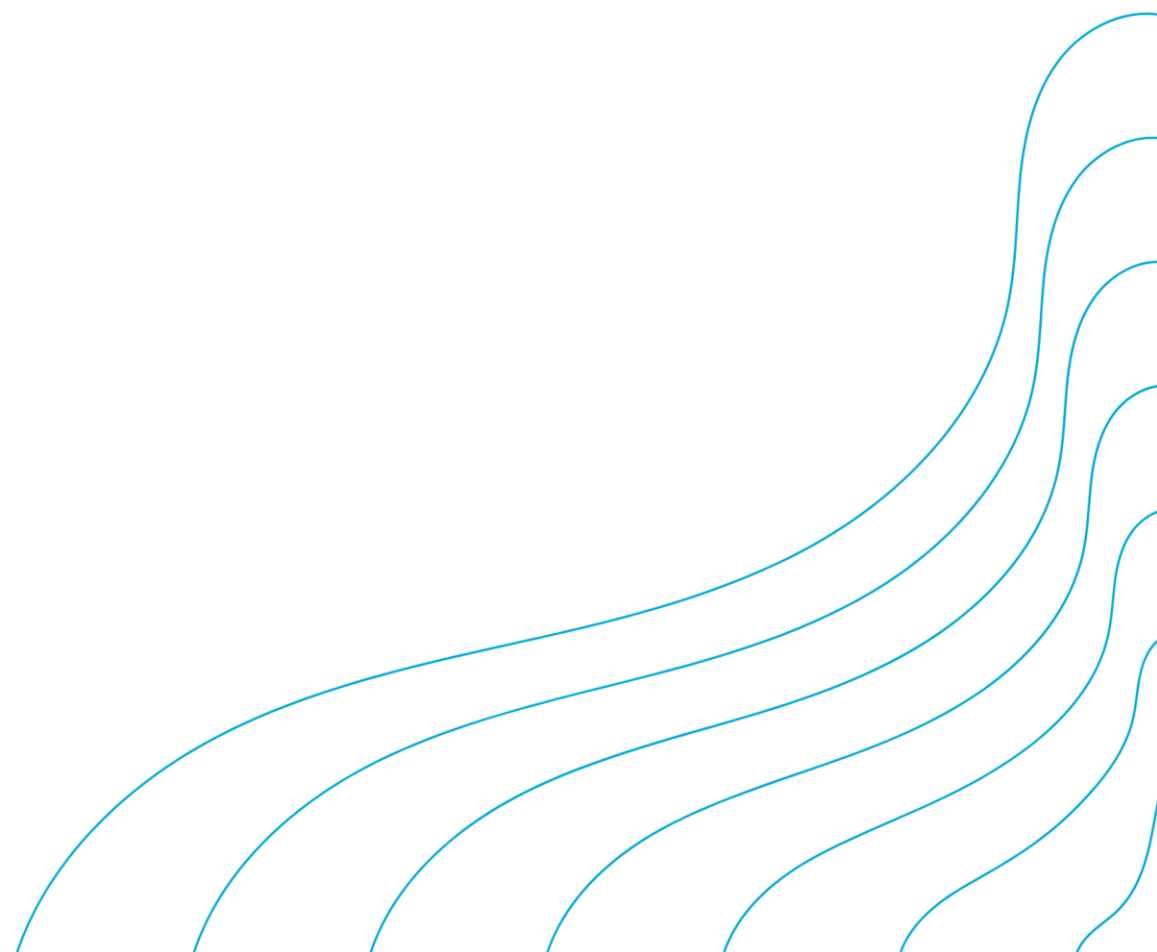
**Visitors are integral to Tennessee's economy**, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of Tennessee's visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending and its total economic impact on businesses, employment, personal income, and taxes. At a high level, our approach includes the following stages:

- Compilation of visitor statistics
- Compilation of industry data
- Compilation of government data
- Analysis of visitor spending by category
- Economic impact modeling

# KEY FINDINGS





# Key Findings

## Visitors Generate Significant Direct Economic Impact

In 2024, **147 million visitors** spent **\$31.7 billion** in the Tennessee economy, increases of 1.6% and 3.3%, respectively. Visitor spending directly sustained **194,820 jobs**, which generated **\$8.6 billion in personal income**.



**147M** VISITORS TO TENNESSEE



**\$31.7B** DIRECT VISITOR SPENDING



**\$15.8B** DIRECT GDP



**\$8.6B** DIRECT PERSONAL INCOME



**194,820** DIRECT JOBS SUPPORTED



**\$3.3B** DIRECT STATE AND LOCAL TAXES





## Results in Context

The visitor economy is an economic pillar in Tennessee. In 2024, visitor spending directly supported one-in-24 jobs in Tennessee and offset resident taxes by \$1,170 per household. In addition:



### **\$31.7B VISITOR SPENDING**

Visitors spent \$87 million per day, on average, in Tennessee.



### **\$8.6B PERSONAL INCOME**

This is the equivalent of \$3,100 per resident household, regardless of any connection to the visitor economy.



### **194,820 JOBS**

The visitor economy directly sustained 4.2% of all jobs in Tennessee. These employees could fill Neyland Stadium nearly two times over.



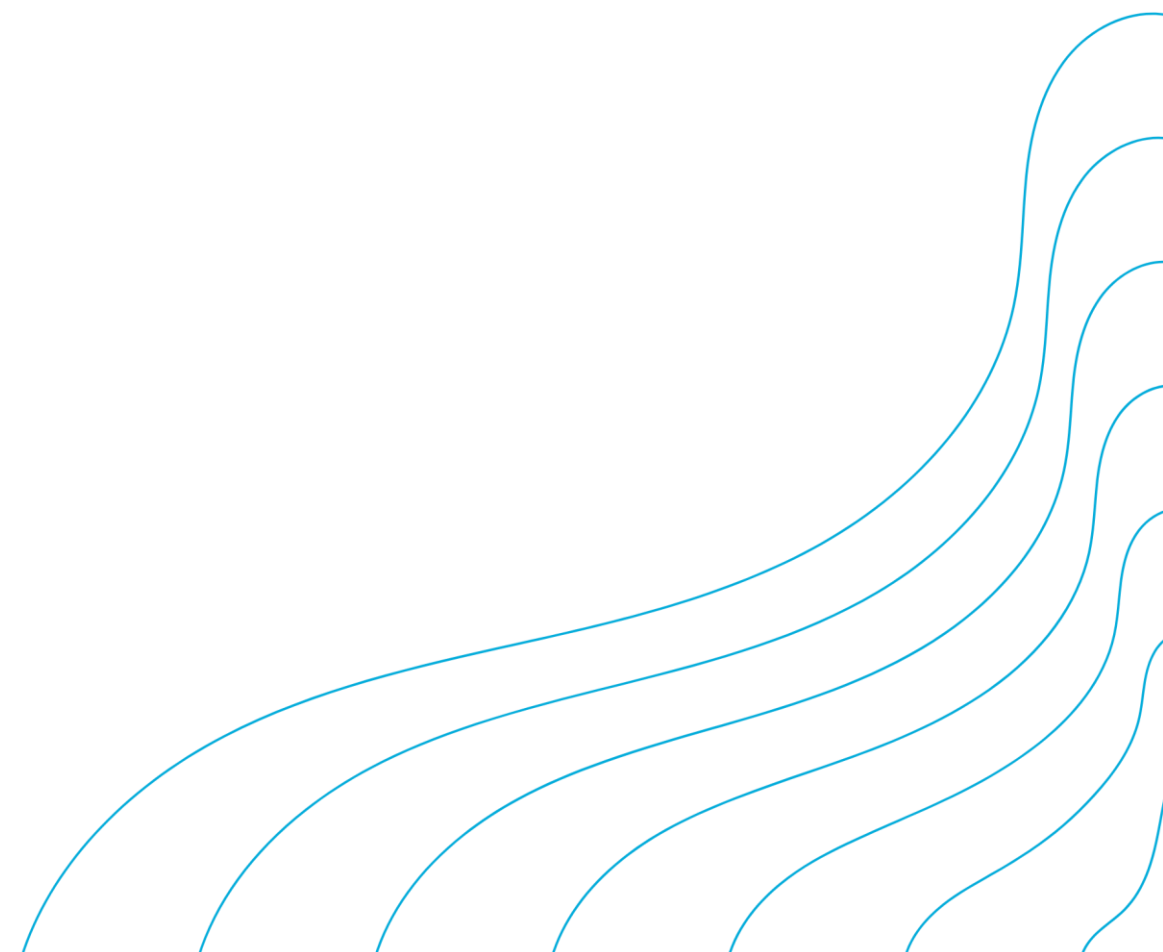
### **\$3.3B STATE & LOCAL TAXES**

Direct state and local taxes generated by the visitor economy could pay the average salary of 60,100 public school teachers.





# VISITOR VOLUME & SPENDING



Tennessee welcomed **147 million** visitors who spent **\$31.7 billion** in 2024.



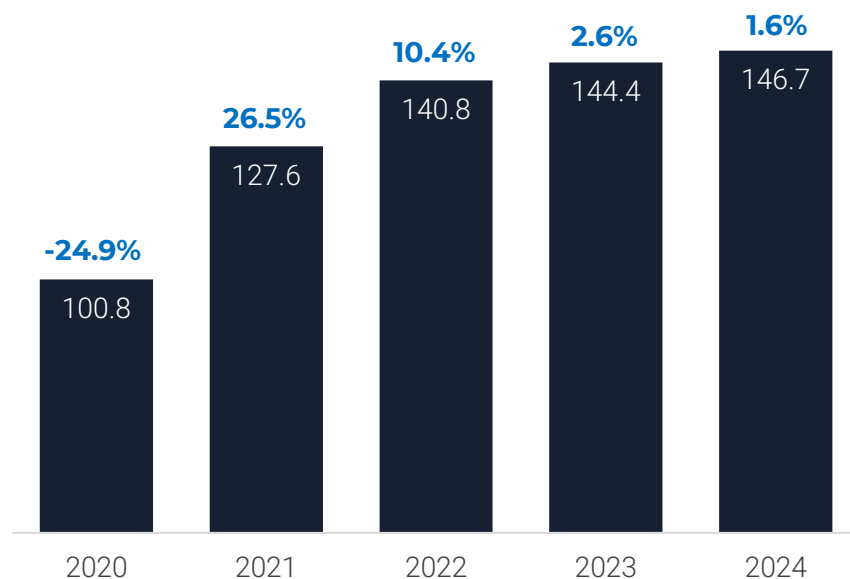
## Visitor Volume

In 2024, 147 million visitors traveled to Tennessee, a moderate increase over the prior year (+1.6%).

Day and international arrivals supported growth, increasing 2.8% and 7.4%, respectively.

### Tennessee Visitor Volume

millions



Sources: Longwoods International, STR, AirDNA, Tourism Economics

## Visitor Spending

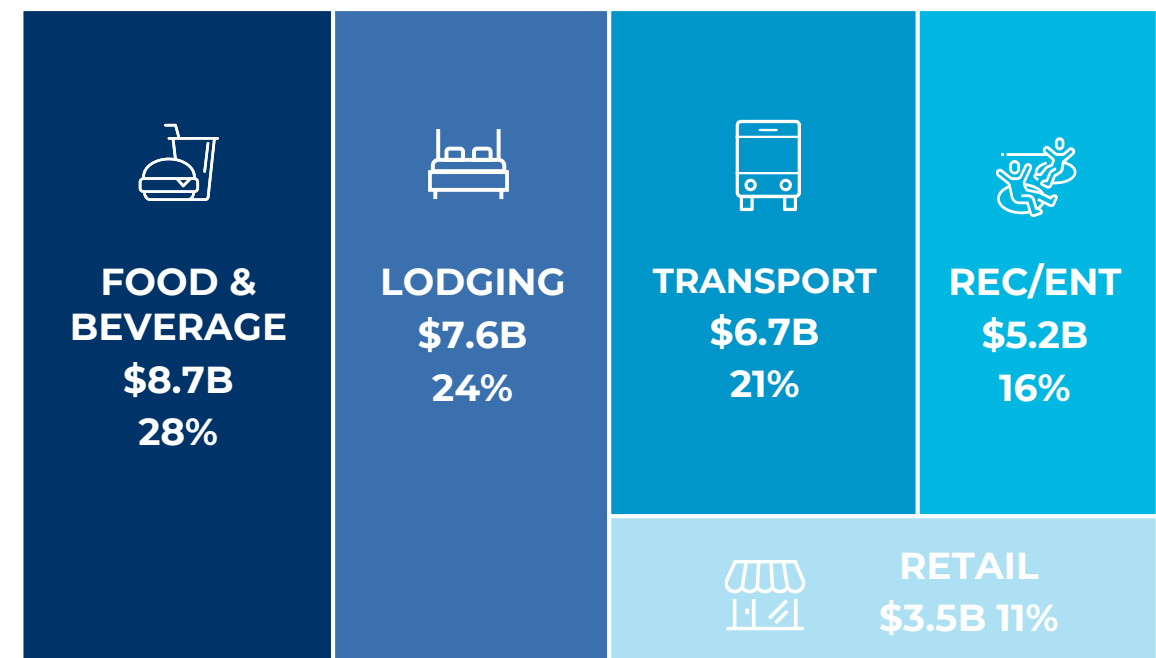
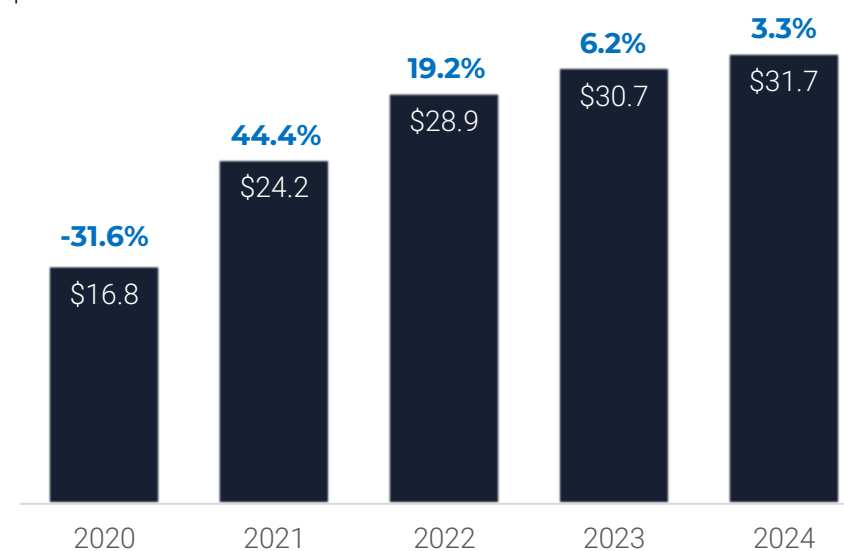
Visitor spending increased 3.3% in 2024, topping \$31.7 billion.

Of the \$31.7 billion spent, food and beverage purchases accounted for \$8.7 billion, 28% of all visitor spending.

Visitors spent 24% of their budget on lodging, including hotels, short-term rentals, and the value of second homes.

### Tennessee Visitor Spending

\$ billions



Sources: Longwoods International, STR, AirDNA, TN DOR, Tourism Economics

Note: Lodging includes all accommodation types, and transportation includes both ground and air transportation.



# Visitor Volume and Spending Trends

Visitor spending increased 3.3% in 2024, as a result of moderating demand coupled with price increases.

Retail led overall spending growth in 2024, increasing 5.1% year-over-year, followed by food and beverage (+4.1%).

Visitor volume expanded 1.6% in 2024, with growth in day visitors and international arrivals supporting growth.

## Tennessee Visitor Spending

\$ billions

	2020	2021	2022	2023	2024	2024 Growth
Total visitor spending	\$16.78	\$24.22	\$28.87	\$30.66	\$31.66	3.3%
Food & beverage	\$4.94	\$6.90	\$7.82	\$8.39	\$8.73	4.1%
Lodging*	\$3.04	\$5.31	\$6.83	\$7.24	\$7.34	1.4%
Transportation**	\$3.95	\$5.35	\$6.31	\$6.50	\$6.66	2.4%
Recreation	\$2.32	\$3.47	\$4.51	\$4.96	\$5.19	4.5%
Retail	\$2.34	\$2.98	\$3.18	\$3.35	\$3.52	5.1%
Second homes	\$0.19	\$0.20	\$0.21	\$0.22	\$0.23	3.8%

Sources: Longwoods International, STR, AirDNA, TN DOR, Tourism Economics

\* Lodging includes short-term rentals

\*\* Transportation includes both ground and air transportation

## Tennessee Visitor Volume and Spend, By Market

millions of visitors, \$ billions, \$ per person

	2020	2021	2022	2023	2024	2024 Growth
Total visitors	100.81	127.55	140.76	144.36	146.70	1.6%
Domestic	100.63	127.41	140.31	143.71	146.01	1.6%
International*	0.18	0.14	0.45	0.64	0.69	7.4%
Total visitor spending	\$16.78	\$24.22	\$28.87	\$30.66	\$31.66	3.3%
Domestic	\$16.62	\$24.05	\$28.37	\$29.88	\$30.78	3.0%
International*	\$0.16	\$0.18	\$0.50	\$0.79	\$0.88	12.0%
Per visitor spending	\$166	\$190	\$205	\$212	\$216	1.6%
Domestic	\$165	\$189	\$202	\$208	\$211	1.4%
International*	\$873	\$1,237	\$1,104	\$1,226	\$1,278	4.3%

Sources: Longwoods International, STR, AirDNA, Tourism Economics

\*2024 international volumes and spend are considered preliminary

## Tennessee Visitor Volume and Spend, By Stay

millions of visitors, \$ billions, \$ per person

	2020	2021	2022	2023	2024	2024 Growth
Total visitors	100.81	127.55	140.76	144.36	146.70	1.6%
Day	60.20	71.37	76.86	78.85	81.10	2.8%
Overnight	40.61	56.18	63.90	65.50	65.60	0.2%
Total visitor spending	\$16.78	\$24.22	\$28.87	\$30.66	\$31.66	3.3%
Day	\$5.42	\$7.37	\$8.54	\$9.09	\$9.55	5.1%
Overnight	\$11.36	\$16.85	\$20.33	\$21.58	\$22.11	2.5%
Per visitor spending	\$166	\$190	\$205	\$212	\$216	1.6%
Day	\$90	\$103	\$111	\$115	\$118	2.2%
Overnight	\$280	\$300	\$318	\$329	\$337	2.3%

Sources: Longwoods International, STR, AirDNA, Tourism Economics

## Tennessee Visitor Volume, By Segment (Domestic Only)

millions

	2020	2021	2022	2023	2024	2024 Growth
Domestic visitors	100.63	127.41	140.31	143.71	146.01	1.6%
Business	10.04	12.36	14.89	15.59	14.75	-5.3%
Leisure	90.59	115.05	125.41	128.13	131.25	2.4%

Sources: Longwoods International, STR, AirDNA, Tourism Economics

# ECONOMIC IMPACT METHODOLOGY





# Economic Impact Methodology

The development of visitor economy impact modeling begins with a comprehensive demand-side analysis. Visitor survey data provides estimates on the volume of visitors by type and their spending in specific industries (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type, as well as employment and personal income by industry, are used to supplement and confirm demand-side visitor spending calculations.

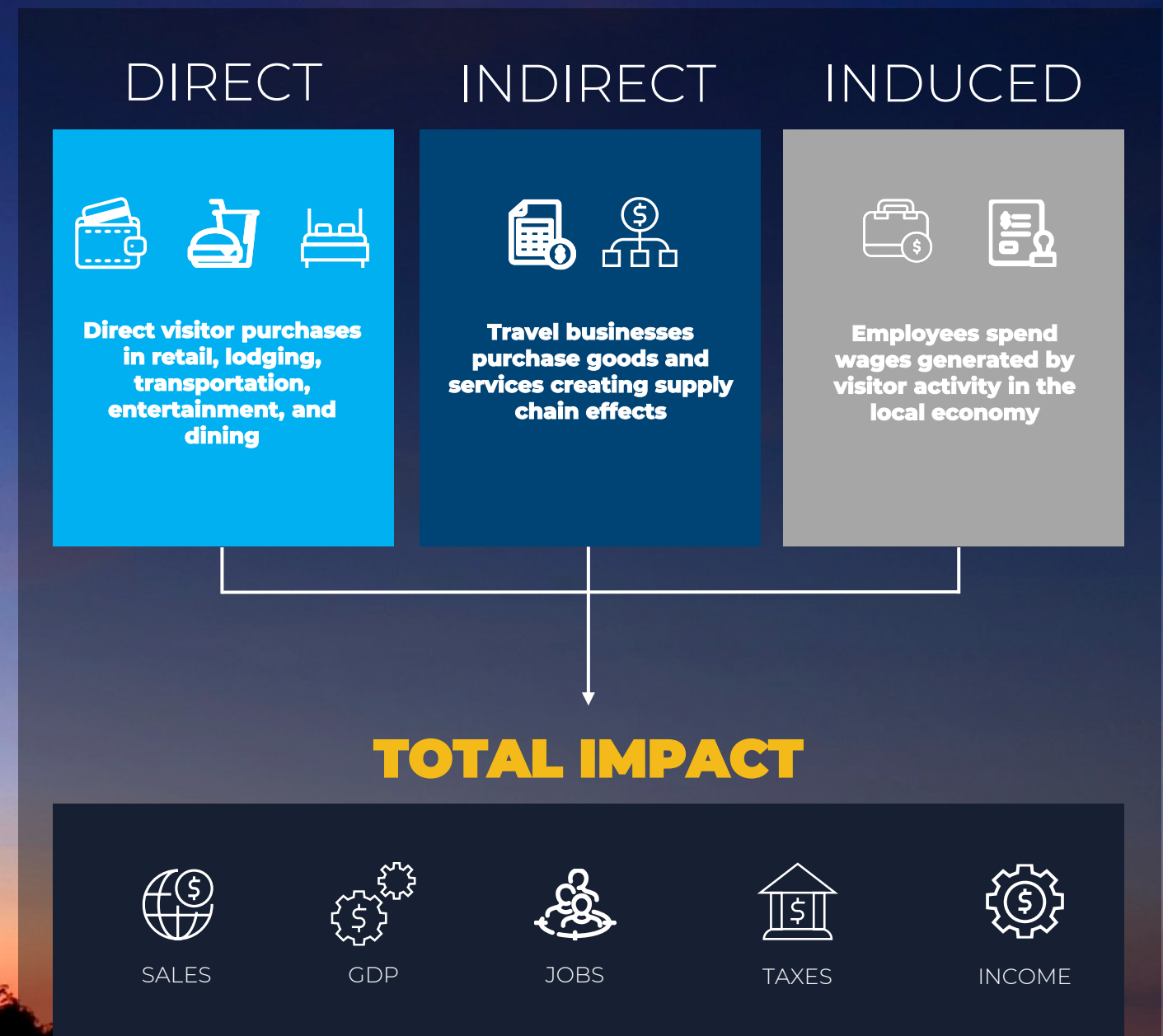
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitors through the local economy and its effects on businesses, households, and government. The model quantifies three levels of impact:

- 1. Direct impacts:** Visitor spending creates direct economic value within a defined set of sectors. This supports a proportion of spending, GDP, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Businesses providing direct services to visitors purchase goods and services, generating additional impacts called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Additional business activity is generated as employees spend incomes locally that are earned due to visitor activity. This is called the induced impact or income effect.

The model calculates these three levels of impact—direct, indirect and induced—for the following metrics:

- Spending
- GDP
- Wages
- Employment
- Federal Taxes
- State Taxes
- Local Taxes

# Economic Impact Model



# ECONOMIC IMPACT

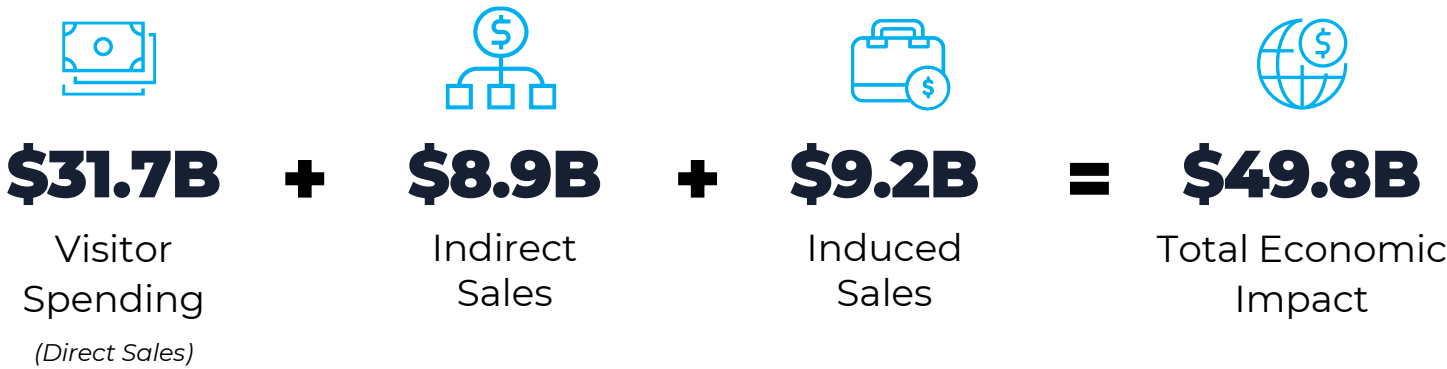




# Business Sales Impacts

Visitors spent \$31.7 billion in Tennessee in 2024. These direct impacts generated an additional \$18.2 billion through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$49.8 billion in 2024.



## Business Sales by Industry (2024)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$31,662	\$8,915	\$9,245	\$49,822
Food & Beverage	\$8,728	\$394	\$726	\$9,848
Lodging	\$7,340	\$2	\$4	\$7,347
Finance, Insurance, Real Estate	\$1,402	\$2,200	\$2,814	\$6,417
Recreation and Entertainment	\$3,945	\$372	\$195	\$4,511
Retail Trade	\$3,523	\$130	\$805	\$4,457
Business Services	\$849	\$2,074	\$711	\$3,634
Other Transport	\$2,226	\$801	\$254	\$3,281
Gasoline Stations	\$2,131	\$13	\$58	\$2,202
Education and Health Care		\$28	\$1,715	\$1,744
Communications		\$890	\$431	\$1,322
Air Transport	\$1,125	\$32	\$33	\$1,189
Personal Services	\$392	\$310	\$385	\$1,087
Wholesale Trade		\$429	\$439	\$868
Government		\$508	\$222	\$729
Manufacturing		\$403	\$280	\$683
Construction and Utilities		\$285	\$141	\$426
Agriculture, Fishing, Mining		\$45	\$31	\$76

Source: Tourism Economics

Visitor spending generated a total economic impact of **\$49.8 billion**.

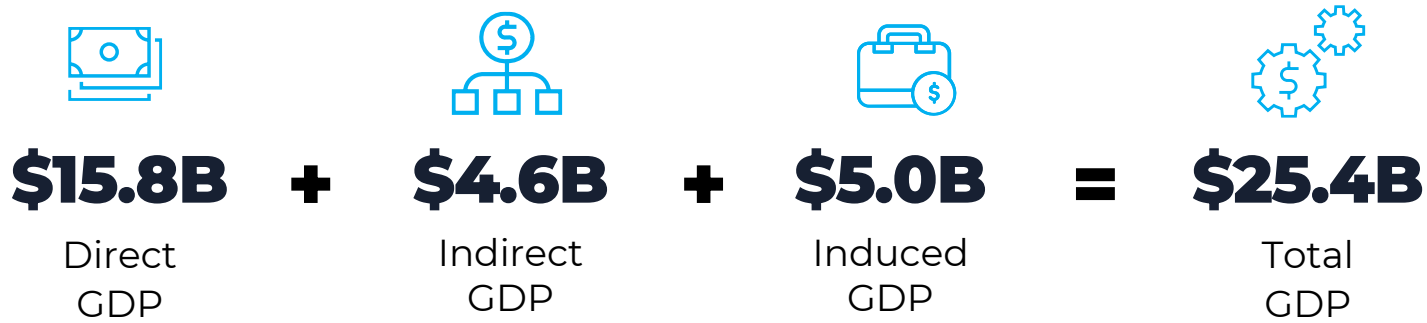




# GDP (Value Added Impacts)

Tennessee’s direct visitor economy GDP increased 2.1% to \$15.8 billion in 2024. This represented 2.9% of Tennessee’s entire economy.

GDP removes the value of all imported (from other states and internationally) goods and services.



## GDP by Industry (2024)

\$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$15,837	\$4,563	\$5,020	\$25,419
Lodging	\$4,538	\$1	\$3	\$4,542
Food & Beverage	\$3,795	\$225	\$400	\$4,419
Recreation and Entertainment	\$2,911	\$281	\$136	\$3,327
Finance, Insurance, Real Estate	\$862	\$876	\$1,500	\$3,237
Business Services	\$358	\$1,366	\$475	\$2,200
Other Transport	\$1,232	\$448	\$147	\$1,827
Retail Trade	\$837	\$78	\$446	\$1,361
Education and Health Care		\$14	\$936	\$950
Air Transport	\$744	\$17	\$19	\$780
Personal Services	\$289	\$221	\$264	\$775
Wholesale Trade		\$261	\$257	\$519
Communications		\$284	\$155	\$439
Government		\$222	\$96	\$318
Gasoline Stations	\$272	\$7	\$31	\$309
Manufacturing		\$127	\$85	\$212
Construction and Utilities		\$122	\$62	\$185
Agriculture, Fishing, Mining		\$11	\$7	\$18

Source: Tourism Economics





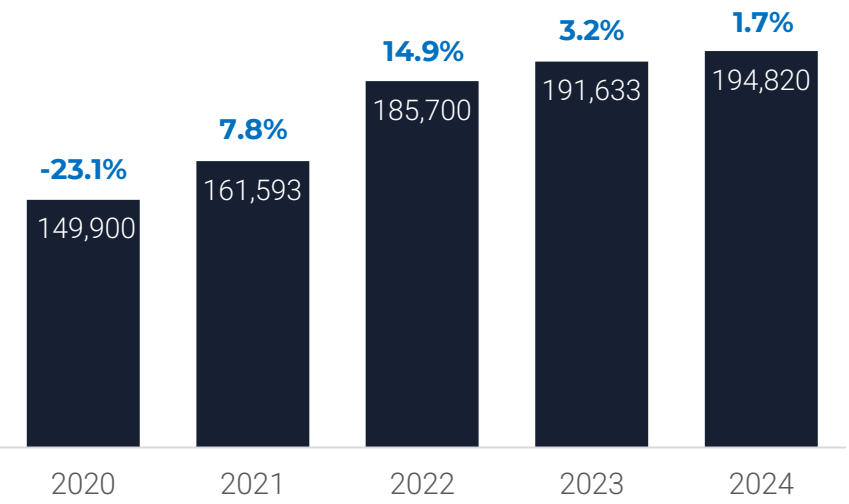
# Direct Employment

Employment directly supported by visitor activity increased 1.7% in 2024, reaching 194,820 jobs.

Visitor-supported employment is a significant part of several industries in Tennessee—all of lodging employment, 27% of food and beverage employment, and 20% of recreation jobs are supported by visitor spending.

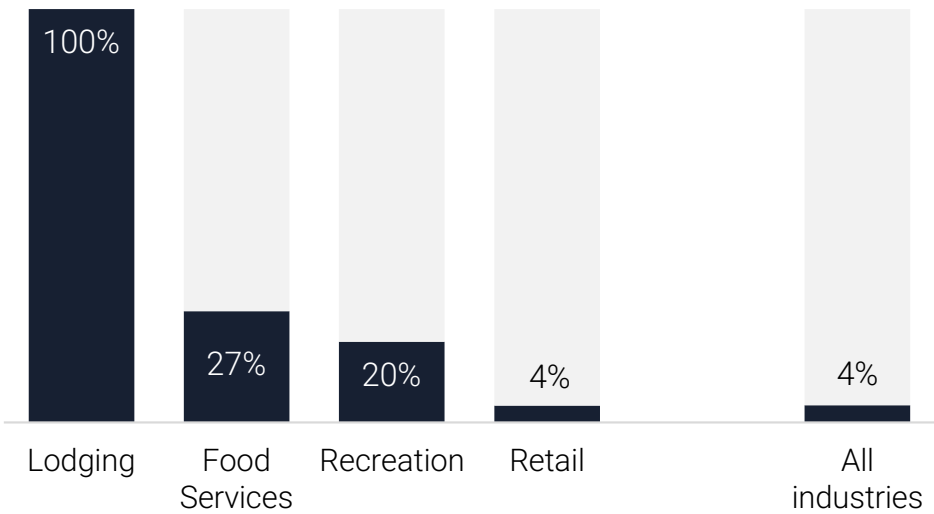
Overall, direct tourism jobs accounted for about 4.2% of all jobs in Tennessee in 2024.

Visitor-Supported Employment in Tennessee jobs



Source: Tourism Economics

Tourism Employment Intensity share of total industry employment



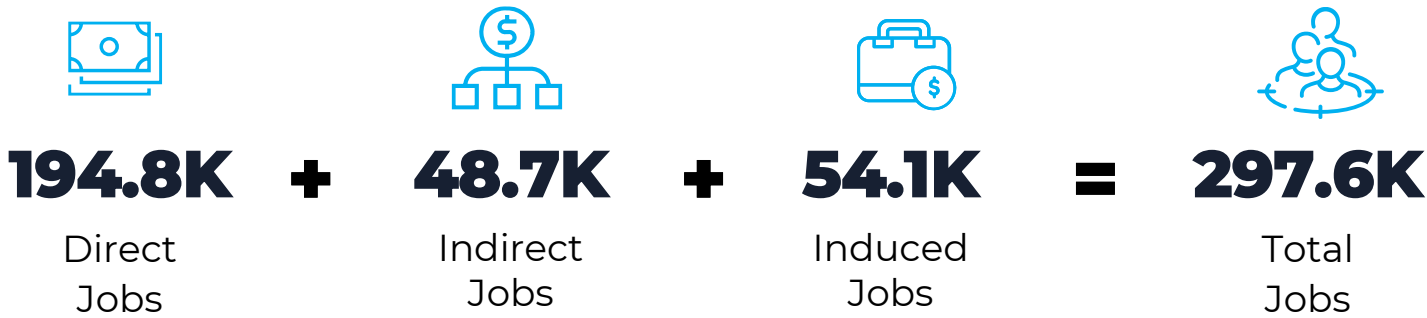
Source: Tourism Economics



The visitor economy in **Tennessee** directly supported **194,820 local jobs**.

# Employment Impacts

Visitor activity sustained 194,820 direct jobs in 2024, one of every 24 jobs in the state. Visitor spending supported the largest number of direct jobs in the food & beverage industry (83,496), followed by lodging (44,562).



## Employment by Industry (2024)

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	194,820	48,684	54,063	297,567
Food & Beverage	83,496	4,581	8,672	96,749
Lodging	44,562	15	41	44,618
Recreation and Entertainment	22,895	2,129	1,676	26,700
Business Services	4,643	15,720	6,045	26,408
Retail Trade	17,907	1,055	7,259	26,221
Other Transport	10,484	6,316	2,273	19,073
Finance, Insurance, Real Estate	2,317	9,003	6,908	18,228
Education and Health Care		278	11,271	11,549
Personal Services	2,337	2,824	4,958	10,119
Gasoline Stations	3,449	79	398	3,926
Air Transport	2,730	66	92	2,888
Communications		1,718	1,052	2,770
Wholesale Trade		1,286	1,281	2,567
Government		1,329	566	1,895
Construction and Utilities		977	559	1,536
Manufacturing		916	537	1,453
Agriculture, Fishing, Mining		392	475	867

Source: Tourism Economics

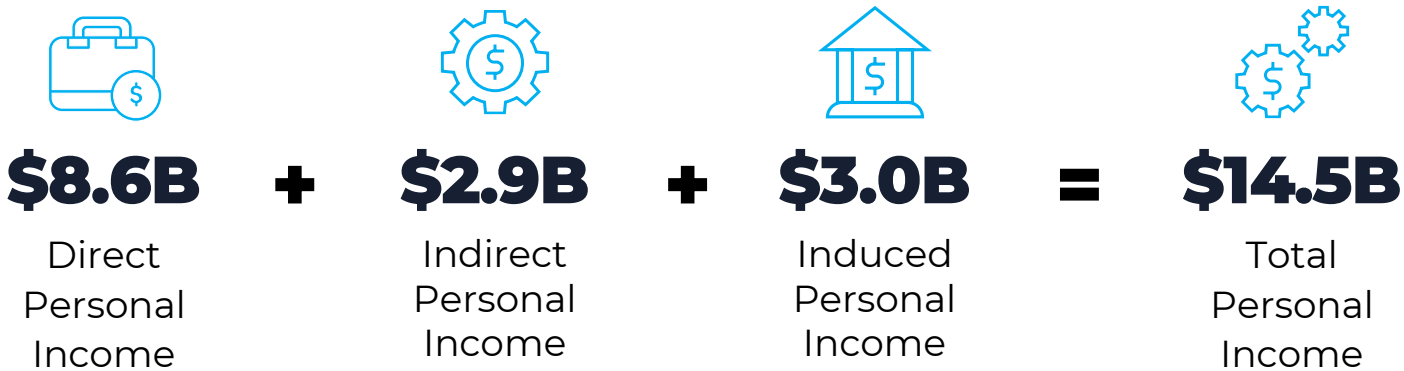
The visitor economy directly supports **one-in-24 jobs** in Tennessee, including nearly 83,500 jobs in the food and beverage industry.





# Personal Income Impacts

Visitor activity generated \$8.6 billion in direct personal income in 2024, 5.3% higher than the previous year.



## Personal Income by Industry (2024)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$8,566	\$2,929	\$2,993	\$14,488
Food & Beverage	\$2,593	\$140	\$273	\$3,007
Lodging	\$2,158	\$1	\$2	\$2,160
Business Services	\$309	\$1,236	\$441	\$1,985
Recreation and Entertainment	\$1,205	\$106	\$57	\$1,367
Other Transport	\$838	\$322	\$107	\$1,267
Finance, Insurance, Real Estate	\$261	\$452	\$402	\$1,115
Retail Trade	\$669	\$52	\$347	\$1,068
Education and Health Care		\$11	\$906	\$918
Personal Services	\$123	\$69	\$91	\$283
Air Transport	\$239	\$5	\$6	\$251
Wholesale Trade		\$119	\$120	\$239
Communications		\$140	\$85	\$225
Gasoline Stations	\$173	\$4	\$21	\$197
Government		\$129	\$54	\$183
Construction and Utilities		\$77	\$42	\$119
Manufacturing		\$62	\$38	\$100
Agriculture, Fishing, Mining		\$3	\$1	\$4

Source: Tourism Economics





# Tax Impacts

Visitor activity generated \$5.3 billion in direct government revenues in 2024.

Direct state and local taxes alone tallied \$3.3 billion in 2024.

Each household in Tennessee would need to be taxed an additional \$1,170 to replace the direct visitor-generated taxes received by destination state and local governments in 2024.

## Tax Impacts (2024)

\$ millions

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$5,264	\$2,301	\$7,566
Federal Taxes	\$2,014	\$1,310	\$3,323
Personal Income	\$758	\$488	\$1,246
Corporate	\$141	\$95	\$236
Indirect Business	\$151	\$66	\$217
Social Insurance	\$964	\$660	\$1,624
State and Local Taxes	\$3,250	\$992	\$4,242
Sales	\$1,982	\$589	\$2,571
Bed Tax	\$410	\$0	\$410
Personal Income			
Corporate	\$83	\$56	\$140
Excise and Fees	\$232	\$97	\$329
Property	\$543	\$250	\$793

Source: Tourism Economics



Direct state tax revenues neared \$2.0 billion. Including sales and lodging taxes, \$1.3 billion in local taxes were generated in 2024.

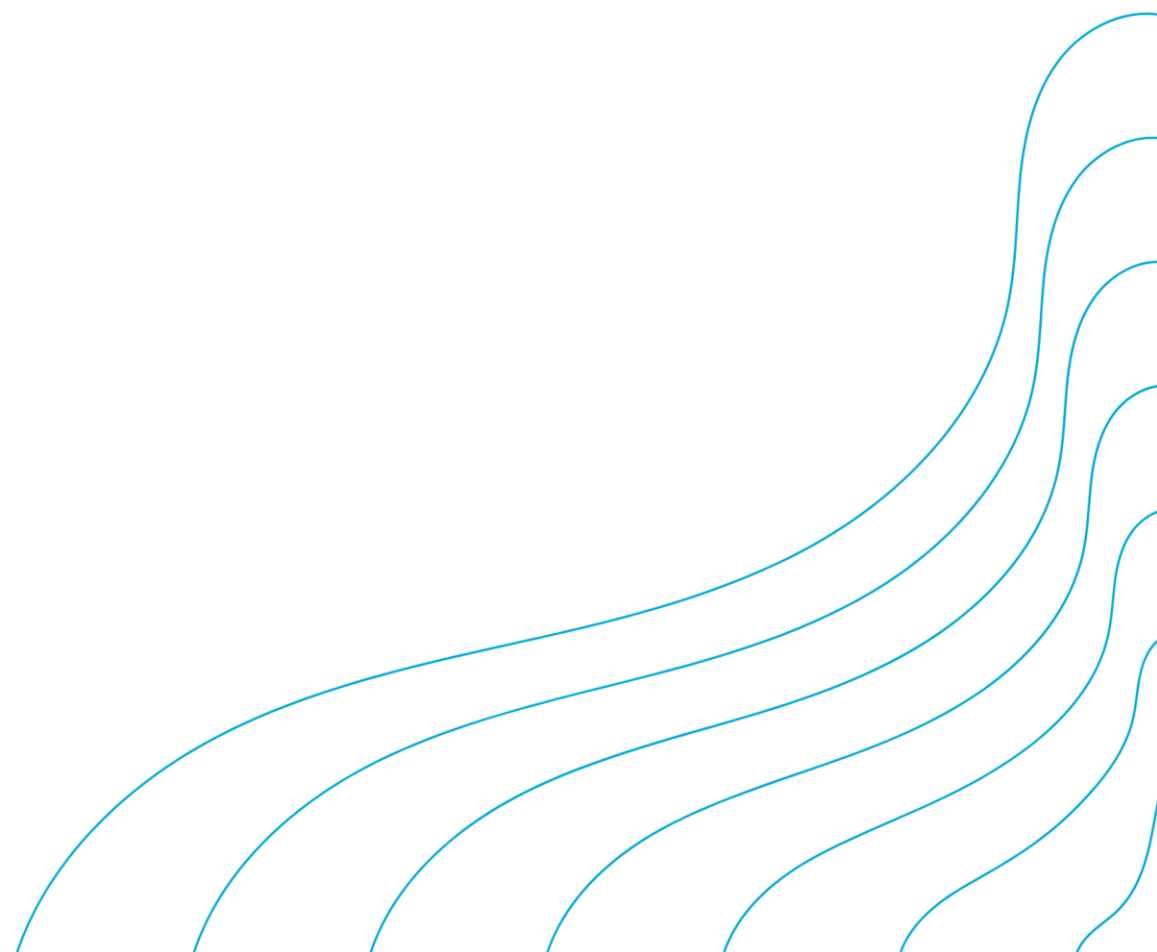
## Tax Impacts (2024)

\$ millions, direct only

	State	Local
Direct Tax Revenues	\$1,957	\$1,294
Sales	\$1,666	\$316
Bed Tax		\$410
Personal Income		
Corporate	\$83	
Excise and Fees	\$208	\$25
Property		\$543

Source: Tourism Economics

# APPENDIX





# Appendix

## Methodology Overview

Measuring the visitor economy begins with a comprehensive demand side analysis. A visitor is defined as someone who stayed overnight or traveled more than 50 miles to the destination.

The study area is defined as the state of Tennessee.

Visitor survey data provide estimates on the volume of visitors by type and their spending in specific categories (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type as well as employment and personal income by industry are used to supplement and confirm demand-side visitor spending calculations.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis (BEA). This is more comprehensive than Bureau of Labor Statistics (BLS QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the QCEW data.

The complete set of data inputs is provided below.

## Data Sources

- **Longwoods International:** Consumer survey data, including spending and visitor profile characteristics
- **STR and AirDNA:** Lodging performance data, including room demand and revenue, for hotels and short-term rentals
- **Tennessee Department of Revenue:** Lodging and sales tax receipts, by industry
- **Placer.ai and Zartico:** Mobile geolocation data
- **BEA/BLS:** Employment and wage data, by industry
- **US Census:** Business sales and employment by industry, and seasonal second homes inventory
- **Tourism Economics:** International arrivals data for visitors to Tennessee

## Glossary

SPENDING DEFINITIONS	LODGING	All accommodation businesses, including hotels, B&Bs, campgrounds, and short-term rentals. This includes food, entertainment, and other services provided by these establishments.
	FOOD & BEVERAGE	Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.
	RECREATION	Includes visitors spending within the arts, entertainment and recreation sector.
	RETAIL	Includes visitor spending in all retail sub-sectors within the local economy, excluding grocery stores.
	LOCAL TRANSPORT	Ride share, taxis, limos, trains, rental cars, buses, and gasoline purchases.
	AIR TRANSPORT	Where applicable, the local share of air transportation spending.
ECONOMIC IMPACT DEFINITIONS	SECOND HOMES	Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.
	DIRECT IMPACT	Impacts (business sales, jobs, income, and taxes) related to businesses where visitors spend dollars (e.g. recreation, transportation, lodging).
	INDIRECT IMPACT	Impacts created from the purchase of goods and services as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected sectors (i.e. business-to-business purchases).
	INDUCED IMPACT	Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor activity.
	EMPLOYMENT	Employment is measured by the Bureau of Economic Analysis (BEA) definition, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.
	PERSONAL INCOME	Income (wages, salaries, proprietor income and benefits) supported by visitor spending.
	VALUE ADDED (GDP)	Business sales net of intermediate (supply chain) purchases.
	LOCAL TAXES	City and County taxes generated by visitor spending. Includes any local sales, income, bed, usage fees, licenses and other revenue streams to local governmental authorities.
	STATE TAXES	State tax revenues generated by visitor spending. Includes sales, income, corporate, usage fees and other assessments of state governments.

## About the Research Team

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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