

2025

Economic Impact of Visitors to Tennessee



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Introduction

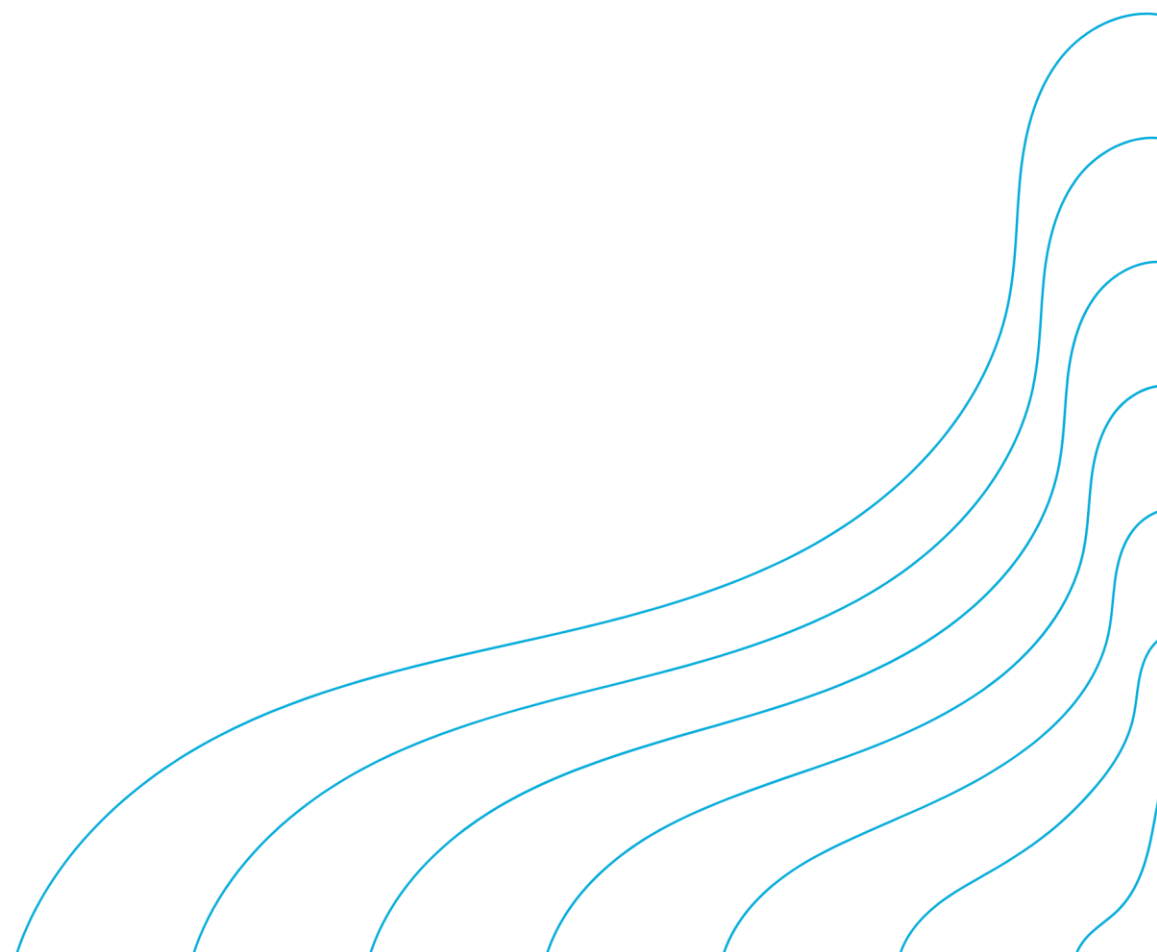
Visitors are integral to Tennessee's economy, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

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 2025, **150 million visitors** spent **\$32.5 billion** in the Tennessee economy, representing increases of 2.1% and 2.7%, respectively. Visitor spending directly sustained **196,415 jobs**, which generated **\$8.9 billion in personal income**.



150M VISITORS TO TENNESSEE



\$32.5B DIRECT VISITOR SPENDING



\$16.2B DIRECT GDP



\$8.9B DIRECT PERSONAL INCOME



196,415 DIRECT JOBS SUPPORTED



\$3.3B DIRECT STATE AND LOCAL TAXES



Results in Context

The visitor economy is an economic pillar in Tennessee. In 2025, visitor spending directly supported 4.2% of all jobs in Tennessee and offset resident taxes by \$1,180 per household. In addition:



\$32.5B VISITOR SPENDING

Visitors spent \$89 million per day, on average, in Tennessee.



\$8.9B PERSONAL INCOME

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



196,415 JOBS

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

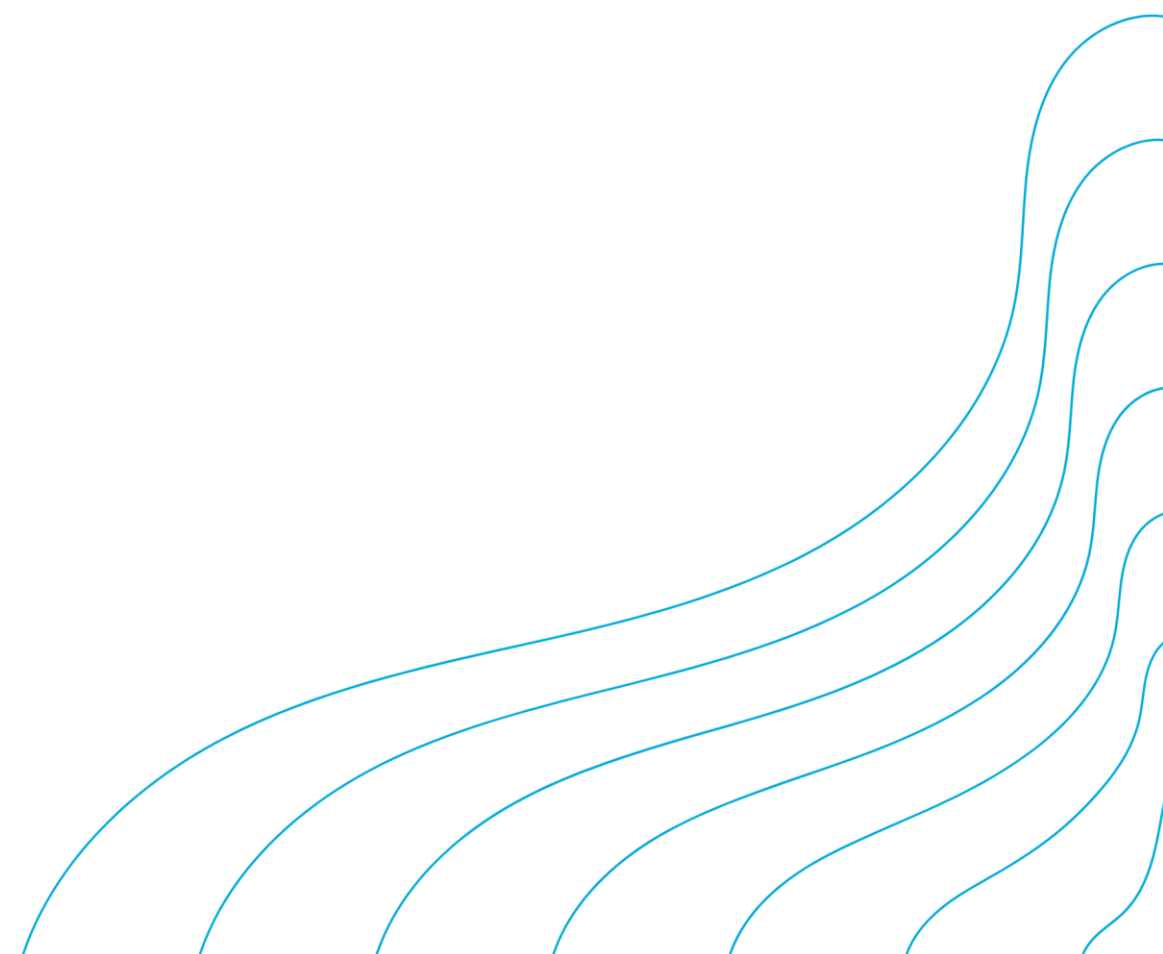


\$3.3B STATE & LOCAL TAXES

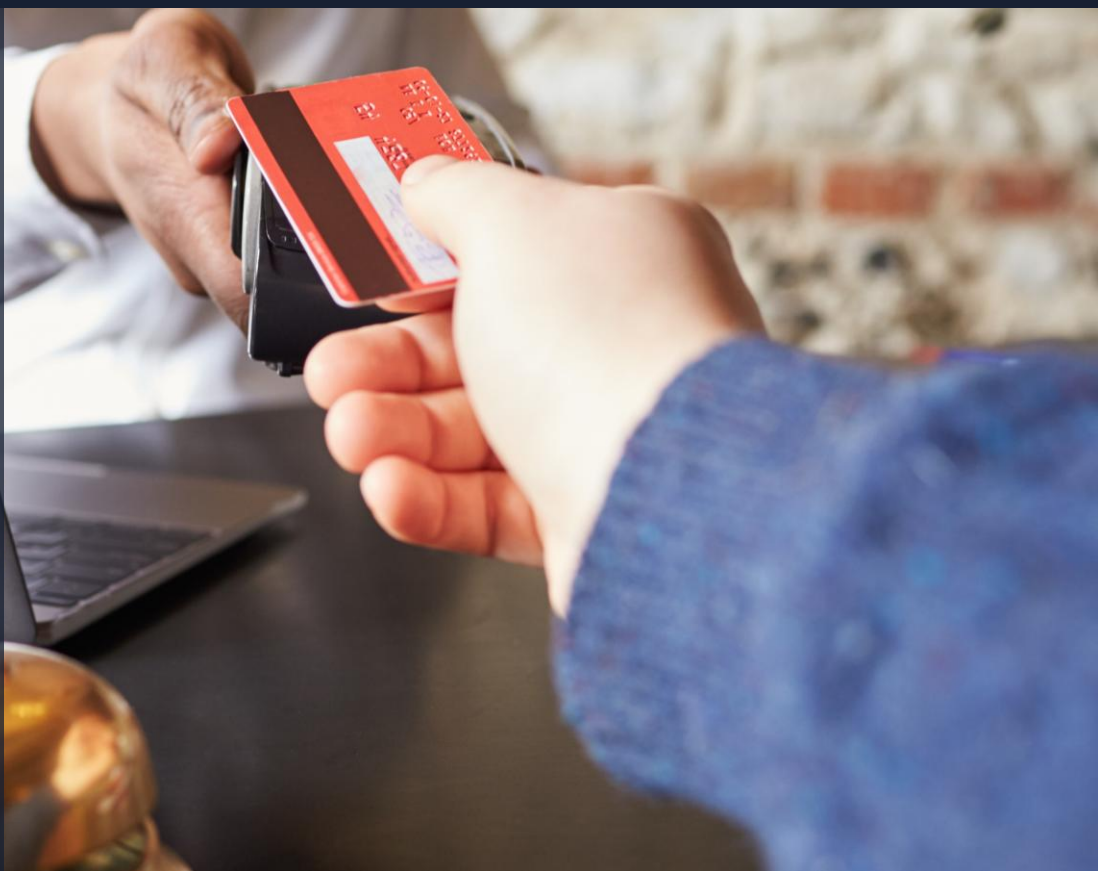
Direct state and local taxes generated by the visitor economy could pay the average salary of 60,500 public school teachers.



VISITOR VOLUME & SPENDING



Tennessee welcomed **150 million** visitors who spent **\$32.5 billion** in 2025.

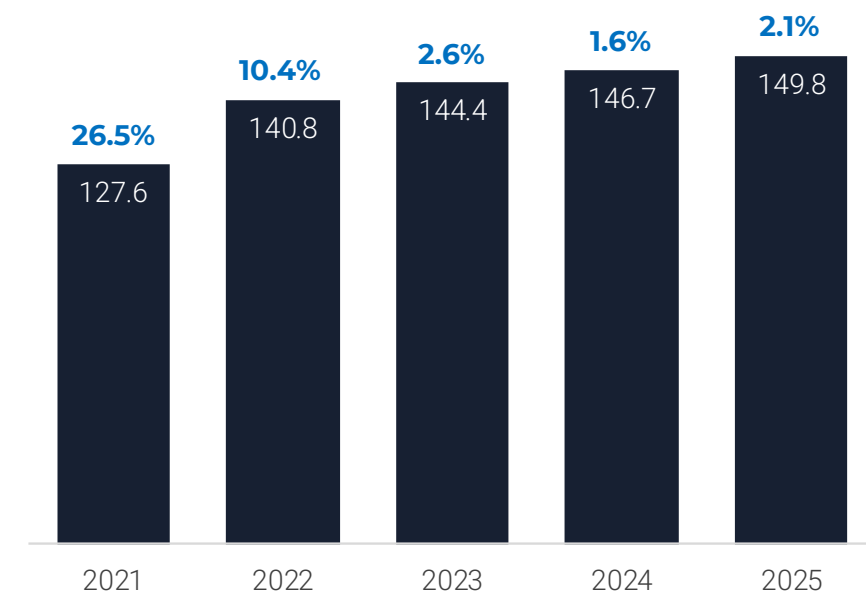


Visitor Volume

In 2025, approximately 150 million visitors traveled to Tennessee, a 2.1% increase over the prior year.

The domestic segment increased 2.2%, while international visits fell 8.8%.

Tennessee Visitor Volume
millions



Sources: Longwoods International, STR, AirDNA, Tourism Economics

Visitor Spending

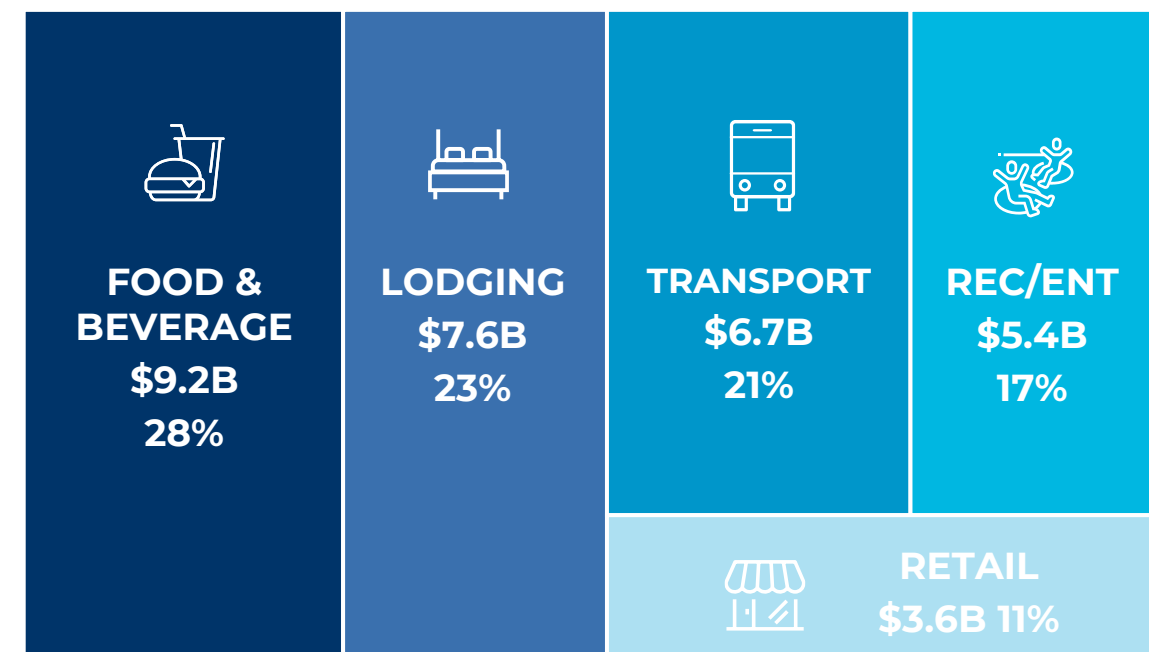
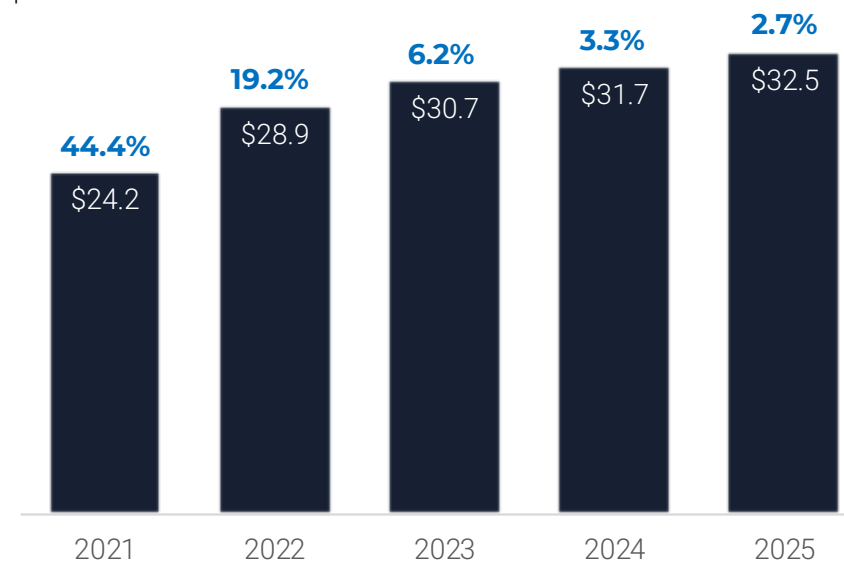
Visitor spending increased 2.7% in 2025, reaching \$32.5 billion.

Of the \$32.5 billion spent, food and beverage purchases accounted for \$9.2 billion, 28% of all visitor spending.

Visitors spent 23% 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

Buoyed by greater domestic demand, visitor spending increased 2.7% in 2025.

Food and beverage led overall spending growth in 2025, increasing 4.9% year-over-year, followed by recreation (+4.5%).

Weaker average daily rates and declining gas prices constrained growth in the lodging and transportation sectors, which increased just 0.6% and 0.8%, respectively.

Visitor volume increased 2.1% in 2025, driven by 2.4% growth in day visitors, compared to a 1.8% increase in the overnight segment.

Tennessee Visitor Spending

\$ billions

	2021	2022	2023	2024	2025	2025 Growth
Total visitor spending	\$24.22	\$28.87	\$30.66	\$31.66	\$32.53	2.7%
Food & beverage	\$6.90	\$7.82	\$8.39	\$8.73	\$9.16	4.9%
Lodging*	\$5.31	\$6.83	\$7.24	\$7.34	\$7.38	0.6%
Transportation**	\$5.35	\$6.31	\$6.50	\$6.66	\$6.71	0.8%
Recreation	\$3.47	\$4.51	\$4.96	\$5.19	\$5.42	4.5%
Retail	\$2.98	\$3.18	\$3.35	\$3.52	\$3.62	2.6%
Second homes	\$0.20	\$0.21	\$0.22	\$0.23	\$0.24	3.6%

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

	2021	2022	2023	2024	2025	2025 Growth
Total visitors	127.55	140.76	144.36	146.70	149.83	2.1%
Domestic	127.41	140.31	143.71	146.01	149.19	2.2%
International*	0.14	0.45	0.64	0.69	0.63	-8.8%
Total visitor spending	\$24.22	\$28.87	\$30.66	\$31.66	\$32.53	2.7%
Domestic	\$24.05	\$28.37	\$29.88	\$30.75	\$31.67	3.0%
International*	\$0.18	\$0.50	\$0.79	\$0.91	\$0.86	-5.2%
Per visitor spending	\$190	\$205	\$212	\$216	\$217	0.6%
Domestic	\$189	\$202	\$208	\$211	\$212	0.8%
International*	\$1,237	\$1,104	\$1,225	\$1,315	\$1,366	3.9%

Sources: Longwoods International, STR, AirDNA, Tourism Economics

*2025 international volumes and spend are considered preliminary

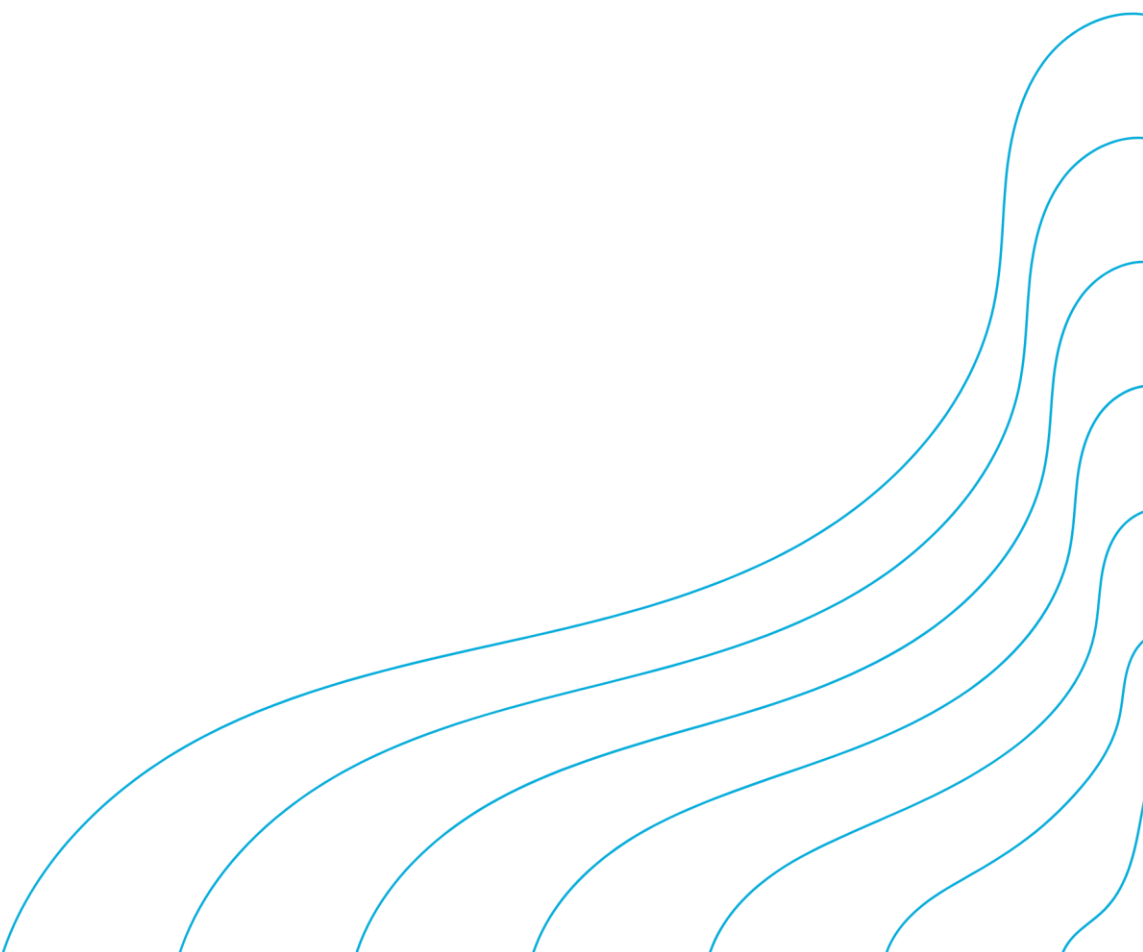
Tennessee Visitor Volume and Spend, by Stay

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

	2021	2022	2023	2024	2025	2025 Growth
Total visitors	127.55	140.76	144.36	146.70	149.83	2.1%
Day	71.37	76.86	78.85	81.10	83.05	2.4%
Overnight	56.18	63.90	65.50	65.61	66.78	1.8%
Total visitor spending	\$24.22	\$28.87	\$30.66	\$31.66	\$32.53	2.7%
Day	\$7.37	\$8.54	\$9.09	\$9.55	\$9.89	3.5%
Overnight	\$16.85	\$20.33	\$21.58	\$22.11	\$22.64	2.4%
Per visitor spending	\$190	\$205	\$212	\$216	\$217	0.6%
Day	\$103	\$111	\$115	\$118	\$119	1.1%
Overnight	\$300	\$318	\$329	\$337	\$339	0.6%

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.

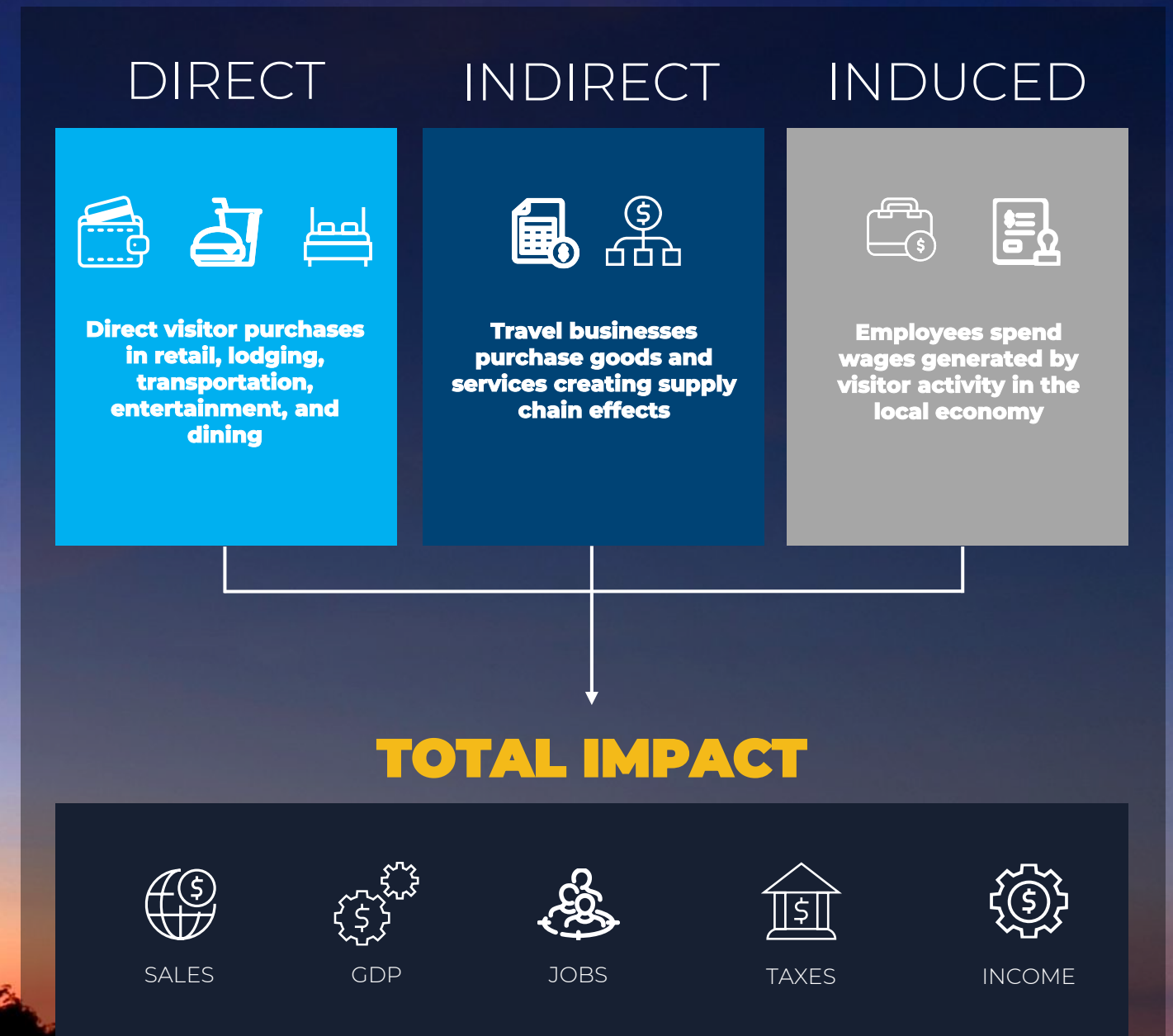
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitors through the local economy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

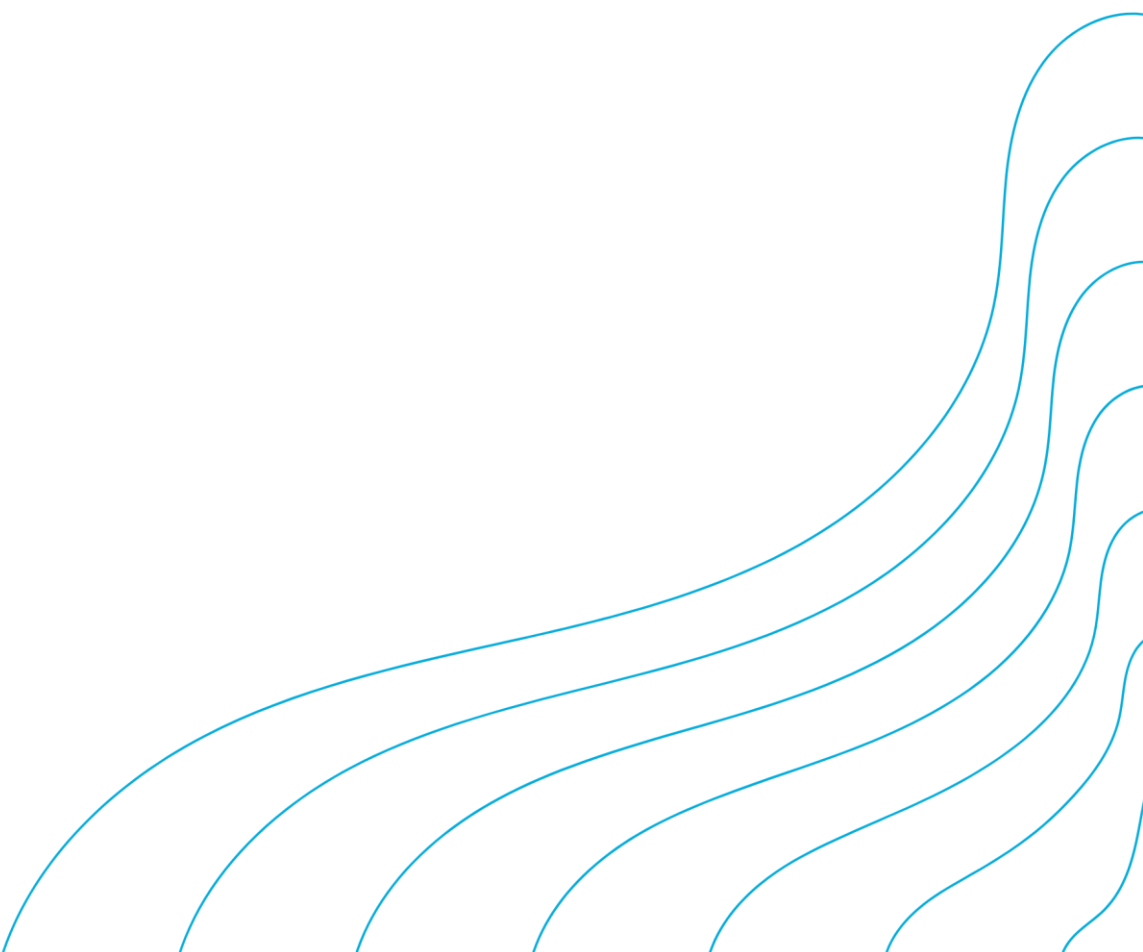
The model calculates these three levels of impact—direct, indirect and induced—for the following metrics:

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

Economic Impact Model



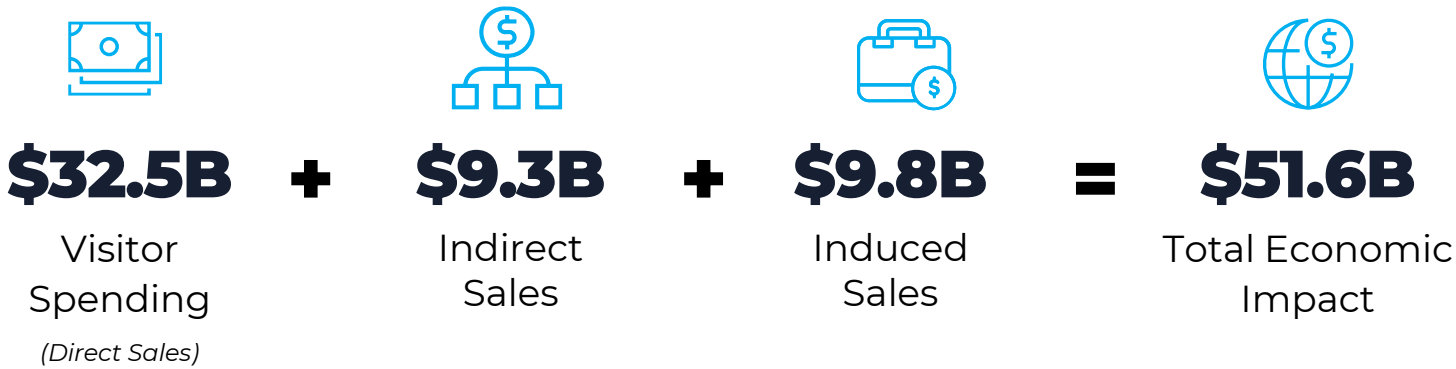
ECONOMIC IMPACT



Business Sales Impacts

Visitors spent \$32.5 billion in Tennessee in 2025. These direct impacts generated an additional \$19.1 billion through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$51.6 billion in 2025.



Business Sales by Industry (2025)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$32,528	\$9,316	\$9,756	\$51,599
Food & Beverage	\$9,160	\$410	\$777	\$10,347
Lodging	\$7,393	\$2	\$5	\$7,400
Finance, Insurance, Real Estate	\$1,438	\$2,326	\$2,986	\$6,750
Recreation and Entertainment	\$4,166	\$394	\$207	\$4,768
Retail Trade	\$3,616	\$130	\$829	\$4,575
Business Services	\$857	\$2,206	\$768	\$3,831
Other Transport	\$2,332	\$811	\$270	\$3,413
Gasoline Stations	\$2,006	\$12	\$57	\$2,075
Education and Health Care		\$29	\$1,796	\$1,826
Communications		\$938	\$462	\$1,401
Air Transport	\$1,161	\$33	\$35	\$1,229
Personal Services	\$399	\$320	\$401	\$1,120
Wholesale Trade		\$447	\$463	\$911
Government		\$507	\$232	\$740
Manufacturing		\$408	\$286	\$693
Construction and Utilities		\$296	\$147	\$444
Agriculture, Fishing, Mining		\$47	\$32	\$79

Source: Tourism Economics

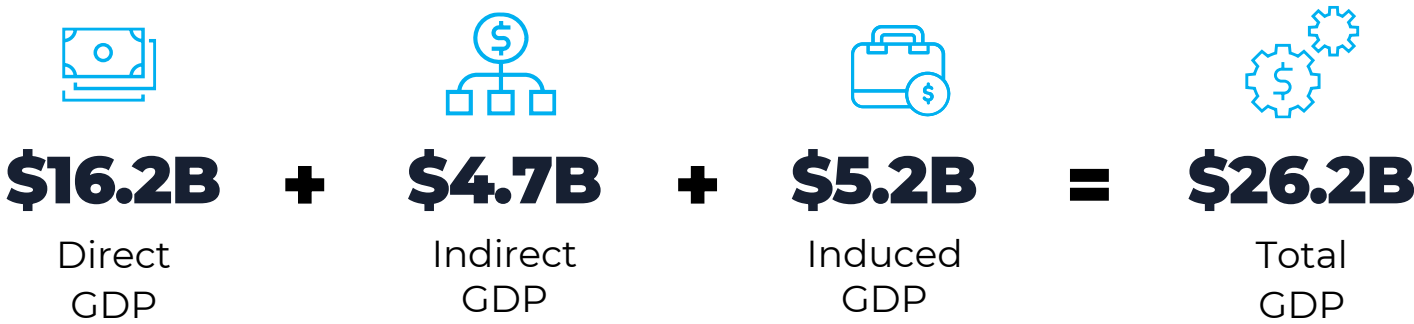
Visitor spending generated a total economic impact of **\$51.6 billion.**



GDP (Value Added Impacts)

Tennessee’s direct visitor economy GDP increased 2.5% to \$16.2 billion in 2025. This represented 2.8% of Tennessee’s entire economy.

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



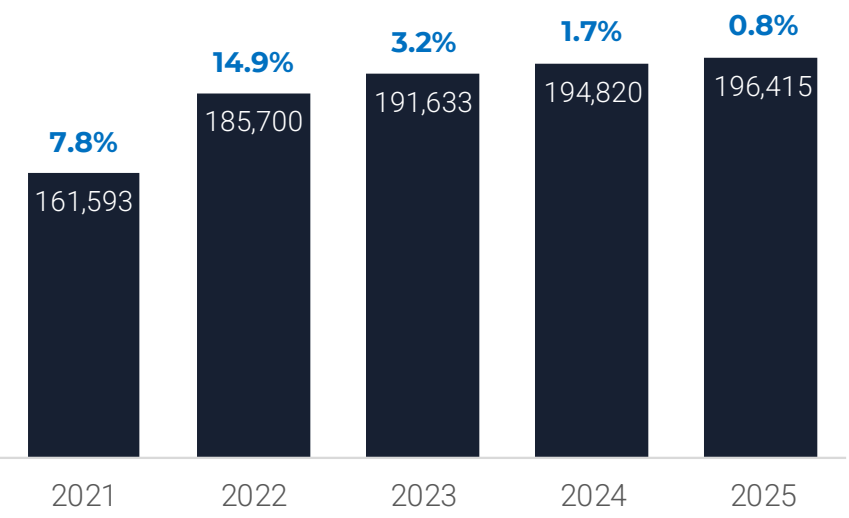
Direct Employment

Employment directly supported by visitor activity increased 0.8% in 2025, reaching 196,415 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.

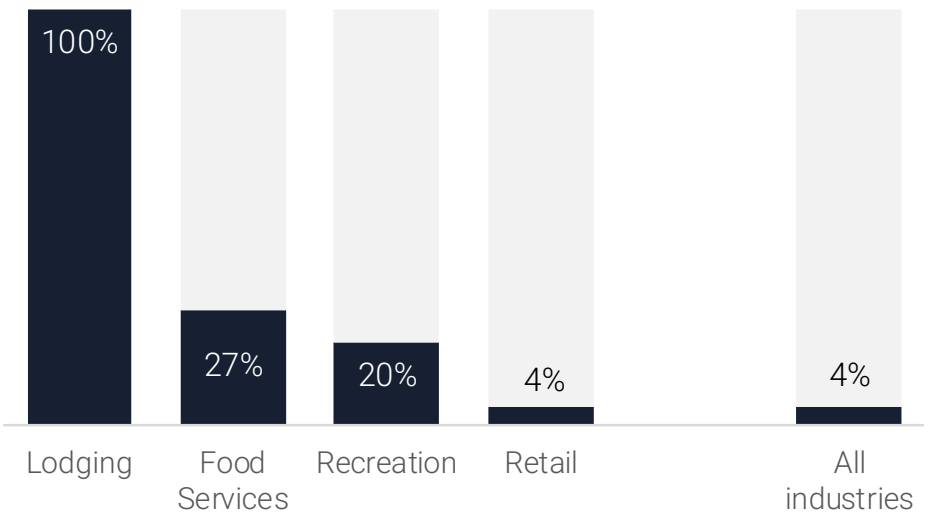
Overall, direct tourism jobs accounted for about 4.2% of all jobs in Tennessee in 2025.

Visitor-Supported Employment in Tennessee jobs



Source: Tourism Economics

Tourism Employment Intensity share of total industry employment



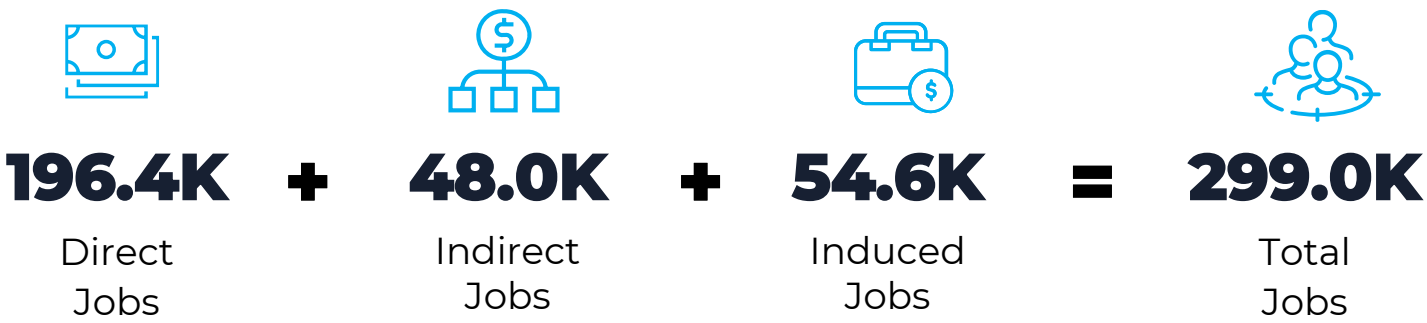
Source: Tourism Economics



The visitor economy in **Tennessee** directly supported **196,415 local jobs**.

Employment Impacts

Visitor activity sustained 196,415 direct jobs in 2025, 4.2% of all jobs in the state. Visitor spending supported the largest number of direct jobs in the food & beverage industry (84,767), followed by lodging (43,984).



Employment by Industry (2025)

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	196,415	48,012	54,563	298,990
Food & Beverage	84,767	4,494	8,802	98,063
Lodging	43,984	15	47	44,046
Recreation and Entertainment	23,536	2,087	1,677	27,300
Retail Trade	17,950	1,003	7,161	26,114
Business Services	4,622	15,404	5,976	26,002
Other Transport	10,740	6,075	2,272	19,087
Finance, Insurance, Real Estate	2,335	9,144	6,961	18,440
Education and Health Care		270	11,812	12,082
Personal Services	2,353	2,761	4,931	10,045
Gasoline Stations	3,348	72	389	3,809
Air Transport	2,780	67	95	2,942
Communications		1,746	1,064	2,810
Wholesale Trade		1,308	1,292	2,600
Government		1,284	563	1,847
Construction and Utilities		1,007	562	1,569
Manufacturing		885	516	1,401
Agriculture, Fishing, Mining		390	443	833

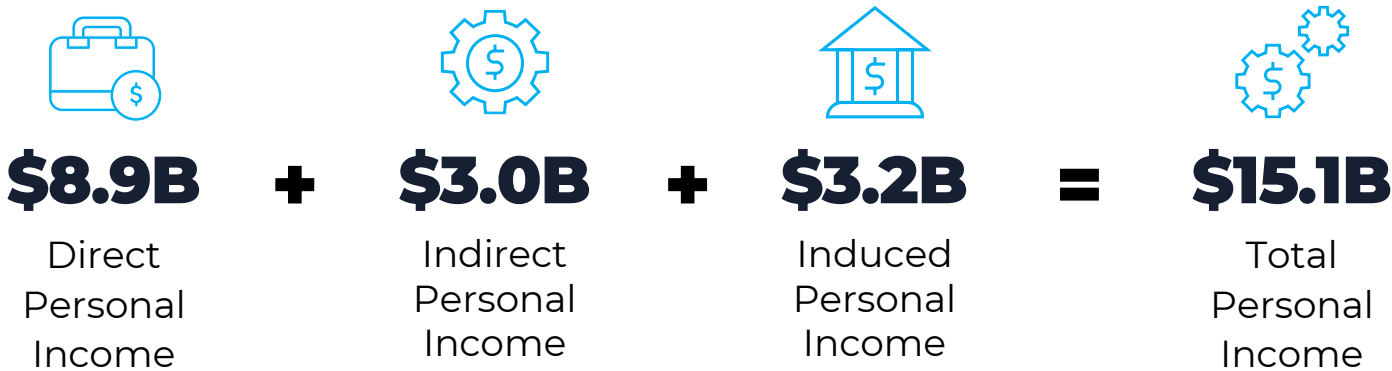
Source: Tourism Economics

The visitor economy directly supported **4.2% of all jobs** in Tennessee, including nearly 84,800 jobs in the food and beverage industry.



Personal Income Impacts

Visitor activity generated \$8.9 billion in direct personal income in 2025, 3.7% higher than the previous year.



Personal Income by Industry (2025)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$8,881	\$3,039	\$3,160	\$15,079
Food & Beverage	\$2,700	\$142	\$287	\$3,129
Lodging	\$2,204	\$1	\$2	\$2,207
Business Services	\$322	\$1,266	\$457	\$2,045
Recreation and Entertainment	\$1,247	\$108	\$59	\$1,415
Other Transport	\$903	\$326	\$114	\$1,343
Finance, Insurance, Real Estate	\$280	\$492	\$431	\$1,203
Retail Trade	\$678	\$50	\$345	\$1,073
Education and Health Care		\$11	\$979	\$990
Personal Services	\$126	\$74	\$100	\$300
Air Transport	\$260	\$6	\$7	\$273
Wholesale Trade		\$127	\$127	\$253
Communications		\$153	\$92	\$245
Government		\$130	\$56	\$186
Gasoline Stations	\$160	\$4	\$20	\$183
Construction and Utilities		\$84	\$44	\$129
Manufacturing		\$63	\$38	\$101
Agriculture, Fishing, Mining		\$3	\$1	\$4

Source: Tourism Economics



Tax Impacts

Visitor activity generated \$5.4 billion in direct government revenues in 2025.

Direct state and local taxes alone tallied \$3.3 billion in 2025.

Each household in Tennessee would need to be taxed an additional \$1,180 to replace the direct visitor-generated taxes received by destination state and local governments in 2025.

Tax Impacts (2025)

\$ millions

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$5,412	\$2,396	\$7,807
Federal Taxes	\$2,084	\$1,370	\$3,453
Personal Income	\$786	\$511	\$1,297
Corporate	\$145	\$100	\$245
Indirect Business	\$153	\$68	\$221
Social Insurance	\$1,000	\$691	\$1,691
State and Local Taxes	\$3,328	\$1,026	\$4,354
Sales	\$2,037	\$610	\$2,647
Bed Tax	\$412	\$0	\$412
Personal Income			
Corporate	\$86	\$59	\$145
Excise and Fees	\$237	\$101	\$338
Property	\$556	\$256	\$812

Source: Tourism Economics



Direct state tax revenues topped \$2.0 billion. Including sales and lodging taxes, \$1.3 billion in local taxes was generated in 2025.

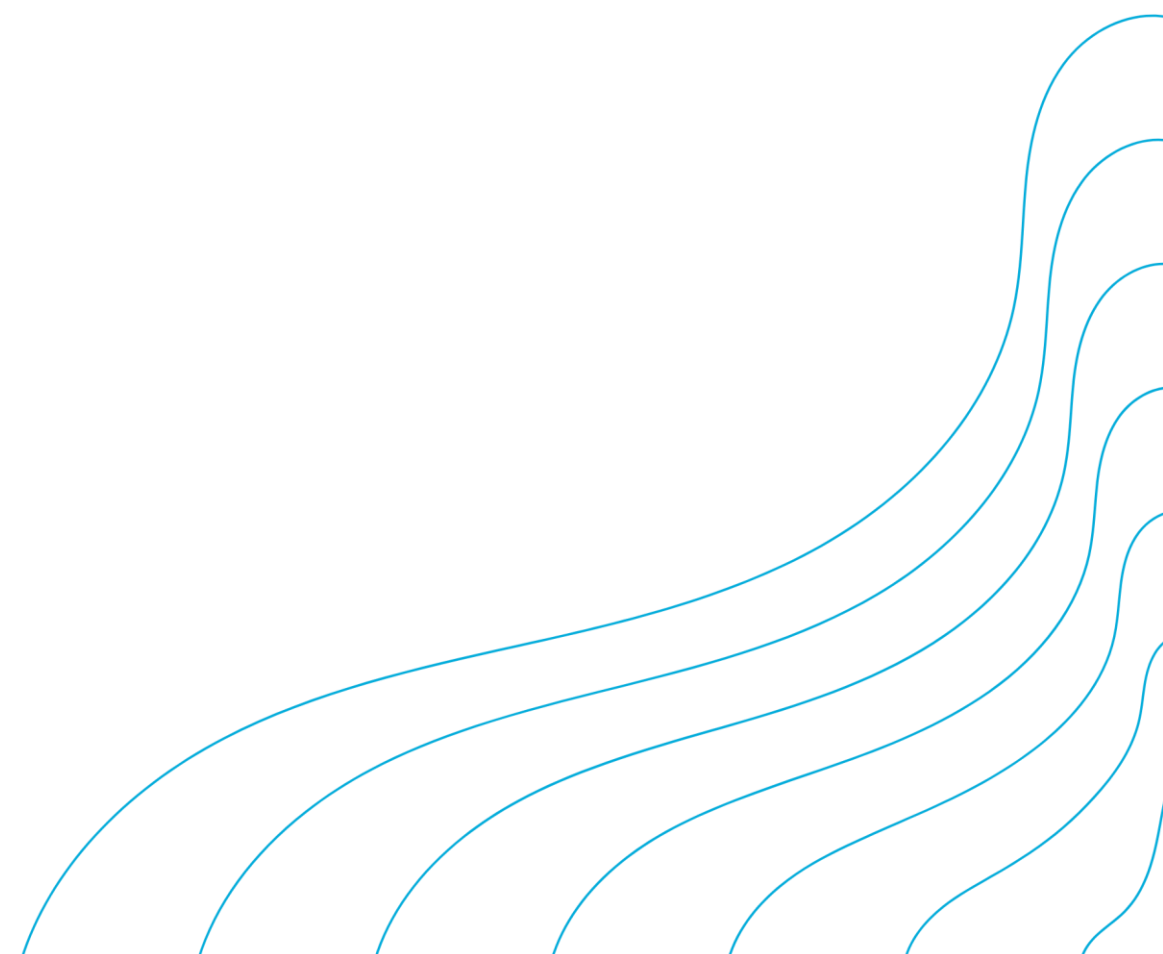
Tax Impacts (2025)

\$ millions, direct only

	State	Local
Direct Tax Revenues	\$2,007	\$1,321
Sales	\$1,709	\$328
Bed Tax		\$412
Personal Income		
Corporate	\$86	
Excise and Fees	\$213	\$25
Property		\$556

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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