



Tennessee Tourism & Hospitality Recovery Fund

ARPA Progress Report

Department of Tourist Development | December 2025



Executive Summary

Under Governor Bill Lee’s leadership, Tennessee dedicated \$100 million in American Rescue Plan Act (ARPA) funds to stabilize and strengthen the state’s tourism industry following the COVID-19 pandemic. Of this, \$55 million was allocated to the Tennessee Tourism & Hospitality Recovery Fund, which provided grants to Destination Marketing Organizations (DMOs) in all 95 counties for transformational projects. These investments came at a critical moment. In 2020, Tennessee lost an estimated \$303 million in state revenue tied to tourism, along with more than 50,000 jobs. ARPA allowed communities to recover quickly, resume advertising campaigns, restore events, and attract visitors back to Tennessee. In part due to the funding, the state reached record visitor spending by 2022 and has outpaced nearly all other states in recovery.

As of June 2025, the Recovery Fund had reimbursed more than \$39 million across 398 projects, representing 74% of total allocations. Communities are already reporting measurable impacts such as higher advertising impressions, record event attendance, and the hiring of full-time tourism staff in counties that had never had dedicated personnel. The Recovery Fund has proven that targeted investments in tourism yield strong returns for every region of Tennessee, reducing the tax burden on households and supporting economic growth across urban and rural communities alike. The successes achieved through ARPA make a strong case for sustaining this momentum through permanent state investment in tourism at the local level.

Report Context

This report provides a snapshot of the Tourism & Hospitality Recovery Fund’s progress through June 2025. While the third-year annual report had not yet been completed at the time of analysis, all other available documentation—including reimbursement data, project files, and DMO-provided data—was analyzed to categorize and count completed projects. Metrics and outcomes reflect the most recent verified information. A final report would incorporate all annual reports and updated data to provide comprehensive end-of-program results through November 2026.

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COVID's Impact on Tourism & Hospitality

The COVID-19 pandemic represented the single largest crisis in modern history for the tourism and hospitality industry. Prior to the pandemic, U.S. travel and tourism generated \$2.2 trillion in economic activity and supported 11.4 million American jobs, with small businesses making up over 80% of the sector.¹ In 2019, domestic and international visitation were at record highs, and consumer confidence in travel was the strongest in decades.

That momentum ended abruptly in March 2020. Within four months, hotel room demand dropped by 64%, domestic airline passengers fell from nearly 70 million to under 3 million, and international arrivals to the United States plunged by over 95%. By the end of the year, domestic trips had declined 32%, international visitation fell 76%, and the industry lost 4.4 million jobs or nearly half of all U.S. job losses in 2020. Travel and tourism GDP shrank by 30%, accounting for 97% of the nation's overall GDP decline from 2019 to 2020. These losses rippled across every sector—restaurants, hotels, attractions, airlines, and event venues—leading to widespread closures and permanent reductions in capacity.

Impact in Tennessee

Tennessee, a state where tourism is one of the largest economic drivers, felt these shocks acutely. In April, travel spending in the state dropped by 87% compared to the prior year. Between March and December 2020, Tennessee lost an estimated \$303 million in state revenue directly tied to tourism. Arrivals fell by 10% statewide, leisure and hospitality tax collections declined by 21%, and industry employment fell by 15%—a loss of more than 50,000 jobs.

The effects were particularly severe in Tennessee's major cities where conventions, concerts, and international travel were more central to growth. Smaller and rural communities also faced steep losses but showed resilience through outdoor recreation. For example, Tennessee State Parks saw four of its best camping months on record in 2020 and hosted 38.5 million visitors in fiscal year 2021.

By 2021, Tennessee began to rebound, reaching record spending in 2022 and outpacing national recovery. However, this recovery was not automatic. Along with Governor's Lee's designation of CARES Act funding to TDTD, federal relief through the ARPA helped to stabilize DMOs, retain staff, resume advertising campaigns, and restore consumer demand. Because of this investment, Tennessee communities rebounded faster, restoring visitor spending, jobs, and tax revenues.

¹U.S. Department of Commerce, International Trade Administration, *Study on the Effects of the COVID-19 Pandemic on the Travel and Tourism Industry* (Washington, DC: National Travel and Tourism Office, 2025).

Overview of the Tennessee Tourism & Hospitality Recovery Fund

In 2021, Congress passed the American Rescue Plan Act to help state and local governments respond to the public health and economic impacts of the COVID-19 pandemic. Through ARPA's State Fiscal Recovery Fund, Tennessee received federal dollars to support long-term economic recovery efforts. To develop a comprehensive plan for the use of these funds, Governor Bill Lee invited state agencies and stakeholders to submit proposals for consideration by the Financial Stimulus Accountability Group (FSAG), a bipartisan committee of executive and legislative leaders established by the Governor to ensure the prudent and strategic investment of new federal funds.

In 2021, the FSAG allocated approximately \$100 million in ARPA funds to the Tennessee Department of Tourist Development (TDTD) to help stabilize and strengthen the state's tourism industry. Tennessee was among 22 U.S. states and territories that dedicated a portion of their ARPA funding to tourism initiatives aimed at accelerating recovery across the tourism and hospitality sectors.

The funding was divided into two major programs:

- Tennessee Tourism & Hospitality Recovery Fund – \$55 million was allocated to the Recovery Fund, of which \$53.35 million was awarded directly to DMOs in all 95 counties. The remaining \$1.65 million was used to contract HORNE LLP as the program administrator. These services include application and system design, payment integration, reporting, and ongoing oversight of reimbursements through the lifecycle of the fund.
- Tourism ARP Marketing Fund – \$45 million was designated for TDTD marketing initiatives to drive consumer demand, restore jobs, and recapture lost tourism-related tax revenue.

Eligible Use of Funds

The Tourism & Hospitality Recovery Fund could only be used for costs incurred between December 1, 2021, and November 30, 2026. Grantees had two paths to reimbursement: 1) direct submission of eligible transformational project expenses, or 2) reimbursement of tourism payroll expenditures. If payroll was submitted for reimbursement, grantees were required by TDTD to use the disencumbered funds in their budgets to complete transformational projects.

Allowable expenses for projects included:

- Advertising tools and campaigns
- Data tools and research studies
- Tourism improvements such as airline recruitment, wayfinding signage, and visitor center upgrades
- Events and festival recovery support
- Hiring new tourism staff or increasing hours for existing staff

To safeguard taxpayer dollars and maximize impact, funding came with clear guidelines. Certain uses were prohibited, such as land acquisition, vehicle purchases, financial reserves, and alcohol. Additionally, to remain eligible for funds, DMOs had to commit to maintaining their preexisting tourism budgets.

Funding Formula

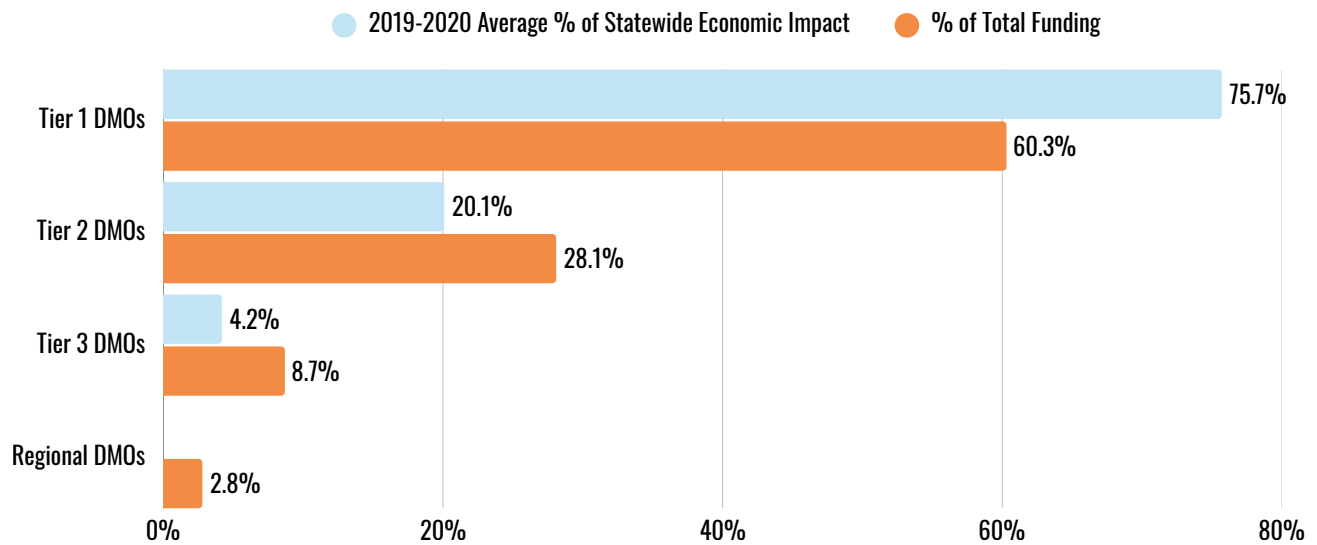
Funds were allocated to each county based on the average percentage of state tourism-related tax revenue generated from 2019 to 2020, according to the annual U.S. Travel Association Economic Impact Report. Every county received a minimum allocation of \$95,000, ensuring that even the smallest and most rural destinations could participate in recovery efforts.

Counties were grouped into three tiers to align funding with the scale of their tourism economies and overall economic conditions (see Figure 1). Tier 1 counties are the state's nine largest tourism markets, representing roughly 70 percent of statewide tourism impact. Tier 2 counties represent mid-sized destinations while Tier 3 counties include developing destinations where additional planning support was needed. Before contracting, Tier 3 counties were required to participate in tourism roadmap sessions, during which TDTD met with local leaders and stakeholders to identify growth opportunities and define long-term strategies for sustainable tourism development.

In addition, eight regional DMOs were each allocated \$190,000 to support coordinated tourism development and marketing initiatives across multiple counties. This regional investment promotes collaboration, strengthens destination branding, and aligns local strategies with statewide tourism objectives.

See Appendices B and C for further information regarding the funding formula and the allocations for each DMO.

Figure 1: Funding and Economic Impact by Tiers



Administration and Oversight

TDTD acts as the pass-through entity, administering funds to local and regional DMOs. Funds are distributed on a reimbursement basis, and DMOs are required to submit spending plans and supporting documentation through HORNE's online portal. The Department of Finance & Administration manages disbursements, while TDTD ensures accountability through structured oversight. In the early years of the program, TDTD provided annual trainings to familiarize DMOs with ARPA guidelines, and today TDTD continues to hold one-on-one meetings to review spending plans, address questions, and strengthen project implementation.

What to Expect in the Final Phase

Over the next year, the program will transition from reimbursements to closeout:

- Continued Reimbursements – DMOs still have access to their remaining allocations, but all funds must be fully expended by November 30, 2026.
- Compliance and Oversight – TDTD will maintain oversight as DMOs provide documentation for payroll, contracts, invoices, and other expenditures, along with required annual reporting.

- Closeout Procedures – Once final reimbursements are made, TDTD will conduct a final accounting of each grant. Additionally, all grantees must also file a final reconciliation report within 30 days of their contract end date. In the case of leftover funds, TDTD has contingency capabilities in place to ensure 100% funding utilization. However, TDTD is confident that all funds will be expended. Should FSAG find it necessary, the department maintains the capacity for additional ARPA allocations.
- Program Wind-Down – By the end of 2026, the program will formally close, and Tennessee will submit its final federal compliance reports to the U.S. Treasury.

Performance Summary

TDTD has allocated \$53.35 million to 117 local and regional DMOs across all 95 counties. As of June 16, 2025, the State of Tennessee had reimbursed DMOs for \$39.4 million, representing 74% of total allocations. Nearly 400 individual projects had been reimbursed across 75 counties, delivering measurable results statewide. Communities are using the funding for both immediate impact, such as marketing campaigns and events that generate visitor spending, and long-term investments in workforce and infrastructure that strengthen resilience for the future (see Table 1).

Advertising & Marketing

Nearly \$13.6 million from the Tennessee Tourism and Hospitality Recovery Fund supported 212 marketing projects statewide. Communities invested in a wide range of strategies including digital and social media campaigns, destination rebranding, print and broadcast advertising, billboards, promotional items, and hosting media or tour operators. These efforts allowed DMOs to re-enter competitive markets and test new audiences. For example, the Bristol Regional Tourism Marketing Corporation invested in television and digital advertisements and hosted social media influencers. This has allowed them to grow their social media following to the largest in the northeast region, contributing to a \$62 million increase in visitor spending in Sullivan County from 2021 to 2024. In Cannon County, the chamber of commerce paid for billboard advertisements in new markets and saw their website traffic more than double. This supported a 43.8% increase in visitor spending from 2021 to 2024. Advertising projects like these are boosting the visibility of Tennessee's assets, leading to more visitor spending and more dollars in state and local coffers.

Data & Research

Nineteen research projects have been funded through ARPA, providing DMOs with tools and studies to guide more strategic decisions.* For example, the Wilson County Convention and Visitors Bureau used ARPA funds to purchase Placer.ai, a leading data analytics tool, to fine-tune their marketing tactics and share tourism insights with local leaders. In Chattanooga, funds were used to conduct a comprehensive study of local sports facilities to assess current capacity and set priorities for future investment. Projects like these allow destinations to track visitor flows, evaluate marketing effectiveness, and plan future initiatives with greater precision.

*Branding studies were not included in the Data & Research category but were counted under Advertising & Marketing instead as they usually include batch payments for new branding, logos, and websites.

Destination Development

The Tourism & Hospitality Recovery Fund has supported 54 destination development projects, including upgrades to 10 visitor centers. Many of these upgrades have included the installation of kiosks that enhance the visitor experience through interactive maps and personalized content. Other investments include downtown murals, wayfinding signage, and support for local attractions. A golden example of a destination development project is the Sunsphere renovations. In 2024, Visit Knoxville used ARPA funds to open the Sunsphere Welcome Center, providing walk-up ticketing and a climate-controlled space where guests can relax or shop before visiting the observation deck. Additional funds are being used to install new lighting that will illuminate the Sunsphere at night, drawing even more attention to the city's most recognizable landmark.

Beyond infrastructure improvements, one of the most significant destination development initiatives has been airline recruitment. Several communities used ARPA funds to pursue new air service, recognizing that flight access is often the first step in attracting both leisure travelers and business events. For example, traffic from Washington D.C. to the Tri-Cities region has been on the rise, so the Kingsport Convention & Visitors Bureau used ARPA funds to recruit a new airline. Together with local and regional partners, they secured Breeze Airways, which will offer an Orlando and a Washington D.C. flight beginning in December.

Events

Festivals and events have returned as key drivers of visitation and local spending. Of the \$39 million reimbursed so far, more than \$7.5 million has supported 57 local tourism events. These funds have supported the revival of beloved traditions, such as the Tennessee River Jam in Paris, and the launch of new events like the Copperhead Road Musical Festival in Johnson County. Notably, ARPA funds were used to promote the MLB Speedway Classic. Though the event would not have been possible without the Special Event Fund, Bristol Regional Tourism Marketing Corporation used nearly \$300,000 of ARPA funds to promote the event. This contributed to over 85,000 tickets sold—an all-time record for a regular season single-game. Large or small, investing in local tourism events delivers tangible returns, from increased attendance and hotel bookings to stronger sales for local businesses.

Staff & Training

Investments in staffing and training have expanded capacity for 51 DMOs. Across the state, ARPA funds have enabled DMOs to hire 20 new full-time and 16 new part-time employees while also supporting 10 staff members in moving from part-time to full-time roles. In communities such as Giles County and the City of Brownsville, they have hired their first full-time tourism directors, enabling the expansion of organizational reach and the development of a true tourism strategy. Other DMOs have utilized ARPA funding to offer tourism staff training and travel opportunities that were not possible with their normal budgets. Impact is measured through dedicated staff hours, retention of new hires, and the broader range of tourism activities DMOs can now manage.

Table 1: Funding by Project Categories

Categories and Subcategories	Funding	Project Count
Advertising & Marketing	\$13,597,479.97	213
Billboards		11
Branding		35
Digital marketing		78
FAMs and trade shows		11
Print marketing		32
Promotional items		18
Technology assets		7
TV/radio marketing		18
Other		3
Data & Research	\$960,462.10	19
Data tool		8
Strategic plan		4
Study		7
Destination Development	\$13,557,181.42	54
Airline recruitment		3
Asset development		24
Partner training		4
Visitor/welcome center		16
Wayfinding signage		7
Local Events	\$7,510,848.78	57
Event operations		14
Event promotion		41
Event spaces		2
Staff & Training	\$3,176,910.91	55
New Full-Time Staff		20
New Part-Time Staff		16
Increased Staff Hours		10
Training		7
Travel		2
Grand Total	\$38,802,883.18	398

*Given exceptional circumstances, three DMOs have been reimbursed for funds that have not yet been expended. Those projects nor their funding are included in the table.

IMPACT HIGHLIGHTS

Here's how a few DMOs have used these funds.



From Relief to Reinvention

KINGSPORT CONVENTION & VISITORS BUREAU

The pandemic reduced Kingsport's ability to host conventions and corporate travel, but it also opened unexpected doors. With nearby states shutting down, Kingsport's open spaces and sports facilities became a draw for new kinds of visitors—from auto enthusiasts to dog show competitors—who discovered the city for the first time.

ARPA funding made it possible to seize that moment. Investments in digital tools and video campaigns gave the city a fresh, modern presence online, while enhanced promotion of Fun Fest and Racks by the Tracks helped attract audiences from across the region. Nationally televised events like the World Long Drive Championship and the Appalachian League All-Star Game brought exposure on sports networks and social media, giving Kingsport a platform far beyond Tennessee.

What began as emergency relief became an opportunity to reinvent Kingsport's tourism strategy. By investing in digital innovation, amplifying signature festivals, and drawing visitors from nearby states, the city has emerged from the pandemic with wider visibility and steady growth in visitor spending.



BY THE NUMBERS

170,000
views of the Crowdriff
galleries on the Visit
Kingsport website

66,452
Fun Fest tickets sold
since 2022

+18.8%
in Sullivan County visitor
spending 2019-2024

**“We know that
we are in the
strong position
we are today
because of
these funds.”**

Chelsea Ketron
Director of Marketing



“We’ve got to always have an opportunity to share with the rest of the world about our destinations.”

Kellye Murphy
Tourism & Marketing Director



Expanding Tourism Capacity

CITY OF COLUMBIA

With ARPA support, Columbia created a new full-time marketing coordinator position to expand its tourism efforts and better manage the city’s most popular monthly event: First Fridays. What began in 2017 as an organic gathering has now transformed into an official downtown street festival, complete with road closures, vendor registration, and coordinated music and food experiences. The marketing coordinator streamlined the logistics behind this growth by building databases, managing vendors, and expanding digital communications. This additional capacity has elevated First Fridays into a signature attraction that draws increasing crowds.



Beyond First Fridays, the marketing coordinator has expanded Columbia’s reach through video production, influencer partnerships, and a new monthly e-newsletter—initiatives that had never been possible before. These efforts draw more visitors downtown and strengthen Columbia’s brand and visibility across Tennessee. Just as importantly, these projects have sparked pride among residents, who now see firsthand how tourism strengthens community life and contributes to Columbia’s reputation across the state.



28% INCREASE
IN YOY
INTERNATIONAL
VISITATION IN Q2
OF 2025



**“These investments
have been foundational,
laying the groundwork
for continued success.”**

Jeff Mefford
Chief Finance Officer

Flying High Into New Markets

NASHVILLE CONVENTION & VISITORS CORP

For Nashville, ARPA funding provided the leverage needed to compete for international routes. Working in partnership with the airport authority, the Nashville Convention and Visitors Corp used funds to support airline recruitment and marketing efforts aimed at expanding overseas travel options. These investments helped attract new airline service from Aer Lingus and Icelandair, two major carriers that now connect Music City to Europe with direct flights.



Both flights launched with high load factors, both averaging about 85% capacity, an impressive figure for new international routes. International visitation surged in 2025, growing 28% year-over-year in Q2, with CVC leaders crediting the new flights as a key driver of that growth. To ensure success, the new service was paired with targeted marketing campaigns in over a dozen European markets, representing the first time Nashville CVC has marketed in continental Europe.

These wins were especially significant in the wake of COVID-19, which left Nashville's hospitality sector down 80% in hotel occupancy. By securing reliable air connections to Europe, Nashville has restored demand and hedged Tennessee against the lingering volatility of international travel markets. These flights don't just benefit Nashville, but they serve as an international gateway into the state, opening doors for overseas visitors to explore urban and rural communities alike.



Data-Driven Insights

TOWN OF COLLIERVILLE

With just \$5,300 of its ARPA allocation, the Town of Collierville made a transformative investment: purchasing Placer.ai, a location analytics platform. The decision grew out of a partnership with the local Industrial Development Board, which helped share the cost of the subscription. For a community that once relied on clipboards and license plate checks to guess where visitors were coming from, the shift to real-time, data-driven insights marked a new chapter in how Collierville approaches tourism.



Since launching the platform, the Town of Collierville has created its first visitor profile, documenting more than 52,000 long-distance visits in 2023 alone. These insights have been shared with local leadership, main street businesses, and even the police and fire departments to better manage crowds and improve event security. The data has also sparked new collaborations across the community, giving local businesses the evidence they need to secure sponsorships and build stronger event partnerships.

Equally important, the results have elevated the perception of tourism within the community. Tourism is now recognized as a vital economic driver that deserves investment. With clear proof of visitor numbers, spending patterns, and feeder markets, Collierville has been able to sharpen its marketing campaigns—such as targeting Jackson, TN and northern Mississippi during Christmas in Collierville—and improve the overall visitor experience. This new understanding has positioned the town as not only a charming destination, but also a community that treats tourism as serious business and a catalyst for growth.

“This is the first time I have quantitative data to support my anecdotal evidence gathered from conversations with visitors.”

Ashley Carver
Tourism Director



**Where history
glows bright,
with a quarter
million lights!**

FROM 2019 TO 2024

↑\$3.2M

IN ANNUAL
LODGING SALES



Katie the
Calutron Girl

Jenny
Anderson
"Girl from
10,000 Lakes"



Fishing for Visitors

OAK RIDGE CONVENTION AND VISITORS BUREAU

With ARPA support, Oak Ridge was able to extend its reach into new markets and sharpen its advertising strategy. The DMO invested in billboards outside its usual footprint, placing them along key entry points from Kentucky, Nashville, and Asheville. These placements aligned directly with web traffic data, helping Oak Ridge capture travelers already showing interest in the area.



Another success was a social media influencer partnership built around Oak Ridge's fishing assets. Working with a content creator, the DMO showcased local musky fishing alongside restaurants and attractions that resonated with her northern angler audience. The collaboration nearly doubled bookings for a local fishing guide, while also introducing Oak Ridge as more than a history destination. This pivot helped the community spotlight an under-marketed outdoor asset and attract high-value visitors.

At the same time, Oak Ridge modernized its digital presence through a website redesign featuring "Katie the Calutron Girl" spokesperson. This character ties the city's wartime history to today's visitor experience, guiding travelers through itineraries and video content now used on Hulu and YouTube pre-roll ads. The redesign elevated storytelling while improving usability, making it easier for travelers to explore Oak Ridge's unique mix of history, science, and recreation.

Turning Ads into Overnight Stays

CLARKSVILLE - MONTGOMERY COUNTY CONVENTION & VISITORS BUREAU

The Clarksville - Montgomery CVB invested heavily in advertising projects that expanded its reach into both new and existing markets. With more than \$850,000 in ARPA funding, the community launched multi-channel campaigns that have already produced measurable results. A standout example was the Girlfriends Getaway video campaign, which reached nearly one million potential travelers across six key markets through YouTube, Meta, and Pinterest. This was supported by the production of four lifestyle reels and a photography package, creating reusable content that continues to drive engagement.



Clarksville also tapped into influencer and family travel marketing, partnering with a content creator whose campaign generated 112 posts, 1,590 engagements, and more than 19 million potential impressions. Lodging revenue in the community rose by 12.3% year-over-year following this activation, showing clear linkage between marketing efforts and visitor spending.

Other advertising highlights included a food itinerary video series featuring celebrity chef Alex Belew that has drawn over 1.5 million views, email campaigns targeting 600,000 Atlanta households that achieved a 31% open rate, and digital display ads on Expedia that put Clarksville in front of active travel planners. Social media activations, particularly on TikTok, drove a 40% increase in followers, with short-form videos showcasing attractions and events for younger travelers.

These projects enabled Clarksville to rebound quickly from COVID-related disruptions, at a time when the community depended heavily on drive-market leisure travel. With ARPA support, Clarksville was able to test new tactics and markets, continuing campaigns where results were strongest and shifting away when they were not. This flexibility strengthened the city's visibility, built new media relationships, and positioned Clarksville as more than a pass-through destination. Today, record interest from overnight visitors—especially in Midwest markets like St. Louis—shows how bold advertising investments can reshape perceptions and deliver lasting returns.



ENTER TO WIN A GIRLS WEEKEND IN
CLARKSVILLE TENNESSEE

**“We were able to
take risks that we
weren’t able to take
with a smaller
operating budget.”**

Michelle Dickerson
Senior Director of Marketing
and PR



Food travel influencers
Gavin Booth &
Karen Reinsberg
@coupleinthekitchen

“There is a sense of pride we take in our jobs that wasn’t here before. The funding is working and making an impact in our community and in ourselves.”

Brent Young
CEO / Executive Director



Investing in First Impressions

SPARTA - WHITE COUNTY CHAMBER OF COMMERCE

When Sparta-White County renovated its new chamber building, local leaders designed it with the visitor experience front and center. ARPA funding allowed them to enhance the facility with exterior signage so visitors can easily find their way, an interactive kiosk for trip planning, and a digital picture wall that showcases local attractions. These thoughtful upgrades make the visitor center more welcoming and engaging, ensuring that every guest has the tools and inspiration to explore the region.



The timing could not have been better. With the recent designation of Scott’s Gulf Wilderness State Park, the visitor center has become an essential hub of information. A park ranger is now stationed in the building, answering questions and guiding travelers eager to explore the new park. Together, the upgraded facility and added expertise have transformed the chamber into both a community anchor and a launch point for exploration.



2024 RHYTHM ON THE RAILS

New Users: 4,937
Post Shares: 8.5K
Post Reactions: 85K
Press Mentions: 39
Potential Reach: 125M+

2024 Northwest TN Native American Powwow

New Users: 3,765
Post Shares: 7.2k
Post Reactions: 80k
Press Mentions: 75
Potential Reach: 3.22M+



Turning Up the Volume on Tourism

OBION COUNTY JOINT ECONOMIC DEVELOPMENT COUNCIL

In Obion County, ARPA funds have supported two events that are reshaping the local tourism landscape. Rhythm on the Rails, a revived summer concert series, has grown from a modest Thursday-night gathering into one of the county's most popular attractions. The 2024 series drew record attendance, with more than 800 people at the closing night—nearly triple the turnout from earlier years. Supported by targeted digital advertising that reached audiences across Tennessee, Kentucky, Missouri, and Arkansas, the concerts boosted attendance and drove visitors into local hotels, restaurants, and shops.



The Joint Economic Development Council also leaned into its cultural heritage with the Northwest Tennessee Native American Educational Powwow. ARPA funds supported the travel of a staff member to major powwows across the South and Midwest, helping to attract new participants and spectators to Obion County's event. The festival drew thousands of attendees, including 3,000 students who were able to experience Native American history and culture firsthand. Beyond education, the powwow generated strong economic returns, with visitors booking hotels, dining locally, and spending at Discovery Park of America. Together, these two events show how even small, rural counties can leverage tourism funding to celebrate local culture, increase community pride, and create meaningful economic impact.

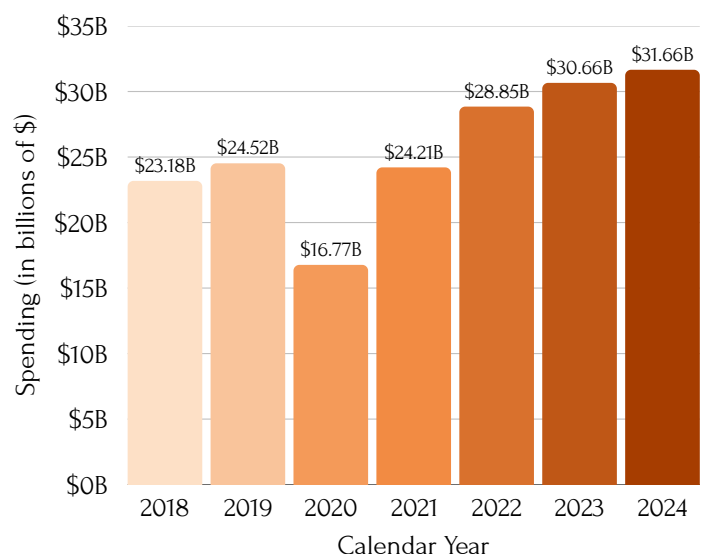
Conclusion

Largely due to the Tourism & Hospitality Recovery Fund, Tennessee is rebounding strongly from the COVID-19 pandemic. The recovery has been broad-based, supporting small businesses, sustaining jobs, and generating critical state and local tax revenue. In 2024, leisure and hospitality supported 367,900 jobs and contributed \$3.3 billion in tax collections. This revenue reduces the tax burden on Tennessee households by an average of \$1,174 each year, underscoring the value of tourism to every resident. While cities endured the deepest early losses, rural and small-town communities have seen some of the biggest gains from ARPA investments, such as those DMOs funding their very first tourism website, staff member, or strategic plan.

Since 2022, Tennessee has reached record visitor spending each year, reaching \$31.66 billion in fiscal year 2024. Visitor spending has grown at more than twice the national average, and Tennessee ranked among the top five states in overseas visitation recovery in 2023—outpacing larger destinations like Florida and California. This success was fueled by the \$100 million in ARPA funding allocated to TDTD, the largest tourism investment in state history, which enabled communities to expand into new markets, test innovative campaigns, and convert first-time visitors into repeat travelers. Even projects with modest short-term results added long-term value by equipping DMOs with new staff and data to refine strategies and sustain growth.

ARPA has proven to be far more than a temporary fix. It jump-started a recovery that is now producing record levels of spending, jobs, and tax revenue. With continued state investment, Tennessee can lock in these gains and ensure that the benefits of tourism continue to reach every community for years to come.

Figure 2: Direct Visitor Spending in Tennessee



¹U.S. Department of Commerce, International Trade Administration, *Study on the Effects of the COVID-19 Pandemic on the Travel and Tourism Industry* (Washington, DC: National Travel and Tourism Office, 2025).

²Tourism Economics. *Economic Impact of Visitors to Tennessee – 2024*. June 2025.

Appendix

Appendix A: Methodology

To evaluate the mid-way progress of the Tennessee Tourism & Hospitality Recovery Fund, we first compiled data from four core sources: DMO spending plans, transformational change plans, annual reports, and financial reimbursement records.

- **Spending Plan:** When applying for funds, grantees were required to submit spending plans which outlined the expenses they planned to include in their reimbursement requests. These could either be direct expenses for their transformational projects or for tourism payroll expenditures.
- **Transformational Change Plan:** When applying for funds, grantees were required to submit transformational change plans which described the projects being funded. These transformational plans included project descriptions, estimated costs, estimated start and end dates, expected impact, measurement schemes for project success, and project status.
- **Annual Report:** After each fiscal year, grantees are required to submit annual reports which detail the outcomes of reimbursed projects. Because of the annual reporting cycle, project outcomes are not captured until after a full year of reimbursements.
- **Financial Reimbursement Records:** These are TDTD's internal records showing DMOs' total allocations and amounts of reimbursed funding.

These data were organized into standardized datasets, creating a consistent structure for analysis of 117 grantees statewide. This consolidation enabled a comprehensive view of both planned and actual activities, aligning reported projects with financial expenditures and long-term goals.

Next, we undertook a multi-step data cleaning and categorization process. Project descriptions and reported metrics were reviewed, coded, and assigned to standardized categories such as advertising, research, destination development, events, and staff. This classification allowed comparisons across communities and ensured consistency between narrative reporting and financial data. When discrepancies emerged, we followed up with DMOs for clarification. This step was essential for building reliable baselines and enabling quantitative analysis of grant outcomes.

Finally, reimbursement records were connected to each DMO's projects through cross-referencing of categories, vendor identifiers, and narrative documentation.

This matching allowed us to trace how funds flowed into specific types of projects and to measure the scale of investment in each category. When there were inconsistencies or gaps in reporting, we conducted targeted follow-up with DMOs to clarify project details and confirm outcomes. This iterative process of compilation, cleaning, categorization, and verification ensured that the dataset reflects both the scope of activity and the tangible impacts of ARPA investments across Tennessee’s tourism and hospitality industries.

It is important to note that the data included in this report comes from grantee submissions between October, 2022 to June 16th, 2025. This included two annual reports, one covering fiscal year 2023 and one covering fiscal year 2024. At the time of analysis, annual reports for fiscal year 2025 had not yet been collected, so we relied on project details as defined in spending plans and transformational change plans. A future report covering the entirety of the Tennessee Tourism & Hospitality Recovery Fund would include annual reports for fiscal year 2025 and fiscal year 2026 as well as other supporting documentation. This would ensure final accounting of all reimbursed projects and their impacts.

Appendix B: Funding Formula Data

This table offers further data points regarding the tiers TDTD developed to determine funding.

	Tier 1 DMOs	Tier 2 DMOs	Tier 3 DMOs	Regional DMOs
2019-2020 Average % of Statewide Tourism Economic Impact	75.68%	20.10%	4.22%	
2024 % of Statewide Tourism Economic Impact	77.97%	18.12%	3.91%	
% of Statewide ARPA Allocation	60.3%	28.1%	8.7%	2.8%
Total ARPA Allocation	\$32,154,162.22	\$15,013,303.20	\$4,667,531.65	\$1,520,000.00
# of DMOs	9	53	47	8
Average Total ARPA Allocation Per DMO	\$3,572,684.69	\$283,269.87	\$99,309.18	\$190,000.00

Appendix C: DMO Allocations and Reimbursements

This table shows each DMO's total four-year allocation from the Tennessee Tourism & Hospitality Recovery Fund as well as the amount for which they have been reimbursed. Reimbursement data reflects amounts as of June 2025. Some DMOs have received additional reimbursements since that time.

County	DMO Name	Total Reimbursement	Total Allocation
Anderson	Anderson County Tourism Council	\$326,714.50	\$326,714.50
Anderson	Oak Ridge Convention and Visitors Bureau	\$326,714.50	\$326,714.50
Bedford	Bell Buckle Chamber of Commerce	\$46,874.26	\$63,333.34
Bedford	Shelbyville - Bedford Partnership Inc.	\$0	\$31,666.66
Benton	Benton County - Camden Chamber of Commerce	\$95,000.00	\$95,000.00
Bledsoe	City of Pikeville	\$62,596.87	\$95,000.00
Blount	Smoky Mountain Tourism Development Authority	\$451,138.70	\$1,000,000.00
Bradley	Cleveland - Bradley County Chamber of Commerce	\$526,983.45	\$713,745.22
Campbell	Campbell County Chamber of Commerce	\$24,554.20	\$139,082.77
Cannon	Cannon County Chamber of Commerce	\$51,417.00	\$95,000.00
Carroll	Carroll County Chamber of Commerce	\$30,083.34	\$95,000.00
Carter	Elizabethton - Carter County Tourism Development	\$50,065.29	\$96,900.55
Cheatham	Cheatham County Government	\$0	\$95,000.00
Chester	Chester County Chamber of Commerce	\$0	\$95,000.00
Claiborne	Claiborne Economic Partnership	\$0	\$95,000.00
Clay	Clay County Chamber of Commerce	\$29,416.68	\$95,000.00
Cocke	The Cocke County Partnership Inc.	\$29,416.68	\$95,000.00
Coffee	City of Manchester	\$63,628.20	\$155,270.85
Coffee	Tullahoma Chamber of Commerce	\$0	\$77,634.95

County	DMO Name	Total Reimbursement	Total Allocation
Crockett	Crockett County Chamber of Commerce	\$49,083.34	\$95,000.00
Cumberland	Crossville - Cumberland County Chamber of Commerce	\$225,204.34	\$572,990.84
Davidson	Nashville Convention and Visitors Corporation	\$9,666,426.27	\$13,818,563.69
Davidson/ Sumner	City of Goodlettsville	\$254,478.40	\$254,478.40
Decatur	Decatur County Chamber of Commerce	\$84,638.97	\$95,000.00
DeKalb	Smithville - Dekalb County Chamber of Commerce	\$57,961.16	\$112,182.88
Dickson	Dickson County	\$0	\$172,557.44
Dyer	Dyersburg Chamber of Commerce	\$80,593.91	\$155,988.18
Fayette	Fayette County Chamber of Commerce	\$0	\$95,000.00
Fentress	Fentress County Chamber of Commerce	\$0	\$95,000.00
Franklin	City of Winchester	\$0	\$47,500.00
Franklin	Franklin County Chamber of Commerce	\$0	\$47,500.00
Gibson	Gibson County	\$0	\$124,139.26
Giles	Giles County Chamber of Commerce	\$76,588.93	\$95,000.00
Grainger	Grainger County Chamber of Commerce	\$0	\$95,000.00
Greene	Greene County Partnership	\$111,666.59	\$223,391.99
Grundy	Tennessee's South Cumberland Tourism Partnership	\$95,000.00	\$95,000.00
Hamblen	Morristown Area Chamber of Commerce	\$197,799.42	\$255,188.49
Hamilton	Chattanooga Tourism	\$2,666,565.90	\$2,666,565.90
Hancock	Hancock County Trustee	\$0	\$95,000.00
Hardeman	Hardeman County Chamber of Commerce	\$0	\$95,000.00
Hardin	Hardin County Convention and Visitors Bureau	\$72,381.41	\$100,997.28

County	DMO Name	Total Reimbursement	Total Allocation
Hawkins	Rogersville - Hawkins County Chamber of Commerce	\$66,395.76	\$95,000.00
Haywood	City of Brownsville	\$95,000.00	\$95,000.00
Henderson	Henderson County Chamber of Commerce	\$95,000.00	\$95,000.00
Henry	Paris - Henry County Chamber of Commerce	\$61,699.43	\$129,840.06
Hickman	Hickman County Chamber of Commerce	\$52,664.41	\$95,000.00
Houston	City of Erin	\$43,917.31	\$95,000.00
Humphreys	Humphreys County Tourism	\$54,997.00	\$95,000.00
Jackson	Gainesboro - Jackson County Chamber of Commerce	\$47,500.00	\$47,500.00
Jackson	Historic Granville	\$38,720.92	\$47,500.00
Jefferson	Jefferson County Government	\$152,410.56	\$152,410.56
Johnson	Johnson County Government	\$63,239.59	\$95,000.00
Knox	Knoxville Convention and Visitors Bureau	\$2,149,826.33	\$2,149,826.33
Knox	Town of Farragut	\$114,261.30	\$237,500.00
Lake	Lake Reelfoot Tourism & Development Council	\$64,781.37	\$95,000.00
Lauderdale	Lauderdale Chamber of Commerce Inc.	\$18,000.00	\$95,000.00
Lawrence	Lawrence County Chamber of Commerce	\$77,774.72	\$102,551.87
Lewis	Hohenwald & Lewis County Chamber of Commerce	\$0	\$95,000.00
Lincoln	Fayetteville - Lincoln County Chamber	\$0	\$95,000.00
Loudon	Loudon County Chamber of Commerce	\$113,505.09	\$145,562.58
Macon	Macon County Chamber of Commerce	\$51,600.50	\$95,000.00
Madison	Jackson Madison Community Economic Development Commission	\$556,376.54	\$1,000,000.00
Marion	Marion County Trustee	\$0	\$95,000.00

County	DMO Name	Total Reimbursement	Total Allocation
Marshall	Marshall County Government	\$24,500.00	\$95,000.00
Maury	City of Columbia	\$220,431.35	\$220,431.35
Maury	Maury County Government	\$110,215.20	\$110,215.20
McMinn	Trustee McMinn County	\$25,000.00	\$114,286.03
McNairy	McNairy County Department of Tourism	\$32,579.00	\$95,000.00
Meigs	Meigs County - Decatur Chamber of Commerce	\$30,016.98	\$95,000.00
Monroe	Monroe County Department of Tourism	\$46,636.26	\$95,476.52
Montgomery	Clarksville - Montgomery County Convention and Visitors Bureau	\$857,219.63	\$1,000,000.00
Moore	Metropolitan Lynchburg - Moore County	\$0	\$95,000.00
Morgan	Morgan County Tourism Alliance	\$0	\$95,000.00
Obion	Obion County Joint Economic Development Council	\$67,647.64	\$130,930.85
Overton	Livingston - Overton County Chamber of Commerce	\$49,083.34	\$95,000.00
Perry	Perry County Chamber of Commerce	\$0	\$95,000.00
Pickett	Byrdstown - Pickett County Chamber of Commerce	\$95,000.00	\$95,000.00
Polk	Polk County - Copper Basin Chamber Of Commerce	\$40,083.34	\$95,000.00
Putnam	Putnam County	\$197,588.18	\$581,758.17
Rhea	Rhea County/Rhea County Executive	\$0	\$95,000.00
Roane	The Roane Alliance Inc.	\$167,034.72	\$167,034.72
Robertson	Robertson County Economic Development Board	\$151,761.31	\$151,761.31
Rutherford	Rutherford County Chamber of Commerce	\$688,155.70	\$1,000,000.00
Scott	Industrial Development Board of Scott County	\$48,796.93	\$95,000.00

County	DMO Name	Total Reimbursement	Total Allocation
Sequatchie	Sequatchie County - Dunlap Chamber of Commerce	\$49,083.34	\$95,000.00
Sevier	Gatlinburg Convention and Visitors Bureau	\$1,138,905.95	\$1,258,669.88
Sevier	Pigeon Forge Department of Tourism	\$1,607,996.36	\$2,243,715.87
Sevier	Sevier County	\$349,605.40	\$711,422.10
Sevier	Sevierville Convention and Visitors Bureau	\$1,070,312.77	\$1,258,669.88
Shelby	Memphis Tourism	\$6,931,368.32	\$6,931,368.32
Shelby	Town of Collierville	\$21,800.26	\$95,000.00
Smith	Smith County Chamber of Commerce	\$95,000.00	\$95,000.00
Stewart	Stewart County Chamber of Commerce	\$35,249.27	\$95,000.00
Sullivan	Bristol Regional Tourism Marketing Corporation	\$585,709.20	\$585,709.20
Sullivan	Kingsport Convention and Visitors Bureau	\$1,000,000.00	\$1,000,000.00
Sumner	Tourism Board of Sumner County	\$291,654.30	\$508,956.80
Tipton	Covington - Tipton County Chamber of Commerce	\$0	\$95,000.00
Trousdale	Hartsville - Trousdale Chamber of Commerce	\$0	\$95,000.00
Unicoi	Erwin - Unicoi County Chamber of Commerce	\$95,000.00	\$95,000.00
Union	Union County Chamber of Commerce	\$0	\$95,000.00
Van Buren	City of Spencer	\$0	\$95,000.00
Warren	City of McMinnville	\$67,103.98	\$95,000.00
Washington	Johnson City Convention and Visitors Bureau	\$943,897.20	\$943,897.20
Washington	Town of Jonesborough	\$81,280.53	\$157,317.15
Wayne	Wayne County Chamber of Commerce	\$36,558.50	\$95,000.00

County	DMO Name	Total Reimbursement	Total Allocation
Weakley	City of Martin	\$95,000.00	\$95,000.00
White	Sparta - White County Chamber of Commerce	\$77,295.85	\$95,000.00
Williamson	Williamson County Convention and Visitors Bureau	\$871,341.51	\$1,115,360.25
Wilson	Wilson County Convention and Visitors Bureau	\$556,438.82	\$806,040.30