

# 2024

## Economic Impact of Visitors to Kentucky

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## Introduction

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

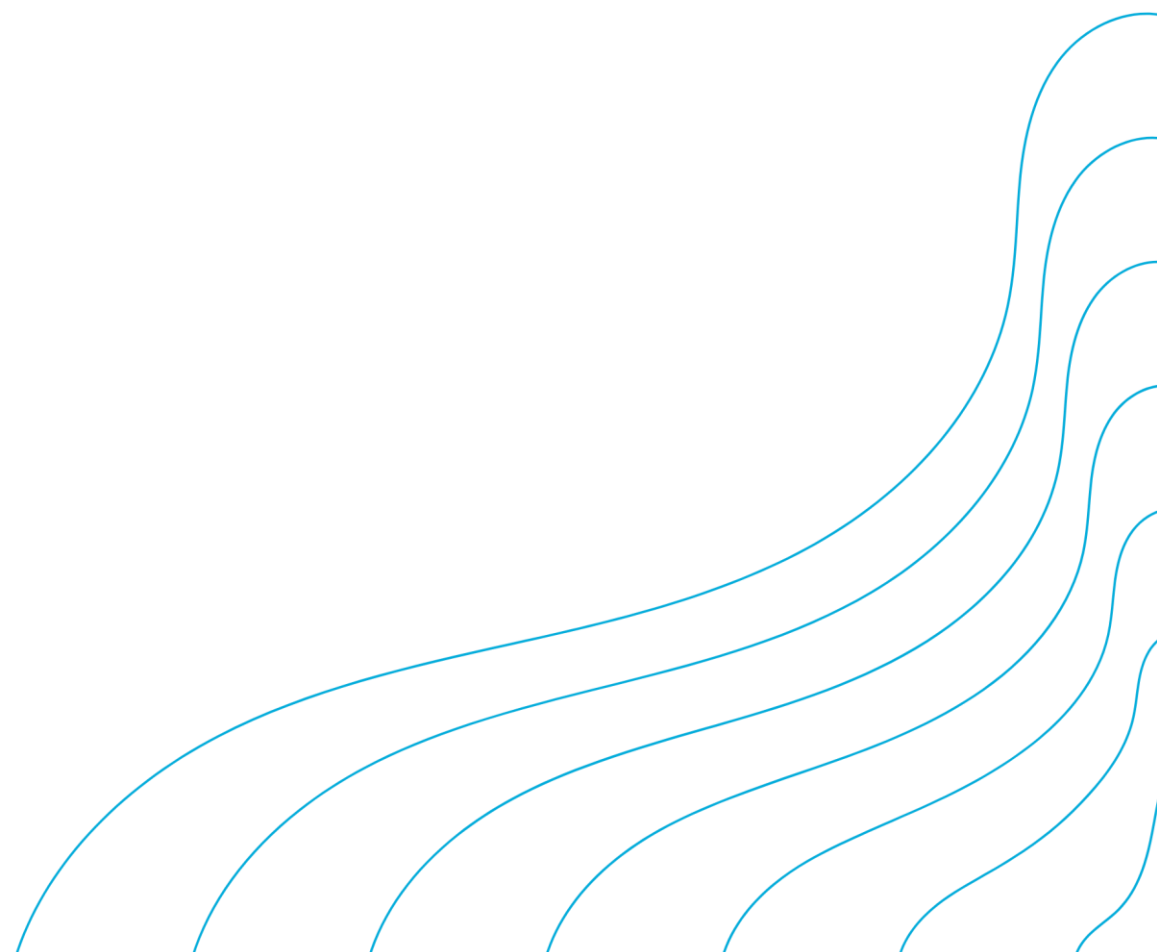
Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of Kentucky'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 Economic Impact

In 2024, **80.0 million visitors** spent **\$10.1 billion** in the Kentucky economy, increases of 0.9% and 3.8%, respectively. Visitor spending generated a total economic impact of **\$14.3 billion**.



**80.0M** VISITORS TO KENTUCKY



**\$10.1B** VISITOR SPENDING



**\$14.3B** TOTAL ECONOMIC IMPACT



**\$3.6M** TOTAL PERSONAL INCOME



**97,394** TOTAL JOBS SUPPORTED



**\$1.0B** STATE AND LOCAL TAXES





## Results in Context

The visitor economy is an economic pillar in Kentucky. In 2024, visitor spending supported one-in-28 jobs in Kentucky and offset resident taxes by \$575 per household. In addition:



### **\$10.1B VISITOR SPENDING**

Visitors spent \$27.7 million per day in Kentucky.



### **\$3.6B PERSONAL INCOME**

This is the equivalent of \$2,007 per resident household, regardless of any connection to the visitor economy.



### **97,394 JOBS**

The visitor economy sustained 3.5% of all jobs in Kentucky. These employees could fill nearly two-thirds of Churchill Downs.



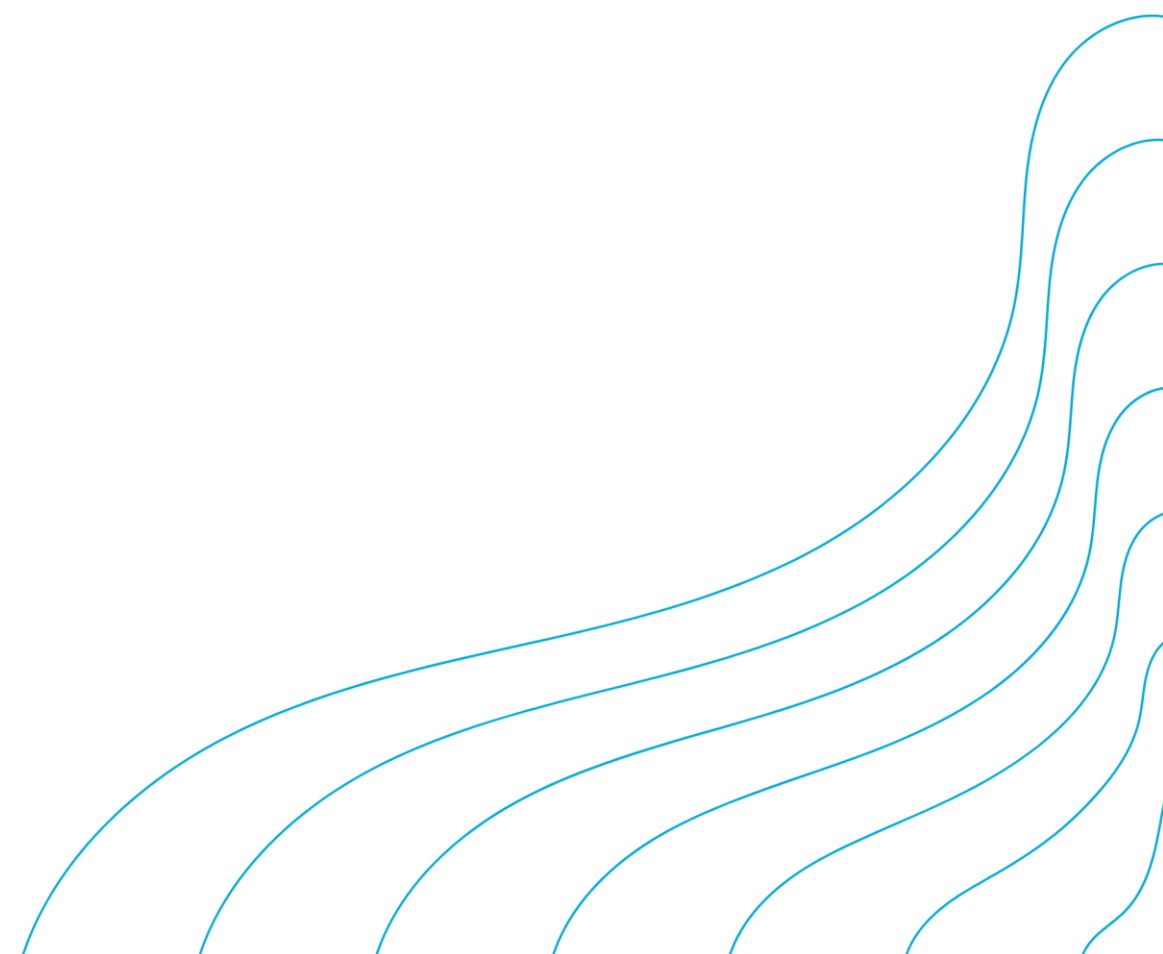
### **\$1.0B STATE & LOCAL TAXES**

State and local taxes generated by the visitor economy could pay the average salary of 18,375 public school teachers.





# VISITOR VOLUME & SPENDING



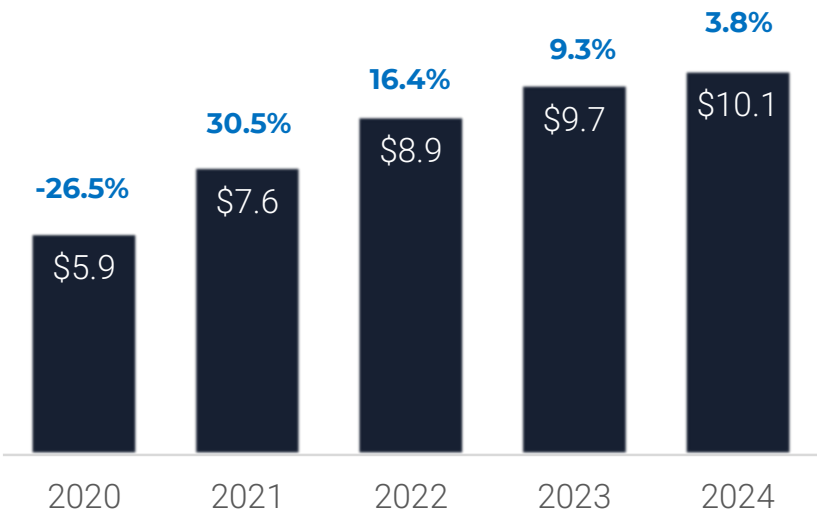
Kentucky welcomed **80.0 million** visitors who spent **\$10.1 billion** in 2024.



## Visitor Spending

Visitor spending increased 3.8% in 2024, topping \$10.1 billion. Of the \$10.1 billion spent, food and beverage purchases accounted for \$2.6 billion—26% of all visitor spending. Visitors spent 23% of their budget on lodging, including hotels, short-term rentals, and the value of second homes.

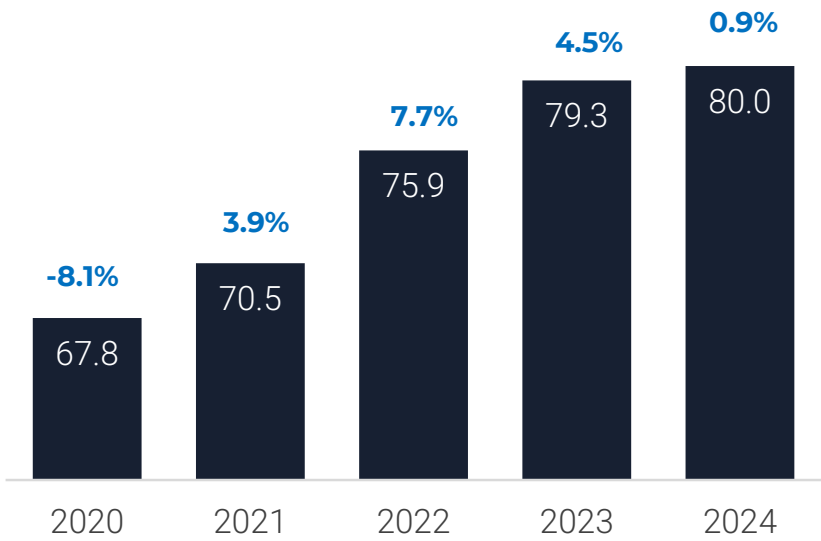
**Kentucky Visitor Spending**  
\$ billions



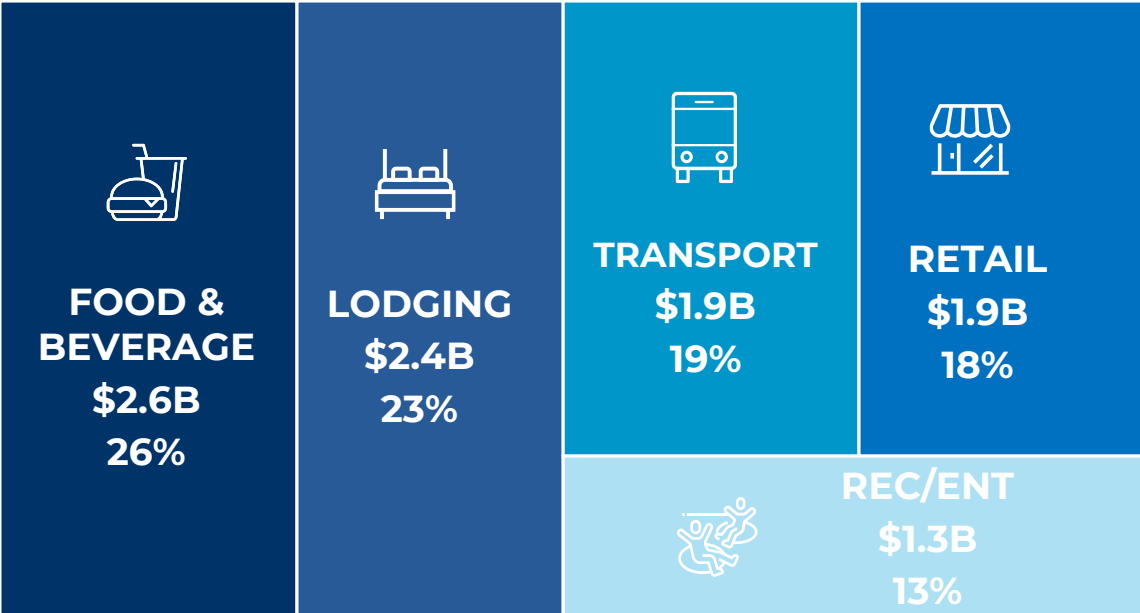
## Visitor Volume

In 2024, 80.0 million visitors traveled to Kentucky, a moderate increase over the prior year (+0.9%). Day and international arrivals supported growth, increasing 1.9% and 3.0%, respectively.

**Kentucky Visitor Volume**  
millions



Source: Tourism Economics



Source: Tourism Economics

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



# Visitor Volume and Spending Trends

Visitor spending increased 3.8% in 2024, a result of moderating demand coupled with price increases.

Recreation led spending growth in 2024, increasing 5.7% year-over-year, followed by transportation (+4.4%).

Visitor volume expanded 0.9% in 2024, with growth in day visitors and international arrivals supporting growth. The overnight segment declined 0.9%.

## Kentucky Visitor Spending

\$ billions

	2020	2021	2022	2023	2024	2024 Growth
Total visitor spending	\$5.76	\$7.59	\$8.92	\$9.75	\$10.12	3.8%
Food & beverage	\$1.61	\$1.95	\$2.33	\$2.54	\$2.63	3.7%
Lodging	\$1.06	\$1.62	\$2.03	\$2.28	\$2.36	3.5%
Transportation	\$1.09	\$1.47	\$1.72	\$1.86	\$1.94	4.4%
Retail	\$1.32	\$1.60	\$1.71	\$1.82	\$1.86	2.5%
Recreation	\$0.68	\$0.95	\$1.13	\$1.26	\$1.33	5.7%

Source: Tourism Economics

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

## Kentucky Visitor Volume and Spend, By Market

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

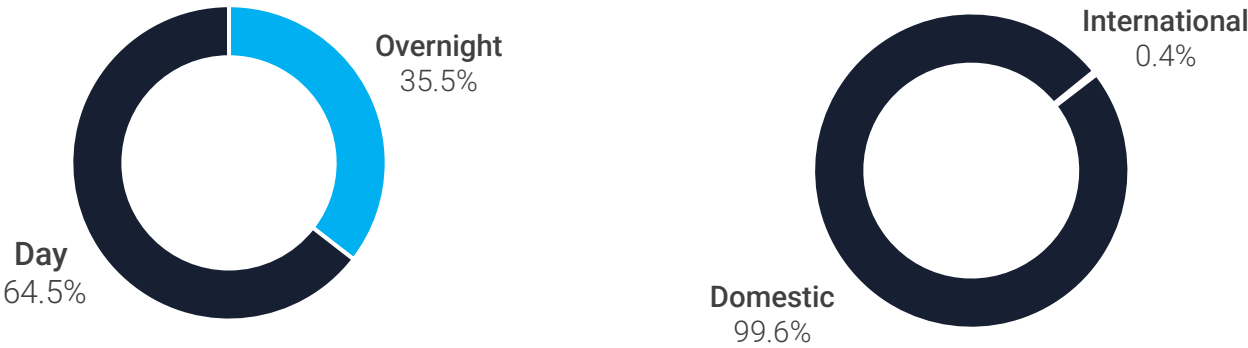
	2019	2020	2021	2022	2023	2024
Total visitors	73.76	67.83	70.45	75.90	79.28	79.96
Domestic	73.39	67.73	70.37	75.69	78.95	79.63
International *	0.38	0.09	0.08	0.22	0.32	0.33
Total visitor spending	\$7,975	\$5,760	\$7,591	\$8,919	\$9,750	\$10,123
Domestic	\$7,698	\$5,709	\$7,514	\$8,775	\$9,521	\$9,866
International *	\$277	\$51	\$77	\$144	\$229	\$257
Per visitor spending	\$108	\$85	\$108	\$118	\$123	\$127
Domestic	\$105	\$84	\$107	\$116	\$121	\$124
International *	\$739	\$556	\$1,013	\$664	\$712	\$775
Per visitor spending	\$108	\$86	\$109	\$118	\$123	\$127
Day	\$70	\$58	\$74	\$77	\$73	\$74
Overnight	\$180	\$137	\$175	\$190	\$212	\$223

Source: Tourism Economics

\*2024 international volumes and spend are considered preliminary

## Kentucky Visitor Volume, By Market and Segment, 2024

Share of total visitor volume



Source: 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.

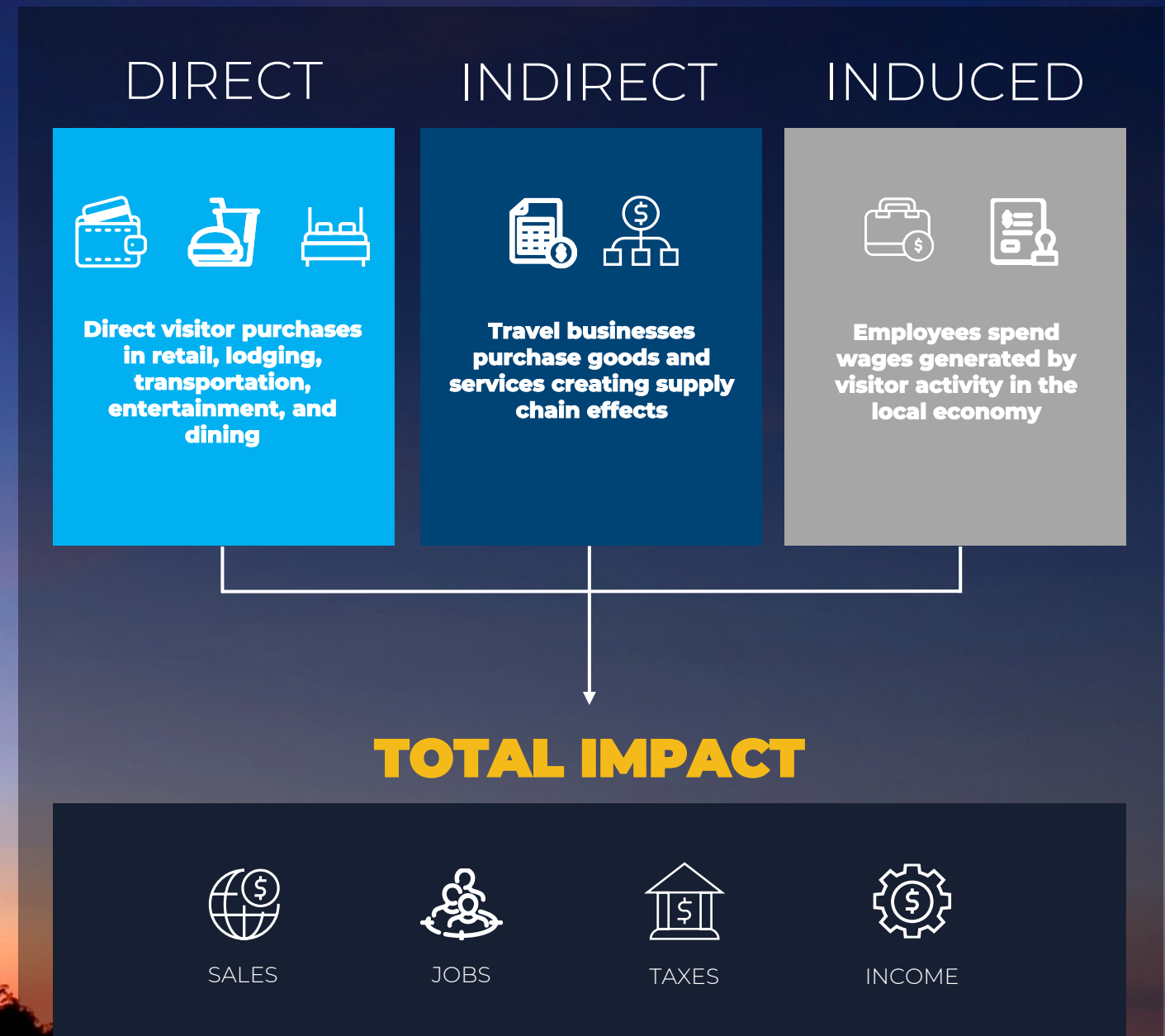
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitor through the local economy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

# Economic Impact Model





# ECONOMIC IMPACT

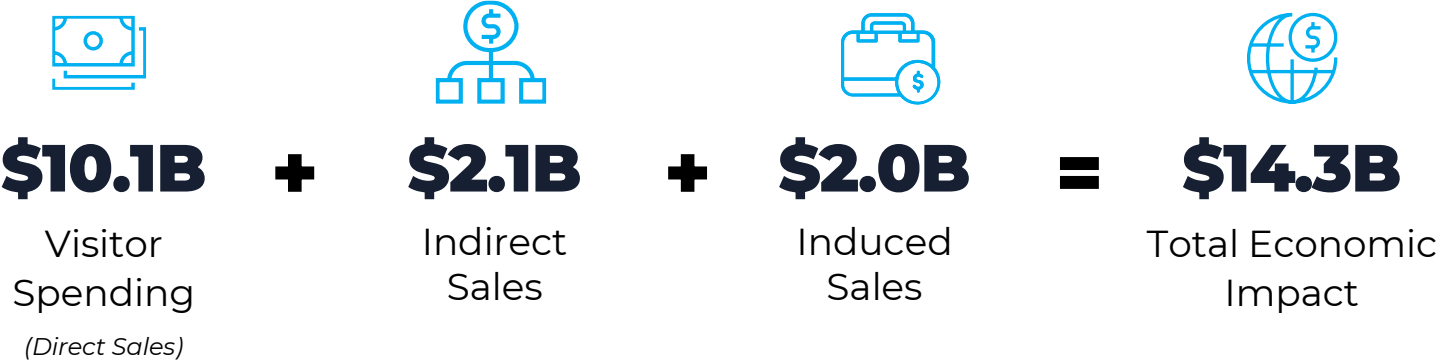




# Business Sales Impacts

Visitors spent \$10.1 billion in Kentucky in 2024. These direct impacts generated an additional \$4.1 billion through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$14.3billion in 2024, 3.5% ahead of the prior year.



## Business Sales by Industry (2024)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$10,123.4	\$2,130.5	\$2,031.9	\$14,285.8
Food & Beverage	\$2,632.0	\$59.6	\$181.5	\$2,873.0
Lodging	\$2,176.0	\$1.9	\$1.2	\$2,179.1
Retail Trade	\$1,861.5	\$38.6	\$167.1	\$2,067.2
Recreation and Entertainment	\$1,281.2	\$59.2	\$31.0	\$1,371.3
Finance, Insurance, Real Estate	\$304.2	\$435.9	\$522.3	\$1,262.4
Other Transport	\$471.9	\$229.2	\$55.2	\$756.3
Air Transport	\$733.1	\$3.2	\$4.2	\$740.5
Business Services		\$500.2	\$156.1	\$656.3
Gasoline stations	\$617.1	\$2.7	\$8.5	\$628.3
Education and Health Care		\$3.5	\$390.2	\$393.7
Construction and Utilities		\$206.8	\$83.2	\$290.1
Communications		\$142.3	\$96.6	\$238.9
Manufacturing		\$146.6	\$76.6	\$223.3
Personal Services	\$46.5	\$66.8	\$103.2	\$216.4
Wholesale Trade		\$96.5	\$86.0	\$182.6
Government		\$117.6	\$60.8	\$178.4
Agriculture, Fishing, Mining		\$19.9	\$8.0	\$28.0

Source: Tourism Economics

Visitor spending generated a total economic impact of **\$14.3 billion.**

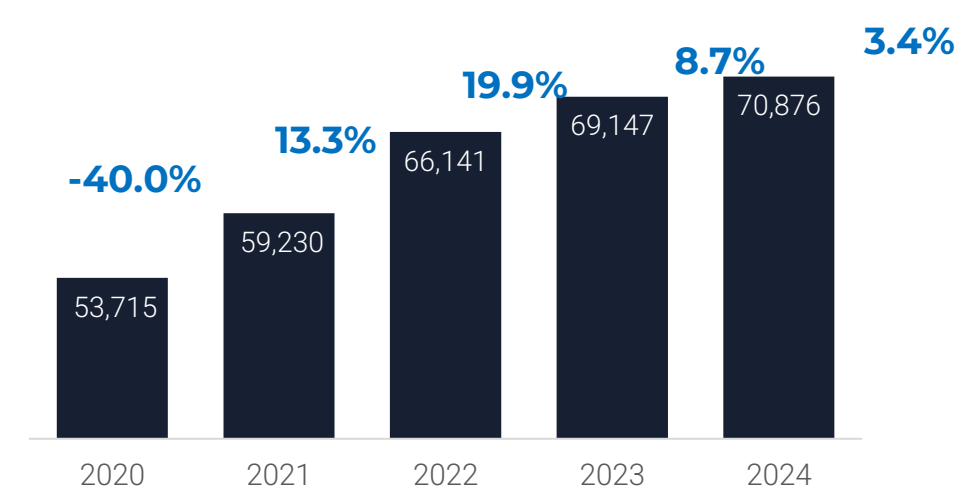
# Direct Employment

Employment directly supported by visitor activity increased 2.5% in 2024, reaching 70,876 jobs.

Visitor-supported employment is a significant part of several industries in Kentucky—nearly all lodging employment, 25% of recreation employment, and 16% of food and beverage jobs are supported by visitor spending.

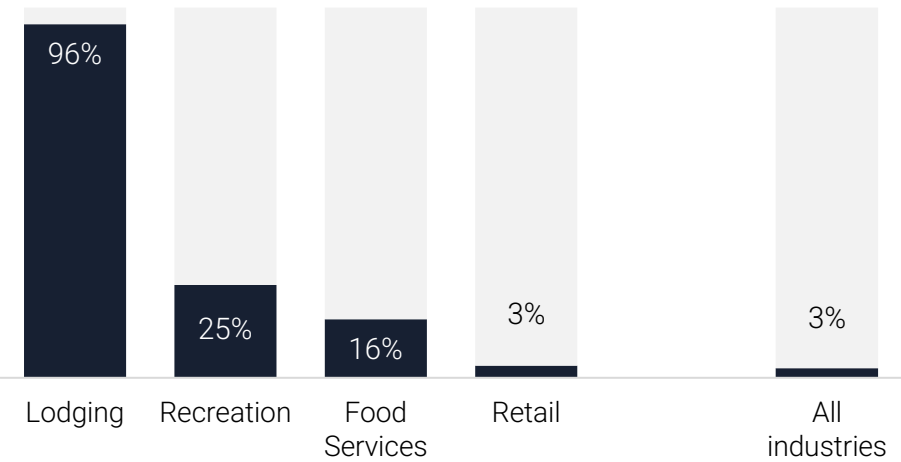
Overall, direct tourism jobs accounted for about 2.6% of all jobs in Kentucky in 2024.

Visitor-Supported Employment in Kentucky  
jobs



Source: Tourism Economics

Tourism Employment Intensity  
share of total industry employment



Source: Tourism Economics

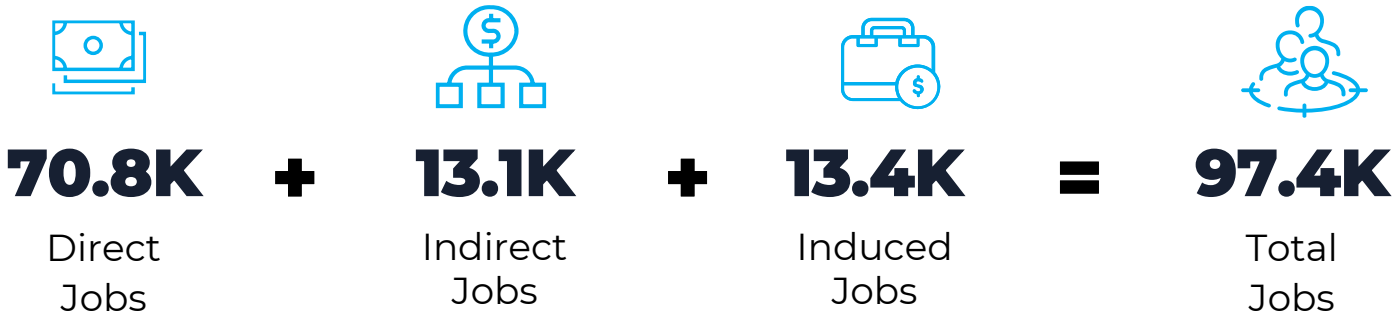


The visitor economy in **Kentucky** directly supported **70,876 local jobs.**



# Employment Impacts

Visitor activity sustained 70,876 direct jobs in 2024, with an additional 26,518 jobs supported from the indirect and induced impacts of visitor activity. Total employment impacts tallied 97,394 in 2024, translating to one-in-28 jobs in the state.



## Employment by Industry (2024)

jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	70,876	13,094	13,424	97,394
Food & Beverage	26,768	928	2,266	29,962
Lodging	16,911	17	10	16,938
Recreation and Entertainment	11,558	1,117	428	13,104
Retail Trade	8,772	442	1,804	11,018
Business Services		4,062	1,392	5,454
Finance, Insurance, Real Estate	175	2,224	1,451	3,851
Other Transport	2,018	1,277	329	3,624
Personal Services	1,494	587	1,412	3,492
Education and Health Care		70	3,089	3,159
Air Transport	1,947	10	12	1,968
Gasoline stations	1,233	50	146	1,429
Government		521	193	714
Construction and Utilities		522	210	732
Wholesale Trade		351	309	661
Communications		395	164	560
Manufacturing		348	122	469
Agriculture, Fishing, Mining		174	85	259

Source: Tourism Economics

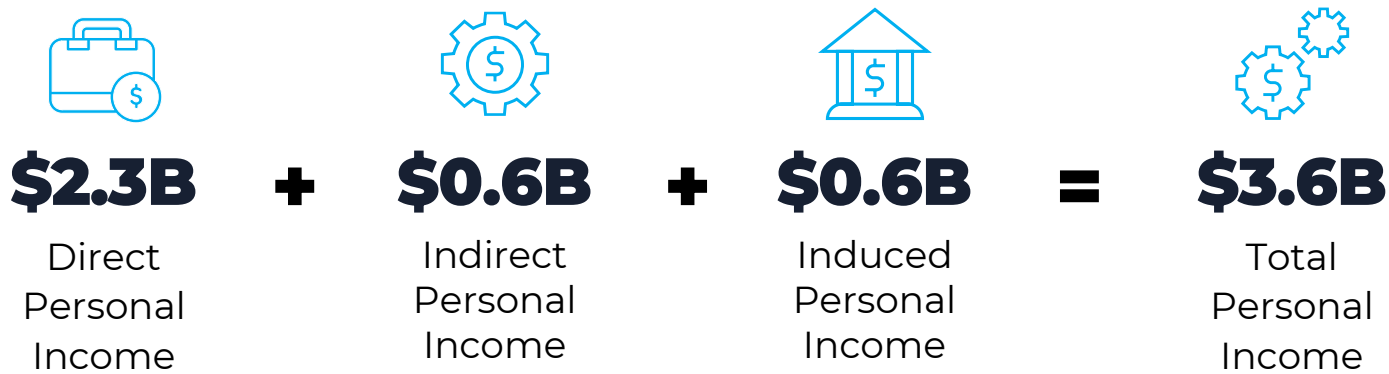
The visitor economy support **one-in-28 jobs** in Kentucky, including nearly 30,000 jobs in the food and beverage industry.





# Personal Income Impacts

Visitor activity generated \$2.3 billion in direct personal income in 2024. Including indirect and induced impacts, employees received \$3.6 billion in personal income. Total visitor-generated income in Kentucky increased 3.6% in 2024.



## Personal Income Impacts by Industry (2024)

\$ millions

	Direct Labor Income	Indirect Labor Income	Induced Labor Income	Total Labor Income
Total, all industries	\$2,338.9	\$633.7	\$623.9	\$3,596.5
Food & Beverage	\$781.2	\$31.6	\$63.8	\$876.5
Lodging	\$610.2	\$0.6	\$0.4	\$611.1
Retail Trade	\$263.7	\$13.6	\$58.2	\$335.6
Recreation and Entertainment	\$308.5	\$17.3	\$7.4	\$333.1
Business Services		\$213.2	\$72.3	\$285.5
Air Transport	\$215.6	\$1.0	\$1.2	\$217.8
Education and Health Care		\$1.6	\$200.3	\$201.9
Other Transport	\$92.1	\$81.5	\$19.3	\$192.9
Finance, Insurance, Real Estate	\$8.6	\$79.8	\$65.0	\$153.4
Personal Services	\$18.1	\$30.9	\$53.1	\$102.1
Government		\$47.9	\$17.3	\$65.1
Wholesale Trade		\$27.0	\$24.5	\$51.6
Construction and Utilities		\$34.9	\$14.9	\$49.9
Gasoline stations	\$40.8	\$1.6	\$4.7	\$47.1
Communications		\$25.1	\$11.5	\$36.5
Manufacturing		\$21.8	\$8.5	\$30.3
Agriculture, Fishing, Mining		\$4.4	\$1.7	\$6.0

Source: Tourism Economics





# Tax Impacts

Visitor activity generated \$1.9 billion in government revenues in 2024.

State and local taxes alone topped \$1.0 billion in 2024.

Each household in Kentucky would need to be taxed an additional \$575 to replace the visitor-generated taxes received by destination state and local governments in 2024.

## Tax Impacts, 2024

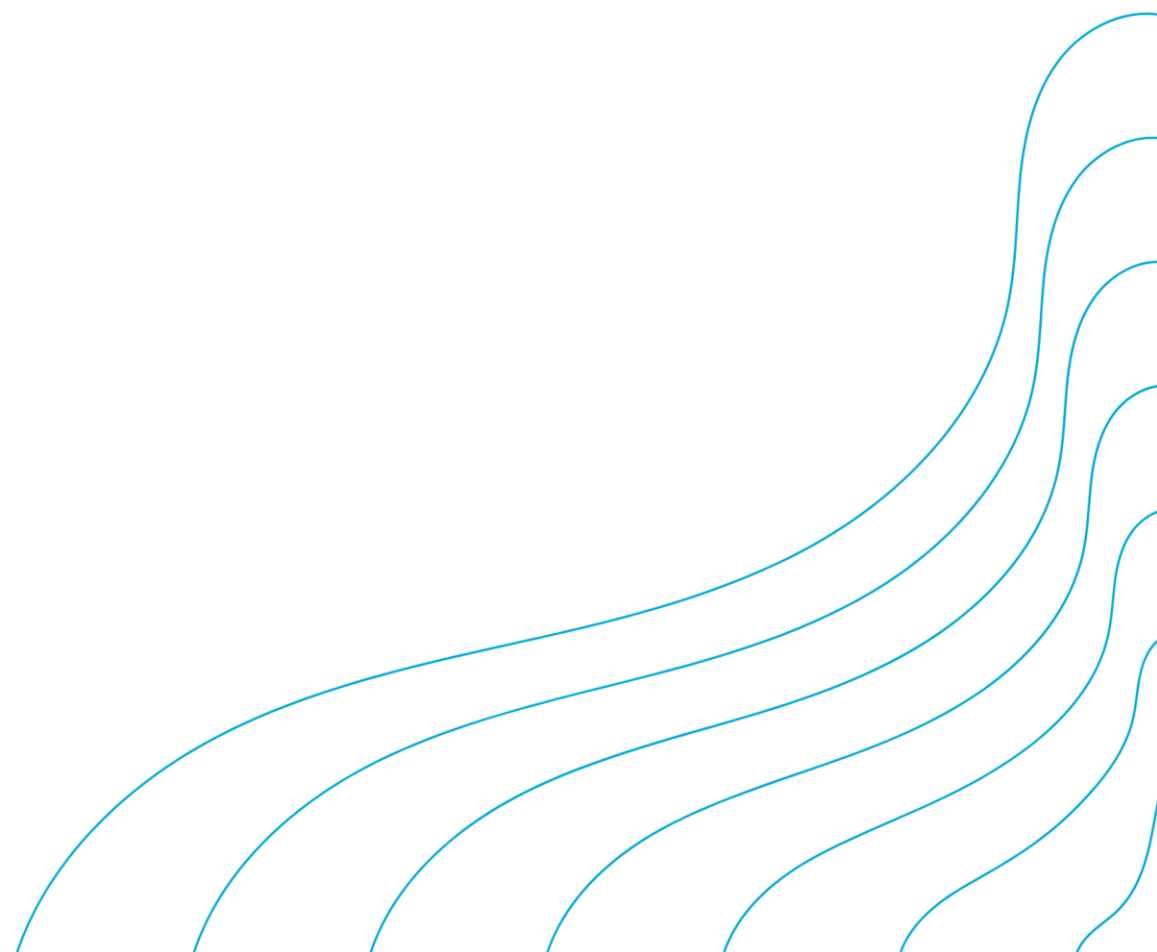
\$ millions

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$1,340	\$511	\$1,850
Federal Taxes	\$531	\$285	\$816
Personal Income	\$129	\$69	\$199
Corporate	\$73	\$54	\$128
Indirect Business	\$73	\$22	\$95
Social Insurance	\$256	\$139	\$395
State and Local Taxes	\$809	\$226	\$1,035
Sales	\$428	\$115	\$543
Bed Tax	\$111	\$0	\$111
Personal Income	\$59	\$32	\$90
Corporate	\$14	\$11	\$25
Social Insurance	\$4	\$3	\$7
Excise and Fees	\$35	\$12	\$48
Property	\$157	\$53	\$210

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 Kentucky.

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
- **Visa Destination Insights:** Credit card transaction data, by category
- **Zartico:** Geo and spend data
- **Kentucky Department of Revenue:** Lodging and sales tax receipts, by industry
- **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 Kentucky

## 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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For more information: [admin@tourismeconomics.com](mailto:admin@tourismeconomics.com).