



Chattanooga Research Update
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2020 Economic Impact of Travel on Tennessee

2020 Economic Impact of Travel on Tennessee

\$16.8B

Visitor Spending

⬇️ **-31.6% DECREASE**

Outperformed the national decline of **-42%**

\$1.4B

State & Local Tax Revenue

⬇️ **-30.4% DECREASE**

Outperformed the national decline of **-31%**

\$9.1B

Tourism GDP

⬇️ **-26.1% DECREASE**

149,800

Employment

⬇️ **-23.1% DECREASE**

Outperformed the national decline of **-34%**

\$5.5B

Labor Income

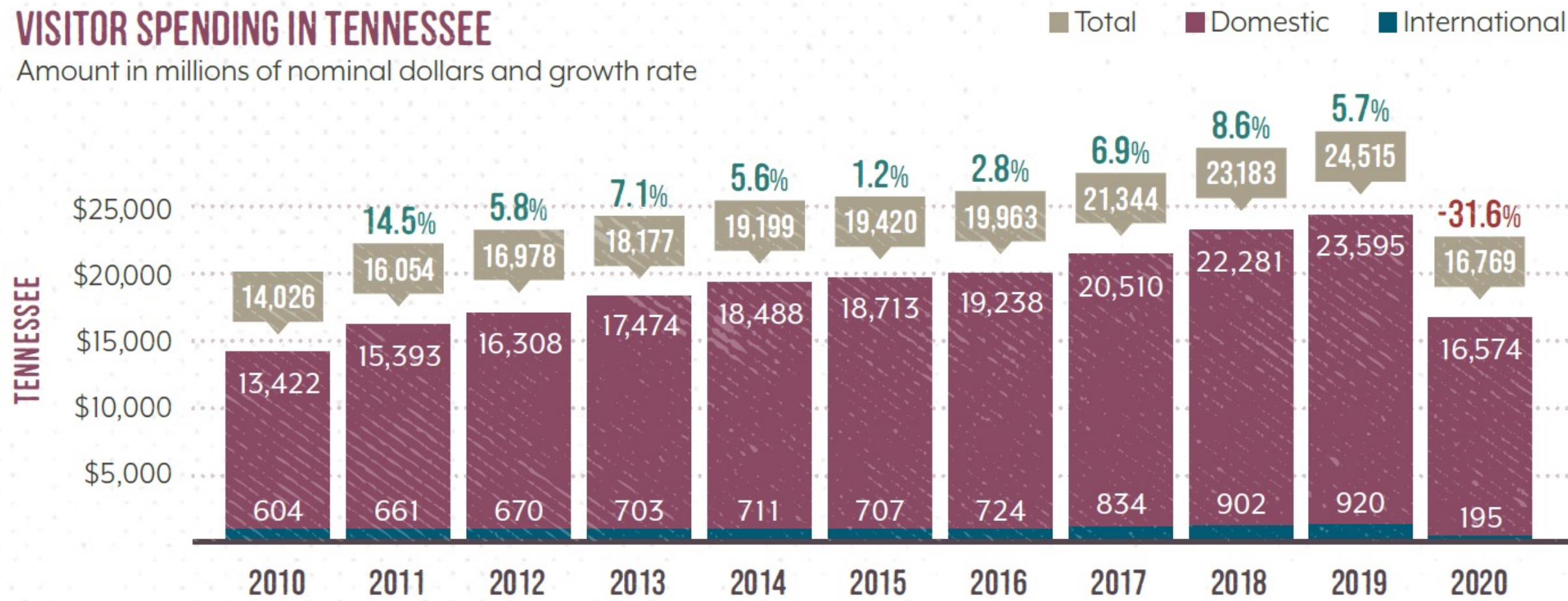
⬇️ **-17.6% DECREASE**

Outperformed the national decline of **-32%**

Despite the COVID-19 pandemic, travel-generated tax revenue lowered the average Tennessee household's state and local tax burden by **\$550 ANNUALLY**.



10 Years of Economic Impact of Travel on Tennessee



2020 Economic Impact of Travel on Hamilton County

2020 ECONOMIC IMPACT – HAMILTON

Direct economic impact and percent change over 2019

Direct Visitor Spending (\$millions)	Direct Labor Income (\$millions)	Direct Employment (thousands)	Direct State Taxes (\$millions)	Direct Local Taxes (\$millions)
\$1,076.25	\$332.66	10.66	\$54.27	\$36.22
-30%	-14%	-24%	-31%	-25%

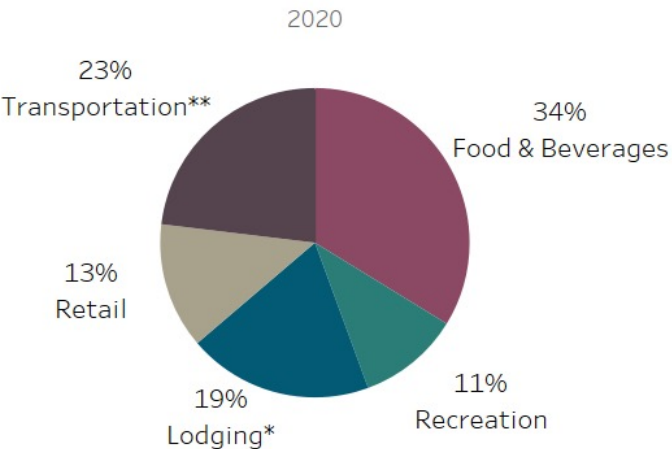
VISITOR SPENDING OVER TIME

Annual visitor spending (\$ millions) and year-over-year percent change



VISITOR SPENDING BY INDUSTRY

Percent of total visitor spending by industry



VISITOR SPENDING BY INDUSTRY OVER TIME

Annual visitor spending (\$ millions) by industry

	2015	2016	2017	2018	2019	2020
Food & Beverages	\$409.17	\$422.02	\$443.16	\$474.14	\$501.81	\$363.45
Recreation	\$134.56	\$146.47	\$154.85	\$164.65	\$182.58	\$114.59
Lodging*	\$234.21	\$253.53	\$281.78	\$303.98	\$325.97	\$208.19
Retail	\$168.56	\$174.95	\$179.56	\$191.13	\$183.65	\$141.66
Transportation**	\$264.98	\$271.80	\$300.60	\$337.48	\$347.79	\$248.37
Total	\$1,211.47	\$1,268.76	\$1,359.95	\$1,471.39	\$1,541.80	\$1,076.25

*Lodging includes 2nd home spending
**Transportation includes both ground and air transportation

Source: USTA, Tourism Economics. US Census Bureau. County Snapshots by TN Department of Tourist Development, 8/24/21. Values represent the direct impact of spending, labor income, employment, and taxes for both domestic and international travel. In the transition to Tourism Economics, all counties have experienced an adjustment in overall impact and/or ranking. This report should not be compared with previously published documents due to the changes in vendor and model.



2021

Travel Recovery – July Spending USA

Destination (filter impacts entire page)
United States

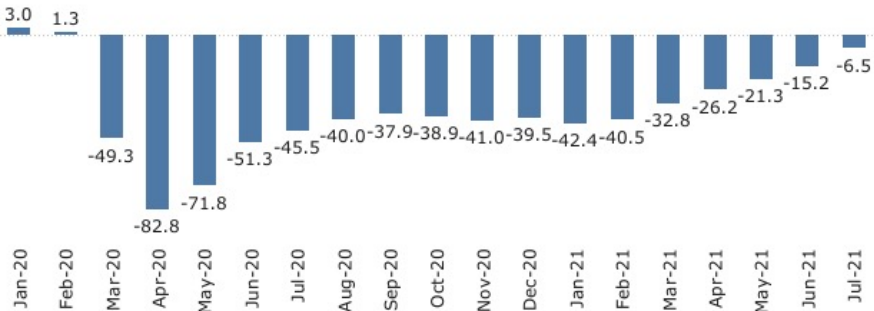
Cumulative Losses Since January 2020
United States, through July 2021

United States	
Travel Spending (difference)	(\$667.8B)
Federal Taxes	(\$48,481M)
State Taxes	(\$21,055M)
Local Taxes	(\$12,401M)

Travel Spending Losses
United States

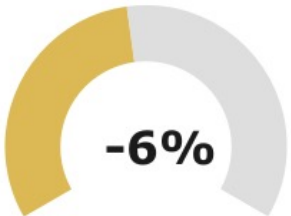
	Travel Spending	Travel Spending (difference)	% Change vs 2019
Jan-20	\$91.8B	\$2.7B	3%
Feb-20	\$89.4B	\$1.1B	1%
Mar-20	\$50.7B	(\$49.3B)	-49%
Apr-20	\$16.8B	(\$80.9B)	-83%
May-20	\$28.5B	(\$72.6B)	-72%
Jun-20	\$50.3B	(\$53.0B)	-51%
Jul-20	\$57.3B	(\$48.0B)	-46%
Aug-20	\$61.9B	(\$41.2B)	-40%
Sep-20	\$59.9B	(\$36.5B)	-38%
Oct-20	\$61.2B	(\$39.0B)	-39%
Nov-20	\$55.0B	(\$38.2B)	-41%
Dec-20	\$56.6B	(\$37.0B)	-40%
Jan-21	\$51.3B	(\$37.8B)	-42%
Feb-21	\$52.5B	(\$35.7B)	-41%
Mar-21	\$67.2B	(\$32.8B)	-33%
Apr-21	\$72.1B	(\$25.6B)	-26%
May-21	\$79.6B	(\$21.6B)	-21%
Jun-21	\$87.6B	(\$15.7B)	-15%
Jul-21	\$98.5B	(\$6.8B)	-6%

Travel Spending (% change vs. 2019)
United States

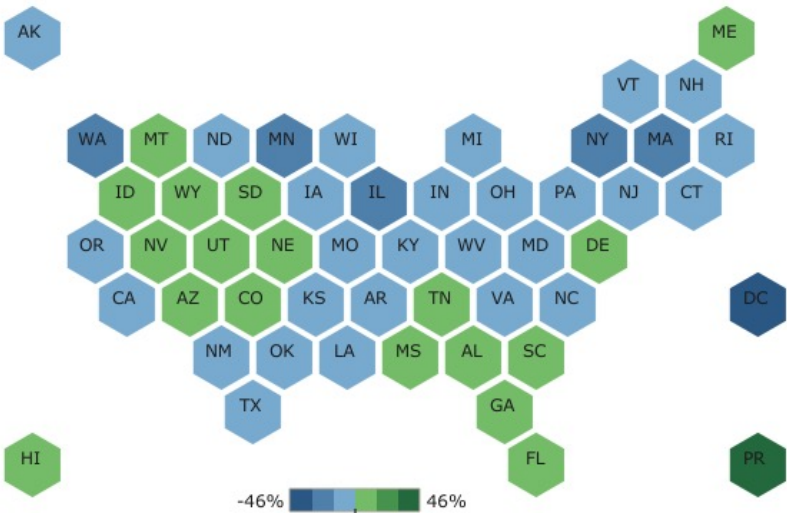


Travel Spending (% change vs. 2019)

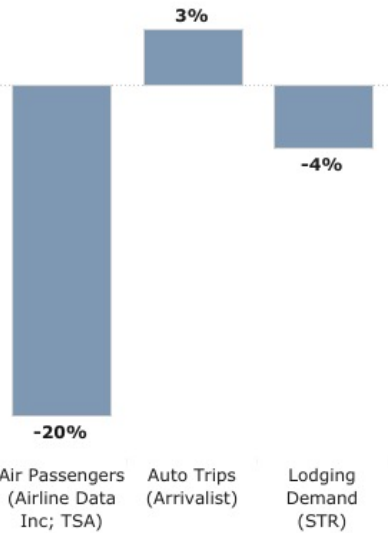
Travel Spending
United States
July 2021, % change vs. 2019



U.S. Travel Spending by State
July 2021, % change vs. 2019



Travel & Tourism Recovery
United States
July 2021, % change vs. 2019



Travel Recovery – July Spending Tennessee

Destination (filter impacts entire page)
Tennessee

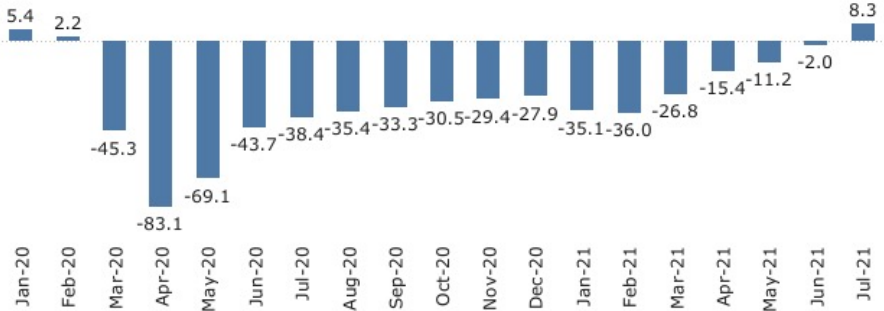
Cumulative Losses Since January 2020
Tennessee, through July 2021

Tennessee	
Travel Spending (difference)	(\$10.6B)
Federal Taxes	(\$774M)
State Taxes	(\$410M)
Local Taxes	(\$193M)

Travel Spending Losses
Tennessee

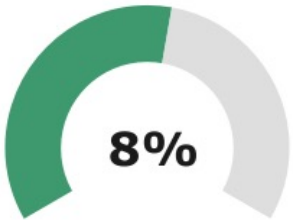
	Travel Spending	Travel Spending (difference)	% Change vs 2019
Jan-20	\$1.9B	\$0.1B	5%
Feb-20	\$1.8B	\$0.0B	2%
Mar-20	\$1.1B	(\$0.9B)	-45%
Apr-20	\$0.3B	(\$1.6B)	-83%
May-20	\$0.6B	(\$1.4B)	-69%
Jun-20	\$1.1B	(\$0.9B)	-44%
Jul-20	\$1.3B	(\$0.8B)	-38%
Aug-20	\$1.3B	(\$0.7B)	-35%
Sep-20	\$1.3B	(\$0.6B)	-33%
Oct-20	\$1.4B	(\$0.6B)	-31%
Nov-20	\$1.3B	(\$0.5B)	-29%
Dec-20	\$1.3B	(\$0.5B)	-28%
Jan-21	\$1.1B	(\$0.6B)	-35%
Feb-21	\$1.1B	(\$0.6B)	-36%
Mar-21	\$1.4B	(\$0.5B)	-27%
Apr-21	\$1.6B	(\$0.3B)	-15%
May-21	\$1.8B	(\$0.2B)	-11%
Jun-21	\$2.0B	\$0.0B	-2%
Jul-21	\$2.3B	\$0.2B	8%

Travel Spending (% change vs. 2019)
Tennessee

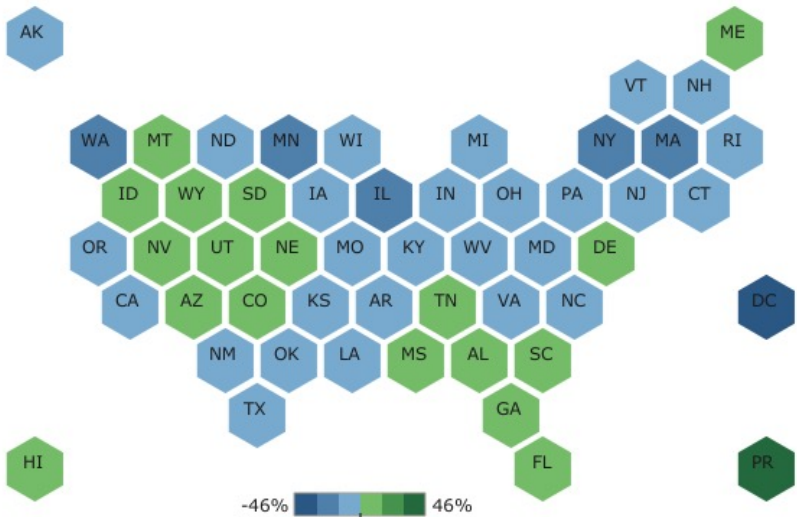


Travel Spending (% change vs. 2019)

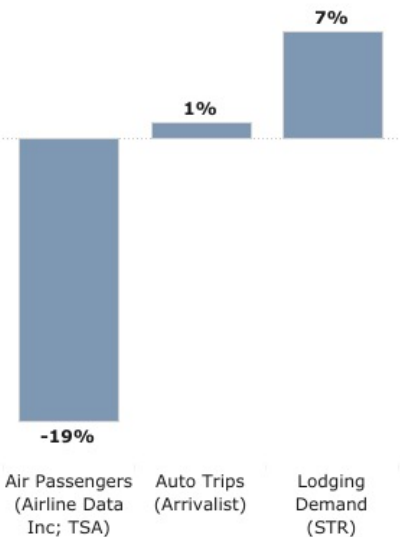
Travel Spending
Tennessee
July 2021, % change vs. 2019



U.S. Travel Spending by State
July 2021, % change vs. 2019



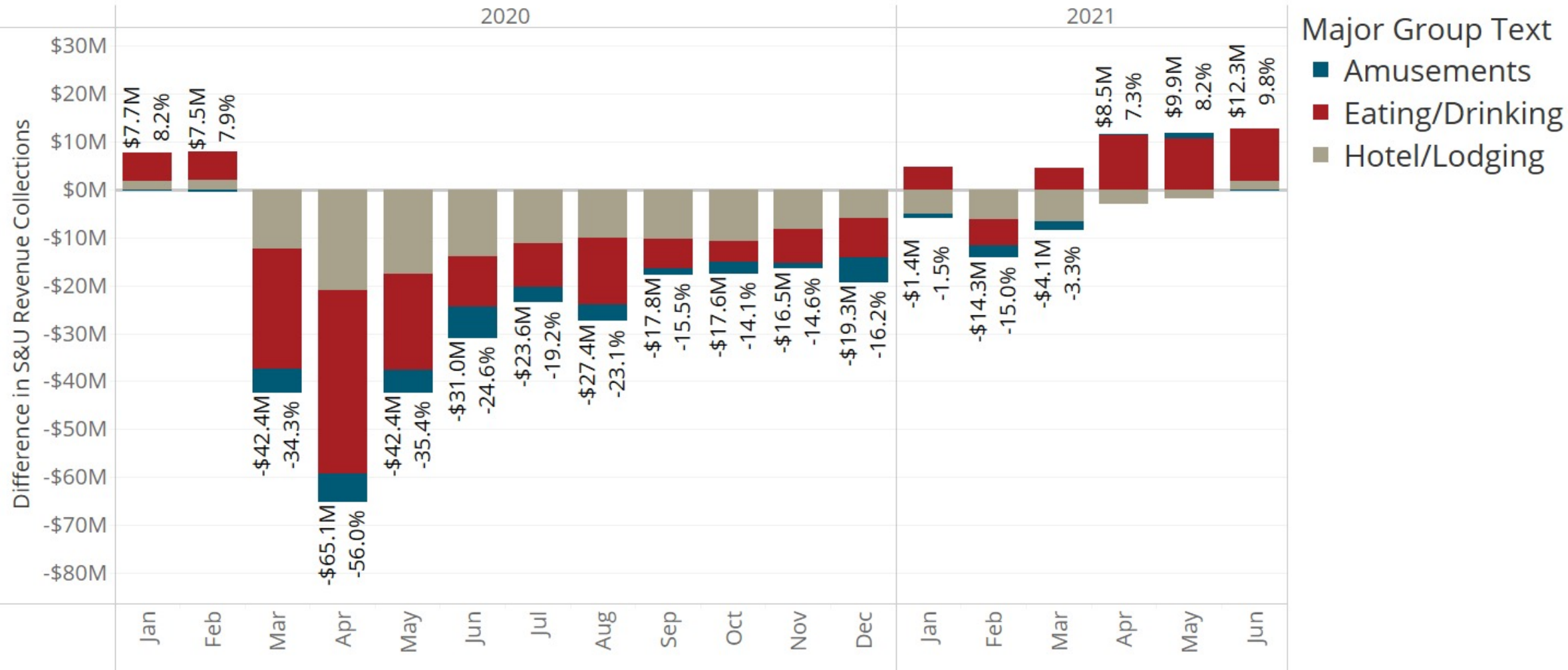
Travel & Tourism Recovery
Tennessee
July 2021, % change vs. 2019



S&U Tax Revenue

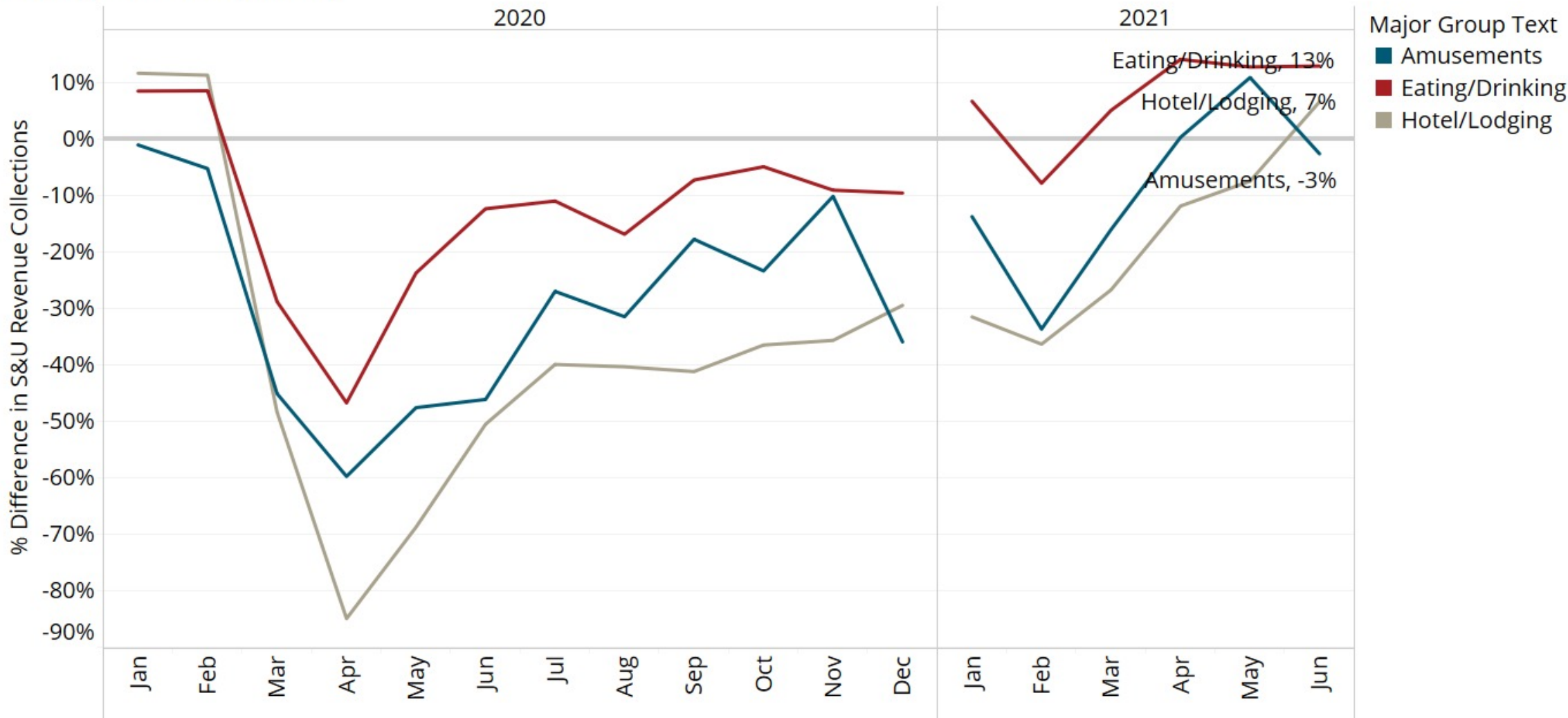
Leisure & Hospitality Sales & Use Tax Collections

Difference over 2019



State S&U Tax Revenue by Industry

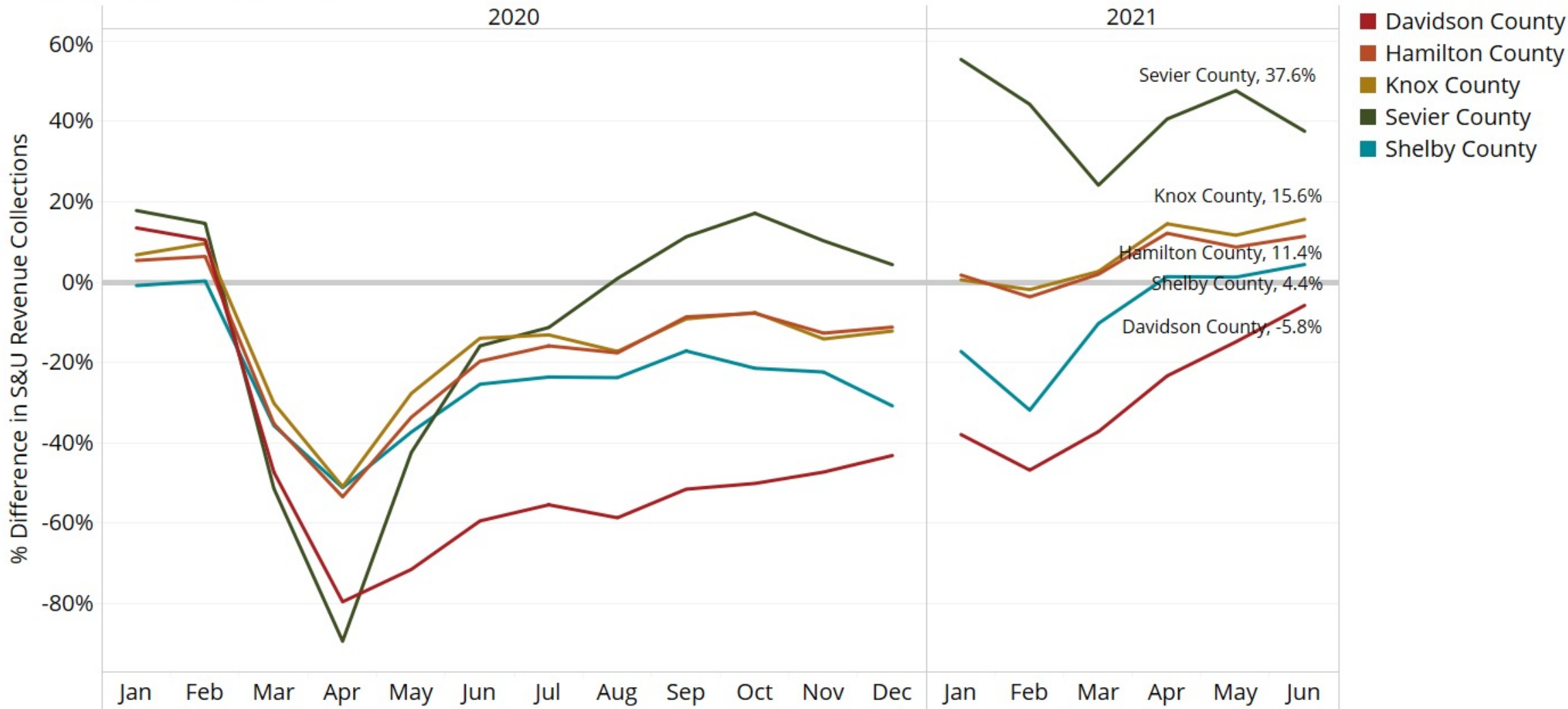
Leisure & Hospitality Sales & Use Tax Collections - All
% Change over 2019 by industry



State S&U Tax Revenues by County

Leisure & Hospitality Sales & Use Tax Collections

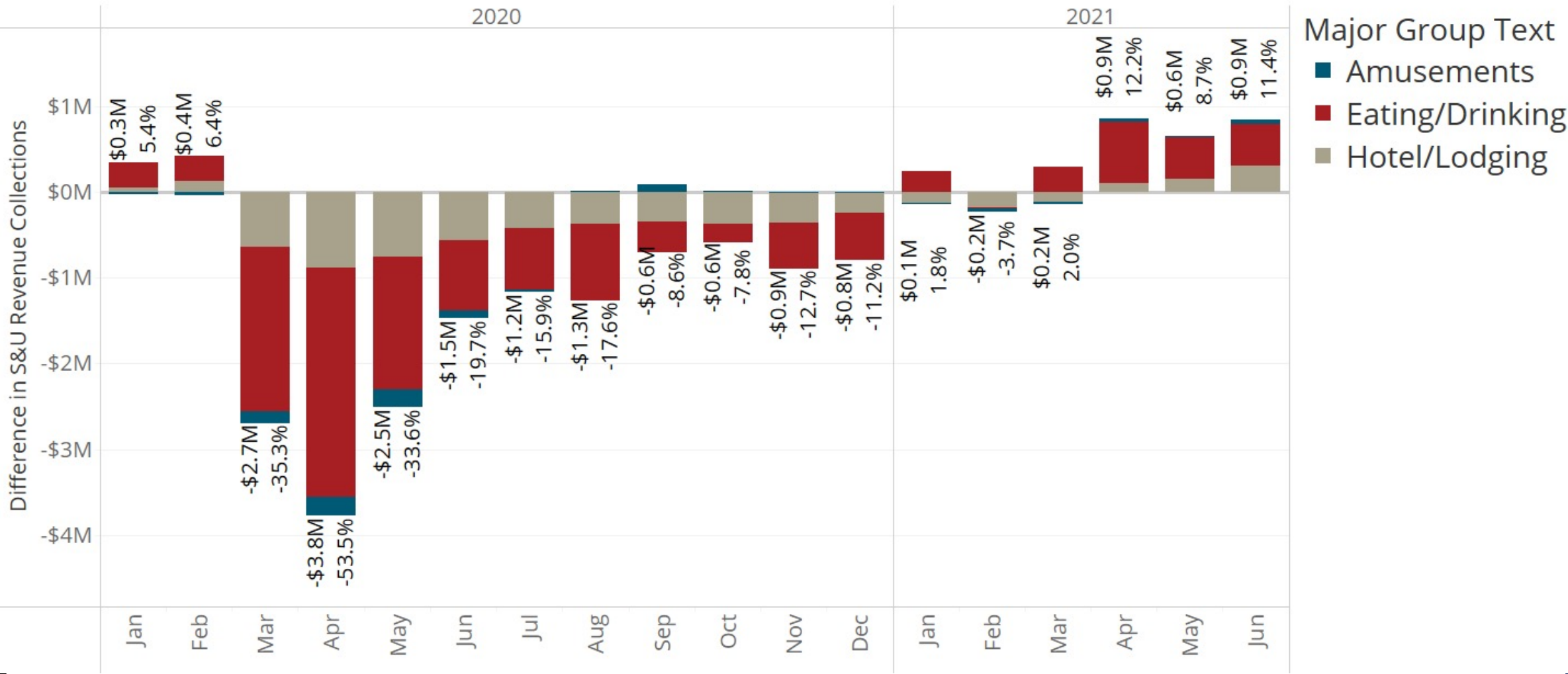
% Change over 2019 by industry



State S&U Tax Revenue Hamilton County

Leisure & Hospitality Sales & Use Tax Collections - Hamilton County

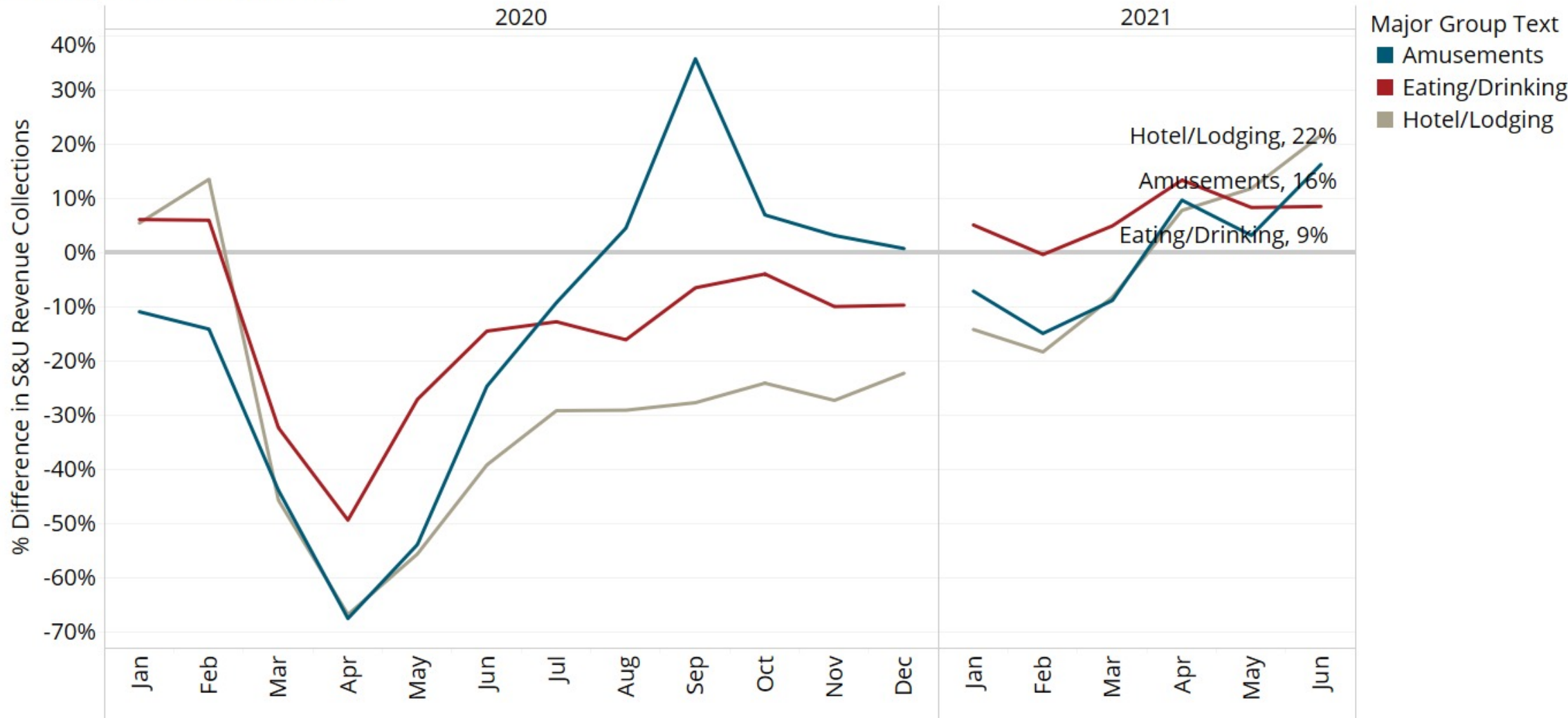
Difference over 2019



S&U Tax Revenues by Industry Hamilton County

Leisure & Hospitality Sales & Use Tax Collections - Hamilton County

% Change over 2019 by industry





Looking Ahead

Travel News Headlines - August

National Parks Institute Mandatory Mask Mandate

DESTINATION & TOURISM | RICH THOMASELLI | AUGUST 17, 2021

Federal Transportation Mask Mandate Extended Into 2022

IMPACTING TRAVEL | LAURIE BARATTI | AUGUST 17, 2021



BREAKING | Aug 16, 2021, 05:35pm EDT | 3,742 views

Florida Getting Nearly As Many Tourists As It Did Pre-Pandemic, Report Finds As Covid Surges

HOME > TRANSPORTATION

Air travel's return takes a hit as summer winds down, school is back in session, and the Delta variant continues to surge

Some Airlines Starting to Ban Fabric Face Masks

AIRLINES & AIRPORTS | RICH THOMASELLI | AUGUST 21, 2021



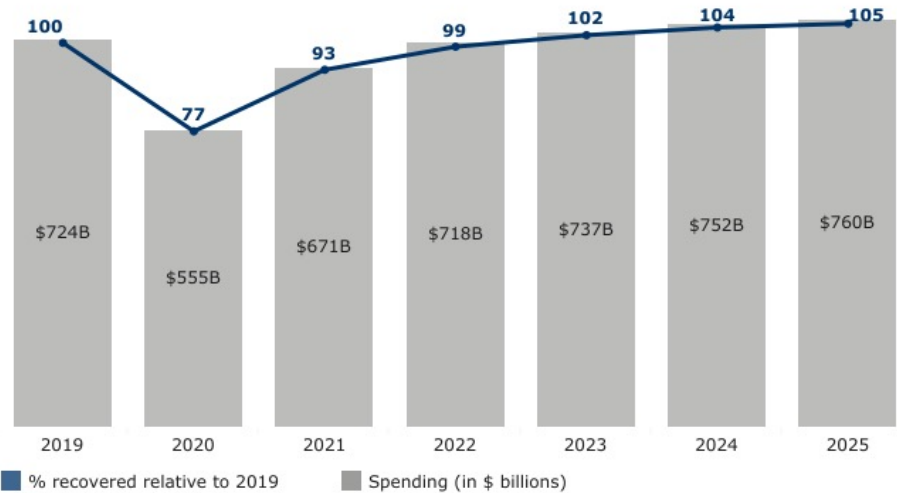
Demand for air travel flatlines amid delta variant surge

Travel Sentiment in Flux

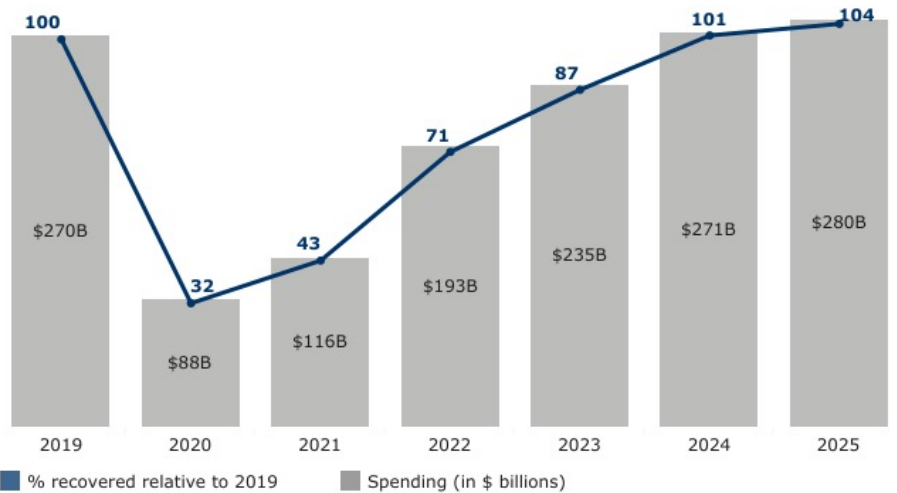
- Since the Fourth of July, Americans' sense of normalcy and optimism about the pandemic's course has fallen by half.
- Although Americans largely remain excited to travel in the next 12 months, expectations to travel for leisure in the next 3 months has declined.
- While 90% of travelers do have travel plans in the next six months, a third report that the virus will greatly impact their travel plans in the next six months with some postponing trips
- Among the American travelers who did not head out on Labor Day trips, 13.0% of this group said they had cancelled trip plans specifically because of Delta variant concerns.
- Over 60% still feel road tripping and predominately outdoor activities are safe.
- And travel is still on the horizon, with over 52% expecting to take at least one leisure overnight trip in the next 3 months.

Domestic Travel Forecast

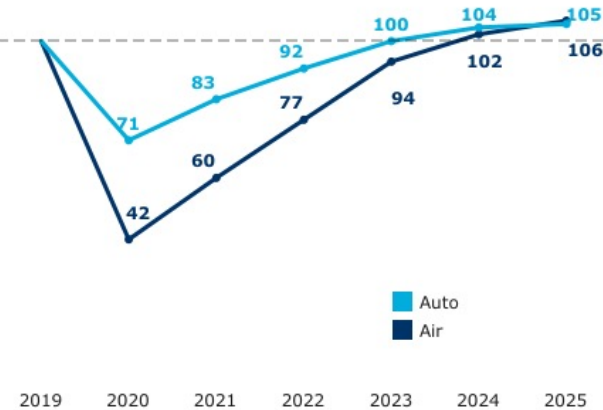
Domestic Leisure Travel Spending
Total spend and % recovered to 2019 (index, 2019=100)



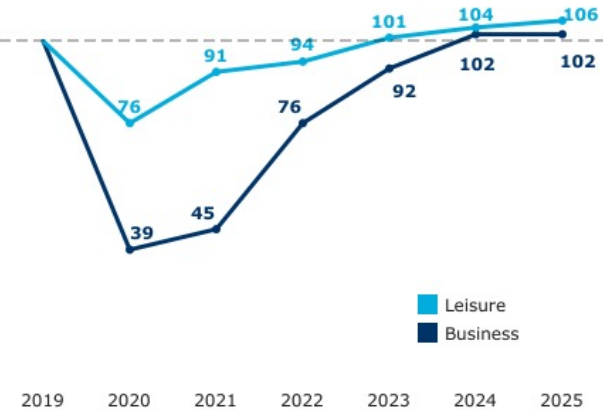
Domestic Business Travel Spending
Total spend and % recovered to 2019 (index, 2019=100)



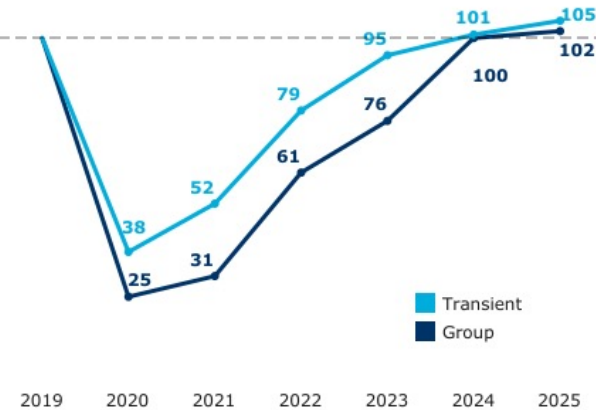
Auto vs. Air Travel Volume
Domestic travel volume, % recovered relative to 2019



Leisure vs. Business Travel Volume
Domestic travel volume, % recovered relative to 2019



Business Travel by Segment
Domestic travel volume, % recovered relative to 2019





Thanks!

Visitation by DMA Hamilton, last 6 months (Arrivalist)

Rank	DMA Name	% of Total Arrivals	Repeat Visit Ratio	Average time in Hamilton	Average time in Tennessee
1	Atlanta	19%	34%	1 Day, 2 Hours, 52 Minutes	1 Day, 6 Hours, 2 Minutes
2	Nashville	18%	34%	1 Day, 4 Hours, 26 Minutes	1 Day, 6 Hours, 52 Minutes
3	Knoxville	13%	46%	21 Hours, 40 Minutes	22 Hours, 56 Minutes
4	Huntsville/Decatur/Florence	5%	30%	1 Day, 53 Minutes	1 Day, 6 Hours, 41 Minutes
5	Birmingham	5%	19%	1 Day, 11 Hours, 8 Minutes	1 Day, 16 Hours, 40 Minutes
6	Memphis	2%	17%	1 Day, 20 Hours, 56 Minutes	2 Days, 3 Hours, 10 Minutes
7	Tri-Cities-Tn-Va	2%	24%	1 Day, 10 Hours, 34 Minutes	1 Day, 14 Hours, 58 Minutes
8	Greenville/Spartanburg/Asheville/Anderson	1%	25%	1 Day, 16 Hours, 20 Minutes	1 Day, 20 Hours, 35 Minutes
9	Tampa/Saint Petersburg	1%	10%	3 Days, 17 Hours, 34 Minutes	4 Days, 2 Hours, 14 Minutes
10	Chicago	1%	7%	3 Days, 12 Hours, 60 Minutes	3 Days, 18 Hours, 34 Minutes

Visitation by DMA SE, last 6 months (Arrivalist)

Rank	DMA Name	% of Total Arrivals	Repeat Visit Ratio	Average time in SE TN	Average time in Tennessee
1	Atlanta	25%	38%	9 Hours, 46 Minutes	1 Day, 12 Hours, 12 Minutes
2	Nashville	11%	40%	22 Hours, 39 Minutes	1 Day, 5 Hours, 44 Minutes
3	Knoxville	9%	53%	17 Hours, 37 Minutes	21 Hours, 6 Minutes
4	Birmingham	6%	25%	11 Hours, 59 Minutes	2 Days, 12 Minutes
5	Huntsville/Decatur/Florence	5%	34%	12 Hours, 20 Minutes	1 Day, 14 Hours, 54 Minutes
6	Chattanooga	4%	50%	6 Hours, 25 Minutes	21 Hours, 24 Minutes
7	Tampa/Saint Petersburg	2%	12%	18 Hours, 38 Minutes	3 Days, 18 Hours, 49 Minutes
8	Tri-Cities-Tn-Va	2%	43%	19 Hours, 7 Minutes	1 Day, 6 Hours, 40 Minutes
9	Greenville/Spartanburg/Asheville/Anderson	2%	32%	21 Hours, 55 Minutes	1 Day, 16 Hours, 39 Minutes
10	Orlando/Daytona Beach/Melbourne	1%	10%	22 Hours, 57 Minutes	3 Days, 16 Hours, 14 Minutes