

2025

Economic Impact of Visitors to Kentucky

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Introduction

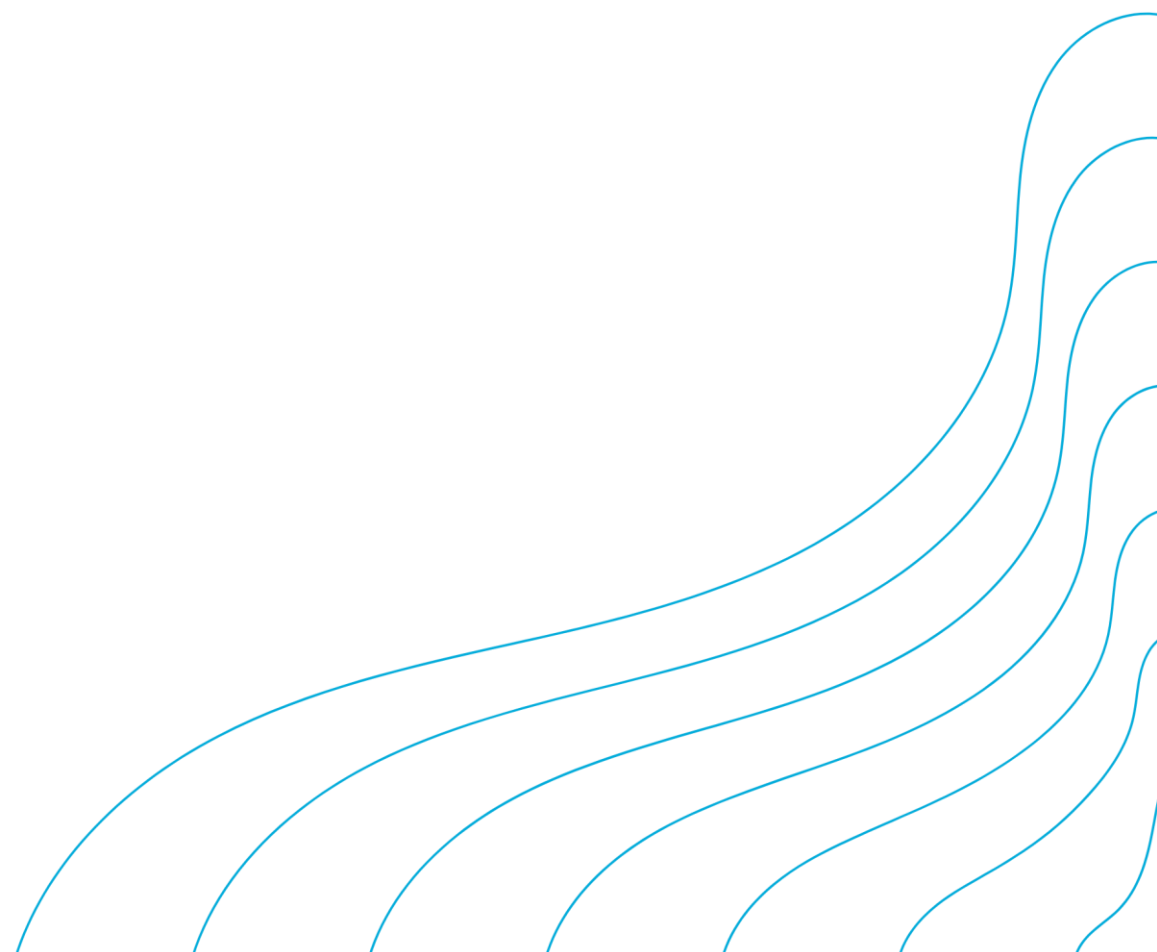
Visitors are integral to Kentucky's economy, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

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 2025, **81.1 million visitors** spent **\$10.4 billion** in the Kentucky economy, increases of 1.5% and 2.6%, respectively. Visitor spending generated a total economic impact of **\$14.6 billion**.



81.1M VISITORS TO KENTUCKY



\$10.4B VISITOR SPENDING



\$14.6B TOTAL ECONOMIC IMPACT



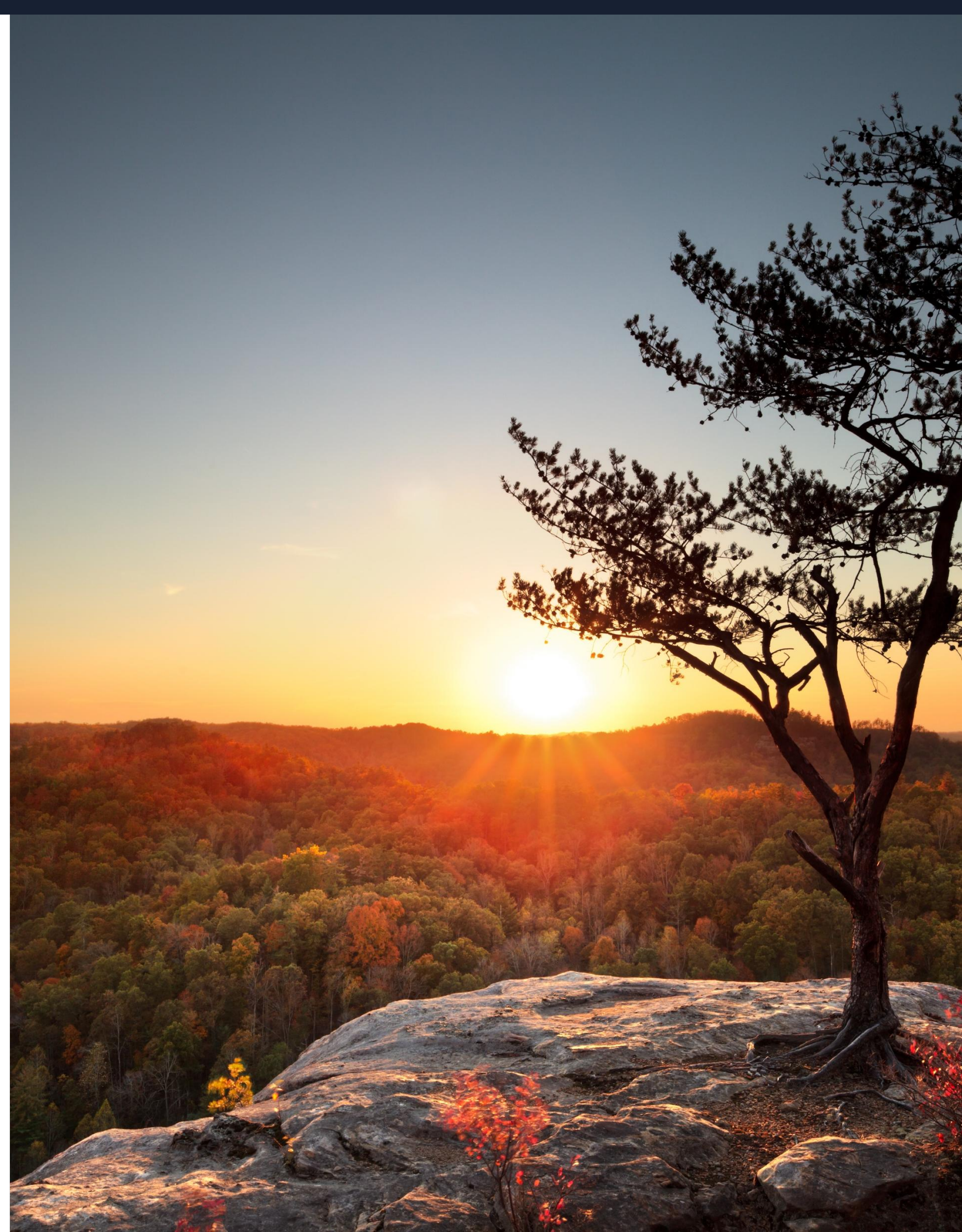
\$3.6B TOTAL PERSONAL INCOME



96,993 TOTAL JOBS SUPPORTED



\$1.1B STATE AND LOCAL TAXES





Results in Context



\$10.4B VISITOR SPENDING

Visitors spent **\$28.4 million** per day in Kentucky, on average.



\$3.6B PERSONAL INCOME

This is the equivalent of \$2,008 per resident household, regardless of any connection to the visitor economy.



96,993 JOBS

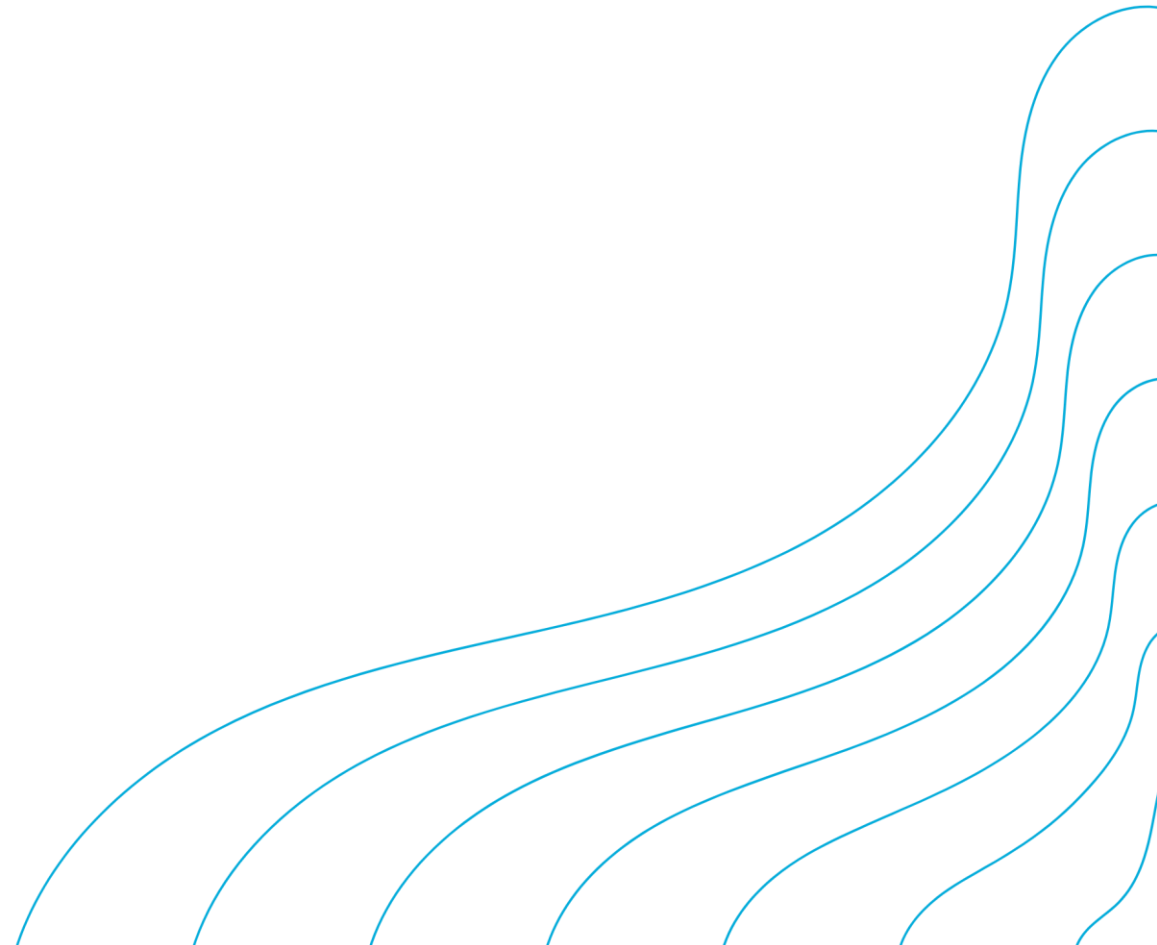
The visitor economy sustained 3.5% of all jobs in Kentucky. These employees could fill nearly two-thirds of Churchill Downs.



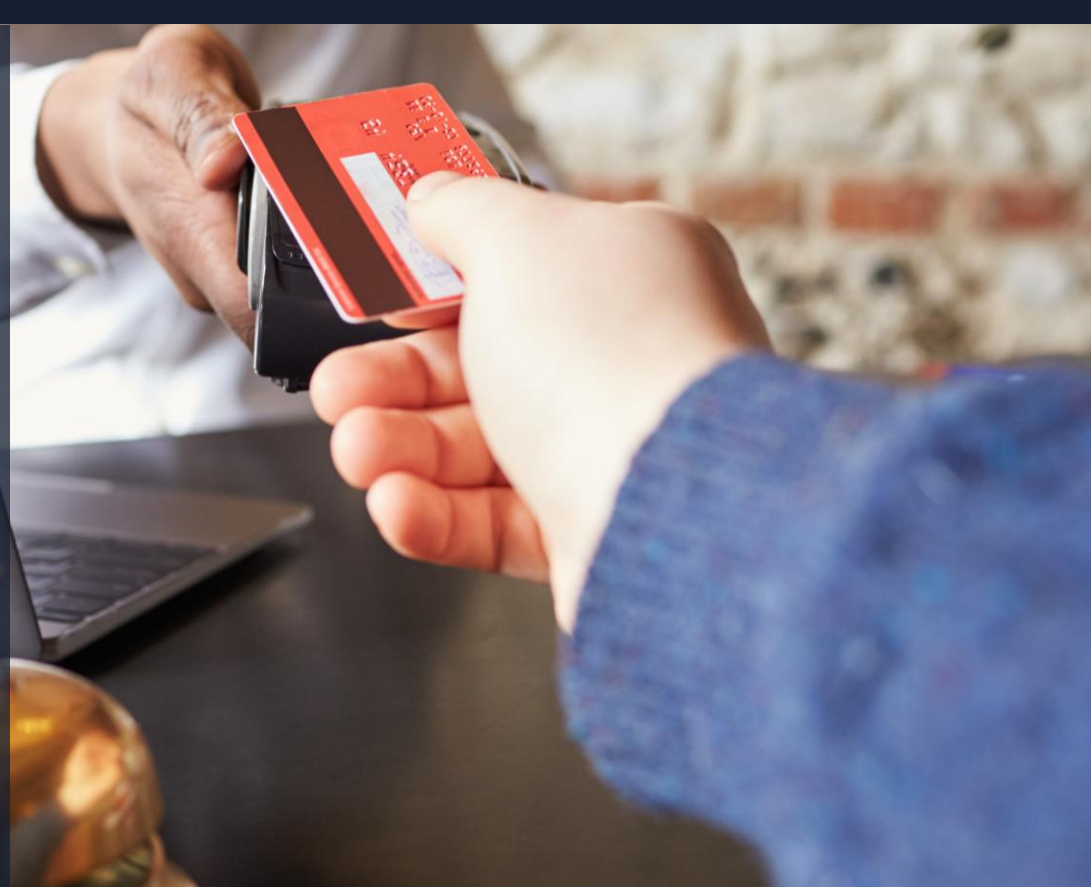
\$1.1B STATE & LOCAL TAXES

Each household in Kentucky would need to be taxed an additional \$581 to replace the visitor-generated taxes received by state and local governments in 2025.

VISITOR VOLUME & SPENDING



Kentucky welcomed **81.1 million** visitors who spent **\$10.4 billion** in 2025.



Visitor Spending

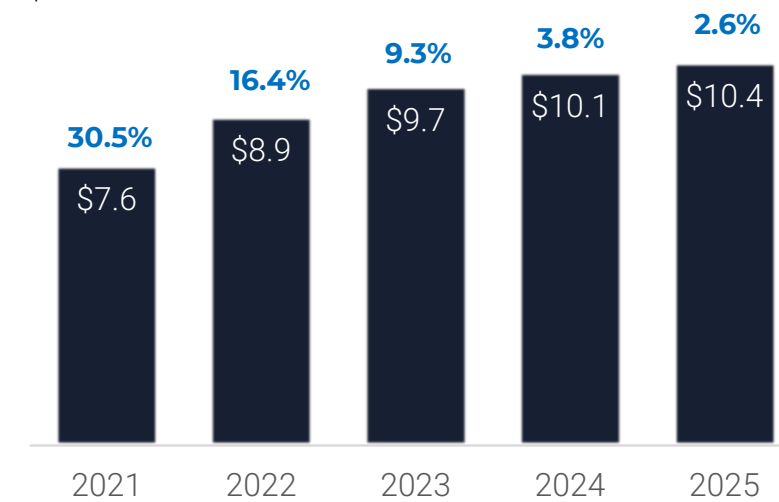
Visitor spending increased 2.6% in 2025, reaching \$10.4 billion.

Of the \$10.4 billion spent, food and beverage purchases accounted for \$2.7 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

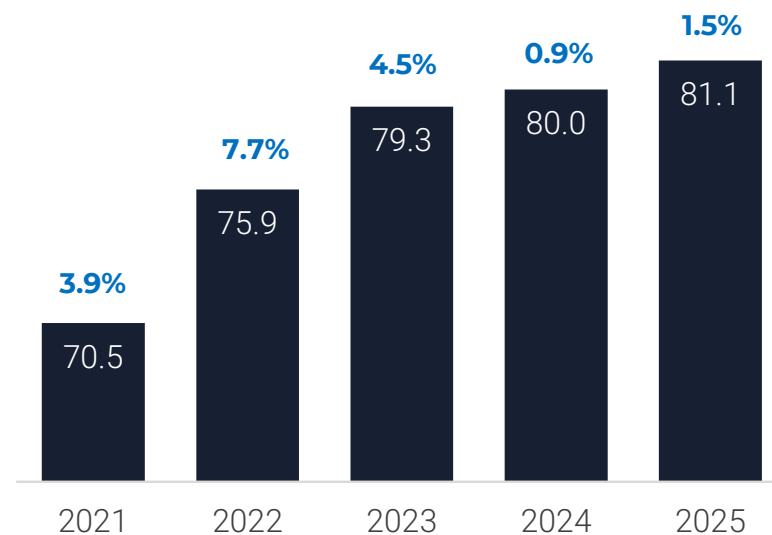


Visitor Volume

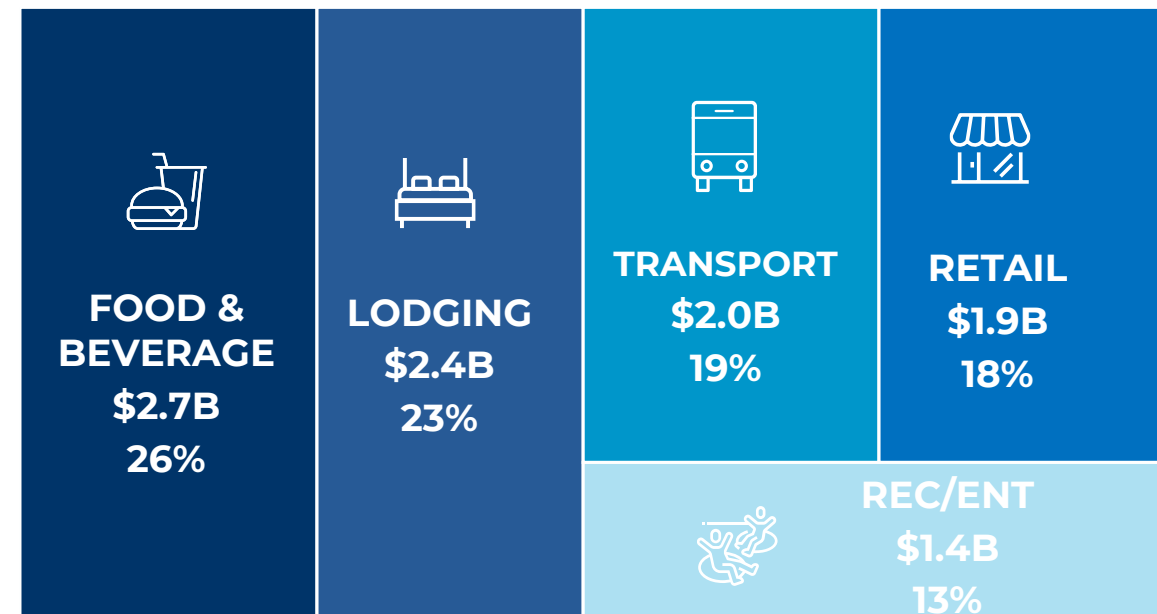
In 2025, 81.1 million visitors traveled to Kentucky, increasing 1.5%. The domestic market solely supported growth as international arrivals declined.

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 2.6% in 2025, supported by growth in both the day and overnight domestic segments.

Recreation led spending growth for a second consecutive year, increasing 5.6% year-over-year, followed by food and beverage purchases (+4.0%).

Lodging and transportation both increased modestly, 0.9% and 0.4%, respectively, as average daily hotel rates and gas prices declined.

Visitor volume expanded 1.5% in 2025, driven by solid domestic demand, while international visitors to the state declined 13.9%, largely due to a drop in Canadian visitors.

Kentucky Visitor Spending

\$ billions

	2021	2022	2023	2024	2025	2025 Growth
Total visitor spending	\$7.59	\$8.92	\$9.75	\$10.12	\$10.38	2.6%
Food & beverage	\$1.95	\$2.33	\$2.54	\$2.63	\$2.74	4.0%
Lodging	\$1.62	\$2.03	\$2.28	\$2.36	\$2.38	0.9%
Transportation	\$1.47	\$1.72	\$1.86	\$1.94	\$1.95	0.4%
Retail	\$1.60	\$1.71	\$1.82	\$1.86	\$1.91	2.7%
Recreation	\$0.95	\$1.13	\$1.26	\$1.33	\$1.40	5.6%

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

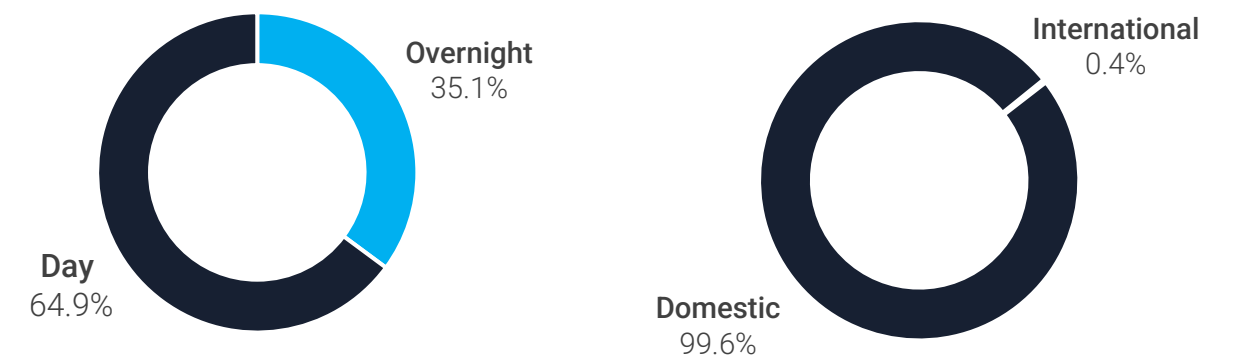
	2021	2022	2023	2024	2025
Total visitors	70.45	75.90	79.28	79.96	81.15
Domestic	70.37	75.69	78.95	79.63	80.86
International *	0.08	0.22	0.32	0.33	0.29
Total visitor spending	\$7,591	\$8,919	\$9,750	\$10,123	\$10,383
Domestic	\$7,591	\$8,919	\$9,749	\$10,123	\$10,383
International *	\$0.08	\$0.14	\$0.23	\$0.26	\$0.25
Per visitor spending	\$108	\$118	\$123	\$127	\$128
Domestic	\$108	\$118	\$123	\$127	\$128
International *	\$1,014	\$664	\$711	\$797	\$892
Per visitor spending	\$109	\$118	\$123	\$127	\$128
Day	\$74	\$77	\$73	\$74	\$75
Overnight	\$175	\$190	\$212	\$223	\$226

Source: Tourism Economics

*2025 international volumes and spend are considered preliminary

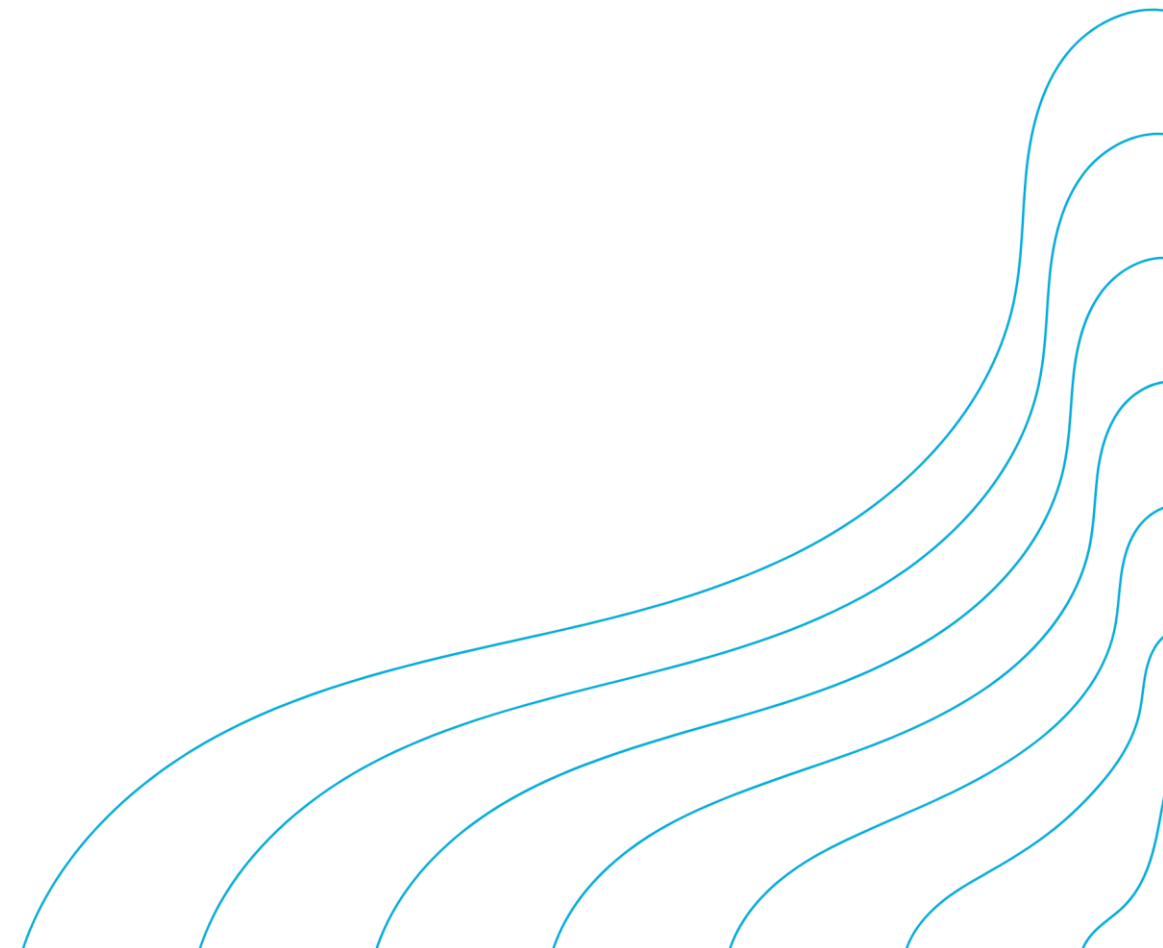
Kentucky Visitor Volume, By Market and Segment, 2024

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.

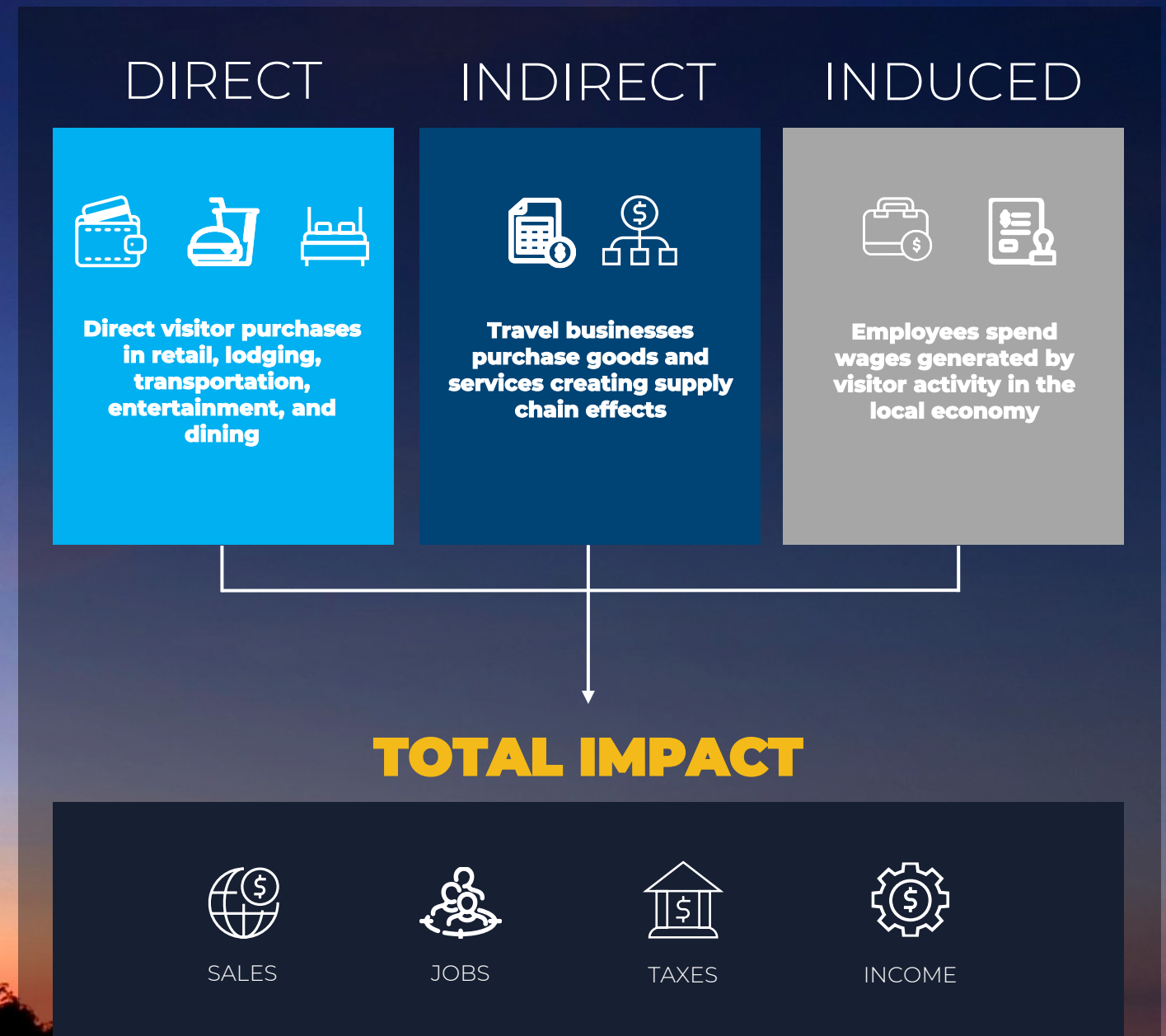
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitor through the local economy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

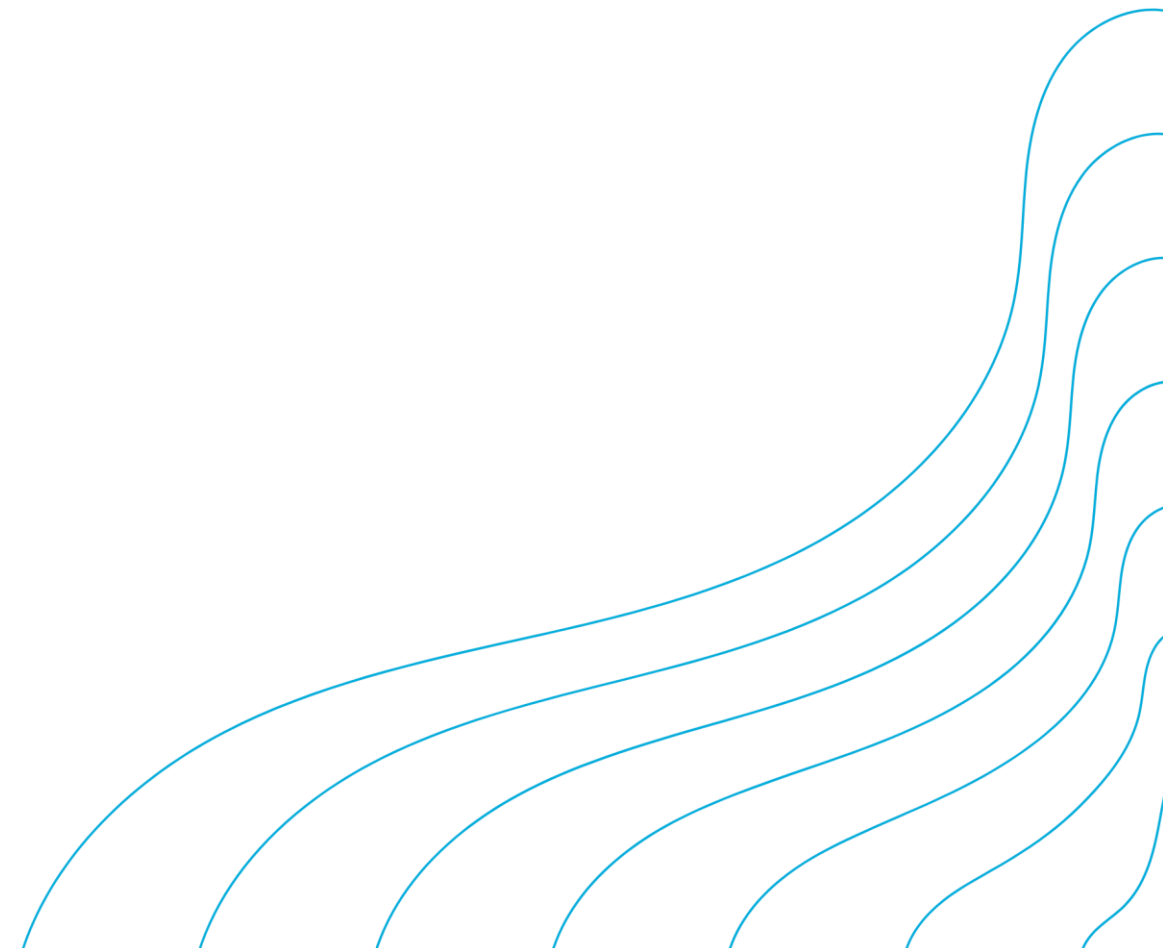
The model calculates these three levels of impact—direct, indirect and induced—for the following metrics:

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

Economic Impact Model



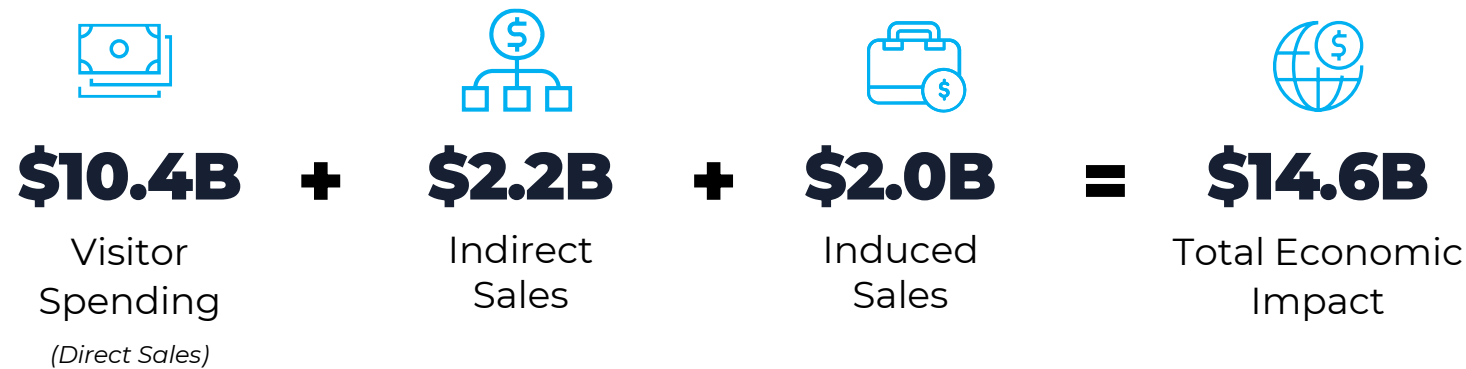
ECONOMIC IMPACT



Business Sales Impacts

Visitors spent \$10.4 billion in Kentucky in 2025. These direct impacts generated an additional \$4.2 billion through supply chain (indirect) and income (induced) effects.

As a result, the total economic impact of visitors reached \$14.6 billion in 2025, 2.2% ahead of the prior year.



Business Sales by Industry (2025)

\$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$10,383.0	\$2,197.0	\$2,022.3	\$14,602.4
Food & Beverage	\$2,738.4	\$61.3	\$179.5	\$2,979.1
Lodging	\$2,196.0	\$2.0	\$1.2	\$2,199.1
Retail Trade	\$1,911.8	\$39.3	\$163.6	\$2,114.6
Recreation and Entertainment	\$1,352.5	\$61.8	\$31.1	\$1,445.3
Finance, Insurance, Real Estate	\$306.9	\$453.5	\$522.8	\$1,283.2
Other Transport	\$473.8	\$237.3	\$55.0	\$766.0
Air Transport	\$735.2	\$3.7	\$4.7	\$743.6
Business Services		\$515.5	\$154.7	\$670.2
Gasoline stations	\$619.5	\$2.8	\$8.6	\$630.9
Education and Health Care		\$3.6	\$393.1	\$396.8
Construction and Utilities		\$208.7	\$80.7	\$289.4
Communications		\$148.7	\$97.1	\$245.8
Manufacturing		\$149.8	\$75.2	\$225.0
Personal Services	\$49.1	\$68.8	\$102.2	\$220.0
Wholesale Trade		\$99.4	\$85.1	\$184.5
Government		\$120.2	\$59.7	\$179.8
Agriculture, Fishing, Mining		\$20.8	\$8.1	\$29.0

Source: Tourism Economics

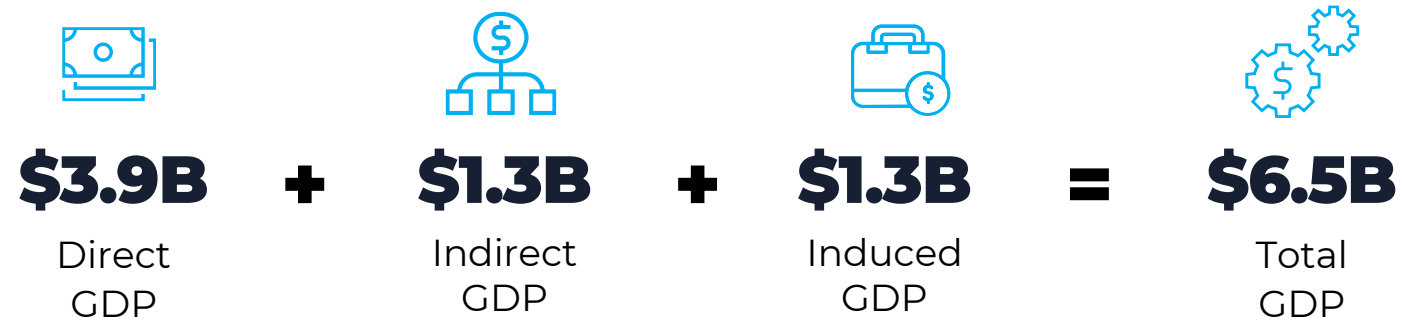
Visitor spending generated a total economic impact of **\$14.6 billion.**



GDP (Value Added Impacts)

Kentucky's visitor economy GDP increased to \$6.5 billion in 2025. This represented 2.1% of Kentucky's entire economy.

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

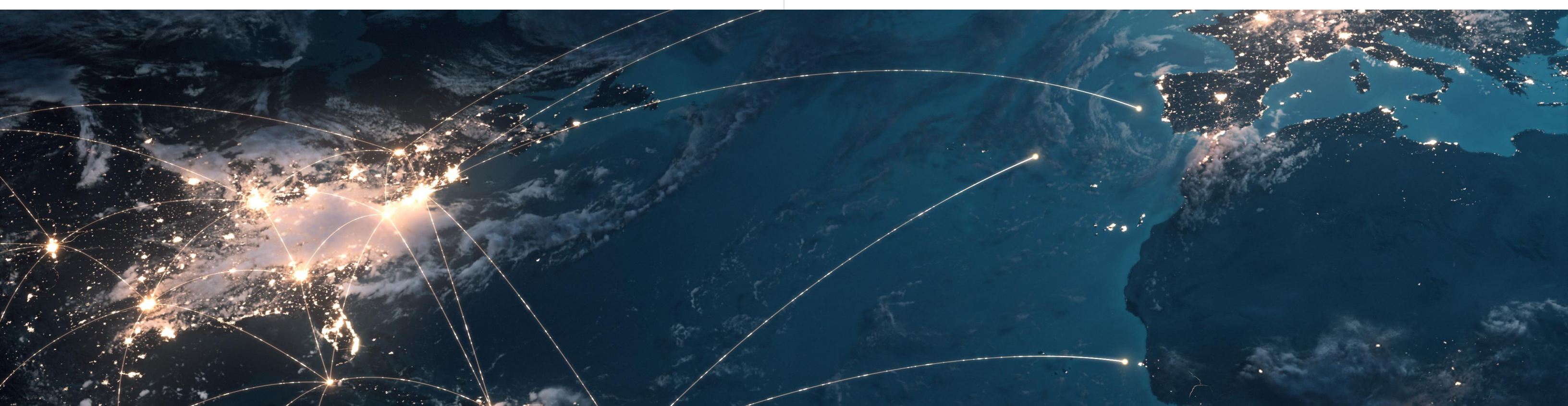


GDP by Industry (2025)

\$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$3,948.0	\$1,276.5	\$1,257.7	\$6,482.2
Lodging	\$1,352.7	\$1.1	\$0.6	\$1,354.3
Food & Beverage	\$1,141.4	\$35.6	\$94.2	\$1,271.2
Finance, Insurance, Real Estate	\$37.1	\$327.3	\$376.2	\$740.7
Retail Trade	\$400.3	\$25.2	\$114.9	\$540.4
Recreation and Entertainment	\$497.2	\$22.3	\$14.7	\$534.2
Business Services		\$340.3	\$101.5	\$441.8
Other Transport	\$136.6	\$147.2	\$29.9	\$313.6
Education and Health Care		\$2.1	\$257.1	\$259.2
Air Transport	\$280.2	\$1.6	\$1.9	\$283.7
Personal Services	\$39.8	\$44.6	\$67.4	\$151.8
Wholesale Trade		\$79.0	\$70.4	\$149.4
Communications		\$65.1	\$45.3	\$110.4
Government		\$77.6	\$31.9	\$109.5
Construction and Utilities		\$64.0	\$26.4	\$90.4
Gasoline stations	\$62.6	\$2.1	\$6.5	\$71.2
Manufacturing		\$36.5	\$16.7	\$53.2
Agriculture, Fishing, Mining		\$4.8	\$2.2	\$7.0

Source: Tourism Economics



Direct Employment

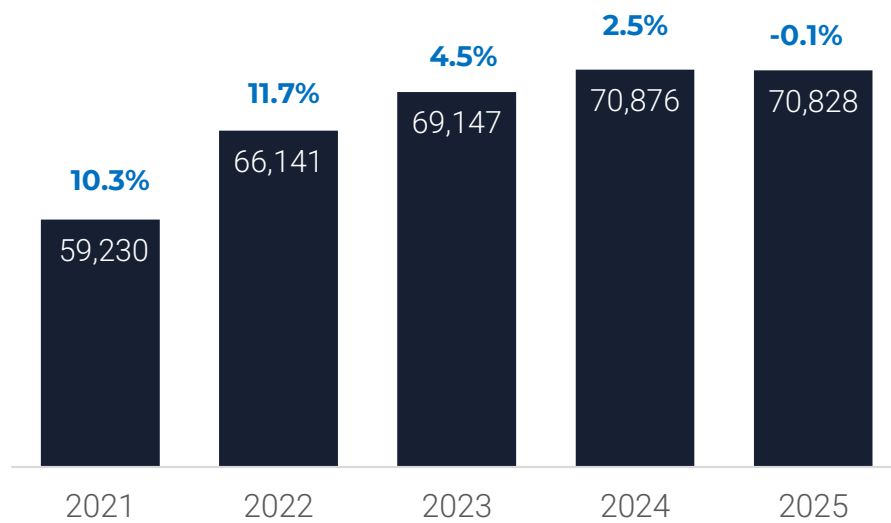
Employment directly supported by visitor activity declined slightly in 2025, dipping to 70,828 jobs as moderating visitor spend kept a lid on employment gains.

Visitor-supported employment is a significant part of several industries in Kentucky—nearly all lodging employment, 24% 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 2025.

Visitor-Supported Employment in Kentucky

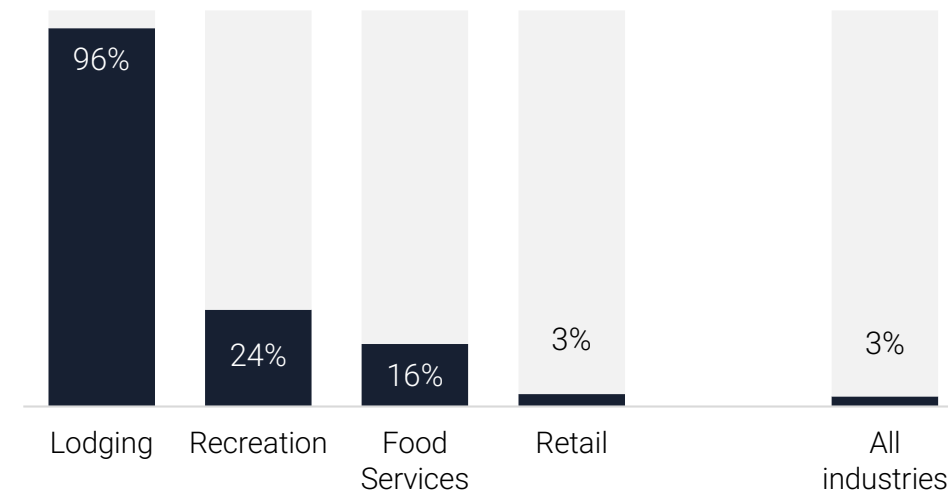
jobs



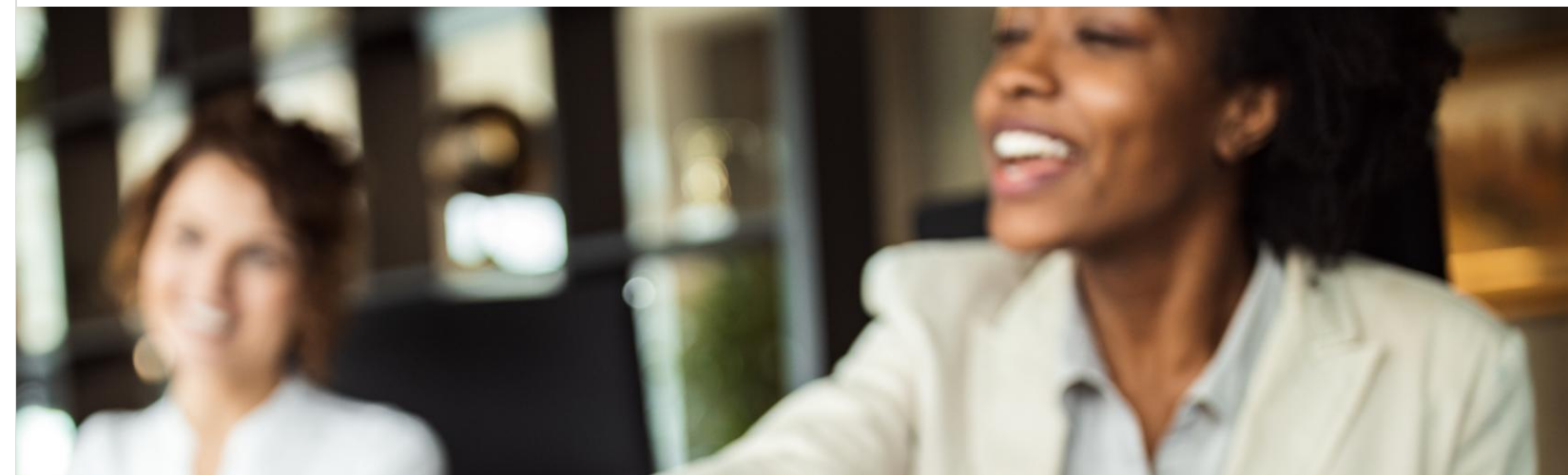
Source: Tourism Economics

Tourism Employment Intensity

share of total industry employment



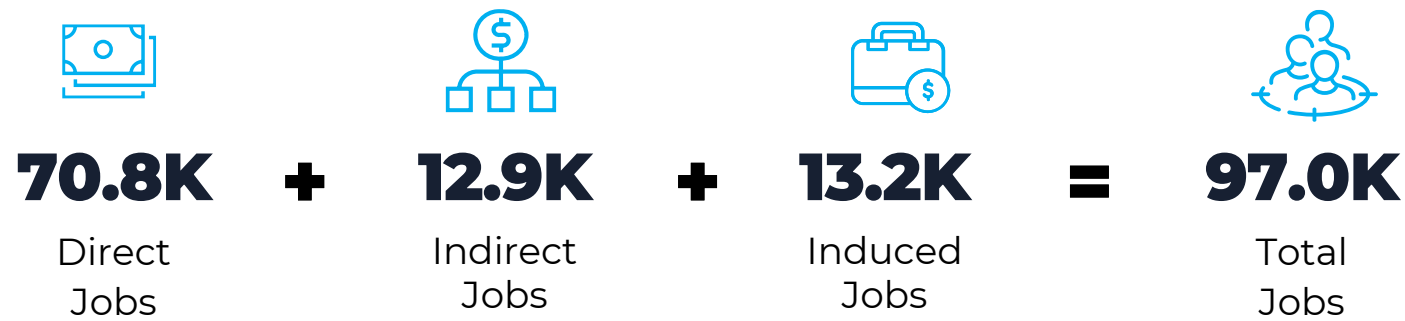
Source: Tourism Economics



The visitor economy in **Kentucky** directly supported **70,828 local jobs**.

Employment Impacts

Visitor activity sustained 70,828 direct jobs in 2025, with an additional 26,165 jobs supported from the indirect and induced impacts of visitor activity. Total employment impacts tallied 96,993 in 2025, translating to one-in-28 jobs in the state.



Employment by Industry (2025)

jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	70,828	12,940	13,225	96,993
Food & Beverage	26,738	919	2,226	29,883
Lodging	16,784	17	9	16,810
Recreation and Entertainment	11,862	1,123	427	13,412
Retail Trade	8,482	430	1,742	10,654
Business Services		4,000	1,361	5,362
Finance, Insurance, Real Estate	172	2,192	1,420	3,783
Other Transport	1,988	1,266	324	3,577
Personal Services	1,480	585	1,398	3,463
Education and Health Care		71	3,097	3,168
Air Transport	2,094	11	13	2,117
Gasoline stations	1,229	50	146	1,424
Government		517	190	707
Construction and Utilities		511	204	715
Wholesale Trade		349	305	653
Communications		386	159	545
Manufacturing		339	118	457
Agriculture, Fishing, Mining		176	86	262

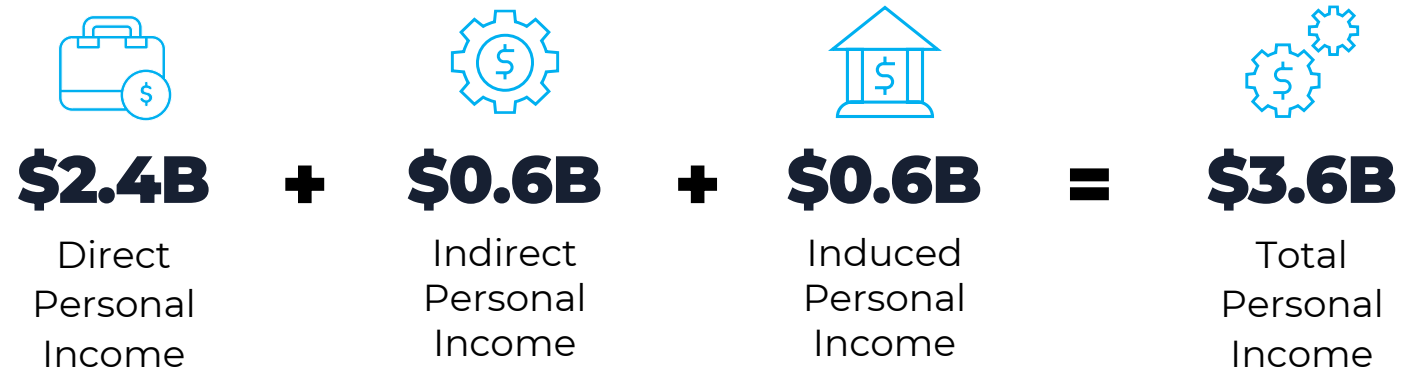
Source: Tourism Economics

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 \$2.4 billion in direct personal income in 2025. Including indirect and induced impacts, employees received \$3.6 billion in personal income. Total visitor-generated income in Kentucky increased 1.6% in 2025.



Personal Income by Industry (2025)

\$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$2,375.8	\$639.1	\$628.2	\$3,643.1
Food & Beverage	\$776.1	\$31.7	\$63.4	\$871.2
Lodging	\$621.3	\$0.6	\$0.4	\$622.2
Recreation and Entertainment	\$315.0	\$17.8	\$7.5	\$340.4
Retail Trade	\$257.3	\$13.4	\$56.8	\$327.6
Business Services		\$214.8	\$72.2	\$287.0
Air Transport	\$245.4	\$1.1	\$1.4	\$247.9
Education and Health Care		\$1.7	\$205.7	\$207.4
Other Transport	\$92.6	\$82.8	\$19.5	\$194.8
Finance, Insurance, Real Estate	\$8.7	\$81.8	\$66.0	\$156.5
Personal Services	\$18.0	\$31.1	\$52.9	\$102.1
Government		\$47.5	\$17.0	\$64.4
Wholesale Trade		\$27.2	\$24.4	\$51.6
Construction and Utilities		\$33.9	\$14.4	\$48.2
Gasoline stations	\$41.4	\$1.6	\$4.8	\$47.8
Communications		\$25.9	\$11.7	\$37.6
Manufacturing		\$21.7	\$8.4	\$30.0
Agriculture, Fishing, Mining		\$4.5	\$1.7	\$6.2

Source: Tourism Economics



Tax Impacts

Visitor activity generated \$1.9 billion in government revenues in 2025, with state and local taxes alone nearing \$1.1 billion.

Each household in Kentucky would need to be taxed an additional \$581 to replace the visitor-generated taxes received by state and local governments in 2025.

Tax Impacts (2025)

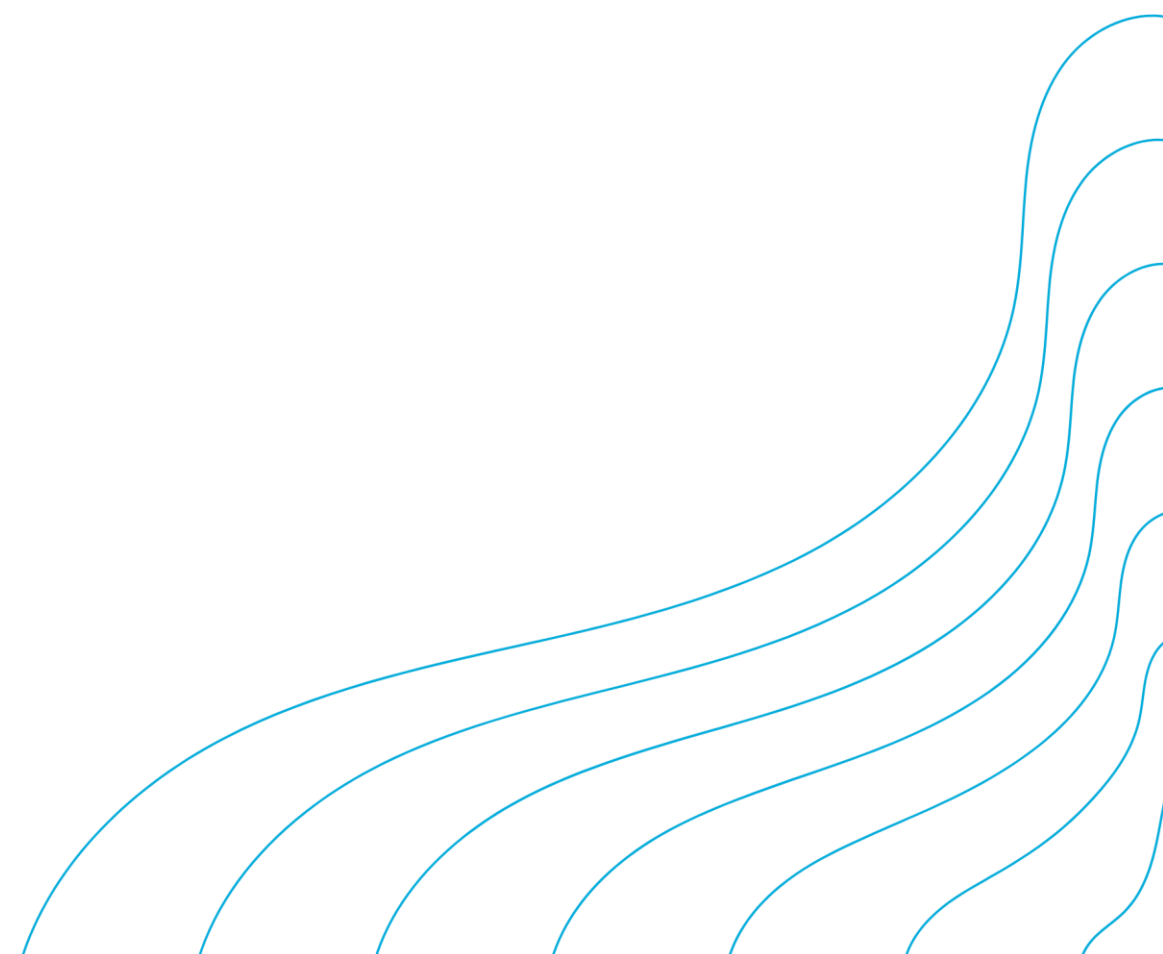
\$ millions

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$1,365	\$517	\$1,882
Federal Taxes	\$540	\$287	\$827
Personal Income	\$131	\$70	\$201
Corporate	\$75	\$55	\$130
Indirect Business	\$74	\$22	\$96
Social Insurance	\$260	\$140	\$400
State and Local Taxes	\$825	\$229	\$1,055
Sales	\$439	\$116	\$555
Bed Tax	\$108	\$0	\$108
Personal Income	\$60	\$32	\$91
Corporate	\$15	\$11	\$26
Social Insurance	\$4	\$3	\$7
Excise and Fees	\$36	\$12	\$48
Property	\$164	\$55	\$219

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.
SECOND HOMES	Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.

ECONOMIC IMPACT DEFINITIONS

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.