

2024

Economic Impact of Motorcoach Group Travel in Tennessee

Conducted by:



Prepared for:



Key Findings

Direct Spending Impacts

On behalf of the American Bus Association, Tourism Economics conducted a detailed economic impact analysis that quantifies the important role of motorcoach group travel. Motorcoach group travel represents people traveling aboard motorcoaches as organized groups, including charter, group tour and sightseeing activities, and the associated spending. It excludes scheduled service and commuter travel.

Motorcoach group travel in the State of Tennessee recorded an estimated 489 million passenger miles in 2024, supporting significant economic impacts nationally. Direct spending by motorcoach group travelers amounted to \$1.3 billion in 2024, including spending on motorcoach transportation as well as a range of goods and services, such as accommodations and food and beverages.



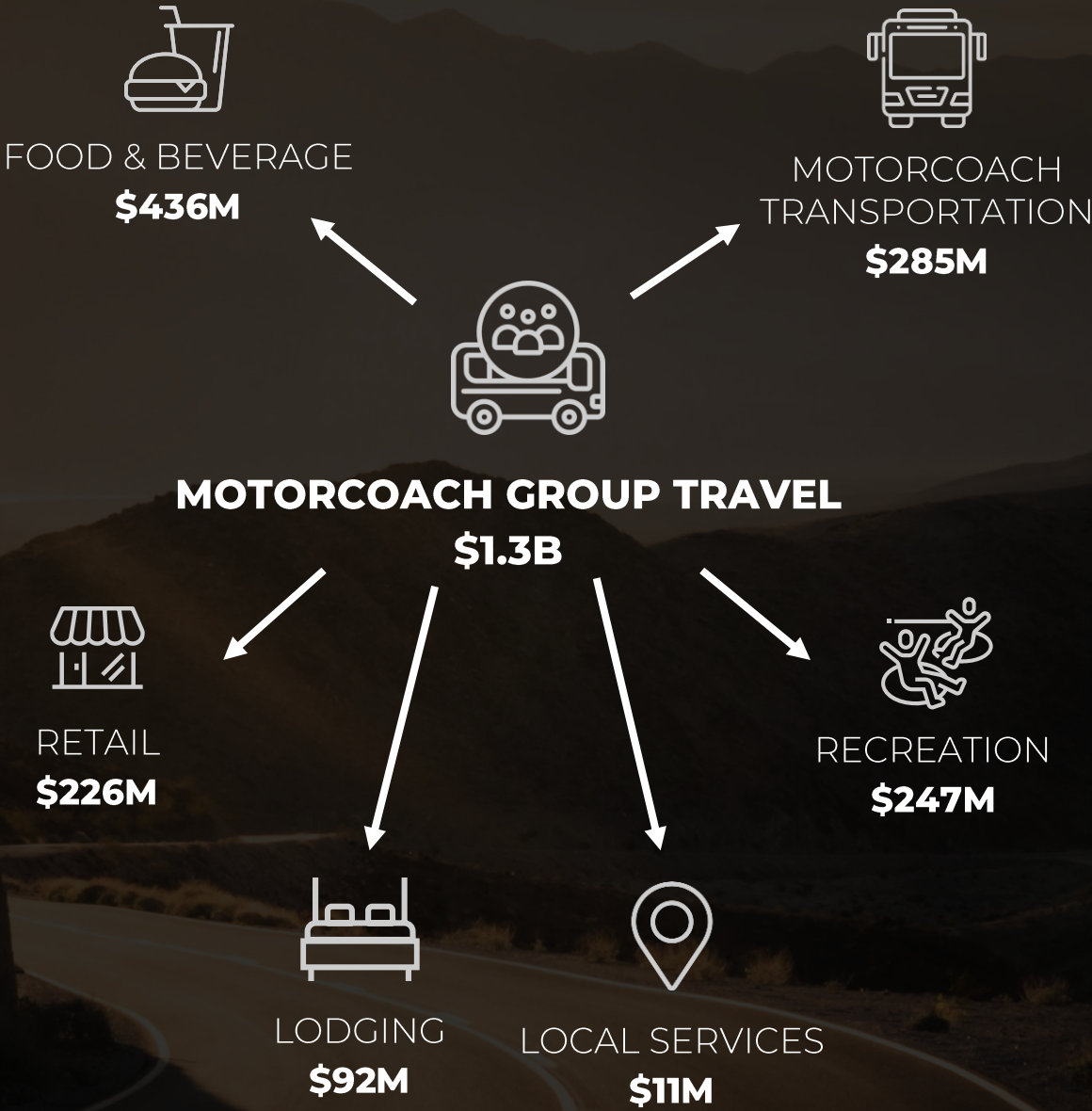
Total Economic Impact

The sector's direct spending impact of \$1.3 billion generated a total economic impact of \$2.9 billion in the Tennessee economy, which supported 17,487 part-time and full-time jobs and generated \$534 million in taxes.



MOTORCOACH GROUP TRAVEL

DIRECT ECONOMIC FOOTPRINT ON TENNESSEE



Source: Tourism Economics
Note: totals may not sum due to rounding.

Summary Impacts

Direct Impacts

Motorcoach group travel generated nearly \$1.3 billion in business sales, \$552 million in wages and salaries, and supported over 10,200 jobs, contributing to \$327 million in taxes.

Total Impacts

When considering the total impact, including indirect and induced effects, business sales surged to over \$2.9 billion, wages and salaries exceeded \$1.1 million, and job creation neared 17,500 jobs. Total tax revenue amounted to \$534 million, demonstrating a significantly broader economic footprint.

Summary Impacts (2024)

\$ millions, jobs

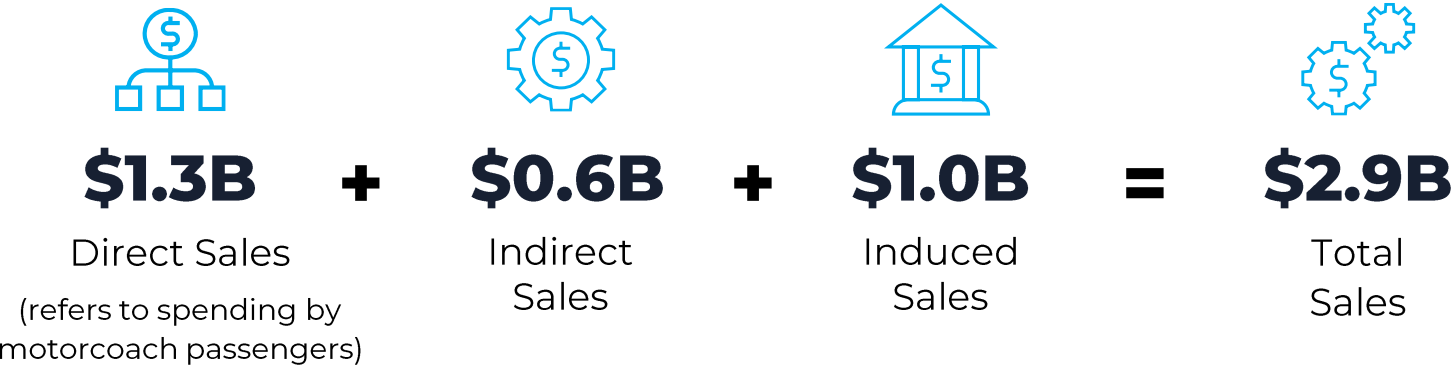
	Direct Impacts	Total Impacts
Business Sales	\$1,297	\$2,925
Wages and Salaries	\$552	\$1,089
Jobs	10,233	17,487
Total Taxes	\$327	\$534
State and Local	\$204	\$288
Federal	\$123	\$246

Source: Tourism Economics



Business Sales Impacts

Motorcoach group travel contributed a direct impact of nearly \$1.3 billion in 2024. This direct impact generated \$1.6 billion in indirect and induced impacts, resulting in a total economic impact of more than \$2.9 billion in the Tennessee economy.



Business Sales Impacts by Industry (2024)

\$ millions

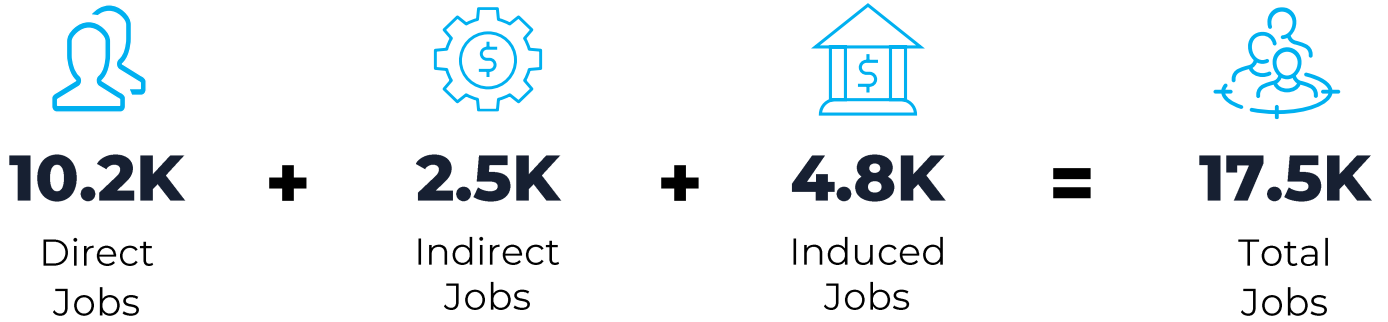
	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total	\$1,297	\$620	\$1,008	\$2,925
Food and Beverage	\$436	\$15	\$76	\$527
Finance, Insurance, and Real Estate		\$192	\$288	\$480
Transportation	\$296	\$28	\$37	\$362
Retail Trade	\$226	\$7	\$98	\$331
Recreation and Entertainment	\$247	\$34	\$19	\$300
Business Services		\$163	\$90	\$252
Education and Health Care		\$2	\$180	\$183
Lodging	\$92	\$0	\$1	\$94
Wholesale Trade		\$36	\$56	\$91
Communications		\$44	\$47	\$90
Personal Services		\$37	\$44	\$82
Manufacturing		\$24	\$29	\$53
Government		\$20	\$23	\$43
Construction and Utilities		\$15	\$16	\$31
Agriculture, Fishing, Mining		\$3	\$3	\$6

Source: Tourism Economics

The total economic impact of **\$2.9 billion** accrued to industries across the economy.

Employment Impacts

Motorcoach group travel sustained 10,233 direct jobs in 2024, with an additional 7,253 jobs supported from the indirect and induced impacts of group travel activity. The total employment impact reached 17,487 jobs, equivalent to 0.23% of employment in Tennessee. Motorcoach group travel spending supported the largest number of jobs in the food and beverage industry (4,413).



Employment Impacts by Industry (2024)

Jobs

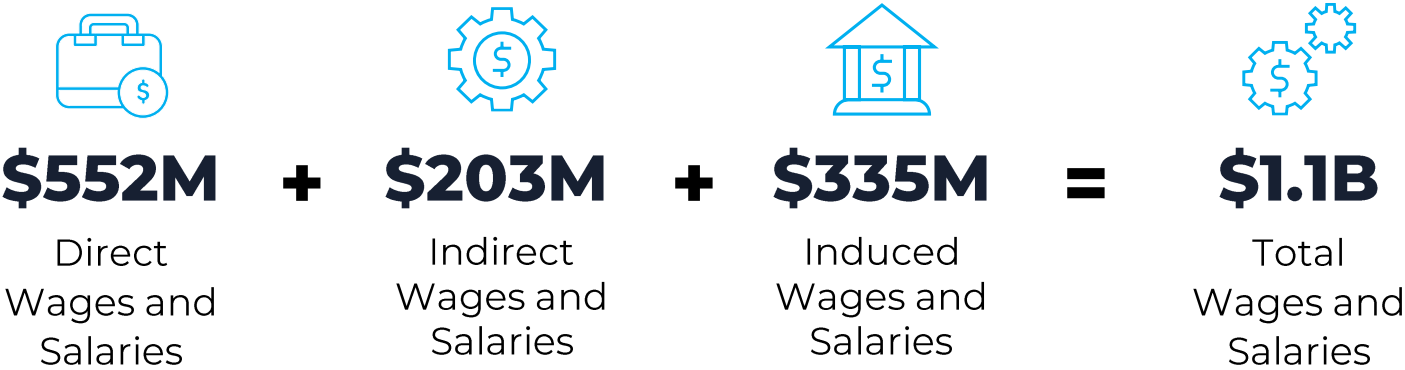
	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total	10,233	2,486	4,768	17,487
Food and Beverage	3,651	130	632	4,413
Retail Trade	2,319	49	744	3,112
Transportation	2,290	205	225	2,719
Recreation and Entertainment	1,422	139	124	1,685
Business Services		846	513	1,359
Finance, Insurance, and Real Estate		583	583	1,166
Education and Health Care		19	1,119	1,138
Personal Services		204	433	637
Lodging	552	1	7	560
Wholesale Trade		84	120	204
Communications		82	101	183
Construction and Utilities		39	53	92
Manufacturing		45	40	85
Agriculture, Fishing, Mining		36	38	74
Government		24	34	58

Source: Tourism Economics

The motorcoach group travel economy supports **1 in 440 of all jobs** in the State of Tennessee, including **4,413 jobs** in the food and beverage industry.

Wages and Salaries Impacts

Motorcoach group travel generated \$552 million in direct wages and salaries and a total of nearly \$1.1 billion, including indirect and induced impacts.



Wage and Salary Impacts by Industry (2024)

\$ millions

	Direct Wages & Salaries	Indirect Wages & Salaries	Induced Wages & Salaries	Total Wages & Salaries
Total	\$552	\$203	\$335	\$1,089
Transportation	\$179	\$13	\$16	\$208
Food and Beverage	\$137	\$5	\$24	\$167
Recreation and Entertainment	\$120	\$19	\$9	\$148
Retail Trade	\$86	\$3	\$37	\$125
Business Services		\$77	\$42	\$119
Education and Health Care		\$1	\$108	\$109
Finance, Insurance, and Real Estate		\$36	\$37	\$73
Personal Services		\$17	\$24	\$40
Lodging	\$30	\$0	\$0	\$30
Wholesale Trade		\$9	\$14	\$23
Communications		\$11	\$11	\$22
Construction and Utilities		\$4	\$5	\$9
Government		\$4	\$4	\$8
Manufacturing		\$4	\$4	\$7
Agriculture, Fishing, Mining		\$0	\$0	\$1

Source: Tourism Economics

Motorcoach group travel spending drives income across industries, including **seven industries with more than \$50 million** in total wages and salaries.

Tax Impacts

Motorcoach group traveler spending, visitor-supported jobs, and business sales generated \$534 million in total government revenues. State and local taxes alone tallied \$288 million in 2024.

Each household in the State of Tennessee would need to be taxed an additional \$185 to replace the motorcoach group travel-generated taxes received by state and local governments in 2024.

Tax Impacts (2024)

\$ millions

	2024
Total Tax Revenue	\$534
Federal	\$246
Personal income	\$99
Corporate	\$25
Indirect business	\$8
Social insurance	\$114
State and Local	\$288
Sales	\$211
Bed tax	\$13
Personal income	\$0
Corporate	\$11
Social insurance	\$0
Excise and fees	\$19
Property	\$34

Source: Tourism Economics



Geographical Distribution of Motorcoach Operations

Motorcoach Operations in the State of Tennessee

To provide a comprehensive understanding of the motorcoach industry's footprint within the State of Tennessee, this section identifies where direct group travel spending primarily takes place, highlighting key operational hubs and areas with higher concentrations of service providers. Specifically, the top three congressional districts with the highest concentration of operations are:

- Tennessee's Ninth Congressional District
- Tennessee's Seventh Congressional District
- Tennessee's Fifth Congressional District

Understanding these locations offers valuable insights into the industry's infrastructure, facilitating strategic planning for both operators and stakeholders interested in the state's motorcoach sector.

Fuel Usage

The analysis reveals that the motorcoach industry, supporting group travel across Tennessee, collectively consumed an estimated 10 million gallons of fuel in 2024. This figure accounts for the operational demands of the 1,489 motorcoaches in service in Tennessee, reflecting the miles traveled to facilitate charter, packaged tours, and sightseeing excursions.



APPENDIX



Economic Impact Methodology

Our analysis of the motorcoach group travel impact begins with direct passenger spending and operator spending/expenditures and analyzes the downstream effects of this spending on the broader economy. To determine total economic impact, we input direct spending into a model of the state economy, constructed using an IMPLAN input-output (I-O) model. The model traces the full extent of industry impacts as dollars flow through the local economy. The state results are part of broader national research.

The study defines motorcoach group travel as the activity of transporting motorcoach charter, sightseeing and packaged tour passengers, and the additional spending by these passengers during their trip, such as on accommodations, food and beverages, and entertainment. This study measures the motorcoach and other jobs in the economy supported by passenger spending, as well as wages and salaries, taxes, and total business sales.

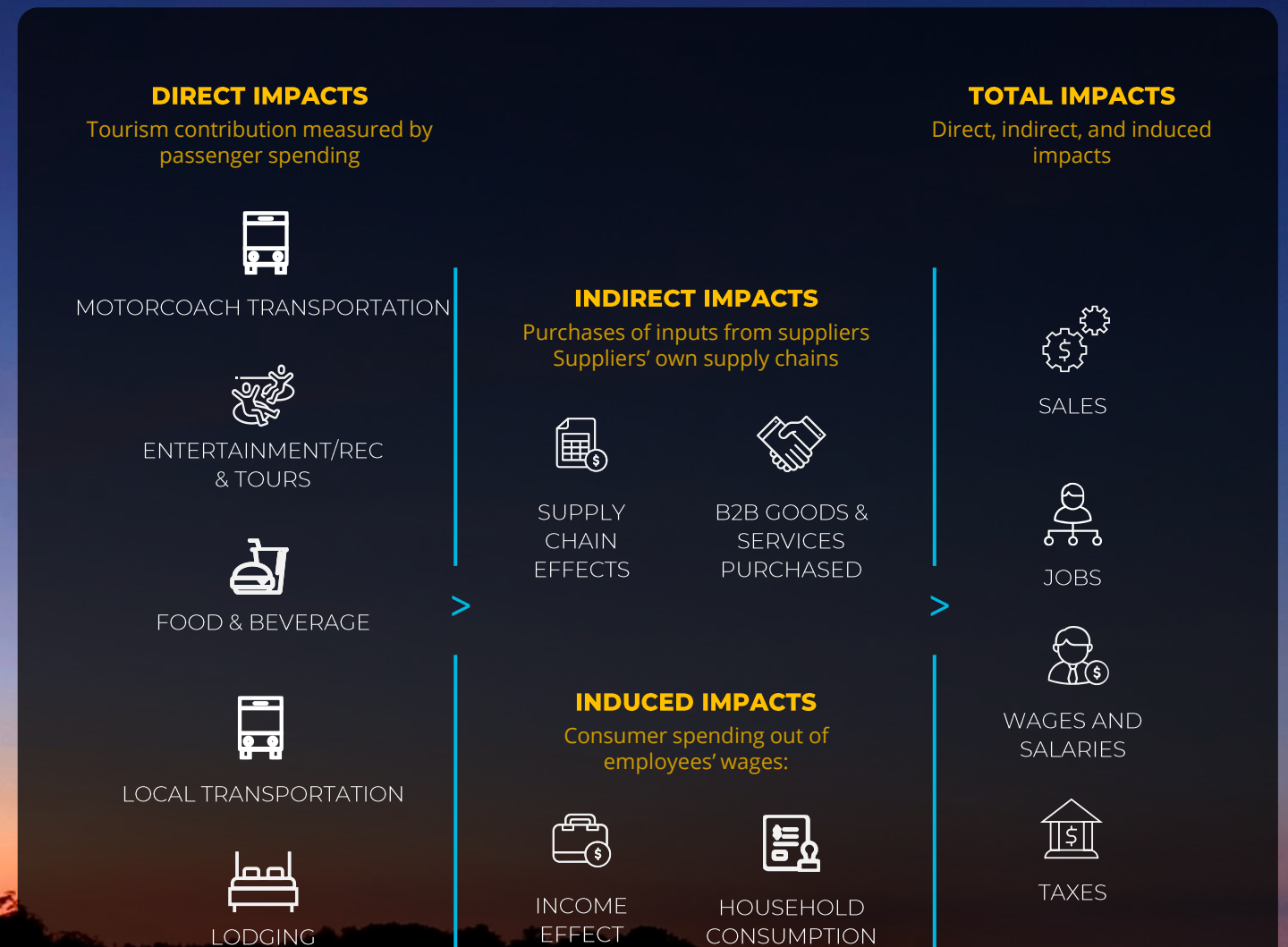
I-O models represent a profile of an economy by measuring the relationships among industries and consumers, quantifying three levels of impact:

- 1. Direct impacts:** Motorcoach group traveler spending creates direct economic value within a discrete group of sectors (such as recreation and transportation). This supports a relative proportion of spending, jobs, wages, and taxes within each sector.
- 2. Indirect impacts:** Each directly affected sector also purchases goods and services as inputs (e.g., food wholesalers, utilities) into production. These impacts are called indirect impacts or supply-chain effects.
- 3. Induced impacts:** Lastly, the induced impact is generated when employees whose wages are generated either directly or indirectly by visitor spending spend those wages in the local economy. This is called the induced impact or income effect.

The Tourism Economics model calculates these three levels of impact—direct, indirect, and induced—for a broad set of indicators, including:

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

Economic Impact Framework



Glossary of Terms

Glossary – Spending Definitions

Term	Description
Motorcoach group transportation	Includes people traveling aboard motorcoaches as organized groups, including charter, group tour and sightseeing activities, and the associated spending. It excludes scheduled service and commuter travel
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 and 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.

Glossary – Economic Impact Definitions

Term	Description
Direct Impact	Impacts (business sales, jobs, income, and taxes) related to businesses where motorcoach group travelers 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 motorcoach group traveler activity.
Total Impact	The sum of the Direct Impact, Indirect Impact, and Induced Impact. It represents the comprehensive effect on business sales, jobs, income, and taxes within an economy resulting from motorcoach group traveler 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.
Wages and Salaries	Labor income (wages, salaries, proprietor income and benefits) supported by visitor spending.
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 extensive research, undertaken to provide a thorough understanding of the motorcoach industry's economic footprint, was commissioned by the American Bus Association Foundation and carried out by Tourism Economics, a division of Oxford Economics.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling 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.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order 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.

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