InterVISTAS

2024
Economic Impact Study

TRI CITIES AIRPORT (TRI)

TRI
TRI-CITIES AIRPORT

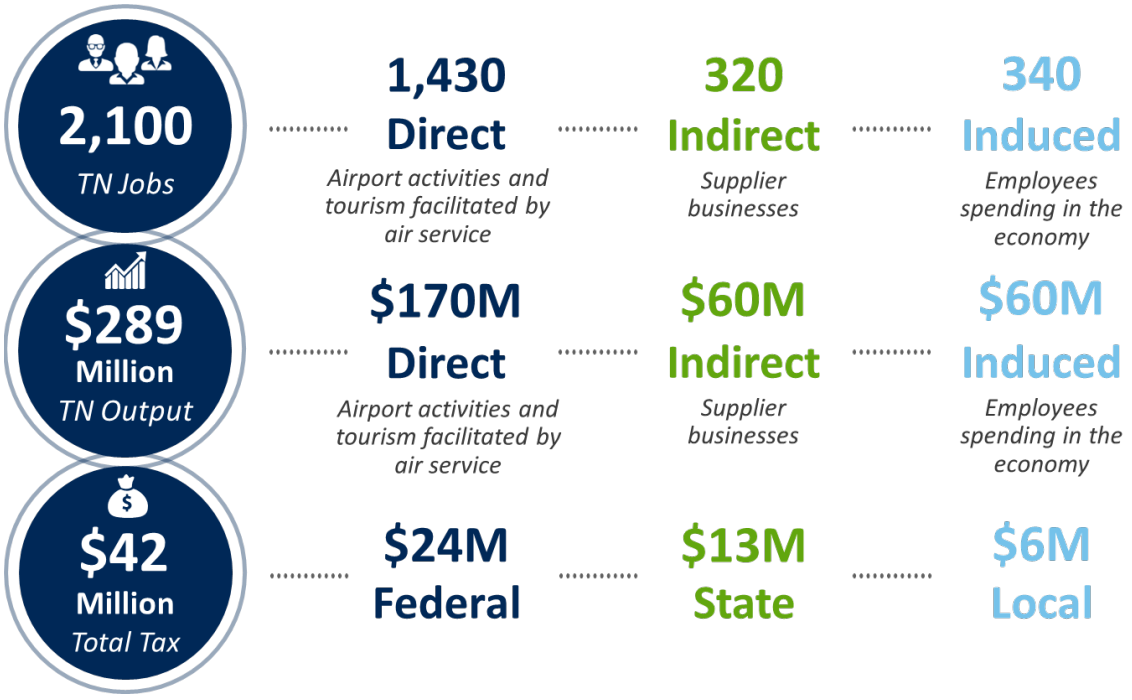
Final Report
25 March 2026

Executive Summary

Across northeastern Tennessee, communities such as Bristol, Kingsport, and Johnson City benefit significantly from the presence of Tri-Cities Airport (TRI). Rather than growing in isolation, the airport has expanded in tandem with the region's logistics sector, which moved close to 10,000 pounds of cargo in 2024. Passenger activity has followed a similar upward trajectory: after the disruptions of the COVID-19 period, commercial travel not only recovered but surpassed pre-pandemic volumes, culminating in a 2024 record of about 447,000 total passengers.

The economic footprint of TRI is sustained by an interconnected set of industries that operate both on and around the airfield. Everything from aircraft maintenance shops and security screening teams to ground handlers, retail and dining concessions, air traffic control, and transportation providers contributes to the airport's daily functioning. Beyond these operational layers, ongoing capital projects and the airport's role in drawing visitors to Tennessee and the Tri-Cities region add another dimension of economic stimulus.

This study examined the economic impact of Tri-Cities Airport for 2024.



Tri-Cities Airport drives substantial economic activity, supporting 2,100 jobs and generating $289 million in economic output.

It also contributes $42 million in tax revenues, including $24 million federal, $13 million state, and $6 million local taxes.

Economic activity at the airport collectively supports about 2,100 jobs across the region. These jobs, in turn, generate additional economic activity as wages circulate through the broader economy.[1]

Daily airport operations generate 390 direct jobs. Aviation-related suppliers and support businesses create 120 indirect jobs, and employee spending produces another 160 induced jobs in the general economy.

Airport capital improvements, with an estimated 4-year annual average in-state expenditure of $8 million, account for 60 direct jobs. Supplier impacts support 10 indirect jobs, and employee spending sustain another 20 induced jobs.

Visitor expenditures by non-local passengers flying via TRI, estimated at $95 million in 2024, facilitate 980 direct jobs. Supplier impacts create 190 indirect jobs, and spending by those employed directly or indirectly generates an additional 160 induced jobs.

Figure E-1: Consolidated Economic Impact of TRI, 2024

	Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Airport Operations	Direct	390	$33	$39	$70
	Indirect	120	$8	$11	$22
	Induced	160	$9	$17	$28
	Total	**670**	**$50**	**$68**	**$121**
Capital Improvements	Direct	60	$4	$4	$8
	Indirect	10	$1	$2	$3
	Induced	20	$1	$2	$3
	Total	**90**	**$6**	**$8**	**$15**
Visitor Spending	Direct	980	$30	$52	$91
	Indirect	190	$11	$16	$34
	Induced	160	$9	$17	$28
	Total	**1,330**	**$50**	**$85**	**$153**
Consolidated	Direct	1,430	$67	$95	$170
	Indirect	320	$20	$29	$60
	Induced	340	$20	$37	$60
	Total	**2,100**	**$107**	**$161**	**$289**

Note: Dollar figures expressed in 2024 dollars. Totals may not sum due to rounding.

[1] Indirect impacts result from the direct impacts and involve employment in upstream industries (suppliers) that depend upon activities at TRI. Induced impacts are generated from spending by the direct/indirect employees and businesses.

The economic footprint of TRI also includes contributions to government revenue at the federal, state, and local levels. Taxes associated with the direct, indirect, and induced employment and business activities associated with ongoing airport operations, airport capital improvements, and visitor spending facilitated by the airport are estimated at nearly $42 million in 2024. To further break down these government revenues, airport operations is associated with 43%, capital improvements generated 4%, and the largest share of taxes, 53%, is linked to visitor spending facilitated by TRI.

Approximately 44% ($18 million) of the total tax impact specifically supports state and local government activity within Tennessee.

Figure E-2: Tax Impact of TRI, 2024 (Millions)

	Impact	Federal	State	Local	Total
Airport Operations	Direct	$6.9	$3.0	$1.4	$11.3
	Indirect	$1.7	$0.7	$0.3	$2.7
	Induced	$2.2	$1.3	$0.6	$4.1
	Subtotal	**$10.9**	**$5.0**	**$2.2**	**$18.1**
Capital Improvements	Direct	$0.8	$0.1	$0.0	$0.9
	Indirect	$0.2	$0.1	$0.1	$0.4
	Induced	$0.3	$0.2	$0.1	$0.5
	Subtotal	**$1.3**	**$0.3**	**$0.1**	**$1.8**
Visitor Spending	Direct	$6.9	$5.3	$2.3	$14.5
	Indirect	$2.4	$0.9	$0.4	$3.7
	Induced	$2.3	$1.3	$0.6	$4.1
	Subtotal	**$11.6**	**$7.5**	**$3.2**	**$22.3**
Consolidated	Direct	$14.6	$8.3	$3.7	$26.7
	Indirect	$4.4	$1.6	$0.7	$6.8
	Induced	$4.8	$2.8	$1.2	$8.7
	Total	**$23.8**	**$12.8**	**$5.6**	**$42.2**

Note: Figures shown are rounded to the nearest thousand. Figures may not sum to totals due to rounding.

Contents

1 Introduction

The Tri-Cities Airport Authority (TCAA) engaged Inter*VISTAS* Consulting Inc. (Inter*VISTAS*) to conduct an economic impact study for the year 2024. This study provides the latest snapshot of the airport's annual economic contribution to the state of Tennessee, accounting for the fact that TRI has experienced notable growth in its tenant operations and aviation activity in recent years: as of 2024, there are 24 different onsite businesses and organizations based at TRI, and total air traffic movements grew to nearly 53,000.[2]

Airports play a critical role within the economy by facilitating the movement of people, goods, and services throughout the nation. Tourism, investment, the trade of goods and services, and productivity gains are all facilitated by the aviation industry and therefore encourage economic development in local communities. Thus, the development of aviation operations and related activities supported by TRI has made it a robust economic generator for Northeastern Tennessee and the state as a whole.

1.1 Tri-Cities Area

The Tri-Cities area, a collection of three individual cities in Tennessee which incorporates the city limits of Johnson City, Kingsport, and Bristol, TN, and their corresponding counties in Northeastern TN, is home to almost 600,000 residents.[3] Per the Federal Reserve Bank of St Louis, the unemployment rate for the Johnson, TN statistical area was 3.6% as of August 2025, and the unemployment rate for Kingsport-Bristol, TN metropolitan statistical area was 3.8% as of August 2025.[4] [5] Given these below average unemployment rates, and a diverse canvas of landscapes, communities, and industries, the combined area between Johnson City, Kingsport, and Bristol, TN has grown into a unified bustling marketplace, tied together geographically and economically.

The local economy of the Tri-Cities region is supported by various industries, but primarily driven by the advanced manufacturing industry, due to the presence of the Eastman Chemical Company and the Holston Army Ammunition Plant within Kingsport's industrial parks, as well as the East Tennessee State University, located in Johnson City, which welcomes nearly 14,000 students annually.[6] Other industries of note include auto-sports (due to the proximity to the Bristol Motor Speedway, which attracts thousands of visitors per year with its yearly NASCAR and other organized stock car races).[7] The presence of these businesses in an area adjacent to the I-26 and I-81 allows for other ancillary businesses such as hospitality and food distribution to flourish.

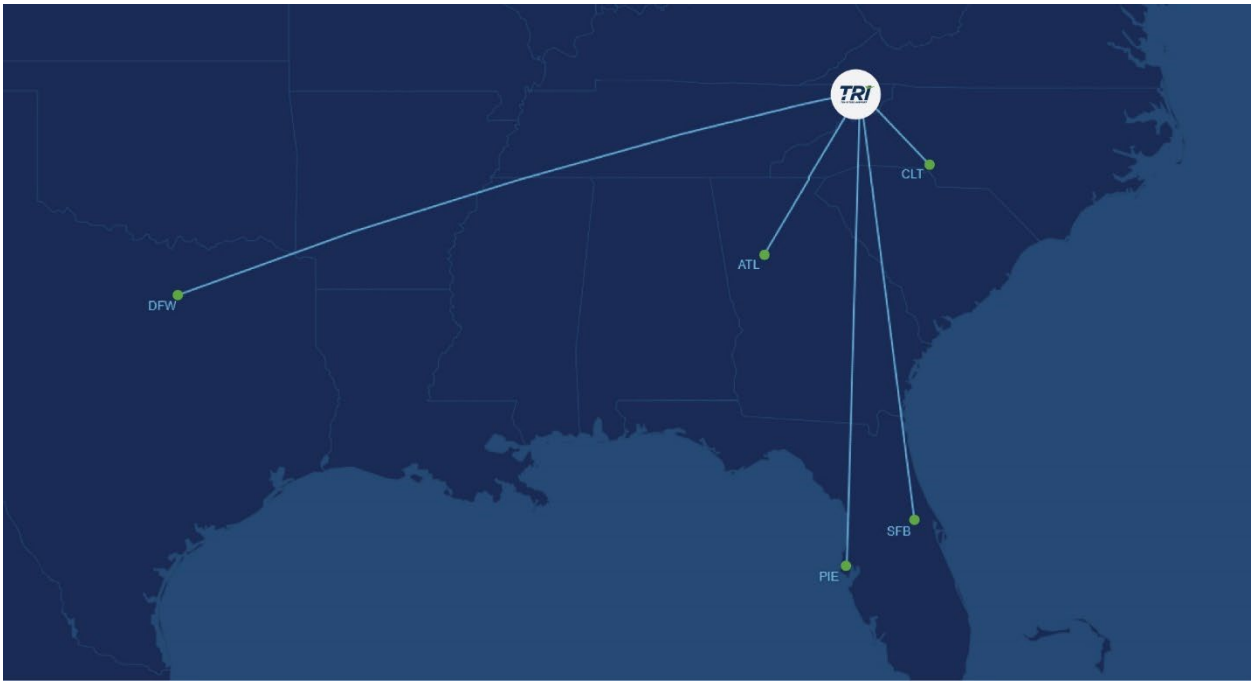
1.2 Tri-Cities Airport

Under the FAA's 2025-2029 National Plan of Integrated Airport Systems (NPIAS), The Tri Cities Airport has been designated as a non-hub commercial airport, the only one in the state of Tennessee.[8] TRI has grown over the years to support a burgeoning passenger air network, serving a range of domestic markets. In 2025, the airport served 5 nonstop destinations – Atlanta (ATL), Charlotte (CLT), Dallas/Fort Worth (DFW), St. Pete-Clearwater (PIE), and Orlando Sanford (SFB) – all of which are year-round. These

[2] Tri-Cities Airport Monthly Airline Activity Report December 2024
[3] Kingsport Economic Developemnt Board. https://www.kingsportecondev.org/
[4] Federal Reserve Bank of St. Louis 2025 TNJOHN1URN
[5] Federal Reserve Bank of St. Louis 2025 KING747URN
[6] East Tennessee State University. https://www.etsu.edu/ehome/
[7] Bristol Tennessee-Virginia Chamber of Commerce
[8] FAA NPIAS 2025-2029

solely domestic routes provide connectivity across the Mid and Southern Atlantic portions of the United States and to destinations worldwide via connections. These routes are illustrated below in **Figure 1-1**.

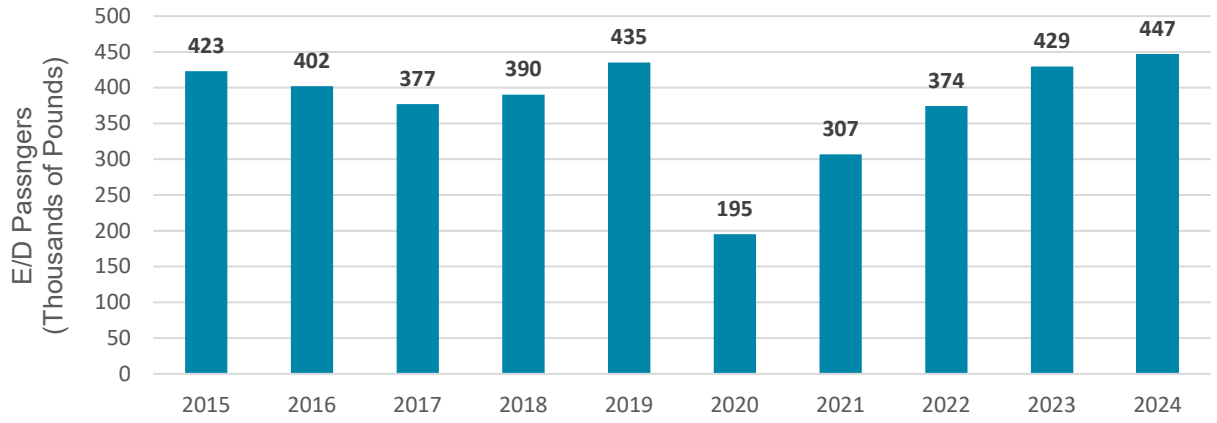
Figure 1-1: Domestic Nonstop Routes from TRI, 2024



Source: Cirium Diio Mi.

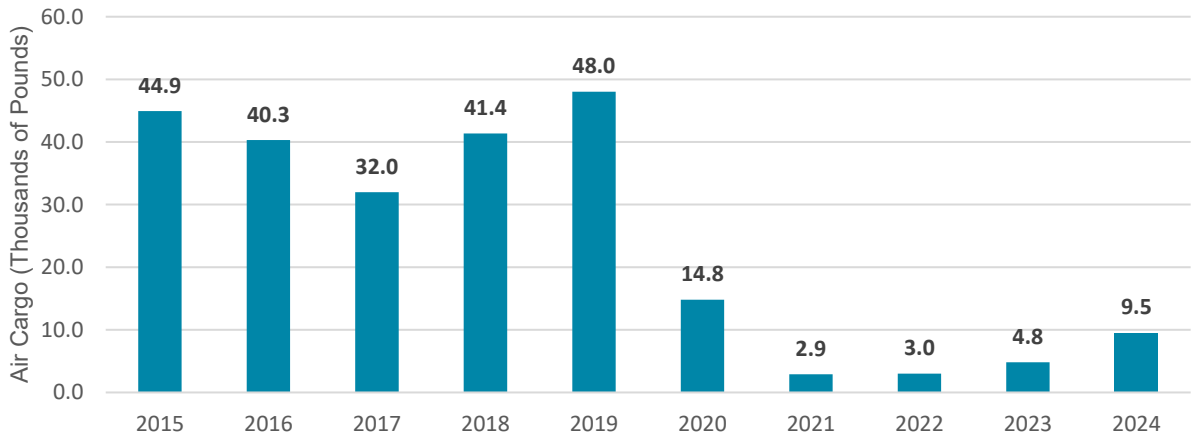
After having bounced back from slowed passenger growth in 2020 due to the pandemic, TRI saw a return in passenger activity with considerable growth in enplaned and deplaned passengers for the ensuing three calendar years. While passenger growth has rebounded from the pandemic, cargo has not, as 2024 levels of cargo processing were down by approximately 5,300 pounds from 2020.

Figure 1-2: Commercial Enplaned/Deplaned Passengers at TRI, 2015-2024



Source: Tri-Cities Airport Authority (TCAA) and U.S. DOT T100 Dynamic Table Report.

Figure 1-3: Enplaned/Deplaned Air Cargo at TRI, 2015-2024

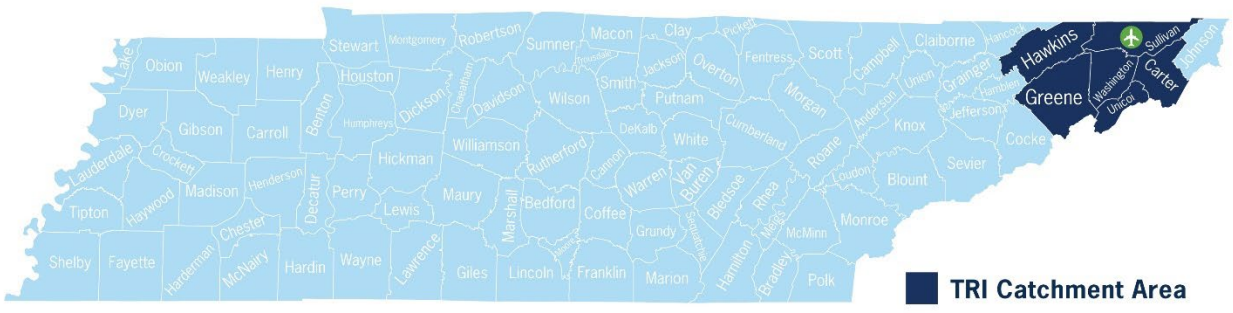


Source: U.S. DOT T-100 via Cirium Diio.

1.2.1 Core Catchment Area

Tri-Cities Airport is based in Sullivan County, with a large share of its market contained within the core economic and population centres which comprise the Tri-Cities area. However, as the 5th largest commercial passenger airport in state, its overall catchment area more broadly includes large portions of Northeastern Tennessee as outlined in **Figure 1-4**.[9] Tri-Cities Airport is a non-hub serving demand beyond Tennessee, in particular extending into Southwestern Virginia and Western North Carolina, reaching communities such as Abingdon, VA, and Boone, NC, though this study only observes TRI's economic impact within the state of Tennessee.

Figure 1-4: TRI Tennessee Catchment Area



Source: Tri-Cities Airport Authority (TCAA)

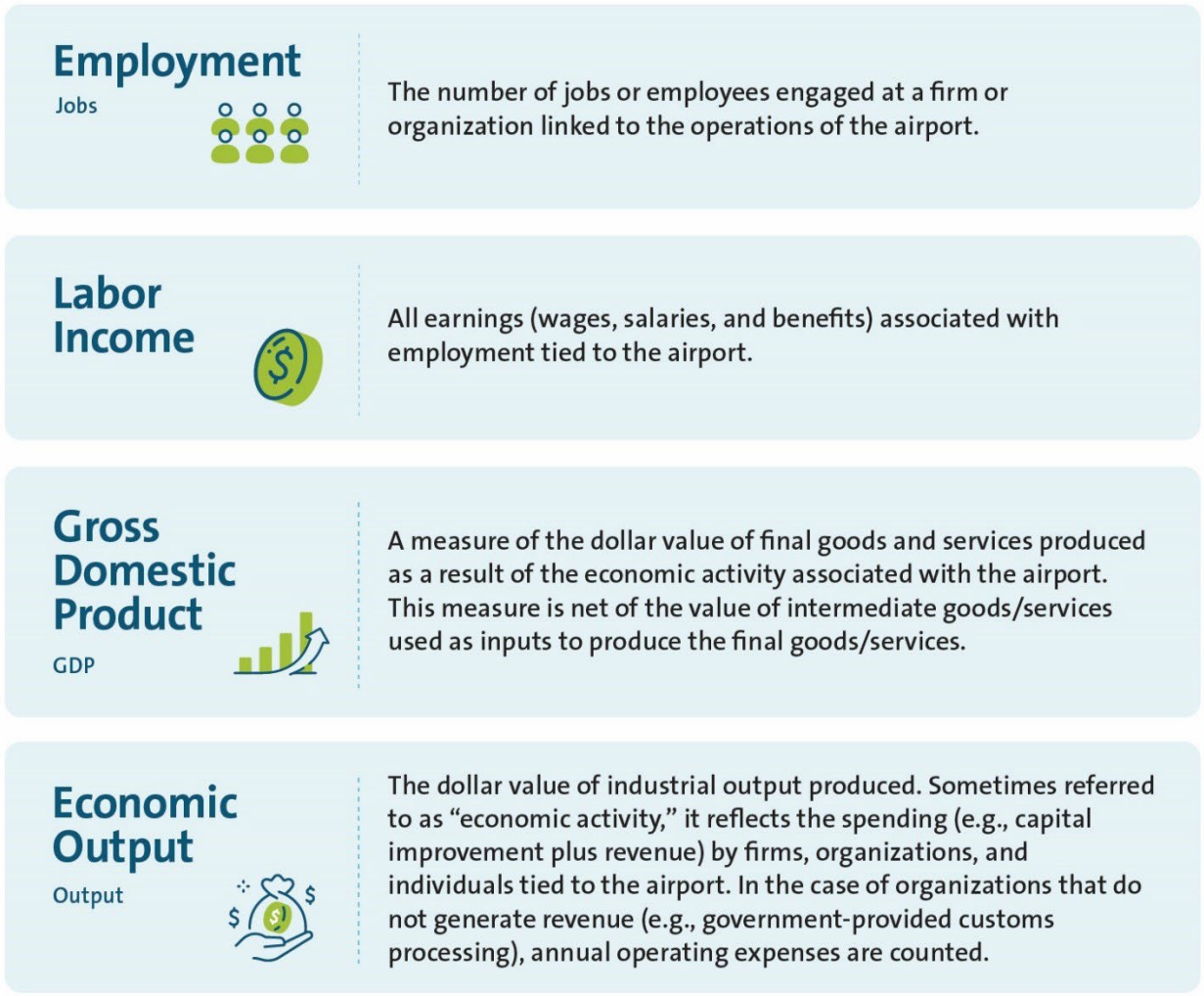
[9] FAA NPIAS 2025-2029

1.3 Overview of Economic Impact

Economic impact is a measure of the spending and employment associated with a sector of the economy, a specific project (e.g. the construction of a new facility), or a change in government policy or regulation. This study focuses on the employment and spending associated with Tri-Cities Airport.

Economic impact is commonly measured using several metrics including employment, labor income, Gross Domestic Product (GDP), and economic output, all of which are defined in Fig**ure 1-5**. These measures help express the gross level of economic activity being generated by the airport. The economic benefits of the airport are highlighted by both the employment and income supported by the airport as well as the impacts on the broader economy through the production of GDP and economic output.

Figure 1-5: Measures of Economic Impact



1.4 How Airports Generate Economic Impacts

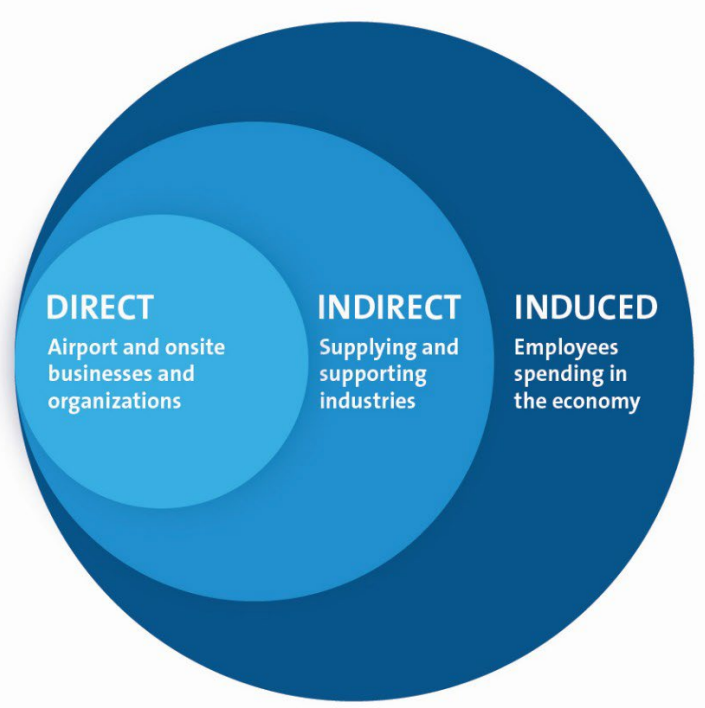
This study measures three main ways in which Tri-Cities Airport generates or facilitates economic impact – ongoing airport operations, airport capital improvement projects, and visitor spending.

- **Airport Operations** include aviation and all related activities associated with running the airport and onsite businesses by airport tenants.
- **Airport Capital Improvement** includes the construction activity associated with infrastructure improvements made at the airport. Capital improvements at TRI are considered separately from regular airport operations as they generate one-time economic impacts and can vary over time and on a project-by-project basis.
- **Visitor Spending** accounts for the tourism-related economic impacts facilitated by the airport by way of helping to bring non-local visitor traffic into the region to spend money on local businesses (namely food, accommodations, ground transportation, entertainment, and retail).

1.5 Categories of Economic Impact

The three major levels of economic impact are classified as *direct*, *indirect*, and *induced* impacts. Airport operations, airport capital improvements, and visitor spending each generate their own set of these impacts. Combined, these classifications constitute the total economic impact of the Tri-Cities Airport. Each level of economic impact requires different tools of analysis. The direct, indirect, and induced employment, labor income, GDP, and output generated or facilitated by the airport are examined to produce a snapshot of the airport's economic footprint.

Figure 1-6:
Categories of Economic Impact Generated and Facilitated by Tri-Cities Airport



Direct Impact

Direct impacts account for the economic activity of the target sector itself. In the case of airport operations, the direct impacts cover the employment, labor income, GDP, and economic output that can be attributed to the operation and management of the airport, including all onsite businesses as well as any offsite activities that are directly involved in running the airport. In terms of direct employment impacts, this would include all personnel working at TRI including airport management staff, employees of the fixed-base operator (FBO), private and corporate flight crews, aircraft maintenance and avionics technicians, flight instructors, medevac staff, etc.

Direct employment impacts of airport capital improvements would include construction workers, contractors, engineers, and anyone else directly involved in an airport construction project.

Direct employment impacts of visitor spending would include a portion of employees at hotels, restaurants, shops, and other hospitality businesses throughout North Tennessee where visitors arriving via TRI spend their money. Without expenditures by these visitors, there would be relatively fewer employees needed at these businesses.

Indirect Impact

Indirect impacts occur as a result of the direct impacts. This involves employment, labor income, GDP, and economic output generated by *supplier industries* that support airport operations, airport capital improvements, and the tourism-related businesses serving visitor traffic. In the case of airport operations specifically, the indirect impacts are generated in industries that supply or provide goods and services to the aviation industry. This could include oil refineries for jet fuel, parts suppliers for aircraft maintenance, accounting and legal service providers for airport tenants, etc.

Indirect impacts also stem from the direct impacts associated with capital improvements and visitor spending including, for instance, suppliers that sell tools used for the construction of capital improvements at the airport, or food wholesalers to restaurants where out-of-state visitors spend their money.[10]

Induced Impact

Induced impacts are created by the spending of wages, salaries, and profits earned from the direct and indirect economic activities. They capture the economic activity generated by the employees of firms directly or indirectly connected to TRI spending their wages in the general economy. For example, if an aircraft maintenance engineer working at TRI – or a construction worker involved in the runway extension project, or a manager at a hotel serving visitors from TRI – spends his/her wages on groceries, restaurants, childcare, dental services, home renovations, and other items, this spending in turn generates employment in a wide range of sectors throughout the general economy. Induced impact is often called the “household spending effect”.

Total Impact

Total impacts are the sum of the direct, indirect, and induced impacts collectively associated with ongoing airport operations, capital improvements, and visitor spending.

[10] The indirect impacts of aviation can include some impacts associated with the hospitality industry. Similarly, the indirect impacts of tourism accounts can include aviation. Adjustments have been made to mitigate any double-counting in the overall economic impacts of airport operations and visitor spending.

2 Methodology

This chapter summarizes the methodology and sources used to estimate the economic impact of Tri-Cities Airport.

2.1 Data Collection and Assumptions

Economic impact analysis is built upon a foundation of reliable data related to the direct economic activity being measured. The core inputs related to this direct economic activity were collected through two surveys detailed below:

Airport Employment Survey

An employment survey was administered to all employers operating at Tri-Cities Airport, as part of the first step in analysis. The data gathered from this survey would support more robust economic analysis (as jobs are easier understood and reported than financial figures) and reduce the risk of double-counting. This survey collected information on the workforce engaged directly in airport operations and was used to categorize direct airport employment by business type. The survey covered the following information for all airport tenants and the airport authority:

- Type of business/activity
- Employee headcounts and working hours
- Payroll and average wages
- Proportion of revenue or activity involved in different aspects of airport operations, such as commercial service versus general aviation

18 tenants involved in airport operations were asked to complete the employment survey. Of these, 16 provided a response. Respondents included the largest employers at the airport, with the surveyed data ultimately accounting for 68% of the overall direct job estimates related to airport operations. Employment for non-respondents was inferred based on a cross-check of several available sources including badge count data by firm provided by TCAA, the average number of employees (excluding outliers) reported by respondents in similar businesses, and publicly available information.

Visitor Intercept Survey

The impacts of visitor spending were assessed though a visitor intercept survey administered from August 4 to August 8, 2025, overall, nearly 229 of parties were surveyed. This survey provided estimates of visitor profiles travelling through TRI. The survey covered the following information:

- Departing Flight information
- Place of residence
- Purpose of trip, party size, length of stay, accounting for movement within the state.
- In state spending on accommodation, transportation, retail, food and beverage, entertainment and other activities

General Aviation Survey

TRI's fixed base operators (FBOs) and air taxi operators provided data on general aviation (GA) activity at TRI, with a particular focus on transient (non-local) traffic information to help estimate the number of GA visitors. Respondents provided detailed aviation activity data including estimates on the share of itinerant traffic attributable to non-local visitors, average passengers per transient aircraft arrival, as well as GA visitor characteristics such as average trip length and purpose.

Supplementary Data and Analysis

Additional data related to airport activity were provided by TCAA, along with supporting information compiled by the project team from sources such as the U.S. Department of Transportation (US DOT), the Federal Aviation Administration (FAA), Sabre Global Demand Database, and federal and local tourism agencies. This data was used to estimate certain aspects of direct activity such as the following:

- **Ground Transportation Employment** – in addition to onsite tenants providing car rentals, vehicle parking, and shuttle services, the airport is supported by a large network of taxis, transportation network companies (e.g. Uber, Lyft), and other drivers who account for a large share of paid trips to and from TRI. TCAA provided detailed ground transportation trip statistics by commercial operators which were used to estimate driver hours and the overall employment associated with for-hire ground transport serving the airport.
- **Airport Capital Expenditures** – TCAA provided historical and planned expenses related to its capital improvement program for TRI, including annual expenditures and the estimated proportion which was spent within the state of Tennessee.
- **Commercial Service Visitor Traffic** – the annual number of commercial service visitors flying into TRI was developed using the US DOT Origin-Destination (O&D) and Sabre O&D databases to specify the proportion of TRI's commercial passengers attributable to non-connecting, inbound (i.e. visitor) traffic.
- **Average Expenditure by GA Visitor** – Because the inherent nature of general aviation activity presents challenges to directly surveying these types of travelers, average visitor spend rates were instead modelled using public local data on key categories of expenditure (e.g. hotel Average Daily Rates (ADRs), ground transport rates, etc.) and corroborated with broader data on tourism in the Tri-Cities Area. Key information sources include the federal General Services Agency (GSA) local per diem data for the Tri-Cities, local ground transport rates, Tri-Cities hospitality benchmarks by travel industry sources, and tourism statistics by the Tri-Cities destination marketing organization, Visit Tri-Cities. The average trip spend uses these inputs in conjunction with the average trip length and trip type reported by the FBOs as previously described in the general aviation survey.

2.2 Estimating Multiplier Impacts

Using the data and assumptions described in the preceding section as direct inputs – i.e. direct airport employment, airport capital expenditures, and visitor expenditures – the IMPLAN model was then applied to estimate the other associated economic impacts. The IMPLAN model estimated the multiplier (indirect and induced) impacts, as well as certain direct economic impacts which were not explicitly measured by the project team such as GDP and economic output.

The IMPLAN model is an industry-recognized economic model which is used to identify interrelationships in a regional economy and estimate the impacts of changes on that economy. The IMPLAN model is developed from hundreds of data sources, most notably the Bureau of Economic Analysis's (BEA)

Benchmark I-O tables, the Bureau of Labor Statistics (BLS) Quarterly Census of Earnings and Wages, the Census Bureau, and the U.S. Department of Agriculture.

The economic multipliers used in this study were based on the 2022 Input-Output (I-O) multipliers maintained by IMPLAN for each county in the State of Tennessee, which are the most current and relevant I-O multipliers available at the time of the study. The economic ratios and multipliers have been updated to reflect 2024 price levels, but no structural changes in the economy have been assumed.

IMPLAN's Multi-Regional Input-Output (MRIO) analysis was used to model the total impacts throughout the State of Tennessee. The MRIO method first estimates the indirect and induced impacts occurring within the airport's catchment area, then estimates the indirect and induced impacts occurring outside the catchment area but throughout the rest of the state. This is IMPLAN's recommended approach for calculating total statewide impacts, instead of using broader aggregated data such as state-level average multipliers.

2.3 Estimating Tax Impacts

A related part of the economic impact associated with TRI includes the volume of tax revenues generated for federal, state, and local governments. Direct employment impacts involve tax revenue to public treasuries, and there are other taxes levied locally and by the state. The supply chain also contributes to government revenues, as does employment supported via the ripple effects of indirect and induced economic activity.

The IMPLAN model was used to estimate the tax revenues associated with airport operations, airport capital improvements, and visitor spending.[11] The tax impacts include revenues going to the federal as well as state and local governments and are representative of all estimated tax revenues generated by direct, indirect, and induced employment and business activity. The estimates developed by IMPLAN were supplemented and adjusted with any tax information directly reported by the airport.

2.4 Note on Rounding and Dollar Figures

The findings of this study are presented throughout the report in rounded figures, as economic impact figures are estimates and not the result of a detailed audit or accounting exercise. All dollar figures throughout the report are expressed in 2024 dollars unless otherwise noted.

[11] IMPLAN makes use of regional averages per industry to estimate tax impacts.

3 Economic Impact of Airport Operations

This chapter describes the direct, indirect, induced, and total impacts of the ongoing operations of TRI. The additional impacts associated with capital improvements at the airport as well as visitor spending are discussed separately in the subsequent chapters.

3.1 Direct Impacts of Airport Operations

The direct impacts are those attributed to employment located on airport property or otherwise directly involved in airport operations. The direct employment of TRI's ongoing operations is the sum of airport staff and all airport tenants' employees, as collected and reported by TRI management.[12]

Using the direct employment figures as inputs, the direct labor income,[13] GDP, and economic output impacts were then estimated using the IMPLAN model.

Direct Impacts of Airport Operations

Through its ongoing operations, TRI contributes directly to employment and the regional economy. It also acts as an economic catalyst, facilitating the growth of regional businesses and communities. Every flight and every aircraft serviced at TRI generates employment hours related to handling the aircraft and any accompanying passengers. This employment includes flight crew and flight instructors, airport management and FBO staff, air traffic controllers, aircraft maintenance and avionics technicians, medevac personnel, and any support staff for activities located at the airport.

Figure 3-1 summarizes the direct impacts of ongoing operations at TRI in 2024. Altogether, ongoing airport operations directly supported 390 jobs that paid $33 million in earnings, providing an average income of about $84,600 per job. This compares to the average annual Tennessee state wage of $66,500 and the national average of $73,200 in 2024.[14] In addition to employment and wages, the airport directly contributed $39 million in GDP and $70 million in economic output in 2024.

Figure 3-1: Direct Impacts of TRI Airport Operations, 2024

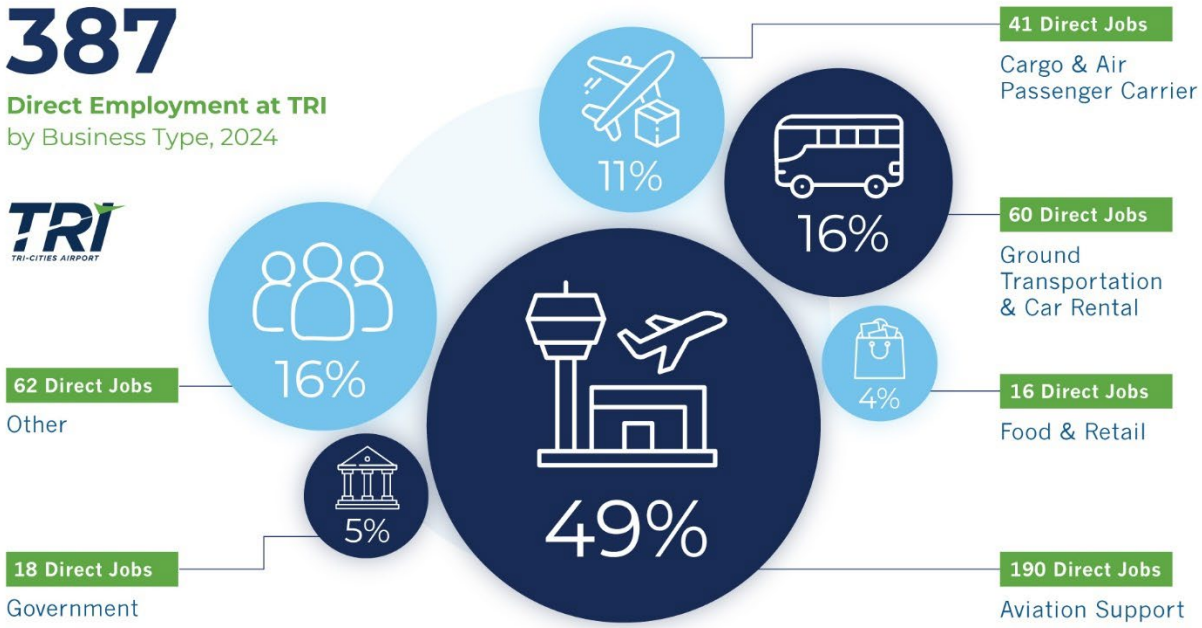
Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Direct	390	$33	$39	$70

[12] All employment figures in this report are measured in jobs or headcount.
[13] TRI businesses reported payroll which was used as an input for direct labor income.
[14] U.S. Bureau of Economic Analysis, "SAINC1 State annual personal income summary: personal income, population, per capita personal income" (national and statewide data for 2024).

Direct Employment by Business Type at TRI

Shown below in **Figure 3-2** is a breakdown of direct jobs by business type at TRI. Employees working at businesses that support aviation operations at the airport comprise the largest share of workers at TRI, with other key firm types including those involved in ground transport and cargo or air carriers.

Figure 3-2: Direct Employment at TRI by Business Type



The business categories shown above can be summarized as follows:

- **Aviation Support** includes the employment related to ground handling, aircraft repair and maintenance, airport authority operations, fueling, FBOs, and other airside support functions at TRI. This category accounts for 190 jobs (49% of direct employment).
- **Ground Transportation & Car Rental** includes tenants primarily involved in on-airport car rental operations and for-fire passenger transportation services to and from TRI (such as taxis, limos, and transportation network companies), representing about 60 jobs (16% of direct employment).
- **Cargo & Air Passenger Carrier** includes employment primarily related to commercial airlines but also other cargo at TRI. This category accounts for 41 jobs (11% of direct employment).
- **Government** accounts for employment related to government agencies based at TRI. This category accounts for 18 jobs, or 5% of total onsite employment.
- **Food & Retail** refers to individuals employed at airport concessionaires, therefore including customer service, food preparation, and sales jobs, amounting to 16 jobs (4% of total onsite employment).
- **Other** includes education firms, security, and other personal services at TRI, totaling 62 jobs or 16% of direct employment.

3.2 Indirect and Induced Impacts of Airport Operations

Indirect Impacts of Airport Operations

Indirect effects include the economic undertakings of companies that support direct airport operations. For example, this includes the segment of employment in supplier industries that rely on sales to the air transport sector, such as oil refineries that provide jet fuel.

In 2024, TRI operations supported 120 indirect jobs that paid $8 million in labor income (see **Figure 3-3**). This activity generated $11 million in indirect GDP and $22 million in indirect economic activity.

Figure 3-3: Indirect Impacts of TRI Airport Operations, 2024

Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Indirect	120	$8	$11	$22

Induced Impacts of Airport Operations

Induced impacts are those created by the spending of wages, salaries, and profits earned in direct and indirect economic activities. These are the “ripple effects” or “household spending effects” of successive rounds of spending throughout the broader state economy. Induced employment, for example, is employment generated from the expenditures by individuals employed directly or indirectly from airport operations. Induced effects typically reflect changes in spending from households as income increases or decreases due to the changes in production (in this case, airport operations).

As shown in **Figure 3-4**, TRI operations supported another 160 induced jobs that paid $9 million in earnings. This activity amounted to $17 million in GDP and $28 million in economic activity.

Figure 3-4: Induced Impacts of TRI Airport Operations, 2024

Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Induced	160	$9	$17	$28

3.3 Total Economic Impact of Ongoing Airport Operations

As shown below in **Figure 3-5**, airport operations at TRI supported over 670 jobs and $50 million in wages in 2024, including multiplier (indirect and induced) effects. When considering multiplier impacts, operations at the airport also contributed over $68 million in total GDP and $121 million in total economic output for the state.

Figure 3-5: Total Economic Impact of TRI Airport Operations, 2024

Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Direct	390	$33	$39	$70
Indirect	120	$8	$11	$22
Induced	160	$9	$17	$28
Total	**670**	**$50**	**$68**	**$121**

Note: Figures may not sum to totals due to rounding.

4 Economic Impact of One-Time Airport Capital Improvements

4.1 Capital Improvements in 2024

Annual capital investments at TRI reflect major infrastructure developments needed to keep the airport functional as well as to accommodate anticipated future growth in activity at the airport. Each capital improvement project generates additional economic impacts beyond regular daily airport operations as previously described.

Over the past four years, TRI reported nearly $38 million on capital expenditures, of which an estimated $35 million (92%) related to in-state expenditures generating economic impacts within Tennessee. This spending includes investments in numerous building upgrades and the airport runway. The demolition and replacement of the terminal roof, as well as the roof and escalator in the passenger concourse area, was completed in 2023 and altogether costed roughly $3.5 million. Various ongoing projects, reported to cost approximately $7.1 million, include the rehabilitation of taxiways A and B1 as well as energy improvements to the terminal and apron. In addition, TRI invested in an airport master plan to be completed in 2026, which would "provide a 20-year development program that will create a safe, efficient, economical, and environmentally responsible airport facility"; the plan involved public involvement throughout 2025, and was supported in part by FAA grants.[15] These projects amount to a four-year annual average of $8 million in capital expenditures, and a 2024 total of almost $11 million.

As shown in **Figure 4-1**, capital spending in 2024 alone supported 60 direct jobs that generated $4 million in direct earnings as well as $4 in direct GDP and $8 million in direct economic output. Including multiplier effects, the average annual capital spending at TRI supported a total of 90 jobs earning $6 million in wages, with a total contribution of $8 million in GDP and over $15 million in economic output.

Figure 4-1: Total Economic Impact of TRI Capital Improvements, 2024

Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Direct	60	$4	$4	$8
Indirect	10	$1	$2	$3
Induced	20	$1	$2	$3
Total	**90**	**$6**	**$8**	**$15**

Note: Figures may not sum to totals due to rounding.

[15] Tri-Cities Airport Master Plan. https://flytri.com/business/airport-master-plan/

5 Economic Impact of Visitor Spending

5.1 Visitor Spending

Another related economic impact that arises from the airport's operations flows from visitors to a region who arrive and depart via the airport rather than by other means (e.g., auto). The hospitality industry in particular benefits greatly from these visitors, who spend money on lodging, meals, entertainment, car rentals, and retail. The economic impacts associated with visitor spending include a distinct set of direct, indirect, and induced impacts which are separately identified in this report, with careful attention paid to ensure that the economic impacts associated with the hospitality industry do not overlap with the economic impacts of airport operations.

Air Visitor Profile

It is estimated that there were nearly 91,000 visitors who arrived in Tennessee via commercial flights at TRI, accounting for nearly 70% of all commercial enplanements at TRI in 2024. In addition, approximately 40,000 visitors flew into TRI on general aviation (GA) flights in 2024, accounting for a smaller share of overall air visitors given the fact that GA operations generally use smaller aircraft than scheduled commercial service. Visitors arriving on commercial versus GA service often exhibit different trip characteristics and spending profiles, as summarized in **Figure 5-1** below.[16] On average, GA visitors tend to travel more often for business purposes relative to commercial passengers, and while they have a higher propensity to spend, they generally have much shorter trip lengths overall, as illustrated by the lower per-visitor spend but higher per-night spend from GA visitors.

In total, expenditures in Tennessee by visitors arriving via TRI amounted to just over $96 million in 2024, with $85 million in visitor spending attributable to visitors utilizing commercial air service, and approximately $10 million generated by general aviation visitors. Commercial visitors are estimated to have spent $205 per night, and GA visitors spend roughly $263 per night.

Figure 5-1: TRI Air Visitor Profile, 2024

Air Service	Number of Visitors	Trip Purpose	Avg. Person-Trip (Nights)	Avg. Per Visitor Spend (Trip Total)	Avg. Per Visitor Spend (per Night)	Total Expenditures (Millions)
Commercial	91,000	30% Business / 70% Personal	4.6	$956	$205	$85
General Aviation	40,000	68% Business / 32% Personal	1.0	$263	$263	$10
TOTAL	***130,000***					***$96***

Source: Inter*VISTAS* surveys and analysis.

[16] Refer to **Section 2.1** for details on how visitor traffic and expenditures were estimated.

Visitor Expenditure Impacts

The economic impact of non-local visitors who arrived via TRI are summarized below in **Figure 5-2**. In 2024, these air visitors supported 980 direct jobs that paid $30 million in wages, further generating $52 million in direct GDP and $91 million in direct output. Including the indirect and induced impacts, visitor spending supported a total of 1,330 jobs paying $50 million, along with $85 million in total GDP and $153 million in total output. Without the volume of air visitor traffic facilitated by TRI, the demand for tourism and hospitality in Northeastern Tennessee would be smaller and the size of the tourism and hospitality industry, including the number of jobs and economic activity it generates, would in turn be smaller as well.

Figure 5-2: Economic Impact of Visitor Spending Facilitated by TRI, 2024

Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Direct	980	$30	$52	$91
Indirect	190	$11	$16	$34
Induced	160	$9	$17	$28
Total	**1,330**	**$50**	**$85**	**$153**

Note: Dollar figures expressed in 2024 dollars. Totals may not sum due to rounding.

6 Consolidated Economic Impact of TRI

The total economic impact of TRI incorporates the impacts associated with ongoing airport operations, capital improvement projects at the airport, and spending from visitors who fly into the area via TRI. They include the impacts linked directly to each of these components, as well as the associated supplier industry effects (indirect impacts) and the resulting household spending effects (induced impacts).

6.1 Summary of 2024 Economic Impact

In 2024, the overall economic impact of TRI's combined airport operations, capital investments, and visitor spending supported 2,100 total jobs that paid $107 million, as well as a total GDP contribution of roughly $161 million and $289 million in total economic output. These figures are shown below in further detail in **Figure 6-1**.

Figure 6-1: Consolidated Economic Impact of TRI, 2024

	Impact	Employment (Jobs)	Labor Income ($ Millions)	GDP ($ Millions)	Output ($ Millions)
Airport Operations	Direct	390	$33	$39	$70
	Indirect	120	$8	$11	$22
	Induced	160	$9	$17	$28
	Total	**670**	**$50**	**$68**	**$121**
Capital Improvements	Direct	60	$4	$4	$8
	Indirect	10	$1	$2	$3
	Induced	20	$1	$2	$3
	Total	**90**	**$6**	**$8**	**$15**
Visitor Spending	Direct	980	$30	$52	$91
	Indirect	190	$11	$16	$34
	Induced	160	$9	$17	$28
	Total	**1,330**	**$50**	**$85**	**$153**
Consolidated	Direct	1,430	$67	$95	$170
	Indirect	320	$20	$29	$60
	Induced	340	$20	$37	$60
	Total	**2,100**	**$107**	**$161**	**$289**

Note: Figures may not sum to totals due to rounding.

7 Tax Impacts

7.1 Tax Impacts

A related part of Tri-Cities Airport's economic impact includes the significant amount of tax revenue generated for federal, state, and local governments. Direct employment impacts involve millions of dollars of tax revenue to public treasuries, and there are other taxes levied locally and by the State of Tennessee. The supply chain also contributes to government revenues, as does employment supported via the ripple effects of indirect and induced economic activity.

Tax revenue contributions include the following categories based on the IMPLAN model:

Federal Taxes

- **Personal Taxes.** This category contains the personal income tax impacts generated by households linked to TRI and payable at the federal level.
- **Other Taxes and Fees.** This category includes corporate profits taxes and other business-paid taxes on production and imports, net of subsidies, such as excise and customs taxes. In addition, this category includes employee and employer contributions to federal social insurance taxes.

State and Local Taxes

- **Property Taxes.** This category contains all property taxes paid by either households or businesses.
- **Sales Taxes.** This category contains all state and local sales taxes.
- **Other Personal Taxes.** Excluding property taxes (noted separately above), this category contains other taxes and fees paid by households at the state and local level. Given that Tennessee does not have a state income tax, this category includes relatively minor amounts related to motor vehicle licensing fees, fishing and hunting licensing fees, and other applicable taxes.
- **Other Taxes and Fees.** Excluding property and sales taxes (noted separately above), this category includes other business-paid taxes on productions and imports, net of subsidies, at the state and local levels including motor vehicle licensing fees, severance taxes, as well as other taxes and special assessments. In addition, this category includes employee and employer contributions to state social insurance taxes.

Figure 7-1 details how TRI's activity translates into fiscal contributions at multiple levels of government. In 2024, the airport's operational footprint, together with capital projects and spending by visitors, produced more than $42 million in combined direct, indirect, and induced tax impacts. A little over half of this total, about 56%, accrued to the federal government. State revenues accounted for roughly 30%, driven largely by Tennessee's sales tax structure, while the remaining 13% flowed to local jurisdictions.

InterVISTAS

Figure 7-1: TRI Tax Impacts, 2024

Source	Impact	Federal			State				Local					TOTAL
		Personal Taxes	Other Taxes/Fees	Total Federal	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total State	Property Taxes	Sales Taxes	Other Personal Taxes	Other Taxes/Fees	Total Local	TOTAL TAX
Airport Operations	Direct	$3,155,000	$3,757,000	$6,913,000	$2,615,000	$28,000	$369,000	$3,012,000	$915,000	$412,000	< $1,000	$33,000	$1,360,000	$11,285,000
	Indirect	$717,000	$1,029,000	$1,747,000	$538,000	$7,000	$117,000	$661,000	$195,000	$86,000	< $1,000	$9,000	$290,000	$2,698,000
	Induced	$837,000	$1,410,000	$2,248,000	$1,044,000	$8,000	$258,000	$1,310,000	$374,000	$166,000	< $1,000	$15,000	$555,000	$4,113,000
	Subtotal	**$4,710,000**	**$6,197,000**	**$10,907,000**	**$4,197,000**	**$42,000**	**$745,000**	**$4,984,000**	**$1,484,000**	**$664,000**	**< $1,000**	**$57,000**	**$2,205,000**	**$18,096,000**
Capital Improvements	Direct	$397,000	$421,000	$818,000	$42,000	$3,000	$7,000	$52,000	$15,000	$7,000	< $1,000	$1,000	$22,000	$892,000
	Indirect	$78,000	$134,000	$212,000	$104,000	$1,000	$23,000	$128,000	$38,000	$17,000	< $1,000	$2,000	$56,000	$396,000
	Induced	$102,000	$172,000	$274,000	$127,000	$1,000	$32,000	$159,000	$46,000	$20,000	< $1,000	$2,000	$68,000	$501,000
	Subtotal	**$577,000**	**$727,000**	**$1,304,000**	**$273,000**	**$5,000**	**$62,000**	**$340,000**	**$98,000**	**$43,000**	**< $1,000**	**$4,000**	**$146,000**	**$1,790,000**
Visitor Spending	Direct	$2,971,000	$3,924,000	$6,895,000	$4,424,000	$26,000	$829,000	$5,279,000	$1,547,000	$698,000	< $1,000	$55,000	$2,300,000	$14,474,000
	Indirect	$968,000	$1,475,000	$2,442,000	$671,000	$9,000	$178,000	$858,000	$242,000	$107,000	< $1,000	$10,000	$359,000	$3,660,000
	Induced	$841,000	$1,417,000	$2,258,000	$1,047,000	$8,000	$260,000	$1,315,000	$375,000	$167,000	< $1,000	$16,000	$558,000	$4,131,000
	Subtotal	**$4,780,000**	**$6,816,000**	**$11,596,000**	**$6,143,000**	**$42,000**	**$1,267,000**	**$7,452,000**	**$2,165,000**	**$971,000**	**< $1,000**	**$81,000**	**$3,218,000**	**$22,266,000**
Consolidated	Direct	$6,524,000	$8,102,000	$14,626,000	$7,081,000	$57,000	$1,206,000	$8,343,000	$2,477,000	$1,117,000	< $1,000	$88,000	$3,682,000	$26,651,000
	Indirect	$1,763,000	$2,638,000	$4,401,000	$1,314,000	$16,000	$318,000	$1,648,000	$475,000	$210,000	< $1,000	$21,000	$706,000	$6,755,000
	Induced	$1,781,000	$2,999,000	$4,780,000	$2,218,000	$16,000	$550,000	$2,784,000	$795,000	$353,000	< $1,000	$33,000	$1,181,000	$8,745,000
	TOTAL	**$10,067,000**	**$13,740,000**	**$23,807,000**	**$10,612,000**	**$90,000**	**$2,073,000**	**$12,776,000**	**$3,746,000**	**$1,679,000**	**$1,000**	**$142,000**	**$5,569,000**	**$42,151,000**

Note: Figures shown are rounded to the nearest thousand. Figures may not sum to totals due to rounding.

Appendix A: Glossary of Terms

Direct Employment: Direct employment is employment that can be directly attributable to the operations in an industry, firm, etc. It is a literal head count of those people who work in a sector of the economy.

Economic Activity: (also Output, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). Or, more generally, the process of transforming the factors of production into goods and services desired for consumption.

Economic Output: (also Economic Activity, Production) The end product of transforming inputs into goods. The end product does not necessarily have to be a tangible good (for example, knowledge), nor does it have to create utility (for example, pollution). More generally, it is defined as the process of transforming the factors of production into goods and services desired for consumption.

Employment Impact: Employment impact analysis determines the economic impact of employment in terms of jobs created and salaries and wages paid out. In the case of the airport, the direct, indirect, induced and total number of jobs created at the airport is examined to produce a snapshot of airport operations.

Gross Domestic Product: (GDP, also value-added) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and services.

Indirect Employment: Indirect employment is employment which results because of direct employment. For the airport, it would include that portion of employment in supplier industries which are dependent on sales to the air transport sector. In some cases, contract work would be considered indirect employment.

Induced Employment: Induced employment is employment created because of expenditures by direct and indirect employees.

Multiplier Analysis: Analysis using economic multipliers in which indirect and induced economic impacts are quantified. Essentially, a multiplier number is applied to the "directly traceable economic impact" to produce indirect and total effects (see Multiplier.)

Multiplier: Economic multipliers are used to infer indirect and induced effects from a particular sector of the economy. They come in a variety of forms and differ in definition and application. A multiplier is a number which would be multiplied by direct effects in order to calculate indirect or induced effects. In the case of the airport, as in many other cases, multipliers can lead to illusory results, and thus must be used with great care.

Tenant: A firm which pays a lease to a leasing company or to the airport authority directly.

Value-Added: (also GDP) A measure of the money value of final goods and services produced as a result of economic activity in the nation. This measure is net of the value of intermediate goods and services used up to produce the final goods and service.

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