

2025 Georgia AG FORECAST

STRATEGIC INSIGHTS FOR GEORGIA'S #1 INDUSTRY



UNIVERSITY OF GEORGIA
EXTENSION

Agritourism, Hospitality, and Travel 2025

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Main Takeaways

- Georgia's hospitality and tourism industry is the second-largest economic contributor to the state, closely tied to agriculture through the lodging and food sectors.
- In 2023, Georgia's visitor spending reached \$46.3 billion, contributing to a total economic impact of \$79.7 billion, with distinct spending trends in rural and urban areas.
 - Rural: In 2023, June, March, and October showed the highest demand for lodging in rural communities. Rural counties in Georgia showed slight growth in lodging demand and an increase in average daily rate (ADR) to \$107.13 in 2024.
 - Urban: While experiencing softened demand, urban counties maintained stable ADR levels (\$109.49) in 2024.
- State park visitation peaked at 14.2 million visits in 2023, demonstrating the growing appeal of nature-based and rural tourism, though 2024 showed a slight decline.
- Economic pressures such as inflation and changes in consumer behavior have led to a leveling of demand and moderated growth projections for 2025.

Tourism for Rural and Urban Communities

The hospitality and tourism economy is comprised of multiple service sectors, ranging from lodging and restaurants to amusement parks and transportation services. The industry includes a collection of businesses providing travel-related products and services for the public. The Georgia tourism industry is the second-largest economic contributor to the state economy, with the largest being agriculture. Georgia's rural communities and agritourism-related products and services provide our visitors with unique opportunities and increase the state's tourism product offerings.

The lodging and food and beverage sectors are pillars of the industry and are also linked to Georgia's agriculture industry by providing consumers with Georgia agricultural commodities through restaurant and beverage sales. UGA's analysis of the two pillars shows double-digit growth in economic output since 2020—an increase in 2022 of 17% compared to 2021 and 43% compared to 2020. For 2023, the UGA economic output analysis showed that lodging and food and beverage increased 12% over the previous year for the entire state. The [2023 Georgia Annual Comprehensive Financial Report](#) shows a similar pattern for employee income reported by the accommodations and food services sector—2022 incomes increased 23% compared to 2021 and 41% from 2020. This showed that industry economic output increased alongside incomes for those employed in hospitality and tourism over the same period.

The [2023 report on the Georgia travel economy](#), published by the Georgia Department of Economic Development in September, depicted a total visitor spending of \$46.3 billion. The total economic impact of tourism in Georgia was \$79.7 billion. However, 2023 spending trends across rural and urban counties in Georgia highlight distinct economic dynamics.

In rural counties, total expenditures were dominated by lodging (\$1.28 billion) and food and beverage (\$1.07 billion), with transport and retail contributing \$681.9 million and \$656.1 million, respectively. Recreation spending was \$379.1 million. In contrast, urban counties show significant expenditures in transport (\$10.81 billion) and food and beverage (\$6.96 billion), followed closely by lodging (\$6.63 billion). Retail and recreation contributed \$3.99 billion and \$2.97 billion, respectively, reflecting the scale of urban economic activity. For 2023, the growth rate above 2022 revealed that urban counties experienced a higher average growth rate of 5.13%, compared to 3.71% in rural counties.

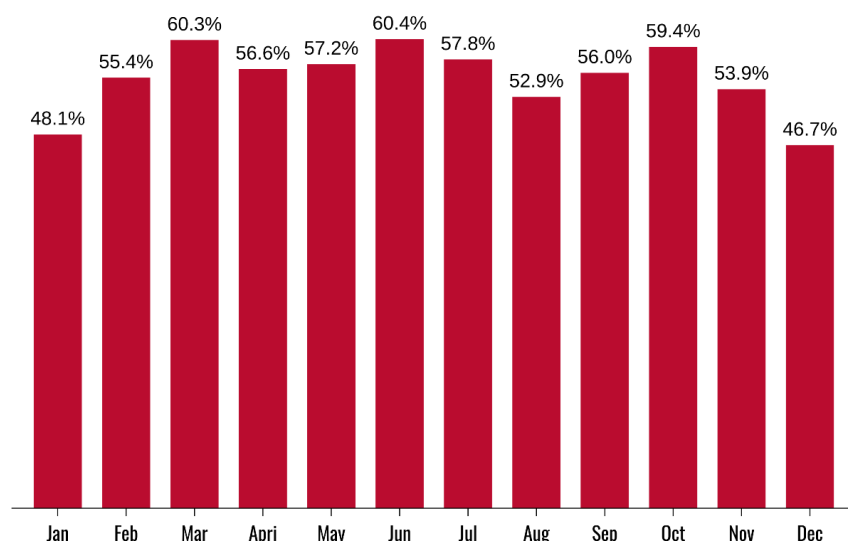
In 2023, Georgia's rural counties directly supported 36,614 jobs and generated \$978.1 million in income, with growth rates of 2.96% for income and 3.06% for state and local taxes. Tax revenues saved per household averaged \$407, emphasizing its role in sustaining local economies. Urban counties contributed 220,819 jobs and \$9.07 billion in income, showing a 25.93% income growth and a 1.51% increase in state and local taxes. Tourism-related tax revenues saved urban households \$400 in 2023.

Lodging Demand for Georgia's Rural and Urban Communities

The economic performance of the state's lodging sector is a central barometer for the overall hospitality and tourism industry. The most recent Georgia [*Annual and Statistical Report*](#) showed consistent increases in state-collected hotel fees for 2022 and 2023, demonstrating increased demand for Georgia lodging. In addition to state and local lodging taxes, Georgia collects a \$5 hotel room fee for each night during a guest's stay. In 2022, the state hotel fees increased 36% to approximately \$189.1 million from the previous year's \$138.9 million. In 2023, state hotel fees collected exceeded \$200 million.

According to data provided by Smith Travel Research and analyzed by UGA, from 2022 to October 2024, lodging trends reveal shifts in hotel occupancy, hotel average daily rate (ADR), and overall room demand for rural and urban counties. However, demand for both rural and urban lodging appeared to level off in 2024. Rural counties experienced a 1.5% decline in room demand from 2022 to 2023, though demand rebounded by 1.1% and improved slightly in 2024. Meanwhile, hotel occupancy for rural areas showed a slight decrease in 2023 but averaged 54.9% through October 2024. Rural ADR increased steadily, reaching \$107.13 in 2024, reflecting stronger pricing strategies and more upscale offerings in rural markets. The bar graph below depicts the average monthly hotel occupancy for Georgia's rural counties. The peak monthly occupancies for 2023 in the rural communities were June (60.4%), March (60.3%), and October (59.4%).

2023 Monthly Average Hotel Occupancy (%) for Rural Communities



Urban counties exhibited a 0.6% increase in overall room demand between 2022 and 2023, but demand softened by 0.7% in 2024. Urban ADR remained stable, averaging \$109.49 in 2024, but occupancy declined to 60.6% during the same period. This softening demand in urban areas could stem from factors such as increased competition from alternative accommodations like short-term rentals and shifting traveler preferences toward less crowded, agritourism, rural, and/or nature-based destinations.

Additionally, economic pressures such as inflation and fluctuating disposable incomes may have influenced consumer travel behavior, particularly in urban areas where costs are higher. Despite these challenges, urban and rural destinations have demonstrated steady pricing power, suggesting resilience in adapting to evolving market conditions in the post-COVID economy.

Visitor Demand for Georgia State Parks

Visitation demand for Georgia state parks reveals the overall interest in nature-based destinations and outdoor recreation activity. Additionally, many parks are located within or adjacent to rural communities. Data reported by the Georgia Department of Natural Resources shows that, between 2020 and 2024, visitation trends across parks, lodges, and historic sites showed signs of recovery, growth, and stabilization. In 2020, total visitation was approximately 11.8 million, reflecting the initial impacts of the COVID-19 pandemic. With the shift toward outdoor recreation, 2021 saw a significant rebound, as visitation surged by 18.6% to over 14

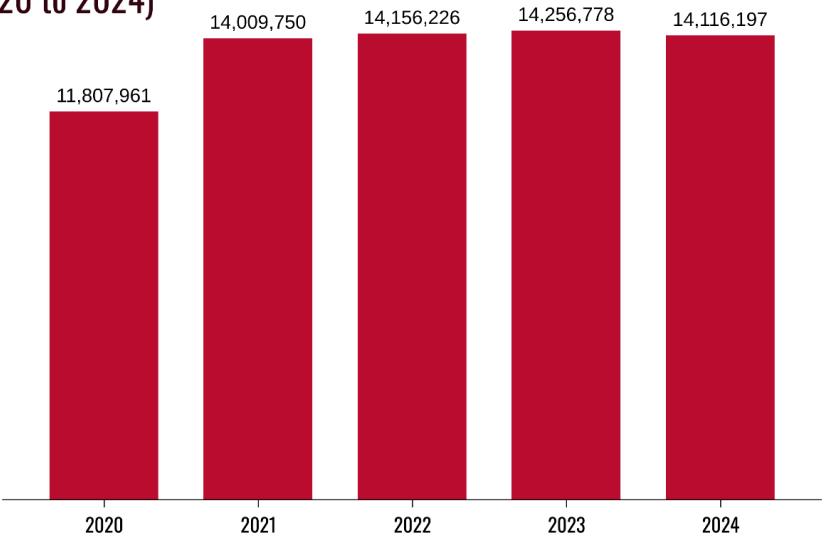
million. This marked a period of renewed interest in nature-based recreation activities and experiences.

Growth continued into 2022 at a slower pace, with visitation increasing by 1.04% to 14.1 million. By 2023, total visitation peaked at 14.2 million, representing a slight 0.71% rise from the previous year. However, in 2024 total visitation declined slightly by 0.99%, to 14.1 million. The year-over-year comparison between 2023 and 2024 highlights a modest decline of approximately 140,581 visits, which could suggest stabilization or a leveling-off after the postpandemic recovery.

The most recent comparison between 2024 and 2023 underscores a shift from an upward trajectory to more of a flattening trend. The following bar graph shows the annual visitation to Georgia state parks from 2020 to 2024.

Annual Visitation to Georgia State Parks

(2020 to 2024)



Hospitality and Tourism Industry Projections for 2025

While the hospitality and tourism industry has rebounded since the pandemic and visitors to Georgia are now exceeding their prepandemic spending, the industry in 2025 faces a cautiously optimistic economic forecast because of global economic pressures, shifting consumer behavior, and evolving market dynamics.

While U.S. hotel revenue is projected to grow modestly, the growth is expected to be tempered by inflation and constrained discretionary spending. This softening was reflected across the 2024 Georgia data and is expected to continue. Because of Georgia's diverse hospitality and tourism offerings, the state trends will reflect the broader U.S. hospitality and travel economy.

Various industry reports provide supporting evidence that leisure travel is easing nationally, particularly among mid- and lower-income segments, as consumers prioritize value. In 2025, emerging destinations offering agritourism and/or nature-based experiences can capitalize on the demand for less crowded experiences, while urban markets may face slower growth.