

IMPACTS OF THE 2025 US GOVERNMENT SHUTDOWN ON TRAVEL

December 2025

Executive Summary

The 43-day US federal government shutdown from October 1 to November 12 (the longest in the nation's history) had a significantly negative impact on travel across multiple channels.

The US Travel Association engaged Tourism Economics to estimate the economic losses associated with the shutdown impact on travel.

The results of our analysis show:

- Total economic losses of \$6.1 billion, representing a significant impact to economic activity due to reduced travel spending, trip delays, and associated economic impacts. These total losses include direct, indirect and induced effects to the broader economy. This represents a daily loss of \$136.8 million.
- Direct trip-related losses of \$2.7 billion, as the shutdown impacts caused a reduction in travel activity. This spending loss is equivalent to a 1.7% reduction in total US travel spending during the shutdown period, a direct loss of \$61.5 million of daily spending.

We find that the shutdown caused a range of impacts, the most significant of which was the impact to government and government-related travel, such as by contractors, but impacts also included disruptions to air travel, travel uncertainty, attraction closures and shocks to confidence and income.

Most of the direct economic losses that we analyzed occurred during the shutdown period, though some trailing effects are also included, such as due to disruptions to trip planning and booking during the shutdown.

Our estimates are based on travel sector data sources, our understanding and models of travel sector activity, and discussions with travel sector operators and stakeholders.

This summarizes our findings and provides further background on our approach.

Background

Observed impacts included:

- **Curtailed government travel** – no travel by furloughed workers and reduced travel for those working without pay. Impacts to contractor travel.
- **Disruptions to air travel** – canceled and delayed trips caused by operational challenges across the air transportation system and a ten-day period of mandatory flight reductions.
- **Travel uncertainty** – concerns over disruptions, accompanied by widespread media coverage, caused travelers to pause travel.
- **Attraction closures** – temporary closures and service reductions at federal-operated attractions such as Smithsonian museums and national parks.
- **Confidence and income effects** – missed paychecks and job insecurity caused many government employees and contractors to pull back on travel and other discretionary purchases.

We quantified losses in terms of lost trips, visitor spending (direct impact), and total economic activity (direct, indirect, and induced business sales) through four channels:

- Government travel (air and ground)
- Air travel (excluding government travel)
- Attraction closures
- Delays and cancellations

Data Sources

Data sources we used included:

- Tourism Economics – US travel statistics by category
- Bureau of Transportation Statistics and the Transportation Security Administration – air passenger data
- National Park Service – national park visitor and spending data
- General Services Administration – federal government travel data
- Trade associations – Airlines for America and American Hotel and Lodging Association
- Kalibri Labs – hotel bookings data

Disruption Channels

We quantified losses through four primary channels:

- **Government travel:** Travel by furloughed federal employees came to a halt, while limited funding curtailed travel for many non-furloughed workers. We separated business travel by government employees and government contractors by mode of transportation (air and non-air).
- **Air travel (excluding government travel):** Transportation Security Administration (TSA) employees and air traffic controllers were required to work without pay, leading to staffing shortages across many US airports due to increased callouts. While flight disruptions were initially limited, growing concerns about potential delays contributed to softer air travel in October and early November, and disrupted trip planning and booking activities. Conditions deteriorated further on November 7 when the [FAA ordered a phased reduction in flights at 40 major airports](#), starting with a 4% cut to maintain air safety. These reductions increased to 6% by November 11, and the order remained in place until November 17, continuing to impact air travel even after the government reopened.
- **Attraction closures:** Temporary closures and service reductions at federal-operated attractions, such as Smithsonian museums and national parks, caused uncertainty and softer demand, particularly in the Washington, DC area.
- **Flight delays and cancellations:** Beyond lost trips, flight delays impose an economic cost by consuming passengers' time and reducing productivity.

Approach

Our approach:

- We calculated losses using counterfactual models and assumptions to estimate travel activity impacts relative to a case without the government shutdown.
- According to our estimates, the shutdown reduced air passenger activity by 1.3 percent, reduced trip activity related to attractions such as national parks and the Smithsonian by approximately five percent, and curtailed government-related travel by more than half.
- We estimated direct spending losses using average visitor spending by trip type based on the U.S. Travel Association economic impact model, General Services Administration (GSA) federal travel data, and the National Park Service.
- These direct losses generate ripple effects throughout the economy, with indirect and induced impacts we quantified using the U.S. Travel Association model.
- We included estimated passenger delays and the value of lost traveler time at levels consistent with calculations by Airlines for America based on airline sector data.

Summary of Economic Losses

Our analysis shows:

1. Total economic losses of \$6.1 billion, representing a significant impact to economic activity due to reduced travel spending, trip delays, and associated economic impacts.
2. Direct trip-related losses of \$2.7 billion, as the shutdown impacts caused a reduction in travel activity. This is equivalent to a 1.7% reduction in total travel spending during the shutdown period. Flight delays added \$183.3 million in shutdown losses, representing the value of lost passenger time.
3. Reduced government-related travel was the primary driver of lost travel spending.
4. Disruptions to air and government travel, along with attraction closures, reduced daily trips by more than 88,000 on average during the shutdown, resulting in a direct loss of \$61.5 million in travel spending per day. Including both indirect and induced effects, the total daily loss averaged \$136.8 million.

Losses Due to the 2025 Government Shutdown

	Trips (daily)	Direct Impact (daily)	Total Impact (daily)
Air travel	17,235	\$ 27,305,196	\$ 60,747,515
<i>Government-related travel</i>	13,231	\$ 23,239,080	\$ 51,701,381
<i>Non-government related travel</i>	4,004	\$ 4,066,116	\$ 9,046,134
Non-air travel	70,809	\$ 34,179,437	\$ 76,041,054
<i>Government-related travel</i>	27,010	\$ 29,687,752	\$ 66,048,132
<i>Attraction closures</i>	43,799	\$ 4,491,685	\$ 9,992,922
Total trip-related losses	88,044	\$ 61,484,633	\$ 136,788,569
	Trips (total)	Direct Impact (total)	Total Impact (total)
Air travel	757,105	\$ 1,190,387,888	\$ 2,648,327,677
<i>Government-related travel</i>	568,937	\$ 999,280,431	\$ 2,223,159,398
<i>Non-government related travel</i>	188,167	\$ 191,107,458	\$ 425,168,279
Non-air travel	3,044,804	\$ 1,469,715,797	\$ 3,269,765,308
<i>Government-related travel</i>	1,161,433	\$ 1,276,573,350	\$ 2,840,069,668
<i>Attraction closures</i>	1,883,371	\$ 193,142,446	\$ 429,695,640
Total trip-related losses	3,801,908	\$ 2,660,103,685	\$ 5,918,092,985
Flight delays	5,484,912	\$ 183,337,654	\$ 183,337,654
Total impact	9,286,821	\$ 2,843,441,339	\$ 6,101,430,640

Note: Daily results based on 43-day shutdown period.

Source: Tourism Economics