



Airbnb Economic Impact & Housing Report

Kentucky



Home sharing is an economic engine for the region

By welcoming guests into their home, hosts on Airbnb also help generate economic benefits for the region. In 2023, hosts on Airbnb welcomed over 1 million guest arrivals to Kentucky who contributed an estimated \$588 million annually to the Commonwealth's GDP¹, including:

8,600 jobs supported²

\$161 million in total tax revenue³

\$16.5 million in local occupancy taxes in Kentucky⁴

\$354 million in labor income⁵

This impact comes from citizen-led tourism utilizing an incredibly small fraction, **less than 1 percent**, of Kentucky's more than 2 million housing units.⁶

¹ Economic contribution metrics are generated using IMPLAN's input-output model using multipliers from the 2022 data year (the latest available at the time of analysis) for Kentucky, and are reported in 2023 dollars. Model inputs are host earnings & guest spending, where spending is based on a survey of Airbnb guests staying in Kentucky

² Estimated number of full-time, part-time and seasonal jobs supported by the output generated by Airbnb activity. This metric includes direct, indirect, and induced effects.

³ Estimated total tax revenue associated with economic activity generated by Airbnb stays. This includes the total value of taxes associated with hosts' income and spending, and the economic activity stemming from guests visiting local businesses.

⁴ Local transient occupancy taxes collected and remitted by Airbnb on behalf of hosts in Kentucky in 2023

⁵ Labor income includes both Proprietor Income (e.g. for small business owners that benefit from guest spending), but also Employee Compensation (e.g. cleaners, employees of small businesses). More details here.

⁶ According to the American Community Survey 1 year estimates for 2023, https://data.census.gov/table/ACSST1Y2023.B25001?q=Housing%20Units&g=040XX00US21_160XX00US1150000

Airbnb's economic benefits to Kentucky

Airbnb got its start during the Great Recession as a way to help our founders pay their rent. More than 15 years since our founding, approximately 1 million people stay in Airbnb listings across the U.S. on any given night and more than 40 percent of hosts say the income from hosting allows them to stay in their homes.

Today, the typical host shares one home on Airbnb, helping to provide affordable accommodation options for guests, disperse travel to new destinations, and generate billions in economic activity and tax revenue for communities. Airbnb helps support the kind of travel and tourism that is good for hosts, guests, and local communities:

- Airbnb hosts keep the vast majority of what they charge for their listing, and unlike many big hotels, hosts help keep that money in their local communities.
- Airbnb listings are located in a wide range of neighborhoods, including neighborhoods that are not in traditional tourist corridors and do not typically benefit from tourism.
- When guests arrive at their listing, they often receive recommendations from their host on local businesses to visit, many of which are in the neighborhood where they stay. This type of hosted travel helps guests live like locals and has significant positive economic impacts as guests spend time and money in local restaurants and businesses.

This report outlines the estimated economic impact of the Airbnb community in Kentucky. Our hope is that this information will help local stakeholders better understand the benefits home sharing provides to the local community.

Kentucky hosts

Hosting on Airbnb is a vital source of supplemental income for local residents. According to a survey of hosts in Kentucky: ⁷

33% said the income earned through hosting has helped them stay in their home

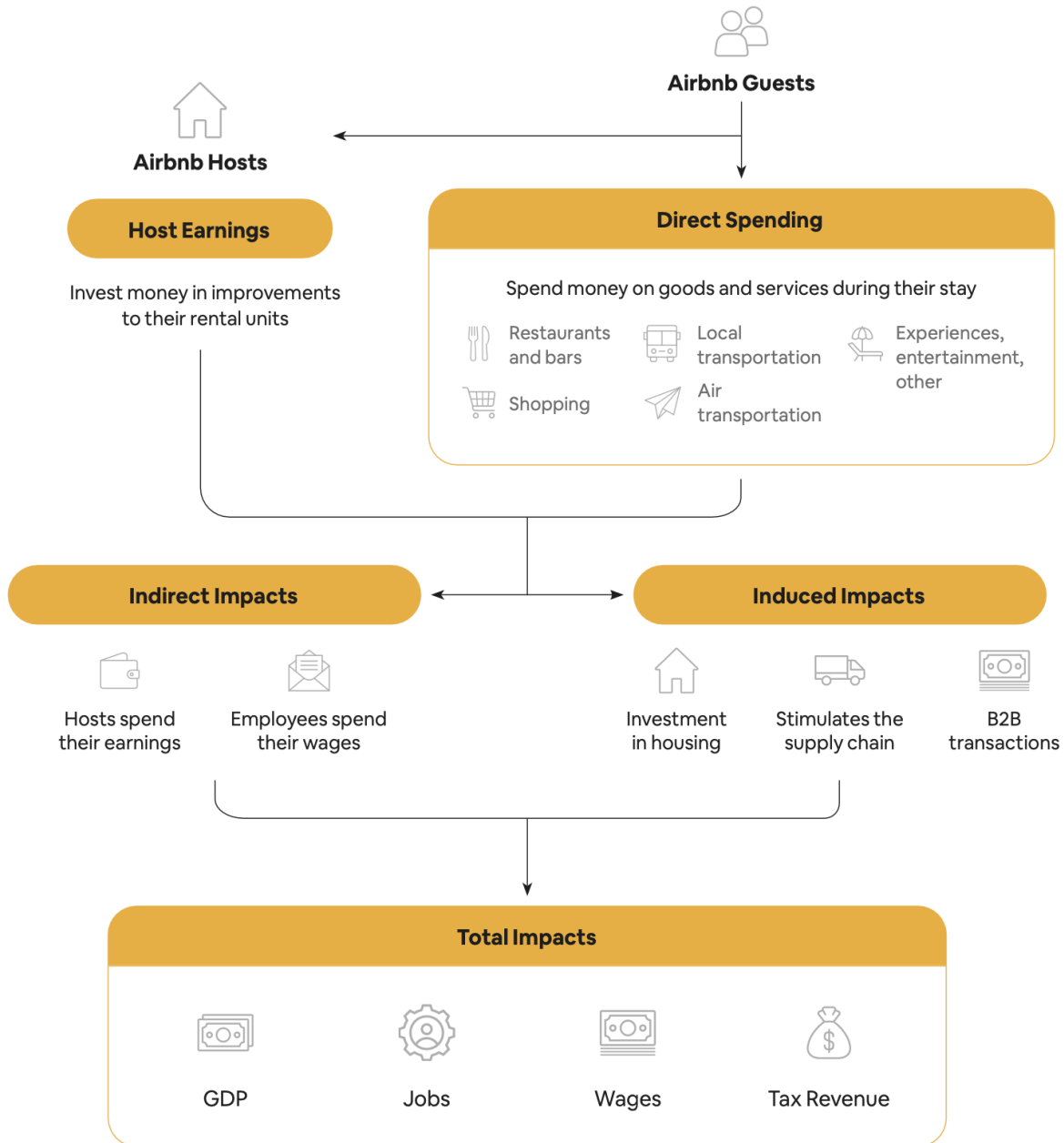
6% said hosting helped them avoid foreclosure or eviction

40% use the income from hosting to cover the rising costs of living

In total, Airbnb hosts in Kentucky around \$157 million in 2023.

⁷Internal survey of hosts in Kentucky between January 1, 2024 and December 31, 2024

Economic contribution from Airbnb guests & hosts in 2023



Airbnb and the Kentucky housing market

Every day, we work with governments to help ensure that hosting on Airbnb, and the economic activity created by hosting, make communities stronger. To date, we've partnered with over 1,000 governments around the world to support common sense rules for short-term rentals.

Through this work, we understand governments continue to navigate unique, complex challenges – including housing affordability. Many experts agree the chronic, decades-long underproduction of new housing supply is driving today's housing affordability challenges. We want to play a role in finding sensible, long-term solutions to help increase the housing supply and work with cities to balance the benefits of home sharing with communities' needs.

The following section of the report outlines some of the primary factors driving local housing concerns, and provides an outline of how Airbnb can work with communities to help address the problem.

There are many factors contributing to local housing affordability challenges, from growing income inequality, to decades of exclusionary zoning, elevated interest rates, and even changing location preferences post-pandemic, including the rise of remote working from home.⁸

Where many experts agree is that the primary driver of the affordability crisis is chronic underproduction of housing.⁹ According to independent analyses, between **13,000¹⁰ and 88,000¹¹ housing units would have needed to be added in Kentucky to address the needs of renters.**

⁸ According to an analysis of American Community Survey data by Apartment List.
<https://www.apartmentlist.com/research/more-than-half-of-all-renters-are-cost-burdened>

⁹ Research from the Federal Reserve Board of San Francisco found that more than half of the increase in home prices during the pandemic could be explained by remote work trends.

<https://www.frbsf.org/economicresearch/publications/working-papers/2022/11/>

¹⁰ According to Up For Growth's housing underproduction research, <https://upforgrowth.org/apply-the-vision/housing-underproduction/>

¹¹ According to National Low Income Housing Coalition's housing needs research, <https://nlihc.org/housing-needs-by-state/kentucky>

Citizen-led tourism's impact on Kentucky housing market

Listings on Airbnb represent an incredibly small fraction of Kentucky's more than 2 million housing units – less than 1 percent.¹²¹⁶

According to independent research, the growth of Airbnb has had, in many cases, no impact at all on rental cost increases. There is also little evidence that regulations aimed at limiting short-term rentals have successfully brought down housing costs significantly, having an impact on rents of only 2% in Los Angeles as reported in one academic study and no impact on rents in Santa Monica in another independent study. In fact, housing costs have continued to soar in markets like Boston and NYC which have severely restricted home sharing. A primary reason, of course, is chronic under-production of new housing.

¹² According to the American Community Survey 1 year estimates for 2023, https://data.census.gov/table/ACSDT1Y2023.B25001?q=Housing%20Units&g=040XX00US21_160XX00US1150000

Our commitment to work with policymakers to address the primary causes of rising housing costs in Kentucky

While there are no silver bullets, we're committed to working with Kentucky policymakers to address the root causes of rising housing costs. Here are some of the ways we've done this to date:

Supporting policies that create more housing supply, either through allocating occupancy tax dollars to the development of new affordable housing or by advocating for deeper policy changes to reduce barriers to increasing housing supply.

Launching new products like Airbnb-Friendly Apartments, which offers renters — who are more likely to be cost-burdened — a way to earn additional income to offset living expenses through their traditional long-term rental, as well as **Airbnb Rooms**, a renewed focus on everyday hosts who share space in their own homes.

Being supportive and transparent with policymakers. In 2020, we launched the City Portal to help cities better understand the Airbnb landscape in their communities and tools to help cities enforce their short-term rental laws.

Collecting tourism taxes. To date, we have collected and remitted more than \$10 billion in tourism taxes globally as well as millions [on behalf of our guests](#) to the City of Louisville, City of Lexington, the Northern Kentucky Convention & Visitors Bureau, Oldham County, the City of Bowling Green and Woodford County ¹³

Strengthening protections for renters. We have implemented policies that address concerns around rental evictions and we stand ready to partner with communities where a tenant has been unfairly evicted and take appropriate action.

¹³ Taxes collected and remitted between August 2016 and December 2023.

Airbnb's commitment to working with policymakers

Airbnb will continue to work with leaders in the region to support sensible rules that protect the benefits home sharing generates for residents and the local economy while addressing community concerns.