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Study Warns U.S. Firms Could Miss Out on Trillions by Cutting Business Travel Budgets

July 14, 2025
— Categories: Economics

A new industry report has revealed that American companies risk losing up to $2.4 trillion in potential sales by underinvesting in business travel. The research, conducted by the Global Business Travel Association (GBTA), highlights how cutting travel and entertainment (T&E) budgets may save money upfront but comes at the cost of long-term revenue and competitiveness.

The report, titled T&E and the Bottom-Line: Quantifying the Return on Investment of U.S. Business Travel, found that current U.S. business travel spending is approximately $294 billion, falling short of the estimated optimal level of $319.1 billion. The study shows that increasing T&E investment by just 8.3% could yield a 6% boost in total U.S. sales. More remarkably, the analysis found that every additional dollar spent on business travel could return as much as $14.60 in net operating profit, hardly a frivolous expenditure.

GBTA Chief Executive Officer Suzanne Neufang stressed the strategic value of business travel, stating, “Business travel is not an arbitrary cost center; it’s a powerful lever for growth.” Her remarks challenge the increasingly common belief that virtual meetings are a sufficient replacement for in-person engagement. While video calls have proven useful for basic coordination, they often fall short in building trust, closing deals, and securing long-term partnerships.

The report tracked 24 years of data across 14 major U.S. industries. Sectors like retail, financial services, and healthcare stand to benefit significantly. For example, retail and wholesale could gain an additional $179 billion, while financial services and health sectors could each see returns exceeding $80 billion. Even a modest increase, just $184 per employee annually, could close the investment gap and unlock meaningful sales growth.

Crucially, the findings also show that companies maintaining or increasing business travel during downturns, such as the 2008 financial crisis or the COVID-19 pandemic, tend to recover faster and outperform competitors in the long run. This reinforces a broader principle that consistent, face-to-face interaction remains essential in a competitive marketplace, regardless of digital advancements.

For executives focused on efficiency and long-term profitability, the message is clear: business travel isn't a luxury, it's a strategic necessity. While it's easy to trim travel budgets in uncertain times, doing so may cost far more than it saves. In an era where relationships still drive revenue, getting back on the road may be the smartest move a company can make.