The Economic Impact of Your Airport to the Local Community
Economic Impact of Airports

_TYPES OF ECONOMIC IMPACT_

- Direct Impacts
- Indirect Impacts
- Multiplier Impacts
Economic Impact: Direct Impacts

- These economic impacts occur as a consequence of providing aviation services.
- In every instance, the impacts include only expenditures where the recipient is located within the service area of the airport.

- Examples
  - Airlines
  - Air Cargo Carriers
  - Air Taxi/Charter
  - Aircraft Services
  - Airport Management/Operation
  - Car Rental Agencies
  - Corporate Flight Ops.
  - Freight Forwarders
  - Fixed Base Operators
  - Government Operations
  - Terminal Tenants
Economic Impact: Indirect Impacts

- These economic impacts occur as a result of the use of aviation service.
- They include the regional expenditures made by air passengers who visit the region and by travel agents.

- Expenditures by Airport Users
  - Commercial Passengers
  - GA Visitors
  - Travel Agencies

- Regional Expenditures
  - Hotels
  - Restaurants
  - Travel Agency Commissions
Economic Impact: Multiplier Effect

- This includes the local value of money as it circulates through the local economy and as individuals or firms associated with airport business buy goods and services in the local economy.
- The longer the money remains in the regional economy, the higher the multiplier.
Economic Impact of Aviation

Calculation of Impacts:
- Direct Impacts
  + Indirect impacts
  + Multiplier Effect

= Economic Activity
Impact Measures

There are three measures of Economic Impact:

- Economic Activity (Output)
- Earnings (Payroll)
- Jobs
**Impact Measures: Economic Activity**

- The dollar value of all aviation services plus the sum of intermediate goods and services needed to produce aviation services.
- The total Economic Activity is the sum of intermediate demands; consumption demand, government demand, investment demand, and net export demand.
Impact Measures: Earnings

The sum of the wages and salaries to all employed persons that the aviation industry pays, directly or indirectly, to deliver the output of final aviation demand.
Impact Measures: Jobs

The number of employees who are employed in the aviation industry, plus the aviation-oriented share of those that are employed in sectors that support the air passenger plus those employed in the industries included in the multiplier effect impacts.
Minnesota Airports Economic Impact Study

Presented to: Mn/DOT Aeronautics
Presented by: Wilbur Smith Associates
January 1999
Minnesota Airports Economic Impact Study

➢ Mn/DOT Office of Aeronautics conducted this study to quantify the magnitude of airport economic value.

➢ This study gauges the economic impact of civil aviation in Minnesota in terms of dollars and jobs.
Airports Studied - 1997

- Commercial Passenger (6)
- Other Key (3)
- Intermediate (8)
- Landing Strip (3)
Commercial Service Airports

- Economic Activity
  - $13 million - $168 million
  - Average: $61 million

- Earnings
  - $409,000 to $54 million
  - Average: $13.1 million

- Jobs
  - 20 – 3,061
  - Average: 760
Key System – No Commercial Service

- Economic Activity
  - $1.8 million - $5.5 million
  - Average: $3.4 million

- Earnings
  - $556,000 to $1.6 million
  - Average: $1.1 million

- Jobs
  - 25 – 74
  - Average: 54
Intermediate System

» Economic Activity
  ✷ $224,200 - $6.9 million
  ✷ Average: $1.7 million

» Earnings
  ✷ $65,000 to $2.1 million
  ✷ Average: $508,000

» Jobs
  ✷ 3 – 92
  ✷ Average: 23
Landing Strip System

- **Economic Activity**
  - $65,300 - $393,000
  - Average: $217,000

- **Earnings**
  - $64,300 to $123,000
  - Average: $70,000

- **Jobs**
  - 1 – 6
  - Average: 4
Economic Impact Studies

- Wilbur Smith Associates
  - Visited 20 Greater Minnesota Airports
- Metropolitan Council
  - Metro Reliever Airports
- Metropolitan Airports Commission
  - Minneapolis-St. Paul International Airport
- State Aviation System Plan
  - Greater Minnesota Airports
## Airports Impact Summary - 1997

<table>
<thead>
<tr>
<th>Economic Impact Studies</th>
<th>Econ. Activity</th>
<th>Earnings</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilbur Smith Assoc. (20 Greater MN Airports)</td>
<td>$298,562,900</td>
<td>$94,997,700</td>
<td>5,280</td>
</tr>
<tr>
<td>Metro Council (7 Relievers)</td>
<td>277,084,300</td>
<td>101,998,300</td>
<td>3,745</td>
</tr>
<tr>
<td>MAC (MSP)</td>
<td>9,489,400,000</td>
<td>2,781,700,000</td>
<td>99,461</td>
</tr>
<tr>
<td>State Aviation System Plan</td>
<td>307,881,600</td>
<td>97,502,900</td>
<td>5,289</td>
</tr>
<tr>
<td><strong>Total MN</strong></td>
<td><strong>$10,372,928,800</strong></td>
<td><strong>$3,076,198,900</strong></td>
<td><strong>113,775</strong></td>
</tr>
</tbody>
</table>
AOPA Airport Support Network
Local Airports Access to America
Local Airports
Access To America

► Aviation has transformed the world
► Scheduled air service is a small part of the total picture
► 3 GA Flights to 1 scheduled air service
► 5000 GA Airports in the US
► 400 US airports have scheduled air service
► Closing at Alarming Rate
  ❌ Effect Aviation all the way up
Local Airports
Access To America

✈ Each Year GA Aircraft
- Fly 44.7 million hours
- Cover more than 3 billion miles
- Carry more than 89 million passengers
- Add more than $42 billion to our nation’s economy
Local Airports Access To America

✈ GA Aircraft Provide Community Services
   ✗ Agricultural Crop Spraying
   ✗ Fire Fighting
   ✗ Search and Rescue
   ✗ Medical Transportation (including transplant organs)
   ✗ Law Enforcement
   ✗ Business
   ✗ Education
   ✗ Flight Training
   ✗ News
Local Airports
Access To America

→ Why Are Airports Closing?
  × Rising Real Estate Values
  × Encroaching Residential Development

→ Public Doesn’t have the Facts

→ AOPA Airport Support Network
  × Identify and Work to Preserve Endangered Airports
  × Educate Local Officials About the Airport Value
  × 421 Aviation Way, Fredrick, MD 21701-4798
  × 1-800-USA-AOPA
  × www.aopa.org