



AOPA

ECONOMIC IMPACT OF GENERAL AVIATION AIRPORTS



AIRPORT
SUPPORT
NETWORK

Explaining the economic benefit of the airport is one way to demonstrate to the community that the airport does play a vital quantifiable role in the local economy. To prove that general aviation airports provide economic benefit, a national or individual state economic analysis of your airport's economic impact should be used. When AOPA first published this guidebook, very few states had readily available economic impact information about their airports. Now most states have an economic impact report and many publish specific airport information. A variety of sources exist for this type of information. Most impact studies can be found online at each individual state's Department of Transportation website or on the FAA's and AOPA's Airport Support Network Program web pages. The FAA has compiled individual economic impact data related to commercial and general aviation into an easy to access online tool. In addition, the General Aviation Manufacturers Association report "General Aviation's Contribution to the U.S. Economy" provides a comprehensive national perspective of general aviation's economic impact in the United States.

Local general aviation airports produce identifiable economic benefits that exceed the tax dollars spent on operating and maintaining the facilities. When examining your state's economic analysis of aviation, three key terms are used: direct impact, indirect impact, and induced impact.

Direct Impact is associated with providers of services at the airport. These providers include the airport operator, FBOs, air carriers, freight haulers, concessionaires, government installations, educational institutions, military facilities, flight schools, and maintenance operations, among others. The value of direct impact is the sum of all payroll, capital expenditures, operating and maintenance costs, taxes, and fees incurred by every provider of services.

Indirect Impact is associated with the users of airport services. These include both corporate and public users, government agencies, and aviation and non-aviation businesses. The value of this impact is the sum of the fees and charges paid, time and cost savings, and expense related to food, lodging, ground transportation, and similar outlays.

Induced Impact is the additional local economic impact that is generated specifically because of the airport's presence, including related employment, payroll, and employer expenditures. Induced impact also includes the successive rounds of spending caused by the direct and indirect impacts. This "multiplier effect" measures the extent to which the indirect and induced impacts flow from the direct impact.

Some studies may include employment data and tax revenue data, which can also be further classified as direct, indirect, or induced. While not every report contains this data, when available, it can provide additional evidence of general aviation's importance.

It is also important to remember that general aviation benefits a community in many ways that cannot be fully explained in monetary value. After all, how do you put a price on the air ambulance flight that saves a life, a police flight that captures a burglar, or a firefighting flight that saves a neighborhood?

Example/Case Study: A recent study, "Economic Impact of General Aviation in Texas" shows the economic power of Texas' general aviation industry. In Texas, the economic output associated with general aviation airports grew by 59% to over \$8.7 billion, employment related to general aviation airports increased by 21% to 61,900 jobs, and the payroll associated with those jobs rose by 40% to \$2.5 billion—in just four years. Regardless of a person's particular aviation knowledge, figures like \$8.7 billion speak volumes to the importance of general aviation not only to a local community but to regional and state economies as well.



Resources on the Economic Impact of Civil Aviation

- www.aopa.org/asn/stateeconomicreports/
- www.faa.gov/air_traffic/publications/reports/economic_impact_map/
- www.gama.aero/publications

The Airport Cooperative Research Program of the Transportation Research Board compiled a synthesis report that explores the various methods used to conduct economic impact analysis. This may be helpful if you wish to do your own economic impact study.

http://onlinepubs.trb.org/onlinepubs/acrp/acrp_syn_007.pdf

Below is a sample questionnaire to help you gather data about your airport if an independent economic study is not available.

DIRECT ECONOMIC IMPACT QUESTIONNAIRE

We, _____, are conducting a survey to develop information concerning aviation’s economic impact upon our community. We are asking all organizations directly involved with aviation and our airport to complete this questionnaire. The data you can furnish will enable us to tell a better story about the value of aviation. All information will be kept completely confidential, and only industry totals will be released.

We would like the data to be for (year) _____. If your data is for a different period, please indicate here _____.

1. What is the nature of your business? _____
2. How many employees do you have at the airport? _____
3. What is your annual payroll at the airport? \$ _____
4. Do you employ additional people away from the airport who support your airport operation? Y N
5. If so, what is the annual cost of that support? \$ _____
6. How much did you pay to the airport last year for:
 - Operations/Maintenance.....\$ _____
 - Landing Fees.....\$ _____
 - Rentals.....\$ _____
 - Other Fees/Taxes.....\$ _____
 - Subtotal \$ _____
7. How much did you spend in the area for the following:
 - Fuel, Supplies, and Equipment..... \$ _____
 - Advertising..... \$ _____
 - Local service (repair, janitorial, utilities, etc.).....\$ _____
 - Charitable contributions.....\$ _____
 - Capital expenditures.....\$ _____
 - Subtotal \$ _____
 - Grand total \$ _____

Check the box that best describes the airport’s relationship to your business:

- Essential
- Very helpful
- Helpful
- No influence

Did you choose your present location because of the airport?

- Yes
- No