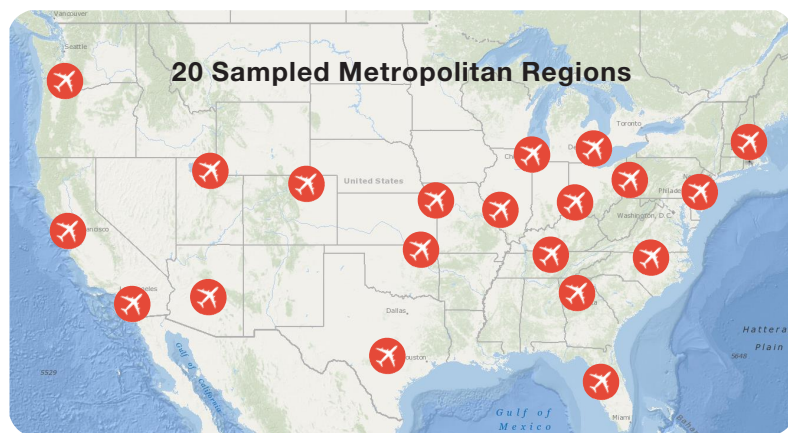


Service Changes and Lower Airfares Impact the National Economy

The effects of three possible changes are explored: (1) strengthen connections between U.S. and international airports, (2) increase air cargo transported through U.S. airports, and (3) decrease airfares for personal travelers.



Connectivity and air cargo analyses are based on:

- 20 sample U.S. metropolitan regions that contain 26 commercial airports
- Detailed regional economic data
- 15 major international airports
- The years 1995, 2000, 2005, and 2010

Findings are extrapolated to national levels for illustrative purposes.

Direct Economic Impact in the National Economy (\$ impacts in 2010 millions)

Changes in Impacts Generated By:	Jobs	Labor Income	Output	Value Added
1% Improvement in Connectivity Variables	13,000	\$795	\$3,043	\$1,507
1% Increase in Air Cargo Tonnage	5,100	\$403	\$2,103	\$742
1% Decrease in Air Fares	1,400	\$162	\$553	\$249

Total Economic Impact in the National Economy (\$ impacts in 2010 value) (including multiplier effects)

Changes in Impacts Generated By:	Jobs	Labor Income	Output	Value Added
1% Improvement in Connectivity Variables	38,900	\$2.3 B	\$7.4 B	\$4.0 B
1% Increase in Air Cargo Tonnage	22,700	\$1.4 B	\$5.4 B	\$2.5 B
1% Decrease in Air Fares	5,800	\$0.4 B	\$1.3 B	\$0.7 B

Notes: Values for connectivity represent the average of 11 variables. "Total" includes "direct" role and "indirect" and "induced" economic multiplier effects. B = Billions. Jobs are rounded to the nearest hundred. Calculations used IMPLAN, LLC national model, Version 3, 2012.

This research tests multiple ways of measuring airport and regional connectivity:

- Number of aircraft departures,
- Number of nonstop destinations,
- Frequencies (number of daily flights) of departures and destinations, and
- The percent of the world's wealth connected to an airport.

Greater connectivity allows a traveler or a firm to save resources or expand activity.

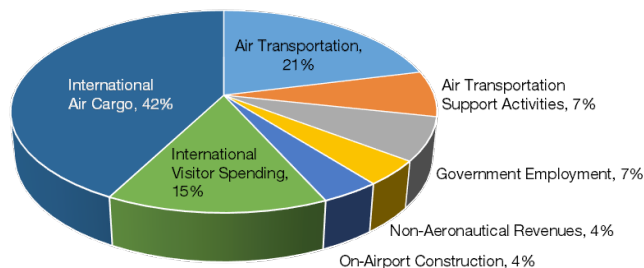
Details of the economic analyses can be found at:
www.TRB.org/main/blurbs/172110.aspx.

Key Findings

Economic Role of Airports in the U.S. \$768 Billion in Value Added

Impacts (2010 dollars)	Direct	Total (including multiplier effects)
Jobs (millions)	2.17	7.63
Labor Income (billions)	\$147.6	\$452.5
Output (billions)	\$637.0	\$1,600.0
Value Added (billions)	\$247.4	\$768.4

2.17 Million Direct U.S. Jobs



How do these findings compare with other economic analyses?

Estimates Airports' Additions to the National Economy through:

- On-airport commerce
- International cargo (brings income to the United States from other countries)
- Spending of international visitors who arrive by air

Does not include **redistribution among regions**, including:

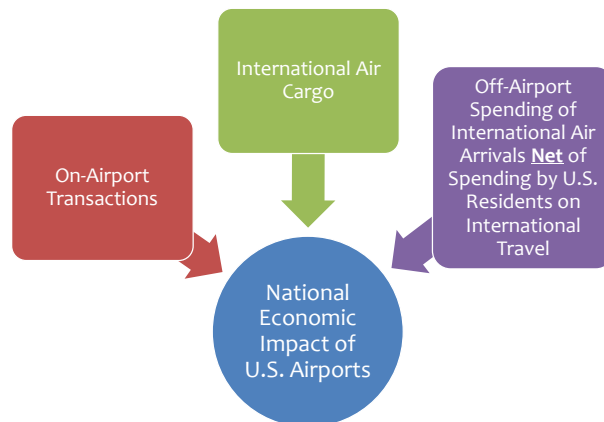
- Domestic air cargo
- Off-airport spending of domestic air visitors
- Civil aviation—aircraft manufacturing and parts

Research Questions:

- What is the national economic role of U.S. airports?
- Do improvements in the connectivity of airports lead to improved productivity of U.S. industries?
- What is the interrelationship between air cargo and the U.S. industrial base?
- How do changes in the cost of air travel affect the national economy?

Answered in Complementary Approaches

1. National Economic Role of U.S. Airports



2. Changes in aviation affect economic impacts

Economic impacts in response to changes in connectivity, air cargo, or airfares.

Brochure developed under ACRP Project 03-28 by the following:

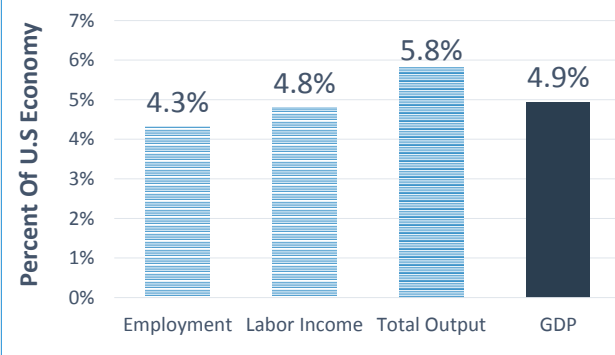
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Dr. David Gillen KRAMER aerotek, inc.
ICF International Mead & Hunt, Inc.



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The Role of U.S. Airports in the National Economy

U.S. Airports Support 5% of the National Economy



Notes: Airport calculations were assembled from 2009-2013 data sets from multiple sources. The national baseline is from the U.S. Bureau of Economic Analysis, 2012.