

THE ECONOMIC IMPACT OF **OTHER** SYSTEM AIRPORTS



2005





GENERAL AVIATION - OUTSTANDING BENEFITS FOR TEXAS

The Texas system of nearly 300 airports not only provides the State with a safe and efficient mode of transportation, it is also an important stimulus for economic growth and development. By providing aviation-related services, the system supports tens of thousands of jobs and produces billions of dollars in economic activity. The State's largest employers, and many smaller businesses, rely on aviation to rapidly transport personnel, equipment, and supplies. Texas airports serve as the base of operation for a diverse group of businesses, including airlines, air cargo companies, fixed base operators, flight schools, government entities, agricultural applicators, restaurants and others. Additionally, the vast tourism industry is supported by both commercial service and general aviation. The millions of visitors that flock to Texas each year support a variety of tourist-related business activities, such as lodging, dining, retail, and entertainment.

To better understand the relationship between Texas' system of airports that support general aviation and the statewide economy, the Texas Department of Transportation, Aviation Division, periodically assesses the economic impact of aviation using a method that has been approved by the Federal Aviation Administration (FAA) and applied to airport systems throughout the United States. Funding support for this study was provided by the FAA.

Each Texas System airport's total economic impact was quantified in terms of employment, payroll, and output. Through a comprehensive survey process, the direct economic benefits related to on-airport business tenants and the indirect benefits associated with visitor-related expenditures were determined for each system airport. The multiplier effect of these benefits was then calculated to ascertain the total airport-related impacts. For example, when an airport employee purchases local goods and services, the spending and re-spending spurs additional economic activity in the region. The total economic impact is the sum of all direct, indirect, and multiplier impacts.

When all 2005 impacts at Texas airports are summed, nearly 62,000 jobs can be traced to general aviation. These employees receive more than \$2.5 billion in payroll and benefits. In total, more than \$8.7 billion in economic activity can be attributed to general aviation activity in the State. This represents a 50 percent increase since the last benchmark in 2001. In addition to economic benefits, the system of airports provides numerous critical services to enhance the quality of life, health, safety, and welfare of Texas citizens. Examples include business development, enhancing agricultural production, medical transport and evacuation, access to remote areas, law enforcement, fire protection, wildlife management, and recreation.

GENERAL AVIATION ACTIVITY IN TEXAS CREATES:

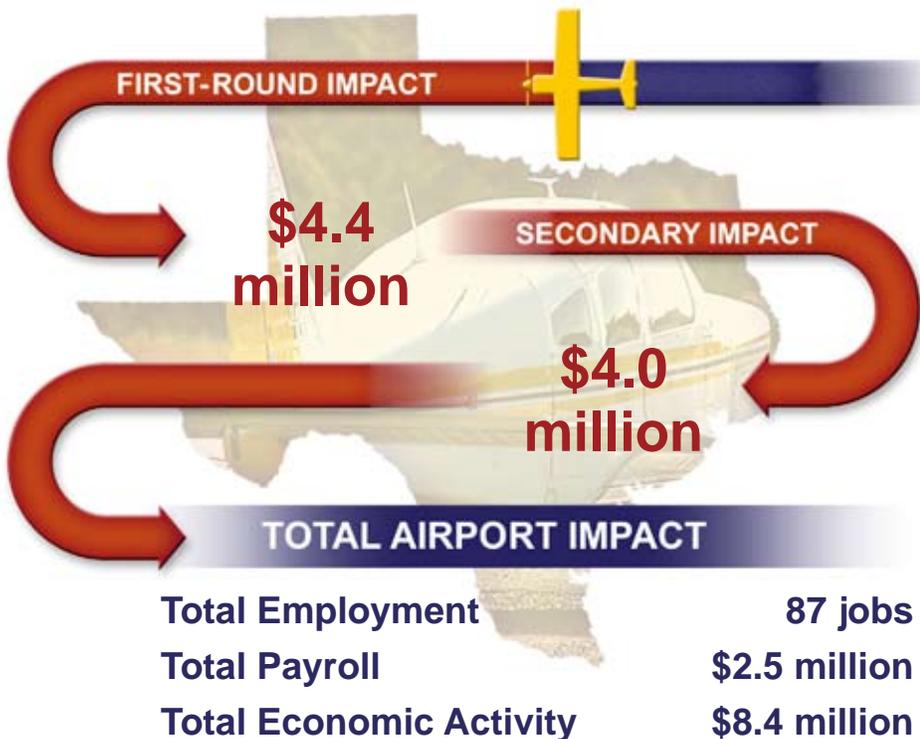
Total Employment	62,000 jobs
Total Payroll	\$2.5 billion
Total Economic Activity	\$8.7 billion

OTHER SYSTEM AIRPORTS

The economic impact of a group of smaller Texas system airports was collectively summarized to aid in reporting the total results of the Texas airport system. These 47 airports include basic service facilities with lower levels of activity and employment, and are identified as Other System Airports. Aircraft owners base their airplanes at these facilities for reasons such as storage unit availability, less expensive fees, and the availability of turf runways which wear less on aircraft tires. Because the activity at these airports consists mostly of small-business and recreational uses, their economic impacts are generally lower than the other general aviation airports, with many reporting no employees. Nonetheless, these airports are an important component of the overall system and serve aviation users that might forego the benefits of aviation were it not for these airports.

The aviation-related tenants at the Other System Airports support approximately 43 jobs, with an estimated direct payroll of \$917,000. The direct output attributable to these airports is estimated at \$3.6 million. Additionally, the 9,780 annual general aviation visitors support 20 visitor related jobs and \$542,000 in payroll. General aviation visitors at these airports are also responsible for \$867,000 in direct output. When combined, the general aviation tenants and visitors at the Other System Airports are responsible for \$8.4 million in total economic output, 87 jobs, and \$2.5 million in payroll.

Some of the aviation-related activities that take place at these airports include business use, agricultural operations, flight training, military use, and recreational flying. Additionally, these airports provide community-based services to enhance the health, safety, welfare, and quality of life of Texas citizens. Such services include emergency medical evacuation and patient transfer, police and fire support, and informational programs for children. The Other System Airports also serve as gateways for general aviation visitors who use these facilities to access local recreational opportunities.



IMPACT TYPES

First-Round Impacts include both direct and indirect impacts. Direct impacts are those benefits associated with on-airport business and government spending that support general aviation. Indirect impacts generally take place off-airport and are usually attributable to the spending of visitors who arrive in a community via general aviation aircraft.

Secondary Impacts primarily consist of induced impacts, which are those benefits (dollars and employment) that result from the re-circulation of direct and indirect impacts within the economy. This re-circulation is commonly referred to as the "multiplier effect".

Total Impacts are the combination of all first-round and secondary impacts.

IMPACT MEASURES

Employment measures the number of full-time equivalent jobs related to general aviation activity.

Payroll measures the total annual wages and benefits paid to all workers whose salaries are directly or indirectly attributable to general aviation activity.

Economic Activity (Output) measures the value of all goods and services related to general aviation in Texas. The output of general aviation businesses is typically assumed to be the sum of annual gross sales and average annual capital expenditures.



For more information contact:
The Texas Department
of Transportation
Aviation Division
125 E. Eleventh Street
Austin, TX 78701-2483



Prepared by:
Wilbur Smith Associates
www.wilbursmith.com

