

ECONOMIC IMPACT OF THE PHOENIX AIRPORT SYSTEM

UPDATE: 2007

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Economic Impact of the Phoenix Airport System

<p>TOTAL IMPACT:</p> <p>305,136 Employment</p> <p>\$33.0 Billion Economic Impact</p> <p>\$11.9 Billion Annual Payroll</p>

The Phoenix Airport System provides the people and products of the dynamic metropolitan Phoenix economy access to the markets of the nation and the world. But the airport system also is a major component of the Greater Phoenix economy, creating jobs, income, and revenues both on and off the airport. The Phoenix Airport System created a total economic impact (including multiplier effects) of \$33.0 billion in 2007. The direct impact of Phoenix Sky Harbor International Airport was \$8.2 billion, up 26 percent over the 2003 impact of \$6.5 billion. There were 33,639 jobs on the airport in 2007, with a payroll of \$1.7 billion. On-airport employment increased 7.0 percent, from 31,437 jobs in 2003.

The Phoenix Airport System not only is a source of employment and payroll for airline employees and other airport workers such as food service, security, and air traffic control personnel, but efficient air connections make the Valley of the Sun a prime destination for vacation and business travelers. The modern Phoenix Airport System supports a tourism industry with air traveler expenditures calculated at \$6.4 billion in 2007.

These tables provide details on the economic contributions of the Phoenix Airport System and its three airports, Phoenix Sky Harbor International, Phoenix Deer Valley, and Phoenix Goodyear. Economic impact is calculated by three indicators – employment, payroll, and economic activity (equivalent to revenues or sales).

TABLE 1

TOTAL ECONOMIC IMPACT OF PHOENIX AIRPORT SYSTEM: 2007

	Employment	Payroll (millions)	Economic Activity (millions)
Suppliers of Aviation Services	47,150	\$2,285.0	\$8,288.1
Phoenix Sky Harbor International	46,633	2,241.2	8,176.2
Phoenix Deer Valley	268	11.9	27.2
Phoenix Goodyear	249	32.0	84.8
Air Travelers and Tourism	90,283	2,561.8	6,430.3
General Aviation Value of Travel.....			124.0
Direct Economic Impact	137,432	\$4,846.8	\$14,842.5
Secondary Economic Impact	167,703	7,047.7	18,172.3
Total Economic Impact	305,136	\$11,894.6	\$33,014.7

TABLE 2

A Day at Sky Harbor International Airport

1,477 Aircraft Arrive and Depart

115,570 Passengers Arrive and Depart

760 Tons of Air Cargo Handled

\$90 Million Daily Impact

TABLE 3
The Phoenix Airport System Pays Its Own Way

2007 Sources of Revenue \$277.2 million	2007 Uses of Revenues \$277.2 million
Landing Fees \$34.3 million	Supplies, Materials and Equipment \$118.6 million
Terminal Rentals and Fees \$57.8 million	Personnel Payments \$58.6 million
Ground Transportation Sources \$79.8 million	Administration \$6.2 million
Business/Commercial Sources \$88.1 million	Depreciation Charges \$86.2 million
All Other Sources \$17.2 million	All Other Uses \$7.6 million

Table 4**ECONOMIC IMPACT OF
PHOENIX SKY HARBOR INTERNATIONAL AIRPORT: 2007**

	Employment	Payroll (thousands)	Economic Activity (thousands)
COMMERCIAL AIRLINES	17,967	\$960,563	\$4,132,095
AIR CARGO FIRMS	8,431	307,131	627,994
TERMINAL BUSINESSES	4,471	136,328	515,487
o Retail Shops & Services			
o Auto Rental			
AIRPORT SERVICES.....	1,301	30,360	144,953
o Parking Facilities			
o Terminal Services			
FIXED-BASE OPERATORS	894	35,990	113,719
o Fuel & Airline Services			
o Parts and Maintenance			
o Ramp Services			
GROUND TRANSPORTATION	1,140	31,253	67,986
o Taxis, Shuttles, Limousines			
o Buses & Van Service			
INDUSTRIAL FACILITIES	4,600	301,167	1,896,730
GOVERNMENT SERVICES	2,126	90,283	113,835
o FAA			
o Air National Guard			
o Customs, Immigration			
o Transportation Security			
o Weather & Post Office			
CITY OF PHOENIX	1,006	87,498	36,406
o Aviation Department			
o Fire, Police, Other City Services			
CONSTRUCTION	4,697	260,578	527,000
DIRECT ECONOMIC IMPACT	46,633	\$2,241,152	\$8,176,204
ON AIRPORT	33,639	1,687,203	6,138,612
OFF AIRPORT	12,994	553,949	2,037,592
SECONDARY ECONOMIC IMPACT ...	93,419	3,736,627	9,537,595
TOTAL ECONOMIC IMPACT	140,051	\$5,977,779	\$17,713,799

TABLE 5**SKY HARBOR AVIATION WORKERS SPEND PAYROLLS
IN THEIR HOME COMMUNITIES**

	Distribution (percent)	Employees	Payroll (thousands)
Phoenix	29.9	10,058	\$504,474
Mesa	16.6	5,584	280,076
Chandler	7.4	2,489	124,853
Gilbert	7.6	2,557	128,227
Tempe	5.6	1,884	94,483
Other East Valley	8.7	2,927	146,787
Glendale	5.2	1,749	87,735
Peoria	3.0	1,009	50,616
Other West Valley	10.5	3,532	177,156
Scottsdale	4.6	1,547	77,611
Fountain Hills	0.5	168	8,436
Cave Creek/Carefree	0.4	135	6,749
TOTAL	100.0	33,639	\$1,687,203

TABLE 6**SKY HARBOR INTERNATIONAL AIRPORT ECONOMIC IMPACT BY SECTOR**

	Economic Activity (thousands)	Payroll (thousands)	Employment
Agriculture	\$103,248	\$30,367	791
Misc Mining	1,675	364	8
Construction	532,022	193,267	4,299
Maintenance/Repair	197,321	84,935	1,889
Food	230,588	38,806	843
Apparel	42,633	11,337	499
Paper	12,206	2,740	48
Printing	177,485	58,427	1,394
Chemicals/Oil	71,549	9,495	178
Rubber/Leather	30,996	7,103	181
Lumber/Wood/Furniture	50,201	13,146	346
Stone/Clay/Glass	38,512	9,668	190
Primary Metals	84,095	15,751	259
Fabricated Metals	100,500	26,542	591
Machinery	96,380	32,602	495
Electric Equipment	176,561	64,505	1,056
Motor Vehicles	19,452	2,565	50
Transport Equipment	2,900,001	1,138,803	15,629
Instruments	26,846	9,154	147
Misc Manufacturing	27,039	7,579	205
Transportation	6,698,208	2,291,440	48,508
Communication	303,892	77,961	1,236
Utilities	320,611	34,379	444
Wholesale Trade	591,087	225,542	4,689
Retail Trade	853,865	412,979	14,488
Finance	298,786	94,443	1,751
Insurance	327,030	114,780	2,386
Real Estate	1,157,107	37,626	3,202
Hotels	155,087	50,947	2,526
Personal Services	147,515	66,043	3,089
Business Services	847,575	383,321	10,819
Restaurant/Bar	720,495	219,053	13,620
Health	373,231	212,110	4,194
TOTAL IMPACT	\$17,713,799	\$5,977,779	140,051

Note: The table shows the economic activity, payroll and employment created in all sectors of the economy by Sky Harbor International Airport firms and workers.

Source: Derived from Maricopa County input/output coefficients, U. S. Department of Commerce

TABLE 7

**CONSTRUCTION EXPENDITURES
AT PHOENIX SKY HARBOR INTERNATIONAL AIRPORT**

**CONSTRUCTION: 2007
(Includes Multi-Year Projects)**

Number of Active Projects: 139

Value of Active Projects: \$527,000,000

City of Phoenix: \$504,000,000

Tenants: \$23,000,000

TABLE 8**ECONOMIC IMPACT OF AIR TRAVELERS AND TOURISTS: 2007**

Expenditure Category	Employment	Payroll (thousands)	Economic Activity (thousands)
Lodging.....	12,351	\$425,667.4	\$1,147,558.9
Eating/Drinking Places.....	33,196	623,216.5	1,759,590.3
Retail Establishments.....	23,473	589,247.9	1,079,325.6
Ground Transportation.....	7,200	301,252.3	1,297,120.6
Entertainment.....	12,374	573,344.4	949,751.4
Travel Agencies.....	1,689	49,059.2	196,969.5
Direct Economic Impact.....	90,283	\$2,561,787.8	\$6,430,316.3
Secondary Economic Impact.....	73,607	3,245,875.8	8,613,405.5
Total Economic Impact.....	163,889	\$5,807,663.6	\$15,043,721.8

Source: Derived from data provided by the Arizona Office of Tourism, Aeronautics Division of Arizona Department of Transportation and IMPLAN Model for Maricopa County.

TABLE 9
ECONOMIC VALUE OF CORPORATE/EXECUTIVE HANGARS
AT PHOENIX SKY HARBOR INTERNATIONAL AIRPORT: 2007

Number of Hangars	12
Number of Aircraft	20
Annual Hours Flown	3,833
Annual Miles Flown	621,750
Average Party Size	2.9
Total Passenger Miles	1.8 million
Annual Economic Value of General Aviation Travel	\$9,600,000

Corporate/Executive Hangar Operations

Employees	65
Hangar Payroll	\$3,700,000
Hangar Operating Expenses	\$20,905,000

TABLE 10
ECONOMIC IMPACT OF PHOENIX DEER VALLEY AIRPORT: 2007

	Employment	Payrolls (Thousands)	Economic Activity (Thousands)
Airport Businesses	160	\$5,095	\$17,690
Flight Training			
FBO Services			
Corporate			
Hangars			
Goods & Services			
Government Services	96	\$6,221	\$8,328
FAA Tower			
Arizona Fish & Game			
Phoenix Police Dept			
City of Phoenix Aviation			
Construction	12	\$632	\$1,159
Direct Economic Impact	268	\$11,948	\$27,177
Secondary Economic Impact	379	15,720	32,794
Total Economic Impact	647	\$27,668	\$59,971

TABLE 11

**ECONOMIC VALUE OF GENERAL AVIATION ACTIVITY
AT PHOENIX DEER VALLEY AIRPORT: 2007
(1,124 Based Aircraft)**

	Business Flights	Personal Flights
Average Annual Hours per Aircraft	41	178
Total Annual Hours Traveled	46,084	200,072
Average Party Size	2.0	2.0
Total Annual Passenger Hours	92,168	400,142
Annual Charter Equivalent Value per Aircraft	\$16,282	\$70,690
Annual Economic Value of GA Travel	\$18,300,000	\$79,400,000

Combined Value of Business & Personal Travel = \$97.7 million

TABLE 12
ECONOMIC IMPACT OF PHOENIX GOODYEAR AIRPORT: 2007

	Employment	Payrolls (Thousands)	Economic Activity (Thousands)
Airport Businesses	229	\$30,735	\$83,150
Flight Training			
FBO Services			
Aircraft Modification			
Administration Services	20	\$1,215	\$1,614
Air Traffic Control Tower			
City of Phoenix Aviation Dept.			
Direct Economic Impact	249	\$31,950	\$84,764
Secondary Economic Impact	299	49,528	112,489
Total Economic Impact	548	\$81,478	\$197,253

TABLE 13

**ECONOMIC VALUE OF GENERAL AVIATION ACTIVITY
AT GOODYEAR MUNICIPAL AIRPORT: 2007
(197 Based Aircraft)**

	Business Flights	Personal Flights
Average Annual Hours per Aircraft	26	60
Total Annual Hours Traveled	5,122	11,820
Average Party Size	2	2
Total Annual Passenger Hours	10,244	23,640
Annual Charter Equivalent Value per Aircraft	\$25,737	\$59,394
Annual Economic Value of GA Travel	\$5,000,000	\$11,700,000

Combined Value of Business & Personal Travel = \$16.7 million