

A low-angle, front-facing view of a large commercial airplane on a runway. The aircraft's nose, cockpit, and two engines are prominent. The runway's yellow center line leads towards the plane. The sky is blue with light clouds.

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*The Economic Impact of  
Alabama's Six Major  
Commercial Service  
Airports on the State's  
Economy*

# Introduction

- Currently there are 76 airports in Alabama.
- Six (6) of the Alabama airports are commercial service facilities, and seventy (70) are general aviation facilities.
- The purpose of this report was to provide an estimate of the economic impact for Alabama's six commercial aviation facilities (airports), more specifically, the economic impacts of Birmingham-Shuttlesworth International, Huntsville International- Carl T Jones Field, Mobile Regional, Montgomery Regional (Dannelly Field), Dothan Regional, and Northwest Alabama Regional airports.
- The economic impact estimates are expressed in terms of the number of jobs, the dollar amount of payroll, and the demand for services (output) directly and indirectly attributable to their presence and operation.
- We used 2018 and 2019 financials and passenger (enplanement) data.
- All primary information used in this study are provided by the respective airport personnel.

# Data

- Direct total employment of the airports (aviation and aviation related entities) is estimated to amount to 16,200 jobs (on a full-time equivalent basis in 2019).
- The payroll of the entire on-site business operation is estimated to be \$705.5 million.
- Alabama commercial service airports and their auxiliary businesses collectively add a total of \$948.1 million to the State's economy in the form of non-payroll business transactions.
- All together, the Airports are directly (not counting tourist spending and the induced and indirect impacts at any level) responsible for a total employment of 16,200 individuals and a total direct addition of \$1.6 billion to the State's economy.

# Data – Detailed Direct Data

	<b>Employees</b>	<b>Payroll</b>	<b>Non-Payroll</b>
Huntsville	6,114	\$272,177,956	\$390,624,913
Birmingham	3,500	\$178,017,054	\$203,840,853
Mobile	5,820	\$220,590,320	\$341,537,416
Montgomery	300	\$12,000,000	\$5,000,000
Dothan	428	\$20,895,000	\$875,000
Muscle Shoals	38	\$1,883,125	\$6,243,463

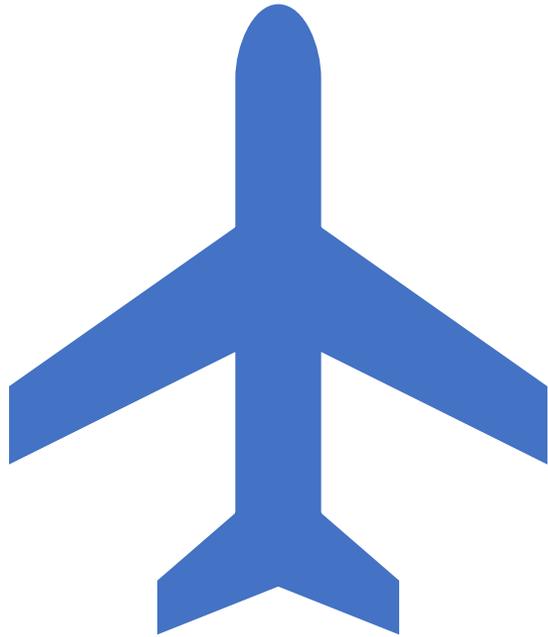
<sup>[1]</sup> Includes data for industrial parks and cargo operations, where applicable.

<b>Airport</b>	<b>Passenger Enplanement</b>
Birmingham	1,545,308
Huntsville	725,484
Mobile	350,290
Montgomery	170,544
Dothan	60,000
Muscle Shoals	6,123
<b>Total</b>	<b>2,857,749</b>

# Data – Direct Data

Employment	Huntsville	Birmingham	Mobile	Montgomery	Dothan	Muscle Shoals
Aviation	744	1750	114	100	28	35
Aviation - Related	5370	1749	5706	200	400	3
Payroll						
Aviation	\$29,825,331	\$68,491,451	\$6,615,320	\$4,000,000	\$1,155,000	\$1,788,125
Aviation - Related	\$242,352,626	\$109,525,603	\$213,975,000	\$8,000,000	\$19,740,000	\$95,000
Non-Payroll						
Aviation	\$49,431,162	\$88,660,631	\$6,689,908	\$1,666,667	\$875,000	\$5,996,563
Aviation - Related	\$341,193,751	\$115,180,221	\$334,847,508	\$3,333,333		\$246,900

## Economic Impact Estimates Methodology



1. We started with the direct aviation employment and payroll attributable to airport operation.
2. We then estimated the direct employment and payroll for aviation-related businesses at the airports.
3. The total non-payroll expenditures (operation and management expenditures) were compiled.
4. The indirect spending (tourist expenditures) was estimated using the enplanement data.
5. Items above were applied to the multiplier analysis, and their induced (secondary) impacts were estimated.
6. The sum of items 1 through 5 provided the total output economic impact of the airports.
7. Finally, the economic impact estimates were used to compute the employment and payroll impact of the aviation and aviation related activities of the airports.

# Economic Impact Estimates

- We estimate that the **total spending (output) impact of the Alabama Airports on the State's economy amounted to approximately \$5.0 billion in 2019.**
- It is also estimated that approximately \$1.7 billion of this total economic impact is solely due to the aviation and aviation related activities.
- The total employment and payroll impact attributable to Alabama Airports is approximately **69,200 direct and indirect jobs** and over **\$2.6 billion of additional payroll** to the economy of the State.

# Impact Estimates

➤	<b>Port of Huntsville</b>	
	▪ <b>Economic Impact:</b>	<b>\$1.8 Billion</b>
	▪ <b>Payroll Impact:</b>	<b>\$1 billion</b>
	▪ <b>Employment Impact:</b>	<b>28,600 Jobs</b>
➤	<b>Birmingham International Airport</b>	
	▪ <b>Economic Impact:</b>	<b>\$1.6 billion</b>
	▪ <b>Payroll Impact:</b>	<b>\$706 million</b>
	▪ <b>Employment Impact:</b>	<b>18,700 Jobs</b>
➤	<b>Mobile Regional Airport and Downtown Airport at Brookley</b>	
	▪ <b>Economic Impact:</b>	<b>\$1.4 billion</b>
	▪ <b>Payroll Impact:</b>	<b>\$778 billion</b>
	▪ <b>Employment Impact:</b>	<b>18,600 jobs</b>
➤	<b>Montgomery Regional Airport</b>	
	▪ <b>Economic Impact:</b>	<b>\$125 million</b>
	▪ <b>Payroll Impact:</b>	<b>\$47 million</b>
	▪ <b>Employment Impact:</b>	<b>1,500 Jobs</b>
➤	<b>Dothan Regional Airport</b>	
	▪ <b>Economic Impact:</b>	<b>\$74 million</b>
	▪ <b>Payroll Impact:</b>	<b>\$50 million</b>
	▪ <b>Employment Impact:</b>	<b>1,400 Jobs</b>
➤	<b>Northwest Alabama Regional Airport</b>	
	▪ <b>Economic Impact:</b>	<b>\$10 million</b>
	▪ <b>Payroll Impact:</b>	<b>\$8 million</b>
	▪ <b>Employment Impact:</b>	<b>202 jobs</b>

# Rate of Return (ROI)

- ROI is a financial metric that is widely used to measure the probability of gaining a return from an investment.
- It is a ratio that compares the gain or loss from an investment relative to its cost.
- To calculate the ROIs, we first added up all aviation-only direct spending for all commercial service airports in Alabama for 2019.
- More specifically, we removed spending for industrial parks and other similar auxiliary spending that are not directly connected to movement of passengers from our database.
- Next, we re-estimated the total economic impact of the aviation-only activities for the major Alabama airports.
- Finally, we divided our estimates of adjusted total economic impact of the airports into the adjusted direct spending.
- We found that the ROI for the airports vary from mid-4 to low-15.
- The overall average ROI is estimated to be 6.
- A \$1 investment in airport core business, from any funding source, can generate \$5 of additional income for the community.