2022 Indiana State Aviation Economic Impact Study

Executive Summary

September 2022

Introduction

The Indiana Department of Transportation (INDOT) Office of Aviation conducted the 2022 Indiana State Aviation Economic Impact Study (AEIS) to assess the quantitative and qualitative impacts generated by Indiana's system of 69 aviation facilities.* These facilities include four commercial service airports, 64 general aviation (GA) airports, and one heliport. Commercial service airports host scheduled commercial airline service, and along with the 65 GA facilities, support a broad range of business, recreation, emergency, public safety, and agricultural activity, among many other types of operations. The 2022 AEIS is a critical tool that communicates the substantial contributions these public-use aviation facilities make to local, regional, and state economies. They facilitate the movement of people, goods, and services throughout the nation and the world, allowing the economy to operate more efficiently. In addition, system facilities bring in visitors from neighboring states and further abroad who stimulate local economic activity by spending money on accommodations, food, and entertainment during their stay in Indiana. These facilities are centers of local and regional employment. This employment further supports the broader statewide economy with the spending of wages and earnings in other economic sectors. Additionally, economic activity associated with airports make substantial contributions to federal, state, and local governments via taxes and fees. The 2022 AEIS uses 2019 as the base year of activity for assessment as it represents a typical or "normal" year of activity prior to the disruptions caused by the COVID-19 pandemic. Information on activity in 2020 was also collected and modeled separately to assess the extent of the impact of the pandemic on aviation activity in the state during 2020. Impacts for 2020 can be found in an appendix to the 2022 Indiana AEIS Technical Report.

Measurements of Economic Impact

The economic impact presented as part of the 2022 Indiana AEIS measures the spending and employment associated with Indiana's public-use aviation system. The economic impact of Indiana's system facilities is presented using four common metrics: employment, labor income, Gross Domestic Product (GDP), and output. All four of these are used to express the gross level of activity or expenditure associated with Indiana's aviation system, and the aviation activities that occur at system facilities.

Employment (Jobs)
The number of jobs employed by businesses directly or indirectly linked to activities and operations at Indiana's public-use facilities. The employment figure includes full-time, part-time, and seasonal employment.

Labor Income
The wages, salaries, bonuses, benefits, and other remuneration earned by the associated workforce linked to activities and operations by Indiana's aviation system.

Gross Domestic Product (GDP)
The value of the operating surpluses (i.e. the "value add") of businesses linked to activities and operations at Indiana's airports, plus the remuneration and net indirect taxes paid to government.

Output
The total gross spending (i.e. capital improvements plus revenue) by businesses, organizations, and individuals involved in activities linked to operations and actions at Indiana's public-use facilities, including intermediate consumption.

**Sheridan Airport (5I4) and Boone County Airport (6I4) were excluded from the economic impact study as both airports were unresponsive in providing survey information necessary for the analysis. Both airports are Unclassified facilities within the 2022 Indiana State Aviation System Plan and their exclusion is not expected to have significantly affected the overall statewide economic impact results estimated in this study*

Categories of Economic Impact

Economic impact is typically expressed across three categories or levels of impact: direct, indirect, and induced. These category distinctions are used as a base to develop the estimation of the total economic impact of Indiana's aviation system, and, when summed, they capture the total economic contributions of Indiana's public-use aviation facilities on the state's economy.

Direct impacts are generated from on-airport activity, such as airport administration and airport tenant employment and capital improvements occurring on airport, as well as off-airport activity, including visitor spending impacts generated from out-of-state visitors arriving to Indiana via commercial service or GA facilities who go on to spend money in Indiana. Examples of direct impacts include (but are not limited to) the employment of airport managers to oversee airport operations or line service technicians employed by fixed-base operators (FBOs) to re-fuel and service visiting aircraft.

These direct impacts are the initial level of economic benefit generated by Indiana system facilities. As the benefits of these direct impacts flow through the economy, additional impacts are generated. These impacts, often referred to as "multiplier impacts," occur when a portion of direct business revenues are used to purchase goods and services in Indiana (called **indirect impacts**) and when individuals employed directly or indirectly by airports re-spend their labor income (wages or payroll) in Indiana (called **induced impacts**). Examples of indirect impacts include (but are not limited to) the purchasing of fuel in bulk by airports or FBOs which is then purchased by pilots, or the purchasing of hamburger buns by airport concessionaires. Examples of induced impacts include employees of the airport, an FBO, or an airport concessionaire re-spending their labor income to purchase groceries or buy a home in Indiana. Again, these are only a few examples and do not reflect all of the employment or spending considered in this economic assessment.

The combination of direct, indirect, and induced impacts represent a comprehensive and complete picture of the **total economic impact** of Indiana's aviation system.

Direct Impacts
- Ongoing operations at facilities
- Capital investments at facilities
- Out-of-state visitor spending

Indirect Impacts
- Impacts associated with suppliers to the direct business activities

Induced Impacts
- Spending of earnings by employees and businesses in the general economy

TOTAL IMPACTS

Direct Jobs at Primary Airports by Function

- **Airlines** 7,490 Jobs
- **Aviation Support** 2,950 Jobs
- **Passenger Services** 1,810 Jobs
- **Military** 980 Jobs
- **Airport Management & Other** 980 Jobs

Data Collection and Methodology

To accurately model and calculate the economic contribution of Indiana's aviation system facilities, a comprehensive data collection effort was undertaken. Much of the information included in this dataset was collected directly from airport managers, aviation-related business tenants, and out-of-state visitors via in-person and online surveying efforts. In-person and virtual site visits were conducted at all system facilities and airport managers were asked to provide information on airport employment, tenant employment, labor income including benefits, facility activity, and capital expenditures. When available, airport tenants were also surveyed during site visits. Follow-up emails and phone calls were conducted when contact with tenants was not possible during the site visits to collect important information about their businesses. Passenger surveying was also conducted at commercial service airports in the state to capture data on how much out-of-state visitors spent in Indiana and the distribution of that spending across hospitality sectors. Supplemental sources were used to develop visitor spending estimates for travelers utilizing GA facilities. The information gathered via surveying efforts and from supplemental sources (when necessary) was modeled using IMPLAN, an industry accepted economic modeling application approved by the Federal Aviation Administration (FAA) to calculate the aviation system's economic contribution.

Key Data Points Collected

- Airport-Sponsored Employment
- Capital Expenditures
- Outsourced or Contracted Employment
- Airport Revenues
- Tenant Employment
- Airport Visitors and Spending Profiles
- Wages And Benefits of On-Airport Employees
- Impacts of COVID-19
- Airport Activity Levels and Types of Activity

Summary of Total Annual Economic Impacts

The total annual economic impact of Indiana's aviation system is significant. Each facility contributes notable benefits to the local and statewide economies individually and offers even greater impacts when assessed systemwide. Collectively, the public-use facilities in Indiana's aviation system generated more than **75,000 jobs** and nearly **$3.4 billion in labor income**, with nearly **$5.8 billion in GDP**, and a **total output of approximately $10.3 billion** in 2019 as part of the state's economy.

Primary

	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impacts
Employment	40,790 Jobs	11,180 Jobs	12,180 Jobs	64,150 Jobs
Labor Income	$1,657,590,000	$578,510,000	$588,060,000	$2,824,170,000
GDP	$2,965,990,000	$912,540,000	$1,028,840,000	$4,907,370,000
Output	$5,243,170,000	$1,810,760,000	$1,796,040,000	$8,849,970,000

General Aviation

	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impacts
Employment	7,420 Jobs	1,500 Jobs	2,360 Jobs	11,280 Jobs
Labor Income	$351,880,000	$82,620,000	$113,830,000	$548,330,000
GDP	$536,630,000	$124,600,000	$199,140,000	$860,380,000
Output	$867,940,000	$247,980,000	$347,640,000	$1,463,560,000

Systemwide

	Direct Impacts	Indirect Impacts	Induced Impacts	Grand Total
Employment	48,210 Jobs	12,680 Jobs	14,540 Jobs	75,420 Jobs
Labor Income	$2,009,480,000	$661,130,000	$701,890,000	$3,372,500,000
GDP	$3,502,620,000	$1,037,140,000	$1,227,980,000	$5,767,750,000
Output	$6,111,110,000	$2,058,740,000	$2,143,680,000	$10,313,530,000

Summary of Annual Tax Impacts

In addition to the annual economic contributions generated by Indiana's aviation system, this aviation activity also generates significant tax impacts at the local, state, and federal levels that stem from visitor spending, on-airport activity from tenants, and the sale of aviation fuel, as examples. In total, the aviation-related activity that occurred in Indiana in 2019 generated nearly $1.4 billion in tax revenues. This tax impact is separate from the $10.3 billion presented above and should not be added as they measure different elements.

	Federal	State	Local	Total Tax Impacts
Primary Airports	$614,870,000	$375,660,000	$195,150,000	$1,185,680,000
GA Airports	$114,580,000	$40,440,000	$18,580,000	$173,600,000
Total	$729,450,000	$416,110,000	$213,730,000	$1,359,290,000

Individual Airport Impacts

The 2019 total economic impacts for each airport represent a typical year of impacts. Each airport's annual contribution is based on the types of activity at the airport as well as the activities that the airport supports in their local and statewide economies.

Associated City	Airport Name	FAA ID	Jobs	Labor Income	GDP	Output
Commercial Service						
Evansville	Evansville Regional	EVV	1,777	$75,681,000	$120,889,000	$207,737,000
Fort Wayne	Fort Wayne International	FWA	4,560	$203,630,000	$337,280,000	$557,968,000
Indianapolis	Indianapolis International	IND	53,974	$2,371,494,000	$4,149,544,000	$7,545,240,000
South Bend	South Bend International	SBN	3,836	$173,360,000	$299,653,000	$539,024,000
General Aviation						
Anderson	Anderson Municipal-Darlington Field	AID	134	$7,252,000	$9,850,000	$19,898,000
Angola	Tri-State Steuben County	ANQ	17	$837,000	$1,120,000	$2,230,000
Auburn	DeKalb County	GWB	124	$6,686,000	$8,665,000	$15,906,000
Bedford	Virgil I Grissom Municipal	BFR	34	$1,833,000	$2,603,000	$4,824,000
Bloomington	Monroe County	BMG	278	$11,495,000	$17,349,000	$32,624,000
Brazil	Brazil Clay County	0I2	27	$1,520,000	$1,989,000	$3,409,000
Columbus	Columbus Municipal	BAK	410	$19,941,000	$33,062,000	$56,301,000
Connersville	Mettel Field	CEV	33	$1,988,000	$2,457,000	$4,162,000
Crawfordsville	Crawfordsville Regional	CFJ	34	$1,676,000	$2,246,000	$4,445,000
Delphi	Delphi Municipal	1I9	21	$1,175,000	$1,546,000	$3,115,000
Elkhart	Elkhart Municipal	EKM	240	$11,665,000	$17,634,000	$33,776,000
Fort Wayne	Smith Field	SMD	180	$10,721,000	$17,121,000	$32,444,000
Frankfort	Frankfort/Clinton County Regional	FKR	58	$2,833,000	$3,762,000	$7,527,000
French Lick	French Lick Municipal	FRH	175	$5,132,000	$8,114,000	$14,586,000
Gary	Gary/Chicago International	GYY	880	$51,291,000	$83,972,000	$152,734,000
Goshen	Goshen Municipal	GSH	160	$8,095,000	$13,279,000	$25,762,000
Greencastle	Putnam County Regional	GPC	38	$1,821,000	$2,591,000	$4,534,000
Greensburg	Greensburg Municipal	I34	18	$1,012,000	$1,371,000	$2,802,000
Griffith	Griffith-Merrillville	05C	138	$7,309,000	$10,938,000	$20,870,000
Huntingburg	Huntingburg	HNB	133	$6,972,000	$10,339,000	$20,150,000
Huntington	Huntington Municipal	HHG	49	$2,814,000	$4,229,000	$8,066,000
Indianapolis	Eagle Creek Airpark	EYE	210	$10,416,000	$13,846,000	$27,455,000
Indianapolis	Hendricks County-Gordon Graham Field	2R2	12	$528,000	$711,000	$1,410,000
Indianapolis	Indianapolis Downtown Heliport	8A4	20	$1,140,000	$1,512,000	$2,859,000
Indianapolis	Indianapolis Executive	TYQ	357	$13,736,000	$19,415,000	$36,286,000

Associated City	Airport Name	FAA ID	Jobs	Labor Income	GDP	Output
General Aviation						
Indianapolis	Indianapolis Metropolitan	UMP	101	$5,075,000	$6,780,000	$13,448,000
Indianapolis	Indianapolis Regional	MQJ	268	$12,616,000	$21,482,000	$40,687,000
Indianapolis	Indy South Greenwood	HFY	111	$5,263,000	$7,695,000	$15,080,000
Jeffersonville	Clark Regional	JVY	296	$16,046,000	$22,026,000	$43,698,000
Kendallville	Kendallville Municipal	C62	21	$1,102,000	$1,451,000	$2,905,000
Kentland	Kentland Municipal	50I	8	$426,000	$559,000	$1,122,000
Knox	Starke County	OXI	37	$1,847,000	$2,434,000	$4,413,000
Kokomo	Kokomo Municipal	OKK	57	$2,659,000	$3,623,000	$7,110,000
La Porte	La Porte Municipal	PPO	55	$2,920,000	$4,381,000	$8,554,000
Lafayette	Purdue University	LAF	562	$24,889,000	$34,011,000	$63,690,000
Logansport	Logansport/Cass County	GGP	25	$1,263,000	$1,667,000	$3,338,000
Madison	Madison Municipal	IMS	72	$3,454,000	$4,341,000	$8,349,000
Marion	Marion Municipal	MZZ	73	$4,072,000	$5,345,000	$10,086,000
Michigan City	Michigan City Municipal-Phillips Field	MGC	56	$2,706,000	$3,754,000	$7,399,000
Monticello	White County	MCX	31	$1,650,000	$2,219,000	$4,484,000
Muncie	Delaware County Regional	MIE	228	$11,296,000	$15,105,000	$29,724,000
New Castle	New Castle Henry County Marlatt Field	UWL	47	$2,668,000	$3,518,000	$6,587,000
North Vernon	North Vernon	OVO	64	$3,362,000	$4,246,000	$7,962,000
Paoli	Paoli Municipal	I42	9	$472,000	$632,000	$1,276,000
Peru	Grissom ARB	GUS	2,611	$115,465,000	$197,238,000	$256,601,000
Peru	Peru Municipal	I76	16	$863,000	$1,131,000	$2,275,000
Plymouth	Plymouth Municipal	C65	41	$2,240,000	$2,930,000	$5,863,000
Portland	Portland Municipal	PLD	63	$3,897,000	$6,667,000	$12,749,000
Rensselaer	Jasper County	RZL	31	$1,663,000	$2,206,000	$4,425,000
Richmond	Richmond Municipal	RID	17	$892,000	$1,200,000	$2,411,000
Rochester	Fulton County	RCR	52	$2,742,000	$3,850,000	$7,052,000
Salem	Salem Municipal	I83	13	$700,000	$949,000	$1,934,000
Seymour	Freeman Municipal	SER	42	$2,320,000	$2,973,000	$5,478,000
Shelbyville	Shelbyville Municipal	GEZ	41	$2,023,000	$2,980,000	$4,881,000
Sullivan	Sullivan County	SIV	12	$666,000	$1,077,000	$2,093,000
Tell City	Perry County Municipal	TEL	2	$128,000	$176,000	$356,000
Terre Haute	Terre Haute Regional	HUF	1,965	$99,693,000	$168,128,000	$273,442,000
Valparaiso	Porter County Regional	VPZ	303	$11,790,000	$18,291,000	$36,057,000
Wabash	Wabash Municipal	IWH	26	$1,438,000	$1,888,000	$3,442,000
Warsaw	Warsaw Municipal	ASW	117	$6,866,000	$12,044,000	$23,117,000
Washington	Daviess County	DCY	12	$643,000	$849,000	$1,713,000
Winamac	Arens Field	RWN	6	$309,000	$379,000	$729,000
Winchester	Randolph County	I22	6	$321,000	$431,000	$858,000

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Indiana's Aviation System Benefits Everyone

The economic contributions of Indiana's aviation facilities represent only one type of benefit these airports and heliports offer to Indiana residents and visitors – the quantitative benefit. It's important to recognize that these facilities also provide a wealth of qualitative impacts to Hoosiers that may not be readily recognized. To better highlight the value of these airports outside of their monetary impact, Appendix F. Real-life Aviation Experiences of the 2022 Indiana State AEIS Technical Report includes a number of real-life stories that explore a variety of experiences and ways aviation is used in the state to better the quality of life in Indiana. Some highlights from these stories are shared here:

Aviation Education

Educating the next generation of aviation industry professionals is crucial for the continued growth and health of the aviation industry. Flight schools and other aviation educational institutions across the state offer programs for students to become pilots, mechanics, and other aviation professionals. For example, Alpha Flight at Plymouth Municipal Airport offers high school students courses and curriculum to pursue their own pilot's license and continue toward post-secondary aviation degrees. For those not looking to fly, Alpha Flight also offers education in airport management, air traffic control, meteorology, ground operations, and much more.

Community Events

The relationship between an airport and its surrounding community is instrumental in the overall success and longevity of the airport and its operations. A prime example of a strong relationship can be found at Columbus Municipal Airport, where the airport generates economic activity while also opening its doors for community gathering and entertainment. With a business park serving over 80 different businesses, the airport is able to generously support and contribute to community partnerships to give back to the individuals and businesses that utilize the facility.

Business Activity

Aviation facilities are utilized by both aeronautical and non-aeronautical businesses, offering space on airport property and a continuous stream of local and non-local traffic. One such business is MJ Aircraft, a family-owned repair station located at Anderson Municipal Airport. This business offers a wide range of aircraft interior design services, from carpet and headliners, to cabinets, seats, window shades, and more. These services attract local and distant customers, creating jobs and revenue for the business, along with economic contributions from out-of-state visitors who may spend money in the local community.

Aerial Medical Services

Medical transportation by both by fixed-wing aircraft and helicopters, is just one of several critical operations facilitated by Indiana's aviation system. Medical aircraft operators perform both emergency and non-emergency transport of patients, providers, and medical supplies with speed and efficiency when other forms of transport may not be capable of providing such services. A key operator in this market is Lutheran Air, which operates three medical helicopters out of three separate airports in northeastern Indiana. The staff responsible for these aircraft prioritize safety over all else, ensuring that their helicopters are staffed 24/7 with properly trained crews to provide necessary treatment to patients.

Prepared for:

INDOT Office of Aviation
www.in.gov/indot/multimodal/aviation/

Prepared by:

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