

DES MOINES INTERNATIONAL AIRPORT

ECONOMIC IMPACT STUDY 2014

TOTAL JOBS 7,156

TOTAL PAYROLL \$271 MILLION

TOTAL OUTPUT \$644 MILLION

Des Moines International Airport is a critical economic catalyst and important transportation resource that connects Central Iowa's residents and businesses to the world. This report demonstrates the significant role played by the airport in providing and supporting vital air transportation links, economic development, and jobs in the Des Moines region. The total economic contribution of the airport in 2014 comes from day-to-day business activities on the airport, expenditures on capital projects, the spending of visitors that arrive by plane, and the additional activity of the recirculation of spending of on-airport businesses and visitors. Des Moines International Airport contributes significantly to the state's economy, supporting 7,156 jobs, \$271 million in annual payroll, and \$644 million in annual economic output. These impacts do not include the additional economic benefits associated with the increased productivity realized by non-aviation businesses and government entities in the Des Moines region that rely on the Des Moines International Airport to improve their efficiency.

When compared to the previous statewide economic impact study (*Uses and Benefits of Aviation in Iowa, 2009*), the 2014 impacts indicate that the airport as an economic engine has grown significantly. Since 2007, Des Moines International Airport has experienced 31 percent growth in total employment, 35 percent growth in total payroll, and 23 percent in total output. This can largely be attributed to the 20 percent growth in commercial service passenger enplanements over this period. The seven airlines that serve Des Moines International combine for an average of 49 daily departures to 18 non-stop destinations throughout the country. Additionally, the air cargo needs of the Des Moines region are served by several air cargo carriers including UPS, which maintains a regional air cargo hub at the airport, and FedEx Express.



HOW AVIATION'S BENEFITS ARE QUANTIFIED

Impact Types

Direct Impacts account for activities by on-airport businesses and government agencies, and the off-airport visitor spending at locations such as hotels and restaurants. Direct impacts account for the initial point where money first starts circulating in the economy.

Multiplier Impacts result from the recirculation of direct impacts within the economy. This re-spending of money can occur multiple times and takes two forms – indirect and induced. Indirect impacts occur when companies incur business expenses. Induced impacts occur when employees purchase goods and services.

Total Economic Impacts are the combination of all direct and multiplier impacts.

Impact Measures

Employment measures the number of full-time equivalent (FTE) jobs related to airport activity including visitor-supported and on-airport construction jobs. A part-time employee counts as half of a full-time employee.

Payroll measures the total annual salary, wages, and benefits paid to all workers whose livelihoods are directly attributable to airport activity.

Economic Output measures the value of goods and services related to the airport. The output of on-airport businesses is typically assumed to be the sum of annual gross sales and average annual capital expenditures.

STUDY METHODOLOGY

The economic benefits associated with Des Moines International Airport were estimated using a standard econometric modeling process that meets guidelines established by the Federal Aviation Administration. This economic input-output model estimates economic benefits in terms of employment, payroll, and economic output. This methodology has been used to successfully quantify the benefits of airports and airport systems throughout the United States.

The input for this model came from numerous data gathering efforts at the airport. Airport management, aviation-related businesses, and government agencies were surveyed to collect the data necessary to estimate the employment, payroll, and output each airport supports. Visiting passengers using commercial airlines and general aviation aircraft were surveyed to estimate the benefits created from their expenditures.

The induced and indirect impacts of these airport activities were calculated using multipliers that are specific to Iowa. For example, when an airport employee purchases local goods and services, that spending circulates through the local economy by supporting the jobs and payroll of other businesses and thereby generates additional economic activity in the region. The total economic impact is the sum of all airport-related activity, and multiplier impacts.



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