

Oklahoma

AVIATION & AEROSPACE ECONOMIC IMPACT STUDY



Oklahoma Statewide Economic Impact Study Objectives



Estimate economic impacts supported by 109 study airports



Estimate impacts from military aviation in Oklahoma



Estimate impacts tied to “off-airport” aviation/aerospace companies in Oklahoma



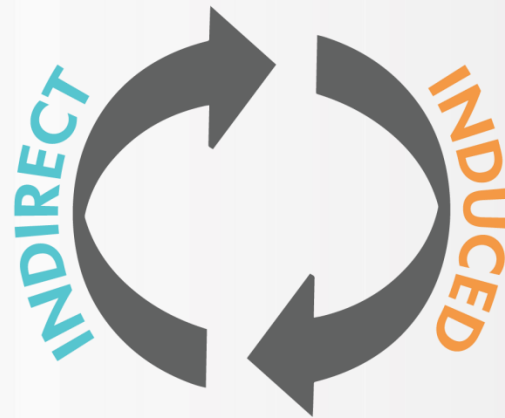
Measures for All Economic Impacts

- Employment
- Payroll
- Spending
- Total Annual Economic Activity (Payroll + Spending)



Process to Measure Economic Impacts

MULTIPLIER IMPACTS



IMPLAN MODEL



Annual Economic Impacts of Oklahoma's Commercial and General Aviation Airports



Here Is Where Oklahoma Airports Take You On Any Given Day...



Activity Centers Considered To Measure Each Airport's Annual Economic Impact

ECONOMIC IMPACTS COME FROM 5 "BUCKETS"

-  Airport Management
-  Airport Tenants
-  Capital Investment
-  Commercial Visitor Spending
-  General Aviation Visitor Spending



Impacts of Airport Management

- Obtained through surveys, on-site visits, phone interviews
- Total Full-Time Direct employees estimated at 517
- Represents full-time, part-time, and seasonal jobs at each airport
- Considers off-airport jobs that support an airport's operation



Total Annual Economic Impacts from Airport Management

Airport Management Impacts

TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	517	\$21.9 million	\$46.2 million	\$68.1 million
Indirect + Induced	319	\$14.7 million	\$51.4 million	\$66.1 million
Total	836	\$36.6 million	\$97.6 million	\$134.2 million

- Almost 840 jobs
- Almost \$37 million in annual payroll
- Over \$134 million in total annual economic activity



Impacts of Airport Tenants

- Considers businesses at all airports that are engaged in the provision of aviation services or customer support
- Tenant information collected through surveys and phone and on-site interviews
- A total of 442 different airport tenants/businesses were identified
- These tenants have total direct employment estimated at 21,708



Total Annual Economic Impacts from Airport Tenants

Airport Tenant Impacts

TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	21,708	\$1.5 billion	\$2.6 billion	\$4.1 billion
Indirect + Induced	24,790	\$1.3 billion	\$2.3 billion	\$3.6 billion
Total	46,499	\$2.8 billion	\$4.9 billion	\$7.6 billion

- Almost 46,500 jobs
- \$2.8 billion in annual payroll
- \$7.6 billion in total annual economic activity



Impacts from Capital Improvement Projects (CIP)

- When capital projects are implemented, jobs and associated payroll are supported by the spending
- OAC provided airport specific state and FAA grant histories
- Airports provided information on local match and other airport-funded projects
- Tenants and airports provided data on third party investment
- Statewide average annual direct airport investment is almost \$200 million (labor and materials)



Total Annual Economic Impacts from Capital Investment

Capital Improvement Impacts

TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	1,224	\$47.3 million	\$152.1 million	\$199.5 million
Indirect + Induced	1,035	\$48.0 million	\$124.7 million	\$172.7 million
Total	2,259	\$95.3 million	\$276.8 million	\$372.2 million

- Almost 2,260 jobs
- \$95.3 million in annual payroll
- About \$372 million in total annual economic activity



General Aviation Visitor Supported Impacts

- An estimated 154,300 visiting general aviation aircraft come to Oklahoma each year
- These general aviation planes bring an estimated 439,600 visitors to the state
- Annually, general aviation visitors have \$161.4 million in direct impacts
- Transient aerial applicators account for \$1.4 million of this total
- Annual spending supports jobs and associated payroll



Total Annual Economic Impacts from General Aviation Visitors

General Aviation Visitor Impacts

TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	1,940	\$42.9 million	\$118.5 million	\$161.4 million
Indirect + Induced	699	\$30.7 million	\$61.1 million	\$91.8 million
Total	2,639	\$73.6 million	\$179.6 million	\$253.2 million

- Almost 2,640 jobs
- Over \$73 million in annual payroll
- Over \$253 million in total annual economic activity



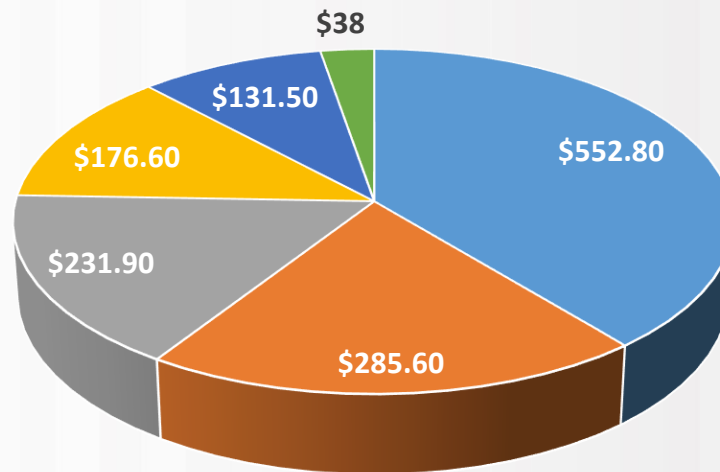
Impacts from Visitors Arriving on Commercial Airlines

- Annually Oklahoma's four commercial airports enplane about 3.3 million passengers
- 1.4 million (43%) are visitors to the state
- These visitors support over \$1.4 billion in direct annual economic activity (spending and payroll)

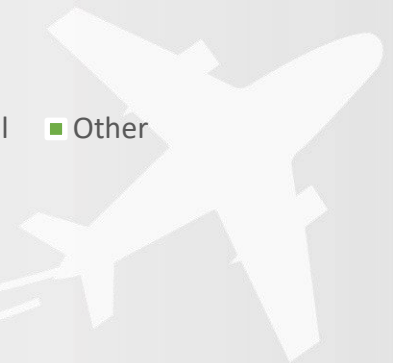


Commercial Visitor Spending Distribution by Type

COMMERCIAL VISITOR SPENDING (IN MILLIONS)
TOTAL: OVER \$ 1.4 BILLION IN DIRECT ECONOMIC ACTIVITY



■ Lodging ■ Food ■ Ground Transportation ■ Entertainment ■ Retail ■ Other



Total Annual Economic Impacts from Commercial Visitors

Commercial Visitor Impacts

TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	15,755	\$361.5 million	\$1.02 billion	\$1.4 billion
Indirect + Induced	6,015	\$268.5 million	\$528.2 million	\$796.7 million
Total	21,770	\$630.0 million	\$1.56 billion	\$2.2 billion

- Almost 22,000 jobs
- \$638 million in annual payroll
- \$2.2 billion in total annual economic activity



Total Annual Economic Impact from Oklahoma's 109 Commercial and General Aviation Airports

Total Statewide Airport Related Economic Impacts

	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Total Airport Management Impact	836	\$36.6 million	\$97.6 million	\$134.2 million
Total Airport Tenant Impact	46,499	\$2.8 billion	\$4.9 billion	\$7.6 billion
Total Capital Improvements Impact	2,259	\$95.3 million	\$276.8 million	\$372.2 million
Total General Aviation Visitor Impact	2,639	\$73.6 million	\$179.6 million	\$253.2 million
Total Commercial Service Visitor Impact	21,770	\$630.0 million	\$1.56 billion	\$2.2 billion
TOTAL ANNUAL ECONOMIC IMPACT	74,002	\$3.6 billion	\$7.0 billion	\$10.6 billion

- Over 74,000 jobs
- \$3.6 billion in annual payroll
- \$10.6 billion in total annual economic activity



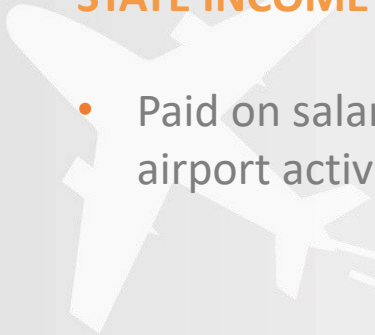
State and Local Tax Revenues from Airports/Airport Supported Activities

SALES TAX REVENUES

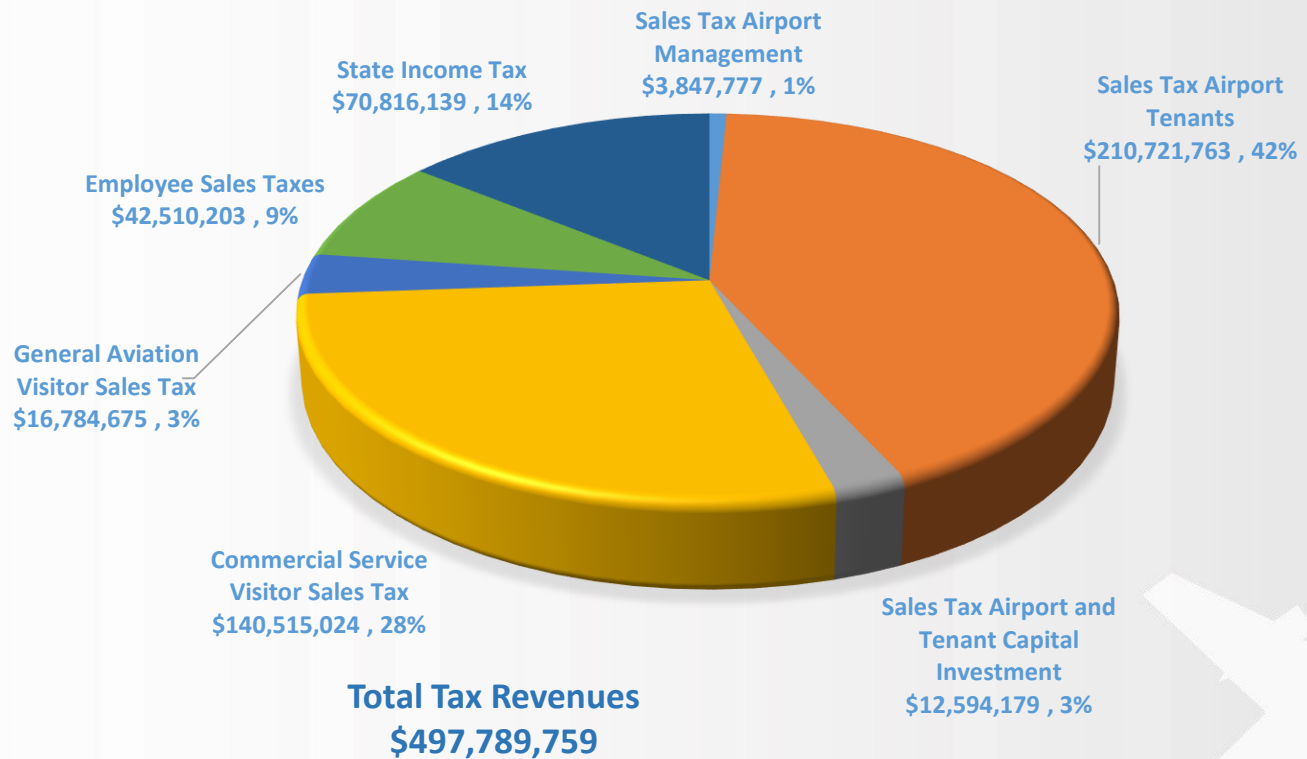
- Airport spending for goods/supplies
- Tenant spending for good/supplies
- Taxable portion of goods/materials related to spending for capital projects
- Spending by all visitors arriving by air
- Average annual sales tax paid by all direct airport supported employees

STATE INCOME TAX

- Paid on salaries of all those working at airports or in support of airport activities



Almost \$500 Million in Airport Related Tax Revenue Contributions



ADDITIONAL BENEFITS FROM OKLAHOMA AIRPORTS



Oklahoma Airports Support

- Aviation Educational and Training
 - 50 airports support education/training
 - 1,566 on- and off-airport direct jobs in aviation education/training
 - Oklahoma is a national leader in aviation education
- Aerial Applicators
 - 56 different airports support based/transient aerial applicators
 - Agriculture is a \$40 billion industry in Oklahoma
 - Aerial applicators generate an estimated \$22 million in economic benefits

OKLAHOMA STUDY AIRPORTS WITH BASED & TRANSIENT AERIAL APPLICATORS



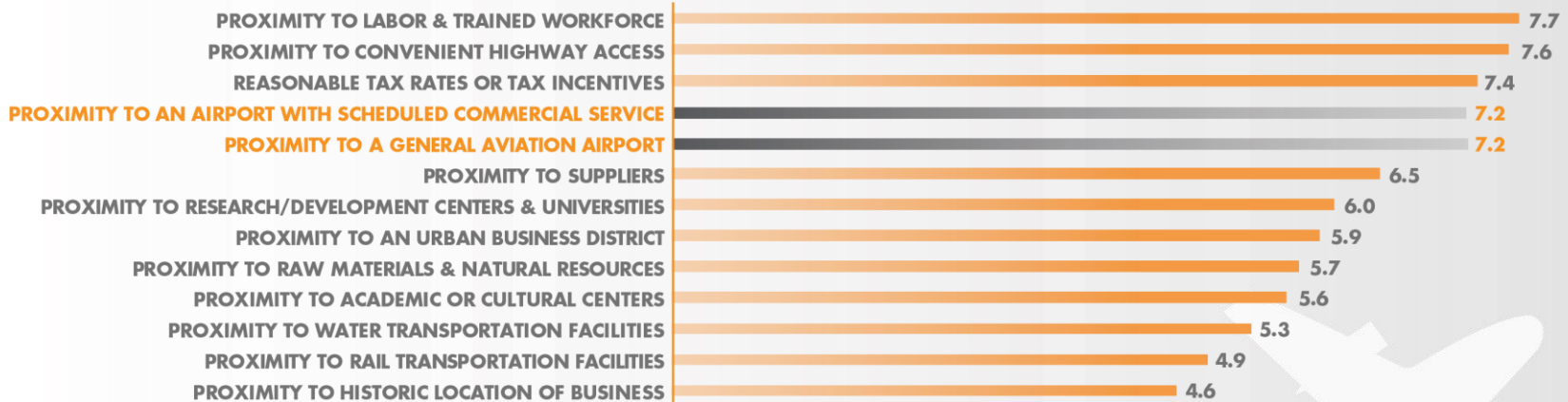
Oklahoma Airports Support

- Healthcare
 - 70 airport report serving healthcare/emergency services
 - 38 hospitals report they rely on air transport to support healthcare
 - Rural hospitals are dependent upon staff who travel by air
- Oil and Gas Industry
 - Oklahoma is the Primary Delivery Point for Petroleum in the U.S.
 - 22 airports support pipeline patrols
- OHP
 - 30 airports support law enforcement and OHP activities
- Recreation
 - Fishing/hunting contribute \$1.5 billion to state economy
 - All airports support recreational activities



Oklahoma Airports Support Business Needs

- Proximity to commercial and general aviation airport important
- 51% of responding Oklahoma businesses benefit from general aviation
- 89% of responding Oklahoma businesses benefit from commercial aviation
- 48% benefit from overnight shipping/air cargo
- 34,787 jobs in Oklahoma have improved efficiency from use of aviation



OFF-AIRPORT AVIATION/ AEROSPACE BUSINESSES



Off-Airport Aviation/Aerospace Employers

Oklahoma City Metro “Off Airport”

- Over 307 aerospace/aviation establishments in the Oklahoma City Metro are not counted as airport tenants
- These 307 establishments employ about 9,200 workers at wages averaging over \$56,200 annually

Tulsa Metro “Off Airport”

- Over 286 aerospace/aviation establishments in the Tulsa Metro are not counted as airport tenants
- These 286 establishments employ over 10,100 workers at wages averaging over \$59,700 annually

Statewide Oklahoma “Off-Airport”

- Over 837 off-airport businesses are currently operating in the aerospace industry or are directly working with aerospace/aviation activities
- All off-airport aerospace companies statewide employ about 26,650 workers
- Off-airport companies paid average wages of over \$62,400 annually



Total Annual Economic Impacts from Off-Airport Aviation/Aerospace Businesses

IMPACT TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Direct	26,654	\$1.7 billion	\$7.1 billion	\$8.8 billion
Indirect/Induced	32,303	\$1.7 billion	\$3.4 billion	\$5.0 billion
TOTAL	58,958	\$3.4 billion	\$10.5 billion	\$13.9 billion

- Almost 59,000 jobs
- \$3.4 billion in annual payroll
- \$13.8 billion in total annual economic activity



Impacts from Military Aviation in Oklahoma



Economic Impacts from Military

- Considers impacts related to the annual operation of each base
- Includes military, civilian, and contract personnel
- Includes impacts from spending to support annual capital investment to support military aviation
- Considers impacts from Vance, Altus, Tinker AFBs, and Oklahoma Air Guard



Total Annual Economic Impact from Military Aviation in Oklahoma

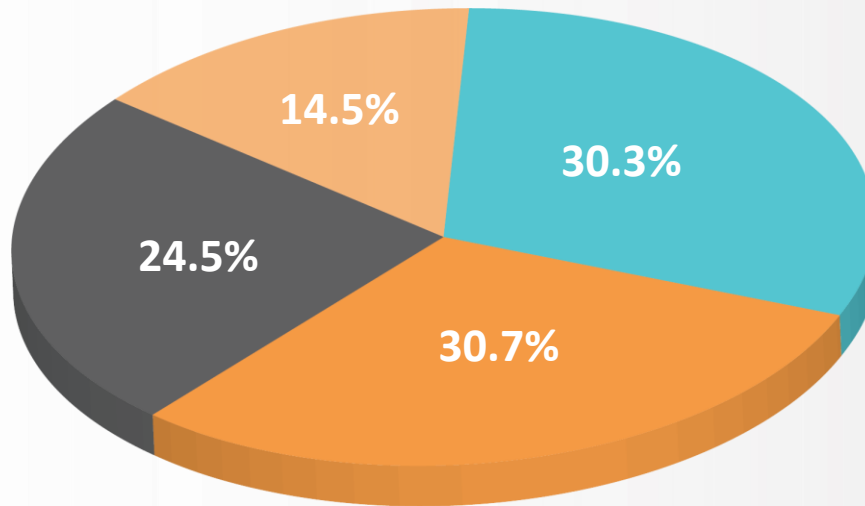
IMPACT TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Air Guard	557	\$21.3 million	\$11.2 million	\$32.5 million
Vance AFB	6,310	\$301 million	\$624 million	\$925 million
Tinker AFB	56,901	\$3.9 billion	\$13.2 billion	\$17.1 billion
Altus AFB	8,881	\$470 million	\$767 million	\$1.24 billion

- Almost 72,650 jobs
- \$4.7 billion in annual payroll
- \$14.6 billion in annual spending
- \$19.3 billion in total annual economic activity

SUMMARY OF FINDINGS



Aviation and Aerospace Activities Support 240,400 Jobs



Aviation and Aerospace Support About 14.5% of all Non-Farm Employment in Oklahoma



Total Annual Economic Impact of Airports, Off-Airport Aviation/Aerospace Employers, and Military Aviation

IMPACT TYPE	EMPLOYMENT	PAYROLL	SPENDING	ANNUAL ECONOMIC ACTIVITY
Total Annual Economic Impact For Study Airports	74,002	\$3.6 billion	\$7.0 billion	\$10.6 billion
Total Annual Economic Impact For Military Aviation	72,648	\$4.7 billion	\$14.6 billion	\$19.3 billion
Total Annual Economic Impact For Off-Airport Aviation/Aerospace	58,958	\$3.4 billion	\$10.5 billion	\$13.9 billion
TOTAL ANNUAL ECONOMIC IMPACT	205,608	\$11.7 billion	\$32.1 billion	\$43.7 billion

- Over 205,600 jobs
- \$11.7 billion in annual payroll
- \$43.7 billion in annual economic activity
- Represents 14.5% of All Non-Farm Employment in Oklahoma