

A VALUABLE ADDITION

The state's airports generate more than \$10 billion annually in economic activity, according to the results of a 1997 study.

The results show significant impact for local communities, even for communities with only landing strip capabilities.

The research

In 1997 the Office of Aeronautics at the Minnesota Department of Transportation (Mn/DOT) sponsored a study to learn more about the contributions of the state's airports to the economy.

Wilbur Smith and Associates examined the economic impact of the state's airports by evaluating:

- All public-use airports, a total of 137. These included 15 commercial service designated airports and 122 general aviation service airports, with 7 designated as relievers.
- Hundreds of firms that provide aviation services at the airports, including airlines, fixed base operators, and aircraft repair providers, among others.
- Commercial airplane passengers.
- Non-direct sources, such as off-site firms that provide goods and services to commercial and general aviation passengers; federal and state assistance programs that support airport development, maintenance, and safety; and firms that rely on efficient air transportation cargo service.

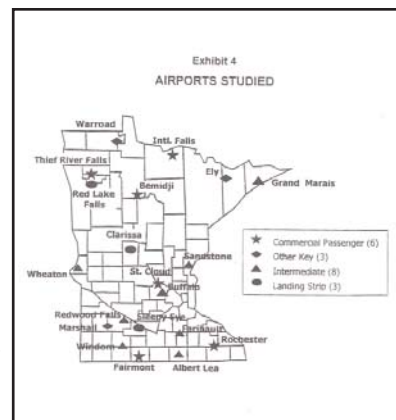
The study divided airports into four categories: commercial service airports, non-commercial but key airports, intermediate airports, and landing strip airports.

The results

The results show significant value, ranging from an annual average economic activity of \$61 million for a commercial service airport to \$217,000 for a landing strip.

Airports generate earnings and jobs, which, in turn, support local businesses. The study took into account three different types of economic impact:

- Direct impacts, or the expenditures of firms that provide aviation services, such as airlines, FBOs, aircraft servicing, flight schools, and other operational services, such as maintenance and construction.
- Indirect impacts, or the expenditures that result from the use of aviation services, such as the money that air passengers spend in the region on meals, lodging, rental cars or taxis, entertainment, and travel agent commissions.
- Multiplier effects, or the added economic value that occurs from both direct and indirect expenditures. For example, airport workers buy products at local stores and those stores use the money to buy additional inventory.



The amount of the contribution depends on the size of the airport:

<i>Commercial Service Airports</i>	Economic activity (range): \$1.3 million to \$168 million Economic activity (average): \$61 million Airport earnings (range): \$409,000 to \$54 million Airport earnings (average): \$13.1 million Jobs generated (range): 20 to 3,061 Jobs generated (average): 750
<i>Non-Commercial Key Airports</i>	Economic activity (range): \$1.8 million to \$5.5 million Economic activity (average): \$3.4 million Airport earnings (range): \$556,000 to \$1.6 million Airport earnings (average): \$1.1 million Jobs generated (range): 20 to 74 Jobs generated (average): 54
<i>Intermediate Airports</i>	Economic activity (range): \$224,200 to \$6.9 million Economic activity (average): \$1.7 million Airport earnings (range): \$65,000 to \$2.1 million Airport earnings (average): \$508,000 Jobs generated (range): 3 to 92 Jobs generated (average): 23
<i>Landing Strip Airports</i>	Economic activity (range): \$65,300 to \$393,000 Economic activity (average): \$217,000 Airport earnings (range): \$64,300 to \$123,900 Airport earnings (average): \$70,000 Jobs generated (range): 1 to 6 Jobs generated (average): 4

A look at two airports

Mn/DOT Office of Aeronautics classifies 27 airports as general aviation key airports. These airports have a paved and lighted primary runway of at least 5,000 feet in length. Ely Municipal Airport fits into this category, and the study revealed the following economic impacts of that airport on the local economy:

- Economic activity: \$3,086,700
- Airport earnings: \$1,057,100
- Total jobs: 64

Mn/DOT Office of Aeronautics classifies 80 airports as general aviation intermediate airports. These airports have a paved and lighted primary runway less than 5,000 feet in length. Albert Lea Municipal Airport fits into this category, and the study revealed the following economic impacts of that airport on the local economy:

- Economic activity: \$6,943,900
- Airport earnings: \$2,074,900
- Total jobs: 92