

Economic Impact Methodology

WHAT IS ECONOMIC IMPACT?

The term "economic impact" is commonly used to describe what is more accurately the "economic contribution" of an industry or activity to regional and state economies. These

overall economic effects are measured in total jobs, wages, and economic activity (business sales), which are interrelated benefits to people and economies in the regions and states being studied.

TYPES OF ECONOMIC IMPACT

Total economic impacts are derived from the sum of on-airport impacts, visitor spending, and spin-off impacts. In addition, airport dependent impacts are provided to show the importance of each airport to the business community. All impacts reported represent a base year of 2002. Each type of impact is defined as follows:

On-Airport Impacts represent economic activities that would not occur if the airport did not exist. They include payroll and operating expenditures made by the airport, airlines, FBOs, maintenance facilities, ground transportation, etc.

Visitor Spending represents financial transactions that occur primarily off-airport and are associated with visitors to the area. The principal measure of visitor spending impacts are expenditures made in the regional area by air travelers who are visiting from outside the region. These expenditures may include items such as lodging, food, entertainment, and retail purchases.

Spin-Off Impacts (Multiplier Effect) are calculated using impact multipliers, which are used to reflect the recycling of dollars through the economy. A dollar spent in the economy does not disappear; rather, it continues to move through the local economy in successive rounds until it is incrementally exported from the community.

Airport Dependent Impacts represent area businesses that are dependent on an airport for just-in-time shipping, a high degree of corporate travel, or specialized airport facilities and services. These businesses would relocate or suffer substantial loss if the airport were not available.

