

2023 REGIONAL ECONOMIC IMPACT

of Philadelphia's Airport System



FINAL
SEPTEMBER 2024

TIERS OF ECONOMIC BENEFIT

The economic benefits from the airport system begin with flight activity (Tier 1) and radiate outward to include on-site or nearby airport-related operations (Tier 2) and region-wide benefits to residents and businesses (Tier 3).



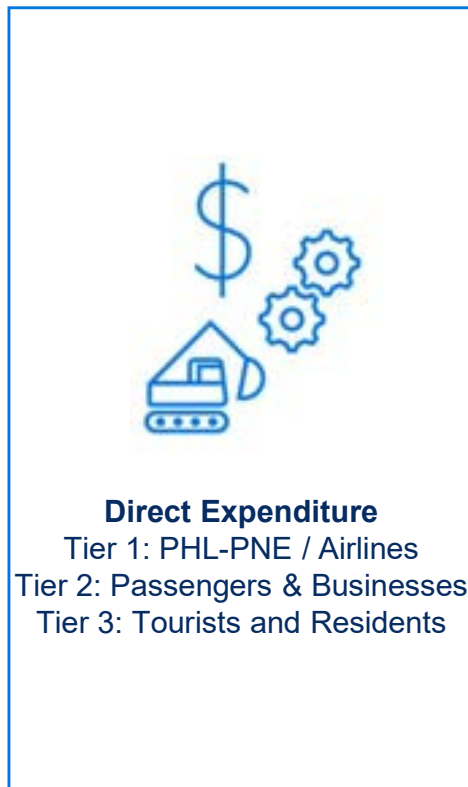
Tier 1
Aviation
Operations

Tier 2
Airport-Related
Operations

Tier 3
Regional Businesses
& Residents

ECONOMIC IMPACT MODELING

Direct Impact



“Spillover” Impact



=



Direct and spillover activity generates additional tax revenues
City & State tax bases are distinct --> Additional revenues are additive

ECONOMIC IMPACT OF PHL/PNE - 2023

Philadelphia's **Airport System**, including Philadelphia International Airport (PHL) and Northeast Philadelphia Airport (PNE), is a **strong hub of economic activity and a major economic generator for the Philadelphia region.**

2023 ANNUAL IMPACT

\$18.7 BILLION
economic impact

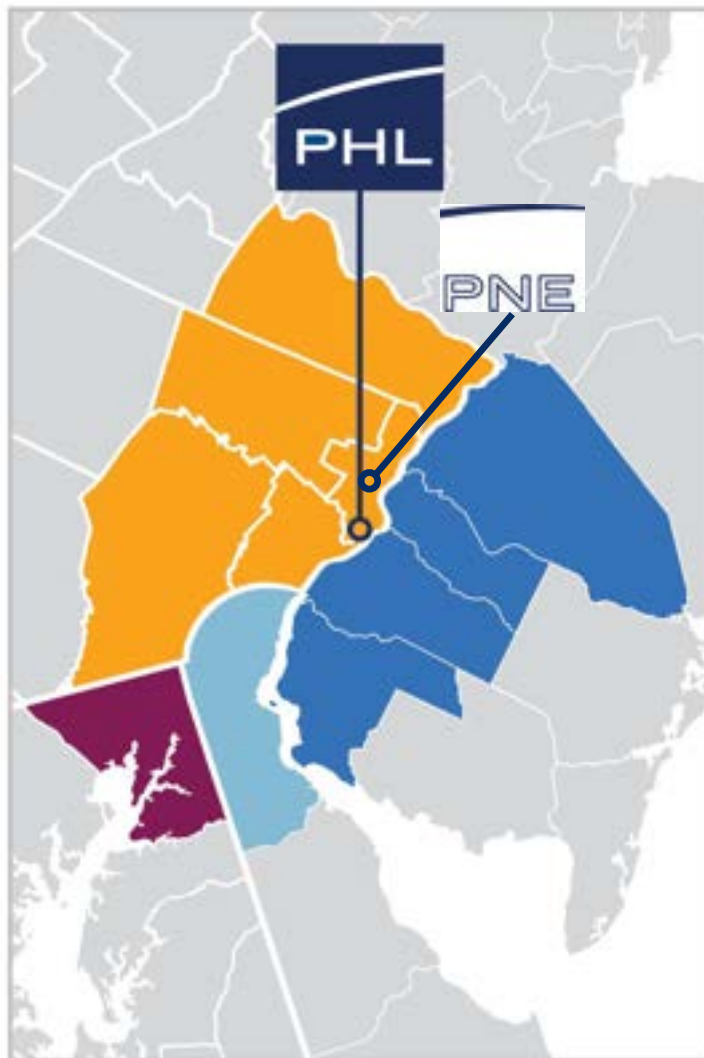
102,600 JOBS
supported

\$6.1 BILLION
earnings

Impacts represent the sum of annual direct and spillover impacts in the 11-county Philadelphia region from PHL and PNE.

Earnings include both wages and benefits.

ECONOMIC IMPACT BY COUNTY



Economic effects of airport activity are felt in every county and state in the region.

Geography	Economic Output (\$M)	Total Employment
Pennsylvania	\$16.46 B	89,720 Jobs
Philadelphia County	\$9,799	49,910
Delaware County	\$4,233	26,970
Montgomery County	\$1,221	6,290
Chester County	\$618	3,330
Bucks County	\$594	3,220
New Jersey	\$1.32 B	7,740 Jobs
Burlington County	\$502	2,880
Camden County	\$492	2,940
Gloucester County	\$274	1,650
Salem County	\$49	270
Delaware	\$825 M	4,550 Jobs
New Castle County	\$825	4,550
Maryland	\$84 M	540 Jobs
Cecil County	\$84	540
TOTAL	\$18.7 B	102,600 Jobs

Note: Jobs rounded to the nearest ten

Slide 5

0

[@Joyce Liu] the PHL team expressed a desire to switch the PA and NJ colors on both the map and the table

Not sure if we have access to this map since it is likely a carry over from the prior project? We should reach out Laura if we cannot locate it or easily recreate?

Ethan Conner-Ross, 2024-09-11T13:05:37.711

JL00

[@Ethan Conner-Ross] Are we switching color of PA and NJ to each other, or to the colors we used for the next slide?

Joyce Liu, 2024-09-11T17:53:46.910

01

Swap with each other is what they requested

It would make sense to then align the outline colors on the next slide with these colors as well

Ethan Conner-Ross, 2024-09-11T18:00:06.852

STATE AND LOCAL TAX REVENUE

State Income, Sales and
Business Tax Revenue



PENNSYLVANIA

\$353M



NEW JERSEY

\$38M



DELAWARE

\$28M



MARYLAND

\$2M

City Wage, Sales and
Business Tax Revenue



PHILADELPHIA

\$119M



**DELAWARE COUNTY
MUNICIPALITIES**

\$7M

Municipal Earned
Income Tax Revenue

TOTAL STATE + LOCAL REVENUE

\$547M



**THE AIRPORT IS SELF-SUSTAINING
AND REVENUE GENERATING**

TIER 1: AVIATION OPERATIONS

Tier 1 impacts come from the operations and capital investments of the airport and its airline tenants.

\$9.5

BILLION
economic impact

31,800

JOBS
supported

\$2.5

BILLION
earnings

AIRLINE ACTIVITY

28M

total passengers served
(Inbound & outbound) 2023

28

commercial airlines
serve PHL

including all major
domestic carriers

120

non-stop destinations
domestic & international
(as of Jan 2024)

TIER 1: AVIATION OPERATIONS

CAPITAL DEVELOPMENT PLAN



CY 2023 Highlights

- *Restroom Renovations Phases 5-8*
- *TW K & P Rehabilitations*
- *SEPTA Platform Renovations*
- *New Pavement & Grounds Facility*
- *CCTV Upgrades*
- *Airport Operations Center*



\$176M

Spending in projects and acquisition in CY 2023

\$1.8B

Total approved capital improvement program

M/W/DSBE Participation in Contracts

\$45.6

MILLION

M/W/DSBE
participation

\$140.3

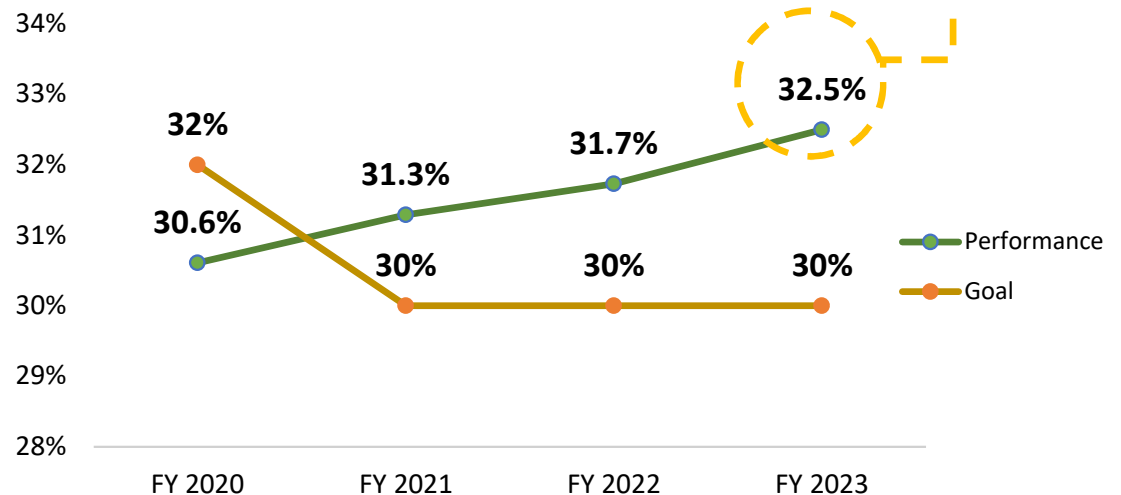
MILLION

Total available
contracts

32.5%

Total contract
awarded to
M/W/DSBE
contractors

M/W/DSBE participation has
been growing since FY 2020.



*M/W/DSBE: Minority, Women, and Disabled Owned Business Enterprise

Slide 9

JLO

Local

Joyce Liu, 2024-06-05T18:25:11.020

ACDBE: DIVERSE BUSINESS OWNERSHIP

JLO

ACDBE Business Opportunities

Airport concessions provide economic opportunities to minority-owned businesses

In 2023, FAA approved the DOA for its 2024-2026 3-year ACDBE goal (21.64% non-car; 2.08% car rental)

\$94M FFY 2023 gross receipts to ACDBEs for non-car rental businesses

38% FFY 2023 attainment, which exceeds the goal of 21%



* FFY: Federal Fiscal Year
ACDBE: Airport Concession Disadvantaged Business Enterprise

Slide 10

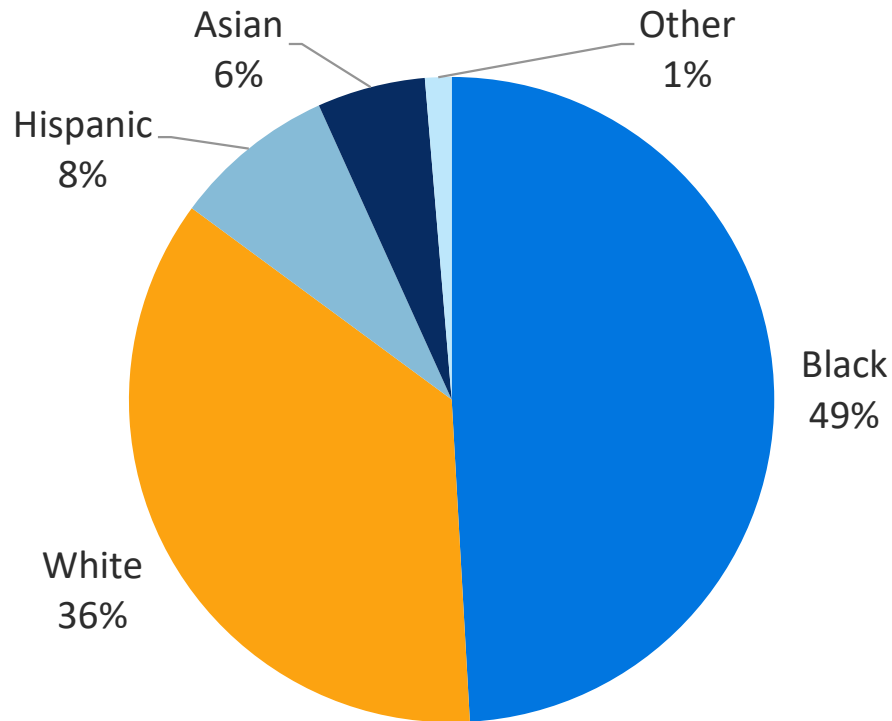
JLO

Federal targets

Joyce Liu, 2024-06-05T18:24:56.743

EMPLOYMENT DIVERSITY

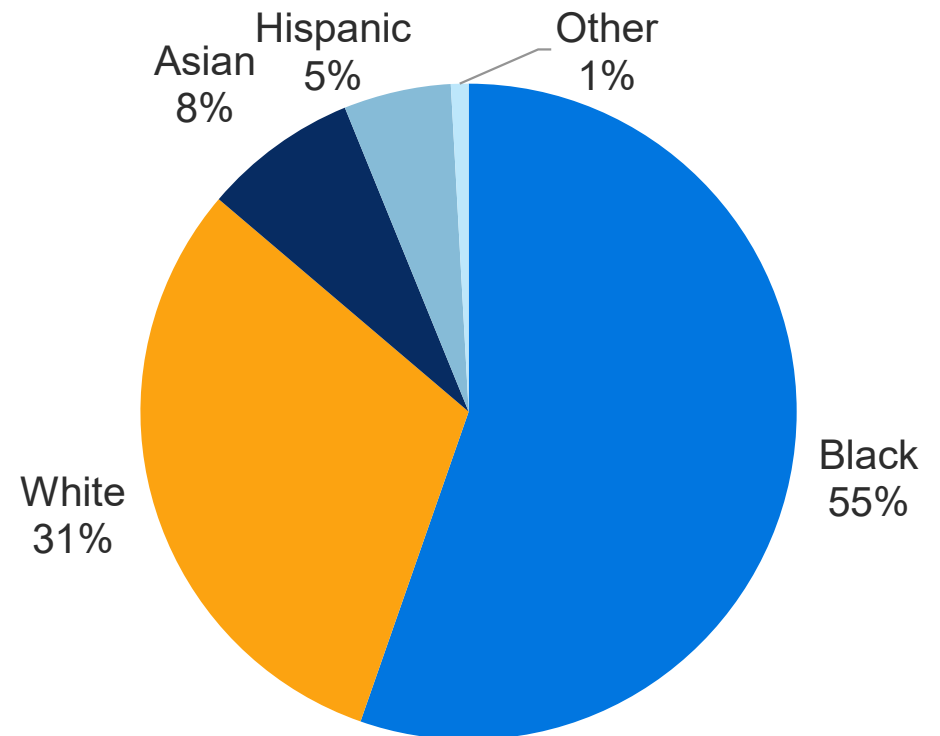
Race/Ethnicity: All Badged Employees



64% of the nearly 17,000 private and public-sector employees working at the airports are non-white

The airport workforce reflects the diversity of the city of Philadelphia

Race/Ethnicity: DOA Employees



TIER 2: AIRPORT-RELATED OPERATIONS

Tier 2 impacts come from industries at or near the airport providing support services or benefiting from the logistical advantages of the facility.

\$4.8

BILLION
economic impact

40,600

JOBS
supported

\$2.1

BILLION
earnings

SERVING PASSENGER DEMAND

A range of industries support the airport's more than 77,000 daily passengers.



Retail



Hospitality



**Ground
Transportation**



Parking



Government

TIER 2: AIRPORT-RELATED OPERATIONS

FACILITY AIRSPACE BENEFITS

Other industries benefit from the airspace and logistical advantages of the airport facility.



Cargo (524,000 tons in 2023)



Aviation Manufacturing



General Aviation



Office/ Commercial

TIER 3: REGIONAL BUSINESSES AND RESIDENTS

Tier 3 impacts come from the broad regional implications of air service for residents and businesses, including leisure and business travel and quality-of-life benefits.

\$4.5

BILLION
economic impact

30,200

JOBS
supported

\$1.5

BILLION
earnings



TIER 3: REGIONAL BUSINESSES AND RESIDENTS

TOURISM ACTIVITY

Air service is essential to bringing visitors (and their spending) into the region. Leisure and business travelers enter the region through the airports from around the country and the world and support local businesses across a range of sectors.

\$2.7B

annual regional
tourism spending
attributable to the
airports



LODGING



FOOD & BEVERAGE



RETAIL



RECREATION

TIER 3: REGIONAL BUSINESSES AND RESIDENTS

RESIDENT BENEFITS

Regional residents traveling through PHL save travel distance, time, and cost relative to their alternatives if PHL did not exist.



224M

MILES SAVED

annual travel
distance savings



3M

HOURS SAVED

annual travel
time savings



\$161M

DOLLARS SAVED

annual travel
cost savings

PHL enhances the overall economic competitiveness and growth of the region by providing access to new markets, enabling the efficient movement of goods and building the region's attractiveness and quality of life.

ECONOMIC IMPACT SUMMARY: 2023

\$18.7 BILLION
economic impact

102,600 JOBS
supported

\$6.1 BILLION
employee earnings

The benefits of this economic activity are shared inclusively

64% minority share among 17,000 badged workers

\$94 MILLION annual receipts for diverse concessionaires

\$46 MILLION diverse DOA contracting (33% participation)

Philadelphia's airport system remains a strong economic engine for the region

PHL PNE

Philadelphia's airport system (PHL and PNE) is owned by the City of Philadelphia and operated by the Department of Aviation. The airport is financially self-sustaining and receives no local tax dollars.

ABOUT ECONCONSULT SOLUTIONS, INC.

This economic impact report is produced by Econsult Solutions, Inc. (ESI), a leading provider of economic analysis for business and policymakers.