

# **Louisville's Airports:**

## **Powering the Regional and Statewide Economy**



**LOUISVILLE  
REGIONAL  
AIRPORT  
AUTHORITY®**

## Louisville's Airports Power the Economy

Louisville International Airport (SDF) and Bowman Field (LOU) comprise the largest employment center among private operations in the region, according to an economic impact survey conducted in 2009.

They have become the primary economic engines powering our local and state economy.

The airports also fuel the economy by providing an international and strategic transportation link, allowing access to world markets overnight.

In addition, passengers are able to connect to world destinations, helping our community retain and attract businesses, conventions and tourists.



## Louisville's Airports Power the Economy

Many benefit from the airports' economic activity, whether they work at the airports or not. Growth at the airports translates into additional jobs, payroll, business production, construction projects and local and state tax revenues. How?

As examples, Amgen, AnnTaylor, Clearwater Fine Foods, the Geek Squad, Johnson & Johnson and Zappos are among the companies that are located in the Louisville area to take advantage of the logistics offered by Worldport® — UPS's global air hub.

In fact, together, Louisville's airports helped generate 55,608 jobs. That means 9% of total area employment — almost one in every 10 jobs in the Metropolitan Statistical Area — is attributable to airport-related activities. The airports also generate nearly \$2 billion in payroll; over \$5.6 billion in economic activity; and more than \$277 million in state and local tax revenues.\*

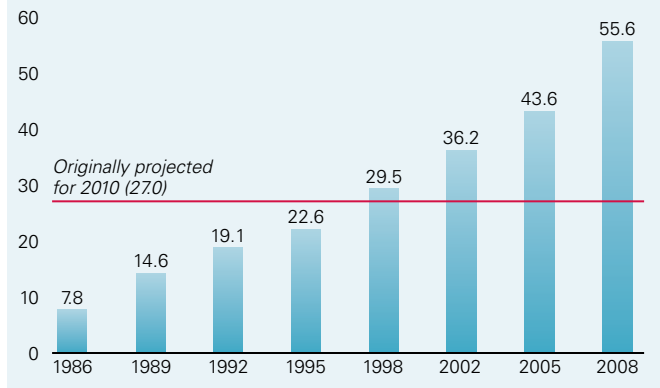
Perhaps as impressive, the airports reached and exceeded projected growth more than 12 years ahead of schedule and continue to exceed projected growth in the 21<sup>st</sup> century. In addition, in 2008, Louisville International Airport handled more than 3.6 million passengers; 158,356 landings and take offs; and 4.3 billion pounds of cargo, making it the 3<sup>rd</sup> largest cargo airport in North America and 9<sup>th</sup> in the world.\*\* The volume of goods shipped through Louisville International Airport more than quadrupled from 1986 to 2008.

Bowman Field, an essential reliever airport for Louisville International Airport and a key component of the community's airport system, handled more than 82,000 landings and take offs in 2008.

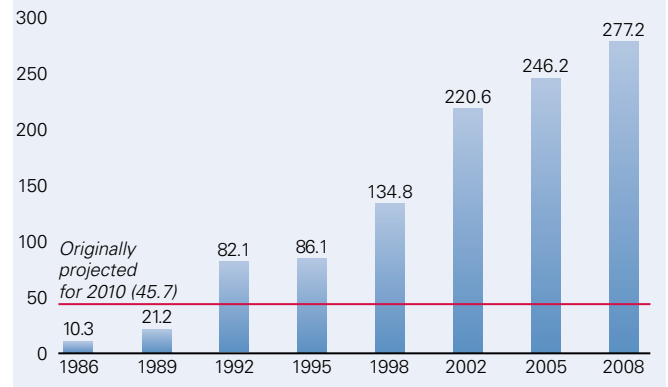
\* The results are drawn from data provided by the Louisville Regional Airport Authority (LRAA) and its airport business partners to the University of Louisville Urban Studies Institute. It summarizes the economic impact of Louisville International Airport (SDF) and Bowman Field (LOU) on the Louisville metropolitan area economy.

\*\* Airports Council International 2008 Cargo Report rankings

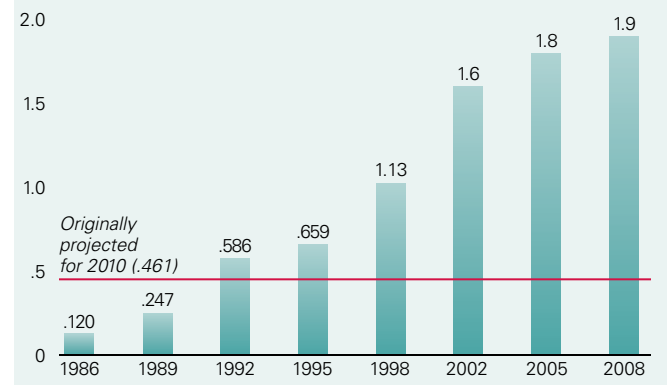
### Total Annual Jobs (in thousands)



### Total Annual State and Local Taxes (in millions of dollars)



### Total Annual Payroll (in billions of dollars)



## Building for the Future

The current and planned construction at our airports also generates one-time economic impacts. For example, in 2008, Louisville International Airport and its business partners invested more than \$522.8 million in new physical capital projects and Bowman Field invested \$.5 million for a total of \$523.3 million.

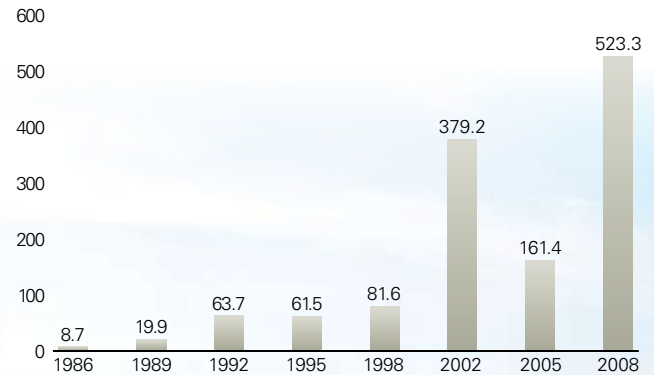
These capital investments (like all other direct business activity) add jobs, payroll, business expenditures, construction projects and generate additional state and local taxes beyond the recurring benefits of year-round jobs.

Louisville's airports generate state and local taxes from payroll and business expenditures. In turn, state and local government reinvest these taxes by funding additional services

and capital projects. These taxes recur annually—generated from airport jobs, salaries and business expenditures.

Construction activity generates a one-time tax, related to the specific construction projects in a given year.

**Total Construction Expenditures** (in millions of dollars)



### Recurring Economic Impact of Airport Activity (2008)

Impact	Jobs	Payroll (\$ millions)	Business Expenditures (\$ millions)	Taxes (\$ millions)		
				State	Local	Total
Direct	26,635	\$ 1,067.4	\$3,282.9	\$ 89.5	\$43.2	\$132.8
Indirect	5,545	187.9	466.5	18.6	9.0	27.6
Induced	23,428	717.3	1,922.8	78.8	38.0	116.8
<b>Total</b>	<b>55,608</b>	<b>\$1,972.6</b>	<b>\$5,672.2</b>	<b>\$186.9</b>	<b>\$90.2</b>	<b>\$277.2</b>

### One-Time Economic Impact of Airport Construction (2008)

Direct	4,547	\$ 181.1	\$557.1	\$ 9.6	\$4.6	\$14.3
Indirect	2,235	78.7	195.5	4.7	2.3	7.0
Induced	2,125	63.7	170.8	4.5	2.1	6.7
<b>Total</b>	<b>8,907</b>	<b>\$323.5</b>	<b>\$923.4</b>	<b>\$18.8</b>	<b>\$9.0</b>	<b>\$28.0</b>

Numbers may not total due to rounding

## **What the numbers really mean**

*The airports' economic impact reaches beyond facilities and a true picture of value becomes clearer only when direct, indirect, and induced economic activities are combined.*

### **Direct**

*Direct economic activity includes jobs, payroll, expenditures and taxes generated by business and government entities located at the airports. (Includes, but not limited to, all air and ground transportation operations and associated maintenance, shipping and support services with a presence at the airports.)*

### **Indirect**

*Indirect economic activity includes material and services supplied to businesses on the airport by industries not located on airport property, such as fuel and food suppliers. (Includes activity increases in businesses, hotels, restaurants, entertainment, travel agencies, local transportation, etc...)*

### **Induced**

*Induced impact represents additional household expenditures for food, clothing, shelter and other goods and services by people employed in the air transportation industry and those employed by airport suppliers—as well as further rounds of spending that they, in turn, generate.*



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**[FlyLouisville.com](http://FlyLouisville.com)**

**P.O. Box 9129  
Louisville KY 40209**

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