

## **What the Numbers Mean**

*The true value of the airports' economic impact is only realized when direct, indirect and induced economic activities are combined.*

### **Direct**

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

### **Indirect**

*Indirect economic activities include material and services supplied by industries that are not located on airport property—such as food and fuel suppliers. (Includes activities increase in businesses, hotels, restaurants, entertainment, travel agencies, local transportation, etc.)*

### **Induced**

*Induced impacts represent additional household expenditures for food, clothing, shelter, and all 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.*

### **Total**

*The \$5.6 billion in direct business expenditures at the airports supports an additional \$2.5 billion of indirect and induced expenditures in the Louisville regional economy, for a total of more than \$8.1 billion. The total impact is a multiple of the original direct impact.*

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(500/08-15)  
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## **Louisville's Airports: Powering the Regional and Statewide Economy**



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## Ongoing Highlights

### In 2014, Louisville International and Bowman Operations

- Supported a total of 69,900 jobs in the local community
- Provided more than \$2.6 billion in total payroll
- Generated more than \$8.1 billion in total economic activity
- Produced \$348.8 million in total state and local tax revenues



## Building for the Future

In 2014, the Louisville Regional Airport Authority and its business partners invested more than \$55.6 million in new physical capital projects. This capital investment, like all other direct business activity, will create additional economic activity in the Louisville economy.

The one-time impact of construction spending at Louisville's airports on jobs, payroll, and taxes in 2014 is indicated in the table below. The table combines the capital spending at Louisville International and Bowman Field.

### One-Time Economic Impact of Airport Construction 2014

Impact	Jobs	Payroll (\$ millions)	Business Expenditures (\$ millions)	State and Local Taxes (\$ millions)
Direct	479	\$ 17.6	\$19.5	\$1.4
Indirect	238	10.3	10.9	.8
Induced	225	6.3	10.7	.5
<b>Total</b>	<b>942</b>	<b>\$34.2</b>	<b>\$41.1</b>	<b>\$2.7</b>

*Numbers may not total due to rounding*

*The results of this Economic Impact Survey are drawn from data provided by the Louisville Regional Airport Authority (LRAA) and its airport business partners to the Department of Economics, College of Business at the University of Louisville. Contact: Dr. John Vahaly, Chair of the Department of Economics at U of L College of Business.*





## Overview

Louisville International Airport (SDF) is a strategic transportation link to the rest of the world. As home to UPS's global air hub, the airport is ranked as the seventh busiest cargo airport in the world and the third busiest in North America.<sup>1</sup>

In addition, Louisville International is the only airport in Kentucky that offers passenger service by the four largest airlines in the country—American, Delta, Southwest and United. These airline partners provide non-stop service to 20 domestic destinations—including seven of the 10 top international gateways. The non-stop service to these gateways means that international travel to more than 140 cities in 65 countries on six continents is just one-stop away.<sup>2</sup>

Bowman Field (LOU), the longest continuously operating publicly owned airport in the country, is a critical designated reliever airport for Louisville International, allowing the smaller and slower general-aviation aircraft to operate safely away from the much larger and faster commercial aircraft at Louisville International. In addition, Bowman Field boasts more based aircraft than any other airport in Kentucky and Indiana—making it a vital link in the national airspace system.

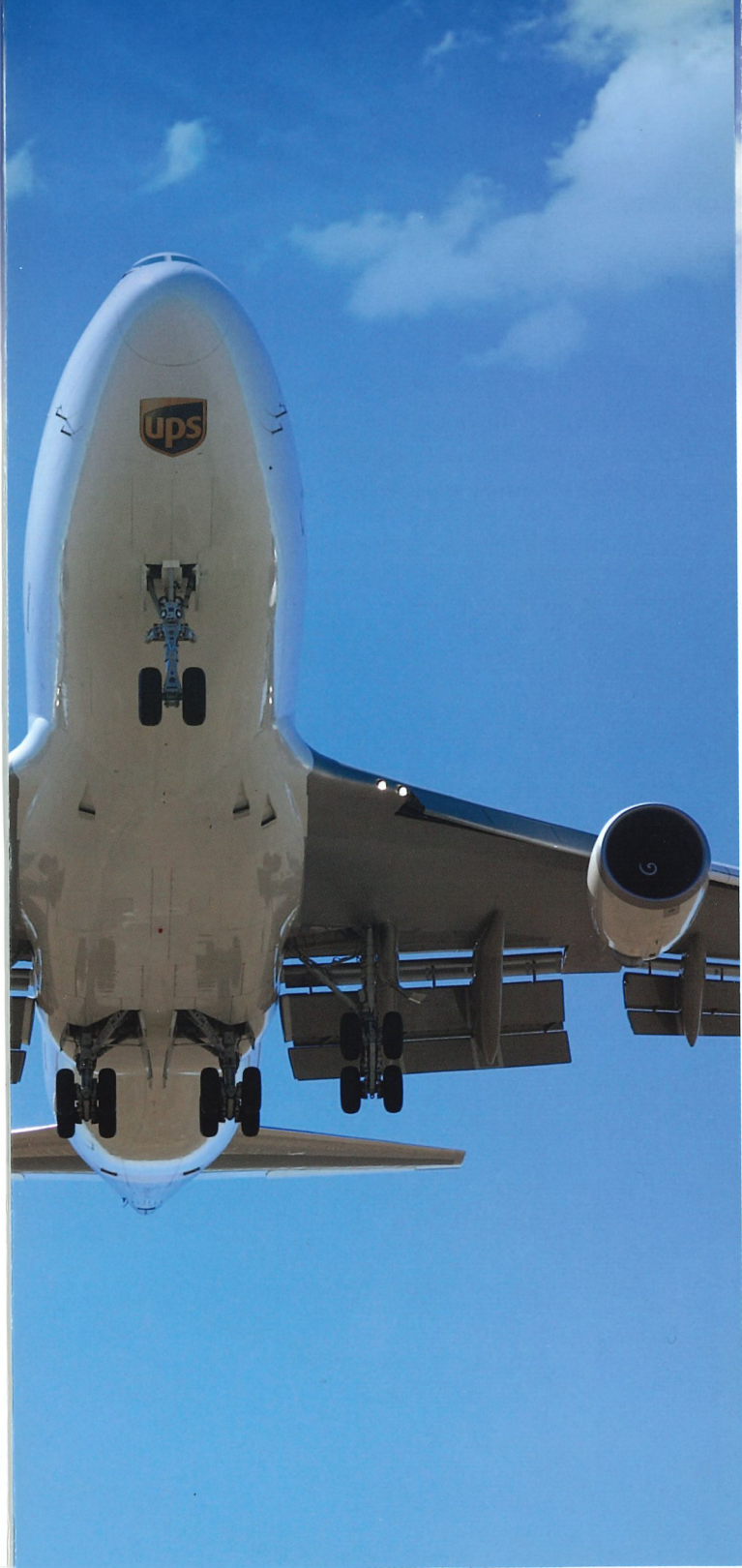
An economic survey of the impact of operations at Louisville International and Bowman Field on Louisville Metro's economy was conducted by the College of Business at University of Louisville for calendar year 2014.

The results show that economic activity continues to expand at the airports and together, Louisville International and Bowman Field remain the largest private employment center in the metro area. In fact, almost one in every 10 jobs in the Metropolitan Statistical Area is attributable to airport-related services.<sup>3</sup>

<sup>1</sup> Airports Council International 2014 Cargo Report rankings

<sup>2</sup> July 2015 data

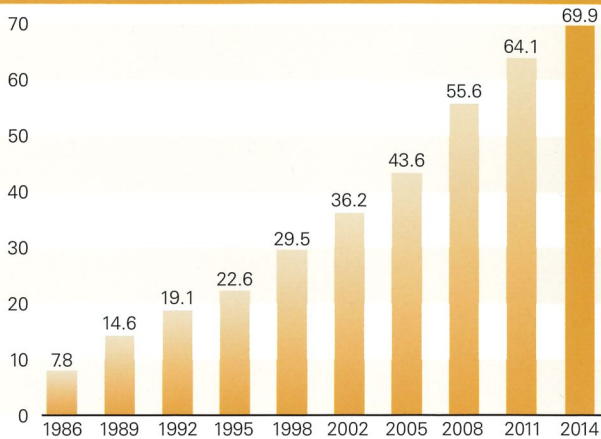
<sup>3</sup> U of L College of Business, Department of Economics



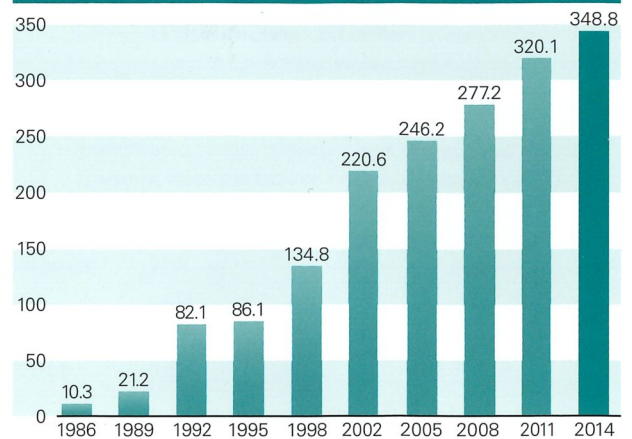
## Recurring Economic Impact of Airport Activity<sup>1</sup>

Impact	Jobs	Payroll (\$ billions)	Business Expenditures (\$ billions)	State and Local Taxes (\$ millions)
Direct	51,380	\$ 1.9	\$5.6	\$256.4
Indirect	5,730	.2	.7	28.6
Induced	12,790	.5	1.8	63.8
<b>Total</b>	<b>69,900</b>	<b>\$2.6</b>	<b>\$8.1</b>	<b>\$348.8</b>

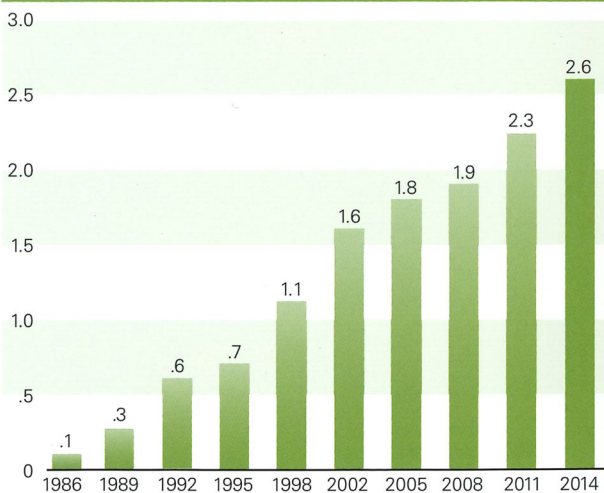
**Total Annual Jobs** (in thousands)



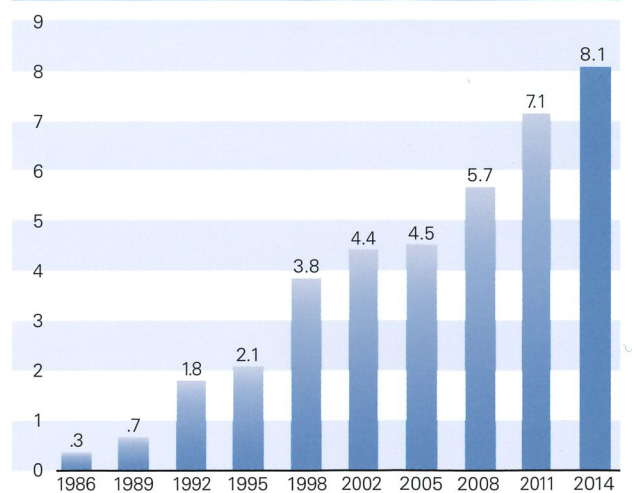
**Total Annual State and Local Taxes** (in millions of dollars)



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



**Total Annual Business Expenditures** (in billions of dollars)



<sup>1</sup> Survey conducted for CY 2014 activities.