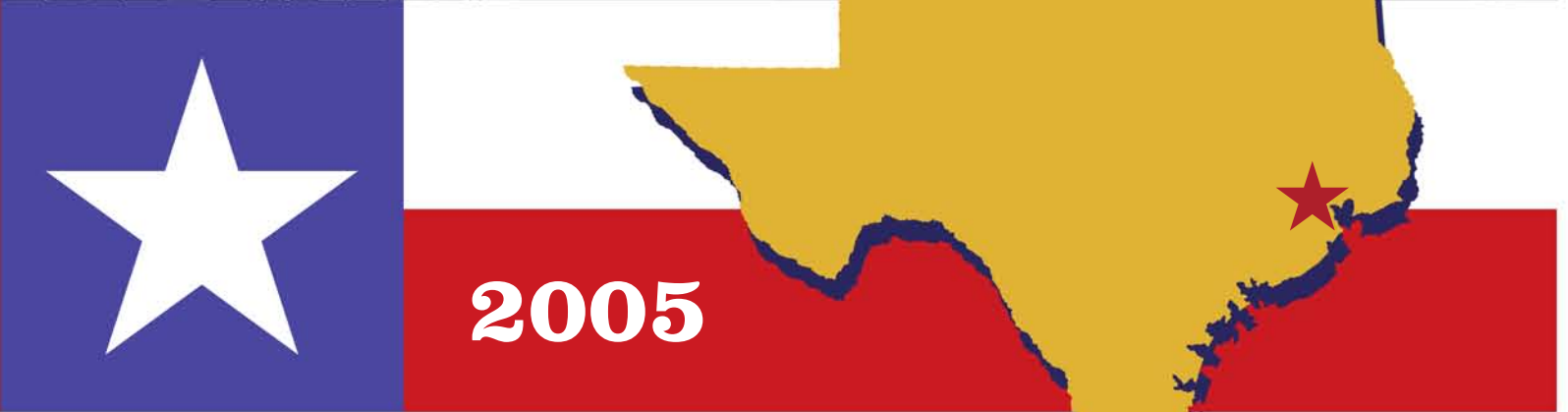


# THE ECONOMIC IMPACT OF WILLIAM P. HOBBY AIRPORT



**2005**



# AVIATION – EVERYONE BENEFITS IN TEXAS

The Texas system of nearly 300 airports not only provides the State with a safe and efficient mode of transportation, it is also an important stimulus for economic growth and development. By providing aviation-related services, the system supports tens of thousands of jobs and produces billions of dollars in economic activity. The State's largest employers, and many smaller businesses, rely on aviation to rapidly transport personnel, equipment, and supplies. Texas airports serve as the base of operation for a diverse group of businesses, including airlines, air cargo companies, fixed base operators, flight schools, government entities, restaurants and others. Additionally, the vast tourism industry is supported by both commercial service and general aviation. The millions of visitors that flock to Texas each year support a variety of tourist-related business activities, such as lodging, dining, retail, and entertainment.

To better understand the relationship between Texas' system of airports and the statewide economy, the Texas Department of Transportation, Aviation Division, periodically assesses the economic impact of aviation using a method that has been approved by the Federal Aviation Administration (FAA) and applied to airport systems throughout the United States. Funding support for this study was provided by the FAA.

Each Texas System airport's total economic impact was quantified in terms of employment, payroll, and output. Through a comprehensive survey process, the direct economic benefits related to on-airport business tenants and the indirect benefits associated with visitor-related expenditures were determined for each system airport. The multiplier effect of these benefits was then calculated to ascertain the total airport-related impacts. For example, when an airport employee purchases local goods and services, the spending and re-spending spurs additional economic activity in the region. The total economic impact is the sum of all direct, indirect, and multiplier impacts.

When all impacts at Texas airports are summed, nearly 783,700 jobs can be traced to the aviation industry. These employees receive \$20.6 billion in payroll and benefits and generate \$48.8 billion in economic activity. This output is 20 percent above the last benchmark in 2001. In addition to economic benefits, the system of airports provides numerous services to enhance the quality of life, health, safety, and welfare of Texas citizens.

The State's network of 25 commercial service airports provides access to regional, national, and international markets. More than 68.9 million enplaned passengers used the Texas system of commercial service airports in 2005 to reach these destinations. In total, Texas commercial service airports create more than 734,000 full-time jobs with annual earnings of approximately \$18.5 billion and \$41.4 billion in annual economic activity.

## AVIATION ACTIVITY IN TEXAS CREATES:

<b>Total Employment</b>	<b>783,700 jobs</b>
<b>Total Payroll</b>	<b>\$20.6 billion</b>
<b>Total Economic Activity</b>	<b>\$48.8 billion</b>



# WILLIAM P. HOBBY AIRPORT

William P. Hobby Airport (Hobby Airport), owned and operated by the City of Houston, is a commercial service airport located in Harris County, Texas. The airport, which occupies 1,500 acres of land, operates four runways: Runway 12R/30L, which measures 7,602 feet in length and 150 feet in width; Runway 12L/30R, measuring 5,148 feet in length and 100 feet in width; Runway 04/22, measuring 7,602 feet in length and 150 feet in width; and Runway 17/35, which measures 6,000 feet in length and 150 feet in width.

Hobby Airport is a major catalyst to the local economy. The direct economic output attributable to the airport is estimated at \$466.1 million. Additionally, scheduled airlines, and to a lesser extent, general aviation aircraft, transport more than 2.3 million visitors to the area each year, supporting approximately 25,300 visitor-related jobs and over \$526.8 million in payroll. Visitor expenditures are also responsible for \$920.5 million in direct economic output.

When combined with the multiplier impact, commercial service and general aviation activity at Hobby Airport generate over \$2.5 billion in total economic output, 44,839 full-time jobs, and \$1.1 billion in payroll.

In addition to providing passenger service, Hobby Airport is also very active with corporate aviation and air cargo activity. The airport also provides several community-based services and programs to enhance the health, safety, welfare, and quality of life of area citizens. Additionally, the airport serves as a gateway for visitors who use the facility to access the outstanding business and recreational opportunities in the greater Houston-Galveston area.



## IMPACT TYPES

**First-Round Impacts** include both direct and indirect impacts. Direct impacts are those benefits associated with on-airport business and government spending that support general aviation. Indirect impacts generally take place off-airport and are usually attributable to the spending of visitors who arrive in a community via general aviation aircraft.

**Secondary Impacts** primarily consist of induced impacts, which are those benefits (dollars and employment) that result from the re-circulation of direct and indirect impacts within the economy. This re-circulation is commonly referred to as the “multiplier effect”.

**Total Impacts** are the combination of all first-round and secondary impacts.

## IMPACT MEASURES

**Employment** measures the number of full-time equivalent jobs related to general aviation activity.

**Payroll** measures the total annual wages and benefits paid to all workers whose salaries are directly or indirectly attributable to general aviation activity.

**Economic Activity (Output)** measures the value of all goods and services related to general aviation in Texas. The output of general aviation businesses is typically assumed to be the sum of annual gross sales and average annual capital expenditures.



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