



## Economic Impact Analysis

# EXECUTIVE SUMMARY

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Illinois Department  
of Transportation

**Kimley»Horn**

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# ILLINOIS AVIATION: ALL IN

Illinois' aviation system is a vital resource to the state's economy. Illinois airports serve as a gateway to the state's economy by providing passenger and freight/cargo services, as well as employment opportunities. The aviation system in Illinois connects the state to national and international communities and economies far beyond its midwestern borders. Simply put, **Illinois Aviation is All In.**

The 2020 Illinois Aviation Economic Impact Analysis (EIA) was conducted by the Illinois Department of Transportation (IDOT) to understand and quantify Illinois' aviation system's economic contributions to the state economy. The analysis of the state's aviation system includes 85 public-use airport facilities, made up of 81 publicly owned and four privately owned airports. The EIA utilized 2019 data to determine the benefits and establish the economic impact of each individual airport related to on-airport employment and visitor spending with an additional freight/cargo analysis also being completed at the regional and statewide levels. The EIA and the Illinois Aviation System Plan (IASP) also document additional local and statewide qualitative benefits that Illinois airports provide.



**\$38.4 BILLION**  
**| On-Airport**



**\$21.2 BILLION**  
**| Visitor Spending**



**\$35.9 BILLION**  
**| Freight/Cargo**



**Jobs**  
**492,768**



**Labor**  
**Income**  
**\$32.6**  
**BILLION**



**Value**  
**Added**  
**\$53.8**  
**BILLION**

# \$95.5

**| BILLION IN TOTAL ECONOMIC IMPACT**

*\* includes off-airport air cargo impact*

**IDOT**  
**Region 1**  
**\$73.5**  
**BILLION**

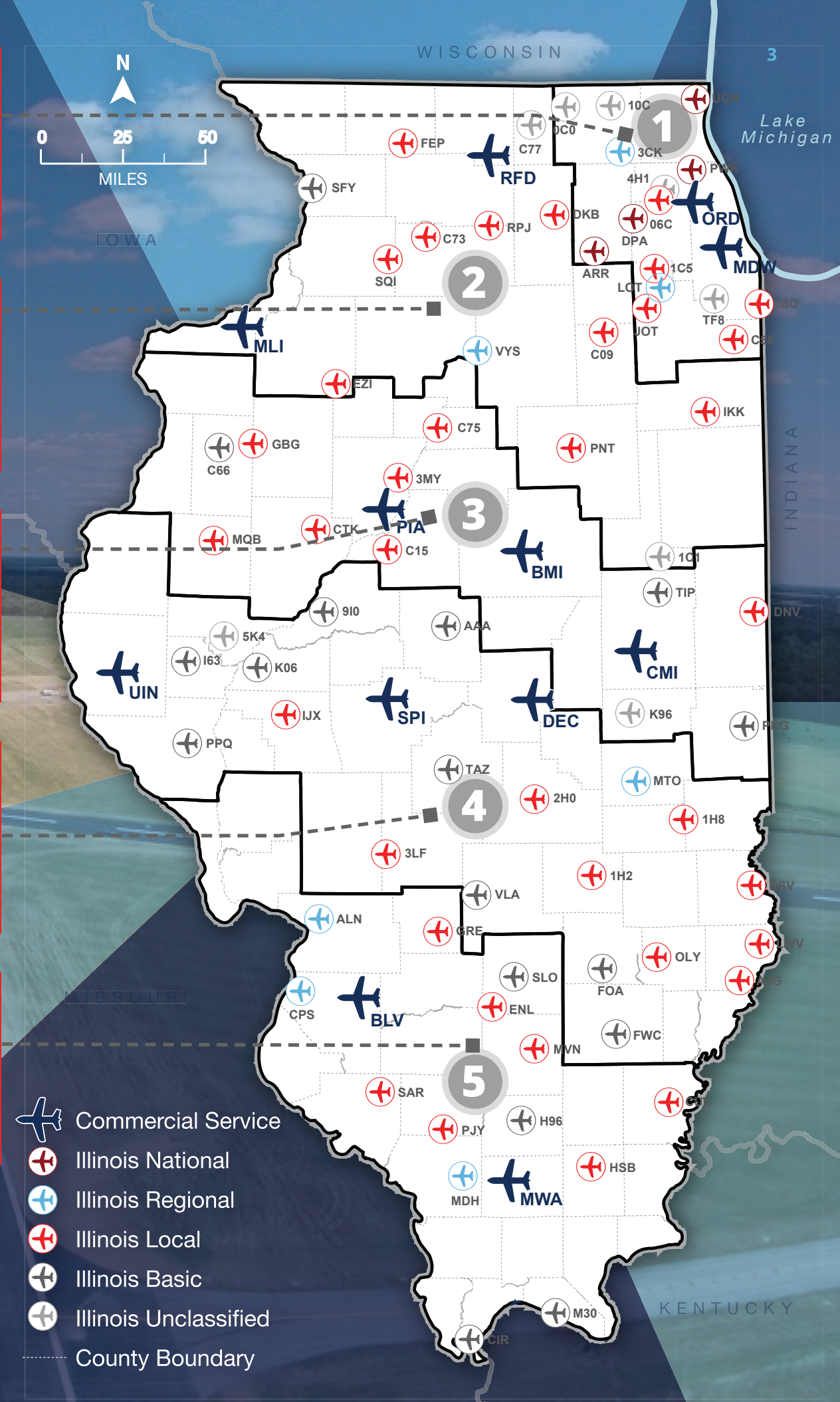
**IDOT**  
**Region 2**  
**\$8.1**  
**BILLION**

**IDOT**  
**Region 3**  
**\$4.3**  
**BILLION**

**IDOT**  
**Region 4**  
**\$3.4**  
**BILLION**

**IDOT**  
**Region 5**  
**\$6.1**  
**BILLION**

- Commercial Service
- Illinois National
- Illinois Regional
- Illinois Local
- Illinois Basic
- Illinois Unclassified
- County Boundary





## ECONOMIC IMPACTS DEFINED

Illinois airports play a leading role in the state's transportation system by providing general aviation (GA) and commercial passenger service as well as freight and cargo services throughout the state, across the country, and around the world. Illinois' airports serve as gateways into the state for visitors, businesses, and goods and services. To present the findings of this EIA, four economic impact metrics were selected including: employment, labor income, value added, and total economic impact. Definitions of these impacts are provided below. These metrics are estimated for each of the three major categories of economic impact including On-Airport Impacts, Visitor Spending Impacts, and Freight/Cargo Impacts.

### Employment

Number of full-time and part-time employed people

### Labor Income

Total employment compensation paid to all employees, including salaries, wages and other benefits (e.g., healthcare insurance payments, retirement); also known as "payroll" or "total compensation"

### Value Added

The economic productivity of each aviation-related business establishment. Value added is calculated as business revenue earned minus the cost of purchasing goods and services from other businesses. Value added includes all labor compensation, profits, and taxes paid by businesses. Value added is a reflection of the aviation system's total contribution to Illinois' Gross Domestic Product (GDP)

### Total Economic Impact

Total economic impact takes into account expenditures needed to administer airports, sales of goods and services by airport tenants, budget expenditures by public sector agencies located on airports, the cost of capital expenditures, and visitor spending in Illinois' hospitality-related sectors; also known as "business revenues"

## ECONOMIC IMPACT PROCESS

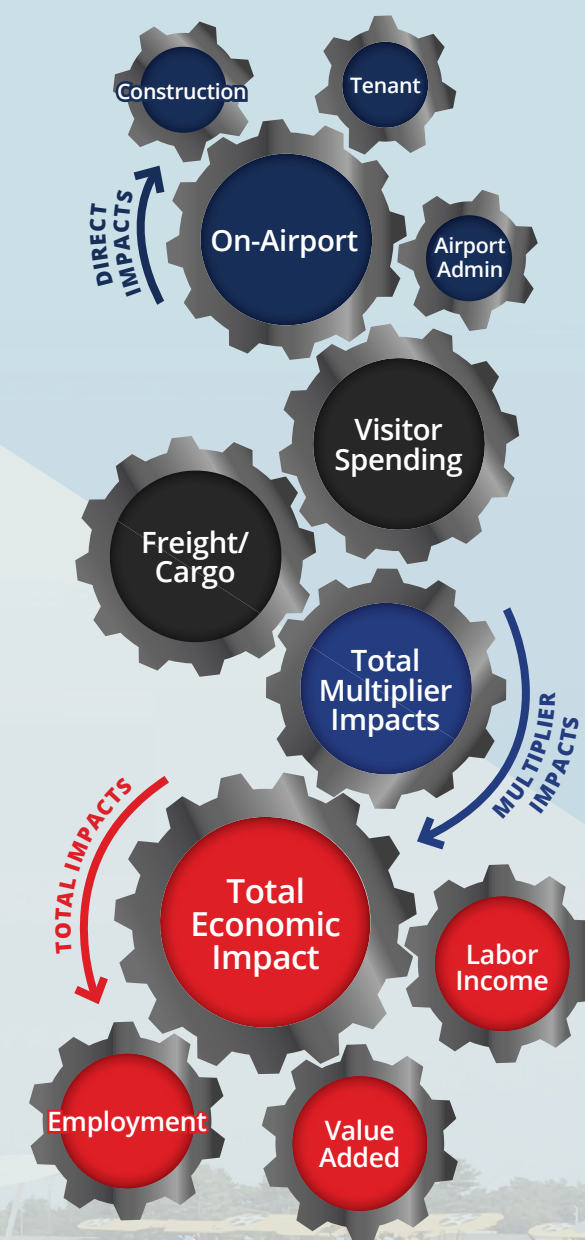
The aviation system's contribution to the Illinois economy is multifaceted. The EIA evaluated and analyzed direct impacts (on-airport activity and visitor spending), multiplier impacts (supplier sales and income re-spending), and freight/cargo contributions to the state's economy. The collective statewide economic impact, or total economic impact of these direct impacts, multiplier impacts, and freight/cargo impacts is \$95.5 billion. Data for the EIA was collected for calendar year of 2019 and captures a snapshot in time for that period. Ultimately, total economic impact of the aviation system in Illinois is determined as the collective sum of airport-specific direct impacts, multiplier impacts, and freight/cargo impacts.

Direct impacts, or on-airport activities, are an airport's direct contribution to the state's economy inclusive of airport activities. Specifically, direct impacts are created by airport management, construction of capital improvement projects, and on-airport business tenants. Out-of-state visitors who travel to Illinois by way of the GA and commercial service airports spend money in Illinois communities. This visitor spending impact is considered an off-airport direct impact. Spending and travel by Illinois residents is not included in the visitor spending direct impact measure. Another direct impact of airports is attributed to on-airport business tenants. On-airport businesses located at airports typically rely on airport services for their business needs. On-airport businesses employ Illinois residents who also contribute to the economy.

Freight/cargo impacts capture the extent of which Illinois businesses not located at one of the state's airports rely on the freight/cargo services provided by Illinois airports. Freight/cargo impacts include the value of intermediate and finished goods that are shipped via Illinois airports and delivered to customers across the country and world. Freight/cargo impacts also include the value of goods brought into Illinois that are used in production processes by Illinois-based businesses and as final sales to households and companies within the state.

Following the determination of direct impacts, multiplier impacts (supplier sales and income re-spending) were calculated and validated to understand the secondary effects of airports on the state's economy utilizing the income re-spending and supplier sales metrics. Income re-spending is a reflection of income earned by workers employed at Illinois airports or at on-airport business tenants being re-spent in the economy such as for housing, food, and other household expenditures. Supplier sales capture portions of direct revenues used to purchase services and good from other businesses in Illinois.

### Economic Impact Process





## ON-AIRPORT IMPACTS

Illinois' airports serve as local and statewide employment centers, providing services to airlines, passengers, GA pilots, and aircraft. On-Airport impacts include the activity directly generated at an airport. This activity includes airport administration, airport tenants, and capital improvements. On-airport impacts are derived from on-airport businesses, as well as contract employment at airports.

Data used to determine on-airport impacts was collected from airport managers and airport tenant surveys conducted in 2020. Illinois airports are home to over 800 businesses and employ 190,269 people. On-airport businesses encompass a range of commercial types, including aviation-specific businesses such as aircraft maintenance and non-aviation specific businesses such as emergency services and government offices. Further, airports contribute to economic impact through construction and capital improvement spending. Construction spending at Illinois airports contributes \$1.7 billion in economic impact. On-airport activities at airports result in \$14.1 billion in labor income, \$22.5 billion in value added, and \$38.4 billion in total economic impact.



**Jobs**  
**190,269**



**Labor  
Income**  
**\$14.1**  
BILLION



**Value  
Added**  
**\$22.5**  
BILLION



**Total  
Economic  
Impact**  
**\$38.4**  
BILLION

**OVER 800**

On-Airport Tenants

**\$1.7**

BILLION

In Airport Construction  
Economic Impacts

**\$1.0**

BILLION

In Airport Administration  
Economic Impacts

## VISITOR SPENDING IMPACTS

Illinois' commercial service and GA airports serve as a gateway to the state for both domestic and international visitors. Airports are typically the first and last opportunity for impressing and encouraging repeat visitors. When out-of-state visitors arrive to Illinois, they typically contribute to the local economy by spending money on a variety of goods and services such as food, entertainment, ground transportation, retail, and accommodation. Visitor spending accounts for out-of-state commercial service or GA visitors who visit Illinois for personal or business reasons. Visitor spending results in significant economic benefit to a wide variety of industries in the state. Visitor spending impacts do not include intrastate travel and spending conducted by citizens of Illinois as this reflects existing Illinois dollars and not new money being brought into Illinois from elsewhere.

Intercept surveys at Chicago O'Hare International (ORD) and Chicago Midway International (MDW) were conducted in March 2021 to gather commercial service visitor spending data. Adjustments were made to the survey data obtained at ORD and MDW to account for spending levels before the onset of COVID-19 for international visitation and lodging expenditures using data published by the U.S. Department of Commerce. The pandemic prevented the undertaking of commercial visitor intercept surveys outside of Chicago's international airports. Therefore, the earlier 2012 study was used as a benchmark to account for the rest of the state. Spending by passengers at each airport for 2019 was assumed to be equivalent to the 2012 ratios of spending from other commercial airports against the adjusted blended spending rate of ORD and MDW. As calculated, in 2019, out-of-state commercial service and GA visitors supported nearly 160,000 jobs and contributed to \$7.9 billion in labor income, \$12.6 billion in value added, and \$21.2 in total economic impacts.

**22%**

of the statewide total  
economic impact was due to  
Commercial Service Visitors

**33%**

of the statewide total  
jobs were associated with  
Visitor Spending Impacts



**Jobs**  
**159,916**



**Labor  
Income**  
**\$7.9**  
BILLION



**Value  
Added**  
**\$12.6**  
BILLION



**Total  
Economic  
Impact**  
**\$21.2**  
BILLION



# AIR CARGO IMPACTS

Illinois airports play a crucial role in the state's economy by allowing the state's various manufacturing and agriculture industries, among many others, to transport and receive goods across the country and globe. Freight/cargo services supported by the state's airports allow Illinois businesses to secure specialized goods and commodities and to develop markets in far-reaching locations. This enables the growth of numerous industries in the state, which may otherwise not be possible. The economic impact of freight/cargo quantifies the off-airport activities that are supported by air cargo service at the state's airports. Freight/cargo impacts do not include pass-through cargo. Pass-through cargo is cargo that travels through Illinois airports but does not ultimately interact with the Illinois economy. It also does not include the impacts of on-airport cargo services such as employees that are employed by cargo carriers on an airport. In 2019, freight/cargo impacts supported over 142,582 jobs, transported 506,000 tons of cargo valued at \$56 billion for a total economic impact of \$35.9 billion.



Jobs  
142,582



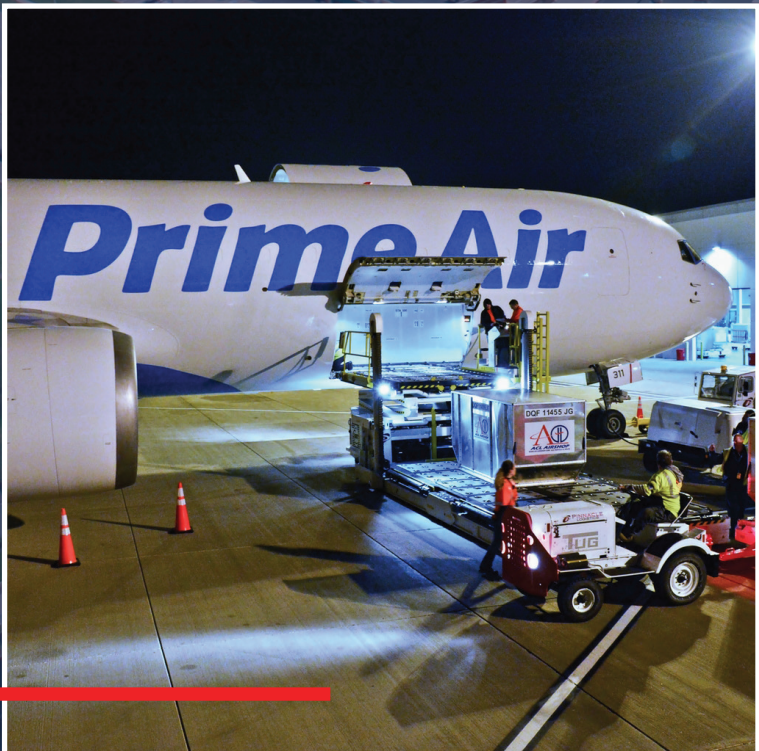
Transported  
506,000  
tons of cargo



Valued at  
\$56.0  
BILLION



Total  
Economic  
Impact  
\$35.9  
BILLION

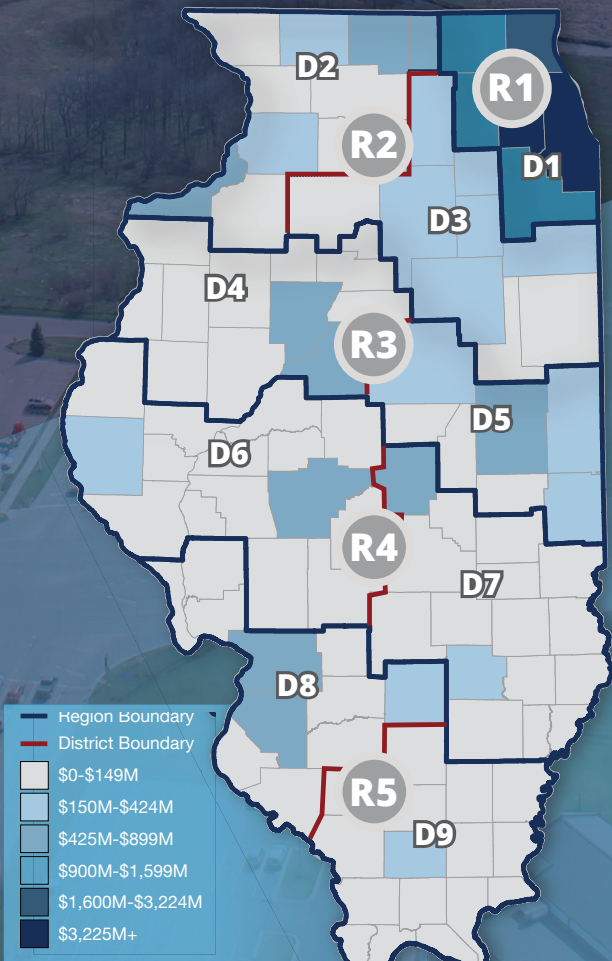


# AIR CARGO IMPACTS

Freight/cargo impacts are comprised of commodities leaving and arriving in Illinois through the state's numerous airports and the economic impact is attributed to both domestic and international air cargo services and operations. Approximately 349,000 tons of international air cargo valued at \$45 billion flows to and from Illinois businesses through airports in the state. Based on the 2019 value, the top air commodity imported and exported internationally through Illinois airports is Electronics and Other Electrical Equipment (e.g. electrical cooking appliances, televisions, computers, and electrical components), accounting for over 70 percent of the total value of imported international goods.

Illinois exports more than 100,000 tons of goods to other states in the U.S., with a total value of almost \$7 billion each year. Major domestic air commodities include Pharmaceuticals Products, Wood Products, and Electronics that collectively account for more than two-thirds of the total domestic export value from the state. Domestic products are also imported into Illinois through the state's airports, although on a smaller scale than they are exported from the state. Less than 50,000 tons of air-bound cargo being received from other states each year, with almost half of the imports being Electronics and Precision Instruments.

TOTAL VALUE OF  
INTERNATIONAL AIR CARGO IMPORTS



TOP INTERNATIONAL AIR COMMODITIES  
BY VALUE OF EXPORTS AND IMPORTS

ELECTRONICS AND OTHER ELECTRICAL EQUIPMENT	112,264 TONS	\$25.4 BILLION	72% SHARE OF VALUE
PHARMACEUTICAL PRODUCTS	2,192 TONS	\$4.8 BILLION	14% SHARE OF VALUE
MACHINERY	35,869 TONS	\$1.3 BILLION	4% SHARE OF VALUE
PRECISION INSTRUMENTS & APPARATUS	7,936 TONS	\$1.2 BILLION	3% SHARE OF VALUE
BASIC CHEMICALS	3,570 TONS	\$354 MILLION	1% SHARE OF VALUE
OTHER	71,578 TONS	\$2.0 BILLION	6% SHARE OF VALUE
ALL COMMODITIES	233,409 TONS	\$35.2 BILLION	100% SHARE OF VALUE





# REGION 1

## District 1

Region 1 is located in northeast Illinois and encompasses the Chicago Metropolitan Area, also known as Chicagoland, that borders Wisconsin, Indiana, and Lake Michigan. Thirty-six Fortune-500 companies have a presence in the Chicago area and act as significant economic drivers for the region. The Region's 17 airports support passenger, recreational, and business users within Illinois and in bordering states. Chicago O'Hare International Airport (ORD) and Chicago Midway International Airport (MDW) are two of the largest and busiest airports in the state and serve as international hubs for passenger travel. In 2019, Region 1's airports generated 375,370 jobs, \$25.5 billion in labor income, \$42.7 billion in value added, and \$73.5 billion in total economic impact.

**\$27.1 BILLION**  
On-Airport

**\$20.0 BILLION**  
Visitor Spending

**\$26.4 BILLION**  
Freight/Cargo

# REGION 2

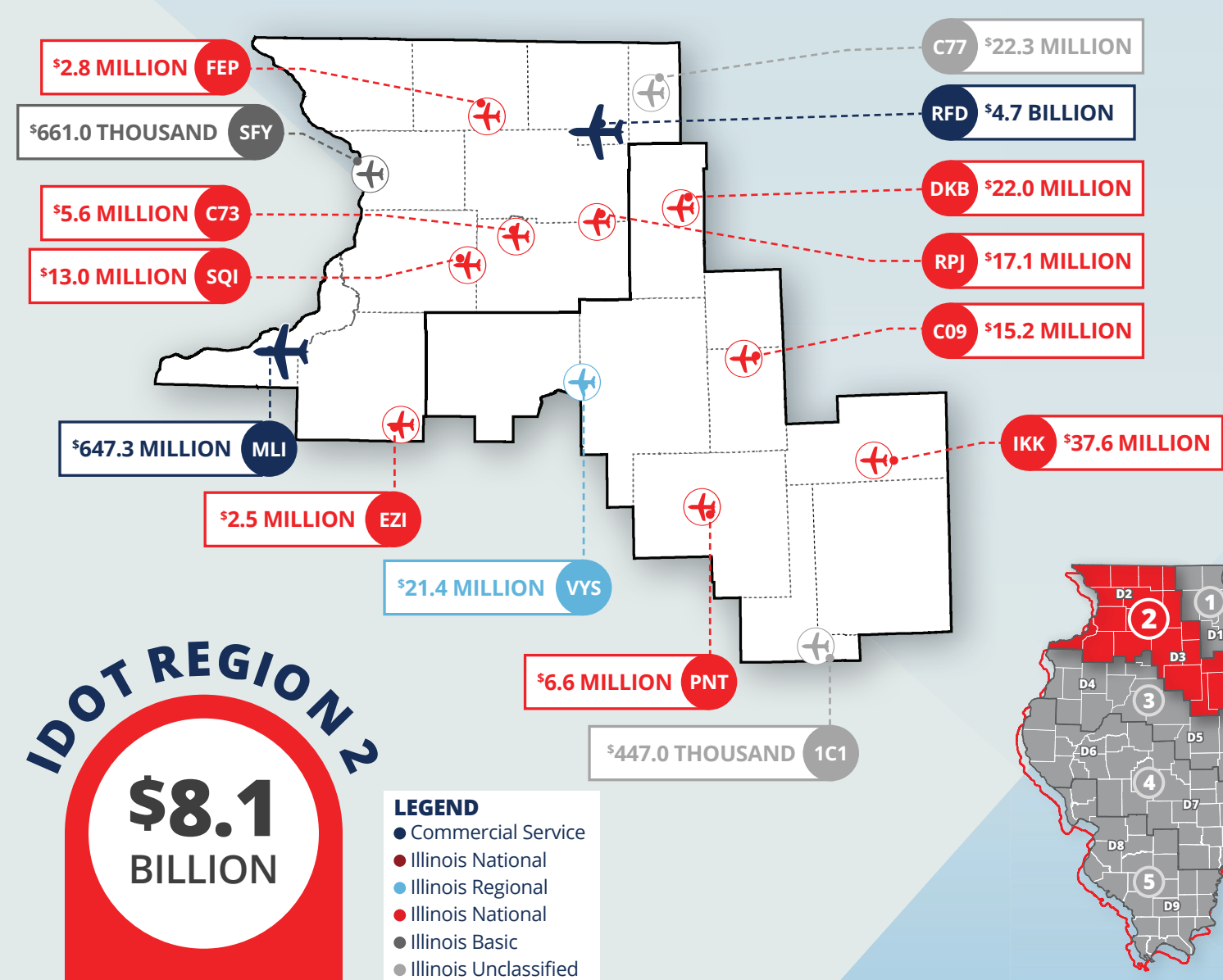
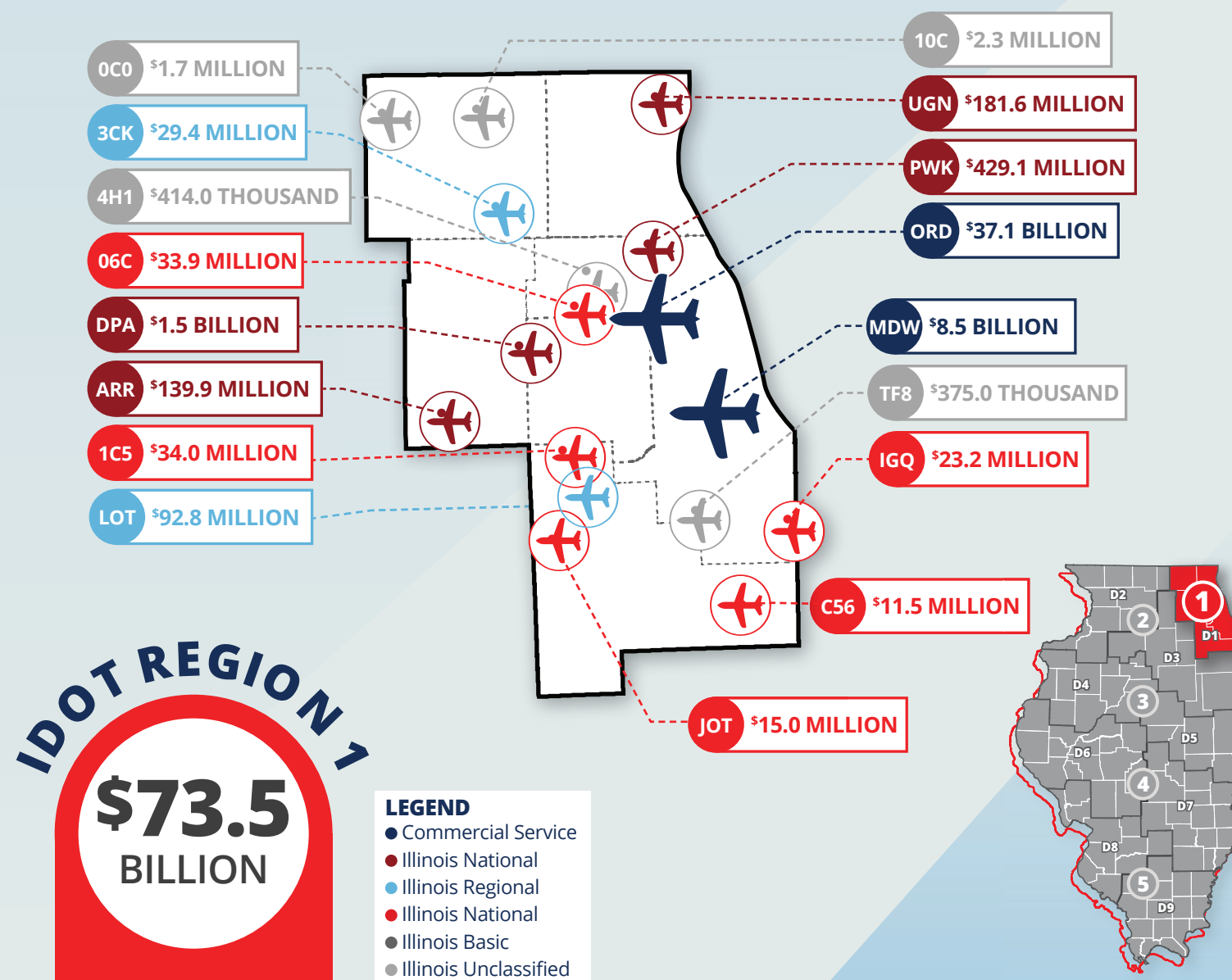
## Districts 2 & 3

Region 2 is located in northern Illinois and covers diverse regions that borders Iowa, Wisconsin, and Indiana. Visitors travel to the area through the Region's two commercial service airports and 13 general aviation airports. Chicago Rockford International Airport (RFD) is the largest airport in this region and is responsible for employing 21,400 people, making it a significant economic driver. RFD also serves as the second largest UPS hub in North America and Quad City International Airport (MLI), the other commercial service airport in the region, supports significant business and air cargo activity which significantly contributes to the local and state economies. Region 2's airports generated 37,685 jobs, \$2.3 billion in labor income, \$4.0 billion in value added, and \$8.1 billion in total economic impact.

**\$4.8 BILLION**  
On-Airport

**\$383.7 MILLION**  
Visitor Spending

**\$3.0 BILLION**  
Freight/Cargo





# REGION 3

## Districts 4 & 5

Region 3 is north central Illinois which borders Indiana and Iowa. Located in Region 3, among others, are Central Illinois Regional Airport at Bloomington-Normal (BMI) and General Downing – Peoria International Airport (PIA). Both are commercial service airports that serve as gateways to Illinois business, technology, agriculture, and logistics. Additionally, The University of Illinois-Willard Airport (CMI) serves the Champaign-Urbana metropolitan area of which 15 colleges and universities are located. Region 3 includes the Institute of Aviation at Parkland College which provides flight training and supports daily flight operations. In total, the 14 airports in Region 3 generated 22,583 jobs, \$1.2 billion in labor income, \$2.1 billion in value added, and \$4.3 billion in total economic impact.

**\$1.3 BILLION**  
On-Airport

**\$360.2 MILLION**  
Visitor Spending

**\$2.6 BILLION**  
Freight/Cargo

# REGION 4

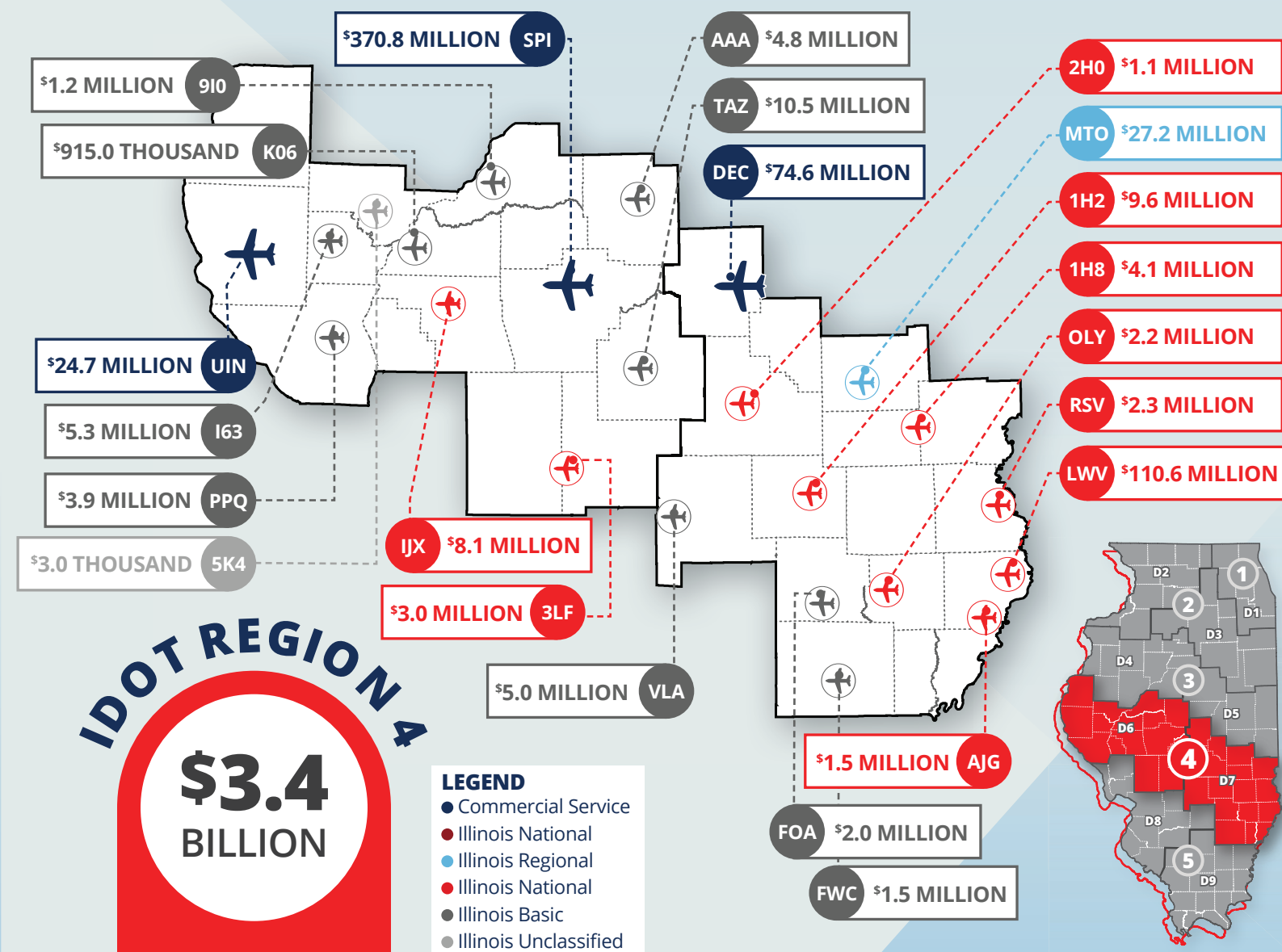
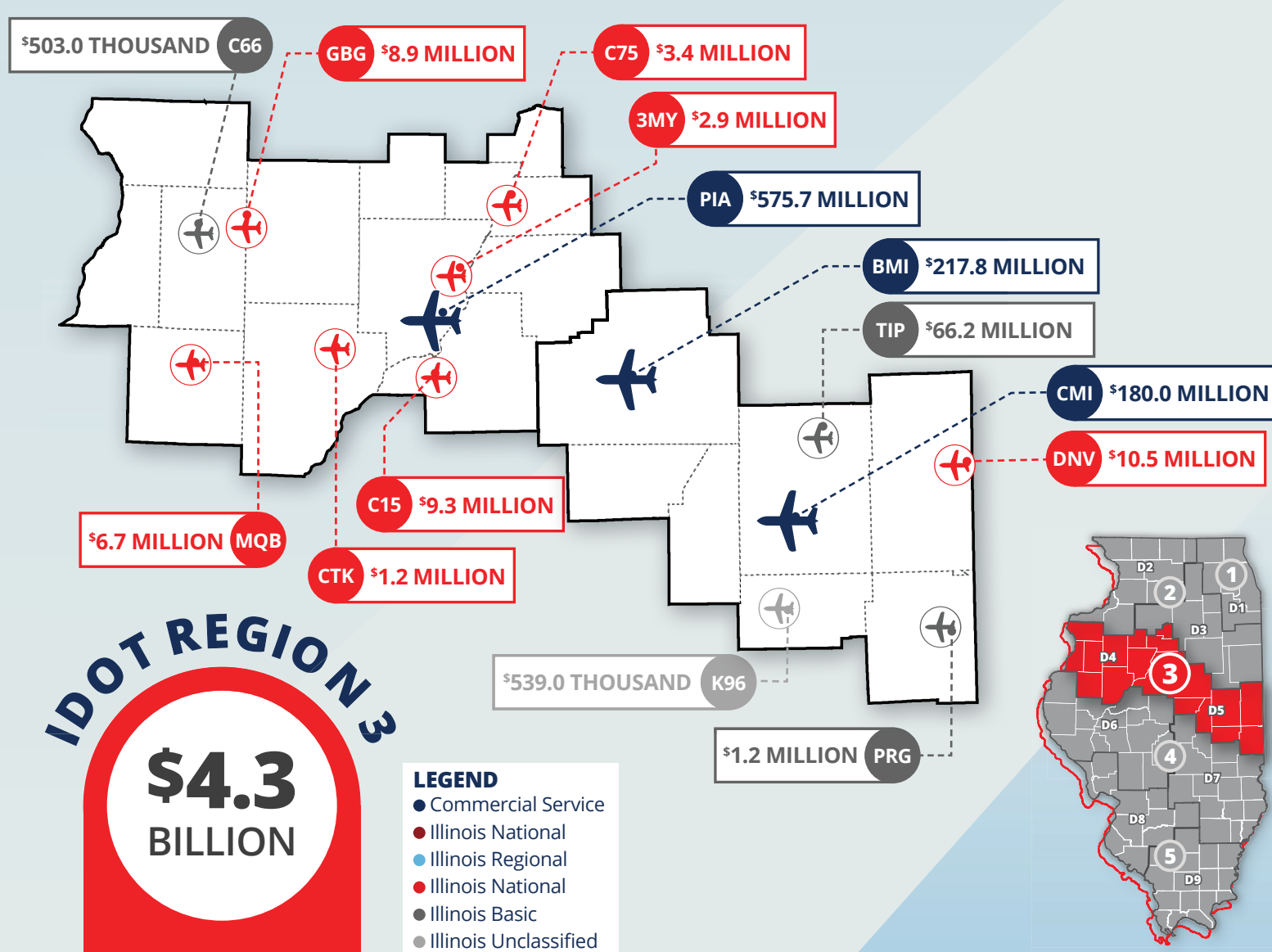
## Districts 6 & 7

Region 4 is located in south central Illinois and spans the width of the state, bordering Missouri and Indiana, and is home to the state capital, Springfield. Abraham Lincoln Capital Airport (SPI), serves as a gateway to the Greater Springfield area which encompasses historic tourism destinations, a 150-acre Airport Commerce Park, and the IDOT Division of Aeronautics office. Decatur Airport (DEC) also serves as a gateway to central Illinois for visitors and is supported by nine on-site tenants employing 355 people. Airports in Region 4 generated 18,851 jobs, \$900.7 million in labor income, \$1.5 billion in value added, and \$3.4 billion in total economic impact.

**\$1.1 BILLION**  
On-Airport

**\$222.6 MILLION**  
Visitor Spending

**\$2.1 BILLION**  
Freight/Cargo





# REGION 5

■ **Districts 8 & 9**

Region 5 is situated in beautiful southern Illinois and borders Missouri, Kentucky, and Indiana. Region 5 is known for its tourist destinations, which include Shawnee National Forest, Giant City State Park, Garden of the Gods Recreation Area, and the St. Louis metropolitan area. Visitors to the Region are welcomed through its two commercial service airports, Veterans Airport of Southern Illinois (MWA) and MidAmerica St. Louis Airport (BLV), and 14 general aviation airports. In addition to supporting significant military activity due to its shared airfield with Scott Air Force Base, MidAmerica St. Louis Airport (BLV) is one of the fastest growing commercial service airports in the state. Airports in Region 5 generated 38,278 jobs, \$2.6 billion in labor income, \$3.4 billion in value added, and \$6.1 billion in total economic impact.



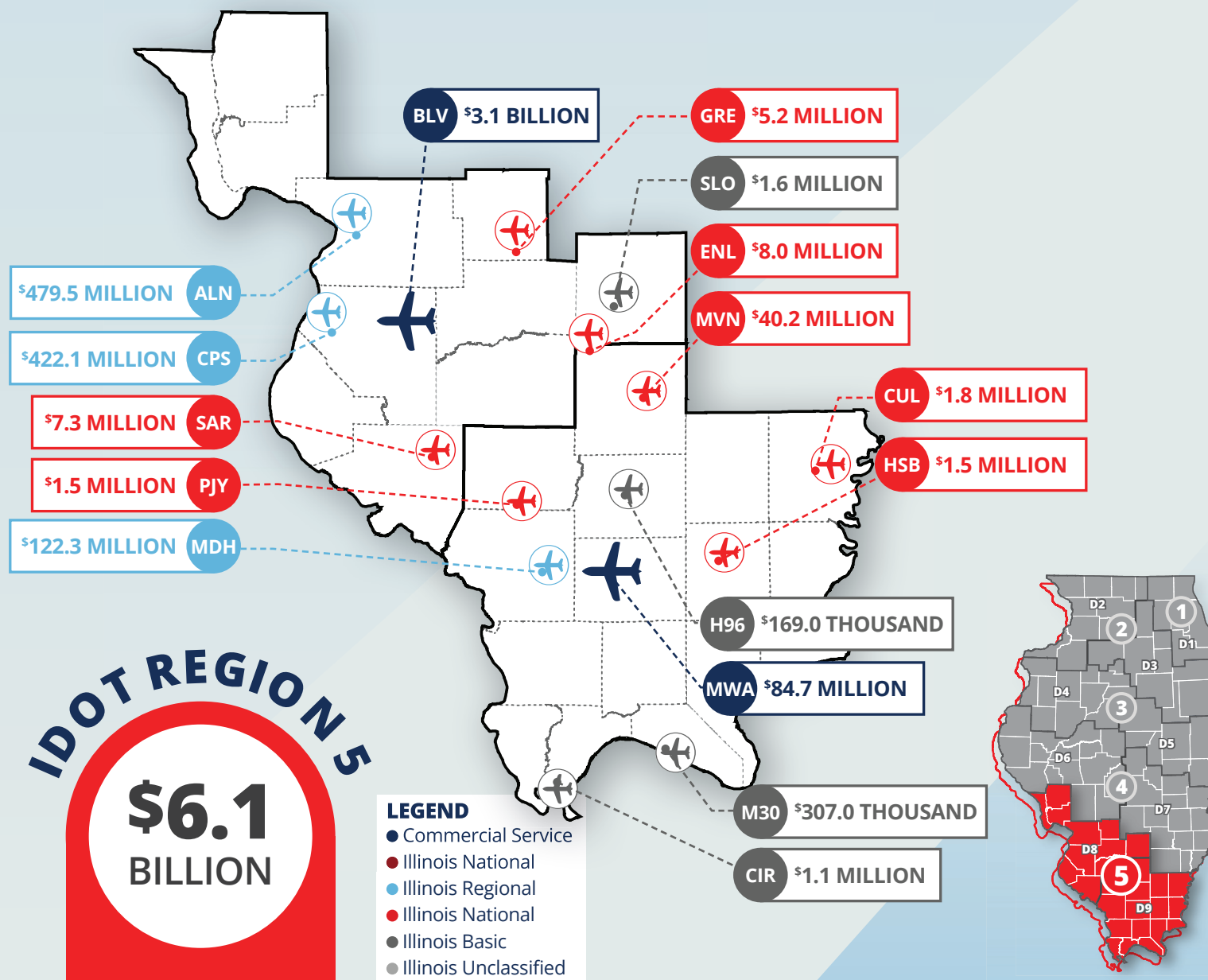
**\$4.1 BILLION**  
On-Airport



**\$214.8 MILLION**  
Visitor Spending



**\$1.8 BILLION**  
Freight/Cargo



## ACKNOWLEDGMENTS

The Illinois Aviation System Plan (IASP) and Illinois Aviation Economic Impact Analysis (EIA) were made possible by the continued leadership, support, and participation from the Technical Advisory Committee (TAC) and various members of the Illinois Department of Transportation (IDOT).

### Special Thanks To:

Technical Advisory Committee (TAC) Members who represented the following organizations:

- ▶ Federal Aviation Administration (FAA)
- ▶ Illinois Public Airports Association (IPAA)
- ▶ Southern Illinois Airport (MDH)
- ▶ Decatur Airport (DEC)
- ▶ Southern Illinois University (SIU) Carbondale
- ▶ Illinois Aviation Trades Association (IATA)
- ▶ Illinois Chamber of Commerce
- ▶ Illinois Agricultural Aviation Association (IAAA)
- ▶ Chicago Metropolitan Agency for Planning (CMAP)
- ▶ Chicago Area Business Aviation Association (CABAA)
- ▶ Illinois Association of Air and Critical Care Transport (IAACCT)
- ▶ United Airlines
- ▶ Chicago Department of Aviation (ORD - MDW)
- ▶ Quad City International Airport (MLI)
- ▶ Illinois American Council of Engineering Companies (ACEC)
- ▶ Schuy-Rush Airport (5K4)
- ▶ Association for Unmanned Vehicle Systems International (AUUSI)
- ▶ DuPage Airport (DPA)
- ▶ Aircraft Owners and Pilots Association (AOPA)
- ▶ Region 1 Planning Council

Prepared for



1 Langhorne Bond Dr  
Springfield, IL 62707

Prepared by

**Kimley»Horn**

Expect More. Experience Better.

2619 Centennial Blvd, Suite 200  
Tallahassee, FL 32308

Project documents available at [www.ilaviation.com](http://www.ilaviation.com)





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