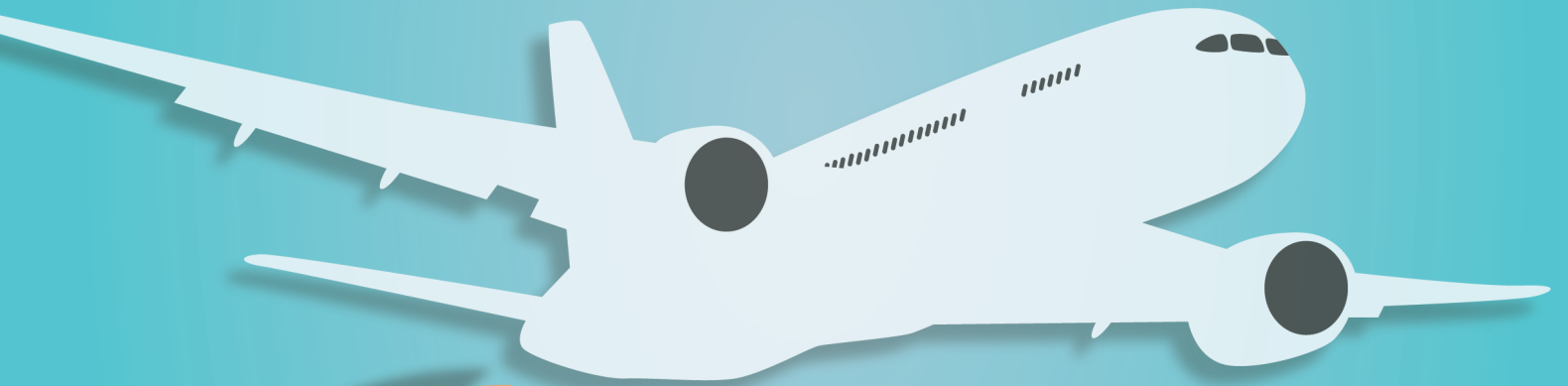


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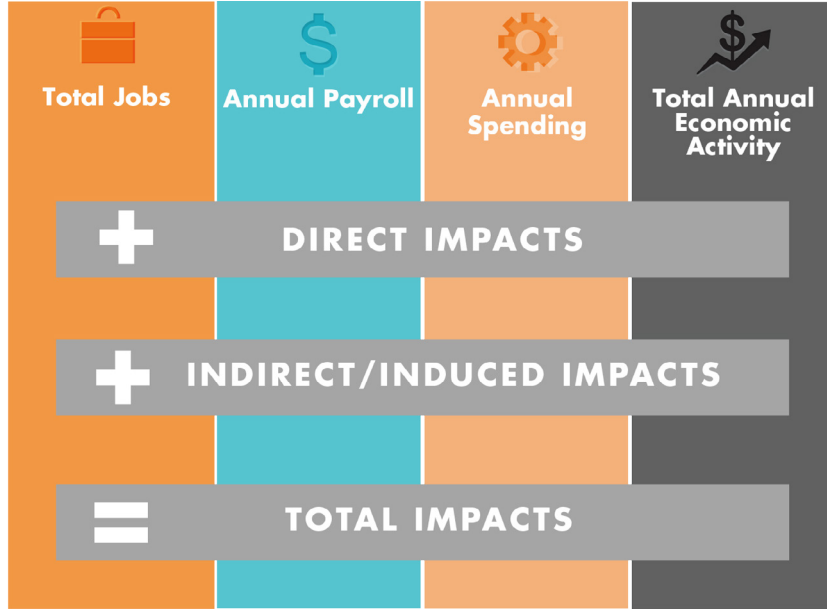
AVIATION AND AEROSPACE ECONOMIC IMPACT STUDY

Methodology Guide



How Economic Impacts Are Reported

ANNUAL ECONOMIC IMPACTS ALL STUDY AIRPORTS



Notes

Four Measures that are Used to Quantify an Airport's Economic Impact



Employment



Annual Payroll



Spending



Annual Economic Activity

$$\text{Annual Economic Activity} = \text{Annual Payroll} + \text{Annual Spending}$$

Notes

Total Annual Economic Impacts Come from One of the Following 5 “Buckets”



Airport Management



Airport Tenants



Average Annual Capital Investment



General Aviation Visitor Spending



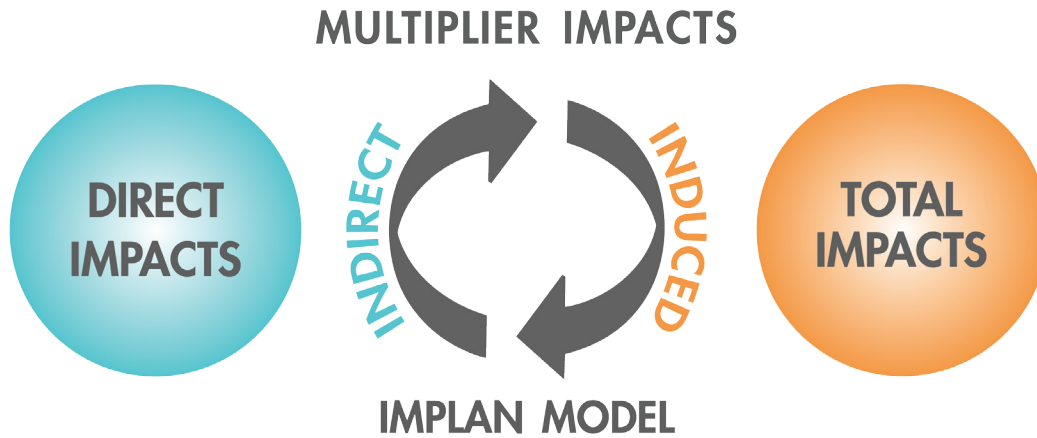
Commercial Visitor Spending

Not All Airports Have Impacts in Each of the 5 Buckets

Notes



General Process Used to Estimate Total Annual Economic Impacts



IMPLAN Uses in OAC's Economic Impact Study

- Used to convert Direct CIP and Visitor Spending into Direct CIP/Visitor Employment and Payroll.
- Measured indirect/induced (multiplier) impacts generated by all direct impacts in all categories.
- Different model entries are needed for all direct impacts for employment, payroll, and spending and for each of the five impact categories considered in the study.
- There is no “one size fits all” multiplier to estimate indirect/induced impacts shown in the OAC study.
- IMPLAN shows how a direct impact multiplies once it enters Oklahoma’s economy and creates additional indirect/induced impacts.
- Direct + Indirect + Induced = Total Annual Economic Impacts.
- Indirect impacts are most often associated with the industrial, distribution, professional services, or utility sectors.
- Induced impacts are most often associated with the retail and service sectors.

Notes

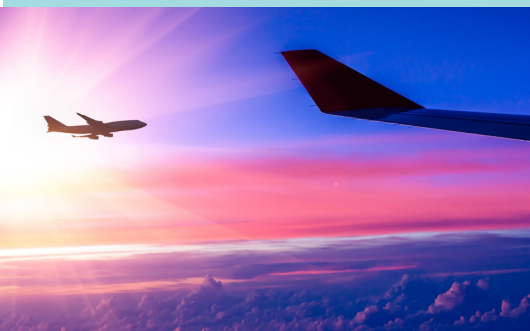
Example of Direct Airport Management Impacts

DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
4	\$140,000	\$60,000	\$200,000

- 2.5 on-airport employees; 1.5 off-airport employees
- Payroll is combined for all employees (both on- and off-airport)
- \$60,000 is annual cost to purchase goods/supplies to operate airport
- \$140,000 payroll + \$60,000 spending = **\$200,000 annual economic activity**

Notes

More information on economic impacts associated with Airport Management can be found in Table 1, Table 8, Table 10, and Table 16 in the Technical Report.



Example of Direct Airport Tenant Impacts

DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
8	\$304,000	\$200,000	\$504,000

	DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
TENANT #1	2	\$70,000	\$51,000	\$121,000
TENANT #2	1	\$40,000	\$32,000	\$72,000
TENANT #3	5	\$194,000	\$117,000	\$311,000
TOTAL	8	\$304,000	\$200,000	\$504,000



Notes

More information on economic impacts associated with Airport Tenants can be found in Table 2, Table 8, Table 11, and Table 17 in the Technical Report.

Example of Direct Impacts from Average Annual Capital Spending

- Average annual direct capital spending (over five years) estimated at **\$390,000**
- IMPLAN model used to convert Direct Spending to Direct Employment and Direct Payroll
- \$95,000 in direct capital spending supports 1 job; $\$390,000 \div \$95,000 = 4.1$ **jobs**
- IMPLAN shows \$55,000 in payroll per job supported; $\$55,000 \times 4 =$ **\$220,000 Direct Payroll**

DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
4	\$220,000	\$390,000	\$610,000



Notes

More information on economic impacts associated with Capital Spending can be found in Table 3, Table 8, Table 12, and Table 18 in the Technical Report.

Steps to Estimate General Aviation Visitors

- Visiting aircraft are also referred to as “transient” aircraft.
- There are no existing sources that document general aviation visitors.
- General aviation visitor estimates for this study were “bottom-up.”
- Oklahoma airport managers/FBOs provided estimates of weekly visiting general aviation aircraft, the fleet mix for visiting aircraft, and the average number of visitors per aircraft type.
- Annual estimates of visiting/transient aircraft operations were compared to total annual “itinerant” operations obtain from FAA Form 5010; transient/visiting operations are always “less than” total itinerant operations.
- Resultant estimates of annual visiting aircraft were reviewed by OAC and study airports and compared to similar estimates using a “top-down” approach for estimating visiting aircraft developed by the Aircraft Owners and Pilots Association (AOPA).
- Estimates of annual visiting aircraft operations drove the estimate of annual general aviation visitors.

Notes



Example for Estimating Annual General Aviation Visitors

- Estimated visiting WEEKLY general aviation aircraft = 10
- Mix of visiting weekly planes: 2 jets (20%); 3 twins (30%); 5 singles (50%)
- Visitors per plane type: jets = 6; twins = 3; singles = 2
- 10 per week x 52 weeks = 520 annual visiting general aviation aircraft
 - » 20% x 520 = 104 jet arrivals x 6 visitors per plane = 624 visitors on jets
 - » 30% x 520 = 156 twin arrivals x 3 visitors per plane = 468 visitors on twin-engine planes
 - » 50% x 520 = 260 single arrivals x 2 visitors per plane = 520 visitors on single-engine planes
- 624 + 468 + 520 = 1,612 annual general aviation visitors

More information on economic impacts associated with General Aviation Visitors can be found in Table 4 in the Technical Report.

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Example of Direct General Aviation Visitor Spending

- 1,612 visitors X 50% day trips = 806 x \$40 per day visitor trip = **\$32,240**
- 806 visitors (50%) spend at least one night: 70% business = **564 visitors** and 30% leisure = **242 visitors**
- 564 business visitors x \$230 per trip = **\$129,720**
- 242 leisure visitors x \$350 per trip = **\$84,700**
- **\$32,240 + \$129,720 + \$84,700 = \$246,660 in Direct Annual General Aviation Visitor Spending**

Notes

More information on economic impacts associated with General Aviation Visitor Spending can be found in Table 4, Table 5, Table 8, Table 13, and Table 19 in the Technical Report.

Example of Direct Impacts from Annual General Aviation Visitor Spending

- Annual direct general aviation visitor spending estimated at \$246,660
- IMPLAN model used to convert Direct Spending to Direct Employment and Direct Payroll
- \$83,000 in direct visitor spending supports 1 job; \$246,660 divided by \$83,000 = 2.9 jobs/3 jobs
- IMPLAN shows \$28,000 in payroll per job supported; \$28,000 x 3 = \$84,000 Direct Payroll

DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
3	\$84,000	\$246,660	\$330,660

More information on economic impacts associated with General Aviation Visitor Spending can be found in Table 4, Table 5, Table 8, Table 13, and Table 19 in the Technical Report.

Example of Direct Impacts from Annual Commercial Visitor Spending

- 100,000 enplanements x 40% visitors = **40,000 annual commercial visitors**
- 40,000 visitors x \$500 spending per visitor trip = **\$20,000,000 Direct Commercial Visitor Spending**
- IMPLAN model used to convert Direct Spending to Direct Employment and Direct Payroll
- \$83,000 in direct visitor spending supports 1 job; \$20 million divided by \$83,000 = **240 jobs**
- IMPLAN shows \$28,000 in payroll per job supported; \$28,000 x 240 = **\$6,720,000 Direct Payroll**

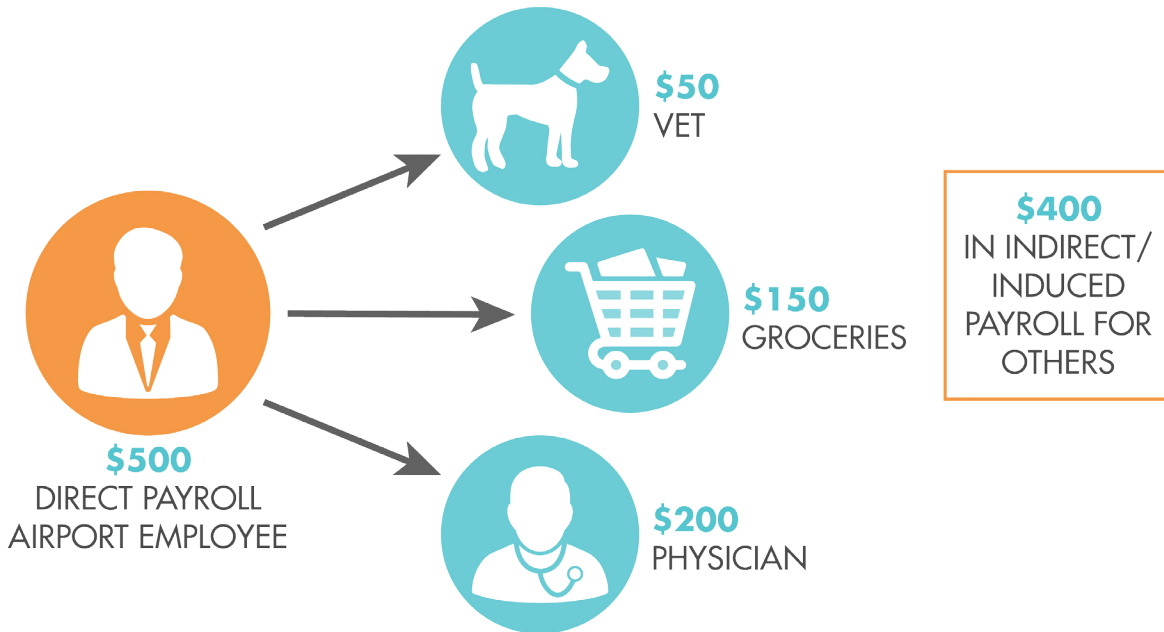
DIRECT EMPLOYMENT	DIRECT PAYROLL	DIRECT SPENDING	DIRECT ECONOMIC ACTIVITY
240	\$6.7M	\$20M	\$26.7M

More information on economic impacts associated with Commercial Visitor Spending can be found in Table 6, Table 7, Table 8, Table 14, and Table 20 in the Technical Report.

Notes

Indirect & Induced Impacts/The Multiplier Impacts

- When any direct impact (jobs, payroll, or spending) enters the economy, additional indirect/induced impacts are created.
- “Spin-off” impacts associated with all direct impacts are often referred to as “multiplier” impacts.
- All indirect/induced impacts in the OAC study estimated with an Oklahoma-specific IMPLAN model.
- Total annual economic impacts = direct impacts + indirect/induced impacts.



Notes

Example of Total Annual Economic Impacts for Airport Management

	EMPLOYMENT	PAYROLL	SPENDING	ECONOMIC ACTIVITY
DIRECT	4	\$140,000	\$60,000	\$200,000
INDIRECT/INDUCED	3.5	\$113,400	\$45,000	\$158,400
IMPLIED MULTIPLIER	1.89	1.81	1.75	1.79
TOTAL	7.5	\$253,400	\$105,000	\$358,400

Notes

More information on total annual economic impacts associated with Airport Management can be found in Table 10 and Table 16 in the Technical Report.



Communications Plan and Tips Introduction

Effective communication is essential to the ultimate success of OAC's Economic Impact Study for Oklahoma's 109 public commercial and general aviation airports.

General suggestions to help Oklahoma airports convey study results are provided here.

Airports should use materials, tools, and templates in this document (modified as needed) to meet the needs of their individual airport.

Communication of study results requires on-going commitment and support by all airports. Only through active participation by all airports can OAC leverage study results to communicate the many benefits associated with Oklahoma's airports.

Key Questions to Formulate Your Airport's Communications Plan

Why do you want to communicate to the community? What is your message?

With whom do you want to communicate? Who is your audience?

How will you communicate your message? What communication channels/techniques will you use?

What contacts are needed to use those channels? What steps are necessary to distribute your message?

- **Identify the purpose of your communication**
- **Identify each target audience**
- **Plan and design your message**
- **Plan for obstacles**
- **Strategize local media connections**
- **Identify others who can help spread the message**
- **Establish defined tasks**
- **Assign responsibilities**
- **Identify measures for determining the effectiveness of your plan**

Design Your Message Content for Social Media

- **Keep the message simple and focused.**
- **Message content may need to be different depending on the audience (business, elected officials, general public).**
- **Rely on graphics from the study to communicate.**

Sample Social Media Messages

Oklahoma's public airports support \$10.6 billion in annual economic impacts.

Airport Name is important to the economic vitality of our community and the state of Oklahoma. – *present airport's annual economic impact available from airport's Individual Airport Report on flash drive*

Airport Name is important to the economy and to transportation connectivity. – *show airport's flight map available from Individual Airport Report on flash drive*

Airport Name contributes to state and local tax revenues. – *show airport's annual tax revenue generation contained the Individual Airport Report, with more detail in Section 7 in the Technical Report on flash drive*

Airport Name supports many users/uses. – *examples might include: health care, emergency services, agriculture, OHP, pipeline/power line patrols, aviation education, military training, recreation (examples are provided in your Individual Airport Report on flash drive)*

Airport Name brings ___ number of visitors to our community each year. – *number of general aviation airport visitors available in the Technical Report in Table 4*

- Air visitors to our community spend an estimated \$_____ annually with Oklahoma businesses. – *annual visitor spending by airport is in the Technical Report in Table 13; spending in this table includes direct, indirect, and induced spending*
- The airport and its tenants spend \$_____ annually in our community to purchase the goods and services they need to operate the airport and to run their businesses – *this information is available in Table 10 and Table 11 in the Technical Report. Spending in these two tables includes direct, indirect, and induced spending.*

EXAMPLE STRATEGIES FOR COMMUNICATION

In Person:

Provide OAC's statewide summary presentation on the Economic Impact of Aviation and Aerospace (provided on your flash drive) to civic and community groups. These groups could include the local Chamber of Commerce, Rotary, Lions, senior centers, high school math/science classes, or scheduled meetings of local elected officials. At the end of the statewide presentation on the flash drive, there are blank slide templates you can customize for your airport's individual economic impact from the OAC study. These can be integrated into the statewide study results.

Host community gatherings or tours at the airport (have copies of the study Fact Sheet provided on the flash drive available for distribution). You should also have copies of your airport's individual economic impact report (provided on the flash drive) available for distribution. OAC can provide technical or media assistance for community gatherings or airport tours.

Website/Social Media:

Post information about study results on your airport's website. Create a headline message "Did you know that Airport Name supports \$_____in total annual economic activity?"

Post the study Fact Sheet, Executive Summary, and/or your Individual Airport Report. (PDF versions of all products are provided on your flash drive.)

Distribute the social media messages (provided on page 13) using Twitter, Facebook, or other social media platforms.

Written Media:

Contact local newspapers/other media outlets to schedule an interview related to the study. Provide the study Fact Sheet and your Individual Airport Report (both are provided on your flash drive).

Complete and submit the example press release to local news outlets (below).

The following example press release can be customized and used by any study airport. Please make sure that any information sent in a press release for your airport is factual based on final study results.

PRESS RELEASE
For Immediate Release

Date: XXX

Point of Contact: Name, Airport Manager

Contact Information: Phone number/email address

Oklahoma Airports contribute \$10.6 Billion Annually to State and Local Economies

City, OK: The Oklahoma Aeronautics Commission (OAC) has released the 2017 Oklahoma Aviation and Aerospace Economic Impact Study showing that airports are significant contributors to both the state economy and the local economies of many Oklahoma communities. “We believe this study strongly supports the important contribution that airports make to our economy,” stated OAC Director Victor Bird. “Overall, the 109 airports in our system contribute \$10.6 billion in annual economic activity and support over 74,000 jobs.”

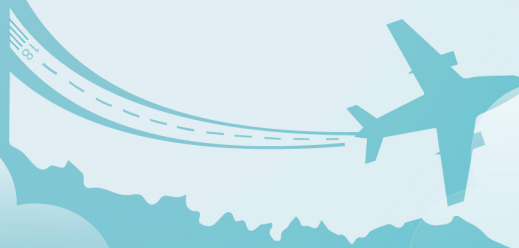
“We are excited to share the study results and pleased to see that our airport continues to provide economic, as well as other, benefits to our community,” said _____, **Airport Manager**. Oklahoma has an extensive system of public airports with 4 commercial airports and 105 general aviation airports to ensure the needs of commerce are met across the state. The study was commissioned by OAC to measure the annual economic impact provided by these airports to ensure the public understands the importance of each local airport and the role that airport plays in the local economy. **Airport Name** supports \$ _____ in total annual economic activity, while supporting _____ jobs.

Flights to our airport bring approximately _____ visitors to Oklahoma each year. “It is important for the community to understand the contribution our airport makes as it relates to supporting the vitality of both our local economy and state economy,” **Airport Manager** stated. **He/she** went onto to say that, “Our airport provides more than just economic benefits. We support **(pick the pertinent items for your airport: air ambulance services, general aviation travel for many visiting medical professionals, aerial agriculture spraying operations, and a base for business activities of name(s) of local business using the airport).**” **Each airport’s individual report provides examples of other ways the airport benefits the community that can be used to customize this press release. Example users are in the Individual Airport Report on your flash drive.**

The OAC study analyzed five economic activity centers for each airport including economic activity generated by general aviation visitor spending, commercial aviation visitor spending, capital improvement spending, airport tenants, and airport management. In addition to evaluating the impacts of Oklahoma’s airports, the study determined the economic impact of off-airport aerospace companies as well as military aviation. When these three sectors are combined, aviation and aerospace in Oklahoma contribute \$44 billion in annual economic activity and support over 205,000 jobs. For more information, detailed study results can be found on OAC’s website at oac.ok.gov or by contacting **Airport Manager at (phone or email).**

Oklahoma

AVIATION & AEROSPACE
ECONOMIC IMPACT STUDY



Oklahoma Aeronautics Commission | 110 N Robinson Ave. Suite 200 | Oklahoma City, OK 73102 | Ph. 405.604.6900 | oac.ok.gov

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