

# Delaware Airports and Aviation

## Economic Impact Assessment

*Executive Summary*



*The  
First  
State*



Delaware Department  
of Transportation

Shailen H. Bhatt, Secretary

# Executive Summary

The purpose of this study is to update the economic impact assessment and contribution of airports in Delaware to the State's economy. End products of this analysis are described in terms of jobs, income, taxes generated, and total economic output in dollars. The economic impact analysis of Delaware airports provides stakeholders with evidence that their expenditures on local airports are having an impact in creating and sustaining jobs, as well as generating additional tax revenue to Federal, State, and Local governments.



In 2012, the estimated economic impact of aviation on the state of Delaware:

- ✈ Totaled \$1.07 billion
- ✈ Supported approximately 12,300 jobs
- ✈ Provided \$598.4 million in income to its citizens
- ✈ And provided a tax benefit of \$137.3 million
  - ✈ \$94 million in Federal taxes
  - ✈ \$43.4 million in State and Local taxes



# Spending & Benefits of Airports

The objectives of the economic impact assessment were to quantify the following aspects of aviation in Delaware:

**Direct Spending:** Includes on-airport spending on employment, operations, and capital projects. It also includes off-airport spending by air travelers for rental cars, hotels, restaurants, etc. Thus, direct spending is associated with both the providers and the users of airport services.

**Induced Benefits:** Impacts above the original direct spending created by the successive rounds of spending in the Local economy until the original direct impact has been incrementally exported from the Local area.

**Jobs and Income:** The jobs and income generated by activity at airports in Delaware.

**Total Dollar Output:** The combined impacts of direct and induced spending.

**Taxes:** Tax revenue contribution of Delaware airports to Local and State units of government in Delaware.



Dover Air Force Base








Jenkins Airport



Average spending on individual single and twin engine propeller driven aircraft was \$12,777 in 2012.

## Airport Profiles

Eleven public-use aviation facilities serve Delaware:

-  One commercial service airport
-  Three business class airports
-  Five small general aviation facilities
-  One joint-use civilian/military facility
-  One helistop

Three of the state's small general aviation airports have turf runways, the other seven have paved surfaces.



# Economic Impact Evaluation

Using IMPLAN software, the multiplied economic effects of aviation were estimated. Results and data were collected for each airport to obtain output and employment totals supported by aviation. The table below presents a summary of each airport's direct and induced impacts.

*The First State*



Airport Name	Direct Employment	Direct Impacts	Direct Airport Related Income	Induced Employment	Induced Impacts
Chorman	14	\$1,050,900	\$482,700	6	\$594,000
Civil Air Terminal	20	\$1,382,700	\$465,800	5	\$565,200
Dover AFB	6,400	\$466,000,000	\$368,387,000	2,275	\$192,678,800
Delaware Airpark	32	\$2,503,600	\$1,125,200	12	\$1,208,000
Laurel Airport	12	\$861,900	\$353,000	5	\$515,900
New Castle Airport	1,606	\$146,868,600	\$70,115,600	740	\$84,958,900
Summit Airport	158	\$12,708,000	\$6,211,800	88	\$9,943,900
Sussex County Airport	426	\$96,133,700	\$36,427,500	446	\$20,488,500
Private-Use Airports <sup>1</sup>	4	\$313,200	\$146,500	2	\$245,800
<b>GRAND TOTALS <sup>2</sup></b>	<b>8,672</b>	<b>\$727,822,600</b>	<b>\$483,715,100</b>	<b>3,579</b>	<b>\$311,199,000</b>

<sup>1</sup> Three private, public-use airports include Chandelle Estates, Jenkins, and Smyrna Airport.



# State and Local Tax Impacts



Another key output that resulted from this study included State and Local Tax Impacts and Non-monetary Impacts. One measure of the collective local benefits of the economic impacts of aviation involves the level of taxes paid to Local governmental units. Estimated tax impacts from aviation in 2012 for Delaware totaled \$137.3 million. Of this total, \$94 million was generated in Federal taxes, while \$43.4 million in was generated in State and Local taxes. This tax revenue benefits all Delaware citizens, not just those in aviation.

*Small Wonder*

Estimated State/Local Taxes	Total Employment	Total Income	Total Impacts
\$67,600	20	\$698,500	\$1,644,900
\$144,800	25	\$648,900	\$1,947,900
\$24,487,100	8,675	\$428,404,800	\$658,678,800
\$158,900	44	\$1,550,800	\$3,711,600
\$80,300	17	\$530,500	\$1,377,800
\$10,486,300	2,346	\$104,687,800	\$240,485,500
\$1,019,400	246	\$10,413,200	\$22,651,900
\$6,907,200	872	\$51,183,100	\$139,452,200
\$25,000	6	\$245,400	\$559,000
\$43,376,600	12,251	\$598,363,000	\$1,070,509,600



<sup>2</sup> DELDOT Helipad generated zero economic impact.



# Delaware's Aviation Economy



For this study, surveys were developed to determine a number of economic impact metrics. From the results, it was determined that general averages of expenditure patterns could be identified for single and twin engine propeller aircraft of \$12,777 per year. Also, the relationship between business and personal use of aircraft was reported to be 43 percent business and 57 percent personal use. Of significance in 2013 was the reintroduction of airline service to New Castle Airport from Frontier Airlines. The Airline serves five cities from Wilmington and is anticipated to spark new economic growth at New Castle Airport in the near future.

In addition, the number of jobs at each Delaware airport was estimated using surveys and discussions with airport management. Only aviation-related jobs were included since that more accurately portrays the real value of aviation to the Delaware economy. Using the methods described above, the statewide estimate of direct airport business and employer employment totaled 2,272 full time and 1,074 part time employees (not including Dover AFB).

In addition to the survey input, data was collected on the average annual capital spending at each airport. Statewide, that spending averages \$9.2 million for the public-use civilian airports each year. Estimated average annual visitor spending of \$24.6 million was used to input the direct expenditures at Delaware airports. Together, these spending components add \$33.8 million to the direct economic impact of airports in the State.



## Military Aviation in Delaware

Two airports serve the bulk of military aviation in the State: Dover Air Force Base (AFB), and New Castle Airport. Due to its size and activity, Dover AFB has the largest economic impact of any aviation facility in the State. There are roughly 6,400 workers on the base, with an additional 10,000 retirees in the impact area. Total payroll is over \$368.4 million, with other local expenditures totaling more than \$97.6 million. Including multiplier effects, Dover AFB has a total economic impact of \$658.7 million annually, supporting the equivalent of 8,675 full-time workers.



There are two military units located at Newcastle Airport: the Delaware Air National Guard, and the Army National Guard. Combined, these units employ 271 full time and 1,100 part time workers.

# Non-monetary Impacts



There are a number of non-monetary benefits of aviation that have not been mentioned in this analysis. Some of these benefits include:

*Transportation Benefits:* Defined as the time saved and cost avoided by travelers who use airports rather than the next best alternative.



*NASCAR Race:* Each year, NASCAR driver and race teams fly into Delaware to participate in races at Dover Downs International Speedway. These events generate significant economic impacts. Without aviation facilities, competition for these races could be lost to other venues.



*Stimulation of Business:* Airports have been shown in other studies to be an important factor in the attraction and siting of new large businesses in a community.



*Aeromedical Evacuation:* Airports often serve as a base for aeromedical evacuation teams or flight services. This life-saving function has value that cannot be adequately quantified.



*Recreation:* Roughly 50% of commercial airline travel and 60% of general aviation travel is for recreational purposes. This includes the valuable tourist trade, which brings economic activity to Delaware.

The impacts that were estimated within the body of this report are only one facet of the overall picture. The value of airports and aviation use in Delaware is much more than these numbers can estimate. It is part of a scarce resource that needs support, protection, and appreciation from all the citizens it benefits both directly and indirectly.



For more information please contact:  
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# Facts & Figures

**\$12,777**

The average annual expenditure related to each single and twin engine propeller aircraft in Delaware.



*"As a capital, for everyday travel we really need to have dependable access in and out for general aviation."*

Drew Boyce - Director of Planning DelDOT

**\$1.07 Billion**

The total annual economic impact of aviation in Delaware.

*"We provide 150 high tech jobs for skilled workers in Delaware."*

Lynn Trent - H.R. Manager Summit Aviation

**\$598.4 Million**

The annual income aviation provides citizens of Delaware.



Research & design provided by:



R.A. Wiedemann & Associates, Inc.  
AVIATION CONSULTANTS



*"Aviation is a vital part of the Delaware economy and touches the lives of every resident of our state, whether they fly or not."*

Shailen P. Bhatt - Secretary of Transportation

**\$43.4 Million**

The annual state and local tax benefit provided by aviation to the citizens of Delaware.



**\$137.3 Million**

The estimated total annual tax impacts generated by all airports in Delaware.

*"Economy wise, I don't even want to think about what would happen if there was no Dover Air Force Base in Delaware. It would be devastating."*

Richard B. Bundy  
Brigadier General USAF Retired

**12,300**

The total number of jobs aviation makes possible in Delaware.



*"We provide an essential service that protects and maximizes crops for farmers, aids waterfowl conservation and protects fisheries for the state, and provides mosquito control for residents and tourists."*

Jeff Chorman  
Chorman's Airport

*Liberty and Independence*



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