

THE ECONOMIC AND FISCAL IMPACTS OF US AIRWAYS' PHILADELPHIA HUBBING OPERATIONS AND INTERNATIONAL FLIGHT SYSTEM



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Econsult corporation was retained by US Airways to estimate the economic and fiscal impacts of US Airways' operations on the City of Philadelphia, the 11-county tri-state region, and on the state of Pennsylvania, and to examine the particular value of its international operations and planned future expansions. In addition, Econsult analyzed and defined the channels of influence through which US Airways impacted the area's economy.

Econsult's economic estimates incorporate both the direct spending impacts, as well as those "ancillary" impacts generated by tourists and other visitors to the region and state, that can reasonably be attributed to US Airways' service. In order to estimate fiscal (i.e. tax revenue) impact to the city, region, and state, Econsult employed its fiscal model, which takes the output from the Regional Input-Output Modeling System (RIMS II) economic impact model developed by the US Commerce Department's Bureau of Economic Analysis and generates detailed estimates of the increases in state and local tax collections that have arisen from regional activity.



In addition to the economic benefits deriving from direct expenditures detailed in the previous sections, Econsult's qualitative analysis found that US Airways generates important benefits to PHL via two separate, but related, channels: its hub operations and regional air service and its international service.

