ECONOMIC IMPACT REPORT

THE ECONOMIC IMPACT OF DELTA AIR LINES ON THE GREATER CINCINNATI ECONOMY

PREPARED FOR

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EXECUTIVE SUMMARY

- This report estimates the total economic impact of Delta Air Lines on the Greater Cincinnati economy. The economic impact is based on Delta's spending in the Greater Cincinnati region during its 1996 fiscal year.

- Delta Air Lines induced a one-time economic impact of $23 million in the Greater Cincinnati economy from its 1996 construction expenditures. Of this $23 million, over $7 million entered area households in the form of wages. Delta's direct construction expenditures and the indirect effect this had on total output in the region supported 291 local jobs.

- Delta Air Lines also induced an on-going economic impact in the local economy totaling $2.1 billion. Delta's on-going economic impact stems from two sources. First, Delta's operation expenditures (such as payments to employees and business suppliers) generates additional income in the Greater Cincinnati economy. Second, out-of-town passengers that arrive in Greater Cincinnati via Delta generate an economic impact from their expenditures in the region.

- Delta Air Lines' economic impact from 1996 operation expenditures totaled $992 million. Due to Delta's wage and salary payments to its Greater Cincinnati employees, a total of $530 million was generated as household income throughout the region. Delta's direct employment of 4,447 local residents sustained an additional 6,532 jobs in the region, leading to a total job impact of 10,979.

- Local spending by out-of-town Delta passengers created a $1.1 billion economic impact in the Greater Cincinnati region. This impact especially benefited hotels, eating and drinking establishments, transportation services, real estate and business services. Of the $1.1 billion economic impact, $373 million was generated by area households in the form of wages. The business activity created by Delta's out-of-town passengers supported 24,938 local jobs.

- Delta Air Lines is estimated to account for 65 percent of the Greater Cincinnati/ Northern Kentucky International Airport's on-going economic impact. Delta's economic impact from operations reflects 71 percent of the Airport's economic impact from operations. Delta brings approximatley 64 percent of the Airport's out-of-town passengers into the region. Delta also accounts for 42 percent of the Airport's direct and indirect impact on local employment.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
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