



PIT passenger growth slowed sharply in December and January

Summary: While last December's and January's passenger numbers at Pittsburgh International Airport (PIT) were very disappointing, there are signs that the national pace of travel picked up markedly in the last half of February. This should bode well for a February pickup at PIT as well. Nonetheless, with the war in Ukraine having a major effect on fuel prices, and perhaps on consumer sentiment as well, the air travel industry is facing another round of headwinds and uncertainties. Early March national passenger data suggest some negative impact on travel is already happening.

PIT passenger count changes over the last year

The number of passengers enplaning and deplaning at PIT fell in recently released January data (456,076) compared to the January 2019 level (654,886), a decline of 30.4 percent. In December 2021, the passenger count was 22.3 percent below December 2019. These two months follow a much better performance last November when the passenger count, compared to the November 2019 count, was down only 16.1 percent. This was the best recovery month to date following the near halting of air travel in April 2020 when PIT passengers totaled only 32,447 with virtually no international travelers.

Looking back at travel data for 2021, improvement in the monthly passenger count last year relative to the same month in 2019 was dramatic through November. Bear in mind that in January 2021 the number of passengers was still 66.4 percent under the January 2019 level. However, by June, the passenger level compared to 2019 had improved markedly from January to stand just 30 percent below June 2019. July continued the improvement as restrictions were being loosened further with the decline from July 2019 to a much lower 22.2 percent.

As noted earlier, gains continued through November with a passenger count reading of 16.1 percent below 2019 but momentum did not continue as December slipped back to a drop of 22.3 percent from the 2019 reading. In January the downward slide continued with the passenger count down 30.4 percent from 2019.

To be clear, the bigger shortfall in January 2022 compared to the December 2021 decline was not due to seasonal factors. The January 2022 count was lower compared to January 2019 thereby accounting for normal seasonal factor impacts. Clearly, the problems that caused December's numbers relative to 2019 to perform much worse than November were still having an effect in

January 2022. While the COVID variant no doubt affected January travel, it is not clear why December saw such a large drop.

Comparison to national air travel statistics

Official Department of Transportation statistics on air travel passenger counts lag several months; making direct comparisons to U.S. data for recent months not possible. However, the Transportation Security Administration (TSA) reports daily the number of passengers entering airports at their security checkpoints. This number is a good and timely measure of the volume of air travel nationally.

It does not match up perfectly with the monthly national enplanements and deplanements that are available much later because those stats include connecting passengers who do not pass through a checkpoint going from flight to flight at the same airport. At many airports—such as Atlanta, Dallas-Fort Worth, Chicago, Denver and other large city airports—a huge proportion of travelers are connecting passengers.

But for smaller airports without major hub carriers such as PIT, the TSA checkpoint data are a reasonable proxy for national air travel and to use for comparison to passenger counts at PIT.

How do the checkpoint data showing percent changes from the same month in 2019 compare to the PIT experience over the last year? Interestingly, the pattern of improvement of TSA data and PIT passengers through the months of 2021 relative to 2019 was very similar through December. The table compares the national and PIT performances in 2021 as measured by the percent change from the same month in 2019.

	National TSA checkpoint count	PIT enplanements and deplanements
<i>2021</i>		
January	-60.5	-66.4
June	-26.5	-30.7
September	-23.7	-23.8
November	-16.0	-16.1
December	-16.2	-22.2
<i>2022</i>		
January	-22.5	-30.4
February	-15.6	NA

Throughout 2021, until December, PIT passenger gains improved almost in lockstep with the national increases in passengers. In December 2021, PIT's performance fell behind the national numbers and in January, as the national count failed to sustain the improvements of earlier months, PIT experienced an even worse setback, dropping 30 percent below the 2019 figure. There are no obvious reasons for PIT's pattern of tracking national performance to have suddenly disappeared.

Note that national air travel also had a setback in January, dropping 22.5 percent below the 2019 reading. No doubt the COVID Omicron variant played a significant role in the decline. PIT passengers fell in January in tandem with the national setback. But PIT numbers did not reflect any recovery that was greater than the national drop in December.

On a more positive note, TSA data show a significant upturn in travel in February with a shortfall of 15.6 percent compared to 2019 with a daily average of 1.73 million people going through check points (January daily average was 1.48 million). Even more encouraging, February showed much stronger gains in the second half of the month with travel from Feb. 18 to Feb. 28 averaging 1.99 million—only 10 percent below the 2019 level.

These national data are somewhat encouraging for PIT, at least for the February count. With a return to travel as robust as the late February figures show, there is reason to believe that PIT passenger counts will see marked gains compared to the December and January experience as well. Unfortunately, March is likely to pose a new set of difficulties for air travel.

The reality is that non-hub airports must rely on the local market for travelers, whether local residents flying out or visitors coming to the region for business, family or tourist reasons. In a region with little population or employment growth, the prospects for air travel passenger growth will be much weaker than for areas that are growing rapidly, such as Nashville, Austin or Raleigh, for example.

PIT has been incredibly and uniquely fortunate to have had access to a large sum of gaming tax revenue—as provided by the state Legislature—and to have natural gas reserves on the property that are accessible through fracking that generates additional revenue. And in recent years, it received a special dollop of federal funds from COVID stimulus spending.

But what of the future? The war in Ukraine and its impact on fuel costs and the economy and demand for air travel, especially international travel, could be substantial over the coming months. At the same time, with the effects of COVID waning, there is reason to expect an increasing willingness to fly.

In short, the future for travel in the near term is facing a combination of unusual and hard to assess factors. At the same time, the fundamentals for passenger growth near term and long term at PIT are not very encouraging compared to many other areas of the country.

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